

# Capacity Development for Services Delivery at the Local Level: Sri Lanka<sup>1</sup>

**Core Issue:** *CD for Local Development Management: Institutional Reform and Incentive Mechanisms*

**Allied Issues:** *Service Delivery Coordination, Human Resources Management, Monitoring and Evaluation, Leadership, Stakeholder Engagement*

## In a Nutshell

In Asia, UNDP has provided capacity development (CD) support to governments for the localization of the MDGs (“MDG Localization”), as well for MDG-based planning, budgeting and monitoring, among other areas. Under this broad heading and objective, however, it is clear that approaches to capacity development at the local level must respond to country-specific challenges and contexts. *How then can a CD approach fit both bills- responding to unique circumstances at the country level, while offering opportunities and lessons for adaptation in other countries and regions?* The story of Sri Lanka, where UNDP is partnering with the government on a CD strategy to improve the delivery of services at the local level, may offer some answers to this question.

## The Story

There has been an increasing global recognition that the achievement of the MDGs will involve dedicated attention to the delivery of basic services at the local level. Meeting disaggregated MDG targets requires, in turn, a focus on the mechanics of sub-national systems and institutions, with emphasis on creating channels for responding to expressed local needs. The government of Sri Lanka has shown a commitment to Localizing the MDGs by identifying 119 “model MDG districts”. In this connection, UNDP has partnered with the Ministry of Planning and Finance, and in particular with the National Council for Economic Development, on a capacity development program for improving the overall service delivery system.

The story of this CD program began with an assessment of the situation on the ground in the chosen pilot district of Monaragola, in Uva Province. How does the local governance architecture function in practice when it comes to delivering local services? What are the bottlenecks, and the overlaps? What are the mechanisms for coordination, for engaging stakeholders, for monitoring and evaluation? What is the role of civil society, and of other development organizations? And, based on this information, which government bodies should be more formally assessed (to identify capacity assets and needs) and, in turn, targeted for more specific capacity development support?

In order to answer these questions and identify the core issues at the local level, however, it was necessary to consider the overall governance structure of the country. Specifically, the sub-national governance system includes both decentralized (administrative) and devolved (elected) bodies. Initial consultations and analysis revealed that although both arms of government have

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some role in providing services at the local level, the efficiency of overall service delivery is hindered by a lack of coordination, and a corresponding lack of accountability.

How then to address the problem of coordination? The turning point in this story came with the realization of the need to identify the 'lynchpin service provider'- the government body with the mandate and the positioning (within the government architecture) to be overall coordinator of service delivery. UNDP and their government counterparts jointly agreed that the division-level administration in the decentralized structure (known as Divisional Secretariat Divisions- DSDs) should be considered the primary service provider. This assessment was based in part on the positioning of DSDs within the accountability chain: upwardly accountable to the District administration, yet answerable to the beneficiaries in local communities.

Following this identification of the lynchpin service provider, preliminary recommendations were also made for components of a capacity development program to improve service delivery. The overall recommended approach is captured in the following steps:

1. Identify the lynchpin service provider and assess capacities for fulfilling its mandate (through a capacity assessment exercise);
2. Respond to capacity needs (such as leadership, training);
3. Incorporate institutional change strategies (unified human resources framework, unified M&E framework, etc.);
4. Adopt sector wide approaches, including sector working groups for coordination;
5. Strengthen citizen/civil society capacity for oversight;
6. Leverage and streamline capacity supply/demand at all levels to achieve efficiency gains;
7. When appropriate, recommend South-South learning exchanges, non-monetary incentive strategies for improved governance, and public-private partnerships (PPPs) for improved service delivery.

At the time of this writing, the capacity assessment of four Divisional Secretariat Divisions, and of the District Administration of Monaragola has just been conducted. Based on the findings, capacity development strategies, in line with the recommendations described above, will be fine-tuned and presented to government counterparts for validation and roll-out.

## **Results and Critical Factors**

Broadly speaking, this CD approach may be applicable to a variety of national contexts for several reasons. Although the recommendations are based on an analysis of the Sri Lankan context, the approach can actually be captured more generically in four steps:

1. Identify the primary service provider;
2. Recommend measures to strengthen the capacities of the service provider;
3. Address issues of coordination so that the primary service provider has a clear delivery chain and accountability chain;
4. Recommend measures to strengthen capacities within the accountability chain.

The following factors have also contributed to the early optimism that the program will see results in terms of more effective service delivery:

- A systematic approach to capacity development has been taken by UNDP and the government of Sri Lanka: a thorough analysis of the context and issues, a capacity

assessment exercise, development of CD strategies and recommendations, and the eventual piloting and roll-out of the CD program.

- However, within this broader capacity development process, the CD approach includes both micro and macro interventions, as explained in the following bullets.
- At the more micro level, the capacity assessment of specific Divisional Secretariat Division offices in the pilot district looked at very specific functional capacities (including capacities to plan, to budget, to consult stakeholders, etc.) and assessed them against core issues (Leadership, Human Resources, Service Delivery Coordination, and Monitoring & Evaluation). The findings of the capacity assessment will inform the recommendations of CD strategies to build on the existing capacity assets of the DSD offices (the recommendations may take from *all four* CD strategies identified in the UNDP methodology: Institutional Reform and Incentive Mechanisms; Leadership Development; Education, Training and Learning; and Accountability and Voice Mechanisms).
- The macro level aspect of the approach falls largely within one specific CD strategy: *Institutional Reform and Incentive Mechanisms*. That is, in tandem with the capacity assessment of the lynchpin service provider (DSDs), the CD approach includes recommendations that account for aspects of the wider institutional architecture: sector working groups to enhance coordination, unified human resource management frameworks, unified monitoring frameworks, mechanisms for independent citizen monitoring, incentive mechanisms for improved public sector performance. Of particular note:
  - The approach emphasizes the streamlining of functional coordination mechanisms within the wider institutional framework; it does not advocate for the establishment of new bodies or structures within the administration.
  - Similarly, there is a focus on achieving efficiency gains- through sector-wide approaches, and through the establishment of unified operating procedures at various levels.
- In other words, the overall CD approach addresses the core capacities of the primary service provider (capacities to plan, budget, engage stakeholders, etc.), but links performance of the service provider to wider institutional frameworks (human resources management frameworks, M & E frameworks), recognizing that macro and micro levels of analysis are not mutually exclusive.