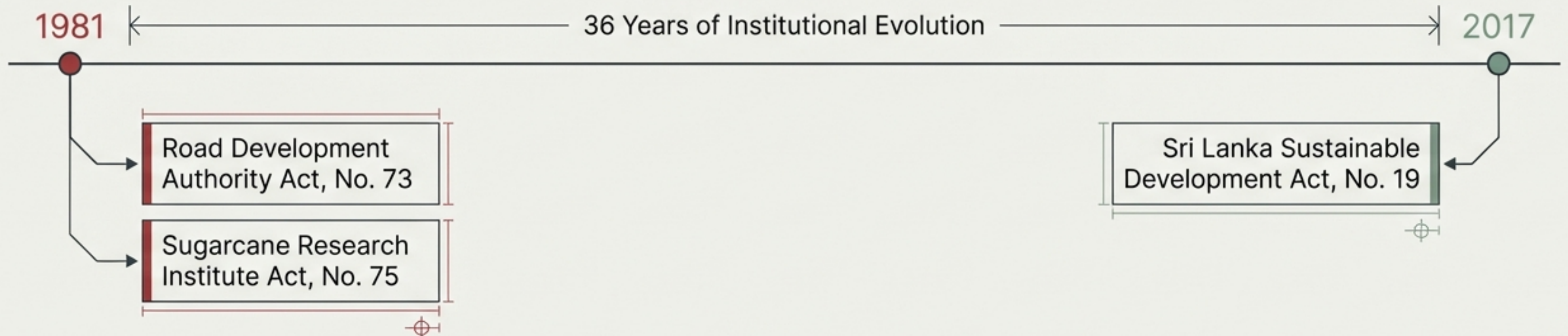




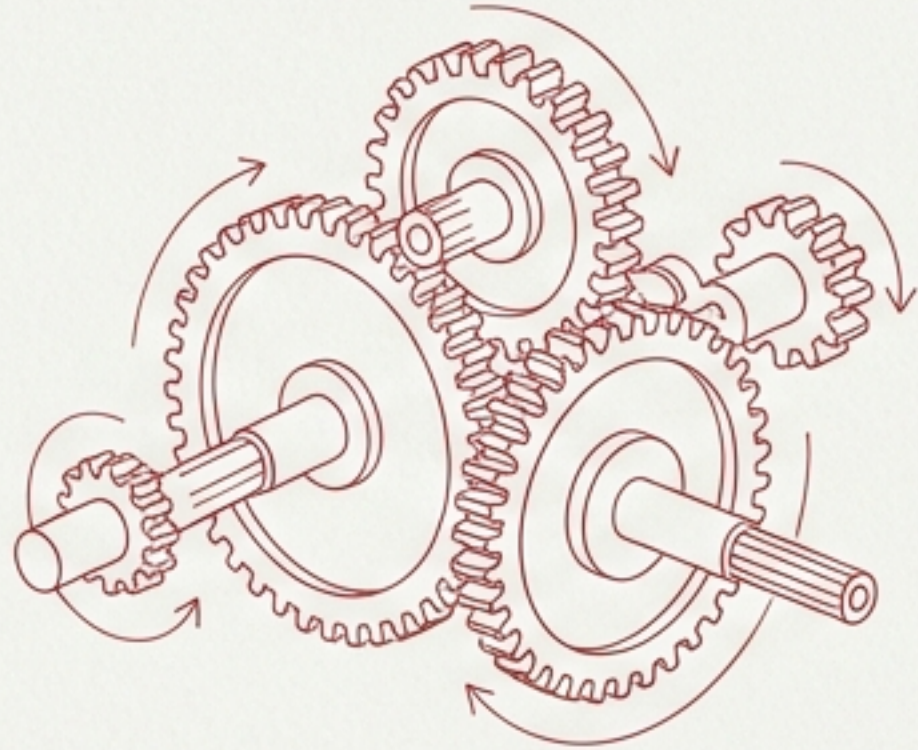
Governance for Growth: The Legislative Architecture of Sri Lanka's Development

An analysis of the institutional ecosystem evolving from 1981 to 2017.



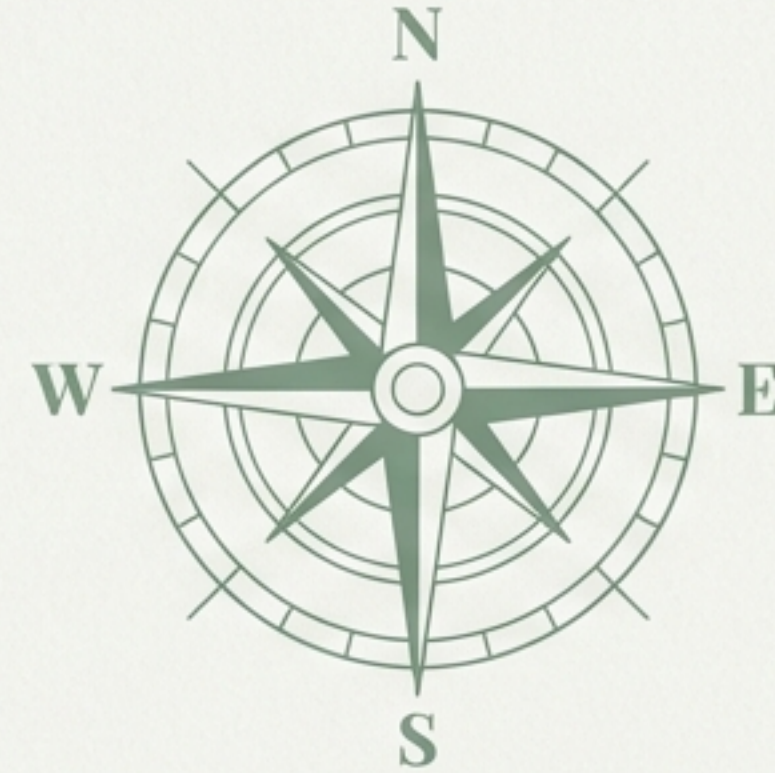
From Concrete to Concept

The Engine Rooms (1981)



- **Focus:** Execution & Sector-Specific Output
- **Entities:** Road Development Authority (Connectivity) & Sugarcane Research Institute (Innovation)
- **Goal:** Rapid development of physical assets and industrial capacity.

The Navigation System (2017)



- **Focus:** Governance & Holistic Outcome
- **Entity:** Sustainable Development Council
- **Goal:** Aligning execution with the 17 Global SDGs and ensuring 'equipoise'.

The central tension: Powerful execution bodies require a guiding conscience to ensure longevity.

1981: The Era of Specialized Execution

Establishment of autonomous 'Body Corporates' to bypass bureaucratic bottlenecks.

Parliament of the Democratic Socialist Republic of Sri Lanka

Road Development Authority Act, No. 73 of 1981

[Certified on 15th December, 1981]

L.D.—O. 100/80

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE ROAD DEVELOPMENT AUTHORITY, TO SPECIFY THE POWERS, DUTIES AND FUNCTIONS OF SUCH AUTHORITY AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

Sugarcane Research Institute Act, No. 75 of 1981

[Certified on 29th December, 1981]

L.D.—O. 65/79

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE SUGARCANE RESEARCH INSTITUTE AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

Infrastructure Red

The Hard Infrastructure Model

Purpose: Planning and developing the national road network.

Infrastructure Red

The Knowledge Infrastructure Model

Purpose: Research into growth, cultivation, and manufacturing.

The Backbone: Road Development Authority

Core Mandate

To declare 'Road Development Areas' and execute integrated planning within them (Section 8).

Land Acquisition

Power to acquire immovable property under the Land Acquisition Act (Section 22).

Financial Leverage

Authority to borrow money and secure temporary overdrafts (Section 15).

Absolute Control

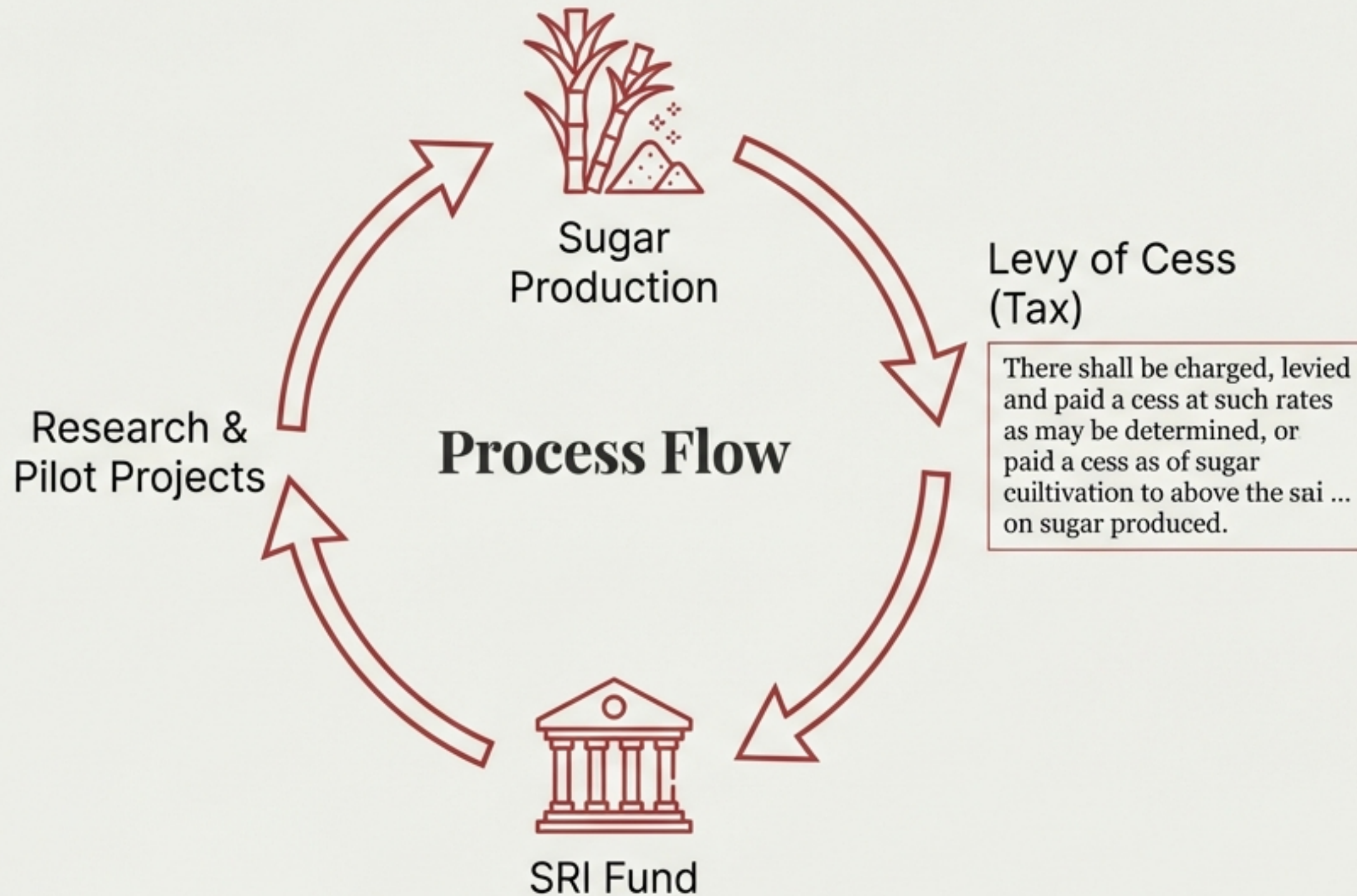
No road work by any other agency allowed without written approval (Section 8(3)).

Governance Structure

Minister-Appointed Board + Ex-officio officers (Highways, Finance, Power, Transport).



The Innovator: Sugarcane Research Institute



Operational Scope

- Conduct research into growth, cultivation, and manufacture.
- Establish field training centers and pilot projects.
- Import machinery required for research.

Comparative Architecture: Authority vs. Institute

		Road Development Authority (RDA)	Sugarcane Research Institute (SRI)
1	Governance	Heavy ministerial oversight; includes Director of Highways.	Scientific focus; Board includes “eminent scientists of proven ability”.
2	Funding	Capital-Intensive. Dependent on Parliament votes and loans.	Self-Sustaining. Dependent on the industry Cess levy.
3	Scope	Physical Works (Construction & Maintenance).	Intellectual Works (Education & Pilot Projects).

Both are Body Corporates with common seals, but their operational DNA is distinct: Capital vs. Knowledge.

2017: The Shift to Holistic Governance



Sri Lanka Sustainable Development Act, No. 19 of 2017

The Global Catalyst

Adoption of the 17 Sustainable Development Goals (SDGs) and 169 targets by UN Member States in 2015.

The National Response

The Sri Lanka Sustainable Development Act, No. 19 of 2017.

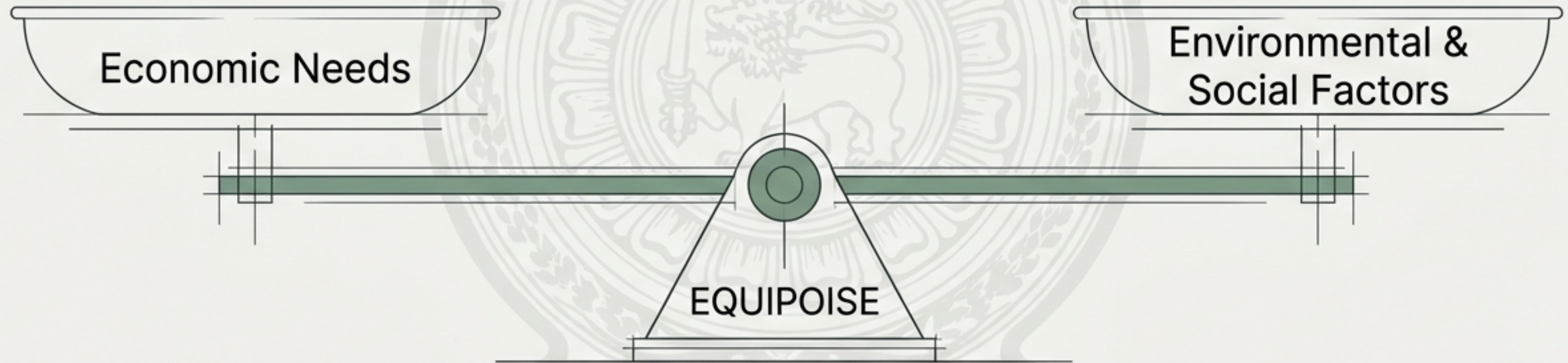
The Intent

To design a 'National Policy and Strategy on Sustainable Development' that sets national targets guided by global ambition but rooted in national interest.

The Compass: Sustainable Development Act

Object of the Act (Section 2)

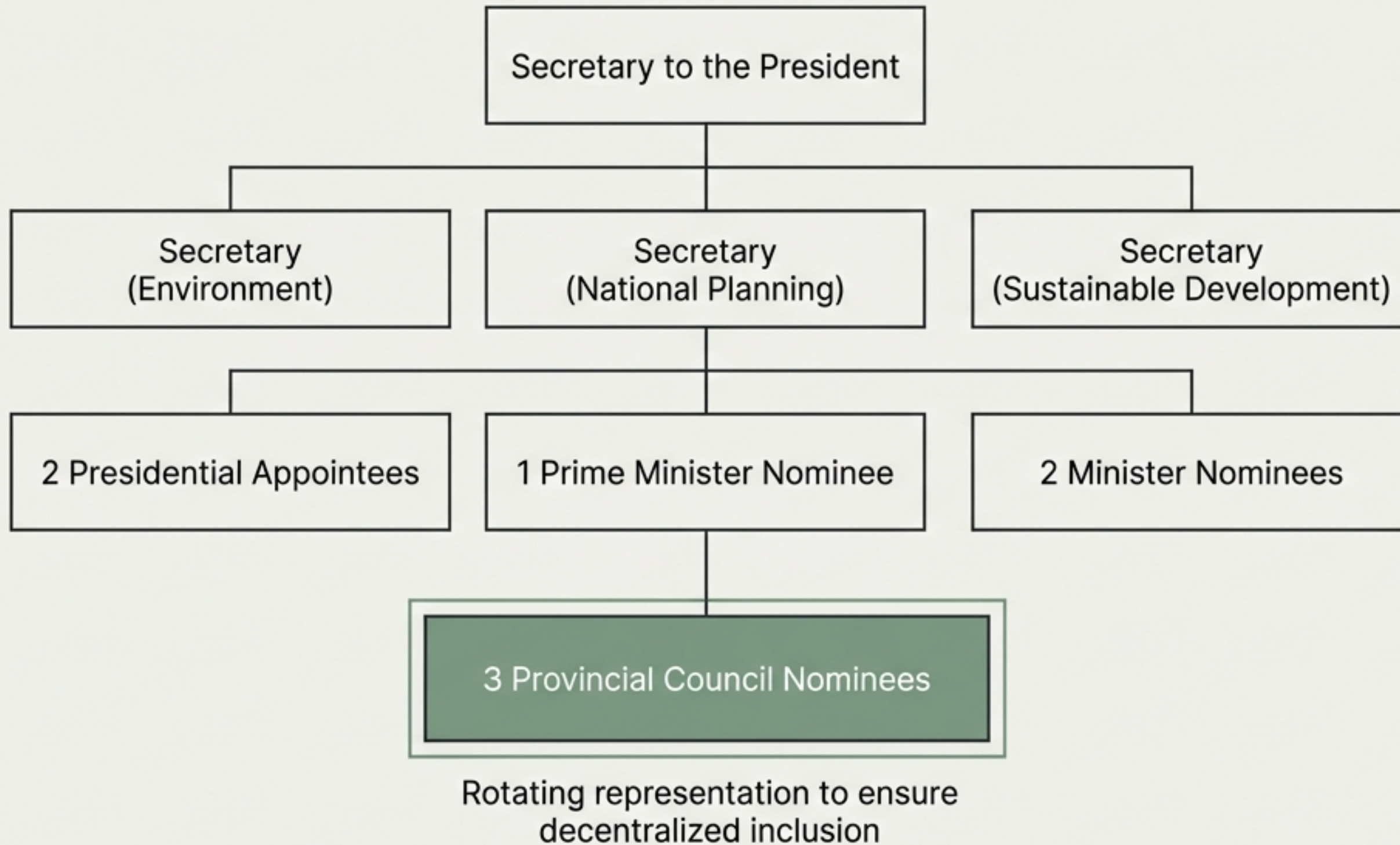
To promote the integration and maintain the equipoise of environmental, economic, and social factors in government decision making.



Sustainability (Section 27)

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The Watchdog: Sustainable Development Council



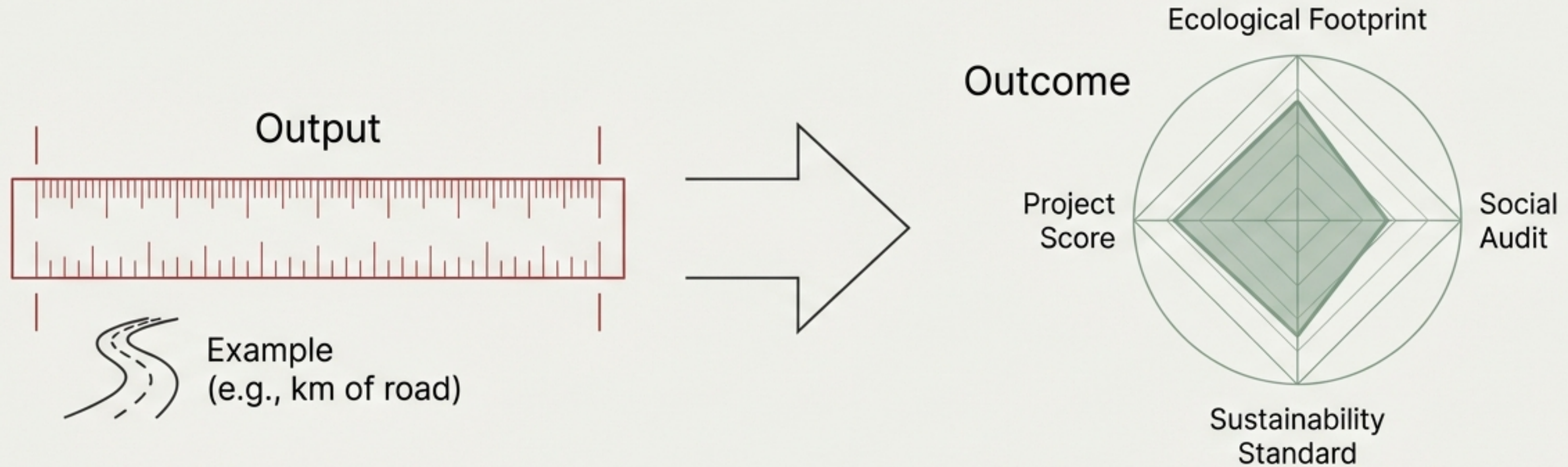
Mandate:

- Formulate National Policy and Strategy.
- Review and update strategy periodically.
- Issue guidelines to ALL ministries.

The Compliance Mechanism



Measuring Success: Standards & Indicators



Data-Driven Governance (Section 10g)

The Council identifies 'sustainable development standards' and 'ecological footprint indicators'.

Regulatory Power (Section 26)

Minister may make regulations for:

- Mechanisms for scoring or weighting projects.
- Criteria for social and environmental audits.
- Progress review processes.

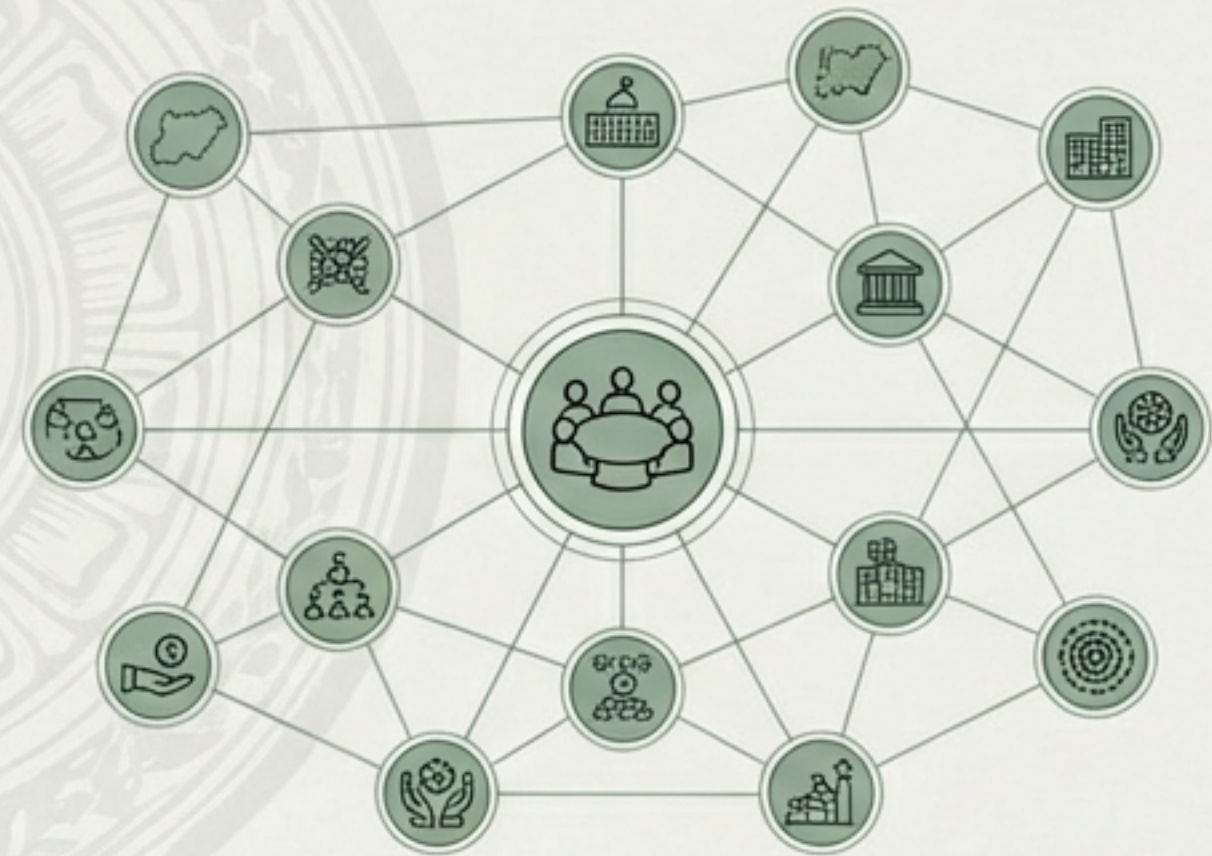
Evolution of the Governance Model

1981 – The Authority Model



- Top-Down / Minister-Centric
- Sectoral Silos (Roads vs. Sugar)
- Metric: Output (Physical Assets)

2017 – The Council Model



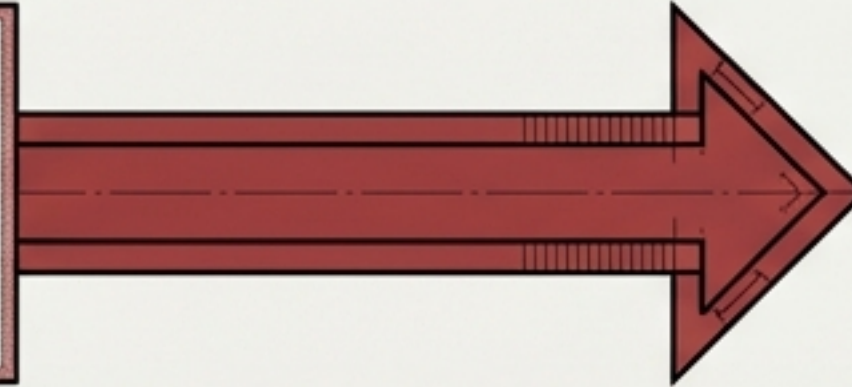
- Collaborative / Provincial Inclusion
- Integrated Web (Cross-Ministry Guidelines)
- Metric: Outcome (Equipoise & Audit Compliance)

Financial Independence vs. State Dependence

RDA
(The Spender)



Parliament
Votes + Loans



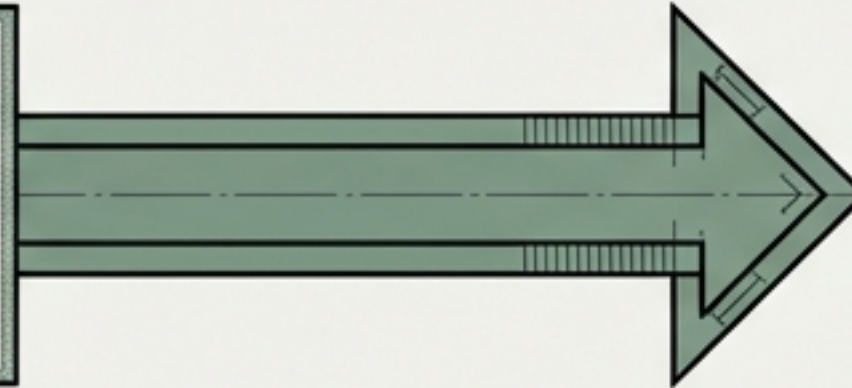
RDA Fund
(Capital Heavy)

(1981 Era)

SRI
(The Earner)



Industry Cess
(Tax on
Production)



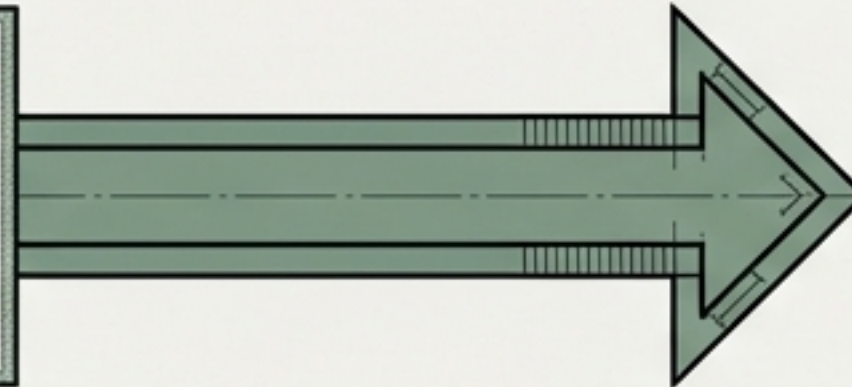
SRI Fund
(Self-Sustaining)

(2017 Era)

SD Council
(The Overseer)



Consolidated Fund
+ Foreign Grants



Council Operations
(Oversight)

(2017 Era)

Financial structure dictates behavior: The RDA builds, the SRI researches, the Council audits.

Implications for Stakeholders

For Project Developers

- ✓ Expect 'Scoring and Weighting' of projects based on sustainability standards.



- ✓ Mandatory Social & Environmental Audits are now law.

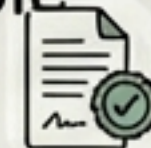


For Policymakers

- ✓ Provincial voices have a statutory seat at the Council.

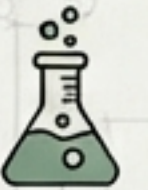


- ✓ Annual Reports must explicitly state compliance with National Sustainable Strategy.



For Industry

- ✓ Continued obligation to fund research through Cess.



- ✓ Research outputs must now align with "Ecological Efficiency".



The Institutional Ecosystem

RDA:
The Muscle
(Execution)



SRI:
The Brain
(Innovation)

SDC: The Conscience
(Balance)

National Policy is no longer just about what we build, but how we sustain it.