

United Nations Development Programme

PROJECT DOCUMENT

United Nations Development Programme

Sri Lanka



Project Title: The Project for Promoting Prosecution of Corrupt Practices through the Establishment of Anti-corruption Mechanism

Project Number:

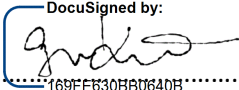
Implementing Partner: UNDP

Start Date: 1st of July 2025 **End Date:** 30th of June 2028 **PAC Meeting date:** 25th June 2025

Brief Description

Contributing Outcome (UNSDCF, CPD, RPD): UNSDCF OUTCOME 4/UNDP OUTCOME 3: By 2027, people in Sri Lanka, particularly the most vulnerable, have increased trust and confidence to claim and benefit from enhanced, non-discriminatory, gender-responsive, participatory, and efficient governance and justice systems and rights-based development. STRATEGIC PLAN OUTCOME 1: Structural transformation accelerated, particularly green, inclusive, and digital transitions. CPD Output 3.1: Accountability, efficiency, inclusivity and responsiveness of governance mechanisms, public institutions and systems improved. Corruption tends to exacerbate gender inequalities and gender inequalities breeds corruption. The outputs under each outcome are designed to tackle corruption in a multi-dimensional and holistic manner. Under each outcome gender has been given significant consideration. It can be noted that under Gender Equality Marker, outputs under all three outcomes can be considered as promoting gender equality in a significant manner (scale 2).	Total resources required:	2,500,000 USD	
	Total resources allocated:	UNDP TRAC:	
		Donor:	2,500,000 USD
		Government:	
		In-Kind:	
	Unfunded:		

Agreed by (signatures)¹:

DocuSigned by:  169FE830BB0640B..... Azusa Kubota, Resident Representative, UNDP Sri Lanka Date: 26th June 2025	27-Jun-2025
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I. Situational Analysis

The detrimental impacts of corruption have greatly hindered Sri Lanka's economic growth, the well-being of its citizens, and political stability. Although numerous anti-corruption initiatives have been implemented, the level of corruption in the country has unfortunately persisted. The cost of corruption in Sri Lanka is complex and affects all segments of society and the economy. The 2023 IMF Governance

¹ Note: Adjust signatures as needed

Diagnostic Assessment of Sri Lanka cautions about how “Governance and corruption issues have imperilled national and social well-being”. The cost of corruption in Sri Lanka has also significantly deterred foreign investments, as it creates an unpredictable and risky business environment. Investors often perceive high levels of corruption as indicative of weak governance and regulatory frameworks, leading to concerns about the protection of their investments and the potential for unfair competition. Increased costs associated with bribery also erode profit margins. Additionally, corruption undermines trust in public institutions, making potential investors hesitant to engage in markets where ethical standards are compromised. The pervasive nature of corruption thus results in reduced foreign direct investment, stunted economic growth, and lost opportunities for development, which Sri Lanka has been increasingly experiencing in the last few years. Corruption has also significantly undermined human security by eroding trust in public institutions and diverting resources intended for essential services. It leads to increased poverty, weakened Rule of Law, threats to public health arising from inadequate medical services, unsafe medications, and poor sanitation, and social instability. Widespread corruption may even fuel discontent and unrest as was observed in the recent past, leading to violence and conflict. Ultimately, corruption poses a direct threat to the safety and well-being of individuals and communities in the country, hindering sustainable development.

While it is challenging to determine exact numerical values for the total cost of corruption, its widespread influence considerably hampers the country’s development and well-being. Estimates suggest that corruption in government tender procurements results in an annual loss of around 1% of the country's GDP². Transparency International's corruption perception data indicates that the state response to corruption in Sri Lanka has either stagnated or worsened over the past decade, with the country's corruption perception scores consistently falling below the global average of 43 out of 100³. In fact, in the 2023 Corruption Perceptions Index (CPI), Sri Lanka ranked 115 out of 180 countries, with a score of just 34 on a scale from 0 (highly corrupt) to 100 (very clean). Since 2012, Sri Lanka has lost a total of 6 points and achieved its lowest CPI score in 2023. 79% of respondents in Sri Lanka to the 2020 Global Corruption Barometer viewed government corruption as a significant problem. Further, Sri Lanka's progress on the ‘Ease of Doing Business Index’ has been slow during last years of indexing, particularly in areas such as enforcing contracts, resolving insolvency, registering property, obtaining credit, and conducting trade across borders⁴.

Emerging from the COVID-19 pandemic, which inflicted considerable damage on its economy, Sri Lanka plunged into a severe economic and governance crisis in 2022. While previously discussions around corruption in Sri Lanka have primarily centered on political figures, state institutions, and the misuse of power by public officials, following the economic and political crisis in 2022, the conversation about corruption has taken on new urgency, with many now viewing it as a primary, if not the main, cause of the crises that affect the daily functioning of the country and the lives of its people. To navigate the challenging landscape created by the economic crisis, in March 2023 the government decided to secure an IMF bailout package, with the implementation of new anti-corruption legislation as a critical requirement. This Anti-Corruption Act was subsequently enacted in late 2023, marking a significant step toward restoring fiscal stability and improving governance. The introduction of this legislation is

² <https://www.dailymirror.lk/business-news/Sri-Lankas-annual-loss-due-to-government-tender-corruption-amounts-to-1-of-Gross-Domestic-Product-Verit%C3%A9-Research/273-298012>

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⁴ Doing Business – 2020, Rankings on Doing Business topics – Sri Lanka, The World Bank. See more: <https://archive.doingbusiness.org/content/dam/doingBusiness/country/s/sri-lanka/LKA-LITE.pdf>

expected to enhance transparency and accountability, fostering trust among citizens and encouraging foreign investment.

However, the full implementation of the Act has been limited due to resource limitations. In response, UNDP intervened to support the Act's implementation through the JSB-funded initiative titled "Promoting Economic Governance through Anti-Corruption Policy Support" Project. This project has made notable strides, particularly in enhancing the capacity of the Commission to Investigate Allegations of Bribery or Corruption (CIABOC) and reinforcing the legal and policy frameworks needed for better coordination among key institutions tackling financial crimes.

As part of its response to corruption and in line with Articles 5 and 6 of the UNCAC, which call for a comprehensive and coordinated Action Plan, in 2019, Sri Lanka developed and implemented the National Action Plan for Combating Bribery and Corruption for the years 2019-2023. This Action Plan emerged from a consultative process led by the Commission to Investigate Allegations of Bribery or Corruption (CIABOC). The 2023 IMF Governance Diagnostic Assessment of Sri Lanka described this Action Plan as a "potentially important step," highlighting the government's recognition of the costs associated with corruption and the necessity for a strategic response. However, this National Action Plan faced significant challenges that hindered its effectiveness, including resource limitations, insufficient training and guidance, institutional resistance, ineffective enforcement, and, most critically, a lack of political will. As the implementation period of this Action Plan has concluded, as a key initiative under the "Promoting Economic Governance through Anti-Corruption Policy Support" Project, UNDP supported the development of a new National Anti-Corruption Action Plan for the years 2025-2029 (NACAP). This process also took into consideration the 2023 IMF Governance Diagnostic Assessment on Sri Lanka which emphasized the need for a more strategic and inclusive approach to addressing corruption and highlighted the effectiveness of well-designed National Anticorruption Strategies. The draft NACAP is nearing completion and will be officially adopted before April 2025.

While the new NACAP was being developed, Sri Lanka held elections that resulted in the election of a new government. While this transition in leadership brought about a shift in the political landscape, it is important to note that the new government that carries a clear popular mandate came to power on a platform of anti-corruption and economic recovery. Therefore, addressing corruption has emerged as a top priority on the national agenda, positively influencing the anti-corruption efforts such as the NACAP. The **"Clean Sri Lanka"** programme launched on 01 January 2025 by President Anura Kumara Dissanayake also prioritizes anti-corruption measures as a cornerstone of achieving good governance. The programme is built on a sustainable framework consisting of three pillars; Economic, Social, and Governance (EESG). Pillars 1 and 3 of this initiative aims to enhance transparency and accountability within government institutions, foster investor and public trust, and create an economically strong and more equitable society. The content of the NACAP aligns with their vision for the country and addresses the pressing issues of corruption and governance in Sri Lanka. This approach not only aims to mitigate corruption but also supports sustainable economic growth through increased foreign investments and enhances overall governance standards.

This proposal builds on and scales up key interventions undertaken through the ongoing JSB-supported programme. It transcends beyond the capacity enhancement of CIABOC (which was necessary through the first phase of interventions) and proposes a whole of (public) 'sector' approach to transformation. The proposal also adopts a strong prevention strategy that also acknowledges a strong community-driven approach.

II. Development Challenge

Once the NACAP is approved and adopted, the next challenge will be ensuring its successful implementation. A positive development is the government's recognition of the urgent need to tackle corruption directly, understanding its harmful effects on the integrity of public institutions, the well-being of citizens, and on the investment climate with a direct impact on financial growth. However, the government will need significant financial support to successfully carry out the NACAP. This is especially true in light of the IMF Bailout programme's conditions of prioritizing revenue growth while maintaining spending discipline and channeling significant government expenditure towards increasing social security nets, with which the government must comply. As the first priority of the government is to strengthen the debt sustainability of Sri Lanka, it is imperative that other funding sources are available for the government to address corruption in its many forms. As the World Bank has forecasted, if Sri Lanka delays implementing policy reforms supported by IMF it could undermine investor confidence, leading to capital outflows, heightened vulnerabilities, and a slowdown in economic activity.

It is important to note that while development agencies in Sri Lanka mobilized various grants and aid opportunities in response to the Pandemic and economic crisis, these options often lack the flexibility needed to implement interventions that promote long-term human security and resilience. They also struggle to address barriers to economic governance or to foster public trust essential for economic and political stability. Given the urgency of the situation and the short window of opportunity available to extend support to the government to immediately implement anti-corruption measures geared towards a "clean Sri Lanka", securing immediate funding is crucial. Strengthening anti-corruption efforts is essential for advancing trade and investment, ensuring accountable public finance management and service delivery, enhancing revenue generation, promoting transparent public policy, and building public trust in a more resilient economic governance system, which will contribute to increasing the debt sustainability of the country. Sri Lanka finds itself at a pivotal moment, with a unique opportunity to initiate reforms necessary for recovery from the current crisis. However, due to limited fiscal resources to fully implement these reforms—such as the comprehensive anti-corruption law—the proposed intervention is vital to meet pressing needs.

The proposed intervention addresses this urgent national need to invest in implementing the NACAP. It outlines three main outcomes geared towards successfully implementing the NACAP: 1) promote transparency, accountability, and integrity in governance and business practices through effective and institutionalised preventive mechanisms in the public sector; 2) strengthen institutions to enhance corruption related investigative processes, improve coordination with stakeholders, and ensure quality of prosecutions; and 3). empower citizens to effectively mobilize against corruption and enhance social accountability. These interventions firstly involve implementing robust anti-corruption measures, fostering transparency, and promoting accountability within the public sector. If successfully implemented, it can restore public trust, enhance governance, and create an environment conducive to economic growth and sustainable development. Simultaneously, as recognized in the NACAP, community engagement is essential for a comprehensive and effective anti-corruption strategy. It not only amplifies the voices of citizens but also encourages individuals to take an active role in governance and advocate for transparency and accountability. Engaging communities in anti-corruption initiatives helps build trust between citizens and government institutions. Transparency in processes fosters confidence in public service delivery and governance. Therefore, the proposed interventions also

include action to empower communities to mobilize against corruption and call for enhanced social accountability.

The insights gained from UNDP's recent Global/Regional Expert Mission on Economic Governance will be utilized to advance the proposed interventions. The proposed intervention will also collaborate with UNDP's flagship Justice Sector Reform (JURE) programme to improve the judicial landscape, fostering an environment conducive to the anti-corruption initiatives outlined in this proposal. Additionally, it will draw on parliamentary support interventions to enhance oversight, transparency, and accountability—essential components for the effectiveness of anti-corruption measures. At the same time, the Country Office's initiatives on digital transformation in the government sector, along with UNDP's technical expertise at regional and global levels, will be harnessed to strengthen this area of work.

The interventions proposed under this project will be significant in advancing SDG 16 by fostering peaceful and inclusive societies for sustainable development. They will aim to ensure access to justice for everyone and establish effective, accountable, and inclusive institutions at all levels. Specifically, this includes addressing Target 16.5—substantially reducing corruption and bribery in all forms; Target 16.6—developing effective, accountable, and transparent institutions at every level; and Target 16A—ensuring public access to information and safeguarding fundamental freedoms in alignment with national laws and international agreements.

III. Strategy

The support provided by the project will: 1) promote transparency, accountability, and integrity in governance and business practices through effective and Institutionalised preventive mechanisms in the public and investment promotion sectors; 2) strengthen institutions to enhance corruption related investigative processes, improve coordination with stakeholders, and ensure quality of prosecutions; and 3). empower citizens to effectively mobilize against corruption and enhance social accountability.

- **Theory of Change**

IF effective and Institutionalised preventive mechanisms in the public and investment promotion sectors promote transparency, accountability, and integrity in governance and business practices, **IF** strengthened institutions have enhanced corruption related investigative processes, improved coordination among stakeholders, and ensured quality of prosecutions and, **IF** empowered citizens effectively mobilize against corruption and enhance social accountability, **THEN** Sri Lanka can successfully implement the NACAP leading to a significant reduction of corruption in the country, and consequent growth in investments, socio-economic stability, improved standards of living, and enhanced public trust in governance.

This is **BECAUSE** of the growing anti-corruption momentum, fuelled by public awareness of its link to Sri Lanka's economic crisis, has made NACAP adoption and implementation a top priority for CIABOC. These efforts aim to restore public trust, enhance institutional accountability, and promote integrity in governance and business.

Assumptions:

- The Sri Lankan government upholds the commitments agreed with the IMF on the Extended Fund Facility (EFF), including those pertaining to rule of law, anti-corruption, and fiscal governance
- The Sri Lankan government has political will and commitment to follow through on the anti-corruption related reform and provides the enabling environment to establish required policy and regulatory frameworks to implement the NACAP.

• Project Location Map:



IV. Results, Partnerships and Key Themes

• Expected Results:

The overall objective of this Project is to ensure the effective implementation of the activities proposed in the National Anti-Corruption Action Plan 2025-2029 (NACAP), which will contribute to a more transparent, accountable, and resilient society, ultimately leading to a significant reduction in corruption and an enhancement of public trust in institutions. The project seeks to support the whole-of-society approach adopted in the NACAP to respond to corruption engendered barriers which hinder progress and development. Through targeted interventions, the project seeks to support the dismantling of these barriers, facilitating positive change and empowering communities to thrive. Accordingly, the project has three (3) Specific Objectives or Outcomes in the broad areas of prevention, institutional strengthening, and community engagement which broadly correspond to the pillars of intervention identified in the NACAP and seven (07) Output level results contributing to the three

specific objectives. The specific objectives are as follows:

- **Specific Objective 1:** Effective and Institutionalised preventive mechanisms in the public sector promote transparency, accountability, and integrity in governance and business practices.
- **Specific Objective 2:** Strengthened institutions have enhanced investigative processes, improved coordination with stakeholders, and ensured quality of prosecutions.
- **Specific Objective 3:** Empowered citizens enhance social accountability and effectively mobilize against corruption.

Details of Outcomes, Outputs and Activities:

Specific Objective 1/Outcome 1:

Effective and Institutionalised preventive mechanisms in the public sector promote transparency, accountability, and integrity in governance and business practices.

This outcome aims to establish effective preventative mechanisms within the public sector, fostering transparency, accountability, and integrity in governance and business practices. Accordingly, it focuses one output, targeted preventative strategies to address corruption risks in the public sector. The project seeks to create a sustainable framework that mitigates corruption risks and enhances ethical standards across these sectors. Institutionalizing preventative measures consequently enhances the investment climate and supports sustainable economic growth in the country.

Output 1.1

Corruption risks within the public sector identified and targeted strategies implemented effectively that help prevent corruption.

This includes four (04) targeted activities as follows:

Activity 1.1.1: Support the operationalization of the newly established Internal Affairs Units (IAU) in 102 government institutions including at CIABOC to combat corruption, foster ethical conduct, and ensure transparency within public institutions.

The project will support the development of Standard Operating Procedures (SoPs); provide technical expertise to establish IAU in line with international standards; development and institutionalization of specialized training modules in collaboration with SLIDA for IAU staff on complaints handling, investigative techniques, anti-corruption laws, ethics, whistle-blower protection, and governance best practices; and provision of identified technological resources needed for data management, case tracking, and secure reporting systems for whistleblowers. The project will also support the promotion of the IAU among public officials through supporting the development of material and initiatives to increase visibility and understanding of the IAU's mission. The project will focus 102 government entities including ministries, departments and local government institutions in line with the circular number PS/SB/Circular/2/2025, issued by the government of Sri Lanka.

Activity 1.1.2: Conduct sectoral corruption risk assessment and digital readiness analysis in selected

high-risk sectors (eg: IRD, Customs, excise, FIU etc and BOI) as to enhance understanding of corruption vulnerabilities within these sectors and to deliver targeted interventions that mitigate risks and improve sectoral integrity.

This activity involves identifying priority sectors based on their susceptibility to corruption, stakeholder input, and existing data on corruption incidents and recruiting multi-disciplinary teams to develop the methodology and conduct the risk assessments. The findings of the Risk Assessments will be used to engage with stakeholders to collaboratively develop activities that promote accountability and ethical practices within the sectors.

Activity 1.1.3: Development of comprehensive procurement manuals (including training on procurement guidelines and the use of the manuals) to improve the understanding and consistent application of procurement guidelines among officials.

The manuals will serve as essential resources for improving procurement practices and ensuring compliance with established standards. Technical expertise will be provided for the development of the manuals to ensure the manuals are comprehensive, up-to-date, and aligned with relevant laws and regulations. The project will also support the development and implementation of training sessions for procurement officials attached to procurement departments within public institutions to familiarize them with the manuals, focusing on practical application and common challenges. This activity will be carried out in collaboration with the National Procurement Commission.

Activity 1.1.4: Customized anti-corruption training for officials at the subnational level enhancing their capacity to identify and combat corruption at local levels, resulting in stronger governance and community trust in public institutions.

The project will provide technical expertise for the development of a customized training curriculum and institutionalize it through the partnership with the Sri Lanka Institute of Local Governance (SLILG), the Ministry of Public Administration, and the Sri Lanka Institute of Development Administration (SLIDA) and facilitate training sessions for Provincial Councils and training sessions for officers attached to district administrative authorities.

Specific Objective 2 / Outcome 2:

Strengthened institutions have enhanced investigative processes, improved coordination with stakeholders, and ensured quality of prosecutions.

This outcome focuses on three(03) specific outputs: 1). Strengthened capacity of Anti-corruption ecosystem of institutions that effectively respond to bribery and corruption; 2). Strengthened infrastructure that improved operational efficiency of CIABOC; and 3) Enhanced judicial response enables effective prosecutions of corruption cases. Collectively, this outcome aims to bolster the capacities of anti-corruption enforcement mechanisms to respond effectively to bribery and corruption.

Output 2.1

Strengthened capacity of Anti-corruption ecosystem of institutions that effectively respond to bribery and corruption.

Output 2.1 includes four(04) specific activities.

Activity 2.1.1: Conduct a comprehensive training needs assessment for CIABOC officials identifying specific skill gaps and areas for improvement to enhance the effectiveness and capacity of CIABOC personnel in their anti-corruption efforts.

The Project will provide technical expertise to conduct the training needs assessment which will inform the development of the customized training programme described below. Based on the findings of this training needs assessment, a customized training programme for CIABOC officials on new offenses in the Anti-Corruption Act will be developed and institutionalized to equip officials with the necessary knowledge and skills to effectively enforce the law, leading to improved prosecution and prevention of corruption. Training sessions will be facilitated subsequent to the development of the training programme.

Activity 2.1.2: Development of Standard Operating Procedures (SoPs) for the management of the digital record room at CIABOC and on complaints handling.

This will enhance efficiency and security in record management, facilitating better access to information and improving operational transparency, and to streamline the process for receiving and addressing complaints, improving responsiveness and fostering greater public confidence in CIABOC's operations. The project will provide technical expertise for the development of the respective SoPs.

Activity 2.1.3 Support the development of identified regulations, rules, and SoPs necessary to operationalize the Anti-Corruption Act in consultation with CIABOC.

Technical expertise will be provided to develop the identified regulations, rules, and SoPs and Provide training and resources to ensure that all officers of CIABOC understand the new regulations and their implications.

Activity 2.1.4: Develop and roll out customized anti-corruption training programmes for key revenue departments, i.e. Sri Lanka Customs, Excise Department, and IRD, in collaboration with SLIDA, equipping officials with the tools and knowledge necessary to identify and respond to instances of corruption effectively.

Technical expertise will be provided to develop the training programmes in consultation with SLIDA. During the development phase of the training programme, the project will also explore and identify opportunities for the introduction of all or part of the training programme as Learning Management System (LMS) modules, which will allow SLIDA to sustain the project objectives. LMS will assist SLIDA to continue to create or modify relevant training courses, deploy diverse machine-based training methods and experiences, increase access to the training modules, and document and assess the impact of the training over a period of time. The project will also facilitate training sessions for these departments in collaboration with SLIDA. Further, the project will support CIABOC to establish an effective coordination mechanism between revenue institutions in the aim of minimizing corruption as a followup action of the training.

Output 2.2

Strengthened digital infrastructure that improved operational efficiency of case management and analysis of CIABOC.

Output 2.2 is in line with the findings of the 2023 IMF Governance Diagnostic Assessment of Sri Lanka which highlights the need to ensure CIABOC is resourced sufficiently well to have meaningful access

to relevant investigative and analytical equipment and training.

Output 2.2 includes two(02) specific activities.

Activity 2.2.1: Establishment of a publicly accessible digital library of corruption-related cases at CIABOC to enhance transparency and public awareness.

The project will provide technical expertise and support the mobilization of resources to establish this facility at CIABOC.

Activity 2.2.2: Support the establishment of remote testimony provisions from CIABOC allowing witnesses to provide testimony securely and conveniently from remote locations to improve access to justice, particularly for vulnerable individuals, and facilitate smoother legal proceedings in corruption cases. The project will mobilize resources to establish this facility at CIABOC, while supporting decentralization initiatives of CIABOC.

Output 2.3

Enhanced judicial response enables effective prosecutions of corruption cases.

Output 2.3 includes the following specific activity.

Activity 2.3.1: Specialized training for investigation, protection, and legal officers of the National Victim and Witness Protection Authority and the police ‘protection’ division on protection of anti-corruption witnesses to equip them with the necessary tools and strategies to effectively safeguard anti-corruption witnesses, thereby encouraging more individuals to come forward with information.

The project will support the development of training curricula, which will be institutionalized utilizing the long-standing collaboration UNDP has with the Authority.

Specific Objective 3 / Outcome 3:

Empowered youth, children and journalists enhance social accountability and effectively mobilize against corruption.

This outcome focuses on one (01) specific output: Strengthened community education and engagement initiatives to combat corruption and enhance social accountability. It seeks to build an informed and engaged citizenry that actively resists corruption and demands accountability from public officials and elected representatives, ultimately contributing to a more transparent and responsible society.

Output 3.1

Strengthened community education and engagement initiatives to combat corruption and enhance social accountability.

Output 3.1 includes Three(03) specific activities.

Activity 3.1.1: Support to strengthen Integrity clubs in schools and universities to provide a platform

for youth to engage in discussions and initiatives promoting integrity within their communities, fostering a culture of ethical behaviour and anti-corruption awareness among students. The project will support an awareness campaign to inform schools, universities, and students about the importance of integrity and the role of Integrity Clubs in promoting ethical behaviour and anti-corruption awareness. It will also provide guidelines and training resources for students to establish Integrity Clubs, including templates for charters and by-laws. Further, the project will organize or support events such as inter-school and inter-university debates, guest lectures, educational outreach, integrity workshops, and community service projects focused on integrity and anti-corruption themes for members of integrity clubs to participate.

Activity 3.1.2: Support CIABOC, the Ministry of Mass Media, and the National Youth Services Council (NYSC) to develop anti-corruption advocacy and communication strategies. These strategies will necessarily aim to harness the strength of and engage civil society and media partners in reaching different groups of society such as youth, school children, teachers, parents, police officers, hospital authorities etc. Through debates, street theatre, docu dramas, impactful messages on national television, radio, and social media platforms on anti-corruption, these efforts will encourage critical thinking, and stimulate public discourse on the importance of combating corruption. In addition, the project will also support the production and/or visualization of identified priority messages and formats and ensure the roll-out of these.

Activity 3.1.3: Capacity development of investigative journalists to ensure adherence to integrity and ethical reporting practices, promoting responsible journalism and enhancing public trust in media coverage of anti-corruption issues. Training sessions for media personnel to emphasize the importance of ethical reporting on anti-corruption issues, and to train them on anti-corruption reporting and investigative journalism will be facilitated through the Project in collaboration with the Ministry of Mass Media and the Sri Lanka Press Institute (SLPI). The project will provide technical expertise to develop and institutionalize customized training modules and to roll-out training sessions.

- **Partnerships:**

UNDP will leverage its partnerships with other UN agencies, including UNICEF and UNODC, towards supporting project activities - i.e., identifying project areas, supporting training and capacity building programmes for government institutions and officers, and to ensure no duplication of efforts exists.

Since anti-corruption & integrity remains a critical pillar of UNDP's Economic Governance framework offer of support to the Government, the country office will engage closely with UNDP's global and regional experts on sustainable finance, anti-corruption, taxation, and parliamentary support, and public sector reform, to ensure an integrated approach in its response to anti-corruption. Furthermore, it will leverage the work being carried out by Citra Lab, particularly around: (1) the capacitating of public sector officials on digital and innovation-related tools and approaches; and (2) its ability to convene relevant stakeholders and 'unusual suspects' to co-design fit-for-purpose and citizen-centric solutions (particularly with respect to the proposed coordination and complaints mechanisms). A Japanese-funded UNDP junior professional officer (JPO) will support on strategic partnerships and donor relations with the Government of Japan in Sri Lanka and support establishing relations with Japanese organizations/institutions as relevant.

UNDP will leverage its sound relationship with the Commission to Investigate Allegations of Bribery or

Corruption (CIABOC), and build on the existing relationships with the Government agencies bringing onboard the Ministries of a) Justice, b) Finance, c) Public Administration, Provincial Councils and Local Government; Government departments including the Police, Financial Intelligence Unit of the Central Bank, department of Inland Revenue, Customs, and Excise will also be included for coordination and capacity development. The Attorney General's Department, the Police, and the Judiciary will be engaged in investigations and enforcement. At the sub-national and local levels, UNDP will work with the decentralised and devolved structures, including Chief Secretariat, District Secretariat, Divisional Secretariat Offices, and other relevant local/provincial ministries and department to ensure participatory approaches to national policy development, coordination, and service delivery. UNDP will engage closely with civil society organizations (i.e., Sarvodaya, Centre for Environmental Justice,) including specific women's organizations (i.e., Sri Lanka Women Lawyers Association), youth clubs at national and sub-national level will be engaged for coordination and inclusive policy formulation and implementation of anti-corruption prevention strategies. Engagement with Civil Society Organizations and community organizations, youth clubs, universities and schools will be promoted to strengthen the community response to anti-corruption. UNDP will also engage with international organizations such as Transparency International and Verite Research on broader policy reform and advocacy.

Throughout the project the significance of partnership and coordination for an integrated and multi-sectoral approach to anti-corruption has been emphasized. Collaborations between institutions are encouraged, and platforms for coordination will be supported accordingly.

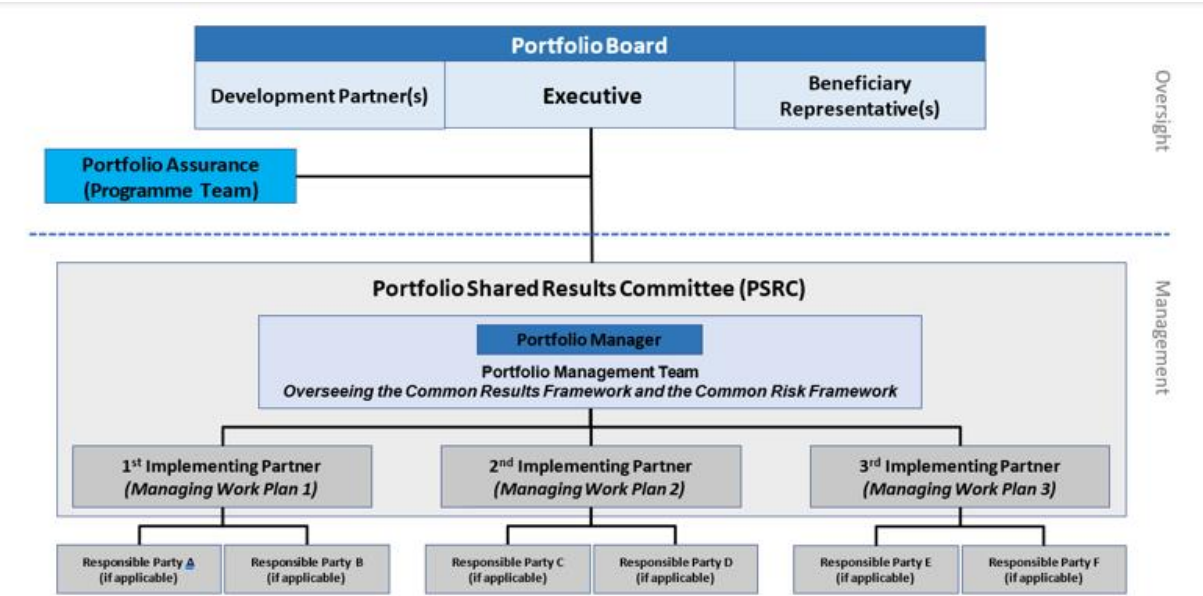
V. Project Governance and Management Arrangements

The project will be implemented directly by UNDP, in close consultation with the Embassy of Japan in Sri Lanka, CIABOC and other key stakeholders. UNDP will be accountable for the resources obtained and the results achieved, as described in the work plan. The Project will fall under UNDP's Inclusive Governance Team and the SDG 16 Flagship Portfolio on Peace, Justice, and Strong Institutions. The SDG 16 Portfolio, which comprises 4 programmatic pillars, is managed through a Portfolio Board, which is co-chaired by the External Resources Department (ERD) and UNDP, with participation of key implementing partners. The SDG 16 Portfolio Board meets at least annually and serves as the primary oversight mechanism that reviews progress, advises on overcoming bottlenecks and challenges, engages on high-level policy discourse around governance, and advocates for the scale-up of successful models/approaches and other best practices. A Portfolio Shared Results Committee (PSRC) composed of government, civil society, and development partners will meet quarterly to review progress per the annual work plans and results frameworks.

The project management team will comprise of existing CO staff as well as additional staff capacity to carry out the project. The UNDP core staff who will be engaged in quality assurance and support project activities will be charged through direct project costs for the time spent directly attributable to the implementation of the action. A junior professional officer (Japanese national) will support coordination amongst development partners and engagement with the Japanese Embassy. A national anti-corruption specialist will manage the technical implementation of the Project, under the overall guidance of the anti-corruption specialist, and the Policy Specialist and Team Lead of the Inclusive Governance Team. He/She will provide effective coordination of the project, in consultation with the

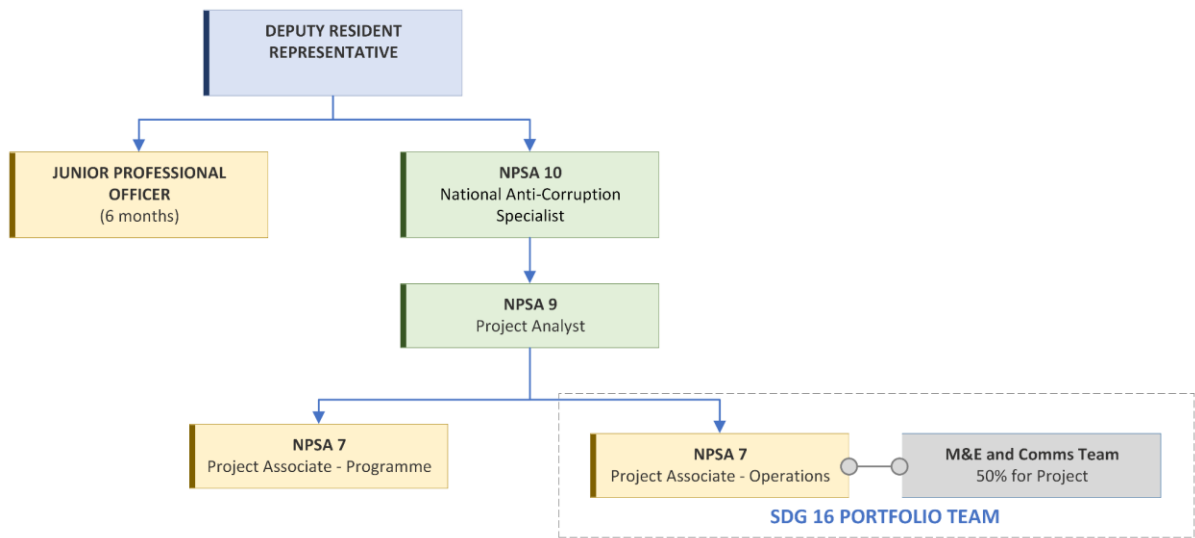
Senior Management of the CO. A project analyst will support the administration, management, and delivery of the project. The Project team will also include a project associate who will support the programmatic implementation with a second project associate supporting the operational aspects of the programme. The Project will also deploy both national and/or international expertise in various fields as the need arises.

PROJECT GOVERNANCE



MANAGEMENT ARRANGEMENT

MANAGEMENT AND IMPLEMENTATION STRUCTURE



- **Reporting:**

UNDP is individually responsible for preparing annual and final narrative and financial reports. These reports will be presented to the donor and key stakeholders, based on pre-agreed reporting timeframes, and will consist of progress data showing the results achieved against pre-defined targets. The project will undergo a regular quality assessment process, in line with UNDP's policy on Quality Standards for Programming. An updated risk log will be maintained, with mitigation measures, and any evaluation or review reports prepared over the period. UNDP will prepare certified financial reports (annual and final) as per the agreed timelines and at the end of the project.

- **Monitoring:**

Project monitoring will be carried out in line with UNDP's monitoring standards and policies. Project monitoring activities will be undertaken as a continuous and collaborative process. UNDP will integrate a systematic approach to monitoring project activities and results on an ongoing basis, in order to ensure that activities are implemented, and results achieved. Appropriate and credible data will be collected to assess the progress of the project in achieving the agreed outputs. Project progress monitoring will be carried out through field visits, direct observations and documentation reviews, with both qualitative and quantitative data collected. Internal review of data and evidence gathered from monitoring actions will inform management decision-making, improve effectiveness and efficiency, and guide adjustments to the project.

An assessment of risks and an analysis of risk management measures will be carried out regularly. The project will be designed and implemented according to UNDP's Social and Environmental Standards, with mitigation actions implemented as required. The project will collect feedback from communities, including during and after project activity implementation, with grievance redress mechanisms set up to capture any complaints or grievances from the communities, as part of a "Do No Harm" approach. Priorities on addressing gender inequality and empowering women to ensure gender-responsive change will be reviewed regularly at M&E and program review discussions.

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring plan.

- **Evaluation:**

The end-of-project evaluation will be conducted in accordance with UNDP's evaluation guidelines and OECD-DAC criteria. This independent decentralized evaluation will be carried out by an external expert to assess the project's relevance, efficiency, effectiveness, coherence, impact, and sustainability. The evaluation aims to generate valuable insights and lessons learned while empowering stakeholders by highlighting the project's contributions toward mitigating corruption risks in the country.

MONITORING AND EVALUATION PLAN

Monitoring Activity	Purpose	Frequency	Expected Action	Cost (USD)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower-than-expected progress will be addressed by project management.	10,000
Monitor and Manage Risk	Identify specific risks that may threaten the achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	5,000
Learn	Knowledge, good practices, and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Quarterly	Relevant lessons are captured by the project team and used to inform management decisions.	10,000
Project Quality Assurance	Project quality is assessed against UNDP's quality standards to identify strengths and weaknesses as part of the overall SDG 16 Portfolio on Peace, Justice, and Strong Institutions.	At the design stage, at the Implementation stage, and by the end of the project	QA reviews areas of strength and weakness by project management and is used to inform decisions to improve project performance.	2,500
Project Evaluation	The project will be evaluated in accordance with UNDP's evaluation guidelines and the OECD-DAC evaluation criteria, ensuring a comprehensive assessment of its relevance, efficiency, effectiveness, coherence, impact, and sustainability.	At the end of the project.	Relevant lessons learned, key findings, and recommendations captured through the evaluation will be utilized to inform management decisions and guide future programming, ensuring continuous improvement and strategic alignment.	50,000

- **Visibility and communication:**

UNDP will ensure that the generosity of the Government of Japan is fully and visibly acknowledged. This will include a press release, human interest stories, and photo stories. Japan's logo will be placed on supplies and other visibility materials including banners and t-shirts, to ensure that end beneficiaries are aware of the generous contribution of the Government of Japan. UNDP will use its social media platforms (Facebook and Twitter) to disseminate information on the impact of this partnership. The close engagement with the Embassy of Japan will be made including regular communication as well as a joint field visit where possible.

RISK REGISTER

RISK	MITIGATION MEASURES	RISK LEVEL
There is a risk that key institutions may face significant funding restriction due to limited financial allocations, hindering their ability to implement their mandates on time, anti-corruption measures.	Conduct a targeted assessment on the risk to inform the formulation of a portfolio-level resource mobilization strategy. Strengthen the grievance redress mechanism to address concerns raised by partners and stakeholders effectively.	Moderate
Upcoming Provincial and Local Government Elections may delay implementation of the targeted interventions planned by the project.	Work with multiple tiers within the Government and revisit work plans continuously to support efficient implementation in line with Portfolio priorities	Moderate

Evolving priorities under the IMF Reform Agenda may influence the scope of the priorities of the Economic Governance work and anti-corruption works	Engage proactively with CIABOC on anti-corruption measures; continue regular monitoring of macroeconomic indicators with MoF	Moderate
The project may face financial and operational risks due to increased costs resulting from higher tariffs, inflation, and exchange rate fluctuations, as well as delays or shortages in equipment availability, which could affect timely implementation.	Monitor market trends and procurement conditions regularly, and adjust procurement and implementation plans accordingly to minimize disruptions.	Moderate

V. Results Framework

UNSDCF OUTCOME 4/UNDP OUTCOME 3: By 2027, people in Sri Lanka, particularly the most vulnerable, have increased trust and confidence to claim and benefit from enhanced, non-discriminatory, gender-responsive, participatory, and efficient governance and justice systems and rights-based development.

STRATEGIC PLAN OUTCOME 1: Structural transformation accelerated, particularly green, inclusive, and digital transitions.

CPD Output 3.1: Accountability, efficiency, inclusivity and responsiveness of governance mechanisms, public institutions and systems improved.

CPD indicator 3.1.1: Score of parliamentary Open Budget functions increased.

Baseline (2019): Transparency:47/100; Public participation:17/100; Budget oversight:50/100

Target (2027): Transparency:50/100; Public participation:20/100; Budget oversight:55/100

CPD indicator 3.1.2: Percentage of users satisfied with the quality of service provided by public institutions.

Baseline: 44%

Target: 70%

RESULT	INDICATORS	DATA SOURCE	BASELINE 2024	TARGETS (by frequency of data collection)	DATA COLLECTION METHODS & Assumption
			Value	End Term	
Impact: Reduced corruption in the country has improved investment growth, socio-economic stability, living standards, and public trust in governance.					
	1. Percentage of people aware about CIABOC's role in corruption mitigation.	CIABOC	63.5%	80%	Analysis of the web based national perception survey of CIABOC

Specific Objective 1/Outcome 1: Effective and Institutionalised preventive mechanisms in the public sector including in the area of investments promote transparency, accountability and integrity in governance practices.	1.A: Percentage of public institutions/organisations operationalized at least one preventive mechanisms. Numerator: # of institutions operationalised at least one preventive mechanism Denominator: # of institutions informed/ reached with capacitation.	<i>Targeted institutions/organisations and UNDP</i>	1%	50%	<i>Review of the reports produced by the targeted institutions/organisations and direct examinations.</i> <i>Institutions produce the reports timely and readily available with information.</i>
	1.1.1: Number of public institutions, which introduced and implemented corruption risk assessment (CRA)	<i>Targeted public sector institutions/ CIABOC and UNDP</i>	Institutions introduced CRA – 1 Institutions implemented CRA - 0	Institutions introduced CRA – 5 Institutions implemented CRA - 3	<i>Review of the risk assessment reports.</i> <i>Review of anti-corruption measures implemented by institutions</i> <i>Research on the effectiveness of the anti-corruption measures implemented</i> <i>Timely production and availability of the reports.</i>

Output 1.1 Corruption risks within the public sector identified and targeted strategies implemented effectively that help prevent corruption.	1.1.2: Percentage of effective anti-corruption strategies implemented within the institutions in the public sector <i>(Numerator: Number of institutions effectively implementing the anti-corruption strategies</i> <i>Denominator: Number of institutions reached and provided technical assistance vis-à-vis anti-corruption).</i>	CIABOC and UNDP	2%	20%	<i>Review of the strategies produced by targeted institutions.</i> <i>Research on the effectiveness of the anti-corruption strategies introduced.</i> <i>Timely production and availability of the strategies and reports on their implementation.</i>
Specific Objective 2/Outcome 2: Strengthened institutions have enhanced investigative processes, improved coordination with stakeholders, and ensured quality of prosecutions	2.B Number of prosecuted corruption cases per year <i>Calculation Rationale of the Target Value: Based on similar cases mentioned by UNDP (one more indictment per prosecutor), currently 30 prosecutors in the country indict 2.7 cases per person, and this project will increase the number of indictments per person by one, and in addition, 20 prosecutors who have been hired will indict one case per person through this project.</i>	CIABOC	83	131	<i>Review of the case tracking system of the CIABOC.</i> <i>Analysis of the results of the prosecutions</i> <i>Timely updating of the data into the tracking system by CIABOC that helps analysis.</i>
	2.C: Extent to which the inter-agency coordination mechanism is utilised <i>0 - Not utilised</i>	CIABOC / UNDP	1	2	<i>Examination of the relevant materials produced by CIABOC and UNDP also with the review of reports.</i>

	1 - Under utilised 2 - Fully utilised				Availability of relevant documents on time for examination.
	2.1.2.: Percentage of instruments (including policies, SOPs, rules and regulations) implemented by CIABOC and other targeted institutions (Numerator: Number of instruments fully implemented by the targeted institutions. Denominator: Number of instruments developed)	CIABOC / UNDP	10%	100%	Review of the CIABOC and UNDP reports. Direct observation and examination of the functionality. Collection and review of the SOPs, rules and regulations developed and implemented Timely production and availability of the reports.
Output 2.1: Strengthened independence and capacity of institutions with investigative and/or prosecutorial powers in the area of corruption	2.2.1: Availability of publicly accessible digital anti-corruption library.	CIABOC / UNDP	No	Yes	Review of the report of CIABOC and UNDP. Examine the materials relevant to capacity development initiatives. Timely production and availability of the reports and relevant documents.

Output 2.2: Strengthened digital infrastructure that improved operational efficiency of case management and analysis of CIABOC.	2.2.3 Number of processed remote testimony per year <i>Calculation Rationale of the Target Value: As a result of discussions between UNDP and CIABOC, there are currently 10 remote testimonies per year, and this project will enable the system to handle at least twice as many remote testimonies by establishing a system that allows for remote testimonies based on international standards.</i>	CAIBOC/ UNDP	10	20	<i>Review of the report of CIABOC and UNDP. Examine the materials relevant to anti-corruption ecosystem initiatives.</i> <i>Timely production and availability of the reports and relevant documents.</i>
	2.3.1: Percentage of prosecutors confirmed their ability on effective prosecution. <i>(Numerator: Number of prosecutors trained confirmed their ability on effective prosecution.</i> <i>Denominator: Number of lawyers available at CIABOC)</i>	CIABOC and UNDP	40%	100%	<i>Review the pre and post evaluations of the training conducted. Examine the training materials and direct observations of prosecution.</i> <i>Timely production and availability of the reports and relevant documents.</i>

	2.3.3: Number of training and knowledge products, including best practices developed on prosecution of corruption cases.	<i>CIABOC and UNDP</i>	15 training	25	<i>Review the reports of CIABOC and UNDP. Examine the knowledge products produced.</i> <i>Timely production and availability of the reports and relevant documents.</i>
	3.A. Extent to which the target⁵ groups proactively engaged in collaboration with CIABOC promoting integrity within the community. Rating scale: 0 – No engagement 1 – Limited engagement within the CIABOC 3 – Considerable engagement with CIABOC 4 - Significant engagement with CIABOC (Disaggregated by target groups)	<i>Sample perception/ engagement survey by CIABOC/ UNDP</i>	1	3	<i>Review of the reports of CIABOC, including sample engagement/ perception survey.</i> <i>Timely availability of the reports and the news sources.</i>
Specific Objective 3/Outcome 3: Empowered youth, children and the journalists enhance social accountability	3.B. Number of CIABOC trained investigative journalists confirmed their capability on responsible investigative journalism. (Numerator: Number of	<i>UNDP/ CIABOC/ Media (individual and companies)</i>	20	40	<i>Desk review of the reports, including pre-and post-training surveys of the participants and news published and the outputs of the journalists (including</i>

⁵ Target groups referred to Youth, Children and Journalists.

and effectively mobilize against corruption.	investigative journalists confirmed their enthusiasm Denominator: Number of investigative journalists trained)				<i>media releases).</i> <i>Timely availability of the reports and the news sources.</i>
	3.1.1: Number of awareness raising initiatives conducted	<i>CIABOC and UNDP</i>	15	Minimum 25	<i>Review of the reports of CIABOC and UNDP and the campaign materials.</i> <i>Timely availability of the reports and the news sources.</i>
Output 3.1: Strengthened community education and engagement initiatives to combat corruption and enhance social accountability.	3.1.2: Number of trained targeted, youth, children and journalists, confirmed their ability to combat corruption.	<i>CIABOC and UNDP</i>	100	Youth - Increase by 30% Children – Increase by 20 % Journalists – Increase by 40%	<i>Review the pre and post evaluations of the training conducted. Examine the training materials and direct observations.</i> <i>Timely production and availability of the reports and relevant documents.</i>
	3.1.3: Number of informational materials produced and disseminated by CIABOC	<i>CIABOC and UNDP</i>	2	Increased by 5	<i>Review of the reports of CIABOC and UNDP and the informational materials.</i> <i>Timely availability of the reports and the news sources.</i>

VI. Multi Year Work Plan

Refer to Annex 1. Multi Year Work Plan.