



UNDP Sri Lanka Transition Programme External Review Report

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Mission conducted from 22 November until 22 December 2005

TRANSITION PROGRAMME

EXTERNAL REVIEW REPORT

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FOREWORD

This report presents the outcome of a review that conducted in respect of the “Transition Programme” (TP) in Sri Lanka – a programme approved between the Government of Sri Lanka and the UNDP. The TP is intended to support the ability of resettled Internally Displaced Persons (IDPs) to meet essential needs for resuming a regular livelihood. The TP applies a community recovery and re-activation approach. Support operations under the TP commenced in January 2004, subsequent to earlier UNDP support to conflict-affected communities and IDPs in the Northern and Eastern districts of Sri Lanka. The financing of the programme has been furnished so far by five donors (Australia, Canada, Denmark, EC and Norway), other than UNDP, and currently amounts to \$ 23.7 million. The TP is being implemented through the UNDP Direct Execution modality, although all major decisions about beneficiary selection and types of support-interventions are taken in consultation with local and national level government agencies.

The review of the TP was commissioned by UNDP and has been conducted by external consultants. In essence, the review was to provide a forward looking assessment of the progress achieved under the TP, including the effectiveness and sustainability of its support operations¹. The mission team comprised two international consultants, while one national consultant provided advice on a number of issues - in particular local administration and governance. The mission team stayed in Sri Lanka from 22 November until 22 December 2005. The team met with various Government officials (both in Colombo and in the districts), representatives of all five donors to the TP, as well as UNDP and TP staff. In addition, the mission team met with various beneficiary communities as it visited four of the eight districts being supported by the TP. A listing of the persons met by the team is attached as annex 2. The main documents reviewed by the mission are listed in the attached annex 3.

The mission report is composed of eight chapters and three annexes. An overall assessment of the TP is provided in chapter one, while future directions and a summary of conclusions and recommendations are presented in, respectively, chapters seven and eight. The intermediate chapters cover the various angles of the assessment made of the TP by the mission team, respectively: genesis, rationale and design (chapter two), planning (chapter three), implementation (chapter four), management arrangements (chapter five) and monitoring and reporting (chapter six).

The work undertaken by the mission has been greatly facilitated by the UNDP Country Office in Sri Lanka and the staff of the Transition Programme. All persons with whom the mission has inter-acted willingly set aside time for this purpose and took a genuine interest in the purpose of the mission. All this has greatly benefited the work undertaken by the mission and the team wishes to express its gratitude for the support it has received.

¹ The full terms of reference of the review mission are available with the UNDP Country Office in Sri Lanka.

1. OVERALL ASSESSMENT

Overall, the mission assesses the TP, as it has been executed during the period 2004-2005, as a success. This takes into account the situation, in which it has been implemented, particularly the consequences of the Tsunami that hit many coastal areas of Sri Lanka on 26 December 2004. For most of the first half of 2005, the TP was used to extend UNDP post-tsunami support (financed through the Flash Appeal), with TP delivery taking second place.

Notwithstanding the inevitable disruption caused by the need to accommodate the Flash Appeal response, TP programme expenditures during 2005 amounted to \$ 5.8 million - excluding an additional \$2.5 million of initial tsunami relief delivered by the TP². This is a significant improvement when compared to the level of \$1.9 million that was delivered during 2004. As of December 2005, a total of 394 projects have been approved under the TP – amounting to \$8.5 million (excluding initial tsunami relief). This implies a delivery rate of just over 90% when measuring delivery against the funds approved for financing these same projects.

Thus far donor-provided co-financing resources have been formalized for a total of \$23.7 million, of which \$16.1 million has been received by UNDP thus far. This implies that \$7.6 million (or 47%) of the funds received so far are yet to be committed in the form of projects. All the foregoing data exclude \$1.2 million of UNDP-TRAC funds that are mainly utilized to meet TP staffing and operational expenses.

Analysis of the sectoral breakdown of TP expenditures (cumulative for 2004-05) shows that the single largest allocation has been made in support of community infrastructure, (46%), followed by micro finance (18%), environment (16%), agriculture and livestock (8%), fisheries (7%), capacity building (4%) and gender (1%). Expenditures are yet to be incurred for housing. It is to be noted that this distribution between sectoral expenditure categories is first and foremost determined by the various sectoral earmarkings made as part of the donor co-financing agreements. This sectoral distribution does, therefore, not necessarily fully reflect actual needs and priorities. The distribution of TP project resources among the various districts appears to vary significantly, as it ranges between less than \$ 800 thousand (Vavuniya) to more than \$ 1.4 million (Trincomalee). This spatial allocation cannot be taken at face value, as the various co-financing agreements have come into effect at different moments in time, and projects for constructing permanent housing are yet to come on stream. The sectoral and spatial allocation data are presented and illustrated in annex 1.

Of the 394 projects that have thus far been approved, 140 have been completed, 199 are ongoing, while the remaining 55 projects have been approved but are yet to be started up. As a result of these various TP support-interventions, some 200 communities and 7000 persons have been directly supported by the TP, while as many as 120,000 persons may have benefited indirectly.

All the actors concerned – Government representatives at national and local levels, beneficiaries and donors - commented positively on the TP. The mission assesses the TP to have succeeded in meeting the first part of its overarching objective, i.e. delivering promptly on small projects aimed at consolidating the resettlement of IDPs and strengthening the communities in which they live. By giving people a stake in the future, it is contributing to an environment of peace.

The TP has been less successful in meeting the second part of its overarching objective; to move progressively beyond relief and resettlement towards socio-economic development. Few projects aim beyond small scale interventions towards truly programmatic objectives or larger-scale economic

² The programme-financial analysis presented as part of this chapter is based solely on data provided by the TP management.

impact. One exception is the intervention in milk production and processing. Another is support to the introduction of sprinkler and drip irrigation in areas with limited all-year water resources. This is catching on fast and seems set to require support to develop linkages with marketing and eventually food processing.

The mission discerns the following reasons why the TP has not been able to do more to move along the path from relief and resettlement to promote local socio-economic development:

- The political climate is not conducive to encourage larger scale investments, particularly in the North-East Province;
- Donor preferences – as evidenced in the sub-programmes - tend to focus more on relief and livelihood projects rather than on larger scale efforts to promote development. UNDP does not have sufficient resources of its own to offset this preference, as most of the funds it has available for the TP are used to provide the underpinning management structure;
- The process for project selection is essentially “bottom-up”, i.e. generated at the community level – which is admirable for the community level interventions – whereas initiatives aimed at moving into larger economic activities are unlikely to come from that source, but rather from individuals and agencies at the divisional or district levels.

The Government has requested that the TP be extended until end 2006 – in line with the earlier decision by the TP Steering Committee to extend the programme for another two to three years.

2. GENESIS, RATIONALE AND DESIGN

Description

In March 2002, the Prime Minister of Sri Lanka approached the UN Secretary General seeking UN support to meet the socio-economic aspects of recovery, rehabilitation and reconstruction through the conduct of a needs assessment, and the mobilization of relevant technical assistance and resources. A high level UN Needs Assessment Mission was fielded in April 2002 under UNDP's leadership, comprising representatives of DPA, OCHA, UNDP, UNHCR, UNICEF and WFP. The mission was the first step of a two-stage process that focused initially on policy dialogue and the identification of strategic entry points for assistance. The report of the mission, finalized in close consultation with the Government, emphasized the following:

- IDPs as a central issue to any development response, and cooperation with partner agencies to create a conducive environment for return;
- The importance of adopting a sequenced strategy for immediate and mid-term action to upscale, reorient and build capacity for effective programmes;
- The need for an expanded field presence;
- Adoption of a "whole country" approach to support the sharing of the peace process.

As an urgent follow-up to the Mission's report, the UN Country Team formulated a joint strategy focusing on a quick response to the needs of the spontaneous refugees as well as laying the groundwork for their reintegration back into the local communities. The strategy was jointly presented with the Government's Quick Impact Programme to donors and was successful in mobilizing \$33 million in resources and initiating a set of projects focusing on the most immediate needs of the IDPs.

In the second phase of the Needs Assessment process, the UN Country Team teamed up with the World Bank and the Asian Development Bank to support the Government of Sri Lanka and the LTTE in the preparation of an Assessment of Needs in Conflict-related Areas (Districts of Jaffna, Killinochchi, Mullativu, Mannar, Vavuniya, Trincomalee, Batticaloa, and Ampara) and an Assessment of Conflict-related Needs in the districts of Puttalam, Polonnaruwa, Anuradhapura and Moneragala under the auspices of the joint Sub-Committee on Immediate Humanitarian and Rehabilitation Needs (SIHRN). These assessments were a major input for the Tokyo Conference on Reconstruction and Development of Sri Lanka in June 2003. This donor conference resulted in pledges in excess of \$4.5 billion for four years.

The Needs Assessment highlights the need to strengthen and support those capacities and assets, aimed at enhancing the basic wellbeing of people, as well as at providing an enabling and protective environment for people to take advantage of new opportunities through:

- Programmes addressing immediate, medium- and long-term needs in continuum and ultimately linked to development oriented interventions for poverty alleviation;
- Continuation of interventions started in the short term, including; support to vulnerable groups, community based activities that support community mobilization, community infrastructure rehabilitation, microfinance and SME;
- Priority to the poorest and most vulnerable within the communities and resettling the population;
- Programmes that diversify in terms of natural resources, livelihood systems, ethnicity, impact of the conflict, geographical location, a decentralized approach in line with local realities;
- Participation of communities, in particular women and disadvantaged groups, at all stages;

- Empowering the affected communities, in particular poor people and other vulnerable groups, through promoting institutional development and capacity building/training of participants in the CBOs and people based organizations and cooperatives, while promoting economic recovery with special focus on addressing the unique features of vulnerable and minority populations;
- Coordination among multilateral agencies during the transition from relief to development, with a focus on sustainability leading to eventual self-reliance.

Subsequent to the Tokyo Donor Conference, the UN Country Team together with the WB, the ADB and the IMF, drew up a Multilateral Group Strategy on interagency collaboration to maximize impact and synergy between and among agency programmes and interventions and to ensure continuity of support during the transition from relief to development.

In the light of the above, UNDP elaborated a strategy that is presented in the substantive revision Q to the Umbrella Project for Conflict Affected Areas (SRL/01/003) that ran from 2001 – 2003 in the North-East province. The TP is essentially a continuation of the earlier Jaffna and Umbrella projects and retains the project number of the Umbrella project. In essence, the UNDP strategy is:

- To use and strengthen the network of Field Offices already set up;
- To seek a high degree of collaboration among UN and other multilateral agencies;
- To mobilize bilateral funds and channel them through the TP;
- To use UNDP core funding to provide the implementation framework of management and field offices, thus enabling donor contributions to fund primarily actual project activities
- To expand activities to the South of the country so as to share the dividends of peace, as foreseen in the report of the UN High level mission;
- To apply a community recovery approach; selection of target communities to be based on vulnerability mapping, such as the return intentions of IDPs, emergency priorities and an equitable distribution across ethnic communities;
- To focus activities towards both direct and immediate impact as well as building capacities for longer-term development and sustainability;
- Geographically and subject to the vulnerability/equity criteria mentioned, to work in areas where it is practically possible and donor assistance is made available;
- To establish cross-sectoral linkages and build on synergies and complementarities with programmes implemented by other multilateral agencies, government and bilateral donors;
- To strengthen active partnerships with local government (chiefly at the District level), NGOs, CBOs, the private sector and other local partners;
- To take full account of gender considerations in all TP activities and projects;
- To build and strengthen capacities at all levels – individual and village, community, and local government – through participatory project identification, implementation and other means.

The substantive revision SRL/01/003/Q of end-2003 also describes the management arrangements to be followed for the TP; these are essentially the same as those already adopted under the precursor Umbrella Project. The main features are;

- The use of the Direct Execution (DEX) modality for implementation;
- Under the direct supervision of the UNDP Country Office, the Programme Management Unit (PMU – also referred to as the TP Main Office) based in Colombo is responsible for overall management and supervision of the programme together with the Government of Sri Lanka;
- The Office of the Commissioner General, Prime Minister's Office to provide oversight coordination of the TP;

- Overall implementation by a Programme manager based in the Main Office in Colombo, supported by six field offices (at that time – now ten)
- Use of the District Review Board mechanism for project approvals and local monitoring;
- A National Steering Committee, chaired by the Ministry of 3R, to meet at least every three months to provide overall guidance and direction to the programme while understanding the specific nature of the DEX modality.

The substantive revision Q (from which most of the above text is taken) was signed by the UNDP/RR a.i. on 31 December 2003. Although a major revision to the ongoing project, it does not provide for signature by the Government. The document includes a Results Framework for the five sub-programmes envisaged at that time to be funded by donor contributions. It also includes a workplan for the period 2004-2006.

Assessment

The new Transition Programme (2004-2006) was a major UNDP response to the post Ceasefire situation as reviewed by high level UN and other multilateral bodies. It attempts to build on the prior experience of UNDP in the post conflict areas, and to exploit the comparative advantage of UNDP through the existing network of Field Offices with the proximity they offer to beneficiaries as well as local government agencies.

The major substantive revision of the existing Umbrella Project, signed on the last day of 2003 captures the essence of the findings and recommendations of the two phase assessment process. However, it does not state clearly what is/are the objective(s) of the TP and tends to confuse goals and strategies. It mentions specific areas of intervention – those already approved or at an advanced stage of negotiation with donors. It gives no indication of what the results and impact might be for the TP as a whole. Given the nature of the TP, this may be as far as it could go. The revision explicitly recognizes that the TP will work in those geographic and sectoral areas for which donor funding is available. Indeed, donor funding has not been equally available for all the affected areas nor for all the sectoral activities as prioritized by communities and the local government.

In fact, the Transition Programme is a component – albeit the major one in financial terms – of a larger package of UNDP financed interventions, all aimed at underpinning the peace process and easing the transition from relief to development. The other component projects are mine action; creating dividends of peace; strengthening information capacities for the peace process; and business for peace. There is no reference to these complementary projects in Revision Q.

In short, the substantive revision of end 2003 provides a good situation analysis, as well as the broad framework and strategy for the new Transition Programme. As the TP is largely funded by donors other than UNDP, the sub-programmes collectively constitute the TP as it has evolved. They fit within the overarching framework of the TP revision document, but do not necessarily respond to all of its objectives and strategies – certainly not in an equitable manner.

Since 2003, one major change has been made to the TP, namely the insertion of the Post Tsunami Recovery Programme (PTRP) into the framework of the TP. Although this has been the subject of financial revisions, it has not been reflected in a substantive revision of the TP.

The lack of a new project document may have led to some different perceptions among the partners as to the objectives and focus of the TP after 2003. The lessons learned from the earlier programmes are implicit in the findings of the high level UN missions, but they are not fully articulated in revision Q.

Specifically, revision Q clearly indicates that the TP will respond to the needs of areas affected by conflict other than the eight districts of the North East Province. This perception is not shared by the 3R and ERD representatives with whom the mission met, who complained about projects undertaken in the former areas. On the other hand, the mission was shown a letter from the then Prime Minister, dated 24 August 2004, commending UNDP for its activities in the South and encouraging further such interventions. A project document or substantive revision, signed by both the Government and UNDP, might have avoided such divergent views as to the geographic scope of the TP. In the event, funding for projects outside the N-E Province has not found donor support.

The lack of a comprehensive, updated project (programme) document does not facilitate the task of assessing the progress and overall impact of the TP. Primary and secondary objectives as well as some of the strategies have to be inferred from the revision Q. This is the approach adopted by the assessment team for this exercise.

The mission believes the overarching objective of the Transition Programme to be post-resettlement support to IDPs and their reintegration into the larger community, moving progressively and sequentially from relief activities to activities conducive to socio-economic development. While adopting a “whole country” approach, the emphasis is on the eight conflict-affected districts of the North-East Province. The immediate objectives are the restoration of community infrastructure, the creation of employment opportunities, including self-employment, an enhanced rural economy (agriculture, fisheries and livestock), and enhanced capacities and empowerment of individuals and entities to improve livelihoods and community life, at various levels i.e. village community, grama, divisional and district government agencies.

Several strategies were envisaged to attain these goals: the use of micro-credit; use of a community based approach to avoid divisive reactions; use of local community based organizations to implement projects; special attention to be given to disabled, as well as other vulnerable groups, and to women; exploit and expand the comparative advantage that UNDP possesses with its network of Field Offices; offer the TP as a channel for contributions from other donors wishing to support the peace process through resettlement and reintegration; and encouraging collaboration among UN agencies – and other actors - to take advantage of complementary mandates and synergies.

The TP was to be implemented through direct execution (DEX) by UNDP under the oversight of the 3R Ministry. The latter chairs a National Steering Committee composed of all the main interested parties to the TP. A TP Project Implementation Unit consisting of a Main Office and a network of Field Offices is charged with the implementation of the TP; this PIU reports directly to UNDP. The TP PIU generates reports that are submitted to all the parties engaged in the TP, namely Government, UNDP and the contributing donors.

3. PLANNING

Description

The planning of UNDP's support interventions in respect of conflict-recovery in the Northern and Eastern Districts of Sri Lanka, as it has evolved, is a three-tier process. As a first step, the Transition Programme - hereafter referred to as the "TP overall programme" – was concluded between the Government and UNDP. This was a daring step to take, since the design and formalization of the TP overall programme - at that particular point in time – was a prime example of 'resourceless-programming'.

As and when co-financing contributions have been mobilized by engaging interested donors, they have been designed and formalized as stand-alone support-packages³. This second-tier practice has, in fact, given these donor-specific co-financing packages – hereafter referred to as "TP sub-programmes" – predominance in terms of planning TP operational activities. As a consequence, the TP overall programme has been relegated to being a general reference document. The various TP sub-programmes provide for similar sets of sectoral support-interventions and cover a variable number of districts⁴. In the majority of cases, fund allocation is pre-specified on a sectoral basis by the donors concerned.

The distribution of funds among the various districts has largely been determined following approval of the respective sub-programmes – except for the Australian co-financed CRP 2 and 3 (in which case this is included as part of the sub-programme design). Attempts have been made to balance to the extent possible inter-district allocation of TP resources. For example, in view of the massive influx of external support in support of post-tsunami recovery in the Eastern and Southern Districts, UNDP found the EC willing to concentrate its co-financing of the IRRP in the Northern districts. The assessment and decision-making involved in determining district allocations is guided by two sets of criteria⁵. These criteria have been incorporated as part of the TP manual⁶. For some of the sub-programmes, the distribution of TP resources among relevant districts has been undertaken in consultation with the 3R Ministry. Generally, the district allocation of TP funding resources appears to be primarily undertaken by the TP team, based on interaction with the district authorities concerned – without the Government, at the level of the N-E Province or Colombo, being involved in a systematic way.

The third-tier of the TP planning process involves the determination of specific community-level activities – hereafter referred to as "TP projects". This is undertaken at the level of the districts concerned, through the inter-play of communities/CBOs, local authorities and the TP – in consultation with other Government programmes and development agents, as and when necessary.

The status of district-level planning in respect of the Northern and Eastern districts appears to be somewhat in flux. Although there are marked differences between the eight districts concerned, few - if any – appear to have a ready and updated action plan to guide recovery and transition support. The mission did, however, come across so called "Programme Frameworks for Rehabilitation and

³ As subsidiary documents to individual donor co-financing agreements.

⁴ Only two of these sub-programmes (MAP and LRP) are meant to cover all eight districts in the North and East of Sri Lanka that have been most affected by the conflict – notwithstanding the fact that both these sub-programmes have comparatively modest budgets.

⁵ The first set of these criteria is being referred to as "programme criteria" as these are to ensure programme focus. These are articulated as follows: Vulnerability and rate of poverty; Degree of physical damage; Unemployment rate; Proportion of IDPs and returnees. In addition, the following "Sub-criteria" have been adopted: Previous UNDP investments; Existing UNDP capacity; Donor investments (previous, ongoing, planned); Ethnic composition.

⁶ This manual has been prepared based on a workshop with participation of GAs and ERD. This manual was prepared for at a workshop held in Giritale (February 2004) organized by the TP, with participation by GAs and ERD.

Development” Reconstruction Plans” that have only recently been prepared⁷. When probing the involvement, ownership and actual utility of these plans with local and Colombo-based government officials, it is not immediately clear in how far this planning exercise has been duly internalized. However, having reviewed one of these frameworks (i.e for Vavuniya-district), the mission finds that it does in fact offer scope to more solidly embed donor/(I)NGO planning into a more systematic district-wide framework.

Formally, TP project-level planning takes its lead from the Government Agent (GA) and district-level departments in selecting communities and site-locations for support under any of the applicable TP sub-programmes. The TP is, therefore, not expected to conduct any preliminary assessments of its own. However, not all GA offices are in a position to pro-actively direct the selection of beneficiary communities. It is also of note that hardly any use is being made of surveys or assessments that are available from third party sources (e.g. WFP’s VAM – in so far as this covers all districts concerned). Often the Division Secretary (DS) directs the TP to communities – in most cases since such communities had earlier indicated their needs for support through the DS channel⁸. Other than that, UNHCR, as it phases out its immediate resettlement support to particular communities, has at times suggested to the TP to provide supplementary support. Furthermore, there are instances when communities or CBOs directly establish a relation with the TP. In reality, it would thus appear that the DS acts as the principal conduit for capturing, prioritizing and conveying community needs.

Once particular communities have been selected for TP support, a Participatory Needs Assessment (PNA) is conducted in order to determine and prioritize (more systematically) the various needs identified by the communities concerned. The PNA is usually concluded within one or two days – using a prescribed methodology, including formats, as detailed in the TP field manual. In the first instance this involves an overall survey that is completed between community-leaders and TP field staff. This is followed by more detailed sector-specific surveys that involve large segments of the community. Based on these exercises, a concept paper is prepared by the TP field staff and shared with the community in order to validate and agree on the priority projects that can in fact be met by the TP – given the sub-programme utilized to support the community concerned, and more particularly the menu options it offers.

As project planning is primarily determined by the donor co-financed sub-programmes, TP planning sometimes results in a mismatch between expressed needs and available sub-programme menu options. This can sometimes be remedied by drawing on more than one TP sub-programme for the benefit of the same community. There are in fact many such examples, the most striking one that the mission encountered is a relatively large resettlement scheme in Vavuniya, where IRRP-provided housing is supplemented by other community-infrastructure and micro-finance drawn from the CRP. Although this situation is ‘manageable’, it obviously places a heavy burden on the TP planning process, while taxing the time-management – and creativity - of the TP team.

Local government officials do not appear to be much involved with this phase of the TP planning cycle as concerns community consultations and project design – although they are invited to do so. It appears that they are constrained in terms of staff numbers, lack of operations budget and – as it would appear – also motivational factors. It may also very well be that the micro-scale of most TP projects leads GA-DS

⁷ The mission was informed that four such frameworks are meant to be prepared – under the auspices of the 3R Ministry and with technical assistance provided by GTZ. The plans in respect of Jaffna, Vavuniya and Mannar have been finalized, while the one for Killinochchi is under preparation.

⁸ The mission was advised that on occasion the TP came to select communities different from those indicated by the GA. This came about following subsequent consultations with the DS and gram-level authorities, as well as site-visits by TP field staff.

staff to decide not to be intensively involved with TP project design – given their overall workload, and the fact that the TP is providing hands-on support to the communities concerned in developing these micro projects.

Nevertheless, the DS offices would appear to be fully involved in directing/clearing the selection of communities, coordinating the support-efforts among the various actors active within their respective divisions (including the TP), and in reviewing project proposals. As regards the TP, concept papers – once re-worked in the form of project proposals – are presented for review and endorsement by the DS. This – reportedly – works well for most of the Divisions where the TP is active. In fact, when warranted, in most cases these DS-level consultations are extended in order to include representatives of other government programmes or NGOs that are operational in the same Division. The mission has been informed about several examples where such coordination resulted in major adjustments in project design emanating from any of the support agencies concerned – including the TP⁹.

Upon conclusion of the project proposal at the level of the DS, it is forwarded to the TP Main Office, for finalization and certification. In the case of the IRRP, this certification is being undertaken by the IRRP Programme Manager posted under this sub-programme; in the case of the 4R sub-programme (which also provides for a 4R Coordinator) this certification has been left to the TP-PM.

Once projects have thus been fully readied for approval, they are presented at the District level. For this purpose, a novel mechanism is being utilized – already established under the TP predecessor programme - referred to as the District Review Board (DRB). This board, chaired by the GA or his/her representative, is meant to conduct a final appraisal of the projects being presented for funding under any of the TP sub-programmes. The composition of the Board is such that, in addition to local government officials, relevant NGOs and implementing partners (in particular CBOs) also participate. This mechanism is generally appreciated by all local actors consulted by the mission, as it is found to be effective for planning and coordination purposes, as well as for quality assurance.

According to the generic TOR drawn-up to assist the functioning of the DRB, it also has a role in monitoring ongoing projects. Judging by the consultations held between DRB members and the mission, this monitoring function appears theoretical. Likewise, in-field supervision by district-level staff appears to be minimal, for the reasons mentioned above in relation to project design. The mission obtained little or no resonance when querying how the use of the DRB mechanism could be further enhanced.

In most of the districts visited by the mission, additional mechanisms exist aimed at facilitating coordination among donors/NGOs, in addition to UN inter-agency team meetings. There does not appear to be any form of structured inter-face between these various ad hoc mechanisms and the GA-internal administrative structure and decision-making mechanisms.

Nevertheless, such coordination among donor-funded programmes and the TP has taken on certain momentum. A point in case is an MoU that was concluded between the TP and NECORD¹⁰ (October 2003). This is all the more important given the relative size of the TP resource envelope, which is probably less than 10% of all externally contributed recovery and transition funds directed to the NE Province – the lion's share (an estimated 70%) being provided by ADB, WB and GTZ financed

⁹ Other than with UN agencies (in particular UNHCR and WFP, such joint programming or coordination has been forged with a number of national programmes (e.g. North East Coastal Community Development Project, and PIP) and (I)NGOs) – the latter including World Vision, ZOA, FORUT.

¹⁰ The North East Community Restoration and Development Project (NECORD) is an ADB-funded programme, supplemented by several co-financing arrangements, that is largely 'internalized' in terms of public investment planning at the level of the NE province.

programmes. It appeared, however, that to date the TP-NECORD MoU had been left dormant. The programme managers of both programmes have meanwhile agreed to give this MoU new momentum, since it clearly offers an excellent opportunity to further synchronize and supplement various types of support activities being provided under these two programmes. Moreover, while the mission was in the country, a planning meeting was held among the TP, WB, UNHCR and WFP aimed at exploring opportunities and modalities for strengthening cooperation during the forthcoming year.

The Planning and Development Secretariat (PDS) confirmed to the mission that it is being consulted as part of the TP's planning process. This is particularly true in Killinochchi-district where there appears to be an informal process and mechanisms for ensuring PDS involvement with TP project planning. In other districts, no clear-cut arrangements apparently exist for consulting with the PDS – although it would appear that in most cases tacit agreement is being secured as part of the design and appraisal of TP financed projects.

The occurrence of the tsunami has had several effects as regards the overall functioning of the TP – including its planning function. The influx of grant and in-kind assistance has in several ways upset or distorted ongoing post-conflict recovery support activities. This is particularly the case for the Revolving Loan Funds (RLFs) being supported by the TP. The in-kind replacement, as part of the tsunami relief effort, of lost assets (fishing boats, ice factories and other major assets; for which repayment was still due) threatened to jeopardize the sustainability of these RLFs. In this regard, the TP-FO in Jaffna is to be commended for having brokered a consensus among the Fisheries Federation (that is managing a major RLF), the constituent Fisheries Associations and the overseeing Government department that promises to safeguard the continued operations of the RLF. Repercussions are also felt in respect of permanent housing. In this case, the TP continues to comply with the Government-indicated unit cost (maximum \$2,500), excluding food/cash for work as this is meant to draw in beneficiary labour-inputs. Post-tsunami recovery support as regards permanent housing is mainly being undertaken on a contractual basis – causing the cost to go up as high as \$6000 per unit.

Assessment

All actors consulted by the mission advised that the TP is addressing relevant priorities, while doing so in a timely manner – notwithstanding the complex situation encountered on the ground. Nevertheless, the mission wishes to share the following observations that are meant to inform decision-making on how the TP planning process can be enhanced.

First, The TP planning process has become rather protracted, given the current practice of formalizing individual donor contributions in the form of sub-programmes before actual project planning can be undertaken. Moreover, given the variety of sectoral and spatial coverage among these sub-programmes, the TP planning process is tantamount to 'jigsaw' programming. As a consequence, the topmost priorities - as expressed by communities - cannot always be met, in particular the need for permanent housing. At the same time, the effectiveness of the TP team is being hampered, as it needs to devote inordinate time on programme design and, subsequently, on donor-related reporting.

Based on consultations with donor representatives, it can be expected that the need for designing donor-specific sub-programmes will be obviated, once the TP overall programme document will have been better articulated and brought up to date. Donor co-financing contributions could then - as much as possible - be left un-earmarked, integral to the TP overall programme.

Second, the process agreed between the Government and UNDP for selecting TP support interventions stands to be enhanced. At present, the TP is mainly confined to supporting individual

communities/CBOs by means of small-scale and narrowly focused activities. As a result, the planning process informing TP support interventions continues to be rather ad hoc – while focusing the TP primarily on community-level recovery and reactivation activities.

If the TP is to become a more forward looking and impact-oriented transition programme, then two options could be considered. While maintaining its field presence in all conflict affected districts, the TP could either consider a geographical concentration of activities, creating a critical mass of support interventions that can subsequently be replicated. Such an approach would also help to increase the operational efficiency of the TP.

Alternatively, the TP support interventions could – at least in part - be up-scaled, in order for it to become a truly area-wide reconstruction and development programme. Additionally, the TP could also generate a more profound impact on peace-building and reconciliation, capacity-development and local economic development – notwithstanding the trade-off in terms of equity by having a reduced geographical coverage.

The ‘fall-back’ option of ‘doing-more-of-the-same’ would be the least desirable. This is for three main reasons. First, the current action-radius of the TP is not significantly different from what other support-actors are providing – while the TP contributes less than 10% of the overall external resources envelope being contributed to the NE Province. Second, UNDP – being a global development agency that is mandated to provide post-conflict and transition-support - has certain attributes to offer that in the case of Sri Lanka have remained largely un-tapped. Third, going by the rationale underlying the “whole country” approach, it would be preferable if TP interventions - over time - would become more supportive of overall national priorities, especially those that converge on MDG goals and targets.

Third, in the light of this forward-looking perspective, the rather ad hoc and heavily proscribed manner in which TP planning is currently being conducted prompts a number of questions. Does the TP in fact reach the most vulnerable and needy segments of the Sri Lankan populace, who are most affected by the long-lasting conflict? In the same vein, can the TP – given its current modus operandi – be effectively utilized to help address the ‘root-causes’ of the conflict and to ‘bridge’ the apparent divides? Furthermore, can the TP be engineered such that it could be of help in ensuring a certain measure of ‘equity’ among the different categories of IDPs and the various communities most affected by man-made and natural disasters? In case there would be an over-arching peace-dividend, again, would there be potential for UNDP/TP to help prepare the grounds for realizing such a dividend?

Having probed these more strategically-oriented issues with a wide ranging spectrum of actors and stakeholders who are involved with the TP, the mission has not been able to clarify these issues in an unambiguously clear manner.

Fourth, as an immediate practical measure, the Government (centrally and at the local level), together with UNDP, would do well to seek much closer cooperation between the TP and agencies that are mandated to provide first-level settlement/relocation support (in particular UNHCR). Other than that, it would be desirable if the TP were to be more closely coordinated with other, more comprehensive Government-donor programmes (in particular NECORD). The selection of TP support interventions could then be better aligned with Government’s over-riding objective of accelerating the settlement/relocation of IDPs and the capacitation of conflict-affected communities. In this context, it may also be considered to revisit the criteria that have been agreed for allocating TP resources among districts in order to ensure that the highest priority is being assigned to providing supplementary support to (re-)settlement or relocation of IDPs.

Fifth, irrespective of the above options for enhancing TP planning functions, the cross-sectoral/thematic concerns that the TP is supposed to address – in addition to its primary objectives - are in need of rationalization. Environmental impact assessment should be made mandatory for larger-scale construction and public-works projects - in conformity with national legislation and international standards. Gender appraisal should be made compulsory for all livelihood support projects, and - other than this - be applied on a sample basis for all other types of project support. Human rights should not be maintained as an explicit focus of the TP, other than by way of a code of conduct that obliges TP staff to signal specific human rights violations to relevant national and UN authorities. The application of a rights-based approach should be understood to be inherent to the principled approach that the TP is in fact pursuing in support of demand-driven and participatory local area development.

Sixth, given the current modus operandi of the TP, the PNA methodology employed for planning TP projects appears to suffice; a more in-depth approach would appear to be uncalled for given the scale and type of support interventions. Nevertheless, the PNA tool-kit and process could be enhanced by taking into account the following: (i) Gender should be factored in more explicitly and purposefully - e.g. by initially having focus-group consultations for men and women groups separately, prior to plenary sessions¹¹. This is particularly relevant from the viewpoint of project implementation - as women groups tend to contract out labour-intensive or construction works, while men undertake such projects using their own labour, (ii) The surveys that are currently being conducted as part of the PNA should be used to elaborate a village profile. Such a profile would provide a comprehensive and integral ‘baseline’ document that can be used for monitoring (including community self-monitoring), updating and results-assessment, (iii) The social mobilization that is in fact taking place could be carried forward by helping to establish a community-wide ‘village-forum’. Such a forum should be fully inclusive of all households living in a particular community - beyond the particular CBO or community-grouping being supported. Such a forum could in fact become a stepping-stone for invigorating the decentralized development-management and governance structure as it has evolved in Sri Lanka.

In case larger-scale and more complex projects would be considered for TP support, then there is need to elaborate a more comprehensive assessment methodology – as was the subject of a recent UNDP-BCPR mission¹². In this regard, it would prove fruitful if support could be provided (as part of the TP, or otherwise) such that the DRB – or the existing District Coordination Committee – were to be further capacitated to more effectively: (i) assess, strategize and monitor sector-wide and divisional/district-level progression, (ii) discern and analyze trends, bottlenecks and opportunities, as well as (iii) instigate desirable amendments to existing policy, legal or regulatory frameworks – among other functions.

Seventh, the TP has made promising attempts to resolve particular anomalies and ‘distortions’ that have been encountered in the wake of the tsunami - and the influx of external support. On the occasion of the one-year anniversary of the tsunami disaster (while most of the UNDP-administered tsunami funds have been committed), it would seem to be imperative and urgent to dovetail UNDP-provided conflict and tsunami recovery support. As a first step, it should be considered to bring both strands of UNDP recovery support under unitary management, while maintaining separate accounting and reporting. This should help to ensure convergence of purpose, consistency in strategy and approach, and the realization of cost-economies in pursuing both strands of recovery support.

¹¹ This had in fact been practiced in one community visited by the mission, but this is apparently not a common practice.

¹² This refers to the possible introduction of a wider area-based assessment methodology being referred to as the community based assessment cycle (CBAC).

4. IMPLEMENTATION

Description

The arrangements agreed between the Government and UNDP for implementing the TP are such that decisions on substantive and policy matters are taken jointly – where necessary involving the Steering Committee in which donors also participate. Administrative and operational matters have for the most part been decided and undertaken between the TP Management and the UNDP Country office. The formal execution modality that has been adopted is known as “Direct Execution” (DEX). This implies that it is UNDP that is accountable to Government – other than to the UNDP Executive Board – for the substantive and financial implementation of the TP. Alternatively, the same mix of shared responsibilities between the Government and UNDP could have been formalized as “National Execution” (NEX). In that case the accountability for the TP would have been vested with Government.

The DEX modality in the case of the TP appears to have been informed by three considerations. First, as the TP is operating in conflict-prone parts of the country, it was believed to be opportune to present the TP as a United Nations support-programme. Second, some of the donors preferred that their co-financing contributions be administered and managed by UNDP. Third, although most of the administrative actions under the TP are fairly routine, the workload of such actions might put a heavy burden on the capacity of national authorities if they were to be assigned TP administrative management functions.

Notwithstanding this initial agreement – as formalized when approving the TP - the DEX-NEX issue has come to the fore on several occasions. This was, most notably, the case when a decision needed to be reached between Government and UNDP on how tsunami Flash Appeal (FA) contributions would be managed as part of the TP. Such a decision became necessary, since the FA funds had been solicited and obtained with the understanding that these would be channelled through the existing management arrangements and FO infrastructure of the TP. Government maintained that the rationale underlying the DEX modality in respect of the conflict-affected areas did not apply in the case of most of the tsunami-affected areas. Although UNDP appreciated this position, it could not find a procedural arrangement to accommodate a differentiation of execution responsibilities within one and the same programme (i.e. the TP). This issue, therefore, remained deadlocked for several months (until September 2005), holding up effective delivery of tsunami funds¹³.

The lingering debate about the overall management responsibilities regarding the TP would not appear to have affected the delivery of projects. Once TP projects have been approved, the turn-around time for project operations to get started is relatively short – ranging from a few weeks to at most two months. This is principally due to the fact that the overwhelming majority of implementing agents of TP projects are CBOs rooted in the respective beneficiary communities. For instance, of the 57 projects supported to date in Trincomalee¹⁴, the majority (almost 90%) are being implemented by CBOs – as compared to local Government departments (3.5%), NGOs (5%) and private contractors (1.5%). As confirmed by the TP management, this appears to be the general pattern as regards TP project-level implementation across all 8 districts where the programme is operational.

¹³ As a remedial measure, UNDP decided to commit tsunami relief and recovery efforts against other co-financing resources that it had received in support of conflict-recovery. The mission was informed that these funds have meanwhile been reverted such as to meet their intended purpose – once the tsunami FA-funds could be effectively approved.

¹⁴ This refers only to TP conflict-recovery projects, thus disregarding another 8 TP tsunami recovery projects that are at varying stages of planning or implementation.

The time involved in start-up and actual implementation of the projects depends foremost on the time required to process contracts or procurement orders. Until August 2005, such administrative management actions were undertaken by an Operations Unit that was part of the TP management structure. However, for reasons of expediency, this Unit has now been incorporated within the operations division of the UNDP Country Office, since it is ultimately through this office that contracts are awarded, procurement orders placed and personnel-actions undertaken. At present, TP-FOs directly liaise with the UNDP Office for all operational actions.

As a consequence, the TP/PM is no longer involved with administrative management (except for personnel actions) – not even in terms of certification. The principal reason underlying this new arrangement is to be appreciated - i.e. expediency.

The recent introduction by UNDP, globally, of a new automated platform for operational management (i.e. the ATLAS system) has – reportedly – caused delays in processing financial transactions. When probed, this appears to be due to the Electronic Funds Transfer modality of the ATLAS system, which may be too enhanced given the general status of E-based banking operations in Sri Lanka. For certain districts, this issue may, therefore, need to be further assessed and stop-gap measures taken.

In addition, the UNDP Country Office has reviewed and strengthened its capacity such that it is now better placed to effectively exercise the authority for contracting and procurement - as has been delegated by its headquarters. The Office should, however, consider requesting a higher level of delegation – currently limited to less than \$100,000 - which could be increased if a case were to be made successfully. The Office has also established a roster of pre-selected vendors.

Having thus rationalized TP operational backstopping, the UNDP Country Office is currently undertaking steps to further enhance the operational expediency of TP operations. The TP/PM has been delegated authority to approve contracts and procurement up to \$30,000. Furthermore, it is intended to gradually decentralize operational management decisions to the TP-FOs. This will likely be accompanied by a certain measure of delegated authority, once staff capacities and system requirements will have been fully ensured.

Turning to how the TP support-operations are actually performing on the ground, the mission wishes to highlight the following.

Having reviewed the pattern of TP project implementation over time, it appears that it has come to support several projects of different types in one and the same community. This has occurred at the request of these communities as additional support requirements were identified, following completion of the initial project. In other cases, the provisioning of multiple projects was due to the need to pull in more than one sub-programme as topmost priorities could otherwise not be met. In yet other cases, the TP has provided supplementary support to larger-scale resettlement or relocation schemes that are benefiting from various Government or (I)NGO-supported programmes. It is clear that, when providing a number of projects concentrated on the same community, the TP has more impact in generating community reactivation dynamics. Moreover, if it were to have been planned in advance, this more concentrated or coordinated approach to implementing multiple projects within the same community could have yielded cost-efficiencies. The trade-off in such cases is equally clear; concentrating on certain communities could beat the cost of servicing other, equally deserving communities.

Based on the sample of TP-supported projects that the mission has reviewed more in-depth, it appears that the synergetic effect of concentrating multiple projects holds particularly true for the combination of micro-finance support and skills development (in particular when this is related to fisheries, agriculture

or vocational trades). As it stands, the TP does not have a dedicated funding window for supporting skills development (either technical or managerial – other than as part of micro-finance support). Nevertheless, in several cases the TP has succeeded in drawing in resource persons for this purpose from both government and non-government agencies.

A major issue is housing, this being a paramount priority for most IDPs, whereas UNDP (and, by extension, the TP) cannot provide for temporary housing - as this is an activity that falls within the mandate of other UN agencies (in particular UNHCR) and certain (I)NGOs. This calls for close coordination between UNDP/TP and agencies mandated to provide first-line (re-)settlement-relocation support. As regards housing, GoSL has stipulated a **maximum**-cost ceiling (i.e. \$2,500 per unit) – however, it has not decided on one or several standard modules to which donor/INGO housing support should conform. The approaches taken by the WB and ADB (which provide the overwhelming volume of housing support) differ significantly, while the UN agencies are as yet to determine a common policy. UNDP has opted to procure certain materials for housing in bulk, thus reducing the average cost. Moreover, the approach taken by the TP is to engage beneficiary households in the construction of their houses – in most cases with the added incentive of WFP provided food-for-work. In the case of UNDP-supported tsunami-recovery support, diverse approaches are taken to assisting housing repair and (re-)construction – including sub-contracting in which case the unit-cost can be as high as \$6000.

When reviewing implementation support to micro-finance, it appears that Revolving Loan Funds (RLFs) are being supported under the TP in various ways. In some cases, additional working-capital is being provided to long-standing, multi-purpose cooperatives or rural banks to expand their action-radius. In other cases, top-ups have been provided to micro-finance wholesalers, such as Sanasa. In yet other cases, finance has been provided to special-purpose credit funds, in particular as part of the MAP sub-programme aimed at targeting the most vulnerable victims of the conflict. In addition, micro-finance grants have been provided to existing, but inactive Rural Development Associations and Cooperatives in order for these to resume their savings-cum-credit schemes. This diversified use of micro-credit for enhancing livelihood support has been greatly facilitated by the fact that Sri Lankan society has a high degree of social organization. Moreover, regulation is in place for RLFs to be registered and supervised by government departments. All this explains the very high repayment rate on TP-supported RLFs.

Having reviewed a number of community-infrastructure projects being supported by the TP, it appears that multi-purpose community-centres are in high demand. Consultations with several community groups made it clear that this is a genuine preference held by the communities concerned; such centres are believed to benefit the community at large, not least because such centres provide a base from where local government services can be resumed. In the case of road-construction, it appeared that the TP – learning from experience - has come to limit its involvement to paved roads, since feeder roads risk being washed out due to lack of government maintenance funds.

Livelihood support is still nascent, since the TP does not provide for a dedicated funding window in this respect – other than by means of providing micro-finance support. As pointed out earlier, the TP has been successful in soliciting support from individuals to provide vocational skills development, without as yet having been able to cement more institutional arrangements. One support activity is most promising as it transcends household-level livelihood support, namely support to an existing association that earlier facilitated milk collection, processing and distribution. Similar backward and forward linkages could be developed in the case of introducing high-value crops, in conjunction with sprinkler and drip irrigation¹⁵. The financial returns for farmers prove to be very high, since this technology allows for year-round multiple cropping, while the investment costs of the required equipment can be

¹⁵ These cases were observed in Killinochchi and Vavuniya districts.

recuperated within one or two harvest cycles. It can be expected that the adoption rate of this new technology package will be very high. It is, therefore, warranted to dialogue with the agricultural department to map out and strategize the likely effects and repercussions (as well as possible support requirements) needed for sustaining this promising new development. Notwithstanding these positive and reinvigorating developments, the current array of TP support activities does not appear to have much impact beyond the particular village-group or community that is being supported. Most of the TP-supported projects do not have a knock-on or multiplier effect.

The overwhelming majority of TP supported projects comprise small-scale, community-owned and managed facilities or services. Although the knock-on and multiplier effects are limited, these projects can be expected to be durable. This may not prove to be true in the case of community-level, as well as public infrastructure, as a more careful assessment needs to be made of the expected operational and maintenance costs, and how these will be financed.

Furthermore, gender clearly warrants more dedicated attention by the TP management. Other than ensuring and facilitating the involvement of women in the planning of TP-supported activities, there is need to analyze and accommodate their role in implementing activities. The mission came across a construction project that had in fact been selected by the women in one particular community. These women had opted to engage a contractor to carry-out the actual construction works. As the contractor proved incapable to undertake these works within the agreed time-frame, it is now being considered to organize community-labor to complete the project. This may well be a common occurrence – given the gender related division of labour as prevails in Sri Lankan society. Gender should, therefore, be given explicit consideration at the time of initial consultations and project design, as well as during project implementation.

Although the mission has not been able to assess this thoroughly or empirically, but based on its own experience, it would seem that the relative efficiency of TP field operations is at least comparable to how similar support operations are being undertaken by other international agencies elsewhere.

Assessment

First, the issue of execution modality may have taken on unnecessary prominence – i.e. DEX ‘*versus*’ NEX. The execution modality is, after all, essentially a formula for delineating principal responsibilities and for establishing accountability relations between the Government and UNDP.

Instead, it may be considered to take a pragmatic stance in reviewing the various substantive and administrative functions involved in managing the TP - and how these can be shared, and delineated, among the Government (at the level of Colombo and the districts), the UNDP Country Office and the TP management.

Such delineation would best be based on an understanding of *who-does-what-best*. More specifically, such delineation could take into account a set of criteria that can be applied to different clusters of districts where the TP is operational, such as:

- The degree to which it is opportune to highlight the neutrality of TP support interventions – which to a certain extent may differ somewhat between the Northern and Eastern districts.
- The actual capacities – and workload – of the various district administrations, and their willingness to bear accountability for donor-provided funds. If it is not possible to effect direct fund-transfers to district administrations (without routing these first through Colombo-based line-Ministries or the Treasury), then the efficacy of such multiple-phased funds transfers should be most carefully reconsidered.

- Where minimal capacity does exist and where local authorities are willing to manage TP funds and to assume operational management functions, commensurate capacity enhancement measures should be put in place.

In districts where none of these factors apply - or have been overcome - NEX should in fact be the preferred modality, even if it requires supplementary capacity development support. It should thus be established how both the NEX and DEX modalities – or rather a hybrid of both – can be formalized in the context of the UNDP project instrument. As has been applied elsewhere, this could be overcome by having either DEX or NEX as the overall execution modality, while assigning particular implementation responsibilities to Government or UNDP¹⁶, as may be desired.

Second, whichever way the issue of execution may be resolved, it is advisable to intensify Government – partners’ consultation. Again being practical, this could be organized by splitting the current functions being vested in the TP Steering Committee. This committee structure could be ‘un-bundled’ by creating a technical review body comprised of Government, UNDP and TP-management staff to review operational, administrative and procedural matters – say quarterly. The TP overall Steering Committee (including all current, principal partners) could then meet for the purpose of oversight and in order to provide policy-direction – say every six months.

Third, the relative efficiency of TP field operations would seem to compare with that of other support-actors (UN agencies and INGOs). However, the TP delivery structure – as has now been fully established - will remain dependent on external funding. As and when the TP would assume a more transition and development oriented focus, implementation will need to be progressively internalized within national entities (governmental, civil society or private agents). To this effect, the TP should further strengthen its ability to develop functional – and eventually organizational and institutional capacities of its various counterpart agencies.

As it appears, the more concentrated provisioning of multiple projects – as opposed to a scattering of stand-alone projects - is to be preferred, and should be further pursued, since this is having a more profound impact on the communities being assisted.

Fourth, the effectiveness of operational backstopping of the TP has been improved, given the still recent decision to streamline the inter-facing between the TP and the UNDP Country Office. It may, however, be needed to formalize the delineation of certifying authority between the Deputy Representative (Operations) of UNDP and the TP manager. The effectiveness (including expediency) of TP operations could be further enhanced if a certain measure of delegation were to be provided to TP-FOs – as intended, once requisite capacity and systems will have been ensured.

Fifth, on occasion, the TP seeks to engage other support-actors that are better placed to provide certain inputs or backstopping for particular projects. Such partnering could be further enhanced, if this were to be given more dedicated attention. Beyond this, the TP may in fact be well placed to help forge local-level networks of service-providers on which communities can call.

Sixth, the sectoral support menu currently provided by the TP is – rightly – found to be relevant and adequate. Nevertheless, the TP should preferably have a dedicated capacity and funding-window to support (a) vocational training, including entrepreneurship development, as well as (b) functional and

¹⁶ UNDP does in fact have a legal instrument to formalize such *hybrid* execution-implementation arrangement, namely the so called Letter of Agreement.

organizational capacity enhancement of its various implementing agents and selected technical departments of local government.

Seventh, in order to secure a certain level of consistency, equity and cost-effectiveness - it should be considered to define a more comprehensive policy as regards the type and costing of permanent housing.

5. MANAGEMENT ARRANGEMENTS

Description

The Transition Programme

The Transition Programme succeeded the earlier Umbrella Project for Conflict-affected Areas. The latter, also using the Direct Execution (DEX) modality, functioned through a Main Office in Colombo and four Field Offices (FOs) located in Jaffna, Batticaloa, Vavuniya and Trincomalee. This structure constituted the Programme Implementation Unit (PIU).

A National Steering Committee (NSC) is the apex body for the TP, established for the predecessor programme, consisting of the Government authorities concerned, UNDP, the contributing donors and the TP management. The Office of the Commissioner General for Coordinating Relief, Rehabilitation and Reconstruction within 3R Ministry (since December 2005 within a newly created Ministry of Nation Building and Development) chairs the NSC and is responsible for convening meetings. Based on the terms of reference of the earlier NSC this Committee is supposed to convene every three months and more often, if necessary. In fact it has met twice during the life of the TP, most recently in October 2005. Ad hoc meetings have been called by UNDP to discuss specific issues, but no comprehensive overall review of progress appears to have been held other than the meetings of the Steering Committee.

The OCGCRRR together with the External Resources Department of the Ministry of Finance and Planning have the oversight of the TP within the Government of Sri Lanka.

The UNDP CO has the ultimate responsibility under the DEX modality for ensuring that all UNDP funds are properly utilized and accounted for. In this regard, the DRR (Programme), assisted by a JPO, covers the TP while financial, procurement and human resource matters are handled under the authority of the DRR (Operations).

UNDP procedures require that progress reports be submitted at regular intervals (normally **on an annual basis**) and the substantive revision document of the TP stipulates that a review meeting be held at least once a year, with the participation of the main partners in a joint endeavour. Such reporting is supplemented and informed by visits of UNDP personnel to the projects. In the case of the TP, this review function has been brought under the NSC – which has only met twice during the two years since the inception of the project.

A Senior Programme Manager (SPM) heads the TP. He is based in Colombo and is supported by eight professionals and four administrative staff. These persons cover the main sub-programmes as well as the cross-cutting issues that the TP is called upon to take into account. Until August 2005 the Operations Unit – responsible for all financial, procurement, contracting and human resources actions – was also directly under the SPM in the same Office. From that date onwards, the Operations Unit has been directly under the UNDP DRR/OM and located in the UNDP Country Office.

After the start of the TP and the appointment of a the SPM and following the receipt of substantial additional funding from several donors, the number of FOs expanded from four to eight – in Moneragala, Killinochchi Mannar and Ampara. With the post Tsunami response, further FOs were opened in Hambantota and Galle. Government clearance is awaited to open an FO in Mullativu. Each is headed by a FO Coordinator, responsible for coordination of the various activities and projects taken up in each District under the TP and the Tsunami Recovery Programme, as well as for the work of the staff assigned to the FO. This person also represents UNDP for purposes of interagency coordination at the

District level. The FO Coordinator is supported by a team, consisting of programme assistants and engineers as well as administrative staff. The FOs represent UNDP in the identification, appraisal, implementation of and reporting on TP projects at the District level.

The efficiency of some of the FOs – notably Killinochchi - has been impeded by staff rotation and turnover. This was mentioned to the mission by several interlocutors as a problem, particularly in building up coordination and collaboration.

Decision-making is largely located at the TP Main Office: this is true for the clearance of projects by sub-programme, selection of delivery modalities, appointment and separation of personnel, and financial transactions other than the FO imprest accounts. Specifically all the FO Coordinators report directly to the TP/SPM. The post of a deputy programme manager was added to the TP in 2005 but has not yet been filled. .

Some TP sub-programmes (4R and IRRP) have managers located in FOs. Although physically in the TP/FOs, they do not come under the authority of the FO Coordinator; they report to the **DRR/P** (4R) or TP/PM (IRRP) in Colombo.

The impact of the post Tsunami Recovery Programme.

This management structure was subject to major amendment after the assignment of personnel specifically for the Post Tsunami Recovery Programme (PTRP). Initially, this programme had been handled under the TP using existing structures and management arrangements. Indeed; the existence of FOs in several of the Tsunami affected areas was a significant attraction for donors, constituting a comparative advantage for UNDP vis-à-vis other organizations in Sri Lanka. Almost \$2.5 million (out of an initial allocation of \$10.5 million) were expended in 2005 by the TP prior to the handover by the TP to the PTRP.

On 27 July 2005, a framework of joint responsibilities was assigned by the UNDP Resident Representative and Country Director to the UNDP Deputy Country Director/ Tsunami Recovery Advisor and the TP Senior Programme Manager. The principal effect of this agreement was to place responsibility for the PTRP under the UNDP/DCD while continuing to use the TP FOs for local monitoring and implementation, albeit supplemented by additional staff hired for the purpose. At one point, during the two-month interim between reassignment and placement of the incumbent DRRs, the DCD – who is responsible for the PTRP - covered the TP, and consequently the TP/SPM reported to him.

As already mentioned, since August 2005, the DRR/Operations Manager of UNDP is responsible for financial, contracting and human resources activities of the TP under the DEX executing modality. This change was made with the agreement of all the parties concerned to remove one layer of bureaucracy from the implementation process. Previously FOs sent their requests to the TP Head Office, which forwarded them to UNDP for execution. Under the present arrangement, the FOs send their requests directly to UNDP in accordance with the project workplans.

The TP and the Donors

The TP has been very successful in mobilizing resources from donors, namely, Australia, Canada, Denmark, the EC, and Norway. This has been a joint effort by the Ministry of Triple R and UNDP. Donors have their own priorities and preferences regarding their support to the TP and these are taken

into account during the negotiating process. Both the Government and UNDP would prefer an allocation of cost sharing resources against broad programme outcomes/ outputs compared to the current practice of assigning resources on the basis of individual sub-projects under the TP.

Once donor contributions have been negotiated between the Government, the potential donor and UNDP, a formal agreement is signed. Funds are then transferred to the Country Office (according to an agreed payment schedule) and individual financial reports are prepared and submitted to donors accordingly.

Donors monitor the TP, especially those elements that they are funding, through reports prepared by the TP and provided by UNDP in conformity with their requirements, and also through site visits. National Steering Committee meetings provide the occasion to review the TP in its entirety and to raise issues of concern.

Assessment

The TP PIU

The management of the TP underwent two major changes in 2005: the separation of the management element of the PTRP from the TP; and the relocation of the Operations Unit from the TP into the UNDP Country Office. This was done to split the responsibilities for interventions related to conflict and tsunami affected areas along clear cut lines between the Senior Programme Manager and the DCD/PTRP while the Country Office Operations Unit is providing operational support to both.

This division has however led to some ambiguities in the functioning of the FOs. This situation needs to be remedied. Accordingly, consideration may be given to filling the post of TP/DPM as a matter of urgency. It is also recommended that a second TP/DPM post be established, using savings from the sub-programme manager posts. Both should be moved to the district level - one in the North and one in the East – where each would be responsible for a cluster of FOs. This would facilitate delegation of authority and incumbents with the right profile and experience could also promote the shift of focus from recovery to development.

Two of the sub-programmes have international programme managers i.e. the 4R programme and the IRRP. The incumbents of these posts are located in two of the FOs (Vavuniya and Killinochchi respectively) but cover several districts and report directly to the DRR/ P for 4R and the TP/SPM for IRRP. Other sub-programmes are covered by the TP/SPM with the assistance of senior Sri Lankan programme assistants.

The 4R sub-programme has as its principal objective the resettlement and re-integration of IDPs in the post-conflict areas through a joint programming effort between UN entities (ILO, UNDP, UNHCR, UNICEF). Initially the management of the 4R programme was put under the supervision of the TP/ SPM with the support of a project steering committee composed of representatives of the 4 agencies at working level. Following a joint review by all Heads of Agencies concerned this arrangement was revised by assigning the supervisory and coordinating functions to the UNDP DRR/P (as the lead agency) and upgrading the composition of the Steering Committee at the decision making level.

In the case of the IRRP, the tasks expected of the sub-programme PM are essentially technical, relating to standards and cost-effective options for housing. The mission believes that a zebra type technical adviser would be more appropriate for such tasks. This person would be available to the TP as a whole

to advise on housing in other sub-programmes as well as other civil works. The engineers in the TP FOs (most of whom are civil engineers) could be entrusted with the supervisory and monitoring tasks.

The mission was told by several TP FOs of delays in responsiveness by the TP Head Office and the UNDP Country Office in Colombo, particularly with regard to some procurement and payment operations. (See the section on Implementation above.) These may be inevitable following the introduction of new UNDP software systems. However, every effort should be made to explore scope for delegating authority to the FOs, subject to appropriate limits and safeguards. Certainly, once the ATLAS system has been fully debugged, consideration should be given to delegating authority up to prescribed limits for making payments at FO level. It is understood that this may be possible during the first semester of 2006.

The UNDP Country Office

The TP is under the overall supervision and management of the DRR/ P and with day-to-day programme backstopping provided by a JPO.

Reporting, monitoring visits by the TP team and the Country office as well as Steering Committee meetings should be more systematically pursued. In this context, the focus should be on results based monitoring through analytical reviews and reporting

Government

The two government entities most directly responsible for oversight of the TP, i.e. the 3R and the ERD, expressed their concern that they had not been sufficiently involved in the management of the TP. They had not been systematically consulted regarding important decisions such as the recruitment of international personnel, nor had they been routinely informed of budget and other revisions of the project. As far as the mission could determine, Colombo-based government officials have not been able to make regular field visits relating to the TP and therefore depend heavily on written reports to inform themselves on its progress – in addition to reports by local government offices. They expressed their dissatisfaction with the content and quality of these reports, which they find to be insufficiently oriented towards results and impact.

These concerns have been conveyed by the Government to UNDP and as a result the situation has improved somewhat since mid 2005. However, the inadequacy of reporting remains a concern.

The Government representatives underline that the DEX modality does not obviate the need for the Government to be kept fully in the picture – and consulted where appropriate - regarding the execution of any project to which it is a signatory. Based on the specific cases cited, the mission believes that the Government concerns are valid and that UNDP has since addressed this issue. The Government is also keen to see that the execution should progressively move from the DEX to the NEX modality (see chapter 4 for a discussion on this issue).

Donors

The project revision Q foresees five major fields of intervention: micro-credit; community infrastructure development; capacity building; employment, employment and livelihood in fisheries, agriculture and livestock. These are underpinned by a programme management structure designed to ensure the cohesion of sub-programmes and their component projects. In addition, the TP is required to take account of three cross-cutting themes; gender, environment and human rights.

As the TP has advanced and succeeded in attracting financial support from other donors, the original five areas of intervention have been superseded by a new set of sub-programmes reflecting donor priorities and preferences. Consequently, by end 2005, the TP was made up of 11 sub-programmes – these include UNDP’s own TRAC contributions to fund the management of the TP as well as to conduct workshop and to provide some “seed money” for demonstration projects. None of these represents a major departure from the original intervention areas, but it is not always easy to relate the donor-generated sub-programmes to the original five intervention areas as well as to the three cross-cutting themes.

The mission further observed that geographical allocations of donor funded programmes although fitting generally within the overall programmatic framework of the TP and based on a participatory planning process seem to have been informed by donor preferences rather than actual needs on the ground in the eight conflict affected districts.

In light of the foregoing, it would be desirable to receive donor contributions for a possible un-earmarked programme funding to allow the TP the flexibility to place funding where it is most needed and in accordance with the goals spelled out in the project document.. Furthermore, it would be desirable for donors to contribute more to the programme overheads to ensure the continuous and smooth operation of the TP support structure.

6. MONITORING AND REPORTING

Description

Monitoring is undertaken by the Government (namely by the 3R Ministry and the ERD), TP staff at field and Head Office levels, by the UNDP/CO as well as by donors. This is done by site visits and reports submitted by the TP to the other parties involved.

Much of the time of the staff in FOs is taken up with supervisory and monitoring visits to project sites. These visits inform the fact sheets, progress/ ad hoc/ final evaluation reports sent at regular intervals from the FOs to the TP Programme Implementation Unit (PIU). These in turn are used to compile the progress reports sent to the Government and donors by the TP through the UNDP Country Office. Reports are prepared to meet the requirements of individual donors for the sub-programmes that they fund. On average, each donor requires three reports per year for each sub-programme. For 2005, this has involved the preparation of 33 individual reports by the TP.

In the absence of baseline data and information at the time of preparation of projects, comparative, measurable data and information is seldom available in the project reports, which tend to be mostly geared to reporting on project inputs and activities. However, the mission believes that as implementation advances outputs and results may also be indicated which are not systematically reflected at present - perhaps because many of the recently approved micro-credit projects are yet to bear fruit.

Assessment

The mission finds that the area of monitoring and reporting is one of the weakest aspects of the TP. One consequence is that there appears to be insufficient appreciation among some actors and observers of the achievements of the TP.

Monitoring at field level is good, accounting for the majority of the time of the staff in the FOs. The TP/SPM has made a number of monitoring visits to all the FOs, but these appear to have been ad hoc rather than systematic. Since the splitting of managerial responsibilities between the TP and the PTRP in July 2005, he has focused more on the Northern districts where overall the impact of the Tsunami was less severe than in the East.

Monitoring by UNDP has been largely confined to field visits by the JPO.

Donors have been active – both locally stationed staff as well as HQ based staff - in monitoring the components of the TP they finance. They do not systematically share with the other partners in the TP the reports emanating from such visits.

The Government entities most concerned with the TP – the 3R Commission and the External Resources Department (ERD) of the Ministry of Finance – do not make monitoring visits to the TP FOs and project sites; they rely on reports generated by the TP as well as on feedback from GAs. Local government officials, particularly at the Divisional level, are broadly familiar with the TP projects, being involved in their identification, monitoring and sometimes implementation.

A desk review of the TP was commissioned by UNDP as an input to the current assessment mission. Two consultants were hired to review all significant documentation relating to the TP, especially the

progress and other reports. The principal finding of the Desk Review is that it is virtually impossible to judge the progress and impact of the TP because of the absence of yardsticks. This in turn is due to the absence of baseline surveys and data for most of the components and projects. Reports have focused mainly on activities and the delivery of inputs. Some outputs have been identified, but there is little reporting on results and their impact on beneficiaries and communities. The mission endorses this finding.

Subject to cost-effectiveness considerations, thought might be given to expanding on the Desk Review experience by engaging a local external body – university, research institution, think tank or similar – to make an independent evaluation of the TP at intervals. This may be difficult to undertake or to justify while the majority of the TP's interventions are small scale projects. It would become more necessary and justifiable if and when the TP upscales its interventions.

Concurrent with the mission, a BCPR staff member was in the country holding a workshop on the Community Based Assessment Cycle (CBAC). This was a first attempt to rectify the shortcomings in the TP's reporting. Further efforts to this end will be needed, particularly regarding the systematic preparation of baseline surveys and data. At the same time, a sense of proportion must be kept; i.e. it would not be cost-effective to spend considerable time and money on a baseline survey for projects with small budgets. The same consideration lends weight to the case for training TP/FO staff to undertake such surveys (some have had initial training on the subject), and for focusing projects in the same geographic areas.

While the mission shares the concern regarding the nature of reporting from the TP, it is also aware that many of the projects have started only recently and are ongoing. In these early implementation stages it is not reasonable to expect results yet. In other instances, usually involving micro-credit, the benefits may take time to be generated and results will only emerge later. To capture more comprehensively the results and impact of the TP projects, post completion reports should be introduced.

Self assessment M & E could be introduced if individuals and/or organizations can be identified with the requisite understanding of the issues involved and potential to be trained. This would serve two purposes: provision of ongoing feedback on the progress of projects towards their intended results and impact; and continuation of beneficiary participation that may be expected to ensure that results are indeed forthcoming and sustained.

The multiple reporting requirements generated by the system of sub-programmes derived from donors' contributions to the TP place a heavy burden on the TP staff. There is an obvious need to rationalize the existing reporting schedule. A TP Workshop held in February 2004 concluded that a single reporting format should be developed to meet the needs of all the parties to the TP. The mission could find no evidence of any follow-up to this recommendation. If it is not possible to satisfy the requirements of all donors and the Government with a single reporting format, the number of reports should be substantially reduced to a minimum by negotiating with the various parties. The amount of time, effort and money currently spent on reporting is neither an efficient nor an appropriate use of project funds.

7. FUTURE DIRECTIONS

The present TP is due to be completed at the end of 2006. As of December 2005, 341,175 conflict-affected IDPs (64,340 families) remained to be settled: of these, 68,605 (17,852 families) are in welfare camps. Thus, much remains to be done, both to settle those IDPs who remain in welfare camps as well as with host families. Those IDPs who have been resettled will need ongoing support for some time until they are fully integrated into communities and able to support themselves. The extent to and the speed with which this can be done will obviously depend on progress in moving from the current ceasefire to full peace. Under present circumstances, a pragmatic, step-by-step approach is appropriate.

While continuing to support the resettlement and reintegration of IDPs as the opportunities arise, the mission believes that any successor to the TP should place more emphasis on the medium term i.e. support to livelihoods and local economic opportunities than has been possible in the current TP. Since the present bottom-up approach does not automatically generate projects of this type, proposals from other sources should be solicited, while ensuring that any such proposals are endorsed by the potentially benefiting communities.

A more strategic approach is called for that will promote and underpin the growth of local area economic activity within the framework of larger goals for the development of the North East, and taking account of the country's Medium Term Plan and the UN Millennium Development Goals (MDGs).

A more deliberate effort should be made to coordinate and seek out complementarities with other major actors in the North East Province, such as the NECORD and NEAP. UNDP should define its niche in this respect. In this context, the mission believes that there is scope for UNDP to build from the bottom up, beginning with the type of resettlement consolidation activities implemented to date and moving up to enhanced livelihood opportunities at both the micro and meso levels. A focus of that kind would link up to the more macro-level activities of the IFIs

Special emphasis would be placed on building and strengthening capacities at all levels concerned, from community through gram to divisional and district. Such training support should not be broad based, but rather be targeted specifically at those entities that will clearly be able – and required - to use their enhanced knowledge promptly. Obvious candidates would be civil works – for road and other infrastructure maintenance – and agriculture extension services.

The CADREP and STRONG places projects, already approved, could provide the sort of capacity development support recommended above at the district and divisional levels. If necessary, additional funds might be sought to extend the current geographic coverage of those projects to include all the districts supported by the successor programme.

If TP interventions are to move beyond the small scale and short term, this will require more involvement with local government agencies than has been the case so far, both to ensure that any support interventions are consonant with plans and strategies for the Province, as well as to engage the services of the planning, managerial and technical agencies in all stages of the project cycle.

By end 2006, the response to the immediate needs of Tsunami-affected IDPs should have been met. To the extent that some of their longer-term needs will remain unmet, it would appear appropriate to consider these alongside the needs of post-conflict IDPs and recently resettled people, many of whom have been deprived of basic needs for long years. The issue of equity between post conflict and post

Tsunami affected people is the subject of current debate¹⁷; the outcome should inform the approach and design of any successor programme to the TP.

Beyond 2006, it is recommended that a single UNDP programme should address the needs of both groups using common criteria that may be drawn up consequent to the ongoing debate referred to above. It is also important that there should be clarity and agreement as to the geographic coverage of any future programme. The different perceptions that exist in the ongoing TP should be avoided at all costs.

In any future programme, the modality of execution should be based on a functional analysis of “who does what best”. Certainly, the activities covered by the TP cannot indefinitely be undertaken in the framework of a UNDP programme; they need to be progressively internalized into government structures. Only by so doing will sustainability be achieved. Again, following a pragmatic approach, it would seem that a hybrid of execution arrangements will emerge; some implementation using DEX while others use NEX. From what the mission could gather, the capacities of government structures in the South (Tsunami affected), are stronger than in the North East. In the latter, the capacities of government structures will need to be strengthened on a selective basis to enable them to deliver the services required. As and when they are able to perform efficiently and in a timely manner, they too should be used as implementing agents.

The National Steering Committee established for the Umbrella and Transition Programmes should be retained as the apex body for the oversight of any successor programme.

A successor programme should attempt as far as possible to channel prospective co-financing through unearmarked cost-sharing or a country-based trust fund. This would permit an optimal response to priorities established by beneficiaries and greatly simplify both substantive and financial reporting. There appears to be some willingness among the present donors to consider this option, based on their positive experience with the TP during the past two years.

¹⁷ See IDP Working Group in Sri Lanka “Discussion Paper on Equity”: Colombo 1 December 2005.

8. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

THE OVERARCHING OBJECTIVE

Overall, the mission assesses the Transition Programme¹⁸ as a success, given the circumstances in which it has been carried out during the past two years.

The first part: Resettlement and integration of IDPs into communities - largely met.

- Many small interventions at the community level that have improved people's lives and given them self-confidence and hope for the future.
- The identification of priorities has been truly participatory and bottom up.
- The District Review Board mechanism works well to ensure coordination among different interventions, both governmental and external.
- The UNTP/FOs offer a real comparative advantage to support the participatory approach, to interact with local authorities and to supervise, monitor and report on projects progress.
- The TP has been successful in attracting other donor resources (\$23.7 million so far)
- Achievements are difficult to catalogue and measure, in part because of the large number of projects (almost 400) and in part because of the lack of established benchmarks.

The second part: Moving from relief and recovery towards development – less successful. Three contributing factors:

- The political climate is not conducive to investment, particularly in the NE Provinces.
- Donor preferences as evidenced in the sub-programmes -are more for short term- than longer-term interventions.
- The process for project selection (bottom up) does not spawn proposals at a level higher than the community.

THE IMMEDIATE OBJECTIVES

(Re construction of Community infrastructure:

- Significant numbers of community halls, tertiary irrigation works and access roads have been (re)constructed.

Generation of Employment Opportunities:

- The provision of resources for construction, improved agriculture, fisheries and animal husbandry has generated employment opportunities in the communities supported by the TP. The housing component, about to begin, will create more openings
- Micro-credit has also provided employment both directly and indirectly. TP projects have been linked to “food for work” in several instances.

Enhancing the rural economy:

- Activities under the TP have stimulated the local economies by the injection of resources and by a modest multiplier effect – eg poultry production; roadside stalls. It was not possible to measure this.
- A few projects are generating up- and downstream linkages, such as the rehabilitation of milk schemes and the introduction of sprinkler and drip irrigation.

¹⁸ The mission uses the terms “programme” to describe the overall Transition Programme; “sub-programme” to describe the components funded by various donors; and ‘projects’ to describe the individual (small) projects that are delivered under the TP.

Development of Capacity at community level:

- The empowerment of associations and leaders at village level has strengthened their confidence and capacity to tackle their own challenges.
- The TP has created and strengthened local managerial and some entrepreneurial skills by using community based organizations (CBOs) as implementing agents for projects.

STRATEGIES**Promotion of Micro-credit:** support for livelihood generally works well.

- The TP supports existing credit associations where they exist and are viable. In other cases it supports the establishment of revolving loan funds (RLF). Through these mechanisms, it has helped thousands of people to access investment funds.
- The repayment rates are very high – although the Tsunami affected this situation, but is being remedied to sustain the RLFs.
- Women benefit from many of the micro-loans and some women only associations have been supported.
- The community based approach has been followed i.e. working through and with groups rather than individuals. It has been successful in avoiding divisiveness between factions within communities.

Special attention to vulnerable groups:

- The project selection process includes criteria aimed at identifying vulnerable groups such as the disabled and widows. The mission was not able to judge to what extent such people have in fact benefited from the TP.

Strengthening and using the Field presence of UNDP:

- The number of FOs has been increased from four in late 2003 to ten today (this includes the offices in Hambantota and Galle set up after the Tsunami). Their staffing has been strengthened to handle the increased workload deriving from the enhanced contributions.
- The field presence of the UNDP has been viewed as a distinct comparative advantage of the UNDP in Sri Lanka.

Encouraging contributions from other donors:

- The TP has proven to be of interest to other donors. Most co-financing resources have been earmarked by sector and/or district. Donors appear to be more than satisfied with the performance of the TP so far.
- Donors preferences have posed a challenge to the programming of resources while respecting the priorities of the prospective beneficiaries. (Jigsaw programming)

Enhancing collaboration among UN agencies and organizations:

- The 4R sub-programme, active in three districts, has had some success in encouraging joint programming and monitoring by the participating agencies (ILO, UNDP, UNHCR, UNICEF). . Agencies such as WFP and FAO are not part of the 4R. In order to promote and sustain closer UN collaboration this initiative should be placed more squarely under the Resident Coordinator system.
- In fact, there is coordination among UN agencies at the local level in all eight districts, mainly on administrative and security matters. Programme coordination also takes place at the initiative of individuals and through the exchange of information.

Sustainability

- The small-scale, local nature of most of the outputs of the TP gives reasonable assurance that they will be maintained and sustained.
- Some items e.g. community halls and preschools will require provision for recurrent expenditure and this has not always been thought through.
- Larger works like roads – and, in future, housing – may be more problematic, requiring larger and more technical support.
- If the TP succeeds in scaling up to address more aspects of the local economy, sustainability will increasingly depend on local authorities. These will need support to enhance their capabilities and motivation.
- If the TP were eventually to be converted to a more development oriented, area based scheme, it will need to be internalized as part of national structures.

THE PROGRAMME CYCLE

Genesis and Design

- The TP is not reflected in and thus does not follow a project/programme document. The revision Q of the earlier Umbrella Project provides a framework. The sub-programmes, elaborated with the donors, together constitute the effective PD. The absence of an overall results framework and varying perceptions of the main objectives and coverage of the TP probably derive from this lack of a single, PD drawn up in accordance with the Log frame.

Planning

- Planning is a protracted, three tier process due to the need to deliver specific, donor sub-programmes.
- Planning tends to be ad hoc i.e. not based on systematic, area-wide assessments. Consequently, it is not possible to verify that the most vulnerable are being reached.
- TP planning could be more aligned with that of agencies working closely with IDPs.
- Concentration of multiple projects in the same area would result in greater impact. This has to be balanced with equity considerations.
- Planning of the projects is participatory and has the approval – overt or tacit – of all interested parties.
- Planning has to take account of funding preferences. This may not be transparent at the local level and it appears that some beneficiary determined priorities cannot be met.
- Cross-cutting themes are not routinely factored in to the appraisal and design process.

Implementation

- The effectiveness of operational management and back-stopping has been improved; it could be further enhanced by delegating certain measures of authority to FOs.
- The TP is implemented through Direct Execution by UNDP (DEX). A TP Main Office (PIU) and its subordinate Field Offices are responsible for the execution of the programme under the supervision of the UNDP Country Office. A National Steering Committee (NSC) has oversight of the TP providing direction and guidance. It is chaired by the Ministry of Nation Building and Development (the 3R ministry until December 2005).
- 90 per cent of all execution is carried out by CBOs under the supervision/monitoring of the TP/FOs
- More consistency, equity and cost effectiveness will need to be injected into decisions on housing by all donors, including for the TP
- Delivery is generally timely, although some payments are delayed by the introduction of new UNDP programme management software.

Management

- The NSC met twice during the period under review 2004-2005. Given the complexity and number of actors involved there should be more frequent meetings. The NSC's ToR envisage biannual meetings.
- Two major changes in the management of the TP took place in 2005. First, UNDP's Post Tsunami Recovery Programme (PTRP) was included in part under the TP to take advantage of its field presence and ability to deliver quickly; second, the TP Operations Unit (responsible for procurement, contracting, financial and human resource matters) was transferred to UNDP's administration wing with ultimate aim to support field based operations of all UNDP programmes beyond the TP. This may have been inevitable given the different modalities used, but has led to some ambiguities in the functioning of the FOs.
- Two of the sub-programmes – 4R and IRRP – provide for international managers, located respectively in the Vavunya and Killinochchi. FOs and reporting to the DRR/P in the case of 4R and the Senior Programme Manager for IRRP. This does not seem to be the most cost-effective solution: short-term technical advisers, available to the entire TP could be considered.

Monitoring and Reporting: This is the weakest aspect of the TP as present.

- Reporting is generally compliant with donor requirements, but does not satisfy Government or UNDP.
- Monitoring by the TP at the field level is good, constituting a significant percentage of workload. The TP/SPM also spends considerable time on monitoring. Donors also monitor those elements of the TP that they finance. One UNDP staff member devotes considerable time to the TP, reporting to senior management. The Government entities most directly concerned – the 3R and the ERD – closely follow the progress of the programme.
- Visits to the TP FOs and project sites are mainly undertaken by TP staff. Donors make regular visits. Reporting should be regular, focused on the main issues, results based and accurate.
- The reporting workload is disproportionately heavy, since each donor receives reports tailored to its requirements. 33 reports had to be generated in 2005.
- Reports mainly focus on activities and inputs. There is little analytical content or coverage of results and impact. Milestones and other indicators are seldom identified at the early stages and make assessment of progress and success difficult.

RECOMMENDATIONS

1. Ongoing Transition Programme

- The mission strongly recommends that a substantive programme revision document be prepared to accommodate the request for a one year extension and to reflect the changes that have occurred since the inception of the TP.
- Improve and expand participatory needs assessment to provide baseline data and benchmarks enabling greater measurability of progress and results. Introduce community self-monitoring.
- Relevant staff in TP FOs and main office should be provided with training in needs assessment, baseline survey techniques, reporting and monitoring as well as in project logic framework.
- Encourage and train local leadership as well as actual and potential local entrepreneurs
- Ensure that vulnerable groups are reached and their needs addressed.
- Pay more attention to sustainability and projects' orientation to local economic development.
- Undertake a functional analysis to determine DEX/NEX options, based on "who does what best."
- Ensure that gender is taken routinely into account when appraising and implementing projects.

- Urge donors to contribute in as fungible a way as possible and to share reports – both those they generate and those they receive.
- Urge donors not to insist on international managers as components of their sub-programmes: technical advisers would be acceptable and more useful.
- Merge the UNDP Post Tsunami Recovery Project back into the TP, under unitary management, while retaining separate accounting and reporting lines. In addition, two DPM posts should be established in the North and East Regions respectively.
- Joint field visits by both Government and senior UNDP staff.
- The NSC should be convened at least every six months
- Reporting should be more analytical and results oriented Systematic follow-up of completed projects should be introduced, with a short report on results, impact and sustainability say one year after completion.

2. Future Directions

While continuing to support the resettlement of IDPs, any successor to the current Transition Programme, should place more emphasis on moving upscale towards economic development. In view of the political situation that prevails, this should be pursued in a pragmatic, step-by –step way, starting at the sub-divisional level and exploiting opportunities as they present themselves.

For reasons of equity, it would also be desirable to consider IDPs as a group – post-conflict and post Tsunami – responding to their needs on the basis of agreed common criteria.

- Integrate the TP and the PTRP into a single recovery programme addressing the needs of both post-conflict and post-Tsunami affected people in an agreed geographic area.
- Introduce the NEX modality in areas where it is geographically and functionally appropriate,
- Emphasize the medium term with more focus on local area economic and social development
- Strengthen communities to interact with local authorities.
- Strengthen elements of local government to provide better services to communities and to enhance their capacities to undertake NEX.
- Emphasize training to build and strengthen capacities at all levels, including private sector.
- Enhance interaction with the NEPC, NECORD and other actors in the NE so as to better complement and coordinate the programmes of those entities.
- Link interventions in the NE increasingly to the Medium Term Plan, the national framework for poverty alleviation and the attainment of the MDGs

Annex 1: Programme expenditures by districts

[Excel file]

Annex 2: Persons met by the mission

United Nations

Mr. Miguel Bermeo	- UN Coordinator and UNDP Representative
Mr. Abu Selim	- UNDP, Country Director
Ms. Beate Trankmann	- UNDP, Deputy Representative (P)
Mr. Bengt Messing	- UNDP, Deputy Representative (O)
Ms. Razina Bilgrami	- UNDP-RBAP, Programme Advisor
Ms. Nynke Kuperus	- UNDP, Transition and Recovery Analyst
Ms. Geraldine Ratnasingham	- UNDP Programme Officer
Ms. Janette Moritz	- UNDP, Senior Programme Advisor
Ms. Okama Ekpe Brook	- UNV, Coordinator
Ms. Gaela Roudy Fraser	- UNDP-BCPR, Programme Specialist
Mr. ...	- UNDP, Consultant TP desk review
Mr. ...	- UNDP, Consultant TP desk review

Mr. Wuria Karadaghy	- TP, Senior Programme Manager
TP staff in Colombo and Field Offices visited	
Mr. Massimo Marafatto	- TP-IRRP, Project Manager
Mr. Souleymane Balde	- 4R, Project Coordinator

Mr. Sanaka Samarasinha	- UNDP, Deputy Country Director (Recovery)
TP tsunami recovery staff in Colombo and Galle	

Mr. Amin Awad	- UNHCR, Representative
Mr. Axel Bisschop	- UNHCR, Senior Programme Officer
Mr. Anicet Ndayisaba	- UNHCR, Head of Killinochchi Field Office
Ms. ...	- ILO, Representative
Ms. ...	- UNICEF, ...

Government

Mr. M.S. Jayasinghe	- Secretary, Ministry of Relief, Rehabilitation and Reconciliation
Dr. Kunesingham	- Senior Technical Advisor, Ministry of Relief, Rehabilitation and Reconciliation
Mr. R.A. Jayatissa	- Deputy Secretary, Ministry of Finance and Planning
Ms. Sujatha Cooray	- Director General ERD, Ministry of Finance and Planning
Mr. P.H. Sugathadasa	- Director ERD, Ministry of Finance and Planning
Other staff	- ERD, Ministry of Finance and Planning
Mr. S.Rangarajah	- NEPC, Chief Secretary
Various local government officials in the four districts visited by the mission	

Other national parties

Staff of the LTTE Planning and Development Secretariat in Killinochchi	
Mr. M.S. Ireneuss	- SIHRN Director
Mr. [former PM-advisor – with whom Paul met]	

Mr. T. Lankaneson - NECORD Project Director
Mr. Bradman Weerakoon
Various community leaders and groups visited by the mission

Donors

Mr. Alex Knox	- AUSAID, Development Programme Specialist
Mr. Dunstan J. Fernando	- AUSAID, Projects Coordinator
Mr. Jonathan Wheatcroft	- Canadian Embassy
Ms. Toni Michelsen	- Danish Development Cooperation Office, Minister Counsellor
Ms. Mariam Homayoun	- EU, Development Cooperation Advisor
Ms. Merce De Torres Llosa	- EU, Development Cooperation Advisor
Mr. Jason A. Smith	- GTZ-PIP, consultant
Ms. Birgit Kleven	- Royal Norwegian Embassy, Counsellor
Ms. Vidya Perera	- Royal Norwegian Embassy, Senior Advisor
Mr. Peter Harrold	- World Bank, Country Director

Annex 3: Main reference documents

DANIDA: Review Report of the 4R Programme (June 2005).

Economist Intelligence Unit: Country report Sri Lanka 2006-07 (UK, November 2005).

Ferdinands, Tyrol (and others): The Sri Lankan peace process at crossroads (January 2004).

IDP Working Group in Sri Lanka: The internally displaced in Sri Lanka; discussion paper on equity (Colombo, December 2005)

Institute of Policy Studies of Sri Lanka (and others): Post-tsunami recovery; issues and challenges in Sri Lanka (draft paper) (October 2005)

Multilateral (donors) Group: Preparing for transition in Sri Lanka (draft) (March 2004).

North East Provincial Council: North East Community Restoration and Development Project (information folder) (2005).

UNDP: Second country cooperation framework for Sri Lanka (2002-2006) (July 2001).

UNDP: Transition Programme - various documents, including progress reports (as off June 2004 and October 2005), Programme Manual and workshop reports.

UNDP: Transition Programme – donor co-financed sub-programme documents (CRP, MAP, 4Rs, IRRP, among others).

UNDP: Desk review of the UNDP Sri Lanka Transition Programme (Colombo, November 2005)

UNDP: Sri Lanka post tsunami; UNDP Framework for recovery assistance (draft paper) (Colombo, 2005)

UNDP project documents covering post tsunami support, including CADREP, STRONG PLACES, Disaster Risk Management, Recovery of the fisheries sector, Emergency recovery of tsunami affected housing, Sustainable recovery of micro enterprise sector.

UNDP – SURF: Operationalizing gender for poverty reduction; UNDP Sri Lanka's Transition Programme Manual (Kathmandu, June 2004).

UNDP – HURIST: Human rights programme review (September 2004).