

 **TORONTO** STAFF REPORT

September 1, 2006

To: Policy and Finance Committee

From: City Manager

Subject: Federation of Canadian Municipalities (FCM) - Technical Partnerships between the City of Toronto and Banda Aceh (Indonesia) and Batticaloa (Sri Lanka)

Purpose:

To recommend that the City of Toronto enter into a technical partnership with Banda Aceh (Indonesia) and with Batticaloa (Sri Lanka) under the auspices of the municipal capacity building program of FCM's International Centre for Municipal Development for the period from 2007-2009. These two proposed partnerships are designed to assist Banda Aceh and Batticaloa with the long-term rehabilitation of the physical and community infrastructure which was destroyed by the tsunami in 2004.

Financial Implications and Impact Statement:

The direct costs associated with outbound and inbound technical exchange missions are covered by FCM's International Centre for Municipal Development.

The City of Toronto's contribution to the partnerships will be in-kind through staff time for the recruitment of technical experts and the participation of technical experts in the inbound and outbound missions. It is estimated that the City of Toronto will make an estimated in-kind contribution up to \$300,000 in staff time to these two technical partnerships in 2007.

Since the 2008 and 2009 mission plans have not yet been developed, it is not possible to provide an estimate for the in-kind contribution of the City of Toronto for future years.

The Deputy City Manager and the Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the City of Toronto enter into technical partnerships with the municipality of Banda Aceh (Indonesia) and Batticaloa (Sri Lanka) through the International Municipal Partnership Program of the Federation of Canadian Municipalities, with the goal of assisting these communities with the long-term rehabilitation of the community infrastructure affected by the 2004 tsunami; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

City Council at its meeting of February 2005 approved the City's tsunami relief strategy (Feb. 1-3, 2005 Council, Policy & Finance Report 1, Clause 1, City of Toronto's Contribution to Tsunami Disaster Relief). This strategy called for the City of Toronto to work with both the Government of Canada and the Province of Ontario to determine the City's contribution of staff expertise and financial assistance required to address the reconstruction and rebuilding needs of tsunami-stricken areas.

It also recommended the City of Toronto enter into a technical exchange partnership with a city determined to be most effectively helped by Toronto under the auspices of the Federation of Canadian Municipalities (FCM) Technical Exchange Program. In addition, City Council at its meeting of July 2005 directed that "...the City Manager be authorized to participate in a 'technical exchange partnership' with the city that is determined to be the most affected by the tsunami, such as the Urban Centre of Banda Aceh, under the auspices of the FCM Technical Exchange Program and CIDA" (July 19, 20, 21 & 26, 2005, Policy & Finance Report 7, Clause 11, Status of Tsunami Relief Activities).

In April 2006, City Council received a detailed status update on the City of Toronto's support in diagnostic and technical exchange missions to both Sri Lanka and Indonesia. Since this last update, Senior Project Engineer Mr. Muttiah (Ed) Yathindra participated in May 2006 in a technical mission focused on water drainage to Batticaloa, Sri Lanka. Ms. Paulette den Elzen, Senior Communications Coordinator (Solid Waste and Water) represented Toronto on a technical mission on waste collection and recycling education to Trincomalee, Sri Lanka. Mr. Craig Barlett, Municipal Senior Waste Manager, took part in the first technical mission to Banda Aceh, Indonesia, in July 2006.

Both the Canada/ Sri Lanka Municipal Cooperation Program (MCP) and the Canada/ Aceh Local Government Assistance Program (CALGAP) have now reached a stage for formalizing official technical partnerships between Canadian municipalities and communities in Sri Lanka and Indonesia. Appendix A describes the features of these two programs for reference purposes.

Comments:

The Federation of Canadian Municipalities has prepared work plans outlining specific project activities for the tsunami-affected areas in communities in both Sri Lanka and Indonesia for the time period from 2007 to 2009.

The work plan for Batticaloa (Sri Lanka) is focused on five areas of activities, including the establishment of medium-term development priorities and fiscal frameworks, the organization and modernization of accounting practices, the improvement of library services for adults and children, the improvement of surface water drainage and the implementation of a Community Support Fund (CSF). This fund is a small community fund which will allow local government in Batticaloa to respond directly to community-identified priorities for capital investment in service provision or small-scale infrastructure. The administration of the fund will provide the opportunity for local government and community organizations to work together on the reconstruction process. The work plan for 2007-2009 envisions 13 technical exchange mission to Batticaloa (Sri Lanka).

The work plan for Banda Aceh for the Fall of 2006 until May 2007 focuses on improvements to solid waste management and public education about effective waste reduction and recycling. The plan envisions three outbound missions of two weeks each for the waste management and the public education stream. FCM is currently in negotiation with local program coordinators and municipal staff finalizing work plans until 2009.

An overview of the work plans is attached as Appendix B to this report.

Work Plan Delivery Methods

Team-based Approach

The implementation of FCM's work plan in Sri Lanka and Indonesia will continue to utilize teams of technical experts from different rural and urban communities across Canada. This strategy will ensure that communities in the tsunami-affected areas can benefit from a broad spectrum of technical knowledge geared both to the needs of smaller communities and larger cities. In addition, this approach opens up avenues for increased cooperation and knowledge exchange between and among municipal staff in Canadian municipalities and ensures effective coordination of FCM-led project initiatives.

It is expected that the lessons learnt in a particular work plan area can be transferred from one community to another. For example, the technical experts will work on the computerization and modernization of the accounting system in all of the four communities under the MCP program in Sri Lanka. The knowledge gained in enhancing financial management systems in Batticaloa can be used as the foundation for project work in Trincomalee. The two proposed technical partnerships between the City of Toronto and Batticaloa and between the City of Toronto and Banda Aceh will have spin-off effects for capacity-building initiatives in other communities in Sri Lanka and Indonesia.

Risk Management

The Department of Foreign Affairs advises against non-essential travel to Sri Lanka at this time due to civil unrest in the country. FCM is examining how it can best provide assistance to the communities of Galle, Kalmunai, Trincomalee and Batticaloa while ensuring the safety of technical experts. FCM will monitor the political situation in Sri Lanka on a continuous basis and determine whether or not any given mission to Sri Lanka is feasible. If that is not the case, FCM will organize capacity building training sessions with Canadian experts and Sri Lankan experts in a third country, such as India, or it will bring Sri Lankan municipal staff for training sessions to Canada. For example, a group of Sri Lankan librarians will participate in a technical mission to Canada in September 2006 involving technical experts from the City of Kitchener. Toronto Public Library Services will also participate in this mission.

The political situation in Banda Aceh is stable and there are no travel restrictions for Canadians to Indonesia at this point in time.

Operational Plans

Staff in the City Manager's Office will work in close cooperation with the Federation of Canadian Municipalities in developing a detailed operational plan initially for 2007 and subsequently for the remaining two years of the two partnerships outlining the number and types of missions, monitoring results and communicating achievements.

Conclusions:

This report seeks Council authority for the City of Toronto to enter into technical partnerships with Banda Aceh (Indonesia) and Batticaloa (Sri Lanka) for the time period from 2007 to 2009 under the auspices of the Federation of Canadian Municipalities. This report thus implements the City of Toronto's decision to contribute to the long-term rehabilitation of tsunami-affected communities through FCM-led technical partnerships.

This report has been prepared in consultation with project management staff at the Federation of Canadian Municipalities as well as senior management staff at the City of Toronto whose staff will be involved in the two proposed technical partnerships. Senior management staff at the City of Toronto have expressed their support for these two technical partnerships.

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List of Attachments:

Appendix A:

Overview of the Canada/ Sri Lanka Municipal Cooperation Program (MCP) and the Canada/
Aceh Local Government Assistance Program (CALGAP)

Appendix B:

Batticaloa Activities from September 2006 – March 2009 & Banda Aceh Activities from
September 2006 - May 2007

Canada/Sri Lanka Municipal Cooperation Program (MCP)

(as of March 2006)

1. Overview

The Federation of Canadian Municipalities (FCM) has been the national voice of municipal governments in Canada since 1901. It is dedicated to improving the quality of life and sustainability of local communities by promoting strong, effective and accountable municipal government. Its members include more than 1,100 municipal governments, which represent over 85 per cent of Canada's population, 18 major provincial and territorial municipal associations, as well as corporate partners. FCM has delivered international programs to support partnerships and exchanges between municipal governments in Canada and developing countries since 1987. FCM's strength is its ability to draw upon its municipal members, corporate partners and civil society networks for the technical and professional expertise required in its international and domestic programs.

The Canadian response to the Asia tsunami disaster of December 26, 2004 has been extraordinary at all levels of society. Approximately 150 municipal governments have contacted FCM expressing their commitment to provide technical or financial assistance. FCM was mandated by its members to coordinate the Canadian municipal assistance to the tsunami disaster.

At the end of February 2005, at the invitation of the Canadian International Development Agency (CIDA), FCM participated in a scoping mission to identify potential Canadian programming opportunities to support the re-building of governance in the tsunami-affected areas in Sri Lanka. In June 2005, FCM submitted a proposal to CIDA for the development of a *Canada/Sri Lanka Municipal Cooperation Program (MCP)* as a response to the recommendations of the earlier mission to Sri Lanka, the Government of Sri Lanka guidelines for post-tsunami rehabilitation, and CIDA's priorities for reconstruction in the country. This proposal was approved by CIDA in July 2005 and the Contribution Agreement was signed by CIDA and FCM in September 2005.

The goal of MCP is to support national post-tsunami rehabilitation and reconstruction efforts and to create an enabling environment for peace building, by increasing local government capacities and through the promotion of good intergovernmental relations. Its purpose is to improve local governance (operations management, service delivery and strengthen participatory mechanisms) in local governments affected by the tsunami through technical assistance provided by Canadian municipal practitioners. Each of the local governments selected (Galle, Batticaloa, Trincomalee and Kalmunai) will be considered an anchor communities for regional programming, to capture a number of other local authorities as indirect partners.

Within MCP, FCM and its Canadian municipal partners will implement capacity-building initiatives and financially support sub-projects to help Sri Lankan local officials address post-tsunami rehabilitation and reconstruction challenges that affect the quality of life of the local population. Potential issues to be addressed include: restoring basic local services such as waste management, water and sewer, infrastructure development, land use planning, permit issuance, environmental management and local economic development, emergency services, recreation services; restoring basic management capacity including planning, budgeting, tax assessment and taxation, human resource management and information technology deployment; and supporting the establishment of public participatory mechanisms to create more accountability to citizens.

MCP will be complemented by institutional strengthening at the provincial council level and with local government associations on reconstruction issues, exemplary practices dissemination, training, and inter-governmental relations in the context of reconstruction and decentralization. It will also include knowledge development and communication initiatives to create models to be disseminated to other local authorities

facing similar capacity issues in Sri Lanka and to inform stakeholders, including the Canadian public and Canadian municipalities, on the achievements of MCP.

MCP will run up to April 2009. The budget of the MCP is \$11,624,300 Canadian dollars, of which \$9,000,000 is a contribution of the Canadian International Development Agency (CIDA), and \$2,624,300 is the value of the in-kind contribution of participating Canadian municipalities and FCM.

2. Program Expected Results

At the impact level, the expected results of MCP are improved post-tsunami local conditions in four Sri Lankan districts, related to access to gender and ethnic sensitive basic local services; proper reconstruction of infrastructure; creation of local employment opportunities; protection of the natural environment; and the creation of a peaceful living environment.

At the outcome level, the three expected program results are:

1. *Post-tsunami Local Government Capacity Restored in Selected Local Authorities* – Effective, efficient, equitable and appropriate leadership and operation management, adequate local services delivered and restored public infrastructure to meet the needs and priorities of men and women from tsunami-affected, poor and disadvantaged segments of the population, and enhanced public awareness of targeted local issues and increased participation of communities (involving both men and women) in local government planning, service delivery and local development.
2. *More Supportive Post-tsunami Local Government Enabling Environment* – Supportive provincial frameworks and capacities developed for effective intergovernmental relations on local governance issues in the South and North East provinces, and appropriate and effective provision of programming and technical training by enabling institutions for strengthening local governance and information dissemination; and
3. *Program Knowledge Shared and Effective Communication* – Local government knowledge and experience captured and disseminated among program partners and stakeholders and increased Canadian public engagement in tsunami reconstruction efforts.

Output level results will be achieved through the provision of technical assistance, the implementation of capacity building activities, and financial support to small projects through a responsive community fund and a targeted strategic initiative fund for local improvements.

The project will integrate three crosscutting themes (CCTs) into all management and programming activities. It will integrate CCTs through mainstreaming and targeting local authority responsibilities and services that contribute to peace building, gender equality, and environmental sustainability.

3. Implementation Strategy

MCP will be implemented through a two-stage approach. Stage 1 (September 2005 to August 2006) will lay the foundations for the five components (see below) of the long-term responsive program implemented in the second stage. The results of this first stage will be an increased capacity of the target partner Sri Lankan local governments and communities to respond to immediate challenges in the post tsunami rehabilitation and reconstruction phase. A detailed Project Implementation Plan (PIP) will provide a framework for longer-term project results and activities that will be implemented in Stage 2 over a period of approximately three years (September 2006 to April 2009).

MCP will comprise five components reflecting the expected long-term expected program results.

- **Component 1: Support to Local Authorities** - This core component will include technical and financial assistance to anchor local authorities (municipal councils or urban councils) – in the districts of Galle in the South, and Batticaola, Trincomalee and Ampara in the North East – and to the secondary partner local authorities (other municipal councils, urban councils or pradeshiya sabas).

Community Support Funds (CSFs) will be established for locally identified community initiatives. Each Sri Lankan local authority (with Canadian municipal support), will design and implement a series of Capacity Development Projects that will address priorities for post-tsunami redevelopment and long-term capacity building issues. Each partnership will also serve as a coordination mechanism for the provision of supplemental/specialized assistance by a Technical Assistance Support Team. The Team will consist of volunteers on short-term assignments from a variety of Canadian municipalities, long-term technical assistance from retired Canadian municipal volunteers, field staff support, expert consultants, and technical assistance from Sri Lankan partner organizations or local resource providers.

- **Component 2: Support to Provincial Councils** – This secondary component will include assistance provided to the southern and north-eastern provincial councils in order to discuss intergovernmental processes for the development of an increasingly effective local governance system. Canadian provincial government volunteer experts and consultants will be sourced to provide immediate assistance relating to urgent needs for capacity at the provincial levels. In Stage 2, assistance to provincial councils will be packaged within the capacity building projects defined by the municipal government.
- **Component 3: Support to Other Enabling Institutions** – This secondary component will include assistance to one or more local government associations to provide a vehicle for knowledge dissemination and policy development at the national level as well as support to the Ministry of Provincial Councils and Local Government.
- **Component 4: Canada-Sri Lanka Municipal Strategic Fund (MSF)** – This core component will include the establishment of a special fund at the program level to provide a quick-response, flexible funding mechanism to support specific projects leading to highly visible local improvements in selected Sri Lankan local authorities. The MSF will serve as a mechanism for specific requests for larger post-tsunami rehabilitation and reconstruction assistance from the Sri Lankan local authorities in the four selected districts and in other districts, and provide a strategic programming framework to leverage resources of Canadian municipalities interested in contributing to the reconstruction effort. The Fund will cover the purchase of materials and equipment in support of the technical assistance provided as the main emphasis of the program and will help build the credibility of Canadian technical assistance.
- **Component 5: Outreach & Knowledge Development** – This secondary component will include the dissemination of the knowledge developed through the preparation of case studies on best practices, manuals, and training programs for the anchor local governments, indirect partners, as well as other local authorities in Sri Lanka, through support to the local government association(s). The program will also establish outreach tools targeted at Canadian communities, designed to increase awareness and leverage more Canadian volunteer participation in tsunami reconstruction activities.

4. Program Management

FCM will take a collaborative approach to program governance and management with a view to ensuring joint ownership by all parties in the design, implementation, monitoring, and evaluation of the project. Decision-making and management mechanisms and processes will be designed to facilitate power-sharing and participation as well as full transparency and accountability to all stakeholders. This will be achieved through a framework of committees (including a Program Steering Committee), teams of Sri Lankan and Canadian municipal experts and specialists, and management personnel, as outlined below. A detailed program governance structure and organization chart will be developed as part of the PIP.

The FCM Personnel Team will include a part-time Project Director, a full-time Field Manager (Sri Lanka based), a full-time Project Officer, a part-time Senior Municipal Governance Specialist, a full-time Project Assistant, and part-time FCM finance, knowledge and outreach staff.

During the first stage of the project (Year 1), FCM will also recruit Sri Lankan staff and establish a field office with two project officers, a finance officer, and clerical staff. Locally engaged Development Officers,

located in each of the anchor local governments will also be recruited. Their role will be to support the implementation and monitoring of project activities. The FCM Team will adopt a decentralized management model given the importance of a strong field presence to the overall success of MCP.

5. For More Information

For more information on the Canada/Sri Lanka Municipal Cooperation Program, please contact:

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Canada/Aceh Local Government Assistance Program (CALGAP)

May, 2006

1. Overview

Recognized as the national voice of municipal governments since 1937, the Federation of Canadian Municipalities (FCM) represents the interests of all municipalities on policy and program matters within the Canadian federal jurisdiction. FCM is comprised of more than 1,300 municipal governments, which represent over 85 per cent of Canada's population. FCM has been implementing international development program since 1987.

In March 2005, at the invitation of the Canadian International Development Agency (CIDA), FCM participated in a scoping mission to identify potential programming opportunities that could be pursued by the three orders of government in Canada to support the re-building of governance in the tsunami affected areas in Aceh, Indonesia.

The *Canada / Aceh Local Government Assistance Program (CALGAP)* is FCM's proposed response to the recommendations of the scoping mission to Indonesia held in March 2005; CIDA's priorities for reconstruction in Indonesia; the Government of Indonesia's guidelines for post-tsunami rehabilitation as outlined in April 2005 in its master plan for the reconstruction of Aceh; and the results of two FCM Program Feasibility Missions undertaken in Aceh between June and September, 2005.

CALGAP will strengthen local government management, service delivery and participatory governance in the province of Aceh, mainly through technical assistance provided by Canadian municipalities and with the establishment of support funds. Within the program, FCM and its Canadian municipal partners will implement capacity-building initiatives and will financially support small projects to help the districts of Pidie, Aceh Jaya and the municipality of Banda Aceh to address post-tsunami rehabilitation and reconstruction challenges that affect the quality of life of the local population. Initial post-tsunami issues to be addressed early in the program include: restoring basic management capacity such as planning (district of Pidie) and administration operations (district of Aceh Jaya); restoring basic municipal services such as waste management (City of Banda Aceh); and supporting DPRDs/local councils to create more accountability to citizens during the rehabilitation phase (district of Aceh Jaya).

Local government support will be complemented by institutional strengthening assistance to the Province of Nanggroe Aceh Darussalam and to the regional chapters of three Indonesian local government associations on reconstruction issues, exemplary practices dissemination, training, and inter-governmental relations in the context of the reconstruction and decentralization. The program will also include knowledge development to create models to be disseminated to other local governments facing similar capacity issues in Aceh. A final but key component will be to support communication and outreach activities in Canadian communities intended to inform the Canadian public, increase awareness, and mobilize volunteer participation in Canadian tsunami reconstruction activities.

CALGAP is implemented in two main stages. Stage 1 or Start-up Stage (started in May 2006) will provide immediate technical assistance and lay the foundation of the longer-term responsive program to be fully implemented in Stage 2 (up to March 31st, 2009). CIDA is contributing 8.6 millions Canadian dollars to CALGAP. The CIDA contribution is supplemented by in-kind contributions from FCM and its Canadian municipal partners for a value of 1.4 millions Canadian dollars. The total program budget is 10 million Canadian dollars.

2. Program Description

CALGAP's goal is to support post-tsunami rehabilitation and reconstruction efforts in the province of Aceh, Indonesia, through responsive support to local governments and the promotion of intergovernmental cooperation models. In order to reach this goal, the program's purpose is to rebuild and strengthen local governance (management, service delivery and strengthened participatory mechanisms) in three selected local governments in the Province of Aceh.

FCM and its Indonesian partners envision Acehese local governments playing a strong partnership role in supporting post-tsunami reconstruction and rehabilitation efforts at the local level, in improving local governance and in facilitating an enabling environment for peace building, autonomy, and decentralization. At the outcome level, there are three expected program results:

- Selected local government capacities restored (keeping with national standards, local priorities, and good governance practices) in the City of Banda Aceh, and in the districts of Pidie and Aceh Jaya. Improved Local Government Service Delivery – More adequate provision of local services to meet the needs of the earthquake and tsunami-affected population, the poor, women and other disadvantaged groups in selected Acehese districts and/or municipalities;
- More supportive post-tsunami local government enabling environment in the Province of Aceh; and
- Program knowledge captured, shared and replicated, and effective communication on program results to stakeholders.

FCM has designed CALGAP to cover two districts and one city. Less intensive support will be provided to the regional government associations active in Aceh. A partnership and supportive relationship will be forged with the provincial government, and coordination linkages will be put in place with the relevant central agencies, particularly the Aceh Rehabilitation and Reconstruction Agency (BRR) and the Ministry of Home Affairs. A partnership relationship for the delivery of the Program is expected to be established with the Centre for Local Government Innovation (CLGI), and Syiah Kuala University.

The direct beneficiaries of CALGAP will therefore be the City of Banda Aceh, the District of Aceh Jaya, and the District of Pidie. These regions were identified by CIDA as the areas where Canadian assistance would be focused, taking into account the effect of the quake and tsunami, relative needs, and complementarities with other donor support. The Program will also include other main beneficiaries, such as the Indonesian local government associations and the Nanggroe Aceh Darussalam (NAD) Provincial Government.

The program will introduce three crosscutting themes in its activities. A special focus will be put on local government responsibilities and services that contribute to peace building, gender

equality, and environmental sustainability in the selected Acehese districts and/or municipalities.

3. Program Implementation

Given the fluid nature of events in Aceh, an iterative approach is taken to address the short-term needs of the partner local governments, to ensure Canadian visibility on the ground and in central and provincial government/donor discussions regarding program development, while at the same time designing a long-term assistance strategy and putting in place the necessary infrastructure and partnerships.

CALGAP has two distinct stages: immediate quick support to respond to urgent needs of the partner regions in the first eight months of the program (Stage 1), accompanied by a deeper assessment of needs, followed by a two years implementation stage (Stage 2) for initiatives scoped in the assessment exercises conducted during the first year. It is expected that the second stage will be comprised of the following five components reflecting the expected long-term expected program results.

Component 1: Support to District Governments

In Stage 1 of CALGAP, the city of Banda Aceh, and the districts of Aceh Jaya will begin to receive technical assistance (through coaching, training, exposure trips to Canada, and so on) and financial support. Technical assistance to the districts and city will begin in July 2006 will be in full swing by October 2006. At the same time, a more in-depth needs assessment and planning exercise will be conducted in assignments to be carried out in 2006, producing detailed proposals for areas and approaches to cooperation for the next years during Stage 2.

The first initiative proposed with Banda Aceh during the first stage of CALGAP will be on solid waste management. The first initiative proposed with Pidie will be the development of new approaches for strategic planning through the revision of the district Mid-Term Plans. A first initiative proposed with Aceh Jaya during the first stage of CALGAP will be the establishment of a proper baseline on the extent of destruction in Aceh Jaya in order to improve district operation management.

The establishment of three Community Support Facilities (CSFs) in each district will also be initiated during Stage 1. These will be small responsive funds provided to Banda Aceh, Pidie and Aceh Jaya for locally identified community initiatives and managed by a committee of local leaders. These CSFs would be used for practical projects that support CALGAP's overall capacity building objectives: for example, projects typically under \$20,000, aimed at service provision, small equipment, and/or rebuilding small-scale local infrastructure according to local priorities, with the fund covering capital costs for equipment, materials, and construction labour. Local NGOs and groups will be encouraged to develop proposals to support their involvement in local services, many of which cannot be delivered effectively by the districts/city due to inadequate resources, capacities or competencies. These funds will begin towards the end of Stage 1 or at the beginning of Stage 2 of the program.

Component 2: Support to Enabling Institutions

The Association of Indonesian Municipalities (APEKSI), representing city governments (mayors and administration), the Association of Indonesian Municipal Councils (ADEKSI), representing city councils (DPRDs), the Association of Regency Governments of Indonesia (BKKSI), representing regency governments at the district level, and the Association of Indonesian District Councilors (ADKASI) are all enabling institutions with potential roles in supporting the

long-term rebuilding of local governance in Aceh. Each of these local government associations has members in the tsunami-affected regions, and all are interested in supporting them.

FCM, as the national voice for municipalities in Canada, has a natural affinity to similar organizations in Indonesia. FCM has agreed to support these associations in order to facilitate knowledge dissemination and local governance policy development, and to support specific initiatives of the associations in Banda Aceh, Aceh Jaya and Pidie when these coincide with CALGAP objectives. The main elements of the early support provided by CALGAP will be to help the associations establish decentralized structures adapted to the special status of Aceh. FCM will source expertise from Canadian provincial associations which have established sub-provincial structures to reach out to members to help define appropriate association structures for Aceh.

There is a complex distribution of responsibilities between the provincial and local governments in Aceh because of the decentralization taking place in Indonesia, as well as the special autonomy status that Aceh is seeking. Therefore, provincial government technical assistance will be required in order to address intergovernmental issues affecting the development of a more effective local governance system. This will be done through a bottom-up approach to governance support. Local issues identified by the three Acehnese target local governments that involve an intergovernmental aspect (for example division of responsibilities for land use planning, taxation, relocation of internally displaced people, infrastructure development, and so on) will be used as an entry point for thematic assistance to the provincial government of Aceh and as a means for encouraging better intergovernmental coordination between the province and the local governments.

Component 3: Canada-Aceh Local Government Procurement Facility (LGPF)

A Local Government Procurement Facility (LGPF) will be established at the program level to provide a quick-response, flexible responsive funding mechanism to support targeted interventions leading to highly visible municipal improvements in the selected three Acehnese local governments, and potentially in the other local governments as secondary beneficiaries. It will complement the smaller Community Support Facilities (CSFs) where communities apply to the local government for funding of community initiatives.

The LGPF will provide the flexibility to cover the purchase of materials and equipment in support of the technical assistance provided as the main thrust of the program. LGPF sub-projects could, for example, involve rebuilding municipal/community facilities or public spaces, equipping local administrations with needed material resources (equipment, books, and so on), creating linkages between community organizations and/or private sector entities in Canadian and Acehnese local governments that lead to (re)establishment of community services, and so on. It is anticipated that projects up to \$100,000 would be supported through the LGPF. The LGPF will be administered and directed by a selection committee comprised of Canadian and local officials to ensure effective management, delivery and transparency.

Component 4: Communication & Knowledge Development

In order to disseminate the knowledge developed during the implementation of CALGAP, case studies on best practices, manuals, and training programs in local government capacity building will be prepared and used as learning tools with Banda Aceh, Pidie and Aceh Jaya, as well as with other local governments in Aceh (and potentially in Indonesia). Lessons learned and best practices in crosscutting themes will be a particular focus and will be documented and shared with a large number of local governments in the province.

The program will also establish communication and outreach tools targeted at a Canadian audience designed to increase citizens' awareness and understanding of the Canadian

contribution to the recovery efforts and the development challenges facing Acehese communities in their recovery process. Communication activities will also be organized in Aceh.

4. Program Management

FCM will take a collaborative approach to program governance and management with a view to ensuring joint ownership by all parties in the design, implementation, monitoring, and evaluation of CALGAP. Decision-making and management mechanisms and processes will be designed to facilitate power sharing and participation as well as full transparency and accountability to all stakeholders. This will be achieved through a framework of committees, teams of Indonesian, Acehese and Canadian municipal experts and specialists, and management personnel, as outlined below.

A Program Steering Committee (PSC) comprised of Canadian and Indonesian/Acehnese members will be formed to oversee the strategic direction and policy context of the program and to provide advice on particular issues.

The core FCM Personnel Team includes a part-time Canadian Program Director, a full-time Canadian Field Manager (Indonesia-based), a part-time Canadian Senior Governance Specialist, a full-time Canadian Program Officer and a full-time Program Assistant (Canada-based).

During the first stage of the Program, the Canadian Field Manager will be responsible for recruiting local staff and establishing a field office in Banda Aceh and local presence in each beneficiary district. The special circumstances seen in Aceh also call for FCM to ally itself with local service providers in the delivery of CALGAP. It is therefore suggested that a partnership relationship for the delivery of the Program be established with the Centre for Local Government Initiatives (CLGI) and Syiah Kuala University. A sub-contract arrangement will be reached with CLGI to allow the latter to mobilize the required staff on behalf of the program. It is anticipated that the CALGAP Office in Banda Aceh will be staffed with two local Project Officers, a Finance Officer, and a Driver/Messenger. Locally engaged Local Government Development Officers (LGDOs), located in each of the three beneficiary local governments, will also be recruited.

BRR, the agency responsible for the coordination of the rehabilitation and reconstruction of Aceh, will be an important partner. The interaction with central level agencies will also include the Ministry of Home Affairs and other cross-cutting or sectoral ministries.

Appendix B: Batticaloa Activities from September 2006 – March 2009 & Banda Aceh Activities from September 2006 - May 2007

Batticaloa Activities from September 2006 – March 2009

#	Activity	Deliverables	Dates	Canadian Resources	City of Toronto Commitment	Note
1	Set Medium-Term Development Priorities and Fiscal Frameworks (MTPF)	<ul style="list-style-type: none"> • Priorities for reconstruction and rehabilitation • MTPF document • Public information program 	Project began in Stage one and will continue until March 2007	Canadian technical resources already engaged	-	-
2	Organize and modernize the accounts department in Batticaloa	<ul style="list-style-type: none"> • Computer hardware and software and furniture • Training for staff • Computerized financial records and systems 	NEW Project to begin November 2006 and run until May 2008	Will be looking for a team of 3 Canadian technical assistants (ideally one from City of Toronto) to work with local resource providers in all 4 districts. Task: Developing basic accounting and financial systems supported with computerization of financial records and systems.	1 person for 1.5 years = approx. 6 missions of 2 weeks each. Total: 12 weeks + travel or prep. days	-
3	Improve library services for adults and children in Batticaloa	<ul style="list-style-type: none"> • Rehabilitated children's section • Bookbinding equipment • Computerized card catalogue • Books and shelving • Internet facility and courses 	Project began in Stage 1 and will continue until September 2007	Team of 2 already selected and potential to add a Librarian from City of Toronto	1 person for 1 year = approx. 4 missions of 2 weeks + travel or prep. days	-

#	Activity	Deliverables	Dates	Canadian Resources	City of Toronto Commitment	Note
4	Improve surface water drainage in Batticaloa	<ul style="list-style-type: none"> • Map of drainage systems • Training for staff • Public education program • Drainage management system 	Project began in Stage 1 and will continue until June 2007	Team of 3 already engaged (including Ed Yathindra & Diane Chester from Toronto)	2 people for 10 months = approx. 3 missions of 2 weeks + travel or prep. days	Possibility of moving this team from Batti to Kalmunai (who also want a surface water drainage project) following completion of the Batti project. Kalmunai drainage project to run from June 2007-Oct 2008
5	Implement CSF in Batticaloa	<ul style="list-style-type: none"> • Various infrastructure and equipment 	Sept 06-end of Stage 2	Currently no Canadian technical assistance needed	-	-

Banda Aceh Activities from September 2006 – March 2007

#	Activity	Deliverables	Dates	Canadian Resources	City of Toronto Commitment	Note
1	Solid Waste Management	Through the launch of a small-scale compost pilot project: <ul style="list-style-type: none"> • Community participation/in put in local waste management planning; 	Project began in July 2006	One municipal volunteer from the City of Toronto	3 missions of 2 weeks + Travel and Prep Days	
2	Public Education	<ul style="list-style-type: none"> • Capacity building of DKP staff to plan, implement and monitor waste management programs effectively; 	Public Education component to be initiated in November 2006	1 person, to be determined (possibly from the City of Toronto)	3 missions of 2 weeks + Travel and Prep Days	

#	Activity	Deliverables	Dates	Canadian Resources	City of Toronto Commitment	Note
		<ul style="list-style-type: none"> • Improve co-ordination for municipal service planning/delivery. 				