



NATIONAL POLICY ON LOCAL GOVERNMENT

ACTION PLAN FOR 2012-2014

TOWARDS CREATING A MUTUALLY SUPPORTIVE, PARTICIPATORY AND INCLUSIVE SOCIAL MOVEMENT THROUGH A STRONG LOCAL GOVERNMENT NETWORK THAT CONTRIBUTES TO ACHIEVING THE NATIONALLY SET DEVELOPMENT GOALS AND TARGETS.

**Ministry of Local Government & Provincial Councils
December 2011**

***3 Year Mid-Term Action Plan for Implementation of
The National Policy on Local Government***

Preface

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Secretary
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It gives me great pleasure to release the first Mid-Term Action Plan for Implementation of the National Policy on Local Government. The Implementation Plan enclosed herein is a product of a painstaking process of consultations and dialogue that helped identify the most urgent of the many tasks entrusted by the National Policy. The urgency was determined in keeping with the current political directions and governance priorities of the nation.

Introduction

Local government institutions in Sri Lanka have been the commonly accepted local structure of administration of public health, roads and public utility services. Despite the many institutional and structural deficiencies and difficulties, they have contributed immensely to national development in addition to the overall governance of their areas of jurisdiction. Using democratic principles and processes, they have been able to create and maintain a civil administration system that has helped the residents and the nation in many ways.

The governing principles of government policy of the Constitution of the Democratic Socialist Republic of Sri Lanka aims to “*strengthen and broaden the democratic structure of government and the democratic rights of the people by decentralizing the administration and by affording all possible opportunities to the people to participate at every level in national life and in government*” (Chapter VI - Article 27.4).

Based on this fundamental policy principle, the current guiding tool of the development of the nation - the Mahinda Chintana- has categorically espoused that it is the peoples’ desire for all local units of human habitat to emerge as “*micro-centres of growth on modern lines*”. Toward this goal, the first-ever National Policy on Local Government (NPLG) was tabled in Parliament on 5th February 2010. While some of its

directions such as Local Government Legal Reforms are already being implemented, the Ministry of Local Government and Provincial Councils desired to formulate a Medium Term Action Plan to fully implement the Policy. The goal is to make local government authorities an integral part of the system of representative government with highest possible level of democratic decentralization and local self governance backed by adequate corresponding powers and resources. The process shall uphold the constitutional guarantees given to the local governments under Art. 4.3 of the Ninth Schedule of the Constitution which states that the local government authorities “*will have the powers vested in them under existing law. It will be open to a Provincial Council to confer additional powers on local authorities but not to take away their powers*”.

The Implementation Plan has identified six key result areas. They are:

1. Institutional Development
2. Consensus Politics
3. Legal Reforms
4. Resource Generation, Sharing & Equity Promotion
5. Civil Society Mobilization, Social Cohesion & Participation
6. Management Excellence with Systems & Process Re-engineering

The accompanying strategies of implementation are designed to help:

- Improve the powers, functions and resources simultaneously enhancement of the systems and capacities of local government authorities through legal reforms and process & systems re-engineering;
- Institutionalization, empowerment and actively mobilize the civil society in local governance;
- Systematically coordinate and mobilize the external partners and resource institutions including the corporate sector, both local and foreign for effective convergence and impact of their assistance within the national priorities.

The Focus of Policy Implementation

The main focus of implementation of the National Policy on Local Government is on providing policy guidance, technical advice, capacity development and implementation guidelines to create a strong network of capable and sustainable local government institutions where:

- The National Policy on Local Government is recognized and subscribed to in full;

- The institutional prerequisites are present, based on local autonomy, proximity & subsidiarity principles, for attaining democratic and participatory local self governance that is responsive and responsible to the people.
- The local capacities for planning and execution of disparity reduction and equity promotion, as envisaged in the national vision of Mahinda Chintana are adequately upgraded and functional;
- A healthy balance between physical and social planning is maintained by fully applying the National Physical Planning Code to determine the areas and limits of local development while protecting fragile geographic areas from inappropriate structure changes and environmental degradation;
- There is capacity for formulating proactive vision and supplementary plans and strategies for local development with minimal threat of natural disasters on human settlements and supporting infrastructure;
- Public-Private Partnerships are promoted as an integral part of local development planning and for rapid transformation of human settlements into livable human habitats with modern infrastructure facilities and public amenities;
- Institutional and managerial capacity to attract new investments to the area is well developed and present to develop the local economy;
- Institutional mechanisms enabling public participation are in place and functional at an optimum level and there is community integration promoting unity in diversity, peace and prosperity for all communities.
- Strengthen the administrative systems of urban growth centre regions (Metropolitan Areas) in order to make them more efficient democratic institutions and be able to address Metro-wide planning and development;
- Institutional development is constantly carried out through systems and process re-engineering and institutionalization of good practices;
- Human and other resource capacities are present to build and manage an adequate network of urban infrastructure and law & order; and
- The multifarious actors in local development are organically linked and effectively interfaced under the leadership of the local authority.

To achieve the above, the Ministry of Local Government & Provincial Councils will provide the Provincial Councils and Local Governments with necessary policy guidance, operational guidelines and capacity development apparatus to enhance their management capabilities and capacity building initiatives in order to be proactive and efficient in addressing the institutional needs; drafting statutes and regulations; building local government capacities for reviewing, monitoring; and clearing the operational bottlenecks that obstruct the desired levels of efficiency at the local government level.

For this purpose, the Ministry will set up a National Council on Local Government (NCLG) and a Secretariat to facilitate and support national Policy implementation. These apparatus will assist the Ministry in:

- Proactively determining and addressing the issues of national concern that impede the overall performance of local government;
- Constantly identifying the emerging new needs in the sector and updating the National Policy on Local Government to meet them;
- Formulating and issuing national guidelines to assist the Provincial Councils and Local Governments in implementing the national policy and assisting the Provincial Councils in preparing their own provincial plans for its implementation;
- Creating necessary legal reforms and new legal enactments and where necessary;
- Setting up and executing an effective monitoring and performance assessment systems to ascertain whether the Policy is being duly implemented;
- Upgrading necessary institutional and management systems to optimize the planning and development of larger metro-wide regions; and
- Ensuring adequate technical support to Provincial Councils and Local Government Authorities by way of legal advice and planning guidance.

Approach to NPLG Implementation

The Government of Sri Lanka, through the Ministry of Local Government & Provincial Councils which is responsible for implementing the National Policy on Local Government, has adopted a two-pronged approach to implement the Policy. It has prepared the attached Mid-term Plan of Action. It is a perspective Plan that will address the most urgent priority needs of the Government in regard to the sector development, as reflected in the NPLG. It is intended to be achieved in three years. This Plan will serve as a process-oriented Road-Map to start implementing the National Policy. This is a roll-out plan which will be periodically reviewed and updated.

Based on this Mid-Term Implementation Plan, the NCLG Secretariat will formulate an Annual Plan of Action every year to meet the contemporary priority needs of the sector. Such plans will grant the consent by the National Council for Local Government before submitting the same for approval by the Secretary of the Ministry (MLG&PC).

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PART I

THE NATIONAL POLICY ON LOCAL GOVERNMENT

THE CONCEPT

NPLG POLICY FRAMEWORK

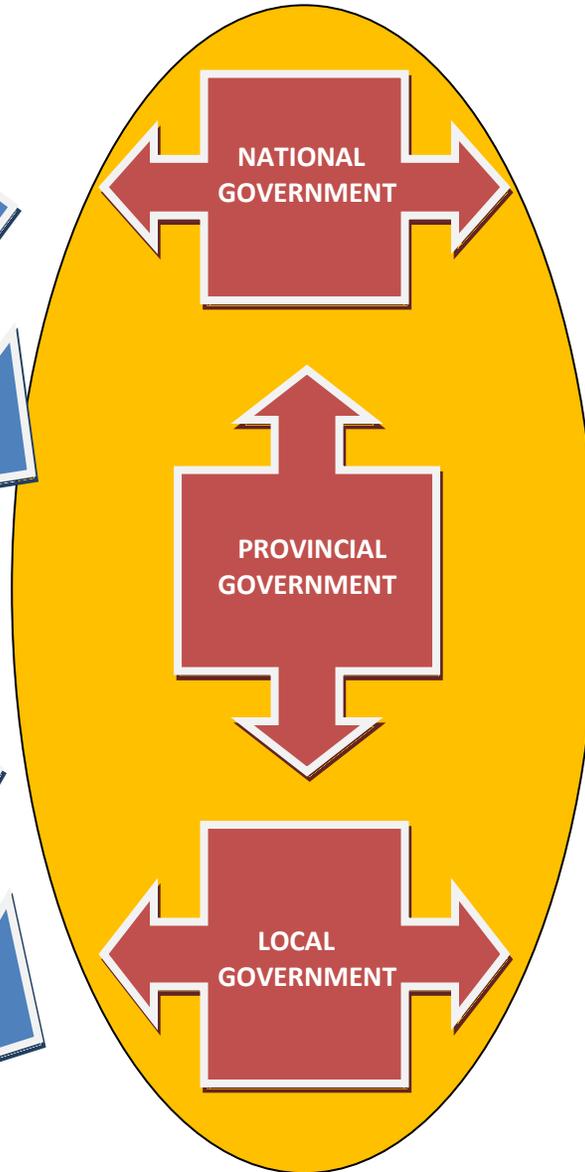
POLITICAL

DECENTRALIZATION

- LAs distinct tier of government.
- Broadening of LG Character, Scope, Role and Responsibilities.
- Strict adherence to principles of 'Proximity', 'Autonomy' & 'Subsidiarity' within the context of democratic governance

DEVOLUTION

- Optimum democratic Decentralization
- Increased, Powers, Functions AND Human & Fiscal Resources
- LGA Knowledge, Capacity & Productivity Development.



ADMINISTRATIVE

LOCAL SELF-GOVERNMENT

- Paradigm Shift from Service “Service Provider” to “Development Manager” focusing beyond the traditional role & scope.
- Governance systems & Process re-engineering
- Optimal freedom for local revenue generation & human resources planning and development.
- Institutionalized systems & mechanisms for optimal public participation in decision-making.
- Upgraded management excellence & productivity .
- Facilitator of physical and social planning, basic services, environmental protection, local economic development, pro-poor settlements upgrading.
- Inclusive civil society administration.
- Visionary Proactivity
- Public-Private Partnership Building and increased investments.
- Expansive use of IT technologies
- Cohesive and sustainable communities.
- Enhanced local accountability & allied monitoring.
- Urban Renewal.
- Local Self-Governance.

PARTICIPATORY & INCLUSIVE LOCAL SELF-GOVERNMENT

The National Policy on Local Government

Implementation Priorities

Introduction

For over a century, local government bodies in Sri Lanka have been the commonly accepted local structure of administration of public health, roads and public utility services. Despite many institutional and structural deficiencies and difficulties, they have contributed greatly to national development and overall governance of their areas of jurisdiction, using democratic principles and processes. They have been able to create and maintain a civil administration system that has helped the residents and the nation in many special ways.

Today, the local government sector has been afflicted by a series of impediments that require immediate attention in order to strengthen and modernize it. The most critical impediment has been the absence of a national policy to guide the sector.

As spelt out in the Constitution of the Democratic Socialist Republic of Sri Lanka, the governing principles of the government policy is to *“strengthen and broaden the democratic structure of government and the democratic rights of the people by decentralizing the administration and by affording all possible opportunities to the people to participate at every level in national life and in government”* (Chapter VI - Article 27.4). Based on this fundamental policy principle, the current guiding tool of the development of the nation - the Mahinda Chintanaya has categorically espoused that it is the peoples’ desire for all local units of human habitat to emerge as *“micro-centres of growth on modern lines”*. Toward this goal, the first-ever National Policy on Local Government (NPLG) was adopted in Parliament on 5th February 2010. While some of its directions such as Local Government Legal Reforms are already being implemented, the Ministry of Local Government and Provincial Councils is desirous of formulating a Medium Term Action Plan to fully implement the Policy. The goal is to make local government authorities an integral part of the system of representative government with highest possible level of democratic decentralization and local self governance backed by adequate corresponding powers and resources. The process shall uphold the constitutional guarantees given to the local governments under Art. 4.3 of the Ninth Schedule of the Constitution which states that the local government authorities *“will have the powers vested in them under existing law. It will be open to a Provincial Council to confer additional powers on local authorities but not to take away their powers”*.

The Focus of Policy Implementation

The main focus of implementation of the National Policy on Local Government will be to arrange for technical advice, training and guidelines to create a strong network of cities, towns and villages a set of strong, capable and sustainable local government institutions where:

- Based on the proximity principle, the prerequisites are present for attaining democratic and participatory local self governance that is responsive and responsible to the people.
- The National Policy on Local Government is recognized and subscribed to in full;
- The local capacities for planning and execution of disparity reduction and equity promotion initiatives, as envisaged in the national vision of Mahinda Chinthanaya are adequately upgraded and functional;
- The National Physical Planning Code helps determine the areas and limits of local development, while protecting fragile areas from inappropriate structure changes while maintain a healthy balance between physical and social planning;
- There is capacity for formulating proactive vision and supplementary plans and strategies for local development with minimal threat of natural disasters on human settlements and supporting infrastructure;
- Public-Private Partnerships are promoted as an integral part of local development planning and for rapid transformation of human settlements into habitats with modern infrastructure facilities and public amenities;
- There is institutional and managerial capacity to attract new investments to the area to develop the local economy;
- There is capacity for, institutional development through systems engineering and institutionalization of civil society participation in local level decision making;
- Human and other resource capacities are present to build and manage an adequate network of urban infrastructure and law and order;
- Institutional mechanisms of public participation are in place and functional at an optimum level;
- The multifarious actors in local development are organically linked and effectively interfaced under the leadership of the local authority;
- There is community integration promoting unity in diversity, peace and prosperity for all communities.

In addition, it will focus on providing policy guidance, operational guidelines and capacity development apparatus to further enhance the management capabilities and capacity building initiatives of the Provincial Departments of Local Government in a manner that they would proactively and efficiently address the institutional needs, build local capacities and clear the operational bottlenecks at the local government level. Furthermore, the provincial departments will be helped to build their own capacities in periodically reviewing and drafting statutes and regulations and making recommendations to the Inter-Ministerial Coordinating Committee for necessary changes in the Policy and this Plan.

To help achieve the above, as the implementing authority, the Ministry of Local Government & Provincial Councils will set up an Advisory Steering Committee and a Secretariat for national implementation of the Policy. They will be assigned with the following functions to guide and assist the Ministry of Local Government & Provincial Councils in:

- Proactively determining and addressing the issues and areas of national concern that impede the overall performance of local government.
- Identifying emerging new needs and updating the National Policy on Local Government to meet them.

- Formulating, executing and periodically updating the National Policy Implementation Strategy & Plan.
- Formulating and issuing national guidelines to assist the Provincial Councils and Local Governments in implementing the national policy and assisting the Provincial Councils in preparing their own provincial plans for its implementation;
- Making recommendations to Inter-Ministerial Coordination Committee and the Cabinet of Ministers on issues relating to local government and for future updating of the Local Government Policy.
- Creating necessary legal reforms and new legal enactments and where necessary;
- Formulating, updating and executing an effective monitoring system to ascertain whether the Policy is being duly implemented;
- Formulating, updating and executing an effective methodology & rating system that enables the residents to participate in an annual assessment of the performance of their local government authority to determine whether their needs and aspirations are being progressively met by the local body;
- Upgrading necessary institutional and management systems to optimize the administration of larger city regions;
- Ensuring adequate technical support to Provincial Councils and Local Government Authorities by way of legal advice and planning guidance.

Some Irking Impediments

Some of the major impediments to good local governance identified by the National Policy are:

- ***Inadequate Decentralization and Devolution:*** Inadequate decentralization and devolution issues are among the main deficiencies encountered by the local authorities. The severest of these has been the lack of authority and functions for the local bodies to direct the planning and execution processes of local development without undue interference, task duplication and over-riding. A plethora of national and provincial level authorities and special agencies created by the central government since 1970s continue to plan for and execute major projects in areas of local jurisdiction with very little consultation with the local authorities. Despite the provisions made in the National Physical Planning Statute adopted in the year 2000 to make the Local Authority the planning authority of the area, planning powers are yet to be conferred on the local authorities with adequate capacity-building. There is also a basic need to create better linkages, planning interaction and coordination among those such as the Divisional Secretaries and NGOs who are involved in local planning and implementation.
- ***Indequacy of Powers & Functions:*** The Constitution of Sri Lanka does not consider the local government authorities as an integral tier of the national government which consists only of national and provincial governments. Therefore, the constitutional status it offers to the local government is that of a unit of general administration of the country. Consequently, the national and provincial tiers do exercise such

micro-management controls over the local government sphere that the local government authorities are unable even to recruit minor staff on permanent basis even if they have their own resources to do so. The Local bodies lack powers to manage their own affairs without reference to the provincial authorities

- ***Investor Exploitation of Local Resources without due to compensation:*** Vast economic resources belonging to areas of jurisdiction of local authorities are being exploited by micro to macro investors from outside the area and make good profits without paying anything substantial to the local body. The local revenue base is undermined due to improper and, at times illegal tapping of local resources by outsiders and the powerful as the local authorities do not have powers and people to manage local resources. The local authorities of Ratnapura and of Seeduwa-Katunayake are illustrative cases in point. In Ratnapura and the surrounding areas, valuable gemstones are unearthed on daily basis, adding value to the national economy and wealth surplus. The buyers and sellers, who meet daily in city centre to transact business, demand well maintained common amenities and allied public services such as good roads and sanitary drainage from the local body. Yet, the entire earnings of the gem trade proceed to enrich the coffers of large enterprises based in Colombo and abroad without any value addition to the city; the net result being the further impoverishment of the local body which has to spend its meager human and financial resources on treating the environmental hazards of a trail of abandoned, partly closed mines and gem-pits which are left behind by the prospectors and the resultant heavy expenditure on vector control measures that it has to undertake. Another example is the Seeduwa-Katunayaka Urban Council. It has got to maintain access road facilities and provide public health services to over 30,000 residents in boarding houses who pay nothing to the local authority and to an additional 12,000 non-resident workers who travel to the area daily from the surrounding towns and villages to work in the Export Processing Zone. Neither they nor their employers pay any service charge of corresponding value to the local body for keeping the town amenities clean and ready for the workers but, the entire proceeds from the zone are accumulated in Colombo and abroad. The local bodies have little or no powers to charge anything substantive from those who substantially benefit from such business operations using their own areas of jurisdiction and leaving behind an enormous residual workload for the local authority to handle. Policy implementation support, therefore, will include guidance on new methods for optimal resource generation and rationalization and strengthening of revenue collection modes and methods.

Indiscriminate and unplanned tapping of fisheries, minerals, forestry and other natural resources too lead to local revenue depletion. Often, the local authorities do not receive any financial returns for servicing these sectors with public amenities. These are some revenue areas that need be studied and tapped.

- ***Lack of Credibility to mobilize new resources:*** Another matter that ails the local authorities is their inadequacy of powers, resources, capacity and confidence to generate revenue through taxes, levies and, particularly through business partnerships. A related issue that needs to be addressed urgently is the lack, and in some places, the total absence of leadership capacity and managerial acumen to exuberate institutional credibility that can inspire public confidence. Consolidated guidelines for Local Governments to undertake local

resource planning and management under different laws and related capacity training are urgent necessities. An effective provincial level system is also necessary to monitor performance of resource collection and management.

- ***Need for Restructuring of Public Finance Distribution System:*** The local government financing system in this country does not employ any viable plough-back methods through a foolproof certification of the place of origin or production in order to directly apportion to local bodies of wealth-producing areas a part of the levies and proceeds of economic production that the central and provincial governments receive by way of taxes and duties to recompense and strengthen their local government authorities. On the other hand, ironically, even the local government share of the stamp duty and fines levied by the local courts do not come to them directly. They are channeled through the provincial government causing undue delays, often many a financial year. A solution to this apparently requires a constitutional amendment.
- ***Need for Capacity Upgrading:*** Another major issue impeding good local governance is the lack of institutional, human resource and managerial capacities to perform as an Authority with efficiency and effectiveness. They are an authority only by name. Excepting some provincial capitals, generally the staff strength of local government authorities is extremely weak: their managerial skills and capacity are inadequate and the planning capabilities are very poor. Most municipal councils do not have a qualified planning officer and in some, even a qualified engineer. Except in a few large municipalities, most local bodies do not have staff adequately trained in assets and revenue planning and management. The local government capacity building strategies require revision and training institutions require restructuring and strengthening to make training initiatives more demand-driven instead of being supply-oriented. In addition, institutional development systems and procedures must be revisited and refined as a support measure. Based on the proximity principle, the possibility of setting up an SLILG research and training cell in each of the provincial Management Development Training Units (MDTUs) may also be explored
- ***Local Government Cadre within the Public Service:*** The constant transfer of trained senior and mid-level officials is yet another impediment to good local governance. While the principle of periodic transfer is an upholdable maxim for good governance, transferring those trained in local government to other sectors is uneconomical in a country of our size and economy. There is a crying need to create a cadre system within the public service commission to help retain the trained local government specialists within the sector without prejudice to their promotions.
- ***Lagging Local Authorities:*** Using a rigorous tool of scientific measurement, the Ministry of Local Government & Provincial Councils has identified and ranked a large number of under-performing local bodies who require special attention. Their performance levels are umbilically connected to an evident lack of vision, resources, institutional and managerial capacity and political patronage. Many of them harbor grievances of total neglect and feelings of abandonment by the higher levels of government. The Ministry has already recognized the drawback and has begun to address the connected issues through a new national programme.

Conclusion

This discussion note has amply established the rationale for formulating a comprehensive plan for implementing the National Policy on Local Government and explored the key impact areas on which greater focus must be shed during implementation. It has also pointed towards some positive solutions and, in Annex A, it has offered a basket of actions identified as options from which priority ideas can be sieved and imported for inclusion in the final Implementation Plan.

THE NATIONAL POLICY ON LOCAL GOVERNMENT

THE RATIONALE & SCOPE

Introduction

Through a series of internal and inter-ministerial consultations, the Ministry of Local Government & Provincial Councils (MLG&PC) of the Government of Sri Lanka prepared a draft National Policy to provide a visionary direction to galvanize and strengthen the local government sector along with its institutions. At the end of the year 2009, the draft policy received Government approval through the following process.

The Cabinet of Ministers gave its concurrence to the draft on 09th September 2009. The Parliamentary Advisory Committee on Local Government approved it on 08th December 2009 and the document was published in the Government Gazette on 18th December 2009. Finally, it was tabled in the Parliament on 5th February 2010.

Consequently, in keeping with the President's policy statement on at the Parliament which stated that "building on the successes of our Local Government policy interventions, a scaled up Policy Action Plan will be developed," the implementation of the national policy will be done in a phased manner, respecting the democratic institutional mechanisms and traditions.

The First Phase of implementation covered by this Action Plan will give priority to 'urgent' as well as 'need-to-do' actions instead of the 'easy-to-do' ones. The sole purpose is to generate a structurally new path of democratization and decentralization.

The Local Government Policy Action Plan 2012 - 2014 (LGPAP) represents a significant step forward in our Local Government policy efforts. It will be reviewed and updated annually and, in the process, will be continuously strengthened and up scaled.

It will not only re-engineer the systems and processes to remove the existing structural imbalances but also broaden the democratic horizons and traditions of the local government sphere; influence local level planning and spending priorities; enhance the quality and coverage of local level service delivery; and, improve the level of inclusivity and stakeholder participation, local level accountability for resource use through increased transparency and good governance.

The Policy Vision

The Policy has many visionary objectives. They are to:

- Make local authorities a distinct tier of government of Sri Lanka
- Facilitate diversification of services beyond the current scope of traditional service maintenance.
- Grant increased powers, functions, human and fiscal resources to local authorities with substantial deepening and broadening of its character, role and responsibilities.
- Intensify the democratic decentralization process and move towards a local area development approach through disaggregated network planning and conscientious upholding of the democratic character of local government.
- Fully realize the principles of 'proximity', 'autonomy' and 'subsidiarity' within the context of democratic local governance.
- Further build the knowledge and productive capacity of local authorities to ensure more effective and people-friendly facilitator of basic services and common amenities and also to address the emerging new needs of the society.
- Promote a more participatory and inclusive governance with special emphasis on creating adequate political and administrative space for mainstreaming in governance the special needs of disadvantaged, marginalized and disabled groups in society.
- Create a new vision among local authorities and equip them with knowledge and skills to change gears from the conventional 'service provider' to 'development manager and facilitator' mode.
- Create constitutional and administrative space and conditions for local authorities to move into the arena of local economic development and contribute to the national goals and targets of eradicating the regional and local discrepancies of services and development.
- Upgrade the managerial quality of under - performing local authorities and bring them into the mainstream of planned development.
- Effect Systems & Process Re-engineering of local administration and service delivery to make local government resident-friendly and efficient.
- Create a Democratic and Inclusive Civil Society by establishing necessary changes in systems and strategies in governance as well as institutional and awareness building within the civil society.

The LGPAP 2012-2014 basically is an agenda for service transformation and efficiency to encourage (i) early review of the existing criteria for allocation of public resources; (ii) participatory identification and prioritization of local infrastructure needs,

both long-term and mid-term; (iii) formulation of 4-5 year mid-term development plans with corresponding annual plans in all local authorities; (iv) effective and objective performance monitoring and evaluation of annual plan implementation; (v) civil-society engagement in participatory planning & budgeting and public-private partnerships in the development of the local economy; (vi) simplifying and networking client-relations, particularly in granting LG approvals for various activities; (vii) strengthening the institutional bondage between the provincial and local administrations; and, (viii) development of human resources & leadership for change-management.

THE NATIONAL POLICY ON LOCAL GOVERNMENT

THE GAZETED FINAL TEXT

NATIONAL POLICY ON LOCAL GOVERNMENT

MAIN RECOMMENDATIONS

1. Optimum Decentralization, Devolution and Strengthening of the Local Government Democratic Framework.			
1.1 Decentralized Autonomous Local Government			
#	Activity	Objective	Policy ref:
1.1.1.	Undertake and complete Legal Reforms.	To assign greater functions, responsibilities and powers to GAs to help them regulate and share participatory decision making power with the civil society, the private sector and other stakeholders.	4.1.1.3
1.1.2	Initiate a national dialogue on Constitutional Status for LGAs and Submit a Cabinet Memorandum for required changes.	To seek constitutional changes to incorporate LG s an integral third tier of government according to it the status of local self-government.	4.1.1.1 4.1.1.2
1.1.4	Set up a Task Force at Finance Commission level.	To review and update the existing arrangements, conditions, bases and procedures of financial transfers from the Central Government to the LGAs in order to strengthen them	4.1.3.1

		in meeting their newly accorded functions and responsibilities.	
1.2 Primacy of local government jurisdiction			
1.2.1	Devise necessary institutional mechanisms and legislative enactments.	To diligently implement the available statutory safeguards to effectively insulate the local authorities as the premier local governance institution of the area from undue interference from extraneous interest groups and to strengthen the image of local authorities and safeguard their powers as stipulated in Section 4.3 of the 13th Amendment to the Constitution of Sri Lanka.	4.1.2.1
1.2.2	Set up a Metropolitan Corporations (Mayors-in-Council) as per government priorities.	To set up a consultative process to assist the central and provincial government in determining the conditions under which any future transfer of functions and responsibilities from the LGAs to specialized agencies and also to promote greater intra-governmental and inter- governmental consultation, solidarity, collaboration and partnership-building .	4.1.2.2 4.1.5.2
1.3 Empowering LGA to Exercise Optimum Discretionary Powers			
1.3.1	Issuance of Guidelines on Powers of LGAs	To issue and monitor the implementation of guidelines that confer to LGAs full discretion and assistance to exercise their authority in regard to planning, administration, fiscal and financial matters concerning socio-economic and human development planning of their local area of jurisdiction and confirming that the Local Authority shall be the central authority on matters relating to the planning and administration of local development, both socio-economic and physical.	4.1.5.7
1.4 Rationalization of the institutional scope and capacity of LGAs.			
1.4.1	Expansion of Development Scope of the LGAs	To reorganize and create the institutional structure, form and expertise to expand the scope of LGAs from being a 19maintenance agency to be the planning and coordinating flagship of the local area development and to ensure that LGAs assume the role of planning authority for both physical planning as well as equitable human development of the assigned area.	4.1.4.1
1.4.2	Reintroduction of ward representation system and establishment of ward level development committees	To create space and conditions for democratic representation and participation at the lowest possible administrative and planning level, i.e. the community.	4.1.4.3
1.5 Local Government as the Planning Authority.			
1.5.1	Formulate and adopt a Conceptual Framework for Local Government Planning	To ensure proper implementation of the National Physical Planning Law under which LGA is given the status of Planning Authority of the area and to inform, direct and guide the	4.1.5.1

	and Local Area Development.	LGAs and their partners and local stakeholders on the powers and limits of LGAs as the Planning Authority of the area and to set parameters and perimeters for IGA involvement in planning and coordination of major development work of the partners of local development with the view to ensure convergence of interventions to produce the desired impacts. The initiative is expected to prevent the concurrent use of varying, and at times conflicting, standards, criteria, approaches and strategies that are counter-productive. The Framework, therefore, shall replace the multiple planning processes with a well-coordinated multi-level planning process thereby creating a common platform for well coordinated planning and execution of local area development .	
1.5.2	Set up a creative mechanism for consultative coordination between the Divisional Administration and the LGA.	<i>To bring about a radical change in the working attitude and atmosphere of the two agencies with the view to create a common platform of planning and coordination. The mechanism will be developed through appropriate consultations among the partners and by developing appropriate institutional space for harmonious co-existence between the two. The Framework will recognize the primacy of the LGA in local planning and will provide adequate space and recognition to all major partners in local development to integrate their activities in a coherent manner under the consultative coordination of the local authority. The purpose is to ensure that the major local development initiatives in urban areas are also linked directly to and coordinated by the local authorities deriving strength and support from the Urban Development Authority Act and the Urban Settlements Development Authority Act 2007.</i>	4.1.5.2
1.5.3	Set up a Local Development Investment Authority in Municipal Areas.	<i>To ensure proper coordination of planning all development investments by the Government, the Civil Society and the Private Sector, assisted by international and national development agencies in order to achieve a holistic and integrated development planning process, based on the principle of subsidiarity within the provincial and national planning system and process</i>	4.1.5.6
1.5.4	Establish guidelines and parameters for environmental conservation and management.	<i>Through a process of inter-ministerial consultations, to provide direction and technical guidance to LGAs and their partners on discharging their statutory responsibilities in environmental improvement & management and disaster prevention, mitigation & management within the overall district framework in Local Authority Areas in order that environmental issues would receive the highest consideration in local planning.</i>	4.1.5.8 4.1.5.9
1.5.5	Set up a Provincial Level LG Task Force to address LGA issues that transcend	<i>To encourage collective trans LG Areas enterprises covering geographically contiguous local authorities that share common problems and opportunities, for economical and</i>	4.1.6.1

	geographical boundaries.	<i>effective management of issues such as transport, solid waste, social forestry and watershed conservation.</i>	
2. Enhancement of the enabling environment and consensus politics			
2.1 Enhancement of the enabling environment and consensus politics			
2.1.2	Formulate and consolidate statutory provisions to realize consensus politics at local level	<i>To produce a compendium of available statutory directions and legal provisions to help build political consensus in local governance.</i>	4.2.1.1
2.1.2	Guide, train and help LGAs, starting with the MCs and UCs, formulate a perspective Corporate Plan with a well articulated vision and strategy for long term development of their area.	<i>To ensure sustainability of participatory local planning strategies and programmes in order to prevent them from being abandoned in midstream when regime-changes occur from time to time and to regular progress reviews with non-confrontational all-party involvement.</i>	4.2.1.2
2.2 Rule of Law			
2.2.1	Developing and adapting statutory proviso to involve the LGA in practically contributing to maintaining the rule of law within the respective area of authority.	<i>To set up LGA level coordination mechanisms and partnerships such as a Law and Order Advisory Committee co-chaired by the Head of Local Authority and the Chief of Police of the area with law enforcing and regulating authorities such as the Department of Police, the Provincial Council, the District Administration. and with fullest participation and contribution from the civil society.</i>	4.2.2.1
3. Transparency, Accountability and Responsiveness			
3.1 Transparency and Accountability.			
3.3.1	Formulate and Issue National Guidelines for Good Governance with emphasis on Transparency & Public Accountability of Local Authorities	<i>To help LGAs achieving the highest possible level of local government transparency and effectiveness by ensuring respect for the Citizen's Charter.</i>	4.3.1.1 4.3.1.2
3.2 Responsiveness.			
3.2.1	Develop a Communication Strategy & Programme to build Provincial Government capacity to promote Local Government consciousness & responsiveness to meet local aspirations.	<i>To make sure that the Provincial Councils have strategic vision and expertise to encourage, guide and support the LGA consciousness and capacity to ensure that (a) local authorities are constantly responsive to local aspirations and are planning and addressing the felt needs of the residents in a spirit of conformity and (b) peoples' aspirations and needs receive unreserved attention and unhampered priority at all stages of development planning and budgeting.</i>	4.3.1.2

3.3 Access to Information			
3.3.1	Install and continually update and upgrade the required level of facility to operate electronic Information Management Systems in all LGAs, starting with MCs & UCs.	<i>To enable LGAs to operate their own websites and information resource centre in order to collate and store the related data for easy public access, effective planning and indicator-based performance review.</i>	4.3.3.1
4. Equity Promotion and Poverty Reduction			
4.1 Equity Promotion in Resource Distribution and Localizing the MDGs.			
4.1.1	Formulate and implement an Action Plan to get LGAs involved in localizing Millennium and Other Development Goals and Poverty Reduction.	<i>To engage LGAs in developing a comprehensive plan of local action to use the MDGs and other national goals as a veritable vehicle for disparity reduction and equity promotion.</i>	4.4.1.1 4.4.1.2
4.1.2	Create a Review Mechanism At Parliamentary and Provincial levels to review LGA progress in narrowing down the regional and intra-regional disparities in development.	<i>To focus on greater planning emphasis on resources for removing intra and inter-area disparities to correct the existing imbalances in regional growth and to request, guide and support LGAs to formulate and implement area-based local plans for human development with concerted emphasis on poverty reduction.</i>	4.4.1.2
4.2 Gender empowerment and Marginalized Groups			
4.2.1	Increase the current participation of women and youth in local government representation and decision-making to at least 40%.	<i>To create legal and institutional provisions, procedures and mechanisms to assist and support the LGAs to take measures to bring representation of women, youth and marginalized groups more diligently in to the local level decision-making process.</i>	4.4.2.2
4.2.2	Create institutional provisions to have a statutory advisory committee on women, youth and marginalized groups in every MC, UC and large Pradeshiya Sabahas	<i>To ensure that LGAs will give planning attention and care to address the needs of women, children, and socially dependent and vulnerable populations such as the marginalized and the semi-abled as a priority responsibility.</i>	4.4.2.3
4.3 Ensure Optimum Access to and Freedom for Resource Planning.			
4.3.1	Issue necessary national and provincial guidelines backed by legal powers to encourage and enhance IGA initiative to raise financial and other resources required for local development.	<i>To further strengthen and galvanize the LGA initiatives to raise financial and other resources for local development and to help LGAs identify new sources of regular revenue by expanding the scope of regulatory functions to cover the activities of private enterprises and informal markets. It will help reorient local governments to be a supportive agency for development of the fast expanding informal sector which has</i>	4.4.3.1 4.4.3.4 4.4.3.6

		<i>displayed a high potential for poverty reduction and local economic development.</i>	
4.3.2	Set up a Provincial level Task Forces to stimulate an ongoing policy dialogue to identify and periodically recommend innovative means of financing the development needs of LGAs.	<i>To encourage new and sustainable modes of revenue generation including immediate introduction of payment of property rates on self-assessment basis to encourage the ratepayers to assess on their own their due rates and make proactive payments without waiting for official notices; direct remittance of assigned revenues such as the annual grants from the Finance Commission, the stamp duties and court fines to the local bodies with due and prompt notification to the Provincial Council; A Turn-Over assessment from business establishments etc.,</i>	4.4.3.2 4.4.3.3 4.4.3.4
5. Enhanced Civil Society Participation and Partnerships			
5.1 Social Inclusivity			
5.1.1	Review and refine existing laws and regulations to ensure optimum social inclusivity	<i>To ensure that no individual or group is excluded from the local government decision-making process due to their ethnic, religious or other pluralities and diversities</i>	4.5.1.1
5.2. Civil Society Participation			
5.2.1	Refine Local Government Planning Process and issue guidelines to facilitate maximum possible participation of the civil society at LGA level, through Ward Development Committees, City Development Councils, Public Consultation Mechanisms and Working Groups, as expressed in the Local Government Citizens' Charter.	<i>To provide community and civil society leaders a genuine platform to regularly interact with their elected representatives and senior local government officials on issues of common interest to the area, particularly in ward-based, community-level area-planning and participatory budgeting and to create a continuing partnership between the two.</i>	4.5.2.1 4.5.2.2 4.5.2.3
5.3 Public-Private Partnerships			
5.3.1	Create adequate institutional and legal reforms to encourage and support Public Private Partnerships at the LGA level	<i>To encourage the LGAs to enter into productive partnerships for development activities in their area of jurisdiction by developing appropriate investment portfolios with private sector an the private sector and the civil society, subject to minimum but adequate safeguards and controls at provincial and national levels and to assist the Provincial Councils to delineate the scope and limits of such partnerships.</i>	4.5.3.1 4.5.3.2
6. Management Excellence			
6.1 Inter-Agency Coordination			
6.1.1	Develop and Issue National Guidelines for	<i>To guide LGAs to realize the highest possible level of coordination and cooperation at</i>	4.6.1.1

	Inter-Agency Coordination.	<i>different administrative levels with all relevant ministries and agencies for local development.</i>	4.6.1.2
6.1.2	Further Refine, Sharpen and Upgrade the National Competitions that promote healthy competitiveness among LGAs for Inter-agency Coordination, Management Excellence and Good Governance.	<i>To create healthy competitiveness among LGAs to achieve good governance through excellent management of their responsibilities and functions.</i>	4.6.1.3
6.2 Professionalize human resources management			
6.2.1	Finalize, Adopt and Implement the National Strategy for Local Government Capacity Development to professionalize human resources management.	<i>To professionalize the human resources capabilities of local government institutions. Local government capacity building.</i>	4,6,2,2
6.2.1	Set up a Task Force to review the performance and achievements of the Sri Lanka Institute of Local Government and the MDTUs, evaluate its impact against the LGA needs and aspirations, undertake Survey on LG Capacity Building Needs in each province, and, formulate a Corporate Business Plan and to implement the Task Force Recommendations promptly.	<i>To upgrade and professionalize the knowledge and skills of the local government cadres and prepare them to take up new challenges with a high sense of responsibility, confidence and competence.</i>	4.6.2.1
6.2.3	Formulate a Conceptual Framework for Training of LGA and Civil Society Leaders to plan and execute participatory development.	<i>To encourage civil society partners to undertake locally tailored programmes to raise the level of civic consciousness in this regard.</i>	4.2.1.3 4.2.1.4
6.2.4	Undertake a rational All-island Review of the current LG cadre formations, structures and qualifications and upgrade the quality of the cadres as a specialized local government service with adequate proviso for an auxiliary service under which the local authorities with	<i>To upgrade the local government service Issue necessary guidelines and legal provisions to correct the existing anomalies <u>and also</u> ensure that the technical personnel required by the LGAs as per the said guidelines are provided to the local authorities without delay.</i>	4.6.2.1 4.6.2.3 4.6.2.4

	adequate resources of their own are permitted to have their own staff up to an authorized level.		
6.3 Constructive politico-administrative interface and balance.			
6.3.1	Develop and implement suitable consultative mechanisms that can promote and ensure a healthier and more constructive balance and respectful interface between the local level political authority and the administrative staff of local authorities.	<i>To strengthen and network the existing consultative exercises such as the National Associations of the Heads of Local Authorities to work closely with each other and with the Ministry of Local Government and Provincial Councils, the Provincial Public Service Commissions and other allied agencies.</i>	4.6.3.1
National Commitment			
A	Develop appropriate mechanisms and legal and institutional facilities to remove the inadequacies and impediments that are currently obstructing the LG system from being an effective partner of the government in local development and administration.	<i>To empower and strengthen the LGAs and create an enabling environment for them to provide authority-backed, goal-oriented, people-friendly and proactive support services for development of their localities and residents.</i>	5.1.1 5.1.2
B	Formulate and execute a comprehensive Plan of Action to implementation the National Policy	<i>To ensure effective implementation of the National Policy and empower the local government network in the country.</i>	5.1.3
C	Launch a concerted process of local government reforms that encourages and enhances ward level representation, ward-based planning, participatory budgeting and local development	<i>To enhance the powers, functions, resources and personnel of the local authorities to gradually achieve local self government status.</i>	5.1.4
D	Set up a Policy Implementation Steering Committee as a forerunner to National Council of Local Government.	To provide an authoritative focal point for implementation of the National Policy for Local Government in order to improve democratic local governance	5.1.5
E	Refine the basis, criteria and modes of resource allocation from central and provincial governments to LGAs.	<i>To ensure reduction of regional and local disparities and needs-based allocation of resources giving priority attention to the least developed local authorities.</i>	5.1.6 5.1.7

Provincial Commitment			
F	Introduce measures such as appropriate consultative processes with the Central Government and the Finance Commission to ensure greater commitment to sharing provincial level resources with the local authorities.	<i>To ensure greater Provincial involvement in and resource sharing with LGAs.</i>	5.2.1 5.2.2
G	Provincial Administrations to support the effective implementation of the National Policy	<i>To ensure implementation of the National Policy by (a) Leading a concerted campaign to make the National Commitment on Local Government meaningful at the provincial levels, (b) Formulating and executing an aggressive Plan of Action and Campaign to enhance the professional quality of Local Government Service, (c) Introducing adequate management tools, systems and methods , strategies and practices to assist the local governments to become the efficient integral part of a three-tier governments and to ensure effective delivery of the National Policy on Local Government, (d) taking adequate measures to ensure the respect and compliance of all LGAs with the Constitution of the Democratic Socialist Republic of Sri Lanka, and to its Seventh Schedule in particular and (e) providing appropriate and adequate support for formulation of the necessary legal reforms for good local governance and to assist in and ensure their effective enforcement.</i>	5.2.3

PART II

THE MEDIUM TERM NPLG IMPLEMENTATION PLAN

FOR

2012-2015

NPLG IMPLEMENTATION PLAN 2012–2015

1. INSTITUTIONAL DEVELOPMENT

POLICY REFERENCE

- 1.2 As The overall medium-term objective of this Policy is to make local authorities an integral part of the system of representative government with the highest permissible level of democratic decentralization and autonomy, backed by corresponding powers and resources. Towards this overall goal, immediate measures will be taken to build local government capacity to gradually assume the new decentralized role with confidence.
3. The aim of the Policy is to establish the necessary institutional and legal framework and build a supportive environment backed by adequate safeguards and guarantees for achieving the highest feasible level of effective local self-government as an integral part of a three-tier representative governance by:
 - 3.1 Optimally broadening the scope of local government with adequate functions, powers and resources
 - 3.4 Making local governments more effective, people-friendly and equity-building institutions of democratic governance.
- 4.1 Creating optimum decentralization and devolution and strengthening of the local democratic framework

Rationalize & redefine the Powers and Functions of Local Government in accordance with the new constitutional status, detailing the devolved subjects and subjects concurrent with the Provincial Government, their levels and limits of authority on matters relating to:

- (a) Administration of local development, both socio-economic and physical,
- (b) Local Government planning process and procedures to make local bodies the planning authority of the area with special responsibilities on issues such as disaster management, climate change adaptation and planning and facilitating local economy.,
- (c) Mechanisms to systematize and enhance the level and quality of cooperation between LGAs and central government departments (e.g. UDA, NWSDB, CEA, NPPO),
- (d) Institutional mechanisms for greater interaction and coordination between the local body and the Divisional Administration to eventually remove the existing split system of administration and set up a common platform for planning, including economic investments in the area.
- (e) Resource generation and utilization, especially the powers for LGAs to attract donor funds and corporate sector partnerships for local development.
- (f) Institutional arrangements for optimum civil society participation and gender parity in local government.

ACTIVITY	Policy Ref.	Action Months					
		2012		2013		2014	
1.1.1 Set up a Inter-Ministerial Task Force, jointly with the Ministry of Constitutional Affairs, to (i) Identify the main issues that needs be addressed in LG sector, (ii) prepare a Discussion Note detailing the way and means of achieving the above-said aims and (iii) share them with the related ministries, sectors and stakeholders.	4. 1. 1. 1 4. 1. 1. 2 4. 1. 3						
1.1.2 Obtain views of relevant ministries and sectors on the Discussion Note and formulate necessary Constitutional changes.	4. 1. 3. 1 4. 1. 4						
1.1.3 Organize a National Consultation to discuss the proposal.	4. 6. 1						
1.1.4 Draft a Cabinet Paper proposing Constitutional amendments to Make Local Government a Distinct Tier of Government, upholding principles of home-grown strategies, ethnic integrity, social harmony, subsidiarity and local autonomy.	4.4.3. 5.1.1						
1.2.3 Obtain Cabinet approval & gazette the notification							
1.2.4 Initiate and conclude the legislative process required for implementation.							

Establish an efficient policy implementation mechanism at the Ministry to ensure effective implementation of the Policy..

ACTIVITY	Policy Ref.	Action Months					
		2012		2013		2014	
1.3.1 Set up a National Council for Local Government (NCLG) for the purpose of policy & strategies development and for guiding, steering and monitoring policy Implementation.	5. 1. 4 6. 1						

1.3.2 Establish a NPLG Monitoring Cell in MLG&PC to assist the National Council & the Ministry in coordinating and monitoring Policy implementation through timely formulation of policy directions & legislative reforms; conduct of periodic reviews and making the necessary course corrections for effective implementation at national, provincial and local levels and Provide necessary feed-back to the Provincial and Local level policy initiatives.	4. 6. 11						
Recognize local government as a specialized sector with very distinct powers and responsibilities and ensure it being managed by those who are conversant with the local government legislation, procedures and systems.							
ACTIVITY	Policy Ref.	Action Months					
		2012	2013	2014			
1.4.1 Negotiate and re-establish the local government service as a specialized cadre within the Provincial Public Service with appropriate promotional prospects in order to retain the experienced local government specialists within the service cadres. Create space for a special LG cadre within the Provincial Public Service with appropriate promotional prospects in order to retain the experienced local government specialists within the service. (i) Set up a 3 member working group within MLG&PC to formulate a strategy to implement this Policy direction.	4. 6. 2. 3						
(ii) Undertake consultations with the Ministry of Public Administration, Public Service Commission, Salaries and Cadre Commission and Department of Management Services and arrive at a consensus.							
(iii) Convene a meeting of the Heads of Provincial Public Services and obtain their views.							
(iv) Communicate the final decision to the Provincial Councils and help them build the required human resource capabilities to implement it.							
Identify and Strengthen the administrative systems of urban growth centre regions (Metropolitan Areas) in order to make them more efficient democratic institutions and be able to address Metro-wide planning and development.							
ACTIVITY	Policy Ref.	Action Months					
		2012	2013	2014			
1.5.1 Formulate legislative provisions and administrative guidelines to establish Metro-Corps.							
1.5.2 Set up Metropolitan Corporations (Mayors-in-Council) as per government priorities.	4. 1. 4. 1 4. 1. 4. 2 4. 1. 4. 6 4. 1. 4. 10						

2. CONSENSUS POLITICS

POLICY REFERENCE

- 4.2 Enhancement of the enabling environment and consensus politics towards sustainable local development
- 4.2.1 Strategic vision and Consensus politics:
- 4.2.1.1 The Policy envisages effective implementation of all statutory provisions that help building consensus in local governance.
- 4.2.1.1 To ensure sustainability of participatory local planning strategies and to prevent them from being abandoned in midstream when regime-changes occur, the Policy will entrust local authorities with the onerous task of formulating and implementing a perspective corporate plan with a well articulated vision and strategy for long term development. Necessarily, each local authority shall ensure that the said corporate plan will represent the consensus view of all the major parties of its Council and is duly validated through an effective citizen consultation process. The Policy will also emphasize the need for regular progress reviews with all-party involvement.

Formulate & institute enabling environment by creating institutional mechanisms & procedures, introducing statutory (compulsory) provisions and strategies for behavioural changes for Public Representatives to achieve optimum level of consensus politics and reduce political confrontation at provincial and local levels.

ACTIVITY	Policy Ref.	Action Months					
		2012	2013	2014			
2.1.1 Prepare a concept paper	4. 2. 1. 3 5. 1. 4						
2.1.2 Promote a dialogue among the leading political parties							
2.1.3 Submit a Memorandum for cabinet approval either as a Code of Ethics and/or distinct piece of legislation.							

3. LEGAL REFORMS

POLICY REFERENCE

3. The aim of the Policy is to establish the necessary institutional and legal framework and build a supportive environment backed by adequate safeguards and guarantees for achieving the highest feasible level of effective local self-government
- 5.2.3.5 Providing appropriate and adequate support for formulation of the necessary legal reforms for good local governance and to assist in and ensure their effective enforcement.

4.1.2.1 The Policy shall devise necessary institutional mechanisms and legislative enactments and cause to implement the already available statutory safeguards diligently to effectively insulate the local authorities as the premier governance institution of the area,

Harmonize all relevant legislations, both main and subsidiary, to empower local governments to effectively carry out the functions and duties corresponding to its new status as a distinct tier of government.

ACTIVITY	Policy Ref.	Action Months					
		2012		2013		2014	
3. 1. 1 Review, rationalize and harmonize existing governing legislations, other relevant legislations and subsidiary laws of local government (introducing new laws where necessary) to:	4. 1. 1. 1						
(i) empower local government in its new status as a tier of government,	4. 1. 3. 1						
(ii) uphold and institutionalize the primacy of local government jurisdiction on local development, as stipulated in Section 4.3 of the 13th amendment to the Constitution of Sri Lanka	4. 1. 2						
(iii) institutionalize the citizens' right to participation in local level decision making, and							
(iv) help achieve what is aimed in item 1.1 above.	4. 5. 2						

4. RESOURCE GENERATION, SHARING & EQUITY PROMOTION

POLICY REFERENCE

4. Optimally broadening the scope of local government with adequate functions, powers and resources.

4.1.1.1 The Policy seeks maximum devolution and decentralization of authority and powers for participatory decision-making in a manner that respects and upholds *the principles of autonomy, subsidiarity and proximity* in order to empower local authorities to regulate and manage the share of public affairs under their purview.

4.4.1.1 The Policy views development goals as a veritable vehicle for disparity reduction and equity promotion. It will work closely with the National Finance Commission to help achieve equity in the distribution of public finance among the local authorities. Similarly, it will ensure equitable distribution of local government resources among the resident populations to remove any existing service and infrastructural disparities within their area of jurisdiction.

4.4.3.2 The Policy will also set in motion a mechanism for stimulating a continuous policy dialogue to identify innovative means of financing the needs of local authorities.

4.4.3.4 Local authorities will be helped to identify new sources of regular revenue. For this, the scope of regulatory functions will be

expanded to cover the activities of private enterprises and informal markets.

Work out appropriate modalities with the Finance Commission and Provincial Councils to review and rationalize the existing resource distribution criteria and methodology of the national government and provincial governments to ensure greater resource sharing with local government bodies and also enhance and strengthen the powers and capabilities of local government authorities to adopt innovative means of resource generation for local development.						
ACTIVITY	Policy Ref.	Action Months				
		2012	2013	2014		
4.1.1 Under the leadership of the Finance Commission and MLG&PC, and with provincial representation, set up a working committee to review current methodology, procedures and criteria for central and provincial resource distribution to LGAs and recommend a more rational resource sharing methodology to achieve greater equity at the local government level, with special focus on strengthening the under-performing local authorities.	4. 1. 3 4. 4. 1. 1 4. 4. 3. 5 4. 4. 3. 6					
4.1.2 Develop and issue, necessary national and provincial guidelines backed by legal powers to encourage and enhance Local Government initiative to raise financial and other resources required for local development.	4. 4. 3. 1 4. 4. 3. 4 4. 4. 3. 6					
4.1.3 In consultation with the Dept. of External Resources of Ministry of Finance, set up a Local Development Investment Facility (LGIF) at the MLG&PC to lobby for and to attract donors and direct investments to Local Government Areas. It will have powers to raise and coordinate the distribution of external funds for local development; develop modalities and criteria for sharing such funds directly with local bodies and keeping the relevant provincial council informed; and, monitoring their utilization.	4. 5. 3. 2 4. 4. 3. 2 4. 4. 3. 3 4. 4. 3. 4					
4.1.4 Recommend and help the Provincial Secretaries in charge of the subjects of Finance and Local Government to set up a Provincial Level Local Government Project Funding Mechanism to study and approve local government submissions of innovative projects to specifically address local development needs, as the basis for annually allocating Provincial Council funds for capital expenditure in LG areas.	4. 4. 1. 1					
4.1.5 Assign an Inter-sectoral Task Force of Experts to formulate an Action Plan to get Local Government bodies involved in localizing the MDG, Climate Change and other local Development Goals and Poverty Reduction.	4. 4. 1. 1 4. 4. 1. 2					
4.1.6 Create institutional and legal reforms and simplified procedures to empower local bodies to enter into and facilitate Public Private Partnerships. As a definitive step towards promoting PPPs, consider formation of a Provincial forum for Local Development and Business Promotions.	4. 1. 4. 6 4. 5. 3					
4.1.7 Recommend and help create a Provincial level Review Mechanism, with necessary guidelines	4. 4. 1. 2					

<p>and manual, to undertake more vigorous review of LGA progress in budget performance and development activities, every six months. A half yearly performance assessment report on the progress in each LGA towards disparity reduction and comfort, convenience and welfare levels of the residents, carried out by Review Mission sent by the PCLG, must be the basis of this review.</p>	4. 6. 1. 2												
<p>5 CIVIL SOCIETY MOBILIZATION, SOCIAL COHESION & PARTICIPATION</p> <p><u>POLICY REFERENCE</u></p> <p>4.4.2.1 The policy will take measures to increase participation of women and of marginalized groups in decision making processes of local authorities.</p> <p>4.4.2.2 Local authorities shall also take measures to create appropriate procedures and mechanisms to bring representation of women and marginalized groups in to the local level decision-making process.</p> <p>4.4.2.3 Similarly, at the local government level, planning attention and care will be given to address the needs of women, children, and socially dependent and vulnerable populations such as the marginalized and the semi-abled.</p> <p>4.5.1.1 The policy will promote optimum social inclusion in all matters, political, social and economic. This principle will encompass ethnic, religious and all other minority groups and also the marginalized and vulnerable segments of the nation.</p> <p>4.5.2.1 The Policy will encourage conscientious peoples' participation not merely as a tokenist gesture of attending occasional meetings and consultations dominated by the officials and / or political leaders but, as a continuing partnership that is effectively integrated and institutionalized into the local area decision making process as expressed in the Local Government Citizens' Charters.</p> <p>4.5.2.3 Building the institutional capabilities of civil society organizations to take up local responsibility is an integral part of the Policy.</p> <p>4.5.3.1 The local authorities will be encouraged to enter into productive partnerships for development activities in the area under their jurisdiction.</p>													
<p>Ensure civil society participation and engagement in local decision making and monitoring of local development activities, with special emphasis on participation and needs of women and vulnerable groups.</p>													
<p>ACTIVITY</p>						<p>Policy Ref.</p>		<p>Action Months</p>					
<p>5.1.1 Introduce institutional mechanisms for community representation in participatory planning & budgeting processes by establishing Ward/Neighbourhood/Lane level Development Committees linked to the Jana Sabha/Ward Committee system.</p>						<p>4. 1. 1. 3 4. 4. 2. 1 4. 4. 2. 2</p>		2012	2013	2014			

5.1.2	Institute a periodic review system at PCLG level to assess the level and quality of social inclusiveness including participation and involvement of women, youth and marginalized groups in local politics and recommend enhancement measures and to encourage gender-budgeting.	4. 1. 3 4. 4. 1. 2 4. 4. 2. 1						
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6. SYSTEMS & PROCESS RE-ENGINEERING

POLICY REFERENCE

- 4.3.3.1 The Local Government Policy will encourage and ensure that all the Municipalities, the Urban Councils and large Pradeshiya Sabhas will install and continually update and upgrade the required level of facility to operate electronic Information Management Systems and other accessories.
- 4.6.1.1 The Policy insists on practical directions to stimulate participatory mechanisms for local authorities to realize the highest possible level of cooperation and coordination with relevant ministries and agencies.
4. 6. 1. 2The Policy recommends and encourages the use of participatory mechanisms such as City and Local Area Watch Groups, Advisory Committees, Residents' Associations, Citizens' Fora, City Development Councils etc., supported by regular inter-departmental and inter-agency progress review and follow-up mechanisms at and among different tiers of government.
4. 6. 3. 1 In compliance to the state policy of 'an efficient and people friendly public administration system will be established in Sri Lanka with the assistance of Information and Communication Technology', 'the automation and process re-engineering of local government functions will be done in order to improve the efficiency and effectiveness of local governance with the aim of enhancing its contribution towards upgrading the public service delivery and improving socio-economic development.

6. 1	Pilot a few models in select number of LGAs and demonstrate how to make local administration more efficient, effective and people-friendly by: (a) Restructuring, re-defining and simplifying (= re-engineering) local government systems, processes and procedures, (b) Adopting a standardized framework for a unified planning system for Local Area Development, recognizing LGA as Planning Authority.								
	ACTIVITY		Policy Ref.	Action Months					
				2012	2013	2014			
	6.1.1	Formulate and execute a comprehensive Plan of Action for implementation of the National Policy.	5. 1. 3						
	6.1.2	Review, re-engineer and introduce appropriate systems and processes to govern service delivery and management as a distinct function of LGAs.	4. 3. 1						
6.1.3	Recommend and help set up a Provincial Level system and process to address devolution and decentralization issues connected with mega projects that cut across LGA boundaries (eg.	4. 1. 2. 1							

	MRT, Trunk roads and Drainage systems that cut across several LG areas.)							
6.1.4	Re-engineer the Local Government Planning Process and issue guidelines to: (i) Make LGA the coordinating authority for local development planning, (ii) Integrate the parallel planning processes into one coordinated process, and (iii) Facilitate maximum possible civil society participation at LGA level discussions and decision making lobbies.	4. 1. 4 4. 6. 3. 1 4. 3. 1. 2						
6.1.5	Re-engineer the business processes of Local Government and propose guidelines for necessary changes in physical and behavioural environment, particularly by simplifying licensing, regulatory and similar procedures to minimize delays and increase staff efficiency and client-friendliness.	4. 6 3. 1						
6.1.6	Introduce Front Office concept and set up several pilot offices as models.							
6.1.7	Introduce Area Profiling to the local authorities as basis for systematic planning.	4. 6. 3. 1						
6. 2	Introduce appropriate automation of LG administration office systems.							
	ACTIVITY	Policy Ref.	Action Months					
			2012	2013	2014			
6.2.1	Install and continually upgrade IT facility to operate electronic Management Information Systems incrementally in all LGAA and tie them up with the ongoing process re-engineering efforts for change management.	4. 3. 3						
6.2.2	Set up Local Area Computer Networks (LAN facility) within each LGA to provide access to senior managers to find out at what stage of the process the expected work is resting at the moment.							
6.2.3	Develop a data bank that maps local needs, amenities, road and water supply networks to help local planners and managers with information required for local development planning	4. 6. 3. 1						

7. MANAGEMENT EXCELLENCE.

POLICY REFERENCE

4.6.2.1 With the emerging new trends, functions and responsibilities, there is an urgent need to upgrade and professionalize the knowledge and skills of the local government cadres and prepare them to take up new challenges with a high sense of responsibility, confidence and competence. The Policy calls for immediate measures to professionalize the human resources capabilities of local government institutions. Local government capacity building will, therefore, receive highest attention and support for skills development training and regular performance assessment.

4.6.2.2 The Ministry will establish a National Strategy on Local Government Capacity Development which will place emphasis on planned

development of local government capacity. Emphasis will be placed on skills development of local government personnel networking training institutions, universities, local government experts and the academia in this act.

7. 1	Recognize local government as a specialized sector with very distinct powers and responsibilities and insulate it to be managed by those who are well conversant with the local government legislation, procedures and systems.					
	ACTIVITY	Policy Ref.	Action Months			
			2012	2013	2014	
7.1.1	Rationalize all-island LG cadre formation, structure and qualifications and upgrade the professional quality of Local Government service and review it annually	4. 6. 2. 1 4. 6. 2. 2 4. 6. 2. 3				
7. 2	Introduce measures, infrastructure facilities and supporting legislation to bring local administration to a level of excellence where (i) Local development is planned, budgeted and implemented through participatory processes, (ii) Service delivery is responsive to peoples' needs in keeping with the avowed principles of comfort, convenience and welfare. (iii) Administration processes and procedures are simple and client-friendly.					
	ACTIVITY	Policy Ref.	Action Months			
			2012	2013	2014	
7.2.1	Set up a Task force to review & assess the operational model and performance of SLILG and its relationships with MDTUs viz a viz the needs and aspirations of the LG sector and recommend and implement a comprehensive strategy for upgrading SLILG Institutional Capacity with appropriate franchise and accreditations to renowned universities abroad.	4. 6. 2. 1 4. 6. 2. 2				
7.2.2	Review, update & finalize the available draft of local government capacity building (HR) programmes and, based on the evaluation, formulate and help Implement a Provincial Strategy for Local Government Capacity Development to professionalize human resources management.	4. 6. 2. 2				
7.2.3	Formulate and implement a time-bound action plan for upgrading and modernization of local government infrastructure and human resources to improve infrastructure facilities and professionalize human resources, management skills and capabilities of under-performing local bodies to: (i) Efficiently manage local revenue, and (ii) Effectively address peoples' basic requirements with special focus on public health, Public utilities and road systems.	4. 6. 2. 2				
7.2.4	Create a special Programme for Local Government Leadership Development to introduce a comprehensive training agenda through SLILG & MDTUs to build leadership qualities and capabilities of civil society organizations to prepare prospective youth and women to eventually	4. 6. 2. 2				

	seek local level leadership positions.							
	7.2.5 Develop mechanisms to improve local government level physical and socio-economic infrastructure for advancement of local economy & welfare with special attention paid to under-performing local authorities.	1. 2 4. 4 4. 4. 1. 1 4. 1. 4. 2 5. 1. 1						
	7.2.6 Recommend, guide and support Provincial Councils to train and request each Local Government Authority to formulate a perspective Corporate Plan with a well articulated vision and strategy for long term development.	5. 1. 4						
	7.2.6 Issue national guidelines for Good Governance and Inter-Agency Coordination to control, administer and regulate the local government sector with emphasis on Transparency & Social Accountability of Local Authorities. (i) Formulate National guidelines, and (ii) Instruct SLILG to prepare a training module and toolkit and train local administrators on how to enact best practices in good local governance within LG administration.	4. 3. 1. 1 4. 3. 1. 2 4. 6. 1. 2						
7. 3	Create healthy competitiveness among the LGAA to promote self assessment of own performance and greater attention to innovation, efficiency and effectiveness.							
	ACTIVITY	Policy Ref.	Action Months					
			2012	2013	2014			
	7.3.1 Refine, sharpen and where feasible outsource the national competitions to promote healthy competitiveness among Local Government bodies to achieve Management Excellence, Good Governance and Inter-agency Coordination.	4. 6. 2. 3 4. 6. 2. 2						
	7.3.2 Promote academic involvement, preferably that of universities, and Introduce participatory methodologies such as Community Score Cards and Citizens' Report Cards for assessment of local governance to encourage greater LGA performance, responsiveness, productivity and accountability.							
	7.3.3 Help build a provincial level Association of Local Government Practitioners as a Think-Tank to maintain an on-going dialogue on LG matters and recommend improvements to the sector's development policies and programme strategies.	4. 5. 2. 3 4. 6. 1. 2						
	7.3.4 Set up a Provincial level Advisory Committee for Local Government similar to the National Council for Local Government, with adequate representation of women, youth and less-abled.	4. 4. 2. 2 4. 4. 2. 3						
	7.3.5 Strengthen SLILG's capacity to that of a National Institute of Excellence and help it develop a comprehensive 5 year Action Plan to build LGA and partner/stakeholder capacities, starting form Under-performing (Lagging) LGAs. The main deficiency areas for training are: (ii) Participatory Local Planning & Budgeting; (ii) Enhancing Transparency & Accountability, (i) Advanced Computer Skills	4. 1. 5. 8 4. 6. 2. 1 4. 6. 2. 2						

	(ii) Skills to address Environmental and Climate Change Issues. (iii) Skills and capabilities to attract economic investments into their areas							
7.3.6	Introduce a LG Performance Ready-Reckoner with due indicators to encourage LGAs to periodically self-assess their own performance.	4. 3. 1. 3						

PART III

**THE ANNUAL ACTION PLAN
FOR THE YEAR 2012**

**NPLG IMPLEMENTATION ACTION PLAN
2012**

No.	ACTIVITY	Jan- March	Apr Jun	Jul Sep	Oct Dec
1. INSTITUTIONAL DEVELOPMENT					
Making Local Government a distinct tier of government					
1.	Set up a Inter-Ministerial Task Force, jointly with the Ministry of Constitutional Affairs, to (i) Identify the main issues				

	that needs be addressed in LG sector, (ii) prepare a discussion note detailing the way and means of achieving the above-said aims and (iii) share them with the related ministries, sectors and stakeholders.				
2.	Obtain views of relevant ministries and sectors on the Discussion Note and formulate necessary Constitutional changes				
3.	Organize a National Consultation to discuss the proposal.				
4.	Draft a Cabinet Paper proposing Constitutional amendments to Make Local Government a Distinct Tier of Government; obtain Cabinet Approval and initiate legislative and administrative processes for implementation.				
Set up an efficient NPLG Implementation Mechanism at the MLG&PC					
5.	Establish the National council for Local Government				
6.	Set up a National Monitoring Cell at he Ministry				
Recognize Local Government as a distinct cadre within the Provincial Public Service.					
7.	Negotiate and re-institute local government service as a specialized cadre				
8.	Set up a 3 member working group within MLG&PC to formulate a strategy Create space for a special LG cadre within the Provincial Public Service with appropriate promotional prospects in order to retain the experienced local government specialists within the service.				
9.	Undertake consultations with the Ministry of Public Administration, Public Service Commission, Salaries and Cadre Commission and Department of Management Services and arrive at a consensus. <u>And</u> Convene a meeting of the Heads of Provincial Public Services and obtain their views				
10.	In consultation with the Provincial Councils, finalize the arrangement				
Identify and Strengthen the administrative systems of urban growth centre regions (Metropolitan Areas)					
11.	Formulate legislative provisions and administrative guidelines to establish Metro-Corps.				
12.	Set up Metropolitan Corporations (Mayors-in-Council) as per government priorities.				
2. CONSENSUS POLITICS					
Create enabling environment through institutional mechanisms& procedures for public representatives to achieve maximum level of consensus politics among them and different political parties.					
13.	Prepare a concept paper on Consensus Politics & promote a national dialogue.				
14.	Submit a Memorandum as a Code of Ethics or a distinct piece of legislation or Cabinet Approval.				
3. LEGAL REFORMS					
Harmonize all relevant legislations, both main and subsidiary, to empower local governments to effectively carry out the functions and duties corresponding to its new status as a distinct tier of government.					
15.	Review, rationalize and harmonize existing governing legislations AND SUBSIDIARYY LAWS.				
16.	Issue necessary guidelines for their implementation.				
4. RESOURCE GENERATION, SHARING & EQUITY PROMOTION					

Work out appropriate modalities with the Finance Commission and Provincial Councils to review and rationalize the existing resource distribution criteria and				
17.	Under the leadership of the Finance Commission and MLG&PC, and with provincial representation, set up a working committee to review current methodology, procedures and criteria for central and provincial resource distribution to LGAs and recommend a more rational resource sharing methodology to achieve greater equity			
18.	Develop and issue, necessary national and provincial guidelines backed by legal powers to encourage and enhance Local Government initiative to raise financial and other resources required for local development.			
19.	In consultation with the Dept. of External Resources of Ministry of Finance, set up a Local Development Investment Facility (LGIF) at the MLG&PC to lobby for and to attract donors and direct investments to Local Government Areas.			
20.	Recommend and help the Provincial Secretaries in charge of the subjects of Finance and Local Government to set up a Provincial Level Local Government Project Funding Mechanism to study and approve local government submissions of innovative projects to specifically address local development needs, as the basis for annually allocating Provincial Council funds for capital expenditure in LG areas.			
21.	Assign an Inter-sectoral Task Force of Experts to formulate an Action Plan to get Local Government bodies involved in localizing the MDG, Climate Change and other local Development Goals and Poverty Reduction.			
22.	Create institutional and legal reforms and simplified procedures to empower local bodies to enter into and facilitate Public Private Partnerships. As a definitive step towards promoting PPPs, consider formation of a Provincial forum for Local Development and Business Promotions.			
23.	Recommend and help create a Provincial level Review Mechanism, with necessary guidelines and manual, to undertake more vigorous review of LGA progress in budget performance and development activities, every six months. A half yearly performance assessment report on the progress in each LGA towards disparity reduction and comfort, convenience and welfare levels of the residents, carried out by Review Mission sent by the PCLG, must be the basis of this review.			
5. CIVIL SOCIETY MOBILIZATION, SOCIAL COHESION & PARTICIPATION				
Ensure civil society participation and engagement in local decision making and monitoring of local development				
24.	Introduce institutional mechanisms for community representation in participatory planning & budgeting processes by establishing Ward/Neighbourhood/Lane level Development Committees linked to the Jana Sabha/Ward Committee system.			
25.	Institute a periodic review system at PCLG level to assess the level and quality of social inclusiveness including participation and involvement of women, youth and marginalized groups in local politics			
6. Systems & process re-engineering				
Pilot a few models in select number of LGAs and demonstrate how to make local administration more efficient, effective and people-friendly				
26.	Formulate and execute a comprehensive Plan of Action for implementation of the National Policy.			
27.	Review, re-engineer and introduce appropriate systems and processes to govern service delivery and management as a distinct function of LGAs.			
28.	Recommend and help set up a Provincial Level system and process to address devolution and decentralization issues connected with mega projects that cut across LGA boundaries			
29.	Re-engineer the Local Government Planning Process and issue guidelines to: (iii) Make LGA the coordinating authority for local development planning,			

	(iv) Integrate the parallel planning processes into one coordinated process, and (iii) Facilitate maximum possible civil society participation at LGA level discussions and decision making lobbies.				
30.	Re-engineer the business processes of Local Government and propose guidelines for necessary changes in physical and behavioural environment, particularly by simplifying licensing, regulatory and similar procedures to minimize delays and increase staff efficiency and client-friendliness.				
31.	Introduce Front Office concept and set up several pilot offices as models.				
32.	Introduce Area Profiling to the local authorities as basis for systematic planning.				
Introduce appropriate automation of LG administration office systems					
33.	Install and continually upgrade IT facility to operate electronic Management Information Systems incrementally in all LGAA and tie them up with the ongoing process re-engineering efforts for change management.				
34.	Set up Local Area Computer Networks (LAN facility) within each LGA to provide access to senior managers to find out at what stage of the process the expected work is resting at the moment				
35.	Develop a data bank that maps local needs, amenities, road and water supply networks to help local planners and managers with information required for local development planning				
7. MANAGEMENT EXCELLENCE					
Grant distinct powers and responsibilities and insulate Local government authorities to provide management excellence to the clients.					
36.	Rationalize all-island LG cadre formation, structure and qualifications and upgrade the professional quality of Local Government service and review it annually				
Introduce measures, infrastructure facilities and supporting legislation to bring local administration to a level of excellence where (iv) Local development is planned, budgeted and implemented through participatory processes, (v) Service delivery is responsive to peoples' needs in keeping with the avowed principles of comfort, convenience and welfare. (vi) Administration processes and procedures are simple and client-friendly.					
37.	Set up a Task force to review & assess the operational model and performance of SLILG and its relationships with MDTUs viz a viz the needs and aspirations of the LG sector and recommend and implement a comprehensive strategy for upgrading SLILG Institutional Capacity				
38.	Review, update & finalize the available draft of local government capacity building (HR) programmes and, based on the evaluation, formulate and help Implement a Provincial Strategy for Local Government Capacity Development to professionalize human resources management.				
39.	Formulate and implement a time-bound action plan for upgrading and modernization of local government infrastructure and human resources to improve infrastructure facilities and professionalize human resources, management skills and capabilities of under-performing local bodies				
40.	Create a special Programme for Local Government Leadership Development to introduce a comprehensive training agenda through SLILG & MDTUs				
41.	Develop mechanisms to improve local government level physical and socio-economic infrastructure for advancement of local economy & welfare				
42.	Recommend, guide and support Provincial Councils to train and request each Local Government Authority to formulate a perspective Corporate Plan				

43.	Issue national guidelines for Good Governance and Inter-Agency Coordination to control, administer and regulate the local government sector with emphasis on Transparency & Social Accountability of Local Authorities. (iii) Formulate National guidelines, and Instruct SLILG to prepare a training module and toolkit and train local administrators on how to enact best practices in good local governance within LG administration				
Create healthy competitiveness among the LGAA to promote self assessment of own performance and greater attention to innovation, efficiency and effectiveness.					
44.	Refine, sharpen and where feasible outsource the national competitions to promote healthy competitiveness among Local Government bodies				
45.	Promote academic involvement, preferably that of universities, and Introduce participatory methodologies such as Community Score Cards and Citizens' Report Cards for assessment of				
46.	Help build a provincial level Association of Local Government Practitioners as a Think-Tank to maintain an on-going dialogue on LG matters and recommend improvements to the sector				
47.	Set up a Provincial level Advisory Committee for Local Government similar to the National Council for Local Government, with adequate representation of women, youth and less-abled				
48.	Strengthen SLILG's capacity to that of a National Institute of Excellence and help it develop a comprehensive 5 year Action Plan to build LGA and partner/stakeholder capacities				