This action is funded by the European Union

**ANNEX**

of the Commission Implementing Decision on the financing of the annual action programme in favour of Sri Lanka for 2018

**Action Document for "Strengthening Transformation, Reconciliation and Inclusive Democratic Engagement (STRIDE)"

| 1. Title/basic act/CRIS number | Strengthening Transformation, Reconciliation and Inclusive Democratic Engagement (STRIDE)  
CRIS number: ACA/2018/040-699 financed under Development Cooperation Instrument |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 2. Zone benefiting from the action/location | Asia, Sri Lanka  
The action shall be carried out country-wise with a focus on the following locations: the Northern, Eastern and Uva Provinces |
| 3. Programming document | Addendum No 1 to the Multiannual Indicative Programme between the European Union and Sri Lanka for the period 2014-2020¹ |
| 4. Sector of concentration/thematic area | Sector 2 – Democratic Governance and Reconciliation  
DEV. Aid: YES |
| 5. Amounts concerned | Total estimated cost: EUR 102 500 000  
Total amount of EU budget contribution: EUR 40 000 000  
This action is co-financed in joint co-financing by:  
The World Bank (WB) for an estimated amount of USD 67 000 000  
The Government of Sri Lanka for an estimated amount of USD 6 700 000 |
| 6. Aid modality(ies) and implementation modality(ies) | Project Modality  
Indirect management with the World Bank, UNDP, and the British Council |
| 7 a) DAC code(s) | 15112 Decentralisation and support to sub-national government |

### b) Main Delivery Channel

- 4400 – World Bank Group
- 4100 – UN Agency, fund of Commission (UN)
- 1000 – Public Sector Institutions

<table>
<thead>
<tr>
<th>8. Markers (from CRIS DAC form)</th>
<th>General policy objective</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Main objective</th>
</tr>
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<tbody>
<tr>
<td>Participation development/good governance</td>
<td>☐</td>
<td>☐</td>
<td>X</td>
<td></td>
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<tr>
<td>Aid to environment</td>
<td>X</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Gender equality (including Women In Development)</td>
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<td>X</td>
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<td>Trade Development</td>
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<tr>
<td>Reproductive, Maternal, New born and child health</td>
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<td>☐</td>
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<td>RIO Convention markers</td>
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<td>Main objective</td>
<td></td>
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<tr>
<td>Biological diversity</td>
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<td>Climate change mitigation</td>
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<td>Climate change adaptation</td>
<td>X</td>
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N/A

### 10. SDGs

- SDG 1: End poverty in all its form everywhere
- SDG 5: Achieve gender equality and empower all women and girls
- SDG 10: Reduce inequality within and among countries
- SDG 16: Promote peaceful and inclusive society for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

**SUMMARY**

Sri Lanka experienced a 26 year long civil war from 1983 to 2009. Despite the end of the war, little was done to tackle the causes of the conflict and address underlying grievances until the coming to power of a National Unity government in 2015. The commitment of the government of Sri Lanka to begin to address these issues has provided a historic opportunity to move towards a lasting settlement that can overcome long-standing ethno-religious conflicts. Without a concerted and sustained process of reconciliation, the risk of a return of violence and reversal of economic and development gains remains a real threat.

The Foreign Affairs Council (FAC) concluded that there were new opportunities for the EU to support the reconciliation processes leading to the revision of the Multiannual Indicative Programme (MIP) to add a second focal sector on democratic governance and reconciliation.
This action will leverage the opportunity provided by the government's policy to strengthen democratic and accountable governance at local level, and promote mechanisms for direct dialogue between people and the government, as part of its commitment to mitigate the risk of a return to conflict. The importance of and the need to ensure the effective functioning of local government institutions was included in United Nations Human Rights Council (UNHRC) Resolution of 1 October 2015, which was co-sponsored by the government. The Resolution recognised the devolution of political authority to the Provincial Administration as integral part of reconciliation. To implement the Resolution, the government has designed the Peacebuilding Priority Plan (PPP) – a result oriented coordination framework focused on a 4-pillar structure namely Transitional Justice, Reconciliation, Good Governance and Resettlement and Durable Solution.

The overall objective of the action is 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.

The above will be achieved by means of two specific objectives and respective outputs:

**Specific objective 1:** Efficient, inclusive, gender-sensitive and accountable mechanism of service delivery at elected local government level established.

Output 1: Roles of local authorities for development, services delivery and reconciliation enhanced.

**Specific objective 2:** Improved dispute resolution services for both individual and community grievances.

Output 2: Local mediation boards strengthened.

The proposed action will be implemented within the framework of a Financing Agreement with the government of Sri Lanka without the latter's financial management of funds.

### 1 Context

#### 1.1 Sector/Country/Regional context/Thematic area

Sri Lanka is a multi-ethnic and multi-religious nation with a population of 21 million people. Longstanding tensions between the majority Sinhalese and minority Tamil community, exacerbated by colonialism and ethnically chauvinistic policies in the post-independence period, spiralled into a civil war between successive governments and a violent separatist movement that lasted from 1983 to 2009. Despite the end of the war, little was done to tackle the causes of the conflict and address the underlying grievances between communities until the presidential elections in January 2015. The vote reflected a desire for change and led to the formation of a national unity government in August 2015 on the basis of an agenda of good governance and national reconciliation. On 16 November 2015, the FAC highlighted:

"the new opportunities for the EU to engage with the government of Sri Lanka in making further progress on reconciliation, strengthening good governance and tackling corruption, promoting respect for human rights and the rule of law, and fostering inclusive economic growth and sustainable development, while continuing work to reduce poverty and addressing global issues such as climate change and sustainable development."
These conclusions provide the strategic foundation for the EU’s engagement with Sri Lanka over the period of the MIP, working within the framework of the 1995 Cooperation Agreement between the EU and Sri Lanka. The EU sees its role as a key partner of the government in the reform process through strategic and coordinated use of its multi-faceted engagement, maximising the impact of a wide array of diplomatic and development tools and instruments. The EU aims to use this partnership as a platform to strengthen further strategic alliances with others in the international community, key United Nations (UN) actors, as well as local civil society, with the aim of furthering universal values and shared interests. The commitment of the government of Sri Lanka to reconciliation, including through devolution of power from the centre to the provinces, provides a historic opportunity to address long-standing conflict tensions and forge the basis of a lasting settlement between the different communities. Without a concerted and sustained process of reconciliation, the risk of a return of violence leading to the reversal of economic and development gains, in addition to the human cost, remains a real threat.

While a degree of uncertainty remains about the ability of the government to pass a new constitution that should provide the structure for a durable political settlement, the need to re-establish and strengthen local governance is striking. The issue emerged also during the February 2018 local government elections, which confirmed the disillusionment of the people in the performance of the government on reforms and good governance. In fact, the current reliance of the central government on service delivery through the de-concentrated (rather than devolved) service delivery channels can be seen as undermining democratic accountability of the elected provincial and local politicians while strengthening the roles of the unelected centrally appointed officials (especially at district and divisional secretariats).

The situation reinforces a lack of participation in decision-making processes and continues the practice of top down policy development and implementation. The undermining of provincial and local authorities continues a persistent process of communities lacking control and input into decision affecting their lives. The (re-)establishing of accountability and trust between people and government at local levels is necessary for community empowerment, particularly amongst minority communities, and for people to participate in decision-making processes.

Likewise, there is a need to promote reconciliation through mechanisms of participation, inclusiveness, dialogue and mediation. The current shortcomings affect marginalised groups, particularly women, who face barriers related to patriarchal culture and complex social, environmental and religious dynamics that sustain systemic inequalities. For instance, only 6% and 2% respectively at provincial and local level agencies are women, preventing their voices from being adequately heard and their rights protected, especially from violence.

Sri Lanka is now a middle-income country, but there is a significant income inequality between different provinces. The economic and social impacts of the war were wide ranging, resulting in the erosion of the economic base of the north and east. Similarly, other provinces already lagging behind like Uva could not reap the benefits of a national

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2 This Action Document will use the notion of **decentralisation** intended as re-distribution of powers within an organisation (such as the state) itself. The notion embeds two forms of decentralisation namely: **De-concentration** meant as the transfer of some administrative responsibilities – with exception of political authority – from the capital to locally based bodies; **Devolution** consisting of the process of strengthening the sub-national levels of government as substantially independent units, including political authority and revenue collection.
peace dividend at the end of the war, and remain one of the poorest and most vulnerable provinces in the country, with persistent structural poverty and socio-economic indicators that are as poor as certain conflict affected areas.

1.1.1 Public Policy Assessment and EU Policy Framework

A critical issue in the history of the conflict has been the centralization of power in the hands of the majority Sinhalese community, with limited power devolved to sub-national government across the country – a situation that has been felt most keenly by the minority Tamil and Muslim groups. The structural issue was partly addressed by the Indo-Lanka accord of 1987 – which brought about the 13th Amendment to the Constitution to allow for devolution of power to the elected provincial authorities. But the impact of that amendment was limited by the practice to maintain a parallel central government structure that has many 'concurrent' responsibilities with the benefit of central government resources.

The current government undertook to resolve these overlaps and institute meaningful devolution in its co-sponsorship of the UNHRC Resolution 30/1. This commitment has been substantiated in the government's main policy document ('Vision 2025') which highlights the need for improved public services and greater public participation to enable local communities to become active stakeholders of their own development.

In addition to the political challenges of implementing the devolution of powers, a number of provincial and divisional level authorities are ill-equipped in terms of capacity to take on the additional responsibilities envisaged. This is particularly the case in the areas that were most affected by the war in the north and east and those where the incidence of structural poverty is highest as in the case of Uva Province.

Despite the challenges, progress on devolution is largely acknowledged by the public, with provinces entrusted with more autonomy and decision-making power. At present, whatever the fate of any eventual political settlement at central level, the need and demands for local government to work more effectively will remain.

The need to ensure that provincial councils are able to operate effectively in line with the 13th Amendment is also spelled out in the government co-sponsored UN Human Rights Council Resolution of 1 October 2015, which recognises devolution of political authority to the provincial administration as integral part of reconciliation (UN Resolution art.16). To ensure implementation of the Resolution, the government has designed the Peacebuilding Priority Plan (PPP) as framework for coordination of different interventions. It functions as an inter-ministerial mechanism, under the purview of the Prime Minister, and includes a multi-stakeholder structure for the implementation of the UN Peacebuilding Fund. The PPP specifically includes strengthening of Provincial Administration to better plan, coordinate, generate and manage revenue and deliver service as a priority of the agenda of reconciliation.

The action will align also with the newly adopted National Policy on Reconciliation and Coexistence which identifies as root cause of the conflict and social tensions the breakdown of trust, tolerance and prejudice between and within communities and

3 The sub-national government system consists of: 1. the central government de-concentrated system comprising of (i) the district and (ii) the Divisional Secretariats and 2. the provincial system consisting of (i) the provincial councils and (ii) the local authorities.
promotes mechanisms to encourage participation – especially of marginalised groups – in decision making as well as improving their access to services.

Support to mediation is part of the overall approach of the action aimed at strengthening reconciliation from the local level upward by strengthening the mechanisms for local level dialogue and negotiation by focusing on divisional level. By functioning under the aegis of the Ministry of Justice, mediation boards help addressing the inefficiencies of the judicial system – which has high caseload and expensive fees. Studies have shown that mediation boards are considered quick, inexpensive and effective in providing workable and sustainable solutions for local communities. There are more than 320 mediation boards and 8 400 trained mediators (as of January 2018) dealing with an average of 250 000 hearing every year. Annual settlement rates range between 49 – 53 %

Of specific relevance are the 5 newly established land mediation boards in Jaffna, Kilinochchi, Batticaloa, Trincomalee and Anuradhapura that play a key role in land related disputes.

The action aligns with the priorities for the EU Delegation's ongoing political dialogue with the government of Sri Lanka. Effective devolution of power is a regular focus of both high-level informal discussions with Ministers by the EU Delegation, the formal discussions held under the Joint Commission structure and regular monitoring of progress towards compliance with GSP+ obligations.

With regard to gender, Sri Lanka has in place key regulatory frameworks that provide for rights and opportunities for women. In addition to the ratification of international instruments like the Conventions on the Elimination of All Forms of Discrimination Against Women (CEDAW), Sri Lanka has formulated the 'Women's Charter' and the 'National Plan of Action on Women' and 'The Policy Framework on National Plan of Action' to Address Sexual Gender Based Violence (2016-2020) and Women Headed Households (2017-2019). The amendment of the Local Authorities Act to provide for 25 % political representation in the Local Authorities elections is an important sign of commitment to a new approach of the government in relation to gender.

The action complies with and contributes to the implementation of the following policies:

- *The EC Communication on Governance and Development (COM 2003, 615)* which recognises the importance of 'decentralised power sharing ' as well as the need to involved decentralised authorities in national dialogue process on governance
- *New European Consensus on Development* in particular under section 2.4, by pursuing the theme of 'Peaceful societies, democracy, effective and accountable institutions, rule of law and human rights for all'.
- A *Strategic Approach to Resilience in the EU’s External Action* aimed at strengthening the capacity of the state and communities to manage opportunities and risks in a peaceful and stable manner in the face of social and political pressure.

And the following instruments:

- *Agenda 2030* by pursuing the theme of ‘Peace’.
- *Council Conclusions on the Gender Action Plan (GAP) 2016-2020* by contributing in

4 source: The Asia Foundation
particular to Thematic Priority: ‘Political and civil rights – Voice and Participation’ of the GAP – II.


1.1.2 Stakeholders analysis

All the following stakeholders were consulted during identification and formulation phase by both the EU Delegation and the implementing organisations of the proposal. Notwithstanding differences in degree of involvement with the proposal, they all expressed interest and commitment to its execution.

Under the 13th Amendment to the Constitution, service delivery is devolved to the local government - provincial councils and local authorities, i.e. urban councils, municipal councils, and pradashya sabhas (divisional councils). However, these institutions remain ineffective to a large extent due to the lack of resources, revenue and technical capacity to develop integrated plans and sound economic policies at the local level. The action targets all 107 local authorities in the target areas, to improve their capacity to deliver services through capacity development and a grant scheme mechanism.

**District and divisional secretariats** are part of the central government at the local level and deliver most of the projects of the line ministries. The level of coordination, interaction and engagement between local authorities (elected officials) operating at the divisional level, and central and provincial government institutions at the district and (in parallel with local authorities) at divisional level, needs to be improved and strengthened. Their Secretariats and especially their planning departments will be involved with the project that aims to improve coordination in planning and provision of services at local level.

**Ministry of Provincial Councils, Local Government and Sports** is the key ministry in relation to local government issues. It is responsible for formulation of policies, programmes and projects, monitoring and evaluation in regard to the subjects of provincial councils and local government. The ministry will responsible of the execution of the programme from the government side.

The mandate of **Ministry of Women and Child Affairs** consists also in formulating and implementing strategies for the enhancement of women’s participation and their representation in the sphere of decision making in public affairs and politics. The amendment of the Local Authorities Act to provide for 25% political representation of women in local government, including the recent circular of the ministry instructing that 25% of all development resources at the sub-national level should target women, are important moves that confirm the new approach of the government. The action will build on these new measures taken by the government to introduce a mandatory quota for women at the local government elections by strengthening the capacity of present and future women councillors.

The **mediation boards**, located – similarly to the local authorities – at divisional level are administratively controlled by the Mediation Boards Commission, which falls under the Ministry of Justice. By serving as an extended arm of the judiciary in terms of resolving conflicts at the grassroots level, the mediation boards rely on trained volunteers to provide services. The boards serve as platform where people can resolve problems (generally related to disagreement concerning loans, inheritance, disputes between neighbours or family members, assault, etc.) through discussion and dialogue. To address a variety of unresolved grievances linked with the conflict the government established Special
Mediation Boards focusing on disputes brought by community or social grouping rather than individuals. An important category relates to community land disputes. Special Mediation Boards are assumed to hold a greater degree of subject knowledge and specialisation and are currently limited to only to selected districts (Jaffna, Kilinochchi, Batticaloa, Trincomalee and Anuradhapura. Recommendations by the government have also been made to develop Special Mediation Boards focused on financial matters with the goal of reducing the burden on community mediation system. This action aims to strengthen Special Mediation Boards. Also by building on the trend over the last ten years showing an increase in number of female mediators, the action is expected to contribute to further diversity and inclusiveness in dispute resolution roles and professions.

At national level, there are a number of well-informed and influential civil society/research organisations with which the action will collaborate to bring fresh insights and new approaches that can stimulate debate and influence policy agenda.

The ultimate beneficiaries will be the people of Sri Lanka, especially in Northern, Eastern and Uva provinces from improved service delivery and dispute resolution. The Action is expected to support 3.9 million people in the targeted provinces. The action will promote women's voice and participation by strengthening institutional capacity to deliver on Gender Equality and Women Empowerment at both provincial and local authorities.

1.1.3 Priorities areas for support/problem analysis

The relationship between the state and the citizens and how the state exercised its power was one of the causes of the conflict in Sri Lanka and is still a critical area to be addressed. The focus on security during the conflict and in the post conflict years has reinforced the negative perceptions of the people about the government, especially in the north and east. The relationship between the state and citizens is further complicated by the dual governance system whereby the central government by extension remains administratively in control in regions where decentralisation of services was earlier expected to come into force and where the elected members continue to be marginalised.

The action will respond to the challenges in the area of good governance and reconciliation by contributing to improving democratic governance and dialogue at the divisional level of government, and bring back a sense of normalcy. This will be achieved by focusing on two areas.

First, the programme will support the development of sub-national capacity at the provincial and division levels, improving the engagement with citizens and better enabling effective service provision. Strengthening participatory planning, implementation of local government services is expected to further reinforce the momentum toward decentralisation in the country. By targeting local authorities the action will also contribute to the need for clarity in the definition of who is responsible for what outputs and outcomes, services, planning and strategies between the two parallel systems of service delivery. Consolidated evidence of change and effective and coordinated planning and service delivery at local level is expected to inform and be addressed upstream at central level in terms of policy reform, the replication and scaling up practices in other provinces.

Second, the programme will reinforce and develop existing mediation mechanisms for local level conflict resolution on issues such as land disputes and contested resource access improving community relations and reliving the burden on overstretched more formal justice processes.
The main problems associated with the judiciary as a conflict resolution mechanism are a) delay litigants experience linked also to the amount of caseloads, b) expensive legal fees involved and c) nature of the decision due to the win/lose nature of the legal system. Mediation is quick, inexpensive and provides more workable and sustainable solutions that are important, given the post-conflict context.

The action will build on the new approach taken by the government in relation to gender and will strengthen institutional capacities of both local government and civil society for promoting and delivering on gender equality and women's empowerment including by assessing and responding with adequate and specific interventions to issues of gender inequality in approaching mediations, land issues and other disputes. This will be done especially by moving beyond training and by addressing the full range of factors that contribute to the creation of effective, gender sensitive, public institutions.

The number of female mediators has increased during the last decade, but they represent only 15-20% of mediators. The action will support women's participation and voice as important objective to be mainstreamed across result areas, including through awareness rising on the role of women in mediation, and the appointment of increased number of female mediators.

2 **RISKS AND ASSUMPTIONS**

<table>
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<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of cooperation and support from the government after next presidential and parliamentary elections</td>
<td>M</td>
<td>Continued and strengthened policy dialogue will play important role in ensuring government ownership at central level. There are uncertainties if there is a major political shift in the next presidential elections, but the need for more effective local governance and improved service delivery is axiomatic and any government is likely to see the potential benefits from progress in these areas.</td>
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<tr>
<td>Interference from various segments of sub-national government resisting to an agenda of devolution</td>
<td>M/L</td>
<td>The government expressed strong commitment to pursue devolution of power to provinces as part of its electoral mandate of good governance and reconciliation and the co-sponsoring of the UN Human Rights Council Resolution (2015). The agenda of devolution will continue to be part of policy dialogue between the government and the EU Delegation through formal</td>
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<td>and informal discussions.</td>
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<tr>
<td>Insufficient capacity of local authorities for immediate participation in the project and dealing with conflict sensitivity issues.</td>
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<tr>
<td>L</td>
<td>Capacity building of provincial government and local authorities is an integral part of the action. It is expected to develop long-term institutional capacity to strengthen the planning, budgeting, financial and revenue management, service delivery and monitoring. Training on conflict sensitivity, mechanisms for reconciliation as well as disaster risk reduction are included in the capacity building programme.</td>
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<tr>
<td>The official appetite to discuss broadening the scope of mediation to include community mediation (disputes between groups instead of individuals) is limited.</td>
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<tr>
<td>M</td>
<td>One of the objectives of the project (and its activities) is to stimulate and support broadening that scope. Cost-benefit of mediation services especially when compared to court-based dispute resolution, and mediation and community action over inaction and social tensions generated as a result of not addressing community grievances are expected to persuade central decision makers over the need to expand the scope of mediation to community issues.</td>
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<tr>
<td>Resistance to messages about reconciliation is stronger than anticipated hampering initiatives for social cohesion and multi-ethnic activities</td>
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<tr>
<td>L</td>
<td>Actions that could mitigate this risk include clear buy-in from the government at central and local level, clear strategy with community leaders, expert advice on stigma and awareness, culturally and linguistically appropriate programming, extensive information and communication to inform citizens about project objectives.</td>
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<tr>
<td>Traditional gender stereotypes deny women access to opportunities opened by the Action</td>
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<tr>
<td>M/L</td>
<td>The action will have a strong GEWE approach aimed at addressing the multiple factors and structural barriers which affect women’s voice of participation in political life as well as benefitting from economic development. Also dedicated components for capacity building of women involvement in local elections and Mediation Boards have been included to allow a larger impact of the action on gender.</td>
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Assumptions

- Government is supportive of the different programme components and committed to strive for reconciliation through improved inclusive and participatory governance.
- Government remains committed about the policy on devolution and the role of local authorities and willing to consider aspects of public administration reform.
- Influence of extreme views resisting de-concentration remains within manageable limits.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The programme will build on past EU experiences and draw lessons from the "EU Support to District Development Programme (SDDP)"\(^6\), especially the United Nations Development Programme (UNDP) implemented project "Livelihood Development and Local Governance Strengthening". The support to local government will build on the experience in the areas of sustainable development, environment and disaster risk reduction, support to evidence-based policy and planning.

Due to the previous political environment, besides SDDP, most of the earlier EU development cooperation projects have been implemented through Non-Governmental Organisations (NGOs) and international organisations with limited consultation with the government at both central and local level. Lessons learned from the projects are that participatory approaches in local planning are imperative and highly appreciated by all stakeholders; such approaches demonstrated ability to mobilise resources and generate high level of interaction, discussion and decision-making between communities and local government institutions.

Key lessons learnt from managing thematic projects (mainly EIDHR and CSO-LA), is that in order to address the root causes of conflict it is necessary to have a) tangible and positive impact on the population in order to rebuild confidence in the government structures and to boost ownership/appetite b) a forum for dialogue and c) collaborative actions. In this regard capacity building, engagement and promotion of dialogue in order to empower divided communities is deemed essential.

The World Bank is one of the main development partners of the government and has been providing support to local authorities under the North East Local Services Improvement Project (NELSIP). Lessons learned from this programme show a positive impact in terms of an improved resource allocation at the local level along with enhanced accountability in planning and expenditure management based on community needs and priorities. Following the recent WB commissioned Socio-economic assessment of the conflict-affected north and east of Sri Lanka three priority areas emerge for future engagement: job creation and employment, support to social priorities of vulnerable populations, and restoring trust and institutions.

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\(^6\) The Support to District Development Programme (SDDP) is a multisector EU funded project (EUR 60 million) implemented by 5 UN agencies (UNDP, FAO, UNICEF, UNOPS, ILO) and the IFC aimed at reduction of poverty and support of economic empowerment and local governance in 7 districts of the North and East of Sri Lanka. A major output of the programme has been the development of 5 year-District Development Plans implemented by UNDP through participatory approaches involving major stakeholders, including rural communities.
3.2 Complementarity, synergy and donor coordination

Sri Lanka's graduation to a middle-income country (MIC) has led to a drop in ODA for the country. Key development partners in the country include Asian Development Bank, Japan International Cooperation Agency, the World Bank and Agence Française de Développement as development financing institutions (DFIs) and Australia, Canada, Germany, the EU, India and the USA as bilateral partners.

The EU is part of two development partners groups of particular importance i.e. the Working Group on Reconciliation and the Working Group on Gender. They will be important as platforms for information sharing and exploring potential for collaboration.

The action will complement and substantiate the EU’s wider political and programmatic engagement with the government on issues of reconciliation and good governance. Through the structure of the Joint Commission and regular dialogue with key ministers and close collaboration with other major donors in the field, especially the UN, the EU is properly positioned to advocate on key government commitments especially in relation to the process of devolution as stated in the UNHCR/30/1 Resolution.

The action will complement and benefit from the EU programme "Strengthening Reconciliation Processes in Sri Lanka", focused on non-recurrence of violent conflict, implemented by Gesellschaft für Internationale Zusammenarbeit (GIZ) and the British Council. The programme has the potential to offer an opportunity for institutional coordination and communication at various layers of the central and local administration. It also aims to reducing the language barriers that deter access to public services by improving language skills of selected public servants in critical post-conflict areas such as district, divisional secretariats including local authorities, and will provide healing opportunities for local communities. In this regard, it provides important entry points for collaboration among different stakeholders working on reconciliation processes. The action is also aligned with the EU project "Catalytic Support to Peacebuilding in Sri Lanka", from which lessons will be learnt. This project is a short-term action funded under Instrument contributing to Stability and Peace (IcSP), aimed at providing early confidence building measures related to resettlement and reconciliation.

An important intervention in the field of local governance associated with reconciliation is recently concluded, "North East Local Services Improvement Project (NELSIP)" partially funded by the Australian High Commission and implemented by the World Bank. The NELSIP set the ground for the "Local Development Support Project" which this action will complement through support of the performance grant scheme.

Given the nature of the proposed action, close collaboration is expected between the EU Delegation, the World Bank and UNDP, whilst making use of the specific expertise of the Bank with regard to decentralisation and of the capacity of UNDP to facilitate shaping the government’s policy agenda and provide capacity development.

The EU-WB co-funded programme "Strengthening Public Financial Management and Accountability in Sri Lanka" aimed at enhancing efficiency, transparency, accountability in use of public resources and fiscal sustainability, will provide a strategic overarching framework for a PFM reform helping therefore to consolidate the achievements of the present action. The programme will ensure that the PFM system and capacities developed at the sub-national level are in line with the national PFM and fiscal decentralisation polices. Links will be strengthened in PFM to ensure coordination and harmonisation in the development of fund disbursement mechanism, collection of tax, tariffs and fees and pro-poor procurement procedures.
The action will partially complement the EU/WB funded project "Support to the modernization of the agricultural sector in Sri Lanka" insofar it strengthens the provincial councils in addressing the needs and gaps in capacity, policy, fiscal and legislative or regulatory framework needed to enable small holder farmers to become more productive.

3.3 Cross-cutting issues

**Gender equality:** Gender Equality and Women Empowerment (GEWE) will be addressed and integrated in all components as a mainstreamed crosscutting issue and by targeted actions benefitting women. It will address gender interests by analysing, in each area of intervention, causes of inequality and respond by adopting suitable strategies of intervention. In addition the action will lay emphasis on enhancing the role and increasing the participation of women councillors in local authorities and as mediators in mediation boards system. The action will contribute particularly to the objectives of thematic priority: 'Political and civil rights – voice of participation' of the EU Gender Action Plan-II (GAP-II) by increasing: representation of women among mediators and negotiators in dispute resolution; the proportion of seats of women councillors in local government institutions; the percentage of women candidates in local elections; the percentage of women benefitting from legal support.

**Good Governance:** Participatory processes, and involvement of community based organisations (CBOs) and CSOs, in the local government system, clarification of roles, responsibilities and functions at different level of sub-national government, will contribute to foster a culture of good governance and ensure that the realization of needs and expectations on the demand side are met. Performance standards and an agreed level of conditions attached to the performance grant scheme component on the action are expected to promote behavioural change in terms of good governance. Good governance principles will include clarification of roles and responsibilities aimed at improving efficiency in service delivery, transparency, participation and accountability in allocation of resources. This in turn is expected to re-build the necessary trust of the people in the government and eventually generate local ownership of reconciliation processes.

**Conflict sensitivity:** the process of building institutions responsive to the needs of the most vulnerable may encounter political interference in favour of particular geographic location, or specific community or ethnic group. Selection of beneficiaries as well as target areas and indeed strategies therefore, will be done in respect of conflict sensitiveness and do-no-harm approaches. Given the linguistic diversity in the target areas, and its impact especially on person-to-person interaction, attention will be given to ensure effective communication especially between individuals and service providers.

**Human rights:** The action, insofar that it provides for improvement of living conditions of communities that have directly or indirectly been victims of violations, will be intimately related to issues of human rights. Specific actions will be designed to target and include vulnerable groups (e.g. women-headed households, people suffering from trauma, people with disabilities) by mainstreaming human rights into development plans in order to ensure inclusion, reinforce peace and improve human security.

**Environmental sustainability:** The proposed action will not directly impact negatively on the environment. It will instead contribute to address them positively as a result of an improved and more effective system for service delivery, monitoring and supervision of activities by government bodies and CSOs mandated to manage development in the targeted areas.
4 DESCRIPTION OF THE ACTION

4.1 Objectives/results
The overall objective is 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.

The specific objectives are:
1. Efficient, inclusive, gender-sensitive and accountable mechanism of service delivery at elected local government level established.
2. Improved dispute resolution services for both individual and community level grievances.

The expected outputs are:
1. Roles of local authorities for development, service delivery and reconciliation enhanced.
2. Local mediation boards strengthened.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal(s) 16: Promote peaceful and inclusive society for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels, but also promotes progress towards Goal(s) SDG 1: End poverty in all its form everywhere; SDG 5: Achieve gender equality and empower all women and girls; SDG 10: Reduce inequality within and among countries.

4.2 Main activities
For output 1: Roles of local authorities for development, service delivery and reconciliation enhanced.

Component 1.a. Performance Grant Scheme
The performance grant scheme mechanism is part of the WB project titled 'Local Development Support Project' aimed to support development in war affected and lagging provinces, improve coordination in local service delivery and promote economic opportunities, inclusiveness and social cohesion. The WB's programme focuses on the devolved pillar of local government and aim to strengthen it by establishing predictable flow of resources to local authorities for improving service delivery. This will be done primarily through the transfer of two types of grants via the provincial government to the local authorities: 'Basic Grants' (USD 30 million) – which will serve the scope of equalization of financial resources across provinces and across local authorities before disbursement of Performance Grants, and 'Performance Grants' (USD 14 million).

In partnering with the World Bank, the EU will contribute significantly (EUR 22.5 million) only to the Performance Grant scheme aimed at incentivise local authorities to ensure that public expenditures translate into actual service delivery and social and economic gains on the ground. Disbursement of grants will be subject to performance social, economic and reconciliation indicators covering, among others, the areas of, inclusiveness, participation, social cohesion, transparency and application of the Right to Information Act, improved Public Finance Management including gender responsive budget, role of councils in promoting diversity and redress grievances mechanisms. Performance grants will support local authorities to implement development plans. These
plans will be formulated through local areas participatory approaches in the areas of local infrastructure development (roads, public transportation, drinking water and sanitation, storage facilities, irrigation to mitigate drought, public facilities like parks and libraries) services (improved healthcare, electricity, tourism, better access to finance and market). It is expected that implementation of development plans (subject to performance indicators) will stimulate behavioural change and clarify roles and responsibilities among different actors of the local government system. In following the proposal of the government to institute a performance grant system for local authorities, the component will also contribute to introduce a national level performance grant scheme.

Component 1.b. Capacity Development and opportunity for advocacy

This component will be implemented in synergy with the previous component as component 1.a relies on component 1.b for capacity development of local authorities and communities to plan and manage performance grants initiatives. Capacity will be developed by leveraging on the way local authorities will manage and utilize funds (available through Basic and Performance Grants). Focus will be on planning, budgeting and budget-execution cycle and other aspects identified for support through the performance grant scheme (component 1.a.). Particular attention will be given to human rights based approaches. This area of intervention would include technical assistance (to provincial councils and to all councillors and senior administrative staff of local authorities as well as the senior officials at district and divisional secretariats). This engagement will promote greater clarity of roles and responsibilities and ensure complementarity between the two pillars of sub-national administration) and the training of councillors and local authorities staff. These activities would be organised around the annual local authorities planning – budgeting and budget execution cycle – and strongly utilise learning-by-doing approaches. This sub-component should include capacity development of elected representatives to utilise dialogue to form effective political alliances across the political spectrum.

Following the re-drawing of electoral boundaries, the reservation of 25% seats for women in local government elections will result in a significant increase in the number of women elected to local government (currently 2%), offers an excellent opportunity to actively promote the role of women in politics, to better educate women about democracy, to raise gender issues in the new councils once established and to ensure that women's voices are heard.

Consolidated evidence of changes and good practices at local level will be taken upstream as opportunities to inform the national discourse on devolution. The component includes collaboration with institutions and academia to organise expert conferences, public debates, etc, on issues related to local government including an annual high-level forum and OpEds publications and presentation at provincial and national level success stories and best practices of participation and people empowerment achieved through the other components of the programme.

For outputs 2: Local mediation boards strengthened

This component builds on the discussion with the Ministry of Justice, Attorney General and Mediation Board Commission about effective judicial processes and improving the mediation mechanisms. This component will: i) Improve the functioning of community mediation boards in addressing individual disputes like family criminal and relevant property/financial dispute through training, train for trainers tasked with quality assurance, in-country exposure visits etc. ii) Expand the functioning of special mediation boards in
addressing community disputes like land and financial matter through public perception surveys, capacity development to support the professionalization of land mediation and expand the service to the entire country and facilitate the development of a special system of mediation for financial disputes; iii) Reduce the future demand for dispute resolution services and prevent the escalation of ethnic, religious and communal dispute, through the formation of cross-cultural actions groups that work to address share problems in community iv) Influence key decision-makers and opinion-formers through targeted research initiatives, awareness raising campaign for greater understanding of the benefits of negotiated disputes policy-level advocacy to expand the number of mediators, increase the number of female mediators and advocacy for integration of mediation topics into university law curricula.

4.3 Intervention logic

The programme is based on the need to have more representative, effective and accountable local government structures that are responsive to people needs and better able to deliver services and promote inclusion. This addresses an important driver of conflict between the centre and communities, especially among minority groups.

The programme will promote decentralisation through a two-fold approach. First, it will strengthen 'horizontal' opportunities for decentralisation and dialogue at local level – through participatory planning, people engagement and people-centered initiatives – with a focus on established local institutions at divisional level that are local governments and mediation boards. Strengthening participation and accountability should increase the case for the implementation of 'vertical' opportunities for decentralisation namely the transfer of power, functions, responsibilities and resources from the central to local government.

Second, policy dialogue and partnerships at central and national level is also expected to encourage reform and move forward with the present trend in Sri Lanka in support of decentralisation processes and devolution of power.

By targeting local government authorities, the action will contribute to the preparation of clear and transparent budgets for local authorities. It will contribute also to the need for clarity in the definition of who is responsible for which outputs, services, planning and strategies between the two parallel pillars of local government (de-concentrated and devolved) and improve efficiency in service delivery. Improvements leading to deepening decentralisation are also expected from initiatives aimed at the creation of governance spaces for enhancing community participation, accountability, social cohesion and inclusion.

By targeting the mediation system the programme will strengthen opportunities for dialogue and negotiations around individual and community disputes aimed also at defusing social tensions generated as a result of not addressing community grievances.

The action will build on new measures taken by the government in relation to gender equality, including the introduction of a mandatory quota for women at the local government elections. The action will aim to strengthen the institutional capacity of both local government and civil society for promoting and delivering on gender equality and women’s empowerment. This will be done by moving beyond traditional training methods and by addressing a range of factors that contribute to the creation of effective and gender sensitive public institutions.
5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.3.1 Indirect management with international organisations

5.3.1.1. For component 1.a: Grant Scheme Mechanism

A part of this action may be implemented in indirect management with the World Bank. This implementation entails transfer of performance grants to local authorities through the government system and for projects in the area of local infrastructures development and services implemented following participatory planning. This implementation is justified because of the alignment of this action with the objectives, geographical coverage and time framework with a new programme to be implemented by the World Bank in Sri Lanka titled 'Local Development Support Project'. The programme builds on previous similar interventions by the World Bank aimed at improving the delivery of local services and introducing participatory planning and budgeting in the country. This implementing entity has been chosen also because of the prospective of a stronger ownership by the government further anchoring EU policy level intervention, as a result of an improved fiscal decentralisation schemes introduced through the World Bank implemented Local Development Support Project.

The entrusted entity would carry out the following tasks, consisting of: launching calls for proposals; definition of eligibility, selection and award criteria; evaluation of proposals; award of grants; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

For the tasks not yet assessed, the World Bank is currently undergoing the ex-ante assessment. The Commission's authorising officer responsible deems that, based on the

compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with these tasks under indirect management.

5.3.1.2. For component 1.b: Capacity Development and opportunities for advocacy

A part of this action may be implemented in indirect management with UNDP. This implementation entails capacity development of elected councillors and advocacy opportunities. This implementation is justified because of the longstanding experience of the entrusted implementing organisation in strengthening the capacity to deliver more efficient services at the sub-national level of the government in Sri Lanka. This experience is based on several initiatives requiring qualified professionals in the field as well as adequate logistic which UNDP could adequately provide. UNDP has been identified as suitable partner also on the basis of the strong partnership established with the government both at national and local level in the context of implementation of the UN Peacebuilding Fund.

The entrusted entity would carry out the following tasks, consisting of: launching calls for tenders and calls for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts and financial instruments; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

5.3.1.3. For Component 2: Local Mediation Boards Strengthened

A part of this action may be implemented in indirect management with the British Council. This implementation entails strengthening the mediation boards and involves sub-contracting/sub-granting The Asia Foundation. This implementation is justified because of the overall and world-wide commitment and mandate of the British Council in building engagement and trust in supporting the sector of rule of law, access to justice and conflict resolutions. The British Council has core experience in the management of large, complex, sector wide justice programme. In addition it has documented knowledge of working in fragile states in field such as capacity building and development of standards with the goal of contributing to the wider sustainability reform of the sector targeted.

The entrusted entity would carry out the following tasks, consisting of: launching calls for tenders and calls for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts and financial instruments; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.
5.5 Indicative budget

<table>
<thead>
<tr>
<th>Specific objective 1.</th>
<th>EU contribution (amount in EUR)(^8)</th>
<th>Indicative third party contribution in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient, inclusive and gender-sensitive accountable mechanism of service delivery at elected local government level established</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3.1.1. Component 1.a. Grant Scheme Mechanism</td>
<td>22 500 000</td>
<td></td>
</tr>
<tr>
<td>World Bank</td>
<td></td>
<td>67 000 000</td>
</tr>
<tr>
<td>Government of Sri Lanka for overall Project Management</td>
<td></td>
<td>6 700 000</td>
</tr>
<tr>
<td>5.3.1.2. Component 1.b: Capacity Development and opportunity for advocacy</td>
<td>10 000 000</td>
<td></td>
</tr>
<tr>
<td>Specific objective 2. Improved dispute resolution services for both individual and community level grievances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3.1.3. Component 2: Local mediation boards strengthened</td>
<td>7 000 000</td>
<td></td>
</tr>
<tr>
<td>5.8 Evaluation</td>
<td>200 000</td>
<td></td>
</tr>
<tr>
<td>5.9 Audit</td>
<td>100 000</td>
<td></td>
</tr>
<tr>
<td>5.10 Communication and visibility</td>
<td>200 000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40 000 000</strong></td>
<td><strong>73 700 000(^9)</strong></td>
</tr>
</tbody>
</table>

**Estimated grand total in EUR** | **102 500 000** |

5.6 Organisational set-up and responsibilities

For Component 1 the EU contribution will be managed under the institutional responsibilities and arrangement designed for the implementation of the WB Local Development Support Project as follows:

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\(^8\) The rationale for calculation of the amount allocated for component 1.a is based on the estimated absorption capacity of local authorities and their needs, multiplied for estimated number of local authorities targeted by the programme. For component 1.b it is based on the experience of previous programmes on local government capacity development. For component 2 it reflects allocations of similar interventions implemented in the country calculated on the basis of the number of targeted mediation boards, needs for capacity development and other initiatives envisaged by the programme.

\(^9\) The amounts of the WB and Government contribution are calculated in USD, equivalent to approximately EUR 62.65 million.
The Ministry of Provincial Councils, Local Government and Sports will be the Line Ministry responsible for the implementation (involving for instance supervision, overall approval of the work-plans, coordination, etc.).

At the Provincial level overall implementation of the component 1 will be managed by the Department of Local Government (supervisory and administrative functions in respect to the local authorities).

For Component 2 the Ministry of Justice will be responsible for the implementation (involving for instance supervision, overall approval of the work-plans, coordination, etc.).

A Steering Committee co-chaired by the Ministry of Provincial Councils, Local Government and Sports and the EU Delegation will be established 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.

5.7 Performance monitoring and reporting

Studies to set baseline data and targets will be conducted by the entrusted entities during the inception phase of project implementation. The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, a mid-term, and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission and through a join mission.

The mid-term evaluation will be carried out for learning purposes, in particular with respect to capacity development of local governments, responsiveness of the services to the need of the people including in relation to reconciliation issues and effectiveness of the mediation system.
The final evaluation will be carried out for accountability and learning purposes at various levels (including policy revision), taking into account in particular performance against results by comparing start and end data. Possibility of replication of intervention to other provinces and the effectiveness of strategies used will also be assessed.

The Commission shall inform the implementing partner at least 60 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in the second year and last year of implementation of the programme.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in within 6 months from the end of activities.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and other agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Visibility measures will be implemented by way of procurement of framework contract during the first trimester of implementation for an estimated amount of EUR 200 000.
APPENDIX - INDICATIVE LOGFRAME MATRIX

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

<table>
<thead>
<tr>
<th>Results chain</th>
<th>Indicators</th>
<th>Baselines (incl. reference yr)</th>
<th>Targets (incl. reference yr)</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall objective: Impact</td>
<td>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</td>
<td>1. Subnational government share of expenditure and revenue (% of total government expenditure/revenue) in the targeted provinces*</td>
<td>Base line values to be established during inception phase</td>
<td>1. National statistics</td>
<td>1. National statistics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Percentage of reduction in number of ethnic related incidents in the targeted areas</td>
<td>Targets based on baseline values to be established during inception phase</td>
<td>2. National and project data and statistics</td>
<td>2. National and project data and statistics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Number of grievance cases effectively addressed and resolved by mediation boards and community interventions before they escalate (individual cases disaggregated by sex)</td>
<td></td>
<td>3. Survey results at Provincial level</td>
<td>3. Survey results at Provincial level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. % of people in the targeted provinces that perceive increase in efficiency and performance in the local authorities services</td>
<td></td>
<td>4. WB, UNDP, British Council annual reports</td>
<td>4. WB, UNDP, British Council annual reports</td>
</tr>
</tbody>
</table>
| Specific objective 1: Outcome | Efficient, inclusive and gender-sensitive accountable mechanism of service delivery at elected local government level is established | 1.1. Number of local authorities that achieve improved performance standards measured by province*  
1.2. Presence of participatory mechanism at local authority level with evidence of women's voice taken into consideration*  
1.3. Number of people involved with participatory planning (sex disaggregated)  
1.4. Number and type of accountability measures adopted and implemented through the grant scheme  
1.6. Proportion of seats held by women in local government** (GAP 17.1) (EURF Level 1) | Base line values to be established during inception phase | Targets based on baseline values to be established during inception phase | 1.1. National statistics  
1.2. Surveys results at Provincial level  
1.3. WB, UNDP, British Council annual reports  
1.5. Election Commission data | Influence of extreme views resisting de-concentration remains within manageable limits |
|---|---|---|---|---|---|
| Specific objective 2: Outcome | Improved dispute resolution services for both individual and community level grievances | 2.1. Number of mediation boards that take up roles to foster community harmony and social cohesion*  
2.2. Settlement rate  
2.3. Number of CSOs with expertise to convene local community actors across communal divisions  
2.4. Number of women among mediators, negotiators and technical experts in peace negotiations and conflict transformation (GAP 17.4; SDG 16.8)  
2.5. Number of disputes registered with the mediation boards  
2.6. Number of unaddressed grievances among target communities  
2.7. Number of people directly benefitting from legal aid (mediation services) (EURF Level 2 # 4) | Base line values to be established during inception phase | Targets based on baseline values to be established during inception phase | 2.1. Mediation Commission data, reports  
2.2. Mediation Commission data  
2.3. Project reports  
2.4. Ministry of Women, Mediation Commission reports  
2.5. Mediation Commission data  
2.6. Provincial data, project reports  
2.7. Ministry of Justice reports | |
| Outputs | Roles of local authorities for development, service delivery and | 1.1.1. Number of people benefitted by the performance Grant scheme | Base line values be | Targets based on baseline values to | 1.1.1. Project reports  
1.1.2. Project | Government is supportive of |
<table>
<thead>
<tr>
<th>Outputs 2</th>
<th>Local mediation boards strengthened</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.1.</td>
<td>Number of mediators trained</td>
</tr>
<tr>
<td>2.1.2.</td>
<td>Number of people (disaggregated by sex) who benefit from mediation system</td>
</tr>
<tr>
<td>2.1.3.</td>
<td>Percentage increase of successful disposal of mediation cases</td>
</tr>
<tr>
<td>2.1.4.</td>
<td>Number of cases of grievances addressed by multi-actor partnership</td>
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<tr>
<td>2.1.5.</td>
<td>Number and percentage of women in mediation boards</td>
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<tr>
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<th>reconciliation enhanced</th>
</tr>
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<tbody>
<tr>
<td>1.1.2.</td>
<td>Percentage of community members (disaggregated by sex) satisfied with local authorities sub-projects (measured by provinces)</td>
</tr>
<tr>
<td>1.1.3.</td>
<td>Number of Local Authorities projects designed and implemented through participatory approaches</td>
</tr>
<tr>
<td>1.1.4.</td>
<td>Number of people trained (Government, Non-Government, Civil Society) (sex disaggregated)</td>
</tr>
<tr>
<td>1.1.5.</td>
<td>Number of Policies/Acts/legal framework cases amended, formulated to increase efficiency of the service delivery</td>
</tr>
<tr>
<td>1.1.6.</td>
<td>Number of sub-national institutions and officials (sex disaggregated) with a positive change in planning approaches and delivery of public services</td>
</tr>
<tr>
<td>1.1.7.</td>
<td>Number of people belonging to vulnerable groups who express voices in decision making on local development</td>
</tr>
</tbody>
</table>

Government is committed to devolution and the role of Local Authorities and willing to consider aspects of public administration reform based on project experience.

Continued political will to improve the mediation system identified at the highest levels of government and in the
<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th><strong>statistics</strong></th>
<th>local administration of target regions and communities.</th>
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