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LIST OF ABBREVIATIONS

ACLG	Assistant Commissioner of Local Government
CBO	Community Based organization
CC	Community Centre
CDLG	Capacity Development for Local Government
CLG	Commissioner of Local Government
CSO	Civil Society Organization
EU	European Union
FSLGA	Federation of Sri Lankan Local Government Authorities
GGRCs	Good Governance Resource Centers
GIS	Geographic Information System
ICTA	Information and Communication Technology Agency
IC	Individual Contract
IPMS	Integrated Project Management Systems
JSAC	Jaffna Social Action Centre
LAs	Local Authorities
LAPDPs	Local Authority Participatory Development Plans
LG	Local Government
LGAs	Local Government Authorities
LDSP	Local Development Support Project
LoA	Letter of Agreement
LMS	Learning Management System
M&E	Monitoring and Evaluation
MC	Municipal Council
MDTU	Management Development Training Unit
MIS	Management information system
OfERR Ceylon	Organization For Elangai Refugees Rehabilitation
PCU	Project Coordination Unit
PIU	Project Implementation Units
PSA	Professional Services Agreement
PS	Pradeshiya Sabha
RPA	Responsible Party Agreement
SDGs	Sustainable Development Goals
SoSC	State of Sri Lankan Cities
SLILG	Sri Lankan Institute of Local Governance
TAF	The Asia Foundation
ToR	Terms of Reference
UNDP	United Nations Development Programme
UC	Urban Council
WDC	Women's Development Centre
WIN	Women in Need

EXECUTIVE SUMMARY

In its third year of implementation, the CDLG project (2019 - 2023) was able to leverage the strong groundwork in capacity development support provided to local government authorities to facilitate more inclusive, accountable, and effective service delivery, responsive to the emerging needs on the ground. The ongoing economic crisis in the country served to further underscore the project's rationale of building a more responsive and accountable local government as imperative to strengthening public trust and providing a source of stability during political and economic turbulences.

The institutional and technical capacities of the LAs were strengthened to improve the efficiency of local government service delivery and ensure greater flexibility and responsiveness to changes in context.

Targeted capacity development plans have been developed at the LA and provincial levels for the Northern, Uva and North Central provinces following a comprehensive consultative process. 14,675 local government officials (7844 men, and 7057 women) have increased their capacity for organizational development, internal control management, and community service management following training. Local governments have been supported to become “fit for the future” as 55% of LAs (over 75 LAs) use either participatory planning, budgeting and automating office services tools (online and offline) introduced by CDLG¹ and have enhanced public engagement and expanded the role of LAs in local development as a result. Following capacity building and sensitization on leveraging social innovation approaches to development, all 134 Local Authorities have met the eligibility criteria for basic transfers and performance transfers.

CDLG is making progress in institutionalizing participatory local governance in the four targeted provinces, thereby helping to address challenges to local economic development and strengthen public trust in local institutions.

Participants through Community Centers have been empowered in understanding and utilizing local governance mechanisms through the capacity building of 13,348 participants. Greater participation of communities in decision-making was evidenced by the participation of 40% (at least 134 out of the targeted 336 CC) of the targeted community centers in participatory planning and budgeting mechanisms of LAs²(at least 1 CC per LA started to engage with the LA in planning and budgeting). This has helped ensure that public services are geared to meet the needs of the people as CCs have submitted several proposals outlining viable innovative interventions to address pressing issues (especially in the economic crisis context). Positioning local authorities as directly working to address issues on the ground in collaboration with communities has helped strengthen public confidence in governance institutions, especially at a time of low public trust in state institutions.

In particular, the project has strengthened the participation of women and youth in local decision-making processes.

1151 youth have increased their understanding of key issues including citizens' rights and local governance, and youth shadow councils and youth-led CCs have provided avenues to increase youth civic engagement. The voice and representation of women were enhanced through the training of 638 women councilors and support for 12 district-level women's council forums. As a result of which, 177 seed funds have

¹ CDLG Monitoring and Evaluation Data 2022 (including consolidated evidence from Quarterly Reports, field mission reports)

² CDLG Monitoring and Evaluation Data 2022

been provided to women councilors to undertake development initiatives to address the ongoing economic crisis.

The project has also increased accountability and transparency, especially in relation to audit compliance and financial management practices of LAs. 134 LAs are being supported to improve audit compliance in order to increase their transparency, reduce corruption, and facilitate increased institutional oversight of financial utilization and performance. 33% of LAs (45 LAs) have already demonstrated improved financial practices, which has enhanced vertical and horizontal linkages through improved knowledge flow on finances³. The economic crisis has brought state expenditure under greater scrutiny, and initiatives like these are instrumental towards reducing corruption and increasing transparency. Local authorities are also being supported to reduce dependency on central government funds through research into improving revenue generation; support for e-revenue systems in 4 LAs; and development of by-laws to enable LAs to perform optimally in this regard.

The role of local government in promoting sustainable and climate-resilient development has also been strengthened. An Analysis of mainstreaming Sustainable Development Goals (SDGs) at the provincial and local level study was completed and will support LAs in aligning current planning and budgeting procedures and budget format/structure to the SDGs. SDG Mainstreamed Mid Term Development Plans are being developed for selected 6 Municipal Councils and 6 Urban Councils. Local governments have also been supported to ensure resilient local development capable of withstanding disasters and climate change; local DRR Plans are being drafted for all 134 Local Authorities. Key principles from these plans have trickled down into local planning and implementation of services, for example, LA-initiated interventions on improving facilities such as search and rescue and community-based water management schemes. Additionally, four green city master plans have been developed with an additional four plans pending validation, following extensive multi-stakeholder and community consultations. LAs are committed to implementing recommendations from the plans, and for example, have already initiated projects to harness solar energy.

Ultimately, the project has made significant strides towards decentralization by facilitating a more active role of local governments in providing public services, planning and capacity development and in building local economic and climate resilience. Legal frameworks of target 134 LAs have been enhanced to perform services at an optimum level through the development of 150 by-laws which have enabled LAs to ensure more efficient revenue generation, service delivery and use of resources during crisis contexts. CDLG has also helped to consolidate and institutionalize new ways of working to facilitate inclusive, responsive, and efficient service delivery through the use of directives and committees. For example, directives were submitted to establish women's committees in Local Councils and the first-ever by-law advisory committee was established at the Ministry of Provincial Councils, Local Government to review and Fastrack the approval of bylaws.

2021 - 2022 was also a period of immense political and economic turbulence, as the country continues to grapple with the impacts of COVID-19 and the prevailing economic crisis. The socioeconomic and political crisis posed significant challenges to project implementation, as fuel shortages; power interruptions; limitations of working arrangements of government officers; political protests and curfews; inflation and rupee fluctuation adversely impacted the implementation of several interventions and led to delays in the approval of LA related acts in parliament. CDLG worked closely with the Ministry and the Department of Local Government Local

³ CDLG Monitoring and Evaluation Data 2022

Authorities in circumventing the challenges through exploring options such as hybrid training/meetings and strengthening local training resource pools to reduce dependency on external trainers.

The crisis has also exposed structural gaps in the country's economic, governance and social protection systems, which have pointed to the need for reforms, including reductions to state expenditure and transformation of the public sector to revive the economy. Against this context, the CDLG project was a timely intervention in piloting new ways of working and demonstrating best practices and innovative interventions that could be replicated across the country to support a more adept local government system responsive to the pressing and emerging needs on the ground. The Ministry of Provincial Councils and Local Government after learning more about UNDP's work in implementing citizen charters in CDLG provinces has initiated a national intervention to support the development of common citizen charters for local authorities in all other provinces in order to streamline processes to enhance service delivery and promote enhanced accountability and transparency. Furthermore, following the identification of the CAT 2020 e-system as the best performing system for online payment integration by the CDLG study on e-system mapping, the Ministry has submitted a Cabinet Paper recommending this system be replicated for LAs island wide. This is in line with the Government's 2023 budget which proposes LKR 200 million to be allocated for the implementation of a mandatory online payment system for government services. The Ministry has further requested UNDP's support to develop an e-payment system in the 134 LAs under CDLG provinces. Looking forward, CDLG will look to further support the Government of Sri Lanka as it applies learnings from the COVID-19 and economic crisis to reinforce democratic and accountable governance and expand the role of local governments in local development.

FINANCIAL OVERVIEW

The financial utilization stands at USD 8,324,549 against the total budget of USD 10,935,000 as of end of third year. A total of USD 4,837,480 was utilized under output 1. Under output 2, a total of USD 2,007,381 was utilized, while output 3 saw the utilization of USD 935,092. An indirect cost of USD 544,596 was incurred by the project as well.

The utilization of funds reported in detail under Annex 9 to the narrative report, is in alignment with the 7 budget categories under key activities highlighted in "budget description". This amount does not correspond to the sub activities detailed in the same table. Also, there are reductions in the cumulative expenditure of some budget categories in Annex 9, which is due to the vast depreciation of the local currency in 2022. Also, there are reductions in the cumulative expenditure of some budget categories in Annex 9, which is due to a vast depreciation of the local currency in 2022. This has resulted in savings through Purchase Orders created during the previous two reporting periods.

Under output 1, there is an additional utilization of USD 206,491 against the original budget. This is utilized on:

- Rendering additional support to LDSP under Key Activity 1.2 for hiring of an independent audit firm to conduct the performance audit of LDSP for performance transfers 1 and 2.
- Purchasing 134 tabs and 360-degree cameras for the implementation of Management Information System (MIS) of LDSP under Key Activity 1.2.
- Hiring two consultants to build the capacity of officials at the Department of Local Government in subjects such as project formulation and for assessing the feasibility of planning and implementation of development projects under LDSP under Key Activity 1.2.
- Allocating additional funds for COVID-19 response under Key Activity 1.3.
- Provision of 158 virtual communication equipment for Local Authorities, Department of Local Governments and Provincial Chief Secretary's offices. CDLG also provided laptops due to the institutions not having suitable laptops to run the virtual communication equipment under Key Activity 2.2.
- Provision of fiber optic internet connections to Local Authorities to improve their connectivity during the COVID-19 pandemic under Key Activity 2.2

In addition, CDLG focused on building the capacity of the communities, and hired 6 Community Service Organizations (CSOs) to strengthen the institutional and organizational development of the Community Centers (CC). This also focused on increasing the relationship between the communities and the Local Authorities through the selected CCs to enhance participatory, responsive, and accountable service provision. This cost more than expected. Further, CDLG introduced citizen's charter for all 134 local authorities with the support of the Ministry of Provincial Councils and Local Government to standardize their service delivery.

In 2023, USD 463,100 will be utilized for implementation of activities as detailed in Annex 4 under Output 1. The additional amount of USD 669,591 that is required for the completion of planned activities under output 1 is brought forward from the savings of Output 2 & 3. This is within the 25% transfer limit as stipulated in the contribution agreement.

Under output 2, there is a balance of USD 1,495,050 against the original budget. The majority of activities planned under key activities 2.2 and 2.3 will be implemented in 2023 as detailed in the budget forecast. A total of USD 421,842 is expected as savings under this output, which will be utilized for additional requirements under output 1.

Output 3 has a balance of USD 1,151,114 against the original budget. Most activities under key activity 3.1 and 3.2 commenced in 2022 and will be implemented in 2023. USD 247,749 is expected as savings under output 3, which will also be utilized for output 1.

The budget adjustments detailed above are all within the permissible budget tolerance levels stipulated in the contribution agreement.

KEY RESULTS AND PROGRESS

Outcome: Efficient, inclusive, gender-sensitive and accountable service delivery at elected local Government level [STRIDE]

LAs targeted by the project have improved access to services. An efficient, inclusive, gender-sensitive, and accountable mechanism of service delivery by establishing front offices, citizen charters and digital information platforms has ensured that services are easily accessible to all members of the community, regardless of their gender, economic status, or ethnicity.

Increased participation through the establishment of various physical and online platforms has encouraged participation and engagement of all members of the community, including women and vulnerable groups. This has paved the way to enhance transparency and accountability of LAs that lead to the provision of services which reflects the needs of the community. This also fosters trust and confidence between the community and governing structures.

An efficient mechanism of service delivery by supporting to engage the community in planning and budgeting processes of LAs have ensured that services are provided in a cost-effective and sustainable manner, leading to long-term development benefits for the community.

Output 1. Local planning and budgeting cycles, and local service delivery improved and are responsive to gender and marginalization issues

CDLG has supported a gender-responsive and participatory approach to planning for the entire cycle from design to implementation to monitoring and improved the efficiency, inclusivity, and responsiveness of local service delivery through strengthening the capacity of local government institutions; enhancing participatory planning approaches; improving systems and increasing data capacities of local institutions.

Capacities of LAs on efficient data management, participatory planning, and budgeting, including SDGs, gender and environment have been enhanced. 55% (over 75 LAs) of LAs use either participatory planning, budgeting and/or automating office services tools (online and offline) introduced by CDLG⁴. Targeted capacity development plans have been developed at the LA and provincial levels for the Northern, Uva and North Central provinces with the inclusion of gender equity measures. Additionally, self-sufficiency and the specialized nature of capacity development for LAs have been improved through the establishment of four general training resource pools and 5 sector-specific resource pools.

⁴ CDLG Monitoring and Evaluation Data 2022

Local authorities' ability to implement sub-projects for local socio-economic development and to deliver services in a participatory manner was also improved following CDLG's support for the implementation of sub-projects through basic transfers and performance transfers. All 134 Local Authorities have met the eligibility criteria for basic transfers and performance transfers following the capacity-building and awareness sessions.

Downward accountability of LAs and overall feedback mechanisms have been strengthened through increased awareness and engagement of local communities in local planning and development mechanisms. Community Centers (CCs) as key tools for facilitating community participation in development were strengthened; 13,348 participants through Community Centers have improved their associated skillset and are more engaged in local decision-making. Community-level and ward-level needs were analyzed, prioritized, and integrated into local plans following the completion of 330 out of 337 community-level needs assessments. Increased participation of constituencies including women, in participatory planning and budgeting of LAs, was showcased through the participation of 40% of the targeted community centers⁵. Grievance redress mechanisms have also been improved to support holding LAs to account in providing effective, equitable and inclusive services⁶. 20% of LAs (25 LAs- starting from UCs and MCs) have benefitted from improved grievance redress mechanisms (GRM) systems⁷.

Data capacities at provincial, district and divisional levels were increased to support improved access to information for LAs for evidence-based planning. All 13 institutes including 12 Good Governance Resource Centers (GGRCs) and the National Data Analysis and Visualization Unit (DAVU) at the Ministry are equipped with IT equipment for data collection, interpretation, and visualization for data-oriented policy formulation. A mechanism has also been established to feed data into DAVU at the Ministry Level from the GGRCs.

The voice and representation of women were enhanced through the establishment of 12 district-level women's council forums to better address pressing issues within their communities in decision-making forums. 638 women councilors increased their capacity for project cycle management and proposal development following training. 177 seed funds have been provided to women councilors across all provinces to undertake development initiatives to address the ongoing socio-economic crisis. Through these interventions, the project has catalyzed the participation of women and youth in civic and political spaces by creating opportunities for leadership of innovative development interventions addressing issues threatening economic resilience on the ground.

The efficiency, inclusivity, and responsiveness of local government service delivery have been enhanced, including through system improvements for several functions (from the front office to revenue collection to waste management) and capacity development support for LA officials. 75 LAs (55%) have established effective front office systems (where the public can get all information needed from the front office as a one-stop shop)⁸. This has increased the number of people (120 on average per month) that have received efficient

⁵ CDLG Monitoring and Evaluation Data 2022

⁶ CDLG Monitoring and Evaluation Data 2022

⁷ CDLG Monitoring and Evaluation Data 2022

⁸ CDLG Monitoring and Evaluation Data 2022

services as a result of enhanced front office systems. The time taken to cater a single service such as building/land permits has also been reduced from 3 days to 20 minutes (provided the clients furnish all documents). The project has also improved the implementation of disability accessibility regulations by LAs that improve access to services by persons with disabilities. 109 Disability and Accessibility audits were completed across the four provinces and at least 20% of the LAs adhere to the recommendations from the audit making them disability user-friendly and accessible.⁹ E-revenue systems established in Kalmunai MC have increased the collection of arrears by 10%.¹⁰ 35 digital Citizens Charters in Eastern Province have enabled citizens to easily access information on services provided. This has helped position local institutions as directly serving the needs of people on the ground, thereby building greater public trust and helping local institutions to act as a stabilizing factor during political and economic turbulences.

Key Activity Area 1.1: Conduct capacities mapping and develop capacity development plans.

Under key activity 1.1, there are 15 sub activities. During the reporting period, 3 sub activities were completed (1.1.7, 1.1.8, and 1.1.15), 6 are ongoing (1.1.9, 1.1.10, 1.1.11, 1.1.12, 1.1.13 and 1.1.14) whilst 6 were completed during the last reporting periods (1.1.1, 1.1.2, 1.1.3, 1.1.4*, 1.1.5 and 1.1.6)

Key achievements for Key activity 1.1:

- Digital transformation of government service delivery streamlined through the completion of the first-ever mapping of island-wide E-Systems at the subnational level. (Result of sub activity 1.1.4)
- Enhanced climate-resilient local planning through the completion of climate vulnerability analysis (result of sub activity 1.1.8)
- Evidence-based policy formulation and targeted capacity development of LAs ensured through mapping and capacity building of Good Governance Resource Centers (GGRC) (result of sub activity 1.1.10 and 1.1.11)
- A systematic approach to the capacity development of LAs ensured through the development and roll-out of capacity development plans (result of sub activity 1.1.9)
- Enhanced strategic guidance and result-oriented service delivery in line with national priorities through regular national and sub-national advisory committee meetings (result of sub activity 1.1.12)
- Improved self-sufficiency and specialized nature of capacity development for LAs through the establishment of capacity development networks and resource pools (result of sub activity 1.1.13)
- Strengthened role of training institutions for LAs through improved capacity and establishment of coordination networks (result of sub activity 1.1.13)
- Strengthened role of LAs in enhancing local economic development through identification of key priority areas for intervention (result of sub activity 1.1.7)

Following three sub activities were completed during the reporting period.

⁹ CDLG Monitoring and Evaluation Data 2022

¹⁰ CDLG Monitoring and Evaluation Data 2022

1.1.7. conduct sample assessment of LAs and their role in promoting local businesses (also refer sub activity 2.2.7)

CDLG-supported research on revenue diversification for LAs has provided a comprehensive analysis of the gaps within LAs in their role as ‘entrepreneurs’ in propelling economic development as an economic entity at the local level. Specifically, only a few LAs had undertaken commercial and industrial enterprises, and although there is substantial potential to contribute to local development by expanding urban areas, most LAs have not made any significant undertakings of new production or service ventures. LAs have not expanded their built-up areas for many years, although there has been a marked expansion of townships, urban areas, and cities during the last two decades. **Some key recommendations that the project will be taking forward** include undertaking new commercial and industrial enterprises by considering LAs as economic units which continually expand the urban areas to drive physical and human developments by investments. LAs will need to expand activities beyond the presently provided limited number of traditional services, and support to generate extra revenue and make regular investments.

Furthermore, collaborating with TAF, CDLG will conduct assessments including revenue generating capabilities, collection of arears revenue, and assessments on readiness on adoption of digital payments, and roll out a series of activities including the creation of revenue generation action plans for 134 LAs in the year 2023.

1.1.8. Support consolidation and visualization of findings from capacity and systems mapping, and assessments (including assessments conducted by partners) with GIS.)

Climate-vulnerable hotspots were identified following the completion of Climate Risk Vulnerability analysis in the four provinces in consultation with local communities in the previous reporting period. **This has helped to integrate climate-related data in local planning and decision-making to contribute to enhanced climate resilience at the local level.** The findings have been used to inform a GIS-based Web Information system and develop tools for visualization.

For example, informed by the results of the analysis, the disaster response capacity of LAs in climate-vulnerable hotspots in Uva was strengthened through the procurement of essential assets (10 and 40 water storage tanks) to establish emergency response units in LAs. This will help strengthen the entire system of emergency response in local government, including the Disaster Management Centers (DMC) in district secretariats. Strengthened capacity of Fire Officers in Search & Rescue was also ensured through the completion of a five-day training programme in March 2022 based on the Climate Vulnerability Study. Additionally, technical officers attached to LAs on retaining wall construction, culvert construction, slabs and other infrastructure were conducted with the Centre for Housing Planning and Building which **will improve the disaster risk reduction capacity of LAs, in line with the Climate Vulnerability Assessment.**

1.1.15. Conduct capacity assessment of potential implementing partners and establish a roster

This activity is now complete. The roster has been created for future references.

Below are details of six sub-activities which are presently ongoing. Also included sub activity 1.1.4 which was reported completed in the previous reporting period. However as recommended in the MTR, the printing of translated reports is underway to be provided to the targeted LAs.

1.1.4*. Conduct mapping of existing systems related to functions and service delivery (such as information management systems, front office, revenue etc.) (also connected to sub activity 2.2.7)

As reported in the previous reporting period, the Study on Subnational Governance e-system mapping in Provincial and Local Government Institutions was completed. However as recommended in the MTR, the printing of translated reports is underway to be provided to the targeted LAs.

Furthermore, linked to the activity 1.1.4, CDLG is working with the Information and Communication Technology Agency (ICTA), the Ministry of Provincial Councils and relevant government and development partners on leveraging insights from the study (as detailed below) to digitalize public administration; address disparities in the usage of e-Government between national and subnational levels; and reduce the digital divide to promote access and use of e-Government among all groups, including persons with disabilities, youth and women. Implementation of suggested improvements to E-Systems will go a long way towards facilitating a more active role of local governments in providing public services, revenue generation and resource allocation and ultimately contribute to enhanced economic growth and greater downward accountability to the people. Although reported as completed during the previous reporting period, this year, to implement the recommendations, as a first step, the project is working on proof reading and printing the reports. This activity will continue during the next reporting period, where the implementation will be reflected under 2.2.7 and 1.3.7.

The study provided a detailed analysis of the institutional and technical challenges and gaps for adopting the E-Systems at subnational and LA levels; prevailing set-up, usage, efficiency, linkages, and benefits of available E-Systems; best practices that would enable access to all, including persons with disabilities, youth, and women; and policy analysis of impediments at the legal and policy level.

Some of the key recommendations that emerged from the study are outlined below, and UNDP presented the study's findings to the ICTA, and the Ministry of Provincial Councils and Local Government (MPCLG) to explore the implementation and follow-up of recommendations from this study.

- Develop an ICT road map covering all the provincial institutions and LAs detailing objectives, strategies, and targets after conducting a thorough assessment of resource requirements for reaching the targets
- Resolve the issues related to human resource unavailability to operate E-Systems, ICT procurement and ICT project management through institutionalizing change management processes, training and development of staff and implementing quick win software projects.
- Replicate the CAT 2020 e-system (comprising 28 services/modules including online payment integration), developed by the Wayamba Development Authority across all other local authorities. The Ministry has already submitted a cabinet paper on implementing the system island-wide

following discussions and CDLG has agreed to assist in implementing the CAT 2020 system in CDLG provinces.

- The Mankiwwa mobile application was identified as a high-performing grievance management system and may be replicated in other CDLG provinces.
- Establishing websites and social media pages for all LAs to provide at least interactive information. The initial design and prototype of the website have been developed and shared with the field-level coordinators of CDLG for onward sharing with LAs. This will be followed by provincial-level validation workshops to finalize the templates. The project is also supporting the development of social media pages for all 134 LAs and initial training has been completed for 163 government officials and will be followed by one-on-one consultations for the development and optimization of pages.

1.1.9 - Based on the findings of capacity assessments, in collaboration with SLILG, MDTU, CLG, etc., develop integrated capacity development plans, areas for learning by doing, and learning trajectories

CDLG has strengthened the capacity, strategic planning, and coordination mechanisms of Sri Lanka Institute of Local Governance (SLILG), the Management Development Training Unit (MDTU), Department of Local Government, Commissioner of Local Government (CLG) and the Assistant Commissioner of Local Government (ACLG) in facilitating their active engagement in developing the capacities of LAs. The development of a strategy plan, a learning management system, a joint resource pool and the development of training and knowledge management products were some of the key initiatives implemented to this end during the reporting period.

SLILG developed their Corporate Plan 2021-2025 and implemented key priority recommendations project support, including a budget allocation to develop 6 administrative modules for SLILG to streamline finance, HR and other key processes, and technical support to establish and position expert committees for the institution. CDLG has also identified internal staff of SLILG and MDTUs to be trained on e-content development and has hired a consultancy firm to train them in adopting learning by doing theoretical models. Though we have reported this as “completed” in the previous report, during this reporting period, collaboration with Sri Lankan Institute of Local Governance (SLILG) and the four Provincial Councils and CDLG led to improvement in efficiency, knowledge, and attitudes of 3753 officials (1634 women and 2119 men) including gender sensitivity in delivering services to public. The Agreement with SLILG was extended for 2023 to cover extra capacity building programs as informed by the TNA done by SLILG in late 2021. This is an ongoing activity.

An agreement was established with ICTA to develop and host a Learning Management System for SLILGs and 4 MDTUs, which will enhance collaboration between these institutions in relation to resource sharing, expert sharing, and strategic partnerships. MDTUs and SLILG have already developed their own resource pool and CDLG has supported them to enhance their skills by conducting TOTs.

As per the recommendations from the study on policy and operational framework for GGRCs, a working relationship between GGRCs (under the purview of ACLGs) and other training providers was established in terms of implementing a training need assessment, planning, and training delivery.

A network of Resource Persons ‘Sharing and Support Forum’ of the Audit Consultants, developed a draft Audit Resource Book as a joint product based on their engagement with Local Authorities. ¹¹

Leveraging the insights from the capacity assessments, diagnostic studies, and data validation of specific capacity gaps at the LA level (conducted in the last reporting period), CDLG has completed the development of comprehensive and targeted capacity development plans at the LA and provincial levels for the Northern, Uva and North Central provinces. **This marks the first time that LAs and the Department of Local Governance (DLG) developed their own capacity development plan and were able to increase their understanding of key capacity-related issues, generate practical solutions to address these gaps strategically and establish benchmarks for capacity development.** Implementation of the plans is expected to strengthen the individual, institutional, organizational, and societal capacities of LAs to strengthen the role of LAs in inclusive and targeted service delivery. These plans will be assessed and updated in 2023.

Local government service delivery was made more inclusive, responsive, and effective to ensure that they directly address the needs of local communities through 348 trainings conducted for 14,675 local government participants (7844 men, 7057 women) on organizational development, internal control management, and community service management, in collaboration with Sri Lankan Institute of Local Governance (SLILG) and the four Provincial Councils. Please see the table below as well as Annex 6 -Details on Capacity Development Initiatives for more details on capacity building and gender breakdown. **Service delivery functions of LAs have been improved through the utilization of enhanced skills and capacities in both technical and non-technical areas in their day-to-day functions, including improved procurement procedures, gender-responsive budgeting, use of ICT applications, office management and project management practices.** Capacity building has helped to improve local planning and budgeting to ensure that they are responsive to gender and marginalization issues. The increased potential for the utilization of disaggregated data on gender-responsive budget allocations will result in improved measurements of the gendered impact of reductions in allocations in key sectors and inform gender-sensitive policymaking. For example, following project interventions, a gender-responsive budget was created for the Kinniya Municipal Council which resulted in budget allocations for women and child welfare-related interventions, including the establishment of a breastfeeding space for mothers within the LA building. Additionally, in Uva Province, although user manuals were already developed (with processes and template etc provided), they were not utilized properly. Following 18 days of rapid intensive training to the newly appointed LA Secretaries (provided before assumption of duties) has helped prepare them for their work in the respective LAs as well as capture institutional memory better.

Thematic Areas	No of Trainings	Men	Women	Total
Organizational Development including Resilient Planning	348	5611	5531	11142
Internal Control Management (Finance, Procurement and Audit)		549	513	1062
Revenue Management		336	232	568
Community Service Management		1071	701	1772
ICT		90	41	131
Total		7657	7018	14675

¹¹ For further information about CDLG’s intervention on improving audit processes of LAs, please refer to Output 3, Key Activity Area 3.2

In addition, UNDP has entered into agreements with the Disaster Management Centre (DMC), the Chartered Institute of Accountants (CA), and the National Library and Documentation Services Board of SL and ICTA in order to support project capacity-building initiatives and to strengthen internal control systems through systems development (relating to financial, audit, procurement, e-library services etc). CDLG will support taking the services of these national-level institutions, such as the National Library and Documentation Services Board of SL, Department of Valuation, DMC and the Local Loans And Development Fund to the local level to ensure continued service delivery.

Enhanced participatory planning and creative problem solving were facilitated following the development and dissemination of 88 targeted knowledge products on key thematic areas for LA governance (including auditing, gender-responsive budgeting, community engagement, project appraisal processes, public finance management and procurement) to standardize training. A list of the knowledge products is outlined in Annex 7 - List of Knowledge products and summarized below.

Thematic area of knowledge product	Number of knowledge products in total
Organizational Development including resilient planning (includes areas such as LA laws and procedures, project appraisal processes, file management, service provision, project management, and soft skills)	9
Internal Control Management (including finance, procurement, audit, revenue management)	63
Community service management (including grievance handling, solid waste management, strengthening community organizations)	16
Total	88

Additionally, several diploma and technical certificate courses were supported by the project as captured in the graphic below. This has helped to provide certified and recognized capacity building for LA officials.

DIPLOMA AND CERTIFICATE



	Diploma in Tech of Waste Management	 10  42		Dip. in LA Financial Management	 28  21
	Primavera Project Management	 10  42		Certificate in Construction	 03  12
	Dip in Community Development	 90  00		Pre School NVQ level 4	 58  00
	Total Station & AutoCAD for Engineering Surveys	 00  06		Training of Trainers Professional Certificate	12 17
	Dip in Community Development	 00  06		Training of Trainers Professional Certificate	08 15
	Dip in Local Governance	 24  26		Distance Learning Centre	 63  77

TECHNICAL CERTIFICATES



	Bio Charcoal Development	 21  27		GIS & Remote Sensing	 03  23
	Vehicle Maintenance	 03  23		Java Open Street Map	 15  22
	Engineering Lab Equipment Handling	 05  24		InforBoomi (Land use management)	 05  25
	Leadership Training	 00  06		Production of Liquid Fertilizer	 05  25
	Fire and Rescue Profession Training	 10  42			

1.1.10. Organize workshops for SLILG, MDTU, CLG and the Good Governance Resource Centre (GGRC), on implementing, review/monitoring, of capacity development initiative (also refer key activity 1.4)

District-level GGRCs are key institutions for supporting LAs with capacity development in participatory project planning, prioritization, and budgeting etc. GGRCs were strengthened to act as the provincial hub for data management, to ensure that the Data Analytics and Visualization Unit (DAVU) being established at the MPCLG, has access to comprehensive and up-to-date data for policy formulation. To that end, data units were

established at GGRCs in the Northern Province (5), North Central Province (2), Uva (2) and Eastern Province (3). Training and other activities related to integration with DAVU will happen during Q1 and Q2 of 2023. Additionally, the GGRC in Badulla was further strengthened through the digitalization of service provisions in the local government sector and the center was converted into an ICT hub.

CDLG also commissioned a study to develop a policy and operational framework for the GGRC in 2022 and accordingly supported the provincial councils to position GGRC as a training arm and information hub for Local Authorities. Assistant Commissioners of Local Governments deployed a minimum of two staff for each of the GGRCs and CDLG provided equipment such as laptops, digital displays, and multimedia to GGRCs to streamline the operations. **Strengthened capacity of GGRC is instrumental towards enhancing the scope and role of LAs as the primary instrument for delivering services to the people and will therefore enhance the process of decentralization.**

1.1.11. Strengthen (trainings, learning by doing by organizing trainings for LAs) the capacity of Good Governance Resource Centers to serve as repositories and training facilities (linked to 1.1.10)

As mentioned under 1.1.10 the CDLG project conducted an initial assessment of 12 GGRCs and is currently supporting them to strengthen their capacities through the provision of essential equipment such as recording equipment, translation equipment, smart screens, furniture, etc. This will allow for improved coordination and delivery of training in collaboration with MDTUs and SLILG. The project expects to build the capacities of the GGRC to act as the provincial hub for data management, so that DAVU, which is being established at the MPCLG can obtain data for evidence backed policy formulation.

In view of this, GGRCs in NP (5), NCP (2), Uva(2) and EP(3) received support to establish data units. Trainings and other activities related to integrating with DAVU will happen throughout Q1 and Q2 of 2023. This is an ongoing activity.

1.1.12. Establish advisory boards in the four provinces to review capacity development plan implementation through the project cycle

Following the establishment of four provincial-level advisory committees in the previous reporting period, 7 provincial Advisory Board meetings (2 per province, albeit for North Central Province where only 1 meeting was held) were held to review progress in the targeted province, including implementation of capacity development plans, and advice CDLG on the next steps. For example, during the project-level steering committee meeting held in the Eastern province with the engagement of the Commissioner for Local Government and representatives from the Provincial Planning Secretariat and other stakeholders, key project progress and bottlenecks were discussed including amendments to the LOA in relation to changes in Government priorities due to the economic crisis. Additionally, decisions were also taken to implement and scale up crisis response efforts, including the provision of home gardening supplies and training to mitigate the impacts of rising food insecurity in line with the Government's 'Haritha Deyak' National Home Gardening 2022 initiative.

Additionally, two STRIDE Steering Committee (SSC) meetings were held in December 2021 and September 2022, which provided an opportunity to identify synergies between subprojects, further refine the logical

frameworks of the three projects and outline strategic areas of focus in relation to the prevailing socio-economic crisis. This platform also provides the projects under STRIDE a space to discuss and sort out bottlenecks in the implementation of the respective projects.

1.1.13. establish capacity development network to guide roll out capacity development plans)

Four general training resource pools and 5 sector-specific themes (i.e., Gender, Community Development, Revenue Generation, Budget Formulation, Public Information Dissemination and Social Innovation) were established. Targeted Trainer of Training (TOT) programmes were conducted on key thematic areas and a strategy will be developed to further utilize the resource pool.

The Community Development Officer (CDO) resource pool has completed 75% of the training earmarked for CCs in the NCP¹², thereby contributing to strengthened CCs and increased awareness of the role of LAs following greater interactions between LA and Provincial Council staff. Furthermore, strengthened CCs have been able to build greater trust in the community towards elected administrative officials at a time of low public trust in state institutions. In Uva, members of the Gender Resource pool have contributed to mainstreaming gender aspects for the 5-year Provincial Strategic Plan as well as gender-sensitive budgeting following the incorporation of the resource pool into the sectoral working committee. **The resource pools are an integral part of the project's strategy to ensure the sustainability of the intervention, as they act as master trainers for the respective LAs, reducing reliance on external trainers, and cascading the sector-specific best practices into strategies and plans developed by the LA.**

1.1.14. Review and update results framework (finalize indicators, baselines, and targets of the project)

Though this activity was reported as completed in the previous Annual report, review of RF will take place in the Q1 of 2023, taking into account the inputs from the ROM and MTR findings and recommendations.

Key Activity Area 1.2: Conduct capacity building on planning and gender-responsive budgeting, and for utilization of basic and performance transfers

Under key activity 1.2, there are 8 sub activities. During the reporting period, 3 sub activities were completed (1.2.2, 1.2.3, 1.2.4) 4 are on-going (1.2.5, 1.2.6, 1.2.7, and 1.2.8). One activity was completed during the 2020 reporting period (1.2.1).

Following key highlights reported for the year 2022 under Key activity 1.2

- The role of LAs in local social and economic development was strengthened through an improved capacity to meet criteria for basic and performance transfers following tailored capacity development support (result of sub activity 1.2.2 and 1.2.7)
- Strengthened capacities of LAs on planning and gender-responsive budgeting following completion of integrated training programmes and development of targeted knowledge products (result of sub activity 1.2.5)

¹² CDLG Monitoring and Evaluation Data 2022

- The role of LAs in promoting sustainable and resilient development is being enhanced through the ongoing development of SDG-integrated provincial development plans (result of sub activity 1.2.6 and 1.2.8)
- Capacities for inclusive governance enhanced through targeted training of first time councilors including women and youth (result of sub activity 1.2.5)

1.2.2. Raise awareness of basic and performance transfers among officials and at community level (in collaboration with LDSP)

The Local Development Support Project (LDSP) has decided to grant performance transfers to all 134 Local Authorities, with the final amount granted dependent on performance. CDLG will continue its targeted capacity development to ensure all the LAs become fully eligible to secure the highest grants by LDSP. **By increasing the ability of LAs to implement sub-projects on improving social and economic infrastructure, the project's efforts are instrumental towards building a more accountable and responsive local government that can garner greater public trust in institutions during a time of low and declining public trust amid the economic crisis, poor (national and devolved) Government performance and widespread accusations of corruption.**

134 grants were awarded following a competitive process and will be utilized towards social and economic infrastructure development projects, especially on crisis response activities, and improvements to LA facilities such as markets, harnessing of solar energy projects etc. The best-performing LAs for the grant implementation support were identified following a baseline study conducted by the University of Jayawardenapura and the results from the project's mid-term evaluation report. Under the guidelines for the selection of activities, the projects will be assessed according to relevance to five objectives to be achieved under the emergency response i.e., an enabling environment for local economic development; strengthening food security; access to services; creating opportunities for enhancing foreign reserves and improving institutional performance for service delivery.

As a result of capacity development trainings conducted by CDLG, 100% of the LAs have already fulfilled the basic eligibility criteria for basic and performance grants. CDLG will continue capacity building to ensure all the LAs become fully eligible to secure the highest grants by LDSP.

1.2.3.- Develop education materials on SDGs, participatory planning, creative problem solving, etc., (linked to 1.2.6 , 1.2.8, 1.5.5)

CDLG has printed 3000 trilingual pocket booklets on SDGs to be shared at capacity development initiatives. Under community engagement 6 CSOs are directed to develop Information Communication and Training (ICT) materials on SDG to sensitize community centers and citizen

1.2.4. - Organize peer to peer exchange and learning trajectories (visits to other wards/ LAs) for LA officials and community members related to participatory planning, subproject implementation (including

procurement) and innovative solutions to be financed through basic and performance transfers and service delivery.

During the reporting period, 3 exposure visits were conducted between LAs for local officials to understand the scope of projects and best practices in relation to the implementation of projects utilizing performance grants. This has helped to capture and institutionalize the lessons learned with a view on increasing the utilization of transfers for local development. Following an experience sharing workshop for the Wayamba Provincial Council (hosted by Uva LAs/PC) on mapping local authority roads, supported LA officials improved their understanding of mapping of built-up areas to expand taxable areas, and have initiated the preparation of related Gazette Notification as a result (participants 61; women 21). **As a result of the mapping of built-up areas, LA's revenue base is improved.**

The following four sub activities are on-going:

1.2.5. Organize customized and targeted training (including related to resilient local development) for first time Councillors (including women and youth) at LAs (through CBOs, MDTU, GGRC etc.

"SEED fund from the CDLG project was a golden opportunity for the newly elected women councilors to get a hands-on experience on the government development process and sharpen their leadership skills which will highlight them in a highly competitive arena"

*M.M. Wijenayake
Secretary to the Governor & Commissioner of
Local Government – Uva Province*

35 Trainings on Project Cycle Management and proposal development were conducted for 610 women councilors, helping them to increase their capacity for project cycle management and Proposal development following training, which has helped to ensure greater female representation in decision-making and local development interventions. For example, in the North Central Province, following training on proposal development, 19 LA project proposals (out of 27) submitted by women councilors were accepted for seed funding showcasing their enhanced skills in

project identification and project proposal development.

An online portal for participatory budgeting for LAs is being tested and under improvement for increased accuracy and monitoring by CDLG with the support of The Asia Foundation.

1.2.6. organize joint workshops for LAs and deconcentrated units to familiarize/refresh on SDGs, SDG prioritization at the local level, planning and budgeting processes- including gender responsive budgeting, participatory processes and use of web and digital tools

3 trainings were conducted in 2022 to provide basic understanding on SDGs for LAs. Furthermore, the following manuals are being developed:

- Online Manual on Public Information Dissemination
- Revised LAPDP Manual incorporating SDG

An initial discussion with the Director General of Planning at the State Ministry of Provincial Councils and Local Government was held to revise the LAPDP process manual to incorporate the SDGs.

Following activities are also being done to enhance the capacities for budget preparation and management at LAs with the support of TAF:

- Data for analyzing the budget during 2017 – 2022 gathered
- Online budget analysis template is developed
- Online data collection tool is developed and data collection of 134 LAs completed
- Online budget summary preparation tool is developed

Participatory Planning and Budgeting sessions in North, Uva and East has begun, where 11 workshops are completed with the participation of a total of 208 participants including 103 women & 57 youth.

This will continue into the next reporting period.

1.2.7. Develop checklist or dashboard for participatory tracking of LAs on meeting the criteria for basic and performance transfers

During the last reporting period TAF was hired by LDSP to develop the checklist. This is being developed at the moment. Specification for the online database for data collection and analysis for PERFECT 2 is completed. The purchase of 134 tablets and eight 360-degree cameras to support the implementation of MIS for LDSP was also completed. As agreed with the EU and the world bank, CDLG hired an ICT coordinator to support overseeing the MIS implementation and provide user trainings. At the moment, 5 Manuals for the user trainings are being developed. CDLG also hired an independent consultant firm (Jaffna University) as independent auditors to assess the performance of LAs to qualify for the performance transfers. The auditors have concluded 2 assessments as of now. This is an ongoing activity.

1.2.8. Integrate SDG related activities into local and provincial plans

SDG Mainstreamed Mid Term Development Plans are being developed for selected 6 Municipal Councils and 6 Urban Councils to localize Sustainable Development Goals (SDGs) into their development plans in partnership with Marga. SDG-integrated development plans are being developed for all 12 selected LAs, where the process and structure for the plans have been determined, following a learning-by-doing approach to strengthening the role of LAs in promoting sustainable and resilient development. The consultancy has also revealed the low levels of capacity for results-based planning within LAs.

An Analysis of mainstreaming Sustainable Development Goals (SDGs) at the provincial and local level study was completed. The study provided detailed insights into current planning and budgeting procedures, financial commission guidelines, and budget format/structure at Provincial and Local levels as well as the alignment between planning/budgeting and the SDGs. The pattern of resource allocation for SDGs, gaps in alignment, and capacity gaps of SDGs in officials involved in the budget formulation process were some of the key content covered by the study. As a result of this study, LAs will be able to ensure SDG integrated budgeting and planning through the use of templates and guidelines provided by the report.

CDLG will continue to provide technical support to update the Local Authority Participatory Development Planning (LAPDP) process. A report on the implementation of LAPDP in LAs is being prepared based on the results from a questionnaire administered on the current status of the application of LAPDP. Consultations at the provincial level (for all 4 provinces) have been completed to incorporate more participatory and consultative planning approaches and tools. Local authority participatory planning manuals are being revised to incorporate SDG-related activities which will support the further streamlining of the SDGs into local planning. Initial discussions with the Director General of Planning at the State Ministry of Provincial Councils and Local Government were completed to revise the LAPDP Process Manual by incorporating the SDGs.

The capacity of local government officials for the application of SDGs in LG planning, implementation and reporting was strengthened in the Eastern Province following training. Additionally, a two-day training workshop on the alignment of SDGs with LAs development activities in NCP were held. Likewise, the second Phase of SDG integrated data visualization and citizen-centric reporting workshop-in Uva was conducted. **Capacity development and support for the development of SDG-aligned planning activities provided expert guidance to local staff on their role in contributing to the achievement of SDGs at the local level.**

Key Activity Area 1.3: Develop and utilize tools to enhance participatory, responsive, and accountable service provision, and simplification and visualization of planning and budgeting processes.

Under key activity 1.3, there are 11 sub activities. During the reporting period, all sub activities are on-going (1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7,1.3.8, 1.3.9, 1.3.10, 1.3.11)

Key highlights of Key activity 1.3 during the reporting period

- Enhanced downward accountability of LAs through strengthened feedback mechanisms (including grievance redress mechanisms) (result of sub activity 1.3.6 and 1.3.7)
- Greater transparency and improved inclusive and representative local decision making through strengthened systems and mechanisms for citizen participation (result of sub activity 1.3.4 and 1.3.5)
- community centers revitalized to support community empowerment, socioeconomic development and participatory decision making (result of sub activity 1.3.1)
- Strengthened public engagement in enhancing local service delivery through the establishment of digital outreach mechanisms (result of sub activity 1.3.2)
- improved efficiency and effectiveness of service delivery through enhanced digitized systems as well as offline improvements for revenue collection, internal office management, waste management, public library automation etc. (overall result of 1.3.5)
 - Systems to generate revenue and reduce expenditure
 - Front office systems
 - E-library Facilities
 - Waste Management
 - Systems to address Internal HR-related grievances
 - Discrimination against LA-employed pre-school teachers was addressed through the development of standardized job descriptions and qualification levels for pre-school teachers
 - Work Manuals
 - Service Tracker

- Improved Disability Access
- Improved administrative processes

1.3.1. Train community-based organizations and civil society organizations to raise local awareness on local development planning, social audits etc. (linked to LDSP and British Council work with select community forums

Several tools were developed to enable the participation and prioritization of community and ward-level needs in LA plans and decision-making and to ensure a systematic social accountability system through the streamlined engagement of community organizations. The increased participation of constituencies including women, in participatory planning and budgeting of LAs, is evidenced by the participation of 40% of the targeted community centers in decision-making¹³. 14 out of the planned 200 participatory platforms have been established across all 4 provinces to support the active engagement of CSOs and community members, including vulnerable and marginalized communities. Additionally, 55% of LAs use participatory planning, budgeting, and automating office services tools (online and offline) introduced by CDLG¹⁴.

- **Community centers revitalized to support community empowerment, socio-economic development and participatory decision making**

Community centers (CC) provide a facility and platform to organize community engagement and coordination in addressing grassroots-level issues. **13,348 participants (7943 women) have strengthened their organizational capacities and engagement in social accountability interventions following 568 trainings completed for 337 CCs.**



Idea generation training, with key members of 10 Community Centres in Karaveddy.

As a result of all these training programs, participants increased their knowledge of CSO management, micro-finance, event management, accounting, budgeting, and disaster management etc. 24 consultative meetings were held to establish CC-level Participatory Consultative platforms. Community-level and ward-level needs were analyzed, prioritized, and integrated into local plans following the completion of 330 out of 337 community-level needs assessments. Agreements with CSOs were amended to include

the activities related to establishing a network (devolved and deconcentrated) and developing Ward Level Needs Assessments to ensure sustainability. The vision and mission statement of 336 CCs were revised with inputs from the Department of Local Governments. 4 (out of the targeted 48 pilots) community participatory platforms were established for the community to voice their concerns directly with the LA and receive responses. These forums also include officials from other government-deconcentrated units.

¹³ CDLG Monitoring and Evaluation Data 2022

¹⁴ CDLG Monitoring and Evaluation Data 2022

Following capacity building, CCs have been empowered to take on more active roles in community development. In the Northern province, 44 CCs have now appointed new representatives and regularly conduct general meetings (previously zero meetings were held). In Vavuniya, the number of CCs that have women in leadership positions has increased from 4 to 11 out of 16 CCs, following revisions to the constitutions of CCs calling for a higher female representation at the executive level. This has also translated into active civic engagement, for example, 4 CCs in the North utilized the RTI mechanism to receive information on community grievances. 21 proposals for community development were developed and submitted to LAs (25% of which received a favorable response¹⁵). 68 Action groups created across 38 community centers in the North have started to identify and address resolvable problems in the community, contributing to the renovation of 11 community halls, the establishment of 7 Public libraries, and the identification of 6 Pre Schools to be set up. CCs have also become more sustainable through the collection of membership fees. Enhanced coordination mechanisms were also witnessed through the utilization of WhatsApp groups for CC members. CCs have also taken the lead in advocacy for language rights; for example, the Vavuniya South Tamil Pradesh Council issued a road repair contract agreement in Tamil following requests from the Ellalan Community Center. **Following training on democratic participation, members from four respective CCs in Vavuniya and Mannar UC participated in the Annual budget meetings, showcasing increased civic engagement.** In Vavuniya UC, following the training provided by CDLG, each of the 4 CC submitted 5 proposals, totaling 20 proposals in all. Out of which 5 proposals were finalized and approved in the 2023 annual budget of the Vavuniya UC.

1.3.2. Improve and/or develop mechanisms/tools to enable participation of different stakeholders (including digital participation platforms)

The project is also working on supporting LAs to improve their citizen outreach and mechanisms for public feedback on service delivery through updates and extensions to their websites and social media accounts. CDLG is currently capacitating officials in the creation, improvement, and maintenance of official social media accounts for all 134 LAs and 4 Department of Local Governments in North, North Central, Eastern, and Uva provinces. 163 Local Government officials (including development officers, Management assistants, ICT officers etc) across all 4 provinces increased their awareness of social media best practices in terms of **creating pages, effective content generation, posting schedules and media ethics.** CDLG is now conducting one on one consultations with the LAs on optimizing their social media strategy for enhanced citizen engagement (covering areas such as effective content generation, posting schedules and media ethics).

CDLG is also supporting the development of websites for all 134 LAs, and the implementing partner, Arimac, has shared the 10 updated templates for websites of Municipal councils (2 templates), Urban councils (2 templates), Pradeshiya Sabhas (4 templates) and Departments of local governments (2 templates) for 134 local authorities and 4 departments of local governments in the project provinces to ensure an engaging web interface with easy-to-use functionalities for the public. The field coordinators are in the process of sharing these templates with the LAs to get their feedback and Provincial level workshops will be held to validate these templates. CDLG expects 10% of the LAs will have access to their own system by September 2022 and the remaining 10% will have access by December 2022.

¹⁵ CDLG Monitoring and Evaluation Data 2022



A participatory model Arimac workshop was held in North Central Province.

24 consultative meetings were completed to establish 48 pilot CC level Participatory Consultative platforms. 4 are already established in the Northern Province. This platform provides a number of benefits for the community members, including discussing their needs, lodging complaints and receiving feedback in real time as this platform includes the participation of representatives from devolved and deconcentrated units.

Use of WhatsApp groups among the CCs (8) in Uva and Northern province provided a good digital platform for CC members to discuss their needs and issues. Members from administrative and elected offices of LAs are also part of this social media group. This is an ongoing activity.

1.3.3 Improve analysis and prioritization of community level and ward level needs (including information about disaster risks) and integrate it into local plans

Out of 337, 330 Community level (CC level) needs assessment were completed. The Agreements with CSOs were amended to include the activities of establishing a network (devolved and deconcentrated) developing the Ward Level Needs Assessments. This is an ongoing activity.

1.3.4. Improve/develop and use of planning and budgeting tools (with an emphasis on visualization, allocation and utilization tracking down to ward and community level), in line with LDSP, and in collaboration with central and provincial institutions on planning and budget (linked to 1.4.3)

The following activities were initiated to support the achievement of enhanced planning and budgeting tools and will continue through to 2023. Estimations for budget preparation were identified following an analysis report on costing of services in 134 LAs and guidelines for preparing realistic budgets were initiated. A needs identification through Electronic Citizen Report Cards (eCRC) was initiated, following which an online portal for administering eCRC, a manual on eCRC and its applications, eCRC reports for 134 LAs, as well as a separate report on specific needs identified for women, people with disabilities, senior citizen and youth were initiated. Support was also provided by the CDLG project to draft the 2022 Annual Budget following preparation of budget analysis reports for 134 LAs, and key budget indicators for 134 LAs and a web-based budget management portal for LAs will be developed. In order to enhance budget tracking and monitoring capacities of LAs, budget tracking templates for LAs were initiated and CDLG will also support an online budget management and analysis tool to streamline budget analysis. UNDP further facilitated LA budget preparation and management processes following support to develop an action plan for budget preparation and management for 134 LAs and have initiated the development of a 30-hour online capacity building module on 'Preparing and Managing LA Budgets' and will create at least 60 master trainers at LGRCs to engage in capacity development in LAs for budget preparation and management.

1.3.5. Develop service tracker to log requests for services, time taken for services (disaggregated by age and sex), etc., to improve efficiency and effectiveness)

Service delivery of local government institutions was significantly enhanced through the introduction of digital systems, including internal office management systems, front office management, waste management systems etc. **This has helped ensure more efficient, integrated and prompt service delivery, and has helped establish LA institutions directly serving the needs of the people on the ground.** For instance, Uva has a home-grown system which is context specific and locally developed. This system is in the process of being standardized. They have identified 15 modules to be developed, covering areas such as LA internal administrative system support (related to service improvement of public services), HR management, finance, staff leave and training management, digital document depository (internal), tax payments, library service, grievance management services

- **E- Systems to generate revenue and reduce expenditure**

CDLG's support of the tax digitized collection systems in the East (Kalmunai MC) has enabled the LA to streamline and increase the collection of arrears by 25%¹⁶. Three additional LAs in the Eastern Provinces have completed the initial processes to install the digitized tax collection system. Additionally, streamlining the payroll system by digitizing has enabled the LAs in Uva to monitor salaries and avoid unnecessary expenditures.

- **Front office systems**

CDLG has introduced and promoted the Citizen's Charter (CC) to improve service delivery of the local government authorities. CC empowers citizens to obtain better services from the government by ensuring 'Citizens' Right to Service' through standardizing service delivery to promote improved transparency and accountability. It provides a written declaration and commitment towards providing all services and functions offered by government institutions efficiently, according to declared quality and standards. Citizen charter development is underway in Uva, East (10 out of 45 LAs remaining), North and North Central Province. 133 LA officials increased their understanding of the Citizen Charter across 3 provinces (East, North and Uva) following awareness-raising sessions. 35 digital citizen charters were established in the Eastern Province for citizens to easily interact with LAs and learn about the services offered. CDLG is also updating the citizens charter and LA-level workshops have commenced to reengineer the work process, develop citizens charter manuals and display boards and prepare common client manuals for LAs.



Participants at the Citizen Charter Induction Workshop held in Anuradhapura

Through this process, CDLG supported re-engineering the processes followed by LAs to deliver public services and proposed optimized processes with re-defined steps for the LAs to adopt (i.e., removing unnecessary process steps, addressing time-consuming steps, identifying opportunities to automate service delivery, designing common application forms, formats etc). In addition, a service provider has been hired to develop 10 video animations to increase awareness of citizens

¹⁶ CDLG Monitoring and Evaluation Data 2022

on 10 selected services provided by LAs. A consultancy to develop improved Citizen Charters is underway in 89 LAs in Uva, North and North Central Provinces.

Front office systems have been established in 60 LAs which have helped to streamline service delivery. This has resulted in LAs functioning as a one-stop shop where the public can get all the needed information and services and increasing public satisfaction and trust. This has increased the number of people who receive efficient services from LAs (120 on average per month). The time taken to provide a single service such as issuing building/land permits has been reduced from 3 days to 20 minutes (provided the clients furnish all the necessary documents). For instance, in the Northern Province, through a consultative process, 33 local council staff out of 34 were given 5S productivity training by the CDLG team, followed by a small grant to implement this system for filing. Out of this 12 were selected for front office development. In Pudukkudiyiruppu, the LC decided to include a gender inclusive space in their LC following capacity building.

- **E-library Facilities**

E-Library Facilities are being established in 18 LAs in collaboration with the National Library and Archives Board. The project is supporting the digitalization of 18 public libraries in the provinces of Northern, North Central, Eastern and Uva covering 11 districts. Installation of the “Koha” integrated library management system, identified as the most convenient and popular library automation system worldwide, is ongoing. Establishment of the Koha software will also contribute to strengthen the accountability of LAs by streamlining the transparency of library services, including revenue and expenditure.

- **Waste Management**

A garbage collection tracking application is being implemented in Bandarawela MC with Sri Lanka Telecom, which has helped streamline waste collection through the dissemination of regular updates to the public on the movement of garbage collection vehicles. The Uva Province is being the pioneer in introducing the diploma in technology of waste management for the first time in Sri Lanka in collaboration with Faculty of Technology, university of Colombo. Now it is in the university curriculum. (2022). Piloting bio charcoal production facility in Uva Province as a means of managing solid waste and as a revenue generation activity is underway. Training has been completed for 73 LA officials.

Piloting the system in Batticaloa has shown increased efficiency in terms of time management and people satisfaction.

- **Systems to address Internal HR-related grievances**

Internal HR-related grievances were addressed in Uva and North Central Province, by ensuring LA staff have personnel files recognizing their formal employment status and eligibility for promotions, pay rises, pensions etc. Personnel files for LA staff were traced and established through mobile documentation and personnel file tracing initiatives to ensure LA staff are recognized as state employees and thereby instituted into permanent positions and considered eligible for promotions and pension schemes. Such interventions have helped to increase the satisfaction of staff and thereby increase their efficiency through empowerment and formal recognition of their roles. In the North Central province, 829 out of 960 personnel files were traced, and 90 employees were successfully placed for pension schemes/promotions/absorbed into permanent positions. In the Uva province, the LGA’s staff organization guidebook has been prepared to address personnel file issues and around 4000 staff benefited from the initiative, including 12 female officers who received permanent appointment letters.

- **Discrimination against LA-employed pre-school teachers was addressed through the development of standardized job descriptions and qualification levels for pre-school teachers**

The qualification level for pre-school teachers in LAs was standardized through the development of

“Developing of a job description for Preschool teacher attached to local authorities opens up a dialog for a policy discussion series on the mitigation of occupational gender-based discriminations. CDLG Project played a key role in mediation for such a timely need initiative”

D.M.C. Dissanayaka Director – Early Childhood Development Authority

nationally recognized certificates for such teachers attached to Uva local authorities; 62 selected preschool teachers started the NVQ level 4 diploma course with the support of the Early Childhood Development Authority. This was an important step toward improving the quality of pre-schools run by local authorities, as previously a lack of official recognition of such teachers meant that they were subjected to exploitation (e.g. compelled to work for after-school programmes).

- **Work Manuals**

Common work manuals were developed for LAs island wide to guide local officials on the following areas: institutional affairs, revenue, accounting, industry, and social service. As noted in the 2022 perception survey, the understanding of work processes has improved, which reduced the time for service delivery of LAs. 89% of participants said they have reduced time in delivering service within the time range of 0 minutes to an hour¹⁷. Staff also noted improvements in the efficiency of their own work; 95% said that there has been a positive change in being able to save time range of 0 minutes to 2hr as a result of the training¹⁸. Whilst developing the work manual for Eastern Province, a service tracker was also created, which measures time spent for each service offered by the LAs. Additionally, this will help to monitor the time taken for services and look at the possibilities for digitalization of some of the key steps within service delivery. The 4 manuals already completed will be customized to suit the specific needs of the target groups such as community centers, female councilors etc.

- **Service Tracker**

The project is also developing a service tracker to log requests for services, time taken for services (disaggregated by age and sex), etc., to improve efficiency and effectiveness. This is part of the Citizens Charter development process. Consultants are also looking at re-engineering processes/steps associated with the service provision against the time taken, including digitizing some of the steps involved in service delivery. This service tracker will be developed for Uva, North and North Central Provinces.

- **Improved Disability Access**

The project has improved the implementation of disability accessibility regulations by LAs which has significantly enhanced access to services by persons with disabilities. At least 20% of the LAs adhere to the recommendations of the disability accessibility audit supported by the project¹⁹, making them disability user-friendly and accessible.

¹⁷ CDLG Monitoring and Evaluation Data 2022

¹⁸ CDLG Monitoring and Evaluation Data 2022

¹⁹ CDLG Monitoring and Evaluation Data 2022

109 Disability and Accessibility audits were completed across the four Provinces following the completion of 218 consultative meetings with the engagement of 740 persons with disabilities (282 females included). 37 audit reports have been completed in the North Central and Northern provinces. 18 trainings were conducted for 561 Technical Officers (TOs) and Secretaries in the North Central, Northern and Uva Provinces on how to adopt Disability Accessibility Regulations in the design and development of infrastructure projects. Gaps and recommendations have been identified and shared with LAs. The rest of the disability audits will be completed next year as there were delays in conducting the audits due to the economic crisis and fuel shortage. Target LAs ensure that buildings are constructed according to and comply with disability accessibility regulations. For instance, the Rambewa Pradeshiya Sabha, Anuradhapura rearranged physical access to services, and installed applications for Braille in the LA-managed library as an implementation of recommendations from the disability audit exercise.

The project has also tapped into synergies with UNDP's justice sector disability mainstreaming interventions whereby services for PWDs were enhanced through improved access to information (e.g., information, education, and communication (IEC) materials in Braille. CDLG's field presence and its leverage in the central to local level institutions will expand the scope of overall interventions of both CDLG and the EU-funded Justice Reforms programme.

- **Improved administrative processes**

Digitization of LAs administrative process including salary payment has helped to enhance satisfaction among staff and motivation in service delivery. In Uva, salary payment for staff has been mainstreamed through the rollout of a new payroll process following capacity-building workshops for respective officers in LA. A web-based Performance Appraisal System for LA staff is being developed in the Eastern province whereby a web-based and mobile app will be used to evaluate the performance of the LA staff to incentivize better service delivery. 80% of the app has been developed and is in the testing phase.²⁰

1.3.6. - Raise awareness on internal and external grievance and feedback mechanism (including on abuse of authority, sexual harassment, quality of services, social and environmental impacts (particularly through the CDLG Project)

Grievance redress mechanisms were established/improved with increased public awareness and accessibility towards ensuring that LAs are held to account by the public in providing effective, equitable and inclusive services.

20% of LAs (starting from UCs and MCs) have benefitted from improved grievance redress mechanisms (GRM) systems in 2022²¹. Awareness for all 134 LAs on the importance of digital and offline Grievance Redress Mechanisms system was completed, which has increased appreciation among government officials of the importance of client satisfaction in service delivery.

1.3.7. establish online and/or offline complaint mechanisms with emphasis on follow up action (linked to 1.1.4)

As highlighted by the E-Systems mapping study, the Mankiwwa grievance mechanism mobile application was identified as a high-performance digital grievance mechanism in enabling the public to freely lodge complaints

²⁰ CDLG Monitoring and Evaluation Data 2022

²¹ CDLG Monitoring and Evaluation Data 2022

and track follow-up action. Digitizing the grievance redress mechanism is underway in North and Uva in 12 LAs to pilot the mobile app which provides a platform for efficient redressal of complaints and regularized motoring and reporting. In Uva, CDLG is in the final stage of introducing a home-grown app to 29 LAs, which has facilities to lodge complaints and feedback. The CDLG project will also pay the annual subscription fees for 12 LAs across the four provinces to initiate the digitalized grievance mechanisms.

Digitizing the grievance redress mechanism is underway in North and Uva in 12 LAs and the Personal file clearance activities are underway as well. 25 LAs in NCP have completed sorting out issues associated with their personal advancements. The rest of the LAs (18) have completed the clearance activities.

As a result of the establishment of the updated grievance systems, local communities have greater transparency on the complaint and rectifying action being taken contributing to improved trust and confidence between the LAs and the communities.

1.3.8. Provide training to community forums and CSOs (targeted through SEDR) to act as interlocutors to address grievance related to services

4 out of 48 pilots of the community level participatory consultative platforms (among 48, 24 common platforms of CDLG and SEDR) were establishment for the community to lodge complaints and receive feedbacks. These forums also include officials from other government deconcentrated units. Two discussions have been completed with SEDR in providing trainings for CSOs. The trainings will be provided in the next reporting period.

Collaborations between CDLG and SEDR projects in Northern and Uva Provinces under STRIDE are being explored specifically in relation to YOUTH programmes. As SEDR and CDLG are implemented by the same partner organization in Uva and North, they can act as interlocutors for grievance-related services as well.

1.3.9. Train CSO/CBO and LA and create mechanisms for social audits, e-citizen report cards and proactive disclosure at all levels of local governance system to promote downward accountability and improve feedback mechanisms

Readiness Assessment on proactive disclosure and Readiness assessment on adoption of digital technologies for public sharing is completed in all 134 LAs. 6 ToT were programs completed. 363 (150 women) master LGRCs trainers for building capacities in LAs for public information dissemination in LAs participated in these trainings. 5 Awareness programmes on Citizens charter (east, North and Uva) were completed as well (participants 133; 41 women). 35 digital citizen charters, including for disability was completed in the East. An online portal for administering e-citizen report cards (ECRC) is underway. A manual on ECRC application is also underway.

1.3.10. Develop guidelines and establish interoperability between different web/mobile tools of LAs and PCs and support data analytics (linked to 1.2.7, 1.3.4, 1.3.5 and 3.1.2)

Guidelines on setting up 'information access points' were developed. This is related to the interoperability between different tools. (Refer 1.2.7/1.3.4/1.3.5 for more info)

1.3.11. Capture and collate experiences and lessons from capacity development interventions (including use of planning and budgeting tools), and disaggregate by sex, age, seniority of officials, etc.

This is an on-going activity. There have been several result oriented stories captured via UNDP social media platforms, details of which are given in Annex 5.

Key activity area 1.4: Build Capacities for Data Management

Under key activity 1.4, there are 7 sub activities. During the reporting period, 6 sub activities are ongoing (1.4.1, 1.4.3, 1.4.4, 1.4.5, 1.4.6 and 1.4.7). Activity 1.4.2 was completed in the reporting period

Key highlights under Key activity 1.4

- Capacities of LAs improved on efficient data management, participatory planning and budgeting including SDGs, gender, and environment, with partnerships with TAF, SLILG, ICTA and CA and selected national Universities. (result of sub activity 1.4.1, 1.4.2 and 1.4.3)
- Local decision-making was improved through enhanced data collection, visualization, and dissemination. (Result of sub activity 1.4.4 and 1.4.5)
- Enhanced proactive disclosure of information by local authorities to facilitate greater transparency and accountability (result of sub activity 1.4.6 and 1.4.7)

Following one sub activity was completed during the reporting period.

1.4.2 Provide on the job training for planning and statistical offices (PC and district secretariat level to clarify data available, and format in which data is required (disaggregated data) for producing visualization and tracking tools)

This activity now complete. On the job training on GIS was concluded for local government officers and planning offices in Eastern, Uva, Northern and North central Province, in collaboration with University of Peradeniya.

Following 6 sub activities are ongoing during the reporting period.

1.4.1. Review data management routines, practices and standards applied, in collaboration with the Deputy Chief Secretary/Planning, (including related to collection of data at GN level and the use of GN data at different levels of Government)

A mechanism has also been established to feed data into DAVU at the Ministry Level from the GGRCs. 38% Ground-level data management units are being established to facilitate a Data Analytics Unit at the Ministry level which will enable data-driven policy formulation for policymakers at LA to the national level²². A questionnaire has been developed to look at the institutional readiness of DAVU and will be administered in Q4 (Dec2022). Tools are being established to collect data from the community level through the setting up of a Community Based M&E system in 24 CCs using FGD sessions etc. Along with the TAF interventions, CDLG will work closely to standardize data management through a robust network of systems connecting the community-level data to the DAVU. A Data Analysis and performance appraisal unit has been established in the Eastern Provincial council in order to provide comprehensive and up-to-date data for policy formulation.

1.4.3. Provide trainings on data analysis and visualization (linked to 1.3.4, 1.3.10)

Support for proactive and effective information dissemination to the public is being carried out with the support of The Asia Foundation. Draft guidelines on financial statements are being prepared for public dissemination which will facilitate greater transparency. and accountability through increased information

²² CDLG Monitoring and Evaluation Data 2022

sharing on resource allocations for their locality. An online data collection tool was developed and data collection for 134 LAs was completed and will support the preparation of Budget Summaries. **The online budget summary will be shared with the public and will provide greater transparency on public expenditure at the LA level, especially at a time of greater public scrutiny over state expenditures.**

A readiness assessment on the implementation of proactive disclosure requirements has been conducted in all 134 LAs, and reports are under preparation and will inform further measures in this area. CDLG has also supported the development of guidelines on setting up 'information access points', which have been shared with the LAs at the public information dissemination workshop which will help establish benchmarks for increased information disclosure to the public.

CDLG has also facilitated public information dissemination in LAs through ongoing support for the development of an action plan for public information dissemination for 134 LAs whereby all 134 LAs have been trained on the preparation of action plans. Over 350 provincial pool members and LA staff have been trained in building capacities in LAs for public information through the completion of 6 TOT programmes.

1.4.4. Develop/adopt data collection tools (including at the GN level) and support use of data from other sources (including CSOs)

Tools to collect data (establishment of Community Based M&E system in 24 CCs underway/routine FGD sessions planned in 24 CCs) from the community level is established. Along with work done by TAF, CDLG will work closely to standardize the data management through a robust network of systems connecting the community level data to DAVU. This is an ongoing activity.

1.4.5. Raise awareness in damages and loss databases, and use of disaster risk data into local planning (linked to 2.2.1, 2.2.2)

LA specific DRR plans development is underway with the support of the DMC and is expected to be completed by Q2 2023, taking into consideration the recommendations from the Climate Vulnerability Studies completed during the previous reporting period. Raising awareness in damages and loss databases and use of disaster risk data into local planning is part of this exercise and will be completed in 2023.

1.4.6. Train Planning Secretariats (PCs and Districts) to produce profiles of different tiers of government, infographics, and other reports (with special focus on gender and marginalized groups)

As reported in the previous year the activity by the Uva province Planning Secretariat to develop digitalized divisional resource profiles is completed. North Central Province has initiated in agreement with the District Secretariat. Planning underway to produce profiles which will be completed in the Q3 of 2023.

1.4.7. Share profile, reports produced (linked to 1.4.6) on state/public platforms in accordance to RTI Act

Planning for this activity is underway. Printing materials to be shared with 337 CCs is expected to be completed in Q2 of 2023

Key activity area 1.5: Execute targeted capacity development programme for women and youth officials (elected and administrative)

Under key activity 1.5, there are 6 sub activities. During this reporting period, all sub activities were on-going.

Key highlights under key activity 1.5

- Voice and representation of women in governance structures strengthened through the establishment of women's council forums (result of sub activity 1.5.1 and 1.5.2)
- Greater political participation of women facilitated through the strengthened role of women councilors in local development (result of sub activity 1.5.3)
- Strengthened capacities of women officials in management and leadership (result of sub activity 1.5.6)
- Strengthened capacities of youth officials on local community development (result of sub activity 1.5.2 and 1.5.3)
- Gender inclusive development supported through research on gender responsiveness, capacity building for women leaders, and women councilor's forum. (Result of sub activity 1.5.5)

1.5.1. Organize targeted training for women officials, through district level committees established by UN Women

68 women leaders graduated with a Diploma in Community Leadership Programme. The Diploma programme was developed in collaboration with the University of Uva Wellassa and has been mainstreamed as a course in the university. Applications are being called for the second batch by the University of Uva Wellassa, with limited support (provision of 20 scholarships) from CDLG. Apart from these 35 trainings for women councillors on Project Cycle Management and Proposal Development (610 and 154 respectively) were also held, while a certificate course in Local Governance for 50 women councilors was completed in the East.

1.5.2. Develop and roll out mentorship and exchange programme between women and youth officials respectively through existing networks

12 district-level women's council forums (1 in each district) were established and act as a platform and decision-making forum to better address pressing issues facing women and girls within their communities.

The women's council forums were part of a team tasked with developing directives submitted for PC approval to include a targeted women's committee in LAs specifically in charge of the subject of women and children's affairs at the LA level. CDLG, with the support of FSLG, is also working on amending the mission and vision statements of the councilors' network to incorporate these aspects.

The Women Leaders Forum, formed as a result of the capacity building in Badulla, Uva, regularly advocates for women's issues at LA-level decision-making spaces. For example, their advocacy supported the formation of a women's only funeral society in Haliela which enables the final rites and rituals to be performed in a

"Despite the undertakings made through a 25% quota for women in local government, women continue to be under-represented in the political and economic decision-making. Women Councilors' Forum is helping us to lobby for gender issues collectively, despite our political party affiliation."

Nilani Wasantha Samaraweera
Council Member - Haliela Pradeshiya Saba

gender-sensitive environment in line with religious and community practices. 25 women counselors also participated in the 3 exchange visits conducted in 2022.

1.5.3. Support to increase knowledge of women and youth elected representatives through learning by doing, to identify and integrate interventions to address critical issues at LA level in local plans.

Strengthened capacities of women officials in management and leadership

Through CDLGs interventions, more than 35% of executive committee membership in CCs are now held by

"Academic exposure given by the Diploma was indeed a bench for them to overlook from their walls. Now without any hesitation, especially the women councilors contact us and grab the best opportunities for their people,"

P.B.Wijyaratne
Chief Secretary – Uva Province

women. This was a result of incorporating clauses in the executive committee's selection process for the mandatory inclusion of women. Furthermore, in Uva Province, the Department of Local Governance, with the participation of CSOs and members of CCs amended the Constitution of CCs to include the mandatory 35% women in leadership position clause. Further, the seed fund proposal review

committee has 50% inclusion of women in decision making roles. This included support to increase knowledge of women and youth elected representatives through learning-by-doing approaches, as well as identify and integrate interventions to address critical issues at the LA level in local plans. Furthermore, several education materials were developed to institutionalize training for women councilors.

- 162 women officials and councilors strengthened their capacities in Conflict Prevention, Effective Communication, and handling of social media.
- 1151 youths (495 girls) have increased their understanding of key social issues such as citizens' rights, conflict resolution, renewable energy, local governance, and social media.
- 80 youth leaders (30 females) participated in the Annual Peace Day activities hosted by UNDP and WHO-led Youth Community Leadership Initiative whereby youth increased their understanding of inter-community relations, mutual respect, and healthy communities.

Strengthened capacities of youth officials on local community development

The project has served to strengthen the capacities of youth to undertake an active role in community development through support for youth in community centers and youth shadow councils.

- 65 youth shadow councils were formed comprising active youth leaders from CCs across three provinces (Eastern Province - 45, North Central province - 10, Uva Province - 10). Each council ranges from 25 to 50 youth participants. 192 youth forums engaging 1920 youth have been set up in the Northern province. The shadow council provides an opportunity for youth to experience LA processes and improve their leadership and decision-making skills through training and exposure visits etc.
- **As a result of training, youth are taking up leadership roles in CCs.** For example, in the Eastern province, 2 exclusive youth-led CCs have developed and submitted numerous proposals addressing local development issues. Capacitated youth have helped to demand greater accountability from local governance institutions by strengthening the voice and oversight capacity of the community centers and other civic engagement platforms

1.5.4. Develop and roll out "learning trajectories" programme for women leaders.

Based on the Provincial Level Capacity Development Plan, Learning Packages/Trajectories of each category of employees and elected members were mapped out and roll out. Based on the experience from the pilot programme on women leadership training in Uva, e-learning materials on 10 subjects was identified and content was developed. E-contents is expected to be uploaded onto the Learning Management System maintained by 5 public training arms, including SLILG and 4 MDTUs, expected to give online access to stakeholders including first-time counsellors and youth.

1.5.5. Develop education materials and train women leaders (CSOs/ CBOs) to participate in local planning and monitoring processes (linked to 1.2.3)

6 training manuals (i.e. on Effective Communication, Conflict Prevention and social media) and 1 knowledge guidebook was developed exclusively targeting women officials and councilors. 4 Gender Based Resource pools were also established. Additionally, CDLG contributed to the establishment of women-only committees in the development of strategic plans in the provinces.

Gender inclusive development supported through research on gender responsiveness, capacity building for women leaders, and women councilor's forum.

As covered in extensive detail under Key Activity Areas 1.2 and 1.5, CDLG has supported gender-inclusive development through support for women councilors, women councilor's forums and other capacity-building interventions. A list of the project's support towards enhancing the gender responsiveness of LAs is summarized below. The project has acted as a springboard for women councilors to strengthen their capacities in civic engagement and project management, and in championing the implementation of community projects through seed funding; these women leaders will garner greater social recognition of their contributions and will add to their political capital towards mobilizing voters.

- Survey of Gender Responsiveness of Local Authorities: Conducted in all four CDLG Project Provinces with the support of The Asia Foundation. This survey revealed that Uva Province had the lowest Gender Responsiveness Score (19.67) and highlighted the need for targeted interventions in this locality.
- Diploma in Community Leadership: Skills Development for Women Leaders implemented with the support of Uva Provincial Council and Uva Wellassa University. This course has helped to generate greater advocacy on gender issues within Local Authorities and has been mainstreamed into

universities as part of their course offerings helping to connect communities with institutions and resources.

- Women Councilor's Forum and initiatives conducted by the Forum including
 - Directives to establish women's committees in Local Councils.
 - Signing of a charter by women Mayors/Chairpersons and other women councilors
 - A National Forum

1.5.6. Provide seed-funding for initiatives/projects identified and supported by women officials.

Women councilors have been empowered to take a more active role in local socio-economic development through the allocation of seed funding for initiatives/projects identified and supported by women officials. 612 women councilors increased their capacity for proposal development and project cycle management following training. Review committees have been established in each province to review the proposals submitted by the women councilors, and female representation is also ensured in these committees. Thus far, 177 funds have been provided (out of 300 submitted), ranging in value from LKR 150,000 to LKR 250,000 through the women councilors in all 4 provinces in 2022 to undertake development initiatives to address the ongoing socio-economic crisis. The Review Committee assesses proposals based on strict criteria including gender sensitivity, environmental considerations, participatory approaches, and do-no-harm principles. **Through this the project has enabled the participation of 200 women councilors in the design, development and implementation of 177 projects, including targeting food security and livelihoods, in consultation with community centers.**

Output 2: The local governance system is innovative and provides services that address multi-dimensional challenges

In recognition of the multi-dimensional challenges faced by the four target provinces as a result of being among the poorest provinces in the country, facing multiple vulnerability challenges, including increasing climate vulnerability, the CDLG project has helped local Governments to co-design and co-implement innovative solutions to address challenges as well as increased LA capacities for innovation. Local governments through research, assessments, development of plans and capacity building are being supported to drive interventions to raise their own source revenues to become more self-sufficient as well as to integrate disaster risk reduction and environmental resource management to improve climate resilience.

1876+ solutions to address development and service delivery challenges have been identified by all participating LAs utilizing social innovation approaches following capacity building. Each LA has identified a minimum of 14 projects for each LA through social innovation approach following LA-level design thinking workshops. CDLG will select the most suitable projects in 20% of LAs, while the rest will be financed through the LDSP performance grants. Stakeholders representing the local authority (including the divisional secretariat and other government institutions such as the Agrarian Service Center, Agricultural Department, and Fisheries Department) as well as community representatives (such as community centers, RDS, WRDS, farmer organizations, women's society, youth society groups) strengthened their capacities on design thinking and human-centered approaches to facilitate collaboration and co-creation of services following the workshops. The project has also catalyzed interest and financial support from the World Bank, which has agreed to fund 100% of qualifying proposals recognizing the significant potential of these proposals²³ to address pressing challenges brought to the forefront by the prevailing economic crisis.

²³ Communication with World Bank 2022

The project has also created space for collaborative co-creation and co-implementation of solutions by empowering and strengthening local communities to take a greater role in development initiatives. All the CCs have initiated regular consultations with Community Development Officers (CDOs) and the Department of Local Governments on addressing local social and development issues²⁴. 24 CCs have submitted proposals to their respective LAs following extensive consultations and capacity building outlining viable innovative action plans to address issues in the community. Streamlined and institutionalized engagement of community organizations has empowered these organizations to function as interlocutors between local communities and LAs, thereby creating greater community engagement in decision-making, public accountability, and trust in state institutions.

Four Green City Master Plans and the Climate Vulnerability Studies (CVS) have been completed as reported in 2021. Recommendations from these studies are in the process of being adopted by the LAs. Road maps for implementation were created, with an additional four Green City Master Plans are pending validation, following extensive multi-stakeholder and community consultations. The engagement has been secured from LAs to implement the recommendations and many LAs have initiated interventions in this regard, for example, the installation of solar panels and waste collection facilities.

The disaster risk resilience of selected localities is being strengthened through the ongoing development of local DRR Plans, in collaboration with the Disaster Management Centre for all 134 Local Authorities. These DRR plans are also expected to include the recommendations from the Climate Vulnerability Studies. This is expected to be completed by the 2nd Q of 2023.

Local authorities have already started leveraging key tenets from the CVS in their planning and implementation of services, for example improving facilities such as search and rescue and community-based water management schemes.

The economic resilience of LAs has also been strengthened through an analysis of revenue sources which has provided clear and actionable recommendations for improving the collection of own-source revenues. LAs have been supported to improve revenue generation and become more sustainable and less reliant on national funding, through the collection of arrears, use of POS machines to facilitate easy payments, support to development and implementation of e-revenue systems in four LAs, and digitalizing payroll systems to reduce expenditures. LAs are also tapping into value from waste schemes through the sale of compost, adding bio charcoal to compost and liquid fertilizer.

Key Activity Area 2.1: Build capacities for innovative service delivery.

Key activity area 2.1. had 6 sub activities, and all 6 were initiated and ongoing during the project period.

Key highlights under key activity 2.1

- LAs developed innovative ideas to address multidimensional challenges following sensitization on design thinking and social innovation (result of sub activity 2.1.1 and 2.1.3)

²⁴ CDLG Monitoring and Evaluation Data 2022

- increased space for collaborative co-creation and co-implementation of services through strengthened community centers. (Result of sub activity 2.1.2)

2.1.1. Organize and conduct regular design thinking / social innovation workshops, in collaboration with LG associations, women’s networks, youth fronts and community forums, to identify problems and co-create solutions for service delivery (Elderly care, drinking water, waste management, etc.- linked to LDSP/

CITRA Lab is providing ongoing support to the implementing partner The Asia Foundation (TAF) on design thinking approaches - two training-of-trainers sessions were completed covering key components of the social innovation process such as ideation, prototyping, design thinking and experimentation approaches. As this is new territory for TAF, the training proved instrumental in creating a strong resource pool to support subsequent capacity building of selected LA staff. Following the training, TAF completed 9 out of 12 design thinking workshops for all 4 provinces covering 288 participants. TAF has completed 134 consultation workshops for 5400 local government officials (Males 2970, Females 2430). As a result of these workshops, 134 Project Formulation Committees (PFC) were formed (one per each LA). These PFCs will lead project reviews and approvals and also act as advisory committees for the implementation of social innovation projects. The implementing partner could not capacitate all 134 LAs due to challenges posed by the fuel crisis, transport restrictions and work-from-home modalities. The training for all 134 LAs is expected to be completed by Q2 2023.

2.1.2. Train community development officers and local organizations to use different tools to facilitate public engagement in developing solutions to address local needs

288 participants have strengthened their capacity for design thinking, collaborative development, testing and implementation of solutions to community issues following 9 ToT programs conducted for staff and community members. As a result of the programs, 134 project formulation committees were formed (1 in each LA) to support local communities and LAs to think through strategic projects and develop a viable business plan for a service/product. **The project is also building the voice and representation of local councilors and members of community centers so that they can enhance their political mileage. As a result of the capacity building, 24 CCs have submitted proposals to their respective LAs outlining innovative action plans to address socio-economic issues in the community.**

The project has brought about greater public engagement in developing solutions to address local needs through social innovation workshops organized for Community Centers to facilitate their active participation. CDLG will continue to facilitate participatory forums to enhance linkages between LAs and CCs so they can collaborate to develop participatory and innovative proposals. The Asia Foundation is creating a resource pool to conduct design thinking workshops for CDOs to support CCs in the development of innovative proposals.

Out of 337 Community Centers (CCs), 100% of the CCs have initiated regular consultations with Community Development Officers (CDOs)²⁵ and the Department of Local Governments to provide input on social issues. 134 LA-level consultations with CCs have been completed with the engagement of 5400 participants. 100%

²⁵ CDLG Monitoring and Evaluation Data 2022

of the CDOs (except NCP and UVA, where new CCs are being established) have undergone training on various topics relating to CC management and community engagement²⁶ to support the CCs so they can collaborate better and use participatory forums to co-develop solutions.

2.1.3. Support to identify winning solutions from design thinking workshops and organize collaborative workshops with LAs/Provincial Councils and individuals participating in design workshops (2.1.1) to develop business plans, allocate resources to develop and test prototypes solutions.

1876+ solutions identified (14 projects minimum by each LA) to address development and service delivery challenges have been identified through a design thinking approach, and LDSP will select a few projects to be financed through its performance grant. The project has also catalyzed interest and financial support from the World Bank, where they have agreed to fund 100% of qualifying proposals (instead of the original 20% to be supported by CDLG) in recognition of the potential of these proposals to address rising challenges brought to the forefront by the prevailing economic crisis. Financial sponsorship for the selected proposals is expected to be completed by December 2022, when criteria for selection have been reframed to take into account crisis response and concepts which propose more innovative solutions to address the ongoing economic crisis.

2.1.4. Mentor LAs to review existing management arrangements for project and develop and adopt appropriate management arrangements for testing solutions, assessing social and environment impact, to ensure sustainability of winning solutions.

TAF has completed consultations followed by 134 workshop sessions for 5400 participants (M – 2970, W 2430). As a result of these workshops, 134 Project Formulation Committees (PFC) are formed (one per each LA). These PFCs will lead project reviews and approvals and act as advisory committees for social innovative projects.

2.1.5. Collate and share solutions developed, along with local experiences and lessons from using social innovation approaches between LAs. & 2.1.6. Share successful solutions with other LAs and scale up across targeted provinces

14 innovative proposals per LA are being developed. PFC will be involved in the selection of the most innovative proposal for funding. Collating and sharing of the best solutions will be done in 2023.

Key Activity Area 2.2: Build capacities to support local gender-inclusive resilient development.

Under key activity 2.2, there are 7 sub activities. During the reporting period all sub activities were on-going.

Key highlights under key activity 2.2

- Green and eco-friendly localities supported following the completion of four green city master plans (result of sub activity 2.2.1)
- Disaster risk resilience of selected localities enhanced following the ongoing development and implementation of LA-level DRR plans (result of sub activity 2.2.2)
- Strengthened waste management practices and enhanced revenue generation from waste following capacity-building interventions (result of sub activity 2.2.2)
- Strengthened economic resilience of LAs through analysis of revenue sources and improving collection of own-source resources (result of sub activity 2.2.7)

²⁶ CDLG Monitoring and Evaluation Data 2022

- Enhanced business continuity during crisis contexts through support for virtual communication tools (result of sub activity 2.2.7)

2.2.1. Train LAs, PCs and deconcentrated units on disaster risk reduction strategies/guidelines, climate resilience and environmental standards, in collaboration with key technical agencies such as the Disaster Management Centre

In line with the recently developed “National Strategy for Local DRR”, Local DRR Plans are being drafted for all 134 Local Authorities in the North, North-Central, Uva and Eastern provinces with the participation of respective Provincial Council, District Secretary, Divisional Secretary, and other sub-national and local institutions. Consultations with associated officials including women committees were completed in Uva towards the development of the local DRR plans. While developing local DRR plans, the Disaster Management Centre will facilitate practical training on the use of “Disaster Risk Reduction Guiding Principles”, to achieve Sustainable Development Goals and integrate Climate Change Resilience at the local level.

In support of enhanced resilience to environmental disasters in Uva province, the collective Chairman's forum facilitated the sharing of fire and rescue facilities beyond territorial restrictions in order to provide life-saving assistance (e.g., during the earth slips in Badulla in 2022). A new search and rescue department in the fire brigade was also established in Badulla and Bandarawela MCs, due to high incidences of missing people during adverse climatic conditions like earth slips, fire incidences in slums etc.

Community-based water management schemes are being explored in response to water scarcity and droughts in the Uva province. The project supported the capacity building of community members on the importance of protecting water sources and supported the establishment of a community-level water management network. To that end, a Strategic Plan Preparation Program for Water Conservation was conducted in the Uva Province with the support of the Department of Provincial Land Commission, Uva Wellassa University, and the District Secretariat. 119 participants increased their awareness of the protection of water sources following a workshop for LAs, divisional secretariats and the Department of Land Commissioner.

CDLG has enhanced the waste management capacities of LAs through targeted capacity building and support for the development of relevant guidelines. A Technology of Waste Management Diploma was launched in collaboration with the University of Colombo and the Waste Management Authority of Western Province. This diploma has helped enhance the technical capacities of LAs, ACLG and the Department of Local Government in waste management processes. The programme has contributed to developing a nationally accepted curriculum and training module on waste management, for the first time in the country. The University hopes to continue the diploma through its regular programmes. Most of the local authorities have reported increased adoption of scientific waste management practices following capacity building.

Improvements in waste management systems have also helped LAs to generate revenue through the sale of compost. For instance, in the Haputale Pradeshiya Sabha, a few LAs have started producing bio charcoal to be added to improve the quality of compost following training. This has helped to increase their income from compost sales. Waste management staff attached to LAs in Uva were also trained on liquid fertilizer development and have increased their revenue as a result. In the Northern province, auto plastic pelleting vending machines were introduced in Point Pedro council which has helped to improve plastic recycling. Additionally, household level segregation of waste has positively impacted revenue generation within the Kattankudy UC. Waste segregation has increased the compost production to a point where they are now

considering buying solid waste from other UCs to further increase their revenue generation. In 2021, their annual revenue generation was around LKR 2,000,000, whereas, in 2022, this has increased to LKR 8,000,000²⁷.

The Early Childhood Development Authority (ECDA) of the Uva Provincial Council has developed a teacher guideline for teaching waste management in preschools with the support of the Central Environmental Authority and other stakeholders. This is the first initiative of this kind and ECDA will continue the teacher training programme at the divisional secretariat level. **Initiatives such as these will help to enhance community dissemination and uptake of waste management practices and will help address the mounting issue posed by local waste disposal.**

Additionally, the project has supported a technical Assessment of Solid Waste Management and the development of Strategic Action Plans in the Local Authorities of the North, North Central, Eastern and Uva Provinces. Some of the key recommendations from this assessment include the implementation of the SWM committee at the LA level and conducting training for laborers on SW handling, processing, recycling, disposal, and personal protection during solid waste management (SWM) services. The LA-level technical assessment reports proved catalytic in informing UNDP programming in this area, for example, technical insights are being leveraged in the design of an SWM project funded by the Korea International Cooperation Agency.

2.2.2. Support local organizations to improve awareness and engage on disaster risk reduction through partnering with key technical agencies such as Disaster Management Centre.

Workshop on protection of water sources_ setting a platform for LAs, divisional secretariates and department of land commissioner. Supported by UPC and Uva Wellassa university (Badulla workshop) (participants 119; 34 women). Preliminary workshop on the strategic plan preparation program for water conservation, Monaragala district program (participants 54; 14 women). Establishment of a network of CCs and LA, in managing water springs and sources in Uva. SWM for Pre-school Teachers - Early Childhood Development Authority (ECDA) of Uva Provincial Council has developed a teacher guideline for teaching waste management in preschools with the support of Central Environmental Authority and other stakeholders. A ToT was conducted for teacher trainers to train preschool teachers on teaching waste management in preschools. 60 preschools are managed by local authorities in Uva province benefitting around 4500 children. Supporting Haputale PS to improve their waste management.

2.2.3. Support the development of integrated development plans at the Provincial level.

Development of Integrated Provincials Plans for 2023 for East and d Uva underway. Divisional LA plan development in Vali North has been started as a pilot.

2.2.4. Develop modules and provide training on producing local investment plans, in line with Provincial Development Plans/

CDLG with the support of The Asia Foundation has initiated Revenue Generation action plans for all 134s as part of the broader activity “**Enhancing generation of own revenue and strengthening financial management in Local Authorities**”. **Investment plans are part of the broader Revenue Generation Plan of the LAs. Based on the action plans, CDLG will initiate development of Investment plans for all 134 LAs.**

²⁷ Kantankudy UC Financial Records

2.2.5. Train LAs to conduct social and environmental impact assessment of the investment plans.

See sub activity 2.2.4

2.2.6. Support LAs/PCs to access loans from Local Loans and Development Fund (LLDF) for their local investment/business plans.

ToR developed and signed LoA with LLDF. LAs are being supported to develop project plans that meet the criteria for applying for loans from Local Loans and Development Fund (LLDF) in order to strengthen the loan seeking capacities of local government from national mechanisms to ensure local term economic stability of local governments. Under this intervention, the project has signed a Letter of Agreement with LLDF that includes the development of training modules on producing local investment plans and support to LAs to conduct social and environmental impact assessments on the proposed local investment plans. The project is expected to be completed by 2023 Q2 and will also support LAs in the preparation of the Loan Manual/Credit Manual, provide training for system users and Local Authorities and establish a proper awareness mechanism to promote loan schemes of LLDF.

2.2.7. Support to adopt e-payment/e-revenue systems (UNDP developed) from PC level to LA level) (linked to 1.1.4)

- **Analysis and monitoring of revenue sources**

Data on LA revenue and expenditure as per the budget and actual terms during 2016 – 2021 are being gathered with the support of TAF. According to research, key revenue sources bring over 80% of total own revenue in 134 LAs identified²⁸. Some of the key recommendations from the revenue generation study are highlighted below.

The CDLG Project will guide LAs to:

- Provide all 24 services to the highest degree possible and venture into new areas with high potential; charge a reasonable fee even for recovery of cost by maintaining sound relations with taxpayers; ensure improvements to the quality of service and delivery efficiency by introducing online payments that would reduce the opportunity cost of the taxpayer.
- Activate legal provisions that LAs function as truly democratic and transparent institutes which work for the welfare of the citizens and contribute to economic development
- Undertake an ‘entrepreneur’ role by venturing into commercial and industrial enterprises by considering LAs as economic units which continually expand the urban areas by bringing physical and human developments by investments. Expand activities beyond the presently provided limited number of traditional services and collect taxes at an optimum level to reduce dependency on the Central Government, generate extra revenue and make regular investments.
- Convince both central and provincial administrations on the modern role of LAs.

Additionally, an online system was developed for assessing the legal and administrative compliance and procedures for the efficient collection of key revenue sources continuously by the LAs. Over 400 officials from

²⁸ Local Development Support Project (LDSP) in four provinces – Northern, North Central, Eastern and Uva, Improving Revenue Generation at the Local Level, Final Report, 20 April 2022

134 LAs and members from the resource pool from all 4 provinces are being trained in administering the assessment.

Knowledge products are also being developed to support LAs in assessing revenue compliance including a Draft manual on Conducting Financial Performance Analysis; a Draft manual on 'Conducting Revenue Compliance and Efficiency Audit'; a Manual on 'Enhancing Own Revenue in LAs' and a Manual on 'Reduction of Arrears in Own Revenue' in LAs' are being drafted and in the process of validation.

UNDP is also supporting LAs to assess the territory under their jurisdiction for taxes by streamlining and declaring territories LAs to increase their tax base further.

- **Use of Online Systems for Revenue Collection**

Kalmunai MC has increased the collection of arrears by more than 25% through the introduction of a tax collection app²⁹. UNDP contributed to training and provided POS machines to expand client outreach and ease of payment to enable LAs to collect payments. **This has also relieved the cadre tasked with this responsibility, and reduced stationery usage within manual processes thereby cutting down on other expenditures.**

Data on arrears in revenue collection of 134 LAs for 2019 – 2022 period is being gathered, and an online data collection system has been developed to that end. Results of arrears revenue collection will be presented in the training program scheduled for Jan 2023

Additionally, CDLG also supported a readiness assessment report on the “Adoption of Digital Payments” for 134 LAs. To that end, a questionnaire on available options of digital payments and field revenue collection is being developed and will be used to assess the readiness of 134 LAs to adopt digital payment systems. Results of the assessment will be shared with the LAs in Jan 2022. Currently, over 130 members from LAs were trained in assessing the digital payment options in three provinces.

- **Streamlining payroll systems**

Streamlining the payroll system by digitizing has enabled the LAs in Uva to monitor and save unnecessary expenditures. Salary payment for staff has been mainstreamed through the rollout of a new payroll process following capacity-building workshops for respective officers in the LA.

- **Enhanced business continuity during crisis contexts through support for virtual communication tools**

The project's support to bolster the virtual communication capacities of LAs through provision of zoom licenses and ICT equipment in the previous reporting period, to support through the COVID 19 crisis, proved instrumental in ensuring business continuity and unimpeded decision making during the protracted crisis periods in the country during mobility restrictions during the fuel crisis and protest movements in early 2022.

²⁹ UNDP Monitoring and Evaluation Data 2022

Key Activity Area 2.3: Targeted support to MCs/UCs to address urban challenges

There are 6 sub activities under this key activity. During the reporting period, all 6 sub activities were on-going.

Key highlights under key activity 2.3

- Strengthened planning capacity of LAs following the ongoing development of integrated local development plans (result of sub activity 2.3.1)
- Targeted planning and visualization tools are being developed for evidence-based policy formulation (result of sub activity 2.3.2)
- Capacities of local organizations are being strengthened to support engaging with communities on local development planning (result of sub activity 2.3.4 and 2.3.5)

2.3.1. Support MCs/UCs to develop integrated local development plans (where possible with neighbouring LAs), in line with provincial plans.)

6 Municipal Councils and 6 Urban Councils have commenced the development of integrated development plans. Additionally, green city master plans were developed in 4 LAs (Thalawa, Bandarawela, Mannar, Kattankudy), and an additional 4 plans are pending validation (Vavuniya, Polonnaruwa, Badulla and Trincomalee). The development of the plan has helped to capacitate LAs on key steps and methodologies to be followed in planning processes.

2.3.2. Develop customized and targeted visualization, and planning tools for MCs/UCs (linked to 1.2.7, 1.3.4

Based on the Readiness Assessment and follow-up reports by TAF, CDLG will work with associated partners to build capacities on Data Management for LA institutions and GGRCs; and establish linkages with DAVU to support the formulation of evidence-based policies.

2.3.3. Provide data management and analytics training to MCs/UCs (linked to K.A.1.4, 2.1, and 2.2)

Based on the Readiness Assessment and follow up reports by TAF, CDLG will work with associated partners to build capacities on Data Management and linkages with DAVU

2.3.4. Strengthen the capacities of local organizations, in collaboration with the British Council's community mediation project, to engage in local development planning in MC/UC

Two national-level consultations between CDLG and SEDR were conducted and helped to identify synergies between the projects for increased impact. Planned second-level discussions are underway with Provincial CDLG and SEDR teams to identify gaps and formulate a strategy to work with CCs in selected MCs, UCs and PSs.

UCs and MCs are also being capacitated by the Asia Foundation on design thinking approaches and will work with community centers on co-designing innovative solutions to ground-level issues.

MCs in NCP are also being supported to amend 16 by-laws to increase public engagement.

2.3.5. Support MCs/UCs to engage with public, and design innovative service delivery solutions (Linked to K.A.2.1)

Strengthening the Fire and Rescue unit at Bandarawela MC and Jaffna MC. 2 Five days trainings were completed covering 60 staffs. MCs in NCP supported to amend 16 by-laws to increase public engagement

2.3.6. Collate experiences and facilitate exchange between MCs/UCs

Two exchange visits to the Naththandiya Pradeshiya Sabha, North Central Province were conducted in September 2022 by the Anuradhapura district and Polonnaruwa District CDLG project teams (67 officials including ACLG, key officers of the Department of Local Government, chairpersons, and secretaries of respective LAs participated). Participants increased their knowledge and expressed interest in implementing best buys related to revenue generation avenues of the LAs, front office systems, digitalization potential and online systems, and waste management systems. 2UCs and MCs from the Northern Province visited solid waste management (SWM) facilities in Dambulla for sensitization on advanced technology in SWM processing and to exchange knowledge on the best practices for waste management. Dambulla Municipal Council and Uva Wellassa University jointly facilitated the session. During the field visit, participants learned more about organic fertilizer production, using modern equipment for compost production, developing sustainable solid waste management practices, integrated waste management sites and public-private partnership models for marketing compost etc.

Output 3: Legal and policy framework facilitate systems change and strengthen the process of decentralization

Leveraging the capacity development gains from the project, CDLG is also helping to catalyze long-term systems change to grant more power and autonomy from the national level down to the provincial and LA levels. CDLG has helped to strengthen the local governance system by increasing horizontal and vertical linkages between different levels of government; strengthening legal frameworks of LAs to perform services at optimum levels; and improving audit compliance and financial management practices of LAs.

Legal frameworks of target 134 LAs have been enhanced to perform services at an optimum level through the development of 150 by-laws which will enable LAs to ensure efficient revenue generation, service delivery and use of resources during crisis contexts. Additionally, the by-laws will help LAs increase their income at a time of heightened cost of service delivery; ensure business continuity and update obsolete by-laws to facilitate optimal usage of resources and streamlined regulations.

CDLG has also helped to consolidate and institutionalize new ways of working to facilitate inclusive, responsive, and efficient service delivery through the use of directives and committees. For example, directives were submitted to establish women's committees in Local Councils to take leadership on the subject of women's and children's affairs. Additionally, the first-ever by-law advisory committee was established at MPCLG with the support of CDLG, to review and expedite PC approval of bylaws.

134 LAs are being supported to improve audit compliance in order to increase their transparency, reduce corruption, and facilitate increased institutional oversight on financial utilization and performance. LAs have started to demonstrate improvements in their internal auditing practices, for example, 33.5% LAs (45LAs) have already demonstrated improved financial practices which will help them gain positive audit opinions in

the next audit phase³⁰. This has also facilitated enhanced vertical and horizontal linkages through improved knowledge flow on finances and increased institutional oversight on financial utilization and performance.

The project has worked with central and provincial governments to review planning processes and increase linkages between levels of government to promote better local utilization and generation of resources. LAs have been supported to link with central departments through enhanced working arrangements to improve service delivery for citizens.

Key Activity Area 3.1: Conduct advocacy and learning exchange programmes.

There are four sub activities under 3.1 and all are ongoing.

Key highlights under key activity 3.1

- Dialogue on challenges to gender equity enhanced through research symposium conducted on gender equity and equality (result of sub activity 3.1.1)
- Leveraging of best practices between LAs promoted through improved knowledge sharing via annual learning-exchange events. (Result of sub activity 3.1.1)
- Online platforms are being created to share information and support peer-to-peer learning and solutions exchange. (Result of sub activity 3.1.2 and 3.1.3)

3.1.1. Organize and conduct annual learning-exchange events involving LAs/PCs and deconcentrated units in target provinces.

Annual learning-exchange events involving LAs/PCs were conducted which helped showcase successful projects, best practices and new approaches/innovations at the LG level and other levels of government for replication.

The project facilitated 3 exposure visits during which LAs from the North Central Province and Northern Province (91 local government officials including 41 women councilors) were taken to visit a well-functioning Pradeshiya Sabha in Puttalam which is recognized for the strong participation of women councilors. The Chairman of Thamankaduwa Pradeshiya Sabha, Polonnaruwa remarked that the visit helped to confront misconceptions and demonstrate best practices to be replicated in granting greater recognition of women officials. The Commissioner of Local Government has requested a recommendation report from the Assistant Commissioner of LG from Anuradhapura and Polonnaruwa to highlight best practices on gender mainstreaming that can be applied to other LAs in the province (pending) following the exposure visit.

Two exchange visits to the Naththandiya Pradeshiya Sabha, North Central Province were conducted in September 2022 by the Anuradhapura district and Polonnaruwa District CDLG project teams (67 officials including ACLG, key officers of the Department of Local Government, chairpersons, and secretaries of respective LAs participated). Participants increased their knowledge and expressed interest in implementing best buys related to revenue generation avenues of the LAs, front office systems, digitalization potential and online systems, and waste management systems.

³⁰ UNDP Monitoring and Evaluation Data 2022

16 LAs from the Northern Province visited solid waste management (SWM) facilities in Dambulla for sensitization on advanced technology in SWM processing and to exchange knowledge on the best practices for waste management. Dambulla Municipal Council and Uva Wellassa University jointly facilitated the session. During the field visit, participants learned more about organic fertilizer production, using modern equipment for compost production, developing sustainable solid waste management practices, integrated waste management sites and public-private partnership models for marketing compost etc.

An additional exposure visit was conducted with the support of the Department of Environmental Technology, the University of Colombo with the Waste Management Authority of Western Province to enhance the technical capacities of LAs from the Uva province in their waste management process. 45 participants enrolled in the programme, including LA Department Heads, waste management focal Points, site supervisors, and environmental officers as well as two mayors, and one chairperson. The programme has contributed to developing a nationally accepted curriculum and training module on waste management, for the first time in the country. The University hopes to continue the diploma through its regular programme.

3.1.2. Develop events website to facilitate sharing of information and resources (including personal experiences of officials, beneficiaries, etc.), to facilitate a culture of listening and sharing.

The project is supporting the development of websites for all 134 LAs and improving the official social media accounts for all 134 LAs and 4 Department of Local Governments in North, North Central, Eastern, and Uva provinces which will facilitate enhancing knowledge sharing and learning. Additionally, the CDLG-produced newsletter 'Voices from the Field' is actively shared with key stakeholders across the 134 LAs to highlight project best practices and the impact of enhanced service delivery and local development.

3.1.3. Encourage/ support LAs, CSOs to use the annual learning event as a platform to advocate for policy change to improve local governance systems.

A research symposium on gender equity and equality was organized by the Centre for Gender Equity and Equality (CGEE), University of Jaffna in collaboration with UNDP in October 2022. The first lady, Maithree Wickramasinghe, delivered a keynote address on the theme "Sustainable Development through Gender Equity and Equality in the New Normal - An Ontological Perspective". Academic staff, council members, women councilors, women development officers and local government authorities increased their awareness of issues facing women in relation to higher education attainment, labor force participation and unpaid labor following a panel discussion. Key discussion points from the conference and recommendations to enhance women's advancement in the labor force and education sectors will be captured in a summary report and disseminated among key stakeholders by the project in order to promote greater advocacy. Additionally, a second advocacy event was held titled 'Women in Local Politics' conducted on 8th March 2022 (International Women's Day) with the participation of 160 women councilors and 105 members of youth shadow councils. This event contributed to the forging of a partnership between the youth and women councilors in local development activities, including in the provision of seed funds.

3.1.4. Produce policy papers Op-ed to highlight local governance and decentralization issues and best practices. (see also sub activity 3.2.4)

CDLG supported SLILG to conduct an International Conference and thereby created evidence for policy formulation/reforms

Key Activity Area 3.2: Improve collaboration between different levels and units of central, deconcentrated and devolved government

There are 06 sub activities under this key activity and these activities were on-going during the reporting period.

key Highlights under key activity 3.2

- Legal frameworks of target 134 LAs enhanced to perform optimally in revenue generation, efficient service delivery and crisis response (result of sub activity 3.2.4)
- LAs supported advocating for policy change, including by producing policy briefs, directives etc. to strengthen local governance and decentralization. (Result of sub activity 3.2.4)
- LAs/PCs meet recommendations of financial and performance audits through improvements to audit practices in 134 LAs (result of sub activity 3.2.2 and 3.2.6)
- Improved coordination and enhanced horizontal and vertical linkages. (Result of sub activity 3.2.3)
- Research conducted to support recommendations on skills and capacities required for sustainable development. (Result of sub activity 3.2.1)

3.2.1. Conduct research, analysis and make recommendations, in collaboration with line Ministries and other relevant institutions, on skills and capacities required at different tiers of government for sustainable development (linked to K.A.1)

The following research studies are underway/completed during the reporting period, and the key insights and areas of follow-up are discussed under the relevant key activity area:

1. Improving revenue generation at the local level (completed)
2. Improving active participation of women in Local Government (Uva Province- completed)
3. Analysis of mainstreaming Sustainable Development Goals (SDGs) at the provincial and local level (ongoing)
4. Duplication of services study (ongoing)
5. LAs performance evaluations audit (baseline completed)
6. Disability Accessibility Audit in 134 LAs (to be completed in Eastern Province, Uva Province and Northern Province; completed in North Central Province)
7. Chartered Institute to conduct competition on annual reports by LAs (ongoing)
8. E citizen report cards to identify needs of the citizen (ongoing)
9. Perception Survey (to be completed)
10. Mid-term evaluation (ongoing)

As recommended by the study on Improving Revenue at Local Level, CDLG has initiated discussion with the Department of Valuation to standardize the valuation of assets at LAs. Lack of a proper valuation system at LA level, has made negative impacts on the revenue generation and on audit opinions as well. CDLG may explore entering a contract with the Department of Valuation in the next quarter. Study on improving active participation of women in local government focusing on Uva Province was completed and the report is in its final stages of review by PMU. Analysis of mainstreaming Sustainable Development Goals (SDGs) at provincial and local level – the study is ongoing and will be completed Q1 of 2023. Study on duplication of services in Central and Provincial Government Services- ongoing

3.2.2. Support central and provincial governments to review planning process, financial and information flow, based on existing and further analysis, from central to LA

duplication of Services in Central and Provincial Government Services study is in its final stages of completion and will be finalized in Q1 2023. The Asia Foundation has started working on Strengthening Data Analytics and Visualization Unit at the State Ministry of Provincial Councils and Local Government Affairs (SMPCLGA) and the capacities for preparation of analytical reports for SMPCLGA.

3.2.3. Strengthen horizontal and vertical linkages between different levels of devolved government, and between devolved and deconcentrated units based on review and lessons from implementing basic and performance transfers.

With the support of Marga Institute integrated development plans for selected local authorities (12 Urban Councils and Municipal Councils) are being developed. 12 plans for Pradeshiya Sabhas are being developed by the Asia Foundation. These studies will include recommendations to strengthen horizontal and vertical linkages between different levels of Government. Workshop to develop Citizens Charter Island wide facilitated by CDLG, based on the lessons and best practices, and organized by the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Governments. To standardize the JD of pre-school teachers in Uva, CDLG engaged with different stakeholders such as Divisional Secretariats, Department of Early Childhood Development and Provincial Council. This synergy also paved the way for increased attention from the provincial officials to develop policy inputs in the ECD sector. In Uva, systems created to expedite the collection of stamp duty by the LAs from the Land Registrations from the Land Registry. Time reduced to 1 month from 6 months. Work relationship between DS and LAs streamlined through sharing of resources around Disaster Relief activities Collection and sharing of information between the DS and LAs in the tracking of information and services.

- **Improved coordination and enhanced horizontal and vertical linkages.**

The project has worked with central and provincial Governments to review planning processes and increase linkages between different levels of the Government to promote better local utilization and generation of resources. Through CDLG's support for strengthening horizontal and vertical linkages, the intervention has helped enhance policy and programme coherence; strengthen integrated approaches to planning and service delivery; and helped address duplications and inefficiencies in the local Governance systems.

LAs have been provided support to link with central departments through enhanced working arrangements to improve service delivery for citizens. For instance, in the North Central Province, following capacity building on surveying and levelling for technical engineering staff of the LAs and DLG, technical officers now work comfortably with central-level institutions like the Road Development Authority and Ceylon Electricity Board for related services, which has helped to secure faster approvals and quick service delivery for communities.

The Ministry has re-engineered the business processes of 25 services delivered by LAs through the development of common citizens charter for LAs island wide following a workshop organized by the Ministry of Public Administration Home Affairs Provincial Councils and Local Governments in collaboration with UNDP. This exercise helped leverage some of the key lessons learned and best practices in implementing citizen charters in order to facilitate ease of access and improved service delivery for citizens.

CDLG is also supporting research on the duplication of services between the three tiers of the Government. A consultant has been selected and 5 Divisional Secretariats and LAs have been identified to be studied.

Vertical coordination has ensured the development of plans for LAs. The development of the Disaster Risk Reduction plans entailed consultative processes with devolved and deconcentrated structures. Already, 3 LAs (Badulla MC, Badulla PS, Monaragala PS) have started developing DRR plans. The plans will also be continuously updated with the Disaster Management Centre to ensure continued relevance and sustainability. Additionally, TAF-conducted design thinking workshops for the identification of projects for LDSP performance transfers also involved consultative processes with both devolved and deconcentrated structures. Likewise, the development of green city master plans and the SDG mainstreamed development plans for Urban Councils and Municipal Councils was informed by consultations across deconcentrated and devolved units to identify opportunities for synergies.

3.2.4. Develop and issue directives, guidelines, regulations to improve efficiency, collaboration, coordination, and gender integration within the local governance system, based on recommendations from research, analysis, and good practice

150 by-laws are being developed and at various stages of completion. Drafted by-laws are sent for technical review to the By-Law Advisory Committee established at MPCLG with the support of CDLG. As a result of these by-laws, LAs have been enabled to ensure efficient revenue generation, service delivery and use of resources during crisis contexts. Additionally, the bylaws will enable the LAs to increase their income at a time of heightened cost of service delivery; ensure business continuity and update obsolete by-laws to facilitate optimal usage of resources and streamlined regulations. The by-Laws are now being adopted by LAs in other provinces, including the Western Province. The adoption of these by-Laws island-wide will ultimately institute standards for greater autonomy and accountability for LAs and will capacitate LAs to drive substantial improvements to the quality of life in localities across the country.

The development of the by-laws was informed firstly by an assessment of the needs of the LAs for by-laws covering key areas, including revenue generation, efficient service delivery and the use of resources during the current crisis. Following the development of the by-laws, a By-Law Advisory Committee has been established (for the first time in Sri Lanka) to review and recommend by-laws and support the LAs to secure approval by the PCs.

The 100 new by-laws, as well as the adoption of 21 by-laws drafted in 2020-21 and amendments to 50 existing by-laws, are aimed at enhancing local government officials' role in efficient service delivery, revenue generation and managing and responding to public health and safety. By December 2022, by-laws will be developed /amended for 32 Pradeshiya Sabhas, 24 Urban Councils, 44 Municipal Councils. Gender dimensions were also taken into account during the development of by-laws and 80% of the by-laws have set out environmental standards to be strictly followed (i.e., through the introduction of complaint mechanisms against sound pollution, for example, regulations on environmentally sensitive design for public infrastructure, waste management practices etc.)³¹

³¹ UNDP Monitoring and Evaluation Data 2022

- **LAs supported advocating for policy change, including by producing policy briefs, directives etc to strengthen local governance and decentralization.**

Directives were submitted to establish women's committees in Local Councils to take leadership on the subject of women and children's affairs at the local level. These directives were formed with the engagement of women's council forums and have been submitted for PC approval.

The signing of a Charter by women Mayors/Chairpersons and other women councilors has helped to mobilize national efforts to increase the quota from 10% to 20% of women nominees in the primary list. There is no significant result as of now, as FSLGA has recently started linking the women's networks with the national women's forum. FSLGA is also revisiting the vision and mission statements of the Women Councilors' Network, in order to increase their scope in relation to local development and to strengthen their collaboration with the National Women's Forum.

Additionally, the development of a standardized job description for preschool teachers will help increase the scope of responsibilities allocated to LAs, especially in relation to the management of the public education sector.

CDLG is developing the criteria for a tax waiver in consultation with key LA staff; preparing a draft internal policy on the tax waiver in LAs and will facilitate sharing of the draft in 134 LAs through the respective CLGs. This is done under the "enhancing generation of own revenue and strengthening financial management in LAs" activity. Once the policy is in place, the LAs will have a clear direction on what should be taxable versus the percentage to be taxed. There are no such internal policy guidelines available at the moment in LAs on this. As a result, LAs fail to impose a tax on taxable properties and trades etc which in turn, leads to a loss of revenues. CDLG supported the preparation of a draft internal policy on tax-waivers in LAs and facilitated sharing of the draft in 134 LAs through the respective CLGs. Many LAs used these draft criteria to prepare internal policy as this is one of the performance indicators tested under the performance assessment for PT2.

Additionally, the project has supported the capacity building and institutionalization of the community centers by amending their constitutions to encourage women's participation. By demonstrating the potential of CCs to engage in participatory decision-making and local socio-economic development, policymakers at the LA, Provincial Council and national levels will be motivated to recognize these local-level institutions in ensuring responsive service delivery.

Moreover, CDLG is supporting LAs in formulating new procurement guidelines (ongoing) to establish set standards tailored to the LA level which will help bring about greater transparency in procurement processes. Currently, LAs follow the national procurement guidelines and there is limited room for maneuver within the national guidelines considering the reduced scope of LA-implemented projects. Likewise, CDLG has supported the Ministry in initiating a new process for updating the by-laws as well as the rules and regulations for making provisions in relation to the introduction of novel accounting systems for LAs. **This exercise has helped to institutionalize good practices and strengthen the capacity of LAs to become audit compliant.**

3.2.5. Develop e-procurement systems (with an emphasis on including micro, small and medium enterprises in the local e-market for procurement) based on the approval of the new procurement guidelines.

ELG 2.0 was dropped by the Ministry. Discussion is underway (2 completed) with MPALG to introduce LA specific procurement guidelines. Certificate in Procurement Management for 79 staffs (3 women) of Uva has been completed.

3.2.6. Facilitate central and provincial audit offices to support Las/PCs to meet recommendations of financial and performance audits

134 LAs are being supported through a Learning by Doing Approach to improve the Audit opinion. LAs have started to demonstrate improvements in their internal auditing practices, for example, many LAs now prepare performance reports and ensure SDG-sensitive budgeting. 22 LAs in the East have started developing Audit Performance reports for the first time. 33% of LAs have already demonstrated improved financial practices which will help them gain positive audit opinions in the next audit phase³². Ultimately, through the project's support to ensure audit compliance of LAs, the LAs will be strengthened to increase their transparency, reduce corruption and increase public trust at a time of eroded public confidence in state institutions. This has also facilitated enhanced vertical and horizontal linkages through improved knowledge flow on finances and increased institutional oversight on financial utilization and performance.

Local Authorities have improved their audit compliance and adopted new systems through the implementation of audit recommendations of the utilization of basic and performance transfers through a learning-by-doing approach via the deployment of audit consultants within LAs. Audit consultants have reviewed Auditor General's Annual Audit Reports for the last 3 years for LAs to identify deficiencies; assessed staff awareness of LG finance and accounting procedures and regulations; and reconciled monthly bank statements against revenue receipts and payment accounts among other activities. For example, within the Northern province, 34 improved audit reports were submitted to the AG office within the stipulated time period. More than 14 audit-related issues were identified and addressed by the consultants.

As a follow-up action to the Audit support, CDLG has initiated discussions with the Department of Valuation to streamline and standardize the valuation of assets in LAs. Gaps and Issues in valuing assets of LAs were identified as a negative factor in achieving positive Audit feedback and negatively impacted revenue generation (as recommended by the Study on Improving Revenue at the Local Level). CDLG may explore entering into a contract with the Department of Valuation on this issue in the next quarter.

CDLG is also supporting 134 Local Authorities in the project locations to participate in the Annual Report competition 2023 amongst Local Authorities. This is expected to increase staff motivation to standardize auditing and revenue generation processes, among other service delivery functions.

A number of knowledge products and capacity-building modules were also produced to strengthen the capacity of LAs in local financial management and audit processes. An Internal Audit Manual for Local Authorities was drafted by CA Sri Lanka and is under validation by public authorities in order to strengthen the audit function of the local authorities. This Manual will help institutionalize audit processes within local authorities and help ensure the sustainability of results obtained. The Chartered Institute of Sri Lanka developed and delivered a Diploma in Local Financial Management in Northern, Eastern, North Central and

³² UNDP Monitoring and Evaluation Data 2022

Uva Provinces to enhance their service delivery. Around 200 participants enrolled in the first course, and it is expected to significantly enhance their knowledge of and compliance with local finance rules and regulations.

CDLG in partnership with ICTA is strengthening the capacities of the Sri Lanka Institute of Local Governance (SLILG) at the national level and MDTUs at the provincial level by initiating the establishment of a cloud-based learning management system (LMS) and Trainer/Vendor management system (TMS).

CRISIS RESPONSE

Sri Lanka is currently facing its worst economic crisis since its independence, with shortages of fuel, gas, food and medicines affecting all segments of the population. The crisis has pushed many people into poverty, with many families currently experiencing a severe food crisis. It is estimated that 68% of households are forced to reduce food consumption, including by skipping meals in the face of rising inflation³³. In response, the CDLG project conducted a reprogramming of activities to include crisis response interventions with the objective of helping communities at the local level mitigate the impact of the crisis in line with the national response. Previous reprogramming efforts include CDLG's response to COVID-19.

For financial and other details please see Annex 11.

1. Enhancing vocational skills to tap into foreign income-earning avenues

The project is also supporting youth to upskill in order to access modern international income-earning avenues and to tap into the growing opportunities for freelancers offering digital services. Specifically, in Uva, the project is facilitating vocational certifications for youth, via the VET. An agreement was reached with the Deputy Chief Secretary (Planning) and the National Youth Services Council to conduct local authority-level workshops to introduce modern foreign income-earning venues such as direct shipping, drop shipping, Ebay, YouTube, Fiverr platform etc. Thus far, 9 programmes have been completed in 9 LA divisions with the participation of 491 youths (male 270 and female 221). Activities have been identified to support a vocational training center in Arayampathy PS, which will be further supported by a woman councilor SEED fund project and the LA and will be completed in Q4 2022.

2. Supporting innovative community interventions to the crisis through seed funds for women councilors.



Idea generation workshop for Seed Grant Programme of Women Councilors Group in Local Authorities- Northern Province

The project is also supporting communities to design and implement interventions to directly address socio-economic challenges posed by the economic crisis. 177 Seed Grants have been distributed thus far to women councilors to promote gender-responsive actions to mitigate the impacts of the crisis.

³³ (UN Humanitarian Needs and Priorities Plan October 2022)

3. Designing and implementing tools to reduce social tensions, support access to services and enhance community resilience

In response to the ongoing food crisis, CDLG has helped drive grassroots-level interventions to enhance community food security through the launch of the Modal home gardening (school gardening) programme at Welimada Pradesiya Saba. 57 schools within the Welimada PS are benefiting from this project.

4. Continuing benefits from the facilitation of virtual communication technology.

The provision of Zoom technology with communication infrastructures for all 134 LA and Provincial councils during COVID-19 has proved to be instrumental in ensuring business continuity during the ongoing economic crisis which led to fuel shortages and reduced mobility.

Please see Annex 11 on Progress of crisis response activities for more details.

5. Facilitating vocational training of youth

The CDLG project is supporting ongoing Japanese Language training in collaboration with the Ministry of Provincial Councils and Local Government, Ministry of Vocational Trainings and Skills Development, National Apprentice, and Industrial Training Authority (NAITA) and Foreign Employment Bureau. Due to the economic crisis, many industries closed or downsized their factories, leading to unemployment. This intervention will support more than 2000 youths across the 4 provinces in learning Japanese, to increase their potential to gain short term job opportunities in Japan, as the Japanese Government has signed an agreement with the Sri Lankan Government to recruit skilled laborers. Although this is not a long-term solution or an avenue for migration, learning the Japanese language does give these youth a step up in qualifying to work in Japan for a short period and help their families back home financially. The project pays the tuition fees for online classes.

(For more detail, refer Annex 11)

CHALLENGES AND MITIGATION STRATEGIES

The economic crisis posed several challenges to the implementation of project interventions as a result of continuous fuel shortages, power interruptions and limitations of working arrangements of government officers. The restricted mobility due to fuel shortages and constant power shortage was experienced by staff of the DLG, LAs and implementing partner staff; as a result, some of the provincial, district, Local Authority Level and Community Centre Level meetings and training programs had to be postponed. These challenges resulted in lower participation by Government officials and community members in project activities including capacity-building and consultation workshops. CDLG was able to overcome this challenge by planning hybrid training, providing transport allowances and strengthening local training resource pools to reduce dependency on external trainers. Where it was not possible to conduct training/activities virtually, for example due to the interactive nature of training/activity or as a result of limited bandwidth of internet facilities, selected CDLG project activities were rescheduled to a more convenient time.

There were also several administrative and institutional challenges which posed barriers to the successful implementation of project activities. Frequent changes in the provincial administrative system due to staff transfers etc. have hindered project implementation, follow up and overall progress. The lack of elected Provincial Council members also further delayed the ratification of by laws.

The technical nature of the selected interventions, such as strengthening LA capacity on design thinking and foresight tools, also necessitated additional sensitization and training of implementing partners ahead of project implementation. As social innovation processes, such as ideation, prototyping, design thinking and experimentation, were new areas for the implementing partner, a series of training sessions were organized to sensitize and train the partner ahead of capacity building of LAs.

Following the continuous fuel shortage and frequent power cuts, the government issued a circular limiting the number of working days per week and the number of staff reporting to the office. As the presence of essential staff members was limited, this negatively affected CDLG project implementation. Although a new circular was issued to resume normal activities, there were some lapses in staff presence in LAs and DLG. In order to mitigate this issue, CDLG worked closely with the Department of Local Government Local Authorities in ensuring the participation of relevant staff members of the DLG and LAs in capacity development programs and other interventions.

Inflation and the unexpected fluctuation of the Rupee in Sri Lanka resulted in a failure to complete many procurements due to shortages in the market. Alternative measures have been taken to procure the items that are available in the market, and which are also essential for the immediate provision of services. Due to the economic crises and related price hikes, implementing partners from Government, non-government, and individual consultants were not able to deliver and meet their assigned tasks within the given budget which negatively influenced the implementation of planned activities. CDLG reviewed and revised the budget to reflect the current rate.

The political unrest in the country has created a situation where ordinary citizens lost confidence in political system. The instability and competing priorities of Parliamentarians resulted in several delays in securing the final approval of LA related acts in the Parliament impeding progress. CDLG's interventions with the local government, especially in relation to encouraging participatory planning, CSO engagement, and active involvement from Community Centres, have paved the way towards bridging the gap between governance structures and the public and have encouraged civic engagement.

2022 was also marked by increased political turbulence, in light of the increased number of protests against the government, political instability and changes in ministerial portfolios of relevant ministries. As a result of the clashes between the protestors and the Government on 9th May 2022, which led to government-imposed curfews under the emergency law, many LA Chairmen and Councilors were critically affected. Therefore, some of the planned meetings, discussions and training events had to be postponed which presented obstacles to the achievement of project implementation targets. CDLG was able to partly overcome this challenge by maintaining strong and close consultation with implementing partners, governmental portfolios and administration staff to facilitate continued implementation of project interventions. Some crisis response activities undertaken by CDLG, following consultations with EU were delayed due to ground level challenges

in implementation as well. Although the preparatory work for the activities commenced earlier, such as calling for applications from women counsellors to establish a platform to link LAs with all the Food producing stakeholders, shortlisting and training them etc, and the training of Youth Shadow Council members before they could implement the community water supply and solid waste management. Although these activities required much less in terms of budgetary needs, compared to the actual funds to be utilised to implement the planned projects, this part of the process was time consuming. Some instances were beyond CDLG's control, like the Government announcing new policy on banning chemical fertilisers and pumping money into LAs to promote organic composting, when CDLG was also funding the same. In instances like this, it was more effective to delay the process than risk duplication, which was the approach taken in consultation with CLG. The CLG decided to utilize the funding as a 2nd layer to support LAs to generate organic composting due to the Government funding that came as a result of the Government policy of banning chemical fertilizers (refer Annex 11). We have included a more detailed explanation on this in the revised Annex 11 and reflected same in the narrative report. However, all activities continued despite the setbacks and are scheduled to be completed by end of Q1 of 2023.

SYNERGIES WITH OTHER STRIDE PROJECTS

Synergies between LDSP, SEDR and CDLG projects have been leveraged to support progress towards the achievement of the objective of strengthening the execution of decentralized functions to ensure efficient, inclusive, gender-sensitive and accountable service delivery at the local government level. CDLG has strengthened the capacities of 134 LAs to meet the criteria to receive basic transfers and performance transfers under LDSP and has enhanced the engagement of CSOs and community forums in local planning and budgeting in line with SEDR objectives. Some key examples of synergies between CDLG and the two other STRIDE projects are listed below.

Synergies with LDSP

In line with the agreements with the EU and the World Bank to strengthen the data ecosystem for evidence-backed policy formulation, CDLG has supported the establishment and implementation of a Management Information System (MIS) for LDSP. CDLG has so far, at the request of the World Bank and in consensus with EU, provided 134 tablets and eight 360-degree cameras to support the implementation of an MIS for LDSP. CDLG is also supporting complementary interventions with the support of TAF, including the formulation of a strategy for establishing linkages between the MIS and GGRCs and developing at least 5 training manuals on relevant thematic areas prioritized by the MIS.

CDLG hired two consultants for capacity building programs (through a Learning by Doing approach) to strengthen project formulation and assess the feasibility of planning and implementation of development projects in relation to social, political, environmental, and economic criteria. This intervention was conducted as a follow-up initiative in response to the recommendations identified by the Feasibility Studies of Development Projects conducted by CDLG at the request of LDSP.

CDLG supported the LDSP in conducting the baseline and performance audits in all 4 provinces for performance transfer 1 and performance transfer 2 by hiring the University of Jaffna, at the request of WB and EU.

As a result of the Training Needs Assessment by SLILG (as approved by LDSP), CDLG supported SLILG to complete all 160 trainings (for 7340 participants including 3262 females) in 2022 based on 14 identified topics. Based on the knowledge built by the training, CDLG continues to mentor LAs through specialized capacity building and other complimentary support such as creating an enabling environment through the development of by-laws, directives, guidelines and learning by doing approaches.

In addition to CDLG's involvement in the Baseline and Mid Term surveys of the basic transfers and performance transfers, the LDSP project has decided to select and fund targeted proposals addressing the impacts of the ongoing economic crisis in line with CDLG's ongoing intervention in developing social innovative projects. To identify activities for performance transfer 2, CDLG conducted 9 ToTs on the design thinking approach and 134 LA-level social innovation consultation workshops were held with the engagement of 5400 local government officials.

CDLG will continue to provide technical support to update the Local Authority Participatory Development Planning (LAPDP) process in conjunction with LDSP's support for the development of LAPDP. A report on the implementation of LAPDP in LAs is being prepared based on the results from a questionnaire administered on the status of the application of LAPDP. Consultations at the provincial level (for all 4 provinces) have been completed to incorporate more participatory and consultative planning approaches and tools. Local authority participatory planning manuals are being revised to incorporate SDG-related activities which will support the further streamlining of the SDGs into local planning. Initial discussions with the Director General of Planning at the State Ministry of Provincial Councils and Local Government were completed to revise the LAPDP Process Manual by incorporating the SDGs.

Synergies with SEDR

An initial discussion with the SEDR country team was held, following which opportunities for complementary interventions with SEDR provincial teams in Uva, East and North were identified. Three provincial-level meetings between CDLG and SEDR were completed, and the following action points were agreed upon:

- A detailed discussion to identify areas for synergy and collaboration based on the work plans
 - Tools used by CDLG shared with SEDR for the selection of CSOs and CCs for capacity building and other project interventions
 - SEDR will be selecting CSOs that already work with CDLG to prevent duplication of activities
- Utilization and sharing of resources including the social mobilizers hired by the CSOs of CDLG to extend the services of SEDR
- Selection of Community Centers that work with CDLG and SEDR for capacity building
- Based on the lessons and best practices, support will be extended to other CCs which were not selected during the first phase.

LESSONS LEARNT

The country underwent several crises during 2019 - 2022, from the COVID-19 pandemic to the ongoing economic crisis and political instability, which have served to underscore the project's rationale in ensuring effective, transparent and responsive service delivery as critical to building public trust in particular at the local level, as detailed below. Additionally, the project's investments in ensuring business continuity through the provision of virtual communication equipment have enabled local authorities to limit the impact of the socio-economic crisis on service delivery to the least extent possible.

Significant lessons learnt from the current reporting period include:

1. Communicating a clear vision and ensuring multi-stakeholder buy-in is critical to the successful implementation of plans developed. For example, local authorities were strongly engaged in the development of the green city master plans through a series of stakeholder consultations and validation workshops. The green city master plan development process engaged government stakeholders in both devolved and deconcentrated structures, as well as civil society. This has helped ensure the final plan is reflective of the challenges and issues faced in relation to green development at the local level. Additionally, communicating a clear strategy and securing multi stakeholder buy-in has helped strengthen LA's commitment to implement the suggested interventions as many local governments have started initiating actions in this regard.
2. The establishment of specific advisory committees at the ministerial level (for example - the By-law Advisory committee) has helped to streamline the by-law development process. CDLG is exploring establishing a similar set-up at the provincial level to fast-track the approval of by-laws. Through obtaining the knowledge of the experts in Sri Lanka leveraging such advisory committees, the CDLG project has helped to make the process of preparing the bylaws more successful. Additionally, the active involvement of the Ministry in this exercise has resulted in a higher level of acceptance of the by-laws being prepared. Instituting small and targeted committees to fast-track approval of project interventions helps to ensure continued and dedicated follow-up as well as brings together key advisors and technical counterparts to streamline decision making and approval processes.
3. Enhanced collaboration with partners is critical to optimizing resources to drive impactful results. UNDP's Citra Social Innovation Lab also provided training on social innovation which has helped to significantly increase the implementing partner's capacity in this area. For instance, CDLG initially intended to support a fraction of LAs under the support for Social Innovation approaches to address local development challenges. However, building on traction generated by this component of the project and the importance of locally driven actions to address the impacts of the economic crisis, the World Bank has pledged to support the remaining viable projects developed for grant support. The

project was also able to leverage the increased demands from LAs and citizens alike for digital transformation amid the growing requirements for online service delivery solutions in the context of COVID-19, fuel crisis and rising transport costs.

4. The Women Councilor's Network is a significant platform and critical to providing a space for women councilors to discuss local development and women's issues. Additionally, it provides strong backing for women councilors to conduct advocacy with stakeholders to advance actions on issues relating to gender equality and women's empowerment. Empowering women councilors to identify the needs of the people, prepare project proposals and capacitating them to implement the project was another best practice of the project. Providing a space for women's voices and engagement in community development is integral to overcome long standing barriers to women's political participation.
5. Partnerships with local CSOs and National level CSOs are imperative to expanding the reach of the project's interventions as well as to ensuring the sustainability of the results obtained. For example, FSLGA's support in integrating the women's councilors network with the National Women's forum has provided an avenue for continued mentorship and support to the network. Likewise, the Uva Shakthi Foundation in Uva as a local hub for RTI supports the CCs in the realm of social accountability and helps to capacitate and guide community members on leveraging RTI to hold local authorities accountable to the public. The Employer's Federation has also pledged support for the CDLG project by providing disability-friendly applications to the libraries, which will help to generate larger momentum from local stakeholders on disability-friendly interventions. Partnerships with CSOs are crucial to ensuring sustainable and integrated community engagement in holding LAs accountable and ensuring impactful service delivery and are a vital mechanism to help ensure continuity of results beyond the duration of the project.
6. The project's efforts in strengthening participatory planning and civic engagement have also helped to both improve the relationship between the elected members and their constituencies, as well as enhanced social cohesion between different groups in the community. It has enhanced the downward accountability of local authority councilors towards citizens. Following the capacity building of CCs, the project has supported an increase in the number of community platforms; enhanced use of RTIs; and generally increased community engagement in local planning and budgeting. CCs have also been empowered to work with other community institutions to support a more cohesive environment. For example, sports club-related disputes were reduced in Uduvil - Anna CC following capacity building on conflict management. Community Centers represent a critical avenue for UNDP to leverage community engagement to further the achievement of project objectives towards participatory local development, more accountable local institutions, and advanced social cohesion.

ANNEXES

- Annex 1 - Progress against work plan (removed from the list of submissions as advised by EU)
- Annex 2 - Progress against results framework
- Annex 3 - Updated Risk log
- Annex 4 - Workplan and budget forecast
- Annex 5 - Implementation of the visibility and communications plan
- Annex 6 - Details on capacity development initiatives
- Annex 7 - List of knowledge products
- Annex 8 - Success stories and selected photos
- Annex 9 - Expenditure report
- Annex 10 - Summary of controls
- Annex 11 - Progress of crisis response activities
- Annex 12 - Progress of social cohesion initiatives implemented under CDLG