Ministry of Tourism

S O SRI LANKA

INVESTOR HANDBOOK

INVESTOR RELATIONS UNIT

SRI LANKA TOURISM DEVELOPMENT AUTHORITY

What is the Investor Handbook?

This Investor Handbook is your guide to bringing your tourism ideas to life. The Handbook covers the entire approval process, from the first pre-application meeting with the Sri Lanka Tourism Development Authority's Investor Relations Unit to the final license needed to operate your business. It provides design ideas based on Sri Lanka's iconic architectural tradition, unique cultural heritage, and rich natural resources. It also allows you to maximize your investment and minimize your impact on the environment by integrating ideas for energy efficient buildings and sustainable operations.

Who will benefit from this handbook?

This Investor Handbook is designed to help people and companies that have already made the decision to invest or are interested in investing in tourism businesses in Sri Lanka. The Handbook is a helpful guidebook for both local and international investors. ***The Handbook primarily focuses on the process for tourism projects requiring construction, such as resorts or even small guest houses.*** However, those starting an adventure park, opening a surf shop, or conducting any other tourism business will find helpful information as well.

How can the Investor Relations Unit help you?

While the Investor Handbook is your investment roadmap, the Sri Lanka Tourism Development Authority's Investor Relations Unit (IRU) is your personal guide to the investment process. The IRU is your facilitator for compliance with all regulatory requirements of the country, eligibility for financial loan facilities given by the banks, and visa recommendations during the approval/construction/implementation period. Having a single point of contact in the IRU provides reliability and reduced processing time, saving you time and money on the way to a successful project.

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ACKNOWLEGEMENT

LIST OF ABBREVIATIONS

BOI	Board of Investment
CCD or CC&CRMD	Coast Conservation & Coastal Resource Management Department
CEA	Central Environmental Authority
CMC	Colombo Municipal Council
COC	Certificate of Conformity
DP	Development Permit – Issued by UDA or local authority
DWC	Department of Wildlife Conservation
EIA	Environmental Impact Assessment
FAR	Floor Area Ratio (gross floor area of all buildings ÷ site area)
GSL	Government of Sri Lanka
IEE	Initial Environmental Examination
NBRO	National Building Research Organisation
NWSDB	National Water Supply and Drainage Board
PC	Preliminary Clearance issued by SLTDA IRU
Pre-DP	Pre-Development Permit stage
RL	Registration and Licensing
SCM	Scoping Committee Meeting (SLTDA IRU and other agencies)
SLTDA IRU	Investor Relations Unit of Sri Lanka Tourism Development Authority
SQA	Standards and Quality Assurance Division of SLTDA
TPD	Tourism Planning and Development Division of SLTDA
UDA	Urban Development Authority

Chapter 1: Introduction

1.1   Sri Lanka Tourism Development Authority - Investor Relations Unit

The Investor Relations Unit (IRU) at the Sri Lanka Tourism Development Authority (SLTDA) is a **centralised facilitation centre** for investment in the tourism sector in Sri Lanka. The IRU is the single point of contact between tourism investors and the Government of Sri Lanka. The IRU assists with the following:
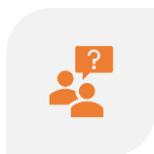
ANSWER QUESTIONS & PROVIDE GUIDANCE
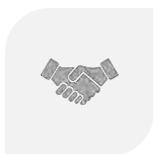
HELP TO IDENTIFY INVESTMENT OPPORTUNITIES
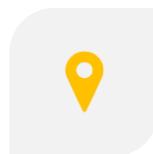
LOCATE SITES/LAND
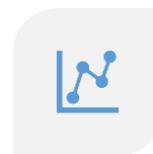
PROVIDE STATISTICAL & OTHER INVESTMENT DATA
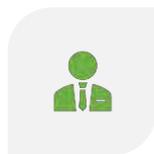
HELP WITH OBTAINING APPROVALS
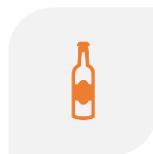
PROVIDE GUIDANCE ON REGISTRATION AND LICENSING

VISA RECOMMENDATIONS

The IRU will work with tourism investors to facilitate preliminary approvals with all other relevant ministries, departments, and agencies, including:

- Board of Investment of Sri Lanka (BOI)
- Urban Development Authority (UDA)
- Central Environmental Authority (CEA)
- Coast Conservation and Coastal Resources Management Department (CC&CRMD)
- National Building Research Organization (NBRO)
- Forest Department

- Department of Wildlife Conservation (DWC)
- Department of Irrigation
- Department of Agrarian Development
- Department of Archeology
- Civil Aviation Authority
- Utilities
- Fire Service Department
- Local Authorities
- Divisional Secretariats

1.2   Overview of Investment Approvals Process for Tourism Projects

Sri Lanka is committed to the tourism sector and promoting tourism investments. We want your project to be approved as quickly and efficiently as possible.

The investment approval process for tourism projects consists of the following steps, which are explained in detail in **Chapters 3, 4 and 5, with a** complete roadmap included as **Appendix 7**.

Steps	Investor Approval Steps
Step 1	**Pre-Application Meeting with IRU**
Step 2	**SLTDA Preliminary Clearance Process**
Step 3	**Pre-Development Permit Process**
Step 4	**Development Permit Process & SLTDA Final Approval**
	Project Construction
Step 5	**Certificate of Conformity / Environmental Protection License**
Step 6	**SLTDA Registration / Licensing**

The Pre-Application Meeting with the SLTDA IRU
In your initial meeting with the IRU staff, you can discuss your proposed project, potential opportunities for development, and possible investment incentives. Your IRU facilitator can answer any questions you have about the process.

The Preliminary Clearance Process (PC)
Submitting the **Common Application Form** and required documents officially starts the Preliminary Clearance process. The SLTDA IRU will make sure that your application is complete and will send the application to other relevant governmental entities for approvals. The SLTDA IRU interacts on your behalf with other necessary approval agencies.

A hard copy of the Common Application is available in the IRU office or digitally at
https://sltda.gov.lk/sequence-of-the-investment-process.

The SLTDA IRU will lead a **joint site inspection**, where all relevant agencies visit the site together. After that, there is a **Scoping Committee Meeting**, which is an opportunity for you to present your project to all agencies and for the agencies to advise you what the next steps are to obtain their consent. If the project passes initial approval, the IRU will send you a **Preliminary Clearance (PC)**.

The Pre-Development Permit Process (Pre-DP)
After the PC, the project requires certain approvals before submitting an application for a development permit (DP). The IRU will gather the necessary pre-approvals for you and interact with other relevant agencies in order to fast track the approvals.

SLTDA will also check conceptual drawings to make sure the design complies with SLTDA requirements for the desired type of project. Environmental recommendations and approvals also happen during this stage. Some tourism projects will require either an Initial Environmental Examination (IEE) or an Environmental Impact Assessment (EIA) depending on the location, scale and type of the project.

The clearances you receive are valid only for a certain period of time. It is important for you to keep track of when clearances expire.

The Development Permit Process (DP)/Final Approval of SLTDA
Development permits are issued by either the Urban Development Authority (UDA) or the local permitting authority (Pradesheeya Sabha/Municipal Council or Urban Council). SLTDA IRU will monitor and facilitate this process for you until the permit is granted. Once you receive a development permit, SLTDA will conduct a last check of the project and issue a Final Approval. Following receipt of the Final Approval letter, you may begin construction of the project.

The Certificate of Conformity Process (COC)
After construction, the authority that issued the development permit will confirm that the completed building conforms with the approved designs and necessary conditions. You need a COC before you can register with SLTDA and open for business. Please ask the SLTDA IRU whether it can assist you in overseeing the gathering of approvals and the inspection process required for the COC.

The Environmental Protection License (EPL)
After construction, some tourism businesses require an environmental protection license. This license is issued by the Central Environmental Authority or the local authority, depending on the size of the project. You need an EPL before registering with SLTDA.

The SLTDA Registration/Licensing Process (RL)
All tourism projects must be registered with SLTDA before opening their doors as per the Tourism Act No. 38 of 2005. Registration and the annual renewal can be done through a streamlined on-line process.

Chapter 2: Pre-Application Considerations

This section highlights information you need to know to find the perfect location for your project, form your company, move money, and get visas for yourself and your employees.

2.1   Land

One of the biggest decisions any investor has to make is where to locate the tourism project. In Sri Lanka, there are two main considerations: (1) is the land developable? and (2) how can you secure the right to use it? This section addresses both of these questions, and also introduces special development opportunities available through SLTDA.

2.1.1 Developable Land

Sri Lanka is one of the most sought after tourist destinations because of its abundant natural resources. To safeguard these valuable resources, there are certain sensitive areas where development is limited or not allowed. These include:

- Coastal, lake and waterway reservation (i.e. buffer) zones
- Forest and wildlife reserves/sanctuaries
- Landslide prone areas
- Cyclone, drought, and flood affected areas
- Archeological sites
- Marshy lands
- Lands dedicated for agricultural activities only

2.1.2 Land Clearance

Before submitting the IRU Common Application, investors will need to have "land ownership cleared." This means that you must be able to show that you are the owner of the land or have authorisation to use it. Different types of land clearances are reflected in Figure 1.

Figure 1: Different Types of Land Ownership Documents

Different types of land ownership documents

*If the applicant is not the sole owner of the land, consent letters authenticated by a lawyer from the other owners must be provided. The land may be held by a corporation. The corporation can be a Joint Venture. A foreign shareholding in a Joint Venture has to be less than 50%.
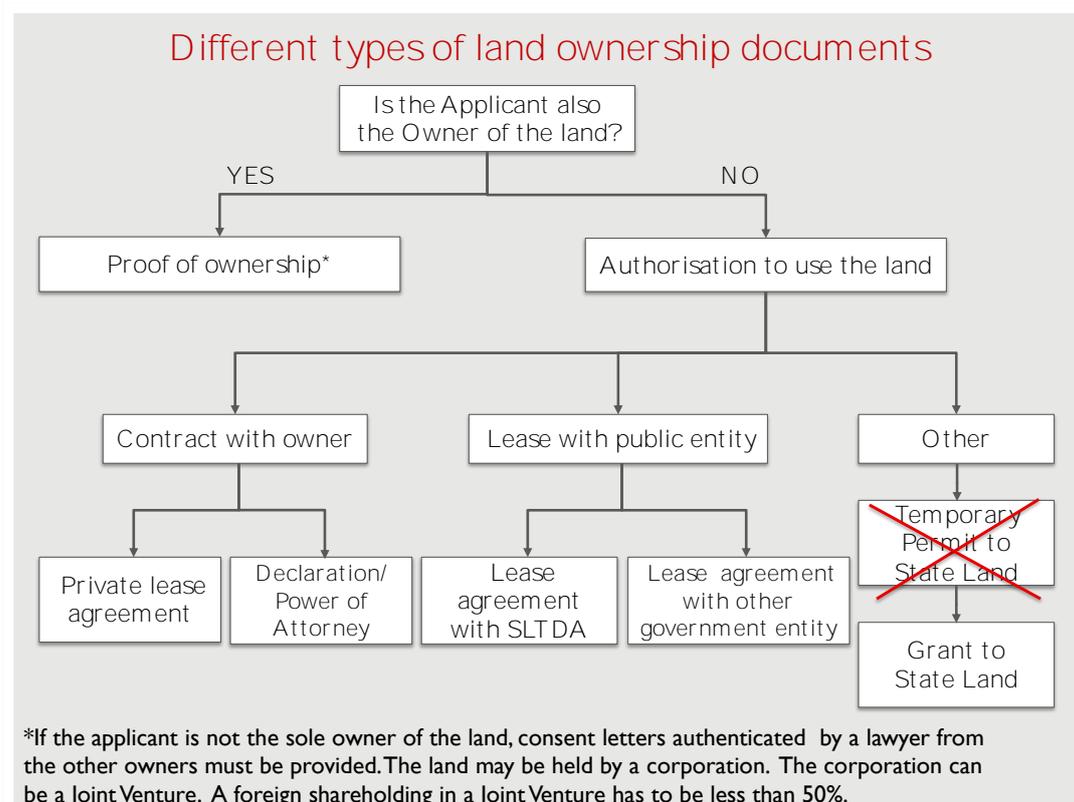
Information regarding land ownership can be found at the Land Registry in the area where the land is located. There are 45 different land registries. You can find the one applicable to you through an easy search tool offered by the Registrar General's Department: http://www.rgd.gov.lk/web/index.php/en/component/land/?view=search_land_registries&search_by_module=true&Itemid=256.

Once the IRU Common Application is submitted, the Divisional Secretary of the relevant area will send a representative to the Joint Site Inspection to check whether the boundaries comply with land records and the master plans / cadastral plans of the area.

2.1.2.1 Private Land

To confirm you are the owner of the property, please be prepared to provide a copy of the title certificate. The most common type of title certificate in Sri Lanka is a title certificate under the Registration of Documents Act, certified by a lawyer based on an extract copy of the land folio showing the 30-year history of the land.

If you do not have this title certificate at the time of submitting the application, a copy of the deed with an extract copy of the land folio showing the 30-year history of the land should be submitted. But you need to get a lawyer to certify the extract copy, which will be a valid title certificate, and submit it to the IRU before IRU can issue the Preliminary Clearance.

If you purchased the land and the new ownership document is not yet available to submit with the IRU Common Application, you can submit the previous owner's proof of ownership

together with an extract copy of the land folio showing the 30-year history of the land. You will need to submit the title certificate that confirms you own the land before SLTDA issues the Preliminary Clearance.

If you are not the sole owner of the land, consent letters authenticated by a lawyer from the other owners must be provided.

Land may be owned by a company.

If you are not the owner, but have permission to apply on the owner's behalf, you will need a signed declaration form or power of attorney from the landowner. You will also need to submit an Owner's Declaration, which is Appendix 1.B to the Common Application form.

It is also possible to provide a lease agreement with the owner. A lease will need to be submitted with a copy of the survey plan.

If you are building on several different parcels with individual ownership documents and survey plans, the parcels must be amalgamated under one land ownership document and one survey plan before submitting the application for the development permit. <u>This is not necessary prior to submitting the application for PC.</u>

2.1.2.2   Public Land

For public land, the investor must have a lease agreement with a government agency responsible for the land or a land grant to State Land.

An investor can lease land in an SLTDA Tourist Development area (discussed in section 2.1.3 below), for 30 years. This lease is renewable for another 30 years based on the consent of the SLTDA Board. Other government land can be leased for up to 99 years. See Figure 2. A land grant to State Land granted under the Land Development Ordinance (LDO Grants) or under the State Lands Ordinance is considered by IRU as an authorisation to use the land. Please note that annual permits to State Land cannot be accepted by IRU, because they are only a temporary permit for land occupation.

Figure 2: Public Land Lease Options
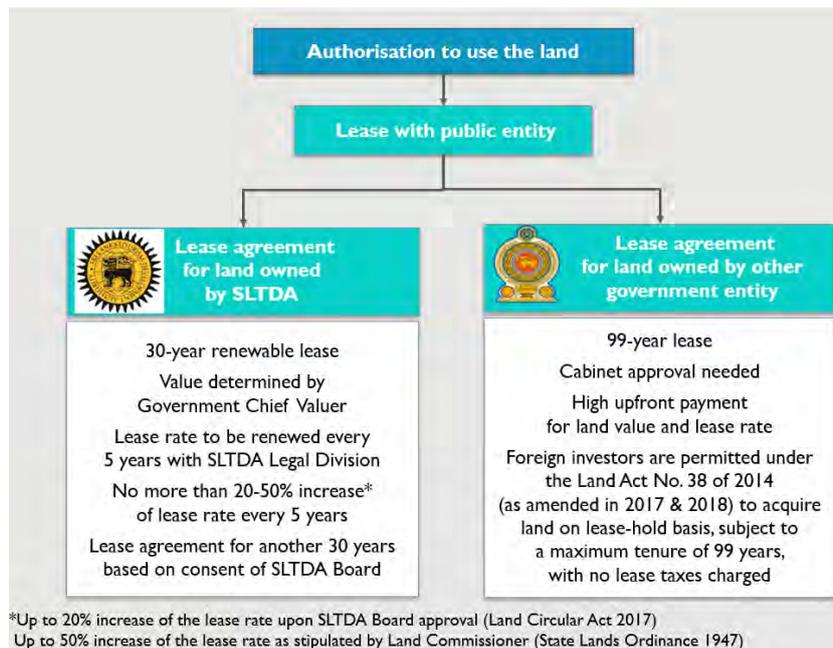
2.1.3 SLTDA Development Opportunities

SLTDA oversees the development of specially declared Integrated Tourism Resort Projects. Each Project centers around a particular theme tailored to its characteristics and surrounding environment. The Project is carefully planned and development conditions set to create a well-functioning tourism area supported with sufficient infrastructure.

Investors who wish to participate in these special tourism investments work directly with SLTDA. Favorable 30-year renewable lease terms, coordinated planning, and integrated infrastructure make these tourism development opportunities especially unique.

Ask your IRU facilitator about current project opportunities or review postings on the SLTDA web site: https://sltda.gov.lk/projects.

2.2   Company Incorporation

It only takes one day to reserve a company name and register a business in Sri Lanka. This can be done from anywhere in the world using the on-line Single Window (eROC) with the Department of the Registrar of Companies: http://www.drc.gov.lk/en/.

Foreign investors can incorporate a resident company in Sri Lanka as a:

- joint venture
- sole ownership
- private limited liability company (LLC). A minimum of two shareholders can own the entire share capital of the company.

2.3   Bringing Money into the Country

Foreign investments should be remitted through an Inward Investment Account (IIA), which can be opened under the name of the foreign investor or company with any bank in Sri Lanka. There are no restrictions on repatriating the investment and earnings (dividends) through this account.

2.4   Immigration/Visas

SLTDA provides recommendations for investors for resident visas if the total investment is more than Rs 20 million and investors comply with all immigration requirements.

Once your business is operating, visas may be available for foreign experts needed in your business.

Additional details and requirements, along with the form for requesting this recommendation, can be found here:
https://sltda.gov.lk/storage/common_media/Residence_Visa3011420373.pdf.

Chapter 3: Preliminary Clearance

3.1   The Preliminary Clearance Process

The Preliminary Clearance is the first step in the investment approval process. This is the time when your project is reviewed by SLTDA and relevant government agencies to determine if it is a project which will add value to the tourism industry in Sri Lanka and to provide you with information needed to design the project.

A project MUST have Preliminary Clearance from SLTDA BEFORE applying for a Development Permit. SLTDA IRU Officers will facilitate this transition from one process to the next.

3.2   The Preliminary Clearance Process Steps and Timeframes

The following are the steps and approximate timeframe for the PC process:
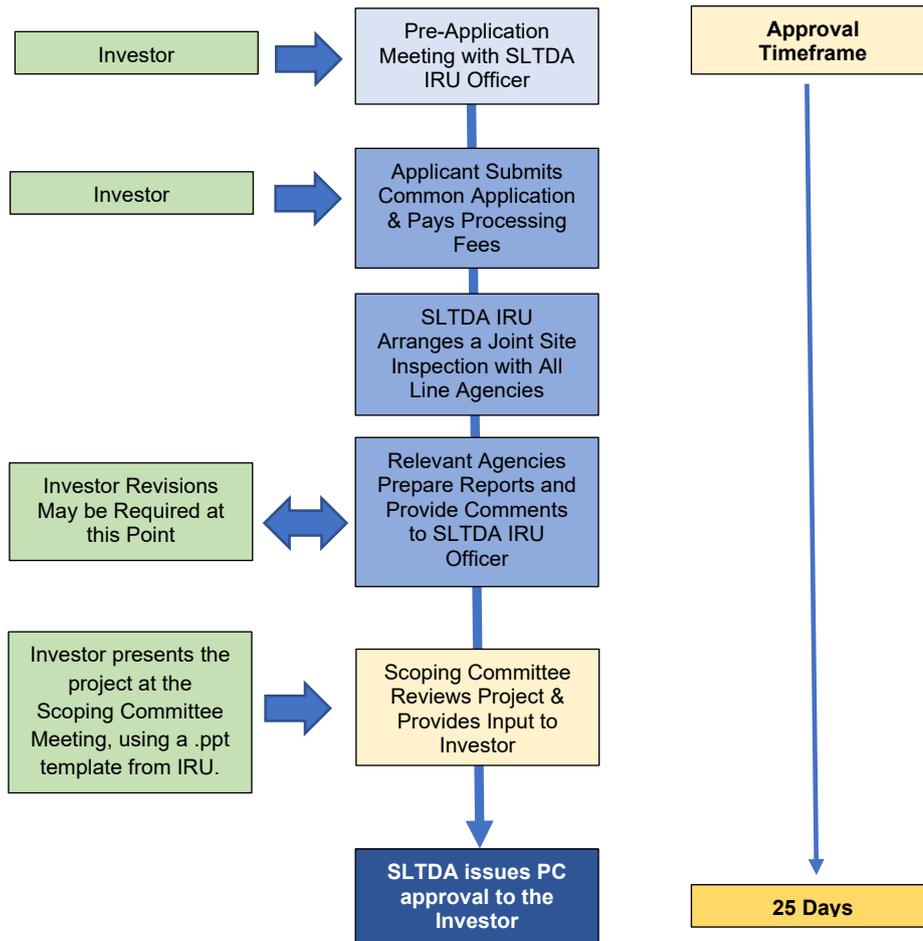
3.3 Pre-Application Meeting

Before embarking on the Preliminary Clearance process, you will meet with an SLTDA IRU project officer to confirm that the location selected for a project is generally acceptable. This meeting provides an investor with an initial level of assurance prior to securing the property. During this meeting, you can clarify any questions regarding the approval process and determine which agencies are relevant to the proposed project. You may wish to bring your architect to the meeting to ask questions necessary for the design of the project.

3.4 Common Application Form for the Preliminary Clearance Process

After obtaining the land for the project, you will submit a time-saving Common Application Form, which will be used by SLTDA and other relevant agencies for the Preliminary Clearance Process. The Common Application Form contains a checklist of all documents that must be submitted with the application.

A copy of the Common Application Form is available online (https://sltda.gov.lk/sequence-of-the-investment-process) and in hard copy at the SLTDA IRU office. Some of the documents required to be submitted with the Common Application Form are described in detail below.

3.4.1 Project Proposals

A project proposal explains the project to the agencies that will be reviewing it for approval. The project proposal should be no more than 20 pages in length and should provide a comprehensive overview of the proposed tourism project. The project proposal may be submitted in any official language, but English is preferred.

The components of the project proposal will depend on the size of the project. Templates for project proposals can be found in **Appendix 3**.

3.4.2 Conceptual Designs

The project proposal must include a site plan and conceptual drawings, including floor plans for each level of the building as well as the ground and basement floors. The plans should show building elevations to illustrate the design elements of the project. At this stage, the plans can be preliminary in nature. For more about conceptual designs, see **Chapter 10**.

You will also complete the Building Data Schedule, attached as Appendix 2 to the Common Application form and downloadable on-line. This may be preliminary and can be amended as the project design progresses.

3.4.3 Declaration Forms

Certain declaration forms must be submitted with the Common Application. These forms are attached as Appendix 1 to the Common Application form and are downloadable on-line.

Declaration Forms: Common Application – Appendix 1	
1.A Declaration Form for the Applicant	MANDATORY
1.B Declaration Form for the Owner of the Land/s	Only needed if the applicant is not the sole land owner
1.C Declaration Form for the Licensed Surveyor/Architect/Engineer	MANDATORY

3.5   Administrative and Processing Fees

You can pay all fees associated with the Common Application at SLTDA. Payment must be received before a Common Application will be accepted. The Fee Schedule is included with this Handbook and can be found on SLDTA's website. The IRU processing fee includes all expenses of the site inspection and scoping committee meeting. There are NO other charges through the time IRU issues its final approval. The fee is nonrefundable.

3.6   Site Inspection

After receiving a completed Common Application Form with all supporting documents, SLTDA IRU will coordinate a joint site visit. You should make sure that an authorised person is present at the site during the inspection to help answer questions and provide assistance as necessary. The site inspection generally occurs within two weeks after the application is submitted.

3.7   Scoping Committee Meeting

You will be given an opportunity to present your tourism project to a Scoping Committee before a decision on a PC is made. The Scoping Committee is led by SLTDA IRU and is comprised of members from UDA, CEA, CCD, NBRO, CMC (for projects in Colombo), and other relevant line agencies. Depending on the type and location of the tourism project, additional agencies may be present.

You will be given advance notice of the SCM and should prepare a presentation using SCM presentation template (**Appendix 4**). The Scoping Committee Meeting is your chance to present to all relevant agencies at once so the project can be discussed, questions answered, and information about next steps provided. The SCM generally occurs within two weeks after the site inspection.

3.8   Issuance of the Preliminary Clearance (PC)

SLTDA will issue a Preliminary Clearance letter once initial requirements have been met. This PC letter will contain information about which approvals from other agencies are necessary and the level of environmental clearance needed for the project.

Chapter 4: Pre-Development Permit

After receiving preliminary clearance, the pre-development process begins. This Handbook explains the pre-development process for construction projects. Other types of projects will undergo a different pre-development permit process.

4.1   Getting Ready for the Development Permit

After SLTDA sends the PC, the SLTDA IRU will contact you to determine whether you are ready to move forward with the application. If so, the IRU will notify relevant agencies and will closely monitor progress to ensure that needed approvals are issued in a timely manner.

The type and location of your project will determine which approvals are necessary. A list of relevant agencies, along with an overview of when approvals from these agencies is needed, is included in **Appendix 1** of this Handbook. Frequently Asked Questions are also included at the end of this Handbook in **Chapter 11**.

In addition to agency approvals, you will need to obtain clearances from:

- Fire Service Department
- Ceylon Electricity Board
- National Water Supply & Drainage Board
- Local authority for disposal of solid waste, sewerage & waste water
- If it's an apartment hotel, clearance from the Condominium Authority

SLTDA will support you, if needed, as you request your utility clearances.

4.2   Environmental Approval Process

All projects have some level of environmental requirements. The minimum environmental requirements are called Environmental Recommendations (ER) that the investor follows when designing, building, and operating the project. Other projects will require higher level environmental review in the form of Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA). The Environmental Approval Process is discussed in detail in **Chapter 6.**

4.3   Archeological Impact Assessment

An Archaeological Impact Assessment (AIA) must be carried out if the proposed development is on land that exceeds 0.25 hectare. The purpose of the Archeological Impact Assessment is to examine whether there are artifacts or monuments in/on the land and, if so, to discuss how to mitigate impacts on these artifacts or monuments.

4.4   SLTDA Review of Architectural Drawings

SLTDA reviews architectural drawings to determine whether the project, as designed, will comply with established requirements for the type of facility desired. These requirements are set by SLTDA and can be found on its website. If project drawings do not comply with established requirements, SLTDA IRU will work with the investor to make necessary changes. SLTDA may also provide recommendations for green building concepts to make it an attractive and more valuable tourism entity.

Chapter 5: Environmental Approvals

5.1   Protecting the environment is in the tourism industry's best interest

Sri Lanka's vision is to be recognized as the world's finest island for memorable, authentic and diverse experiences. To achieve this goal, it is important to develop high-value, extraordinary experiences that reflect Sri Lanka's natural beauty and cultural heritage and that are socially inclusive and environmentally responsible.

Tourists want to come to Sri Lanka because of its natural beauty. It is in the best interest of your business to preserve this natural beauty. Doing your part to minimize the negative impacts on the environment helps to ensure that the country's resources can be harnessed for generations to come. It will also make your business more competitive in a world where environmental responsibility and sustainability is becoming increasingly important to consumers.

5.2   Will my project require environmental approval (IEE or EIA)?

Every project must take steps to mitigate its impact on the environment and surrounding community. The level of action needed depends on the type of project and where it is located. Some projects just need to follow environmental recommendations, while others need to go through a review process (in the form of an Initial Environmental Examination (IEE) report or a full Environmental Impact Assessment (EIA) report).

In the SLTDA Common Application form and at the Scoping Committee Meeting, you will provide information about the nature, location, and impacts of your project. This will help the Central Environmental Authority (CEA) determine whether your project requires an environmental recommendation or an environmental approval (IEE or EIA). You will be notified in the Preliminary Project Clearance letter from SLTDA if your project will need an IEE or EIA.

The Central Environmental Authority (CEA) is the leading authority for the protection of the environment, but there are other authorities that may also be involved depending on where your project is located. The IRU will work with the agencies to determine which one will take primary environmental responsibility for your project.

Even if your project does not require environmental approval (an IEE or EIA), you will still need to follow environmental recommendations when designing, building, and operating your project. These environmental recommendations will be provided to you by CEA through the IRU.

Chapter 6: Development Permit

A development permit (DP) (known in some countries as a "construction permit") is an approval to build. Development permits are issued either by the Urban Development Authority or the local authority. The development permit will require a separate **completed application**. The IRU will help you compile documents needed for the development permit application. You already submitted many of them with the Common Application form.

6.1   Urban Development Authority

If the tourism project is in an UDA-declared "urban development area," the development permit will be issued by UDA regardless of the project's size.

In planned areas, development permits can be granted if not inconsistent with or in contravention of the development plan. In areas where there is no plan, the requested permit must conform to the future development of the area.

The UDA DP application can be accessed through its on-line application system: https://applications.uda.lk/ or through the nearest Provincial or District office of UDA. Stamped project drawings, utility and other approvals, and a fee are submitted with the DP application. The IRU will provide you with information on the current fee structure.

6.2   Local Authorities

If a project is not in a declared urban area, the local authority will issue the development permit. The responsible local authority can be identified under:
http://www.lgpc.gov.lk/web/images/Gazettes/compilation_of_local_authorities.pdf

The IRU will facilitate interactions with local authorities.

Prior to applying for local approval, you must get the drawings checked and stamped by the IRU.

6.3   Final Approval

Once you receive the development permit, the project will undergo one final check from the IRU to ensure that you have all required approvals to move forward with construction without unexpected delays. Construction can begin after IRU's Final Approval.

After final approval, please make sure to contact the IRU if any of the following changes occur:

• **Completion date** – If construction work cannot be completed within the time frame set forth in the Final Approval letter, you must request an extension of time one month prior to the lapse of the completion period. Time extensions may also be needed for approvals issued by other agencies. The IRU will assist you with this.

• **Modification of approved plans** – Please inform IRU immediately before making or implementing changes to approved plans. Revised drawings must be checked by SLTDA and UDA or the local authority prior to implementing such changes. Additional fees may apply.

• **Contact info** – Keep the IRU informed of any changes to the address, contact number, or contact person listed in the application form.

• **Company details** – If company information changes from what was listed in the application, please provide updated information. This includes company name, investment, and directors.

Approval of the project is not transferable. In the case of sale/lease of the property to another party, prior approval of SLTDA is required to transfer this approval to any other party. A change in the company that requires a reissuance of the final approval letter will be subject to an administrative fee.

6.4 Certificate of Conformity (After Construction)

All development must be carried out in conformance with the development permit. Once construction is complete, the project proponent applies to the UDA or the local authority for a Certificate of Conformity. Subsequently, the development must be used for the purpose specified in the permit.

Chapter 7: Registration and Licensing

7.1 SLTDA Registration / Licensing

All tourism businesses must be registered with SLTDA. Registrations and annual renewals can be done through an on-line portal: https://sltda.gov.lk/register-with-us.

To register a tourist business, the business must meet certain criteria established in regulations or Board-Adopted Guidelines. Initial registrations are inspected before a license is issued. There is a fee for the license.

It is important to understand that the proposed category and classification listed in the project approving process can differ when it comes to actual registration. This happens primarily when changes are made to the project during construction, causing the project to differ from the approved architectural drawings.

Additionally, an inspection will be done by the staff of Standards & Quality Assurance division or the Hotel Classification Committee. Compliance with respective categories depends not only on structural specifications, but also on the final product with respect to facilities, ambiance, services, food quality, etc.

7.2 Environmental Protection License

Some tourism projects will require an Environmental Protection License (EPL). The EPL must be obtained before applying for the SLTDA tourism license. Tourism projects that require an EPL are as follows:[1]

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[1] *See* Environmental Protection License Prescribed Activities, Gazette Notification No. 1553/ 16, 2008.

Type of EPL	Prescribed Activities	Responsible Authority
Part A	**"Highly significant polluting industrial activities" includes:** • Tourist accommodation facilities having 20 or more rooms • Hostels and similar dwelling places for 200 or more boarders	CEA Provincial Offices
Part B	**"Medium-level polluting industrial activities" includes:** • Hostels and similar dwelling places for 25 -199 boarders	CEA District Offices
Part C	**"Low-level polluting industrial activities" includes:** • Tourist accommodation facilities with 5 - 19 rooms	Local Authorities (Municipal Councils, Urban Councils, Pradeshiya Sabhas)
If an activity is not in the prescribed activities (Part A, B, or C), an EPL is not necessary.		

EPL application forms can be downloaded from CEA's website: http://cea.lk/web/images/pdf/Epl-application.pdf.

Before issuing a decision on the EPL, CEA or the local authority will conduct an inspection. There is a fee for the inspection and for the license. CEA has authority to monitor compliance with the EPL.

Chapter 8: Appeals & Rights

8.1   Urban Development Authority

Any person who is aggrieved by the refusal of UDA to grant a permit may appeal to the Minister. The decision of the Minister is final.[2]

8.2   Central Environment Authority

If a project proponent does not agree with a decision on an IEE or EIA, he/she has a right to appeal to the Secretary to the Ministry of Environment. The decision of the Secretary is final.

Appeals also can be taken against the refusal to grant, the refusal to renew, the suspension or the cancellation of an environmental protection license. Appeals must be lodged with the Secretary to the Ministry of Environment within thirty days after the date of the notification of the decision appealed against. A formal appeal hearing can take place. The final decision will be issued by the Secretary in a letter to the investor/ developer.[3]

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[2] Urban Development Authority (Amendment) Act, No. 4 of 1982, sec. 8.j.5.

[3] National Environmental Appellate Procedure Regulations, 1994, Official Gazette 850/4.

8.3   Coast Conservation Department

Any person aggrieved by an order of the Coast Conservation Department, including the refusal to grant an approval, may appeal the decision. The appeal is filed with the Director General, who then has seven days to forward the appeal to the Secretary to the Ministry in charge of the subject of coast conservation. The Secretary must make a decision within thirty days from receipt of the appeal. The decision of the Secretary on any such appeal shall be final.[4]

8.4   Transparency and Integrity

> **PLEASE NOTE THAT THE GIVING OR RECEIVING OF ANY GIFT, LOAN, FEE, REWARD, OR ADVANTAGE WHATSOEVER AS AN INDUCEMENT TO OR REWARD FOR THE DOING OR FOREBEARING TO DO ANY OFFICIAL ACT IS A CRIMINAL OFFENSE.**

If any government official asks you for a gift, loan, fee, reward, or advantage, please report it immediately to:

Commission to Investigate Allegations of Bribery or Corruption
Hotline: 1954 (24 hour service)
ciaboc@eureka.lk
on-line complaints

Chapter 9: Investment Incentives

SLTDA facilitates contact with the Board of Investments of Sri Lanka (BOI) for tourism investors to help **maximize investment incentives**. The BOI offers a variety of investment incentives for tourism projects in excess of $500,000.

These special concessions include:

- **Reduced corporate income tax rate** (14% rather than the standard 28%)
- **Enhanced Capital Allowances** ranging from 100% to 200% are granted over and above normal depreciation allowances
- **Duty free import** for certain project-related items
- **VAT deferment** and SVAT facility for local purchases
- **Simplified visa** scheme

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[4] Coast Conservation Act No. 57 of 1981, sec. 21.

	For tourism projects of USD $500,000 and above, the BOI has the authority to enter into agreements with any enterprise and to **grant exemptions** from any law referred to in Schedule B* of the BOI Act or to **modify or vary** the application of any such laws to such enterprises in accordance with such Regulations as may be made by the Minister.
BOI SRI LANKA **Single Window Facilitation** http://swiftinvest.lk/invest	*Laws referred under Schedule B are: Inland Revenue Act, No. 10 of 2006 as amended, Customs Ordinance (Chapter 235), Exchange Control Act (Chapter 423), Companies Act No. 7 of 2007, Merchant Shipping Act, No. 52 of 1971, Finance Act, No. 65 of 1961 as amended, Air Navigation Act (Chapter 365), National Film Corporation of Sri Lanka Act No. 47 of 1971.

Foreign investment is remitted through an Inward Investment Account (IIA) which can be opened under the name of the foreign investor or company at any bank. **There are no restrictions on repatriation of the investment and earnings through this account.**

Sri Lanka has entered into 28 Bilateral Investment Promotion and Protection Treaties so far, providing **protection to foreign investments** within the country. Sri Lanka has **Double Taxation Avoidance Agreements** with 44 countries to eliminate or mitigate the incidence of juridical double taxation.

Chapter 10: Design Inspiration

Having a unique and authentic design with green building practices is not just good for the environment. It's good for your bottom line. Tourists look for unique experiences and this is one of Sri Lanka's key selling points. Maintaining a sense of place and integrating designs with the island's natural beauty will help maintain the look and feel of Sri Lanka as a destination attractive to tourists around the world. Making sure your facility fits with this ideal will make your property a desired experience.

This Chapter offers ideas for design, energy efficiency, and sustainable development. It also describes the design process to help investors work productively with the professionals they hire.

10.1 Sri Lanka's Rich Architectural Heritage

Sri Lanka has a rich architectural heritage that has inspired movements throughout the world. Starting from traditional village construction, developing to thick lime washed walls with floors from terracotta or granite tiles and clay shingle roofs, then influenced by British and Dutch classical

> "*The good building is not the one that hurts the landscape, but one which makes the landscape more beautiful than it was before the building was built*".
>
> *Frank Lloyd Wright*

architecture, up to "tropical modernism", all together make Sri Lankan architecture truly unique.

Simplicity and openness of buildings are characteristic of Sri Lankan architecture. Inside and outside spaces communicate with each other and there is harmony between the building and nature. Using local materials and techniques and integrating the building with nature contributes to a sense of peace.

Photo 1: Lunuganga – Geoffrey Bawa

Wood, stone, colors, nature all together reaching harmony and creating a place that is peaceful and comfortable.

10.2 Planning, Programming, and Designing

If you are reading this Handbook, you likely already have a vision for the kind of business and type of facility you want to develop. Bringing this vision to life through design requires finding the right location; deciding what type of building to build, how you want to use the space, and what you want in it; and determining how you will build it.

The three key factors that define architectural design are:

I. **WHERE** to build
II. **WHAT** to build
III. **HOW** to build

The Investor should first put together a well-qualified team to help with the design and construction process. This team will include an architect, interior designer, engineers, contractor, and possibly other specialized consultants. A good team will help you every step of the way.

10.2.1. WHERE to build - Site selection

Once you've defined your vision, you must decide WHERE to build and how to select the site. Site selection demands the highest level of scrutiny.

If you have a location in mind, you and your architect should check with IRU staff to determine if the proposed site is appropriate for what you want to build.

- Is your project consistent with the General Management Plan or other planning documents?
- Are there any architectural design standards or development conditions for the site?
- Can the site easily be connected to infrastructure and utilities?
- Are you allowed to build there?
- How will the planned project impact the environment and surrounding community?

During the preliminary meeting, you will gather information that will inform the Conceptual Design (explained in the next section). It is possible that additional information learned during the Preliminary Clearance Process (PC) will impact site selection.

You will also want to know whether there are rules for the type of tourist project you want to build and whether these rules are consistent with the site. Development conditions set forth in either the SLTDA regulations included in the Official Gazette or Board-adopted Guidelines for each type of tourist accommodation facility are presented in Table 1.

Table 1: Development conditions for different types of tourist accommodation facilities set forth in the adopted regulations and guidelines

Area	Hotels[5]	Boutique Hotels[6]	Boutique villas	Guest houses[7]	Home stay[8]
Location ratio	High density area 120 rooms per hectare; medium density area 69 rooms per hectare; low density area 24 rooms per hectare	Spaciousness in the building land ratio	Max 24 room per hectare	The locality and the environment should be suitable for tourist guest houses	Not specified
Building height	Not specified	G+1	G+1 (or higher if elevator is provided)	Not specified	Not specified
Number of Rooms	10 (1-2 star) 30 (3-5 star)	10	Min 10 -Max 50	Min5	Min 1 - Max 4 (exceptional Max 9)

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[5]http://www.sltda.lk/sites/default/files/Gazzete_2016_04_20.pdf
[6]https://sltda.gov.lk/storage/common_media/Guideline%20Boutique%20Hotels450868393.pdf
[7]https://sltda.gov.lk/storage/common_media/2403cfc97fe8da1dcca5844a7360f780.pdf
[8]http://www.sltda.lk/home_stay_project

After preliminary selection of the tourist accommodation facility type and knowing development conditions of the site, the next step is to decide what kind of building should be designed and built.

10.2.2 WHAT to build – Architectural Design Brief

Investors must work closely with their architects to determine what the building needs to be able to *do*. This involves how you want to use the space and what you want in it. In architectural terminology, this step is called "Architectural Design Brief" or "Programming".

The Architectural Design Brief defines the activities that will be conducted within a building or development, allocating the requisite space and establishing relationships between the spaces. The Architectural Design Brief is important because the design of the building is going to depend on how you need the building to function.

- What activities will take place inside the facility?
- How much space is needed for different functions?
- How are functions and spaces connected to each other?

Investors and architects should make sure that all functional areas are foreseen in the Architectural Design Brief and that areas for all activities are specified in the accommodation schedule, as this is a guide for development of the Conceptual Design.

The Conceptual Design is based on a detailed survey of the site and the Architectural Design Brief. To prepare it, the investor engages a team comprised of a surveyor, architect, engineers, and consultants.

A Conceptual Design from the architect should provide information related to:

- Adaptability to the site characteristics - how the building is "sitting" in the landscape;
- Functionality - the most important thing is that the building be able to be used effectively;
- Context of the site and surroundings - the cultural and historical features of the area;
- Proportion, scale and form - how proportions and forms are related to the surroundings;
- Materials to be used - the types of materials used will affect the appearance and how it fits into the context of the site and surrounding culture; and
- All other preliminary proposals regarding structure, lighting, circulation, services, etc.

Other consultants and engineers who are part of the conceptual design team will develop proposals for different aspects of the building such as:

- Fire safety measures;
- Energy efficiency measures;
- Solid waste management;
- Waste water management;
- Water harvesting;
- Electricity usage;
- Water usage; and

- All other requirements set in the Common Application Form.

When the Investor finds the story that is behind the design, where every aspect of the design is taken with sensitivity and the design is unique and reflects the atmosphere of the surrounding, it is in harmony with nature and also will meet tourist expectations. This is the definition of good and sustainable design (Figure 3).

Figure 3: Quality Design Approach
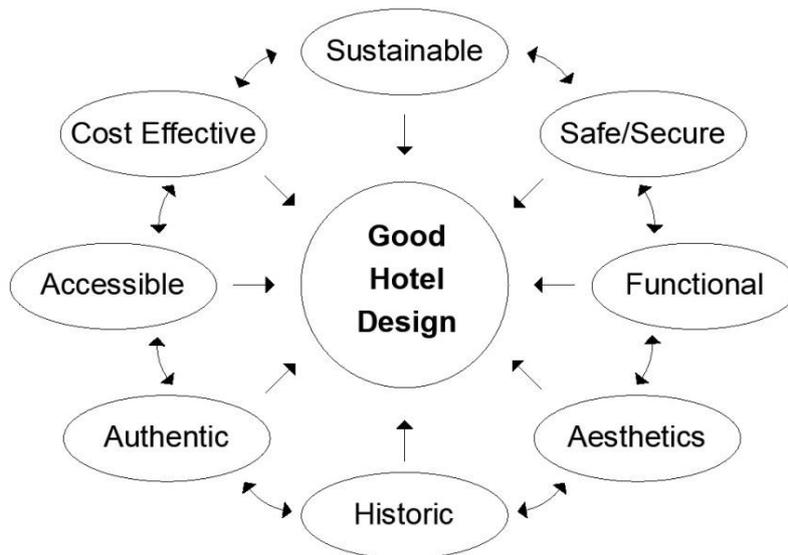
10.2.3 HOW to build – Development and Design Inspirations

Tourists want to experience the uniqueness of Sri Lanka's charm and natural beauty. They want to be inspired by local tradition and feel surrounded by local culture. At the same time, tourists have certain expectations based on their experiences in their home countries and elsewhere in their travels.

Therefore, the best tourist accommodations are the ones that integrate local wisdom and aesthetics with functional layouts that are familiar and standard. The goal is to be inspired locally while being internationally accepted.

What are indicators of good design?

A good design is made up of a number of factors and there is no way to quantify what is or is not a good design. In general, however, good designs have the following characteristics:

- Inspire. Guests sense good architecture through the harmony and proportions of built spaces and open spaces.
- Sustainable. Resources are used wisely and there is an understanding of how the design fits into the overall environment.
- Safe, efficient, and cost effective.
- Longevity. The buildings maintain their utility and charm through time.

- Functional. Spaces are grouped according to activities and there are easy links between buildings and areas.
- Pleasant. Users appreciate the space through the use of materials, colours and plants.
- Respect. Social and cultural heritage values of the community are considered.
- Unique. Every project requires its own unique solution.

10.2.3.1 Aspects of good overall design

Connections with nature.

The building should be incorporated into the surroundings in a way that is pleasing towards the environment and its guests. Building on ridgelines should be avoided, as should buildings that "stick out" or are not integrated with their surroundings.

There must be a balance between protecting and taking advantage of the unique characteristics of the environment and the site, as these things contribute to a guests' overall experience. Outdoor and indoor activities should be extensions of each other. Nature is an integral part of the building and everyday life.


Connections with nature can be made in both large and small spaces

Good quality materials.

Good quality materials provide durability and functionality. Use of attractive and durable recycled materials, where feasible, is encouraged.

> *Designs using local materials* and construction techniques can be quite affordable.
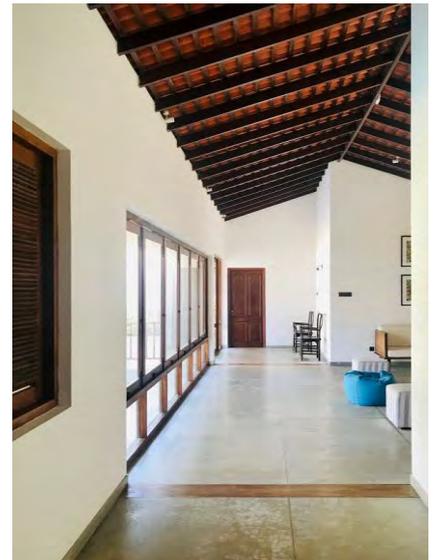

Ventilation and natural light.

Good design ensures adequate ventilation and ample natural light in guestrooms and all public areas.

Traditional Sri Lankan design and tropical modernism use natural materials and methods to handle the tropical heat.

Cross ventilation and natural light create comfortable interior environments.
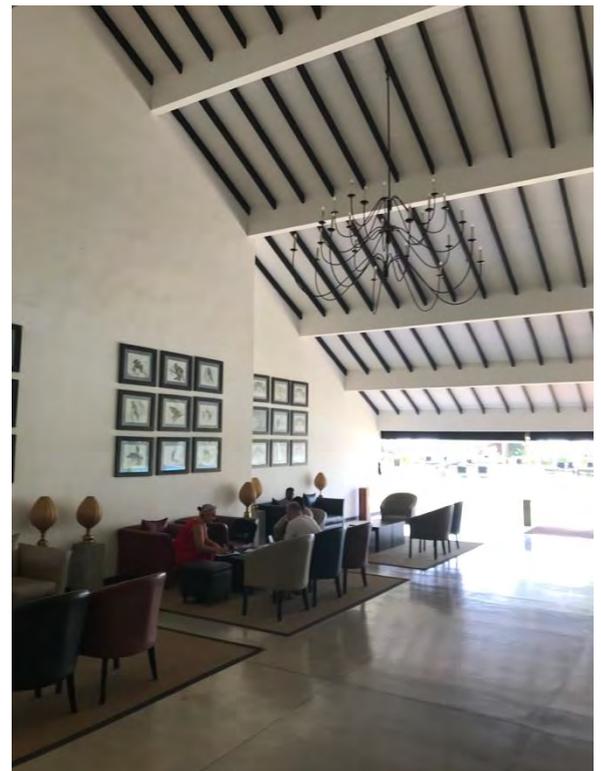
Other design elements.

The interior environment should be visually comfortable and stimulating.

The use of colours sets the tone for a space and should be carefully planned to stimulate or soothe, depending on the space's function.

It is also important to pay attention to the noise levels and acoustics, which can reduce guests' comfort and disturb sleep.

Use of local materials, traditional workmanship and antiques make the space unique

10.2.3.2 Aspects of good design for guestrooms

Guestrooms are the most important spaces of tourist accommodation facilities. They are considered the heart of the building and the conditions and comfort of the guestroom is the main indicator of a good design.

The layout and interior of the guestroom should focus on guests' comfort and serve both functional and aesthetic needs. Even the smallest details matter and, in combination, determine whether the room is a desirable place to be. Figures 4 and 5 show how using the same space but organizing the interior differently can result in good or unfavourable designs, while in both cases respecting current regulations. Figure 6 provides samples of good room designs in a variety of configurations.

Figure 4: Good example of organizing guestroom based on the minimum space requirements set in the Hotels - Gazette (No. 1963/28 of 20th April 2016).


Figure 5: Non-Optimum example of organizing Guestroom based on the minimum space requirements set in the Hotels - Gazette (No. 1963/28 of 20th April 2016).

Points of error:
1. Bathrooms non-standard design and do not maximize space.
2. Water and sewerage installations are in all three walls instead of focusing on one wall or at most two.
3. Placement of the bathroom inventory is not standard.
4. Insufficient space for movement between objects.
5. Furniture not proportional.
6. Windows placement is wrong and does not maximize light.
7. Entrance door placement is wrong, doesn't allow free movement.
8. Insufficient space for the wardrobe.

Figure 6: Examples of various guestroom design layouts.

Sample Room 1
CA: 54.4 m²

Sample Room 2
CA: 24.8 m²

Sample Room 3
CA: 68.1 m²

Sample Room 4
CA: 44.2 m²

Sample Room 5
CA: 35.2 m²

Sample Room 6
CA: 50.8 m²
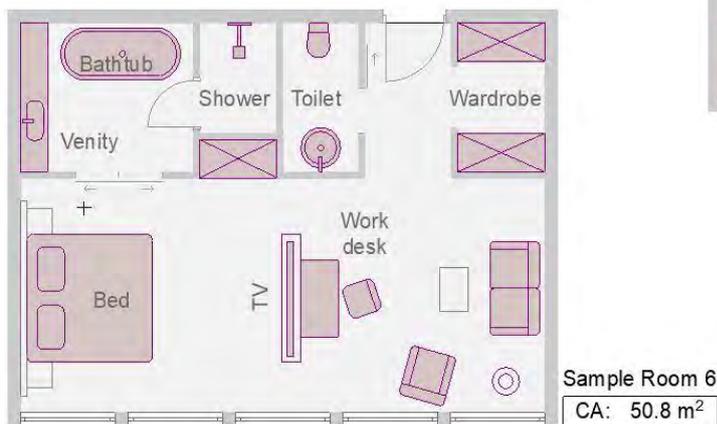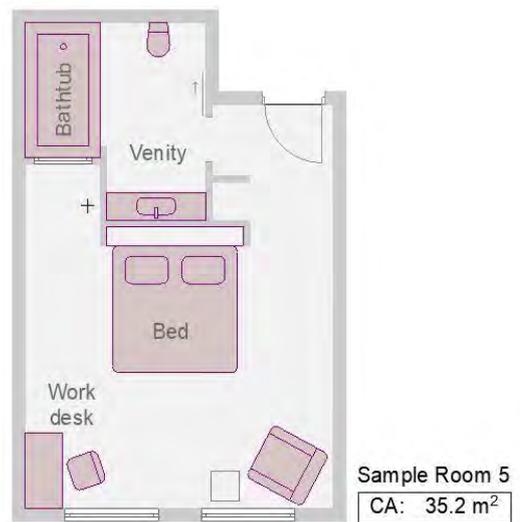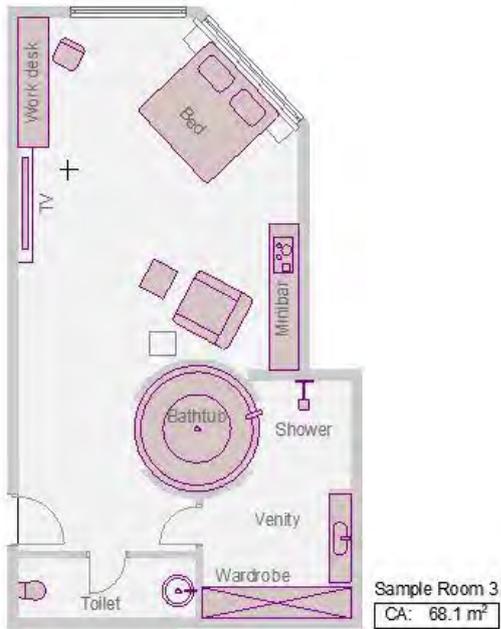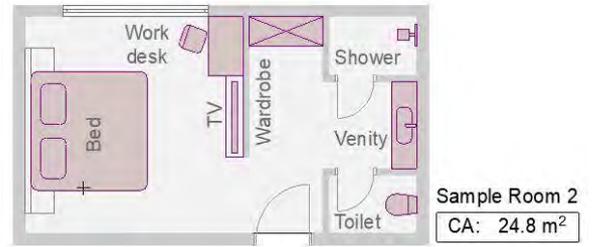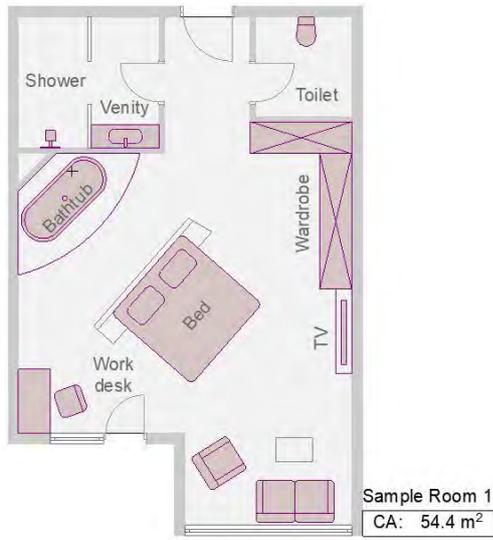
10.3   Energy Efficiency & Environmental Design

10.3.1   Benefits of Green Building

According to the World Green Building Council:

> *A 'green' building is a building that, in its design, construction or operation, reduces or eliminates negative impacts, and can create positive impacts, on our climate and natural environment. Green buildings preserve precious natural resources and improve our quality of life.*[9]

In addition to being good for the environment and reducing your carbon foot print, green buildings save you money over the long run by reducing energy costs and lowering costs of disposing of solid waste.

Many tourists value and seek out "green" facilities because sustainability fits with their core values and because they know that green buildings have health benefits for occupants. Thus, green building may be an important part of your marketing campaign.

The most important time to think about green building solutions is during the planning and design stage of your project.

10.3.2   Planning and Design Solutions

Green building solutions include:

- Water and energy saving measures
- Use of renewable energy, like solar
- Waste reduction from reduce, re-use, and recycle programs
- Using non-toxic and locally sourced materials
- Minimizing the need for air conditioning by properly positioning the building, designing for cross-ventilation, and installing green walls

The SLTDA IRU can provide you with more detailed information about green building solutions.

10.3.3   Certification Programs

Your building can be certified by private organizations to show tourists and the community how committed you are to sustainable design. Certifications for green building include those offered by:

Green Building Council of Sri Lanka
+94 (0) 112 679 130
https://srilankagbc.org/

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[9] https://www.worldgbc.org/what-green-building

LEED (Leadership in Energy and Environmental Design)
This is an international certification system offered by private consultants in Sri Lanka.

10.4 Sustainable Tourism

According to the United Nations World Tourism Organization, sustainable tourism is:

*"Tourism that takes full account of its current and future economic, social
and environmental impacts, addressing the needs of visitors, the industry,
the environment and host communities."*[10]

Sustainable tourism involves looking at the environmental, economic, and social/cultural aspects of tourism development. These three elements must be balanced for a country's tourism industry to succeed in the long-term.

What does this mean?

- Environmental resources must be used wisely, paying attention to essential ecological processes and helping to conserve natural heritage and biodiversity.

- Efforts should be taken to respect and preserve the social and cultural authenticity of host communities, conserve cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.

- Tourism development should be financially viable and provide socio-economic benefits to all stakeholders, including employment and income-earning opportunities and social services to host communities.

Sustainable tourism is also good for tourists. It gives them a meaningful experiences and results in high satisfaction levels. Ideally, tourists will also be encouraged to respect sustainable principles in the communities they visit.[11]

"National Sustainable Tourism Certificated" is the sustainability certification scheme launched by SLTDA in 2019. Initially the certification scheme is conducted for the accommodation sector. The above certification will be awarded to those tourism establishments that can comply with the NSTC criteria, which is based on four pillars:

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[10] https://www.unwto.org/sustainable-development.
[11]*Making Tourism More Sustainable - A Guide for Policy Makers*, UNEP and UNWTO, 2005, p.11-12.

1. Sustainable management
2. Socioeconomic impacts
3. Cultural impacts
4. Environmental impacts (including consumption of resources, reducing pollution, and conserving biodiversity and landscapes)

The NSTC is accredited by Global Sustainable Tourism Council (GSTC), thereby is recognized globally. The awardees of NSTC will be eligible to display both the NSTC logo and the GSTC logo.

More details can be found at https://sltda.gov.lk/sustainable-tourism.

10.5 Thematic Considerations

Some developers have found success by creating unique experiences based on a specific theme. Some themes include:

- Wellness
- Wildlife
- Sun, Sea & Sand
- Nature
- Fishing
- Village
- Tea
- Heritage

This theme can be used both throughout the design, as well as in marketing materials.

Chapter 11: Frequently Asked Questions

This Chapter answers a few frequently asked questions:

- What do I need to know if I want to build in Colombo?
- What do I need to know if I want to build on the coast?
- What do I need to know if I want to build near a wildlife area?
- What do I need to know if I want to build near a cultural or national heritage site?
- What do I need to know if I want to build in a hilly area?

A summary of the regulations mentioned in this chapter is included in Appendix 1.

What do I need to know if I want to build in Colombo?

Development in the capital city of Colombo must comply with the Urban Development Authority's development plans (https://www.uda.gov.lk/development-plans.html) and regulations (https://www.uda.gov.lk/building-regulations.html).

Additionally, development in the Colombo Municipal area requires a number of approvals from the Colombo Municipal Council (CMC). Before submitting the Common Application to the SLTDA IRU, the investor must obtain a:

- **Street Line Certificate** – This is a clearance certificate issued by the City Planning Division that covers (1) Street Lines (provisional, sanctioned, proposed), (2) Building Lines, (3) Street Boundaries, (4) Private Streets, (5) Fire Gaps, and (6) Arcade Lines.

At the Pre-Development Permit stage, the IRU will help the investor to receive:

- **Solid Waste Clearance**
- **Sewerage / Storm Water Clearance**
- **Fire Safety Clearance**

Depending on the size of the project, the development permit will be issued by UDA or CMC. If the authority rests with CMC, the local authority may allow a 30-day public comment period on the proposed development and may suspend a decision on the permit until after the public comment period has expired.

The procedures in this Handbook apply and the SLTDA IRU will be your primary point of contact to facilitate you project from start to finish. UDA and CMC will attend the joint site inspection and Scoping Committee meeting to give more guidance on your project.

What do I need to know if I want to build on the coast?

Development along Sri Lanka's 1700 kilometers of coastline is controlled by the Coast Conservation and Coastal Resource Management Department (CC&CRMD) through a Coastal Management Plan, which defines setback standards for development activities in coastal zones by segments and vulnerability based on scientific criteria.

The Coastal Management Plan is posted on CC&CRMD's website: http://coastal.gov.lk/index.php?option=com_content&view=article&id=26&Itemid=162&lang=en.

An investor is required by law to have a coastal development permit to engage in a development activity within the coastal zone (activities which are likely to alter the physical nature of the coastal zone: e.g. to build a tourist hotel).

These developments must be outside the setback area. The setback area consists of "reservation" areas and "restricted" areas. Together, the reservation and restricted areas make up the total setback area. Setback areas are listed in detail on CC&CRMD's website: http://coastal.gov.lk/index.php?option=com_statistics&view=islandwide&Itemid=239&lang=en

No construction whatsoever is allowed in the reservation area. This is considered a "no-build" zone. For development in the restricted zone, the application must be forwarded with site photos to the CC&CRMD Advisory Council for recommendation. The CC&CRMD DG then decides whether the coastal development permit is issued.

It is likely that CC&CRMD will be the Project Approving Agency for environmental approvals related to developments along the coast.

The procedures in this Handbook apply and the SLTDA IRU will be your primary point of contact to facilitate you project from start to finish. CC&CRMD will attend the joint site inspection and Scoping Committee meeting to give more guidance on your project.

What do I need to know if I want to build near a wildlife area?

Tourist hotels and any enterprise offering tourist facilities/services are prohibited within one mile of the boundary of a National Reserve. The Flora and Fauna Protection Act defines "tourist hotel" to be an organization, institution or an enterprise which provides not less than ten rooms for accommodation.

Any other development within one mile of the boundary of a National Reserve requires an IEE or EIA and written approval of the Department of Wildlife Conservation (DWC).

The DWC is responsible for the protection and management of Sri Lanka's wildlife protected areas (WLPAs). There are around 92 reserves, which cover over 14% of the total land area of the country. Apart from the rich diversity of wildlife resources, nearly 45 reservoirs which provide water for agriculture and hydropower generation, together with their catchment areas, are protected within this network of WLPAs.

The Government of Sri Lanka can declare Nature Reserve areas as:

- a Strict Natural Reserve
- a National Park
- a Nature Reserve
- a Jungle Corridor
- a Sanctuary, or
- an Intermediate Area

DWC has a website which lists these protected areas:
www.dwc.gov.lk/Aoldsite/index.php/en/component/content/category/97-protected-areas.

The procedures in this Handbook apply and the SLTDA IRU will be your primary point of contact to facilitate you project from start to finish. DWC will attend the joint site inspection and Scoping Committee meeting to give more guidance on your project.

What do I need to know if I want to build near a cultural or national heritage site?

Sri Lanka has eight UNESCO World Heritage sites. The six cultural heritage sites are:

- The ancient city of Polonnaruwa
- The ancient city of Sigiriya
- The Golden Temple of Dambulla
- The old town of Galle
- The sacred city of Anuradhapura
- The sacred city of Kandy

The two natural heritage sites are:

- Sinharaja Forest Reserve
- Central Highlands of Sri Lanka

Beyond these sites, the country has a rich cultural and natural heritage.

Proposed tourism development activities in these areas will need to be accompanied by proper IEE/EIA studies under the lead of the designated project approving agency (for example, the CEA, CCD, the Department of Archaeology, Forest Department, or Department of Wildlife Conservation). The tourism investment proposals need to ensure a proper mitigation of the effects on archaeological, cultural and natural resources that might be affected by the tourism development.

There is a National Physical Plan 2050 which shows the conservation areas and environmentally sensitive areas:
www.nppd.gov.lk/index.php?option=com_content&view=article&id=71&Itemid=2&lang=en

An Archaeological Impact Assessment is necessary for every proposed development project in every land extent which exceeds 0.25 hectare. The Department of Archaeology also has a GIS portal to search for archaeological sites:
www.archaeology.gov.lk/web/index.php?option=com_gmapfp&view=gmapfp&layout=categorie&catid=39&id_perso=0&Itemid=27&lang=en

If your proposed development is in an environmentally sensitive area, then CEA will decide who will be the project approving agency to assess the environmental impacts. If your proposed development is close to or in state forest lands, then the Forest Department will be the project approving agency to assess environmental impacts.

If your proposed development is in a wildlife protected area, then you will need a permit from the Department of Wildlife Conservation.

What do I need to know if I want to build in a hilly area?

Approximately 30 percent of Sri Lanka's total land area is prone to landslides. There are thirteen landslide vulnerable districts:

- Kurunegala
- Matale
- Kandy
- Badulle
- Moneragala
- Nuwara Eliya

- Kegalle
- Gampaha
- Ratnapura
- Kalutara
- Galle
- Matara
- Hambantola

If your project is planned in landslide prone areas of these districts, SLTDA IRU will facilitate for you to get a landslide risk assessment from the National Building Research Organisation (NBRO) after you have received a Preliminary Planning Clearance and prior to receiving the Development Permit. This is to make sure that your construction is safely embedded into the landscape.

NBRO has a map of landslide prone areas: www.nbro.gov.lk/index.php?option=com_content&view=article&id=25&itemid=179&lang=en#1-50-000-scale-tiles

NBRO applies transparent criteria to define an area as "landslide prone": www.nbro.gov.lk/index.php?option=com_content& view=article&id=115&lang=en

Appendix 1. Legal and Regulatory Summaries of Major Approving Agencies

Disclaimer

These summaries are for convenience only and do not constitute legal advice. The Investor and/or his representatives are strongly advised to review the referenced legal documents closely for specific requirements related to his/her project.

Summary of Major Approving Agencies		
	Sri Lanka Tourism Development Authority (SLTDA)	The Investor Relations Unit (IRU) is an office within the Sri Lanka Tourism Development Authority (SLTDA) that facilitates the approval process for tourism investments. **The IRU is your single point of contact for all organizations listed in this table.**
	Urban Development Authority (UDA)	The Urban Development Authority (UDA) is the national planner of urban areas. It is responsible for development activity within declared urban development areas. UDA issues the preliminary planning clearance and development permit for tourism investments in UDA-declared areas, a map of which can be found here: https://applications.uda.lk/# Development permits for all other constructions are issued by the local authority in the area where the construction is located.
	Board of Investment (BOI)	While the Sri Lanka Tourism Development Authority is the agency responsible for tourism investments, the Board of Investment Sri Lanka (BOI) has broad authority for promoting, approving, and facilitating Foreign Direct Investment (FDI). Certain tourism investments in excess of $500,000 USD may qualify for incentives if registered with BOI.
	Central Environmental Authority (CEA)	The Central Environmental Authority (CEA) is the leading authority for the protection, management, and enhancement of the environment. The CEA manages and monitors the environmental approval process. Prior to obtaining a Development Permit, tourism investments will require either an Environmental Recommendations or Environmental Approval. When you receive the Preliminary Project Clearance letter from SLTDA, you will be informed which of these processes will be applicable to your project.
	Coast Conservation & Coastal Resource Management Department (CC&CRMD or CCD)	The Coast Conservation & Coastal Resource Management Department (CC&CRMD) is responsible for managing and conserving Sri Lanka's 1700 kilometers of coastline. An investor is required by law to have a coastal development permit to engage in a development activity within the coastal zone.

	Forest Department	It is a legal requirement under the Forest Ordinance to obtain a permit from the Forest Department in order to utilize the forest lands for Aaranya (homestay), Chena (hot springs) and other activities.
	Department of Wildlife Conservation (DWC)	The Department of Wildlife Conservation is responsible for the protection and management of Sri Lanka's wildlife protected areas. Tourist hotels and any enterprise offering tourist facilities/services are prohibited within one mile of the boundary of a National Reserve. Any other development within one mile of the boundary of a National Reserve requires an IEE or EIA and written approval of the Department of Wildlife Conservation.
	Department of Irrigation	The Irrigation Department is part of the ministry in charge of water resources and irrigation. A clearance from the Irrigation Department is required if the project involves river basins or irrigation, or is near lakes, streams, canals, lagoons, reservoirs, or within flood areas.
	Department of Archeology	The Department of Archeology manages Sri Lanka's archeological heritage. An Archaeological Impact Assessment is necessary for every proposed development project in every land extent which exceeds 0.25 hectare.
	Department of Agrarian Development	The Department of Agrarian Development provides for the utilization of agricultural lands in compliance with the agricultural policies of the government. A tourism project will need clearance from the Department of Agrarian Development if it is bordering paddy lands or abandoned paddy lands.
	National Building Research Organisation (NBRO)	The National Building Research Organisation is the national focal point for landslide risk management. It also helps permitting authorities to conduct geotechnical and structural analysis. NBRO may be involved in tourism projects in landslide risk areas, or for buildings that are 4 floors or higher, involve an excavation more than 10 feet deep, or are 7.5 feet or closer to adjacent buildings.

	Colombo Municipal Council (CMC)	Development in the Colombo Municipal area requires a number of approvals from the Colombo Municipal Council (CMC). Before submitting the Common Application to the SLTDA IRU, the investor must obtain a Street Line Certificate issued by the City Planning Division. At the Pre-Development Permit stage, the IRU will help the investor to receive: solid waste clearance, sewerage / storm water clearance, and fire safety clearance.
	Civil Aviation Authority of Sri Lanka (CAASL)	The Civil Aviation Authority of Sri Lanka (CAASL) regulates the country's civil aviation system. This includes controlling areas near airports and along flights paths to ensure aviation safety.

Appendix 2. Project Proposal Templates

2.1 Projects with values of **less than Rs. 50 million**

2.2 Projects with values of **more than Rs. 50 million.** This
template also includes:

    2.2.1 Drainage Management Template

    2.2.2. Sewerage / Waste Water Management Template

    2.2.3. Solid Waste Management Template

NOTE:
- Use A4 size paper for Project Proposals.
- Do NOT use hard binding. Spiral binding is acceptable.
- Drawings should be folded to A4 size.
- Include the names of all who contributed to the Proposal.
- Include contact details.

Project Proposals – PROJECTS <Rs. 50 Million

Projects with values of **less than Rs. 50 million** should submit a project proposal that includes, at minimum, the following:

Project Proposal
[name of project]
[location]

1. **Project**

   [In this section, describe what you are intending to build. Include the following information:

   a. *Description of your project - include project components:*

      i. *total number of rooms*

      ii. *types of rooms (standard, deluxe, suites, etc.)*

      iii. *restaurant (including seating capacity)*

      iv. *amenities (swimming pool, gym, conference/banquet facilities, spa, etc.)*

   b. *Where is it located/operated?*

   c. *What are the activities you will offer tourists? For example, excursions to nearby attractions, meditation programs, yoga, kids activities, etc.*

   d. *How will the community be involved in your project or the tourist activities?*

   e. *Example: "We want to build a 10-room guesthouse for people visiting Ella. It will be located on our family land just outside of town. Breakfast will be included in the room price and will we also offer a dinner buffet. We will develop relationships with local guides and car hires for tourists who wish to visit attractions in the area or to go hiking. We will also purchase fresh produce and eggs from local farmers and have local handicrafts on display for purchase."]*

2. **The Team**

   [In this section, describe the key members of your team and any training or experience you have that is relevant to this proposed business. This should include owners, investors, consultants, manager, key staff, etc.]

3. **Technical Details**

   a. **Power**

   [How will you supply power to your business? What are the measures you will take to improve energy efficiency and use renewable energy sources? PLEASE REVIEW the energy savings suggestions included in this Handbook. We will expect your proposal to integrate energy efficiency measures.]

   b. **Water**

   [How will you supply water to your business? What are the measures you will take to conserve water? PLEASE REVIEW the water saving suggestions included in this Handbook. We will expect your proposal to integrate water saving measures.

Also, if you are offering food and beverage, please keep in mind that tourists will have a more favorable impression of your business if they have access to clean, filtered drinking water. Your proposal should include how you will supply clean drinking water while at the same time minimizing environmental impact (such as that caused by single-use plastics).]

c. Sewage/Waste Water

[PLEASE REVIEW the waste water treatment suggestions included in this Handbook. We will expect your proposal to comply with these guidelines.

d. Solid Waste Management

How will you manage solid waste (garbage)? What are the measures you will take to reduce, recycle and reuse so as to minimize solid waste?

PLEASE REVIEW the solid waste treatment suggestions included in this Handbook. We expect your proposal to include a plan to "reduce, reuse, and recycle."]

e. Phone/Internet Access

f. Road Access

[Describe the road access to your business and any changes you intend to make to it.]

g. Parking

[Is there parking? Describe how much and where it is located (on the property, on the street, etc.)]

4. Marketing

[What kind of tourist do you plan to attract? Where will they come from? How will people learn about your business?] Why will tourists want to come to your business?]

5. Finance

[Please include the following:

a. Amount of total investment

b. Investment Sources (local, foreign, loans, etc.)

c. Pricing strategy & other income from the project

d. Number of years to recover the investment

e. Do you have a financial plan for your business?]

<div style="background-color:teal; color:white; padding:8px">

Project Proposals – PROJECTS > Rs. 50 Million

</div>

Projects with values of **more than Rs. 50 million** should submit a project proposal that includes, at minimum, the following:

Project Proposal
[name of project]
[location]

1. **Introduction**

    [This component should state the vision, purpose and objectives of the project and its concept. It should also provide a short overview of the applicant/company's background, outline the applicant/company's relevant development experience in Sri Lanka and/or abroad, and provide a list of projects undertaken by completion date, size, and cost. Elements:

    a. *Vision/mission*

    b. *Applicant/Company Background*

    c. *Project Concept]*

2. **Brief Introduction about the Project Location**

    [This component should provide a google map and description of the location of the tourism project, why this location was selected, and mention if there are any tourism attractions in close proximity. It should include an overview of the existing infrastructure and utilities in the location and if existing infrastructure/utilities are able to support the addition of this project. Elements:

    a. *Location*

    b. *Condition of the Land*

    c. *Current Infrastructure*

    d. *Tourism Attractions in the Area*

    e. *Environmental Conditions in the Area (is location near sensitive areas, etc.)*

    f. *Social Conditions in the Area]*

3. **Proposed Development**

    [This component should provide details of the project, <u>which should be aligned with the National Sustainable Tourism Certification Scheme</u>. This should include the type of tourism facilities proposed (hotel, spa, restaurant, pool etc.) with details specified such as the land requirements for the project. Include specifics for green building and sustainable tourism.

    a. *Detailed Description of the Project (major components of the project, construction timeframes, opening date, etc.)*

    b. *Site Development Planned for the Project (grading, excavation, in-fill, etc.)*

    c. *Construction Methods, Materials and Phasing*

     d. *Infrastructure Plans*

          i. *Drainage Management (<u>see attached template</u>)*

          ii. *Waste Water Management (<u>see attached template</u>)*

          iii. *Solid Waste Management (<u>see attached template</u>)*

          iv. *Telecommunications*

          v. *Electricity*

          vi. *Water*

     e. *Road and Parking Development*

     f. *Detailed Environmental Protection & Mitigation Methods to Reduce Negative Impacts]*

4. **Financial Plan**

[This component should provide an overview of the financial plan for the project. This should include cost of the total investment, investment sources (local, foreign, joint venture, loans etc.), project return on investment[12], and other relevant financial information to prove that the project is not only a viable venture, but that funding is available and sustainable. Elements:

     a. *Total Investment*

     b. *Investment Sources (local, foreign, loans, etc.)*

     c. *Average expected price per room*

     d. *Other Relevant Details (ROI, etc.)]*

$$ROI = \frac{\text{Annual Net Income}}{\text{Original Investment Value}} \times 100\%$$

5. **Marketing Plan & Target Market**

[This component should outline how the project will be marketed, who the target market is, and what price point the project will be marketed at. The marketing plan must assure SLTDA that the project will be successful once constructed. For more specifics, refer to Sri Lanka's Tourism Vision and Strategic Plan at www.sltda.lk/sri-lanka-tourism-strategic-plan-2017.]

6. **Community Benefits**

[This component should provide an overview of the number of employees and the type of labor (domestic/foreign and management/skilled/unskilled) required for the project. In addition, it should state the community benefits, which will be provided to the location and to the people in the area of the development.]

7. **Sustainability Measures**

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[12] Return on Investment (ROI) is the approximate measurement of an investment's profitability. It compares the expected gain from the investment to the cost of the investment. ROI is expressed as a percentage. There are various ways to calculate the ROI.

8. **Other**

[This component should include any specific characteristics of the project not included above.]

Appendix 2, Section 2.2.1

<table>
<tr><td colspan="2" align="center">**Initial Stormwater Drainage Management Concept Plan**</td></tr>
<tr><td colspan="2">I.   Estimated Maximum Stormwater Volume to be addressed in the Stormwater Management Plan[13]</td></tr>
<tr><td>Total Square Meters of land plot on which project is located.
(Plan View)</td><td>A.</td></tr>
<tr><td>Total Square Meters of paved or covered surface. (Plan View)</td><td>B.</td></tr>
<tr><td>Monthly maximum rainfall[14]</td><td>C. 500mm/month</td></tr>
<tr><td>Estimated Monthly Maximum Stormwater from rainfall.
A x C = D
Cell A multiplied by Cell C (500mm/month)</td><td>D.</td></tr>
<tr><td>II.   Presently do you have any Drainage Connection to this Premises?</td><td>Yes ___ No ___</td></tr>
<tr><td>III.   If yes, is it connected to:</td><td>Main Line ___   Septic Tank ___</td></tr>
<tr><td>IV.   Do any drainage lines from adjoining premises go through your premises?</td><td>Yes ___ No ___</td></tr>
<tr><td>V.   If "Yes," please provide a property drawing showing the drainage lines through the project property.
Please write "No Information" if this information is not known to the applicant at the time of submission of this document.</td><td></td></tr>
<tr><td>VI.   Does the project include rainfall harvesting?[15]</td><td></td></tr>
</table>

---

[13] The estimated stormwater calculations at this stage of project review will be further refined as the project moves through the approval process. More precise calculations incorporating soil absorption and evaporation will be necessary in the final project plans. Maximums are used at this stage for the purpose of establishing the proper scale of stormwater management engineering.

[14] Estimated monthly rainfall from monthly maximums reported Rainfall Distributions in Sri Lanka in Time and Space: An Analysis Based on Daily Rainfall Data. T. P. Burt and K. D. N. Weerasinghe. Climate 2014, 2, 242-263; doi:10.3390/cli2040242.

[15] Any rainfall harvesting and related water volumes will be included in the final project plan and water, stormwater, and wastewater management plans.

VII.   Proposed engineering solutions to handle the volume of stormwater in **Cell D** on a monthly basis. Your description must include discussion, and diagrams reflecting connection to stormwater conveyance systems, and must address potential problems associated with connection, and overloading of the conveyance systems. Attach drawings and documents as needed to explain the conceptual stormwater management plan.[16]
VIII.   Review/Comment by the reviewing agency:

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[16] The stormwater management plan should be very simplified at this stage of project review. A fully engineered stormwater management plan will be developed and submitted for review at later stages of project review.

Appendix 2, Section 2.2.2

<table>
<tr><td colspan="2" align="center">**Initial Sewerage / Wastewater Management Plan**</td></tr>
<tr><td colspan="2">I.   Estimated Maximum Sewer / Waste Water to be addressed in the Waste Water Management Plan[17]</td></tr>
<tr><td>Number of Rooms in the Project.</td><td>A.</td></tr>
<tr><td>Average volume of water consumption/wastewater production per guest per day in cubic meters.[18]</td><td>B. 1.4</td></tr>
<tr><td>Total estimated volume of water consumption/wastewater production per day.
A x B = C
Cell A multiplied by Cell C (1.4 cubic meters)</td><td>C.</td></tr>
<tr><td colspan="2">II.   Proposed engineering solutions to handle the volume of wastewater in **Cell C** on a daily basis. Your description must include discussion and diagrams reflecting connection to water supply and wastewater conveyance and treatment systems and any other discharge methods. The description must also address grey water handling and potential problems associated with connection and overloading of the conveyance systems. Attach drawings and documents as needed to explain the conceptual sewerage/wastewater management plan.[19]</td></tr>
<tr><td>III.   Impact on Adjoining Properties</td><td></td></tr>
</table>

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[17] The estimated sewerage / wastewater calculations at this stage of project review will be further refined as the project moves through the approval process.

[18] The estimates used in the calculations here derive from a water and wastewater benchmarking study from the World Wildlife Fund in 2005. WWF benchmarking v6.indd. More precise calculations will be necessary in the final project plans. This calculation uses data from 5 Star tropical hotels for the purpose of establishing the appropriate relative scale of wastewater management engineering.

[19] The stormwater management plan should be very simplified at this stage of project review. A fully engineered stormwater management plan will be developed and submitted for review at later stages of project review.

	Assessment Nos. of Adjoining Premises:	
	Include or attach a sketch of the property and surrounding adjoining properties and structures.	

IX.	Review/Comment by the reviewing agency:

Appendix 2, Section 2.2.3

<table>
<tr><td colspan="2" align="center">**Initial Solid Waste Management Concept Plan**</td></tr>
<tr><td colspan="2">I.   Estimated Maximum Solid Waste Volume to be addressed in the Solid Waste Management Plan[20]</td></tr>
<tr><td>Average number of guests and staff planned per day.</td><td>A.</td></tr>
<tr><td>Solid waste produced per day by guests and staff (kg)</td><td>B. 0.41</td></tr>
<tr><td>Estimated Kg of solid waste produced per day.
A x B = C
Total number of guests and staff from Cell A multiplied by Cell B (0.41Kg/person/day)[21]</td><td>C.</td></tr>
<tr><td colspan="2">II.   Computation of the quantity in Kg of different types of waste generation in the building.[22]</td></tr>
<tr><td>Organic (Kitchen & Garden): Cell C Multiplied by 0.821</td><td>C.</td></tr>
<tr><td>Plastics: Cell C Multiplied by 0.056</td><td>D.</td></tr>
<tr><td>Paper: Cell C Multiplied by 0.0765</td><td>E.</td></tr>
<tr><td>Glass: Cell C Multiplied by 0.019</td><td>F.</td></tr>
<tr><td>Metals: Cell C Multiplied by 0.001</td><td>G.</td></tr>
<tr><td>Electronic Waste: Cell C Multiplied by 0.001</td><td>H.</td></tr>
<tr><td>Construction/Demolition: Cell C Multiplied</td><td>I.</td></tr>
</table>

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[20] The estimated solid waste calculations at this stage of project review will be further refined as the project moves through the approval process. More precise calculations incorporating soil absorption and evaporation will be necessary in the final project plans. Maximums are used at this stage for the purpose of establishing the proper scale of stormwater management engineering.

[21] This figure is residential waste generation per person, per day from the Data Collection Survey on Solid Waste Management in Democratic Socialist Republic of Sri Lanka, Final Report. February 2016. Japan International Cooperation Agency (JICA), Kokusai Kogyo Co., Ltd. The final figure for the waste management plan is expected to be more precise. (https://openjicareport.jica.go.jp/pdf/12250213.pdf)

[22] MUNICIPAL SOLID WASTE MANAGEMENT SYSTEM AND SOLID WASTE CHARACTERIZATION AT HIKKADUWA SECRETARIAT, GALLE, SRI LANKA, Kandula P. K. Jayakody, Lahiru L.N. Jayakody, Anurudda K. Karunarathna, and Benedict F.A. Basnayake. October 2008. Conference: APLAS Sapporo 2008. The Fifth Asian-Pacific Landfill Symposium.

by 0.0073[23]	
Household Hazardous: Cell C Multiplied by 0.0003	J.

III.	Proposed engineering solutions to handle the volume of waste in Cell C on a daily basis. Your description must include discussion of:
	    A. Daily in-house waste collection plans.
	    B. Waste transfer and daily waste removal from the project facility.
	    C. Any temporary storage anticipated.
	    D. Waste minimization strategies and techniques anticipated.
	    E. Waste segregation, recycling, energy generation and other waste handling strategies anticipated.

IV.	On the conceptual architectural drawings, mark all of the following details: location and dimension of final collection chamber, waste transfer system, location of different bins at different floors, different bins at final collection chamber, access road to the final collection chamber, clear height of the floor, parking details and turning space for collection trucks. Please also see Notes, below.
V.	Review/Comment by the reviewing agency:

Notes:[24]

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[23] Construction and demolition waste calculations here reflect an operational project. Construction and demolition wastes during the construction of the project will be calculated elsewhere.

[24] The Solid Waste Management proposals shall comply with the provisions of relevant Ordinances, Acts of Parliament of the Democratic Socialist Republic of Sri Lanka, and other subordinate legislations, Regulations, Bylaws, National Policy on Solid Waste Management, Technical guidelines etc., including the followings:

1. The access road shall be adequate for the easy movement and crossing of solid waste collection vehicles. This has to be shown in detail in the Architectural Drawings.
2. The clear height of the floor (minimum 13'0") where the final collection chamber is located shall be adequate for easy access of compactor trucks to the chamber.
3. There shall be adequate space inside the premises for the parking (28'x10') and turning of compactor trucks during the collection of solid waste. Parking space for compactor truck should be marked in the Architectural Drawing. Loading of solid waste by keeping the compactor trucks outside the premises is not allowed.
4. Direct disposal of solid waste into a chute / channel structure is not recommended in order to avoid spillage of solid waste or leachate liquid and to avoid disposal of mixed waste.
5. Final collection chamber for organic waste shall be maintained in a temperature not exceeding 10^0 C.
6. It is recommended to keep the separated solid waste in wheel mounted bins with lids and stored in the Final Collection Chamber. Capacity of wheel bins should be fair enough to handle by the labourers easily when loading solid waste to compactor trucks. (Max. 500*l*).
7. Only Municipal Solid Waste will be accepted. Medical/ Clinical/ Electrical and Electronic waste Health care waste or Industrial Waste or Chemical waste or Atomic/ radioactive waste or any other toxic hazardous waste will not be accepted.
8. Proposed architectural plans should be marked with the location of bins as per colour code and collection chambers of segregated Municipal Solid Waste shall be submitted along with the proposal.

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1. Colombo Municipal Council Ordinance No. 16 of 1947 with special attention on Section 129, Section 130 and Section 131 and By-laws No. 1, 29, 30, 31, 32, 33, 34, 44, 45, 46, 47, 54, 58 and 61.
2. National Environmental Act No. 47 of 1980 and the Amendment Act No. 56 of 1988.
3. Section 3 and 8 of Urban Development Act (UDA) No. 41 of 1978 and UDA Amendment Act No. 4 of 1982.
4. Technical Guidelines on Solid Waste Management Published by Central Environmental Authority (CEA).
5. Regulations for Hazardous Waste Management published by CEA in the Gazette Extra Ordinary No. 924/13 dated 23rd May 1996.
6. CEA guideline for the implementation of Hazardous Waste Management regulations.
7. National Policy on Solid Waste Management.
8. Nuisance Ordinance No. 15 of L862.
9. Police Ordinance No. 16 of 1865.

Acknowledgement

This Investor Handbook was developed with the dedicated efforts of the Investor Relations Unit of SLTDA and the USAID SAIL Project:

SLTDA

- Bhagya Mahavithanage, Assistant Director/ IRU, Coordinator of the Investor Handbook
- Sinnarasan Dadeepan, Assistant Director/ TPD
- Anupa Ranaweera, Assistant Director/ SQA

USAID SAIL Project

- Glenn F.J. Mackenzie-Frazer, Chief of Party
- Michelle A. Pinkowski, Team Leader/ Business Enabling Environment Expert
- Deborah S. Porte, International Development Consultant
- Merita Behluli, Infrastructure Expert
- Aarthi Dharmadasa, Legal Expert
- Daniela Rink, Business Enabling Environment Expert

'The hard work and dedication of the SLTDA Investor Relations Unit is now bearing fruit and making the investment process a streamlined and transparent process which is investor focused. This is one more step on the path of placing Sri Lanka at the forefront of tourism globally. It has been USAID SAIL's privilege to partner with SLTDA on this journey.'

Glenn F. J. Mackenzie-Frazer

Chief of Party, USAID Supporting Accelerated Investment in Sri Lanka (SAIL)

SLTDA thanks the following organisations for their cooperation in the tourism investment approval process and their input for the materials in this Investor Handbook:

1. Board of Investment
2. Urban Development Authority
3. National Building Research Organisation
4. Central Environment Authority
5. Coast Conservation & Coastal Resources Management Department
6. Department of Irrigation
7. Department of Agrarian Services
8. Department of Forest Conservation
9. Department of Wildlife Conservation
10. Department of Fisheries and Aquatic Resources
11. Department of Archaeology
12. Civil Aviation Authority
13. Colombo Municipal Council
14. Green Building Council of Sri Lanka

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