

**THE GAZETTE OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

Part II of November 25, 2016

SUPPLEMENT

(Issued on 25.11.2016)



DEVELOPMENT (SPECIAL PROVISIONS)

A

BILL

**to facilitate the formulation of a National Policy on all subjects including
Accelerated Economic Development of Sri Lanka and to provide for
matters connected therewith or incidental thereto.**

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Development (Special Provisions)

L.D.—O. 41/2016.

AN ACT TO FACILITATE THE FORMULATION OF A NATIONAL POLICY ON
ALL SUBJECTS INCLUDING ACCELERATED ECONOMIC DEVELOPMENT
OF SRI LANKA AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH
OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist
Republic of Sri Lanka as follows:-

1. (1) This Act may be cited as the Development (Special Provisions) Act, No. of 2016 and shall come into operation
5 on such date as the Minister may appoint by Order published
in the *Gazette* (hereinafter referred to as the “appointed date”).
- Short title,
date of
operation
and duration
of this Act.

(2) The provisions of Parts II, III, IV, V, VI, VII, VIII, and
IX of this Act shall be in operation for a period of three years
from the appointed date:

- 10 Provided however, anything done under the provisions
of the above Parts while in operation, shall continue to be
valid notwithstanding the provisions of the above Parts
becoming inoperative.

- (3) The Minister shall, prior to the ceasing of the
15 operation of the Parts referred to in subsection (3), by Order
published in the *Gazette*, provide for the transfer to a
government department or statutory corporation, of the
property, staff, contracts, assets and liabilities and legal
proceedings instituted by, or against, any Agency, Board or
20 other institution established by or under any of those Parts
of this Act.

PART I

CHAPTER 1

POLICY DEVELOPMENT

- 5 **2.** (1) There shall be established a Policy Development Office to assist the Minister. Establishment
of a Policy
Development
Office.

(2) The Policy Development Office shall, upon being requested by the Minister, have an expert committee functioning under the office, prepare a report on –

- (a) policy development;
- 10 (b) policy review; and
- (c) resource allocation,

and submit it to the Minister who may forward the same to the Cabinet of Ministers with or without his observations thereon.

- 15 **3.** (1) There shall be a Head of the Policy Development Office who shall be a person professionally qualified and experienced as prescribed, in policy development and implementation. Appointment
of Head of
the Policy
Development
Office.

- (2) The Head of the Policy Development Office shall be
- 20 the Chief Executive Officer and shall be responsible for carrying out all such duties necessary for the management and administration of the affairs of such Office.

- 4.** (1) The Minister may appoint such officers and servants as the Minister may deem necessary for the proper
- 25 and efficient discharge of the functions of the Policy Development Office. Staff of the
Policy
Development
Office.

(2) Subject to the other provisions of this Act, the Minister may –

- (a) exercise disciplinary control over or dismiss, any
- 30 officer or servant of the Policy Development Office;

- (b) fix the wages or salaries or other remuneration of such officers and servants; and
- (c) determine the terms and conditions of service of such officers and servants.

5 **5.** (1) At the request of the Policy Development Office, any officer in the public service may, with the consent of that officer, the Secretary of the Ministry by or under which that officer is employed, and the Secretary to the Ministry of the Minister in charge of the subject of Public
 10 Administration, be temporarily appointed to the staff of the Policy Development Office for such period as may be determined by the said Office or with like consent be permanently appointed to the staff of the said Office.

Appointment of public officers to the staff of the Policy Development Office.

(2) Where any officer in the public service is temporarily
 15 appointed to the staff of the Policy Development Office, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No.37 of 1991 shall, *mutatis mutandis*, apply to and in relation to him.

(3) Where any officer in the public service is permanently
 20 appointed to the staff of the Policy Development Office, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No.37 of 1991 shall, *mutatis mutandis*, apply to and in relation to him.

6. (1) The Minister may, from time to time, make
 25 appointments of persons known for their expertise and experience in the relevant field on an *ad hoc* basis for a specified period to serve in any committee established under the Policy Development Office.

Minister to make *ad hoc* appointments.

(2) The terms and conditions applicable and the salaries and
 30 allowance payable to such experts appointed under subsection (1) shall be determined by the Minister in consultation with the Minister in charge of the subject of Finance.

7. (1) The functions of the Policy Development Office shall be-

Functions of
the Policy
Development
Office.

- 5 (a) to plan, formulate and develop draft proposals for a National Policy and National Policy framework on any subject including economic development for consideration by the Cabinet of Ministers, in accordance with the provisions of this Act;
- 10 (b) to coordinate and assist where required or to do so by the Cabinet of Ministers in the implementation of such national policies, assess the progress, facilitate and support delivery;
- 15 (c) to set realistic goals to be achieved by any economic or social sector and to monitor the progress in the achievement of these goals including reporting to the Board for the formulation of a National Policy on rural modernization on the progress and review of rural modernization; and
- 20 (d) to provide an independent view of the performance of any government institution and the provincial administrations, to the President, Prime Minister and the Chief Minister on the matter relevant to such Province.

(2) In carrying out the functions specified in subsection (1), it shall be the duty of the Policy Development Office to-

- 25 (a) consult the relevant Regional Development Board or the Board on Rural Modernization established under section 21 as the case may be;
- 30 (b) review the global economic, political, social and environmental developments and their impact on Sri Lanka;
- (c) revisit the existing policy of Sri Lanka and critically analyze it with a view to revitalizing it to meet new challenges; and

- (d) ensure that the policy is in consonance with goals set by the government.

8. (1) The Minister shall submit to the Cabinet of Ministers for its approval any draft proposal for National Policy and National Policy framework formulated on any subject. The Minister shall, upon the Policy and National Policy framework being approved by the Cabinet of Ministers cause the Policy and the framework to be placed before Parliament:

National Policy to be placed before Parliament.

10 Provided however, that the National Policy on economic development shall conform to the provisions of section 9 and section 10.

(2) The Minister shall cause the National Policy on the subject so placed before Parliament to be published in the *Gazette*.

CHAPTER 2

ECONOMIC DEVELOPMENT

9. The objective of the National Policy on economic development of Sri Lanka shall be to achieve rapid economic development.

Objective of the National Policy on economic development.

10. (1) The National Policy framework on economic development of Sri Lanka shall have the objective set out in section 9.

Policy framework on economic development.

(2) The Minister may from time to time, and when necessary, after consultation with the Policy Development Office submit proposals to amend the National Policy framework. Every such proposed amendment shall come into force after approval by the Cabinet of Ministers.

(3) Every plan, programme and scheme of the government pertaining to national economic development shall be in conformity with the National Policy framework.

(4) The Minister may issue such policy guidelines as may be necessary to ensure that any such plan, programme or scheme as is referred to in subsection (3) conforms to the National Policy framework.

5 (5) The Minister shall table in Parliament an annual report on the economic development of the country before thirty-first of March every year, in respect of the preceding year.

11. Any officer of the Policy Development Office authorized by the Minister may, by notice in writing, require
 10 any person to furnish such information as the officer may consider relevant for the preparation of the economic policy framework, and where such disclosure of information does not contravene any obligation imposed on such person by any other law, it shall be the duty of such person receiving
 15 such notice to comply with the requirements of such notice.

Power to call for information.

12. (1) For the purpose of promoting rapid economic growth for one or more of the following development activities in accordance with the National Policy framework, the Minister may, in consultation with the Chief Minister of
 20 the relevant Province, by Order published in the *Gazette*, designate any area as an area demarcated for economic development called an Economic Development Area-

Economic Development Areas.

- (a) manufacturing;
- (b) tourism;
- 25 (c) science and technology;
- (d) logistics;
- (e) business and service;
- (f) high-tech fisheries; and
- (g) high-tech agriculture.

Every such Order shall, subject to environmental and hydrological studies, *inter alia*, specify-

- (a) any one or more economic development activities that may be carried on in such area;
- 5 (b) the objectives to be achieved by such activities; and
- (c) the government institutions which shall be required to assist in those activities.

10 (2) Every Order made under subsection (1) shall as soon as convenient after its publication in the *Gazette*, be brought before Parliament for its approval. Any Order which is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

15 (3) Every Economic Development Area to qualify for assistance in the development of high-tech agriculture shall be of such magnitude as to ensure cost-effectiveness in respect of cultivation, production, manufacture, storage and distribution.

20 (4) The land in an Economic Development Area to qualify for assistance for the development of high-tech agriculture shall be used primarily for agricultural activities specified in the Order made by the Minister under subsection (1) and the use of such land for non-agricultural purposes may be
25 restricted.

(5) Every Economic Development Area to qualify for assistance in the development of high-tech fisheries shall be of such magnitude as to ensure cost-effectiveness in planning and implementation of coastal fisheries and fish farming,
30 off-shore fishing and the construction of ports for deep-sea fisheries, infrastructure value-addition and the manufacture, storage and distribution of fisheries products.

- 13.** The National Planning Council Act, No.40 of 1956 is hereby repealed. Repeal of
National
Planning
Council Act.

PART II

CHAPTER 1

5 **AGENCY FOR DEVELOPMENT**

- 14.** There shall be an Agency called the Agency for Development (hereinafter referred to as the “Agency”). Agency for
Development.

- 15.** The objectives of the Agency shall be to assist the relevant authority in- Objectives of
the Agency.

- 10 (a) stimulating, expanding and developing economic growth through the National Policy framework on economic development approved under section 10;
- (b) strengthening the economic base of Sri Lanka with a view to-
- 15 (i) modernizing the economy;
- (ii) enabling Sri Lankan goods to enter the global value chain and compete in the global market;
- (iii) enhancing the competitiveness of Sri Lankan goods and services;
- 20 (iv) preventing collusion among market players so as to distort markets and prevent rent seeking;
- (v) generating employment;
- (vi) increasing the personal incomes of people;
- 25 (vii) improving the balance of trade;

- (viii) promoting export of goods and services;
- (ix) ensuring consumer welfare;
- (x) ensuring fair competition at the market place;
- 5 (xi) encouraging enterprises to upgrade their technical skills and technical know-how by employing state of the art technology;
- (xii) building management and technical expertise;
- (xiii) providing access to finance; and
- 10 (xiv) providing infrastructure and other services required to achieve the objectives; and
- (c) reporting on the key issues relating to competitiveness encountered by the economy and the policy action required.
- 15 **16.** (1) The Agency shall, subject to the provisions of this Act, prepare draft plans, programmes and schemes as guidance to give effect to the National Policy framework and submit them to the Minister for approval: Powers and Functions of the Agency.
- 20

Provided that, the plans, programmes and schemes on rural modernization shall only be submitted to the Board established under section 21 for approval.
- (2) In carrying out the function specified in sub section (1) it shall be the duty of the Agency to consult the relevant Regional Development Board.
- 25 (3) Such draft plans and programmes shall, where required, include division of each such Economic Development Area referred to in section 12 into zones by the Agency.

10 *Development (Special Provisions)*

(4) The Agency shall also prepare physical development plans for such zones with the concurrence of the relevant physical development planning authorities.

5 (5) Where such plans and programmes relate to any subject which is a provincial subject, the Agency shall consult the Chief Minister of the relevant Provincial Council.

(6) The Agency shall, subject to the provisions of this Act-

10 (a) provide assistance to the relevant authority in the implementation by the relevant authority of the plans, programmes and schemes approved under this section; and

15 (b) coordinate, where called upon, in the implementation of such plans, programmes and schemes.

17. (1) The Agency shall be competent to exercise powers over Economic Development Areas declared under this Act, in accordance with the provisions of this Act.

Powers of Agency with respect to Economic Development Areas.

20 (2) The Agency may demarcate any such area into two or more zones and determine the activities to be carried on in each such zone.

(3) The zones shall be managed by such operators who shall be licensed by the Agency in the prescribed manner.

25 (4) Any enterprise seeking to carry on any commercial activity in any Economic Development Area shall register itself with and obtain from the Agency a certificate to carry on such activity. Agency shall maintain a record of all such certificates issued.

30 (5)(a) The Agency shall have the power to register investors who seek to invest in any venture undertaken within an Economic Development Area.

(b) The Agency may by Notification published in the *Gazette*, specify the criteria for the registration of such investors.

5 (6) Notwithstanding anything to the contrary in any other law,-

10 (a) it shall be lawful for the Agency to give directions in the exercise, performance and discharge of all powers, duties and functions conferred or imposed on, or assigned to, any person, body or authority, by any written law specified hereunder, and such person, body or authority shall comply with the directions as may be given to it from time to time, by the Agency-

15 (i) the Board of Investment established under the Board of Investment Law, No.4 of 1978;

(ii) the Sri Lanka Export Development Board established under the Sri Lanka Export Development Act, No.40 of 1979; and

20 (iii) the Information and Communication Technology Agency established under the Information and Communication Technology Act, No.27 of 2003;

25 (b) It shall be lawful for the Agency to give directions to the institutions specified hereunder as it may deem necessary to ensure the effective implementation of plans, programmes or schemes approved under this Act and it shall be the duty of every such institution to comply with such directions-

30 (i) the Civil Aviation Authority established under Civil Aviation Act, No. 34 of 2002, with regard to the implementation of the National Policy;

12 *Development (Special Provisions)*

- (ii) the Sri Lanka Ports Authority established under Sri Lanka Ports Authority Act, No.51 of 1979, with regard to the implementation of the National Policy;
- 5 (iii) the National Water Supply and Drainage Board established under the National Water supply and Drainage Board Law, No.2 of 1974; and
- 10 (iv) the Sri Lanka Tourism Promotion Bureau established under the Tourism Act, No.38 of 2005:

Provided that no power, duty or function under the National Environmental Act, No.47 of 1980 shall be exercised, performed or discharged by the Agency except in
15 consultation with, and with the concurrence of, the Central Environmental Authority established by that Act.

(7) In the case of formulation of development plans, programmes and rules for the application of high technologies in rural modernization in agriculture and
20 fisheries, the Agency shall obtain the approval of the Board for the formulation of a National Policy on rural modernization established under section 21.

(8) The Agency shall also report to the said Board on the progress of the implementation of said plans, programmes
25 and rules.

(9) Where the Board of Investment seeks to develop any venture in any such economic development zone, it shall make an application in that respect to the Agency and the Agency may grant its approval:

30 Provided however, the powers of the Board of Investment in respect of such venture shall be exercised subject to any

rules or plans that may be made by the Agency and the supervision and directions of the Agency, notwithstanding anything to the contrary in the Board of Investment of Sri Lanka Law, No. 4 of 1978 or in any other law.

- 5 (10) Where the Sri Lanka Tourism Development Authority seeks to develop any venture in any such economic development zone, it shall make an application in that respect to the Agency and the Agency may grant its approval:

10 Provided however, the powers of the Sri Lanka Tourism Development Authority in respect of such venture shall be exercised subject to any rules or plans that may be made by the Agency and the supervision and directions of the Agency, notwithstanding anything to the contrary in Tourism Act, No. 38 of 2005 or in any other law.

- 15 (11) It shall be competent for the Agency, where appropriate, to ensure co-ordination between the provincial authorities and the Board of Investment or with the Sri Lanka Tourism Development Authority, as the case may be.

20 (12) The Minister may give directions to the Board of Investment or the Sri Lanka Tourism Development Authority, as the case may be, on the relevant National Policy, in consultation with the Minister in charge of the relevant subject.

25 (13) Where the Minister gives any direction in any relevant matter the subject of which has been assigned to another Minister, the Minister shall do so in consultation with such other Minister.

30 (14) The provisions of the Land (Restrictions on Alienation) Act, No.38 of 2014 shall not apply to an investor registered under this section.

18. (1) The Minister shall appoint a Managing Director of the Agency who shall be the Chief Executive Officer of the Agency and whose qualification and experience, the terms and conditions of appointment shall be as prescribed.

Staff and responsibilities of the Agency.

5 The emolument payable to the Managing Director shall be determined by the Minister in consultation with the Minister in charge of the subject of finance.

(2) There shall be a General Affairs Council of the Agency consisting of the Minister in charge of the subject of
10 Development Strategy, the Managing Director and not more than six other persons appointed by the Minister.

(3) The General Affairs Council shall be responsible for the management and administration of the affairs of the Agency.

15 (4) The Minister in charge of the subject of Development Strategy shall preside at the meetings of the General Affairs Council. In the absence of the said Minister at a meeting, the Managing Director shall preside at the meeting. Where the said Minister and the Managing Director are absent at the
20 meeting, then, a member elected from among the members present shall preside at the meeting.

(5) The powers and functions of the Agency shall be exercised and discharged by the Managing Director under the direction and control of the General Affairs Council.

25 (6) The Minister in charge of the subject of Development Strategy may, by regulation prescribe for any other matter relating to the functioning of the General Affairs Council.

(7) There shall be appointed three Directors by the General Affairs Council one of whom shall be appointed with the
30 concurrence of the Board established under section 21 and shall be responsible for assisting in the development of agriculture, fisheries and primary industries.

(8) The Agency may appoint such number of officers and servants as may be necessary for the discharge of its functions and determine the terms and conditions applicable and the remuneration payable to the officers and servants.

- 5 **19.** The Agency may delegate any of its powers in general or in respect of any Economic Development Area in particular to the relevant Regional Development Board. Delegation of powers.

- 10 **20.** The Agency shall within three months of the end of every financial year, submit a report to the Minister giving an account of its activities during the preceding year. The Minister shall cause such report to be placed before Parliament. Annual Report to Parliament.

PART III

ESTABLISHMENT OF RURAL MODERNISATION BOARD

- 15 **21.** (1) There shall be established a Board on Rural Modernization (in this Act referred to as “the Board”) consisting of – Rural Modernization Board.
- (a) the President;
- (b) the Prime Minister;
- 20 (c) the Ministers in charge of the subjects respectively, of finance, the rural economy, land, development strategies and international trade, industries, agriculture, fisheries, plantation industries and animal husbandry;
- 25 (d) the Chief Ministers of all the provinces;
- (e) seven other members appointed by the President in consultation with the Minister;

(f) the Managing Director of the Agency; and

(g) the Director responsible for high-tech agriculture, high-tech fisheries and primary industries who shall be the Chief Executive Officer of the Board.

(2) The expression “rural modernization” includes hi-tech agriculture, hi-tech fisheries, marketing, connectivity and the relevant infrastructure.

22. The plans, programmes and schemes on rural modernization approved by the Board under section 16(1) shall serve as policy guidelines for rural modernization in high-tech agriculture, high-tech fisheries and primary industries.

23. (1) The Board may issue guidelines to the Agency-

(a) with regard to measures required to modernize and strengthen the rural economy, high-tech agriculture, high-tech fisheries and primary industries;

(b) with regard to the exercise by the Agency, of its powers in respect of high-tech agriculture and high-tech fisheries in the Economic Development Areas; and

(c) to facilitate coordination between the Agency and the Government and the Provincial administration for the implementation of strategies, plans, programmes and schemes relating to the rural economy.

(2) The Board shall monitor the implementation and review all such plans, programmes and schemes.

PART IV

REGIONAL DEVELOPMENT

NATIONAL POLICY FRAMEWORK ON REGIONAL DEVELOPMENT

- 5 **24.** There shall be established, for the purpose of this Act, Regional Development Boards. Establishment of Regional Development Boards.
- 25.** The objectives of the Regional Development Boards shall be- Objectives of the Regional Development Boards.
- 10 (a) to co-ordinate at the regional level the implementation of development plans, programmes and projects of the Government and the Provincial administration and to monitor oversight of such plans, programmes and projects; and
- 15 (b) to facilitate, where necessary, the implementation of private sector investment projects in accordance with the decisions and guidelines issued by the Agency.
- 20 **26.** (1) Every Regional Development Board shall after consultation with the Government and the Provincial administration prepare a report on all plans, programmes and projects in each administrative district in such region for the years 2017, 2018 and 2019. Regional Development three year Master Plan.
- 25 (2) The relevant Regional Development Board shall take all steps during such consultations to ensure that all such plans, programmes and projects are complementary and are consistent with the national policies and national goals. An appendix to the report shall refer to any plan, programme or project not in conformity with the National Policies and goals. For this purpose, the Regional Development Boards
- 30 shall seek the opinion and direction of the Policy Development Office.

(3) (a) Based on the report and such plans and programmes under sections 10(3), 18(3), 23(2) and 25, the relevant Regional Development Board shall submit a draft three year Regional Development Master Plan incorporating all plans, programmes and projects in respect of each district of the Region together with any economic forecast deemed necessary.

(b) The report shall in respect of plans, programmes and projects by the Government and Provincial administration include the authorized expenditure, the source of funding, the socio-economic returns and the feasibility in respect of each programme or project.

(c) The Master Plan shall also include all projects referred to in section 25(b). The Master Plan shall recommend the measures to facilitate the growth of private enterprises, high-tech agriculture and high-tech fisheries within each such district. The Master Plan shall also give reasons for excluding any plans, programmes or projects.

(4) The Cabinet of Ministers shall after consultation with the Chief Minister of the relevant Province grant approval for the three year Regional Development Master Plan with or without amendments. The Master Plan shall exclude any plans, programmes or projects not in conformity with section 25.

(5) The Cabinet of Ministers may from time to time after consulting the relevant Regional Development Board and the Chief Minister of the relevant Province amend any such Regional Development Master Plan.

27. (1) Upon confirmation of the Regional Development Master Plan, the relevant Regional Development Board shall prepare and submit to the Cabinet of Ministers a draft Annual Implementation Plan for each district annually and the plans for the development of local economies, if any, in each district. The Cabinet of Ministers

Annual
Implementation
Plan.

after consulting the Chief Minister of the relevant Province may confirm such draft Annual Implementation Plan and the Local Economy Plan with or without amendments.

5 (2) The relevant Regional Development Board shall have powers of coordination and monitoring in implementing the Regional Development Master Plan and the Annual Implementation Plan.

10 **28.** (1) The Minister may make and shall publish in the *Gazette*, rules to give effect to the provisions of sections 25, 26 and 27. Rules.

(2) The President may give directions to the Governor of any Province to ensure the execution of executive power in accordance with the provisions of sections 26 and 27.

15 **29.** For the purpose of carrying out its objectives, any Regional Development Board may exercise, perform and discharge all or any of the following powers, duties and functions other than those under the National Environment Act, No.47 of 1980- Powers, duties and functions of the Regional Development Boards.

20 (a) secure and obtain technical and financial assistance in fulfilling the objectives of the Regional Development Board;

(b) secure collaboration for carrying out studies and implementation of special development projects in the relevant region;

25 (c) request Government Ministries, Provincial administration, institutions and all other agencies responsible for the implementation of the projects being carried on in the relevant region, to co-operate in the planning and implementing of such projects;
30

- (d) carry out research relating to the economic and social development of the relevant region;
- (e) purchase and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any immovable property; and
- (f) subject to the provisions of the Constitution and any other written law, do all such other acts as may be incidental or conducive to the attainment of the objectives of the Regional Development Board or the exercise of its powers under this Act.

30. (1) Notwithstanding the provisions of any other written law to the contrary any Regional Development Board may for the purpose of discharging any of its functions, allocate funds to any Public Corporation, or to any Department of Government with the approval of the Minister, and it shall be the duty of such Corporation, or Department, as the case may be, to carry out the said functions under any directions given in terms of section 34(4) and to account for the expenditure incurred in discharging such function.

(2) Any Regional Development Board shall be entitled to require any Corporation or Department, to which funds have been allocated under subsection (1), to furnish such information as may be required by the Regional Development Board in respect of the expenditure of such funds and it shall be the duty of such Corporation or Department to comply with such requirement.

31. (1) Every Regional Development Board may appoint such officers and servants as may be necessary for the discharge of its functions and may determine the remuneration payable to them. The provisions of section 48 shall, *mutatis mutandis*, apply as appropriate, to and in relation to the appointments of officers and servants.

Regional Development Boards to allocate funds.

Appointment of staff by the Regional Development Boards.

(2) The Minister may by Order published in the *Gazette*, specify the projects and schemes which shall be implemented or coordinated, as the case may be, by each Regional Development Board.

5 (3) Every Regional Development Board shall under the direction of the Agency, be responsible for the execution of plans, programmes and schemes approved for any Economic Development Area falling within its area of authority in accordance with such policy directives as may be issued to
10 it from time to time by the Agency and may exercise such other powers as may be delegated to it by the Agency.

(4) The Regional Development Boards shall be responsible for coordination and direction of such plans, programmes, schemes or projects as is specified by the
15 Minister.

(5) The Agency may delegate any of its powers in respect of-

- (a) any Economic Development Area;
- (b) such other matters as it deems necessary, to any
20 Regional Development Board. The delegation of any such power shall not affect the right of the Agency to exercise such power directly.

32. The powers under sections 24, 25, 26, 27, 29, 30
and 31 shall be exercised by the Southern Development
25 Board, the Wayamba Development Board, the Central Development Board, the Eastern Development Board and the Northern Development Board in respect of each of its areas of authority.

Powers to be exercised by the Development Boards.

PART V

CHAPTER 1

SOUTHERN DEVELOPMENT BOARD

5 **33.** (1) The Regional Development Board for the Southern region shall be called the Southern Development Board and its area of authority shall be the administrative districts of Galle, Matara, Hambantota, Moneragala and Ratnapura. Southern Development Board.

10 (2) The Southern Development Board shall consist of the following persons:—

15 (a) the Administrator for Southern Regional Development who shall be appointed by the Minister and who shall be the Chairman and Chief Executive Officer of the Southern Development Board;

 (b) the Chief Secretaries of the Southern Provincial Council, Sabaragamuwa Provincial Council and the Uva Provincial Council, respectively;

20 (c) such other public officers or Chairman of a statutory board or corporation as may be prescribed; and

 (d) three other persons appointed by the Minister.

 (3) The Minister shall be the Minister in Charge of the subject of Southern Regional Development.

25 (4) The Minister in Charge of the subject of Southern Regional Development may from time to time give instructions in writing to the Southern Development Board.

30 (5) The Minister in Charge of the subject of Southern Regional Development may by Order published in the *Gazette* specify the functions of the Administrator for Southern Regional Development.

(6) The Southern Development Board may appoint such Public Officers and servants as may be necessary for the discharge of the functions of the Southern Development Board.

5

CHAPTER 2

WAYAMBA DEVELOPMENT BOARD

34. (1) The Regional Development Board for the Wayamba region shall be called the Wayamba Development Board and its area of authority shall be the administrative districts of Puttlam, Kurunagala and Kegalle.

(2) The Wayamba Development Board shall consist of the following persons:—

- (a) the Chairman and three members appointed by the Minister;
- 15 (b) the Chief Secretary of the Wayamba Provincial Council;
- (c) the Chief Secretary of the Sabaragamuwa Provincial Council; and
- 20 (d) such other public officers as may be specified by the Minister by Order published in the *Gazette*.

(3) The Director of the Wayamba Development Secretariat appointed by the Minister shall have the right to attend the meetings of the Board.

25 (4) The Chairman of the Wayamba Development Board shall be the Chief Executive Officer of the Wayamba Development Board.

(5) The Minister shall be the Minister in Charge of the subject of Wayamba regional development.

(6) The Minister in Charge of the subject of Wayamba regional development may from time to time give instructions in writing to the Wayamba Development Board.

- 5 (7) The Wayamba Development Board may appoint such public officers and servants as may be necessary for the discharge of the functions of the Wayamba Development Board. The Wayamba Development Board shall decide on the powers it may delegate to the Director and the Chairman.

CHAPTER 3

10 CENTRAL DEVELOPMENT BOARD

35. (1) The Regional Development Board for the Central region shall be called the Central Development Board and its area of authority shall be the administrative districts of Matale, Kandy, Nuwara Eliya and Badulla. Central Development Board.

- 15 (2) The Central Development Board shall consist of the following persons:—

- (a) three members appointed by the Minister one of whom shall be named by him as the Chairman;
- 20 (b) the Chief Secretaries of the Central, North Central and Uva Provincial Councils ;
- (c) the Director of the Central Development Secretariat;
- (d) such other public officers as may be specified by the Minister by Order published in the *Gazette*.

- 25 (3) The Chairman of the Central Development Board shall be the Chief Executive Officer of the Central Development Board.

(4) The Minister shall be the Minister in Charge of the subject of Central regional development.

(5) The Minister in Charge of the subject of Central Regional Development may from time to time give instructions in writing to the Central Development Board.

- 5 (6) The Central Development Board may appoint such Public Officers and servants as may be necessary for the discharge of the functions of the Central Development Board.

CHAPTER 4

EASTERN DEVELOPMENT BOARD

- 10 **36.** (1) The Regional Development Board for the Eastern region shall be called the Eastern Development Board and its area of authority shall be the administrative districts of Anuradhapura, Pollonnaruwa, Trincomalee, Batticaloa and Ampara. Eastern Development Board.
- 15 (2) The Eastern Development Board shall consist of the following persons:—
- (a) three members appointed by the Minister one of whom shall be named by him as the Chairman;
- 20 (b) the Chief Secretary of the Eastern Provincial Council;
- (c) the Director of the Eastern Development Secretariat;
- (d) Such other public officers as may be specified by the Minister by Order published in the *Gazette*.
- 25 (3) The Chairman of the Eastern Development Board shall be the Chief Executive Officer of the Eastern Development Board.
- (4) The Minister shall be the Minister in Charge of the subject of Eastern regional development.

(5) The Minister in Charge of the subject of Eastern Regional Development may from time to time give instructions in writing to the Eastern Development Board.

- 5 (6) The Eastern Development Board may appoint such public officers and servants as may be necessary for the discharge of the functions of the Eastern Development Board.

CHAPTER 5

NORTHERN DEVELOPMENT BOARD

- 10 **37.** (1) The Regional Development Board for the Northern region shall be called the Northern Development Board and its area of authority shall be the administrative districts of Jaffna, Kilinochchi, Mannar, Vavuniya and Mullaitivu. Northern Development Board.

- 15 (2) The Northern Development Board shall consist of the following persons:—

- (a) four members appointed by the Minister one of whom shall be named by him as the Chairman;
- 20 (b) two members appointed by the Chief Minister of the Northern Province one of whom shall be named by him as the Deputy Chairman;
- (c) the Chief Secretary of the Northern Provincial Council;
- (d) the Chairman of the Resettlement Authority; and
- 25 (e) any other public officer or officer of a corporation or statutory institution as deemed necessary.

(3) The Chairman of the Northern Development Board shall be the Chief Executive Officer of the Northern Development Board.

(4) The Minister shall be the Minister in Charge of the subject of Northern Regional Development.

(5) The Minister in Charge of the subject of Northern Regional Development may from time to time give
5 instructions in writing to the Northern Development Board.

(6) The Northern Development Board may appoint such other public officers and servants as may be necessary for the discharge of the functions of the Northern Development Board.

10 **38.** The objectives of the Northern Development Board shall, *inter alia*, be the revival and re-establishment of the war-damaged economy in the Northern Province. Main objectives.

PART VI

AGENCY FOR INTERNATIONAL TRADE

15 **39.** There shall be established an Agency to be called the Agency for International Trade. Agency for International Trade.

40. The administration and management of the affairs of the Agency for International Trade shall be vested in a Board (in this Part referred to as "the Board") consisting of- Composition of the Board.

- 20 (a) the Director General of Commerce;
- (b) the Controller of Imports and Exports;
- (c) the Chairman of the Sri Lanka Export Development Board;
- (d) the Chairman of the Tea Board;
- 25 (e) the Chairman of Joint Apparel Exporters' Federation;

- (f) a representative of the Ministry of the Minister in charge of the subject of Foreign Affairs;
- (g) a representative of the Ministry of the Minister in charge of the subject of Finance;
- 5 (h) a representative of the Joint Apparel Exporters' Association; and
- (i) six other members appointed by the Minister one of whom shall be appointed by him as the Chairman of the Board.
- 10 (2) The Chairman shall preside at all meetings of the Board. In the absence of the Chairman from any such meeting, a member of the Board elected by the members present shall preside at the meeting.
- (3) The quorum for a meeting of the Board shall be four.
- 15 **41.** (1) There shall be appointed a Managing Director of the Agency for International Trade, whose qualification and experience, the terms and conditions of appointment shall be as prescribed. The emolument payable to the Managing Director shall be determined by the Minister in
20 consultation with the Minister in charge of the subject of Finance. The Managing Director shall be responsible for executing the decisions of the Board, and shall exercise disciplinary control over the staff of the Agency for International Trade.
- 25 (2) The Board may appoint such officers and servants as may be necessary for the discharge of the functions of the Agency for International Trade.
- 42.** (1) The objectives of the Agency for International Trade shall be-
30 (a) to promote and develop international trade of Sri Lanka;

Managing Director and staff.

Objectives and functions of the Agency for International Trade.

- (b) to facilitate the growth of exports of Sri Lankan products and services, particularly the agricultural and fisheries products;
 - (c) to promote Sri Lanka as a major trade, business and logistical hub of the Indian Ocean region; and
 - (d) to serve as the nodal agency for the formulation, implementation and co-ordination of international trade of Sri Lanka.
- (2) In the exercise of its functions, the Agency for International Trade shall implement the National Policy on international trade and the relevant approved plans, programmes and schemes, and may -
 - (a) promote the creation of a business and regulatory environment conducive to the growth of international trade of Sri Lanka;
 - (b) recommend measures to-
 - (i) facilitate the entry of Sri Lankan goods and services into international markets;
 - (ii) ensure equitable treatment in international markets for Sri Lankan goods in general and industrial, agricultural and fisheries products in particular and services;
 - (c) recommend measures to increase the exports of Sri Lankan goods and services;
 - (d) recommend, where necessary, changes to the import and export policies of the Government with a view to facilitating international trade of Sri Lanka;
 - (e) recommend measures for resolving intellectual property issues arising in the course of trade between Sri Lanka and other countries; and

- (f) represent Sri Lanka at the World Trade Organization.

(3) The Minister may give general or special directions to the Board with regard to the discharge of the functions of the Agency for International Trade, and the Board shall comply with such directions.

43. (1) For the purposes of discharging the functions of the Agency for International Trade, the Board shall have the power to give directions to the Sri Lanka Export Development Board, the Department of Commerce, the Department of Import and Export Control, the Sri Lanka Tea Board and to any other department or institution which has functions relating to international trade, as specified by the Minister by Order published in the *Gazette* and such department or institution shall comply with such directions.

(2) From and after the appointed date, the powers and functions conferred on, or assigned to, -

(a) the Board of Investment of Sri Lanka by section 16 of the Board of Investment of Sri Lanka Law, No. 4 of 1978; and

(b) the Sri Lanka Export Development Board by section 12 of the Sri Lanka Export Development Act, No. 40 of 1979,

shall be exercised and discharged by the Agency for International Trade, and not by the Board of Investment of Sri Lanka or the Sri Lanka Export Development Board, as the case may be.

(3) The Agency for International Trade may delegate-

(a) any of its powers and functions under the Board of Investment of Sri Lanka Law (vested in it by subsection (2)) to the Board of Investment of Sri Lanka; and

- (b) any of its powers under the Sri Lanka Export Development Act (vested in it by subsection (2)) to the Sri Lanka Export Development Board,

subject to such conditions as it may specify.

- 5 (4) The Department of Commerce shall act in accordance with all directives given by the Board under subsection (1) in the conduct of multilateral and regional trade and commodity negotiations.

- 10 **44.** In this Part “Minister” means the Minister in charge of the subject of Development Strategies and International Trade. Interpretation.

PART VII

CONFERENCE OF EXECUTIVES

- 15 **45.** The President may annually summon a Conference of the Cabinet of Ministers, Chief Ministers of the Provinces and the Chairpersons of Parliamentary Oversight Committees to discuss the plans, programmes, schemes and projects under this Act. Conference of Executives.

PART VIII

- 20 **APPLICABILITY OF CERTAIN LAWS**

- 46.** (1) From and after the appointed date, the Urban Development Authority of Sri Lanka established under the Urban Development Authority of Sri Lanka Law, No. 41 of 1978- Applicability of Urban Development Authority Law and Mahaweli Development Act.
- 25 (a) shall not exercise its powers under sections 8A, 8C, 8D, 8E, 8F, 8H and 8J of that Law in such manner as will adversely affect the implementation of any plans, programmes or schemes approved under this Act;

(b) shall exercise its powers under that Law in respect of an Economic Development Area declared under this Act in accordance with such directions as may be issued to it by the Agency, notwithstanding any provision to the contrary in that Law.

(2) From and after the appointed date, the Mahaweli Authority of Sri Lanka established under the Mahaweli Development Authority of Sri Lanka Act, No.23 of 1979-

(a) shall not exercise its powers under sections 22, 23, 24 and 25 of that Act in such manner as will adversely affect the implementation of any plans, programmes or schemes approved under this Act;

(b) shall exercise its powers under that Act in respect of an Economic Development Area declared under this Act in accordance with such directions as may be issued to it by the Agency, notwithstanding any provision to the contrary in that Act.

47. (1) From and after the appointed date, the Sri Lanka Tourism Development Authority shall comply with the plans, programmes and schemes approved under this Act and not exercise its powers under the Tourism Act, No. 38 of 2005 in such manner as will adversely affect the implementation of any plans, programmes or schemes approved under this Act.

(2) The Sri Lanka Tourist Development Authority shall comply with all directives issued by the Agency to implement the said plans, programmes and schemes.

(3) The Sri Lanka Tea Board shall exercise its powers subject to the plans and directives issued by the Agency for International Trade.

(4) The Agency for International Trade shall comply and implement the decisions of the Agency.

The Sri Lanka Tourism Development Authority, the Sri Lanka Tea Board and the Agency for International Trade to abide by directives.

PART IX

GENERAL

- 5 **48.** (1) At the request of an Agency, Board or other Institution established by or under this Act, any officer in the public service may, with the consent of that officer and the Secretary to the Ministry of the Minister in charge of the subject of Public Administration, be temporarily appointed to the staff of such Agency or Board including a Regional Development Board or other institution for such period as
10 may be determined by such Agency, Board or other institution or with the like consent be permanently appointed to such staff.
- (2) Where an officer in the public service is temporarily appointed to the staff of an Agency, Board or other
15 institution established by or under this Act, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No.37 of 1991 shall, *mutatis mutandis*, apply to, and in relation to, such officer.
- (3) Where an officer in the public service is permanently
20 appointed to the staff of the Agency, Board or other institution established by or under this Act, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No.37 of 1991 shall, *mutatis mutandis*, apply to, and in relation to, such officer.
- 25 **49.** Every Agency, Board or other institution established by or under this Act shall be deemed to be a scheduled institution within the meaning of the Bribery Act, and the provisions of that Act shall be construed accordingly.
- 30 **50.** The members, officers and servants of every Agency, Board or other institution established by or under this Act shall be deemed to be public officers within the meaning, and for the purposes, of the Penal Code.

Secondment
of public
officers.

Application
of the
Bribery Act.

Members and
officers
deemed
public
servants.

51. (1) No action or prosecution shall be instituted against- Protection
for action
taken under
this Act.

5 (a) the Agency, Board or other institution for any act which in good faith is done, or purported to be done, by such Agency, Board or other institution under this Act; or

10 (b) any member, officer, servant or agent of such Agency, Board or other institution for any act which is done, or purported to be done by him in good faith under this Act or on the direction of such Agency, Board or other institution, as the case may be.

15 (2) Any expenses incurred by the Agency, Board or other institution in any action or prosecution brought by or against the Agency, Board or other institution before any court shall be paid out of the Consolidated Fund, and any cost paid to or recovered by, the Agency, Board or other institution in any such action or prosecution shall be credited to the said Fund.

20 (3) Any expenses incurred by any such person as is referred to in paragraph (b) of subsection (1) in any action or prosecution brought against him before any court in respect of any act which is done or is purported to be done by him under this Act or on the direction of the Agency, Board or
25 other institution shall, if the court holds that such act was done in good faith be paid out of the Consolidated Fund, unless such expense is recovered by him in such action or prosecution.

30 **52.** (1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act. Regulations.

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1), the Minister may, from time to time, make regulations –

- 5 (a) prescribing any matter which is required by this Act to be prescribed; and
- (b) as may appear expedient for all or any of the following purposes:-
 - 10 (i) for facilitating the formulation of the plans, programmes and schemes approved under this Act;
 - (ii) for making provisions for eliminating delays and administrative barriers and for facilitating investment approvals at a single point;
 - 15 (iii) for specifying the criteria, the procedure and the authority for the granting of tax incentives provided by law;
 - (iv) for the matters relating to the Policy Development Office including its legal status and appointment and remuneration and the qualifications of its staff; and
 - 20 (v) generally for all matters incidental to or connected with the matters or subjects for which regulations are required to be made
 - 25 under this Act.

(3) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in such regulation.

(4) Where any regulation made under this section is found to be inconsistent with any subsidiary legislation, the regulation shall prevail to the extent of such inconsistency.

5 (5) Every regulation made by the Minister, shall as soon as convenient after its publication in the *Gazette*, be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

10 (6) A Notification of the date of disapproval shall be published in the *Gazette*.

53. In this Act, unless the context otherwise requires- Interpretation.

15 “Minister”, other than for the purposes of Part VI of this Act, means the Minister in charge of the subject of National Policy and Economic Affairs and for the purposes of Part VI, “Minister” means the Minister in charge of the subject of Strategies and International Trade;

20 “prescribe” means prescribed by regulations made under this Act;

“Secretary” means the Secretary to the Ministry assigned the subject of National Policy and Economic Affairs.

25 **54.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency.

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