



First Session of the Tenth Parliament

Report of the Committee on Public Finance

on

Appropriation Bill for the Financial Year 2026 in terms of the Standing Order 121(5) (ii) of Parliament

(On the estimates including whether the allocation of money
is in compliance with the policies of the Government)

Presented to Parliament by

The Hon. (Dr.) Harsha de Silva
Chair of the Committee

Friday the 05th of December 2025.

Committee Members

Hon. (Dr.) Harsha de Silva, M.P., (Chair)
Hon. Chathuranga Abeysinghe, M.P.,
Hon. (Dr.)(Ms.) Kaushalya Ariyaratne, M.P.,
Hon. Arkam Ilyas, M.P.,
Hon. Nishantha Jayaweera, M.P.,
Hon. Rauff Hakeem, Attorney at Law, M.P.,
Hon. Ravi Karunanayake, M.P.,
Hon. Harshana Rajakaruna, M.P.,
Hon. Shanakiyan Rajaputhiran Rasamanickam, M.P.,
Hon. Ajith Agalakada, M.P.,
Hon. M.K.M. Aslam, M.P.,
Hon. Nimal Palihena, M.P.,
Hon. Chithral Fernando, Attorney at Law, M.P.,
Hon. Wijesiri Basnayake, M.P.,
Hon. Sunil Rajapaksha, M.P.,
Hon. Thilina Samarakoon, M.P.,
Hon. Champika Hettiarachchi, M.P.,
Hon. (Ms.) Lakmali Hemachandra, Attorney at Law, M.P.,

BUDGET 2026: ASSESSMENT OF GOVERNMENT POLICY PRIORITIES

Prepared by the Institute of Policy Studies of Sri Lanka (IPS)

Contents

Executive Summary.....	2
1. Introduction	3
2. Economic Policy Overview	3
3. Distribution of Overall Expenditure Proposals.....	4
3.1 Distribution of Overall Expenditure Proposals Across Ministries	4
3.2 Distribution of Overall Expenditure Proposals Across PIP Chapters and Sectors	7
4. Sector-wise Analysis.....	10
4.1 Social Infrastructure	10
4.1.1 Ministry of Education, Higher Education and Vocational Education and Ministry of Science and Technology	10
4.1.2 Ministry of Health and Mass Media.....	12
4.1.3 Ministry of Labour.....	14
4.1.4 Ministry of Youth Affairs and Sports	16
4.1.5 Ministry of Buddhasasana, Religious and Cultural Affairs	17
4.1.6 Ministry of Digital Economy	18
4.2 Agriculture.....	20
4.2.1 Ministry of Agriculture, Livestock, Land and Irrigation	20
4.2.2 Ministry of Plantation and Community Infrastructure.....	23
4.2.3 Ministry of Fisheries, Aquatic and Ocean Resources	24
4.3 Environment.....	26
4.3.1 Ministry of Environment	26
4.4 Industry, Trade, Investment and Tourism.....	29
4.5 Commercial Infrastructure	30
4.5.1 Ministry of Transport, Highways, Ports and Civil Aviation	30
4.5.2 Ministry of Energy	33
4.5.3 Ministry of Urban Development, Construction and Housing.....	34
4.6 Governance and Regional Development	36
4.6.1. Ministry of Public Administration, Provincial Councils and Local Government	36
4.6.2. Ministry of Justice and National Integration	39
4.6.3. Ministry of Public Security and Parliamentary Affairs.....	42
4.6.4 Ministry of Defence.....	43
4.7 Social Protection	44
4.7.1 Ministry of Women and Child Affairs	44
4.7.2 Ministry of Rural Development, Social Security and Community Empowerment	45
4.8 Finance	47
4.8.1 Ministry of Finance, Planning and Economic Development	47

Executive Summary

The Institute of Policy Studies of Sri Lanka (IPS) has prepared this report at the request of the Committee on Public Finance (CoPF) to assess whether the allocation of public funds is consistent with the Government's policy priorities. Accordingly, the main objective of the report is to evaluate the extent to which the National Budget 2026 aligns with the development priorities set out by the Government of Sri Lanka (GoSL) in *A Thriving Nation, A Beautiful Life*.

The assessment finds that the National Budget 2026 largely reflects continuity with the National Budget 2025. It has been formulated in line with the fiscal rules stipulated in the Public Finance Act No. 44 of 2024, which require that primary expenditure be limited to 13% of GDP and that annual budget reserves not exceed 2% of estimated primary expenditure. The Budget allocates considerable resources toward strengthening physical infrastructure, advancing regional development, and improving social infrastructure.

However, the absence of disaggregated expenditure data poses a significant constraint to carrying out a more rigorous and granular analysis. Enhanced data availability is essential for evaluating spending efficiency, monitoring budget execution, and assessing alignment with national development priorities. It is therefore proposed that the Ministry of Finance, Planning and Economic Development strengthen public access to comprehensive historical budget and expenditure data. Improving transparency not only supports the Government's commitment to good governance but is also critical for enabling evidence-based policymaking and informed decision-making.

Increased allocations to vital sectors are commendable. However, achieving the Government's target of 7% economic growth will be challenging under the current public investment level of around 4% of GDP. For an economy with an Incremental Capital Output Ratio (ICOR) of 5, the economy would require a minimum gross fixed capital formation (GFCF) ratio of approximately 35%. Yet, the current GFCF is 27% in 2025. This indicates the need for increased capital allocation to support the desired growth trajectory. Moreover, it is not only the size of the allocation that matters but also the efficiency with which funds are utilised. A higher budget utilisation rate, especially for capital expenditures, is expected as economic growth is largely determined by effectiveness of capital spending.

1. Introduction

The Committee on Public Finance (COPF) is mandated to produce a report assessing whether the proposed Budget for 2026 complies with the national policies of the Government of Sri Lanka (GOSL). This report contributes to that effort. Accordingly, it evaluates whether the allocation of public funds for 2026 aligns with GOSL policies. The assessment is based on the goals and objectives set out in *A Thriving Nation: A Beautiful Life*, the Budget Speech 2026 presented in Parliament on 7th November 2025, the Appropriation Bill 2026, the Report on Major Public Investment Projects 2026-2028, the Citizens Budget 2026 and the dataset provided by the Ministry of Finance, Planning and Economic Development (MOF).

The report mainly provides an economic policy overview and an evaluation of budgetary allocations against GOSL policy priorities. The analysis of expenditure trends across institutional and sectoral allocations includes independent assessment of policy alignment for further consideration. The Budget 2026 presents expenditure proposals for 2026 under 24 Ministries, 134 Provincial Councils, District Secretariats and Departments and 21 Special Expenditure Units. The assessment assumes nominal GDP of LKR 32,000 Bn for 2025 and LKR 34,500 Bn for 2026.

2. Economic Policy Overview

Sri Lanka's output growth turnaround above benchmark baseline projections continues into the first half of 2025 at 4.9% with the full year expected to come in at around 4.5%. The rebound marks a cyclical recovery on the back of stronger macroeconomic fundamentals. The country's rigorous debt and deficit reduction process under the Extended Fund Facility (EFF) programme signed with the International Monetary Fund (IMF) is proceeding uninterrupted with most of the fiscal choices focused on revenue generation as the initial priority. Key fiscal targets on primary surpluses, revenue generation and overall deficits and public debt are on-track. The steady improvements in public finance management have been complemented by a relaxed monetary policy stance to support consumption and investment spending amid low inflationary pressures.

While there is cause for optimism at this mid-point that the groundwork has been laid for Sri Lanka's post-crisis recovery to proceed smoothly, flashpoints and risk factors remain. First, the GDP recovery to date does not account for the output gains that would have occurred if not for the crisis. However, in trying to catch up, there is limited scope to lean on fiscal and monetary policy. There is still no bandwidth on fiscal policy with interest payments expected to absorb is still high 50% of total revenue in 2026. On the financial front, by mid-2025, the post crisis recovery in credit growth was complete. Second, the external sector uncertainties facing Sri Lanka are many. An era of protectionism, tariff wars and conflicts can impose sudden external shocks. As Sri Lanka inches closer to a resumption of foreign debt repayments from 2028, inspiring confidence and maintaining credibility of macroeconomic managements are vital.

Within this overall context, it is prudent to anchor a sustainable growth agenda on reforms that will ensure that the cyclical recovery is seamlessly converted into a structurally driven growth process underpinned by efficiency and productivity gains. The government's economic policy statements – as spelt out in *A Thriving Nation, A Beautiful Life* and detailed in the Budget 2025 and Budget 2026 – offer guidance on the means to improve the economy's productive capacity. Here, the expenditure side of public finance is as important as current efforts at greater domestic revenue mobilization. Ensuring that government spending is efficient and effective and is aligned to meet inclusive economic development is a key responsibility in robust public finance management.

3. Distribution of Overall Expenditure Proposals

3.1 Distribution of Overall Expenditure Proposals Across Ministries

The Budget 2026 allocates expenditure for 26 spending agencies, including special spending units (21), line ministries (24) and Provincial Councils (9). However, expenditure for the two newly established ministries (i.e. Ministry of Transport and Highways and Ministry of Ports and Civil Aviation) has yet to be included in the Budget.

The budgetary allocation for all institutions shows that as usual, the Ministry of Finance, Planning and Economic Development receives the highest budgetary allocation of LKR 5,102 Bn. This is equivalent to 57% of the total budget and 15% of GDP. Compared to the previous allocation, this is a slight (1.6%) reduction in total expenditure (or 1.3% of GDP) allocated to the ministry. Of this, approximately 36% will be spent on public debt service payments (LKR 1,878 Bn and 21% of total expenditure). Accordingly, all other spending institutions will receive only 43% of total expenditure (11% of GDP) in 2026.

The second highest total allocation is for the Ministry of Public Administration, Provincial Councils and Local Government which receives 7.5% of total expenditure, equal to 2% of GDP. This is a marginal 0.12% increase compared to the previous year. Likewise, the Provincial Councils and the Ministry of Health and Mass Media each receive 7% and 6% of the total allocation, respectively which is equal to 1.8% and 1.6% of GDP, respectively. The lowest allocation of LKR 2.7 Bn is for the Ministry of Trade, Commerce, Food Security and Co-operative Development, representing 0.03% of total expenditure (or 0.01% of GDP).

In terms of GDP, only seven line ministries have received increased allocations compared to the previous year. These include the Ministry of Public Administration, Provincial Councils and Local Government (+0.12%), the Provincial Councils (+0.07%), the Ministry of Education, Higher Education and Vocational Education (+0.02%), the Ministry of Public Security and Parliamentary Affairs (+0.01%), the Ministry of Rural Development, Social Security and Community Empowerment (+0.01%), the Ministry of Energy (+0.001%), and the Ministry of Environment (+0.003%). Increased allocations indicate the government's significant commitment toward rural development and education sector improvements.

However, the Ministry of Digital Economy receives LKR 16 Bn and accounts for 0.18% of total government expenditure (0.046% of GDP), reflecting a marginal decline of 0.01% of GDP compared to 2025. Despite this reduction, effective and coordinated implementation remain critical to achieving the government's target of developing a USD 15 Bn digital economy by 2030. The largest reduction in expenditure i.e. 0.24% of GDP is observed by the Ministry of Transport, Highways, Ports and Civil Aviation.

Distribution of 2026 Budget allocations								
Ministry/ Special Spending Unit	2023	2024	2025	2026	2023	2024	2025	2026
	(LKR Bn)				(As a % of total)			
Ministry of Finance, Planning and Economic Development	7,876	7,872	5,163	5,102	73.79	72.85	58.44	56.82
O/W Public debt amortization	5,012	4,619	1,600	1,878	46.96	42.74	18.11	20.91
Ministry of Public Administration, Provincial Councils and Local Government	502	532	588	674	4.70	4.93	6.66	7.51
Provincial Councils	372	439	552	618	3.49	4.07	6.25	6.88
Ministry of Health and Mass Media	344	390	520	555	3.23	3.61	5.88	6.18
Ministry of Defence	382	404	443	455	3.58	3.74	5.01	5.07

Ministry of Transport, Highways, Ports and Civil Aviation	293	297	489	446	2.74	2.75	5.54	4.97
Ministry of Education, Higher Education and Vocational Education	197	219	273	301	1.84	2.02	3.09	3.35
Ministry of Agriculture, Livestock, Land and Irrigation	127	127	218	221	1.19	1.17	2.47	2.46
Ministry of Public Security and Parliamentary Affairs	132	141	176	193	1.23	1.31	1.99	2.15
Ministry of Urban Development, Construction and Housing	35	40	105	104	0.32	0.37	1.18	1.15
Ministry of Justice and National Integration	32	40	54	59	0.30	0.37	0.61	0.65
Ministry of Rural Development, Social Security and Community Empowerment	119	51	31	39	1.11	0.48	0.35	0.43
Special Spending Units	19	51	46	34	0.18	0.47	0.52	0.38
Ministry of Energy	13	27	21	23	0.12	0.25	0.24	0.26
Ministry of Foreign Affairs, Foreign Employment and Tourism	17	17	22	23	0.16	0.16	0.25	0.26
Ministry of Environment	9	11	16	18	0.08	0.10	0.18	0.20
Ministry of Plantation and Community Infrastructure	10	1	18	18	0.09	0.01	0.20	0.20
Ministry of Women and Child Affairs	43	14	16	16	0.40	0.13	0.18	0.18
Ministry of Digital Economy	4	6	17	16	0.04	0.06	0.19	0.18
Ministry of Buddhasasana, Religious and Cultural Affairs	9	8	14	15	0.09	0.07	0.16	0.16
Ministry of Youth Affairs and Sports	6	9	13	14	0.06	0.08	0.14	0.15
Ministry of Industry and Entrepreneurship Development	7	8	14	12	0.07	0.07	0.16	0.13
Ministry of Fisheries Aquatic and Ocean Resources	8	9	12	11	0.08	0.08	0.13	0.12
Ministry of Labour	5	6	6	6	0.05	0.05	0.07	0.07
Ministry of Science and Technology	-	-	6	6	-	-	0.07	0.07
Ministry of Trade, Commerce, Food Security and Co-operative Development	6	2	3	3	0.05	0.02	0.03	0.03
Discontinued Spending Heads	108	86	-	-	1.02	0.80	-	-
Total Expenditure (including public debt amortization)	10,674	10,806	8,835	8,980	100	100	100	100
Toal Expenditure (excluding public debt amortization)	5,662	6,188	7,235	7,102				

Notes: Budget 2026 expenditure allocation for all agencies. There were eight Discontinued Spending Units, hence, no budget allocated in 2025 and 2026.

Source: IPS compilation based on the data provided by the MOF and Budget Estimates 2025, 2026.

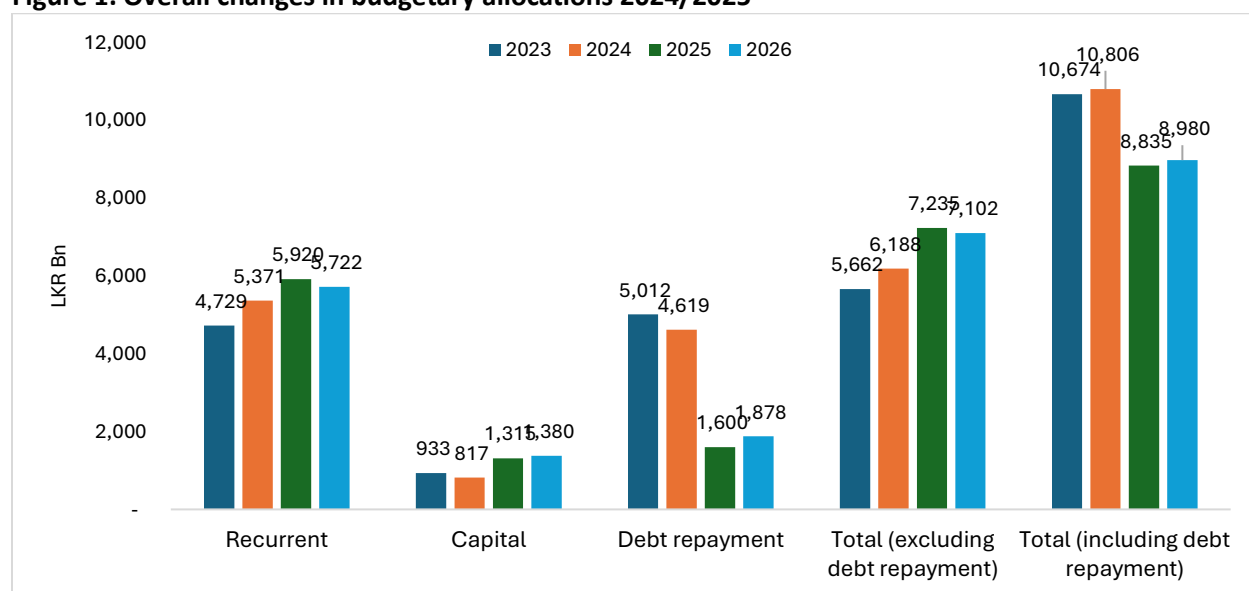
The highest and lowest allocations of the Budget 2026 show that the Ministry of Finance, Planning and Economic Development receives the largest recurrent and capital allocations, at 52% and 66% of total, respectively. Five spending agencies receiving highest recurrent expenditure are the Ministry of Finance, Planning and Economic Development (52%); the Ministry of Public Administration, Provincial Councils and Local Government (11%); the Provincial Councils (9%); the Ministry of Health and Mass Media (8%); and the Ministry of Defence (7%). The remaining 13% is shared among all the other 21 spending agencies. The five agencies receiving the highest capital expenditures are the Ministry of Finance, Planning and Economic Development (66%); the Ministry of Transport, Highways, Ports and Civil Aviation (12%), the Ministry of Agriculture, Livestock, Land and Irrigation (4%), the Ministry of Urban Development, Construction and Housing (3%) and the Ministry of Health and Mass Media (3%).

Line ministries with the highest and lowest allocations in 2026, as % of total expenditure					
A. Highest contribution					
Recurrent	%	Capital	%	Total	%
M/Finance, Planning and Economic Development	52	M/Finance, Planning and Economic Development	66	M/Finance, Planning and Economic Development	57
M/Public Administration, Provincial Councils and Local Government	11	M/Transport, Highways, Ports and Civil Aviation	12	M/Public Administration, Provincial Councils and Local Government	8
Provincial Councils	9	M/Agriculture, Livestock, Land and Irrigation	4	Provincial Councils	7
M/Health and Mass Media	8	M/Urban Development, Construction and Housing	3	M/Health and Mass Media	6
M/Defence	7	M/Health and Mass Media	3	M/Transport, Highways, Ports and Civil Aviation	5
Balance 21 spending agencies	13	Balance 21 spending agencies	12	Balance 21 spending agencies	18
B. Lowest contribution					
M/Fisheries Aquatic and Ocean Resources	0.07	M/Science and Technology	0.09	M/Industry and Entrepreneurship Development	0.13
M/Urban Development, Construction and Housing	0.06	M/Foreign Affairs, Foreign Employment and Tourism	0.06	M/Fisheries Aquatic and Ocean Resources	0.12
M/Science and Technology	0.05	M/Labour	0.04	M/Labour	0.07
M/Trade, Commerce, Food Security and Co-operative Development	0.04	M/Women and Child Affairs	0.02	M/Science and Technology	0.07
M/Energy	0.02	M/Trade, Commerce, Food Security and Co-operative Development	0.02	M/Trade, Commerce, Food Security and Co-operative Development	0.03

Source: IPS compilation based on the data provided by the MOF and Budget Estimates 2025, 2026.

The five ministries receiving the lowest total allocations are the Ministry of Industry and Entrepreneurship Development, the Ministry of Fisheries Aquatic and Ocean Resources; the Ministry of Labour; the Ministry of Science and Technology; and the Ministry of Trade, Commerce, Food Security and Co-operative Development. Together, these five ministries share only LKR 37.2 Bn, which accounts for 0.4% of the total allocation (or 0.1% of GDP).

Figure 1. Overall changes in budgetary allocations 2024/2025



Source: IPS compilation based on data provided by the MOF and Budget Estimates 2025, 2026.

Compared to 2025, the total government expenditure increased slightly by 2% from LKR 8,835 Bn in 2025 to LKR 8,980 Bn in 2026 (Figure 1). Recurrent expenditure accounts for the largest share at 64% (LKR 5,722 Bn), followed by debt repayment at 21% (LKR 1,878) and capital expenditure at 15% (LKR 1,380 Bn). Relative to 2023-2024, the government spent more on debt repayment than on capital expenditure in 2025-2026. On average, debt repayment accounted for 17% of GDP in 2023-2024, but only 5% in 2025-2026. In contrast, capital expenditure accounted for 3% and 4% of GDP, respectively. Total government expenditure (including debt repayment), which was 38% of GDP during 2023-2024, declined to 27% of GDP in 2025-2026. This reduction was largely driven by a decrease in debt service repayment. Total government expenditure (excluding debt repayment) increased from 21% of GDP to 22% of GDP, respectively.

3.2 Distribution of Overall Expenditure Proposals Across PIP Chapters and Sectors

In this section, Budget 2026 is mapped to the strategic chapters and sectors of the Public Investment Programme (PIP) published by the Department of National Planning. Under the Public Financial Management Act No. 44 of 2024, the Department of National Planning is required to publish a three- to five-year medium-term investment framework, which must then be considered in the formulation of the capital budget. Accordingly, the Major Public Investment Projects 2026-2028 published by the Department of National Planning outline the projects and programmes to be implemented during this period.

Chapters and sectors in the Public Investment Programme 2021-2024	
PIP Chapter	PIP Sector
1. Social Infrastructure	Education, Labour, Health, Sports, Culture and Heritage, Technology and ICT
2. Agriculture	Agriculture, Livestock, Plantation, Fisheries, Land
3. Industry/ Trade/ Tourism	Industry, Trade and Investment, Tourism
4. Commercial Infrastructure	Roads, Transport, Ports and Aviation, Power and Energy, Irrigation, Water Supply and Sewerage, Housing, Urban Development
5. Governance	Judicial System and Prison Reforms, National Security, Public Management, Social Integration, Foreign Affairs
6. Environment	Environmental Management, Disaster Management
7. Social Protection	Social Protection
8. Regional Development	Regional Development
9. Finance	Finance

Source: Public Investment Programme 2017-2020 and 2021-2024.

Total expenditure in Budget 2026 is LKR 8,980 Bn (26% of GDP), comprising LKR 5,722 Bn of recurrent expenditure (64% of total expenditure and 17% of GDP) and LKR 3,258 Bn of capital expenditure (36% of total expenditure and 9% of GDP). The recurrent expenditure share is the largest in all categories except for commercial infrastructure and the Industry/Trade/Tourism sectors. The capital-to-recurrent ratio, which measures the balance between a government's capital and recurrent spending, indicates how much is allocated to long-term investments (capital) relative to day-to-day operations (recurrent). The highest capital-recurrent ratio is observed in commercial infrastructure (8.45) whereas the lowest ratio is in social protection (0.06). A similar investment pattern was observed during 2023-2025.

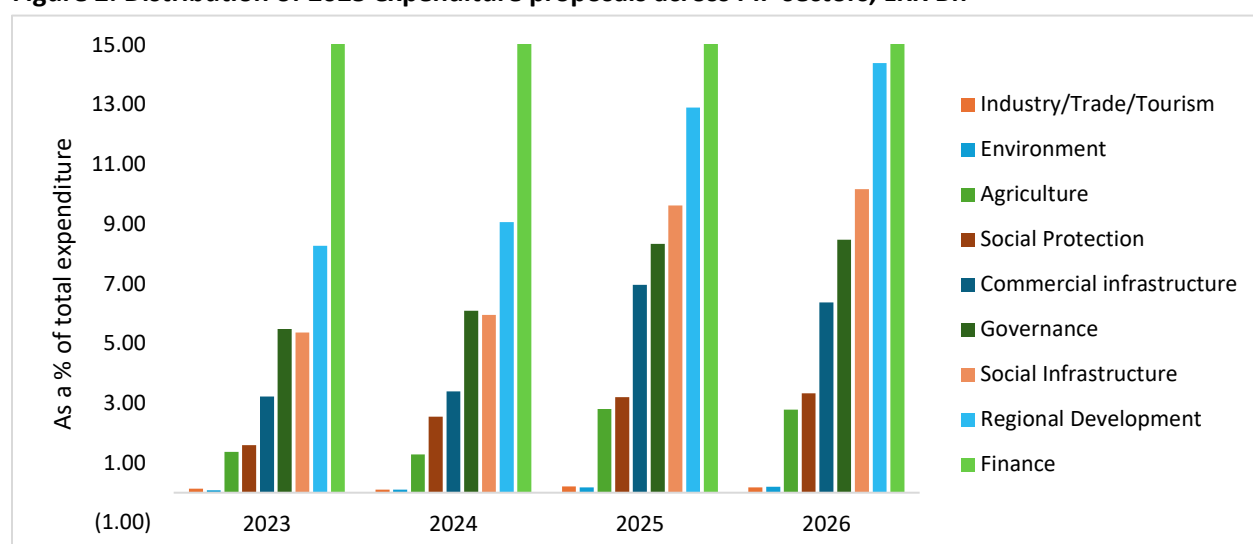
Distribution of 2026 expenditure proposals across PIP sectors, LKR Bn								
PIP Sector	2023	2024	2025			2026		
	Total	Total	Recurrent	Capital	Total	Recurrent	Capital	Total
Social Infrastructure	567	638	663	187	850	713	200	913
Agriculture	145	137	96	152	248	100	150	250
Industry/Trade/Tourism	14	11	8	11	19	8	8	16
Commercial Infrastructure	341	364	58	557	615	61	512	573
Governance	580	654	632	104	736	656	105	761
Environment	9	11	13	4	16	14	4	18
Social Protection	168	273	273	10	283	283	16	299
Regional Development	874	972	1,022	118	1,140	1,168	124	1,292
Finance (including debt repayment)	7,870	7,664	3,155	1,772	4,927	2,719	2,139	4,858
Finance (excluding debt repayment)	5,662	6,188	3,155	172	3,327	2,719	261	2,980
Total Expenditure (including debt repayment)	10,566	10,723	5,919	2,915	8,835	5,722	3,258	8,980

Total Expenditure (excluding debt repayment)	5,554	6,104	5,919	1,315	7,235	5,722	1,380	7,102
---	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Source: IPS compilation based on data provided by the MOF and Budget Estimates 2025, 2026.

In Budget 2026, an allocation of 4,858 Bn, amounting to 54% of the total Budget (14.1% of GDP) has been assigned to the **Finance** sector, comprising solely the Ministry, the Ministry of Finance, Planning and Economic Development (MOF). Historically, the MOF has received the largest allocation. However, on average, this share has declined from 27% in 2023-2024 to 15% during 2024-2025. The top three sectors receiving the highest allocations in 2025–2026 are Finance, Regional Development, and Social Infrastructure. In 2023–2024, Governance was the third-largest sector, while the top two sectors remained unchanged.

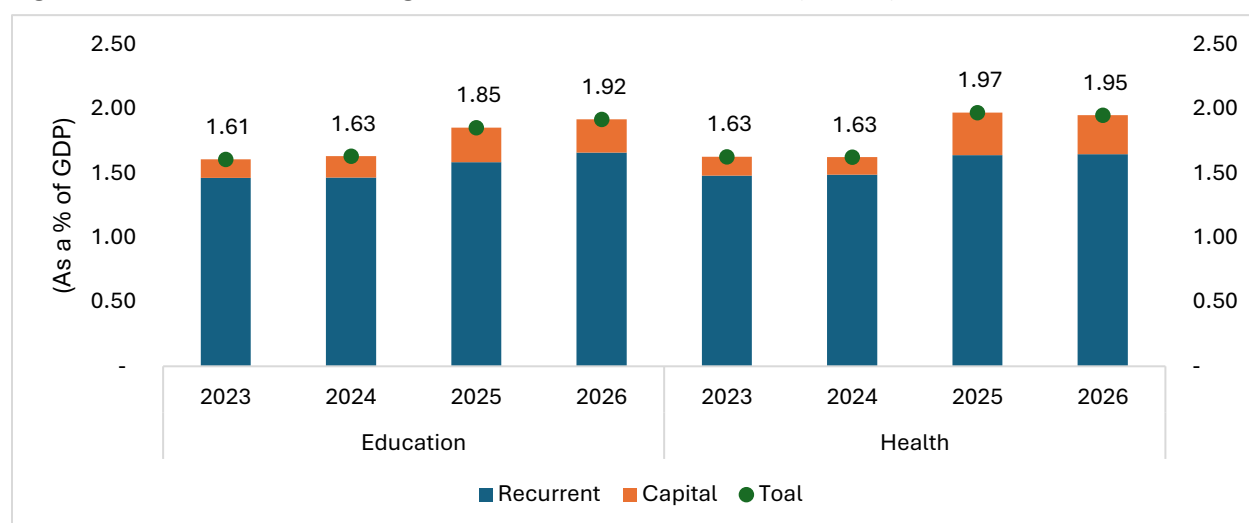
Figure 2. Distribution of 2025 expenditure proposals across PIP sectors, LKR Bn



Source: IPS compilation based on data provided by the MOF and Budget Estimates 2025, 2026.

The second largest allocation of LKR 1,292 Bn has been assigned to **Regional Development** (14% of the total budget and 3.7% of GDP). This allocation covers two institutions: the Ministry of Public Administration, Provincial Councils and Local Government and the Provincial Councils. In 2023-2024, however, this allocation accounted for 9% of total expenditure (3.3% of GDP). The government's continued emphasis on regional development reflects its commitment to more inclusive growth. **Social Infrastructure** receives the third highest allocation in Budget 2026. On average, social infrastructure is allocated a larger share in 2025-2026 (10% of total expenditure and 2.7% of GDP) compared to 2024-2024 (6% of total allocation and 2.1% of GDP).

The distribution of expenditure allocations across selected sectors as a share of GDP shows that Education and Health remain unchanged from 2025 to 2026 (Figure 3).

Figure 3. Distribution of the Budget 2025 across selected sectors (LKR Bn)

Source: IPS compilation based on data provided by the MOF and Budget Estimates 2025, 2026.

However, the key determinant of impact is the country's budget utilization rate, which measures how effectively a government spends the funds allocated to it within a given fiscal period. It indicates the extent to which the approved budget has been used for its intended purposes. According to the MOF data, the capital budget utilization rate for the MoF is 10%. Calculating these rates is important yet challenging due to data limitations. A strengthened emphasis on this matter is essential to achieve the 7% growth target by 2030, as the minimum investment requirement is 35% of GDP, up from current 27%, to meet the Incremental Capital-Output Ratio (ICOR) benchmark of 5 and support sustainable infrastructure development, human capital enhancement, and productivity growth across key sectors.

4. Sector-wise Analysis

4.1 Social Infrastructure

Social infrastructure covers the following Ministries: Ministry of Education, Higher Education and Vocational Education, Ministry of Science and Technology, Ministry of Health and Mass Media, Ministry of Labour, Ministry of Youth Affairs and Sports, Ministry of Buddhasasana, Religious and Cultural Affairs and Ministry of Digital Economy.

4.1.1 Ministry of Education, Higher Education and Vocational Education and Ministry of Science and Technology

As outlined in the NPP's education policy, a central objective is to deliver quality education that nurtures a developed, humanistic, and responsible society. The key principles guiding this vision include:

- Free education and equal access
- Relevance to human development and employment
- Acceptability for all

In line with these goals, Budget 2026 proposes to:

- Assistance for school children with disabilities and encouragement for students with disabilities to continue into higher education
- Enhance facilities and research capacity in universities and higher education institutions
- Improve the quality of vocational education and create decent employment opportunities

Budget allocation and historical comparison

Total allocation for the education sector remains broadly unchanged at 0.87% of GDP in 2026, compared to 0.85% in 2025. However, the sector's share of the national budget has increased to 3.35%, up from around 2.0% in 2024. This increase indicates that the government has placed greater priority on achieving the goals set for the education sector. The Ministry of Education, Higher Education and Vocational Education allocations are mostly recurrent to cover salaries and wages etc. In 2026, this amounts to 77% of the education sector budget and is similar to recurrent spending (76%) in 2025.

The budget allocation for the Ministry of Science and Technology, established last year, remains largely unchanged from previous years.

Budget Allocations 2024-2026			
	2024	2025	2026
Ministry of Education, Higher Education and Vocational Education	218,556	273,339	301,000
Of which Recurrent Expenditure (%)	81	76	77
As a share of GDP (%)	0.76	0.85	0.87
As a share of Government Expenditure (%)	2.02	3.09	3.35
Ministry of Science and Technology		5,750	6,000
Of which Recurrent Expenditure (%)		49	50
As a share of GDP (%)		0.02	0.02
As a share of Government Expenditure (%)		0.07	0.07

Sources: Data provided by the MOF; Budget Reports.

Special Projects – Ministry of Education, Higher Education and Vocational Education		
Project Name	Allocation (LKR Mn)	Description
Increasing Mahapola/Bursary, Trainee Teacher and Nipunatha Sisu Diriya allowances	2,750	Increase the Mahapola and bursary allowances for university students and allowance paid to National College of Education scholarship recipients by Rs. 2,500.
Day Care Centers for children with disabilities	500	Establishing Day Care Centers for children with disabilities including autism
Allowance for schoolchildren with disabilities from low-income families	50	Providing a monthly allowance of Rs. 5,000 per disabled child from low-income families, based on medical recommendations
Allowances for low-income students with disabilities studying in higher educational institutions	50	Providing a monthly allowance of Rs. 5,000/- to students with disabilities from low-income families studying in higher educational institutions
Increase Principals' and Teachers' allowance	1,000	Increasing the Principals' allowance and Teachers' Hardship allowance
Other key projects		
Improve common facilities in universities	2,500	Improve common facilities in universities -- such as hostels, canteens and common learning areas

Development of professorial units and laboratory facilities in medical faculties	11,000	Development of professorial units and laboratory facilities in medical faculties at Sabaragamuwa, Moratuwa, Ruhuna, Uva Wellassa and Eastern Universities
Improving facilities and research activities at universities	11,500	Improving facilities and research activities at universities and higher educational institutions
Construction of hostels in selected universities	1,500	Construction of hostels in selected universities, especially in the South-East, Jaffna (Kilinochchi), Vavuniya, Eastern and Sabaragamuwa universities
Upgrade vocational education and vocational training centers	8,000	Upgrade 9 vocational education and vocational training centers as Centers of Excellence and to upgrade 50 training centers
Stationery allowance for students	9,000	Continue Rs. 6,000 stationery allowance provided to students in 2025 for the year 2026

The special projects proposed under the Ministry of Education primarily focus on strengthening inclusive education. The government has also outlined plans to enhance university facilities and improve research capacity across universities and higher education institutions. In line with expanding decent employment opportunities, the budget proposes upgrades to vocational education, improving facilities in vocational training centers, modernizing course content, and providing training for teachers and instructors.

The government has also recently announced education reforms set to begin in 2026, which will require significant investment. These reforms will involve teacher training, the development of teacher guides, and awareness programmes to support subject selection, among other initiatives. However, Budget 2026 does not specifically allocate funding for these reform-related activities.

4.1.2 Ministry of Health and Mass Media

In 2026, the government's health policy will prioritize strengthening the country's response to key challenges arising from declining birth rates, a growing elderly population, the rising prevalence of non-communicable diseases (NCDs), persistent nutritional problems, and the health impacts of climate change. Despite the longstanding provision of free healthcare, many households continue to incur considerable out-of-pocket expenses, underscoring the need for a more equitable and financially sustainable system. Accordingly, the government aims to reduce the burden of personal health expenditure, enhance preventive and curative services, and expand access to quality care by adopting modern medical and digital technologies.

Moreover, the government aims to strengthen the management of state media institutions to address the financial challenges caused by past mismanagement. This initiative is expected to reduce these institutions' dependence on government support for their day-to-day operations.

Budget Allocation and Historical Comparison.

The expenditure profile of the Ministry of Health and Mass Media for 2024–2026 shows both an expansionary trend and a structural shift in the composition of spending. Total expenditure is expected to increase, from LKR 389,858 million in 2024 to LKR 519,541 million in 2025, and further to LKR 555,000 million in 2026, indicating a greater policy focus on the sector. Notably, the share of recurrent expenditure, while still dominant, decreases from 91.04% in 2024 to about 81% in both 2025 and 2026. This notable

decrease suggests a strategic shift towards increasing capital investments, likely to enhance the capacity and infrastructure.

The Ministry's expenditure as a share of GDP rises from 1.35% to 1.62% in 2025, then stabilizes at 1.61% in 2026. Likewise, the Ministry's share of total government expenditure steadily increases from 4.41% in 2024 to 6.18% in 2026, highlighting a clear shift in public spending priorities towards the health sector. Overall, the data reflects both a quantitative increase and a qualitative realignment of health-sector investment over the medium term.

It is important to note, however, that the 2024 allocation pertains solely to the Ministry of Health, whereas the 2025 and 2026 allocations cover both the Ministry of Health and Mass Media. Therefore, the observed increase in expenditure partly reflects the inclusion of a second ministry, and the trends should be interpreted with caution.

Budget Allocations by the Ministry of Health and Mass Media			
	2024*	2025	2026
Ministry of Health and Mass Media (LKR Bn)	389,858	519,541	555,000
Of which % Recurrent	91.04	81.61	81.08
As a share of GDP (%)	1.35	1.62	1.61
As a share of Government Expenditure (%)	4.41	5.88	6.18

Sources: Budget Estimates 2026, MOF Data

*Note: In 2024, the allocation covers only the Ministry of Health

The proposed budget proposals demonstrate strong alignment with the stated health policy goals for 2026, particularly in expanding access to primary healthcare, reducing the financial burden on vulnerable households, and strengthening the resilience of health infrastructure. The establishment of "Arogya" centres supports the shift toward preventive, community-based service delivery and improves access to essential care at the primary level. The monthly allowance for low-income thalassemia patients directly reduces out-of-pocket costs for managing chronic illness. At the same time, the relocation of regional hospitals (Dambulla and Deniyaya) is expected to enhance service accessibility, safety, and treatment capacity. Additionally, the construction and expansion of day care centres for children with disabilities, including autism, reflects a commitment to inclusive health and social protection, ensuring better support for families with special care needs.

Despite this positive alignment, several critical policy areas remain insufficiently addressed. There are no dedicated interventions for the ageing population, such as geriatric services, integrated home- and community-based long-term care, or support systems for caregivers. Efforts to manage the rising burden of NCDs are limited, with no explicit focus on prevention, early detection, or behavioural risk reduction. The proposals also do not directly address nutrition-related challenges, which remain a core public health concern. Although the Budget Speech indicates plans to enhance the '*Thripasha*' Programme and the Monthly Nutrition Assistance Programme for pregnant and lactating mothers, the allocation for these commitments has not been specified.

Climate change is recognised as an emerging threat to public health, yet there are no dedicated initiatives for building climate-resilient health systems or disaster-related health preparedness. Moreover, although promoting digitalisation is identified as a key strategic objective under the 2026 Budget, there are no targeted investments in digital health or technology-driven health services.

Special Projects under the Ministry of Health and Mass Media	
Name of the Project/ Proposal	Allocation (LKR Million)
Establish "Arogya" centres covering between 5,000 and 10,000 people to increase people's access to services aimed at primary health and well-being.	1,500
Provision of a monthly allowance of Rs. 10,000 each to low-income thalassemia patients based on medical recommendations.	250
Relocate the Dambulla and Deniyaya regional hospitals to more accessible, secure, spacious and suitable locations.	1000
Construct day care centers for children with disabilities, including autism, in collaboration with the Department of Social Services. An additional Rs. 500 million is proposed to be allocated for establishing more day care centers to broaden these efforts. However, the budget speech does not specify how this fund will be divided between the Ministry of Health and the Department of Social Services.	100 (for the Health Ministry)
Provide higher education scholarships and support for the technical approach required in journalism, to provide the necessary support for the development of journalists' skills.	100
Budget Speech Proposals Not Recognised as Expenditure Proposals under Annexure III	
Improve the quality of secondary health services by developing Base hospitals.	31,000
Start the initial work required to establish a 16-storey National Heart Unit with more space and modern equipment	200
Conduct the Demographic and Health Survey (DHS).	570
Enhance the Thripasha programme and the Monthly Nutrition Assistance Programme for pregnant and lactating mothers and ensure wider coverage and improved delivery of these programmes through strengthened community health networks.	N/A
Provide government support for the operations and essential capital expenditures of the Sri Lanka Broadcasting Corporation, Sri Lanka Rupavahini Corporation and Independent Television Network.	N/A
Expanding the Coverage of Health Benefits under the Agrahara Scheme: To ensure that the benefits provided to employees remained at a stable level due to the minimum employee contribution of Rs. 125, it is proposed to increase the contribution amount of Rs. 125 by another Rs. 75 and the monthly contributions of Rs. 300 and Rs. 600 by another Rs. 150.	N/A

Source: Budget Speech 2026

4.1.3 Ministry of Labour

The labour force is key to economic productivity and well-being. In line with this, the policy agenda positions Labour as a pillar of inclusive growth. Upgrading skills and activating services to address shortages in domestic and overseas markets and preparing workers to participate in a technology-enabled economy are identified as pathways to move forward. By doing so, the goal is to create a productive, competitive, and inclusive workforce engaged in decent work.

Budget Allocation Summary

The labour sector budget allocation is LKR 6,400 mn, which is 0.019% of the 2026 GDP estimate, compared to LKR 6,070 mn, which was also 0.019% of the 2025 GDP estimate. Relative to 2025, overall Ministry of Labour proposed expenditures have risen by 5.4% in 2026. The total allocated expenditures in Labour as a percentage of the total government expenditure have slightly decreased from 0.093% in 2025 to 0.091% in 2026 but largely remained consistent with historical percentages.

Expenditure Summary of the Ministry of Labour, 2024-2026 (LKR Mn)			
	2024	2025	2026
Recurrent Expenditures	5,125	4,370	5,200
Capital Expenditures	571	1,700	1,200
Total sector Expenditure/ Allocation	5,696	6,070	6,400
As a share of GDP (%)	0.02	0.02	0.02
As a share of Total Government Expenditure (%)	0.09	0.09	0.09
Recurrent Expenditures as a share of Total Sector Expenditure (%)	90.0	72.0	81.3

Sources: 2026 Appropriation Bill, Budget Estimates and data provided by the MOF ¹

The allocations for recurrent expenditures increased by 19% in 2026, while current expenditures decreased by 30% compared to 2025. This has led to an increase in the share of capital expenditures from total expenditure allocated to the Ministry of Labour from 72% in 2025 to 81.3% in 2026.

Special Projects and Notable Allocations

This section outlines the notable budget allocations for projects under the Ministry of Labour in 2026, as highlighted in the budget estimates.

Special Projects and Allocations	
Project Name	Allocation (LKR Million)
Improvement of EPF Information System to Effective Service Delivery	75
Implementation of the National Policy for Decent Work	48
National Awareness Campaign on Labour Law, Social Security, and Sexual and Gender-based Violence	25
Empowering Unemployed Youth in Sri Lanka	13
Empowering Informal Sector Workers	17
Awareness of Digital Marketing among Unemployed Youth	5

Source: Budget Estimates 2026

The 2026 special-project portfolio aims to modernize labor-management systems, creating improved job opportunities for employees. The EPF Information System Improvement Project aims to enhance the social security system through architectural development. The National Policy for Decent Work Implementation program creates safer workplaces through its standard enforcement and institutional development, while the National Awareness Campaign on Labour Law, Social Security, and Gender-Based Violence program improves knowledge on rights and protections. The three activation projects for Empowering Unemployed

¹ GDP estimate 2024 – LKR 28,899,000 million, GDP estimate 2025 – LKR 32,000,000 million, GDP estimate 2026 – LKR 34,500,000 million

Youth and Informal Sector Workers, as well as the Awareness of Digital Marketing among Unemployed Youth, work together to overcome common barriers to labor-market entry and digital skills shortages. The collection of initiatives aims to establish an inclusive workplace environment that uses technological tools to enable decent work.

4.1.4 Ministry of Youth Affairs and Sports

The development of youth through sports serves as a fundamental means of creating human capital, unity, and economic opportunities. The 2026 policy aims to provide young people with job-ready abilities, leadership skills, and civic knowledge while making coaching and facilities accessible to all through school and community-based elite performance routes. The programs establish an inclusive space that allows people to participate in economic and sporting activities through ability-based access, benefiting a society that supports health and productivity. Accordingly, the ministry is guiding the Department of Sports Development, Youth Corps, the National Youth Services Council, and the Small Enterprises Development Division to achieve the national development goals.

The Ministry allocations see an increase from LKR 12,600 Mn in 2025 to LKR 13,500 Mn in 2026. The sectoral budgetary allocations as a share of GDP remain at 0.039% in both 2025 and 2026, and as a share of total government expenditure, they remain at 0.19% across both years. The budgetary allocations for recurrent and capital expenditures have both increased in 2026. The recurrent expenditures as a share of total sectoral expenditure, however, have remained at 56% in both 2025 and 2026, indicating a consistent level of commitment to youth affairs and sports.

Expenditure Summary of the Ministry of Youth Affairs and Sports, 2024-2026 (LKR Mn)			
	2024	2025	2026
Recurrent Expenditures	3,207	5,500	6,000
Capital Expenditures	5,625	7,100	7,500
Total sector Expenditure/ Allocation	8,832	12,600	13,500
As a share of GDP (%)	0.031	0.039	0.039
As a share of Total Government Expenditure (%)	0.144	0.19	0.19
Recurrent Expenditures as a share of Total Sector Expenditure (%)	64	56	56

Sources: 2026 Appropriation Bill, Budget Estimates and data provided by the MOF²

Special Projects and Allocations		
Project Name	Allocation (LKR Mn)	Description
Establishment of Sports Culture	1800	Promoting sports culture among our children and youth by expanding opportunities for sports facilities.
Development of Provincial and District Sports Complexes	375	Upgrading selected district/provincial complexes.
Provision of Sports Infrastructure Facilities for Schools and Youth Societies in Rural Areas	450	Equipment & facility upgrades for rural schools/youth societies.

² GDP estimate 2024 – LKR 28,899,000 million, GDP estimate 2025 – LKR 32,000,000 million, GDP estimate 2026 – LKR 34,500,000 million

Nutrition for National Pools	350	Providing adequate nutrition, including diets and uniforms, to athletes in the national sports pools (teams)
Facility Readiness	1,163	Providing facilities for players to participate in international sports competitions, second-tier sports pools, international sports tournaments, national sports competitions, and high-caliber sports teams to offer facilities to about 4,000 participating athletes.

Source: Budget Speech and Budget Estimates 2026

The Ministry of Youth Affairs and Sports' special project portfolio aims to empower youth while developing elite performance in sports. The Establishment of Sports Culture program receives the largest funding to create sport-based programs that will reach more children and youth through improved access to facilities and organized activities in schools and communities. The Development of Provincial and District Sports Complexes and Sports Infrastructure Facilities for Schools and Youth Societies in Rural Areas receives funding to address disparities in facility access between urban and rural areas. The initiatives support NPP's manifesto, youth development, and health goals, but their success depends on completing projects on time, conducting transparent beneficiary selection, and establishing specific performance metrics to demonstrate development progress (ex: youth participation in rural areas).

4.1.5 Ministry of Buddhasasana, Religious and Cultural Affairs

Cultural heritage and religious services are public goods that strengthen identity and inclusion in communities. The 2026 agenda protects essential infrastructure and historical sites through enhanced security measures while promoting religious freedom for all beliefs, educational initiatives, and community outreach programs. The budget serves as a directional tool that supports continuous development work through cost reduction and service improvement. The main goal is to protect national heritage through universal access to cultural industries and religious sites.

The sectoral budget allocation is 14,500 Mn, which is 0.42% of the 2026 GDP estimate, compared to 14,467 Mn in 2025, which was 0.045% of the GDP estimate. The total allocation as a share of total expenditure also shows a slight decrease from 0.22% in 2025 to 0.19% in 2026. In addition, there is a qualitative worsening in spending, with a higher share of recurrent expenses (60% in 2025 compared to 66% in 2026). This is due to increased recurrent spending and reduced capital spending in 2026 relative to 2025, as much of the current budget focuses on sustainability in public access and services.

Expenditure Summary of Buddhasasana, Religious and Cultural Affairs, 2024-2026 (LKR Mn)			
	2024	2025	2026
Recurrent Expenditures	6,457	8,647	9,500
Capital Expenditures	1,509	5,819	5,000
Total Sector Expenditure/ Allocation	7,966	14,467	14,500
As a share of GDP (%)	0.028	0.045	0.042
As a share of Total Government Expenditure (%)	0.13	0.22	0.19
Recurrent Expenditures as a Share of Total Sector Expenditure (%)	81	60	66

Sources: 2026 Appropriation Bill, Budget Estimates and data provided by the MOF ³

Special Projects and Notable Allocations		
Project Name	Allocation (LKR Mn)	Description
Solar Facilitation for Religious Places	1,240	Solar installations to cut energy bills at religious/community facilities.
Printing of Dhamma School Text Books	202	The Dhamma school system may positively impact the country's social development. Limited resource environments restrict the ability to make an impact.
Conservation and Maintenance of Archaeological Sites and Monuments	169	These allocations ensure continued support for maintenance, upgrading, and building of key cultural and religious infrastructure.
Renovate John De Silva Theatre	200	
Amaradeva Aesthetic and Research Centre	100	
Folk Art Centre And Ape Gama	100	
Development of Rural Buddhist Temples	150	

Source: Budget Speech and Budget Estimates 2026

The budget distribution demonstrates a strategic focus on cultural and religious heritage development through sustainable preservation initiatives and community-based projects. The investment portfolio reduces religious institutions' operational costs while improving cultural and heritage facilities and strengthening support systems for cultural identity to promote social unity. The funding allocations demonstrate ongoing dedication to protecting historic sites and improving public access to cultural facilities. The spending pattern demonstrates ongoing support for national heritage, community health development, and sustainability.

4.1.6 Ministry of Digital Economy

Digital transformation is recognised as a core driver of competitiveness, service quality, and transparency. As outlined in *A Thriving Nation: A Beautiful Life*, the government aims to create a user-centred “digital state” through platforms, strengthen data protection and cybersecurity, and streamline digital public services to reduce costs for citizens and firms. Additional investments to expand advanced digital skills, research, and entrepreneurship are likely to be made in parallel to increase the ICT industry’s annual export revenue from USD 1.2 Bn to USD 15 billion by 2030. Together, these measures aim to foster a resilient, innovation-led economy in which people and businesses can transact safely, efficiently, and at scale.

The Ministry of Digital Economy is allocated LKR 16,000 Mn for 2026, which is around 0.046% of GDP. This is a slight decline from 2025, when the allocation was LKR 16,623 Mn, or 0.052% of GDP. As a result, the allocation as a share of total government expenditures is lower at 0.23%, down from 0.25% in 2025. While this may suggest a decline in government commitment to achieving a digital state, the share of recurrent expenditures as a percent of total sector expenditures has dropped from 41% to 37% from 2025 to 2026,

³ GDP estimate 2024 – LKR 28,899,000 million, GDP estimate 2025 – LKR 32,000,000 million, GDP estimate 2026 – LKR 34,500,000 million

highlighting the importance of creating digital public infrastructure and facilities that are set to bolster the path to a digital economy.

Expenditure Summary of the Ministry of Digital Economy, 2024-2026 (LKR Mn)			
	2024	2025	2026
Recurrent Expenditures	5,058	6,752	5,900
Capital Expenditures	1,342	9,871	10,100
Total Sector Expenditure/ Allocation	6,400	16,623	16,000
As a share of GDP (%)	0.022	0.052	0.046
As a share of Total Government Expenditure (%)	0.10	0.25	0.23
Recurrent Expenditures as a share of Total Sector Expenditure (%)	79	41	37

Sources: 2026 Appropriation Bill, Budget Estimates and data provided by the MOF ⁴

Special Projects and Notable Allocations		
Project Name	Allocation (LKR Mn)	Description
Sri Lanka Unique Digital Identity Project	2,110	The project aims to create a trusted, unique, secure, and accurate digital identity system for all Sri Lankans aged 15 and above, using biometric capabilities such as iris, facial, and fingerprint recognition
National Cyber Security Operation Center	470	Provide real-time monitoring and response to cybersecurity threats targeting critical government organizations.
DEA Strengthening and Inter-Ministerial Coordination Platform	949	To establish and operationalize the Digital Economy Authority (DEA) and its Interministerial Coordination Digital Mechanism Secretariat to serve as the national institutional anchor for digital economy strategy, cross-government digital coordination, and regulatory enablement.
Digital Government Transformation Program – Phase 1	1,715	Establishing foundational digital infrastructure, identity verification systems, modular service marketplaces, and AI-augmented user experiences—delivering a modern public service experience through secure, scalable platforms.
Accelerating Sri Lanka’s Digital Industry and Innovation Ecosystem	750	Foster a globally competitive startup sector, building an AI-ready workforce, and strengthening the monetization and export readiness of local tech products and services.
Digital Revenue Economy Enablement and Acceleration Initiative	655	To establish a foundation for a sustainable and inclusive digital revenue economy in Sri Lanka by enabling DPI-driven services, SME digital transformation, monetization of public APIs, and digital payment system integration
Advancing Digital Skills and Capacity Building in Sri Lanka	550	Providing foundational and advanced digital skills, fostering AI aptitude, and building institutional mechanisms for capacity building through certification, mentorship, and data-driven policy making.

⁴ GDP estimate 2024 – LKR 28,899,000 million, GDP estimate 2025 – LKR 32,000,000 million, GDP estimate 2026 – LKR 34,500,000 million

Source: Budget Speech and Budget Estimates 2026

The allocation for the digital economy shows a major shift towards building the core infrastructure and institutional systems required for a fully digital state. The selected projects collectively strengthen the identity backbone, enhance cybersecurity readiness, expand interoperable government platforms, and support the growth of a modern, innovation-driven tech ecosystem. At the same time, investments in digital-skills development and industry-level enablement signal an effort to ensure that citizens, public institutions, and firms can all participate in the new economy.

4.2 Agriculture

The agriculture sector faces a range of challenges that hinder its growth and sustainability. Declining productivity, driven by traditional farming methods and the slow adoption of modern technology, stands at the forefront. Additionally, the sector struggles with inefficiencies in resource use – water and fertiliser – and is further threatened by the impacts of climate change, post-harvest losses, and limited access to markets. The government has identified enhancing the potential of the agriculture sector as a key requirement in terms of improving economic opportunities for most of the Sri Lankans. Therefore, government policy on agriculture is aimed at increasing its productivity, competitiveness and resilience.

The agriculture sector is primarily administered by the Ministry of Agriculture, Livestock, Land, and Irrigation, the Ministry of Fisheries, Aquatic, and Ocean Resources, and the Ministry of Plantation and Community Infrastructure, as classified in the Public Investment Program (PIP). However, in this section, the expenditure allocation for the Ministry of Environment, which is closely interwoven with the agriculture sector, is also discussed alongside the aforementioned three ministries.

4.2.1 Ministry of Agriculture, Livestock, Land and Irrigation

Stated Policy Goals for 2026

National Policy Framework (NPF) envisages a production-based economy with agriculture, livestock, fisheries, and food processing supported by science, technology, and innovation. It also seeks agriculture to act as a livelihood base as well as a key driver of national economic growth to build a food-secure, export-competitive and environmentally sustainable nation. The policy is focused mainly on achieving national food and nutrition security, strengthening agro-industrial linkages and value addition, modernization through research, innovation and mechanization, improving climate resilience and sustainable land and water resources management. It also attempts providing equal opportunities for smallholders, women, and youth to participate in agribusiness.

Budget allocation and historical comparison

The Ministry of Agriculture, Livestock, Land, and Irrigation oversees multiple institutions responsible for managing non-plantation agriculture, livestock, land, and irrigation sub-sectors. Budgetary allocations are distributed across 10 key institutions: namely Ministry of Agriculture, Livestock, Land, and Irrigation; Department of Agrarian Development; Department of Irrigation; Department of Agriculture; Department of Land Commissioner General; Department of Land Title Settlement; Department of Surveyor General of Sri Lanka; Department of Export Agriculture; Department of Animal Production and Health and Department of Land Use Policy Planning. In 2026, more than 68% of the Ministry's total budget is allocated to the Ministry of Agriculture, Livestock, Land, and Irrigation. Among the other institutions, the Department of Irrigation receives 11.7%, followed by the Department of Agrarian Development (7.9%), Department of Agriculture (5.6%), Department of Surveyor General (2.8%), Department of Animal Production and Health (1.3%) and Department of Export Agriculture (1.2%). All remaining institutions receive less than 1% of the total budget.

With the exception of the Ministry of Agriculture, Livestock, Land, and Irrigation, all other institutions have experienced increases in budgetary allocations to varying extents. The Department of Animal Production and Health recorded the highest percentage increase (74.7%) while significant increases were also observed in the Department of Land Commissioner General (19.2%), the Department of Land Title Settlement (15.9%), the Department of Agrarian Development (12.5%), and the Department of Land Use Policy Planning (11.8%). In contrast, the Ministry of Agriculture, Livestock, Land, and Irrigation saw a slight decline of 2.2%, and this reduction was entirely due to a 5.3% decrease in capital expenditures, while recurrent expenditures grew by 4.1%.

In 2026, the total budget allocation for the Ministry of Agriculture, Livestock, Land, and Irrigation is LKR 221,300 million with a growth of 1.34%. However, despite this increase, the Ministry's expenditure as a percentage of GDP has declined marginally from 0.68% in 2025 to 0.64% in 2026, while its share of total government expenditure has remained unchanged. Conversely, the Ministry's expenditure as a percentage of total recurrent expenditure has increased slightly, from 3.69% in 2025 to 3.87% in 2026.

Changes in the Budget allocation across institutes under the Ministry of Agriculture, Livestock, Land, and Irrigation, LKR Bn			
	2024	2025	2026
Ministry of Agriculture, Livestock, Land, and Irrigation	76.80	154.51	151.11
Department of Agrarian Development	13.84	15.53	17.47
Department of Irrigation	17.41	24.03	25.89
Department of Agriculture	9.40	11.80	12.36
Department of Land Commissioner General	0.62	0.78	0.93
Department of Land Title Settlement	0.80	0.88	1.02
Department of Surveyor General of Sri Lanka	4.80	5.84	6.20
Department of Export Agriculture	1.40	2.72	2.72
Department of Animal Production and Health	1.29	1.62	2.83
Department of Land Use Policy Planning	0.59	0.68	0.76
Total	126.95	218.39	221.29
As a share of GDP (%)	0.44	0.68	0.64
As a share of Recurrent Expenditure (%)	1.18	2.47	2.46
As a share of Total Government Expenditure (%)	2.36	3.69	3.87

Source: Budget Estimate, 2026 (Note: 2024-actual, 2025-Revised, 2026-Estimate)

To achieve the overall objective on developing the agriculture, livestock, land and irrigation sectors, the Budget 2026 has made several proposals. These are highlighted below with some discussion points.

Special Projects - Ministry of Agriculture, Livestock, Land and Irrigation		
Project Name	Allocation (LKR Mn)	Description
New Comprehensive Rural Credit Scheme (NCRCS).	1,700	Agricultural loans up to Rs. 3 million at an interest subsidy of 5 percent through the New Comprehensive Rural Credit Scheme (NCRCS)

Small and Medium Enterprise Development Loan Scheme	7,700	New loans up to Rs. 50 million will be provided at concessional interest rates for Small and Medium Enterprise Development.
development of agricultural value chains.	6,200	Loans up to Rs. 50 million under a concessional interest rate program for the development of agricultural value chains
Pledge Loan Scheme	15,000	Small and medium-scale paddy mill owners can obtain loans up to Rs. 50 million at a concessional interest rate.
Sustainable Farmers' Loan Fund	800	Establish a Sustainable Farmers' Loan Fund aimed at increasing access to agricultural projects.
Building Production Cooperatives and Creating Young Entrepreneurs	500	Providing paddy drying machines equipped with modern technology to the relevant farming companies or cooperative societies
Sathosa Storage & Price Stabilization Support	1,000	Strengthen the mechanism related to the service provided by Sathosa and improve storage facilities to minimize price fluctuations in food crops including onions, potatoes and maize.
Upgrading the Temperature-Controlled Storage Facility in Dambulla	250	To complete the construction work that is hindering the use of the warehouse and install a solar panel system
Climate-Smart Irrigation Technology	1,000	Increase agricultural production in Matale, Kandy and other potential areas in the dry zone by using new technologies and climate-friendly irrigation technologies
National Dairy Programme (Preliminary Work)	1,000	Organize dairy farmers, improve breeding, nutrition, and health.
Small and Medium sized Livestock Development Programme	1,000	Implement a programme to improve the breeding, nutrition and health of dairy cattle by organizing farmers based on each Veterinary Division
Upgrading Livestock Breeder Farms	1,000	Improve the breeding units of several high-quality dairy cows and pig breeds and to cultivate nutritious grasses in several selected farms belonging to the National Livestock Development Board
Badalgama Dairy Factory Completion	3,000	Completion of the remaining works of the Badalgama Dairy factory including the rectification of machinery and buildings and the renovation of the factory in order to commence production.
Uplifting Irrigation Sector (Overall)	91,700	Total allocation to enhance irrigation infrastructure, boost domestic production, support regional development, and create jobs.
Mundeni Aru Project – Initial Works	50	Funds allocated to resume preliminary work and restart the temporarily suspended irrigation project.
Talpitigala Reservoir Project	N/A (to be secured)	Government to negotiate with development partners for funding to commence the project.
Kumbukkan Oya Reservoir Project	N/A (to be secured)	Discussions planned with development partners to secure financial resources for implementation.

Lower Malwathu Oya Multipurpose Development Project	5,000	To expedite construction; aims to cultivate new lands under Yodha Wewa, increase productivity, supply drinking water, and mitigate floods in Mannar.
Restoration of Major Canal Systems & Reservoirs	6,500	Includes urgent repairs of Senanayake Samudraya sluice (Sorowwa) and restoration of Gal Oya, Rajanganaya, Huruluwewa, and Minneriya reservoirs.
Improvement of Small Tanks, Canals & Sluice Systems	8,350	Rehabilitation of 650 small tanks and ~350 km of canals to strengthen local irrigation networks.

Assessment

The 2026 Budget shows strong alignment with several of the national policy priorities. Proposals such as providing modern paddy-drying technology, strengthening Sathosa storage systems, reviving the Dambulla Cold Storage facility and investing in climate-friendly irrigation technologies directly support the national policy objectives of reducing post-harvest losses, stabilising food supply, and modernising agricultural systems. Similarly, the large-scale funding for irrigation highlights commitments to sustainable irrigation management and improving agricultural productivity. Investments in breeding, nutrition, and farmer organization in dairy sector strongly aligns with the national policy goals for agro-industrial development, import substitution, and innovation-led growth. However, some of the core national policy principles such as promoting youth and women's inclusion, research commercialisation, and agri-tech entrepreneurship are less evident in the budget proposals.

4.2.2 Ministry of Plantation and Community Infrastructure

Stated Policy Goals for 2026

The National Policy Priorities for Sri Lanka's Plantation Sector focus on transforming the plantation sector into a modern, competitive, and sustainable industry. It emphasizes the need to enhance productivity, quality, and value chains of tea, rubber, and coconut with a view to making them globally competitive. The expansion of high-yielding varieties, the modernization of processing technologies, improving productivity of small holders, and value addition for exports are some of the stated priority strategies. Ensuring decent labor conditions, efficient land use, digital monitoring systems, climate-smart practices, and better institutional coordination are prioritized within policy to achieve environmental sustainability and a better livelihood for plantation communities.

Budget allocation and historical comparison

In 2025 and 2026, budget allocations for the Ministry of Plantation and Community Infrastructure were distributed among the Ministry of Plantation and Community Infrastructure, the Department of Rubber Development, and the Department of Cinnamon Development. Notably, the Department of Export Agriculture, which was previously under this ministry in 2024, was reassigned to the Ministry of Agriculture, Livestock, Land, and Irrigation in 2025 and continued in 2026 as well. In 2026, more than 90% of the Ministry's total budget is allocated to the Ministry of Plantation and Community Infrastructure, while the Department of Rubber Development and the Department of Cinnamon Industry Development receive 7% and 3%, respectively.

At the institutional level, the allocation for the Department of Rubber Development increased substantially by 36% from LKR 0.97 billion in 2025 to LKR 1.32 billion in 2026. The Department of Cinnamon Industry Development experienced an 18% decline, with its allocation declining from LKR 0.55 billion in 2025 to LKR 0.45 billion in 2026. Similarly, the allocation to the Ministry of Plantation and Community Infrastructure remained same compared to the previous year.

In 2026, the total budget allocation for the Ministry of Plantation and Community Infrastructure is LKR 18,000 million with a growth of 1.22%. However, despite this increase, the Ministry's expenditure as a percentage of GDP and as a percentage of total expenditure have remained unchanged. Conversely, the Ministry's expenditure as a percentage of total recurrent expenditure has increased slightly, from 0.30% in 2025 to 0.31% in 2026.

Changes in Budget allocation across institutes under the Ministry of Plantation and Community Infrastructure, LKR Bn			
	2024	2025	2026
Ministry of Plantation and Community Infrastructure	7.47	16.27	16.23
Department of Rubber Development	0.94	0.97	1.32
Department of Cinnamon Development	0.15	0.55	0.45
Total	8.56	17.79	18
As a share of GDP (%)	0.004	0.056	0.052
As a share of Recurrent Expenditure (%)	0.010	0.201	0.200
As a share of Total Government Expenditure (%)	0.020	0.300	0.315

Source: Budget Estimate, 2026 (Note: 2024-actual, 2025-Revised, 2026-Estimate)

To achieve the overall objective on developing the plantation sector, the Budget 2026 has made some proposals. These are highlighted below with some discussion points.

Special Projects – Ministry of Plantation and Community Infrastructure		
Coconut Triangle Expansion	600	Develop coconut cultivation in Northern lands.
Smallholder Coconut Productivity Programme	2,500	Support under-5-acre growers to increase productivity. Providing concessions for Small-Scale Coconut Cultivators

Assessment

The 2026 Budget proposals align with some of the national policy priorities. For example, there are allocations for expanding coconut cultivation; investments in irrigation and water management that benefit plantation lands; and emphasis on export-oriented value addition in key crops. Coconut sector proposals that include expanding cultivation in the Northern Coconut Triangle and incentivizing smallholders with less than five acres support not only the policy objective of increasing export competitiveness but also enhancing smallholder participation. However, while the budget features strong investments for certain crops like coconut and infrastructure, explicit allocations for the other two major plantation crops (tea and rubber) identified in the national policy framework such as modernizing processing, niche market development, smallholder enhancement are less prominent in the budget items.

4.2.3 Ministry of Fisheries, Aquatic and Ocean Resources

Stated Policy Goals for 2026

The national policy framework for the fisheries and aquaculture sector of Sri Lanka aims at sustainability and food security through increased production with eco-friendly practices. This will involve the establishment of a real-time fisheries information system, modernization of regulations, enhancement of governance through online licensing and monitoring, and sustainable resource management. There shall be assessment of stock capacities, conservation of breeding grounds, prevention of illegal fishing, and reduction of marine pollution. Encouragement of technological capability related to vessel monitoring

systems and GPS safety warnings will be pursued. Aquaculture development and social welfare programs for fishing communities will be emphasized alongside post-harvest management, infrastructure development, and foreign investment to establish Sri Lanka as a key player in the blue economy.

Budget allocation and historical comparison

Consistent with the previous year, the 2026 budget includes allocations for two key institutions within the fisheries sector: the Ministry of Fisheries and the Department of Fisheries and Aquatic Resources. In 2026, 86% of the total fisheries sector budget is allocated to the Ministry of Fisheries, while the remaining 14% is allocated for the Department of Fisheries and Aquatic Resources. This marks a significant shift compared to 2025, when the Ministry of Fisheries received approximately 62% of the total budget, leaving 38% for the Department of Fisheries and Aquatic Resources. At the institutional level, the allocation for the Ministry of Fisheries increased by 26%. However, the allocation for the Department of Fisheries and Aquatic Resources has declined drastically by 67%, from LKR 4.39 billion to LKR 1.44 billion.

In 2026, the total budget allocation for the Ministry of Fisheries, Aquatic and Ocean Resources is LKR 10,600 million reflecting a decline of 9.28%. The Ministry's expenditure as a percentage of GDP has declined marginally from 0.04% in 2025 to 0.03% in 2026, while its share of total government expenditure has declined from 0.13% in 2025 to 0.12% in 2026. Similarly, the Ministry's expenditure as a percentage of total recurrent expenditure has decreased slightly, from 0.197% in 2025 to 0.185% in 2026.

Changes in Budget Allocation Across Institutes under the Ministry of Fisheries Aquatic and Ocean Resources, LKR Bn			
	2024	2024	2026
Ministry of Fisheries	7.94	7.30	9.16
Department of Fisheries and Aquatic Resources	0.93	4.39	1.44
Total	8.87	11.69	10.6
As a share of GDP (%)	0.031	0.037	0.031
As a share of Recurrent Expenditure (%)	0.082	0.132	0.118
As a share of Total Government Expenditure (%)	0.165	0.197	0.185

Source: Budget Estimate, 2026 (Note: 2024-actual, 2025-Revised, 2026-Estimate)

To achieve the overall objective on developing the fisheries and aquatic resources sector, the Budget 2026 has made several proposals. These are highlighted below with some discussion points.

Special Projects – Ministry of Fisheries Aquatic and Ocean Resources		
Project Name	Allocation (LKR Mn)	Description
Renovation & Upgrading of Existing Fishery Harbours	300	Renovation, rehabilitation, and upgrading of existing infrastructure facilities at selected fishery harbours, including Beruwala, Ambalangoda, Kudawella, and Nilwella.
Improving Fishery Harbour Infrastructure	1,000	Supplementary allocation to improve essential physical facilities in fishery harbours nationwide.
Development of Valaichchenai Fishery Harbour	350	Empower the fishing community by strengthening the operations of the Valaichchenai Fishery Harbour to ensure uninterrupted operations

Provision of Life-Saving Equipment to Fishermen	100	Supply life-saving technology and equipment to enhance safety at sea and reduce risks to the fishing community.
Infrastructure Development at Wharves to Increase Fish Harvest	500	Development of infrastructure at the wharves to improve the living standards of the fishing community by obtaining a qualitative and quantitative fish harvest through minimizing post-harvest losses
Satellite-Based Fish Ground Identification System	100	Develop a system for identifying fish grounds using satellite technology and communicating relevant information efficiently to the fishing community
Development of Aquaculture Development Centers	100	Development of aquaculture development centers to increase the supply of fish seeds and improve the availability of quality freshwater fish
Study on Blue Economy Opportunities	100	Conduct a detailed assessment of economic potential in marine fisheries, aquaculture, ecotourism, diving, biotechnology, and seabed resources in the EEZ.

Assessment

The 2026 Budget proposals outline ways to meet various fundamental requirements of the fisheries sector as highlighted in the National Policy Framework such as upgrade infrastructural facilities, reduce post-harvest loss, and improve safety standards. Major allocations for harbour rehabilitation, modern navigation and safety equipment, developing wharf facilities and quality-enhancement technologies such as satellite-based fish-ground identification are in full alignment with national policy priorities for the modernization of fisheries infrastructure, reduction in operational risks, and improvement in efficiency. Provisions for aquaculture development centres indicate the emphasis placed by the budget on the policy priorities such as the development of inland aquaculture, enhancement of fish production, and livelihood opportunities. However, the Budget makes insufficient provisions for the national policy requirements of a real-time fisheries information system, regulatory reforms, measures to tackle illegal fishing, support for renewable energy technologies, social welfare measures like insurance schemes, pension revival, women's participation, and community-based cooperatives. There are also no clear allocations for environmental safeguards, pollution control, and ocean disaster risk management mechanisms.

4.3 Environment

4.3.1 Ministry of Environment

Stated Policy Goals for 2026

The National Policy Framework Emphasize sustainable and balanced ecosystem development through proper land use, renewable energy, and resilient climate development. It focuses on scientific land-use planning, protection of sensitive ecosystems, sustainable water management, cleaner production, and a circular economic approach to reduce pollution and climate change. Current policy priorities demand adequate mechanisms for community participation in the protection of forests, wetlands, mangroves, and coastal zones. Human-elephant conflict is expected to be addressed by the National Policy Framework through proposals of restoration of natural habitats, providing food and water for wildlife, strengthening electric fencing with community involvement, and embracing science-based conflict mitigation strategies. These policies strive for a low-carbon, climate-resilient, biodiverse Sri Lanka with human-wildlife coexistence.

Budget allocation and historical comparison

According to the new composition of the Ministries, the Budgetary allocations of the Ministry of Environment are distributed across 6 key institutions: Ministry of Environment, Department of Forest Conservation, Department of Wildlife Conservation, Department of National Zoological Gardens, Department of Coast Conservation and Coastal Resource Management and Department of National Botanical Gardens. While the Department of Coast Conservation and Coastal Resource Management and the Department of National Botanical Gardens were newly added in 2025 compared to 2024, no changes in ministerial composition are observed in 2026 relative to 2025.

The planned expenditure is LKR 18,300 Mn for 2026 which is an increase (13.8%) compared to 2025 in nominal terms. As a percentage of GDP, the allocation is nearly 0.05% for the year 2026 which is a slight increase compared to 2025. The Ministry's expenditure as a percentage of GDP has remained constant (0.05%) from 2025 to 2026, while its share of total government expenditure has increased from 0.18% in 2025 to 0.20% in 2026. Similarly, the Ministry's expenditure as a percentage of total recurrent expenditure has increased from 0.27% in 2025 to 0.32% in 2026.

In 2026, about 34% of the Ministry's total budget is allocated to the Department of Wildlife Conservation followed by Department of Forest Conservation (24%) and the Ministry of Environment (23%). Department of National Botanical Gardens, Department of National Zoological Gardens and Department of Coast Conservation and Coastal Resource Management have been allocated 7%, 6% and 5% respectively of the total Ministry's budget. All the institutions have experienced increases in budgetary allocations to varying extents in 2026 compared to 2025.

Ministry of Environment - expenditure summary (LKR Mn)			
	2024	2025	2026
Ministry of Environment	1,998	3,730	4,299
Department of Forest Conservation	2,781	3,780	4,385
Department of Wildlife Conservation	3,542	5,730	6,284
Department of National Zoological Gardens	773	924	1,117
Department of Coast Conservation and Coastal Resource Management	631	801	995
Department of National Botanical Gardens	823	1,112	1,220
Total	10,549	16,077	18,300
As a share of GDP (%)	0.037	0.050	0.053
As a share of Total Government Expenditure (%)	0.098	0.182	0.204
As a share of Total Recurrent Expenditure (%)	0.196	0.272	0.320

Source: Budget Estimate, 2026 (Note: 2024-actual, 2025-Revised, 2026-Estimate)

To achieve the broader objectives of creating a low-carbon, climate-resilient, and biodiverse Sri Lanka, the 2026 Budget introduces several targeted proposals. These proposals are highlighted below, along with key discussion points.

Special Projects – Ministry of Environment		
Project	Allocation (Rs. Mn)	Description
Feasibility studies on flood Control	500	Conducting feasibility studies on flood control in Hambantota, Galle, Kalutara, and Rathnapura
Lagoon development	100	Kalutara Lagoon development
Flood and Saltwater intrusion control	1,000	Flood and saltwater intrusion controlling along the Nilwala River in Matara
Electric fence construction	300	Complete the construction of all electric fences in all identified, essential areas including fences that are already completed but dilapidated, broken down, partially constructed, or planned for construction.
Finding research-based solutions to resolve the Human-Elephant Conflict	10	Research to find long-term, research-based solutions beyond the construction of electric fences to reduce these elephant-human conflicts.
Allowances for electric fences monitoring	375	Provide food allowances and fuel allowances for equipment maintenance to Civil Security officers assigned to monitor and maintain electric fences
Pasture and water source management activities	80	Pasture and water source management activities ensure the provision of food and water for elephants
Providing solutions for Human-Elephant Conflict	1,000	Provision in addition to the provisions allocated to the Department of Wildlife Conservation to complete the construction of electric fences and other related tasks to control elephant-human conflict
Mitigating the elephant-human conflict	100	Enhance the capacity of 270 offices, including wildlife zonal offices, guard offices, and Bittu officers
Compensation for victims of human-elephant conflict	240	For compensation for victims of human-elephant conflicts
Promote natural regeneration and address deforestation	1050	For reforestation efforts, forest conservation initiatives, commercial forestry expansion, environmental protection, and mangrove management.

Assessment

The key Budget Proposals for 2026 addresses some of the key priorities of the National Policy Framework for building a climate-resilient, biodiverse, and environmentally secure Sri Lanka. It places strong focus on scientific land-use planning, ecological restoration, climate adaptation, and sustainable, long-term approaches to human–wildlife coexistence with especial emphasis on addressing the Human–Elephant Conflict. In response, the budget has provided substantial funding for flood control, natural regeneration, reforestation, mangrove management, and commercial forestry expansion. It further supports HEC mitigation through investments in electric-fence construction, pasture and water-source management, and compensation for affected families. The allocation for research-based, scientifically driven solutions beyond fencing falls directly in line with the policy priority of evidence-based and ecosystem-restorative strategies toward sustainable coexistence proposed. Furthermore, strengthening field-level wildlife offices directly supports the policy emphasis on improved enforcement, decentralized environmental governance, and enhanced ground level capacity for environmental protection.

4.4 Industry, Trade, Investment and Tourism

The 2026 budget aims to lay the groundwork for achieving a growth rate of over 7% in the medium term. A rules-based approach to attract investment, integrating Sri Lanka with global value chains, public-private partnerships (PPPs), and the modernisation of State-owned enterprises (SOEs) are key pillars of the growth strategy. The budget proposes streamlining customs clearance by establishing the Trade National Single Window (TNSW), along with implementing a new tariff policy to connect Sri Lanka with global value chains. Notably, for TNSW, 2,500 Mn is allocated. While export diversification is recognised as a strategic goal, strengthening the production economy is another primary focus of the 2026 budget. The budget suggests establishing five industrial parks and an industrial estate in Paranthan dedicated to chemical manufacturing. It highlights ongoing efforts to provide targeted subsidies, essential technology, and market access to Small and Medium-sized Enterprises (SMEs), enabling them to produce goods that are currently imported locally.

The Ministry of Industry and Entrepreneurship Development has a total budget allocation of LKR 11,500 Mn. Recurrent expenditure accounts for 47.8% of expenditure allocations, while capital expenditure accounts for 52.2% of the ministry's expenditure allocation in 2026. The total budget allocation for the ministry is 0.128% of the total government expenditure for 2026. As a percentage of 2026 GDP estimates, budget allocation for the Ministry of Industry and Entrepreneurship Development is 0.033%. In comparison with the previous year, there is a sharp drop in budget allocation in 2026, as a percentage of GDP. However, the 2025 allocation was driven by a significant allocation for capital expenditure. Despite the reduced capital allocation, the budget allocation for 2026 is higher than that for 2024 in both recurrent and capital expenditures. Under the budget line for the ministry, 42 Mn is allocated for a sugarcane project with the Brazilian Cooperation Agency. Capital allocation for industrial development programs has nearly doubled compared to 2025, reaching 4,253 million. Out of that, 4,000 Mn is allocated for infrastructure development in the industrial estates.

The budget proposes an Industrial Zone dedicated to the manufacture of automobiles and rubber products. However, it is suggested that the requirements for this purpose be managed within the already allocated budgetary provisions of 1,500 Mn under the Ministry of Industry. Given that no additional allocations have been made for the industrial zone, although establishing industrial zones to attract investment and promote export diversification aligns with strategic goals, it is doubtful whether the budget allocation is sufficient for implementing these proposals. Notably, only 500 Mn is allocated for an industrial estate in Paranthan and five other industrial parks. Given the unsatisfactory implementation of proposed industrial zones in the past, successful implementation will need efficient use of allocated financial resources.

Expenditure Summary			
	2024	2025	2026
Ministry of Industry and Entrepreneurship Development			
Recurrent share (%)	39.1	34.5	47.8
Share of GDP (%)	0.026	0.044	0.033
Share of government expenditure (%)	0.073	0.158	0.128
Ministry of Trade, Commerce, Food Security and Co-operative Development			
Recurrent share (%)	91.4	81.3	81.5
Share of GDP (%)	0.006	0.008	0.008
Share of government expenditure (%)	0.016	0.030	0.030
Ministry of Foreign Affairs, Foreign Employment and Tourism			

Recurrent share (%)	97.4	90.4	91.3
Share of GDP (%)	0.057	0.068	0.067
Share of government expenditure (%)	0.157	0.246	0.256

Source: Ministry of Finance

The Ministry of Trade, Commerce, Food Security, and Cooperative Development has a total budget allocation of LKR 2,700 Mn. Recurrent expenditure accounts for 81.5% of the ministry's expenditure allocations, while capital expenditure accounts for 18.5% of the ministry's spending in 2026. The overall budget for the ministry is 0.03% of the total government expenditure for 2026. As a proportion of the 2026 GDP estimates, the budget allocation for the Ministry of Trade, Commerce, Food Security, and Cooperative Development is 0.008% (Table 2). In relation to GDP, the budget sharing for the ministry is comparable to that of 2025 and higher than in 2024.

Importantly, since 2024, the budget allocated for international trade promotion, an operational activity under the ministry, has been discontinued. In 2024, 164 million was allocated for international trade promotion. For food security initiatives, 100 million is allocated. Only 1 million is designated for staff training within the Department of Commerce. The budget highlights export diversification as a strategic objective and reviews existing trade agreements while pursuing new ones to achieve this goal. In this context, enhancing the capacity of the Department of Commerce may require a more substantial allocation. Although greater private sector participation and SME involvement in the economy are emphasised as objectives, there are no new programs to increase the efficiency of the Department of Registrar of Companies. The 2026 budget allocates 200 million for the renovation of existing paddy stores, which aligns with food security initiatives.

As shown above, the Ministry of Foreign Affairs, Foreign Employment, and Tourism has a total budget allocation of 23,000 Mn. Recurrent expenditure accounts for 91.3% of total expenditure allocations. The total budget allocation for the ministry is 0.256% of total government expenditure for 2026. As a percentage of the 2026 GDP estimates, the budget allocation for the ministry is 0.067%. In comparison to previous years, there has been a consistent increase in budget allocations for the ministry as a percentage of the country's GDP. The increase is visible in both capital and recurrent expenditure allocations. Importantly, capital expenditure for the tourism sector development has seen a rise in 2026, with 800 million allocated for the development of tourist attractions. However, new projects and programs in the public investment program will not be implemented until 2027.

4.5 Commercial Infrastructure

4.5.1 Ministry of Transport, Highways, Ports and Civil Aviation

Policy goals for 2026

Development of essential physical infrastructure is a policy priority articulated in the development priorities of the Government of Sri Lanka (GOSL) as indicated in *A Thriving Nation, A Beautiful Life* (NPP Sri Lanka, 2024). With regards to transport and highways, the policy aims to establish “an efficient, trustworthy, safe, and dignified people-oriented transport service” with the long-term vision of gradually transforming it into an eco-friendly system (NPP Sri Lanka, 2024, p. 95). The envisioned activities within these policy goals included improving the railway, bus passenger and para-transit services, encouraging alternative modes of transportation (non-motorized options and waterways), upgrading roads and highways, and improving safety and protection in roads and public transportation.

Similarly, the NPP policy priorities indicated intentions to upgrade the harbour and related infrastructure and associated policies. For example, GOSL policy framework highlights the intentions to upgrade the

harbour and nautical industrial services related infrastructure and policies, as well as analysing, enacting and amending laws related to vessel registration and nautical protection (NPP Sri Lanka, 2024).

Budget allocation and historical comparison

In 2026, the allocation for the Ministry of Transport, Highways, Ports and Civil Aviation was LKR 446,000 Mn, marking an 8.89% reduction compared to the 2025 allocation. The share of recurrent expenditure in total Ministry expenditure rose slightly to 12.56% in 2026, from 10.98% in 2025. The overall capital expenditure for the ministry fell by 1.57 % from LKR 435,732 million in 2025 to LKR 390,000 million in 2026. The allocation to this Ministry as a percentage of total government expenditure, also decreased by 0.57 percentage points in 2026, while as a share of GDP, the allocation declined by 0.24 percentage points in 2026.

Alongside an overall reduction in budget allocation in 2026, there is a slight shift toward higher recurrent expenditure, possibly reflecting increased operational or maintenance costs of previously completed projects. While the share of recurrent expenditure for 2026 is higher than 2025, it is still lower than that of 2024.

Expenditure Summary (LKR Bn)			
Ministry of Transport, Highways, Ports and Aviation	2024	2025	2026
Total Expenditure	297,067	489,505	446,000
Recurrent Expenditure	44,321	53,770	56,000
Capital Expenditure	252,746	435,735	390,000
Of which % Recurrent (%)	14.92	10.98	12.56
As a share of GDP (%)	1.03	1.53	1.29
As a share of Government Expenditure (%)	2.75	5.54	4.97

Source: MOF Budget Estimates (2026) and data provided by the MOF.

Assessment

To address the challenges faced by the current public transport sector such as inefficiency of the overall transportation system, the lack of adequate facilities, the insecurity within the transport network and passengers distancing themselves from public transport, and achieve the government's long-term vision of "A good public transportation service - Speedy destination" requires the creation of an efficient and sustainable passenger transportation system, which is a key priority of the current government. For this purpose, Rs. 67,200 million has been allocated in this budget. Among them, the main projects to be implemented include the following:

Special Projects-Ministry of Transport, Highways, Ports and Civil Aviation		
Project Name	Allocation (LKR Mn)	Description
Sri Lanka Transport Board (SLTB)		
Add 600 buses to the long-distance service fleet by the Sri Lanka Transport Board (SLTB).	3,600	To strengthen the public transportation sector, 600 buses are scheduled to be added to the long-distance service fleet by the Sri Lanka Transport Board (SLTB). Rs. 3,600 million has been allocated for the initial implementation of this project.

Replacing the 307 worn-out engine units belonging to the SLTB.	2,062	To upgrade the existing fleet of SLTB
Procure new tools, machinery, and equipment. For SLTB depots and workshops	790	To strengthen services delivered by SLTB depots and workshops, this allocation is to procure new tools, machinery, and equipment.
Subsidies for buses operating on unprofitable routes	2,000	To ensure sustainable rural transport services, the Budget proposes formulating an appropriate programme to identify low profit routes not serviced by private sector buses and provide subsidies to operators to ensure provision of a sustainable transport service.
Sri Lanka Railways		
Procurement of 5 new Diesel Multiple Units (DMUs)	3,300	With the objective of enhancing the efficiency and passenger-friendliness of the railway service, this allocation is for the Initial activities related to the procurement of 5 new Diesel Multiple Units (DMUs) for the Sri Lanka Railways Department.
Double tracking of the railway line from Polgahawela to Kurunegala	1200	Aimed to continue the higher throughput from Colombo Fort up to Polgahawela all the way upto to Kurunegala.
Development of the Kelani Valley Railway track from Maradana to Rathnapura	500	In addition to the allocation of LKR 500 Mn for the development of the Kelani Valley Railway track, an additional LKR 840 million has been allocated to resettle unauthorized settlers who have been an impediment to the development of the Kelani Valley Railway in other suitable places.
Road Development	342,000	
Kadawatha-Mirigama section of the Central Expressway Phase I	66,150	The allocations are for some road development projects and related land acquisitions that were suspended due to the economic crisis and lack of fiscal space.
Pothuhera-Rambukkana section of the Central Expressway Phase III	10,500	
Rambukkana-Galagedara section of the Central Expressway Phase III	20,000	In the case of LKR 20,000 Mn allocated to Rambukkana-Galagedara section of the Central Expressway Phase III, it is for both the remaining provisions from the Road Development Authority's debt repayment arising from the full settlement of a portion of future loan obligations within this year and an additional budgetary allocation.
Land acquisition process of the proposed Kurunegala-Dambulla Expressway.	10,000	
Land acquisition activities for the Ruwanpura Expressway from Kahathuduwa to Ingiriya	1,500	
Conduct a feasibility study on linking the Port Access Elevated Highway and the Marine Drive.	330	
A comprehensive road safety programme.	1,000	For the implementation of a comprehensive road safety programme to address the issue of increase in road accidents and fatalities. This programme aims to enhance road safety

		infrastructure through the integration of safety strategies into road design and the improvement of unsafe road sections.
--	--	---

Sources: Budget Speech 2026, MOF Budget Estimates (2026) and Major Public Investment Projects 2026-2028 of the MOF

In the case of road transportation, the average allocation per bus, bus depot or workshop of the SLTB appears to be too low to deliver the expected impact of improving efficiency and sustainability of passenger transportation. For instance, the allocation of LKR 3600 Mn for initial expenses of adding 600 long-distance buses works out to LKR 6 Mn per bus. With such a low allocation, when vehicle prices in Sri Lanka have increased significantly, it is doubtful if this project would be able to move beyond its initial phase. Similarly, the allocation for tools, equipment and machinery of the SLTB workshops and depots would be effective only if there were skilled workers to use these new purchases. It is unclear if this allocation would also cover related capacity-building activities.

While the NPP policy has not explicitly mentioned road development, a large portion of the 2026 budget allocated to this ministry is for road development related activities and special projects as depicted above. On the contrary, while the NPP policy underscores the importance of ports and the shipping sectors, the emphasis of the budget in this sector is limited, while the most are identified by the Ministry of Finance Planning and Economic Development (2025) under Major Public Investment Projects.

Overall, in terms of transport, highways, ports and civil aviation, in 2026 most allocations are earmarked for “initial activities”, with substantial allocations projected for the next two years (DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA, 2025). This indicates a degree of Front-loading planning while Back-loading spending, with possible implications in implementation delays and uncertainty, and possible under-execution of projects, with key investments postponed rather than initiated in the current fiscal year.

4.5.2 Ministry of Energy

Policy goals for 2026.

The energy policy outlined in NPP’s *A Thriving Nation, A Beautiful Life* (NPP Sri Lanka, 2024) aims to change Sri Lanka’s energy mix to be least dependent on oil-based electricity generation, and increase the contribution of renewable energy to foster a green economy. The policy outlines strategies to revive and enhance the ailing refinery, national storage and distribution infrastructure for oil, and ensure an uninterrupted energy supply. Additionally, the policy envisions transforming Sri Lanka’s energy sector into a “competitive and transparent industry, equipped with modern technology and focused on customer empowerment”.

Budget allocation and historical Comparison

In 2026, the budget allocation to the Ministry of Energy was LKR 23,100 Mn. The allocated amount in 2026 is a moderate recovery, in contrast to the contraction experienced in 2025. The Total expenditure allocation for the Ministry of Energy increased (by 9.26%) to LKR 23,100 million in 2026 from LKR 21,142 million in 2025. Despite the increase in 2026, the allocation remains below the 2024 level.

Out of the total expenditure allocation made to the Ministry of Energy, the share allocated for recurrent expenditure has declined to 4.76% in 2026 compared to 5.02% in 2025, but in absolute terms, both capital and recurrent expenditure allocated for 2026 have increased compared to 2025. Capital expenditure, which forms the bulk of the Ministry’s spending, mirrors the pattern of total expenditure, and increases by 9.56% to LKR 22,000 million in 2026 from LKR 20,081 million in 2025 %. As a share of the GDP, the

allocation to the Ministry of Energy remains unchanged at 0.07% in both 2025 and 2026. As a share of total government expenditure, the allocation to the Ministry of Energy has increased from 0.24% in 2025 to 0.26% in 2026, which is a slight increase of 0.02 percentage points.

Budget allocation for the Ministry of Energy (LKR Mn)			
Ministry of Energy	2024	2025	2026
Total Ministry expenditure	26,872	21,142	23,100
Recurrent Expenditure	748	1,061	1,100
Capital Expenditure	26124	20,081	22,000
Of which % Recurrent (%)	2.78	5.02	4.76
As a share of GDP (%)	0.09	0.07	0.07
As a share of Government Expenditure (%)	0.25	0.24	0.26

Source: MOF Budget Estimates (2026) and data provided by the MOF.

Assessment

There is a marginal improvement in energy sector spending in 2026 compared to 2025, where there was a notable contraction. The increase in recurrent expenditure suggests ongoing operational needs are being maintained, while the partial recovery in capital spending in 2026, compared to 2024, may signal the resumption of selected energy projects, though not at previous levels, due to reduced fiscal space for large-scale energy investments. Overall, the budget pattern suggests a period of consolidation rather than expansion, with limited space for significant new energy initiatives unless future allocations are strengthened. This is perhaps the reason for not allocating any funds for special projects for the Ministry of Energy for 2026. Nonetheless, the Ministry of Finance, Planning and Economic Development (2025) indicates the continuation of Major Public Investment Projects related to the energy sector for 2026-2028, using funds allocated from foreign funding sources. These projects are Kerawalapitiya - Port 2nd transmission line project, New Habarana kappalthurai transmission Development Project, Sampur Kappalthurai Transmission Development Project, Installation of 75 MVA Synchronous Condenser Unit at New Habarana, and Rooftop Solar Aggregation and Virtual Net Metering Project.

Furthermore, a few recent accomplishments in terms of the Energy Sector include amending the Sri Lanka Electricity Act and establishing four separate fully State-Owned Companies to handle the functions of electricity generation, transmission, distribution, and system control (Minister of Finance, Planning and Economic Development, 2025, p. 43); and introducing a competitive bidding system for government procurements, which has brought down the cost per kilowatt hour from USD cents 8.26 to the range of USD cents 3.96 -4.65 per unit. Additionally, the 2026 Budget Speech pledges to introduce the Energy Transition Act and the Integrated Economic Development Framework next year. These recent accomplishments and pledges for 2026 reflect initial steps in terms of reforms towards achieving policy priorities laid out in NPP's *A Thriving Nation, A Beautiful Life*.

4.5.3 Ministry of Urban Development, Construction and Housing

The Ministry of Urban Development, Construction and Housing operates with the overarching vision of creating “a beautiful city and a comfortable life,” reflecting its emphasis on sustainable urban development, adequate housing, and improved construction standards. Within the housing sector, the primary policy objective is to ensure “a safe home for every individual.” This goal notably prioritizes vulnerable groups, including low-income families, residents of urban estates, unauthorized settlers along the Kelani Valley railway line, the Malayagam Tamil community, and populations displaced by natural

disasters. In terms of urban development, the Ministry proposes the adoption of a new policy approach grounded in comprehensive planning, supported by systematic studies and evidence-based research.

Budget allocation and historical comparison

In 2026, the budget allocation for Urban Development, Construction, and Housing is LKR 103,500 million, reflecting a slight decrease compared to the 2025 allocation of LKR 104,532 million. However, relative to the 2024 allocation, this represents an increase of 61.1%. As a share of GDP, the allocation has marginally declined from 0.34% in 2025 to 0.3% in 2026. Similarly, as a proportion of total government expenditure, the allocation has decreased from 1.18% in 2025 to 1.15% in 2026. Over the last three years, the budgetary allocations for the Ministry have been predominantly directed toward capital expenditure. In 2026, capital expenditure accounts for more than 96% of the total allocation. This exceptionally high proportion reflects the Ministry's focus on long-term infrastructure development, including urban development projects, housing projects and construction activities.

Budget allocation for the Ministry of Urban Development, Construction and Housing, LKR Mn			
	2024	2025	2026
Ministry of Urban Development, Construction and Housing	40,224	104,532	103,500
Recurrent Expenditure	2,857	3,275	3,500
Capital Expenditure	37,367	101,256	100,000
As a share of GDP (%)	0.14	0.34	0.3
As a share of Government Expenditure (%)	0.37	1.18	1.15

Source: Budget Estimates 2026 and data provided by the MOF.

Assessment

The high level of capital expenditure reflects the Ministry's strategic focus on long-term urban and housing development. Achieving the vision of "a beautiful city and a comfortable life" requires substantial investment in infrastructure, housing construction, and redevelopment initiatives. Capital spending is particularly necessary to meet the policy goal of providing "a safe home for every individual," especially for vulnerable groups such as low-income families, urban estate residents, unauthorized settlers, the Malayagam Tamil community, and those displaced by natural disasters. Additionally, the Ministry's shift toward evidence-based and comprehensive urban planning further increases the need for investment-intensive projects. Overall, the elevated capital allocation indicates the government's prioritization of durable, high-impact development interventions.

Special Projects Under the Ministry of Urban Development, Construction and Housing	
Project Description	Allocation (LKR Mn)
Providing new houses for families facing higher risk of landslides	2,000
Providing housing assistance for reintegration of institutionalized individuals and child protection	2,000
Implementing the 'A Place of Their Own – for a Beautiful Life' Housing Program for low-income families	3,000
Providing housing for internally displaced communities	1,150
Conducting feasibility studies on flood control in Hambantota, Galle, Kalutara, and Rathnapura	500
Kalutara Lagoon development	100

Freeing up lands for Ratnapura City Development (construction of Quarters for Government Officers)	500
Development of Hatton and Matale Towns	500
Projects only mentioned in the Budget Speech and not in the Expenditure Proposal- Annexure (iii)	
Complete development projects, such as the partially completed and halted construction of the Nindavur Urban Council building in the Eastern Province.	300
Urban flood control	250
Commence preliminary work to identify the feasibility of 10 identified cities across the island, including Jaffna, Eheliyagoda, Batticaloa, Chilaw, and Matara	2,000
Develop “Urban Estates” or urban settlements with low amenities in Colombo and its suburbs	15,000
Providing houses for journalists and artists	6,500
Renovate old apartments built by the government	1,180
Settle unauthorized settlements in the Kelani Valley railway line	840
Housing for the Malayagam community	4,290

4.6 Governance and Regional Development

4.6.1. Ministry of Public Administration, Provincial Councils and Local Government

As outlined in A Thriving Nation: A Beautiful Life, the government aims to establish an efficient public service - focused on skill-based professionalism - and introduce a new constitution to strengthen democracy. It also plans to hold Provincial councils and local government elections, thereby providing opportunities for the public to participate in governance. The Department of Pensions, the Department of Register General, District Secretariats, Sri Lanka Institute of Development Administration, National Human Resources Development Council of Sri Lanka, Sri Lanka Institute of Local Governance, Distance Learning Centre Ltd., Public Service Pensioners’ Trust Fund, Local Government Service Pension Fund, Local Government Widows’ and Orphans’ Pension Fund, Local Government Widowers’ and Orphans’ Pension Fund, and Local Loans and Development Fund all operate under the Ministry of Public Administration, Provincial Councils and Local Government.

Budget allocation and historical comparison

The allocation to the Ministry has increased by 14.6% to LKR 674 Bn in 2026 in nominal terms. While the allocation as a proportion of total government expenditure has risen to 9.25%, its share of GDP (1.95%) has increased only marginally to 0.12%. The share of spending on capital has dropped to 5.79% in 2026 from 6.49% in 2025.

Budget allocation (LKR Mn) for Ministry of Public Administration, Provincial Councils and Local Government			
	2024	2025	2026
Total expenditure	532,356	588,140	674,000
Recurrent Expenditure	509,995	549,998	635,000
Capital Expenditure	22,361	38,143	39,000
Recurrent Expenditure as a share (%)	95.80	93.51	94.21
Capital Expenditure as a share (%)	4.20	6.49	5.79
Total Expenditure as a share of GDP (%)	1.84	1.84	1.95
Total Expenditure as a share of Government Expenditure (%)	4.93	6.66	9.25

Source: Data provided by the MOF.

Special Projects		
Ongoing Projects		
Project Name	Allocation (LKR Mn)	Description
Greater Colombo Wastewater Management Project - (GOSL/ADB)	1,000	Rehabilitation of existing 08 pumping stations in Maligawatta, Thimbirigasyaya, Borella, Modara, Fort, Wanathamulla, Bambalapitiya and Slaveland.
Greater Colombo Water and Wastewater Management Programme - Tranche 3 (GOSL/EIB)	5,700	To rehabilitate and expand the wastewater system in the south catchment area of Colombo city, the construction of a secondary wastewater treatment plant in the south catchment area of Colombo city and strengthening the institutional structure and capacity of the service provider.
Greater Colombo Water and Wastewater Improvement Investment Programme -Tranche 3 (GOSL/ ADB)	2,425	To upgrade sewerage infrastructure and strengthen institutional and operational capacity.
Construction of a New Four-Storeyed Building for the District Secretariat, Polonnaruwa	233	Strengthen the public service delivery facilities in the Polonnaruwa district.
Continuation Construction of the Ampara District Secretariat Building	121	Strengthen the public service delivery facilities in the Ampara district
Construction of Kalthota Divisional Secretariat Building	190	Strengthen and facilitate the public service delivery facilities in Kalthota Divisional Secetariat
e-Grama Niladari (e-GN) Project to Enhance the ICT usage among Grass Root Level Government Officers - Phase II (E-GN Project)	594	To build a community-based household and citizen database to provide accurate and up-to-date information for prompt and precise decision-making in social and economic development
Establishing a Material Recovery Facility (MRF) with Refused Derived Fuel (RDF) for Non- Non-degradable waste	360	To separate and recover as much recyclable material as possible from the waste stream, improve recycling rates, and make waste a resource by converting it into a form of energy (such as heat), utilising materials that cannot be recycled but still have potential energy content.
Purchasing compactors for the proper collection and transportation of solid waste and distribution to selected local authorities (Clean Sri Lanka).	277	Improve the sanitation environment for citizens and reduce the amount of waste disposed of and environmental burden by enhancing the waste collection capacity in the selected Local Authorities in Sri Lanka.
Capacity Development of all Island services and Combined Services Officers	202	Enhance competence and adaptability in public service by focusing on strategic leadership, ethical governance, innovative problem-solving, citizen-

		centric service delivery, and technical/behavioural skill development.
Rural Infrastructure Development Project in Emerging Region – RIDEP	8,000	Improve living standards and develop local livelihoods by upgrading basic infrastructure, including rural roads, potable water supplies, and small-to medium-scale irrigation systems, particularly in underdeveloped and previously affected provinces of Sri Lanka
Rural Bridges Project Phase V (GOSL/DRIVE Netherland, Infrastructure Development)	755	Enhance the mobility and quality of life for rural communities, aiming to boost economic growth. The project aims to install 162 prefabricated bridges.
Establishment of IT Master Plan on Tax Administration and Implementation of E- Tax System for Colombo Municipal Council Project (KOICA)	230	Modernise tax administration through an IT Master Plan and implement an E-Tax System to improve efficiency, transparency, and public trust, ultimately enhancing local governance and taxpayer satisfaction in Colombo
Upgrading infrastructure and income generation in Local Authorities through Performance Grant	2,500	Enhance their capacity to deliver essential public services and foster local economic development by incentivising performance improvements in both infrastructure and income generation
Support for Solid Waste Management Projects	900	To protect human health and the environment by reducing waste generation, improving collection and disposal, and promoting recycling and reuse
Criteria-Based Grant for nine provinces (Provincial Councils)	7,000	To meet the capital expenditure for improving the socio-economic condition in the provinces
Provincial Specific Development Grant for nine provinces (Provincial Councils)	70,000	To fund province-specific development priorities and address gaps in the provincial investment program, ensuring balanced regional development and improved socio-economic conditions across all nine provinces
New Projects		
Construction of New Office Building at Negombo Divisional Secretariat Division	200	Provide effective public service to the people
Digitalisation of Divisional Secretariates Phase II	500	Introducing new technology to digitise all services provided by Divisional Secretariats by 2027, going beyond the traditional methods currently in place
Local Authority small bridges sustainable improvement project	1,000	To enhance community access, improve road safety, strengthen local livelihoods, and bolster environmental resilience by protecting small bridges from natural disasters, particularly flooding
Implementation of the Indian Multisectoral Grant Assistance or	1,150	To strengthen socio-economic development, focus on key sectors like education, health, and

Eastern Province (Grant from the Government of India)		agriculture to enhance infrastructure, empower local communities, and promote overall growth.
Providing vehicles/machinery required for Government Institutions and Provincial Councils	12,500	
Meeting the Expenditures of Local Government Institutions (Regional Development)	2,500	strengthening of local government institutions, improvement of infrastructure facilities in local government institutions, and revenue generation programs
Introducing Services and Facilities for the Care of Street Dogs and the Burial/Cremation of Pets	100	to implement a pilot project in the local authorities of Kesbawa and Piliyandala areas, with the aim of encouraging the provision of services for the burial of pets, cremation and care of stray animals
Waste Management Facilities for Local Government Institutions	8,000	Environmentally friendly, cost-effective, and hygienic solid waste transport equipment, including compactors, tractors, and trailers.
Rural roads	24,000	
Rural bridges	2,500	
suitable auditorium facilities in Monaragala and Ampara towns for public activities	200	

Assessment

The manifesto aims to create an efficient, depoliticised, merit-based public service that is citizen-focused and professional. It highlights the need to modernise administrative systems, enhance service delivery, strengthen local governments, broaden digital governance, and guarantee equal access via integrated public services for vulnerable groups. The 2026 budget emphasises practical service enhancements, increasing digital access in government institutions, improving waste management, bolstering local government finances, and supplying equipment and infrastructure. Furthermore, the Establishment of a Salaries and Pensions Commission is intended to provide solutions to the problems faced by public employees and pensioners regarding salaries and allowances. The regularisation of recruitment in the public service is also proposed in the budget. Moreover, enhancing coordination among government institutions through mergers, closures, and reorganisations is recommended. Funding for regional development projects (infrastructure development) is also noted. The NPP manifesto promotes deep structural reform, emphasising depoliticisation, digital governance, professionalisation, and integrated social services. The 2026 budget partially aligns with the NPP manifesto, with improving service delivery, professionalism and strengthening local authorities as immediate measures.

4.6.2. Ministry of Justice and National Integration

The Attorney General's Department, Legal Draftsman's Department, Department of Debt Conciliation Board, Department of Government Analyst, Office of the Registrar of the Supreme Court, Law Commission of Sri Lanka, Department of Prisons, Community Based Correction Department and the Department of

Official Languages come under the purview of the Ministry of Justice and National Integration. The NPP manifesto commits to establishing an independent, transparent, efficient, and equitable justice system, ensuring the rule of law through judicial reforms, swift case resolution, and enhanced prosecution mechanisms. Additionally, governance and anti-corruption measures are given prominent consideration, reflecting the administration's intention to enhance public trust, attract investment, and improve regulatory efficiency.

Budget Allocation and Historical Comparison

The budgetary allocation for the Ministry of Justice and National Integration increased by 7.72% in 2026 to LKR 58,500 Mn compared to 2025. However, the budget's share as a percentage of GDP has remained almost unchanged, with a negligible decrease of 0.00015% compared to 2025. Nominal allocation for recurrent expenditure has increased by 12.85%, while the nominal allocation for capital expenditure has decreased by 4.34%.

Budget allocation - Ministry of Justice and National Integration (LKR, Mn)			
	2024	2025	2026
Total expenditure	40,348	54,307	58,500
Recurrent Expenditure	34,407	38,104	43,000
Capital Expenditure	5,941	16,204	15,500
Recurrent Expenditure as a share (%)	85.28%	70.16%	73.50%
Capital Expenditure as a share (%)	14.72%	29.84%	26.50%
Total Expenditure as a share of GDP (%)	0.14%	0.17%	0.17%
Total Expenditure as a share of Government Expenditure (%)	0.37	0.61	0.80

Sources: Data from information provided by the MOF⁵

Special Projects -Ministry of Justice and National Integration		
Project Name	Allocation (LKR Mn)	Description
Ongoing Projects		
Construction of 3000 Rainwater Harvesting Systems in Jaffna District - ONUR Project (India)	426	Construction of 3000 rainwater harvesting systems in Jaffna District.
House of Justice	3000	Original Plan: 16 Floors, Scope reduced to 6 Floors be fully completed and further Construct the Structure from 7 Floors to 10 Floors
Support to the Justice Sector in Sri Lanka	11	Improving access to justice for poor and persons in vulnerable situations, children under the care of women inmates in prisons
Comprehensive Refurbishment Project - Superior Court Complex	257	Refurbishment of the Supreme Court and the Court of Appeal with facilities
MOJ Building	1500	Construction of Ministry Building

⁵ [Ministry of Finance - Sri Lanka](#)

Galle Court Complex	300	Recommencement of the construction work of the court Complex - Galle
Small Scale Development Programme	284	Improvement of infrastructure facilities for courts
Gampola Court Complex	20	Enhance court facilities
Construction of Court Complexes in Anuradhapura, Polonnaruwa, Matale, Jaffna and residential facilities for judges	240	Construction of court complexes and residential facilities
Relocating courts in Rathnapura and Welimada	50	Enhance court facilities
Expansion of Courts in Kilinochchi, Theldeniya, Pugoda and Kantale	410	Construction of courts
Walapane Magistrate Court Complex	300	Construction of Court Complex, Walapane
Improvement of the Infrastructure Facilities in the Judicial Sector	1373	Improvement of infrastructure facilities for courts
Construction of Pallekele Prison Complex	540	Expanding the correctional facilities to meet the increasing needs of the Prison system
Relocation of Prisons in Western Province	175	To expand the correctional facilities to meet the increasing needs of the Prison system
Enhancement of Sanitary Facilities for Detainees in Prison	350	Improving hygiene and sanitation of the Prisoners in all Prison Institutions island-wide
New Projects		
Construction of Kaduwela Court	400	Construction of a four-story building
Construction of Security Wall and 2 Nos. of inmate Buildings at Watareka Prison	100	Construction of Ward Buildings (2 nos of Two-Story Buildings) and Construction of 20' high parapet wall
Establish a residential correctional centre for the Development of community-based corrections at Kikirawa	10	Construction of Offenders Rehabilitation Centre and Offenders Hostel, including main security office, operation office, Individual counselling and medical centre, training centre, stores, hygiene building, electrical and mechanical operation room walls and fence.
Renovating Prisons and relocating them to identified suitable sites	2000	

The Budget intends to modernise Sri Lanka's justice sector by upgrading prison infrastructure, reducing overcrowding, and constructing new facilities in Horana, Kandakadu, and Weeravila. It introduces minimum sentences for certain crimes and strengthens rehabilitation efforts, particularly for young offenders. The digitalisation of judicial and administrative processes is stressed to enhance efficiency.

These reforms aim to enhance access to justice, promote rehabilitation, and encourage national integration through improved governance and a more equitable legal system. The NPP manifesto advocates broader structural reforms, including judicial independence, faster case resolution, stronger anti-corruption measures, and initiatives for national unity. The budget addresses immediate needs such as prisoners' welfare and infrastructure development, but it does not yet fully embody the NPP's transformative justice agenda.

4.6.3. Ministry of Public Security and Parliamentary Affairs

The Ministry of Public Security and Parliamentary Affairs is pivotal in public administration. The Police Department, Department of Immigration and Emigration, National Secretariat for Non-Governmental Organisations, National Dangerous Drugs Control Board, and National Police Academy are under its purview. The NPP manifesto intends to transform the police service into an independent, efficient, and approachable institution that is more connected to the community. Furthermore, drug prevention and humanitarian prisons are key concepts for a drug-free nation and to protect the rights of prisoners.

Budget Allocation and Historical Comparison

The allocated amount for 2026 has increased by 9.66% from LKR 175,992 Mn in 2025 to 193,000 Mn in 2026 in nominal terms. Of the total allocation in 2026, 90.67% consists of recurrent expenditure compared to a 90.32% share in 2025. The share of capital expenditure in total ministry expenditure has marginally decreased from 9.68% to 9.33%. The total expenditure as a share of GDP is around 0.56% which is a 0.01% increase from 2025.

Budget allocation - Ministry of Public Security and Parliamentary Affairs (LKR Bn)			
	2024	2025	2026
Total expenditure	141,349	175,992	193,000
Recurrent Expenditure	133,167	158,959	175,000
Capital Expenditure	8,182	17,033	18,000
Recurrent Expenditure Share (%)	94.21	90.32	90.67
Capital Expenditure share (%)	5.79	9.68	9.33
Total Expenditure as a share of GDP (%)	0.49	0.55	0.56
Total Expenditure as a share of Government Expenditure (%)	1.31	1.99	2.65

Source: Data provided by the MOF.

Special Projects - Ministry of Public Security and Parliamentary Affairs		
Project Name	Allocation (LKR Mn)	Description
Ongoing Projects		
UN Peace Keeping Mission	250	To deploy STF Formed Police unit for the United Nation Peace Keeping Operations and to have a foreign income Generation for the country to uplift the current economic situation public order Management. Protecting UN personnel and facilities. Protecting civilians. Supporting police operations Adhering to international standards

Construction of a Building to Police Academy	100	Objective- Providing accommodation facilities for training officers Scope - Build up a three storied building for Katana Police Academy
Development of Police Training Colleges	100	Providing required buildings for training colleges
New Projects		
construction of a story administrative building at Gonahena (STF)	170	Construction of a three-story building to provide facilities at the Gonahena STF camp. (Administrative building, Barracks, etc)
drug control programmes covering all sectors	1,500	for taking forward the vision of “A Nation United National Operation”
10 voluntary rehabilitation centers		to rehabilitate people addicted to toxic drugs
Improving prison infrastructure	2,000	Expansion and relocation of prisons

Assessment

The manifesto prioritises developing a people-friendly, independent, and technologically advanced police service to rebuild public trust and improve law enforcement efficiency. It aims to improve national security, combat organised crime and drug trafficking, and reinforce parliamentary democracy through transparency, accountability, and citizen-focused institutional reforms that remove political interference. Drug prevention has given special attention through “A Nation United’ National Operation to eliminate toxic drugs from the entire social fabric” a programme that has already been launched.

The 2026 budget focuses on operational security efforts, with a particular emphasis on drug prevention, prison rehabilitation, and the enhancement of law enforcement facilities.

4.6.4 Ministry of Defence

Budget allocation and historical comparison

The Ministry of Defence was allocated 6.5% of total government expenditure for 2026. In nominal terms, the total expenditure of the Ministry has slightly increased from 2025 to 2026. While as a share of total government expenditure, the allocation decreased to 6.8% from 6.5% in 2024, as a share of GDP, it has declined from 1.39% to 1.32%.

Table 21. Budget allocation for the Ministry of Defence, LKR Bn

	2025	2026
Total expenditure	444	455
Recurrent Expenditure	382	395
Capital Expenditure	62	60
Total Expenditure as a share of GDP (%)	1.39	1.32
Total Expenditure as a share of Government Expenditure (%)	6.79	6.45

Source: IPS compilation based on the data shared by the MOF, Planning and Economic Development, February 2025.

4.7 Social Protection

This section analyses the budget allocations for two Ministries: (i) the Ministry of Women and Child Affairs and (ii) the Ministry of Rural Development, Social Security and Community Empowerment (MRDSS&CE). Until November 2024, the responsibilities of these two ministries were managed by a single entity—the Ministry of Women, Child Affairs and Social Empowerment⁶.

4.7.1 Ministry of Women and Child Affairs

The current National Policy Framework on ‘A Thriving Nation - A Beautiful Life’ identifies social protection and welfare as a key responsibility of the state, emphasising the need for a comprehensive social protection system that includes all vulnerable groups, such as children and women from low-income and disadvantaged backgrounds. The government’s policy on child protection and welfare focuses on a broad approach to ensure children's well-being through enhanced health and safety measures, legal reforms, and advancements in education. The policy framework also acknowledges the importance of gender equality, including access to services and opportunities.

Budget Allocation and Historical Comparison

The budget allocation for the Ministry of Women and Child Affairs has increased slightly from Rs 16,327 million in 2025 to Rs 16,400 million in 2026, showing a trend of rising allocations since 2024. As a proportion of GDP, the allocation for this Ministry is around 0.048% in 2026 (a marginal decline from 0.051% in 2025). This accounts for approximately 0.18% of the total government expenditure for 2026.

Budget allocation - Ministry of Women and Child Affairs 2024-2026			
	2024	2025	2026
Allocation/expenditure (LKR Mn)	13,511	16327	16400
Of which % recurrent expenditure (%)	95	93	96.3
As % of GDP (%)	0.047	0.051	0.048
As % of Government Expenditure (%)	0.13	0.18	0.18

Source: Data provided by the Ministry of Finance; Budget Estimates 2026

Despite a slight increase in the overall budget of the Ministry in 2026, the allocation for capital expenditure has declined from Rs 1,093 million in 2025 to Rs 600 million in 2026. However, capital expenditure accounts for only a smaller share of the Ministry's budget, while recurrent expenditure accounts for over 96% in 2026.

The budget for the Ministry of Women and Child Affairs also includes allocations for the Department of Probation and Childcare Services (Rs 642 million) and the National Child Protection Authority (Rs 665 million), each representing approximately 5% of the total Ministry budget, despite a slight increase from the 2025 allocations. This Ministry’s budget also covers various development activities, including those related to women and child development. For example, nutritional food packages for expectant mothers, morning meals for preschool children, and Guru Abimani Allowances for preschool teachers are some of the key ongoing programs covered under this Ministry's budget.

In addition to the above ongoing projects, the following special projects are proposed under Budget 2026.

⁶ In addition to these two ministries and the departments/statutory institutions under their purview, several other Ministries and government entities carry out social protection and welfare programs, including the Welfare Benefits Board (under the purview of the Minister of Finance, Planning and Economic Development), the Ministry of Health and the Minister of Education, Higher Education and Vocational Education.

Special Projects - Ministry of Women and Child Affairs		
Project	Allocation (LKR Mn)	Description
Women's Empowerment through Entrepreneurship Development	240 200	To assist women entrepreneurs in starting new businesses and strengthening self-employment activities. An additional LKR 200 Mn has been proposed for women's welfare programs.
Providing housing assistance for the reintegration of institutionalized individuals and child protection	2,000	Financial provision of Rs. 2 million to those who have lived and socialised in children's detention centers at any stage of their lives and to families of children at risk identified by the National Child Protection Authority, to purchase land and build a house, build a house on land they own or renovate existing houses.

Source: Budget Speech 2026

Assessment

The rising budget allocation for the Ministry of Women and Child Affairs shows the government's commitment to support ongoing and new initiatives related to women and child development. This aligns government policy priorities to improve child protection and welfare, and to promote gender equality.

4.7.2 Ministry of Rural Development, Social Security and Community Empowerment

The current National Policy Framework views social protection and welfare as a key responsibility of the state, emphasising the need for a comprehensive social protection system that includes all vulnerable groups, such as low-income families, the elderly, persons with disabilities, and marginalised communities. It helps improve their living conditions and enables them to participate actively in the economy. It recognises the importance of "a universal social protection system based on the life cycle approach for all Sri Lankans." Among various vulnerable groups, the NPF also recognises and upholds the rights of people with disabilities to live with equal rights, including access to education, vocational training, employment, and public services, and focuses on creating an economically and socially inclusive society for people with disabilities.

The budget allocation for the MRDSS&CE has been notably reduced from Rs 51,429 million in 2024 to Rs 31,350 million in 2025 (a 39% reduction) but increased to Rs 38,600 million in 2026 compared to the 2025 budget (a 23% increase). This accounts for 0.11% of GDP and 0.43% of the total government expenditure for 2026 – an increase from the respective shares for 2025.

Budgetary allocation - Ministry of Rural Development, Social Security and Community Empowerment 2024-2026			
	2024	2025	2026
Allocation/ expenditure (Rs Mn)	51,429	31,350	38,600
Of which % recurrent expenditure (%)	99.7	79.7	71.0
As % of GDP (%)	0.18	0.10	0.11
As % of Gov Expenditure (%)	0.48	0.35	0.43

Source: Data provided by the Ministry of Finance; Budget Estimates 2026

Recurrent expenditure accounts for 71% of the total budget allocation for the MRDSS&CE in 2026. The share of recurrent expenditure has shown a declining trend since 2024, while the share of capital expenditure has increased to 29% in 2026. Capital expenditure increased by approximately 75% in 2026 from its 2025 level (from Rs 6,375 million to Rs 11,200 million). Nevertheless, recurrent expenditures constitute a significant proportion of the Ministry's budget, the majority of which is allocated to personnel emoluments.

The budget for the MRDSS&CE includes allocations for the Department of Samurdhi Development, the Department of Social Services, and statutory boards/institutions such as the National Secretariat for Elders, the National Institute of Social Development and the Sri Lanka Social Security Board. The Department of Samurdhi Development continues to receive the largest share of the Ministry's budget, approximately 71% of the total budget in 2026. However, following the implementation of the Aswesuma programming 2024 (which replaced the Samurdhi cash transfer programme), allocation for the Samurdhi Department has been reduced significantly from Rs 50,121 million in 2024 to Rs 22,721 million in 2025, with a slight increase to Rs 23,632 million in 2026.

In addition to the ongoing development activities under the purview of the Ministry, the following special projects are proposed under Budget 2026.

Special Projects		
Project	Allocation (LKR Mn)	Description
Ensuring accessibility and sanitation facilities in public places for persons with disabilities	1,000	Budgetary allocation to improve accessibility and sanitation facilities in public places such as Divisional Secretariats, Railway Stations, Bus Stands, Courts, Police Stations and other places for the disabled community
Establishing Day Care Centres for children with disabilities, including Autism	500	Establishing Day Care Centres for children with disabilities, including Autism (implemented under the Department of Social Services and the Ministry of Health)
Encouraging the employment of persons with disabilities or special needs in the private sector	500	To encourage private employers to provide employment opportunities to individuals with disabilities, the budget proposes a 50 per cent wage subsidy of the employee's salary, subject to a maximum of Rs. 15,000, for up to 24 months.
Recruitment of disabled persons to the government service.	N/A	Efforts will be made to recruit persons with disabilities to fill 3 per cent of the government service in all future public service recruitments.
Rs. 5,000 allowances for schoolchildren with disabilities from low-income families	50	To promote the education of children with disabilities, it is proposed to provide a monthly allowance of Rs. 5,000 per disabled child from low-income families.

Source: Budget Speech 2026

Assessment

The proposed initiatives outlined in the 2026 budget demonstrate the government's commitment to improving social protection and welfare for vulnerable groups, particularly the disabled community, by enhancing access to education, employment opportunities, and other essential services, such as sanitation facilities for persons with disabilities, including children with disabilities. These proposed initiatives broadly align with the Government Policy Document on 'A Thriving Nation - A Beautiful Life,' particularly the policies and initiatives mentioned in Chapter 2, 'An Honourable Life - A Safer Country.' They align with government policies to support the rights of people with disabilities to live with equal rights, including access to education, training, employment, and public services.

Additionally, Budget 2026 includes several proposals to enhance social protection and welfare for various vulnerable groups, including low-income families and children from disadvantaged backgrounds. Some of these proposed initiatives fall under the purview of other ministries or government agencies, including the Welfare Benefits Board (Ministry of Finance, Planning, and Economic Development), and the Ministry of Education, Higher Education, and Vocational Education, and appear to align well with the government's policy framework.

4.8 Finance

4.8.1 Ministry of Finance, Planning and Economic Development

Budget allocation and historical comparison

This Ministry typically receives the largest share of the Budget. In 2026, the Ministry accounted for 45.7% of the total expenditure of LKR 7,057 Bn, albeit with an 8.7 percentage point drop from the previous year (See Table 28). As a share of GDP, the total allocated to the Ministry has fallen from 11.1% to 9.3%.

Of the Ministry's total expenditure, LKR 2,617 Bn (or 7.6% of GDP), is earmarked for interest payments (See Table 29). Although not directly included in the Ministry's Budget, a further 5.4% of GDP, amounting to LKR 1,878 billion, is administered by the Ministry towards debt repayments. As shown in Table 29, the total public service requirement of the government has decreased over the years, helping to free fiscal space for development activities.

Budget allocation for the Ministry of Finance, Planning and Economic Development, LKR Bn		
	2025	2026
Total Expenditure	3,559	3,224
Recurrent Expenditure (Including interest payments)	3374	2,959
Capital Expenditure	185	265
Total Expenditure as a share of GDP (%)	11.1	9.3
Total Expenditure as a share of Government Expenditure (%)	54.4	45.7

Source: IPS compilation based on the data shared by the MOF, Planning and Economic Development, November 2026.

Public Debt Servicing, LKR Bn						
	2024		2025		2026	
	LKR Bn	As % of GDP	LKR Bn	As % of GDP	LKR Bn	As % of GDP
Public Debt Servicing (Total)	7,309	25.3	4,550	14.2	4,495	13.0
Loan Interest payments	2,690	9.3	2,950	9.2	2,617	7.6
Interest Payments for Domestic Debts					1,782	5.2

Interest Payments for Foreign Debts					331	1.0
Discount on Treasury Bills and Bonds					504	1.5
Debt repayments*	4,619	16.0	1,600	5.0	1,878	5.4
Domestic					1,413	4.1
Foreign					465	1.3

Source: IPS compilation based on Ministry of Finance (2025) Key Expenditure Components by Ministry – Budget Estimates 2026, Ministry of Finance and Ministry of Finance (2025) – Budget Estimates 2026, Ministry of Finance.

Note: Although Loan interest payments are shown under the Ministry of Finance recurrent expenditure, Debt repayments are not directly shown in the Ministry of Finance Budget.

Special Projects – Ministry of Finance		
Project	Allocation (LKR Mn)	Description
Recurrent Expenditure		
Welfare related	251,204	Aswesuma Cash Grant Programme, Special Interest Scheme for Senior Citizens, Agrahara Insurance Scheme for Pensioners
Information systems	763	Maintenance of Information Systems (ITMIS, RAMIS, ASYCUDA) and other
Development loans	3,928	Development Subsidies for Concessionary Loan Schemes
Capital Expenditure		
Public Institutions	78,509	Equity Contribution for Public Institutions
District Development	4,500	Decentralised Budget and District Development Project
Digitalization	5406	Improvement of Information Technology Systems & E-government procurement
Socio-economic data	2483	Economic Census (Agriculture and Non-Agriculture activities), Demographic and Health Survey -2026
SME Development	45,386	Loan scheme and credit line for Micro, Small and Medium Enterprise (MSME) sector, Agriculture value chain development, SME development program
Welfare	5,681	Finance sector safety net, food security and livelihood recovery emergency assistance, warehouses for food security, Social Protection Project
Colombo Port City	1,376	Colombo Port City development
Investment promotion	3487	Creating an Investment-Friendly Environment and Completion of Bingiriya Economic Zone
Trade promotion	3495	Trade National Single Window Project, Container Scanning Project of Sri Lanka Customs, Keravalapitiya Custom Inspection Yard
Department of Inland Revenue	2706	Rehabilitation, expansion and improvement of buildings, structures and equipment of the Department of Inland Revenue
Airport development	424	Scanner System for Katunayaka Bandaranayake International Airport

Source: IPS compilation based on Ministry of Finance (2025) Key Expenditure Components by Ministry – Budget Estimates 2026, Ministry of Finance.

Assessment

As enunciated in *A Thriving Nation: A Beautiful Life*, the government envisions creating A Modern Life-A Wealthy Nation. This is to be achieved via several strategies, including economic democracy, sustainable resource utilisation and progressive and fair taxation. However, as shown in Table 30, the government has plans to invest in several socio-economic infrastructure development projects to provide incentives for private participation in economic activities, including investments for Colombo Port City development, Investment promotion and trade promotion. Further, government is focused on Small and Medium Enterprise (SME) development and rural development. Further, in keeping with the government's target of a USD 15 billion digital economy by 2030, the government has allocated funds for improving the digital infrastructure and digitisation of institutions.

Appreciation

The Committee extends its heartfelt appreciation to all Committee Members for their active engagement and invaluable contributions to the deliberations on the Appropriation Bill 2026. Your suggestions and constructive dialogue have played a vital role in shaping a well-informed and comprehensive report. The dedication and commitment demonstrated throughout this process were instrumental in ensuring a thorough and meaningful outcome.

The Committee also expresses its sincere gratitude to all officials for their steadfast support and commitment in successfully completing this task. In particular, we acknowledge with appreciation the continued dedication of the Institute of Policy Studies (IPS), which, as in previous years, efficiently carried out its responsibilities within a remarkably short timeframe.

We further extend our appreciation to the Ministry of Finance, Planning and Economic Development for its unwavering cooperation and consistent provision of required information whenever requested. Your collective efforts have been invaluable in achieving the successful completion of this work.

Committee Members

Hon. (Dr.) Harsha de Silva, M.P., (Chair)
Hon. Chathuranga Abeysinghe, M.P.,
Hon. (Dr.)(Ms.) Kaushalya Ariyaratne, M.P.,
Hon. Arkam Ilyas, M.P.,
Hon. Nishantha Jayaweera, M.P.,
Hon. Rauff Hakeem, Attorney at Law, M.P.,
Hon. Ravi Karunanayake, M.P.,
Hon. Harshana Rajakaruna, M.P.,
Hon. Shanakiyan Rajaputhiran Rasamanickam, M.P.,
Hon. Ajith Agalakada, M.P.,
Hon. M.K.M. Aslam, M.P.,
Hon. Nimal Palihena, M.P.,
Hon. Chithral Fernando, Attorney at Law, M.P.,
Hon. Wijesiri Basnayake, M.P.,
Hon. Sunil Rajapaksha, M.P.,
Hon. Thilina Samarakoon, M.P.,
Hon. Champika Hettiarachchi, M.P.,
Hon. (Ms.) Lakmali Hemachandra, Attorney at Law, M.P.,

Committee Secretariat

Mrs. Chintha Bulathsinhala, Secretary to the Committee
Mrs. Shyama Alwis, Principal Officer
Mrs. Lanka Weerasinghe, Deputy Principal Officer
Mrs. Kusendra Welaratne, Deputy Principal Officer

Institute of Policy Studies of Sri Lanka

Dr. Dushni Weerakoon, Executive Director
Dr. Nisha Arunathilake, Director of Research
Dr. Lakmini Fernando, Research Fellow

Consultants of the Committee

Mr. Thilina Panduwawala, Senior Consultant
Ms. Kimuthu Kiringoda, Junior Consultant
Ms. Nethmini Gunarathna, Junior Consultant
Ms. Nirogini Yogendra, Junior Consultant
Mr. Damintha Gunasekera, Coordinator

Officials**Ministry of Finance, Planning and Economic Development**

Dr. Harshana Suriyapperuma, Secretary to the Treasury
Mr. A.K. Senevirathne, Deputy Secretary to the Treasury
Mr. Ajith Abeysekara, Deputy Secretary to the Treasury
Mr. A.N. Hapugala, Deputy Secretary to the Treasury
Mr. M.M.C.P. Mohottigedara, Additional Director General, Cabinet and Parliamentary Affairs Division
Mrs. N.T. Amaratunga, Deputy Director, Cabinet and Parliamentary Affairs Division

Department of National Budget

Mr. Jude Nilukshan, Director General
Ms. Anoma Nandani, Additional Director General
Mr. S.C. Senarathna, Director
Mr. T.M.D.P. Thennakoon, Director

Department of National Planning

Mr. Indika Premarathna, Director General
Mr. V. Vasuthevan, Additional Director General

Department of Treasury Operations

Mrs. Damitha K. Rathnayaka, Additional Director General

Department of Public Enterprises

Mr. A.R. Wickrama, Director
Mr. O.R.S. Perera, Deputy Director

Department of Development Finance

Mr. Manjula Hettiarachchi, Director General
Mrs. C.S. Karunathilaka, Additional Director General

Department of Fiscal Policy

Dr. Kapila Senanayake, Director General
Ms. A.K. Gunasekara, Additional Director General
Mrs. W.T.A. Perera, Tax Advisor
Ms. W.A.J.C. Wickramarachchi, Director
Mr. K.M. Kumarasiri, Deputy Director

Department of Project Management and Monitoring

Mr. S.S. Mudalige, Director General
Ms. P.H. Chandima, Additional Director General

Public Debt Management Office

Mrs. Udeni Udugahapattuwa, Director General
Mrs. Udeni Thilakarathne, Additional Director General
Mrs. Sewwandi Amarasekara, Director

Department of Management Service

Mr. W.S.K. Liyanagama, Director General
And all officers who worked tirelessly to coordinate all the efforts.