Citra Social Innovation Lab 2.0
Project Document

Project Title:	Citra Social Innovation Lab 2.0
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Implementing Partner:	United Nations Development Programme – Direct Implementation Modality
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Brief Description

Briefly describe the overall development challenge and the expected results of the project.

Despite considerable socio-economic development and ICT-related advancements over the past decades, the world continues to face increasingly complex challenges, such as rising inequality, climate change, and anticipated disruptions due to automation and technological shifts. Innovation is seen as a means to addressing these complex challenges, and a toolkit to shape new models, approaches, and solutions for inclusive and sustainable development, especially in a post-pandemic context. In recognition of the importance of harnessing innovation to address complex challenges and boost sustainable development, the Government of Sri Lanka's National Policy Framework, 'Vistas of Prosperity and Splendour' demonstrates buy-in towards adopting innovation-driven approaches towards development among the highest levels of government.

In Sri Lanka, UNDP, in collaboration with the Government of Sri Lanka, established Citra, South Asia's first Social Innovation Lab (2018- 2020), which focused on using systemic design thinking and human-centred design principles to learn, experiment and adopt innovative approaches to complex development challenges. Building on the lessons learned from supporting innovation both within Sri Lanka and globally, the project will utilise four broad approaches of facilitating innovation: envisioning innovation; mainstreaming innovation and ecosystem building; innovating from the ground up; and experimentation. Using these four approaches, Citra 2.0 will continue to retain its experimentation function, while focusing on four SDG accelerator areas, in order to strengthen overall ***innovation readiness, capacities and understanding of its importance, and demand for innovative practices*** in the country.

Total resources required:	**USD 6,156,756**	
Total resources allocated:		
	UNDP:	370,000
	Donor:	164,000
	Government:	-
	In-Kind:	-

Unfunded:	5,622,756

Contributing Outcomes (UNDAF/CPD, RPD or GPD):[1]

UNDAF Outcome 2:

By 2022, people in Sri Lanka, especially the marginalized and vulnerable, benefit from more rights-based, accountable, inclusive and effective public institutions, to enhance trust among communities and towards the State.

CPD Output 1.3:

National and subnational level institutions have the capacity to deliver equitable, accountable and effective services

Indicative Output(s) with gender marker:

GEN2 (Gender equality as a significant objective)

Agreed by (signatures):

Government	UNDP
Print Name:	Print Name:
Date:	Date:

[1] These contributing outcomes will be updated in 2023 during the MTR of the lab to align it to the new UNSDCF and UNDP CPD.

I. Development Challenge

Despite socio-economic progress and technological advancements achieved over the past decades, the world continues to face increasingly complex challenges, such as rising inequality, climate change and disruptions to labour markets and ways of living due to automation and technological shifts. The COVID-19 pandemic in 2020 and resultant socio-economic disruptions have further exacerbated and compounded these challenges. It also triggered a fundamental rethinking of long-standing models and approaches to economic growth, governance, and sustainable development, world over.

In recent years, 'innovation' within the development space is seen as both a means of addressing complex development challenges and a key driver for economic growth and development; a toolkit to shape new models, approaches and solutions for inclusive and sustainable development. In recognition of the need to shift policies and approaches to ensure that development challenges are comprehensively and effectively addressed, countries across the world, including within the Asia-Pacific region, are increasingly investing heavily in establishing policies and strategic frameworks geared towards providing conducive environments for innovation and knowledge-driven growth and creating opportunities for collaborative and cutting-edge research and technological development. It is worthwhile noting that there is also significant heterogeneity in the models adopted by different countries across the region. For instance, China invested substantially in strengthening the entirety of its innovation ecosystem (from government investments to venture capital to fund start-ups, in addition to supporting research-led universities and the private sector) and, in doing so, developed innovation roadmaps to become a global leader in several identified key industries. India, on the other hand, focused more on government investment in research and development, amounting to $29 billion per year. Thailand has adopted a more holistic model, with its 4.0 Digital Transformation Strategy aiming to transform the country into a knowledge-based economy that promotes creativity, high-quality services and technology, along with inclusive and unbiased access to prosperity and development.

Sri Lankan Context:

While the COVID-19 pandemic was expected to push Sri Lanka into a prolonged recession through 2021, the country managed to experience some growth in the latter two quarters of 2020, amidst a prolonged second wave of outbreaks.[2] Nevertheless, it is evident that while economic activities have been able to resume to a certain degree, except for sectors severely impacted by public health restrictions such as tourism, hospitality and education, the pandemic has led to adverse impacts on poverty and inequality, leading to considerable socio-economic hardships and impeding Sri Lanka's ability to make meaningful progress towards achieving the SDGs by 2030.

Even prior to the outbreak, the country faced a high debt-to-GDP ratio of 87 percent, as well as a stagnant export market that was highly dependent on the European Union and the United States, and a relatively non-diversified basket of goods. The national unemployment rate stands at 5.4 percent as of Q2 2020, and is recorded to be as high as 27.7 percent among those aged 15 – 24 and 11 percent among those aged 25-29, indicative of significant youth unemployment in the country.[3] The country is also witnessing a demographic shift as a result of an ageing population. Additionally, Sri Lanka continues to be among the top 10 countries on the global climate vulnerability index, ranking 6th in 2020; this vulnerability

[2] http://www.statistics.gov.lk/NationalAccounts/StaticalInformation/Reports/press_note_2020q4_en

[3] http://www.statistics.gov.lk/LabourForce/StaticalInformation/QuarterlyReports/2ndQuarter2020

to climate change directly impacts key sectors of the economy, such as energy, water, food production and agriculture, tourism, and transport.[4] It is therefore evident that the country faced and continues to face several structural and systemic development challenges, that justifies a re-thinking of long-standing and conventional development models and policies going forward.

In order to achieve the standards of living indicative of a middle-income country while leaving no one behind, Sri Lanka requires further investment into (up)skilling its workforce and supporting innovation and technology-driven growth. However, the country's present capacities in innovation and its investments into the research and high-tech products and services that could allow Sri Lanka to not only overcome the barriers currently posed by COVID-19, but for its development trajectory to accelerate ahead, remain comparatively low, leading to Sri Lanka ranking 101 out of 131 countries on the Global Innovation Index (GII) 2020[5], and 84 out of 141 countries on the Global Competitiveness Index 2019.[6] The GII, which fell from a ranking of 89 in 2019 to 101 in 2020, suggests that Sri Lanka experiences weaknesses related to education, its regulatory environment, investments into research and development, and ICT use and access, among others.

In recognition of the importance of harnessing innovation to address complex challenges, while accelerating towards the achievement of the SDGs by 2030, the National Policy Framework, 'Vistas of Prosperity and Splendour' demonstrates buy-in towards adopting innovation-driven approaches towards development among the highest levels of government. The policy framework aims to transform Sri Lanka into a Global Innovation Hub, with a specific emphasis on digital innovation.

In analysing how best to shift towards innovation-driven growth, it is noted that promoting innovation in Sri Lanka faces several structural and systemic challenges:

- *Scope to nurture a more enabling environment for innovation:*

Several policy and legislative efforts have been made to promote innovation in Sri Lanka thus far. The National Innovation Agency Act passed in November 2019 allows for the establishment of an apex National Innovation Agency (NIA) to support, facilitate and provide oversight on national innovation policies and strategies. Once established, the Act envisions that the NIA will lead the creative economy and strengthen the entrepreneurial ecosystem in the country. In addition, the Information Communication Technology Agency (ICTA) is currently the government institution mandated with supporting digitalization and innovation across the government and the economy. The draft National Digital Strategy (2020-2025) is currently under review, along with plans to formulate other digital strategies (on digital readiness, digital government, digital economy, the Internet of Things (IoT) roadmap,[7] to kickstart Sri Lanka's digital transformation.

Although various innovative and digitally-driven initiatives and policies have been drafted and developed, many of these have the mandate and scope to deliver more impact, as there is scope for greater political will to drive these big-ticket items forward.[8] Given these delays in the adoption and implementation of

[4] ETUI (2014), '**Climate Change:** Implications for Employment', Key Findings from the Intergovernmental Panel on Climate Change Fifth Assessment Report

[5] https://www.wipo.int/global_innovation_index/en/2020/

[6] http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

[7] GoSL, 'National Digital Policy for Sri Lanka (2020-2025)' Ministry of Digital Infrastructure and Information Technology and Information and Communication Technology Agency, October 2019

[8] Colombo Development Dialogues (2019), "Policy Working Paper – Public Sector Modernisation".

the above-mentioned strategies and laws, the country currently lacks a holistic and integrated approach towards leveraging and facilitating innovation at national and sub-national levels. While sector-specific investments have prompted considerable innovations that have been globally recognised (for example, within the apparel and software industries), investment into identifying more productive processes within other critical sectors in the Sri Lankan economy (such as education and agriculture) remains low. In addition, there is limited focus on strengthening the ecosystem via a robust legal, regulatory and policy framework to allow for the adoption and potential commercialization of innovation and technology. However, the tide seems to be changing on this front and the importance placed on the innovation and digital transformation agenda is also evident through the establishment of the new Ministry of Technology which is positioned under the purview of the President himself. Further to this, the recent establishment of another State Ministry tasked with overseeing work in the areas of Digital Technology and Entrepreneur Development further elevates the position given to these areas work in the country. Much can be built upon these positive recent developments in terms of strengthening the existing environment.

However, the government's renewed interest and commitment towards innovation-driven growth, as demonstrated by its vision of transforming Sri Lanka into a Global Innovation Hub, indicates political will towards prioritizing innovation and moving forward on digital transformation. This would not only entail investments towards universities, businesses and individuals conducting research, and designing, developing and adopting new and innovative products, solutions, technologies and services, but also in strengthening public sector capabilities to become the catalysts of this process.

- *Potential for increased preparedness of the country to participate in 4IR:*

Technologies, such as robotics, artificial intelligence, biotechnology, blockchain, data mining, and virtual and augmented reality, are reshaping the way we live, work and relate with each other. However, countries need to be prepared to participate in the 4IR, while also ensuring that digital inequalities are addressed and that no one is left behind.

Sri Lanka's overall digital literacy is 46%, with computer literacy at 30.8%[9] - moreover, only 12% of the population of the same age group own a desktop computer or laptop. Despite 62% of Sri Lankans being aware of the Internet, only 37% are said to use it, owing primarily to a lack of knowledge on how to do so. For those using the Internet, it appears that smartphones constitute the main driver to such usage. However, while 78% of Sri Lankans between the ages of 15 and 65 own mobile phones, only 47% of mobile phone users own smartphones, with 46% possessing basic phones - in this regard, Sri Lanka has been outperformed by lower income countries in the region, such as Nepal. Sri Lanka also experiences significant urban-rural gaps in Internet use and mobile phone ownership, and substantial gender gaps in the same. Crucially, research also suggests that Sri Lankans possess a high level of concern about the risks associated with mobile phones and the Internet, with the highest levels of distrust among lower income earners, the less educated and basic phone owners.[10][3] Automation is expected to impact 35 percent of the jobs in the country, both in terms of low-end manufacturing jobs, as well as skilled jobs, such as

[9] 2019 Labour Survey, Department of Census and Statistics

[10] https://lirneasia.net/wp-content/uploads/2019/05/LIRNEasia-AfterAccess-ICT-access-and-use-in-Sri-Lanka-and-the-Global-South.pdf

financial analysts, paralegals, lawyers and tax experts.[11] Overall, it is evident that the country is still in early stages of preparedness in terms of its ability to fully take advantage of the 4IR.

Further to this, individual skills gaps within the public sector also serve as barriers impeding towards the successful implementation of such policies; a recent survey demonstrated that only 66.8 percent of the employees have the knowledge and understanding to use computers for their work purposes, and only 56.3 percent of public and semi-government sector employees use the Internet for their official work.[12] At the provincial and local levels, while investments have been made to expand the digital capabilities of the government and enterprises, such efforts have been ad-hoc and siloed, and therefore inadequate.

- *Youth Entrepreneurship ecosystem is still at the early stages of growth:*

Young people are a necessary catalysing force towards innovation-driven growth, given their creative and economic potential and ability to quickly adapt to and use new technologies and approaches. Therefore, investing in building young people's skills and supporting entrepreneurship among youth is key to ensure innovation driven inclusive and sustainable progress for Sri Lanka. While there are a few instances of young entrepreneurs thriving, due to multiple factors, such as exposure and access to resources and networks, we believe that youth entrepreneurship is still at a nascent stage owing to several reasons.

a) Risk-averse culture: Sri Lankan cultural norms tend to be risk-averse, and preferences for more traditional forms of employment often prevail. In addition, a lack of political will to promote innovation and invest in technology, research and development, combined with economic stagnation over the past few years, has also contributed towards an overall preference for stable employment over investing money and time into high-risk start-ups.
b) The youth entrepreneurship ecosystem is fast developing, and yet remains largely scattered. While there is considerable private sector investment into research and development, the wider ecosystem to promote youth entrepreneurship requires further catalysation – for instance, there are very few platforms and investment opportunities for early-stage youth-led social enterprises. Limited government and private sector investments, combined with the risk averse nature of both entrepreneurs and their support systems, mean that there is generally very little support for start-ups to grow, leading many young people to opt for more traditional forms of employment, such as jobs within the government sector.

- *Education sector has potential to be more geared towards facilitating innovation:*

The Sri Lankan education sector does not place adequate emphasis on the importance of innovative and creative thinking as a core competency required to meet the evolving demands of the future of work. Low tertiary enrolment in science and technology translates to a very small percentage of cohorts that join the workforce every year with the required skillsets to take full advantage of rapid advancements in ICT to develop new and lucrative products, solutions and services. In addition, the lack of a conducive environment or opportunities to establish new businesses or seek specialised, skilled work has led to Sri Lanka experiencing the highest rate of brain drain in the region. Accordingly, in response to these challenges, the Presidential Task Force on Education Reforms has put forth a

[11] Institute of Policy Studies of Sri Lanka (2019), 'Sri Lanka State of Economy 2019: Transforming Sri Lanka's Economy in the Fourth Industrial Revolution (4IR)'
[12] Department of Census and Statistics (2016). "Census of Public and Semi Government Sector Employment – 2016".

new strategy that aims to transform the sector in order to improve the quality and standard of education in the country.

UNDP's Comparative Advantage:

Since 2014, UNDP has invested in learning and adopting innovation tools and approaches in its work, focusing in recent years on bottom-up approaches and experimentation in developing solutions for development challenges. With a portfolio of over 140 experiments in 85 countries, UNDP was able to leverage 60 percent additional resources from governments and the private sector and 50 percent more private sector partnerships than the average UNDP project. For every dollar invested, an additional 2.1 dollars were mobilized at the country-level. These country-level innovation experiments have led to the emergence of new service lines for UNDP around alternative financing, data innovation, public policy labs, technology, and behavioural design. UNDP also supported ten governments around the world to redesign public services with citizens, execute experimental policy design, and inform and improve public planning processes through collective intelligence models.

In Sri Lanka, UNDP, in collaboration with the Government of Sri Lanka, established Citra, South Asia's first Social Innovation Lab. During its first programming cycle (2018-2020), Citra served as an experimentation and rapid prototyping facility capable of unpacking complex development challenges and convening stakeholders to design, prototype, and test solutions, using systemic design thinking and human-centred design principles throughout their process. Successful solutions were then adopted by relevant ministry or agency. An independent evaluation (attached) conducted in February 2021 on Citra's first project cycle, in February 2021, indicated that the Lab has performed largely on par with better-funded peers in countries with higher scores on the UN Human Development Index, successfully learning from and adapting their approaches to work productively and sustainably with Sri Lanka's government agencies to deliver positive outcomes. Notable achievements include, but are not limited to, the effective facilitation and introduction of innovations thinking and active collaboration on developing innovative solutions across government agencies and the successful introduction of methodologies to harness citizen-centred solutions.

The Citra team collaborated with multiple government and non-government partners in designing interventions to address a range of development challenges. Key highlights are as follows:

- Reached over 650+ government officials, including 90 NextGenGov Fellows, through the foresight and innovation capacity enhancement work carried out with the objective of creating a transformative change from within the public sector.
- Citizen-centric BPR evidenced by our work with the Department of Motor Traffic, Ministry of Education and others.
- This also includes building the capacities of officials to ensure the smooth operation of these services and their sustainability.
- Empowered 18,000 young people (43% of which were females) across all 25 districts of Sri Lanka, through the HackaDev programme, incubated 35 early-stage youth social enterprises, and provided opportunities for over 1,100 youth teams to present their social innovation ideas. The programme has also strengthened the facilitation and training capacities of over 40 local resource people, and accordingly, initiated the HackaDev Alumni and HackaDev Ambassador Programme.
- A four-year agreement between UNDP and ICTA to design, develop and implement a citizen-centric and inclusive National Digital Strategy in the next four years.

- Improved public sector services through process re-engineering (for instance, obtaining and renewing driving licenses at the Werahera Service Centre of the Department of Motor Traffic).
- Supported the Presidential Task Force (PTF) on Sri Lanka's Education Affairs in developing its roadmap to transform Sri Lanka's education sector through an innovative and digital lens.
- The team also made significant impact in areas such as dengue prevention and control, preparedness and response to natural disasters, and tracking Sri Lanka's progress on the Sustainable Development Goals, among others.

Lessons Learned: Citra's First Phase (2018-2020)

An evaluation of Citra's first phase (2018-2020) was commissioned by UNDP Sri Lanka and executed in February 2021. This evaluation revealed a number of key recommendations for Citra's next iteration, including, but not limited to: the development of a formal triage approach on Lab service offerings and resource mobilisation/cost recovery; investing in developing key performance indicators (KPIs) to capture Citra's delivery more effectively; expanding on its innovation-related knowledge products; and mobilising its existing networks of innovation champions and enablers on experiments and projects.

Other key lessons from Citra's first programme cycle include the **importance of designing for scale**, **s**upporting larger policy-level interventions and strategic programmes to **incorporate** innovation, and **working with champions** within the public sector to build their skills and abilities to integrate innovation within strategic policies and programmes, while also promoting Citra as a key partner.

Further, the first programming cycle also demonstrated the importance of **investing in research** and horizon scanning to stay ahead of the curve, and **establishing partnerships with range of actors** in order to become constructive disruptors to support innovation and digital transformation. More importantly, adhering to the principle of **inclusivity** is essential for ensuing participation of all people at the grass-roots level, in order to collect varied insights and perspectives, collaboratively design solutions, and expand opportunities for marginalized people (including youth) to participate in innovation-driven growth and promote sustainable development.

Finally, a crucial lesson learned from the first phase of Citra was that building innovation readiness requires a holistic approach that not only supports experimentation for the design and testing of services and policies, but also supports creating an enabling environment and a policy and institutional framework to sustain innovation for the purpose of accelerating Sri Lanka's development.

II. Strategy

Building on the lessons learned from supporting innovation both within Sri Lanka and globally, the focus of this project is to strengthen the **overall innovation readiness, innovation capacities and understanding of its importance, and demand for innovative practices** in the country, underpinned by principles of inclusiveness and citizen-centricity, as leveraging forces for the acceleration of Sri Lanka's sustainable development.

To operationalize the above approach, the next phase of Citra (in other words, Citra 2.0) will focus on the following four approaches for facilitating innovation in a multi-pronged, whole-of-society and whole-of-government approach:

1. **Envisioning Innovation**

To harness the potential of social innovation for sustainable development, the country needs to have a clear picture of the role innovation should play in its development trajectory. For instance, some countries have taken a more sectoral approach and focused on supporting innovation in key sectors of growth, whereas others have taken a more holistic approach to transform into a knowledge- or innovation-based economy.

This approach focuses on supporting innovation at the **systems level**, through policy, legal, regulatory, and institutional frameworks for innovation at both national and sub-national levels. Accordingly, Citra will serve as a policy platform and support the government of Sri Lanka and other key stakeholders, such as civil society and the general public, the private sector, the UN system, and other development partners, to envision the role of social innovation to develop and refine policy and institutional frameworks to achieve innovation-led development.

2. **Mainstreaming Innovation and Ecosystem Building**

Facilitating innovation-led development will require concrete actions taken towards building a conducive environment and ecosystem for innovation within the country. Building a culture of innovation requires investment in people, policies, institutions, skills and a legal and regulatory framework around innovation.

This approach, therefore, looks at supporting innovation at the **societal level**, in order to create an ecosystem that understands the value of and provides space for innovation and digital transformation – from school to employment, and beyond. Accordingly, Citra will engage in innovation 'mainstreaming' and ecosystem building. As such, Citra will support institutional capacity development on human-centred design, entrepreneurship and digital transformation, amongst others, all with the aim of mainstreaming innovative approaches throughout society, and to enhance the readiness of institutions to support process and service innovation. To complement these efforts at the institutional level, Citra will forge partnerships to support skills development for innovation, including through integrating and expanding the use of technology and digital tools to facilitate online-learning, self-paced learning programmes, etc.

3. **Innovating from the Ground Up**

This approach tackles supporting innovation at **individual level**, by strengthening skills, capabilities and building conducive mindsets to adopt innovative tools and approaches into everyday activities, be it via expanding opportunities and capacities of young entrepreneurs, allowing for greater collaboration between citizens and public sector officials to create more effective policies, or via public sector officials to drive innovative approaches to government work at the national and sub-national levels.

Citra will, therefore, continue to play a key role in providing the space for experimentation, as well as in creating inclusive spaces, platforms and opportunities to foster local know-how to collaborate on and develop solutions for local issues. To this end, Citra will also support the piloting and scaling-up of innovation to successful services and products in key sectors. This will entail collaborating with various partners across sectors to identify issues and co-create and implement innovative solutions for identified challenge areas, as well as scaling-up on-going initiatives from Citra's first life cycle.

4. **Experimentation**

This approach focuses on the core purpose with which the Citra Innovation Lab was set up. The Lab was established to serve as a policy and public service delivery experimentation facility. Using various approaches such as design thinking, human centred design, collective intelligence, strategic foresight etc.,

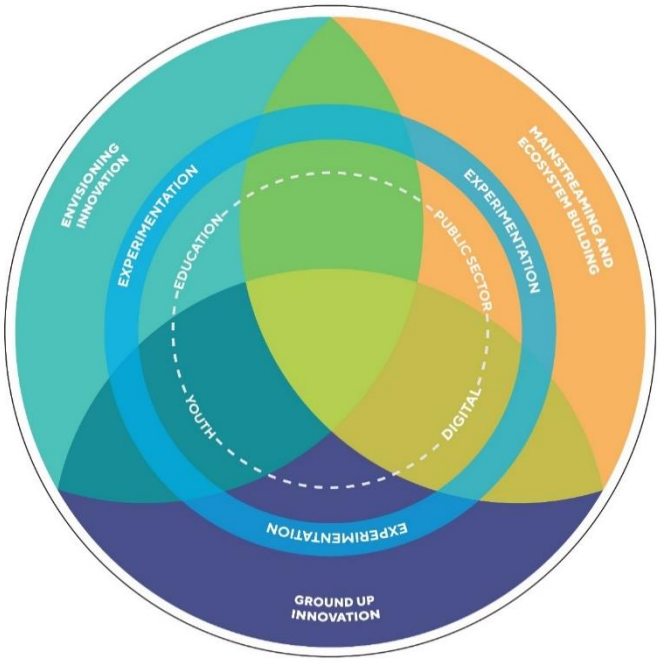
the Lab will continue to perform its core function of **experimenting, designing, prototyping**, and **testing** to **iteratively develop solutions** for the country's pressing challenges.

The Lab will use foresight tools to take into account multiple alternative future scenarios to ensure solutions are future-proof and can withstand the challenges of the everchanging development landscape, while also ensuring that solutions are scalable and are able to reach all affected communities, including the most vulnerable/marginalised.

Citra 2.0 will use the above four approaches to innovation to guide the following four SDG accelerator areas:

1. **Future-Proof Education Sector -** Utilising innovative tools and approaches to address structural and systemic challenges in building an educational eco-system which fosters innovation.
2. **Youth Skills and Entrepreneurship -** Building youth skills and capacities in innovative tools and approaches to promote productivity and innovation driven growth.
3. **Citizen-centric Public Service Delivery -** Continued support towards the capacity development of public sector officials and public sector to envision innovation and foster experimentation to develop and deliver citizen-centric policies, products and services.
4. **Inclusive Digital Transformation -** Strengthening the policy and institutional framework for digital transformation that enables national partners to envision, mainstream and promote innovation ground up.

The four SDG accelerator areas are informed by the lessons learned and experiences from implementing the first cycle of Citra (2018-2020), specifically the importance of working at the upstream policy and strategic programming levels, while concurrently working at the grassroots to promote champions within the public sector. UNDP's experiences in supporting innovation thus far have also demonstrated that no single actor or single approach to innovation is sufficient; rather, UNDP has a vital role to play in convening and connecting various actors, serving as an integrator in various efforts to strengthen innovation capabilities in the country, and advocating for promoting innovation. In other words, implementing the above approach requires novel partnerships with a number of actors that promote innovation in the country.



Problem Statement

Limited readiness of systems and structures in Sri Lanka to adopt inclusive innovation-drive growth strategies and participate in the new global economy (post-pandemic) and achieve the SDGs.

Vision Statement

Sri Lanka benefits from systems and structures geared towards innovation-driven growth strategies, and is able to participate in the new global economy (post-pandemic) and achieve the SDGs.

Immediate Gaps

1. Innovation ecosystem remains nascent.
2. Inadequate skills, knowledge and capabilities of the public sector and workforce (including young people).
3. Limited government and private sector investment.
4. Inadequate policy and strategic framework for innovation.
5. Gaps in existing government systems to allow for innovative and technological approaches.
6. Fragilities and faultiness within the existing system.

Underlying Causes

1. Lack of enforcement of the National Innovation Agency Act (2019).
2. Limited capacity of the public sector to develop and implement a comprehensive policy framework to drive innovation across critical sectors.
3. Limited public resources due to high debt ratio.
4. Low enrolment of young people in science and technology-related fields.

Root Causes

1. Risk-averse culture
2. Limited ability to prioritize resource allocation and utilization for innovation-driven growth.
3. Corruption, neglect

SOLUTIONS

1. Establishment of a safe space for **experimentation** in order to develop innovative and citizen-centric solutions.
2. **Envisioning innovation** through a robust policy and institutional architecture for the inclusive and comprehensive adoption of digital tools and innovative approaches in all sectors.
3. Adoption and **mainstreaming** of innovative approaches within various sectors vital for national development.
4. By **building an ecosystem** for innovative activities, the country provides better opportunities to develop future-fit skills, create digital social innovations, crucially access entrepreneurship support and overall, benefit from more strategic development interventions.
5. Facilitate platforms that promote ground-up, people-led innovative solutions to the country's problems, while strengthening the capacities and transforming mindsets to be more future-forward and agile.

ASSUMPTIONS

1. Buy-in and political will from the government on innovation-drive growth and the continued prioritization of digital transformation across sectors.
2. Commitment of ministries, departments and agencies to experiment and improve service delivery.
3. Collaboration and partnership between public sector actors (at all levels) and the private sector to provide support to platforms/ecosystems for youth skills development and entrepreneurship.
4. Commitment of the education sector to reform and adopt new methodologies to develop the skills and capabilities of the future workforce.

Thus, the overall objective of Citra 2.0 is to **enhance innovation readiness, capacities and understanding of its importance, and demand for innovative practices of the country with a view to achieving sustainable development, by facilitating citizen-centric and future-proof solutions for sustainable development.**

Theory of Change

IF Citra 2.0 builds capacities, strengthens policies and operationalizes strategies on innovation **THEN** the country will benefit from an agile, forward-thinking government and citizenry that is equipped with necessary skills to readily respond to evolving development challenges. This is vital **BECAUSE**, Sri Lanka's recovery hinges on having innovation driven capabilities, policies and systems to achieve inclusive growth and sustainable development in the new digitally driven and innovation led global economy.

In achieving the above desired change, the project activities will be guided by the below principles:

- Should be guided by **systems thinking approaches**,[13] in order to shift away from focusing on individualistic solutions that are implemented in isolation, towards solutions that can grapple with non-linearities and complexities while avoiding unintended consequences.
- Should be guided by **human-centred design**,[14] therefore aiming to understand different perspectives to the issue being considered and using empathy to design solutions, paying close attention to behavioural patterns and the pain-points of users.
- Should support **data, research and evidence-based approaches** to developing solutions.
- Should be guided by a **human rights-based approach**, and thus, should aim to always remain inclusive, fair, equitable and non-discriminatory (I.e., not influenced by religious, ethnic, gender, disability, age, political affiliations and other forms of discrimination.
- Should address the **needs of all disadvantaged groups -** in particular, the specific needs of women, youth, persons with disabilities and those from disadvantaged communities, among others.
- Should **actively promote local and national ownership** in promoting a culture of innovation. Towards this end, it should involve and engage with a range of stakeholders and support collaborative decision-making and support country-led/people-led strategies.
- Should be **conflict-sensitive** and actively incorporate a conflict prevention framework in all its activities and interventions.
- Should **strengthen local networks and organisations** to lead innovation and social transformation.
- Should **primarily utilise local resources and expertise**, and also draw on resources, expertise and support from other countries in Asia facing similar development contexts.

III. Results and partnerships

The project objectives will be achieved by following the abovementioned four approaches to facilitate innovation (envisioning, mainstreaming and ecosystem-building, innovating from the ground up, and experimentation). Each output and its corresponding activities are aligned with these four approaches

[13] Systems thinking is a purpose-driven approach that focuses on interrelation and/or the intersectionality between different elements within a system in order to develop a solution.

[14] Human-centred design involves the positioning of people – understanding their needs, wants, emotions, behaviours, the issues or challenges they face, their socio-economic contexts, etc. – at the heart of designing any solution to a problem.

Draft

and the core functions of the Lab. Activities relate to the identified SDG accelerator areas which have been recognised as vital areas for Sri Lanka's sustainable development and require extensive and continued investment in Sri Lanka, based not only on what the government has stated as priorities in their national policy framework, but also through frequent horizon scanning activities and analysis by the Citra team. Further, an additional output has been identified under the area of 'Experimentation' in order to provide a space for the Lab to continue staying true to its innovation core of exploring and experimenting with solutions aimed at targeting development challenges in the country.

For ease of reference, henceforth, the activity numbers will correspond to each of the SDG accelerator areas identified above: including, (1) Future-Proof Education Sector; (2) Youth Skills and Entrepreneurship; (3) Citizen-centric Public Service; and (4) Inclusive Digital Transformation.

Output 1 – ENVISIONING INNOVATION: Policy, legal, regulatory, and institutional frameworks envision innovation at both national and sub-national levels

This output is focused on harnessing the potential of social innovation in informing and shaping the development of policy, legal, regulatory, and institutional frameworks that are innovative, future-fit and responsive to shifting socio-economic dynamics. Accordingly, this output targets driving systems level change at both the national and subnational level on four fronts which target the establishment of an education system that fosters critical and innovative thinking, harnessing the potential of youth to support innovation driven growth, effecting behavioural and attitudinal shifts in the public sector in aid of citizen-centric service delivery, and finally creating an enabling environment for inclusive digital transformation.

For instance, to establish a culture of innovation, there is a need for an acceptance of the value of innovative, creative, and critical thinking approaches in everyday life. This would, in turn, require a wider knowledge of principles of innovation, as well as the availability of opportunities for the application of these principles. An innovative mindset would necessarily require learning to not be confined or restricted to formal educational institutions, but rather, promote life-long learning. To this end, there is a need for broader policies and programmes that support youth development, digitalisation across the country, and the creation of opportunities for young people to acquire different skills, including skills to participate in the 4IR economy. Activities will, therefore, focus on creating and improving digital knowledge at national, provincial and local levels, and will aim to create trust and acceptance of new 4IR technologies among all sections of society, to avoid lower growth rates, unemployment issues and general social unrest.[15]

One of the major lessons from UNDP's work on public sector innovation is the importance of creating opportunities at the institutional and individual levels to drive public sector innovation, as well as the need for attitudinal and behavioural changes towards increasing the effectiveness and efficiency of current systems. This includes adopting necessary strategies and putting in place systems and processes that promote innovation within institutions, as well as building capabilities of champions to lead innovation. However, as mentioned above, currently there is skills gap within the public sector, and this coupled with a limited understanding of and exposure to latest trends and global experiences is hindering policy formulation and implementation.

Additionally, this would involve expanding UNDP's ongoing umbrella youth programme HackaDev initiative, and current policy engagement with the Ministry of Youth and Sports and relevant national agencies on youth aimed at creating an integrated youth programming (IYDP) framework for the country. Building on the above, the output intends to ensure that Young People in Sri Lanka have better opportunities to develop future-fit skills, create social innovations, crucially access

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entrepreneurship support and overall benefit from better youth development, through better National Policy and programmatic interventions and entrepreneurship eco system strengthening. The activities are a mix of downstream, mid-stream and upstream development interventions.

KEY ACTIVITIES:

Future-Proof Education Sector -

1.1 Provide technical support to develop a strategic roadmap and action plan for revitalizing Sri Lanka's education and skills sector from an innovation and digital lens.

1.2 Produce research and policy briefs to inform implementation of the education and skills roadmap and action plan.

Youth Skills and Entrepreneurship -

1.3 Provide technical assistance for national youth policy development through the development of and integrated national youth policy and programmatic framework that facilitates inclusive and participatory youth development.

Inclusive Digital Transformation -

1.4 Provide technical support to ICTA and the Ministry of Technology to develop a costed National Digital Transformation Strategy.

1.5 Organize consultative meetings to seek input to the National Digital Transformation Strategy and other policies and strategies related to digital transformation from a range of stakeholders.

1.6 Produce research and policy briefs to inform policies, implementation strategies, and action plans.

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Output 2 – MAINSTREAMING INNOVATION AND ECOSYSTEM BUILDING: Institutional capacities on innovation strengthened to foster an ecosystem for mainstreaming innovation throughout the society

This Output will focus on working towards building eco systems and nurturing conducive environments that will foster innovation across the four identified SDG accelerators of the education sector, youth and entrepreneurship work, the public sector, and in the area of inclusive digital transformation. This Output will specifically target the societal level ecosystems and institutional skill building and strengthening, along with mainstreaming of these innovative approaches across the four areas of work.

For instance, in future proofing the education sector, UNDP will support activities to mainstream innovative approaches and skillsets within the education system, from the school-level to college-level curriculum. Investments will be supported in alternative teaching methods, along with digitalized classrooms and online self-paced learning platforms for different levels. It is also recognised that in order for the benefits of such investments into innovative teaching and learning techniques to truly be realised, an enabling environment for the adoption of these practices would need to be created, via teacher training and facilitating ICT and digital competencies for all. Moreover, for digital tools to be mainstreamed into the wider education system, there is a dire need to bridge the digital divide faced in the country, to ensure access to technology and connectivity across all communities.

Similarly in the youth and entrepreneurship area, this mainstreaming and ecosystem building objective will be achieved through an approach that includes strengthening and further scaling national platforms for social innovation, providing catalytic support to the strengthening of the entrepreneurship ecosystem in the country, proliferating future ready learning opportunities for all young people, and supporting the government to update and integrate the national policy and programming structures and institutions responsible for ensuring better youth development. Thus, it will ensure that the youth of Sri Lanka is geared to be at the vanguard of an innovative society, empowered and resilient enough to combat the dynamic development challenges of today.

In terms of the work under this output in relation to developing citizen-centric public service delivery, building on the current political will, activities will be at two levels: one at the institutional level, and another at the individual level. Citra will continue to collaborate with the Ministry of Public Services, Provincial Councils and Local Government, and the Sri Lanka Institute of Development Administration (SLIDA) and develop specific skills development and training curriculum as well as immersive experience to practically apply human centred design to experiment, innovate and improve work-flow processes and efficient service delivery.

Further, key ministries will be supported to review and map processes for facilitating innovation with individual departments as well as across the ministry. A more learning-by doing approach will be adopted for this exercise in order to build public sector officials' capacity in critical thinking and innovation. Such an approach could result in establishing mechanisms and processes such as monthly discussions, using public days to receive input and suggestions for services, and then incubating the ideas to develop viable services. Establishing appropriate mechanisms is vital for sustainability of culture of innovation with the departments and the ministries even after the transfer or retirement of champions.

Moreover, as another initiative under mainstreaming and strengthening institutional capacities to foster a more innovation-focused country, support will be provided to National Innovation Agency (once established) to strengthen their capacity and outreach to the public sector, and beyond.

Lastly, in the areas of inclusive digital transformation work, activities will include design, development and implementation of the National Digital Transformation strategy which includes a focus on the public sector as well as young people, and thereby, takes a whole-of-society approach to this holistic transformational journey, including a heavy focus on digital skill capacity enhancement work.

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KEY ACTIVITIES:

Future-Proof Education Sector -
2.1 Provide technical support to the ministries and other actors to infuse innovative approaches and teaching and learning methodologies throughout the education sector.

2.2 In collaboration with relevant Government ministries and other key stakeholders support the revitalizing of the education and skills sector in keeping with industry requirements, as well as ensuring that students are equipped with the necessary future fit skills and capabilities.

Youth Skills and Entrepreneurship -
2.3 *Facilitate access of youth to investments from government, private sector and banks, and access to enterprise operational support to strengthen the entrepreneurship ecosystem in the country and incubation support programmes for early-stage enterprises.*

Citizen-centric Public Service Delivery -
2.4 Provide technical support to SLIDA to develop and roll out curriculum on public sector innovation.

2.5 In collaboration with the relevant Ministry and SLIDA, develop and roll out immersive innovation experiences to address intractable challenges in public sector processes and service delivery.

Inclusive Digital Transformation -
2.6 Provide technical support to ministries and department to develop other digital policies and strategies (such as digital economy strategy, IOT policy etc.).

2.7 Provide technical support to establish digital service standards and infrastructure requirements.

2.8 Identify capacity development requirements for digital transformation and support development of capacity development plans on digital transformation.

Output 3 – INNOVATING FROM THE GROUND UP: Spaces and platforms rolled out to promote citizen-state collaboration on innovative development solutions, while nurturing capabilities and fostering mindsets to embrace innovation from the ground up

The activities within this output will be focused on fostering innovation from the ground up, by means of creating spaces and platforms across the four SDG Accelerator areas, (Education, Youth, Public Sector, Digital Transformation) that will promote state citizen collaboration, crowdsourcing of development solutions, inclusive digital transformation, user centred public service delivery and the nurturing capabilities and fostering mindsets at the individual level. This will in turn contribute towards building an agile forward-thinking citizenry, who can drive innovation driven growth.

In the area of Youth Skills and Entrepreneurship, Citra 2.0 will build on the HackaDev initiative, which has improved leadership, innovation, and entrepreneurship capabilities of more than 18000 youth, which is comprised of an innovation challenge, an academy of learning and skills, and a social enterprise incubation programme, complemented by a community of practice on social innovation. In

other words, the initiative is a platform for young people to present and develop their ideas and incubate the ideas into enterprises (HackaDev enterprise incubation programme), and learn (through the HackaDev academy) future-fit skills such as and not limited to technopreneurship, social innovation, digital literacy, financial and media literacy. The initiative is open to and engages with young people from across the island, with a special focus on marginalised youth groups from across the country.

The output also will indirectly contribute towards creating positive spaces of youth engagement, where young people are provided the opportunity of receiving future fit skills on areas such as prevention of hate, discrimination, and violent extremism, and encourage young people to engage and interact with diverse peer groups and present solutions to challenges in the peace and development nexus, thereby contributing to better social cohesion, co-existence and understanding.

Moreover, within the efforts to create a better public sector that can deliver citizen centric services, Citra's flagship NextGenGov Fellowship will continue to be facilitated for selected public sector officials as an experiential learning. The Fellowship which has built a network of more than 650 officials within the country, as well as government officers in more than 6 countries, aims further strengthen the capacities of government officials through this learning experience. The Fellowship focuses on equipping these officials with foresight and innovation tools and approaches necessary to change mindsets, unlock dynamic thinking, and facilitate more agile, citizen-centric, and future-forward thinking.

Finally, adopting a whole-of-society approach to digital transformation, Citra will focus on building key digital capacities of all sections of society, with a primary focus on capacity development of Chief Digital Innovation Officers and other related capacities within government thus catalysing the process of inclusive digital transformation where it will contribute to Sri Lanka's ability to close the digital divide, thus ensuring all sections of society to benefit from the dividends of digital transformation.

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KEY ACTIVITIES:

Youth Skills and Entrepreneurship -

3.1 Scale-up the HackaDev Innovation Challenge initiative further as a national platform for social innovation reaching more young men and women island-wide.

3.2 Establish partnerships and organize skill building through the HackaDev Academy to develop future-fit skills in young people across all sectors (VT, University).

Citizen-centric public service delivery

3.3 Facilitate the NextGenGov Fellowship programme for selected public sector officials in partnership with relevant partners.

Inclusive Digital Transformation -

3.4 Facilitate capacity strengthening initiatives for Chief Digital Innovation Officers at the national level.

Output 4 – EXPERIMENTATION: Citra facilitates national partners and UN agencies to experiment, design, prototype, and iteratively test future-fit and scalable development solutions which leave no one behind

The activities under this output will aim to support partners in experimenting, designing, prototyping, and iteratively finding innovative solutions to identified problems. These experimentation focused activities of the Lab will be both internal facing and external facing – in other words, the Lab will work with different programmes and projects of UN/UNDP and provide support in designing solutions for development challenges through the programmes and projects. In addition, under this output, support will be provided to ministries, departments, and agencies to identify problem areas, improve/reengineer processes, etc.

Citizen engagement will be a central focus for the Lab and will engage the public in order to identify citizen priorities for development solution and policy prototyping. Additionally, during the prototyping phase, maximum citizen engagement will be facilitated. Citizen ideas will be sought on specific issues via offline and online channels. Citizens will be also engaged in the process of the lab where prototypes will be tested in different locations, taking into considering the user journey mapping.

KEY ACTIVITIES:

4.1. Facilitate design thinking/experimentation/ re-engineering of processes for government and non-government actors.

4.2. Conduct design thinking exercises for UN agencies and UNDP programmes to address core challenges and develop innovative policy and programming solutions.

4.3. Horizon scan and develop knowledge products on emerging issues.

IV. Results Framework[15]

[15] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:

UNDAF Outcome 2: By 2022, people in Sri Lanka, especially the marginalized and vulnerable, benefit from more rights-based, accountable, inclusive and effective public institutions, to enhance trust among communities and towards the State.

CPD Output 1.3: National and subnational level institutions have the capacity to deliver equitable, accountable and effective services.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

UNDAF Outcome Indicator 1.1. Extent to which innovative governance platforms are strengthened at national and subnational levels, focusing on citizen engagement.

Baseline (2017): 1

Target (2022): 3

Source: Feedback forms, surveys, focus group discussions and key informant interviews, analytics and data generated by platforms

CPD Output Indicator 1.3.1: Proportion of the sample population satisfied with their last experience of public services in selected districts.

Baseline (2013): 0.53

Target (2022): 0.8

Source: Client Satisfaction Survey, UNDP

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Applicable Output(s) from the UNDP Strategic Plan:

2.2.1 Use of digital technologies and big data enabled for improved public services and other government functions

Project title and Atlas Project Number: Citra Social Innovation Lab 2.0 (Project Number 00137022)

EXPECTED OUTPUTS	INDICATORS[16]	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	FINAL	
Project Outcome Sri Lanka benefits from systems and structures geared towards innovation-driven growth strategies and is able to participate in the new post-pandemic global economy and achieve the SDGs.	*1.1. Proportion of the sample population satisfied with their last experience of public services in selected districts [CPD indicator 1.3.1.]*	*Surveys, focus group discussions as a part of the broader evaluations facilitated*	N/A	2021	N/A	30%	N/A	N/A	75%	85%	*Data source: primary data through surveys/focus group discussions/interviews conducted by the Lab after the testing/implementation of a solution.* *Risks associated with delays due to a lack of uptake with respect to the solution, leading to a lack of datapoints on satisfaction or access.*
	1.2 No. of solutions developed and implemented in collaboration with government and non-government actors. [Disaggregated]	*Citra project tracker*	N/A	2021	02	03	03	03	03	03	*Data source: primary data collected directly from the Lab team.* *Risks associated with feasibility to see a Lab cycle through, from problem identification to handover, as a result of delays due to external factors, a lack of political will/commitment from partners, etc.*
	1.3. No of education reforms supported by Citra adopted by the Ministry of Education	*Ministry of Education data*	N/A	2020	1	1	1	1	1	5	*Data Source: primary data from the Ministry of*

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[16] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

	1.4. Level of perceived strength of national platforms for youth development: 1. *Weak* 2. *Moderate* 3. *Strong*	*Intervention reports that contain stakeholder feedback*	N/A	2020	weak	moderate	moderate	strong	strong	strong	*Education on adoption of reforms.* *Risks associated with various actors in the Education sector not agreeing on the proposed reforms.*
	1.5. No. of organisations in the skills sector adopting new training programmes	*Project reports or knowledge products*	N/A	2020	1	1	2	2	2	8	
	1.6. Perception of the effectiveness of introduced innovative approaches within government systems: 1. *Unsatisfactory* 2. *No impact* 3. *Satisfactory* 4. *Highly satisfactory*	*End of session surveys, feedback forms*	N/A	2020	Satisfactory	Satisfactory	Satisfactory	Highly satisfactory	Highly satisfactory	Highly satisfactory	*Data source: primary data collected directly from the Lab team.*
	1.7 No. of innovation tools/approaches incorporated within government agencies and institutions, facilitated through the engagement of NGG Fellows	*End of session surveys, feedback forms*	N/A		02	02	02	03	03	12	*Risks associated with delays due to external factors, and a lack of political will/commitment from government partners, etc.*
	1.8 No. of institutions adopting recommended digital tools and approaches	*Surveys/interviews, Evaluation forms*	N/A	2020	0	02	03	05	08	18	*Data source: primary data collected through surveys and interviews, as well as feedback forms.* *Risks associated with delays due to external factors, and a lack of political will/commitment from government partners, etc.*

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Output 1 – **ENVISONING INNOVATION:** Policy, legal, regulatory, and institutional frameworks envision innovation at both national and sub-national levels.	***Future-Proof Education Sector***										
	1.1.1 *No. of policy briefs and notes developed on innovation and education sector, based on design thinking sessions conducted*	*Citra project tracker, policy briefs*	3	2020	4	4	4	4	4	20	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	1.1.2 *No. of strategic products developed in support of education reforms*	*Citra project tracker, strategic products*	N/A	2020	0	1 (strategic roadmap)	0	0	0	1	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	Youth Skills and Entrepreneurship										
	1.2.1 *No. of strategic products developed in support of a National Youth Policy*	*National Youth Policy related communication from Ministry of Youth*	N/A	0	0	1	0	0	0	1	*Data source: new or updated national youth policy.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*

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	***1.2.2** No. of indices developed for the SDG-based data portal for the youth sector*	*SDG data portal for the youth sector*	N/A	N/A	1	2	2	2	2	9	*Data source: SDG Based data portal on youth.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	***1.2.3** No. of national youth institutions/organisations receiving strategic support*	*Reports relevant to each support intervention*	2	2020	3	3	3	4	4	17	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	Inclusive Digital Transformation										
	***1.4.1** No. of strategic products developed in support of a digital government strategy*	*Citra project tracker, strategic products*	TBD	2019 - 2020	0	2	0	0	0	2	*Data source: collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from government partners, etc.*
	***1.4.2** No. of research briefs developed by the project was cited/referenced in drafts of the digital economy strategy.*	*Research briefs*	N/A	2019 - 2020	2	2	1	0	0	5	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*

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Output 2 – **MAINSTREAMING AND ECO SYSTEM BUILDING:** Institutional capacities on innovation strengthened to foster an ecosystem for mainstreaming innovation throughout the society	***Youth Skills and Entrepreneurship***									
	2.2.1 *No. of National Youth Enterprise Incubation programmes supported*	*Session plans, post-session reports*	N/A	N/A	1	1	1	2	2	2	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	Citizen-centric Public Service Delivery									
	2.3.1 *No. of training programmes administered to existing faculty at SLIDA*	*Session plans, post-session reports*	3	2019-2020	4	4	4	4	4	20	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc..*
	2.3.2 *No. of institutions supported to embed innovative approaches and activities*	*Email or letter requests, session plans, post-session reports*	12	2019-2020	3	5	5	5	5	23	*Data source: collected directly from the Lab team.* *Risks associated with agencies not seeing a value in embedding innovative approaches and committing, delays due to external factors, and a lack of political will/commitment from partners, etc..*

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	2.3.3 *No. of tailor-made capacity-building workshops conducted for government institutions*	*Email or letter requests, session plans, post-session reports*	12	2019-2020	10	10	10	10	10	50	*Data source: primary data collected directly from the Lab team.* *Risks associated with agencies not seeing a value in committing to alternate training methodologies, delays due to external factors, and a lack of political will/commitment from partners, etc.*
	2.3.4 *% of participants satisfied with the training/workshops administered [Disaggregated by vulnerable groups - e.g., women, etc.]*	*Surveys/ interviews*	50%	2019-2020	75%	75%	75%	80%	80%	80%	*Data source: primary data collected through surveys/interviews conducted by the Lab before/after NGG sessions.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	2.3.5 *No. of engagements with UN agencies and IFIs to support the design and implementation of the digital strategies*	*Workshop reports*	TBD	2020	3	5	0	0	0	8	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of commitment from partners, etc.*

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Output 3 – **GROUND UP INNOVATION:** Spaces and platforms rolled out to promote citizen-state collaboration on innovative development solutions, while nurturing capabilities and fostering mindsets to embrace innovation from the ground up	***Youth Skills and Entrepreneurship***										
	3.2.1 *No. of future fit learning modules/programmes introduced through the HackaDev Academy*	*HackaDev Website*	2	2020	3	3	4	4	4	18	*Data source: primary data collected directly from the Lab team - (Academy learning portal and HackaDev Website)* *Risks associated with availability of sustainable financing, delays due to external factors, and a lack of political will/commitment from partners, etc.*
	3.2.2 *No. of solutions selected for further enterprise development support [Disaggregated by gender, in terms of being male-/female-led]*	*Final Solutions brief and Team MoUs*	12	2019	12	12	14	14	14	66	*Data source: primary data collected directly from the Lab team - Final Solutions brief and Team MoUs.* *Risks associated with availability of sustainable financing.*
	3.2.3 *No. of applications accepted for innovation challenge programmes [Disaggregated to number of ideas pitched, districts represented] [Disaggregated by gender, in terms of being male-/female-led]*	*Applications Database*	310	2020	280	300	320	340	340	1580	*Data source: primary data collected directly from the Lab team, through the Applications Database.* *Risks associated with delays due to external factors, such as disasters, pandemics, etc.*

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	3.2.4 *No. of enterprises successfully completing incubation (including/specifying number of registrations, number of individuals - disaggregated by gender/number of women receiving incubation support)*	*Final Report of Incubation service provider*	10	2019	11	11	12	12	14	60	*Data source: primary data collected directly from the Lab team - Incubation Service Provider's Final Report* *Risks associated with delays due to external factors.*
	3.2.5 *No. of youth benefiting from the HackaDev programmes [Disaggregated by number of participants from vulnerable groups – e.g., women, persons with disabilities, etc.]*	*Participant registration and attendance reports*	5850 (M: 3330 F: 2520) (PWDs 50)	2019	5900 (M:3070 F: 2830) (PWDs 70)	6000 (M: 3100 F:2900) (PWDs 80)	6100 (M:3050 F:3050) (PWDs 100)	6300 (M: 3150 F: 3150) (PWDs 120)	6500 (M: 3225 F: 3275) (PWDs 150)	30800 M: 15595 F: 15205) (PWDs 570)	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	3.2.6 *% of participants satisfied by the benefit provided by the HackaDev programme(s) they have accessed.*	*Online and offline feedback surveys*	60%	2019	65%	70%	75%	80%	85%	85%	*Data source: primary data collected directly from the Lab team* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*

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	Citizen-centric Public Service Delivery										
	3.3.1 *No. of NextGenGov Fellowship sessions concluded*	*Session plans, participant applications, post-fellowship evaluation forms*	3	2019 - 2020	3	3	4	4	5	19	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from government partners, etc.*
	3.3.2. *No. of participants at NextGenGov Fellowship sessions [Disaggregated by number of participants from vulnerable groups – e.g., women, youth, etc.]*	*Participant applications*	30	2019 - 2020	30 women, 30 men	30 women, 30 men	30 women, 30 men	40 women, 40 men	50 women, 50 men	150 women, 150 men	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	3.3.3 *% of projects resulting from the Fellowship sessions implemented*	*Post-fellowship project tracker, minutes from mentoring sessions*	10%	2019-2020	25%	25%	35%	35%	50%	34% overall (average)	*Data source: primary data collected directly from the Lab team.* *Risks associated with actors not understanding the value of tapping into innovative tools for the implementation of solutions, delays due to external factors, etc.*

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	***3.3.4** No. of Public Officials trained in total [Disaggregated by number of participants from vulnerable groups – e.g., women, youth, etc.]*	*Post-session reports, post-session evaluation forms*	30	2019-2020	20 women, 20 men	30 women, 30 men	30 women, 30 men	40 women, 40 men	50 women, 50 men	340 in total, with 170 men and 170 women	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
	Inclusive Digital Transformation										
	***3.4.1** No. of Chief Digital Innovation Officers trained*	*Post-session reports, post-session evaluation forms*	0	2020 - 2021	70	90	90	100	100	450	*Data source: primary data collected directly from the Lab team.* *Risks associated with delays due to external factors, and a lack of political will/commitment from partners, etc.*
<u>Output 4 –</u> **EXPERIMENTATION:** Citra facilitates national partners and UN agencies to experiment, design, prototype, and iteratively test future-fit and scalable development solutions which leave no one behind	***4.1** No. of innovative experiments run through the lab cycle. [Disaggregated by sectors – e.g., public sector, private sector, UN, etc.]*	*Citra project tracker*	2	2020	2	3	3	3	3	14	*Data source: primary data collected directly from the Lab team.* *Risks associated with feasibility to see a Lab cycle through, from problem identification to handover, as a result of delays due to external factors, a lack of political will/commitment from partners, etc.*

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	***4.2** No. of innovative engagements with various actors for solutions in support of the achievement of the SDGs. (including design thinking sessions, capacity building for innovative tools and approaches, portfolio sensemaking, etc.) [Disaggregated by sectors – e.g., public sector, private sector, etc.]*	*Citra project tracker, workshop reports*	7	2020	10	10	10	10	10	50	*Data source: primary data collected directly from the Lab team.* *Risks associated with actors not understanding the value of tapping into the Lab to design solutions and therefore, not engaging, as well as delays due to external factors*
	***4.3** % of clients satisfied or able to access service delivery.*	*Surveys/ focus group discussions, system data app/website (if digital solutions)*	N/A	2020	70%	70%	70%	70%	70%	70%	*Data source: primary data through surveys/focus group discussions conducted by the Lab after the testing/implementation of a solution.* *Risks associated with a lack of uptake with respect to the solution, leading to a lack of datapoints on satisfaction or access.*

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Monitoring & Evaluation

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activities	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by		

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

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Evaluation Plan[17]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Mid-Term Evaluation	State Ministry of Skills Development,	1.1.1 Capacities developed across the	**UNDAF Outcome 1**: By 2022, people	30 November 2023	State Ministry of Skills Development,	USD 75,000

[17] Optional, if needed

	Vocational Education, Research & Innovation	whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyse progress towards the SDGs, using innovative and data-driven solutions. 2.2.1 Use of digital technologies and big data enabled for improved public services and other government functions	in Sri Lanka benefit from improved data and knowledge management to address inequities and ensure inclusive and responsive decision-making. **CPD Output 3.2 -** Evidence-based national development plan(s) informed by sustainable development framework formulated with citizen engagement.		Vocational Education, Research & Innovation, ICTA, Ministry of Youth and Sports, Ministry of Information and Communication Technology, NYSC, VTA, Ministry of Education, State Ministry of Digital Technology & Entrepreneurship Development	Source of funding to be allocated from within the project overall budget
End-of-project Evaluation				10 December 2025		

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Multi-Year Work Plan [1819]

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	***PLANNED ACTIVITIES***	***Planned Budget by Year***					***RESPONSIBLE PARTY***	***PLANNED BUDGET***		
		Y1	*Y2*	*Y3*	*Y4*	*Y5*		*Funding Source*	*Budget Description*	*Amount*
Output 1: *Policy, legal, regulatory, and institutional frameworks envision innovation at both national and sub-national levels (Envisioning)*	***Future-Proof Education Sector***									
	1.1 Provide technical support to develop a strategic roadmap and action plan for revitalizing Sri Lanka's education and skills sector from an innovation and digital lens.	*150,000*	*100,000*	*-*	*-*	*-*				***250,000***
	1.2 Produce research and policy briefs to inform implementation of the Education and Skills roadmap and action plan.	*25,000*	*30,000*	*25,000*	*25,000*	*25,000*				***130,000***
	Youth Skills and Entrepreneurship									
	1.3 Provide technical assistance for national youth policy development through the development of an integrated national youth policy and programmatic framework that	*50,000*	*50,000*	*20,000*	*20,000*	*20,000*				***160,000***

[18] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[19] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	facilitates inclusive and participatory youth development.									
	Inclusive Digital Transformation									
	1.4 Provide technical support to ICTA and the Ministry of Technology to develop a costed National Digital Transformation Strategy.	*100,000*	*50,000*	*-*	*-*	*-*				***150,000***
	1.5 Organize consultative meetings to seek input to the National Digital Transformation Strategy and other policies and strategies related to digital transformation from a range of stakeholders	*30,000*	*25,000*	*-*	*-*	*-*				***55,000***
	1.6 Produce research and policy briefs to inform policies, implementation strategies, and action plans.	*40,000*	*40,000*	*20,000*						***100,000***
Gender marker: 2	*MONITORING (1 %)*	*3,950*	*2,950*	*650*	*450*	*450*				***8,450***
	Sub-Total for Output 1	***398,950***	***297,950***	***65,650***	***45,450***	***45,450***				***853,450***
Output 2: *Institutional capacities on innovation strengthened to foster an ecosystem for mainstreaming innovation throughout the society. (Mainstreaming and Eco System Building)*	***Future-Proof Education Sector***									
	2.1 Provide technical support to the ministries and other actors to infuse innovative approaches and teaching and learning methodologies throughout the education sector.	*100,000*	*150,000*	*150,000*	*100,000*	*100,000*				***600,000***
	2.2 In collaboration with relevant Government ministries and other key stakeholders support the revitalizing of the education and skills sector in keeping with industry requirements, as	*100,000*	*100,000*	*100,000*	*100,000*	*100,000*				***500,000***

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	well as ensuring that students are equipped with the necessary future fit skills and capabilities.									
	Youth Skills and Entrepreneurship									
	2.3 Strengthen the entrepreneurship ecosystem in the country and incubation support programmes for early-stage enterprises by enhancing access to investments from government, private sector and banks, and access to enterprise operational support.	*100,000*	*100,000*	*100,000*	*100,000*	*100,000*				***500,000***
	Citizen-centric Public Service Delivery									
	2.4 Provide technical support to SLIDA to develop and roll out curriculum on public sector innovation.	*25,000*	*50,000*	*25,000*	*-*	*-*				***100,000***
	2.5 In collaboration with the relevant Ministry and SLIDA, develop and roll out immersive innovation experiences to address intractable challenges in public sector processes and service delivery.	*50,000*	*80,000*	*80,000*	*80,000*	*80,000*				***370,000***
	Inclusive Digital Transformation									
	2.6 Provide technical support to ministries and department to develop other digital policies and strategies (such as digital economy strategy, IOT policy etc.,)	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*				***250,000***
	2.7 Provide technical support to establish digital service	*-*	*75,000*	*75,000*	*-*	*-*				***150,000***

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	standards and infrastructure requirements									
	2.8 Identify capacity development requirements for digital transformation and support development of capacity development plans on digital transformation.	*20,000*	*25,000*	*25,000*	*25,000*	*-*				***95,000***
Gender marker: 2	*MONITORING (1 %)*	*4,450*	*6,300*	*6,050*	*4,550*	*4,300*				***25,650***
	Sub-Total for Output 2	***449,450***	***636,300***	***611,050***	***459,550***	***434,300***				***2,590,650***
***Output 3**: Spaces and platforms rolled out to promote citizen-state collaboration on innovative development solutions, while nurturing capabilities and fostering mindsets to embrace innovation from the ground up (Ground Up Innovation)*	***Youth Skills and Entrepreneurship***									
	3.1 Scale-up the HackaDev Innovation Challenge initiative further as a national platform for social innovation reaching more young men and women island-wide.	*75,000*	*75,000*	*75,000*	*100,000*	*100,000*				***425,000***
	3.2 Establish partnerships and organize skill building through the HackaDev Academy to develop future-fit skills in young people across all sectors (VT, University).	*75,000*	*125,000*	*125,000*	*125,000*	*125,000*				***575,000***
	Citizen-centric Public Service Delivery									
	3.3 Facilitate the NextGenGov Fellowship programme for selected public sector officials in partnership with relevant partners.	*25,000*	*50,000*	*50,000*	*50,000*	*50,000*				***225,000***
	Inclusive Digital Transformation									
	3.4 Capacity stregthening initiatives for Chief Digital Innovation Officers	*25,000*	*50,000*	*50,000*	*50,000*	*50,000*				***225,000***
Gender marker: 2	*MONITORING (1%)*	*2,000*	*3,000*	*3,000*	*3,250*	*3,250*				***14,500***
	Sub-Total for Output 3	***202,000***	***303,000***	***303,000***	***328,250***	***328,250***				***1,464,500***
***Output 4**: Experimentation*	*4.1 Facilitate design thinking/experim*	*60,000*	*100,000*	*100,000*	*100,000*	*100,000*				***460,000***

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	entation/ re-engineering of processes for government and non-government actors.									
	4.2 Conduct design thinking exercises for UN agencies and UNDP programmes to address core challenges and develop innovative policy and programming solutions.	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*				***125,000***
	4.3 Horizon scan and develop knowledge products on emerging issues to inform policy	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*				***125,000***
Gender marker: 2	*MONITORING (1%)*	*1,100*	*1,500*	*1,500*	*1,500*	*1,500*				***7,100***
	Sub-Total for Output 4	***111,100***	***151,500***	***151,500***	***151,500***	***151,500***				***717,100***
Evaluation *(as relevant)*	*EVALUATION*		*30,000*			*45,000*				***75,000***
Indirect Costs (8%)		*92,920*	*113,500*	*90,496*	*78,780*	*80,360*				***456,056***
TOTAL		**1,254,420**	**1,532,250**	**1,221,696**	**1,063,530**	**1,084,860**				***6,156,756***

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Governance and Management Arrangements

The project will be implemented through UNDP's Direct Implementation Modality whereby UNDP will utilize its technical and administrative capacity to assume the responsibility for mobilizing and effectively implementing the activities to reach the expected outputs. UNDP assumes overall management responsibility and accountability for project implementation. As per UNDP's Financial Regulations and Rules (FRR) (21.02), the following general principles will be given due consideration; Best value for money; Fairness, Integrity and Transparency.

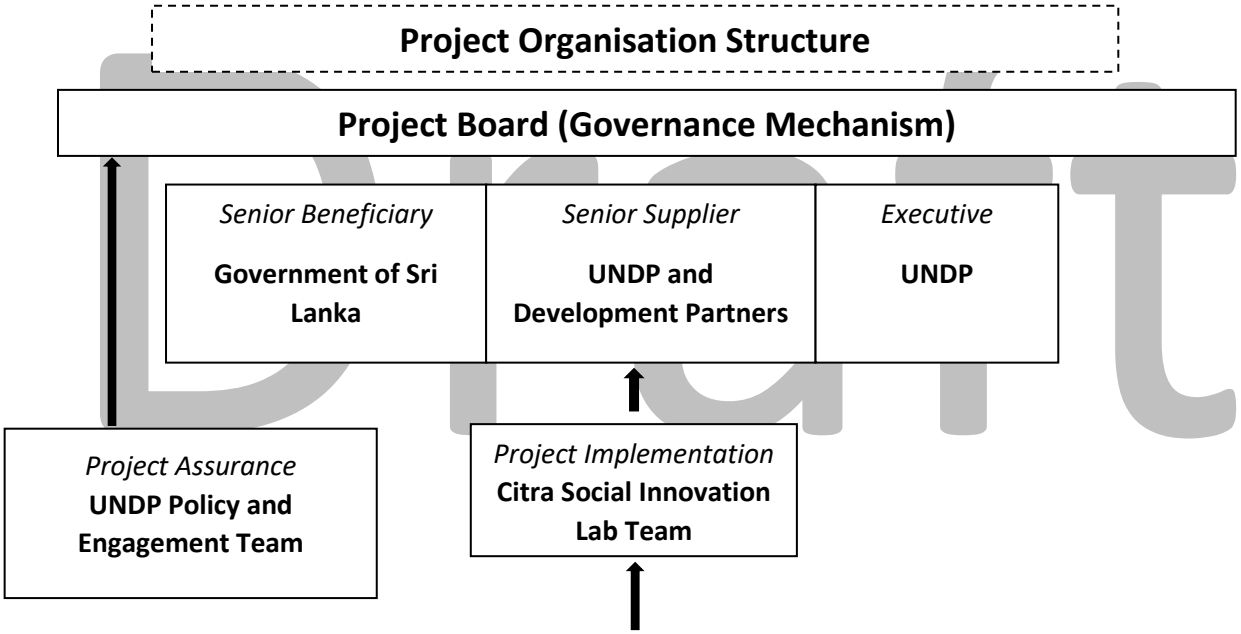
The Citra Lab will be led by a Project Manager will be responsible for:

- Managing the overall conduct of the project
- Implementing activities by mobilizing goods and services
- Checking on progress and plan deviations
- Ensuring that changes are controlled and problems addressed
- Monitoring progress and risks
- Reporting on progress including measures to address challenges and opportunities.

The overall guidance and strategic decisions related to the project implementation will be made by the Project Board. The Project Board is co-chaired by the Resident Representative of UNDP Sri Lanka and the Secretary of the Government counterpart Ministry. The Project Board will be responsible for making by consensus management decisions for the project when guidance is required by the Project Manager, including recommendations for approval of project plans and revisions.

To ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with corporate UNDP standards that shall ensure best value to money, fairness, integrity, transparency and effective international competition.

The Project Board will meet annually, with ad-hoc meetings organized as necessary, producing Minutes to be signed by the co-chairs. The overall project oversight will be provided by the **Project Manager,** who will report to the Policy and Engagement Team Leader.



Output 1: **ENVISONING INNOVATION:** Policy, legal, regulatory, and institutional frameworks envision innovation at both national and sub-national levels.	Output 2: **MAINSTREAMING AND ECO SYSTEM BUILDING:** Institutional capacities on innovation strengthened to foster an ecosystem for mainstreaming innovation throughout the society.	Output 3: **GROUND UP INNOVATION:** Spaces and platforms rolled out to promote citizen-state collaboration on innovative development solutions, while nurturing capabilities and fostering mindsets to embrace innovation from the ground up.	Output 4: **EXPERIMENTATION:** Citra facilitates national partners and UN agencies to experiment, design, prototype, and iteratively test future-fit and scalable development solutions which leave no one behind.

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Organizational Structure

Citra 2.0 will be under overall supervision of the RR and directly supervised by the Team Lead, Policy and Engagement Team in his capacity as the Lab Lead.

Image 01 below visualizes the structure of the Lab, while image 02 includes the reporting lines of the various positions within the Lab.

Image 01:

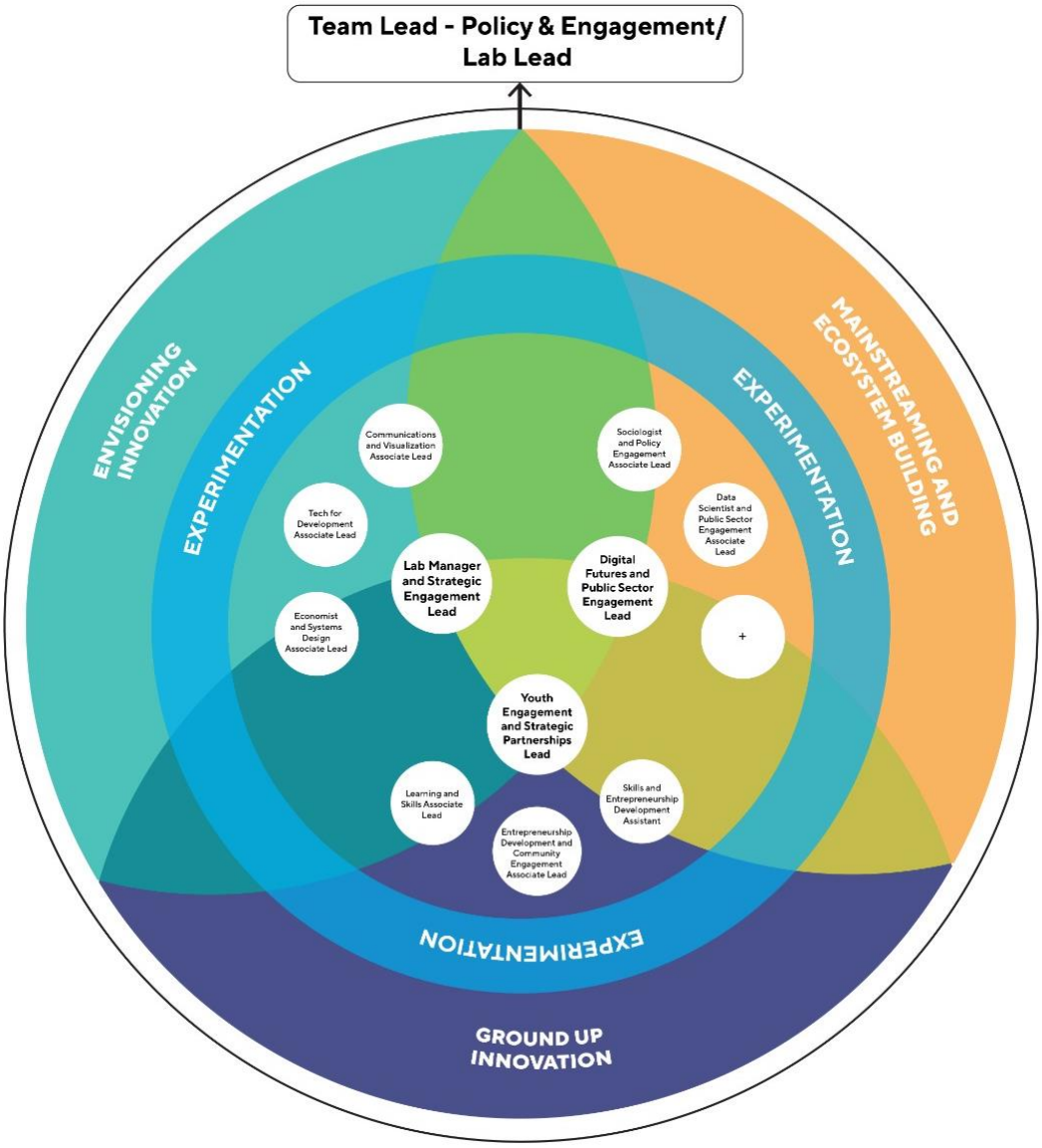
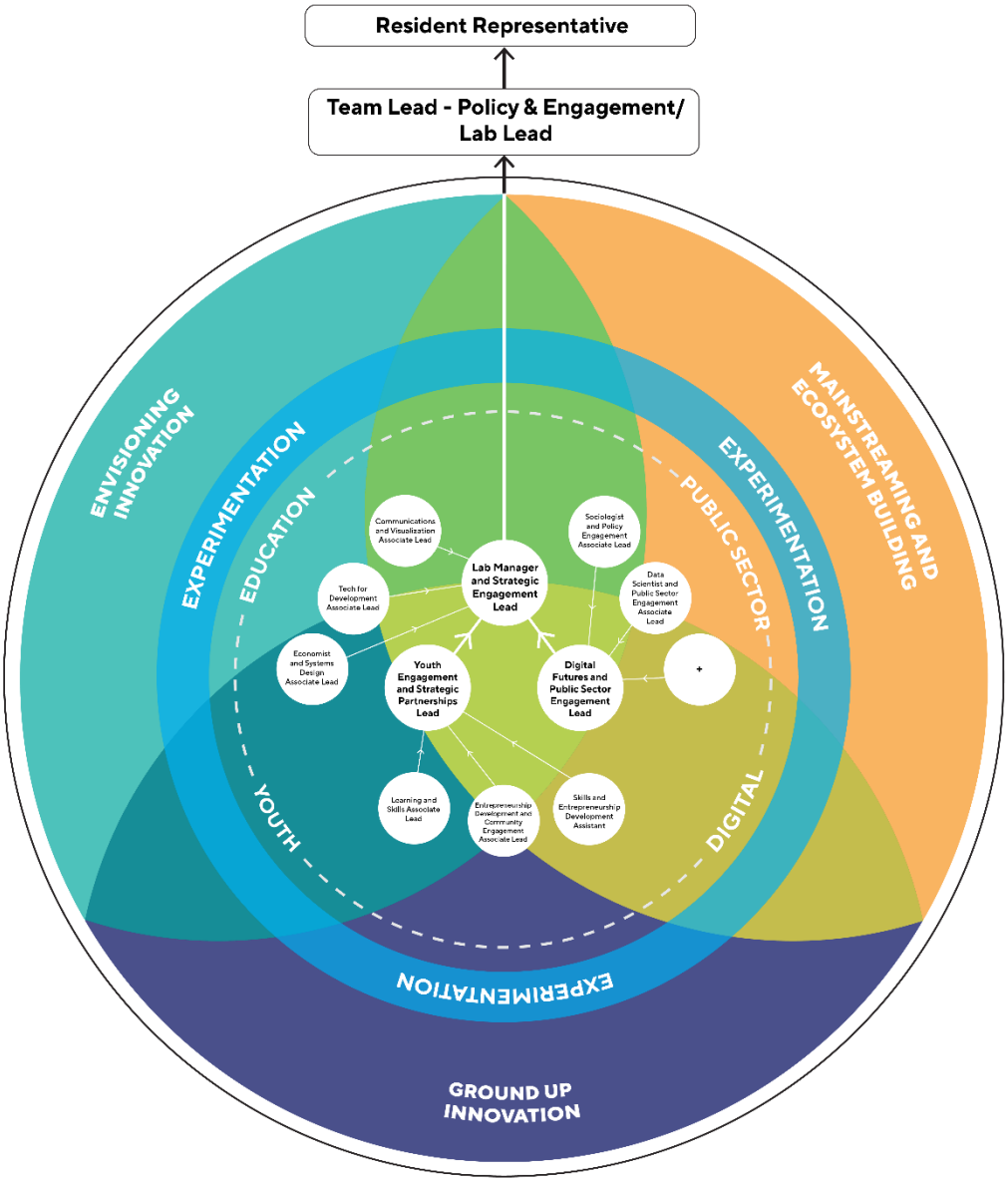


Image 02:



Sustainability

It is envisioned that at the close of the Citra 2.0 project in 2025, the Lab would have proven that the four approaches to innovation have worked and delivered key results. This should lead to multi-sectoral partners (government, UN agencies, the private sector, development partners, civil society actors, etc.) being keen to support the Lab, either in its current form or in a strengthened iteration, to take on the priorities and needs of Sri Lanka to further embed innovative approaches and solutions where required, through a whole-of-society approach.

Legal Context

*[NOTE: Please choose **one** of the following options, as applicable. Delete all other options from the document]*

Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by [name of entity] ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

Risk Management

*[NOTE: Please choose **one** of the following options that corresponds to the implementation modality of the Project. Delete all other options.]*

Option b. UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds][20] [UNDP funds received pursuant to the Project Document][21] are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

[20] To be used where UNDP is the Implementing Partner

[21] To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

    a. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

        i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

        ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

    b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

    c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.

    d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

    e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

    f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

    g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

        Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

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h. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

   Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

   Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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