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**Draft country programme document for Sri Lanka,
2013-2017**

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I. Situation analysis

1. Sri Lanka is at a defining moment in its history. A three-decade war has been brought to an end, creating hope for peace and stability. Despite the war, the 2004 tsunami and the impact of the global recession, the country has achieved middle-income status. With a land area of 62,705 square kilometres and a population of 20.45 million, Sri Lanka achieved a score of 0.691 on the 2011 Human Development Index, ranking ninety seventh out of 187 countries. This is the highest in South Asia.

2. The Government's Development Policy Framework 2011-2016 sets out the national action plan for implementing the "Mahinda Chintana", the Government's development plan. The Framework seeks to reposition Sri Lanka as a knowledge-based middle-income country. It targets the achievement of a per capita income of \$4,000 by 2016. This would require a sustained growth rate of 8 per cent and increased investments, largely from the private sector. The plan also seeks to promote economic opportunities through the creation of jobs and economic infrastructure, complemented by measures for social inclusion and for sharing benefits of growth across the population. To address regional disparities, the strategy focuses on: better targeting social protection and safety nets for the vulnerable; empowering women to participate more in the economy; and addressing vulnerability to environmental losses and natural disasters by making environmental sustainability and disaster risk reduction key components of development efforts.

3. Sri Lanka liberalized its economy in 1977. Today agriculture comprises 12 per cent of the economy, industry 28 per cent, and services 60 per cent. The challenge has been to increase the pace of poverty reduction while providing greater access to markets, infrastructure and employment for lagging regions and sectors. In this context, the doubling of per capita income from \$1,062 in 2004 to \$2,399 in 2010 constitutes a significant achievement. This increase is reflected in the reduction of the percentage of the population that is poor: from 15.7 per cent in 2006-2007 to 8.9 per cent in 2009-2010. The percentage for the urban sector is 5.3 per cent and for the rural sector 9.4 per cent. For the estate sector the percentage has been reduced from 32.0 per cent to 11.4 per cent. The rural sector accounts for 84.7 per cent of the poor. A study revealed that while 23.3 per cent of the poor lived in female-headed households, the poverty rate was not significantly different between female- and male-headed households.

4. While Sri Lanka is on track to achieve most of the Millennium Development Goals (MDGs) by 2015, variations exist at the regional level and between different socio-economic groups. In the Uva, Central and Sabaragamuwa provinces covering the estate sector (or plantation sector), several of the social indicators are the lowest and the rate of poverty the highest in the country. Mainstreaming MDGs in local service-delivery systems is considered critical for addressing regional disparities. Further challenges remain in the areas of hunger, malnutrition and loss of environmental resources. Pressures on natural resources resulting from potential post-conflict economic growth, coupled with climate change concerns, demand an increased focus on environmental sustainability and disaster resilience.

5. Though women constitute 52 per cent of Sri Lanka's population, their participation in the political system (5.8 per cent in national parliament, 5 per cent in provincial councils) and the labour force remains low (65.6 per cent of men are

economically active, as compared with 34.4 per cent of women). Despite a gender inequality index of 0.414, concerns remain regarding entitlements and the empowerment of women. Political participation by women is impeded by barriers within political parties and social structures. This also prevents the prioritizing of issues such as malnutrition, sexual and reproductive health, and this is coupled with limited capacity to deal with complex issues such as gender-based and domestic violence. These critical challenges need to be addressed, in part given the obligations of Sri Lanka under the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW Convention).

6. With the former conflict-affected areas gradually moving from relief to resettlement and recovery, challenges remain in consolidating income-generation activities, regenerating local economic development, building links to markets and ensuring the equity of support in order to prevent the emergence of new grievances. Challenges to reconciliation include issues relating to the identity and integration of different groups. Opportunities for developing social and economic links are now opening up with increased movement between the various regions.

II. Past cooperation and lessons learned

7. During 2010-11, UNDP undertook several evaluations, including an Assessment of Development Results (ADR), which assessed the impact of UNDP development support to Sri Lanka, highlighting both achievements and areas for improvement.

8. The evaluations acknowledge the substantive contributions of UNDP to development at the policy, institutional and community levels. UNDP helped improve socio-economic conditions and community cohesion in conflict-affected areas. It reached more than 12,000 people (37 per cent of them women). The schools twinning programme and women's leadership interventions contributed to social change. UNDP contributed to building national capacity for mine action coordination and management, which involved the resettlement of more than 300,000 internally displaced persons, half of them women. In the absence of statistical data for the Northern and Eastern provinces, a comprehensive socio-economic baseline study of the conflict-affected and border districts provided important qualitative and quantitative (including gender disaggregated) data to inform programme design and monitoring. UNDP support to disaster management at the local level was recognized as being an effective mechanism for reducing risk. Using the convening role of UNDP, a strategic environmental assessment in the North brought 25 governmental agencies together, and informed recovery planning related to natural resources. Early warning and response capacities were developed with 24/7 emergency operations capable of providing effective tsunami evacuation and responses to flooding. UNDP introduced and institutionalized a results-based performance monitoring culture to the public sector, linking budgetary processes to key performance indicators of ministries. UNDP helped local-level structures deliver accountable and transparent services with the use of a citizen's charter that can be monitored. UNDP also pioneered a performance-based grant disbursement mechanism for devolved authorities (which were elected by local constituencies). Support to national institutions enhanced access to regulatory services, while the delivery of civic documentation through digitized registries transformed the way in

which people in conflict-affected and estate-sector communities accessed basic services such as education, health and justice.

9. The evaluations underscored the need for UNDP to continue to support the development of critical infrastructure and sustainable livelihoods through value-chain development, market linkages and private-sector partnerships. The need to continue to promote reconciliation through social cohesion activities and strengthening the role of government institutions at the local level was also stressed. It was concluded that once a given MDG has been achieved, the next step is to move to more qualitative measures of performance, while also mainstreaming the MDGs at the local level. UNDP was encouraged to work with partners to support activities combining risk reduction and environmental management with increases in livelihood opportunities and resilience, especially in rural communities dependent on natural resources. The ADR recommended that UNDP: (i) strengthen its focus on the achievement of development results; (ii) strengthen its policy advisory role while promoting more effective use of human and intellectual resources; (iii) take the lead in helping the country address disparities and vulnerabilities that could increase as a result of rapid economic development.

10. The proposed approaches and areas for improvement recommended by the ADR and the other evaluations have reoriented and informed ongoing and new programmes.

III. Proposed programme

11. The proposed country programme 2013-2017 aligns with the Government's Development Policy Framework Mahinda Chintana 2011-2016. The country programme aims to help the country become a knowledge-based middle-income country, consolidate current MDG achievements, make progress on the lagging MDGs, and address inequalities. The proposed programme is integrated within the four pillars of the United Nations Development Assistance Framework (UNDAF) 2013-2017 under the goal "Sustainable and inclusive economic growth with equitable access to quality social services, strengthened human capabilities and reconciliation for lasting peace".¹ UNDP will contribute to the achievement of the UNDAF outcomes through policy and institutional support and on-the-ground assistance in the areas in which UNDP has a comparative advantage.² UNDP partnerships with other United Nations agencies will contribute to the substantive coherence of the United Nations development system.

¹ The UNDAF pillars: (1) equitable economic growth and sustainable livelihoods; (2) disparity reduction, equitable and quality social services; (3) governance, human rights, gender equality, social inclusion and protection; (4) environment and climate change.

² The UNDAF outcomes: (1.1) An enabled environment for equal opportunities to sustainable livelihoods, decent work and employability; (2.1) Strengthened provision of, access to and demand for equitable and quality social services delivery and enhanced capacity of national institutions for evidence-based policy development; (3.1) Communities empowered and institutions strengthened to support local governance, access to justice, social integration, gender equality, and monitoring, promotion and protection of human rights in alignment with international treaties and obligations and in alignment to the constitution of Sri Lanka; (4.1) Policies, programmes and capacities to ensure environmental sustainability, address climate change, mitigation and adaptation and reduce disaster risks in place at national, subnational and community levels.

12. Building on the previous cycle, UNDP will promote the socio-economic capacities of vulnerable communities particularly in rural areas. This work will focus on women, female-headed households, youth, ex-combatants, estate-sector families, differently-abled and HIV-affected groups. Gender will be integrated into all programmes and reflected in resource allocations, including through preferential targeting of women for economic development and social protection assistance, and through policy and community-level interventions focusing on women's involvement in all decision-making processes.

13. **Focus area I — Governance for empowerment and social inclusion.** This programme area supports the first three UNDAF outcomes related to sustainable livelihoods, public service delivery, evidence-based policy development, local governance, rule of law, access to justice and human rights, gender equality, social integration and reconciliation. UNDP will focus on the capacity development of national institutions and empowerment of communities, working to create sustainable livelihoods and promote human rights protection, focusing on the marginalized (the marginalized include, among others, sex workers and people living with HIV). An integrated governance-recovery programme will focus on increasing the capacity of local governance institutions, civil society, the private sector and communities so they can jointly plan, implement, monitor and sustain socio-economic development.

14. The country programme will help communities increase their production and “value-addition capacities”: their level of production and profit per unit of labour. It will help these communities make use of productive infrastructure, new technologies and knowledge (including through South-South cooperation). It will help communities access new markets and financial services, enhance the employability of their members, and improve the enabling environment for enterprise development. Private-sector engagement will increase the sustainability of livelihood development activities. Vulnerable groups such as women, youths and ex-combatants will be integrated into the socio-economic mainstream, in particular by being linked with formal value-chains and related informal sectors. Marketing and networking support will be provided to women's producer groups. The country programme will build on ongoing collaboration with the Food and Agriculture Organization (FAO), International Labour Organization (ILO) and World Food Programme (WFP). Environmental approaches will be mainstreamed into livelihood-support activities.

15. Systems will be strengthened for evidence-based policy development, and for institutionalizing management for development results. Policy support will be provided through galvanizing intellectual resources in the country to promote the development of policy frameworks and effective implementation. Programmes to strengthen local governance will help local governments to serve as the primary vehicles for inclusive development and broader reconciliation. Support to the rule of law systems will be provided to increase their sustainability and to enable citizens to access justice. The national capacity to protect and advance human rights will be strengthened. In partnership with UNFPA and UN-Women, gender-based violence will be addressed. The capacity of national institutions to manage the mine-action sector will be strengthened. This will include factoring mine action into development planning.

16. The country programme will continue to use its recovery and development interventions as entry points for promoting positive group relations. UNDP will also contribute to social empowerment, especially targeting women, children and the

youth. Current work on social cohesion through the twinning of schools, support for bilingualism and women's leadership at the local level will be scaled up so as to have more cross-regional reach and national-level impact.

17. **Focus area II — Environmental sustainability and resilience.** UNDP support in this area is central to the fourth UNDAF outcome on environmental sustainability, climate change and disaster risk reduction. UNDP will support policy development and technology transfer, and strengthen institutions to integrate information from environmental assessments, hazard and vulnerability profiles, and climate impact studies. Low carbon growth will be promoted in the forms of emissions reductions, renewable energy and energy efficiency. UNDP will help Sri Lanka to meet its international obligations, including after the Rio+20 conference. The country programme will strengthen capacities to provide early warning of disasters, preparedness for them and response systems. In addition, support will be provided to help Sri Lanka become a disaster management knowledge hub. Climate concerns will be mainstreamed in agriculture, water, infrastructure, tourism and coastal sectors, with a focus on vulnerable groups. Sustainable forestry practices, in particular by women's producer groups, will be promoted. Advocacy, awareness and outreach in partnership with government, community-based organizations, the private sector and media will support the Government's "Green Lanka" and "Towards Safer Sri Lanka" visions while highlighting the positive contribution of improved governance of land, air and water resources. South-South knowledge exchange will be promoted. UNDP will collaborate with the Asian Development Bank, FAO, United Nations Environment Programme (UNEP), United Nations Industrial Development Organization (UNIDO), WFP and World Bank in taking this agenda forward.

IV. Programme management, monitoring and evaluation

18. The country programme will be nationally executed and implemented in close collaboration with the External Resources Department of the Ministry of Finance and Planning. In agreement with the Government and in cases where the situation so demands, UNDP may use other modalities, including direct implementation, to enhance efficiency and results.

19. In line with the UNDP evaluation policy, the country programme will be monitored and evaluated against the UNDP results and resources framework, which will be further developed with measurable indicators as part of the Country Programme Action Plan. Project, outcome and thematic evaluations will be conducted using national capacities whenever appropriate.

20. The UNDP country office, with strengthened programme management functions, will support the implementation of programmes, ensuring efficient and effective delivery of development results. Capacity development interventions with clear goals and benchmarks will inform corresponding exit strategies which will be put in place for projects and programmes.

21. The country programme's estimated resource envelope is \$60 million, of which \$5.2 million will come from regular resources, while \$25.4 million in cost-sharing has already been mobilized. The remaining \$29.4 million will be mobilized from development partners, the Global Environment Facility (GEF), Montreal Protocol and other trust funds.

Annex. UNDP results and resources framework for Sri Lanka, 2013-2017

Resources for 2013-2017: Regular: \$5,233,000; Other: \$54,767,000; Total: \$60,000,000

<p>NATIONAL PRIORITY (Mahinda Chintana 2011-2016): Empowering the rural economy under Government's Gama Naguma (rural development) and Devi Naguma (domestic agriculture) programmes.</p>					
<p>COUNTRY PROGRAMME / UNDAF OUTCOME #1: An enabled environment for equal opportunities to sustainable livelihoods, decent work and employability. Outcome indicator: Poverty headcount ratio (% of population living below national poverty line) with a focus on the estate sector and other lagging districts (disaggregated by sex and region). Related strategic plan focus areas: crisis prevention and recovery; poverty reduction and achievement of MDGs.</p>					
GOVERNMENT PARTNER CONTRIBUTION	OTHER PARTNER CONTRIBUTIONS	UNDP CONTRIBUTION	INDICATOR(S), BASELINES AND TARGET(S) FOR UNDP CONTRIBUTIONS	INDICATIVE COUNTRY PROGRAMME OUTPUTS	INDICATIVE RESOURCES BY OUTCOME (\$)
A comprehensive policy strategy for promoting inclusive growth and supporting lagging regions through greater investment, including through promotion of small and medium-sized enterprises.	Donors support livelihood development approaches. Industry chambers adopt programmes to promote livelihood development. Private sector engages with rural/conflict-affected communities, building capacity and long-term commercial engagement.	Sustainable and commercially viable livelihood practices introduced to enable vulnerable households in target communities to move from subsistence to sustainable living conditions.	<p>1. % increase in number of women and men finding jobs after completing targeted training programmes (B: available post-Participatory Community Needs Assessment (PCNA); T: increase by 50%). 2. Number of beneficiaries (disaggregated by sex) reporting on accessing livelihood infrastructure in targeted communities (B: available post-PCNAs; T: 50%). 3. % increase in beneficiaries/producer groups, especially women's groups, reporting increased market opportunities and access to services through private sector partnerships and linkages (B: available post-PCNAs; T: increase by 50%).</p>	<p>1. Sustainable livelihood opportunities created, including skill development, value-addition and promotion of private sector linkages.</p>	Regular
					Other
<p>NATIONAL PRIORITY (Mahinda Chintana 2011-2016): Empowering the rural economy via improving the quality of social services, ensuring equitable access by all groups of population, improving access and use of ICT, raising public investment for social sectors, and establishing appropriate roles for state and non-state sectors.</p>					
<p>COUNTRY PROGRAMME / UNDAF OUTCOME #2: Strengthened provision of, access to and demand for equitable and quality social services delivery and enhanced capacity of national institutions for evidence-based policy development. Outcome indicator: Number of districts that have functional monitoring mechanisms, addressing demands for quality services and promoting dialogue between service providers and community members. Related strategic plan focus areas: democratic governance; poverty reduction and achievement of MDGs.</p>					
Government engages in ongoing updates of development policy to	Donors support development of sector-based	Capacities enhanced for evidence-based national policy	<p>1. % of persons satisfied with the implementation of the Citizens Charter, disaggregated by gender</p>	<p>1. Local actors at the divisional level better able to jointly plan development</p>	Regular
					1,405,000

provide a comprehensive performance framework. Government contributes funds for mine action.	programme approaches in selected areas, and work through decentralized and devolved institutions. Civil society organizations engage in service-delivery partnerships at subnational levels.	development, planning and monitoring of sector development strategies for inclusive growth to address inequalities at subnational level.	and ethnicity (B: 0; T: 75%). 2. Number of provinces using the national system for the management for development results. (B: 0; T: 5). 3. Number of think tanks considering Government-identified public management reforms (B: 0, T: 5). 4. Mine-action management system to support long-term operations fully developed (B: national strategy for mine action approved; T: National Mine Action Centre fully staffed, staff trained to manage national clearance and mine risk education).	initiatives and deliver quality public services. 2. Strengthened public administration system and national systems for planning, programming and monitoring for equitable economic growth in place and effectively functioning; and national capacities for mine-action management strengthened.	Other 9, 945,000
NATIONAL GOAL (Mahinda Chintana 2011-2016): To share the benefits of growth across all segments of the population and also to prevent inequities, social exclusion and adverse environmental repercussions that have been witnessed in some of rapidly growing economies.					
COUNTRY PROGRAMME / UNDAF OUTCOME #3: Communities empowered and institutions strengthened to support local governance, access to justice, social integration, gender equality, and monitoring, promotion and protection of human rights in alignment with international treaties and obligations and in alignment to the constitution of Sri Lanka. Outcome indicator: Number of national and local level mechanisms and systems for human rights protection and social integration brought into alignment with international standards. Related strategic plan focus areas: democratic governance; crisis prevention and recovery.					
Government ensures effective functioning of institutional arrangements to provide equitable and sustainable justice, ensuring human rights protection, social integration and national and regional development.	Donors define decentralized delivery responsibilities in respect to projects targeting vulnerable groups. Civil society organizations work through local governance partnerships to promote transparency and accountability in local public services.	Introduction of systems and procedures to strengthen accountability and transparency of governance structures, supporting human rights and promoting social integration and reconciliation.	1. Number of disputes resolved through mediation boards in target areas (B: 1438 in 2011, T: twice the baseline). 2. % of women represented in local bodies (B: 4%; T: 10%). 3. Number of investigations, inquiries, mediations and centers of detention visits completed by the National Human Rights Commission (B: 9852 in 2010, T: 25% increase). 4. Awareness of women and men in community based organizations of their rights and responsibilities to prevent gender-based violence (B: 10%, T: 100%). 5. % of women and men reporting increased opportunities for inter-group interaction (B: 24.5% for men and 12.9% for women; T: 50% for men and women).	1. Rule of law systems and human rights institutions provide more efficient and equitable justice services, and citizens, particularly from marginalized communities, are better able to access human rights and judicial redress mechanisms, and other public services. 2. National institutions, civil society organizations and community networks take steps to promote social integration and social empowerment, with special focus on women and youth.	Regular 1,405,000 Other 11,195,000

NATIONAL PRIORITY (Mahinda Chintana 2011-2016): Promotion of sustainable development and aiming at conserving the environment nationally and internationally.

COUNTRY PROGRAMME / UNDAF OUTCOME #4: Policies, programmes and capacities to ensure environmental sustainability, address climate change, mitigation and adaptation and reduce disaster risks in place at national, subnational and community levels. **Outcome indicator:** Number of national and sectoral policies approved by Government. **Related strategic plan focus areas:** environment and sustainable development; poverty reduction and achievement of MDGs.

Government develops and adopts measures for mainstreaming environmental sustainability, climate change adaptation and mitigation, and disaster risk reduction at all levels, complying with and harnessing benefits from international treaties. Government systems leverage green growth for employment generation and are support low emission growth.	Donors support natural resource management, renewable energy, energy efficiency and disaster risk reduction programmes. Development partners engage government agencies, private sector and civil society organizations in fostering sustainable development partnerships and promoting Sri Lanka as a knowledge hub by sharing best practices and human resources internationally.	Enhanced development planning, governance, best practices use and resource targeting capacities for natural resource management, climate change adaptation and mitigation, and disaster risk reduction.	<p>1. Strategic environmental assessments completed and operationalized (B: 0; T: 5 regions).</p> <p>2. Number of pilot projects on climate change mitigation and adaptation with specific involvement of women's groups and youth (B: 2; T: 10).</p> <p>3. Number of districts with established disaster preparedness and response capacity (B: 1; T: 25).</p>	<p>1. Mechanisms in place for sustainable natural resource management and efficient collection and use of environmental data for planning and policy development.</p> <p>2. National stakeholders better able to develop and implement policies and programmes on climate change mitigation and adaptation.</p> <p>3. Early warning, coordination, preparedness and response to natural disasters are timely and efficient.</p>	Regular 0
					Other 18,000,000