**Ministry of Home Affairs**

Project Appraisal Document

Implementation of social protection programs is conducted at the local level, with 332 divisional secretaries (DSs) reporting to the district secretaries under the Ministry of Home Affairs (MoHA). Within each Divisional Secretariat, Grama Niladaris (GNs), village officers also under the MoHA, are responsible for maintaining the voter registry, collecting statistics, conducting social welfare activities, and handling grievances for small clusters of villages. The 14,022 GNs interact with 500–1,000 households each and serve as the closest point of government contact with citizens. Specific social programs also have officers at the GN and Divisional Secretariat level, who report to the respective implementing line ministry. The social protection system is decentralized, and record keeping is still mainly paper based. This places limits on the scope of central control and planning, with implications for accountability and transparency. Program lists are maintained by GN-level program officers, cross-checked by the GN, and approved by the DS.

The DS is responsible for monitoring and reporting on local activities, and since records are still kept manually, the central government only has access to summary information on beneficiaries.

A Project Steering Committee (PSC) will be established and maintained throughout the project to ensure that project implementation follows both GoSL and Association rules and regulations. The PSC will be chaired by the Secretary of Finance with representatives from the Ministry of National Policies and Economic Affairs (MoNPEA), MoSEW, MoHA, MTDI, and other ministries implementing programs included in the WBS.

A Project Technical Committee (PTC) will also be established with representation from the MoNPEA, MoF, MoSEW, MoHA, MTDI, and any other stakeholders, the role of which will be to review and discuss technical work, including, but not limited to, proposed program selection criteria, entry and exit protocols, grievance and appeals mechanisms, policy papers and strategies, and to advise the PSC on these matters.

Project-level leadership. Coordination of project activities with other ministries and agencies will be guided and supervised by a PSC, to be chaired by the Secretary of the MoF. The PSC will also include senior officials from the MoF, MoNPEA, MoSEW, MoHA, MTDI, and other ministries implementing programs included (or to be included) over time in the WBS.

The PSC will ensure that project implementation follows both GoSL and Association rules and regulations. The PSC will meet quarterly or at other times of necessity to discharge the following functions:

1. Providing policy advice and operational guidelines;
2. Approving the Project Operational Manual and any rules and regulations related to project implementation;
3. Reviewing the physical and financial progress of the project;
4. Providing guidance to solve any implementation problems and grievances;
5. Overseeing proper integration of results and findings of activities into program implementation; and
6. Providing any other necessary guidance and directions for the effective implementation of the project.

A PTC will be established with representation from the Ministries of National Policies and Economic Affairs, Finance, Social Empowerment and Welfare, Home Affairs, Telecommunication and Digital Infrastructure, and any other ministries whose programs are included over time in the WBS. The role of the PTC will be to review and discuss technical work related to the project, and to advise the PSC on these matters.

DS-level leadership. The project’s activities will be led at the Divisional Secretariat level by the DSs, who will be responsible for: secondment and training of staff for registry and program MIS operations; installation of computer equipment procured for the safety net system; ensuring office systems (such as electricity and internet) are functional; heading the community appeals committees; and supporting information and outreach campaigns for staff and beneficiaries. The system will be developed in close consultation with these DSs, and the Project Operational Manual will capture their roles. The project will fund training and information materials to enable the DSs to perform these functions. The new system would be operated by existing civil servants at the DS level working for the MoHA, and DS-level staff from the MoSEW.

**Ministry of Social Empowerment and Welfare**

15. The project will use results-based financing to incentivize the development of the SRIS and an integrated MIS for MoSEW programs, the population of the SRIS and MIS with current data on beneficiaries and applicants, and the recertification of beneficiaries based on objective and verifiable criteria. A technical assistance (TA) component will support these activities and build capacity at the WBB. It will finance the development of operational documents and protocols for the new system, collection of data, training of officers, communications, outreach, grievance redress, and so on. The TA will also finance studies on social protection that will culminate in the development and adoption of a national social protection strategy and a plan for the further expansion and strengthening of the new safety net delivery system.

21. The project will support achievement of the PDO by incentivizing the development of a unified social registry, improved targeting, and an integrated MIS for the WBS. The project will also provide the resources and TA necessary to support the reform in a staged and sustainable manner, and to strengthen the capacity of the GoSL to monitor and evaluate its social safety net programs and plan for future development of the system. The project will be implemented by the MoF in partnership with the WBB, MoSEW, and ICTA.

(c) Previous international experience highlights the importance of developing a clear understanding of business processes and client needs before designing technological solutions for program management. Program delivery systems will be designed in close consultation with MoSEW staff and DS-level officials, starting with business process assessments to be financed through the project. Consultation with DS officials will also help create buy-in for the new system.

34. The project will be implemented by the MoF in partnership with the WBB, ICTA, MoSEW, and any other ministries implementing social safety net programs under the WBS. A PMU to be established under the MoF will be responsible for managing procurement, accounting and reporting requirements, and for providing capacity building and staff training where appropriate. The PMU will develop a Project Operational Manual to implement the project. The PMU may establish partnership arrangements with various service providers such as telecommunication, IT infrastructure and payment providers to carry out project activities.

35. A Project Steering Committee (PSC) will be established and maintained throughout the project to ensure that project implementation follows both GoSL and Association rules and regulations. The PSC will be chaired by the Secretary of Finance with representatives from the Ministry of National Policies and Economic Affairs (MoNPEA), MoSEW, MoHA, MTDI, and other ministries implementing programs included in the WBS.

36. A Project Technical Committee (PTC) will also be established with representation from the MoNPEA, MoF, MoSEW, MoHA, MTDI, and any other stakeholders, the role of which will be to review and discuss technical work, including, but not limited to, proposed program selection criteria, entry and exit protocols, grievance and appeals mechanisms, policy papers and strategies, and to advise the PSC on these matters

48. The risk rating for ‘Institutional Capacity for Implementation and Sustainability’ is Substantial. The IA has limited knowledge and experience in World Bank-financed operations and limited capacity for IT development and maintenance. There is also limited capacity for program 15 implementation, coordination, and oversight in the stakeholder line ministries and the MoF. Finally, beneficiaries may resist the new system due to concerns about their exclusion or the use of technology.

To mitigate these risks, the project will finance training on World Bank operations for members of the PMU and strengthen the institutional capacity of the MoF and MoSEW staff to manage the country's main safety net programs with IT-based systems and tools. On-the-job training will be provided to the MoSEW staff at all levels.