

## **Cabinet Decisions taken at the Cabinet Meeting conducted on 18-12-2024**

### **01. Procurement guideline for the goods, works and non-consultative services- 2024**

As per the powers vested by the constitution 156B (1) to the National Procurement Commission established in terms of the constitution 156B (1), the role of the commission is to prepare fair, justified, transparent, competitive, and cost-effective procedures and standards in respect of the procurement of goods, works, non-consultative services, and information systems by all government institutions. Accordingly, the procurement guidelines—2024, prepared for the procurement of goods, works, and non-consultative services by government institutions and incidentals thereto—have been published by the extraordinary Gazette notification No. 2412/10 dated 25-11-2024. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, to submit the said guidelines to the parliament.

### **02. Review of Non- Government Institutions owned to the Government**

The government is entrusted with the prime task of providing essential public services, national security, maintaining law and order, various regulatory services, intervening in market activities related to the supply of goods and services, equitable distribution of resources, disaster management, and social welfare. There are 86 departments, 25 district secretariats, and 339 divisional secretariats; 340 enterprises owned by the government and 115 non-commercial state statutory institutions are operating for carrying out and implementing these functions. Rs 140 billion has been allocated by the budget for the year 2024, respectively, for the 115 non-commercial state statutory institutions that are under the supervision of the Department of National Budget and 51 institutions under the Department of Public Enterprises. It has been a timely requirement to conduct a review on non-governmental institutions due to the reasons of not updating the said institutions appropriately to the current requirements, insufficient or inconsistent powers vested in them, the tasks assigned to said institutions being performed by the private sector more efficiently, and the existence of several institutions that perform the same or similar tasks. Accordingly, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, to appoint an official committee headed by the Prime Minister's secretary to conduct such a review and submit a report with recommendations.

### **03. Memorandum of Understanding between Sri Lankan government and Indian government on cooperation of sharing successful digital solutions implemented for digital transformation.**

There is a possibility to obtain the specialist knowledge acquired by India in the field of e-governance, finance technology strategies, artificial intelligence, and digital infrastructure facilities as a leader of information technology and digital innovation for the digital transformation of Sri Lanka. Accordingly, a preliminary agreement has been reached by both parties to sign a memorandum of understanding between the Ministry of Digital Economy of Sri Lanka and the Ministry of Electronics and Information Technology. Thereby, it is possible to

promote institutional cooperation between both countries for capacity building of officers in the field of digital transformation and in implementing the solutions of digital transformation. Accordingly, the Cabinet of Ministers has agreed to the proposal presented by His Excellency, the President, in his capacity as a Minister of Digital Economy, to sign the proposed memorandum of understanding.

#### **04. Financial grant provided by the Indian Government to fulfill the vehicle requirements in Sri Lanka Police.**

The government of India has agreed to grant a financial grant of Sri Lankan Rupees of 300 million as support to fulfil the vehicle requirement of the Sri Lanka Police. It has been planned to utilize the said grant to take the cabs for the duty requirements of the police in the northern province. Accordingly, the Cabinet of Ministers has agreed to the proposal presented by the Minister of Public Security and Parliamentary Affairs to enter into a memorandum of understanding between both countries to obtain the said grant.

#### **05. Import of high-quality cattle to increase domestic milk production**

Although Rs. 100 million has been allocated to obtain cattle with high quality genetic potential in both years 2023 and 2024, it has not been able to procure the necessary cattle up to now due to problems that have arisen in respect of following the procurement procedure. Therefore, since this is a direct transaction between two governments, it has been about several countries and the possibility of purchasing suitable cattle, and the Pakistan Trade Development Authority has agreed to procure seven (7) male fertile bulls of Sahival and Niliravi varieties for Sri Lanka. Further, it has been appropriate to purchase 20,000 head of cow semen from the National Dairy Development Board of India as a government to government transaction. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Agriculture, Live Stock, Land, and Irrigation to purchase five Sahival-type male bulls and two Niliravi type male bulls and to purchase 20,000 head of cow semen from the National Dairy Development Board of India as a government to government transaction.\

#### **06. Purchase of spare parts, goods and materials for Sri Lanka Transport Board**

The Sri Lanka Transport Board should procure necessary goods and services for the year 2025, including the purchase of spare parts and accessories, obtaining of new sets of tires, selection of local tire retreading service providers, obtaining of grease and lubricants, and procurement of new engine sets. Since four (4) of the said procurements exceed the authority of the Ministry Procurement Committee, such procurements should be referred to the Standing Procurement Committee appointed by the cabinet of ministers. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Transport, Highways, Port, and Civil Aviation to implement the said procurements separately by the Standing Procurement Committee appointed by the Cabinet of Ministers and to appoint 04 separate technical evaluation committees for the said 4 procurements to assist the Standing Procurement Committee appointed by the Cabinet of Ministers.

## **07. Obtaining additional provisions to complete the remaining works of Water Supply and Sanitation Improvement Project.**

The Water Supply and Sanitation Improvement Project has been started to increase the access to water supply services and to improve sanitation facilities in 07 districts of Mulattivu, Killinochchi, Badulla, Monaragala, Rathnapura, Kegalle, and Nuwara-Eliya, centering on 540 Grama Niladhari Divisions. A loan amount of US\$ 165 million has been received by the International Development Association under the World Bank Investment Financing Performance Project. In order to expand the scope of the project, the World Bank has approved an additional financial component (2nd stage). With this finance, pipeline extension projects have been identified in Mathara, Kurunegala, Matale, and Gampaha districts that have implemented these projects. Although it has been planned to complete the project as at 30-06-2025, the total cost estimate has to be increased from Rs. 1,180 million due to the increase of the cost of construction materials and amending VAT. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Urban Development, Construction, and Housing to revise the total cost estimate and to allocate the required additional provisions from the 2025 budget estimate.

## **08. Providing breakfast for the Early Childhood Development Centers/Preschool children.**

The National Secretariat on Early Child Development has been implementing a program to provide breakfast for the early childhood development centers/preschool children with a high percentage of underweight children under the technical guidance of the Ministry of Health since 2017. Rs. 60/- is provided per day, and it is expected to provide the benefit for about 155,000 children during the year 2025. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Women and Child Affairs to increase the allocation per day up to 100/- as to 60/- is not sufficient due to increasing the prices of food items at present and to implement the project in Early Childhood Development Centers/Preschools by selecting the preschools based on the criteria ‘preschools with high percentage with low weight children.’

## **09. Administration of temporary care homes for protection of women, the victims of violence**

The Ministry of Women and Child Affairs has maintained one (1) temporary care home in Gampaha, Rathnapura, Moneragala, Colombo, Mathara, Batticloa, Mulathiv, and Jaffna districts and 02 temporary care homes in Anuradhapura District, totaling 10 temporary care homes, and it has been planned to start one (1) temporary care home for Nuwara-Eliya district from January 2025 onwards. Certain administrative and maintenance expenses of certain care centers have been directly incurred by the Ministry of Women and Child Affairs, whereas the expenses of certain care homes are borne by several women’s welfare-oriented organizations. The said organizations have provided protection for 2,852 victimized women from the year 2020 to the second quarter of 2024, and a cost of Rs. 60.35 million has been incurred for this purpose. However, only Rs. 37.69 million was received by the Ministry of Women and Child Affairs as provisions, whereas the bills valued at Rs. 22 million have yet to be settled. Accordingly, taking into account the proposal presented by the Minister of Women and Child Affairs, the Cabinet of Ministers has approved the proposal presented by the Minister of Women and Child Affairs to allocate Rs. 25 million for the year of 2025 and to allocate the provisions necessary for the following years by the annual budget.

**10. Resurfacing of the artificial track of the Sugathadasa National Sports Complex according to international standards**

The Sugathadasa National Sports Complex is an internationally recognized sports complex that provides class 1 sports facilities and is the one and only sports complex in Sri Lanka consisting of a 400-meter, 200-meter, and 80-meter artificial track with all the facilities and international standards. This artificial runway was resurfaced in the year 2018, and since there are many cracks in this artificial track at present, the Sri Lanka Athletics Association has reported that it is not suitable for national level sports. The renovation of this track according to international standards has been identified as a nationally prioritized function with the objective of providing the required facilities in sending the Sri Lankan athletes to national and international competitions. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Sports and Youth Affairs to perform the functions such as resurfacing the track in the Sugathadasa National Sports Complex and preparation of the football ground located in the center, installation of time machines, and renovation of lighting towers following a prescribed procurement procedure.

**11. Issuance of a new directives under the section 22 of the Foreign Exchange Act No. 12 of 2017**

The new directives have been issued from time to time from 02-04-2020 under the section 22 of the Foreign Exchange Act No. 12 of 2017 on the recommendations of Central Bank of Sri Lanka for the implementation of capital flow measures by temporary suspending and imposing restrictions on certain capital transactions to protect the foreign exchange reserves in the country. Ten (10) directives have been issued from July 2023 until today with the objective of gradually removing/relaxing certain suspensions/restrictions, taking into consideration the advancements and future prospects of the foreign exchange market in the country, and the validity period of the presently empowered directives is to be expired on 19-12-2024. The Central Bank of Sri Lanka has proposed that it is suitable to issue new directives that will be effective until June 2025 by further amending certain suspensions/restrictions imposed under the presently implemented directives. Accordingly, 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 issue the directives for a six (6) month period with effect from 20-12-2024 under section 22 of the Foreign Exchange Act No. 12 of 2017.

**12. Submission for the approval of the Parliament the directives published under the Sri Lanka Export Development Act No. 40 of 1979**

The directive has been published in the Extra Ordinary Gazette No. 2400/25 dated 05-09-2024 under section 14 of the Sri Lanka Export Development Act No. 40 of 1979 by then Minister of Investment Promotion with the concurrence of then Minister of Finance to curtail cess duty by Rs. 1/- per kg on the import of clinker, bulk cement, and bags in retail packaging of cement, and export of granite blocks up to 1 million metric tons and impose and charge a cess duty of Rs. 1,000 per 1 cubic meter subject to the recommendation of the secretary in charge of the Ministry of Environment for construction. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Industries and Entrepreneurship to submit the said directive for the approval of the Parliament.

### **13. Amendment of Trust Ordinance**

The Financial Task Force, an intergovernmental organization that performs the functions for the development of policies to prevent money laundering, has pointed out the requirement of revision of provisions of the Trust Ordinance for achieving a good position in the mutual evaluation of Sri Lanka to be conducted in the year 2025. The Financial Intelligence Unit of the Central Bank of Sri Lanka and the Registrar General's Department have submitted the proposed amendments for that purpose. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Justice and National Integration to revise the Trust Ordinance, including the aforesaid proposed amendments.

### **14. Importation of salt to meet the shortage of salt**

The salt production of Sri Lanka is sufficient to meet the domestic and industrial requirements of the country, and the salt yield depends on weather conditions. It has been observed that there may be a shortage of supplying salt in the domestic market for the domestic and industry requirements in the year 2025 due to bad weather in the country. As a remedial measure, the salt manufacturers have made a request to grant permission to import 30,000 metric tons of raw non-iodized salt as per the prevailing duty rates to be processed and supplied to the market. Accordingly, the Cabinet of Ministers has approved the joint proposal presented by the Minister of Trade, Commercial, Food Security, and Co-operative Development and the Minister of Industry and Entrepreneurship Development to import a maximum of 30,000 metric tons of raw non-iodized salt on or before 31-01-2025 through the State Trading Corporation and to supply it to the local market.

### **15. Implementation of Special Commodity Levy Act No.48 of 2007 continuously**

It has been decided at the cabinet meeting held on 25-03-2024 that the Special Commodity Levy Act No.48 of 2007 which provides the provisions for the import of 63 typed of goods including the essential food items under the Special Commodity Levy which operates as single composite tax, should be revised. It has been deemed that the further implementation of the Special Commodity Levy Act No. 48 of 2007 is appropriate considering the possible impact and possible adverse effects on the government policy of facilitating local farmers with the application of other taxes, including Value Added Tax, on the importation of the goods relevant to the Special Commodity Levy on the market price of the essential food items in revision of the said Act. Accordingly, 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 not to implement the cabinet decision dated 25-03-2024 for revision of said Act, to take steps for maintaining the Special Commodity Levy rates empowered with effect from 01-01-2025 for the goods subject to the Special Commodity Levy Act.

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