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MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT

මහලේකම් කාර්යාලය, කොළඹ 01,
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செயலகம், கொழும்பு 01,
இலங்கை.

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National Planning Circular No. 01/2026

Secretaries to Ministries
Chief Secretaries of Provincial Councils
Secretaries to Governors
Heads of Departments
District Secretaries
Heads of Government Corporations
Heads of Statutory Bodies
Heads of State-Owned Enterprises
Heads of Special Spending Units

THE PROJECT APPRAISAL METHODOLOGY FOR PUBLIC INVESTMENT PROJECTS

1. Background and Purpose

Effective appraisal of public investment projects is essential to ensure that scarce public resources are allocated to projects that are economically and socially justified, fiscally sustainable and aligned with national development priorities.

The Public Financial Management (PFM) Act No. 44 of 2024 provides the legislative framework for strengthening public investment management, including the appraisal and selection of public investment projects prior to their inclusion in the Public Investment Programme and the annual Budget subsequently.

Accordingly, the Department of National Planning (NPD) has developed a "Project Appraisal Methodology for Public Investment Projects" to provide a systematic and consistent framework for the preparation, assessment and appraisal of proposed public investment projects.

2. Applicability and Project Thresholds

The Project Appraisal Methodology shall be applicable to public investment projects including Public Private Partnership (PPPs) Projects submitted by the Budgetary Entities, to the extent applicable under the PFM Act and other relevant laws, regulations and directives.

Accordingly, all institutions proposing public investment projects for consideration under the Public Investment Programme shall ensure that project proposals and the supporting documentation are prepared and submitted in accordance with the applicable requirements of the Project Appraisal Methodology for Public Investment Projects.

The level and scope of appraisal shall be proportionate to the threshold, scale and complexity of the proposed project. Accordingly, projects are categorized as follows based on the Total Estimated Cost:

Project Category	**Value of Total Estimated Cost (TEC)**
Mega Projects	More than Rs. 10,000 million
Large Projects	Rs. 1,000 million to less than Rs. 10,000 million
Medium Projects	Rs. 50 million to less than Rs. 1,000 million
Small Projects	Less than Rs. 50 million

The project classification table specified under Section 1.2 of Circular No. MNPEA 02/2019 is hereby replaced by the above table.

3. Access to Project Appraisal Methodology

The applicable appraisal requirements for each project category shall be as specified in the Project Appraisal Methodology which is accessible electronically through the QR code provided on the official website of the Department of National Planning (https://npd.treasury.gov.lk/).

Any subsequent revisions or updates to the Project Appraisal Methodology shall be communicated by the Department of National Planning through appropriate channels.

4. Implementation

All Budgetary Entities shall ensure that officers responsible for the preparation and submission of public investment projects comply with the requirements of Project Appraisal Methodology. Budgetary Entities intending to implement new public investment projects, including PPP projects, in the forthcoming financial year should submit proposals to the National Planning Department by 15 May of the current year, with the recommendation of the Secretary/ Head of Special Spending Unit.

The Department of National Planning will provide necessary clarification and guidance on the application of the Methodology, where required.

5. Effective Date

This Circular shall take effect from the date of issue and shall apply to project proposals submitted for appraisal thereafter.

Dr. Harshana Suriyapperuma
Secretary to the Treasury

Copies to:

1. Secretary to the President
2. Secretary to the Prime Minister
3. Secretary to the Cabinet of Ministers
4. Auditor General
5. Chairman, Finance Commission
6. Director General, Department of National Planning
7. Director General, Department of National Budget
8. Director General, Department of External Resources