

## City Development Strategy in Colombo, Sri Lanka

Sri Lanka is a densely populated island nation of 18 million people with a per capita income of about \$670. Poverty has been reduced over the past four decades, yet one out of five households subsist below the poverty line, facing challenges of insecurity, lack of land tenure, discrimination from service providers, exclusion, difficult living environments and lack of access to basic services. Despite the low income and high incidence of poverty, Sri Lanka has a good record on human development indicators. Life expectancy at birth is 72 years, infant mortality rate is 16 and literacy is 90 percent.

These achievements are remarkable considering the political unrest over the past 50 years, which has adversely affected the economy. In 1977, Sri Lanka adopted market based economic policies around liberalised trade, deregulated foreign investments and export based industrialisation. As a result, the economy has been growing, albeit at a moderate rate of 4-5 percent per annum. Increased military spending due to ethnic violence has led to rising fiscal deficit and a slow-down in growth. The unemployment level has been high at around 12 percent and the poor have suffered the most. The new government, in 1996, instituted a number of reforms that have helped the economy to grow, reduce the fiscal deficit and increase investor confidence. Privatisation has been a major pillar of the reform process.

Colombo, Sri Lanka		
Background for CDS	Process of CDS	Outcome of CDS
<ul style="list-style-type: none"> <li>Colombo a city with many new initiatives of proactive participatory governance</li> <li>CDS initiated in March 2000</li> <li>Large number of programmes – World Bank, SCP, UMP, JICA</li> <li>Population approx. 1 million. Two neighbouring municipalities included in CDS</li> <li>Provincial government, municipal governments, private sector, NGOs and the community groups involved in CDS</li> </ul>	<ul style="list-style-type: none"> <li>CDS seen as an integrating framework for all existing and future donor support</li> <li>Governance norms used as a framework for preparation of CDS in a participatory manner</li> <li>Consultative groups on various key areas in each municipality worked on preparation of the CDS</li> <li>Focus on social sector needs, reduction of poverty, increase productivity and economic buoyancy, and improve environmental conditions</li> </ul>	<ul style="list-style-type: none"> <li>CDS completed in November 2000</li> <li>Community groups in low income settlements established and a federation of all community groups created to interact with municipality</li> <li>City councils have adopted the CDS</li> <li>Investment support not forthcoming. WB project was withdrawn, other donors (JICA, GTZ, and DFID) have supported small activities</li> <li>Political and security situation in the country has affected implementation</li> </ul>

The Colombo Core area is comprised of the city of Colombo and its adjoining municipalities of Dehiwala-Mount Lavinia and Sri Jayawardanapura Kotte. This metropolitan region accounts for nearly one-fourth of the national population, 44 percent of GDP and 80 percent of industrial establishments. Given the advantages of this region, it is expected that most of the future economic will take place here. Despite this, there are difficulties, such as increased competition from other sea ports in the region, traffic congestion and transport problems due to population increase and an absence of integration between the formal and informal sectors. And city development is cross-sectoral, with areas of development often the responsibility of different actors, sometimes on different levels. This means city development is institutionally complex, involving national, provincial and local levels of government. The City Development Strategy for the Colombo Core Area (CAA), therefore, involved work at the level of the three municipal councils, which was then coordinated into a larger CDS process for the Colombo Core Area.

Colombo was one of the first cities selected worldwide for preparation of a City Development Strategy. This selection was based on a variety of factors, an important one being the presence of two successful UN-HABITAT-executed programmes using the participatory process – the Urban Management Programme

(UMP) and the Sustainable Cities Programme (SCP). Also, the Colombo Municipal council, under the dynamic leadership of its Mayor, had initiated many innovative approaches of good governance. Colombo is also a city where a large number of international agencies are active. These agencies, particularly the World Bank, OECF, DFID and UNDP also agreed, in principle, to participate in the process of preparation of a city development strategy for Colombo and co-ordinate their future funding. The Colombo CDS was unique in that it attempted to develop a development approach for not just one city but a contiguous city-region comprising three different urban local bodies. Additionally, it was not starting from scratch but had a large base of programmes and initiatives to draw from and build upon. These factors made the task extremely complex and challenging.

The objectives of the CDS were the following broad outputs:

1. A Comprehensive development framework for Colombo;
2. A Strategic Action Plan based on the comprehensive development framework, and;
3. The adoption of the elements of the Strategic Action Plan by development agencies.

The Colombo CDS was very successful as a participatory process. Stakeholder engagement was led by SEVANATHA, a well-known NGO that had credibility with all the stakeholder groups. The poor and marginalized were represented by leaders of Community Development Councils throughout the process, which itself was guided by a taskforce at the provincial level, chaired by the Chief Secretary, and led in each of the three cities by the mayors. Many meetings, interviews and consultative meetings were held through out, including a city consultation meeting in each of the three municipalities. Thematic reports on economic potential, poverty and development efforts were prepared. The shared vision that emerged became the focus for the preparation of the City Development Framework Guidelines, which in turn formed the basis for consultations between the CDS partners, including the donor agencies.

The vision statement resulted from the process saw the Colombo Core Area as *"the commercial and economic hub of South Asia, wherein all citizens enjoy the highest possible quality of life, with optimal basic services, freedoms, rights, and security being guided by principles of good urban governance enabling every opportunity to create wealth, equity and sustainable environment"*. In attempting to achieve this vision by 2010, stakeholders also agreed to the development policy imperatives of sustainable development, the elimination of social exclusion, equal opportunity and providing opportunities to create wealth. They committed themselves to being guided by the principles of strategic action, subsidiarity, working in partnership, upholding the rule of law and being inclusive.

The following key areas constitute the resulting action-oriented City Development Framework:

1. **Reducing Urban Poverty** through the development of under-served settlements; improvement of the quality of Health and Social Services; creation of opportunities for investments in technology, knowledge, and skills, and; provision of credit and marketing opportunities.
2. **Development of the City Economy** through the establishment of the basis for a modern, competitive, and more diverse economy supported by a dynamic informal sector; an increase of the number and quality of jobs; promotion of a sustainable port-related modern economy; creation of a regional profile of Colombo as a place to live, study, visit, and to do business, and; urban regeneration of economically strategic areas.
3. **City Infrastructure Development**, through the promotion of investment in public utilities to provide more and better services; promotion of investment in social infrastructure to provide more and better care for the aged, women and children; establishment of an inter-modal and sustainable transport system, and; promotion of private sector participation.
4. **Empowerment and Governance** through the promotion of active citizenship, participation, and partnership among the stakeholders; streamlining the Municipal Administration to ensure an efficient service to all stakeholders; value for money with better and more efficient services delivered by the

Municipalities, and the institution of greater accountability and transparency in the affairs of the Municipalities.

Using this City Development Framework, four further areas were considered and developed. One, an Implementation or Action Plan for implementing the CDS up to the year 2010 emerged, and project activities were identified at the municipal and provincial level to implement this. Two, an Institutional Plan, to consider and build institutional and human resource capacities towards this, was prepared. Three, a Financial Plan component was developed, covering issues from fund-raising to budget management. Finally, a Stakeholder Communication Plan was devised to ensure the entire process was shared continuously.

**Evaluation and Lessons:**

This complex and detailed process and result was possible due to the very high stakeholder involvement and commitment. The CDS exercise generated excellent cooperation among various stakeholders and donor agencies and the entire process was completed in a relatively short period of time. The next steps are for the Action Plan components to be prioritised and implemented by the three Municipalities in the Colombo Core Area, under the overview of the task force established at the Provincial level. But since the completion of this CDS, there has been severe disappointment among the provincial and local governments in the lack of investment support. A major World Bank lending programme of \$50 million for Colombo was withdrawn at the final stages of negotiation with the national government. Other donor agencies have confined their support to small pilot projects or some technical assistance, but not to larger activities. On the positive side, the CDS framework is being used by local governments to establish sustainable mechanisms for pro-poor participatory governance using local resources and initiatives.