The key factors regarding the 'Civil Society Governance Diagnostic Report on Sri Lanka'...

- This report focuses on anti-corruption and governance reforms needed for a substantial system change in Sri Lanka, moving beyond temporary solutions.
- Through an in-depth study, it identifies the factors that have contributed to the crisis in Sri Lanka and presents 34 key recommendations to guide the country's governance in the right direction.
- As the first-ever civil society-led Governance Diagnostic Report, it identifies the urgent actions required to address corruption in the country.
- We firmly believe that genuine economic recovery depends on these reforms.

Therefore, we urge the support of all citizens in pressuring the government to act on these recommendations.

Immediate Recommendations: Measures to enhance transparency and accountability of existing systems
(Within six months)

1. Maintain a fiscal transparency platform that displays all information related to tax exemptions.

2. Publish an annual report by 31st March each year, setting out the previous year's expenditure variations against the approved budget, and explanations for the same.

3. Quarterly publication of a revenue report detailing changes to revenue measures that might result in annual revenue loss of 0.1% of GDP.

4. Publish follow-up on actions taken to regularise qualified opinions of the Auditor General.

5. Implement all the provisions of the Fiscal Management (Responsibility) Act (FMRA), revised as appropriate, and ensure that non-compliance is penalised.

6. Limit budget allocations under the development activities of the Department of National Budget (discretionary spending) to 3% of total expenditure.

7. Reduce corruption and waste in relation to the benefits provided to political leaders and senior bureaucrats through enforcing systems of transparency and accountability.

8. Address the politicization of the public service.

9. Publish data related to all secondary market transactions of the Employees' Provident Fund (EPF), with adequate detail to assess off-market rates of sale and purchase (as analysed by the forensic audits of the EPF published in 2019).

10. Proactively disclose information relating to the project three months before commencement as outlined in the Right to Information Act.

11. Quarterly publication of a complete set of updated information on public debt.

12. Maintain an online platform that publishes all significant public procurement contracts when cumulatively above LKR 100 million to any set of connected suppliers.

13. Ensure impartial implementation of the legal framework in the Anti-Corruption Act (ACA) for public access to asset declarations.

14. Hold national elections in accordance with the constitutionally mandated timeframe.

15. Ensure enforcement of election campaign expenditure monitoring offences through by setting up an electronic system.

16. Ensure the Commission to Investigate Allegations of Bribery or Corruption's (CIABOC) readiness to investigate and apply the law effectively and equally.

17. **Publish all documents related to Environmental Impact Assessments (EIAs) for all large-scale infrastructure projects in an online portal to ensure transparency.**

18. **Protect and uphold civic space for citizen participation in all appropriate aspects of governance, including in democratic dissent and protest.**

Short-Term Recommendations: Measures to improve macro-political-economic stability and sustainability
(Within twelve months)

19. **Amend all tax-related legislation to remove the excessive use of discretion for taxation changes without approved schemes.**

20. **Fully implement the price and tax measures anticipated in the Framework Convention on Tobacco Control (Article 6), to which Sri Lanka is a signatory.**

21. **Achieve an annual reduction of 10% in the five-year average of tax exemptions (connected to Recommendation 1).**

22. **Set up a Public Debt Management office external to the Central Bank.**

23. **Strengthen the National Procurement Commission for better oversight on public procurement and pass the Procurement Guidelines of 2019 with public consultation.**

24. **Conduct special audits on the ten state ministries/agencies with the lowest proportion (in value) of competitive bidding, and over LKR 10 billion in procurement.**

25. **Establish a publicly accessible, online conflict-of-interest register.**

26. **Enact regulations for the transparent and accountable management of state enterprises.**

27. **Amend Parliamentary Standing Orders to better reflect continuity and accountability, especially to prevent disruption of the work of the to prevent disruption of the work of the Committee on Public Accounts (COPA), the Committee on Public Enterprises (COPE) and the Committee on Public Finance (COPF) each time Parliament is prorogued.**

28. **Reduce unnecessary military expenditure by demilitarising the North and East of Sri Lanka, re-skilling of military cadre prior to release, including handing back of private and common State lands.**

29. **Increase transparency and accountability of new social safety net cash transfers.**

30. **Ensure proper oversight and enforcement related to illicit financial flows (IFFs).**

Medium-Term Recommendations: Measures towards structural changes that are necessary to significantly reduce corruption risk and impunity
(Within 24 months)

31. **Pass legislation on asset recovery in compliance with the United Nations Convention Against Corruption (UNCAC) with wide consultation, and ensure progress on key corruption cases, including those already commenced, with technical assistance from StAR (Stolen Asset Recovery Initiative).**

32. **Establish a specialised independent corruption prosecution office with IMF technical guidance based on advising offices established in other countries.**

33. **Alienate land for user-owned housing in the Malaiyaha Tamil areas, and provide living minimum wage for plantation sector workers (right to housing and livelihood).**

34. **Change the composition and structure of the Constitutional Council so that there is a higher ratio of non-political representatives.**