

Annex I to the Contribution Agreement

ACA/2019/410-680

'Capacity Development of Local Governments'

Brief Description				
<p>The Capacity Development of Local Governments (CDLG) Project of UNDP is part of larger efforts, supported by development partners including the European Union, The World Bank, and the British Council, to strengthen the local governance system in Sri Lanka. The project will be implemented in four provinces – North, North Central, Eastern and Uva, alongside the Local Development Support Project (LDSP) of Government of Sri Lanka.</p> <p>The main aim of the project is to strengthen the capacities of local government authorities (LAs) to be inclusive, responsive and accountable, and be able to plan and deliver better services. The project will emphasize strengthening of vertical and horizontal linkages between different levels of local government and national government (i.e., from national to provincial council level to LA level), and between devolved and deconcentrated units, and other actors pursuing development and reconciliation efforts (i.e., between elected provincial councils and local governments, and divisional and district secretariats and central government line ministries, as well as CSOs). Strengthening horizontal and vertical linkages is essential for improving policy and programme coherence, integrated planning and service delivery, and to avoid duplications and inefficiencies in the local governance systems. Towards this end, the project will aim to:</p> <ul style="list-style-type: none"> - Improve local planning and budgeting cycles and service delivery and ensure that they are responsive to gender and marginalization issues. - Strengthen the local governance system to be innovative and provide inclusive and responsive services that address multi-dimensional challenges. - Strengthen legal and policy framework to execute decentralization functions 				
<p>Contributing Outcome (UNDAF/CPD): UNDAF/CPD: By 2022, people in Sri Lanka, especially the marginalized and vulnerable, benefit from more rights-based, accountable, inclusive and effective public institutions, to enhance trust amongst communities and towards the State. Indicative Output(s) of CPD: Output 1.3: National and subnational level institutions have the capacity to deliver equitable, accountable and effective services. Output 2.1: Policies and risk management strategies are implemented at national and subnational levels (rural and urban) for enhanced adaptation and resilience to climate change and disaster risk.</p>	<p>Total resources required:</p>	<p>[USD equivalent of Euro 10 million]</p>		
	<p>Total resources allocated:</p>	<p>[USD equivalent of Euro 10 million]</p>		
		<p>UNDP TRAC:</p>	<p>-</p>	
		<p>Donor:</p>	<p>[USD equivalent of Euro 10 million]</p>	
		<p>Government:</p>	<p>-</p>	
	<p>In-Kind:</p>	<p>-</p>		
	<p>Unfunded:</p>	<p>-</p>		

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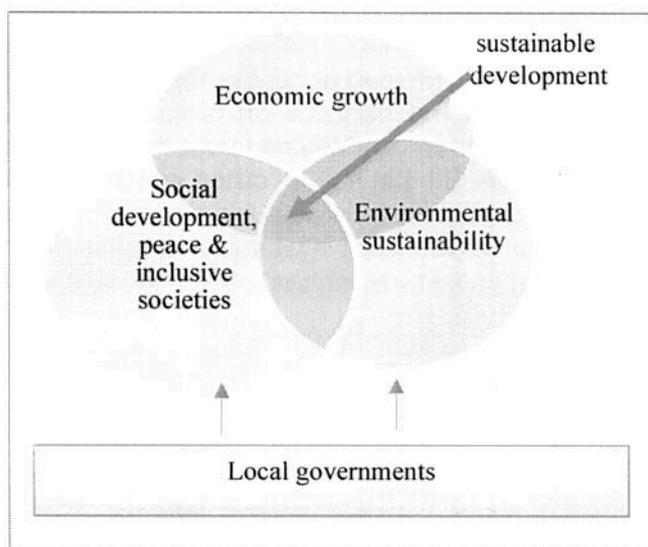
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I. DEVELOPMENT CHALLENGE

Sri Lanka is a Upper Middle-Income country with a population of 21.4 million people [Department of Census and Statistics, 2016]. With the end of nearly three decades of an ethno-political war in 2009, the country has made significant progress in its socio-economic and human development indicators. Social indicators rank among the highest in South Asia and compares favourably with those in middle-income countries [World Bank, Sri Lanka Development Update 2018]. Poverty rates have declined from over 15.2 percent in 2006 to under 4.1 percent in 2016 [Department of Census and Statistics, 2016]. The economy is transitioning from a predominantly rural-based economy towards a more urbanized economy oriented around manufacturing and services [World Bank, 2018].

Nonetheless, a large proportion of people in Sri Lanka live just above the poverty line and are at risk of feeling the negative effects of economic or climatic shock the most [UNDAF 2018-2022]. Sri Lanka ranked 4th in the 2018 Global Climate Risk Index due to the seriousness of recent disasters. The 2019 Long-Term Climate Change Risk Index ranked Sri Lanka 2nd on exposure to extreme weather events due to recurrent floods, landslides and drought. Floods and prolonged droughts in 2017 had decelerated growth rates to a 16-year low of 3.3. percent [World Bank, 2018].

High rates of poverty and vulnerability persists in the North, East and Uva Provinces. Inequality is high in the country. The richest 20 percent continue to enjoy more than half of aggregate household income, whilst the poorest 20 percent only 5 percent.¹ The highest percentage of households falling into the 'poorest group' in 3 districts,² were directly impacted by the armed conflict that ended in 2009. While the UNDP's 2015 Human Development Report places the country firmly in the high human development category, it also indicates an 11.6 percent loss of human development due to inequality. Overall unemployment is low, but youth



unemployment (15-29 years) is alarmingly high at 20 percent. Women, particularly in the conflict affected provinces, continue to lack access to land, and formal economy. Their financial exclusion has increased their reliance on informal borrowing or predatory microfinance providers. Women's indebtedness is becoming a growing problem resulting in increased incidences of violence (including sexual violence) and leading to self-harm (suicides) by affected women.

In addition, despite high educational attainment levels exceeding that of men, the Gender Inequality Index places Sri Lanka at 80/160 countries in 2018, largely due to low female political representation and labour force participation. According to the Global Gender Gap Index (2018)³ issued by the World Economic Forum Sri Lanka ranks 100 out of 149 countries (an improvement from its 2017 rank of 109) also due to its poor performance in economic participation and political empowerment sub-indexes.

¹ IPS Website (27 Dec 2018). "A Balancing Act: Can Sri Lanka Overcome Regional Income Inequalities?" Retrieved from: <http://www.ips.lk/talkingeconomics/2018/12/27/a-balancing-act-can-sri-lanka-overcome-regional-income-inequalities/> [Accessed on 15.12.2018]

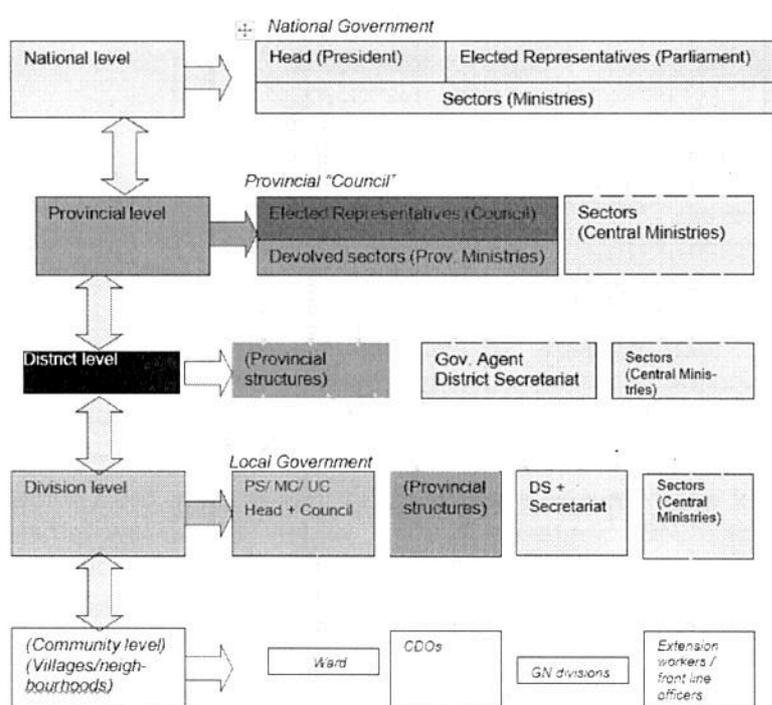
² Ibid. Mullaitivu, Killinochchi and Batticaloa.

³ World Economic Forum, 2018. Global Gender Gap Report 2018, Geneva, World Economic Forum.

Added to this, Sri Lanka faces fiscal risks due to its high public debt (77.4 percent of GDP, 2017), which also contributes to the reduction in the total expenditure envelope as a share of GDP. Resulting budget rigidity has reduced allocations for important sectors including health, education and social protection. But increasing investments in these key sectors, and expanding provision of public goods, is essential for sustained growth. Furthermore, lack of disaggregated data on gender responsive budget allocations limits any measurement of gendered impact of reductions in allocations in key sectors.

Addressing the above challenges and ensuring that the country is firmly on the path to achieve sustainable development requires strong institutions and systems at national and sub-national levels [UNDAF 2018-2022]. The country has undertaken key governance reforms such as the Right to Information Act to improve transparency within the public sector; the Inland Revenue Act to widen the tax base and make the tax system simpler, stable and efficient; and constitutional amendments to strengthen independent commissions, including on human rights, audit, procurement, anti-corruption and public service. The audit bill and comprehensive public finance act are yet to be adopted. Challenges in effective implementation of these laws remain.

More importantly, systems need to facilitate a more active role of local governments in providing public services, revenue generation and resource allocation, and in building local resilience to different types of shocks and stresses (including economic, disaster and climate change related shocks). An inclusive and responsive local governance system would not only enhance downward accountability to the public, but also facilitate local economic growth and strengthen mechanisms on ground that can address marginalization and exclusion – which have been underlying causes of violence and ethno-political conflict in post-independence Sri Lanka. In other words, an inclusive and responsive local governance system in Sri Lanka is critical for promoting peace and ensuring sustainable development. Strong local governance systems and institutions could serve as a stabilizing factor during political and fiscal turbulences, as well as strengthen trust between citizens and the State.



However, the local government system in Sri Lanka has several gaps. Till 1987, the local governance system was comprised primarily of deconcentrated units of the central government, though devolved Municipal Councils and Urban Councils existed. Municipal Councils (MCs) refers to governments of largest cities and first tier municipalities under the Municipal Council Ordinance of 1947, and Urban Councils (UCs) refers to governments of second tier municipalities established under the Urban Councils Ordinance No. 61 of 1939. In 1987, the Pradeshiya Sabhas or rural local authorities were

established with devolved functions under the *Pradeshiya Sabha Act No. 15 of 1987*. The 13th Amendment to the 1978 Constitution and the subsequent Provincial Councils Act No. 42 of 1987 established the provincial councils, and brought the three types of local government authorities (LAs) under the provincial council (see diagram). However, the roles and

responsibilities of LAs continue to be defined by their respective Ordinances and Acts. The 13th Amendment allows for provincial councils (PCs) to confer additional powers on LAs. However, none of the PCs have conferred additional powers.

The LAs have a broader development mandate, with powers to raise resources through local taxes, and provide different services including native health (Ayurveda), pre-school education, land and building permits, transportation of garbage, etc. The LAs being elected offices, also have the potential to promote a more integrated and bottom-up approach to local development and resilience and support public engagement in local development and disaster risk reduction processes. But LAs face several challenges that limit them from taking on a more active role in shaping local development. These include:

- Much of the service delivery (both national and provincial services) is channelled through the Divisional (deconcentrated) administration.

The actual resource utilization/expenditure of different tiers of government reveals the marginal service delivery role of LAs, which account for only 2.1 percent of the total government expenditure [national budget actuals]. Allocations to and expenditures at divisional level deconcentrated units are reflected within the national revenue and expenditure figures. This severely limits the functions of the LAs only to operation and maintenance of existing assets and services, rather than on improving the quality of services provided by them [CEPA, Gunawardena 2018].

Table 1: National, Provincial, Local Revenue/Expenditure Outturn. Rs. Millions						
	National	%	Provincial	%	Local	%
Revenue	1,195,206	94.2	59,133	4.7	14,988	1.2
Expenditure	1,795,865	87.3	216,824	10.5	43,278	2.1

Source: Annual Report of the Central Bank and Review of Financial Performance of LAs, Ministry of Provincial Councils and Local Government, 2014.

- Limited integration and linkages between LAs and deconcentrated units

Though the devolved and deconcentrated units are structurally distinct within the overall local governance systems, existing functional, spatial, and service delivery proximity between them would call for stronger integration and linkages in development planning and service delivery. However, in reality, services are provided through multiple channels both by the deconcentrated units (primarily) and LAs. This not only blurs the lines of responsibilities, but also undermines accountability and creates inefficiencies throughout the local governance systems [CEPA, Gunawardena 2018]. It limits the devolved LAs to a marginal role, and to performance of functions of limited scope. The 2009 National Policy on Local Government aimed to create a “new vision for local governance” by supporting stronger partnership and coordination between LAs and Divisional Administration for integrated local development. However, the policy was not fully implemented, and the LAs and divisional administration do not have a common platform for collaboration and coordination. In addition, the linkages between LAs and lower level structures such as Wards (devolved electoral units) and Grama Niladari Divisions (GNDs) (deconcentrated administrative units) could be more robust, to facilitate needs analysis and prioritization. At present, GNDs work predominantly with the Divisional Administration.

- Weak capacities of LAs

The above structural issues also translate into weak capacities of local authorities as they are limited to their narrow scope of functions. Plans and budgets are developed annually and are more a list of activities and their costs, rather than ones based on medium or long-term policy or service delivery objectives. LAs also lack the overall picture of the provincial plan and how each authority contributes to the achievement of broader development objectives. Institutional and technical capacities of the LAs are also limited. Existing mechanisms for

capacity development (such as the Management Development Training Units) at provincial and district level are unable to meet the capacity development demands for efficient, inclusive and responsive LAs. The LAs would seem to be trapped in a cycle of outdated systems, lack of opportunities for improvement, and a perverse structure of incentives that continue to favour deconcentrated structures.

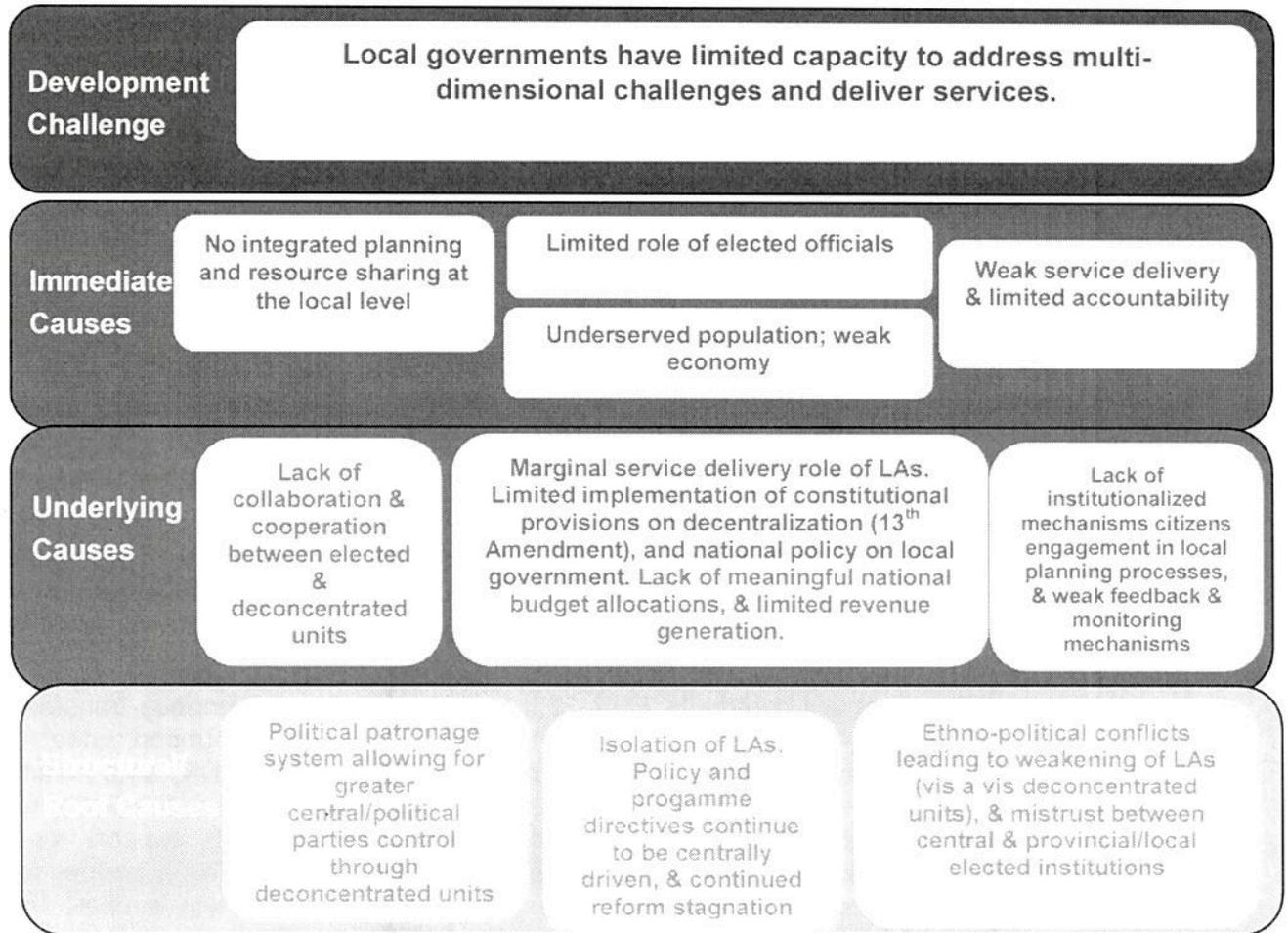
- Limited participation and engagement in local decision-making processes

Participation and engagement of the local population in decision-making processes remains low. There is a limited understanding of downward accountability and working with the local communities and civil society to achieve development objectives. One of the key lessons from the North-East Local Services Improvement Project (NELSIP) of the World Bank was that there were no institutionalized mechanisms to facilitate community engagement in decision making processes, and LAs had limited skills to facilitate dialogue and participation and thus were comfortable with a top-down approach (NELSIP Implementation Completion and Results Report, 2018).

There are also limited opportunities for LAs, as well as community-based organizations (CBOs) to develop skills and competencies for civic engagement. Limited opportunities for engagement in local decision-making processes also affect participation of women and youth. In addition, women and youth also face socio-cultural factors that limit their participation. Women's political participation at the local level was only at 2 percent until recently. A mandatory 25% quota was applied for women's representation in local government authorities at the 2018 elections, which is a significant step towards gender equality in political representation. The final outcome saw women winning 1919 seats (22%). Despite the introduction of a mandatory quota, women won the required 25% of seats, or more, in only 59 out of 340 local authorities (17%) island-wide. Only 7 of 340 local authorities have appointed a female mayor or chairperson (2%) (United Nations, Local Government Electoral Outcomes: Draft Report, 2018). It remains to be seen how this outcome will translate into meaningful representation of women in local government, within what is largely a male-dominated, patronage-based political party system. Specialized assistance to increase the quality of women's engagement in decision making processes will need to be provided.

The risks associated with elections, and the current incentive system for LA councillors to be more political-party focused rather than community-focused, may affect any measures that may be taken to improve the local governance system. The risks associated with elections include political instability and consequent delays in project implementation. In addition, post-elections, there may be less commitment to implementation of current devolution arrangements under the 13th Amendment to the Constitution, and/or policy reforms for meaningful decentralization. There may also be a potential increase in ethno-religious and/or political divisions within LAs post-elections, which could impact on their internal governance/operations. The current patronage-based incentive system for LA councillors requires them to prioritize their respective political party agenda at the local level (this is amplified during national and local elections). Representing the overall interests of the population serviced by the council is secondary, by-and-large, with decision-making heavily influenced by the motive to sustain and increase constituency support as well as gain sufficient popularity to be elected to the next level of political representation at parliamentary or provincial level. But improving the capacities and capabilities at the local level, and facilitating stronger vertical and horizontal linkages, could also create a strong basis for a more robust local governance system.

Figure 1. Problem Tree Analysis of Local Governments Capacities to Deliver Services



II. STRATEGY

2.1. Project Background

The Capacity Development for Local Government (CDLG) Project of UNDP is part of larger efforts, supported by the European Union, The World Bank and other development partners, to strengthen the decentralization process and the local governance system in Sri Lanka. The Government of Sri Lanka will implement the Local Development Support Project (LDSP) in four provinces – North, North Central, Eastern, and Uva. The LDSP builds on the experience of the NELSIP project, which was primarily implemented in the war-affected North and Eastern provinces. NELSIP focused on strengthening LA's to deliver services and local infrastructure, as well as enhance bottom-up approaches to support public engagement in local decision-making processes, including through participatory planning and feedback mechanisms for service delivery.

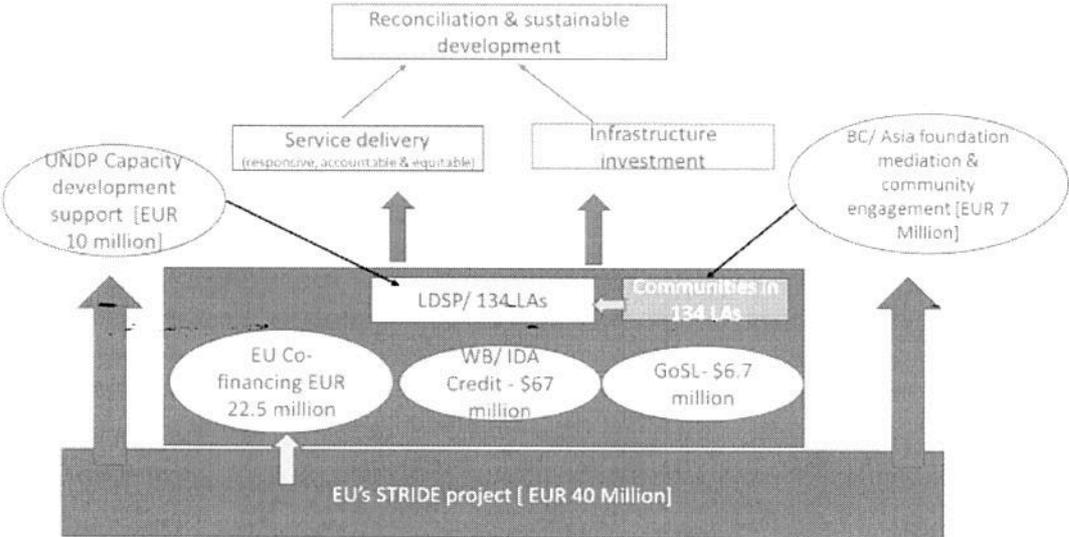
LDSP is funded through a loan agreement with the World Bank and contribution of EUR 22.5 million from the European Union under the latter's broader EUR 40 million 'Strengthening Transformation, Reconciliation and Inclusive Democratic Engagement (STRIDE) Programme'. The STRIDE Programme also includes the Capacity Development of Local Governments - CDLG (this project), and the Support to Effective Resolution (SEDR) project implemented by the British Council.

The focus of LDSP is to strengthen local authorities' capabilities to deliver services in a responsive and accountable manner, and support economic infrastructure development. This is achieved through establishing predictable flow of resources to local authorities for improving service delivery. Basic transfers, based on the principle of equalization considering economic lag and poverty rates, are aimed at ensuring equitable distribution of fiscal resources. The basic transfers allow LAs to have a greater control on the implementation of the Local Area Participatory Development Plans (LAPDP). The performance transfers will be provided to qualifying (based on performance transfer criteria) LAs to incentivize them to further improve their institutional performance.

LDSP will focus on LAPDP at the LA level, based on aggregated plans from the ward level, and synergized with sector plans of ministries. LAPDP will include infrastructure as well as social and economic services prioritized by the community, and provide the basis for selecting sub-projects to be implemented by LAs. The LAs will receive fiscal transfers through the Provincial Treasury to implement sub-projects. The fiscal transfers will include Basic Transfers and Performance Transfers. The performance transfers will start from year 2 and 3 of the project, with performance standards to be set in year 1 of project implementation. A performance monitoring and assessment system will also be established in year 1 to monitor the performance of LAs.

LDSP will also identify potential economic clusters and support infrastructure investments that will cut across administrative boundaries of several LAs. These investments are not only intended to boost economic activity of local residents but also contribute to climate resilience.

The EU's STRIDE project will contribute EUR 22.5 million towards performance transfers, under LDSP. The EU is allocating the remaining EUR 17 million to support capacity development of LAs, and to strengthen local mediation boards (through SEDR) as a means to promote greater civic engagement (including youth) and strengthen mechanisms for resolving disputes on the ground. The mediation component aims to support local reconciliation and enhance civic engagement. UNDP has been identified as a partner for providing capacity development support to LAs. The British Council will support the mediation and community engagement component of the STRIDE project.



2.2. UNDP's Capacity Development of Local Government (CDLG) project

The overall objective of the CDLG project is to strengthen the capacities of LAs to be inclusive, responsive, and accountable and be able to plan, enhance resilience, and deliver

better services. The capacity development support, coupled with the fiscal support (through Basic Transfers and Performance Transfers of the Government's LDSP project) for inclusive service delivery and economic investment, is aimed at strengthening the role of elected representatives at the local level. It is about improving local governance systems and making local governments "fit for future" by not only improving efficiencies through digital solutions but also about enhancing downward accountability of elected officials and local governments, as well as establishing the mechanisms for public engagement in local decision-making processes. A more accountable, inclusive and responsive local government would increase public trust in institutions and contribute to addressing some of the root causes of the conflict.

For capacity development interventions to be effective, they need to take place at institutional, organizational, individual and societal levels. Strengthening of each level depends on and determines the strength of other levels. Together, the capacity development intervention should shape institutional arrangements (policies, practices and systems), encourage leadership (specifically around priority setting, strategic planning and communication), promote continuous learning, and enhance accountability, including downward accountability [UNDP 2009].

Broad categories of Local Government capacity ⁴	Key-word	Sector
The <i>institutional capacity</i> which refers to the formal 'rules of the game' as well as the informal norms. Together they provide the framework in which individuals and organisations function. This category facilitates or hampers their existence and performance.	<i>Enabling environment</i>	
The <i>organisational capacity</i> comprises the internal policies, structures, processes and procedures that allow LAs to operate and deliver on its mandate and/or set objectives, by bringing together individual capacities to work together, to realise synergy and achieve goals.	<i>Leadership</i>	<i>Public sector capacity</i>
The <i>human</i> or <i>individual capacities</i> which relate to the skills, experience and knowledge that is vested in people, with regards to (a) <i>functional capacities</i> , such as to identify and analyse development needs; design and implement strategies, policies and programmes; deliver services/goods; and monitor and evaluate results, and (b) <i>technical capacities</i> associated with particular areas of expertise and practice in specific sectors or themes.	<i>Knowledge</i>	(Supply)
The <i>capacity of society</i> to hold LAs to account. This relates to both the systems and mechanisms for citizen participation, the ability of the public to make use of them, and the willingness and ability of the LAs to use the information and feedback thus provided. Hence, about the strength of society to ask the LA for the type and quality of services they want, delivered the way they want.	<i>Accountability</i>	<i>Societal capacity</i> (Demand)

2.3. Capacity Development Approach of CDLG

The capacity development support as defined by UNDP is focused on "empowering and strengthening endogenous capabilities", and makes use of and builds on "local resources – people, skills, technologies and institutions"⁵ [UNDP, 2009]. In empowering endogenous capabilities, promoting gender equality will inform all activities. UNDP values a 'best fit' for

⁴ See Gerhard van 't Land, 'Policy brief on Local Government Capacity Development', Eastern and Southern Africa, UNDP, 2012.

⁵ UNDP (2009), "Capacity Development: A UNDP Primer"



the context over 'best practice'. However, this does not mean that this project will not capitalize on lessons from UNDP's experiences in implementing local governance projects, including in fragile contexts. The "best-fit" approach builds on this experience and focuses on identifying, developing and sustaining local capabilities to address local challenges, which in turn allows for local institutions and actors to be more responsive to changes (including political changes) as well as build sustainability of interventions. Without this approach, "the integrity of development achievements can be compromised, and progress can remain rootless and illusory, separated from the capacities that already exist"⁶ and could increase the vulnerability of local institutions to respond to complex challenges.

2.3.1 Achieving best fit

Achieving best-fit will follow a three-pronged strategy to ensure relevance of the above system framework for capacity development of LAs.

- Design of the capacity development package:

The CDLG's capacity development will be informed by the body of knowledge and practice known as '70-20-10'⁷ in designing its capacity development package. This model, that is the result of extensive research into what supports workplace performance improvement and skills development, advances that:

- "70% of improvement is the result of everyday workplace experience of completing tasks and resolving associated problems, simply – learning by doing;
- 20% of improvement comes through feedback and guidance from coaches, mentors and managers; and
- only 10% of improvement is the result of formal training, e-learning or books."

This emphasis on "learning by doing" facilitates local councillors and administrators to not only learn about systems and processes in their workplace, but also supports local innovation (i.e. increase local capabilities) to improve efficiency and be more flexible and responsive to changes.

In addition, the project will also assist development of individual capabilities of local elected representatives and local administrators through training interventions such as "learning trajectories," where participants go through a "learning journey" that includes orientation, study and exchange visits, simulations, specific assignments, and innovative activities. The project will also initiate a "Peer-to-Peer" programme between councillors, and a 'Twining programme' to encourage exposure and cooperation between local institutions as well as between elected representatives of different communities.

As LDSP and CDLG both focus on institutionalizing capacity development support to LAs, specific attention will be paid to strengthen the capacities of Sri Lanka Institute of Local Governance (SLILG), the provincial level Management Development Training Units (MDTU), and district level Good Governance Resource Centres (GGRC). UNDP will collaborate with as well as simultaneously facilitate opportunities for on-the-job training for SLILG and MDTU (as well as local CSOs) to design and deliver the training/capacity development interventions, with inputs from the private sector and non-government training providers, as required. The trainings will entail classroom/workshop sessions as well as a learning-by-doing processes and mentoring support, in keeping with the '70-20-10' practice outlined above. Focus will be on understanding and analysing current practices, and identifying ways and means for inclusive participatory planning as well as delivery of services. The local councillors and administrators will be guided through the actual process of participatory

⁶ *ibid*

⁷ Based on the report by Jenny Pearson et al, *Capacity Development Practices for Sub National Administrations*, National Program for Sub National Democratic Development (NCDD) in Cambodia, May 2017.

project planning, prioritization, budgeting, design, implementation and supervision, as well as monitoring and reporting.

In addition, and in order to provide a continuous learning programme, the Project will develop a number of short training modules in collaboration with SLILG/MDTU as well as LDSP on topics of priority that can be delivered (on demand) by local trainers, private sector, non-government entities and/or SLILG/MDTU/GGRC. Various training methods will be used including interactive discussions, video training, online modules, etc. Possible areas of innovation could include the use of online platforms to provide (individual or group) trainings, digitalization of training materials to encourage demand-driven trainings, and the use of social media to facilitate interactions and exchange of experiences between individuals.

Throughout the life span of the project, solid monitoring and quality assurance protocols (including adherence to gender equality standards) will be developed to assess capacity needs, measure results/gains, and fine tune interventions and methodologies.

- Delivery of capacity development activities:

The delivery of the capacity development activities will target heterogeneous target groups in each of the activity areas across the four LA capacity systems. While there may be a core set of stakeholders/beneficiaries that will come into all of the capacity development activity areas, some will be targeted in specific areas under specific LA capacity systems (see table on page 12 on systems framework for capacity development). The capacity development framework targets both the supply and demand sides and some stakeholders/beneficiaries will be targeted for their roles on both sides of LA capacity (for instance: women and youth councillors and leaders). This makes for a complex framework of capacity building combining both heterogeneous and homogenous learning audiences, supportive of each other in terms of learning trajectories in LA capacities as identified under the different activity areas.

- Learning and Knowledge management:

The third prong in achieving best-fit is the learning from implementation of capacity development outputs and outcomes. Learning and behaviour change will take place at both LA capacity system levels (i.e., Institutional, Leadership, Knowledge and Accountability) as well as at target group levels. At target group level, learning will be about individual capacities in respect of technical and functional aspects of job performance. At the LA system level (Institutional, Leadership and Accountability), learning will help to bring about changes in institutional processes reflecting core organizational capabilities (Act and Commit, Adapt and Self-Renew, Relate to External Stakeholders, and Achieve Coherence). As part of the learning process, a key aspect that will be continuously looked at is how the capacity development support provided by CDLG is not only helping local governments to access basic and performance grants but also enabling local governments to become “fit for future” – through the use of digital solutions to improve efficiency, enhance public participation, and expand the role of local governments in local development.

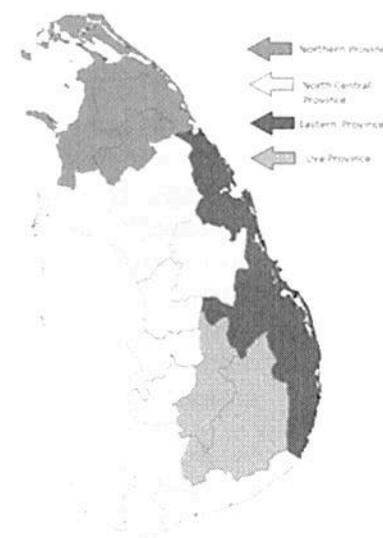
To further system level changes, CDLG will also focus on crystalizing lessons from project implementation to inform policies, and provide a platform for local, provincial and national actors (including CSOs, academia, as well as community leaders, especially women) to engage in policy dialogue and advocacy (for more details see description under key activity area 1.3.1)

2.3.2 Project target areas

The project will cover almost half the geographic area of the country. The Northern, North Central, Eastern and Uva Provinces were selected based on evidence of poor socio-economic indicators on human development, as well as levels of service delivery. The North and Eastern Provinces were directly affected by almost three decades of civil war, which weakened local institutions and local mechanisms (including social protection), and also

public trust in local institutions. Female-headed households in the two provinces are particularly vulnerable. The two provinces have low labour force participation rates and high unemployment rates, especially among youth. North-Central is the largest geographical province in Sri Lanka, and has been affected by the spill-over effects of the war, particularly in border villages. In addition, the North, North Central and Eastern provinces are part of the “dry zone” and suffer from frequent droughts and intermittent flash floods. Drought has affected local farming and has led to men migrating to towns to seek alternative livelihoods.

Uva, a plantation and agriculture-dependent province, is hindered by its remote location and weak links with the growth and commercial centres of Sri Lanka. The Province has a sizable population of Indian-origin Tamils (IOT) working in plantations who did not have Sri Lankan citizenship for several decades and thus prevented them from accessing government provided social benefits.

	Northern	Eastern	North-Central	Uva	
Percentage of GDP contribution (2016) ⁸	4.2%	5.7%	5.8%	5.8%	
Population (2018) ⁹	1,131,000	1,710,000	1,366,000	1,364,000	
Population by gender (2018) ¹⁰	Male – 545,000 Female – 586,000	Male – 827,000 Female – 883,000	Male 670,000 Female – 696,000	Male – 664,000 Female – 700,000	
Female Headed Households (1.4 mn FHH households [25.8%] out of 5.4 mn households in the country) ¹¹	23.9% of total FHH (64 000 households)	26.6% of total FHH (112 000 households)	26.5% of total FHH (93 000 households)	24.5% of total FHH (85 000 households)	
Youth population (2012) ¹²	278,285	405,526	297,144	293,659	
Unemployment rate ¹³	7.7%	6.0%	4.3%	3.5%	
Contribution to total poverty ¹⁴	9.9%	14.0%	5.0%	9.9%	
% of poor households (2016) ¹⁵	6.3%	5.3%	2.4%	5.4%	
#Local Authorities ¹⁶	MC=1 UC= 05 PS=28	MC=3 UC= 5 PS= 37	MC= 2 UC= 0 PS= 25	MC= 2 UC= 1 PS= 25	
No of councillors	733	859	560	604	

⁸ Statistical Appendix, Annual Report 2017, Central Bank of Sri Lanka

⁹ Mid-year Population Estimates by District & Sex 2013 – 2018, Department of Census and Statistics, Sri Lanka

¹⁰ Mid-year Population Estimates by District & Sex 2013 – 2018, Department of Census and Statistics, Sri Lanka

¹¹ Ministry of National Policies and Economic Affairs, Department of Census and Statistics (2016), Household Income and Expenditure Survey http://www.statistics.gov.lk/HIES/HIES2016/HIES2016_FinalReport.pdf

¹² Census of Population and Housing 2012 (Interactive Maps on Census Data), Department of Census and Statistics, Sri Lanka

¹³ Sri Lanka Labour Force Survey 2017, Department of Census and Statistics, Sri Lanka

¹⁴ Household Income and Expenditure Survey 2016, Department of Census and Statistics, Sri Lanka

¹⁵ Household Income and Expenditure Survey 2016, Department of Census and Statistics, Sri Lanka

¹⁶ Ministry of Provincial Councils and Local Government, 2018.

at LA level					
No of women councillors at LA level	163	185	129	135	
No of staff at the LA level	3514	3923	2014	3003	
No of wards	427	498	323	334	
No of GN divisions	912	1078	997	886	

2.3.3 Stakeholders and Beneficiaries

Achieving the project's planned results will require involvement of several stakeholders (groups and institutions) and will also be critical for achieving planned results. These stakeholders include – key institutions such as SLILG, MDTU, Finance Commission, and Provincial Council, and key functionaries at provincial (such as the commissioner for local government), district level (assistant commissioner for local government), and divisional level. Local Government Authority level councillors and staff, while are direct beneficiaries, are also key stakeholder of the project as they will be involved in peer to peer learning programmes, and in promoting innovation at local level.

Direct beneficiaries or in other words institutions and individuals who are direct recipient of capacity development support will include LA councillors (in total 2756, of which 612 are women councillors), and LA staff (in total 12,500 people). In addition, the project will work through community forums at ward level to strengthen participatory planning, budgeting, implementation and monitoring. The exact number of existing community forums, and the number of people engaged through these forums (disaggregated by sex and age) will be determined during the inception phase, after the capacity mapping and needs assessment. Nevertheless, the project will support participatory development process in all wards (1582 wards). The project will pay special attention to women and youth civil society and/or community-based organizations and facilitate their participation in local development processes. The exact number of organizations and the total number of individuals targeted will also be determined during the inception phase.

Indirect beneficiaries of the project will be the entire population of the four provinces.

2.4. Local Government System Framework for Capacity Development

The below table further elaborates how CDLG will contribute to building local government capacities around the four broad categories highlighted above – institutional, organizational, individual and societal capacities, and the different stakeholders to be targeted at different levels of government as well as within local communities.

Categories of Capacity	Activity Areas	Capacity Content	Stakeholders/ Beneficiaries
Enabling Institutional System:			
Institutional Capacities. The <i>institutional capacity</i> which refers to the formal 'rules of the game' as well as the informal norms. Together they provide the framework in which individuals and organisations function. This category facilitates or hampers their existence and performance.	Activity Area 1.1 Conduct capacities mapping and develop capacity development plans	Benchmarking LA capacity, identify capacity challenges, relate to stakeholder networks, own local capacity development.	LA leadership, LA functionaries, Ministry of Local Government, Finance Commission, SLILG, Provincial MDTUs, first time elected youth and women councillors
The Enabling Environment of			

<p>LAs is comprised of three clusters of policy/ service delivery action.</p> <p>a. National level policy cluster comprised of the Ministries of Provincial Councils and Local Government, Finance, National Policy, Finance Commission.</p> <p>b. Provincial Minister/ Commissioner LG</p> <p>c. District/Divisional service delivery systems</p>	<p>Activity Area 3.1 conduct advocacy and learning exchange programmes</p>	<p>Engaging in learning exchange events and advocacy on local governance and decentralization</p>	<p>LA leadership, LA functionaries, CSOs/ CBOs, Provincial Leadership, Provincial CLG/Dy CS Planning, Ministry of Local Government/ National Ministries</p>
	<p>Activity Area 3.2.</p> <p>Improve collaboration between different levels and units of central, deconcentrated and devolved government. Includes,</p> <ul style="list-style-type: none"> • National Policy Cluster • Provincial Task Cluster • De-concentrated Service Delivery Cluster 	<p>Achieving policy and program coherence.</p> <p>Integrated Planning and service delivery.</p>	<p>National Ministries of Local Government, Finance, National Policy, Home Affairs, Women's Affairs, Finance Commission, District Secretaries, Divisional Secretaries</p>
<p>Leadership System:</p>			
<p>Organizational Capacities.</p> <p>The <i>organisational capacity</i> comprises the internal policies, structures, processes and procedures that allow LAs to operate and deliver on its mandate and/or set objectives, by bringing together individual capacities to work together, to realise synergy and achieve goals.</p> <p>The leadership system of LAs is comprised of,</p> <p>a. The LA elected council.</p> <p>b. The Committees</p> <p>c. The Commissioner/ Secretary</p>	<p>Activity Area 1.2</p> <p>Conduct capacity development planning, budgeting, and meeting criteria for basic and performance grants</p>	<p>Engage in participatory planning and creative problem solving</p>	<p>LA leadership, LA Functionaries, CBOs, Provincial CLG/Dy CS Planning, CBOs</p>
	<p>Activity Area 1.3</p> <p>Develop and utilize tools to enhance participatory, responsive and accountable service provision, and simplification and visualization of planning and budgeting processes.</p>	<p>Participatory prioritization of community and ward level needs to be integrated into LA plans, as well as develop tools that allows for visualization of budgets, utilization, and tracking allocations.</p>	<p>LA leadership, LA Functionaries, CBOs, Provincial CLG/ Dy CS Planning, District/ Divisional Planning/ Statistical officers, CBOs</p>
	<p>Activity Area 1.4</p> <p>Build capacities for data management</p>	<p>Identification of data needs, develop and/or adopt data collection tools, produce reports and profile</p>	<p>LA leadership, LA functionaries, Provincial functionaries, Divisional planning.</p>
	<p>Activity Area 1.5:</p> <p>Execute targeted capacity development programme for women and youth elected officials</p>	<p>Define and engage in performing their role and functions</p>	<p>LA Women and Youth elected and appointed officials, LA leadership, LA functionaries, CBOs</p>
	<p>Activity Area 2.1:</p> <p>Build capacities for innovative service delivery</p>	<p>Engaging in collaborative co-creation and co-implementation of services</p>	<p>LA leadership, LA functionaries, Divisional MPs, Provincial CLG/Dy CS Planning, Divisional Secretariat functionaries, CBOs</p>
	<p>Activity Area 2.2:</p> <p>Build capacities to support local gender-sensitive resilient development</p>	<p>Designing locally coherent development projects</p>	<p>LA leadership, LA functionaries, Divisional MPs, Provincial CLG/Dy CS Planning, Divisional Secretariat functionaries, CBOs</p>
	<p>Activity Area 2.3..</p> <p>Targeted support to MCs and UCs to address urban challenges</p>	<p>Use visualization tools for MC/UC for planning, budgeting, budget allocation and tracking</p>	<p>MC/UC leadership and functionaries, UDA functionaries, Provincial CLG/Dy CS Planning</p>

Knowledge System:			
<p>The human or individual capacities which relate to the skills, experience and knowledge that is vested in people, with regards to (a) functional capacities, such as to identify and analyse development needs; design and implement strategies, policies and programmes; deliver services/goods; and monitor and evaluate results, and (b) technical capacities associated with particular areas of expertise and practice in specific sectors or themes.</p> <p>The LA knowledge system is comprised of the LA leadership and LA Functionaries</p>	<p>Activity Area 1. 2.</p> <p>Capacities for planning and budgeting and meeting criteria for basic and performance grants</p>	<p>Engage in participatory planning and creative problem solving</p>	<p>LA leadership, LA Functionaries, CBOs, Provincial CLG/Dy CS Planning, CBOs</p>
	<p>Activity Area 1.3</p> <p>Develop and utilize to enhance participatory, responsive and accountable service provision, and simplification and visualization of planning and budgeting processes.</p>	<p>Participatory prioritization of community and ward level needs to be integrated into LA plans, as well as develop tools that allows for visualization of budgets, utilization, and tracking allocations.</p>	<p>LA leadership, LA Functionaries, CBOs, Provincial CLG/ Dy CS Planning, District/ Divisional Planning/ Statistical officers, CBOs</p>
	<p>Activity 1..4.</p> <p>Build capacities for data management.</p>	<p>Identification of data needs, develop and/or adopt data collection tools, produce reports and profile</p>	<p>LA leadership, LA functionaries, Provincial functionaries, Divisional planning</p>
	<p>Activity Area 2.3.</p> <p>Targeted capacity development program for women and youth appointed officials</p>	<p>Defining and engaging in their role and functions role and functions</p>	<p>LA Women and Youth elected and appointed officials, LA leadership, LA functionaries, CBOs</p>
	<p>Activity Area 2.1.</p> <p>Build capacities for innovative service delivery</p>	<p>Engaging in collaborative co-creation and co-implementation of services</p>	<p>LA leadership, LA functionaries, Divisional MPs, Provincial CLG/Dy CS Planning, Divisional Secretariat functionaries, CBOs</p>
	<p>Activity Area 2.2.</p> <p>Build capacities to support local resilient development.</p>	<p>Designing locally coherent development projects</p>	<p>LA leadership, LA functionaries, Divisional MPs, Provincial CLG/Dy CS Planning, Divisional Secretariat functionaries, CBOs</p>
Social Accountability System:			
<p>The capacity of society to hold LAs to account. This relates to both the systems and mechanisms for citizen participation, the ability of the public to make use of them, and the willingness and ability of the LAs to use the information and feedback thus provided. Hence, about the strength of society to ask the LA for the type and quality of services they want, delivered the way they want. →</p> <p>The LA social accountability system is comprised of ad hoc engagement of community organizations.</p>	<p>Activity Area 1.1.</p> <p>Conduct capacities mapping and develop capacity development plans</p>	<p>Benchmarking LA capacity, identify capacity challenges, relate to stakeholder networks, own local capacity development</p>	<p>LA leadership, LA functionaries, Ministry of Local Government, Finance Commission, SLILG, Provincial MDTUs, first time elected youth and women councillors</p>
	<p>Activity Area 1.2</p> <p>Conduct capacity building on planning, budgeting, and on meeting criteria for basic and performance transfers.</p>	<p>Engaging in participatory planning and creative problem solving</p>	<p>LA leadership, LA Functionaries, CBOs, Provincial CLG/Dy CS Planning, CBOs</p>
	<p>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.</p>	<p>Participatory prioritization of community and ward level needs to be integrated into LA plans, as well as develop tools that allows for visualization of budgets, utilization, and tracking allocations.</p>	<p>LA leadership, LA Functionaries, CBOs, Provincial CLG/ Dy CS Planning, District/ Divisional Planning/ Statistical officers, CBOs</p>
	<p>Activity Area 2.1.</p> <p>Build capacities for innovative service delivery</p>	<p>Collaborative co-creation and co- of services</p>	<p>LA leadership, LA functionaries, Divisional MPs, Provincial CLG/Dy CS Planning, Divisional Secretariat functionaries, CBOs</p>

	Activity Area 2.2 Build capacities to support local gender sensitive resilient development	Designing locally coherent development projects	LA leadership, LA functionaries, Divisional MPs, Provincial CLG/Dy CS Planning, Divisional
	Activity Area 3.1. Conduct advocacy and learning exchange programmes.	Engaging in learning exchange events and advocacy on local governance and decentralization	LA leadership, LA functionaries, CSOs/CBOs, Provincial Leadership, Provincial CLG/Dy CS Planning, Ministry of Local Government/ National Ministries

Translating this approach within the project context means that attention is given not only to improve the overall performance of LAs in delivering services, but also enable a more inclusive, responsive and accountable governance at the local level.

In implementing the above approach, the project will focus on the following:

2.4.1. Sustainable local development

CDLG aims to strengthen the role of local government in harnessing digital transformation and promoting sustainable and resilient development in the coming years. Towards this end, the project will ensure that all levels of government have greater awareness of the sustainable development agenda (including the importance of climate and disaster risk resilience), and the vital role that local governments will need to play to achieve the Sustainable Development Goals (SDGs). Local planning processes from community level to provincial level will then need to be aligned to achieving resilient sustainable development rather than a narrow focus on specific investments or improvements within a LA or administrative zone.

More importantly, local governments' capabilities to consider multidimensional challenges, or in other words the trade-offs between economic, social and environmental dimensions of identifying priorities in local development plans, will also be improved. The target provinces are vulnerable to drought and other climate changes and disaster risks, as well as have high rates of unemployment and poverty. Local planning and service delivery processes as well as investment plans will have to take into consideration the different challenges and ensure that all activities/efforts also contribute to reducing local tensions, promote equality, and resilient economic development. Specific attention will be paid to involve technical agencies such as the Disaster Management Centre, National Building Research Organization and others that have specific expertise on disaster risk reduction to build capacities in integrating resilience into local planning processes, and also provide effective and efficient response.

2.4.2. Vertical and horizontal linkages

The capacity development support of the CDLG project will emphasize **strengthening of vertical and horizontal linkages** between different levels of governments (i.e., from national to Provincial Council level to LA levels), and between devolved and deconcentrated units (i.e., between elected provincial and local governments, and divisional and district secretariats and central line ministries), as well as CSOs (including women and youth focused / led organizations) and other actors working on local development. Strengthening horizontal and vertical linkages is essential for improving policy and programme coherence, integrated planning and service delivery, and to avoid duplications and inefficiencies in the local governance system. The National Policy on Local Government emphasizes the importance of "strong inter-linkages between and among other existing national, provincial and local governments and administrative structures"¹⁷. In addition, by pro-actively supporting non-state actors (including local NGOs, community-based organizations, women

¹⁷ Democratic Social Republic of Sri Lanka (2009), 'National Policy on Local Government, Gazette No. 1632/26, Friday, Decemebr 18, 2009

and youth groups/organizations, and local leaders- women and men) in participating in integrated planning and service delivery, the project will enhance their contribution to strengthen local governance, and bring about improved accountability and equity in service delivery.

In addition, lessons from UNDP's project on District Development Plans shows strengthening vertical and horizontal linkages is critical for resolving current implementation challenges in rolling out the District Development Plans, and management of cross-functions across line departments and divisional and district level governments.

Strengthening horizontal and vertical linkages would also enhance the role of the local governments in delivering on critical plans, including National Disaster Management Plans. The achievements and lessons from the CDLG project will inform new measures [through adoption of guidelines, circulars and directives] for horizontal and vertical coordination and collaboration throughout the local governance system, covering different aspects such as participatory planning, implementation, monitoring, fiscal transfers etc.,

2.4.3. Improving systems and use of tools

Improving systems related to different functions (from front office to revenue collection), and for service delivery is critical for efficient functioning of local governments. Therefore, the capacity development support will focus on improving systems and introduce new tools that can help to simplify planning and monitoring processes, promote transparency, and support public engagement (especially women) in decision making processes, as well as through improved feedback mechanisms (for example, e-citizen cards, social audits). The project will be informed by a body of knowledge from UNDP's initiatives in Sri Lanka, and projects in other countries, specifically in Asia, to strengthen the capacities of local governments. It will build on lessons from these initiatives to design interventions aimed at strengthening data management capacities that can inform planning processes. Social innovation approaches will be supported to facilitate collaborative engagement between local governments and different stakeholders to develop local solutions for pressing local challenges, and reshape local service delivery.

This focus on improving systems and introducing new tools (including visualization tools) to simplify planning and budgeting processes, and for prioritization of sub-projects, also allows for more emphasis on on-the-job trainings, and guidance from coaches and mentors, than formal trainings.

2.4.4. Involving existing institutions and mechanisms for capacity development of local governments

Existing institutions and mechanisms, such as the Ministry in charge of the subject of provincial councils and local government, Finance Commission, Sri Lanka Institute of Local Governance (SLILG), the provincial level Management Development Training Units (MDTU), and district level Good Governance Resource Centres, will be involved to provide necessary support for local governments. The project will assess the possibility of reconvening 'Action Collective for Local Governance' under SLILG which brought together all actors providing capacity development support to coordinate efforts and avoid duplication. The project will work with these institutions through the "learning by doing" approach highlighted in the previous sections to identify capacity gaps and design specific capacity development interventions. These institutions will receive trainings on capacity development of LAs and knowledge management, and be involved in providing LAs with capacity development in participatory project planning, prioritization, budgeting, design, implementation and supervision, monitoring and reporting, as well as passing of by-laws. Where possible, "Peer-to-Peer" programmes, and a 'Twining programme" to encourage exposure and cooperation between LAs as well as between elected representatives of different communities, will be supported through these institutions (i.e. SLILG, MDTU and GGRC).

Local NGOs and local government organizations will also be involved in strengthening local capacities in social innovation to co-design local services. In addition, and in order to provide a continuous learning programme, the project will also support selected institutions to develop a number of short training modules (including interactive discussions) on topics of priority that can be delivered (on demand).

2.4.5. Community engagement and participation in decision making processes, especially women and youth

Promoting civic/community engagement is one of the cornerstones of this project. This project will closely work with SEDR to map existing participation mechanisms and understand the barriers to inclusion and participation (of women and young people in particular). CDLG will also work with CSOs and community forums targeted by SEDR to raise their awareness of local planning, budgeting (including gender-responsive budgeting) and monitoring processes (at ward and LA level). One of the key focuses of CDLG is to promote innovative planning exercises (using design thinking and human-centred approaches) to facilitate collaboration and co-creation of services. This goes above and beyond community needs and prioritization exercises, and looks at developing solutions to address common challenges. Community forums in select districts supported through SEDR will be strengthened to serve as interlocutors to mediate grievances related to local governments (such a provision of services, abuse of authority, sexual harassment etc.). Based on the lessons from these select districts, Community Forums will also be supported to serve as intermediaries and represent local communities' interests. More importantly, the project will focus on strengthening feedback mechanisms (including through e-citizen report cards, grievance mechanisms, etc.) and promoting transparency and accountability (use of social audits to monitor completion of projects and utilization of funds, meeting proactive and reactive disclosure requirements under the Right to Information Act, etc.).

Women's political participation and engagement, as mentioned in the situational analysis section of this project, is very low in Sri Lanka and stood at two percent till the mandatory electoral gender quota was introduced in 2018. This helped to increase the number of women elected officials, though still falling short (at 22 percent) of the stipulated quota of 25 percent of seats for women.

To increase the quality of women's active engagement in decision making processes, and create a cohort of potential women candidates, the CDLG project will provide target capacity development support to women elected officials to fulfil their roles and encourage women's community leadership. CDLG will build on the findings from the mapping and capacity building programmes implemented for elected women officials. During the inception phase, a mapping will be conducted of active women's networks on the ground, as well as an assessment of capacity development support required through these networks to promote women's meaningful participation in local development processes, and also share knowledge and ideas. A gender strategy will be formulated to incorporate gender equality in all areas¹⁸

Accordingly, this platform will inform targeted capacity development/ technical support to women elected officials to fulfil their roles and encourage women's community leadership. "Learning trajectory" initiatives will also be specifically designed for women elected officials and administrative officials as well as potential women leaders (with focus on young women) to learn from each other and provide mentorship and advisory support as required. Separate capacity building programmes will be also held for potential young women (who have left secondary school) by engaging with youth clubs, youth service centres and women's societies (Kantha Bala Mandala) to encourage them to engage in leadership positions in

¹⁸ And in line with the priorities and objectives of EU Gender Action Plan II Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020

their communities. Sensitizing male officials (elected and administrative) to provide space for and encourage the 'active voice of women' including taking forward recommendations by women and recognizing them as 'equal players' in the development process is an important aspect of this project. It should be noted that the unequal playing field as well as the prescribed responsibility of women to continue to perform traditional stereotypical roles of being the sole / dominant caregiver have hindered women's participation in leadership positions and their entry to the political arena. Men (and some women) have largely been responsible for promoting this role and thus contributing to the disadvantaged and unequal position of women in leadership positions.

In addition, specific attention will be paid to involve women in the participatory planning, budgeting, implementation, and monitoring of LAPDP. SEDR project's study on barriers to inclusion and impediments to women's participation at the grass-roots level, with a specific focus on female headed households (FHH), will also inform CDLG's activities to strengthen women's participation. The project will look to design simple educational materials on participatory planning, creative problem solving, and local development to raise awareness and knowledge of communities at the grassroots level. It will also encourage women leaders to share their experiences and mentor grassroots women leaders, and allocate specific funds for projects identified by women.

Youth engagement will also be a focus area under this project. Studies will be conducted to understand young people's expectations from their local government and their experiences in accessing services. Across the project the perceptions of 'young women' and 'young men' will be considered separately given the gendered difference of their 'lived experience' within a patriarchal societal context. and not taken as a homogenous group. Young people's awareness and understanding of participatory planning and creative problem solving will be enhanced through targeted educational materials and trainings. Design thinking workshops will be supported to involve young people, along with other stakeholders, to co-create solutions for local challenges. In addition, capacity development/technical support will be provided to young and first-time councillors.

2.5. Synergies between LDSP, SEDR and CDLG

The LDSP, CDLG and SEDR projects are conceptualized to contribute to the overall objective: *To strengthen the execution of decentralized functions in the targeted provinces and the dialogue between people and the state, thereby contributing to the resolution of critical underlying causes of social tension and prevention of escalation of local disputes.*

The three projects, though designed to be implemented by different actors taking into account their comparative strengths and value-addition, are interlinked. Activities under one project contribute to the implementation of other projects and achievement of respective outputs, specific objectives/outcomes, and ultimately the overall objective/impact.

Specifically, CDLG project will strengthen local planning, budgeting and implementation capacities. It will improve linkages between LAs and provincial government on the one hand, and local and national/deconcentrated government on the other, to improve coherence in planning and budgeting cycle as well as implementation of plans to achieve local development outcomes. This directly responds to one of the key learnings from the NELSIP Project (based on which LDSP is designed), where it was identified that local service delivery improvement can be sustained only with demonstrated commitment and support of the national and provincial levels. This occurs only when the initiative is also owned by the authorities above the local level (NELSIP Project).

CDLG will provide different support to 134 LAs targeted under LDSP to institutionalize participatory planning and budgeting (including gender responsive budgeting), and strengthen capacities of LAs to meet the criteria to receive basic transfers and performance transfers, and utilize the transfers (in a participatory manner) for local development.

CDLG envisages synergies with LDSP throughout project implementation cycle (including allocation and utilization of basic and performance transfers according to the established criteria).

The figure below provides an overview of synergies between the STRIDE projects. More specifically, complementarities will be established in the below areas. Full complementarity between LDSP, CDLG and SEDR is expected around the second half of 2020. Additional details are provided in section III on results and partnerships.

2.5.1. Capacity assessment and capacity development plan

During the inception phase of the CDLG project, an in-depth mapping and capacity assessment will be conducted to identify current capacities, gaps and future needs. This capacity assessment will build on studies and assessments conducted by other development partners (including the World Bank). The assessment will help to categorize the LAs as high, moderate or low performing. LDSP project's capacity needs survey will generate basic qualitative data on capacity needs. The data from LDSP's survey and CDLG capacity assessment will inform development of the capacity development plan and learning trajectory programmes.

2.5.2. Strengthening local participatory planning processes

LDSP project will support development of LAPDP and has allocated resources for local governments to organize consultations and develop the plans. LDSP has developed draft guidelines for LAs to develop LAPDP..

UNDP's CDLG will use the process of developing LAPDP to support involvement of divisional and district level officials responsible for planning (deconcentrated structures), as well as devolved planning offices in order to facilitate integrated planning at the LA level. Training materials on SDGs will be developed and joint trainings on integrating SDG priorities into local plans will be provided for LAs and deconcentrated units. CDLG will also develop training materials for local CBOs on participatory planning, and SDGs. Based on lessons from implementing participatory planning, CDLG will contribute to improving the guidelines for developing LAPDP. Women and youth councillors' awareness of and capacity in participatory planning will be supported (including through targeted training, mentorship programmes).

Inclusive participation is at the core of LAPDP process. CDLG will build on lessons from SEDR analysis of and support to community forums in 16 LAs, and develop "learning and exchange programmes" for the remaining LAs to learn from the 16 LAs. Training programmes developed by SEDR will be adapted and rolled out in other LAs, where feasible. Specific attention will be paid to engage women and young people in participatory planning exercises.

2.5.3. Local social and economic service delivery

Fiscal transfers provided through LDSP will be used for social and economic infrastructure projects. Projects identified through the LAPDP process will be prioritized, and sub-project plans will be developed for the prioritized social and economic infrastructure projects.

CDLG project will share best practices and information on social and economic infrastructure projects from within the country and from outside (for example: Kaduwela waste to energy project supported by UNDP). CDLG will provide technical assistance to the project appraisal team at provincial level to review sub-project plans. The technical assistance could range from linking the appraisal team with relevant institutions for capacity development on social and environment standards, disaster risk assessments etc, to getting support from deconcentrated units to review project plans. CDLG will provide trainings to LAs to undertake procurement for infrastructure sub-projects implementation – including through building their capacity

in developing specifications, conducting bidding process, assessing bids, issuing contracts etc.., It will facilitate learning between LAs and organize exchange visits to LAs that have robust processes for procurement and project implementation. Technical staff from deconcentrated units will also be facilitated to participate in all aspects of project implementation and support in strengthening the capacities of LAs. LAs will be supported to conduct analysis of revenue sources and improve revenue collection capabilities. Experience sharing between LAs can help in identifying existing and new revenue sources.

CDLG will also support LAs in resilient local development to withstand disaster and climate change related shocks and stresses. CDLG will collaborate with relevant agencies such as the Disaster Management Centre to provide practical trainings on using disaster risk reduction guidelines and integrate climate resilience in local plans. In addition, support will be provided for development of integrated development plans (LAs to PC level) to promote better area-based development and ensure sustainability of economic development/infrastructure initiatives.

CDLG project will also strengthen local capacities for collaborative engagement and social innovation. UNDP will facilitate ideation, prototyping and testing of new solutions/services to address local development challenges. The project will provide a small seed fund to support the iterative process of developing prototypes (for more details see key results area 1.2.1). Successful solutions can be scaled-up through subsequent tranches of basic transfers and/or performance transfers. For instance, UNDP in Indonesia brought together different stakeholders and facilitated co-creation of school transportation service [Pasikola] in Makassar city. The service was piloted using UNDP funds, and following successful testing, the city government invested additional funds. This award-winning service is currently an integral part of the city services. In Sri Lanka, UNDP has experiencing in organizing social innovation challenges and supporting incubation of successful ideas into viable prototypes.

UNDP will use a similar approach as part of CDLG project implementation to address some of the pressing challenges in the four target provinces. This could include addressing issues of women indebtedness, which is hindering women's economic potential.

Women and youth councillors will be supported to fully engage in all aspects of local social and economic service delivery.

2.5.4. Strengthening downward accountability to people

As mentioned above, one of the core objectives of the project is to strengthen and institutionalize participatory and accountability mechanisms. LDSP will support establishment of social audit committees to monitor sub-project implementation and maintenance by LAs. In addition, SEDR will strengthen capacities of 16 community forums to participate in local planning and decision-making processes.

CDLG will develop and provide trainings to local community based organizations on participatory planning, and on sustainable development goals. It will also provide trainings to social audit committees to support monitoring of sub-projects. LAs will be supported, through trainings from MDTU, CSOs working on RTI, and RTI commission, to proactively disclose information on sub-projects (as part of their compliance to right to information act). CDLG will also share best practices and guidelines on developing citizens' charters from its Catalytic Support to Peace-building project (2017 to 2018), and will support LAs to develop citizen charters. Citizen report cards/e-citizen report cards will be developed in collaboration with local social audit committees, community forums and CBOs to get feedback on social and economic infrastructure services, and inform the next cycle of fiscal transfer management.

CDLG will build on experiences from SEDR project to roll out capacity development support to community forums in areas not supported by SEDR. Community forums could potentially serve as interlocutors between local communities and LAs and facilitate wider community engagement in local decision-making processes. LDSP will establish grievance mechanisms for projects funded through the basic and performance transfers. CDLG will expand the grievance mechanism and provide trainings to raise awareness of LAs on abuse of authority, sexual harassment etc.,. Local communities' awareness on existing grievance mechanisms will also be enhanced through awareness raising campaigns and public display of relevant information including in LA offices. CDLG will follow its 70-20-10 approach in implementing above indicated activities.

2.5.5. Systems improvement and institutional development

CDLG, in collaboration with LDSP's project coordination unit, will develop a system and institutional development plan, as part of the overall capacity development plan. LDSP is prioritizing strengthening key systems such as the accounting system, procurement systems, and GIS system for solid waste management. CDLG will provide technical assistance to developing these systems in collaboration with LDSP.

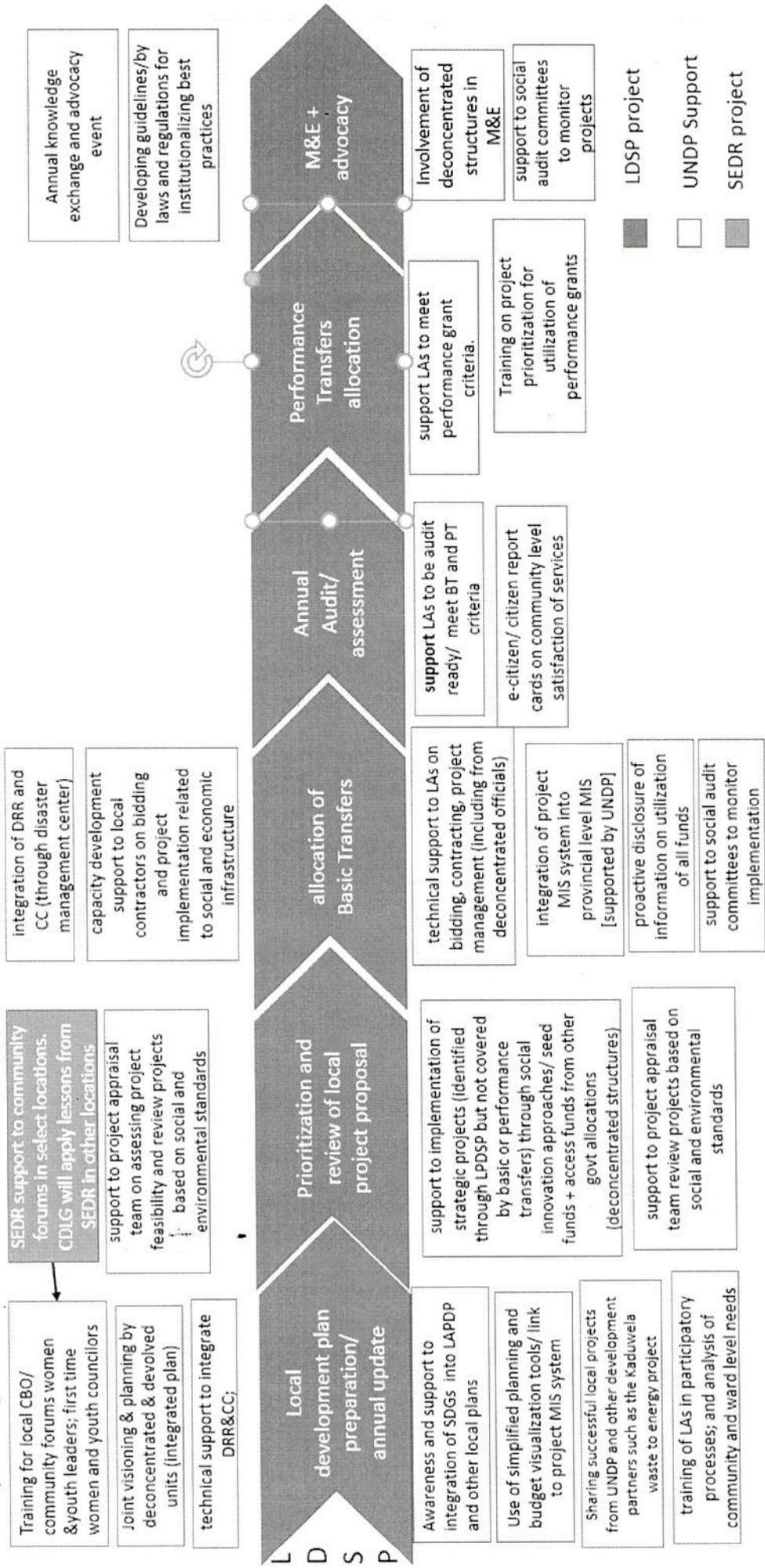
In addition, UNDP will focus on strengthening data management systems and capacities, simplification of planning and budgeting tools, strengthen interoperability (where necessary) between provincial and local level systems, and expand other web-based systems (such as the learning management system etc., developed by UNDP as part of its support to provincial councils) to LA level.

As part of institutional strengthening, CDLG in collaboration with LDSP project coordination unit, and project implementation unit at the provincial level, will provide support to key institutions such as SLILG, MDTU and GGRC to coordinate and provide capacity development support to LAs.

2.5.6. Advocacy

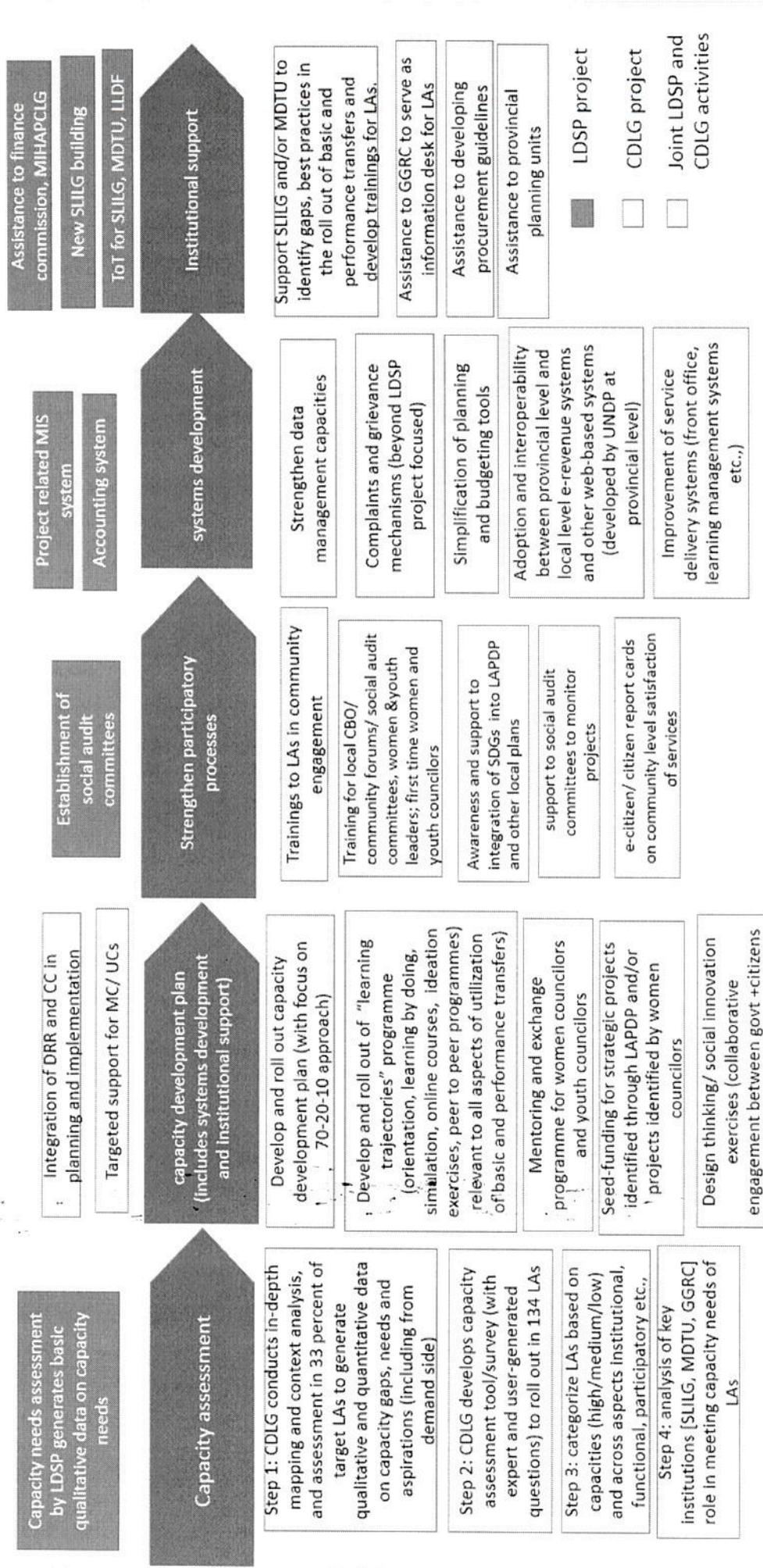
CDLG, in collaboration with LDSP and SEDR, will collect and consolidate evidence of change and good practices, and propose by laws, guidelines and/or regulations to institutionalize best practices. UNDP will support LAs and provincial governments to develop papers and other advocacy materials (op-eds etc.,) for strengthening decentralization.

Synergies between LDSP and CDLG



Cross-cutting: Participation and feedback mechanisms [social audit committees, citizen/e-citizen report, grievance mechanisms] along the results chain

Synergies between LDSP and CDLG: capacity development



2.6. Two-phased implementation

The project will follow a two-phased implementation – an inception phase, and full project implementation phase.

Inception phase within 6 months of commencement of Project: Designing a holistic capacity development intervention will require establishment of benchmarks against which progress can be measured. Therefore, the project will have a 6-month inception phase during which institutional capacity mapping of all target LAs will be conducted (building on existing resources capacity mapping conducted by the World Bank in North, Eastern and Uva province). This mapping exercise will be conducted along with LDSP, to ensure that criteria for basic and performance grants to LAs are factored into capacity assessments. The mapping will help to categorize LAs based on their capacity needs, and develop a more tailored capacity development programme for different types of LAs (MC/UC/PS), which can also support them with meeting the required criteria for qualifying for basic) and performance grants from LDSP. In addition, a mapping of horizontal and vertical linkages at policy and institutional levels (from LAs to provincial level, and LAs and deconcentrated units), and existing participatory mechanisms (disaggregated by sex, age, ethnicity, etc.) and their effectiveness will also be conducted.

The results from these mappings and assessments will inform the development of an integrated capacity development plan, in collaboration with *inter alia* the Ministry in charge of the subject of provincial councils and local government, Finance Commission, SLILG, MDTUs and Commissioners of Local Government (CLGs). The integrated capacity development plan will be rolled out during the project implementation phase. An advisory group/network consisting of relevant stakeholders, such as the said Ministry, Finance Commission, SLILG, MDTUs and CLGs, along with local civil society actors and development partners, will be established to inform and monitor the implementation of the capacity development plan. LDSP's project coordination unit will be an integral part of the advisory group. CDLG will coordinate with LDSP project implementation units in each of the target provinces during implementation of the capacity development plan in the target areas.

The results from the capacity assessment will also help to update the project results framework and finalize baselines and targets of the project. The multi-year work plan of the project will be updated and finalized towards the end of the inception phase.

The project team will be hired, and field offices will be established, in all four target provinces during the inception phase.

Project Implementation Phase: The second phase or the project implementation phase (2020 to 2023) will focus on providing tailored capacity development support towards strengthening local governance systems, as outlined above. Specifically, the capacity development support to the LAs will focus, amongst others, on improving their capacity to meet the criteria for basic transfers and performance transfers, utilization of the transfers for social and economic development, and monitor utilization of transfers/implementation of projects, and capture and institutionalize lessons learned (including participation). This capacity development support would ensure that the LAs are able to access funds in every year of LDSP, and subsequently from national and provincial budgets for local development. Project implementation will be guided by key principles highlighted in the box below, including human rights-based approach, conflict sensitivity, gender equality, etc.

Throughout the life span of the project, monitoring and quality assurance protocols will be developed to assess capacity needs, measure results/gains, and fine tune interventions and methodologies as part of an iterative process. Data against the capacity development plans and its benchmarks and targets will be collected and analysed to assess the progress of the project. Challenges, lessons, good practices (including from other projects and partners) in implementing the capacity development plans, including related to the ability of LAs to meet the criteria for Basic and Performance transfers and challenges in promoting and

institutionalizing inclusive and participatory planning mechanisms will be captured, crystalized and integrated back into the project. In addition, along with relevant stakeholders and partners, the lessons will also be used to inform and advocate for policy changes to improve the overall local governance system.

2.7. Guiding Principles

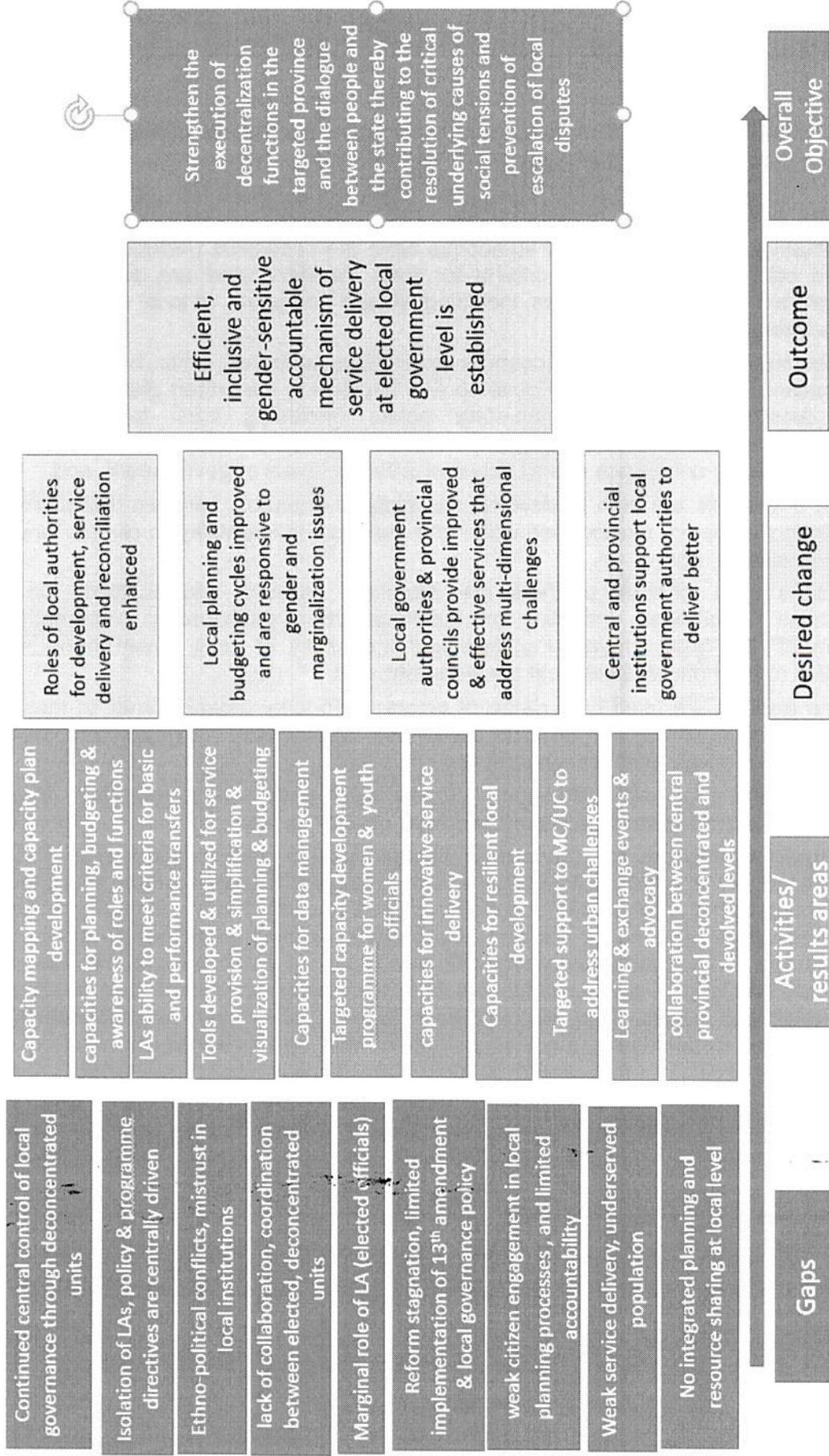
CDLG will be guided by several principles aimed at strengthening LAs' capacities for inclusive, responsive and accountable service delivery, and for addressing multi-dimensional challenges. These are:

- Should be guided by human rights-based approach, and thus, should aim to implement a uniform policy to be inclusive, fair, equitable and non-discriminatory (i.e., not influenced by religious, ethnic, gender, disability, age, political affiliations and other forms of discrimination).
- Should address the needs of all disadvantaged groups, in particular the special needs of women (particularly female headed households) and people with disability.
- The capacity development interventions should aim to improve the overall local governance system and focus on efficient and resilient service delivery and development, rather than be influenced or driven by a narrow focus on small scale infrastructure projects
- CDLG should actively promote local and national ownership in all aspects of the programme – from design to monitoring and evaluation. Towards this end, it should involve and engage with a range of stakeholders and support collaborative decision-making on ground.
- Should be conflict-sensitive and actively incorporate a conflict prevention framework in all its activities and interventions.
- Should strengthen social cohesion. Community grievance and feedback mechanisms should be strengthened. Mediation mechanisms should be supported to peacefully resolve conflicts and promote social cohesion.
- Should actively engage with young people and support their involvement in local planning, design, implementation, and monitoring processes.
- Should strengthen local networks and community-based organizations.
- Should be implemented effectively in an open, accountable and transparent manner. Major decisions taken with regard to capacity development initiatives should be widely disseminated. All the information related to the project must be available in the public domain.
- Should also encourage and support local institutions to adopt mechanisms (including ICT tools) to share information, clarify plans, and communicate regularly on the progress of the planned initiatives.
- Should focus on the provision of quality of services. The project should identify and address gaps in provision of services – from staff training, to equipping the facility, to developing service charters, to establishing and training staff in grievance mechanisms, etc.
- Should integrate disaster risk reduction considerations and activities (including related to assets and skills development) in the local development planning and design processes that promote long-term resilience among the people.
- Should emphasize gender equity and social inclusion with a specific orientation towards the most vulnerable. Opportunities offered by the capacity development interventions to advance gender equality, including political participation of women, should be supported as a priority.
- Should follow a people-based approach which encourages consultations with communities, utilization of social networks, and reliance on local skills and knowledge. Should be culturally sensitive and environment- friendly. Should promote change and innovation in building practices, but at the same time empower people.
- Should facilitate exchange of good practices among LAs.
- The capacity development programme will primarily utilize local resources and expertise, and also draw on resources, expertise and support from other countries in Asia facing similar development context.

2.8. Theory of Change

- To promote inclusive, responsive, gender-sensitive and accountable mechanisms of service delivery at elected local government level, the theory of change is
- If local planning and budgeting cycles are improved to allow for outcome-based participatory planning in line with the 2030 Sustainable Development Agenda, and transfer of basic and performance grants, and if local authorities have the capacities (including women and first-time elected officials) to meet the criteria for fund transfers, and are able to support inclusive engagement of local communities, including women and youth, in local planning, implementation and monitoring processes, and
- If local authorities, provincial councils and deconcentrated units have the capacities and mechanisms to collaborate and develop and implement integrated plans that promote resilient local development, and if non-state actors (including local NGOs, community-based organizations, women and youth groups and community leaders) are able to actively advocate for programming coherence at and between different levels of government, and
- If local authorities are able to develop and provide equitable services that promote social and economic well-being, reduce inequality, and minimize vulnerability to climate and disaster risks at the local level, and
- If lessons from different partners are identified, collated, and analyzed on building local authorities' capabilities, including on institutionalizing participatory planning, improving the system of inter-governmental transfers and the ability of local governments to utilize these transfers to promote resilient local development, and
- If these lessons are used by a range of actors (from local organizations, to local authorities, to academia, to provincial and national authorities) to advocate for and inform policy changes to improve the local governance system, and
- If central and provincial institutions support local government authorities to deliver better, including using the lessons to issue directives, guidelines, etc.,
- then it will strengthen the process of decentralization and institutionalize participatory local governance in the targeted provinces and the dialogue between people and the state, thereby contributing to the resolution of underlying causes of conflict and addressing obstacles to socio-economic development. In addition, by institutionalizing participation and innovation, and empowering civil society and communities to collaborate on planning and to co-create solutions, the public will have a greater influence on how services are provided to meet context-specific challenges and needs. This will contribute to local government service delivery being more effective, and to positioning them as institutions that directly serve the needs of people on the ground.

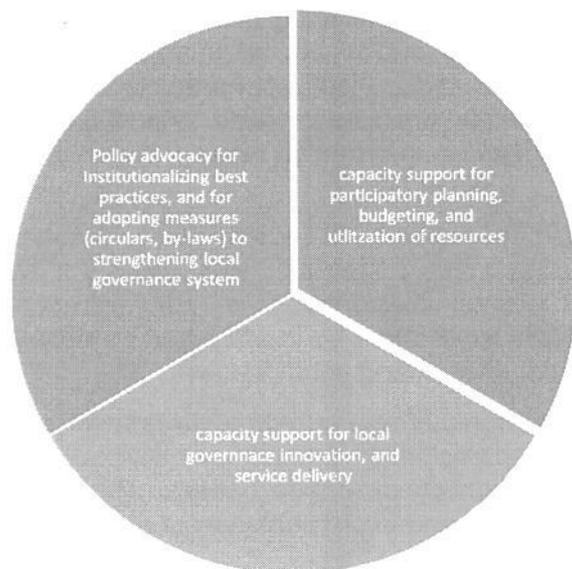
Theory of Change



III. RESULTS AND PARTNERSHIPS

3.1. Expected Results

The CDLG project is part of the larger STRIDE programme. It contributes to and complements the LDSP project. Thus, the overall objective/outcome of the project is the same as the STRIDE programme, and the outputs of CDLG project are sub-outputs of Output One of STRIDE.



CDLG project will involve three interlinked aspects:

a) Capacity development to LAs for participatory planning, budgeting and utilization of resources

b) Capacities for innovative service delivery to address multi-dimensional challenges and enhance innovation in the local governance system

c) Policy advocacy for institutionalizing best practices and for adoption of measures (through circulars, regulations, guidelines, by-laws etc..) to strengthen local governance system

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

Output 1: Roles of local authorities for development, service delivery and reconciliation enhanced [STRIDE]

3.1.1. Output 1

Local Planning and budgeting cycles, and local service delivery improved and are responsive to gender and marginalization issues [CDLG].

Planning and budgeting cycles go beyond just developing plans, costing and allocation of resources for the plans. To promote a planning and gender-responsive budgeting cycle that allows for participation throughout the cycle from design, implementation, and monitoring of the plan, various types of mechanisms and capacities are required. These range from participatory planning, project management capacities, to establishment of feedback and accountability mechanisms to data capacities.

Under this sub-output, inception phase activities will also be supported. In addition, activities will focus on raising awareness on the sustainable development agenda at all levels of local government, to align local planning processes to achieving sustainable development. Activities will also support identification of capacity development needs, and designing and providing targeted capacity development support to LAs, ensuring gender equity measures are included in all aspects in order to achieve equality. The project will collaborate with various government institutions mandated with training and regulatory functions, including the Ministry in charge of the subject of provincial councils and local government, Finance Commission, SLILG and provincial MDTUs, to conduct capacity mapping and develop tailored programmes. Activities will also support adoption of

various tools to enhance participation, and simplify and improve planning and budgeting processes (including visualization tools). Data capacities at provincial, district and divisional level will be strengthened (including data related to SDG indicators, disaggregated by gender/age/disability, vulnerability/marginalization, and disaster risks) to provide necessary information to LAs for their planning needs. This would also aid in strengthening linkages between the work of the SDG council and the Department of Census and Statistics in collecting SDG data and reporting on SDGs. In addition, LA development plans will be aggregated to inform provincial development plans.

Local communities' awareness of local planning mechanisms will be enhanced and women community leaders will be specifically supported to encourage their participation. Systems and mechanisms, such as grievance/complainants' mechanisms (including complaints related to sexual harassment), use of e-citizen report cards, and social audits will be supported to strengthen downward accountability and overall feedback mechanisms. Applications similar to the DevLIVE app¹⁹ will be supported to facilitate public tracking of infrastructure projects. In addition, support will be provided to relevant institutions to proactively disclose information related to implementation of local development plans

Under this sub-output, targeted capacity development support will be provided to first-time elected councillors, youth and women councillors. Existing mechanisms at district level will be used to support mentoring of women councillors, and women divisional/district administration officials. Support will also be provided to women and youth councillors to identify and implement special initiatives in their respective LAs as well as potential women and youth leaders.

Local government authorities' ability to prioritize and implement sub-projects related to social and economic infrastructure²⁰ and deliver services²¹ in a participatory manner, will also be strengthened under this output. As indicated in the previous section on synergies between the three STRIDE projects, CDLG will provide support to the prioritization, and implementation of sub-projects funded through basic transfers and performance transfers.

The implementation of all the activities under this output will be informed by the 70-20-10 capacity development approach. The project will facilitate peer to peer learning and learning by doing to support LAs in participatory planning, and service delivery.

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

Under this activity area, in collaboration with LDSP, capacity mapping of LAs will be conducted (including their current ability to meet criteria for basic and performance transfers), along with the mapping of existing systems (such as information management systems, front office, revenue etc.). The rationale for conducting the systems mapping along with the capacity mapping is to get a holistic picture of both individual and institutional capacities at the LA level. Based on the findings of the capacity assessment, and in collaboration with SLILG, MDTU, LDSP, develop capacity development plans. Benchmarks for capacity development will also be established, in addition, an advisory board will be established in each of the target provinces to review progress and advice CDLG on potential next steps.

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

This activity area is to raise awareness of both LAs and communities on the purpose of basic and performance grants, and the criteria that needs to be met to receive the grants.

Towards this end, in collaboration with LDSP, workshops will be organized to raise awareness of basic and performance transfers of officials as well as community-based organizations and

¹⁹ DevLIVE was developed by UNDP Philippines and the Department of Interior and Local Government of the Philippines. The app allows users to view government projects using built-in map and interface project list, view other users' overall sentiments, take photographs, and send feedback to government projects.

²⁰ This includes but not limited to roads, public transportation, drinking water and sanitation, storage facilities, irrigation to mitigate drought, public facilities like parks and libraries.

²¹ Support to economic activities of local residents, along selected value chain, and related to climate change resilience (reducing flooding, reliable water supply, preserving perishable foods etc.,)

members (with a specific focus on women and youth leaders and organizations), Simple education materials on SDG, participatory planning and creative problem solving will be developed. In addition, peer to peer exchange (including through visits to better performing LAs will be organized to facilitate learning between LAs. A web-based tool (dashboard) will be developed for participatory tracking of LAs against the criteria for basic and performance transfers. The training will be quality assured and monitored by UNDP technical staff, who will provide continuous backstopping to facilitate application and outcomes of learning-by-doing.

In addition, as part of this activity area, UNDP will support sub-project prioritization and implementation. It will provide trainings to local governments to undertake procurement for sub-project implementation (from specifications development to issuing contracts). Building on procurement guidelines from LDSP, the project will support on-job trainings, and learning from LAs with more robust procurement processes. The project will also provide trainings to local contractors to improve their ability to bid for sub-projects (as part of LDSP/STRIDE focus on expanding economic opportunities for locals). Measures will be taken to avoid conflict of interest. For instance, these trainings will be open for all contractors interested in developing bids for sub-projects. Technical staff from deconcentrated units and successful contractors/business associations will be tapped to provide necessary assistance to LAs on all aspects of project implementation.

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 this results area, various tools will be developed to facilitate participation, prioritization of community and ward level needs to be integrated into LA plans, as well as develop tools that allows for visualization of budgets, utilization, and tracking allocations. These tools will be developed in collaboration with central and provincial institutions on planning and budgeting. The rationale for developing such tools is that it facilitates greater transparency and accountability in the utilization of inter-governmental transfers.

In addition to this, in collaboration with SEDR and/or building on SEDR capacity analysis, CBOs (including women organizations) and CSOs will also be targeted to use tools such as social- audits, e-citizen report cards to promote downward accountability. Grievance mechanisms will also be established and/or accessibility of existing grievance mechanisms will be improved. Awareness of LAs on policies related to abuse of authority, sexual harassment will be improved. Efforts will be made to increase local communities' awareness of and accessibility to established grievance mechanisms.

Key activity area 1.4: Build capacities for data management.

Lack of reliable data affects local planning processes in many countries. Under this results area, the focus is on improving the data management capacities in each of the provinces and local governments' ability to analyse and use data at all levels of planning and implementation. Activities will focus on reviewing current data management practices (including related to collection and use of GN level data), and provide on-job training for planning and statistical offices to clarify data required (disaggregated by sex/disability), develop and/or adopt data collection tools, as well as produce reports and profile to be disseminated widely. Specific attention will also be paid to train PC and LA to use disaster risk data for local planning.

Provincial and district level data management capacities will be strengthened, and training (including learning by doing) sessions will be organized for Planning Secretariats (Provincial Councils and Districts) to produce profiles of different tiers of government, infographics, and other reports (with special focus on gender and marginalized groups). This would also strengthen the RTI compliance of local governments as relevant departments will have the requisite capacities to produce and share (including proactively).

Criteria for seed funding for projects supported by women councillors

- Project identified by women community member(s) or women councillors
- Addresses a strategic priority under LAPDP
- Project not funded by basic or performance transfer
- Buy-in from members of the local community to support participatory implementation of the project.

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

A key objective of this project is strengthening the capacities of women and youth officials, as well as that of potential women and youth leaders. As mentioned above, the number of women in local governance rose after the introduction of the quota system in 2018. Since many of these women are first time officials, they require capacity development support to understand their role and functions. Towards this end, under this activity area, targeted training will be organized for women officials (including through district level committees), peer to peer learning and exchange programmes for women and youth officials respectively will be supported through existing networks. Seed-funding will also be provided for projects identified by women officials to encourage their active participation in local planning processes. See box for criteria. Criteria for seed funding will be further refined during implementation phase in consultation with women officials. In addition, “learning trajectories” initiatives will also be specifically designed for women and youth officials and leaders. As indicated above, targeted awareness (including through educational materials) and capacity building programmes will be provided through youth clubs and women’s societies (Kantha Bala Mandala) for youth and women leaders.

3.1.2. Output 2

The local governance system is innovative and provides services that address multi-dimensional challenges.

The four target provinces are the poorest provinces in Sri Lanka and face the socio-economic consequences of the civil war. The four provinces account for nearly 100 percent of all female headed households in the country. Ageing and climate-related issues are some of the challenges faced by the four target provinces. Addressing multi-dimensional (involving several aspects) challenges and delivering services to meet local needs require local governments to think innovatively, and focus more broadly on resilient and gender-sensitive local development. Under this sub-output, the focus will be on introducing innovative ways to co-design and co-implement solutions to address service delivery challenges, as well as building local government capacities for innovation – to raise own source revenues, integrate disaster risk reduction and climate change considerations into all development efforts (including local infrastructure investments).

First) Under this output, LAs will learn and apply design thinking approaches to engage with local communities and co-design and co-implement service delivery solutions. This is above and beyond identifying sub-projects to be implemented by LAs. This approach builds co-ownership of local communities throughout the process from designing to pilot-testing to scaling up of successful solutions. Social innovation approaches allow for forging stronger relationship between government and local communities as well as among local communities. These approaches could further strengthen efforts by the larger STRIDE programme to promote reconciliation and rebuild the social fabric in conflict affected provinces. Social innovation also facilitates “learning by doing” and encourages local communities and local authorities to engage in an iterative process to develop and test an idea, and produce a viable product/service.

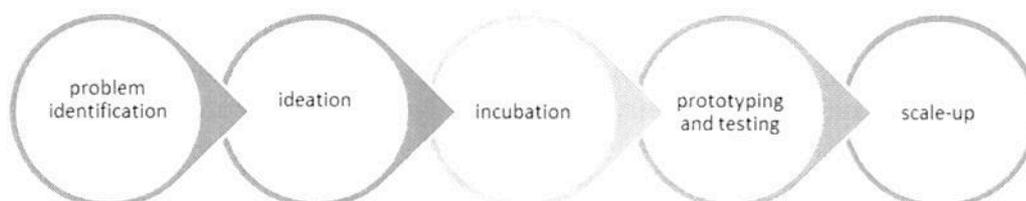
As needs of municipal councils and urban councils are different from that of rural PSs, support will be provided to MCs/UCs to address specific development challenges. With more people moving to urban areas, cities have expanded. However, urban and municipal boundaries do not correspond to the realities on ground. This often hinders any efforts towards a more coordinated approach to urban planning and development. Though the national Urban Development Authority is taking steps to develop Area Development Plans for urban area, participation of and coordination with UCs/MCs and adjoining PSs that face a more urban reality/future than a rural one is very limited. To address this and facilitate local development, a cluster approach cutting across several LAs within the geographical area will be adopted to support a more integrated urban/municipal service delivery. Here, capacities of UC/MC to use social innovation approaches to address service delivery challenges and develop new solutions will be strengthened.

Second) on strengthening gender-sensitive and resilient local development, capacity of LAs and other institutions will be strengthened to integrate disaster risk reduction and climate change considerations into local development and investment plans. This would ensure not only long-term sustainability of the projects but would also help LAs to meet the infrastructure project criteria under LDSP, which prioritizes infrastructure investments that would aid in climate change adaptation. Support on capacity strengthening will also be provided to local governments to access loans, including Local Loans and Development Fund (LLDF) of Sri Lanka, and improve revenue collection.

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

Under this output the focus is on creating the space for collaborative co-creation and co-implementation of services. Using social innovation approaches, a range of stakeholders will be engaged and joint design thinking workshop will be held with LA, local communities, CBOs etc., to develop solutions. These solutions are then developed and co-implemented. This approach provides an opportunity for testing solutions. While solutions developed under this methodology could be funded under the basic and performance transfers (if they meet the criteria), the project will also allocate seed funds to support the iterative process of incubating an idea, developing and testing prototypes. To receive the seed funds, LAs should develop a clear problem statement, organize multi-stakeholder design thinking exercise, and come-up with ideas for a solution to the identified problem. Funds will used to further refine the idea, develop and test prototypes. By doing this, all actors involved in using social innovation approaches, gain knowledge and expertise in defining problems, and collaboratively co-designing solutions to address local challenges. Furthermore, this approach can also assist local communities and local authorities to think through strategic projects and develop a viable business plan for a service/product. Successful tested solutions will be shared with others LA, including through the learning events (activity area 1.3.1) and scaled up across targeted provinces. Scaling up successful solutions can be funded from basic and performance transfers.

CDLG will draw on UNDP Sri Lanka's own capacities (including Citra Innovation Lab) to organize design thinking workshops and assisting government departments and officials, as well as young people to prototype and test services.



Social innovation process

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

This activity area focuses on strengthening capacities for resilient local development. To ensure economic resilience (including if the basic and performance grants are not integrated as part of the overall intergovernmental transfers to the LAs), activities under this area will include conducting analysis of revenue sources and improving collection of own-source resources. The e-revenue system implemented by UNDP in Munnar will be scaled up across all target provinces. In addition, LAs will also be trained to develop project plans that meet the criteria for applying loans from Local Loans and Development Fund (LLDF). Increasing own-source resource and strengthening the capacities to seek loans would ensure local term economic stability of local governments.

The project will also provide trainings to LAs and local communities on disaster risk reduction strategies and guidelines, and climate resilience and environmental standards. Developing local projects using these guidelines will also help LA meet the local project development criteria established under LDSP, as LDSP prioritizes infrastructure investments that would aid climate change adaptation.

In addition, to ensure coherence in local development strategies, under this project local provincial level planning processes will be encouraged to build on local development plans similar to UNDP

supported integrated provincial plan in one province. Lessons from that project will be used to inform integrated planning in all target provinces.

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

Urban centres face a different set of challenges compared to more rural areas. Therefore, municipal councils and urban centres will be provided specific support – including developing visualization tools for MC/UC for planning, budgeting, budget allocation and tracking, as well as improve capacities for sub-project implementation. UC/MC are also uniquely placed to explore and test new services (such as the waste to energy project in Kaduwela municipality supported by UNDP). Activities under this results area will assist UC/MC to develop and test new solutions for delivering services, and increasing economic potential of people as well as that of the municipality or urban center. In addition, MC/UC will also be provided trainings to analyse current data practices and improve data management.

3.1.3. Output 3

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

Long-term systems change is required to sustain the expected capacity development gains from CDLG. One of the major factors that is resulting in the marginalization of LGAs is the limited implementation of the 13th Amendment, and the national policy on local governance. The Constitution allows for more power and autonomy to the provinces, and further down to LA level at the discretion of Provincial Councils. However, a centralized system of governance continues with the bulk of financial resources channelled through devolved units. While the basic and performance grant mechanism under LDSP will promote greater autonomy at LA to PC level, continued autonomy after the LDSP, and improving the overall local governance system requires local ownership and leadership of the policy and reform agenda to fully transition into the devolved system of governance as envisioned in the Constitution.

Under this sub-output, the focus is on working with duly mandated central and provincial institutions to enhance their capacity to support LAs. Provincial councils and central institutions will be involved from the inception in planning, design and delivery of capacity development interventions for LAs. This would help to understand current gaps in horizontal and vertical between different levels of devolved government, and between devolved and deconcentrated units, and policy and programme coherence, integrated planning and service delivery, and to avoid duplication and inefficiencies in the local governance system. Gaps and challenges in intergovernmental fiscal transfers will be also be addressed under this output.

The previous two outputs and the table on LA system framework for capacity development in section II highlight how the project will involve provincial and district level officials in different project areas.

In addition, the project will collate lessons learnt and support advocacy for decentralization and strengthening local governance systems. More specifically, an annual event will be organized to facilitate learning and exchange between participating provinces as well as with other provinces. Online resources will also be supported to share good practices, and potential ideas from LAs.

Changes in directives and regulations will be required that can consolidate and institutionalize some of the new ways of working on the ground that support inclusive, responsive and accountable service delivery. Hence, provincial councils and central institutions will be supported to take stock of and institutionalize good practices by issuing directives, guidelines and regulations.

Adoption of key processes and systems (such as audit, and procurement processes) will also require central and provincial institutions to take steps to provide necessary guidelines and capacities to lower levels of government. The project will strengthen the capacity of LAs to become audit compliant and implement new guidelines (such as new procurement guidelines).

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

In order to inform policies at national and provincial level (including those related to horizontal and vertical linkages), and encourage dialogue on and advocacy for achieving the objective of the 13th Amendment and national policy on local governance –greater engagement of people in all aspects of government is needed.

Towards this end, the project will support annual learning events where LAs and other partners (including local CSOs and CBOs) can showcase successful projects, best practices, and new approaches/innovation at the LG level, as well as other levels of government. This would facilitate learning from each other. The event will be open to all 134 participating LAs, as well as other LAs in the country. Online platforms will also be created to share information and support peer to peer learning and solutions exchange. In addition, LAs and other actors will be supported to advocate for policy change, including by producing policy briefs, Op-eds with key messages that they can use for advocacy purposes.

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

To facilitate vertical and horizontal linkages, the project will work with central and provincial governments to conduct review of the planning process and flow of finances and information between different levels of government, and utilization and generation of resources. Based on the findings as well as lessons from implementation of the project and utilization of basic and performance transfers, the project will improve vertical and horizontal linkages between different levels of government. It will develop integrated systems such as e-revenue system, learning management system and other web-based systems that can be used at different levels of government. In addition, the project will work closely with ministries and financial commission to issue circulars, guidelines, adopt by-laws to improve fiscal flows, efficiency, coordination and also gender integration. The project will also help implementation of audit recommendation of utilization of basic and performance transfer. This will facilitate improvement in inter-governmental relations, and institutional oversight mechanism on financial utilization and performance. The National Procurement Agency is developing new procurement guidelines. Under this activity area, awareness of and compliance of LAs to the new procurement guidelines will be improved.

3.2. Resources Required to Achieve the Expected Results

The project will be fully funded by the EU's STRIDE programme. Key project positions include Project Manager, Local Governance Specialist, and Learning and Knowledge Development Specialist. Project offices will be established in the four provinces with a project coordinator and project associate (two associates in the Northern and Eastern provinces respectively, which have a larger number of LAs).

In addition to that, the project will require expertise to develop different systems highlighted in the results framework. Towards this end, the project will maintain a roster of experts to call upon to provide specialized expertise as and when required. Potential areas of support include: data management, developing visual tools for planning, digital economy, local investment plans, knowledge management and learning expertise, drafting of by-laws and statutes, specialists in technical areas relating to the functions of provincial councils and LAs, such as land-use planning and management, solid waste management, climate and disaster resilience, water and sanitation, etc. The project will also aim to establish project coordination mechanisms at the provincial level to guide project implementation, identify appropriate capacity development mechanisms, establish strategic linkages between project activities and other external initiatives.

Learning and knowledge management is a key aspect of the project. Continuous learning will not only inform capacity development support to build individual capacities (technical and functional

capacities) but also focus on bringing about institutional level and policy level changes. Towards this end, the Learning and Knowledge Management Specialist of the project will support continuous learning, including through the use of tools such as non-randomized control trials, user-journey mapping (from the perspective of officials, and also the beneficiaries), and sense-maker to continuously improve capacity development support provided to the LAs.

In addition, designated UNDP Country Office staff will provide management services, technical expertise, quality assurance and policy advisory services for implementation of the Project. Overall coordination of the project will be supported by a dedicated team within UNDP Sri Lanka. As per UNDP corporate practice, the UNDP Bangkok-Regional Hub for Asia-Pacific (local governance team) will provide technical support and quality assurance to the project (Direct Project Cost or DPC estimated at 60 days/year). Brief description of project team is included in Section IV on project management.

3.3. Partnerships

The project will be implemented in 134 LAs covering almost half the country. No single organization can fully implement the project without establishing partnerships and collaborating with different partners would be vital to reach the 134 LAs to provide targeted support and strengthen civic engagement. CDLG would engage with key institutions that are mandated to support LAs, such as the Ministry in charge of the subject of provincial councils and local government, Finance Commission, SLILG and provincial MDTUs.

In addition, the CDLG Project will work closely with the other project formulated under the EU's larger STRIDE Programme – i.e., the Local Development Support Project (LDSP) supported by The World Bank, as well as the British Council executed project on community mediation as mentioned in table on synergies between LDSP, SEDR and CDLG. Civil society organizations and other institutions will be identified during the project inception phase to implement certain aspects of the project.

In addition to this, CDLG will partner with the following organizations to achieve the results described in the above sections:

Citra Innovation Lab

Citra is Sri Lanka's first Social Innovation Lab established as a joint initiative between the Ministry of Science, Technology & Research, and UNDP Sri Lanka. It uses foresight and innovation tools to prototype and test development solutions to ensure they are agile and effective before nation-wide implementation. Citra facilitates creating an environment that is conducive to looking at problems from different perspectives, and to delivering holistic and sustainable development solutions.

The expertise of Citra Lab would be vital for leading the adoption of social innovation approaches by LAs. Citra Lab could also help in assessing and analysing how effective LAs and their local communities are in adopting design thinking and other innovation tools, and tailor specialized approaches to get LAs to think differently about developing local service delivery solutions.

Federation of Sri Lanka Local Governments Association

FSLGA is the National Association for Local Govt. in Sri Lanka representing the interest of all 341 councils. FSLGA work closely with the National and Provincial Ministries of Local Govt. and National and International partners to strengthen the Local Government system. Formed in June 2006 and registered in Sept 2008 as a Limited Guarantee Company (GA 2176) FSLGA works as an umbrella organization for Municipalities, Urban Councils and Pradeshiya Sabhas. Local Councils holds membership by paying an annual subscription. **FSLGA** has supported development of "Transparent and Accountable Procurement System for Local Govt". Supporting local councils to implement RTI and Proactive Disclosure under RTI. Developing by-laws to integrate disaster

management into local govt. system (supported by UNDP), developing number of by-laws required to strengthen the legal environment in the local councils.

FSLGA works to strengthen the capacities of political representatives, officers and civil society in fiscal autonomy and decentralization. FSLGA also focuses on strengthening legal and regulatory environment in Local councils, gender mainstreaming, and improving open governance partnerships through strengthening civic engagement in governance process.

Asia Foundation

The Asia Foundation in Sri Lanka is one of the few organizations working on strengthening sub-national capacities for over a decade. The Foundation's portfolio includes strengthening subnational governance to advance local democracy; enabling access to justice and community security; facilitating post-trauma psychosocial support; supporting localized inter-ethnic peacebuilding efforts; and creating opportunities for ethnic groups to strengthen economic linkages.

As part of its work on strengthening subnational governance, Asia Foundation has supported economic resilience of 27 local governments across the country. Asia Foundation has also conducted the diagnostic study on local government institutions and finances in North, North Central and Eastern Provinces for the World Bank. Asia Foundation has the collaborative advantage to conduct the same study in Uva provinces – which would help in establishing the baselines for CDLG as well as so for LDSP project, as well as support achievement of CDLG outputs. Thus, UNDP will collaboratively engage with Asia Foundation to implement some aspects of the capacity development interventions.

Specific areas of engagement with CSOs and identified partners will be clarified during the inception phase. CSOs and NGOs will be contracted based on UNDP's policy on Engaging CSOs/NGOs as Responsible Parties.

3.4. Risks and Assumptions

Main Assumptions of the project:

- Willingness of LAs to implement the project activities: A key assumption of this project is that all 134 LAs would be willing and eager to engage through this project, and that provincial and district level institutions would be supportive of the capacity development interventions of this project. The project will invest in building ownership at the LA level, including through visioning exercises to envision local governments role and function in achieving local development, and their interaction with their constituency, and define the needs based on their vision. In addition, relevant institutions and functionaries at central and provincial levels will also engaged to secure buy-in from local authorities and tailor integrated capacity development interventions. Furthermore, the project is consciously designed to facilitate local actors' involvement in developing the capacity development plan – in other words, to respond to the needs of the local actors. This approach will also help to ensure local buy-in of the project interventions, as well as effectiveness and sustainability.
- Support from provincial authorities and district and divisional level functionaries: The project expects support from the Ministry/Ministries in charge of the subjects Provincial Councils and Local Government, provincial, district and divisional functionaries to support local level interventions (including coordination with deconcentrated units) based on results of capacity mapping exercises, and in line with capacity development plans
- Political will for innovation and collaborative engagement with local communities to develop new services: Local authorities would be keen on using innovative approaches and engage in collaboratively codesigning and co-implementing solutions. The project will facilitate implementation of social innovation approaches to develop local solutions for local needs.

National and provincial governments adopt policy framework to strengthen decentralization: there will be an uptake of lessons and good practices from the project and that national and provincial government would produce guidelines, regulations and by-laws to institutionalize practices to further

strengthen decentralization. One of the biggest risk that the project may face is the political instability. Presidential, parliamentary and provincial level elections are scheduled to take place in 2019 and early 2020. It is likely that these elections could be contentious and cause instability and delay implementation of the project. UNDP will dynamically assess the situation, and engage with all political actors to get buy-in for the project. More importantly, the project aims to institutionalize participatory planning by creating an enabling environment through the use of social innovation approaches for collaborative engagement to develop new solutions and promote local development. This is expected to create a local ownership of development processes. This could mitigate some of the political risks associated with elections, including instability and delays in project implementation. The below table highlights all the risks that would have an impact on implementation and achievement of desired results.

Risk Description	Impact & Probability ²²	Countermeasures/ Management response
Presidential, Provincial and/or Parliamentary elections anticipated in 2019 and 2020 may result in political instability and consequent delays in project implementation.	Implementation of work plan delayed or incomplete P = 4 I = 4	The Project would dynamically assess these risks, and seek support from stakeholders to reach a consensus on the way forward. The new administration (post elections) and other actors will be engaged to develop solutions.
There may also not be commitment to implementation of current devolution arrangements under the 13 th Amendment to the Constitution, and/or policy reforms for meaningful decentralization, following the aforesaid elections.	Implementation of work plan delayed and/or non-achievement of project outputs/outcomes P = 2 I = 4	The new political and public administration (post elections) will be engaged to identify solutions.
Potential increase in ethno-religious and/or political divisions within LAs may impact on their internal governance /operations	Implementation of work plan delayed and/or non-achievement of project outputs/outcomes P = 2 I = 4	Activities will be co-designed using a consultative and people-centred methodology in order to obtain the buy-in and ownership of LA councils as a whole.
Current local governance system is top driven and there is limited engagement and coordination between devolved and deconcentrated units. This may hinder development of integrated capacity development approach involving key departments.	Weak coordination could impede implementation of project outputs P = 3 I = 3	Establish mechanisms to engage with all relevant actors and departments to develop a commitment for improving local governance systems. Use these mechanisms to develop integrated capacity development activities.
Limited commitment from LAs/PCs to use participatory mechanisms	Inability to promote social cohesion and local development P=3 I=3	Though participatory mechanisms exist, the quality of participation is poor. To address this, the project will initiate a dialogue for bringing about policy engagement and commitment of PCs/LAs. In addition, the project will support the use of social innovation

²² Probability (P) of risk is measured on a scale from 1 (low) to 5 (high) ; Impact (I) of the risk is measured on a scale from 1 (low) to 5 (high)

		approaches to promote collaboration and engagement to co-create and implement solutions, thereby improving state-public engagement.
Weak incentive system for LAs to adopt new systems and tools	Hinder achievement of project work plan P=3 I=3	The project aims to create incentives (including annual events to showcase achievements) and engage with PCs to create incentives to enhance the readiness of LAs to use new systems and tools.
The absence of outcome-based financing systems and procedures undermines LAs capacity to address local needs sustainably.	Sustainability of local development agenda P=3 I=3	The project specifically focuses on linking qualified LAs to financing institutions and mechanisms to address financing gap.

3.5. Stakeholder Engagement

The objective of this project is to strengthen the capacity of LAs to be inclusive, accountable, responsive and deliver better services. In essence, the project will work closely with LAs, as well as relevant institutions at the divisional, district and provincial levels. A list of stakeholders and beneficiaries targeted through this project is included in section 2.3.3. In addition to that, programmatically, the project aims to facilitate collaborative spaces for engagement between LAs and their constituents, including through youth groups, youth service centres, women's groups, etc. Specifically, the project aims to support design thinking workshops at the LA level to enable all relevant stakeholders to collaboratively co-design and implement solutions on the ground that meet the needs of end-users.

A full stakeholder engagement strategy will be developed during the inception phase, along with a communication strategy to reach different stakeholders.

Furthermore, an advisory group at the provincial level involving provincial actors (including the Chief Secretary and the Commissioner of Local Government), representatives of local authorities, development partners, civil society and other relevant actors will be established in all four provinces. This advisory group will review and guide project implementation in each of the four provinces, and identify potential areas of synergies between the project and other development interventions.

3.6. Sustainability and Scaling Up

As stated in the previous sections, the project is designed to strengthening the capacity of LAs to be inclusive, responsive and accountable, promote reconciliation and achieve sustainable development. The project will ensure sustainability of different capacities by:

Participation and ownership: the project will work with existing community forums and strengthen their capacity to engage in local planning, project implementation and monitoring. In addition, the project will support social audit committees to monitor utilization of basic and performance transfer, and provide feedback on project implementation (including through citizen report cards). The project will also ensure LAs and provincial governments to institutionalize participatory processes in planning and implementation cycles by issuing guidelines, circulars, and adopting by-law. More importantly, the project will support social innovation approaches and facilitate collaborative engagement between LAs and local communities to develop new solutions for addressing local challenges. Opportunities for LAs to share their successes and learn from other LAs will also be

created. With strong engagement in local development processes, local communities and local authorities' ownership will be increased.

Institutional and management capacities: As mentioned in the previous sections, the project will focus on strengthening and establishing systems and building institutional and management capacities (data management, grievance mechanisms, procurement, audit capacities, e-revenue systems, etc.). At the same time, the project recognizes that sustainability of systems and capacity development support provided through the project will depend on whether or not interoperability between systems exist and whether or not best practices are institutionalized to promote participatory local development. Therefore, to ensure sustainability of different systems developed through this project, the project will ensure interoperability between them and with existing systems. In addition, the project will support LAs and other relevant authorities to collate best practices, identify measures (such as regulations, guidelines etc.) that need to be adopted to ensure sustainability. LAs will be supported to advocate for and lead the policy process for institutionalization of participation and innovation, and strengthening local governance system. In addition, central and provincial governments will also be engaged to adopt policies and measures to strengthen local governance systems.

Policy support: strengthening the ability of LAs to advocate for policy change and lead the development and adoption of necessary measures (circulars, guidelines etc.) is one of the core project strategies. Towards this end, the project will organize annual learning and advocacy event where local governments (devolved and deconcentrated units) will be able to share successes and challenges and collectively advocate for statutes, guidelines and other measures to be adopted. An online platform will also be established for LAs to share knowledge. Both online and offline platforms would also bring together authorities from devolved and deconcentrated units to discuss local governance challenges and identify policy measures for addressing these challenges. The project will enhance the capacity of Ministry in charge of provincial councils and local governments, and provincial authorities to take over the platforms towards the end of the project. This will ensure spaces for policy engagement will continue to be available and relevant for LAs.

Conflict sensitivity: Conflict sensitivity considers the impact of UNDPs interventions on the various national and local conflicts. This goes beyond the *do-no-harm* approach by explicitly providing support to local actors to transform the conflicts, facilitate multi-stakeholder engagement to promote local development. The project will also conduct a rapid local conflict analysis needs to be undertaken, to map the situation at the granular level necessary to ensure that the proposed intervention is appropriate and fully conforms with the principle of "do no harm". Community perception survey of local conflict will also be conducted and be used to establish key indicators, as part of the project monitoring and evaluation framework, to monitor grassroots concern, as well as inform project management cycle.

Gender equality: Given the low levels of women's engagement and high incidences of marginalization of women, the project will focus on enhancing women's participation in political and socio-economic development processes. As mentioned above, the project will identify challenges to women's participation and develop specific measures to address these challenges. Specific strategies will be adopted to encourage women's participation throughout local planning and implementation cycle. Targeted support will be provided to women's councillors to lead local development processes. Male champions will also be identified (at local community level and local authorities' level) to promote women's engagement in local processes. This would ensure wider support for and facilitate gender equality.

Environment sustainability: Environment sustainability is another core concern of the project. Findings from environment assessment (including climate vulnerability assessment) and disaster risk reduction measures will be considered in developing all social and economic infrastructure. Local government capacities to integrate environment and disaster consideration in local planning and implementation will also be strengthened.

Economic and financial sustainability: one of the objectives of allocating basic and economic transfers is to promote economic development in the four provinces that are economically lagging. The project will support LAs and local communities to focus on developing social and economic infrastructure that would add to LAs own source resource generation. In addition, e-revenue system will also be adopted to enable LAs to capture local resources (for instance, introduction of e-revenue system in Mannar by UNDP increased local governments resources by 80 percent). This approach of the project would increase local government resource base as well as its revenue collection ability. Furthermore, the project will also support central and provincial government, and the financial commission to adopt measures that would improve intragovernmental fiscal transfers to LAs, and there by ensure economic and financial sustainability of the local governments.

IV. PROJECT MANAGEMENT

This Project will be directly implemented (DIM) by the United Nations Development Programme, in close consultation and partnership with the Ministry of Provincial Councils and Local government, relevant Provincial Councils and local government, in accordance with all relevant UNDP Rules and Regulations governing this implementation modality. At the national level, the partnership has been officialised through the approval by the Government (External Resources Department, Ministry of Finance) of UNDP's portfolio document on SDG 16+, which refers to results to be achieved in this project document. At the subnational level, UNDP will work through a variety of modalities including but not limited to MoUs or Letters of Agreement as required.

The project will be implemented in four provinces covering all 134 LAs. Project offices will be established in each of the provinces and staffed with a project coordinator and 1-2 project associates, depending on the number of LAs in each of the provinces. The offices will be located within the provincial government, specifically Commissioner or Assistant Commissioners of Local Governments. This would facilitate collaboration with key departments at the local level, as well as the LDSP's Project Implementation Units which will be based in the Commissioners of Local Government offices in each of the target provinces.

Overall coordination of the project will be supported by a dedicated team in Colombo.

This project will be managed by the Steering Committee of the STRIDE project. The Steering Committee for the STRIDE project will be co-chaired by the Ministry of Provincial Councils, Local Government and Sports and the EU Delegation and convened by the Ministry of National Policies and Economic Affairs.

The Steering Committee will include a balanced representation from relevant Ministries involved with the execution of the programme, representatives from the provinces and local authorities of the target areas, as well as representatives of the Civil Society. The World Bank, UNDP and the British Council will be invited to be part of the Steering Committee in their capacity as implementing organisations of the programme.

In addition, for UNDP purposes, the CDLG project will be implemented and managed under pillar 3 [Public Sector and Local Governance] of UNDP's SDG 16 Flagship Portfolio on Peace, Justice and Strong Institutions (2019-2022).

4.1. Project team

The Project team will be responsible for implementation of the outputs and activities indicated in the Description of Action, including technical assistance, administration and management. The Project Office will comprise of full-time dedicated project staff- consisting of Project Manager, Local Governance Senior Specialist, Learning and Knowledge Development Specialist, Research, Reporting and Communication Specialist, M and E specialist. In addition, the project team will include Project Coordinators and Project Associates in each of the four provinces. The proposed team structure is carefully selected to cover the needed management, coordination and policy guidance, the required technical knowledge, monitoring and communication assets.

The Project Team will consist of the following UNDP national staff on project contracts:

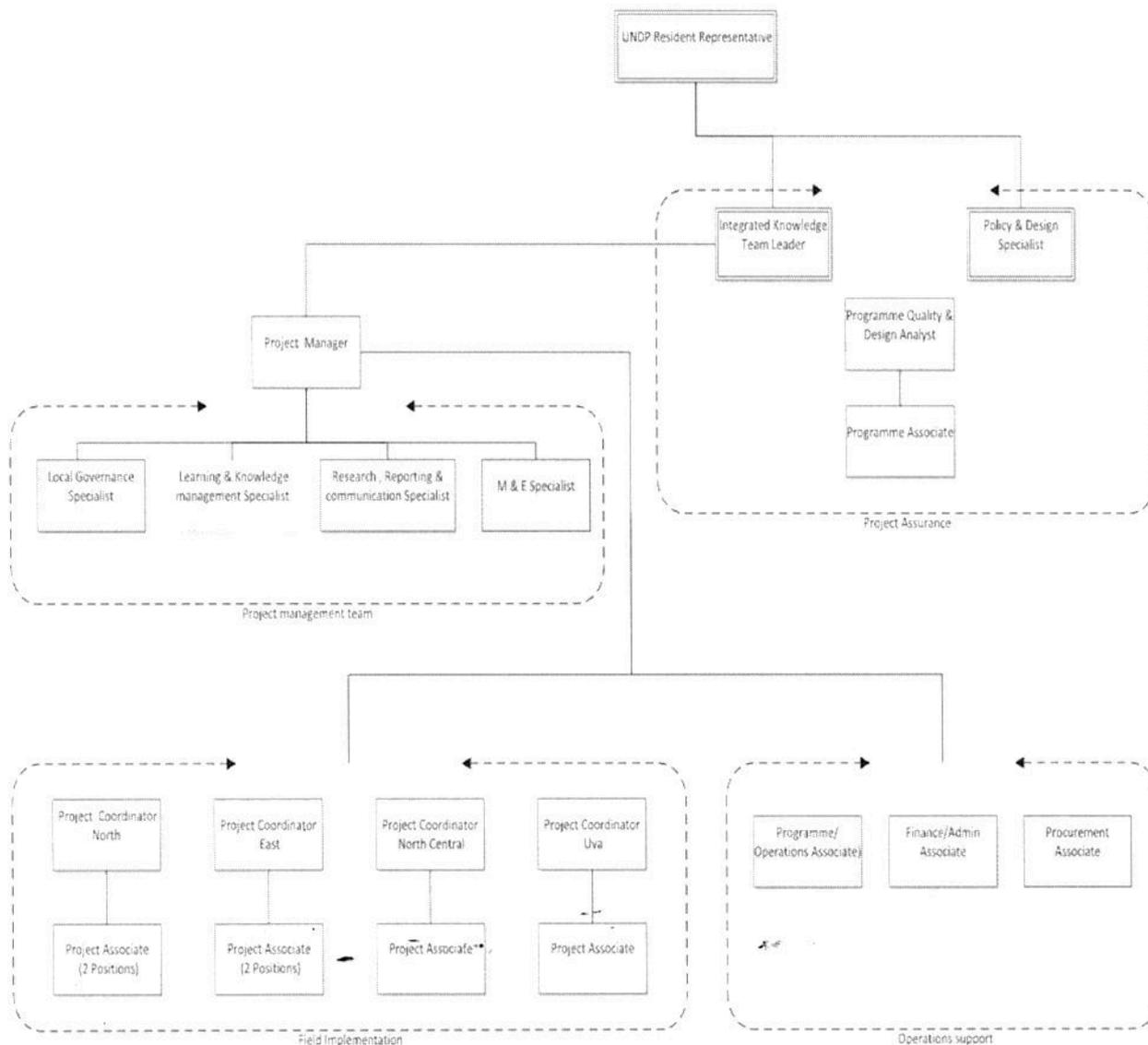
- Project Manager: Responsible for day-to-day management of the project including timely and efficient delivery of the project technical, operational, financial and administrative outputs and substantive project inputs specifically linked with the decentralization and local development agenda; regular outreach and coordination with the project beneficiaries, coordination and quality assurance of expert inputs and products; regular coordination among project partners to ensure coherence and complementarity. Leads also specific outputs related to the decentralization and fiscal decentralization. The Project Manager will be 100% charged to the project budget.
- Local Governance Specialist: Is the strategic and technical lead and is responsible for providing strategic guidance, and direction to the project team in coordination with UNDP senior management and national project counterparts and ensuring effective linkages with other initiatives and projects. The Local Governance Specialist will be charged 100% to the project budget.
- Learning and Knowledge Development Specialist: is responsible for developing the capacity development plans and providing training programmes and related technical assistance to local governments, in close collaboration with the project team. The Learning and Knowledge Development Specialist will be responsible for integrating learning components in the development and use of different tools, and systems. This position will be 100 % charged to the project budget.
- Research, Reporting and Communication Specialist: Responsible for conducting research on best practices in strengthening local governance systems and building resilient local economy, in close collaboration with project team. He/She will also be responsible for preparation, implementation and oversight of the Communication and Visibility plan of the project and assuring that all activities including the outreach and awareness-raising activities adhere to and are fully aligned with the visibility needs and interests of the EU. He/she is also responsible of external reporting and communication of project results. This position will be 100 % charged to the project budget.
- Monitoring and Evaluation Officer: Responsible for regular monitoring and reporting on the progress of the implementation of the project and supporting the implementation of the project activities by undertaking research and analysis of relevant data and information. The Monitoring Officer will be 100% charged to the project budget.
- Project Coordinator [4 positions]: The Project Coordinator is responsible for project implementation in one target province of the project [each]. He/She will lead day to day implementation of the project in the target province and roll out the capacity development plans. This position will be 100% charged to the project budget and will be recruited during the inception phase.
- Project Assistant [6 positions]: Responsible for performing financial and administrative duties related to implementation of the project activities, assisting with organizing administrative processes for project needs and providing support to office maintenance including administering the project documentation and performing other finance related and administrative tasks in target provinces [2 each in Northern Province, and Eastern Province, and 1 each in North Central and Uva]. The Project Assistant will be 100% charged to the project budget and will be recruited during the inception phase.
- Programme Operations Associate: Responsible for administrative quality assurance, advising and verifying procurement and human resources processes for the needs of the project. Responsible for monitoring of effective delivery of administrative services to the project and managing external relations related to all operational aspects of the project. The Operations Manager will be charged 100% to the project.
- Procurement Associate: Responsible for providing support in identification of procurement modalities, facilitating quality, transparent, effective and fast procurement processes; supporting the project in the launch and publicity of procurement processes; advising in project procurement/tender evaluation processes; supporting in negotiations with potential

contractors (as needed); assisting in the process of contracting, monitoring of contracts. The Procurement Associate will be charged 100% to the project budget.

- **Programme Finance and administration Associate:** Responsible for providing support in preparation of the budget, budget revisions, and supporting the overall financial monitoring and reporting for the overall action; assisting the project team in preparation of financial transactions and appropriate project reports. The Programme Finance Associate will be charged 100% to the project.

In addition, a roster of experts and consultants (international and national) will be maintained by the project. Experts and consultants will be hired on needs basis to design and deliver specific activities included in the DOA.

An organigram depicting these arrangements is below:



4.2. Project Office costs:

As the implementation of the Action requires the setting up or the use of one or more project offices and/or equipment as relevant, the capitalised and operating costs of the structure will accordingly be supported directly by the project. Under the project management section, there are several categories of costs that are envisaged for the functioning of the Project Office, including inter alia:

- **General Expenses:** To support all project activities, this proposed action includes expenses related to travel and subsistence costs for staff and other persons directly assigned to the

operations of the project, office rent, utilities and office security, IT equipment, communication and internet services, stationary and other office supplies, and maintenance.

- **Materials Expenses:** For this action's main activities relating to community mobilization, public awareness and outreach, technical advisory, and capacity building activities, the primary means required includes the procurement of program brochures, training program materials, and other outreach materials produced for the implementation of this Action.
- **Transportation and Vehicle-Related Expenses:** Support to this activity requires procurement (cars and motorbikes), maintenance and fuel costs to ensure safe, reliable transportation for project staff.

V. MONITORING AND EVALUATION

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track progress results	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.		
Monitor and Manage Risk	Identify specific risks that may threaten 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 financial 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.		
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.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
Project Report	A progress report will be presented to the Project Board and key stakeholders.	Annually, and at the end of the			

Project Review (Project Board)	<p>consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.</p> <p>The project's governance mechanism (i.e., Steering Committee of the STRIDE) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board may hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p>	project report (final)	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>		
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Evaluation Plan

Evaluation Title	Partners (if joint)	UNDAF/CPD Outcome	Planned Completion Date	Key Stakeholders	Evaluation	Cost Source and Funding
Mid-Term Evaluation		CPD outcome 1	Dec 2021	Ministry of Provincial Councils and Government Councils, partners	Provincial and Provincial implementation	Project funds
Final evaluation	European Union	CPD outcome 1	Dec 2023	Ministry of Provincial Councils and Government Councils, partners	Provincial and Provincial implementation	Project funds

VI. RESULTS FRAMEWORK²³

Log framework; ACA/2017/040-699 "Strengthening Transformation, Reconciliation and Inclusive Democratic Engagement (STRIDE)"

The activities, the expected outputs and all the indicators, targets and baselines included in the log-frame matrix are indicative and may be updated during the implementation of the action without the need to amend the financing decision

* Multi-annual Indicative Programme Indicator

** EU Result framework

*** UNDP is responsible for outputs 1, 2, and 3 and the results framework will be further refined and updated following the inception phase

Results chain	Indicators	Baselines (incl. reference yr)	Targets (incl. reference yr)	Sources and means of verification	Assumptions
To strengthen the process of decentralisation in the targeted province and the dialogue between people and the state thereby contributing to the resolution of critical underlying causes of conflict and prevention of escalation of local disputes	<ol style="list-style-type: none"> Subnational government share of expenditure and revenue (% of total expenditure/revenue) in the targeted provinces* Percentage of reduction in number of ethnic related incidents in the targeted areas Number of grievance cases effectively addressed and resolved by mediation boards and community interventions before they escalate (individual cases disaggregated by sex) % of people in the targeted provinces that perceive increase in efficiency and performance in the local authorities services 	Base line values to be established during inception phase	Targets based on baseline values to be established during inception phase	<ol style="list-style-type: none"> National statistics National and project data and statistics Survey results at Provincial level WB, UNDP, British Council annual reports 	

Overall objective: Impact

²³ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards.

Efficient, inclusive, gender-sensitive and accountable mechanism of service delivery at elected local government level is established	Number of local authorities that achieve improved performance standards measured by province*	Base line values to be established during inception phase	Targets based on baseline values to be established during inception phase	National statistics	Influence of extreme resisting concentration remains within manageable limits
<p>1.1. Presence of participatory mechanism at local authority level with evidence of women's voice taken into consideration*</p> <p>1.2. Number of people involved with participatory planning (sex disaggregated)</p> <p>1.3. Number and type of accountability measures adopted and implemented through the grant scheme</p> <p>1.4. Proportion of seats held by women in local government** (GAP 17.1) (EURF Level 1)</p>	<p>1.1. Number of local authorities that achieve improved performance standards measured by province*</p> <p>1.2. Presence of participatory mechanism at local authority level with evidence of women's voice taken into consideration*</p> <p>1.3. Number of people involved with participatory planning (sex disaggregated)</p> <p>1.4. Number and type of accountability measures adopted and implemented through the grant scheme</p> <p>1.5. Proportion of seats held by women in local government** (GAP 17.1) (EURF Level 1)</p>	<p>Base line values to be established during inception phase</p>	<p>Targets based on baseline values to be established during inception phase</p>	<p>1.1. National statistics</p> <p>1.2. Surveys results at Provincial level</p> <p>1.3. WB, UNDP, British Council annual reports</p> <p>1.4. Ministry of Provincial Council and Local Government, Ministry of Women and Child Affairs statistics</p> <p>1.5. Election Commission data</p>	<p>Influence of extreme resisting concentration remains within manageable limits</p>
<p>Roles of local authorities for development, service delivery and reconciliation enhanced</p>	<p>1.1.1. Number of people benefitted by the performance Grant scheme</p> <p>1.1.2. Percentage of community members (disaggregated by sex) satisfied with local authorities' sub-projects (measured by provinces)</p> <p>1.1.3. Number of Local Authorities projects designed and implemented through participatory approaches</p> <p>1.1.4. Number of people trained (Government, Non-Government, Civil Society) (sex disaggregated)</p> <p>1.1.5. Number of Policies/Acts/legal framework cases amended, formulated to increase efficiency of the service delivery</p> <p>1.1.6. Number of sub-national institutions</p>	<p>Base line values be established during inception phase</p>	<p>Targets based on baseline values to be established during inception phase</p>	<p>1.1.1. Project reports</p> <p>1.1.2. Project perception surveys, reports.</p> <p>1.1.3. Provincial. LA's, District reports</p> <p>1.1.4. Government, Public Administration reports, data</p> <p>1.1.5. National reports, Provincial data</p> <p>1.1.6. Las, project surveys</p> <p>1.1.7. Project reports,</p>	<p>Government is supportive of the different programme components and is committed to strive for reconciliation through improved inclusive and participatory governance</p> <p>Government is committed to devolution and the role of Local Authorities and willing to consider aspects of public administration</p>

<p>and officials (sex disaggregated) with a positive change in planning approaches and delivery of public services</p> <p>1.1.7. Number of people belonging to vulnerable groups who express voices in decision making on local development</p>	<p>Base line values established during inception phase</p>	<p>Targets based on baseline values to be established during inception phase</p>	<p>reform based on project experience</p>
<p>Local Planning and budgeting cycles, and local service delivery improved and are responsive to gender and marginalization issues.</p> <p>1.a. No. of LAs covered through training/capacity building programmes</p> <p>1.b. Number of people involved in participatory planning (disaggregated by sex and ethnicity)</p> <p>1.c. Percentage of LAs that are using the introduced tools effectively.</p> <p>1.d. No. of LAs meet the basic and performance grant criteria</p> <p>1.e. No of LAs with improved grievance and feedback mechanisms</p> <p>1.f. Number of profiles and reports produced to inform planning and budgeting processes</p> <p>1.g. Number of interventions/activities supported by women officials reflected in local plans and budgets</p>	<p>1.a. Project reports, annual reports of the Local authorities.</p> <p>1.b. reports of the Local authorities and local committees (including participants lists).</p> <p>1.c. Survey and record of no. of services/ revenue generation</p> <p>1.d. reports from provincial level on disbursement basic and performance grants</p> <p>1.e. Review of feedbacks/complaints resolved</p> <p>1.f. profiles and reports produced</p> <p>1.g. Reviews of Local government meeting minutes and reports. Direct observations.</p>	<p>All 134 LAs are willing and eager to engage in this project and that basic performance transfers will serve as an adequate incentive for engagement.</p> <p>Political will to support participatory processes from provincial to LA level</p>	



<p>The local governance system is innovative and provides services that address multi-dimensional challenges.</p>	<p>2.a No. of social innovation projects designed, of which Number of projects implemented (disaggregated by PS/MC/UC).</p> <p>2.b. No. of people (including from vulnerable groups) participating in social innovation workshops (sex disaggregated).</p> <p>2.c. % of LGs mainstream disaster risk reduction strategies and environmental standards in local plans and services</p> <p>2.d. % increase in revenue generation</p> <p>2.e. No. of LAs participating in exchange events organized</p>	<p>Base line values established during inception phase</p>	<p>Targets based on baseline values to be established during inception phase</p>	<p>2.a. Reviews of the reports of LAs, and review projects implemented on ground</p> <p>2.b. Direct observation and monitoring by UNDP and reviews of the reports.</p> <p>2.c. Reviews of local plans</p> <p>2.d. Reviews of the local public finance</p> <p>2.e. Review of event reports</p>	<p>provincial and district institutions would be supportive of the capacity development interventions of this project, and will be willing to develop integrated plans.</p> <p>Political will to support collaborative creation of solutions for local challenges</p>
<p>Legal and policy framework facilitate systems change and strengthen the process of decentralization</p>	<p>3.a. No. of follow-up actions taken by central and provincial institutions to inform LAs and ensure implementation of new directives, guidelines, and regulations.</p> <p>3.b. % of LAs supported to meet audit recommendations</p> <p>3.c. % of LAs following new procurement guidelines</p>	<p>Base line values established during inception phase</p>	<p>Targets based on baseline values to be established during inception phase</p>	<p>3.a. Review of the documents related to policies, guidelines, regulations and legal framework.</p> <p>3.b. Review of audit compliance reports of LAs</p> <p>3.c. Review of procurement plans and procured goods and services</p>	<p>National government and institutions are keen to promote decentralization and take actions to improve local governance system.</p>

CDLG output 2

CDLG Output 3

- 1.1.1. Organize introductory workshops about the project in all four targeted provinces, in collaboration with Commissioner/Assistant Commissioners of Local Government
- 1.1.2. Hire consulting team(s)/firm(s) to conduct capacity mapping and assessments
- 1.1.3. Conduct institutional capacity mapping of LAs (such as planning, fiscal management, implementation, monitoring capacities) and categorize LAs based on levels of capacity
- 1.1.4. Conduct mapping of existing systems related to functions and service delivery (such as information management systems, front office, revenue etc.)
- 1.1.5. Conduct mapping of planning, budgeting, and tracking tools available to and utilized by LAs, and analyse data availability and relevance, in collaboration with relevant planning offices
- 1.1.6. Identify and evaluate existing participatory mechanisms (disaggregated by sex, age, ethnicity etc.)
- 1.1.7. Conduct sample assessment of LAs and their role in promoting local businesses
- 1.1.8. Support consolidation and visualization of findings from capacity and systems mapping, and assessments (including assessments conducted by partners) with GIS.
- 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
- 1.1.10. Organize workshops for SLILG, MDTU, CLG and the Good Governance Resource Centre (GGRC), on implementing, review/monitoring, of capacity development initiative
- 1.1.11. Strengthen (trainings, learning by doing by organizing trainings for LAs) the capacity of Good Governance Resource Centres to serve as repositories and training facilities
- 1.1.12. Establish advisory boards in the four provinces to review capacity development plan implementation through the project cycle
- 1.1.13. Establish capacity development network to guide roll out of capacity development plans
- 1.1.14. Review and update results framework (finalize indicators, baselines and targets of the project)
- 1.1.15. Conduct capacity assessment of potential implementing partners and establish a roster

Sub activities

Key activity 1.1

Conduct Capacity mapping and develop capacity plan

Activities



- 1.2.1. Organize visioning exercises and refresher on the roles and functions for devolved and deconcentrated units of government.
- 1.2.2. Raise awareness of basic and performance transfers among officials and at community level (in collaboration with 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)
- 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.
- 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.,)
- 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 (linked to K.A.1.3.)
- 1.2.7. Develop checklist or dashboard for participatory tracking of LAs on meeting the criteria for basic and performance transfers
- 1.2.8. Integrate SDG related activities into local and provincial plans

Key Activity 1.2

Conduct capacity building on planning, budgeting and on meeting criteria basic and performance transfers.

Sub activities

- 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)
- 1.3.2. Improve and/or develop mechanisms/tools to enable participation of different stakeholders (including digital participation platforms)
- 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.
- 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 1.2.7 and 3.2.2)
- 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 (linked to 1.3.4)
- 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)
- 1.3.7. establish online and/or offline complaint mechanisms with emphasis on follow up action
- 1.3.8. Provide training to community forums and CSOs (targeted through SEDR) to act as interlocutors to address grievance related to services
- 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.
- 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)
- 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.

Key Activity 1.3

Develop and utilize tools to enhance participatory, responsive and accountable service provision and simplify and visualize planning and budgeting processes.

Sub Activities



<p style="text-align: center;">Key Activity 1.4</p> <p style="text-align: center;">Build capacities for data management.</p> <p style="text-align: center;">Sub Activities</p>	<p>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)</p> <p>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)</p> <p>1.4.3. Provide trainings on data analysis and visualization (linked to 1.3.4, 1.3.10)</p> <p>1.4.4. Develop/adopt data collection tools (including at the GN level) and support use of data from other sources (including CSOs)</p> <p>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)</p> <p>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)</p> <p>1.4.7. Share profile, reports produced (1.4.6) on state/public platforms in accordance to RTI Act</p>
<p style="text-align: center;">Key Activity 1.5</p> <p style="text-align: center;">Execute targeted capacity development programmes for women and youth officials (Elected and Administrative)</p> <p style="text-align: center;">Sub Activities</p>	<p>1.5.1. Organize targeted training for women officials, through district level committees established by UN Women.</p> <p>1.5.2. Develop and roll out mentorship and exchange programme between women and youth officials respectively through existing networks</p> <p>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.</p> <p>1.5.4. Develop and roll out "learning trajectories" programme for women leaders.</p> <p>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)</p> <p>1.5.6. Provide seed-funding for initiatives/projects identified and supported by women officials.</p>

<p>Key Activity 2.1</p> <p>Build capacities for innovative service delivery</p>	<p>Sub Activities</p> <p>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.)</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>2.1.5. Collate and share solutions developed, along with local experiences and lessons from using social innovation approaches between LAs.</p> <p>2.1.6. Share successful solutions with other LAs and scale up across targeted provinces</p>
<p>Key Activity 2.2</p> <p>Build capacities to support local resilient development</p>	<p>Sub Activities</p> <p>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.</p> <p>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.</p> <p>2.2.3. Support the development of integrated development plans at the Provincial level.</p> <p>2.2.4. Develop modules and provide training on producing local investment plans, in line with Provincial Development Plans.</p> <p>2.2.5. Train LAs to conduct social and environmental impact assessment of the investment plans.</p> <p>2.2.6. Support LAs/PCs to access loans from Local Loans and Development Fund (LLDF) for their local investment/business plans.</p> <p>2.2.7. Support to adopt e-payment/e-revenue systems (UNDP developed) from PC level to LA level</p>

	<p>Key Activity 2.3</p> <p>Targeted support MCs/ UCs to address urban challenges.</p>	<p>Sub Activities</p> <p>2.3.1. Support MCs/UCs to develop integrated local development plans (where possible with neighbouring LAs), in line with provincial plans.</p> <p>2.3.2. Develop customized and targeted visualization, and planning tools for MCs/UCs (linked to 1.2.7, 1.3.4)</p> <p>2.3.3. Provide data management and analytics training to MCs/UCs (linked to K.A.1.4, 2.1, and 2.2)</p> <p>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</p> <p>2.3.5. Support MCs/UCs to engage with public, and design innovative service delivery solutions (Linked to K.A.2.1)</p> <p>2.3.6. Collate experiences and facilitate exchange between MCs/UCs</p>	
	<p>Key Activity 3.1</p> <p>Conduct advocacy and learning, exchange programmes</p>	<p>Sub Activities</p> <p>3.1.1. Organize and conduct annual learning-exchange events involving LAs/PCs and deconcentrated units in target provinces.</p> <p>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.</p> <p>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.</p> <p>3.1.4. Produce policy papers Op-ed to highlight local governance and decentralization issues and best practices.</p>	

	<p>Key Activity 3.2</p> <p>Collaborate between different levels and units of central, deconcentrated and devolved government</p>
	<p>Sub Activities</p>
<p>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)</p> <p>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</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>3.2.6. Facilitate central and provincial audit offices to support LAs/PCs to meet recommendations of financial and performance audits</p>	

<p>integrated capacity development plans, areas for learning by doing, and learning trajectories</p> <p>1.1.10. Organize workshops for SLILG, MDTU, CLG and the Good Governance Resource Centre (GGRC), on implementing, review/monitoring, of capacity development initiative</p> <p>1.1.11. Strengthen (trainings, learning by doing by organizing trainings for LAs) the capacity of Good Governance Resource Centres to serve as repositories and training facilities</p> <p>1.1.12. Establish advisory boards in the four provinces to review capacity development plan implementation through the project cycle</p> <p>1.1.13. Establish capacity development network to guide roll out of capacity development plans</p> <p>1.1.14. Review and update results framework (finalize indicators, baselines and targets of the project)</p> <p>1.1.15. Conduct capacity assessment of potential implementing partners and establish a roster</p>																					
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<p>Output 2. The local governance</p>	<p>2.2.1, 2.2.2)</p> <p>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)</p> <p>1.4.7. Share profile, reports produced (1.4.6) on state/public platforms in accordance to RTI Act</p> <p>Key Activity 1.5. Execute targeted capacity development programmes for women and youth officials (Elected and Administrative)</p> <p>1.5.1. Organize targeted training for women officials, through district level committees established by UN Women.</p> <p>1.5.2. Develop and roll out mentorship and exchange programme between women and youth officials respectively through existing networks</p> <p>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.</p> <p>1.5.4. Develop and roll out "learning trajectories" programme for women leaders.</p> <p>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)</p> <p>1.5.6. Provide seed-funding for initiatives/projects identified and supported by women officials.</p> <p>Key Activity 2.1. Build capacities for innovative service delivery</p> <p>2.1.1. Organize and conduct regular design thinking/ social innovation workshops, in collaboration with LG</p>	<p>this will require women to go and stay in different LA. This needs to be gender sensitive</p> <p>these</p>
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<p>2.2.5. Train LAs to conduct social and environmental impact assessment of the investment plans.</p> <p>2.2.6. Support LAs/PCs to access loans from Local Loans and Development Fund (LLDF) for their local investment/business plans.</p> <p>2.2.7. Support to adopt e-payment/e-revenue systems (UNDP developed) from PC level to LA level</p>	<p>Key Activity 2.3. Targeted support MCs/ UCs to address urban challenges.</p> <p>2.3.1. Support MCs/UCs to develop integrated local development plans (where possible with neighbouring LAs), in line with provincial plans.</p> <p>2.3.2. Develop customized and targeted visualization, and planning tools for MCs/UCs (linked to 1.2.7, 1.3.4)</p> <p>2.3.3. Provide data management and analytics training to MCs/UCs (linked to K.A.1.4, 2.1, and 2.2)</p> <p>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</p> <p>2.3.5. Support MCs/UCs to engage with public, and design innovative service delivery solutions (Linked to K.A.2.1)</p> <p>2.3.6. Collate experiences and facilitate exchange between MCs/UCs</p>	<p>Output 3</p> <p>Legal and policy framework facilitate systems change and strengthen the process of decentralization</p>
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