

Policy Note 20

Strengthening local governance



Maldives
Partnership
Forum 2019

Investing in a Resilient & Sustainable Maldives

Law Number 7/2010 (Decentralisation Act) was enacted to establish and empower local councils to undertake planning, service delivery and development of their respective regions. However, the decentralisation agenda suffered as a result of marginalisation of local councils, lack of political will, centralisation of development, inconsistent financial resources and restrictions to their autonomy in executing the broad mandate stipulated in the Act.

The Government is committed to reinstating powers to local authorities, and empowering councils to effect sustainable local development. Decentralised governance and service provision is a main focus of the Government's reform agenda with the aim of reducing inequalities and promoting inclusive development at local and national level.

As such, an amendment to the Decentralised Act was submitted to the Parliament within the first 100 days of the Government.

Following are the policy directives of the Government in relation to decentralisation.

I. Fiscal decentralization and empowerment of councils

The Government plans to achieve this outcome through sufficient budget allocation and removing any legislative hurdles for councils to generate revenue. In that regard, the Government aims to allocate a certain percentage of the total budget to councils, establish a mechanism to enable local councils to borrow, manage debts, generate revenue, and at the same time maintain transparency in all stages of state procurement and contracting.

II. Increase the authority and accountability of local councils

In the past, the majority of the powers afforded to local councils were taken back by the central Government. It is a priority of this Government to ensure that local councils are afforded sufficient decision-making, fiscal and legal autonomy to manage the affairs within their constituencies. As such, the Government plans to institute better coordination between line ministries to demarcate functions and responsibilities, and increase local councils' contribution towards decisions relating to utilisation of resources. Increasing autonomy would entail reviewing primary as well as secondary legislation that contravene the Decentralisation Act, strengthen institutional capacity, and empower councils to formulate their own social and economic policies.

III. Strengthen connections between the central government, local government and the public

This will entail creating awareness on the importance of public contribution towards Government decision making at the local level and establishing a mechanism to allow such participation.

IV. Strengthening local service delivery and establishing regional hubs

Devolving powers and services concentrated at the central government forms a fundamental aspect of decentralisation. In this regard, the Government aims to establish regional hubs to expand the benefits of development and ensure consistent delivery of services to the islands. This would include regionalising functions of utility companies and municipal service providers to reach local communities.

V. Increase the role of women in the decision-making process at the local level

The Bill that has been submitted to the Parliament, seeking to amend the Decentralisation Act proposes to reserve 33% of local council positions for women. The proposed amendment also seeks to broaden the mandate of Women's Development Committees established under the local councils, and mandates councils to allocate a specific budget to be utilized by the Committees to ensure their fiscal autonomy and enhance their role in the decision-making process.