



Sub National Governance Program

The Asia Foundation's Subnational Governance Program (SNGP) will be implemented in nine local authorities conceptualized as dynamic economic centers (DECs) to build economic resilience in emerging centers of economic growth and dynamism. The overarching goal of the program is to improve subnational governance in Sri Lanka through effective institutionalization of tested models for financial resilience, citizen inclusion and representation, and redress to problems.

Resilience

The ability to withstand, respond, and adapt to challenges in ways that are proactive, draws on own resources, builds local capacity, and ensures that essential needs are met.

Resilience implies measurable progress in strengthening the financial vitality of local governments through enhanced revenue streams and improved public financial management and regulatory systems:

- Frame policies and guidelines for new financing mechanisms in emerging growth centres.
- Introduce methods to LAs on identifying and accessing non-traditional revenue streams.
- Automate manual systems using technology to issue and process licenses and permits.
- Generate economic profiles of LAs, publish financial and budget data

Representation

The ability of people to express their views and the ways in which they are given space to do so.

Representation matters as it provides opportunities for public to engage with the state. For citizens to influence decision-making processes while holding their governments responsive and accountable, the following activities are proposed:

- Introduce innovative tools and approaches to improve the quality and equality of participation using evidence-based, inclusive, constructive and consistent methods
- Support legal and policy reforms to provide citizens institutional avenues to indicate their needs, preferences, and views in a manner that reflects citizen concerns in government priorities and policies.

Redress

Administrative mechanisms that allow citizens to seek remedies for poor treatment, mistakes or any injustices experienced in their dealings with the government.

Redress includes citizen rights to public services, including the right to access services, right to quality and reliable services, and right to information and transparency. The social compact between local governments and communities will be improved by pursuing the following activities:

- Develop benchmarks of service delivery for key public and regulatory services provided by LAs
- Inform citizens of service quality benchmarks in the language of choice.
- Introduce ICT-based redress mechanisms to elicit quick, representative and objective feedback from citizens and businesses on delivery of civic and regulatory services.

Strengthen Secondary Cities

Sri Lanka's current focus on creating urban growth hubs opens up possibilities for secondary cities and economic growth centers to reap the benefits of an expanding urban footprint. By integrating a diversity of growth and service indicators, SNGP has shortlisted potential local authorities which could be economic change agents in Sri Lanka's development vision.

Align with Local Government Budget Cycles

Aligning SNGP activities with plans and programs of local authorities will ensure merging of objectives, efficient use of resources, and enhanced local-level ownership, convenience of planning timelines and long-term sustainability of the program.

Target Subnational Public Service and Regulatory Reforms

SNGP will develop standards and norms for both public and regulatory services and in parallel, improve systems and processes for effective and timely redress of grievances to improve lives and livelihoods of citizens and enhance the enabling environment for local businesses.

THEORY OF CHANGE

"By developing effective models for resilience, representation, and redress through iterative learning and experimentation with subnational actors, it will be possible to improve the evidence base to institutionalize effective practices in these good governance areas, thereby contributing to future investments in equitable growth and participatory, inclusive subnational governance in Sri Lanka."

End Of Program Outcome: Institutionalization of tested models for resilience, representation, and redress to improve subnational governance in Sri Lanka

Immediate Outcome- 1
Strengthened Economic Resilience

Immediate Outcome- 2
Effective, equitable Inclusive Representation

Immediate Outcome- 3
Improved Redress & Responsiveness

Gender Equality and Social Inclusion (GESI)

Promote Local Ownership

SNGP will work in a collaborative manner with subnational governments. Activities will be designed and implemented in line with available resources, prioritised needs, existing skill sets and absorptive capacities. Provincial hubs will be created and strengthened to ensure institutionalisation of models for scaling and replication.

Maintain Flexibility to Fluid Political Environment

SNGP's strength lies in embedding and implementing the program within a challenging and shifting political ecology. SNGP will conduct regular political context analysis, secure broad based political support and will work in partnership with political and executive champions and reformers.

Foster Gender Equality and Social Inclusion

All aspects of SNGP will include a component on Gender Equality and Social Inclusion. Features of the program will empower poor and marginalized to access state resources with ease. Quality and equality of service will be irrespective of gender. Age, disability, proximity to city and other parameters.

Promote Value for Money (VfM)

The SNGP approach ensures funds are used effectively and maximizes project outcomes by balancing the 3 E's of economy, efficiency and effectiveness.

Economy relates to the price of inputs and how funds enter a programs results chain. The program is designed to reduce cost of inputs. Rapid resource mobilization at start up with minimum cost time and effort could be made possible as TAF has a long standing ground-level presence.

Efficiency relates to how well inputs are converted to the output of interest through transfers to beneficiaries. Innovative mechanisms will ensure high productivity in driving inputs towards outputs. SNGP will institute a target-based Memorandum of Understanding (MoU) mechanism to ensure sub-grant payments *after* satisfactory performance on agreed outputs.

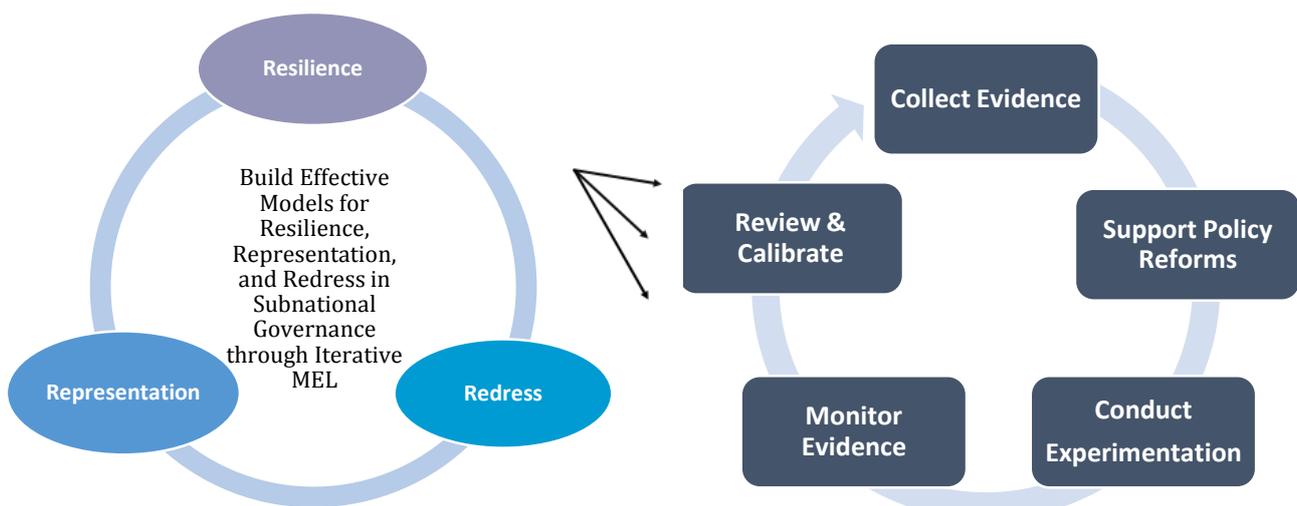
Effectiveness relates to how well outputs are converted to outcomes and impact. SNGP is designed to increase effectiveness through regular collection and application of evidence to continuously improve program management, provide information on relative accomplishments against outcomes and correct a faulty course of action if required. All mechanisms will be constantly assessed via 'Monitoring, Evaluation and Learning (MEL)' tools.

Program Partners

SNGP will work closely with the following national, regional and local partners:

- Ministry of Provincial Councils and Local Government
- Ministry of Telecommunications and Digital Infrastructure
- Finance Commission
- Departments of Provincial Local Governments
- Local Authorities
- Information, Communication and Technology Agency (ICTA)
- National Enterprise Development Authority
- Local Loans and Development Fund

Model Building through Innovative Tools and Approaches



Site selection

SNGP will be implemented in 9 LAs conceptualized as Dynamic Economic Centres (DEC) to reflect the need of building economic resilience in secondary cities which are emerging hubs of economic growth and dynamism. SNGP will identify the DEC's through a four-stage methodology:

Stage 1: 54 potential DECs will be chosen based on criteria: population density; urban character; proven entrepreneurial base; and capacity for forward and backward linkages. Colombo District from WP will be excluded due to its dominance in the national economy.

Stage 2: 9 locations, 1 from each province, will be chosen to ensure equal representation through a demand-driven selection process

Stage 3: A baseline assessment will be conducted on the 9 locations, assessing institutional enablers, including an analysis of indicators of financial health and citizen satisfaction with public services.

Stage 4: TAF will select the final DECs following expressed commitment from the DECs and based on baseline assessment scores.

The Asia Foundation

The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. Informed by six decades of experience and deep local expertise, the Foundation's programs address critical issues affecting Asia in the 21st century—governance and law, economic development, women's empowerment, environment, and regional cooperation. In Sri Lanka, the Foundation works in close partnership with the government and the civil society to improve the policy and regulatory environment for broad-based economic growth and development; to advance local democracy and access to justice; to help individuals and communities recover from trauma and violence and to promote citizens participation in the decisions that affect their communities.

Department of Foreign Affairs and Trade (DFAT) Australia

Australia has a strong interest in ensuring Sri Lanka continues its development as a secure, stable and prosperous partner in the Indian Ocean region, under-pinned by an effective post-conflict reconciliation process. The Australian Government is providing an estimated \$29.1 million of total ODA to Sri Lanka in 2015-16. The Australian aid program in Sri Lanka focuses on three objectives: (a) Expand economic opportunities for the poor; (b) Support government to be more responsive to the needs of the citizens and private sector; and (c) Increased gender equality.



The Asia Foundation

Improving Lives, Expanding Opportunities



Australian Government

Department of Foreign Affairs and Trade