



Decisions taken by the Cabinet of Ministers on 17.07.2023

01. Revision of Water and Sewerage Fees

The financial viability and sustainability of the National Water Supply and Drainage Board should be confirmed in order to achieve the objectives of expanding access to safe water and sanitation, improving the quality of service and sustainable use of water resources. As such, taking in to account the proposal presented by the Minister of Water Supply and Estate Infrastructure Development, the Cabinet of Ministers approved the revision of charges that minimizes the impact on low-income groups and the social security base provided in connection with educational, religious and public water supplies.

02. Extension of Embarkation Levy exemption for Jaffna International Airport

In order to promote using Jaffna International Airport, the Cabinet approval has been granted approval on 19.12.2022 to charge only 50% of the Embarkation Levy payable by international airlines at the airport for a period of six months. The said period has ended on 11.07.2023 and therefore the Cabinet of Ministers approved the proposal presented by the Minister of Ports, Shipping and Aviation to extend the said period for another 6 months to charge about 50% of the Embarkation Levy so that the passengers using the said airport can issue air tickets at an affordable price.

03. Introduction of a new Prison Administration Act

The prison system in Sri Lanka is administrated by the Prisons Ordinance No. 16 of 1877. It has been found that the provisions of the Ordinance are not sufficient for the present needs. Moreover, certain provisions of the ordinance are not in compliance with the international legal obligations and standards to which Sri Lanka is bound. The Law Reforms Committee appointed by the then Justice Minister has prepared preliminary bill for this purpose. Accordingly, the Cabinet of Ministers Approved the Proposal presented by the Minister of Justice, Prison Affairs and Constitutional Reforms to advise the legal draftsman to prepare a new Prison Administration Bill based on the preliminary bill prepared.

04. Proposed circular economy promotion project in the food sector to be financed by EU grants

A grant of EUR 60 million has been allocated to Sri Lanka for the period 2021-2024 by the "Multi-annual Indicative Program for Sri Lanka 2021-2027" published under the EU Strategic Program for Sri Lanka. A project called "Project to promote the circular economy in the food sector" is proposed to be implemented using 15 million of that grant. The primary objective of the proposed project is to promote the circular economy of the food sector by building resilience to food crises and climate change. The project will support the use of efficient food distribution channels/methods, measures to improve food security for vulnerable people by reducing food wastage, and converting food waste into agricultural inputs such as organic fertilizers and animal feed. Accordingly the Cabinet of Ministers approved the proposal presented by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Policies to enter into a Grant Agreement with the European Union for the implementation of the project.

05. Project for strengthening Buddhist relations between Sri Lanka and India

A Memorandum of Understanding has been reached between the two countries on 28.03.2022 to implement projects under a grant of 15 million USD provided by the Government of India to strengthen Buddhist relations between Sri Lanka and India. Under this MoU, the two parties have agreed to allocate 10 million US dollars to provide solar power facilities for Buddhist temples and pirwens. Accordingly the Cabinet of Ministers approved the proposal presented by the Minister of Buddhist and Cultural Affairs to amend the existing MOU between the both countries and to enter in to a new MOU.

06. Sri Lanka becoming a founding member of the Global Biofuel Alliance

At the India Energy Week in February 2023 India has announced that India will take steps to form a global biofuels alliance during India's presidency of the G20. Under this proposed alliance, it is expected that leading biofuel producers and consumers such as Brazil, India and the United States will collaborate with other interested countries. And it is also expected to encourage sustainable use of biofuels in the energy sector and particularly in transportation. The proposed alliance will also focus on market development and strengthening by facilitating global biofuel trade, sharing best practices to develop optimal policies, and by providing technical assistance to national biofuel practices worldwide. India seeks the agreement of all nations to join the new alliance and has invited Sri Lanka to sign the founding document to become a founding member of the alliance. Accordingly the Cabinet of Ministers approved the proposal presented by the Minister of Power and Energy for Sri Lanka to become a founding member of the Global Biofuel Alliance.

07. Awarding the contract for the supply of Aviation Fuel for Lankan Airlines at Kathmandu Airport, Nepal

The current contract for the supply of aviation fuel to the aircraft of Lankan Airlines at Kathmandu Airport is scheduled to expire on 31.08.2023. Bids have been invited under the Limited International Procurement Procedure for the selection of new aviation fuel suppliers and only one bid has been submitted. Therefore the Cabinet of Ministers approved the proposal presented by the Minister of Ports, Shipping and Aviation to award this contract to Associated Energy Group LLC, the substantially responsive bidder, for a period of 2 years, upon the recommendation of the Cabinet Appointed Standing Procurement Committee.

08. Contract for Sri Lankan Air Passenger and Mobile Airlift Handling Services at Chennai International Airport, India

The existing ground handling service contract for handling Sri Lankan Air passengers and mobile airlifts at Chennai International Airport is scheduled to expire on 31.10.2023. Bids have been invited under the Limited International Procurement Procedure for the selection of these services and 3 bids have been received. Accordingly, the Cabinet of Ministers approved the proposal presented by the Minister of Ports, Shipping and Aviation to award this contract to Bird Airport Services (Chennai) Pvt. Ltd., for a period of 3 years, upon the recommendation of the Cabinet Appointed Standing Procurement Committee.

09. Japan Aid Program for Human Resource Development Scholarships 2023

The Japanese government has agreed to provide 284 million Japanese yen (around Rs. Mn. 611) for the second batch of the 4th time frame under the Human Resource Development Scholarship Program implemented under Japanese grant aid. Accordingly the Cabinet of Ministers approved the proposal presented by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Policies to sign letters of exchange with the Japanese government and enter into an agreement with Japan International Cooperation Agency to receive the said grant

10. Introducing a standard operating procedure for granting diplomatic clearance to foreign sea vessels and foreign government or military aircrafts visiting Sri Lanka

As a result of Sri Lanka's geographical location in the Indian Ocean, foreign vessels and foreign government or military aircraft regularly visit Sri Lanka. Moreover, other states and potential international organizations are interested in conducting marine scientific research within Sri Lanka's Exclusive Economic Zone and Sri Lanka's continental shelf. Because of this situation, the need to prepare a standard operating procedure has been recognized to enable the granting of diplomatic permissions for those activities. Accordingly the Cabinet of Ministers approved proposal presented by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Policies to submit the approved Standard Operating Procedures have been developed after consultation with all parties.

11. Amendments to the Inland Revenue Act No 24 of 2017

Cabinet approval was granted on 28.06.2023 to introduce amendments to the Inland Revenue Act No. 24 of 2017 for revising the income tax rate levied on the income earned by investing in treasury bonds by the funds such as Employees Provident Fund, Employees Trust Fund, Pension Fund or Gratuity Fund and similar funds to facilitate the local debt optimization process. The bill prepared accordingly by the legal draftsman has received the Attorney General's clearance. Accordingly, the Cabinet of Ministers approved the proposal presented by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Polices to publish the said bill in the Government Gazette and submit to the parliament consequently.

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