

## SECRETARY-GENERAL'S PEACEBUILDING FUND

United Nations  
Peacebuilding

## PBF PROJECT DOCUMENT

<b>Country:</b> Sri Lanka	
<b>Project Title:</b> Social Dialogue for Peace and Crisis Prevention in Sri Lanka	
<b>Project Number from MPTF-O Gateway:</b>	
<b>PBF project modality:</b>	<b>If funding is disbursed into a national or regional trust fund</b>
<input checked="" type="checkbox"/> IRF	<input checked="" type="checkbox"/> Country Trust Fund
<input type="checkbox"/> PRF	<input type="checkbox"/> Regional Trust Fund
<b>Name of Recipient Fund:</b> UN Sri Lanka SDG Multi-Partner Trust Fund	
<p><b>List all direct project recipient organizations (starting with Convening Agency), followed by type of organization (UN, CSO etc.):</b> International Labour Organization (ILO), United Nations Educational, Scientific, and Cultural Organization (UNESCO), United Nations Population Fund (UNFPA)</p>	
<p><b>List additional implementing partners, specify the type of organization (Government, INGO, local CSO):</b></p> <ul style="list-style-type: none"> <li>i) Government: Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government (MOPA); Ministry of Labour and Foreign Employment (MOLFE); National Youth Services Council; Ministry of Women and Children Affairs (MOWCA), Ministry of Justice and Prison Affairs and Constitutional Reforms, Mediation Boards Commission</li> <li>ii) Parliament and its related bodies: Parliament Sectoral Oversight Committee on National Unity and Reconciliation, Parliament Select Committee on gender equity and equality with special emphasis on looking into gender-based discriminations and violations of women's rights in Sri Lanka, Parliamentary Women's Caucus, Economic Inclusion Working Group led by Westminster Foundation for Democracy (Non-Departmental Public Body) (EIWG)</li> <li>iii) Employers' and workers' organisations: Employers' Federation of Ceylon (EFC), Chambers of Commerce and Industry, trade unions</li> <li>iv) Local CSOs: Alliance Development Trust, Jaffna Social Action Network, Family Planning Association, National Forum against Gender-based Violence</li> <li>v) INGO: World Vision Sri Lanka</li> </ul>	
<p><b>Project duration in months:</b> 24 months<sup>1</sup></p> <p><b>Geographic zones (within the country) for project implementation:</b> National and sub-national, in the Districts of Gampaha, Badulla, Batticaloa and Jaffna</p>	
<p><b>Does the project fall under one or more of the specific PBF priority windows below:</b></p> <p><input type="checkbox"/> Gender promotion initiative</p> <p><input type="checkbox"/> Youth promotion initiative</p> <p><input type="checkbox"/> Transition from UN or regional peacekeeping or special political missions</p> <p><input type="checkbox"/> Cross-border or regional project</p>	

<sup>1</sup> Actual project start date is the date of first project transfer

**Total PBF approved project budget\*:****SL SDG Fund:\$2,000,000, including Agency break-down as follows:**

ILO: \$1,150,000; UNFPA: \$500,000 and UNESCO: \$350,000

**PBF 1<sup>st</sup> tranche (70%):**

SL SDG Fund - \$ 1,400,000

Incl. Agency breakdown:

ILO: \$ 805,000

UNFPA: \$ 350,000

UNESCO: \$ 245,000

**PBF 2<sup>nd</sup> tranche\*<sup>2</sup> (30%):**

SL SDG Fund - \$ 600,000

Incl. Agency breakdown:

ILO: \$ 345,000

UNFPA: \$ 150,000

UNESCO: \$ 105,000

\*The payment of the second tranche is subject to the performance of the project and the availability of funds in the PBF.

**Provide a brief project description:**

The project will contribute to a more peaceful, inclusive, and just response to the effects of Sri Lanka's economic crisis, through inclusive social dialogue at national and local levels.

It will achieve this by enhancing the effectiveness and inclusivity of existing dialogue mechanisms for the private sector, and, by establishing and making more inclusive dialogue and dispute resolution mechanisms for the public sector. Policy and decision-making dialogue and recovery initiatives at the national level will be informed by evidence, generated on the economic and social priorities of the most marginalized communities, including those in the informal economy, women, and young people with intersectional vulnerabilities. The existing networks at the community level, will also be capacitated to contribute to and participate in decision-making and dialogue mechanisms at local and national levels.

The scars of the country's decades-long civil war are still felt, particularly in communities grappling with unresolved grievances. As Sri Lanka recovers from its worst socio-economic crisis in history underscored by rising poverty, increasing inequalities and socio-economic disparities, limited fiscal space, and potential austerity measures, the existing post-conflict legacy issues and underlying structural inequalities are intensified. The frequent strikes in the public sector, stemming in part from the absence of institutional dialogue and effective dispute resolution systems, starkly illustrate how these deficiencies severely disrupt the delivery of critical services. This will be further exacerbated by the upcoming National elections. Currently it is understood that the Presidential election is scheduled to be held prior to 18 October 2024 and a Parliamentary election is scheduled to be held in August 2025. However, the timelines for elections may change depending upon the evolution of the country's political context.

Further, the ongoing structural reforms agreed with the IMF<sup>3</sup>, may further escalate unrest as a result of layoffs arising from SOE reforms, tax and social security reforms as well as the introduction of property taxes.

<sup>2</sup> the payment of the second tranche is subject to the performance of the project and the availability of funds in the PBF.

<sup>3</sup> <https://www.imf.org/en/News/Articles/2024/03/21/pr2494-sri-lanka-imf-staff-level-agreement-for-second-review-sla#:~:text=%E2%80%9CThe%20IMF%20team%20reached%20staff,2024%20Article%20IV%20Consultation%20discussions>.

Robust efforts to address socio-economic disparities, political marginalization, and the unequal distribution of resources are pertinent to prevent escalation of tensions and strengthen social cohesion.

In the absence of mechanisms for formal and informal sector workers, which will undoubtedly result in further heightened societal tensions. This will pose risks towards disrupting public sector service delivery and negatively impacting the already fragile economy recovery.

**Summarize the in-country project consultation process prior to submission to PBSO, including with the PBF Steering Committee, civil society (including any women and youth organizations) and stakeholder communities (including women, youth and marginalized groups):**

In developing the concept note, consultations were conducted with the Ministry of Labour and Foreign Employment; Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government; Ministry of Women and Child Affairs; Employers' Federation of Ceylon; civil society organisations (CSO), Women's' Rights Organizations and, trade unions, including the members of their Women's' Wings.

Further consultations have been undertaken for each outcome to discuss and validate the interventions proposed in this project document. These consultations include the Secretary of Labour and Employment; Secretary of Public Administration, Home Affairs, Provincial Councils and Local Government; and Director General of EFC and senior trade union leadership. In addition, a project reference group comprising representatives of government, trade unions and EFC was established to participate in the development of the proposal, with a particular focus on Outcomes 1 and 2. Consultations with the Alliance Development Trust, National Youth Services Council, Ministry of Youth and Sport, Parliament, Westminster Foundation for Democracy and World Vision Sri Lanka were also undertaken. A consultation has also been conducted with the Secretary to the Office of the Prime Minister to explain the project in detail.

**Project Gender Marker score: 2 45.02% (\$900,315.66) as per the excel/budget file S.M**  
Of the total project budget, ~~45.66%~~ (\$913,516) are specifically allocated to activities aimed to promoting gender equality and women's empowerment.

**Briefly explain through which major intervention(s) the project will contribute to gender equality and women's empowerment:**

Women are disproportionately affected by both the economic crisis, and current state solutions to restructure the debt, due to the dual burden faced by women, exacerbated by escalated cost of living, social protection vulnerabilities, and food insecurity status. There is an increasing threat for a rollback of gains in wage and job security, especially for women. Women need to play a critical role in the economic recovery phase, however, there is limited evidence on nuanced issues faced by women and girls and the gendered impact of the potential implications of the reforms. Women's rights groups in Sri Lanka have expressed their dissent on the current debt restructuring solutions that place the burden of repayment on Sri Lanka's working classes, alleging that the solutions do not integrate actual lived experiences, struggles and needs of the people.<sup>4</sup> At a workplace level, women face a multitude of issues at the workplace, including discrimination, violence, and harassment; pay discrimination; lack of equal opportunities - due to stereotypes, unfair share of unpaid care burdens, which is a key barrier that hinders their labour force participation and limits their income generating opportunities. While the burden of the current economic crisis falls

<sup>4</sup> (<https://apwld.org/we-dont-owe-we-wont-pay-women-in-sri-lanka-demand-economic-justice-in-the-face-of-the-ongoing-debt-crisis/>)

on every citizen, women are among the most vulnerable to its impacts, because of their disadvantaged position in accessing resources, lack of representation of women in Policy and decision-making mechanisms, including National Labour Advisory Council and District Coordination Committees. Further, empirical evidence shows that while both women and men are affected by job and income losses during crises, the impact on women is more severe than on men. For example, COVID-19 hit employed women harder than employed men in Sri Lanka. A higher reduction in the employed population and a higher increase in the economically inactive population for women was evident from the available data. Similar labour market implications can be expected as consequences of the current economic crisis, given that more women are in informal jobs, which are more vulnerable to economic shocks and have weaker social protection coverage<sup>5</sup>.

UN Resolution 1325 also recognizes the importance of women's role in preventing and maintaining peace and security. The project will also promote the ratification of Convention C 190 ; Violence and Harassment Convention, 2019 to ensure that the Government at the National level prioritizes violence and harassment free workplaces for all its' citizens.

Within this context, gender equality and women's empowerment are cross-cutting priorities and will be mainstreamed across all planned outcomes of this project. The enhanced representation and meaningful participation of women in social dialogue processes and mechanisms at national, provincial, district, and community levels will be prioritised and promoted through the project as elaborated further. A 'do no harm' approach will be adopted within the project. This approach constitutes a foundational principle that guides all interventions to ensure that gender-sensitive and inclusive initiatives contribute positively to peacebuilding and social cohesion. The economic crisis and recovery processes have the potential to impact genders differently, and the project acknowledges the importance of mitigating any inadvertent negative consequences. The approach involves continuous monitoring, assessment, and adaptation of strategies to prevent harm to any gender group. Special attention will be given to women, recognizing their unique vulnerabilities and challenges. Efforts will be directed towards building the capacity of women to actively participate in social dialogue processes, dispute resolution mechanisms, and decision-making bodies at various levels. This includes empowering women to take on leadership roles as mediators and arbitrators and ensuring their representation in workplace forums. Efforts will also be made to ensure their safety by assessing the risks to their participation in forums that have traditionally been led by men. The project will also adopt an intersectional lens, considering the diverse backgrounds and circumstances that shape the experiences of women. Regular monitoring of gender-specific indicators, will be conducted to gauge the effectiveness of interventions and identify areas for improvement. Through this comprehensive and vigilant 'do no harm' approach, the project aims to create an environment that fosters gender equality, women's empowerment, and contributes positively to the broader goals of economic recovery, peace, and social cohesion in Sri Lanka. Additionally, the ILO's Violence and Harassment Convention (No. 190) has been promoted in Sri Lanka and these efforts can build on continuous promotion of the right to work free from violence and harassment, including gender-based violence and harassment.

In collaboration with partnering line ministries of Women and Child Affairs; and Public Administration, Home Affairs, Provincial Councils and Local Government, Outcome 1 emphasises actions aimed at establishing an environment that enables the safe and meaningful participation of women in the different dialogue forums that the project seeks to develop/strengthen. This is a key component of the world of work reforms towards supporting Sri Lanka's economic recovery. In this regard, under Outcomes 1 and 2, a monitoring tool will be implemented, which will provide oversight and support actions aimed at advancing the prevention of sexual harassment and gender-based violence (GBV) in the private sector, and across the priority public service sectors. This will be complemented by planned sensitizations at the workplace forum level to strengthen and advance

<sup>5</sup> <https://www.ips.lk/wp-content/uploads/2022/11/SRI-LANKAS-ECONOMIC-CRISIS-AN-OPPORTUNITY-TO-ADVANCE-GENDER-PARITY.pdf>



safe work environments, free from violence and harassment.

**Outcome 1 At the workplace level,** enhanced women's membership and meaningful participation in workplace forums, will contribute to a strengthened focus on issues affecting women in the workplace.

Sectoral forums will be responsible for the resolution of disputes referred to it by workplace forums. The dispute resolution procedures and processes to be followed by these sectoral forums will be gender responsive and their design will be done in close consultation with public sector workers, to ensure that they reflect their strategic needs and concerns. In addition, the sectoral forums, through collective bargaining, will be capacitated to undertake negotiations on terms and conditions of employment that also most impact women workers and contribute to achieving gender equality at work.

Consequently, Women's membership in the sectoral forums will be enhanced, and capacity building will be undertaken on collective bargaining and negotiation techniques. This will enable them to articulate women workers' strategic interests and needs in negotiation processes.

**Outcome 2, At the policy level,** the representation of women in policymaking dialogue processes, and the equitable inclusion of women in these dialogue processes will be prioritised. The National Labour Advisory Council (NLAC) also currently lacks connectivity with districts and community structures representing women and youth. The project will establish these interconnections and communication channels to ensure that the voices of women and youth are represented at these national-level forums.

In the establishment and strengthening of workplace forums, women's representation on workplace forums will be prioritised, as will the focus of workplace forums on issues affecting women in the workplace. Grievance handling procedures will also be structured so that they are gender-responsive and can respond safely and more proactively to grievances raised by women at the workplace.

Also, under this outcome, framework(s) in respect of gender equality and the prevention of violence and harassment, including gender-based violence and harassment, will be introduced through networks comprising the Employers' Federation of Ceylon and local chambers of commerce. These frameworks will contribute to establishing safe and dignified workplaces with prevention and enforcement strategies for the achievement of gender equality and the prevention of gender-based violence and harassment.

**Outcome 3 At the community level,** increased participation of women and young people, including gender minorities and persons with disabilities will be prioritised to strengthen local forums (such as district coordination committees and community groups). Community groups including women will be capacitated to identify their socio-economic priorities collectively and to address community gaps for social cohesion. The forums that are strengthened will create platforms for the integration of issues and voices of women, young people, and marginalized communities.

To facilitate this, women and youth, informal economy workers, and other under-represented groups in key economic sectors will be empowered. They will be capacitated to identify and collectively implement economic priorities, that foster social cohesion. Additionally, they will engage with national-level policymakers to enhance gender-responsive policymaking. This effort is particular focused on the government's economic reform agenda.

Further, target groups will also be provided with information related to sexual and reproductive health, and rights and prevention of gender-based violence. Misconceptions in these areas can be

drivers of conflict, and accurate knowledge is essential for economic recovery and in sustaining peace.

**Project Risk Marker score: 2**

**Is the project piloting new approaches:** Yes ☒ No ☐

**Does the project design incorporate climate, peace and security related considerations:**  
Yes No ☒

**Select PBF Focus Areas** which best summarizes the focus of the project (*select ONLY one*):  
(2.3. Conflict management)

If applicable, SDCF **outcome(s)** to which the project contributes:

Strategic Priority 3: Social Cohesion and Inclusive Governance & Justice,  
Strategic Priority 4: Gender Equality








**Sustainable Development Goal(s) and Target(s)** to which the project contributes: Decent work, economic growth and industry (SDGs 8 and 9), Peace, governance and justice (SDG 16), Good Health & Wellbeing (SDG 3), Gender Equality (SDG 5)

**Type of submission:**

☒ **New project**

☐ **Project amendment**

**PROJECT SIGNATURES:**

<b>Recipient Organizations<sup>6</sup></b> <i>Ms Joni Simpson</i> <i>Country Director</i>  <i>Signature</i> <i>International Labour Organization</i> <i>Date &amp; Seal</i> 06.05.24	<b>Representative of National Authorities</b> <i>Mr. Pradeep Yasaratne</i>  <i>Signature</i> <i>Secretary Ministry of Public Administration, Home Affairs, Local Government &amp; Provincial Councils</i>
<b>Recipient Organizations</b> <i>Kunle Adeniyi</i> <i>Country Representative</i>  <i>Signature</i> <i>United Nations Population Fund</i> <i>Date &amp; Seal</i> 03.05.2024	
<b>Recipient Organizations</b> <i>Mr Tim Curtis</i> <i>Director and United Nations Educational, Scientific and Cultural Organization Representative, New Delhi Regional Office</i>  <i>Signature</i> <i>UNESCO</i> <i>Date &amp; Seal</i> 181380DD510C449...	
<b>Head of the UN Country Team</b> <i>Mr. Marc-André Franche</i>  <i>Signature</i> <i>United Nations Sri Lanka</i> <i>Date &amp; Seal</i> 06.05.2024	<b>Peacebuilding Support Office (PBSO)</b> <i>Elizabeth Spehar</i>  <i>Signature</i> <i>Assistant Secretary-General for Peacebuilding Support</i> <i>Date &amp; Seal</i> 16 May 2024

<sup>6</sup> Please include a separate signature block for each direct recipient organization under this project.

## PROJECT CONTENT:

### I. Peacebuilding Context and Rationale for PBF support

- a) A brief summary of gender-responsive conflict analysis findings as they relate to this project, focusing on the driving factors of tensions/conflict that the project aims to address and an analysis of the main actors/stakeholders that have an impact on or are impacted by the driving factors, which the project will aim to engage. This analysis must be gender- and age-responsive.

Sri Lanka faces a number of serious and persisting risks that are very likely to severely undermine economic recovery, and result in heightened social tension and possibly violent conflicts. Sri Lanka's past human rights abuses and state violations, along with unresolved causes of armed conflict and ongoing ethno-religious nationalism, create a substantial risk to its stability and could potentially contribute to the reigniting of residual issues of conflict. Although the economic crisis has eased somewhat, including through interventions linked with the IMF's Extended Fund Facility, Sri Lanka's economy remains weak. Many reforms undertaken by the Government under the EEF has led to public dissatisfaction and frustration. The tax reforms process including the increase of Income Tax, Value added Tax and the removal of tax exemptions provided for essential items is among them. Furthermore, measures taken for debt restructuring and domestic debt sustainability are adding more stress on the public. The government absorbing the debt of loss-making public enterprises is severely criticized. The impending SOE restructuring that would result in layoffs and property tax reforms will certainly add more strain into an already burdened public, trying to make ends meet.

In absence of measures which promote economic inclusion and accountability in policy action of the state, 6 out of 10 Sri Lankans are multidimensionally vulnerable<sup>7</sup>. The economic recovery is also slow, leading to social unrest and political upheaval. Over 33% of the total number of protests in 2023 have concerned grievances related to the economic crisis and associated reforms<sup>8</sup>.

Although the Sri Lankan economy grew by 4.5% GDP y-o-y in 2023<sup>9</sup> poverty levels in Sri Lanka stood at 27.9% in 2023. This figure is 14.8 percentage point rise from 13.1% (2021<sup>10</sup>). This implies that additional 2.5 million people are now under the poverty line<sup>11</sup>. This adds to the persisting marginalisation of women, youth, and vulnerable workers as well as communities posing serious risks to sustained peace, social cohesion and economic growth in Sri Lanka. This is further exacerbated by the lack of inter-connected effective institutional mechanisms for inclusive dialogue and dispute resolution in Sri Lanka's public and private sectors and at the community level.

Key drivers of conflict identified include the lack of national level institutional dialogue and dispute resolution mechanisms within the public sector, weak institutional social dialogue mechanisms in the private sector and lack of dialogue at community level. This is due to the lack of investment in establishing institutional mechanisms for dialogue by the State resulting in limited dialogue with stakeholders. The State's ability to build and sustain partnerships with its societal partners is thus compromised. In addition, factors including but not limited to, low female labour force

<sup>7</sup> Understanding Multidimensional Vulnerabilities: Impact on People of Sri Lanka (UNDP, 2023) - Pg 11

<sup>8</sup> Early Warning System of UNDP-Sri Lanka

<sup>9</sup> <https://www.imf.org/en/News/Articles/2024/03/21/pr2494-sri-lanka-imf-staff-level-agreement-for-second-review-sla#:~:text=%E2%80%9CThe%20IMF%20team%20reached%20staff,2024%20Article%20IV%20Consultation%20discussions.>

<sup>10</sup> [https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global\\_POVEQ\\_LKA.pdf](https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_LKA.pdf)

<sup>11</sup> ipid



participation, low youth employment rates, structural barriers faced by marginalized communities to participate in the formal economy, weak social protection mechanisms and proposed reform efforts have the potential to serve as conflict triggers. The absence of structured and capacitated dialogue mechanisms to develop and implement joint measures to sustainably address these drivers of conflict is a risk to social cohesion. In this regard, the Cabinet of Ministers has approved<sup>12</sup> to rollout of an ILO-supported dispute resolution mechanism backed by the Ministry of Public Administration and Home Affairs and has issued a circular<sup>13</sup> operationalizing the cabinet decision.

Sri Lanka is a recipient of Structural reforms agreed with the IMF support through access to its Extended Fund Facility (EFF) Arrangement. The second review under the EFF Arrangement was concluded in March 2024 at a time when the government has met only 30% of the benchmarked governance targets. This review found that Sri Lanka's macroeconomic policy reforms are starting to bear fruit while highlighting the need to sustain the reform momentum to address governance weaknesses and corruption vulnerabilities for lasting economic recovery and inclusive growth. Forty (40) NGOs and Trade Unions rejected the IMF proposals issuing a statement while the review mission was ongoing. They spoke about the unequal distribution of perks resulting from the perceived economic stability and how the austerity measures are negatively affecting the economic well-being of the majority. They demanded a transparent and democratic decision-making process regarding reforms, reduction of the debt stock to a sustainable level following transparent and just processes and the recognition of conditionalities such as market pricing of energy, cuts to subsidies, rise in indirect taxes, and cuts to social welfare are having a devastating impact on the lives and livelihoods of the working people, children and women.

The impact of economic collapse and instability of the country is further triggered by ethnic and religious tensions. The National Public Perception Survey on Reconciliation<sup>14</sup>, conducted in 2020 and 2021, identified economic inequality as a barrier to reconciliation. Ethnic and religious tensions have long been present in Sri Lanka and the current recovery phase may trigger community-level conflict due to limited resources or possible exclusion of marginalized groups in recovery efforts.

Economic relief measures are not always dispersed equitably to address the diverse needs and circumstances affecting women. Therefore, it is vital that the gendered impact of such converging crises within the world of work is addressed through an intersectional lens. Gendered social norms are at the root of overt and covert, direct and indirect, and recurrent gender discrimination, which adversely affects women's rights. For example, norms that deem women to have one group of abilities and men another lead to regimented roles around care work and occupational segregation, limiting women's choices and opportunities in the workplace as well as in public and private domains. Key examples include inadequate financial support to women in the labour force, particularly by women entrepreneurs in Sri Lanka; limited access to resources and resultant inability to compete in the market, due to issues around mobility and lack of information; and the cost of exclusion due to disproportionate responsibility of care related burdens. Crises and conflicts have profound impacts on women and girls, often amplifying pre-existing inequalities. And vulnerabilities. During times of conflict women and girls may experience a lack of security, loss of livelihoods, vulnerability to gender-based violence, and an increased burden of unpaid care work<sup>15</sup>.

Women, both in formal and informal sectors tend to be in the lower tiers of the supply chain and are also likely to be affected by wage disparities. The main agriculture sectors of tea, rubber and coconut

<sup>12</sup> No./23/2138/605/068

<sup>13</sup> Public administration circular: 05/2024

<sup>14</sup> "Sri Lankan Barometer - Our Voices, Our Choices" National Public Perception Survey

<sup>15</sup> <https://blogs.lse.ac.uk/wps/2021/11/25/why-sri-lanka-should-leverage-the-women-peace-and-security-agenda-in-its-covid-19-recovery/>

employ more women in labour positions as tea pluckers, tappers and coir workers respectively, while an insignificant number occupy management positions. The garment sector employs more women workers but fewer women in management positions. Sri Lanka's biggest foreign exchange earners are migrant workers among whom, women comprise a large percentage, mainly in the form of domestic labour. Here too, negligible numbers represent managerial positions<sup>16</sup>.

By providing strengthened dispute resolution mechanisms, dialogue on gender equality, advocacy to address the gender pay gap, and enhanced access to grievance redress mechanisms for women to be protected in formal employment and incentivise women and girls to join the workforce. This will create an enabling environment for more women to join the labour force and support the economic recovery process.

Each of the challenges described in the detailed attachment (Annex A) poses a serious risk to economic recovery, peace, social cohesion, and the recurrence of low-intensity incidents of violence and reprisals in Sri Lanka. This is evidenced by continuous protests by IUSF and trade unions, as well as a series of new law restricting civic space in the country. Therefore, the need for platforms for civic expression and the resolution of disputes is evident. Sri Lanka's institutional mechanisms are currently unable to support a sustained, participatory and inclusive economic recovery process. By prioritizing economic inclusion, Sri Lanka can strengthen its resilience and ensure a more equitable, peaceful, and stable society.

However, the current economic crisis has also created a window of opportunity for different communities to come together to achieve the common interest of attaining economic recovery which is inclusive of Sri Lanka's ethnic groups. This will require an enhanced effort to build cohesion among the different communities. The extension of social dialogue is consequently much needed, particularly in the context of the potential differential distributional impact of the economic reform agenda on different communities. The need to build a shared understanding of the principles that can ensure efficient, equitable and fair distribution of assistance across different communities is critical. In the absence of this, there is a risk that underlying social tensions among different ethnic and religious groups, rooted in historical grievances, may resurface, and intensify, increasing the likelihood of social unrest and even reigniting the possibility of communal violence. This can also have spillover effects towards an increase in gender-based violence. It has been estimated that Sri Lanka will need 5-10 years to fully rebuild its economy, and even longer if political instability continues. By prioritizing economic inclusion and accountability, and involving all stakeholders, in particular those most marginalised, Sri Lanka can strengthen its resilience and ensure a more equitable society and stable economy in the face of crisis and ongoing challenges.

#### **The main actors/stakeholders that the project will aim to impact/engage:**

Within this context, the main stakeholders of the project are:

- a) **At the national level** the focus will be on capacitating/establishing institutions with responsibility for policy dialogue and dispute resolution, so they are more inclusive, integrated, and gender-responsive to inclusive economic recovery. These are primarily:

**The National Labour Advisory Council (NLAC):** the NLAC is the primary institutional tripartite mechanism for policy dialogue and consultation on all labour matters pertaining to the private sector, including labour law and social protection. The NLAC's objective is to provide for consultation and co-operation between the government trade unions and employers, on matters relating to social and labour policies and international labour standards. NLAC is chaired by the Ministry of Labour and Foreign Employment and comprises of employer organizations,

<sup>16</sup> <https://salary.lk/job-and-career/career-tips/women-in-leadership-roles>

workers organizations and relevant Government Ministries. The NLAC is also the key mechanism for current consultations on the government's proposed draft Employment Act, which consolidates a range of existing labour legislations. Trade unions have raised strong concerns regarding draft provisions in respect of increased work hours and expediting the firing and retrenchment of workers. These concerns, if not addressed, will result in strong opposition from trade unions, including possible strike action and violence. It also seems that the draft Employment Act is largely silent on youth employment. The NLAC will therefore be required to play a central role in ensuring that concerns are heard and addressed and that the private sector labour environment remains peaceful, as a basis for inclusive and equitable economic recovery.

**Tripartite Task Force on identifying labour market priorities:** a Tripartite Labour Market Task Force has been established by the Ministry of Labour with ILO support and in consultation with the employers, trade unions and other relevant government ministries. Support will be provided to strengthen this platform for a more constructive engagement by the tripartite constituents and other social partners.

**Ministry of Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government:** This ministry has a responsibility to maintain harmonious labour relations for the public sector through effective labour dispute prevention and resolution and ensure the efficient delivery of public services. It, however, currently lacks the institutional mechanisms that would enable it to carry out these dispute prevention and resolution responsibilities. The project will therefore build the Ministry's capacity to undertake its labour dispute prevention and resolution function more impactfully, which is now especially needed in order to achieve peaceful economic recovery.

**Parliament and its related bodies:** these have the ultimate authority over the economic reform programme. Hence, the project seeks to engage with the Parliament Permanent Committee on post-legislative scrutiny to support inclusive conflict sensitive legislation and its implementation, and Parliamentary Women's Caucus Members of Parliament from important parliamentary committees including the Committee of Public Finance (CoPF), The Committee of Public Enterprise (COPE), the Parliamentary Women's Caucus, and the Parliamentary Women's Caucus for Open Parliament Initiative will be engaged in policy dialogues.

- b) **Workplace level:** the project will engage with women and men workers in public and private sector workplaces, by establishing institutional mechanisms which include both management and Trade Unions (workplace forums) for dialogue and dispute prevention. Within the Public Sector the interventions will be prioritized around the sectors of Health, Transport, Ports & Aviation, Power & Energy and Education. The workplace forums provide a structured institutional mechanism for management and trade unions to engage in constructive dialogue on issues affecting the workplace.

The workplace level interventions of the project will, therefore, mainly entail the following:

- o Supporting the Employers Federation of Ceylon (EFC) and targeted government ministries to establish workplace forums in member companies: Sri Lanka currently does not have legal provisions for workplace cooperation for private sector enterprises outside Enterprise Processing Zones (EPZs), and experience in this area is also limited. Most private sector companies, therefore, have not established mechanisms for management-worker cooperation. The EFC is, however, supportive of the establishment of workplace forums within their member companies, and has staff, predominantly women, who have been recently trained on workplace cooperation by the ILO. Sri Lanka's Department of Labour also has a Social Dialogue and Workplace Cooperation Unit which supports the

strengthening of workplace cooperation in the private sector, but which is currently under-capacitated, and which will be provided with relevant capacity-building through the project.

Private sector companies also currently lack structured, transparent, gender sensitive and rapid grievance handling procedures.<sup>17</sup> The project will therefore focus on supporting the establishment of workplace and grievance redressal mechanisms amongst EFC member companies. These mechanisms will be capacitated to prevent disputes, as well as to create awareness of, monitor and combat Gender based violence and harassment at the workplace.

c) **District/community level:** the project will impact:

- o **Local women, youth and community structures:** Key local forums inclusive of informal economy workers such as cooperatives, workers associations community groups, employers' organisations, trade unions, local women and youth networks; identified as strategic partners for cross-community dialogues, peacebuilding and decision-making processes, will be impacted through the project. Other stakeholders that will also be targeted include the National Youth Services Council, Youth Federation, Women's Federation, grassroots level action committees, regional GBV forums, District Consultation Coordination (DDC) committees, Government Agent (GA), District Secretary (DS), district child and women development committees, and women's forums at DS level. The interventions will be implemented in the Districts of Jaffna, Gampaha, Batticaloa & Badulla.

In order to ensure that these mechanisms are able to influence national economic recovery policy making processes, the project aims to create a communication channel between them and national institutions such as Parliament, NLAC and the Tripartite Labour Market Task Force. For challenges such as increasing the labour force participation rates of women and youth to be effectively addressed, it will be essential for youth and women structures to be strongly linked with labour policy making processes, especially those being undertaken by the NLAC.

- o **Special Mediation Boards:** these will be targeted as a project stakeholder. The Mediation Boards fall under a national Mediations Boards Commission, established under the Mediation Act No. 72 of 1988. In terms of this Act, the principal function of the Mediations Board Commission is to coordinate, monitor and oversee the mediators. The Mediation Boards Commission reports into the Ministry of Justice, Prison Affairs and Constitutional Reforms. The Special Mediation Boards provide a voluntary and semiformal dispute resolution mechanism to enable speedy and free access to justice. The process involves a group of voluntary mediators who facilitate mutually satisfactory agreements to resolve disputes and move towards peaceful reconciliation and relationships. Special Mediation Boards to address labour disputes at community level, however, currently do not exist, although the Act provides the basis for the establishment of such Boards. Such mechanisms would therefore be a much-needed element of peacebuilding at a local level.
- o **Labour tribunals:** Labour Tribunals are formed under the Industrial Disputes Act No.62 of 1957, to handle labour disputes, including in respect of termination of employment.

<sup>17</sup> Steps to be followed in resolving complaints from workers, arising at work or from their work situation, concerning rights and existing working arrangements (ILO).



They function at district level, and therefore, provide a more accessible justice mechanism for workers. Each of the 4 target districts has a Labour Tribunal.

**b) A brief description of how the project aligns with/ supports existing Governmental and UN strategic frameworks<sup>18</sup>, how it ensures national ownership. Elaborate on the catalytic nature of the project and how national ownership, including but not limited to, national and subnational entities are built in.**

- **The United Nations Sustainable Development Cooperation Framework (UNSDCF) for 2023-2027** provides the basis for the UN system's contribution to achieve the SDGs. Underpinning the strategic priorities identified in the UNSDCF is the recognition and realization that the SDG's cannot be achieved without accelerated actions directed at responding to the macroeconomic crisis and its repercussions on Sri Lanka's people. Aligned with this, relevant UNSDCF strategic priorities are as follows: Strategic Priority 1-Inclusive and Equitable Human Development and Well-Being prioritises enhanced access to social protection mechanisms, and Strategic Priority 3-Social Cohesion and Inclusive Governance and Justice aims to ensure that more inclusive, participatory and transparent governance systems and mechanisms are in place at all levels. Priority 3 also seeks to promote a peaceful, inclusive, and cohesive society that enables all people to deal with the past, be empowered, engaged and enjoy human rights and justice. Strategic Priority 4-Gender Equality is cross-cutting and seeks to promote women's equal and meaningful engagement in leadership and decision-making to foster an environment where women and girls and gender-diverse people live free from discrimination and violence. The project therefore strongly aligns with these strategic priorities.
- **Cabinet Approval dated 20 November 2023** on introduction of a Dispute Resolution Mechanism for the Public Sector.
- **Tripartite Labour Market Task Force:** The terms of reference agreed by ILO tripartite constituents include responsibilities to develop consensus measures to support the labour market in respect of: (i) Measures to support business (particularly SME) continuity, electricity and fuel shortages; protect jobs; enhance access to finance, address foreign exchange shortages; logistical blockages, including shipping; restoring buyer confidence, etc; ii) Measures to support workers (as well as informal economy workers), including with regard to provision of end-to-end transport; social protection; access to affordable food, medication and other provisions, wage payments, etc., iii) Measures to ensure the protection of labour rights, including monitoring mechanisms to ensure compliance with labour legislation and international labour standards; and, iv) Measures to integrate provinces and districts into the development and implementation of more resilient labour market measures.
- It is currently non-operational despite a much-needed tripartite response to the crisis, which this task force could achieve. The Minister of Labour and Foreign Employment has agreed that this Task Force should be revived and operationalized through this project. The task force also provides an additional mechanism to receive feedback from dialogue processes at provincial, district and community levels, and to develop labour market recovery measures that is informed by this feedback.
- **National Policy on Gender Equality and Women's Empowerment, 2023:** The National Policy on Gender Equality and Women's Empowerment commits to increasing women's participation in the formal employment sector and recognizes the contribution of women

<sup>18</sup> Including national gender and youth strategies and commitments, such as a National Action Plan on 1325, a National Youth Policy etc.

working in the informal sector and in care work. The Policy prioritises creating safe workplaces through adopting and strengthening dispute resolution mechanisms, monitoring, grievance redressal and strengthening remedial mechanisms to address all forms of gender-based discrimination against women and gender minorities.

- **Public Investment Programme 2021-2024:** this includes improved public service delivery and enhanced social integration as key priority areas. The Public Investment Programme also prioritises actions to achieve social integration including through implementing programmes to promote reconciliation among different ethnic groups and improving the delivery of critical services such as security, health, and education.
- **Relevant Bills:** The Establishment of a National Commission on Women Bill, the Gender Equality Bill, and the Empowerment of Women Bill have been drafted by the Ministry of Women and Child Affairs, with technical support from UNFPA. These laws will encourage the development of an enabling environment in Sri Lanka that is supportive of gender equality and women's empowerment.
- **SGBV National Action Plan (2024–2028).** The NAP provides a multi-sectoral approach, with the engagement of all key line ministries, with the vision of creating "a violence-free life for women and children" with zero tolerance for sexual and gender-based violence in Sri Lanka.
- **National Youth Policy:** This recognizes and celebrates the potential of youth, not merely in symbolic terms but through concrete measures to enable, and empower the youth of Sri Lanka, including the National Action Plan for Adolescents and Youth. It recognizes that socially responsible, ethically conscious, and politically aware youth is integral to Sri Lanka's search for a just and peaceful society.
- **National Action Plan for the Implementation of the UN Security Council's Resolutions on Women, Peace and Security 2023–2027:** this prioritises women's participation as change agents in peacebuilding, social cohesion, conflict, and violence prevention, and includes representatives of vulnerable communities in decision making fora.
- **ILO Decent Work Country Programme (DWCP) (2018-2024):** was developed by government, employers, and workers jointly. Through the DWCP, the ILO has an important role to play in supporting the Government to implement and monitor the SDGs – in particular Goal 8 (Decent work and economic growth), Goal 1 (Poverty reduction); Goal 5 (Gender equality); Goal 10 (Reduced inequalities); and Goal 16 (Peace, justice and strong institutions). The DWCP, which was most recently reviewed and re-validated by constituents in 2021, comprises a pillar on 'Better Governance of the Labour Market' that includes a focus on establishing resilient systems for social dialogue and tripartism in the private sector, and an effective labour dispute prevention and resolution system for the public sector.
- **ILO Decent Work Country Programme Tripartite Sub-Committee:** this comprises government, trade union and employer representation and is tasked with developing an Employment Recovery Strategy. The Sub-Committee commenced its work on 29 March 2023, and has subsequently been meeting monthly. It is expected that it would submit its recommendations to the Minister of Labour and Foreign Employment in 2024. The Employment Recovery Strategy will focus on three key areas, namely: (1) supporting micro, small and medium enterprises to recover from the crisis with a focus on priority sectors such as tourism, food and transport; (2) upgrading of skills in micro, medium and small

enterprises as well as of migrant workers; and (3) promoting improved institutional coordination in the delivery of social protection support and support to micro, medium and small enterprises. A draft Strategy has been developed and is undergoing further discussions.

- **UNESCO Framework for Enabling Intercultural Dialogue.** Approaches to facilitate cross-community dialogue will be guided by the data for Sri Lanka from UNESCO's Framework for Enabling Intercultural Dialogue which shows that whilst many of the preconditions for intercultural dialogue to thrive towards peacebuilding objectives are strong in the country, comparing favourably to the world average – including horizontal equality, freedom of expression, and governance and citizenship – challenges remain in critical areas, including as relates to inclusion and representation, and social cohesion.
  - the UNITWIN Network on Inter-Religious Dialogue for Intercultural Understanding, will be fully mobilized for implementation of this project.
  - **UNFPA Sri Lanka's Country Programme (2023 - 2027):** this directly contributes to UNSDCF Outcomes 1, 2, 4 and 6 to ensure strengthened, resilient, and equitable social service systems and enhanced well-being, sustainable and inclusive, green-led growth, people-centred economic recovery, livelihoods and productivity, accountable and inclusive governance, justice and the rule of law, and gender equality and women's empowerment.
- c) **IMF Extended Fund Facility:** in March 2023, the International Monetary Fund (IMF) Board granted approval for a 48-month Extended Fund Facility (EFF) amounting to USD 2.9 billion to provide essential support for Sri Lanka's economic policies and reform initiatives. The first review of the Facility conducted in December 2023 recognised the critical need for improving governance and protecting the poor and vulnerable. In addition, trade unions have strongly stated their concerns regarding the reforms associated with the IMF Facility that potentially impact on workers' savings. The review mission also said that the economic situation is gradually improving, and authorities are making good progress in implementing the ambitious reform agenda. Introduction of the property tax, meeting the revenue mobilization goals in 2025 and maintaining cost recovery in fuel and electricity pricing were identified as areas that require close attention. During the review, continued efforts to improve targeting, adequacy, and coverage of social safety nets, particularly Aswesuma, remain critical to protect the poor and the vulnerable were recognized to be pertinent. Within this context, inclusive dialogue mechanisms and processes are therefore critical to maintaining peace and stability in the course of implementation. These dialogue mechanisms are yet to be functionalized by the government.

A brief summary of existing interventions in the proposal's sector:

Project name (duration)	Donor and budget	Project focus	Difference from/ complementarity to current proposal
Enhancing public sector dialogue and dispute resolution  July – December 2023	Regular Budget USD 50,000 (ILO)	Business process re-engineering for pilot workplace cooperation sites.	The initiative successfully piloted a workplace-level dialogue mechanisms in four pilot sites. This covered public transport s and the public health sector. It was also based on this pilot initiative that the

Project name (duration)	Donor and budget	Project focus	Difference from/ complementarity to current proposal
			Cabinet endorsed the comprehensive restructuring of the labour dispute resolution system for Sri Lanka in November 2023. The proposed initiative seeks to expand the establishment dispute resolution mechanisms for the entire public sector
Capacitating the National Institute for Labour Studies (NILS)  August – December 2023	OECD Development Cooperation Funds (ILO) Euro 80,000	Capacitating (NILS) to deliver a Diploma on Social Dialogue, as well as training on workplace cooperation, grievance handling and collective bargaining.	NILS will support project implementation through undertaking relevant training activities.
Piloting of grievance handling guidelines at enterprise level	Regular Budget Technical Cooperation) ILO USD 10,000	The Employers' Federation of Ceylon undertook the piloting of grievance handling guidelines amongst 5 member companies.	The EFC will use lessons learnt from the experience of piloting grievance handling, to inform planned activities to establish works forums amongst EFC members.
Joint Programme for Peace in Sri Lanka	UNDP Multi-Partner Trust Fund UNFPA	Partner with and build capacity of youth-led networks/organization to enhance social cohesion at the community level and promote social cohesion through youth leadership (developing youth as advocates for social cohesion) and participation in governance platforms.	Proposed project aims to capacitate local government networks on engaging youth and women networks and linking CSOs with grassroots networks to advocate for representation and accountability.
Project for the Improvement of Access to Information and Services of Sexual and Reproductive Health and Rights and of Gender-based Violence for	Japan (UNFPA) 1,471,119	This project aimed at contributing to reconciliation and sustained peace in line with UNSCR 1325 and 2250 through increased access to justice, choice, and	The proposed project builds on the interventions that were carried out in terms of social cohesion and ethno-religious



Project name (duration)	Donor and budget	Project focus	Difference from/ complementarity to current proposal
Women and Young People (PROMISES)		wellbeing of women and young people in Sri Lanka.	dialogue by engaging with youth, women's groups and other strategic groups to act as change agents in the economic recovery process through social cohesion. The proposed project looks at strengthening or establishing linkages among youth groups, women's groups and local government networks.

## II. Project content, strategic justification and implementation strategy (Plus Results Framework Annex)

- a) A brief **description of the project** focus and approach – describe the project's overarching goal, the implementation strategy, and how it addresses the conflict causes or factors outlined in Section I (must be gender- and age- responsive).

The project's overarching goal is to contribute to a more peaceful, inclusive, and just response to the effects of Sri Lanka's economic crisis, through inclusive social dialogue at national and local levels.

Given the potential available resources and time frame for the proposed project, this will be achieved through an emphasis on building capacity of institutions for structured, gender-responsive, inclusive, and constructive dialogue and dispute resolution.

**In the public sector** through establishment of dialogue and dispute resolution systems which are inclusive of women and young workers, and which are responsive to the needs of women and young workers. At the workplace level, enhanced women's membership, and participation in workplace forums, will contribute to a strengthened focus on issues affecting women in the workplace. The dispute resolution procedures and processes to be followed by sectoral forums will be designed in close consultation with women public sector workers, to ensure that they are gender responsive. The National Dialogue Forum, which will be established as the overarching national dispute resolution mechanism for the public sector, will be capacitated with women mediators and arbitrators, as well as dispute resolution procedures that are designed in close consultation with women workers as a basis for ensuring their gender sensitivity and relevance to their needs and perspectives.

**In the private sector** through enhancing the gender sensitive and inclusive functioning of the NLAC, together with gender inclusive mechanisms for workplace level mechanisms that will foster greater trust and cooperation between managers and workers.

The integration of gender considerations under this Outcome will include increased women's representation on the NLAC, the inclusion of issues affecting women, as well as issues key to achieving gender equality at work on NLAC agendas, and the establishment of linkages between district and community level structures representing women with NLAC dialogue processes. Additionally, workplace forums established in private sector companies will prioritise women's representation, as well as having a focus on issues affecting women in the workplace. Company level grievance handling procedures will also be structured so that they are gender-sensitive and are able to respond more proactively to grievances raised by women in the workplace. Also, under this Outcome, frameworks in respect of gender equality and the prevention of gender-based violence and harassment, including sexual harassment will be introduced through networks comprising the Employers' Federation of Ceylon and local chambers of commerce. These frameworks will contribute to establishing safe and dignified workplaces with enforcement strategies for the achievement of gender equality and the prevention of sexual harassment.

**In the public sector** through the establishment of dialogue and dispute resolution systems which are inclusive of women and young workers, and which are responsive to the needs of women and young workers. In this regard, public sector dialogue and dispute resolution system will include gender equality and women's empowerment as a cross cutting priority. At the workplace level, enhanced women's membership, and participation in workplace forums, will contribute to a strengthened focus on issues affecting women in the workplace. The dispute resolution procedures and processes to be followed by sectoral forums will be designed in close consultation with women public sector workers, to ensure that they are gender sensitive. The National Dialogue Forum, which will be established as the overarching national dispute resolution mechanism for the public sector, will be capacitated with women mediators and arbitrators, as well as dispute resolution procedures that are designed in close consultation with women workers as a basis for ensuring their gender sensitivity.

**At district/community level** through the promotion of local level dialogues by enhancing community-level dispute resolution and dialogue mechanisms and integrating these dialogue mechanisms much more strongly with national dialogue processes. Community groups including marginalized groups and from different ethnic and religious groups across varied geographic dimensions will be capacitated in order to identify their economic priorities collectively and to address community gaps for social cohesion. The interventions will be implemented in the districts of Jaffna(Northern Province), Gampaha(Western Province) , Batticaloa(Eastern Province) and Badulla (Uva Province). The districts selected represent the diverse ethnical and religious communities of Sri Lanka.

**The implementation strategy** will emphasize the inclusion of key stakeholders, including relevant government ministries, departments, employers, trade unions, and district and community-level forums and committees to ensure inclusivity and sustainability. Project staff will closely monitor the project activities and maintain a continuous and open dialogue with the Government and the other implementing partners to ensure that they remain focused on their core functions and to prevent instrumentalization of the mechanism by actors with vested interests. The implementation strategy will provide integrated solutions that contribute to:

- build a system for dialogue and dispute resolution in Sri Lanka which is gender-responsive and inclusive of women, youth and marginalised communities.
- integrate communities with national economic and social policy processes; and,
- support inclusive economic recovery, social cohesion, and peace.

Project beneficiaries will be intrinsically involved in establishing the envisaged strong, inclusive, and participatory dialogues, and associated dialogue and dispute resolution mechanisms, at the national and district/community levels. These mechanisms will provide the basis for a constructive and sustainable response to the current crisis, and also to future crises, through prioritising inclusion, dialogue and peacebuilding. They fundamentally work to foster the advancement of gender-responsive and inclusive socio-economic recovery.

**Provide a project-level 'theory of change':**

**IF** public, private, and informal sector workers and communities have increased awareness on, state reform efforts on SOE restructuring, tax reforms, social security reforms etc.

**IF** the institutional mechanisms for dispute resolution, inclusive dialogue efforts and labour dispute resolution for both the private and public sectors are strengthened, at national and district levels,

**IF** community level forums and networks of key formal and informal economic sectors are strengthened to ensure agency and representation for women, young people and marginalised communities in policy making and implementation mechanisms such as the District Coordination Committees, Tripartite Labour Market Task Force, Parliament Permanent Committee on post-legislative scrutiny and NLAC.

**IF** efforts are taken to improve trust and inclusivity in aforementioned mechanisms to address grievances on policy reforms and resolve disputes in an inclusive, intercultural, and gender-sensitive manner,

**IF** key conflict drivers affecting social cohesion and socio-economic conditions are identified and addressed through participatory approaches across formal and informal sectors.

**THEN** existing social dialogue mechanisms and policy making processes such as NLAC, Tripartite Labour Market Task Force and the Parliament Permanent Committee on post-legislative scrutiny will gain insights to meaningfully engage with women, youth, and marginalized communities for inclusive economic recovery and addressing economic and social inequalities.

**THEN** there will be increased dialogue in the public and private sectors as well as at community level on economic and employment reforms thus minimizing potential for industrial action, violent protests, reprisals, and societal conflict and spread of misinformation,

**THEN** there will be an increased inclusivity through the involvement of women, vulnerable communities, and young people in the formulation of economic reforms.

**BECAUSE** grievances are addressed in a participatory manner to empower formal and informal sector workers, marginalized and vulnerable groups,

**BECAUSE** through inclusive dialogue and early identification of conflict drivers, disputes related to reforms are minimized thus reducing impediments to public sector service delivery,

**BECAUSE** stakeholders are involved in the shaping and implementation of economic and employment reforms.

**b) Provide a narrative description of key project components (outcomes and outputs),**

Given the project's overarching goal to support the achievement of a peaceful, inclusive, and just response to Sri Lanka's economic crisis, based on participation, partnership, and dialogue, particularly at national, district and community levels:

The Core Phase comprises 3 outcomes that, in combination, will:

**These outcomes are as follows:**

**Outcome 1:** Improved social dialogue<sup>19</sup> in the public sector allows for gender-responsive and peaceful dispute resolution that includes employer's organisations, trade unions and civil society organisations in the inclusive formulation and implementation of socio-economic recovery actions.

**Outcome 2** – Improved social dialogue in the private sector contributes to gender-responsive and peaceful, dispute resolution that supports efforts to develop and implement inclusive socio-economic recovery measures.

**Outcome 3** – Enhanced engagement of women, youth, and other under-represented workers in the informal economy with District and National Level Policy Making structures aimed towards highlighting concerns faced by marginalised communities and facilitating inclusive and gender-responsive peaceful dispute resolutions.

**Outcome 1** focuses on developing and institutionalising coordinated dialogue and dispute resolution mechanisms for the public sector, which are gender responsive, and which support improved public sector service delivery. This will entail supporting the establishment of mechanisms that would mainly facilitate the prevention of disputes at workplace and sectoral levels and resolve public sector disputes at a national level. This is key to achieving a stable and productive public sector within the context of job losses potentially arising from economic recovery efforts.

The project will therefore support the establishment of dialogue and dispute resolution mechanisms at workplace, sectoral and national levels, as a basis for:

- a) **Reducing conflict at the national level:** the project will design and support the establishment of a National Public Sector Dialogue Forum, which will serve as an apex-level dispute resolution mechanism for the public sector. The National Public Sector Dialogue Forum will focus on mediating/arbitrating conflicts that are likely to escalate and result in the national disruption of service delivery by the public sector, and possibly violence. Public sector workers, in the event of failure to resolve public sector disputes through the National Public Sector Dialogue Forum, have recourse to judicial mechanisms. The Human Rights Commission, as a last resort, has also played an important role in resolving public sector labour disputes. A dedicated national level mechanism to effectively mediate/arbitrate public sector labour disputes will however serve to minimise recourse to judicial means and will therefore more rapidly resolve potentially harmful public sector labour disputes.
- b) **Reducing conflict at the sectoral level in the public sector:** the project will establish sectoral forums in priority sectors of the public service; including public transport, public health, and education. These sectoral forums will address disputes that are referred to them by workplace forums operating in their sector of focus. The sectoral forums would therefore play a critical role in maintaining peaceful labour relations in the public sector. In addition,

<sup>19</sup> Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.



the sectoral forum would be responsible for undertaking collective bargaining negotiations<sup>20</sup> between the government and the relevant trade unions operating in a specific sector. This will facilitate structured negotiations on issues such as public sector restructuring, impacts of this restructuring, terms and conditions of employment and measures to minimise the negative impacts of public sector restructuring on workers at a sectoral level. Collective bargaining is intended to result in a negotiated agreement between the government and trade unions that will result in reduced disputes as well as low-intensity violence as observed in strike action and reprisals that disrupt the provision of public services, and economic recovery efforts.

- c) **Reducing conflict at the workplace level in the public sector:** the project will focus on expanding ongoing activities to establish workplace forums in priority sectors of the public service. These will include public transport, public health and education. Thus far, the initiative has focused on capacitating representatives of workplace forums within the pilot sectors. The workplace forum members will be better capacitated to create awareness, monitor, and combat sexual harassment and violence against women in the workplace. They will also be capacitated to provide workers and managers with mental health support, as they deal with changes in the workplace resulting from the economic crisis and the potential impact of upcoming labour law reforms. Fundamentally, the workplace forums will support labour peace at a workplace level as a basis for maintaining the delivery of services to the public. The forums will therefore also play an important role in addressing workplace-level conflicts that may arise as a result of the government's economic recovery initiatives. This will also form a key component of activities in the establishment of workplace forums in the private sector. All of these measures work with a view to preventing the escalation of conflicts at a workplace level and supporting the ongoing delivery of services to the public.

**Outcome 2** focuses on the private sector and the strengthening of mechanisms for consultation and dispute prevention at the national and workplace levels as a basis for:

- a) **Collectively developing inclusive labour policy at the national level:** the NLAC will form the central focus of intervention. NLAC will be strengthened to prioritize labour matters affecting women and youth and for enhanced connectivity with districts/community-level structures. This will in turn inform labour and employment policy formulation, in respect of its inclusivity and ability to address the people's needs. It is, therefore, vital that these constraints are addressed through an initiative to reform and streamline the NLAC so that it is able to play a policy development role that is more inclusive and reflective of the needs of Sri Lankan society more broadly.
- b) **Reducing conflict at a workplace level** Sri Lanka is currently facing severe economic challenges, which include high inflation, rising commodity prices, high cost of transportation, and high taxation, coupled with numerous other challenges. These challenges pose grave repercussions for the labour market, with harsh impacts on both businesses and workers. This has affected business operations and has resulted in business closures, increased layoffs, retrenchment, a high cost of living, food price inflation, and generally substantially increased hardships for both employers and workers. The ability of workplaces to constructively navigate these challenges will require strong partnerships, built on dialogue, between management and workers. The establishment of a structured mechanism is therefore critical to enable constructive dialogue between management and workers, and joint action taken to avoid situations of conflict. Workplace forums will be

<sup>20</sup> Collective bargaining allows both employers and trade unions to negotiate a fair employment relationship, thereby preventing costly and dangerous labour disputes. Collective bargaining is therefore a very important dispute prevention tool.

established in partnership with the EFC, as a basis for management-worker consultation on a wide range of workplace issues. These will include the impacts of economic reforms on the workplace and the formulation of actions to ameliorate these impacts. It is however important to also concurrently recognise that the impacts of the economic crisis at a workplace level, cannot be addressed in isolation from interlinked challenges that detrimentally affect management worker relations. These include issues such as occupational safety and health for workers, as well as gender equality and protection of women in the workplace from harassment. Without such measures, female labour force participation rates will remain low, and thereby severely compromise economic recovery efforts. In this regard, prevailing workplace challenges must be addressed in parallel with challenges arising from the economic crisis if workplace peace is to be achieved, as a basis for peaceful and sustainable economic recovery at a national level.

Within this context, efforts will therefore be made to ensure that the membership of these workplace forums are representative of the enterprise's workforce in respect of women and youth representation. Through a partnership with the EFC and chambers of commerce, the project will work to ensure safe and dignified workplaces, where there is protection from sexual harassment and exploitation. Relatedly, the project will support the development of grievance handling procedures aimed at guiding the resolution of grievances at a workplace level, in a rapid, transparent, structured and gender-sensitive manner. This will reduce the potential for the escalation of grievances into full-blown disputes which undermine peace in the workplace, and potentially at a national level as well, given that workplace conflicts could result in wider strike action by workers. Relatedly, the project will support the development of grievance handling procedures aimed at guiding the resolution of grievances at a workplace level, in a rapid, transparent, structured and gender-sensitive manner. This will reduce the potential for the escalation of grievances into full-blown disputes which undermine peace in the workplace.

**Outcome 3** focuses on empowering women, youth, informal economy workers, and other under-represented groups in key economic sectors to actively engage with district and national policy-making structures, steering policies towards gender-responsive inclusive socio-economic recovery.

It aims to incorporate the voices of underserved communities into an inclusive economic engagement. Evidence-based knowledge products, stemming from dialogues with local forums, will be crafted to serve as powerful tools advocating for inclusive policymaking. Mechanisms will be established to consistently and coherently integrate feedback from marginalized communities into crucial decision-making processes and institutions. It aims to incorporate the voices of underserved communities to support inclusive, conflict-sensitive economic recovery processes through dialogue processes and decision-making bodies at the local level (District-level Coordination Committees) and at the national level (Tripartite Labour Market Task Force and Parliament Permanent Committee on Post Legislative Scrutiny). Evidence-based knowledge products, stemming from dialogues with local forums, will be crafted and presented to these platforms to influence and lobby for necessary legislative reforms to ensure gender-responsive, inclusive economic recovery, critically evaluating the economic recovery agenda with a focus on the perspectives of affected communities.

These ongoing efforts will be primarily facilitated through the Tripartite Labour Market Task Force and Parliament Permanent Committee on Post-Legislative Scrutiny. Systematic inclusion of under-represented communities into institutional processes for the design and delivery of economic recovery interventions at national, provincial, district, and local government levels

will remain a key focus. Through organized community advocacy initiatives, including roundtable discussions and workshops, the project will continue enabling local forums to engage in discussions, advocate for, and lobby the required policies at different governance levels through tripartite policymaking bodies.

- a. **Strengthening Local Forums:** local forums in key economic sectors will be fortified by imparting knowledge and skills for effective engagement with government actors and policymakers. This involves a grassroots-level capacity assessment to identify gaps and priorities for inclusive economic recovery dialogues.
- b. **Gendered Implications Assessment:** it will critically assess the gendered implications on health and protection during the economic recovery period. This includes conducting district-specific needs assessments through community consultations to address issues, challenges, and potential drivers of conflict in different sectors.
- c. **Enhancing Representation and Access:** the representation of women and young people in decision-making forums will be enhanced, facilitating access to economic opportunities. This involves mentoring women and youth leaders, connecting community groups with economic opportunities through NLAC members, and ensuring increased representation at the District Level Coordination Committees.
- d. **Meaningful Engagement in Local Dialogues:** women, young people, informal economy workers and under-represented groups will have increased opportunities for meaningful engagement in local-level dialogue processes through District-level Coordination Committees which will contribute to inclusive and conflict-sensitive economic recovery processes.
- e. **Evidence-Based Knowledge for Advocacy:** evidence-based knowledge products including policy briefs, fact sheets, infographics etc. based on findings from local-level dialogues, will be systematically presented to the Tripartite Labour Market Task Force and Parliament Permanent Committee on Post Legislative Scrutiny. The advocacy material developed based on the learnings will be disseminated among the public, used at expert forums and as a part of traditional and new media campaigns. The findings will be used to inform the regular briefings done the RC and their good offices to consult and brief other relevant stakeholders, including when relevant the IMF. This will help inform economic recovery processes, advocating for inclusive, conflict-sensitive legislation, and fostering a collaborative approach to policy decisions.

In addition, under this outcome, an activity (3.3.3) is designed to connect 1 women's group in each District<sup>21</sup> with NLAC members – specifically Federation of Chambers of Commerce and Industry, Employers Federation of Ceylon and Sri Lanka Exporters Associations, towards sharing and creating opportunities for trainings, networking and possibly income generation. Indeed, these members, through their networks periodically conduct trainings on women's entrepreneurship, connect women's groups with their networks, incentivize and provide technical knowhow (and small grants) to micro small and medium enterprises, community support initiatives. Corporate members (e.g. Apparel Sector) will share employment opportunities.

#### **Proposed interventions:**

<sup>21</sup> From the community groups that are selected from the groups and networks selected for the community engagement component

## Vision of Change

The project aims to enhance the voice, access, and equitable and inclusive participation, of Sri Lanka's social partners and local communities, in shaping and implementing economic and social recovery efforts and thereby strengthening peace and cohesion.

It will achieve this through strengthening existing dialogue mechanisms for the private sector, and, in parallel, establishing and expanding dialogue mechanisms in the public sector. Local communities, particularly through women and youth forums, will also be capacitated to participate in subnational level platforms and inform policy and decision-making dialogue at national level. Advocacy and capacity building of subnational and national level mechanisms will be strengthened to engage women and youth forums in decision-making and recovery initiatives. Through strengthening and broadening dialogue, the project will seek to influence government policymaking in respect of issues such as job creation, enhancing access to employment by women and youth, skills development, enterprise support and development, and improved access to social protection amongst others.

The proposed project therefore aims to establish an approach to economic and social recovery, and women and youth empowerment that is peace-responsive and built on inclusive and participatory dialogue. This is fundamental to reducing conflict and achieving societal and workplace stability, which is key to Sri Lanka's recovery and growth.

### c) Project targeting:

**Outcomes 1 and 2** will primarily focus on strengthening social dialogue and dispute resolution processes and mechanisms at national and workplace levels in the public and private sectors respectively:

**For the public sector:** the key beneficiary is the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government and public sector trade unions, which has direct responsibility for maintaining harmonious and productive labour relations in the public sector. The project will capacitate a team of approximately 20 (at least 50 per cent women) Ministry staff and trade union representatives, through a training-of-trainers programme on workplace cooperation, to establishment workplace forums in sites prioritised by the Ministry.

The project will also train a team of 60 conciliators and 30 arbitrators (at least 50 per cent women for both groups to provide undertake dispute resolution in the sectoral forums (for the public transport, public health and education sectors), and National Public Sector Forum that are to be established.

**For the private sector:** the beneficiaries would include the Ministry of Labour and Foreign Employment as the principal government ministry responsible for the maintenance of harmonious labour relations in the private sector, together with its Department of Labour. In addition, project beneficiaries will include the EFC and relevant trade unions representing private sector workers. In partnership with the EFC, participating companies will be identified for participation in the project. The national trade unions with whom the ILO predominantly engages will be project beneficiaries. These national trade unions have the largest membership and are therefore representative of the unionised workforce in Sri Lanka. The Employers' Federation of Ceylon (EFC) consists of over 700 member companies from various sectors, with largest number of members in the manufacturing sector. Selection criteria for enterprises that will be targeted by the project will be determined through discussions with EFC leadership.

However, the selection of participating enterprises will be informed, amongst others, by factors such as:

- Sectors in which the enterprise operates sectors (such as manufacturing, agriculture, healthcare, tourism and hospitality will be prioritized)
- Number of workers
- Number of women workers
- Geographical location
- Status of workplace cooperation mechanisms
- Status of grievance handling mechanisms

The project will undertake a training of trainers' programme to train a combined Department of Labour, EFC and trade union team to establish workplace forums and grievance handling procedures at EFC member companies. A total of 60 participants will be trained (20 from each constituency), comprising a minimum of 50 per cent women.

**Outcome 3** will focus on strengthening dialogue and dispute resolution in the following districts:

- Northern Province – Jaffna district (UNFPA and ILO)
- Western Province: Gampaha district (UNESCO, UNFPA and ILO)
- Eastern Province - Batticaloa district (UNESCO, UNFPA and ILO)
- Uva Province- Badulla District (UNESCO, UNFPA and ILO)

These districts were selected based on a preliminary analysis for their ethno-religious diversity, economic vulnerabilities including the impact of the economic crisis, high instances of gender-based violence (GBV), discrimination, conflict, and the presence of key local industries such as fishing, apparel, agriculture, and plantations.

As a subsequent step, a comprehensive stakeholder mapping will be carried out to identify local forums/partners and relevant authorities in consideration of poverty levels, ethno-religious diversity, and other intersectional vulnerabilities, such as gender inequality and risk of violence/trafficking. These will include a wide range of community members and officials, from workers in targeted sectors and their families to local government bodies, educational institutes, and grassroots organizations. This inclusive approach ensures that interventions consider the diverse needs and perspectives within these communities. In addition, the mapping exercise will also provide an understanding in terms of scale of project related interventions at district and community levels. Based on the comprehensive stakeholder mapping UNESCO aims to select at least 10 local forums in each District where 60 people will be capacitated and supported to participate in three rounds of cross-community dialogues on the economic reform process with District Coordination Committees. In total, some 200 people will be selected to participate (200 x 3 rounds of community dialogue – the same people will be targeted in all 3 rounds).

The focus on agriculture, fisheries, and plantation sectors is strategic, recognizing their critical role in Sri Lanka's economic stability and growth. Despite their significance, a vast majority of workers in these sectors are part of the informal economy, lacking formal labour rights and social protection. This precarious situation not only undermines workers' welfare but also challenges Sri Lanka's economic resilience. The project aims to integrate informal workers into the economic reform dialogue, addressing legal and regulatory exclusions to mitigate the economic crisis and enhance social equity.

Women engaged in these sectors, including those engaged in informal work, mostly work for lower wages and are at a higher risk of sexual violence and harassment. These issues can



sometimes escalate into protests and strikes and could result in women not engaging in any economic activities. It is important to note that these conflicts are complex and multi-faceted, involving various stakeholders such as communities, government bodies, and industry players. Thus, peacebuilding efforts to address these conflicts through local forums in terms of dialogue, policy reforms, and community engagement initiatives is critical.

Therefore, from a dispute resolution perspective, the project will train 80 mediators (at least 50 per cent women) to serve on the Special Mediation Boards. The Special Mediations Boards provide access to justice at a community level, with mediation being carried out by members selected by community organisations. The recipients of mediation training will therefore be selected through community structures. The project will also train current staff of the labour tribunals in the four target districts (1 per district).

### **Outcome 1, 2 and 3**

**An Advocacy campaign** will be developed following the evidence-based knowledge gathered across sectors with a view to create a policy discourse around the challenges faced by formal and informal sector workers and the proposed equitable interventions. This will target mainstream and social media and expert forums to publicly disseminate information to create awareness and to inform economic policy reforms of the government.

The **Resident Coordinator's Office supported by UN-SL SDG Fund Secretariat** will consult and brief other stakeholders regularly, including when relevant the IMF, facilitated by the PUNOs. The Secretariat will ensure closer coordination, support quality assurance, especially regarding monitoring, evaluation and reporting and provide cover to sensitive programming during a national election cycle. Furthermore, the Peace and Development Advisor, Senior Human Rights Advisor and the Economist based at the RCO adds value by providing strategic guidance and directions to PUNOs under the coordination of the Secretariat.

### **III. Project management and coordination**

- a) **Recipient organizations and implementing partners** – list all direct recipient organizations and their implementing partners (international and local), specifying the Convening Organization, which will coordinate the project, and providing a brief justification for the choices, based on mandate, experience, local knowledge and existing capacity.

The project will be implemented by the ILO, UNFPA and UNESCO. ILO will serve as the Lead Agency supported by the RCO/SDG fund secretariat and will predominantly be responsible for ensuring joint implementation of Outcomes 1, 2 and 3. In implementing activities associated with these outcomes, ILO will partner with its constituents, namely government, trade unions and employers' organisations. The ILO has developed strong partnerships with these constituents, which will facilitate their support and partnership in implementing project activities.

UNFPA and UNESCO supported by the SDG fund secretariat will predominantly be responsible ensuring joint implementation of activities under Outcome 3. Both Agencies work closely with civil society organisations and have established partnerships with civil society organisations operating in Outcome 3 target districts. UNESCO has also established strong partnerships with parliamentary structures and parliament, which will facilitate linkages between civil society organisations and parliament.

Agency	Total budget in previous calendar year	Key sources of budget (which donors etc.)	Location of in-country offices	No. of existing staff, of which in project zones	Highlight any existing expert staff of relevance to project
<b>Convening Organization: (ILO)</b> Implementing partners: Government of The Netherlands, Government of Australia, Government of Norway, Government of Japan, European Commission, United States Department of Labour	USD 6,600,000	Regular Budget, Regular Budget Technical Cooperation	Colombo	34 staff based in Colombo and Vavuniya	Social Dialogue Specialist, Gender and Non-discrimination Specialist, Employers' Activities Specialist, Workers' Activities Specialist
<b>Recipient Organization: (UNFPA)</b> Implementing partners: Regular Resources, Government of Japan Government of Norway Government of Canada	USD 7,000,000	Regular budget and development partner contributions	Colombo	4 existing staff based in Colombo	National Programme Analyst – SRH, National Programme and Policy Analyst - Gender and Women's Rights
<b>Recipient Organization: (UNESCO)</b> Implementing partners: Proctor and Gamble, Government of Rajasthan, Government of West Bengal	USD 2,267,953 (for New Delhi Regional office)	UNESCO Regular budget	Desk in Colombo, Regional Office in New Delhi, India	1 existing staff based in Colombo	Inclusion, Rights, and Intercultural Dialogue Specialists at UNESCO HQ and Regional Office in New Delhi

- b) **Project management and coordination** – Indicate the project implementation team, including positions and roles and explanation of which positions are to be funded by the project (to which percentage). Explicitly indicate how the project implementation team will ensure sufficient gender or youth expertise. Explain project coordination and oversight arrangements and ensure a link with the PBF Secretariat if it exists. Fill out the project implementation readiness checklist in **Annex A.1** and attach key staff TORs.

Agency	Staff	No of work months	Funding modality	Cost	Responsibility
<b>ILO</b>					
	National Project Coordinator (NOB)	24 months	Funded 100%through the project	\$80893	<p>Responsible for the overall project coordination and management, and coordination leading implementation, and will collaborate with implementing agencies, RCO/SDG Fund Secretariat and partners of the ILO as well as other collaborating Agencies at multiple levels.</p> <p>Responsible for the overall project management, and coordination leading implementation, and will collaborate with implementing partners of ILO as well as other collaborating Agencies at multiple levels. She/he will ensure the development of a joint partner Agency workplan and joint monitoring and evaluation plan, together with joint partner Agency implementation. All project staff will have an indirect reporting line to this position. This will be facilitated through regular joint partner Agency project meetings, and escalation of concerns, if any, to the relevant Heads of Agency for intervention.</p>

	Programme/Finance Assistant (GS 6)	24 months	funded through the project	\$44669	Responsible for providing Programme, logistical, and financial support for project activities.
	M & E Officer (NOA)	24 months	funded through the project	\$61953	Responsible for developing the M&E Framework for the project and regular monitoring.
	Communications Officer (NOA)	12 months	funded through the project	\$30252	Responsible for developing a Communication Strategy for the project and development of communication materials and tools.
	Social Dialogue and Labour Administration Specialist (P4)	2 months	Existing staff	No cost to project	Will provide technical backstopping as needed (in kind).
	Programme Officer	3 months	Existing staff	No cost to project	Will provide programmatic support as needed (in kind).
<b>UNFPA</b>	Project Officer(NOA)	24 months	funded through the project		Overall coordination and implementation for the full duration of the project
	National Programme Analyst – SRHR, National Programme and Policy Analyst – Gender and women’s rights)	6 months	Existing programme Staff		Will provide technical and programmatic support. 3 months – (SRHR National Programme & Policy Analyst) 3 months (Gender & Women’s Rights Officer)
	Operations Analyst, Procurement Associate) and financial management staff (Admin and Finance Associate),	3 months	Existing Operation staff		Will provide operational, finance and administrative support as needed. 1 Month - (Operations Analyst, Procurement Associate) 2 Months – (Admin and Finance Associate)
	M&E (M&E Analyst) and communication staff (Communication and Advocacy Analyst and officer)	3 months	Existing National staff		Will provide communication/Advocacy and M&E support as needed. 1 Month - (M&E Officer) 2 Months - (Communication and Advocacy Analyst and officer)

UNESCO	National Project Coordinator (NOB)	24 months	funded through the project		Overall project management leading implementation, M&E, and reporting efforts in coordination with other UN agencies as well as UNESCO's implementing partners
	Programme/Finance Assistant	24 months	funded through the project		Responsible for providing Program and finance support
	M&E & Communication	10 months	Existing staff		Will provide M&E and Communication support as needed
	Regional Programme Specialist – Inclusion, Rights and Intercultural Dialogue	3 months	Existing programme staff		Will provide technical and programmatic support.
	Regional Administration team (Operations, Procurement and Financial Management)	3 months	Existing administration staff		Will provide operational, finance and administrative support
RCO SDG Fund Secretariat	Peace window coordinator	24 months	Existing staff		Facilitate inter-agency cooperation and coordination to ILO, UNFPA and UNESCO and project leads. Ensure quality assurance efforts of project. Support PUNOs on reporting, monitoring, and evaluation requirements of PBF. Support PUNOs on regular project reviews. Facilitate requests made by PUNOs to the RCO and the RC.

**High-Level Inter-Sectoral Steering Committee: (ISSC) :** The existing ISSC chaired by Secretary, Ministry of Public Administration, Home affairs, Provincial Councils and Local Government will continue to provide overall strategic guidance on implementation of Cabinet approved road map for dispute resolution in the public and private sector. The composition of the Committee will include Secretaries of Ministries of Labour, Health, Transport, Ports & Aviation, Power & Energy, Education, Women & Child Affairs and Youth & Sports. From the Workers side it will include Public Sector Unions from Health, Transport, Ports & Aviation,

Power & Energy, Education. The ISSC will approve Project Workplans (including timelines) to give effect to the reform process, approve strategies and draft guidelines for promotion of social dialogue and dispute resolution within the public service, approve the training material drafts as they are developed, receive progress updates from the Project Team and provide further guidance as needed.

**An inter-Agency project steering committee** will be established upon project commencement. The Committee will be co-chaired by ILO as the lead agency and the Secretary to the Ministry of Public Administration. The Committee will include representatives of the RCO, ILO, UNFPA and UNESCO. This Committee will meet at least twice a year. Where needed, the project steering committee would invite relevant stakeholders to participate in meetings of the steering committee. Additionally, through the RC and their good offices will consult and brief other stakeholders regularly, including when relevant the IMF, facilitated by the PUNOs and the SDG Fund Secretariat.

- c) **Risk management** – Identify project-specific risks and how they will be managed, including the approach to updating risks and making project adjustments. Include a Do No Harm approach and risk mitigation strategy.

Project specific risk	Risk level (low, medium, high)	Mitigation strategy (including Do No Harm considerations)
Diminishing space for public dissent	Medium	Continuous engagement with the Government to impress upon the importance of respecting the international obligations that have been ratified and the standards that are tied to negotiation and monitoring of trade agreements. Trade Partners such as the European Union and the United States government are also guided by ILO supervisory mechanism recommendations, with regard to the negotiation and monitoring of trade agreements.
Trade union protests resulting from the draft Employment Act	High	The project will focus on enhancing the NLAC given that this is the national tripartite mechanism established specifically for consultation on labour legislation and will facilitate technical support to address disputes that may arise, through the NLAC.
Lack of political will to implement the outcomes of dialogue processes	High	The extent to which the outcomes of dialogue processes at national, provincial, district and local levels are included in policy and crisis response interventions will ultimately rest with the government. It is important to note that Sri Lanka's Cabinet in addition has endorsed the restructuring of Sri Lanka's public sector labour dispute resolution system early this year. Government has subsequently requested support from the ILO to implement this new system, which aligns with ILO recommendation. In addition, to ensure the inclusion of key stakeholders, the project will establish a high-level Project Advisory Committee, which will be



		<p>expected to play a key role, not only in guiding project implementation but also in integrating dialogue process outcomes into policy decisions at a national level. This Project Advisory Committee will be supported by an Intersectoral Steering Committee, comprising the Secretaries of relevant ministries, to monitor and facilitate the public sector dialogue and labour dispute resolution enhancement initiative.</p> <p>The Office of the UN Resident Coordinator will also be leveraged, including through participation in the Project Advisory Committee, to support ongoing political commitment for the project.</p>
Frequent changes in senior government officers due to rotation	High	Changes in senior government officers is unavoidable given that this is conventional government practice in Sri Lanka. The project will therefore additionally emphasise establishing strong working relations with middle management, including through facilitating their involvement in project activities, as a basis for continuity. This level of officers would in any event ultimately be responsible for directly supporting project implementation. Their involvement is therefore crucial.
Lack of trust/continuing distrust between community groups and national sub-national level institutions	Medium	A key intervention area of the project is to mobilise constructive engagement between women, youth and sub-national level mechanisms to inform policy and decision-making dialogues at national level.
Risks of limited or non-participation and commitment of stakeholders and key beneficiaries owing to competing priorities.	Medium	The project team will closely consult stakeholders in planning implementation, including training plans, etc. This will assist to ensure that project activities are designed to maximise stakeholder participation.
Change in strategic priorities resulting from presidential elections scheduled for 2024	Medium	Improved public sector service delivery has remained a priority of successive governments. This is extremely unlikely to change. The government has also ratified ILO Convention 144 Tripartite Consultation (International Labour Standards) Convention, 1976. It is therefore obligated to maintain the NLAC. In addition, the project will focus its efforts on the administrative structure and officials who are more directly involved with implementation. This level is unlikely to be affected by political change.
Lack of representation and platforms for advancing of GEWE	Medium	Improved mechanism for policy dialogue and establishment of platforms at national and sub-national levels. Providing opportunities for improved representation of women through integration to decision making Forums. This

		work is channelled through the Women's Parliamentary caucus and similar mechanism which works on advancing GEWE.
lack of commitment to gender equality as a priority	High	Through policy dialogue advocate for gender equality as a priority
Dissatisfaction on Non-inclusion in project activities at the community level	Medium	Clear and transparent criteria will be developed in collaboration and consultation with Government Counterparts and community leaders, in line with the principle of "leaving no one behind". The project will concurrently ensure a Do No Harm approach, through the full engagement of key stakeholders in the development and implementation of project activities. The Project Steering Committee supported by the UN Sri Lanka SDG Fund will also play a key role to monitor project activities in order to ensure that there are no negative impacts on stakeholders and more broadly. Additionally, project partners will develop protection mechanisms including engagement principles in consultation with the Senior Human Rights Advisor to the RC.
Co-option by political parties of dialogue fora established through the project.	Medium	Fora established by the project will be closely monitored by project staff to ensure that they remain focused on their core functions. In addition, training will be provided to members of these fora to facilitate their appropriate functioning. Further the constitutions of the Workplace forums set out the ground rules on functioning of the forums.

#### d) Monitoring and evaluation

The project will be monitored in accordance with PBF Results Framework outlined in the annexure-B through a dedicated M&E officer recruited for the project who will be responsible for setting up the baselines and collection data through the project cycle. Robust monitoring and evaluation will be in place using participatory impact assessment tools, including both qualitative and quantitative indicators to capture gender equality related impact. ILO will serve as the lead agency, responsible for collating the reports to PBSO and the Boards. Implementing UN agencies will be responsible for monitoring and evaluation and reporting on their respective components. ILO and UNFPA will be primarily responsible for Outcomes 1 and 2, and UNFPA and UNESCO will be primarily responsible for Outcome 3. The independent evaluation will be led by ILO in coordination with UNESCO and UNFPA. Quality assurance and support to monitoring will also be provided by the staff of the Sri Lanka SDG Fund.

#### e) Project exit strategy/ sustainability –

The project aims to establish, and strengthen, institutional mechanisms for dialogue and dispute resolution that would largely be funded through the national fiscus. This is fundamental to the sustainability of initiatives in respect of Outcomes 1 and 2. In some instances, these mechanisms already exist, such as the NLAC. The NLAC falls under MOLFE and is therefore provided with secretariat support by MOLFE. This support will continue, particularly given that the NLAC is established in compliance with ILO Tripartite Consultation (International Labour Standards)

Convention, 1976 (No. 144), which the Government of Sri Lanka has ratified and is therefore required to comply with.

The public sector dialogue and labour dispute resolution mechanisms are similarly mechanisms that report to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government. This Ministry is therefore responsible for the maintenance of these structures. The Ministry of Public Administration has already shown commitment in this regard, given that it has established a Coordination Unit, with staff within the Ministry, specifically to support the current initiative to strengthen public sector dialogue and labour dispute resolution systems. The ILO will however continue to provide technical support, through its Country Office-Colombo and Decent Work Team-Delhi to support the Ministry in ensuring the continued and effective operations of these mechanisms.

With regard to workplace forums established in public sector sites, and in EFC member companies, the ILO Country Office will continue to work closely with the Department of Labour to ensure that these workplace forums function as planned. The Department of Labour's Social Dialogue and Workplace Cooperation Unit will be a key partner in this regard, as this Unit has the mandate to monitor and support social dialogue in the private sector.

Representation of youth, women and other marginalized groups will be ensured beyond the project period through representation in existing District and National Level Policy Making structures for cross community dialogue across strategically selected and strengthened community level forums including informal workers, youth and women, networks and the local government level linkages. Development of institutional capacity of these community networks will also contribute to ensuring representation at local forums and other subnational fora. Moreover, at the national level, the project will engage with the Parliament and the EIWG which is currently undergoing a process of evolving into a permanent multisectoral body entitled the Forum for Economic Inclusion and Policy Advocacy (FEIPA).

FEIPA will continue to play a pivotal role, given that it is envisaged to function as an independent think tank, providing support to Parliament and the relevant policymakers on matters pertaining to economic inclusion. It will also co-lead the design and implementation of activities that supports a more effective dialogue on the impacts of the economic policies on marginalised communities. This will promote the inclusion of these communities in institutional processes for design and delivery of the economic recovery process. As economic inclusion stands as its primary objective, FEIPA will leverage the strengthened local forums to sustain the dialogue processes initiated at the community level. These local level dialogue processes will remain central to the overarching goal of informing and influencing national level policymaking and will be an instrumental force in driving meaningful change.

Women and youth at community level will be linked with District Coordinating Committees (DCC) and District Women and Child Development Committees to ensure continuous engagement of women and youth with key decision-making platforms at local government level. The DCC, which includes decision makers from political parties, will be strengthened to use these platforms as mechanisms to communicate community level issues to the central level. Targeted employers' organisations and trade union, through the linkages established with them, will also support the taking forward of relevant issues at the NLAC. This will provide a wider basis to inform policies and decisions related to the economic recovery process.

In addition, the project team will endeavour to leverage additional resources for further support to achieve project objectives beyond the planned initial two years. This will be facilitated

through the development and implementation of a joint partner Agency communication and resource mobilisation strategy, that will be implemented over the initial two years of the project.

#### IV. Project budget

Please refer to Annex D for detailed budget

For MPTFO Use				
Totals				
	Recipient Organization 1 (ILO)	Recipient Organization 2 (UNFPA)	Recipient Organization 3 (UNESCO)	Totals
1. Staff and other personnel	\$ 217,766.00	\$ 95,700.00	\$ 70,000.00	\$ 383,466.00
2. Supplies, Commodities, Materials	\$ 25,000.00	\$ 12,000.00	\$ -	\$ 37,000.00
3. Equipment, Vehicles, and Furniture (including Depreciation)	\$ 31,400.00	\$ -	\$ -	\$ 31,400.00
4. Contractual services	\$ 549,150.00	\$ 259,500.00	\$ -	\$ 808,650.00
5. Travel	\$ 162,600.00	\$ 20,500.00	\$ 8,800.00	\$ 191,900.00
6. Transfers and Grants to Counterparts	\$ 48,850.00	\$ 68,590.00	\$ 97,086.00	\$ 214,526.00
7. General Operating and other Costs	\$ 40,000.00	\$ 11,000.00	\$ 151,217.00	\$ 202,217.00
Sub-Total	\$ 1,074,766.00	\$ 467,290.00	\$ 327,103.00	\$1,869,159.00
7% Indirect Costs	\$ 75,233.69	\$ 32,710.30	\$ 22,897.21	\$ 130,841.13
Total	\$ 1,150,000	\$ 500,000	\$ 350,000	\$2,000,000

Performance-Based Tranche Breakdown					
	Recipient Organization 1 (ILO)	Recipient Organization 2 (UNFPA)	Recipient Organization 3 (UNESCO)	TOTAL	Tranche %
First Tranche:	\$ 805,000	\$ 350,000	\$ 245,000	\$1,400,000	70%
Second Tranche:	\$ 345,000	\$ 150,000.09	\$ 105,000.38	\$ 600,000	30%
Third Tranche:	\$ -	\$ -	\$ -	\$ -	0%
TOTAL	\$ 1,150,000	\$ 500,000	\$ 350,000	\$ 2,000,000	

## Annex A.1: Checklist of Project Implementation Readiness

<b>Planning</b>				
1. Have all implementing partners been identified? If not, what steps remain and proposed timeline	X			Implementation partners will include MOLFE, Ministry of Public Administration, Ministry of Women's Children, Ministry of Justice, District Secretariats, National Labour Advisory Council (NLAC), Employers Federation of Ceylon (EFC), trade unions, Respective Parliamentary Committees and community level forums.
2. Have TORs for key project staff been finalized and ready to advertise? Please attach to the submission		X		The relevant ILO job descriptions will be adapted for the key project positions.
3. Have project sites been identified? If not, what will be the process and timeline	X			
4. Have local communities and government offices been consulted/ sensitized on the existence of the project? Please state when this was done or when it will be done.	X			Relevant state authorities, as well as the EFC and trade unions have been consulted and their support has been obtained. This was undertaken during the development of the concept note, and additionally in the process of developing the project documents.
5. Has any preliminary analysis/ identification of lessons learned/ existing activities been done? If not, what analysis remains to be done to enable implementation and proposed timeline?	X			Each Partner Agency has undertaken analyses based on their particular area of focus.
6. Have beneficiary criteria been identified? If not, what will be the process and timeline.	X			
7. Have any agreements been made with the relevant Government counterparts relating to project implementation sites, approaches, Government contribution?	X			Agreement has been reached with the relevant ministries on project scope and planned activities. The Office of the Prime Minister has also been fully apprised of the project.

8. Have clear arrangements been made on project implementing approach between project recipient organizations?	X		Project recipient organisations have been consulted, and their support has been obtained for planned project activities. Detailed discussions on work planning and roles and responsibilities will be finalised upon project approval.
9. What other preparatory activities need to be undertaken before actual project implementation can begin and how long will this take?	N/A		
<b>Gender</b>			
10. Did UN gender expertise inform the design of the project (e.g. has a gender adviser/expert/focal point or UN Women colleague provided input)?	X		
11. Did consultations with women and/or youth organizations inform the design of the project?	X		
12. Are the indicators and targets in the results framework disaggregated by sex and age?	X		
13. Does the budget annex include allocations towards GEWE for all activities and clear justifications for GEWE allocations?			



## Annex A.2: Checklist for project value for money

1. Does the project have a budget narrative justification, which provides additional project-specific information on any major budget choices or higher-than-usual staffing, operational or travel costs, so as to explain how the project ensures value for money?	x		Budget allocations are within the required guidelines
2. Are unit costs (e.g. for travel, consultancies, procurement of materials etc) comparable with those used in similar interventions (either in similar country contexts, within regions, or in past interventions in the same country context)? If not, this needs to be explained in the budget narrative section.	x		
3. Is the proposed budget proportionate to the expected project outcomes and to the scope of the project (e.g. number, size and remoteness of geographic zones and number of proposed direct and indirect beneficiaries)? Provide any comments.	x		
4. Is the percentage of staffing and operational costs by the Receiving UN Agency and by any implementing partners clearly visible and reasonable for the context (i.e. no more than 20% for staffing, reasonable operational costs, including travel and direct operational costs) unless well justified in the narrative section?		x	IL O's staffing cost is 18.93 % and the operational cost is at 31%. IL O has a mandatory requirement of 2% on security, 3% for Provision for cost increase, programme support cost of 7%, however, a waiver of 6% can be requested given that this is an inter-agency project, Once the waiver is approved the operational cost would be reduced
5. Are staff costs proportionate to the amount of work required for the activity? And is the project using local rather than international staff/expertise wherever possible? What is the justification for the use of international staff, if applicable?	X		The project will combine national staff with an international Technical Officer. Given the overarching focus of the project on crisis recovery through dialogue and dispute resolution, would be vital for the project to be led by a resource with in-depth global knowledge in this area, as well as international experience in the areas of social dialogue and dispute resolution in a crisis-response context. This a rare combination of skills, and would therefore more successfully be obtained through tapping an international pool.

			National project staff will be key to supporting the international expert through contributing knowledge of local stakeholders and political context. This combination of international expertise in key focal areas of the project to lead the project, combined with knowledge of local stakeholders and dynamics provided by national project staff is fundamental to the successful and impactful achievement of project objectives. In addition the project is a complex one, also involving three UN Agencies. This also necessitates the recruitment of a suitably experienced project lead.
6. Does the project propose purchase of materials, equipment and infrastructure for more than 15% of the budget? If yes, please state what measures are being taken to ensure value for money in the procurement process and their maintenance/sustainable use for peacebuilding after the project end.		x	
7. Does the project propose purchase of a vehicle(s) for the project? If yes, please provide justification as to why existing vehicles/ hire vehicles cannot be used.		x	
8. Do the implementing agencies or the UN Mission bring any additional non-PBF source of funding/ in-kind support to the project? Please explain what is provided. And if not, why not.	x		In-kind support – contribution from ILO Specialists In New Delhi and Geneva, contribution from ILO Country Office staff, contributions from UNFPA and UNESCO project staff

## **Annex B.1: Project Administrative arrangements for UN Recipient Organizations**

The UNDP MPTF Office serves as the Administrative Agent (AA) of the PBF and is responsible for the receipt of donor contributions, the transfer of funds to Recipient UN Organizations, the consolidation of narrative and financial reports and the submission of these to the PBSO and the PBF donors. As the Administrative Agent of the PBF, MPTF Office transfers funds to RUNOS on the basis of the signed Memorandum of Understanding between each RUNO and the MPTF Office.

### **AA Functions**

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved "Protocol on the Administrative Agent for Multi-Donor Trust Funds and Joint Programmes, and One UN funds" (2008), the MPTF Office as the AA of the PBF will:

- Disburse funds to each of the RUNO in accordance with instructions from the PBSO. The AA will normally make each disbursement within three (3) to five (5) business days after having received instructions from the PBSO along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate the financial statements (Annual and Final), based on submissions provided to the AA by RUNOS and provide the PBF annual consolidated progress reports to the donors and the PBSO;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is completed by the RUNO. A project will be considered as operationally closed upon submission of a joint final narrative report. In order for the MPTF Office to financially close a project, each RUNO must refund unspent balance of over 250 USD, indirect cost (GMS) should not exceed 7% and submission of a certified final financial statement by the recipient organizations' headquarters);
- Disburse funds to any RUNO for any cost extension that the PBSO may decide in accordance with the PBF rules & regulations.

### **Accountability, transparency and reporting of the Recipient United Nations Organizations**

Recipient United Nations Organizations will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each RUNO in accordance with its own regulations, rules, directives and procedures.

Each RUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each RUNO in accordance with its own regulations, rules, directives and procedures, including those relating to interest. The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the RUNO.

Each RUNO will provide the Administrative Agent and the PBSO (for narrative reports only) with:

Type of report	Due when	Submitted by
Semi-annual project progress report	15 June	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist

Annual project progress report	15 November	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist
End of project report covering entire project duration	Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides)	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist
Annual strategic peacebuilding and PBF progress report (for PRF allocations only), which may contain a request for additional PBF allocation if the context requires it	1 December	PBF Secretariat on behalf of the PBF Steering Committee, where it exists or Head of UN Country Team where it does not.

#### Financial reporting and timeline

Timeline	Event
<b>30 April</b>	Annual reporting – Report Q4 expenses (Jan. to Dec. of previous year)
<i>Certified final financial report to be provided by 30 June of the calendar year after project closure</i>	

UNEX also opens for voluntary financial reporting for UN recipient organizations the following dates

<b>31 July</b>	Voluntary Q2 expenses (January to June)
<b>31 October</b>	Voluntary Q3 expenses (January to September)

Unspent Balance exceeding USD 250, at the closure of the project would have to be refunded and a notification sent to the MPTF Office, no later than six months (30 June) of the year following the completion of the activities.

#### Ownership of Equipment, Supplies and Other Property

Ownership of equipment, supplies and other property financed from the PBF shall vest in the RUNO undertaking the activities. Matters relating to the transfer of ownership by the RUNO shall be determined in accordance with its own applicable policies and procedures.

#### Public Disclosure

The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website ([www.un.org/peacebuilding/fund](http://www.un.org/peacebuilding/fund)) and the Administrative Agent's website ([www.mptf.undp.org](http://www.mptf.undp.org)).

#### Annex B.2: Project Administrative arrangements for Non-UN Recipient Organizations

#### Accountability, transparency and reporting of the Recipient Non-United Nations Organization:

The Recipient Non-United Nations Organization will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each recipient in accordance with its own regulations, rules, directives and procedures.

The Recipient Non-United Nations Organization will have full responsibility for ensuring that the Activity is implemented in accordance with the signed Project Document;

In the event of a financial review, audit or evaluation recommended by PBSO, the cost of such activity should be included in the project budget;

Ensure professional management of the Activity, including performance monitoring and reporting activities in accordance with PBSO guidelines.

Ensure compliance with the Financing Agreement and relevant applicable clauses in the Fund MOU.

### **Reporting:**

Each Receipt will provide the Administrative Agent and the PBSO (for narrative reports only) with:

Type of report	Due when	Submitted by
Bi-annual project progress report	15 June	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist
Annual project progress report	15 November	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist
End of project report covering entire project duration	Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides)	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist
Annual strategic peacebuilding and PBF progress report (for PRF allocations only), which may contain a request for additional PBF allocation if the context requires it	1 December	PBF Secretariat on behalf of the PBF Steering Committee, where it exists or Head of UN Country Team where it does not.

### Financial reports and timeline

Timeline	Event
28 February	Annual reporting – Report Q4 expenses (Jan. to Dec. of previous year)
30 April	Report Q1 expenses (January to March)
31 July	Report Q2 expenses (January to June)
31 October	Report Q3 expenses (January to September)
<i>Certified final financial report to be provided at the quarter following the project financial closure</i>	

Unspent Balance exceeding USD 250 at the closure of the project would have to be refunded and a notification sent to the Administrative Agent, no later than three months (31 March) of the year following the completion of the activities.

### Ownership of Equipment, Supplies and Other Property

Matters relating to the transfer of ownership by the Recipient Non-UN Recipient Organization will be determined in accordance with applicable policies and procedures defined by the PBSO.

### Public Disclosure

The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website ([www.un.org/peacebuilding/fund](http://www.un.org/peacebuilding/fund)) and the Administrative Agent website ([www.mptf.undp.org](http://www.mptf.undp.org)).

### Final Project Audit for non-UN recipient organization projects

An independent project audit will be requested by the end of the project. The audit report needs to be attached to the final narrative project report. The cost of such activity must be included in the project budget.

### Special Provisions regarding Financing of Terrorism

Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Participants are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, all Recipient Organizations recognize their obligation to comply with any applicable sanctions imposed by the UN Security Council. Each of the Recipient Organizations will use all reasonable efforts to ensure that the funds transferred to it in accordance with this agreement are not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of this agreement, a Recipient Organization determines that there are credible allegations that funds transferred to it in accordance with this agreement have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime it will as soon as it becomes aware of it inform the head of PBSO, the Administrative Agent and the donor(s) and, in consultation with the donors as appropriate, determine an appropriate response.

### Non-UN recipient organization (NUNO) eligibility:

In order to be declared eligible to receive PBF funds directly, NUNOs must be assessed as technically, financially and legally sound by the PBF and its agent, the Multi Partner Trust Fund Office (MPTFO). Prior to submitting a finalized project document, it is the responsibility of each NUNO to liaise with



PBSO and MPTFO and provide all the necessary documents (see below) to demonstrate that all the criteria have been fulfilled and to be declared as eligible for direct PBF funds.

The NUNO must provide (in a timely fashion, ensuring PBSO and MPTFO have sufficient time to review the package) the documentation demonstrating that the NUNO:

- Has previously received funding from the UN, the PBF, or any of the contributors to the PBF, in the country of project implementation.
- Has a current valid registration as a non-profit, tax exempt organization with a social based mission in both the country where headquarter is located and in country of project implementation for the duration of the proposed grant. (NOTE: If registration is done on an annual basis in the country, the organization must have the current registration and obtain renewals for the duration of the project, in order to receive subsequent funding tranches).
- Produces an annual report that includes the proposed country for the grant.
- Commissions audited financial statements, available for the last two years, including the auditor opinion letter. The financial statements should include the legal organization that will sign the agreement (and oversee the country of implementation, if applicable) as well as the activities of the country of implementation. (NOTE: If these are not available for the country of proposed project implementation, the CSO will also need to provide the latest two audit reports for a program or project-based audit in country.) The letter from the auditor should also state whether the auditor firm is part of the nationally qualified audit firms.
- Demonstrates an annual budget in the country of proposed project implementation for the previous two calendar years, which is at least twice the annualized budget sought from PBF for the project.<sup>22</sup>
- Demonstrates at least 3 years of experience in the country where grant is sought.
- Provides a clear explanation of the CSO's legal structure, including the specific entity which will enter into the legal agreement with the MPTF-O for the PBF gran

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<sup>22</sup> Annualized PBF project budget is obtained by dividing the PBF project budget by the number of project duration months and multiplying by 12.

Annex C: Project Results Framework (Must include sex-and age disaggregated targets)				
outcomes	Outputs/Activity	Indicators	Means of Verification/ frequency of collection	Indicator milestones
<b>Outcome 1:</b> Improved social dialogue in the public sector allows for gender-responsive and peaceful dispute resolution for inclusive socio-economic recovery		<p>Outcome Indicator:</p> <p>% of public sector workers indicating their satisfaction in the operational capacity and capability of the National Public Sector Forum to resolve public sector disputes</p> <p>Baseline: TBD Target: 50%</p> <p>% of Public sector disputes, including those arising from the economic reform process, are addressed through the establishment and operationalisation of a National Public Sector Forum.</p> <p>Baseline: 0 Target: 50%</p> <p>Y on Y reduction of protests turning violent and/ or subject to reprisals owing to economic reform efforts</p> <p>Baseline : TBD Target: TBD</p> <p>Government of Sri Lanka adopts and implements a new national level dispute settlement mechanism in the public sector by 2025.</p>	<ul style="list-style-type: none"> <li>Perception Survey</li> <li>Government's gazette/ Ministry minutes, circulars, announcement on the cabinet decision, press releases</li> <li>ACLED,</li> <li>UNDP Crisis Dashboard</li> <li>News articles</li> </ul>	<ul style="list-style-type: none"> <li>1 (2025)</li> </ul>
	Output 1.1 (ILO, UNFPA)			
	Public sector conflicts are resolved through social dialogue mechanisms.	<p>Output Indicator 1.1.1:</p> <p>% of public sector conflicts are brought under the newly established dispute settlement mechanism at the workplace level.</p> <p>Baseline: 0 Target: 60%</p>	<ul style="list-style-type: none"> <li>Meeting minutes from Workplace forums (WFP)</li> </ul>	<ul style="list-style-type: none"> <li>60% (2025)</li> </ul>

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		Output Indicator 1.1.3.:	% of conflicts related to incidents of gender discrimination resolved. Baseline: 0 Target: 60 %	• Annual Report, Ministry of Public Administration • 60% (2025)
		Output Indicator 1.1.4:	# of collective agreements making specific reference to gender equality concluded by Sectoral Forums. Baseline: 0 Target: 5 (Collective bargaining agreements)	• Collective bargaining agreements • 05 (2025)
		Output Indicator 1.2.1	% of public satisfaction in the sectors improved Baseline: 0 Target: 30%	• Sample survey • 10% (2024) • 20% (2025)
	Output 1.2 (ILO) National-level public sector dialogue and industrial dispute resolution for improved service delivery in the public sector, by reducing strikes and protests ensuring inclusive economic recovery.	Output Indicator 1.2.2	# of mediators trained to serve on Special Mediations Boards for reduction of public sector disputes. Baseline: 0 Target: 80 (50% women) (20 per target district)	• Training reports • 40 (2024) • Attendance lists • 40 (2025)

	<p>Output 1.3 (UNFPA, ILO)</p> <p>Policy changes for gender equity and inclusivity at workplace forum level in priority sectors.</p>	<p>Output Indicator 1.3.1:</p> <p># of policy recommendations and advocacy material submitted to Ministry of Women and Child Affairs, and the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government.</p> <p>Baseline: 0 Target: 4</p> <p>Output Indicator 1.3.2:</p> <p># of institutions with new policies introduced based on the recommendations gender audits/ gap analysis conducted (sector based disaggregated data).</p> <p>Baseline: 0 Target: 5</p>	<ul style="list-style-type: none"><li>• Policy recommendation reports</li><li>• Meeting minutes</li></ul>	<ul style="list-style-type: none"><li>• 2 (2024)</li><li>• 2 (2025)</li><li>• 30% (2024)</li><li>• 30% (2025)</li></ul>
			<ul style="list-style-type: none"><li>• Gender Audit reports</li></ul>	

<p><b>Outcome 2:</b></p> <p>Improved social dialogue in the private sector contributes to gender-responsive and peaceful, dispute resolution.</p>		<p><b>Outcome Indicator 2:</b></p> <p>% of labour and employment related conflicts resolved through NLAC Baseline: 20% approx Target: 50%</p> <p>% of private sector workers indicating their satisfaction in the operational capacity and capability of the NLAC to enhance gender equality</p> <p>% of private sector workers indicating their satisfaction in the operational capacity and capability of the NLAC to enhance social cohesion.</p> <p>Baseline: TBD Target: 50%</p>	<ul style="list-style-type: none"> <li>• NLAC meeting minutes</li> <li>• Perception Survey</li> </ul>	<ul style="list-style-type: none"> <li>• 2025</li> </ul>
<p><b>Output 2.1 (ILO, UNFPA)</b></p> <p>NLAC restructured to strengthen gender equality and capacitated to facilitate effective national level tripartite social dialogue.</p>		<p><b>Output Indicator 2.1.1:</b></p> <p># of gender sensitization sessions and trainings conducted to facilitate inclusive dialogue forums targeting the members of NLAC.</p> <p>Baseline: 0 Target: 5</p>	<ul style="list-style-type: none"> <li>• Pre and Post training evaluations</li> <li>• Training report</li> </ul>	<ul style="list-style-type: none"> <li>• 2 (2024)</li> <li>• 3 (2025)</li> </ul>

		<p>Output Indicator 2.1.3</p> <p># of NLAC governing documents (constitution) amended, proposing quota for female representation through the advocacy process.</p> <p>Baseline: 0 Target: 2</p>	<ul style="list-style-type: none"> <li>• Copies of the amended governing documents</li> </ul>	<ul style="list-style-type: none"> <li>• 2 (2025)</li> </ul>
		<p>Output Indicator 2.1.3:</p> <p>% of reduction in private sector labour disputes</p> <p>Baseline: 0 Target: 60%</p>	<ul style="list-style-type: none"> <li>• EFC reports, MOLE reports</li> </ul>	<ul style="list-style-type: none"> <li>• 60% (2025)</li> </ul>
	<p>Output 2.2 (ILO)</p> <p>Labour Market Tripartite Task Force strengthened to respond to the needs of vulnerable workers and communities</p>	<p>Output Indicator 2.2.1</p> <p># of policy recommendations submitted to NLAC to facilitate job creation and decent work</p>	<ul style="list-style-type: none"> <li>• NLAC Minutes/Records</li> </ul>	<ul style="list-style-type: none"> <li>• 2 (2024)</li> <li>• 4 (2025)</li> </ul>
	<p>Output 2.3 (ILO, UNFPA)</p> <p>Workplace level bi-partite mechanisms established to foster industrial peace, productivity, and gender equality.</p>	<p>Output Indicator 2.3.1:</p> <p># of conflict resolution mechanisms established to address workplace conflict and harassment.</p> <p>Baseline: 0 Target: 10</p>	<ul style="list-style-type: none"> <li>• EFC reports</li> <li>• MOLFE reports</li> <li>• Copies of the workplace forum Constitutions</li> <li>• Copies of grievance handling procedures</li> </ul>	<ul style="list-style-type: none"> <li>• 70% (2025)</li> </ul>



Output 2.4 (ILO) Dispute resolution mechanisms strengthened in target districts.	Output indicator 2.4.1 # of labour tribunals judges trained on mediation and, equality and inclusivity for more effective and speedy resolution of labour disputes for prevention of escalation of conflict. Baseline: 0 Target: 4	<ul style="list-style-type: none"> <li>• Training reports</li> <li>• Attendance lists</li> </ul>	<ul style="list-style-type: none"> <li>• 4 (2024)</li> </ul>
	Output Indicator 2.5.1: # of member organization adopting policy changes. Baseline: 0 Target: 8	<ul style="list-style-type: none"> <li>• Amended policies</li> </ul>	<ul style="list-style-type: none"> <li>• 4 (2024)</li> <li>• 4 (2025)</li> </ul>
	Output 2.5 (UNFPA, ILO) Policy changes for gender equity and inclusivity within the selected NLAC member organisations based on the community consultation in line with outcome 3	Output Indicator 2.5.2 No. of local level sector specific trade unions strengthened to advocate for gender equity and inclusive policy change. Baseline: 0 Target: 10	<ul style="list-style-type: none"> <li>• Training reports</li> <li>• Attendance list</li> </ul> <ul style="list-style-type: none"> <li>• 30 (2024)</li> <li>• 30 (2025)</li> </ul>

<p><b>Outcome 3: UNESCO/UNFPA</b></p> <p>Enhanced engagement of women, youth, and other under-represented workers in the informal economy with District and National Level Policy Making structures for gender-responsive peaceful dispute resolution</p>	<p><b>Outcome indicator 3</b></p> <p>% of women and youth represented in leadership and decision-making positions at District Level Coordination Committees</p> <p>Baseline – 10% Target – 50%</p> <p># of laws reviewed by the Parliament Permanent Committee on Post Legislative Scrutiny reflecting key findings from community-level dialogue including issues, opinions, voices, grievances, and frustration of women, young people and marginalised communities</p> <p>Baseline – 0 Target - 5</p> <p>% of representatives of community level dialogue mechanisms reporting highly satisfied and or/ satisfied, regarding the inclusion of community grievances and view points by the Parliament Permanent Committee on Post Legislative Scrutiny</p> <p>Baseline – 0 Target – 50%</p> <p># of consensus measures developed by the Tripartite Labour Market Task Force to support businesses and workers (both formal and informal) reflecting key findings from community-level dialogue</p> <p>Baseline – 0 Target - 5</p>	<ul style="list-style-type: none"> <li>• Tripartite Labour Market Task Force meeting minutes</li> <li>• Parliament Permanent Committee on Post Legislative Scrutiny session minutes</li> <li>• 1 (2025)</li> </ul>
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	<p>Output 3.1 (UNESCO)</p> <p>Local forums in key economic sectors are strengthened with knowledge and skills to engage with the government actors and policy makers to effectively engage in cross-community dialogue on the economic reform process.</p>	<p>Output Indicator 3.1.1:</p> <p># of local forums with gender-balanced representation supported with knowledge and skills to facilitate and enable cross community dialogue processes as community level mechanisms.</p> <p>Baseline: 0 Target: 10</p>	<ul style="list-style-type: none"> <li>Capacity assessment report of identified local forums on gaps and areas of support required related to intercultural sensitivity and facilitation.</li> <li>Pre-/post-training survey results</li> <li>Attendance list</li> </ul>	<p>10 (2024)</p>
<p>Output 3.2 (UNFPA)</p> <p>Assessment on gendered implications on health and protection of women and youth and their families during the economic recovery period.</p>	<p>Output indicator 3.2.1</p> <p># of District specific needs assessments of issues, challenges, and possible drivers of conflict per sector at a community level facilitated through community consultations conducted</p> <p>Baseline: 0 Target: 4</p> <p>Output Indicator 3.2.2:</p> <p># of policy briefs developed and disseminated to relevant stakeholders for advocacy and to inform policy decisions.</p> <p>Baseline: 0 Target: 3</p>	<p>Output indicator 3.2.1</p> <p># of District specific needs assessments of issues, challenges, and possible drivers of conflict per sector at a community level facilitated through community consultations conducted</p> <p>Baseline: 0 Target: 4</p> <p>Output Indicator 3.2.2:</p> <p># of policy briefs developed and disseminated to relevant stakeholders for advocacy and to inform policy decisions.</p> <p>Baseline: 0 Target: 3</p>	<ul style="list-style-type: none"> <li>District specific needs assessment</li> <li>Research Report</li> <li>Policy briefs</li> </ul>	<ul style="list-style-type: none"> <li>Needs assessment (2024)</li> <li>Final report (2024)</li> <li>03 (2024)</li> </ul>
<p>Output 3.3 (UNFPA)</p> <p>Women and young people have increased representation in decision making forums and access to economic opportunities.</p>	<p>Output Indicator 3.3.1 (UNFPA):</p> <p># of women and youth leaders represented at District Level Coordination Committees</p> <p>Baseline: 0 Target: 9</p> <p>Output Indicator 3.3.2</p> <p># of women and youth leaders mentored to engage with communities and connect with national decision-making mechanisms.</p> <p>Baseline: 0 Target: 100</p>	<p>Output Indicator 3.3.1 (UNFPA):</p> <p># of women and youth leaders represented at District Level Coordination Committees</p> <p>Baseline: 0 Target: 9</p> <p>Output Indicator 3.3.2</p> <p># of women and youth leaders mentored to engage with communities and connect with national decision-making mechanisms.</p> <p>Baseline: 0 Target: 100</p>	<ul style="list-style-type: none"> <li>Meeting Minutes</li> <li>Attendance sheets</li> <li>Pre-/post-training survey results</li> <li>Attendance list</li> <li>Community meeting reports</li> </ul>	<ul style="list-style-type: none"> <li>3 (2024)</li> <li>6 (2025)</li> <li>50 (2024)</li> <li>50 (2025)</li> </ul>

		Output Indicator 3.3.3 No. of community groups connected with economic opportunities through members of NLAC.  Baseline: 0 Target: 4		<ul style="list-style-type: none"> <li>Meeting Minutes</li> <li>Annual Reports</li> </ul>	<ul style="list-style-type: none"> <li>2 (2024)</li> <li>2 (2025)</li> </ul>
		Output Indicator 3.4.1 (UNESCO): # of cross-community dialogues between local forums in the key economic sectors and District-level coordination committees completed.  Baseline: 0 Target: UNESCO (6)		<ul style="list-style-type: none"> <li>Agenda</li> <li>Participant list</li> <li>Minutes</li> </ul>	<ul style="list-style-type: none"> <li>3 (2024)</li> <li>3 (2025)</li> </ul>
		Output Indicator 3.4.2 (UNESCO): # of summary reports of the dialogues produced, synthesizing key insights, concerns, and priorities.  Baseline: 0 Target: UNESCO (3)		<ul style="list-style-type: none"> <li>Dialogue outcome documents</li> </ul>	<ul style="list-style-type: none"> <li>3 (2025)</li> </ul>
	Output 3.4 (UNESCO)  Informal economy workers and other under-represented groups have increased opportunities for meaningful engagement in local-level dialogue processes and decision-making bodies through District-level Coordination Committees to support inclusive, conflict-sensitive economic recovery processes.	Output Indicator 3.5.1: (UNESCO, UNFPA, ILO)  # of Tripartite Labour Market Task Force meetings convened to present key outcomes from local-level dialogue processes and advocate for key issues affecting women, youth, and informal economy workers.  Baseline: 0 Target: 3		<ul style="list-style-type: none"> <li>Agenda</li> <li>Participant list</li> <li>Minutes</li> </ul>	<ul style="list-style-type: none"> <li>3 (2025)</li> </ul>
	Output 3.5: (UNESCO, UNFPA, ILO)  Economic recovery processes are informed with key evidence from local-level dialogue processes and assessments through the Tripartite Labour Market Task Force				

	and Parliament Permanent Committee on Post-Legislative Scrutiny.	Output Indicator 3.5.2: (UNESCO, UNFPA, ILO)  # of evidence-based knowledge products presented and submitted to the Parliament Permanent Committee on Post-Legislative Scrutiny to support inclusive, conflict-sensitive legislation and its implementation.  Baseline: 0 Target: 6	<ul style="list-style-type: none"><li>• Knowledge products</li><li>• Minutes</li></ul>	<ul style="list-style-type: none"><li>• 6 (2025)</li></ul>
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