Sri Lanka Public Financial Management Strengthening Project (P178432)

Stakeholder Engagement Plan (SEP)

Contents

1. Introduction and Project Description

The development objective of the project is to enhance the institutional capacity and transparency in procurement and external audit. The project is aligned with and supports selected governance reforms as prioritized by the GoSL.

The project will support:

> **Component 1: Improving the operational efficiency and transparency in public expenditures through e-procurement:** This will include support to the development, enhancement, roll out, and implementation of new modules and functionalities in the e-procurement system with open contracting standards to enhance transparency and accountability; and support to developing dedicated procurement procedures for procurement in situations of urgent need, including an emergency procurement manual; and

> **Component 2: Enhancing accountability and institutional capacity of NAOSL:** This will support the implementation of NAOSL's development action plan, build institutional and human resource capacities, capacities for specialized auditing (procurement, environment, performance and investigation) and audit of State Owned Enterprises, and pilot test a framework for participatory auditing, that involves citizens in the audit process.

The project will finance the deployment of technical support in the form of consulting and advisory services, capacity building and training activities. In addition, the project will finance the procurement of information technology (IT) goods and operation expenses to rollout of an e-procurement system. Project activities will be conducted in the main offices of the relevant implementing agencies which are in the capital city of Colombo.

Project beneficiaries: The direct project beneficiaries are the key departments and agencies of the Ministry of Finance (MoF), including Fiscal Policy, Inland Revenue, Public Finance, National Planning Departments, the Electronic Government Procurement Secretariat, and NAOSL. The project will support: (i) the key reform areas critical for the expected fiscal adjustment and structural reform in the context of going economic crisis, including macro-fiscal planning, tax policy analysis, and debt management; and (ii) strengthening the legal framework and prioritization in public investment management (PIM), e-procurement in key service delivery ministries and enhancing the accountability mechanism. Sri Lankan citizens and the private sector are expected to benefit from the envisaged outcomes of this project through economic recovery facilitated by improved fiscal sustainability and enhanced transparency and accountability in public financial management.

Project implementation arrangements: A Project Co-ordination Team (PCT) be established at the MoF within the 'Department of Public Finance' within six months of Effectiveness, which is responsible for the e-procurement development and roll-out. Further, a similar PCT be established within the NAOSL to implement and coordinate project activities implemented by the NAOSL. Each PCT will be supported by staff designated from the respective agencies. ERD will be the overall coordinating department for the project with the Bank. The PCT will be led by a Project Co-Ordinator and will be responsible for the day-to-day project management,

coordination and planning of project activities as well as for the fiduciary, procurement and monitoring and evaluation functions.

Project's Environmental and Social Risks: The grant operation is classified to have Low Environmental and Social risk. The project will support technical assistance and capacity development. No physical/civil works interventions or studies focused on the delivery of infrastructure, such as feasibility assessments, will be undertaken under project financing. Activities proposed under Component 1 and 2 includes the purchasing and/or replacement of IT hardware in limited amounts which will lead to generation of E-waste over the useful life of the assets. However the Central Environmental Authority of Sri Lanka has a well established system for E-Waste management within the country with registered collectors and vendors. In addition, as part of ESF support to the grant operation and in line with Good International Industry Practices (GIIP) on environmental & participatory auditing, technical input will be provided to NAOSL to develop their capacity on Environmental and Participatory Auditing.

While the project will enhance accountability and transparency in the management of public finance and engage citizens & civil society in auditing processes, there could be possible risks associated with a) exclusion of some government/private institutions that lack adequate digital infrastructure or staff with IT literacy required to access the e-procurement services, and b) inadequate representation of key citizens groups in the development of the participatory audit framework and pilot thereof including key officials in capacity building initiatives. To mitigate these risks, the project will put in place inclusive policies & procedures when targeting trainings and provide adequate capacity building to key stakeholders to enable access to e-procurement services and ensure meaningful participation of citizens groups in audit processes.

The project has applied the Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Assessment Tool for Social Protection and determined the SEA/SH risk level to be 'low.' The project does not involve any civil works that could result in labor influx or close interactions with communities however, there is a potential risk of SEA/SH at workplace. Though the SEA/SH risks may be low, as per WB requirements, the project will include orientation to implementing agencies on SEA/SH, ensure signing of a code of conduct by project workers and the project GRM is able to address SEA/SH incidents following the appropriate protocols.

2. Objectives & Brief Summary of Previous Stakeholder Engagement Activities

2.1 Objectives of Stakeholder Engagement Plan

The Stakeholder Engagement Plan (SEP) is prepared for the Sri Lanka Public Financial Management Strengthening Project (P178432) in accordance with the requirements of the World Bank's Environmental and Social Framework (ESF) and in particular with the Environment and Social Standard 10 (ESS10) on Stakeholder Engagement and Information Disclosure. Stakeholder engagement refers to a process of sharing information and knowledge, seeking to understand and respond to the concerns of potentially affected or impacted individuals and groups, and building relationships based on trust.

The purpose of the present SEP is to explain how the various stakeholders relating to the project will be engaged throughout the project lifetime and which methods will be used as part of the process. The SEP also outlines the responsibilities of the PCT, other relevant government, and private institutions in the implementation of stakeholder engagement activities, including the ways in which the PCT will communicate

with stakeholders; the mechanism by which people can raise concerns; provide feedback; and/or make complaints about the PCT, other implementing partners and the project itself. SEP will identify stakeholders and mechanisms through which they will be included in the engagement process as part of project preparation and implementation and will serve as a record for the engagement process during the project preparation period.

2.2 Brief Summary of Previous Stakeholder Engagement Activities

A joint World Bank and EU mission was conducted from November 2-9, 2022, to advance preparation of the proposed Multi-Donor Trust Fund for Public Financial Management Strengthening Project.

The mission held discussions with the Ministry of Finance, Economic Stablization and National Policies, departments of External Resources (ERD), National Planning (NPD), Public Finance (PFD), and the National Audit Office of Sri Lanka (NAOSL).

During the mission the following was discussed and agreed: (i) the project objectives, components, and the component cost allocation; (ii) the allocation of the grant funds between the Recipient Executed and Bank Executed parts, the corporate cost recovery, and supervision costs; (iii) the proposed results framework/indicators, and (iv) the project's implementation and oversight arrangements.

The aide memoire prepared subsequent to the mission have summarized the mission's findings and agreements reached and have been shared with the Implementing Agencies.

3. Stakeholder Identification and Analysis

For the purpose of the SEP, stakeholders of the proposed Project will be divided into the following core categories:

1. **Affected Parties** : impacted or likely to be impacted directly or indirectly, positively or adversely, by the project, identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.
2. **Other Interested Parties**: may have an interest in the project, including individuals or groups whose interests may be affected by the project and who have the potential to influence the project outcomes in some way.
3. **Vulnerable/Disadvantaged Groups**: persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.

Engagement with all identified stakeholders will help ensure the greatest possible contribution from the stakeholders toward the successful implementation of the project and will enable the project to draw on their pre-existing, expertise, networks, and agenda. It will also facilitate both the community's and institutional

endorsement of the project by various parties. Access to the local knowledge and experience also becomes possible through the active involvement of stakeholders.

Table 1: Stakeholder identification and Classification

Affected Parties	Other Interested Parties	Disadvantaged and Vulnerable groups
- National Audit Office of Sri Lanka (NAOSL) - All auditee institutions come under the audit scope of the NAOSL ((Ministries and Departments, Public Corporations, Authorities and Boards handling statutory, Non-statutory Funds & Foreign Aid Funds, Provincial Councils, Local Authorities, Public Companies) - Electronic Government Procurement Secretariat (e-GP Secretariat) - Government Procuring Entities - Supplier Community (material and service suppliers, distributors, vendors) - Commercial Banks. - Private sector business operators	- Ministry of Finance, Economic Stablization and National Policies (MoF) - Parliament of Sri Lanka - Sri Lankan Citizens and their civil society organizations - State Owned Enterprises (SOES) - Private auditors - Oversight agencies - Internet Service Providers	- Government and private sector institutions engaged in procurement procedures who may not have access to digital infrastructure or the staff with IT literacy – for e.g. Government Institutions in rural areas, Pradeshiya Sabhas, Divisional Secretariats and Small enterprises including Women Business Owners that lack IT infrastructure. - Key citizens groups and interested parties who may be deprived of participating in audit processes piloted by the project due to lack of inclusive procedures and systems in engaging of citizens groups and their organizations - Key officials who may be excluded from benefiting from capacity building initiatives due to lack of inclusive procedures and systems in the selection of trainees

3.1 Affected Parties

"Affected Parties" are, persons, groups and other entities within the Project Area of Influence (PAI) who are directly influenced (actually or potentially) by the project and/or have been identified as being most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.

Table 2 provides an assessment of the project's risks and impacts on individuals, groups, and other stakeholders that may be directly or positively or negatively affected by the project. The assessment further extends to analyse the level of influence that these different stakeholder groups can exercise over the project preparation and implementation processes.

Table 2: Project's impact on affected parties and their level of influence

Project affected parties	Description of Impacts	Level of Impact	Level of Influence
National Audit Office of Sri Lanka (NAOSL)	NOASL accountability and institutional capacity will be improved and will be responsible for the design and implementation of project activities.	High	High
All auditee institutions come under the audit scope of the NAOSL (Ministries and Departments, Public Corporations, Authorities and Boards handling statutory, Non-statutory Funds & Foreign Aid Funds, Provincial Councils, Local Authorities, Public Companies)	Will be benefited in strengthening control environment, internal control framework, Financial Reporting Framework to minimize the audit observations.	High	High
Electronic Government Procurement Secretariat (e-GP Secretariat)	e-GP Secretariat will be able to develop and implement the e-GP system in Sri Lanka	High	High
Government Procuring Entities	Will benefit from the e-GP system and reduce time and lengthy procedures	High	High
Supplier Community (material and service suppliers, distributors, vendors)	Will benefit from the e-GP system for view procurement notices, submission of Bids and receive alerts and award notifications	High	High
Commercial Banks	Will benefit from the e-GP system to issue Bid Securities, Performance securities and advance guarantees	Medium	Medium
Private sector business operators	Will benefit from the e-GP system for view procurement notices, submission of Bids and receive alerts and award notifications	Medium	Medium

3.2 Other Interested Parties

"Other Interested Parties" constitute individuals/groups/entities that may not experience direct impact from the project but who consider or perceive their interest as being affected by the project and/or who could affect the project and the process of its implementation in some way. Table 3 presents the multiple interests of other parties and their level of potential influence over the Project.

Table 3: Interest of other parties and their level of influence over the project

Other Interested Parties	Description of Interests	Level of Interest	Level of Influence
Ministry of Finance, Economic Stablization and National Policies (MoF)	To enhance the efficiency, quality and transparency of the public audits	High	High
Parliament of Sri Lanka	To receive public audit reports in time with high quality standards	High	High
Sri Lankan Citizens and their civil society organizations	Participate in the public auditing processes while ensuring public accountability and transparency in procurement processes	High	Low
State Owned Enterprises (SOES)	To receive the audit reports timely in order to enhance the efficiency and good governance.	High	High
All Government Procuring Entities	Conducting procurements in a transparent, accountable, efficient and effective manner	High	High
Supplier Community	Use the e-GP system to view procurement notices, submission of Bids and receive alerts and award notifications	High	High
Banks	Use the e-GP system to issue Bid Securities, Performance securities and advance guarantees	Low	Low
Internet Service Providers	Will be getting expansion opportunities in the network of the NAOSL and e-GP users	High	High
Private auditors	Interest in learning opportunities in participate in audits with the NAOSL officers. Less number of audits may be outsourced to the private auditors with the improvements in the audit methodology	Low	Low
Sri Lankan Citizens	Receive procurement related information from the e-GP system	Moderate	Moderate

3.3 Disadvantaged / Vulnerable Individuals or Groups

"Disadvantaged/Vulnerable Groups" are persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status, and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project. They would include the following groups.

1. Government and private sector institutions engaged in procurement procedures who may not have access to digital infrastructure or the staff with IT literacy

2. Key citizens groups and interested parties who may be deprived of participating in audit processes piloted by the project due to lack of inclusive procedures and systems in engaging of citizens groups and their organizations

3. Key officials who may be excluded from benefiting from capacity building initiatives due to lack of inclusive procedures and systems in the selection of trainees

Table 4: identifies the communication methods and resources required for the engagement of disadvantaged/vulnerable persons and groups in the project.

Stakeholder Group	Key Vulnerability/disadvantage	Preferred means of notification/ consultation	Additional Resources Required
Government and private sector institutions engaged in procurement procedures – especially Government Institutions in rural areas, Pradeshiya Sabhas, Divisional Secretariats , small enterprises including Women Business Owners that lack IT infrastructure.	• Lack of access to digital infrastructure • Lack of staff with IT literacy • Deprived of access to training due to concerns related to women's commitments, social and cultural factors	• Awareness training programs • User Guides TV and Radio advertisements • E-brochures and leaflets provided in social media groups.	• Visual presentations • Targeted advertisements • e-Learning Tool Printed materials
Key citizens groups and interested parties who may be deprived of participating in audit processes piloted by the project	• Lack of access to information on the available opportunities for participation • Subject to political or other discriminations and practical restrictions	Having awareness programs, individual and group meetings, leaflets etc.	Network upgrading requirement for whistleblowers to send public representations.
Key officials who may be excluded from benefiting from capacity building initiatives	• Subject to discrimination by some higher authorities • Lack of basic IT knowledge and skills	News Letters User Groups (Ex: WhatsApp)	e-Learning Tool

4. Stakeholder Engagement Program

The SEP provides an opportunity for all-inclusive approach in project preparation, planning, implementation and monitoring processes. It is geared toward ensuring meaningful and a wide consultative process guided by World Bank's Environmental and Social Framework (ESF), particularly ESS-10.

4.1 Proposed Strategy for Information Disclosure

Information disclosure and consultation processes will continue with affected parties, other interested parties and vulnerable groups during (i) project preparation, (ii) project implementation, and (iii) project operational phases. A variety of methods such as group consultations, individual consultations and interviews through different offline and virtual medians such as emails, telephone and conference calls etc. and communication

through printed and electronic media, appropriate to the target audience, will be used for information disclosure and consultation.

During project preparation and planning, information related to project scope and schedule will be shared with project affected persons and other stakeholders during consultations. The Project will also provide up-to-date information on the websites of MoF, NAOSL other the relevant stakeholder agencies.

At the appraisal stage, safeguard instruments including Environmental and Social Commitment Plan (ESCP), and the SEP prepared for this project will be disclosed on the websites of MoF, NAOSL and related agencies and on the World Bank's external website, after their clearance by the GoSL and the Bank. Additionally, copies of the referenced documents will be kept at the MoF and NAOSL for public reference. Any changes to the approved ESCP, and SEP would have to follow the same clearance/ approval procedures and disclosure.

During project implementation, sub-project specific safeguard instruments will be publicly disclosed in-country. The documents and plans to be disclosed include:
• Environmental and Social Commitment Plan (ESCP)
• Stakeholder Engagement Plan (SEP)
• Monitoring activities undertaken as per ESCP and SEP
• Project quarterly reports and annual reports

Translations of executive summary of all documents prepared by the project in Sinhala and Tamil will also be made available to the public through the websites of MoF and NAOSL. Information can also be disseminated through digital platform (where available) like Twitter, WhatsApp/viber groups, and traditional means of communications (TV, newspaper, radio, phone calls and e-mails) with clear description of mechanisms for providing feedback via mail and / or dedicated telephone lines. All channels of communication need to clearly specify how stakeholders can provide their feedback and suggestions.

Table 6: provides a plan for information disclosure during project preparatory, implementation and operational periods.

Table 6: Communications / Information Disclosure Plan

List of information to be disclosed	Proposed methods	Timetable/ Location Dates	Target stakeholders	Responsibility
Project preparation and planning phase				
• Scope of the project • Project implementation arrangements including partner agencies and their roles and responsibilities • Project beneficiaries and anticipated impacts • Environmental and Social Commitment Plan & Stakeholder Engagement Plan • Grievance redress mechanism including places to report sexual harassment, and gender-based violence • Arrangements for project monitoring & reporting	• Websites of the MoF, NAOSL and other relevant departments • Pre-arranged workshops/seminars • E-brochures printed in English, Sinhala & Tamil • Printed reports • Newspaper advertisements in English, Sinhala & Tamil	Three months prior to the commencement of the project and will continue throughout the project period	Affected parties, other interested parties and vulnerable groups	PCT e-GP Secretariat NAOSL.
Project implementation phase				
• Plans for developing the e-procurement system • Reforms to be introduced for fiscal adjustment, macro fiscal planning, tax policy analysis, debt management etc. • Legal frameworks to be strengthened for public investment management • Procurement plans during emergency situations/needs • IT goods, consulting and non-consulting services to be procured • Capacity building trainings planned and available • Opportunities for participation in public auditing • Grievance redress mechanism including places to report sexual harassment, and gender-based violence • Summary outcomes of stakeholder consultations and feedback received	• Websites of the MoF, NAOSL and other relevant departments • Pre-arranged workshops/seminars • Printed reports • E-brochures	Continuously and as and when they are ready	Affected parties, other interested parties and vulnerable groups	PCT e-GP Secretariat NAOSL.

• Project progress and deliverables				
Project operational phase				
• Project's achievements, drawbacks, challenges, any remedial measure adopted • Feedback from project beneficiaries and other interested parties on project's impacts • Project management information, procedures for open-competitive bidding, procurement opportunities, contract awards etc.	• Websites of the MoF, NAOSL and other relevant departments • Pre-arranged workshops/seminars • E-brochures printed in English, Sinhala & Tamil • Printed reports • Newspaper advertisements in English, Sinhala & Tamil	Continuously and as and when they are ready	Affected parties, other interested parties and vulnerable groups	PCT e-GP Secretariat NAOSL

4.2 Proposed Strategy for Consultations

The project will continue to consult the project affected parties; other interested parties and the vulnerable and disadvantaged groups, specifically on themes listed below, in order to elicit their views and feedback. Individual and group meetings, mini-workshops/focus group discussions, satisfaction surveys, social media, etc. will be used to facilitate the consultations on the following:

1. Reforms to be introduced for fiscal management, macro-fiscal planning, tax policy analysis and debt management
2. Legal and regulatory frameworks to be introduced for strengthening the public investment management
3. Participatory auditing processes
4. Capacity building trainings for the staff of relevant agencies
5. Procurement of IT goods and developing digital infrastructure
6. Strengthening the participation of disadvantaged/vulnerable groups in project cycle
7. Stakeholder satisfaction on project processes, deliverables and outcomes and impacts

Table 7: Strategy for Stakeholder Consultations

Target stakeholders	Topic(s) of engagement	Method/s used	Location/frequency	Responsibility
Project preparation and planning phase				
• Ministry of Finance, Economic Stablization National Policies • Public Finance Department • National Audit Office of Sri Lanka (NAOSL) • Electronic Government Procurement Secretariat (e-GP Secretariat)	• Project's scope, key deliverables and anticipated impacts • Project implementation arrangements and resource allocations • Environmental and social requirements of the project (stakeholder engagement, information disclosure, consultations, grievance redress mechanism).	Consultative workshops/seminars/meetings with ppt. presentations, and a document summarizing the key aspects of the topics to be covered	Prior to the project's commencement at e-GP Secretariat and at the NAOSL	PCT e-GP Secretariat NAOSL
Project Implementation Phase				
• Representative of all project affected parties listed in Table 2 • Representatives of other interested parties listed in Table 2 • Representatives of Disadvantaged and vulnerable groups listed in Table 2	• Project's scope, key deliverables and anticipated impacts • Project implementation arrangements and gaps, drawbacks and challenges • Strengthening project's environmental and social requirements (stakeholder engagement, information disclosure, consultations, grievance redress mechanism) • Citizens' engagement and project monitoring	Consultative workshops/seminars/meetings with ppt. presentations, and a document summarizing the key aspects of the topics to be covered	At project's commencements and later bi-annual at e-GP Secretariat	PCT e-GP Secretariat NAOSL
Project Operational Phase				
• Representative of all project affected parties listed in Table 2 • Representatives of other interested parties listed in Table 3 • Representatives of Disadvantaged and vulnerable groups listed in Table 4	• Review and monitor the establishment and functioning of project's outputs, outcomes, and impacts • Feedback on project's operational modalities, project's outcomes and impacts	Consultative workshops/seminars/meetings with ppt. presentations, and a document summarizing the key aspects of the topics to be covered	Periodically during project's operation phase at e-GP Secretariat and at NAOSL	PCT e-GP Secretariat NAOSL

4.3 Proposed Strategy for engaging Vulnerable Groups

Table 8 presents a strategy for the engagement of vulnerable and disadvantaged groups in consultative processes.

Table 8: Strategy for the engagement of Disadvantaged/Vulnerable groups

Disadvantaged/Vulnerable Groups	Strategy
Government and private sector institutions engaged in procurement procedures who may not have access to digital infrastructure or the staff with IT literacy - especially Government Institutions in rural areas and small enterprises that lack IT infrastructure.	• Conduct consultations to identify their issues and constraints for participation in project activities • Support them to acquire or have access to digital infrastructure • Provide capacity building trainings for staff to enhance their IT literacy
Key citizens groups and interested parties who may be deprived of participating in audit processes piloted by the project due to lack of inclusive procedures and systems in engaging of citizens groups and their organizations	• Conduct group consultations to identify their potentials/constraints for participation and representation • Screen and establish procedures ensuring their proactive participation
Key officials who may be excluded from benefiting from capacity building initiatives due to lack of inclusive procedures and systems in the selection of trainees	• Conduct individual/groups consultations to identify constraints for their participation • Develop a strategy ensuring their inclusion and participation in project processes and benefits • Provide basic trainings for them to be eligible for their inclusion

5   Resources and Responsibilities for Implementing Stakeholder Engagement Activities

5.1 Resources

Resources required for implementation of the stakeholder engagement plan would include costs of information disclosure and stakeholder consultations, and the cost of the grievance redress mechanism. The project cost tables and annual work plans and budget shall allocate costs for specific information disclosure and stakeholder consultation activities including: preparation, printing and dissemination of information materials, communications, and costs of stakeholder consultation workshops, and grievance redressal procedures. Approximately $200,000s have been allocated for communications and stakeholder engagement activities.

5.2 Management Functions and Responsibilities

The project will be implemented by MoF and NAOSL. A Project Coordination Team (PCT) will be established for implementation of the project. The PCT will be headed by a Project Director (PD) who will be designated by the MoF. The PCT is responsible for overall implementation of the project ensuring that all environmental and social safeguard requirements are met in accordance with the requirements of the World Bank's Environmental and Social Framework. A staff from the PCT will be designated as the focal person for Environmental and Social, who will be responsible for the overall coordination, implementation and monitoring of the SEP including the GRM.

The roles and responsibilities of the different stakeholders in SEP implementation are described in Table 9.

Table 9: Responsibility of PCT in SEP implementation

Entity/Person	Responsibility
Project Director	- Ensure that all project activities are undertaken as per SEP - Undertake stakeholder and public consultations - Provide feedback to stakeholders - Provide information on environmental and social requirements to stakeholders - Provides oversight to the project's Grievance Redress Mechanism - Give information on GRM of the project to all stakeholders.
Financial Manager/Specialist	Ensure Financial and Procurement related aspects required for this plan are implemented in a timely manner
Focal person for Environment and Social.	- Ensure that the consultants hired is informed regarding the provisions of the SEP; - Ensure relevant stakeholder engagement activities in SEP are implemented in a timely manner; - Support PD in GRM operations - Give information on GRM of the project to consultants and stakeholder involved.
Project affected parties	- Participate in consultations and information dissemination programs, and raise issues and concerns with relevant authorities - Use GRM to report grievances and complaints and ensure their satisfactory resolution - Assist the relevant authorities to develop and implement appropriate mitigation measures - Participate and support the implementation of stakeholder engagement activities in the SEP, ESCP, etc. - Provide feedback on project related documents disclosed for public scrutiny - Provide feedback on project deliverables and outcomes

Other interested parties	• Participate in consultations and information dissemination programs, and raise issues and concerns with relevant authorities • Assist the project affected parties to raise their grievance and concerns with the relevant agencies. • Assist the relevant authorities to develop and implement appropriate mitigation measures. • Provide feedback on project related documents disclosed for public scrutiny • Provide feedback on project deliverables and outcomes

6 Grievance Redressal Mechanism (GRM)

The Head of the e-GP Secretariat of the Department of Public Finance and the Auditor General of the NAOSAL will be responsible for the implementation and operation of the grievance redress mechanism for the project. The PCT will be responsible for the operation of the GRM.

- **Reporting of grievances:** Any project related grievances/complaints can be reported either in writing (letters, emails, sms) or verbally (in-person or by telephone) to the Project Director. Aggrieved parties can also use the project's website to report their grievances, provisions for which will be included in the website. Or else, grievances can also be lodged with any of the key officers of the PCT.

- **Recording:** All grievances/complaints will be recorded and will be brought to the attention of the PD. Grievances/complaints reported verbally via telephone will be recorded by the receiving officer and forward them to the PD. A printed format will also be made available at PCT for parties to report their grievances. The grievances/complaints will be acknowledged by the PD on the same day it was reported or on the following day.

- **Resolution:** A decision on the grievances/complaints received will be taken within 5 days after receiving the grievances/complaints, and the decision will be communicated to the aggrieved party. If additional time is required for their resolution, same will be communicated to the aggrieved party. The PD whenever necessary will consult the relevant agencies and solicit their support for grievance redress. The PD will also request the aggrieved parties to communicate their agreement/disagreement with the resolution provided.

- **Appeals Process:** If aggrieved party is not satisfied with the responses provided by the GRM they can appeal to the Director General of Department of Public Finance or Secretary to the Treasury. If it is a procurement related appeal it shall be addressed appropriate Procurement Appeal Board.

Handling Gender-Based Violence (GBV) Issues

The PD will also designate one of his officers, preferably a female (having knowledge on GBV/SEA/SH measures) , to receive and record any grievances/complaints related to SEA, SH and GBV at work places. Any beneficiary experience an incident related to Sexual Exploitation and Abuse, Sexual Harassment (SEA/SH) should be referred by the GRM to a qualified service provider, institution, NGO that has been mapped out such as:
- o   The National Women's Helpline (no. 1938) managed by the Ministry of Women,
- o   Mithuru Piyasa from Ministry of Health, which are available at most State Hospitals,

- o   Women In Need etc. to handle SEA/SH incidents.
- o   Women's Unit established at the closest Police Station

The SEA/SH services provider will use its own case management system to respond to the case. GRM is also required to immediately inform the World Bank of such incidences. Survivor confidentiality should be always protected to prevent any risks of stigmatization and reprisals against the survivor.

The GRM will follow the following guidelines when SEA/SH are received:
   a) Only three elements related to a SEA/SH allegation will be recorded: (i) the allegation in the survivor's own words; (ii) if the alleged perpetrator is, to the best of the survivor's knowledge, related to the project; and, if possible, (iii) the age and sex of the survivor.
   b) the GM operator will report minimal information to the implementing agency, which in turn informs the Bank task team. This information should be along four lines: (i) the nature of the case; (ii) if the case is project-related; (iii) age and sex of survivor (if available); and (iv) if the survivor was referred to services.
   c) Finally, the GBV complaints or allegations made to the project GRM will be referred to the GBV service providers that have been identified, regardless of the perpetrator's identity.

7   Monitoring and Reporting

7.1 Involvement of Stakeholders in Monitoring Activities

The project will establish multiple mechanisms for monitor and evaluate the SEP implementation. They would include the following arrangements: (i) overall monitoring and evaluation by the PCT; and (ii) engagement of the project affected parties, other interested parties, and disadvantaged /vulnerable groups, to monitor and report on the adequacy and usefulness of (i) information disclosure programs; (ii) consultations; and (iii) stakeholder engagement activities via their participation in individual/group consultations, and in the GRM.

The project will use a variety of methods and tools for monitoring and evaluation. They will include review of project documents and progress reports, stakeholder interviews and group discussions, feedback surveys, site visits etc. Focal person for Environment and Social at the PCT will coordinate and facilitate documentation of the monitoring and evaluation results and outcomes including the maintenance of records of all consultations and meetings conducted with stakeholders, types of information disclosed, issues and concerns raised at consultations/meetings, public comments/feedback received for disclosed documents, informal feedback, decisions made, and reporting back to the stakeholders.

7.2 Reporting back to Stakeholder Groups

The results of the stakeholder engagement activities including results and outcomes of monitoring and evaluation of SEP implementation will be reported back to the stakeholders through website and/or formal communications. The PCT will collate all monitoring and evaluation results and produce bi-annual reports to be submitted to the World Bank. SEP monitoring will be part of the project monitoring reports submitted. The following indicator will also be included in the Results Framework of the project: *NAOSL's capacity developed to undertake participatory audits (No. of Audits)*