



CPA statement regarding IMF agreement with the Government of Sri Lanka

The Centre for Policy Alternatives (CPA) welcomes the announcement that the International Monetary Fund (IMF) has reached an agreement with the Government of Sri Lanka on an Extended Fund Facility Arrangement to support economic adjustment and reform policies equivalent to USD 2.9 billion over 48 months. We understand that an international creditors conference, the implementation of certain measures domestically, and the agreement of the IMF's Board of Directors are necessary before any money can be disbursed.

CPA reiterates the pivotal importance of welfare measures to the poor to ensure that the burden of adjustment does not fall on them disproportionately and the key need for the government to communicate with the public the rationale and contents of its policies. CPA firmly believes that at this time we need a government that has the trust and confidence of the people, one that can unite and reconcile the peoples of the country. In this regard, CPA calls upon the government to desist from attempts to stifle dissent and the use of the Prevention of Terrorism Act (PTA) in particular, against dissenters and critics. Sri Lanka has a number of other laws that can be used against those who violate the rule of law. CPA unreservedly condemns the use of the PTA on which there is a de facto moratorium on its use, and strongly urges the government to act to reconcile and unite the peoples of this country to face the economic challenges ahead, rather than divide them in the creation of what could turn out to be a grim, self-fulfilling prophesy of publicly manifested dissent and frustration. Sri Lanka will be discussed at the UN Human Rights Council sessions in the next ten days and the PTA will no doubt feature in these deliberations.

CPA urges the government to adopt a holistic and human rights friendly perspective in addressing the challenge of this unprecedented crisis of governance. The IMF agreement and the amendments to the Appropriations Bill deal with the economic issues but more importantly, for them to succeed, attention has to be paid to the political issue of ensuring the legitimacy of governance and government.

CPA strongly urges and fervently hopes that the government will adopt this perspective and put the country securely on the road to economic recovery with a new social contract for governance and government in Sri Lanka.