

INSTITUTIONAL ASSESSMENT CONSOLIDATED REPORT



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This report is part of an initiative supported under the Capacity Development of Local Governments (CDLG) project implemented by the United Nations Development Programme (UNDP) in Sri Lanka with the financial assistance of the European Union (EU).

CDLG is a four-year project (2020-2023) targeting the Eastern, Northern, North-Central and Uva Provinces of Sri Lanka. It is part of the European Union's STRIDE (Strengthening Transformation, Reconciliation and Inclusive Democratic Engagement) programme focused on strengthening the capacities of local government authorities to be inclusive, responsive and accountable, and improve service delivery.

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Acronyms

CDLG	Capacity Development of Local Governments
CDO	Community Development Officer
CLG	Commissioner of Local Government
EU	European Union
FA	Financial Assistant
GoSL	Government of Sri Lanka
LA	Local Authority
LAPDP	Local Authority Participatory Development Plan
LDSP	Local Development Support Project
MC	Municipal Council
NCP	North Central Province
STRIDE	Strengthening Transformation, Reconciliation and Inclusive Development
TAF	The Asia Foundation
UNDP	United Nations Development Programme
WB	World Bank

1. Executive Summary

This report discusses the key findings and implications from a study carried out for the UNDP to assess critical capacities in local authorities in the Northern, Eastern, North Central and Uva Provinces in Sri Lanka. This assignment was carried out to support the UNDP to identify performance indicators under the Capacity Development of Local Governments (CDLG) programme implemented by the UNDP. The overall objective of the CDLG project is to strengthen the capacities of Local Authorities (LA) to be inclusive, responsive, and accountable and be able to plan, enhance resilience, deliver better services and making local governments “fit for future”.

This report compiles the findings from two sets of assessment exercises carried out by The Asia Foundation at two different periods. The first exercise was carried out for The World Bank in 2018 covered LAs in the Northern, Eastern and Uva Provinces and was prepared to provide inputs to the design of the Local Development Support Programme (LDSP). The second exercise was carried out for the 27 LAs in the North Central Province for the CDLG project. Taken together, the two assessments provide a comprehensive set of baseline indicators related to critical capacities in all LAs in the four CDLG provinces. Though captured at two different time periods, with a year of gap in between, it is assumed that no significant changes to the indicators would have transpired.

The institutional assessment probed capacities across seven broad domains and 27 specific indicators, covering aspects related to assets, infrastructure, staffing, compliance, governance and uptake of technology and innovations. The assessment was conducted by the staff from the provincial Department of Local Government (DLG) by employing a self-assessment protocol, providing the LAs an opportunity to provide direct feedback to the questions.

Topline findings from this assessment are discussed briefly here:

- With a combined average score of 45 out of a maximum 100, the overall capacity for delivering services across four provinces is considerably low. Scores across 4 provinces range between 44% to 46% signifying crosscutting challenges.
- ‘Institutional capacity’ – *a composite index of planning capacity, procurement capacity, social protection and environmental management* - gets the top score among the seven domains. The indicators only capture the training opportunities that the staff have had, and reports of practices followed in the LAs. The assessment did not go into a skills audit to validate if the competencies do exist. The strikingly low score for social development services needs some attention. This is not a reflection of a lack of mandate on the part of LAs to provision social development services; existing governing legislations do provide options to do so (for instance, expanding the scope of women and child services, supporting local livelihood development programs etc.). This has more to do with the low priority accorded to social development as a service.
- Across the provinces, major outliers in scores are observed for two out of the seven domains – Provision of social development services and Governance. For provision of social development services (Delivery of any of the following social – development services (Psycho-social support programs , Livelihood support programs, Poverty-eradication programs & Support to vulnerable communities; budget allocations and expenditure provisions for social development services) North Central and Uva provinces recorded scores double that of Northern and Eastern provinces, while for ‘Governance’ (human resources deployed for and quality of citizen engagement processes, information dissemination, grievance redress, efforts at inclusion and track record of partnerships) the trend was reversed.
- Similarly, across districts Batticaloa leads the cohorts with an overall score of 54 out of 100, followed by Vavuniya (51). Kilinochchi brings up the rear end with an overall score of 40 out of 100.
- Wide variations in scores are observed across the 27 sub-indicators. Legal compliance in financial management scored highest among the 27 sub-indicators followed by regulatory service delivery and

service coverage. Sub-indicators related to innovation in regulatory services, staff for key services and innovative practices in financial management bring up the bottom rung of scores across 27 sub-indicators.

- For regulatory service delivery (building permits, trade licenses etc.) and common services (primary health, solid waste collection, rural roads, library, mother and childcare services) though service coverage across all provinces is good, overall service delivery scores are low due to lack of innovation in regulatory service delivery and non-availability of key staff for common services.
- Scores for innovation in regulatory services, staff for key services, innovative practices in financial management, use of ICT, delivering and expenditure for social development services are at the bottom rung (scoring less than 25 out of a maximum 100). The lack of capacity specifically in ICT is hindering the role of LA in provision of much needed services at the local level. This can be directly attributed to the recent failures of lack of adaptation of National-level ICT initiatives (Ex. Initiatives like ICTA’s Electronic Local Government (eLG), online payment for property tax etc).
- Though no significant variations are observed across provinces, Eastern Province recorded a relatively better performance for the 27 sub indicators by securing scores above 50 out of 100 for 16 out of the 27 sub indicators.
- Interesting pockets of good practices could be located among the provinces: LAs in Eastern Province reported relatively higher scores for procurement (presence of trained staff, proportion of local procurements commissioned), inclusiveness (disability access), and community participation processes (community consultations for planning and budgeting, formation of social audit committees). The Northern Province secured scores above 50% for 14 out of the 27 sub-indicators. LAs in Northern Province reported relatively high scores for partnerships (public-private partnerships, participation in inter-governmental meetings) and human resources deployment for community participation. The North Central Province reported relatively higher scores for delivery of regulatory services, service coverage (delivery of mandated services) and expenditure management (efficiency and compliance). Uva Province reported relatively high scores for legal compliance in financial management, good practices in office management and environment management.
- The report also makes an attempt to categorise the LAs across four performance tiers, based on their average score out of 100 across the seven assessment domains

Tier A (Excellent Performance) = Average score more than 76
Tier B (Good Performance) = Average score between 51 and 75
Tier C (Average Performance) = Average score between 26 and 50
Tier D (Poor Performance) = Average score less than 25

- Not a single LA in the Tier A category but only 1 LA in the Tier D (low performing category). Most of the LAs (72%) are in the ‘Tier C’ category with a ‘below average’ institutional capacity. 37 LAs (28%) are in the ‘above average’ performing category Tier B; however, 31 out of these 37 (84%) are on the lower end of the Tier with scores between 51 and 60. Across provinces, Eastern Province records a marginally better profile with a larger share of LAs in Tier B.
- The report also mapped the critical areas for improving LA performances in terms of policy and practice level interventions. Most of the policy-level interventions are within the mandate of the Provincial Councils - of the 27 sub-indicators used for assessing the institutional capacity of the LAs, critical capacity issues for the majority (17 out of 27 or 63%) can be addressed through policy level interventions at the Provincial level, while 2 require national-level intervention and eight fall within the practice domains of LAs.
- The compelling profile emerging from this institutional assessment of LAs in the four CDLG provinces is that of a sub-optimal performance ecology punctuated with heavy emphasis on compliance and a risk-averse attitude towards innovations and trying out new ways of delivering services.

In light of the findings and pointers emerging from this assessment, the report proposes a set of recommendations for CDLG to take forward:

- CDLG could support the LAs to introduce innovative practices in service delivery to ensure quality services to the citizen. This potential impact interventions could include use of digital platforms for delivering services, re-engineering processes, setting up one-stop-shop facilities like Citizen Service Centre for providing seamless service delivery.
- CDLG could support the establishment service level benchmarks for LA services to track and monitor the performances of the LAs in delivering public services. This will help the LAs to streamline their services by following uniform process and procedures.
- CDLG could design interventions to address the critical sub indicators at two levels - practice changes in the LAs and policy changes at the provincial level to facilitate service reforms across all LAs.
- CDLG could support the national ministry to revise and refine the PERFECT (Performance Enhancement and Consolidation Tool) framework at the National and Provincial levels in two ways: One, by strengthening the PERFECT as a tool (upgrading the indicators, online, evaluation protocol, etc) and secondly, by supporting the application of PERFECT results at the Provincial and National level (through developing web-dash boards with analytical features, monitoring guidelines, training etc.)

2. Context

The Government of Sri Lanka (GoSL), with support from the European Union (EU) and the World Bank (WB) is implementing the Local Development Support Project (LDSP) in four provinces – North, North Central, Eastern, and Uva – to strengthen local service delivery and local economic infrastructure, and enhance bottom-up approaches to support public engagement in local decision-making processes, including through participatory planning and feedback mechanisms for service delivery. The LDSP is funded through a loan agreement with the World Bank and contribution of EUR 22 million from the European Union under the latter's broader EUR 40 million 'Strengthening Transformation, Reconciliation and Inclusive Democratic Engagement (STRIDE)' Programme. The STRIDE Programme also includes the Capacity Development of Local Governments (CDLG) implemented by UNDP.

The overall objective of the CDLG project is to strengthen the capacities of Local Authorities (LA) to be inclusive, responsive, and accountable and be able to plan, enhance resilience, and deliver better services. The capacity development support, coupled with the fiscal support (through Basic Transfers and Performance Transfers provided through LDSP project) for inclusive service delivery and economic investment, is aimed at strengthening the role of elected representatives at the local level. It is about improving local governance systems and making local governments “fit for future”, as well as increase downward accountability of elected officials and local governments. The project also aims to strengthening mechanisms for public engagement in local decision-making processes.

Towards this end, UNDP has commissioned The Asia Foundation (TAF) to conduct a 'Diagnostic Study on Local Government Institutions and Finances, and Capacity Needs Assessment' in the four target provinces. A key component of the assignment involves a study on the institutional systems (institutional assessment) associated with service delivery, and the finance systems to understand and profile the factors constraining effectiveness and efficiency of local service delivery, the robustness and efficiency of local and regional level equalization measures and local government performance. Since this component was carried out by TAF for three provinces – North, East and Uva – as part of an assignment carried out for the World Bank in 2018, analysis was carried out for the North-Central Province (NCP) by employing the same methodological tools.

This report consolidates the key findings from the institutional assessment carried out for LAs across the four LDSP provinces – Northern, Eastern, Uva and North Central.

3. Methodology and Approach

The institutional assessment of 27 Local Authorities (LAs) in the NCP focused on the following functional domains:

1. Service Provision - Common Services
2. Service Provision - Regulatory Services
3. Service Provision - Social Dev Services
4. Administrative & Financial Management
5. Revenue Management Capacity
6. Institutional Capacity
7. Governance

Data was collected from **27 indicators**¹ identified across the seven functional domains. Altogether **75 datapoints** was checked to generate scores across the 27 indicators as illustrated below:

Table 1: List of Assessment Areas

Functional Domain	Indicator	Datapoints
1. Service Provision - <i>Common Services</i>	1. Availability of key assets	1. Availability of critical assets for delivering services: Road rollers Motor graders Excavators Fire engines Gully Emptier
	2. Availability of staff for key services	2. Availability of adequate number of staff for delivering waste management and road related services
	3. Good practices in office management	3. Availability of Road Inventory 4. Availability of Asset register 5. An online system is available for citizen to request services 6. All the services can be accessed at a single location (Front Office) by a visiting citizen
	4. Service Coverage/ Availability	7. No of services delivered by the LA out of 16 common and special services
2. Service Provision - <i>Regulatory Services</i>	5. Regulatory Service Delivery	8. No of regulatory services delivered (<i>Building Permits, Trade License, Environmental Protection License, Streetline Certificate, Non-vesting Certificate, Ownership Certificate, Change of Ownership & Sub-division and Amalgamation approval of land plots</i>)
	6. Innovation in Regulatory Services	9. Online/ customer friendly-regulatory services are delivered
	7. Good Practice in Regulatory Service Delivery	10. Basic good practices such as maintenance of manual register and issuing acknowledgement are practiced
3. Service Provision - <i>Social Dev Services</i>	8. Delivering Social Development Services	11. Delivery of any of the following social – development services (<i>Psycho-social support programs, Livelihood support programs, Poverty-eradication programs & Support to vulnerable communities</i>)
	9. Allocation for Social Development Services	12. Clearly identified budget allocation for social development services
	10. Expenditure for Social Development Services	13. Expenditure made against allocation in actual terms for social development services
	11. Human Resources	14. Availability of Secretary / Commissioner throughout in 2017/19

¹ For the earlier study conducted for Northern, Eastern, and Uva data sets were referenced for the years 2016 and 2017. For the recent study conducted for the North Central Province, data sets referenced are for years 2018 and 2019.

Functional Domain	Indicator	Datapoints
4. Administrative & Financial Management		15. Availability of Technical Officer / Engineer throughout in 2017/19 16. Availability of Accountant / Qualified Financial Staff as the key staff in charge for finance throughout in 2017/19 17. Number of vacant cadre (against approved cadre)
	12. Use of ICT	18. Application of ICT in routine functions (e.g., digitization of personnel files, correspondence management, electronic payment system, electronic financial management system and electronic grievance redress system)
	13. Legal Compliance in Financial Management	19. Monthly financial statement is done for Oct 2017/19 20. Monthly financial statement is done for Sept 2017/19 20. Final Accounts for 2016/18 is done 21. Obtained satisfactory remarks for the Final Accounts for 2018 22. Obtained satisfactory remarks for the Final Accounts for 2017 23. Board of Survey is completed for 2017/19 25. Valuation is done within last five years
	14. Innovative Practices in Financial Management	26. Computerized Financial management system is in place 26. Citizen can pay their payments through online 27. Citizen are issued computerized bills 28. K-Form is generated through computerized system 30. Revenue with arrears collection reports generated through computerized system
5. Revenue Management Capacity	15. Budgeting in 2019	31. Own revenue percentage 32. Allocation for capital expenses using own revenue 33. Allocation for total recurrent expenses from own revenue
	16. Revenue Collection Efficiency in 2019	34. Collection of own revenue against budget and actual 35. Collection of own revenue from 'Rent' 36. Collection of Own Revenue from 'License' 37. Collection of own revenue from 'Fee for Services'
	17. Expenditure Efficiency in 2019	38. Actual expenditure of total recurrent expenditure against budget 39. Actual expenditure for 'Supplies and Requisites' against budget 40. Actual expenditure for 'Repairs & Maintenance against budget 41. Actual expenditure for 'Transportation, Communication & Utility Services' against budget
6. Institutional Capacity	18. Planning Capacity	42. Training received in planning during 2016/17//2019 43. Availability of trained staff in planning 44. Availability of LAPDP for 2016/17//2019 45. Availability of staff with additional skills like GIS, physical planning, etc.
	19. Procurement	46. Training received in procurement during 2016/17//2019 47. Availability of trained staff in procurement 48. Projects handled through local procurement in 2016/17//2019
	20. Social Protection	49. Training received in social protection during 2016/17//2019 50. Availability of trained staff in social protection 51. Projects adopted with social protection measures
	21. Environment Management	52. Training received in environmental management during 2016/17//2019 53. Availability of trained staff in environmental management 54. Projects adopted with environmental management measures
7. Governance	22. Human Resource for citizen engagement	55. Training received in community participation during 2016/17//2019 56. Availability of trained staff in community participation 57. Availability of CDO on exclusive basis
	23. Established processes for citizen engagement	58. Community consultations practiced in 2016/17//2019 for any reason 59. Community consultations are done for budget preparation in 2018/2019

Functional Domain	Indicator	Datapoints
		60. Formation of Social Audit committees during 2016/17//2018 61. Formation of Social Audit committees in 2017/19
	24. Information Dissemination	62. Trilingual/Bilingual Display of information 63. Budget document in accessible over website 64. Final accounts are displayed through website 65. Citizen Charter is displayed
	25. GRM	65. Use of Complaint box 67. Issuance of reference number for each complaint 68. Use of computerized GRM 69. Analysis showing performance in handling complaints displayed for public view
	26. Inclusiveness	70. Availability of separate toilets for male and female for visiting citizens 70. Availability of disabled-friendly counters 72. Availability of exclusive access facility for disabled people
	27. Partnership	73. Conducted meetings with the private sector in 2016/17//2019 74. Participated in the meetings with Divisional Secretary office 75. Participated in the District Secretary meetings 76. Any formal partnership is formulated with community and business community

Approach

The Foundation engaged with the officials of Department of Local Government in all the four provinces. The following activities were sequenced to complete this assignment:

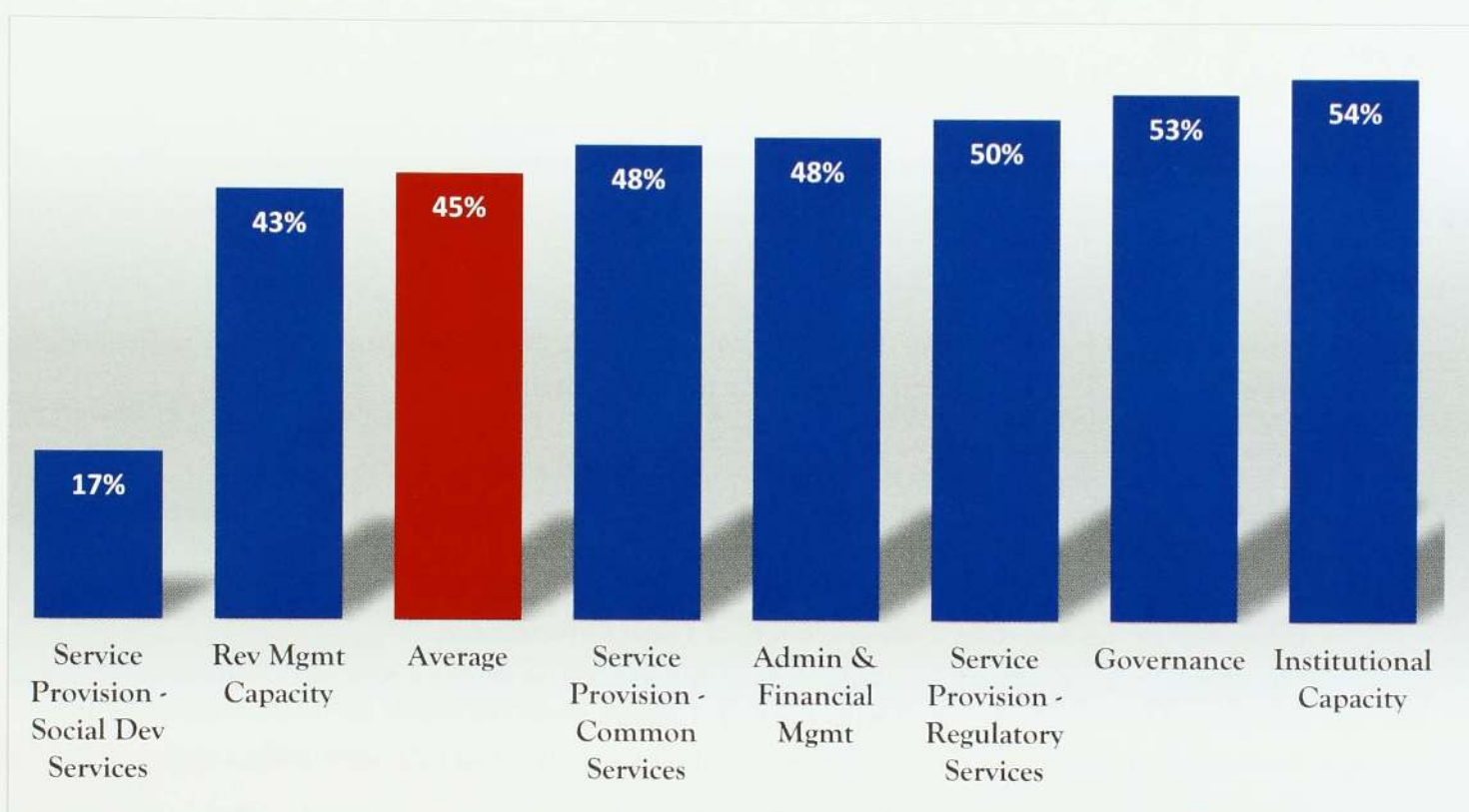
- A common questionnaire was used to collect, curate and analyze all information.
- Formal approval was sought from the Provincial Commissioners of Local Government to facilitate data collection from the LAs in their respective jurisdiction.
- Briefing sessions on the questionnaire were conducted for the LAs at the district levels under the leadership of the Assistant Commissioners of Local Government.
- Questionnaires were shared with the LAs at the awareness sessions and were completed through self-assessment by the LA staff with the endorsement from the senior administrator of the LAs.
- Both the final accounts and budget documents from all the 133 LAs were collected for analyzing the financial data

4. Findings

Key findings are discussed in three sections. Firstly, comparative topline profiles based on the overall IA scores and the seven key indicators are presented for all the four provinces and for the 12 districts. The second section presents more nuanced profiles for 27 sub indicators. And, the third section discusses the critical areas that require institutional strengthening for LAs in the four provinces.

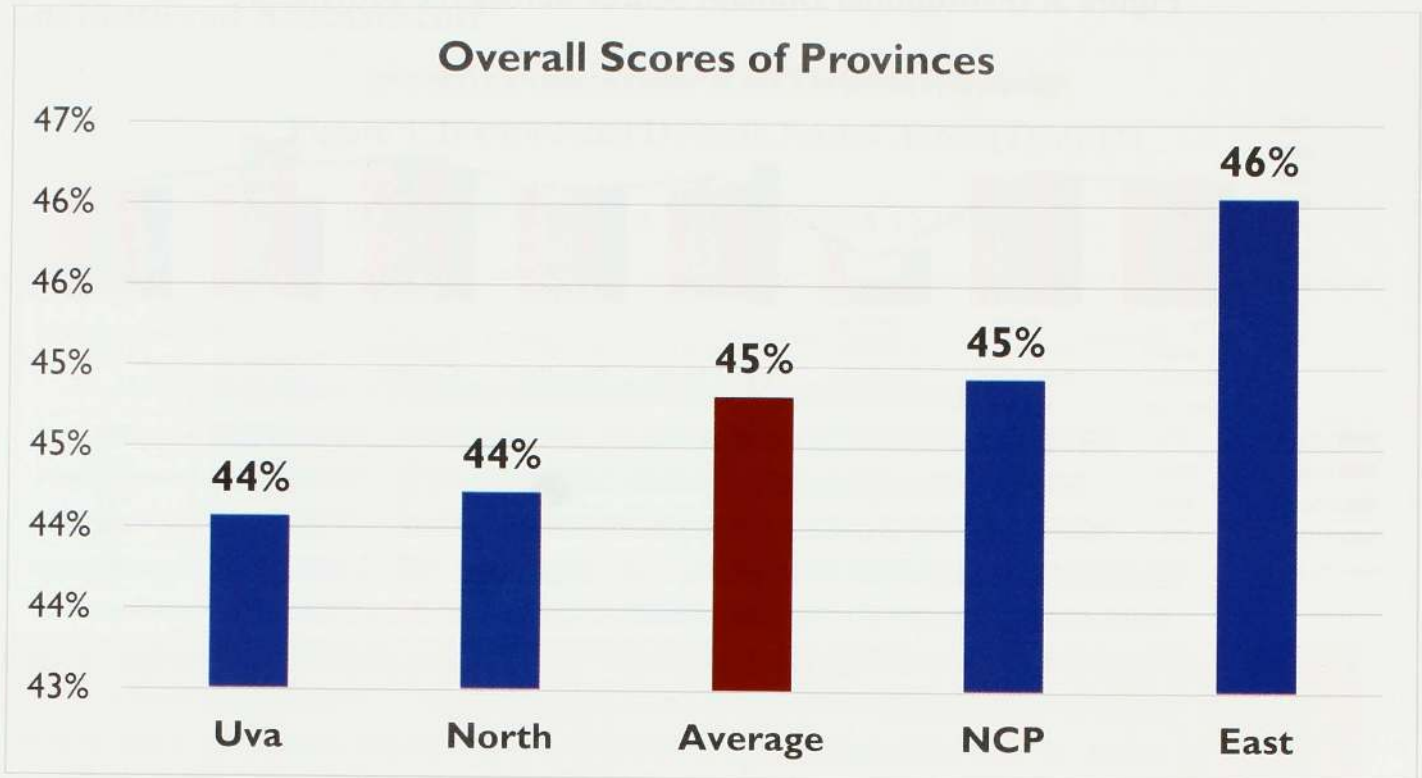
4.1 How do the four provinces perform in terms of the overall score and the 7 key indicators?

Figure 1: Overall Scores for the Nine Assessment Domains



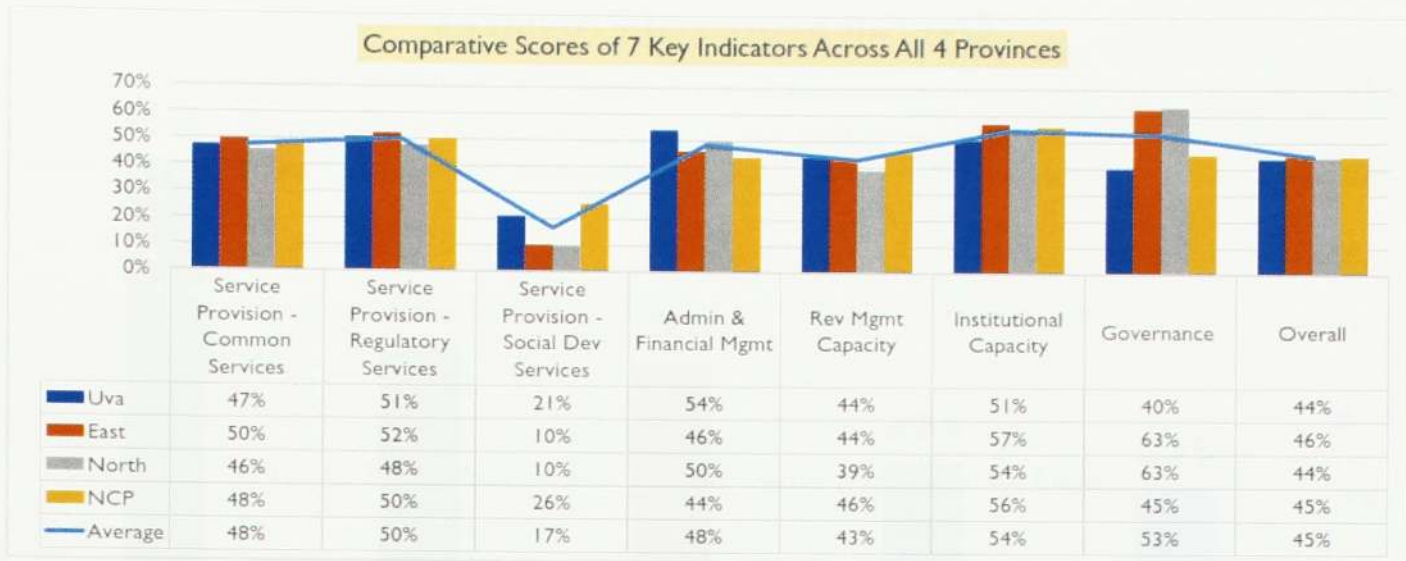
'Institutional capacity' – a composite index of planning capacity, procurement capacity, social protection and environmental management - gets the top score among the seven indicators assessed for the 133 LAs in the four provinces. The indicators only capture the training opportunities that the staff have had, and reports of practices followed in the LAs. The assessment did not go into a skills audit to validate if the competencies do exist. The strikingly low score for social development services needs some attention. This is not a reflection of a lack of mandate on the part of LAs to provision social development services; existing governing legislations do provide options to do so. This has more to do with the low priority accorded to social protection as a service.

Figure 2: Institutional Capacity Scores Across Provinces



No significant variations are observed among the four provinces in terms of their overall IA scores. Eastern province records a marginally better overall performance.

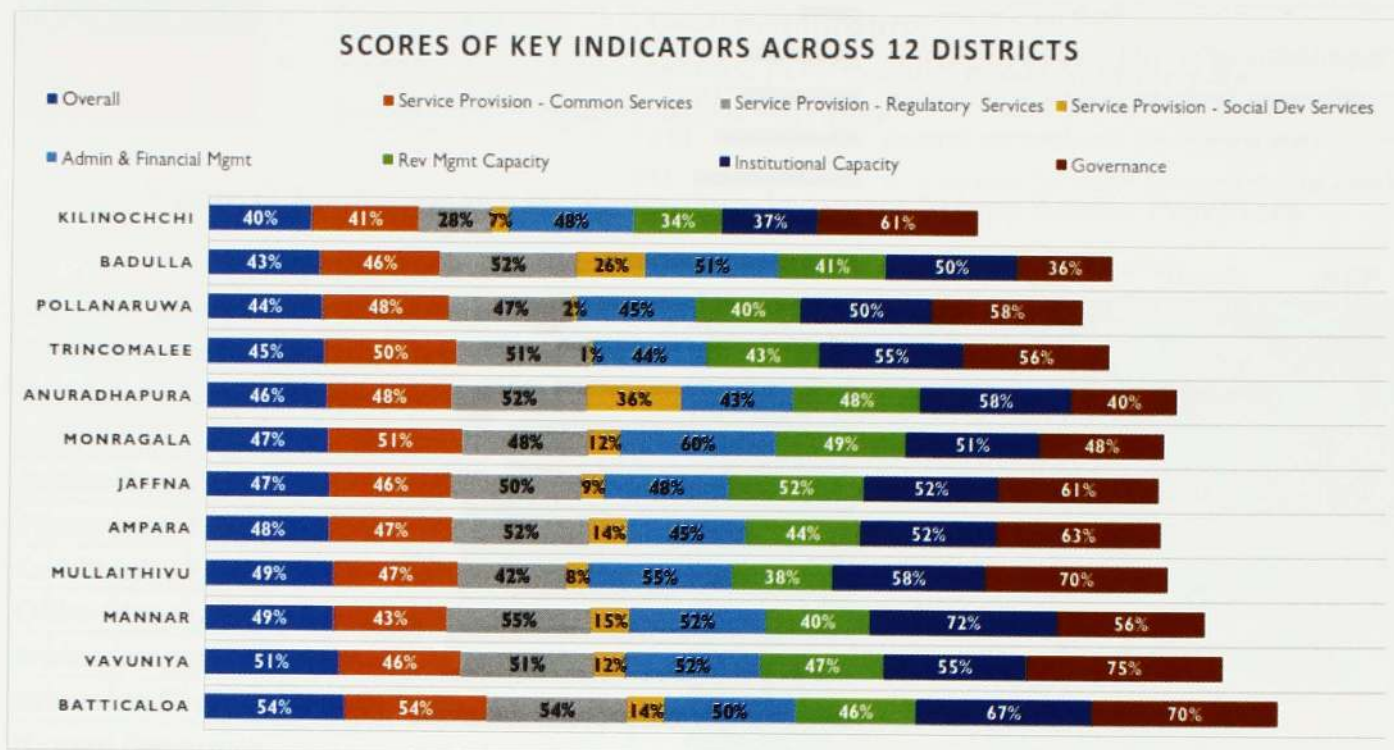
Figure 3: Institutional Domain Scores Across the Provinces



- Major outliers in scores are observed for two out of the seven indicators – *Provision of social development services and Governance*.
- The interesting pattern to note is that for provision of social development services (*Delivery of any of the following social – development services (Psycho-social support programs , Livelihood support programs, Poverty-eradication programs & Support to vulnerable communities; budget allocations and expenditure provisions for social development services)*) NCP and Uva recorded scores double that of Northern and Eastern provinces, while for ‘Governance’ (*human resources deployed for and quality of citizen engagement processes, information dissemination, grievance redress, efforts at inclusion and track record of partnerships*) these two provinces score well below the other two provinces.

4.2 How do the 12 districts perform in terms of the 7 key indicators of Institutional Assessment?

Figure 4: Institutional Domain Scores Across Districts

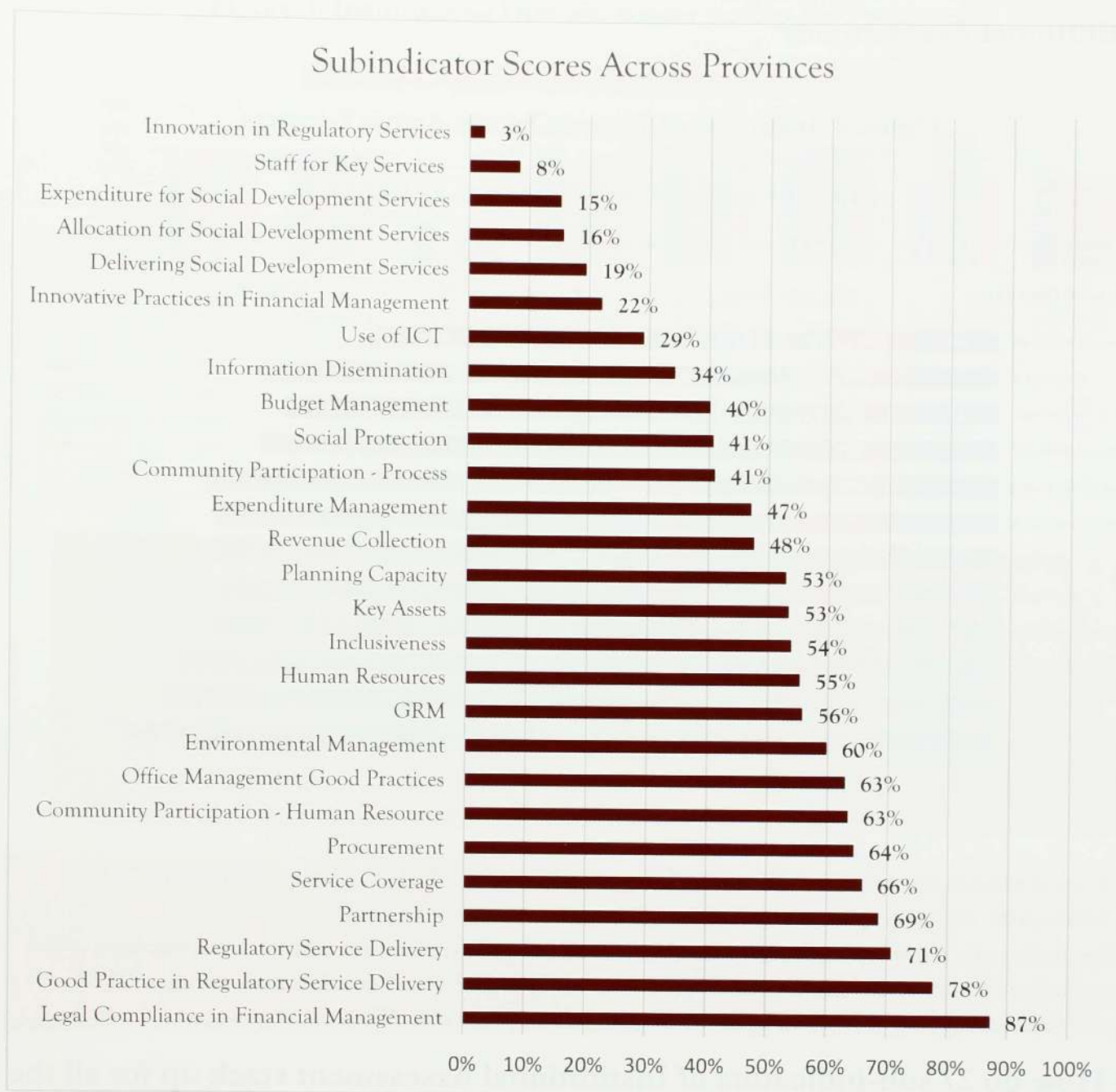


- Batticaloa leads the cohorts with an overall score of 54 out of 100, followed by Vavuniya (51). Kilinochchi brings up the rear end with an overall score of 40 out of 100.
- Key indicators showing large variations (difference between the highest and lowest score for a particular indicator) include Governance (39%), provision of social development services (35%), institutional capacity (35%), and provision of regulatory services (26%).

4.3 How do 27 sub-indicators of Institutional Assessment stack up for all the provinces taken together?

We begin by looking at the overall picture of the consolidated profile for the four provinces in terms of the 27 sub-indicators and identify crosscutting areas/themes where there is a discernible capacity gap.

Figure 5: Institutional Assessment Sub-Indicator Scores



- Sub-indicator on legal compliance in financial management scored highest among the 27 sub-indicators followed by regulatory service delivery and service coverage. Sub-indicators related to innovation in regulatory services, staff for key services and innovative practices in financial management bring up the bottom rung of scores across 27 sub-indicators.

4.4 How do 27 sub-indicators of Institutional Assessment stack up across the four provinces?

Color code	Interpretation
	• Scored >75 – Excellent Performance
	• Scored >50 but < 75 – Good performance
	• Scored >25 but <50 – Average performance, needs improvement
	• Scored <25 - Requires urgent attention

Figure 6: Institutional Assessment Sub-Indicator Scores Across Provinces

Sub-Indicators	Overall	Uva	East	North	NCP
Legal Compliance in Financial Management	87%	90%	86%	90%	83%
Good Practice in Regulatory Service Delivery	78%	77%	80%	80%	74%
Regulatory Service Delivery	71%	67%	77%	63%	77%
Partnerships	69%	61%	60%	94%	60%
Service Coverage	66%	63%	64%	66%	70%
Procurement	64%	53%	71%	68%	66%
Community Participation - Human Resource	63%	42%	74%	82%	56%
Office Management Good Practices	63%	73%	64%	60%	55%
Environmental Management	60%	65%	58%	56%	60%
Grievance Redress Management	56%	43%	66%	68%	45%
Human Resources	55%	46%	61%	59%	56%
Inclusiveness	54%	51%	63%	57%	44%
Key Assets	53%	50%	53%	54%	56%
Planning Capacity	53%	53%	53%	54%	52%
Revenue Collection	48%	47%	51%	45%	47%
Expenditure Management	47%	44%	45%	49%	51%
Community Participation - Process	41%	13%	76%	41%	34%
Social Protection	41%	32%	47%	39%	44%
Budget Management	40%	41%	36%	44%	40%
Information Dissemination	34%	32%	36%	37%	32%
Use of ICT	29%	41%	24%	31%	21%
Innovative Practices in Financial Management	22%	40%	14%	19%	16%
Delivering Social Development Services	19%	32%	10%	12%	23%
Allocation for Social Development Services	16%	13%	10%	9%	31%
Expenditure for Social Dev Services	15%	19%	10%	8%	24%
Staff for Key Services	8%	4%	18%	2%	10%
Innovation in Regulatory Services	3%	9%	0%	1%	0%

- No major variations are observed for the majority of sub-indicators among the four provinces.
- The **Eastern Province** records a relatively better performance for the 27 sub indicators with securing scores above 50 out of 100 for 16 sub indicators. LAs in Eastern Province reported relatively higher scores for procurement (presence of trained staff, proportion of local procurements commissioned), inclusiveness (disability access), and community participation processes (community consultations for planning and budgeting, formation of social audit committees).
- The **Northern Province** secured scores above 50% for 14 out of the 27 sub-indicators. LAs in Northern Province reported relatively high scores for partnerships (public-private partnerships,

participation in inter-governmental meetings) and human resources deployment for community participation.

- The **North Central Province** reported relatively higher scores for delivery of regulatory services, service coverage (delivery of mandated services) and expenditure management (efficiency and compliance).
- **Uva Province** reported relatively high scores for legal compliance in financial management, good practices in office management and environment management.

4.5 How do the 12 districts stack up against the 27 sub-indicators

Figure 7: Institutional Assessment Sub-Indicator Scores Across Districts

Sub indicators	Overall	Monaragala	Badulla	Batticaloa	Ampara	Trincomalee	Jaffna	Kilinochchi	Mannar	Vavuniya	Mullaithivu	Pollanaruwa	Anuradhapura
Key Vehicles	53%	60%	44%	58%	54%	48%	47%	47%	60%	72%	60%	50%	59%
Staff for Key Services	8%	3%	4%	25%	11%	23%	4%	0%	0%	0%	0%	21%	5%
Office Management Good Practices	63%	75%	72%	69%	64%	58%	66%	42%	55%	55%	63%	59%	53%
Service Coverage	66%	66%	62%	65%	58%	73%	69%	75%	58%	59%	67%	63%	73%
Regulatory Service Delivery	71%	66%	67%	80%	72%	81%	65%	42%	68%	65%	56%	73%	78%
Innovation in Regulatory Services	3%	15%	6%	0%	0%	0%	1%	0%	5%	0%	0%	0%	0%
Good Practice in Reg Service Delivery	78%	64%	85%	81%	86%	72%	83%	42%	93%	88%	69%	69%	76%
Delivering Social Dev Services	19%	18%	40%	13%	15%	2%	9%	7%	16%	20%	15%	3%	32%
Allocation for Social Dev Services	16%	8%	16%	15%	13%	2%	11%	7%	12%	4%	5%	3%	43%
Expenditure for Social Dev Services	15%	10%	23%	13%	16%	0%	6%	7%	16%	12%	5%	0%	34%
Human Resources	55%	44%	47%	66%	59%	59%	59%	72%	44%	64%	59%	59%	55%
Use of ICT	29%	48%	37%	27%	23%	22%	25%	33%	40%	32%	45%	28%	18%
Legal Compliance in Financial Management	87%	97%	87%	88%	85%	85%	92%	86%	89%	89%	100%	86%	81%
Innovative Practices in Financial Management	22%	50%	34%	20%	14%	9%	15%	0%	36%	28%	15%	10%	18%
Planning Capacity	53%	55%	51%	56%	47%	58%	54%	25%	70%	55%	56%	66%	46%
Procurement	64%	60%	49%	71%	64%	81%	62%	67%	70%	90%	69%	69%	64%
Social Protection	41%	27%	35%	64%	37%	46%	33%	22%	67%	40%	42%	46%	44%
Env Mgmt	60%	63%	67%	78%	60%	36%	57%	33%	80%	33%	67%	21%	77%
CP - Human Resource	63%	37%	44%	81%	72%	72%	73%	67%	100%	100%	92%	75%	47%
CP - Process	41%	18%	10%	81%	83%	62%	35%	58%	40%	50%	44%	72%	18%
Inform Disemination	34%	48%	24%	42%	34%	33%	35%	33%	25%	55%	38%	28%	34%
GRM	56%	58%	35%	69%	67%	63%	74%	58%	50%	70%	75%	66%	37%
Inclusiveness	54%	60%	46%	89%	56%	49%	53%	56%	33%	80%	75%	50%	42%
Partnership	69%	66%	58%	62%	63%	55%	85%	99%	88%	92%	95%	55%	62%
Budget Management	40%	47%	37%	46%	26%	43%	45%	35%	49%	44%	42%	43%	38%
Revenue Collection	48%	57%	42%	43%	60%	46%	50%	48%	28%	49%	36%	36%	52%
Expenditure Management	47%	44%	44%	49%	45%	41%	60%	18%	42%	49%	38%	41%	55%

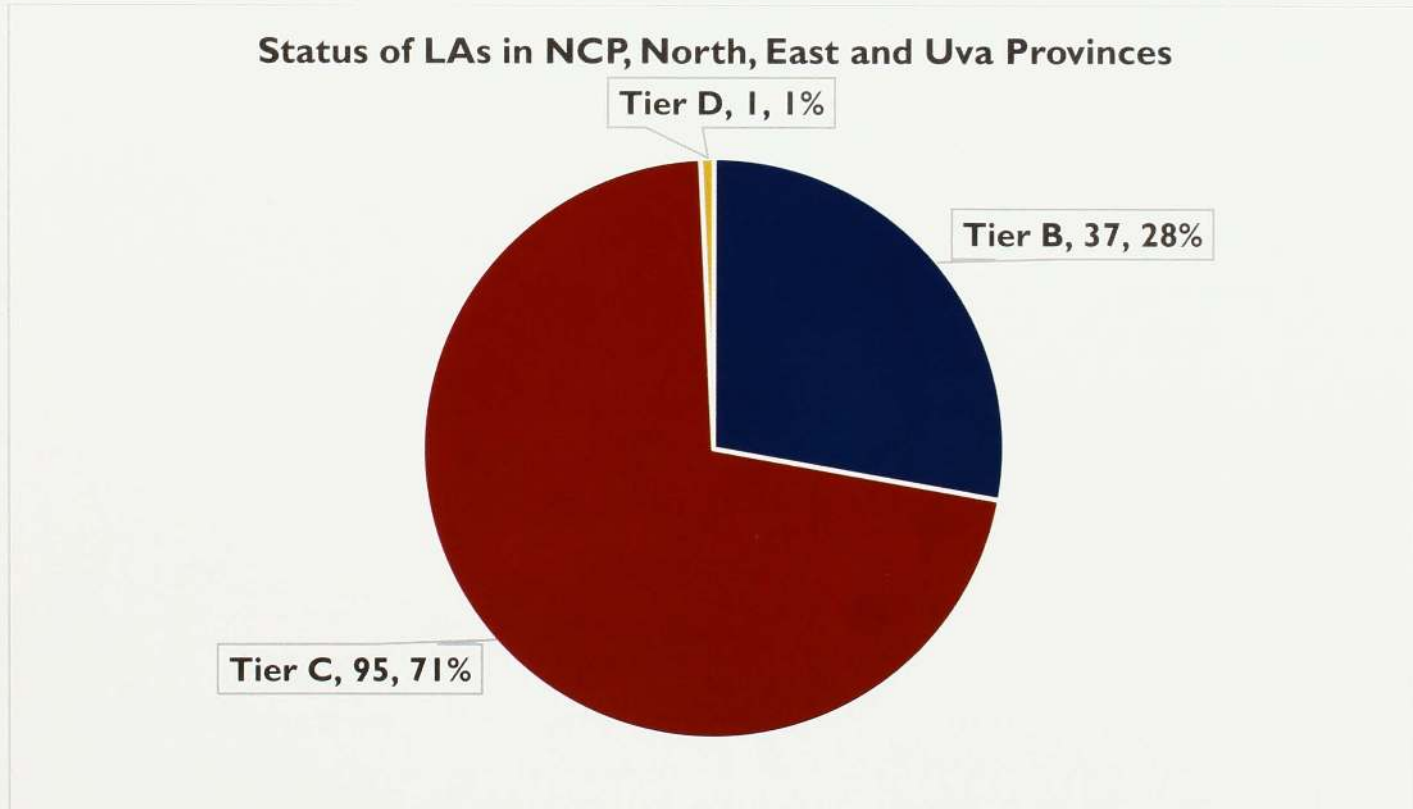
5. Tiering LAs in NCP Based on Institutional Assessment Scores

An attempt is made below to classify LAs across the four provinces based on the consolidated average Institutional Assessment Score. Each of the 7 key indicators were scored on a range of 0-100. The consolidated score is the average of the 7 key indicator scores. And based on the average score, LAs are organized under the following four tiers.

Tier A = More than 76%
Tier B = 51% - 75%
Tier C = 26% - 50%
Tier D = Less than or equal to 25%

5.1 Comparison of LA tiers across the four provinces

Figure 8: Profile of LA Tiers Across Provinces



- Barring one, all LAs fall into tiers C and B, with the vast majority (71%) in the medium performance tier C.

5.2 Comparison of LA tiers across the 12 districts

Table 2: LA Tiers Across Districts

Province	District	Tier A	Tier B	Tier C	Tier D	Total
Uva	Moneragala	-	3	7	-	10
	Badulla	-	4	14	-	18
Provincial Total		-	7 (25%)	21(75%)	-	28
East	Batticaloa	-	8	4	-	12
	Ampara	-	5	14	-	19
	Trincomalee	-	3	10	-	13
Provincial Total		-	16 (36%)	28 (64%)	-	44
North	Jaffna	-	3	13	1	17
	Kilinochchi	-	-	3	-	3
	Mannar	-	2	3	-	5
	Vavuniya	-	1	4	-	5
	Mullaithivu	-	1	3	-	4
Provincial Total		-	7 (21%)	26 (79%)	1	34
NCP	Polonnaruwa	-	1	7	-	8
	Anuradhapura	-	6	13	-	19
Provincial Total		-	7 (26%)	20 (74%)	-	27
Overall		0	37 (28%)	95 (72%)	1	133

No major variations are observed across the provinces. Overall, Eastern Province records a marginally better profile with a larger share of LAs in Tier B.

6. Priority Areas for Strengthening Capacities

Based on the analysis of the 27 sub indicators, a quick reference matrix is attempted below to highlight priority areas and type of interventions called for. The analysis is presented for two levels – provincial district-wise. Four priority levels are identified and referenced through color codes as indicated below:

Color code	Priority Level	Criteria for referencing sub indicators
	Extremely High	Average score is less than 25
	High	Average score is >25 and <50
	Medium	Average score is >50 and <75
	Low	Average score is >75

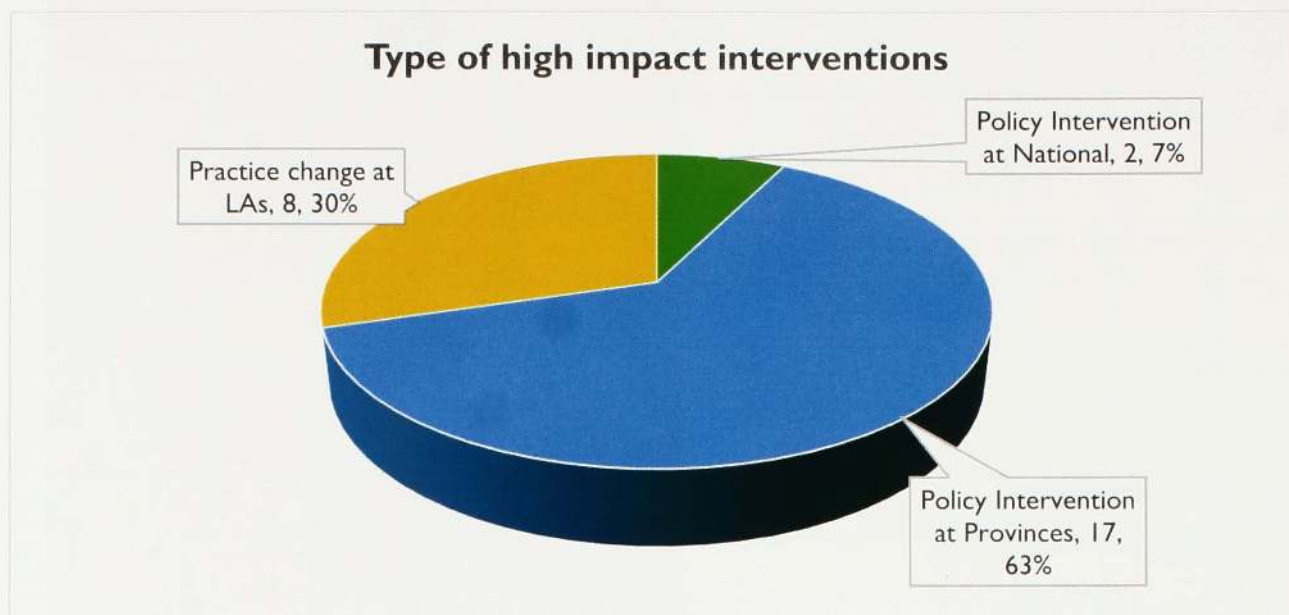
An overview of ‘high impact interventions’ through policy or practice changes for each of the 27 sub-indicators are shown below. This reference table (below) should be referred to for addressing priority areas corresponding to the sub indicators in order to strengthen the institutional capacity of the LAs across district and provincial level.

Table 3: High Impact Matrix

Key Indicator	Sub-indicator	Priority Intervention(s)	High impact intervention domain		
			Policy Intervention		Practice Change
			National	Provincial	
Service Provision - Common Services	Key Vehicles (Key moveable assets)	Availability of Road rollers , Motor graders , Excavators, Fire engines Gully Emptier			X
	Staff for Key Services	Availability of adequate number of staff for delivering waste management and road related services	X		
	Office Management Good Practices	Asset inventories, One stop solution (Front desk), Online service requisition facility			X
	Service Coverage	Delivery of mandated services		X	
Service Provision - Regulatory Services	Regulatory Service Delivery	Successful delivery of all mandated regulatory services (at least 8)		X	
	Innovation in Regulatory Services	Online/ customer friendly-regulatory services are delivered		X	
	Good Practice in Reg Service Delivery	Following stipulated procedures		X	
Service Provision - Social Dev Services	Delivering Social Dev Services	Delivery of any of the following social – development services (Psycho-social support programs , Livelihood support programs, Poverty-eradication programs & Support to vulnerable communities)		X	
	Allocation for Social Dev Services	Clearly identified budget allocation for social development services			X
	Expenditure for Social Dev Services	Expenditure made against allocation in actual terms for social development services		X	
Admin & Financial Mgmt	Human Resources	Stable tenure of leadership, Availability of key technical staff	X		
	Use of ICT	Application of ICT in routine functions			X
	Legal Compliance in Financial Management	Satisfactorily fulfilling of legal requirements in financial management		X	
	Innovative Practices in Financial Management	Computerized systems, Online facility to pay taxes		X	
Institutional Capacity	Planning Capacity	Trained staff, Use of GIS, Conduct of LAPDP		X	
	Procurement	Technical trainings attended, Projects handled through local procurement		X	
	Social Protection	Trained staff, Designing safeguards in projects		X	
	Environment Management	Trained staff, awareness and projects for safeguarding environment		X	
Governance	Human resources for community participation	Trained staff, Presence of exclusive CDO		X	
	Process for community participation	Community consultations for planning and budgeting, Formation of social audit committees			X
	Information Dissemination	Availability of information in language of choice, Proactive disclosure, Citizen Charters			X
	GRM	Established GRM systems, Recording, acknowledging and reporting on complaints		X	
	Inclusiveness	Disability access		X	
	Partnership	Public private engagements, Participation in meetings at district and divisional levels		X	
Own Revenue Management	Budget Management	Compliance with Key Budget Indicators		X	
	Revenue Collection	Collection efficiency			X
	Expenditure Management	Efficiency and compliance			X

6.1 A consolidated profile of the type of high impact interventions required to address critical capacity gaps

Figure 9: Profile of High Impact Intervention Areas



- Of the 27 sub-indicators used for assessing the institutional capacity of the LAs, critical capacity issues for the majority (17 out of 27 or 63%) can be addressed through policy level interventions at the Provincial level.
- Another 30% of the sub-indicators (8 out of 27) can be addressed through practice changes at LA level.
- Only 7% or two sub indicators require policy level interventions at National level for high level impact

6.2 Mapping levels of priority for the 27 sub-indicators for all the four provinces

Taking all the four provinces together, three critical sub-indicators emerge as 'high priority' areas for capacity building.

Table 4: Matrix of High Priority Areas

Sub-indicator	Priority Intervention(s)	High impact interventions		
		Policy Intervention		Practice Change
		National	Provincial	
Staff for Key Services	Availability of adequate number of staff for delivering waste management and road related services	X		
Innovation in Regulatory Services	Online/ customer friendly-regulatory services are delivered		X	
Expenditure for Social Dev Services	Expenditure made against allocation in actual terms for social development services		X	

A nuanced priority mapping is provided below for all the 27 sub-indicators for the four provinces:

Table 5: Matrix of Priority Areas Across Provinces

Sub Indicators	Uva	East	North	NCP
Staff for Key Services	EHP	EHP	EHP	EHP
Innovation in Regulatory Services	EHP	EHP	EHP	EHP
Expenditure for Social Dev Services	EHP	EHP	EHP	EHP
Delivering Social Dev Services	HP	EHP	EHP	EHP
Allocation for Social Dev Services	EHP	EHP	EHP	HP
Innovative Practices in Financial Management	HP	EHP	EHP	EHP
Use of ICT	HP	EHP	HP	EHP
Social Protection	HP	HP	HP	HP
CP - Process	EHP	LP	HP	HP
Information Dissemination	HP	HP	HP	HP
Budget Management	HP	HP	HP	HP
Revenue Collection	HP	MP	HP	HP
Expenditure Management	HP	HP	HP	MP
Key Vehicles	HP	MP	MP	MP
Office Management Good Practices	MP	MP	MP	MP
Service Coverage	MP	MP	MP	MP
Regulatory Service Delivery	MP	LP	MP	LP
Human Resources	HP	MP	MP	MP
Planning Capacity	MP	MP	MP	MP
Procurement	MP	MP	MP	MP
Environmental Management	MP	MP	MP	MP
CP - Human Resource	HP	MP	LP	MP
GRM	HP	MP	MP	HP
Inclusiveness	MP	MP	MP	HP
Partnership	MP	MP	LP	MP
Good Practice in Reg Service Delivery	LP	LP	LP	MP
Legal Compliance in Financial Management	LP	LP	LP	LP

EHP – Extremely High Priority. **HP** – High Priority. **MP** – Medium Priority. **LP** – Low Priority

(Refer Table X on page XX to identify the type of high-level intervention required against each sub-indicator)

6.3 Mapping levels of priority for the 27 sub-indicators for all the 12 districts

Table 6: Matrix of Priority Areas Across Districts

Sub-indicator	Monaragala	Badulla	Batticaloa	Ampara	Trincomalee	Jaffna	Kilinochchi	Mannar	Vavuniya	Mullaithivu	Pollanaruwa	Anuradhapura
Staff for Key Services	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP
Innovation in Regulatory Services	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP
Delivering Social Dev Services	EHP	HP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	HP
Allocation for Social Dev Services	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	HP
Expenditure for Social Dev Services	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	EHP	HP
Innovative Practices in Financial Man	HP	HP	EHP	EHP	EHP	EHP	EHP	HP	HP	EHP	EHP	EHP
Use of ICT	HP	HP	HP	EHP	EHP	EHP	HP	HP	HP	HP	HP	EHP
Social Protection	HP	HP	MP	HP	HP	HP	EHP	MP	HP	HP	HP	HP
CP - Process	EHP	EHP	LP	LP	MP	HP	MP	HP	HP	HP	MP	EHP
Inform Disemination	HP	EHP	HP	HP	HP	HP	HP	EHP	MP	HP	HP	HP
Budget Management	HP	HP	HP	HP	HP	HP	HP	HP	HP	HP	HP	HP
Revenue Collection	MP	HP	HP	MP	HP	MP	HP	HP	HP	HP	HP	MP
Expenditure Management	HP	HP	HP	HP	HP	MP	EHP	HP	HP	HP	HP	MP
Key Vehicles	MP	HP	MP	MP	HP	HP	HP	MP	MP	MP	HP	MP
Office Management Good Practices	MP	MP	MP	MP	MP	MP	HP	MP	MP	MP	MP	MP
Service Coverage	MP	MP	MP	MP	MP	MP	MP	MP	MP	MP	MP	MP
Regulatory Service Delivery	MP	MP	LP	MP	LP	MP	HP	MP	MP	MP	MP	LP
Human Resources	HP	HP	MP	MP	MP	MP	MP	HP	MP	MP	MP	MP
Planning Capacity	MP	MP	MP	HP	MP	MP	EHP	MP	MP	MP	MP	HP
Procurement	MP	HP	MP	MP	LP	MP	MP	MP	LP	MP	MP	MP
Env Mgmt	MP	MP	LP	MP	HP	MP	HP	LP	HP	MP	EHP	LP
CP - Human Resource	HP	HP	LP	MP	MP	MP	MP	LP	LP	LP	MP	HP
GRM	MP	HP	MP	MP	MP	MP	MP	HP	MP	MP	MP	HP
Inclusiveness	MP	HP	LP	MP	HP	MP	MP	HP	LP	MP	HP	HP
Partnership	MP	MP	MP	MP	MP	LP	LP	LP	LP	LP	MP	MP
Good Practice in Reg Service Delivery	MP	LP	LP	LP	MP	LP	HP	LP	LP	MP	MP	LP
Legal Compliance in Financial Man	LP	LP	LP	LP	LP	LP	LP	LP	LP	LP	LP	LP

6.4 Summary of Provincial Priority Areas

An attempt is made below to provide summary profiles of provincial-level crosscutting priority areas (sun-indicators).

Table 7: Matrix of Priority Areas for Northern Province

NORTHERN PROVINCE				
Sub-indicator	Priority Intervention(s)	High impact interventions		
		Policy Intervention		Practice Change
		National	Provincial	
1. Staff for Key Services	Availability of adequate number of staff for delivering waste management and road works related services	X		
2. Innovation in Regulatory Services	Delivery of online/ customer friendly-regulatory services		X	
3. Delivering Social Development Services	Delivery of any of the following social – development services (Psycho-social support programs, Livelihood support programs, Poverty-eradication programs & Support to vulnerable communities)		X	
4. Allocation for Social Development Services	Clearly identified budget allocation for social development services			X
5. Expenditure for Social Development Services	Expenditure made against allocation in actual terms for social development services		X	

- Across the five districts in the Northern Province, five critical areas have been identified where urgent interventions are required. Of these, one require national-level policy intervention, three require provincial-level policy interventions and one require LA-level practice change.

Table 8: Matrix of Priority Areas for Eastern Province

EASTERN PROVINCE				
Sub-indicator	Priority Intervention(s)	High impact interventions		
		Policy Intervention		Practice Change
		National	Provincial	
1. Staff for Key Services	Availability of adequate number of staff for delivering waste management and road related services	X		
2. Innovation in Regulatory Services	Online/ customer friendly-regulatory services are delivered		X	
3. Delivering Social Dev Services	Delivery of any of the following social – development services (Psycho-social support programs , Livelihood support programs, Poverty-eradication programs & Support to vulnerable communities)		X	
4. Allocation for Social Dev Services	Clearly identified budget allocation for social development services			X
5. Expenditure for Social Dev Services	Expenditure made against allocation in actual terms for social development services		X	
6. Innovative Practices in Financial Management	Computerized systems, Online facility to pay taxes		X	

- Across the three districts in the Eastern Province, six critical areas have been identified where urgent interventions are required. Of these, one require national-level policy intervention, four requires provincial-level policy interventions and one require LA-level practice change.

Table 9: Matrix of Priority Areas for North Central Province

NORTH CENTRAL PROVINCE				
Sub-indicator	Priority Intervention(s)	High impact interventions		
		Policy Intervention		Practice Change
		National	Provincial	
1. Staff for Key Services	Availability of adequate number of staff for delivering waste management and road related services	X		
2. Innovation in Regulatory Services	Online/ customer friendly-regulatory services are delivered		X	
3. Innovative Practices in Financial Management	Computerized systems, Online facility to pay taxes		X	

- Across the two districts in the North Central Province, three critical areas have been identified where urgent interventions are required. Of these, one require national-level policy intervention, and two requires provincial-level policy interventions.

Table 10: Matrix of Priority Areas for Uva Province

UVA PROVINCE				
Sub-indicator	Priority Intervention(s)	High impact interventions		
		Policy Intervention		Practice Change
		National	Provincial	
1. Staff for Key Services	Availability of adequate number of staff for delivering waste management and road related services	X		
2. Innovation in Regulatory Services	Online/ customer friendly-regulatory services are delivered		X	
3. Allocation for Social Dev Services	Clearly identified budget allocation for social development services			X
4. Expenditure for Social Dev Services	Expenditure made against allocation in actual terms for social development services		X	
5. Process for Citizen Participation	Community consultations for planning and budgeting, Formation of social audit committees			X

- Across the two districts in the Uva Province, five critical areas have been identified where urgent interventions are required. Of these, one require national-level policy intervention, two requires provincial-level policy interventions and two requires LA-level practice changes.

பொதுசன நூலகம்
யாழ்ப்பாணம்



Capacity Development of Local Governments (CDLG) project
United Nations Development Programme
Room No. 34 & 35, Block 2,
BMICH, Bauddhaloka Mawatha, Colombo 07

T: +94 11 2056 858 | E: socialmedia.lk@undp.org