

Cabinet Decisions taken at the Cabinet Meeting conducted on 09-12-2024

01. Establishment of Food Policy and Safety Committee

The prime objective of the government is to establish national food and nutrition safety and to provide the food securely and to provide minimum food requirements to every person in quality and quantity at an affordable price. Several procedures have been proposed by the new government policy statement, and the production of all the food that can be produced within the country, keeping essential food in a buffer stock for at least 03 months, maintenance of data system on food stock existing in Sri Lanka and production, storing, and distribution of items that are helpful for food safety and preparation, and implementation of effective programs obtaining the private sector's participation for the processes wholesale and retail have been identified as prime functions. It has been decided to coordinate the national food and nourishment program by the president's office to draw greater attention as well as institutional coordination to be made more efficient. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, to establish the Food Policy and Safety Committee under the presidential office with the co-chairs of the Minister of Agriculture, Livestock, Land, and Irrigation and the Minister of Trade, Commercial, Food Security, and Cooperative Development and with the membership of Secretaries of the relevant Ministries, including the Secretary to the Prime Minister, and to provide policy guidance through scientific analysis based on data and information with the participation of all relevant institutions for ensuring food safety and nourishment.

02. Obtaining funds from the Asian Development Bank for strengthening of power system and integration of renewable energy projects.

Approval has been granted at the cabinet meeting held on 02-09-2024 to discuss with the Asian Development Bank for implementation of identified projects for strengthening electricity transformation system and modernization under the project for enhancing the trust of the electricity system funded by Asian Development Bank Accordingly, the Asian Development Bank has agreed to grant a total of US\$ 200 million as two (2) separate loans, i.e., US\$ 150 million and US\$ 50 million, to Ceylon Electricity Board and Lanka Electricity (Pvt) Ltd, respectively, under two agreements on Treasury guarantee. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, in his capacity as the Minister of Finance, Planning, and Economic Development, to sign a security agreement with the Asian Development Bank to obtain the said loan.

03. Renovation of Karainagar Boat Yard owned by Sea Nor Foundation Ltd

The Indian government has agreed to provide a financial grant for the completion of the renovation of the Karainagar boatyard owned by Sea nor Foundation Ltd and for the procurement of required machinery and official equipment, and approval has been granted by the Cabinet of Ministers on 21-10-2024 to sign a Memorandum of Understanding in that respect. The said Memorandum of Understanding has not been signed yet, and it has been decided to grant the policy approval of the Cabinet of Ministers, taking into consideration the proposal presented by the Minister of Fisheries, Water, and Ocean Resources to sign the said agreement by both parties and to utilize the proposed financial grant for the renovation of Karainagar boatyard.

04. The program to restore the fisheries industry minimizing the impact occurred due to economic crisis

Approval has been granted at the cabinet meeting held on 21-08-2024 to provide “an allowance to restore the fisheries' industry” for six (6) months with effect from 01-10-2024 with the aim of restoring the fisheries' industry and minimizing the impact occurred due to the economic crisis, and under this program, the vessel owners who used diesel as a fuel will be granted Rs. 25/- per one liter of diesel while the fishermen who use kerosene as fuel will be granted Rs. 25/- per one liter of kerosene for 15 liters per day for a maximum of 25 days. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Fisheries, Water, and Ocean Resources to provide “an allowance to restore the fisheries industry” of Rs. 9,375/- per month to the relevant fishing vessel owners who have registered at the Department of Fisheries and Aquatic Resources with the objective of simplifying the providing of this concession relevant to the small vessels that are used kerosene as fuel for the period of five (5) months with effect from 01-11-2024 and to continue the concession provided to the diesel fishing vessels as prevailed earlier.

05. Proposal to be submitted by Sri Lanka to the Conference of Parties to the International Ramsar Convention on Wetlands

The 15th Conference of Parties to the International Ramsar Convention on Wetlands, or Ramsar Convention, is scheduled to be held in Zimbabwe in July 2025. Sri Lanka has drafted a resolution on “Nature’s Rights in Wetlands” to submit to the conference. The resolution expects the member countries to identify Nature’s rights in wetlands in their countries. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Environment to submit the said resolution by Sri Lanka to the 15th Conference of Parties of the Ramsar Convention.

06. Improvement of Public Water Treatment Plant in Horana Export Processing Zone

Approval had been granted at the cabinet meeting held on 05-06-2023 to increase the capacity of the Public Water Treatment Plant in the Horana Export Processing Zone through utilization of funds of the Sri Lanka Board of Investment. Bids have been called for it following the National Competitive Procurement Procedure, and 11 bids have been submitted. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, in his capacity as the Minister of Finance, Planning, and Economic Development, to grant the contract to increase the capacity of the Public Water Treatment Plant in the Horana Export Processing Zone to Luminex PLC on the recommendations of the Procurement Committee appointed by the Cabinet of Ministers.

07. Obtaining 22 ALCO diesel engines to Sri Lanka Railways as a grant from Government of Sri Lanka.

The Indian Railways have expressed their consent to provide 20 improved engines of the slightly used M10 locomotive model to the Sri Lanka Railway Department and 02 additional railway engines and spare parts required for the maintenance of those engines as a grant. An unsolicited proposal to provide the locomotive maintenance service for a period of 5 years has been submitted by RITES, an engineering consultant and infrastructure development company in India. The approval has been granted at the cabinet meeting held on 11-06-2024 to appoint a negotiation consensus committee and a project committee appointed by the Cabinet of Ministers for appraisal of the said proposal and submission of the recommendations. The project committee has shown that the necessary expertise for maintenance of the relevant locomotive engines has been with the Sri Lanka Railway Department, and it is appropriate for the relevant work to be carried out by the staff of the department. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Transport, Highways, Port, and Civil Aviation to sign the agreement for the grant of 22 engines and accept the grant by the Government of Sri Lanka.

08. Issuance of new digital driving license

It has been about 15 years since the commencement of the issuance of a driving license as a smart card, and the government has identified suitability for the issuance of a digital driving license that has been used by several countries going with the new technology and facilitating data transfer between the relevant institutions. Accordingly, taking into consideration the proposal presented by the Minister of Transport, Highways, Port, and Civil Aviation, the Cabinet of Ministers has decided to take steps for the issuance of a new digital driving license for the presently used driving license and to implement current procedures further for the issuance of the driving license.

09. Revising the total cost estimate of the construction of Pugoda court complex project and making payment for price variation

After review by the Standing Procurement Committee of the then Ministry of Justice, Prison Affairs and Constitutional Reforms, the actual price variations calculated using the formulas related to the Construction Industry Development Authority (CIDA) price variations for the construction under the Pugoda Court Complex Construction project, approval has been granted at the cabinet meeting held on 13-11-2023 to make the payment based on the recommendations of the said committee. The Ministry's standing procurement committee has reviewed the report regarding the price variations submitted by the Sri Lanka State Engineering Corporation that the Consultation and services and constructions have been assigned. Accordingly, the Cabinet of Ministers as approved the proposal presented by the Minister of Justice and National Integration to amend the total cost estimate for the project for the construction of Pugoda Court Complex as Rs. 681.2 million and to pay the relevant price variations and to allocate the required provisions for completion of remaining work of the project from the budget.

10. Proceeds of Crime Bill

Approval has been granted at the cabinet meeting held on 12-08-2024 to publish Proceeds of Crime Bill drafted by the Legal Draftsman, in the Gazette of the Government and submit to the Parliament. However, the International Monetary Fund has submitted several observations after publishing the said bill in the Gazette. Accordingly, the observations submitted by the International Monetary Fund have been referred to the committee appointed by then Minister of Justice, Prison Affairs and reform of Constitutional Reform and headed by Supreme Court judge to prepare the preliminary draft in relation to this draft and it has been recommended to amend the already prepared draft by including several provisions. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Justice and National Integration to advice Legal Draftsman to further amend Proceeds of Crime Bill based on the said recommendations.

11. Appointment of the officers to the higher management positions of the departments of the Ministry of Finance, Planning and Economic Development.

The Cabinet of Ministers has approved the proposal presented by His Excellency, the President in his capacity as Minister of Finance, Planning and Economic Development to make following appointments and attachments.

- To appoint Mr. M.K. Pradeep Kumara, a special grade officer of the Sri Lanka Administrative Service, who is presently serving as an Additional Director General of the Office of Comptroller General, to the post of Director General of the Department of Trade and Investment Policies.
- To appoint Mr. P. M. K. Hettiarachchi, a grade I officer of the Sri Lanka Planning Service, who is presently serving as a Director of the Department of Development Finance, to the current vacant post of Director General of the same Department.
- To attach Mrs. S. H. D. Kaluthantri, a special grade officer of the Sri Lanka Administrative Service, who is presently serving as a Director General of the Department of Management Services, to the Ministry of Public Administration, Provincial Council, and Local Government, enabling her to be appointed to another suitable post, and to appoint Mr. Wimal S.K. Liyanagama, a special grade officer of the Sri Lanka Administrative Service, who is presently serving as an additional director general of the Department of Trade and Investment Policy, to the vacant post of Director General of the Department of Management Services.
- To reattach Mr. U.D.N. Jayaweera, a special grade officer of the Inland Revenue Service, who is presently serving as a Commissioner General of Excise on an acting basis, to the Inland Revenue Department and to appoint Mr. U.L. Udaya Kumara Perera, a special grade officer of the Inland Revenue Service, who is presently serving as a Senior Commissioner of the Inland Revenue Department, to the post of Commissioner General of Excise.

12. To introduce an appropriate system for the utilization of bungalow, Visumpaya and existing presidential mansions in different areas under the control of Ministry of Public Administration, Provincial Council, and Local Government

There are 50 government bungalows in the Colombo 07 and Colombo 05 areas under the authority of the Ministry of Public Administration, Provincial Council, and Local Government. These were allocated by Ex. Presidents, Ministers, and Deputy Ministers and for various public institutions. Further, presidential mansions are located in Colombo, Kandy, Nuwara Eliya, Mahiyanganaya, Anuradhapura, Katharagama, Jaffna, Embilipitiya, and Benthota under the administrative authority of the Presidential Office. However, these presidential mansions, apart from the Colombo and Kandy mansions, have not been used continuously. In addition, Visumpaya located at Colombo 02, which was used by several state leaders as an official residence, is currently under the administrative authority of the Urban Development Authority. Furthermore, there is the prime minister's official residence in Nuwara Eliya under the administrative authority of the Prime Minister's Office. Although a huge amount of money has been incurred for the maintenance of these government properties, these properties are in underutilized condition. Accordingly,

the Cabinet of Ministers has approved the joint proposal presented by His Excellency, the President, and Minister of Public Administration, Provincial Council, and Local Government. to appoint a committee comprising officers to propose suitable strategies enabling these premises and houses to be utilized for economically advantageous purposes.

13. Obtaining support from the OPEC Fund for International Development for economic stabilization and recovery program.

A request has been submitted by the government of Sri Lanka to the OPEC Fund for International Development to provide funds to finance Sri Lanka's comprehensive reform agenda in line with the comprehensive funding facility program implemented with the support of the International Monetary Fund. The said institution has agreed to provide a loan amount of US\$ 50 million based on the policies. The International Monetary Fund has also confirmed that the obtaining of this loan has also been in compliance with the parameters of the program of the monetary fund implemented in Sri Lanka. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, in his capacity as the Minister of Finance, Planning, and Economic Development, to enter into an agreement with the OPEC Fund for International Development.

14. Extension of moratorium on implementation of parate law by banks

The economic crisis encountered by Sri Lanka during the previous 04 years has severely affected the small and medium sector entrepreneurs, and it has been reported that difficulties have arisen in settling the loans obtained from the banks. Under these circumstances, the environment has created that the properties of a considerable number of business persons have been taken over by the banks and auctioned because of the defaulting of the loans, and, as a consequence, public auctioning of these properties has been temporarily terminated until 15-12-2024 through the amendments made to Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990. The government has observed that it is appropriate to create an environment and to initiate constructive solutions for both parties by introducing an active plan for repayment of loans instead of auctioning the properties. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, in his capacity as the Minister of Finance, Planning, and Economic Development, to extend the moratorium on implementation of parate law until 31-03-2025 and to prepare a multi-dimensional mechanism to solve this issue with the active contribution of all the parties including, Central Bank of Sri Lanka, government and private banks and other government institutions.

15. Protocol of the agreement entering into between Sri Lanka and India for avoidance of double taxation and prevention of evasion of tax on income.

An agreement had been entered into between the government of Sri Lanka and Indian Government in year 2013 for avoidance of double taxation and prevention of evasion of tax on income. Since both Sri Lanka and India have been the members of Inclusive Framework of the Erosion and Profit Shifting (BEPS) Project, both countries bound to implement minimum standards of the active plan of the group of 20 organization for economic cooperation and development. Therefore, requirement has arisen to amend the agreement signed in the year 2013 for avoidance of double taxation and prevention of evasion of tax on income. The concurrence of the Ministry of Foreign Affairs, Foreign Employment & Tourism, and clearance of the Attorney General for the amended protocol prepared, including required amendments, have been received. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, in his capacity as the Minister of Finance, Planning, and Economic Development, to sign the amended protocol and present the signed protocol as per section 75(1) of the Inland Revenue Act No. 24 of 2017 to the Parliament.

16. Providing 55,000 metric tons of muriate of potash fertilizer as a grant to the Government of Sri Lanka under world food program.

Approval of the Cabinet of Ministers has been granted at the cabinet meeting held on 06-05-2024 to obtain 55,000 metric tons of muriate of potash fertilizer as a grant to the Government of Sri Lanka under the world food program. The related tripartite agreement has been signed on 20-09-2024 by the World Food Program and State Fertilizer Company on behalf of the Government of Sri Lanka and Uralchem-Uralkali Group. The ship carrying the said stock of fertilizer is scheduled to arrive in Sri Lanka on 10-12-2024 and it has been planned to conduct the formal ceremony to hand over the stock of fertilizer on 12-12-2024. The Cabinet of Ministers has decided to distribute 50% of the said stock of fertilizer to the farmers of paddy and other crop cultivations and the remaining 50% to the coconut cultivation farmers.

In the event of any inconsistency between the English translations of this document, the Sinhala text shall prevail.