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MINISTRY OF FINANCE AND PLANNING

செயலகம், கொழும்பு 01. The Secretariat, Colombo 01 මනලේකම් කාර්යාලය, කොළඹ 01. இலங்கை Sri Lanka ශු ලංකාව. වෙබ් අඩවිය നുത്ത് 2484500 කාර්යාලය www.treasury.gov.lk (94)-11 - 2449823 அலுவலகம் 2484600 பெக்ஸ் வெப் சைட் 2484700 Office Fax Website දිනය ඔබේ අංකය මගේ අංකය 04 August 2010 PF/PD/02/Cir 2010(2) திகதி உமது இல. எனது இல. Date Your No. My No.

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All Secretaries of Ministries, Heads of Departments, Heads of all Government Corporations/Statutory Bodies,

Process to be followed in relation to Stand-Alone or Unsolicited Development Proposals

It has been observed that Cabinet approvals are sought and various commitments are being made by line ministries on *ad hoc* basis relating to stand-alone or unsolicited development proposals submitted by prospective private investors, financiers and promoters, both local and international, extending diverse financial assistance cum project proposals towards implementing development projects.

- 02. Although it may be prudent to attract such alternative funding to priority sectors identified by the Government such as electricity, water supply, roads, transportation etc. since raising funds at concessionary or low interest rates from multilateral or bilateral institutions is no longer easy, it is important to ensure that there is an approved mechanism through which such stand-alone or unsolicited development proposals deserving further attention in the interest of the country could be assessed and proceeded with, thus avoiding possible irregularities and also to ensure a logical evaluation.
- 03. Guidelines on Government Tender Procedure issued in 1998, in Part II Chapter XV stipulates that no decision should be taken solely on the basis of unsolicited offers unless with Cabinet approval to deviate in exceptional circumstances. This provision has been misused by various agencies without proper evaluation being carried out before the commitments are made.

04. In this backdrop, the Cabinet of Ministers has decided to appoint the following Standing Cabinet Appointed Review Committee (SCARC) to make an assessment of such Stand Alone or Unsolicited Development Proposals, and decide the manner in which such proposals could be processed and advise lines ministries / agencies appropriately and to formulate a clear policy strategy in consultation with the Department of Public Finance of the Treasury to be encompassed in the Guidelines to be issued relating to such proposals.

1. Mr. S. Amarasekera – Secretary to the Prime Minister (Chairman)

2. Mr. S. Abeysinghe – Secretary to the Cabinet of Ministers (Member)

3. Mrs. Sujatha Cooray – Deputy Secretary to the Treasury (Member)

4. Mr. M. M. C. Ferdinando – Secretary, Ministry of Power & Energy (Member)

5. Mr. Ivan de Silva – Secretary, Ministry of Irrigation and Water Resources Management (Member)

6. Mr. A. Abeygunasekera – Secretary, Ministry of Water Supply and Drainage (Member)

7. Mr. K. V. P. Ranjith de Silva – Secretary, Ministry of Ports and Aviation (Member)

05. The SCARC will evaluate and identify proposals deserving further consideration and instruct the respective line Ministry Secretary on a suitable way forward including proper procedure, documentation process, approval process, obligations, commitments, issuance of letters of acceptance etc., to ensure greater economic benefit to the country.

O6. All Secretaries, Heads of Departments, Heads of all Government Corporations/Statutory Bodies are hereby requested to note that this mechanism will have to be followed in pursuing any Stand Alone or Unsolicited Development Proposals received. As such, you are hereby requested to submit all such proposals to the Director General of the Department of Public Finance of the Treasury who has been appointed as the Secretary to the SCARC, so that such proposals could be placed before the SCARC for appropriate action.

P.B. Jayasundera

Secretary to the Treasury