

CLGF Symposium on promoting regional cooperation and regional development, South Asia

Colombo, Sri Lanka, 29-30 September 2014



FINAL RECOMMENDATIONS

Preamble

Ministers, mayors, and officials from local, provincial/state and central government from Bangladesh, India, Maldives, Pakistan and Sri Lanka, and academics, representatives of the private sector, UNDP, UCLG ASPAC, and development partner organisations met in Colombo on 29-30 September 2014 under the auspices of the Commonwealth Local Government Forum (CLGF) to discuss the role of local government in local economic development and opportunities for closer regional cooperation, exchange of good practice and learning.

The symposium was opened by Hon ALM Athallah, Minister of Local Government and Provincial Councils, Sri Lanka. The Secretary General of the Commonwealth, HE Kamallesh Sharma, who was not able to attend, sent a message of support reflecting the close cooperation between CLGF and the Commonwealth Secretariat in supporting local democracy and good governance in line with the *Aberdeen Agenda: Commonwealth Principles on good practice for local democracy and good governance*.

Mayor Hilmy, Chairman of the FSLGA and Board Member of CLGF, and Carl Wright, Secretary General, CLGF, gave welcome addresses and the keynote address was delivered by Hon Col (rtd) Mohamed Nazim, Minister of Defence and National Security, and President of the Local Government Authority, Maldives. Hon Dinesh Gunawardena, Minister of Water Supply and Drainage, Sri Lanka also gave an address.

The meeting was timed to be part of the CLGF's celebration of 2014 as the Year of Developmental Local Government. It focused on strategies for enabling and empowering local government as a development partner, including in the context of the post-2015 global development agenda and the new Sustainable Development Goals being debated by the UN General Assembly.

The Symposium recalled that at their Commonwealth Heads of Government meeting (CHOGM) in 2013 Leaders "Recognised the role which local government in particular can play in enhancing the exercise of democratic governance in the defining and delivery of essential services, as well as in promoting economic development." They endorsed the 2013 *Kampala Declaration on Developmental Local Government*, and the *Munyonyo Statement on Local Government's Role in the Post-2015 Development Agenda*.

The event was hosted by the Ministry of Local Government and Provincial Councils, Government of Sri Lanka, and the Federation of Sri Lankan Local Government Authorities, in partnership with CLGF. It forms part of the DFID-funded CLGF programme to strengthen local government and local economic development across the Commonwealth. A background paper "*Local economic development in South Asia: a review of policy and practice*" was authored and presented by Dr Lina Sonne, Livelihoods, Entrepreneurship and Urban Development Associate, OKAPI.

Introduction

The Symposium recalled and built on the recommendations of the CLGF *Cardiff Consensus on Local Economic Development* (2011) and the CLGF Regional Symposium on Intergovernmental Relations in South Asia (2012). Participants discussed key issues in plenary and in three working group sessions focused on local economic development. They agreed to take forward the following policy priorities:

■ Local economic development

It was acknowledged that the term local economic development (LED) is not as widely used in South Asia as in other regions of the Commonwealth. However it is clear that local government is responsible for many of the key services which enable effective local economic development and growth such as infrastructure, licensing and regulation, market development, and basic service provision. In many cases local government is already playing a role in delivering national schemes for economic growth and poverty reduction, and some councils are already planning and delivering local economic development programmes such as market development, business stakeholder forums and support for local cooperative development. It was emphasised that additional capacity and commensurate resources are essential to further strengthen this role.

Participants drew attention to the size of the informal economy in the region and its important role in economic growth. They noted that the informal economy must be taken into account in planning and implementation of LED schemes and that local government should take care not to stifle economic growth in the informal or formal sector. They agreed the following:

Partnerships with the private sector for LED

- PPPs are a valuable way to help ensure funding to support local government deliver services, there are already good examples of this in the region eg provision of equipment.
- Local government needs to be enabled to create a positive environment for the private sector - there are examples of local governments leveraging their unique position to get the private sector to provide services eg cleaning, road sweeping and rubbish collection; these should be built on.
- Political stability and respect is key to giving the private sector confidence in local government's role in LED.
- Clarity of the responsibilities of local government and the private sector is important so that they can have confidence in what each other is bringing to their relationship.
- Levels of bureaucracy are a barrier to LED - the mindset of local bureaucrats needs to be changed to ensure they better understand what the private sector can do for their local communities and how facilitating necessary enabling processes like licensing will strengthen local development – understanding and empathizing with the challenges of the private sector is important to better promote LED.
- Building trust between the private sector, local government, and the community is important. Transparency and accountability are key and local government needs to take care to avoid conflicts of interest and the culture of corruption which reduces trust between the various stakeholders involved in LED. Greater use of ICT is one way to improve this.
- Local government is well placed to identify the potential economic sectors within their community, and share that with the private sector. They can also work towards a better and more global understanding of provincial and national economies and how their local sectors can fit into wider supply/value chains.
- Local government can help financial institutions to tailor their services to support local development.
- The enabling environment can also be enhanced through investment promotion and decentralising foreign investment.
- Stakeholder forums are a good way to bring the private sector and local government together to agree priorities and longer term objectives.

National policies and LED

- All countries have national policies which support LED, but implementation is a challenge as funds, functions and functionaries are not fully devolved to the local level. Duplication of responsibilities between local government and decentralised central government offices should be avoided.
- Procedures for obtaining approvals from the Government should be simplified so that the private sector is encouraged to invest.
- Special dispensations for investment in certain areas, and other targeted innovations will help to ensure the private sector will want to engage with local government.
- National governments should devolve funds to the local bodies directly to support LED
- National government should support local government efforts to create an enabling environment (infrastructure, connectivity, roads, power etc).
- Initiatives such as tax holidays, e-government, special dispensations for backwards areas etc can all help to support LED.
- Regulatory regimes may need to be reviewed so that they do not hinder economic development, whilst respecting the need for social cohesion and equality.
- The capacity of local government councillors and staff should be developed to support LED

Meeting the needs of marginalised groups in LED

- Communities need to understand that local government has a role in LED.
- Sensitisation of local government and communities about LED and a change of mindset by local government to address economic issues and challenges locally is important because LED can be a very cost effective way to address local priorities.
- A holistic and integrated approach to LED is important.
- Local people have good knowledge and understanding of the demands and supply locally and should be engaged to participate in defining and delivering LED.
- Central government should recognise local government's role to support the informal sector and local government should work actively with the informal sector on LED. Emphasis should be placed on understanding needs and challenges.
- Local government should empower all sections of the community, especially marginalised groups - women, children, the elderly, ethnic minorities, victims of conflict and natural disasters, people with disabilities, transgender, sexworkers and their children. This should not be limited to economic rights, but should include economic development and social rights but also political rights.
- Cluster development can help to respond to the needs of marginalised groups.

■ Regional cooperation

There was strong commitment to continuing to exchange local government information, good practices, lessons and experiences at a regional level. Developmental regionalism has gained momentum, including in South Asia, and local government's role in this should be reflected. The SAARC Charter of Democracy specifically calls on member states to "*uphold participatory democracy characterised by free, fair and credible elections, and elected legislatures and local bodies*" and in the Plan of Action on Poverty Alleviation calls for "*empowering local communities and governments through decentralisation, financial devolution, and community participation*". Participants called on national and regional government to recognise the role that local government can play in contributing to regional (SAARC) policy-making and in disseminating and implementing regional policy agreements. SAARC leaders have attached high priority to the promotion of people to people contact and, as the sphere of government closest to the people, local government is well placed to improve the community's understanding of SAARC principles and commitments.

Participants agreed:

- To form a South Asia Forum of Local Government (SAFLG) to bring together ministries responsible for local government, and representative local government bodies from all SAARC countries as a platform for exchange of policy and good practice, and to engage at a strategic and practical level with SAARC. It will support the sector to raise the profile and understanding of local government's roles and responsibilities in key areas of SAARC focus, and ensure that the local government sector is aware of relevant SAARC policy.
- Potential entry points to be considered include poverty alleviation, urbanisation, climate change, service delivery, good governance, implementation of constitutional/legal provisions, elections, climate change and disaster management.
- CLGF should convene a small taskgroup of members representing each of the countries to draft terms of reference, including proposals for a representative membership structure and governance, and an initial plan for operationalising the SAFLG, for further discussion and agreement in the region.
- To share the outcomes of the Colombo Symposium with the SAARC Secretariat, and initiate a dialogue with the SAARC Secretary General to explore the modalities of linkages.
- To inform their Foreign Ministers about the outcomes of the Colombo meeting in advance of the next SAARC Summit.
- CLGF should arrange an early mission together with a representative from Maldives (currently chairing SAARC), to meet with the SAARC Secretariat to take this process forward.

Sustainable Development Goals (SDGs) and the post-2015 development agenda

The meeting was set in the wider context of the 2015 development agenda which will agree new global goals to replace the Millennium Development Goals which will expire in 2015. Local government has been actively involved in seeking to influence the process towards establishing new Sustainable Development Goals (SDGs)

Participants welcomed the progress being made towards achievement of a dedicated goal on cities and human settlements, which will focus efforts on addressing the challenges of urbanisation (currently draft goal 11). They also supported the principle of localisation of the new sustainable development goals, which would ensure that local government's role in implementation of the goals is recognised.

Participants recommended:

- Sensitising local government stakeholders in their countries to the relevance of the SDGs to local government and the importance of localisation
- Requesting central government, including foreign ministers and heads of state, to support efforts to secure a dedicated goal on cities and human settlements, and ensure that localisation of the SCGs is reflected as one of the means of implementation of the goals.
- Continuing to advocate that localisation of the goals should also include localisation of access to adequate resources for local government to deliver effectively.

Participants looked forward to participating at the forthcoming CLGF Conference in June 2015 and to sharing their progress and experiences with a wider audience.