Governance for Local Economic Development

Background and Scope of Work

Governance for Local Economic Development Programme (GLED) focuses on increasing the capacity of sub-national level governance institutions, civil society, the private sector and communities in order to foster access to enhanced public sector service delivery, socio-economic development, and social cohesion across the identified lagging regions, while securing the transition from recovery to development in the North and East. The Programme will help communities increase their production and “value-added” capacities and make use of productive infrastructure, new technologies and knowledge. Strengthened engagement with the private sector will increase the sustainability of livelihoods initiatives. Given the sub-national variations in Sri Lanka’s human development index, GLED offers a comprehensive and targeted response. It focuses on lagging areas and vulnerable communities, building on key programme areas, results, networks and best practices of both the Local Governance Programme and the Transition Recovery Programme implemented during UNDP’s country programme cycle 2008-2012. GLED integrates both these programmes and will be implemented over the next five years under the new programme cycle (2013-2017).

GLED focus areas and expected results

GLED is aligned with the national, regional and local development priorities of the Government of Sri Lanka, and broad areas for intervention will be identified in consultation with government institutions, particularly at the district level. GLED will be guided by the priorities identified in the available District Development Plans and also look to adopting market-based assessments to corroborate these priorities and inform future District Development Plans. Local and national governance structures will be strengthened in order to enhance participative, inclusive processes and enable government at all levels to serve as vehicles for inclusive development.

Why Consider Partnering with GLED?

Funding Framework and Budget

Implementation Modality

PROGRAMME SUMMARY

GLED is UNDP Sri Lanka’s new flagship programme for strengthening governance capacities at District, Divisional and Provincial levels and improving socio-economic opportunities in vulnerable regions in the country.
Output 1 - Vulnerable groups enabled to engage in sustainable local economic development initiatives

UNDP’s support includes working within existing local economic development forums bringing together public, private and civil society representatives to inform development initiatives; and undertaking market assessments to identify demand-driven productive and employable sectors for support. GLED will strengthen the capacity of producer organizations through training and mentoring; provide them with productive infrastructure; and facilitate their access to financial and business development services and markets. Investments required for each client will be determined and prioritized by market-based assessments, analyses of clients’ existing business processes and complete business plans.

Output 2 - Local level governance institutions plan and manage service delivery more effectively and inclusively

Through the Programme, UNDP will support decentralized and devolved governance institutions at the sub-national level by improving their planning capacity and the efficiency and accountability of the services they deliver to the communities.

Output 3 - Vulnerable communities possess increased skills, abilities and opportunities to participate in local governance and development initiatives

UNDP’s support includes increasing the capacities and opportunities that community-based organizations and communities have to interface with government institutions, advocate for their needs, and strengthen relations with each other, with a dedicated focus on increasing participation amongst Youth and Women.

Output 4 - Policy-makers and development partners are aware of the successful practices and lessons

The Programme focuses on facilitating opportunities for eliciting the lessons and best practices at the local level in order to inform policy discussions and shape policy reforms—for example, through dialogue, developing tools and promoting the creation of forums for public and duty bearers to interface on current practices and policy changes.

Why Consider Partnering with GLED?

- **Sustainable local economic development reduces inequalities and poverty.**

  Supporting sustainable livelihood development opportunities in the lagging regions of the country where two thirds of the country’s population live, will improve local economic development conditions, reducing both regional disparities and poverty rates—ultimately contributing to the national development agenda. One of the key factors for slower progress in these regions, is that many people are still engaged in subsistence livelihoods, including daily unskilled wage labour, or that they do not have the necessary knowledge, skills, technologies, infrastructure facilities, access to markets and financial and business development services to improve their income-generating activities. These challenges will be addressed by GLED.

- **Effective, inclusive governance institutions and systems are essential to address people’s needs, especially the most vulnerable.**

  Many governance institutions and systems in the lagging regions, including the formerly conflict-affected areas, face technical, financial and operational limitations that prevent them from fully contributing to the socio-economic development agenda of the country. These institutions are crucial for planning, managing, coordinating and monitoring development activities in their areas and deliver essential services to people. UNDP’s support on information management, and institutional and personnel capacity will enable them to function more effectively to the benefit of communities at the local level. Importantly, the participation of women in local governance in Sri Lanka is one of the lowest in South Asia, at less than 5%. Providing opportunities and skills-development to women and other disadvantaged groups, including youth, will increase their participation and representation in local governance and socio-economic development activities that impact them, which will also contribute to achieving the country’s development goals. ->
- **Local governance and economic development bring people together and help consolidate peace.**

The Lessons Learned and Reconciliation Commission (LLRC) recommends the promotion of socio-economic development opportunities in order to reduce inequalities between persons and groups as a means of reducing the potential for conflicts, both at the community and national levels. The LLRC also recommends using socio-economic development as a tool for bringing communities together. Due to the prolonged conflict, inter-group relations were badly affected, and while the conflict has ended, there is still a degree of hostility and mistrust between groups, and many persons do not yet have the opportunities to interact with persons from different regions and groups. GLED’s local governance and economic development activities will be used as entry-points for bringing communities together both at the local level, but also across regions. For example, through exchange visits, people from different parts of the country will be able to interact with each other and learn about different livelihoods practices as a first step to improving their relationships.

- **Knowledge-sharing enhances informed policy decisions.**

There are significant experiences and best practices generated by development partners at the local level. However, most often, there is no systematic collection of models and practices that can be used for informing the development sector and applied at policy-level. Ensuring that the experiences of local governance and local economic development interventions are documented, shared widely and used to inform policy-making will ensure the critical link between local level efforts and national development.

**Funding Framework and Budget**

GLED offers an opportunity to establish an integrated, flexible, coherent partnership with interested donors. The GLED partnership mechanism will provide a uniform framework agreement with consolidated annual work plans and one programme governance steering committee structure to strategically lead and review progress on the ground. Key aspects of such a funding framework will include an increasing move towards non-earmarked funding. This allows for donors to support the strategic programming approach and provides UNDP with a flexible funding source for a specific set of thematic outcome-level interventions. At the same time this enables the efficient use of resources through reallocation when necessary based on coherent delivery and strategic needs. Through multi-year commitments, allowing predictable funding sources to help UNDP Sri Lanka plan its human resources more effectively; and plan for medium term development interventions in partnership with national stakeholders. The establishment of GLED partnership principles are modelled by the Paris Declaration on Aid Effectiveness and will include joint monitoring and evaluations, reviews and assessments. It will promote national ownership and minimize transaction costs through harmonization of financial and narrative reporting and accountability mechanisms. Joint donors/ Government / UNDP monitoring and evaluation mechanisms will provide an opportunity for rigorous debate beyond financial accountability as they will include analyses on the effectiveness of current development policy. The proposed partnership provides donors with clear programme priorities and intended outcomes for a defined period; while also providing UNDP with a greater level of funding flexibility and hence the efficient use of financial resources. More importantly, the partnership reinforces greater coherence on programming objectives. The estimated cost to implement GLED over the next five years is estimated at $30 million USD. The GLED Programme framework has been launched in September 2013, and donors are invited to pledge their resources.
Implementation Modality

UNDP wishes to adopt a national implementation modality for its future programmes. In agreement with the Government and in cases where the situation so demands, UNDP may use other modalities, including direct implementation. In this instance, given expressed donor preference and positive endorsement of Government of Sri Lanka of UNDP Country Programme Action Plan 2013-2017, the Programme or some of its components will be implemented directly by UNDP. Under this modality, UNDP would assume overall responsibility for identified activities and overall accountability of Programme funds. The Programme would report to a Programme Board, chaired by the Ministry of Public Administration and Home Affairs and with membership of key national counterparts, donors and UNDP, which will be responsible for providing advice on programmatic strategy and direction, while endorsing the annual work-plans developed by the Programme and reviewing progress against work-plans at regular intervals.

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