2024 2026 PUBLIC INVESTMENT PROGRAMME

DEPARTMENT OF NATIONAL PLANNING

MINISTRY OF FINANCE, ECONOMIC STABILIZATION & NATIONAL POLICIES

SRI LANKA

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Contents

01 INTRODUCTION

Introduction

The country is in the path of economic recovery after facing unprecedented challenges of Easter Sunday attack and prolonged Covid19 outbreak and its consequences. The government had to take several initiatives to restrict public expenditure to achieve the macroeconomic stability. In this context, the public investment programme 2023-2026 has been prepared to reinstate the macroeconomic stability and growth by rationalizing capital expenditure in several sectors and sub sectors of the economy.

The growth of important sectors of the economy were lagging behind in 2022 as a result of devastating consequences of unrestrained economic instability such as currency depreciation, hyperinflation, import restrictions, collapse of economic activities, excessive deficit in Balance of Payment, depletion of instant usable official foreign reserves, energy crisis, shortage of essential goods, social unrest and global turmoil which reversed post pandemic recovery. As a result, the economy was contracted by -7.8 percent registering deepest economic contraction since independence compared to real GDP growth of 3.5 percent in 2021. Contraction of Industry sector was -16.0 which is higher than the Agriculture, Forestry and Fisheries sector of -4.6 percent and service sector of -2.0 percent.

Meantime, although the Israel-Hamas conflict and Russia-Ukrainia dispute does not directly impact Sri Lanka's economy, the wider geopolitical and economic consequences have the potential to indirectly affect Sri Lanka's economic stability. The impact of the escalating conflict on global oil prices and its consequences for Sri Lanka as an oil-importing country, as well as the broader global economic instability caused by heightened geopolitical tensions, may indirectly affect Sri Lanka's export, foreign investment and tourism

Severe shortage of inputs such as fertilizers and agrochemicals, increasing of cost of production, fuel shortage and electricity disruptions adversely affected the overall performance of the Agriculture, Forestry and Fisheries sector in 2022. As a result of prolonged energy crisis, shortage of key raw materials and deterioration in purchasing power hindered the Industry activities while energy crisis, high inflation and limited availability of goods have contracted the service sector in 2022.

The contraction of economic activities and reduction of tax revenues have caused to decrease the revenue of the government which is not enough to fulfill the basic requirements of the country. Decreasing revenue and restrictions of foreign borrowings hindered the development process in post Covid19 recovery period. The total revenue as a percentage of GDP was 8.8 percent in 2022. However, the government took several initiatives to increase the revenue by increasing tax rates to achieve the target revenue of 11 percent as a percentage of GDP in 2023.

In this backdrop intention of the government is to bounce back slowly to development trajectory by increasing the efficiency of public investment to increase the growth rate since 2023. The estimated capital expenditure is Rs 1,219 bn in 2023 which is around 12 percent increase in comparison to Rs 1,084 bn in 2022. In achieving this, Public Investment Programme 2023-2026 focused on increasing investment in critical prioritized sectors such as health, education, infrastructure, agriculture etc..

However, economy has not been fully recovered yet even though in the path of recovery. Therefore, financial discipline is uttermost important in implementing capital projects over medium term. In this context, identification of priority projects giving priority for ongoing projects and annual programmes limiting new projects, minimize recurrent expenditure, practice good governance and complete the project within stipulated time period and scope are necessary to minimize the burden to the General Treasury.

Hence, the Public Investment Programme for 2023-2026 has been prepared within certain limitations bearing many uncertainties. Continuous changes made to national policies, and timely policy decisions taken by the government to issue guidance/circulars with regard to adjusting or curtailing the public investments were considered in updating the PIP for 2023-2026. Further, streamlining the foreign funded projects, encouraging the Public-Private Partnership (PPP) and projects under foreign grant assistance were thoroughly considered as necessary to minimize the public expenditure

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02 HUMAN RESOURCE DEVELOPMENT

2.1 General Education

2.1.1 Overview

Education is one of the most powerful instruments for both development of man and transformation of the human society. The education system of a country plays a vital role in achieving sustainable development by producing responsible citizens enriched with social and cultural values, which eventually enhances the quality of a country's workforce. Accordingly, schools, universities, and other educational and vocational institutes can contribute immensely towards sustainable development of a country by enhancing the knowledge, skills, attitude and competencies of its workforce.

Therefore, all the governments have paid high priority to developing and improving school education in Sri Lanka by taking various policy decisions with the objective of enhancing education quality and improving learning outcomes, particularly among children from poor families. Accordingly, a number of student welfare programs such as School Nutrition Food Program, free textbook program, free School uniforms program are currently being implemented within the school system to ensure free education while minimizing regional disparities. All these programs have created a big positive impact on reducing student absenteeism and dropouts. Currently, many students from poor families are directly benefiting from these programs and government incurs a significant amount of funds annually for this purpose.

Table: 2.1.1 Government Expenditure on Major Welfare Programs *Rs. Mn*

Program	2018	2019	2020	2021	2022
School Nutrition Food Program	5,325	5,063	2,299	1,685	3,308
Text Books	4,161	4,599	4,550	2,609	1,650
Uniforms	1,073	3,789	2,877	2,492	2,355
Shoes for Students in Difficult & Very Difficult Schools	220	640	492	901	967
Scholarships – Year 5	605	607	872	791	855
"Suraksha" Insurance Schemes	33	1,833	1,500	3,331	993

Source: Annual Report 2022, Ministry of Finance, Economic Stabilization and National Policies

Further, most of the schools in the country are maintained by the government as a part of the free education. The school system comprises 10,146 Government Schools (396 national schools and 9,750 provincial schools) while there are 93 government-approved private schools, 819 pirivena, and 30 special schools (for children with special needs). In addition, around 300 international schools registered under the company registration law are functioning throughout the country. The total student population of Government schools is around 4 million, while 241,054 teachers serve in these schools.

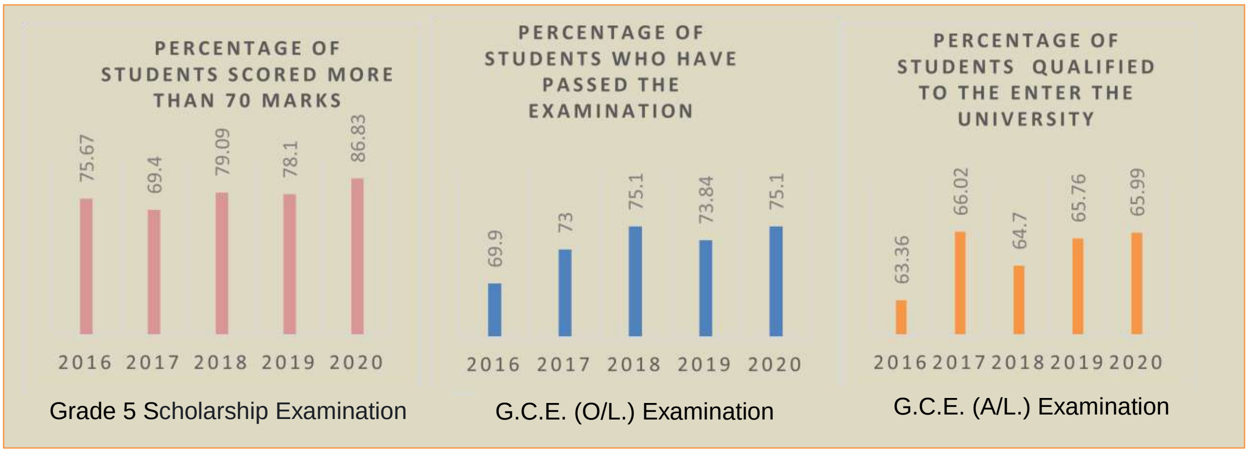
Table: 2.1.2 Basic Statistics of Schools 2021

	No. of Schools	No. of Students	No. of Teachers
National	396	835,087	42,541
Provincial	9,750	3,213,850	198,513
All Government Schools	**10,146**	**4,048,937**	**241,054**
Private Schools	93	138,828	7,776
Special Schools	30	2,391	499
Pirivena (Temple Schools)	819	70,310	7,347

Source: Annual School Census 2021, Ministry of Education

The school system has three main national level examinations namely the grade 5 scholarship examination, GCE O/L, and GCE A/L examinations at grade 11 grade 13, respectively. Out of all public examinations in Sri Lanka the largest number of candidates sits the G.C.E. (O/L.) examination. The certificate received on the results of this examination which is conducted at the national level, is used to select those who are eligible for higher education and also to secure medium level jobs and a basic requirement to follow certain courses of study in international universities. Therefore, students strive hard to acquire a high achievement level at this examination while their teachers as well as their parents work hard to fulfill the students' expectations.

Figure: 2.1.1



Source: Annual Performance Report 2021, Ministry of education

Public Investment

Sri Lanka's government educational expenditure as a percentage of GDP is considerably lower (about 2%) compared to the other countries in the region.

Table: 2.1.3 Expenditure on School Education in 2021-2022 ***Rs. Mn***

	2021			2022		
	Recurrent	**Capital**	**Total**	**Recurrent**	**Capital**	**Total**
Ministry of Education	60,670	10,013	**70,683**	95,221	5,030	**100,251**
Provincial Councils	182,000	4,573	**186,573**	194,875	3,012	**197,887**
Total	**242,670**	**14,586**	**257,256**	**290,096**	**8,042**	**298,138**

Source: Annual Report 2022, Ministry of Finance, Economic Stabilization and National Policies

Key Issues and Challenges

Though Sri Lanka has made significant progress in terms of its basic education indicators, compared to many other countries in the region, the following issues/ challenges can be seen in the overall education system in the country.

- **Issues in the Early Childhood Education**

In Sri Lanka, preschool education is provided by various entities, including Government, provincial authorities, Semi-Government, NGOs, and the private sector, and different curricula are also in place in these pre-schools. Subject-oriented teaching, conducting many written tests, untrained teachers, non-availability of professional development programs and salary structure for preschool teachers, and the non-availability of a regulatory system, are the key issues in the early childhood education sector in the country.

- **Disparities among the schools**

There are considerable disparities across and within the districts with regard to both human and physical resources in schools and consequently, it affects the quality of education and student's performance at national-level examinations. This disparity between rural and urban popular schools also creates a huge competition among parents for sending their children to the urban popular schools.

- **Excessive burden of learning**

Heavy workload, more academic and examination-oriented, competition, and pressure from the parents for getting better results on the exams have adversely affected the student's total development such as personality development, soft skills development, and co-curricular and social activities at school. The existing education system is more focused on exams, which leads to a gap between theoretical and practical knowledge and creates issues in the labour market.

- **Serious gaps in relevance of education**

The issues related to curriculum development, curriculum content, curriculum delivery, and assessments adversely affect to creation of a person equipped with basic competencies and skills that suit the future labour market. Because of that, the majority of students who completed general education have less professional and social skills, less good citizenship qualities, less creativity and innovative abilities, poor understanding of cultural diversities and international affairs; and deficiency in communication including fluency in international languages/world languages which are much needed to enter the world of work.

- **Growing Out of Pocket expenses**

Due to the trend of growing private tuition culture, parents encourage their children to participate in private tuition, hoping to provide them with the best education. Since there is no regulatory system for private tuition system, the tuition classes are mushrooming all over the country pushing students to attend more and more private tuition classes instead of attending schools. In addition to the private tuition classes, there are a number of international schools that are registered as companies under the Companies Act No. and there is no mechanism or authority in place to ensure their standards and regulate them.

- **Inefficient staff administration**

The present education system faces several major challenges that lead to poor learning outcomes specially related to scarcity of teachers, ineffective and unsystematically recruitment of teachers and principals, inequitable deployment of teachers across different categories of schools, Inadequate continuing professional development opportunities for teachers, principals, and other related professionals.

- **No continuous process of teacher training**.

The teaching force is a school's most important assess as well as the most important investment. Therefore, building capacity of teacher in education process is the conscious attempt at upgrading, renovating, and acquiring skills, abilities and strategies that must increase consistently over time and enable teachers react appropriately to academic dynamics including professional training, lesson delivery, effective use of instructional materials, teachers communication skills, provision of effective role model, effective discipline and students' control, improved conditions of service and most importantly, quality of classroom assessment to determine the needs of his/her learners in the learning process. As such, it is obvious that qualitative outcomes can be obtained through paying more attention on teacher training and capacity improving

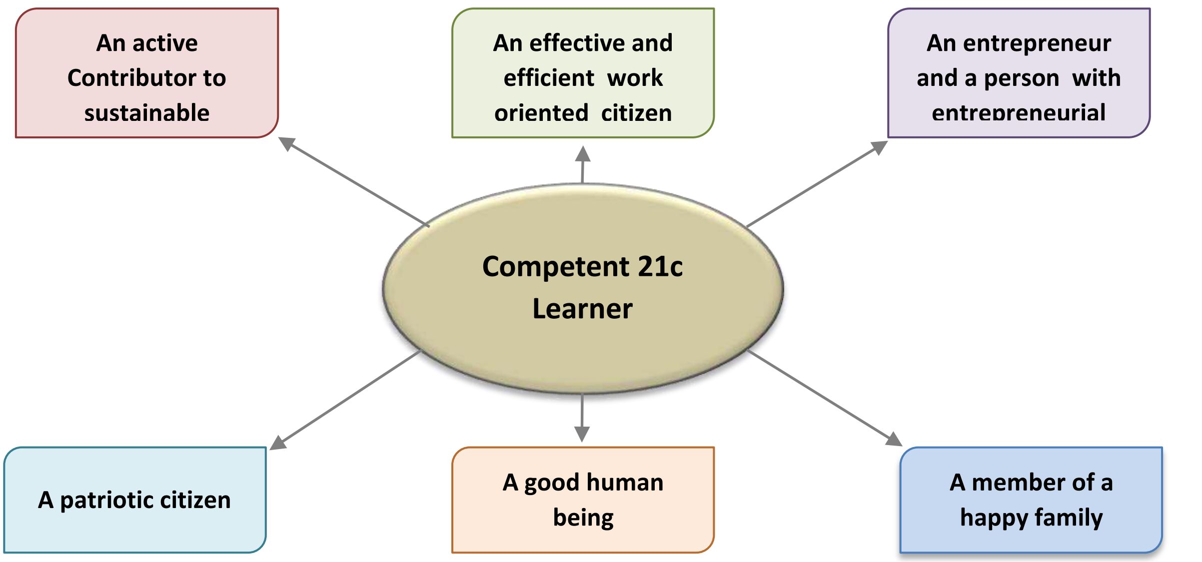
- **Inadequate Investment on education**

Over the past two years, there has been a decrease of 2.3% in the central government budget allocation for education. This could possibly be explained by the impact of the COVID19 pandemic and the subsequent drop in government revenue. Sri Lanka's expenditure on education as a percentage of GDP has been lower than that of regional peers. Sri Lanka's highest figure came in 2017, which was 2.7% of GDP but still considerably lower than that of regional peers.

Policy Direction

A well-planned outcomes-based education system that promotes 21st-century skills is vital to achieving the national target for the country's economic prosperity. Therefore, it is required to modernize the education system in the country on par with the current and future global educational trends. In view of that, the Government has recognized the field of Education as one of the vital sectors that need to be reformed urgently amidst the process of establishing economic stability in the country. Accordingly, taking into consideration all the prevailing issues in the education sector a new Education Policy Framework for the next 25 years is to be formulated and implemented with the participation of all parties concerned.

Figure: 2.1.2 Profile of the Sri Lankan 21c Learner



Accordingly, the development of 21st-century skills in a students is a responsibility of the school and accordingly, the education system should pay more attention to training the children to develop their personalities. Particularly, developing their personality through helping them to achieve 21st-century skills is important to achieve sustainable development goals.

21st Century Skills Framework for Sri Lankan General Education

- Literacy and Numeracy
- Scientific Literacy
- Technological Literacy
- Media and Information Literacy
- Management Financial and Entrepreneurial Literacy
- Quantitative Reasoning

Fundermental Literacies

- Effective communication
- Social and cultural skills
- Critical and innovative thinking
- Global Citizenship
- Intra-personal skills

Interpersonal Skills

- 21st century skills and personality development
- Appreciation of life and ethical understanding

Values and Character

The proposed key initiatives of the reform process are as follows;

- Develop a schooling system that assures access to education by all children in an equitable and inclusive manner.
- Achieve excellence in education by providing a high - quality teaching and resource full learning environment.
- Increase focus on developing skills including cognitive and non-cognitive skills in addition to imparting subject knowledge (equipped with 21st-century skills) to ensure all students become successful and confident learners with creative abilities.
- Use appropriate modern learning methodologies including digital/ online/blended learning technologies.
- Establish interdependent and strong linkages between early childhood education, general education, technical and vocational education, and higher education
- Implement the state responsibility for a policy and

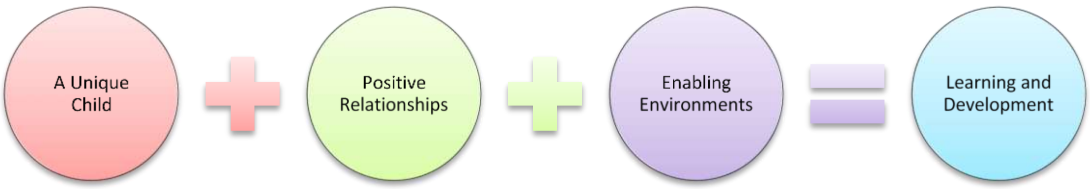
regulatory framework for private and international schools and private tuition classes.

- Enact laws and adopt policies and procedures to achieve higher levels of efficiency in resource utilization and ensure effective governance, responsibility, accountability, and transparency in achieving national goals in education

Key Strategies

- Design a uniform framework with national standards on early childhood education that cater to our education system's needs while formulating a learning framework for preschool education, developing guidelines on the training of pre - school teachers and monitoring the implementation.

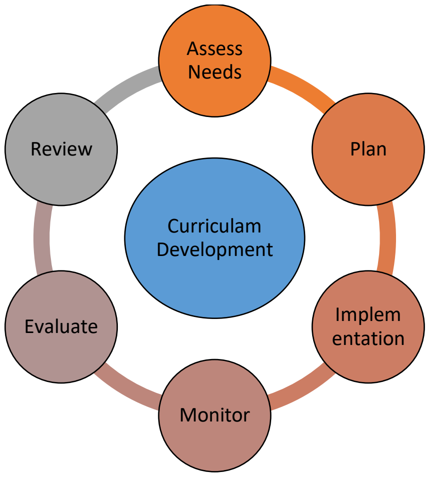
Early Years Foundation Stages

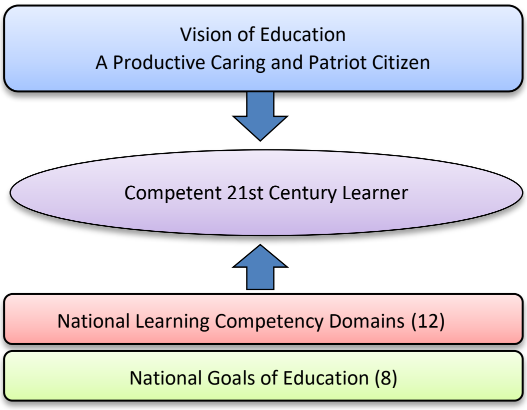


- Therefore, implementing continuous training programs for preschool teachers to make them competent to develop learning situations in conformity with curriculum guidelines Teachers should also be trained to provide for the protection and wellbeing of children, developing their personal and social skills, as well as ensuring the inclusivity of children with special needs.

- Establish a regulatory framework to ensure a proper education management system, equitable resource allocation and improving utilization efficiency, quality of education, efficient school management, human resource management and development, and reaching higher standards in delivering programs in education for all.

- Reduce the Burden of Curriculum and Exams by way of following;
    - Introduce more convenient learning environment for students. It is a space in which students feel safe and supported in their pursuit of knowledge, as well as inspired by their surroundings.
    - Simplify the curricular to reduce of the excessive burden of school curriculum which compels students to devote an unjustified amount of time and effort to studies.
    - Establish curricula and education programmes to take students on effective career paths equipped to match with the need of 21st Century Skills.
    - Provide various choices for curriculum enabling students to select on their aptitudes and preferences. This will also encourage and promote the vocational technical education and training.
    - Introduce a module - based school credit system (36 credits a term/360 hours) more focusing on qualitative assessment.
    - To revamp the existing modules and syllabuses in primary and secondary education considering the modern trends in the field of STEM education.
    - Ensure that the students are not overburdened with unendurable learning materials and ensure that teaching shall be focused on soft skills depending on the age of the students.
    - Implement a mechanism for develop curriculum continuously to match with the needs of the local and global requirements.
    - Introduce a proper teacher training process.





- Enact legislation to monitor all private schools which includes the aspects such as registration, allocation of resources, infrastructure facilities, capacities, quality and standards, social responsibilities, etc.

- Enact legislation to register and regulate all International Schools including their capacity, quality, and standard of education and curriculums and modules.

- Eliminate the existing unjustified competition among students and gradually detach the students' reliance on private tuition to create an environment where children can pursue

- their education with a free and peaceful state of mind.

- Ensure that the students are encouraged in physical and recreational activities with the purpose of building a healthy nation.

2.2 Higher Education

Overview

A country's prosperity is measured by the quality of human resources. In this regard, the government aims to improve the quality of life through human resource development, especially education, as the crucial factor of socio-economic development. Therefore, the government makes several efforts to identify the potential areas in higher education to focus the investment to create productive and vibrant citizens.

Creating employable persons with competent academic qualifications is a key challenge for the government. Therefore, it is necessary to study the emerging needs of local and international labour markets to gain maximum benefits for students and the country. With technological evolution and globalization, a new corridor for higher education has opened for the country where student mobility is increasing. Accordingly, it is required to launch different pathways to provide easy access for students to engage in higher education based on their choices. The university system should be strengthened to produce skilled, knowledgeable, creative, innovative, empathetic, resilient, and committed graduates mentally, physically, socially, and spiritually capable.

The higher education section consists of a number of institutions. Seventeen state universities are operating under the purview of the University Grant Commission of the Ministry of Education, while five universities established under the parliament act: General Sir John Kotelawala University, Buddhist and Pali University of Sri Lanka, Bikkshu University, Ocean University, and Sri Lanka Institute of Advanced Technological Education functioning under the purview of respective line ministries. In addition to the above, there are 23 non-state higher education institutes (NSHEI) and a number of degree-awarding universities not recognized by the Ministry of Education. Further, there are nine higher education institutes other than universities and another nine postgraduate institutes operating only graduate study programmes.

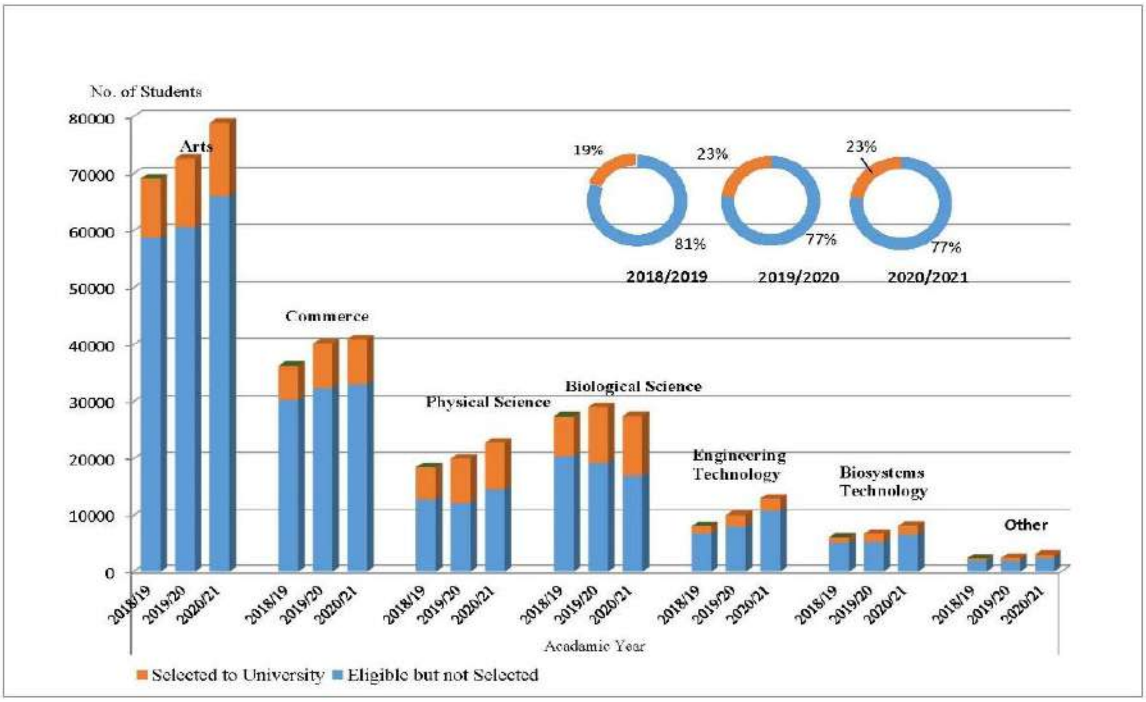
Table 01: University Statistics -2021

Indicator	Number
No. of State Universities	17
No. Faculties	145
No. Higher Education & Postgraduate Institutes	18
No. NSHEI	23
No. of Universities Established through Act	5
Lecturers Including Probationary Lecturers	7,807
Student : Teacher Ratio	19:4

Source: Ministry of Education

Since 2020, the government has increased student intake by 10,000 additional students to attract young students to state universities.

Figure 01: Number of Candidates Qualified and Selected to Undergraduate Courses of Higher Education Institutions by Academic Year

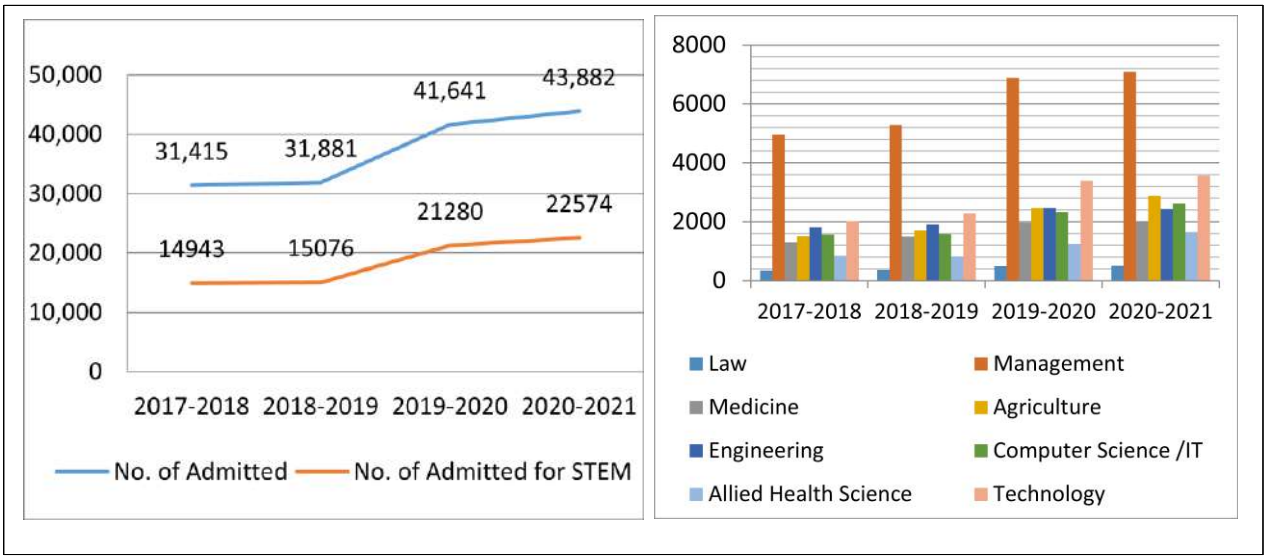


Source: Ministry of Education

Accordingly, around 44,000 students were admitted to the state universities under seven subject streams, and the majority were STEM (Science, Technology, Engineering and Mathematics) stream students having higher demand from the labour market. Moreover, some universities are conducting courses targeting STEM + Arts subjects by deviating from the traditional path to create graduates with global interest. Accordingly, competency levels in different fields of young undergraduates will be upgraded through this initiative by providing language and computer skills, statistics and technology-related skills. Further, each university has introduced several academic programmes innovatively, and there are over 700 departments under 114 faculties in the state university network. Moreover, the

Ministry of Education has introduced a foreign scholarship scheme for local students while attracting international students to local universities. Accordingly, 202 international students enrolled in undergraduate studies, while 578 students enrolled in postgraduate studies in 2020/21.

Figure 02: Total Student Intake and Intake for Leading Degree Programmes



Source: Ministry of Education

Around 500,000 students engage in higher education in state or non-state higher education institutes. This includes undergraduate students of external degree programmes, NSHEIs, universities established under the UGC or Parliament Act and private and international affiliated universities. Further, around 40,000 post-graduate students and 800 international undergraduate and post-graduate students are studying in the higher education sector.

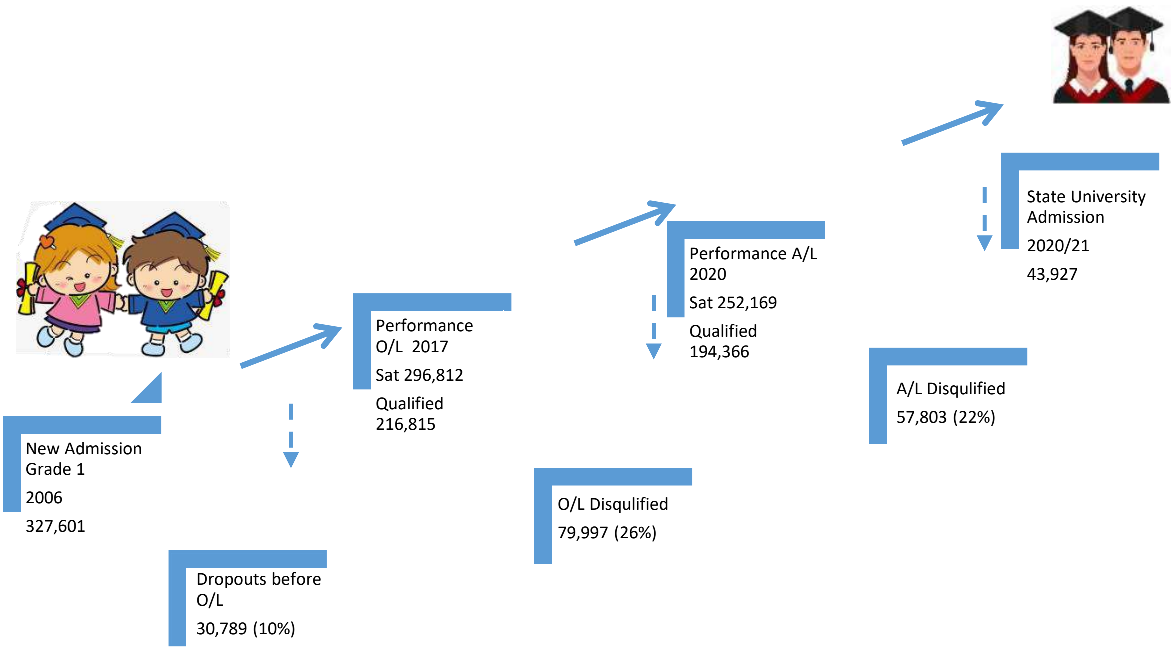
Table 02: Cumulative Student enrollment - 2021

Institute / Degree	No. of Students
University and Institutes	122,679
Open University	28,824
KDU	6,500
External Students	252,864
Postgraduate students	39,253
Foreign Students	780

Source: Ministry of Education

According to the Ministry of Education, around 330,000 students are admitted annually to grade one of government schools. However, out of the total eligible students for university admission, nearly 23 percent of students have been selected to government universities due to limited capacity. Further, around 10% of the total admitted students for grade 1 dropped from the education system before grade 11, while another 25% dropped after the O/L examination. Compared to the total admission to grade 1, around 50% of students qualified for university admission. The dropping out students amounting to 150,000 after O/L and A/L enter either into the higher education sector or labour market. The higher and vocational sector institutions have implemented a number of programmes: certificate and diploma courses, degrees, and skill development programmes targeting those students. Accordingly, around 150,000 students have engaged in government vocational institutes, while around 25,000 engaged in non-state higher education institutes.

Figure 03: Span of Grade 1 Student to Undergraduate of State University



Source: Ministry of Education

Student Loan Programme

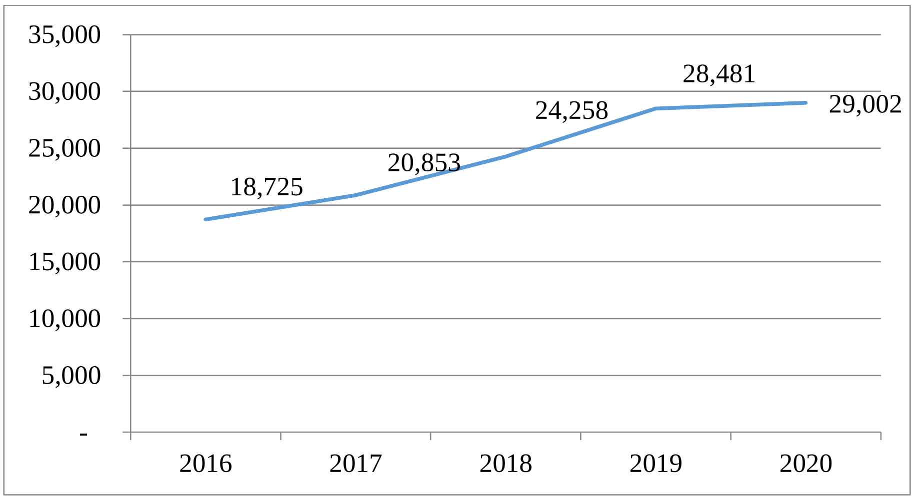
In order to expand higher education opportunities for all eligible students, the Ministry of Education, together with the NSHEI, is implementing a student loan programme for students who are not selected to enter state universities and unable to afford the course fees of NSHEIs. According to the loan agreement, students need to pay-back the capital with one year of grace period. Students are free from the interest payment.

At present, around 13,500 students, including six intakes, are studying at 17/18 NSHEIs, while students of the first and second intakes have already graduated. As the employability rate of those graduates is high, there is no loan default. The government expects to expand the student intake by granting student loans for these universities from the 7th intake; therefore, maximum support will be taken from government and private banks. In 2023, Rs. 1 bn of budgetary provision has been made to pay the interest of the loan programme.

Student Migration for Overseas Education

There are around 30,000-40,000 students not selected for government universities, leaving the country seeking higher education opportunities. The prevailing socio-economic situation in the country has also encouraged young students to seek opportunities beyond the government universities.

Figure 04: Student Migration for Higher Education



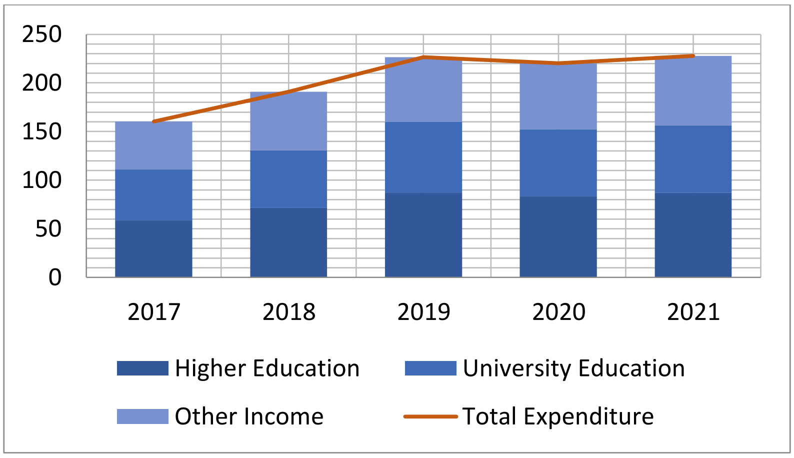
Source: http://data.uis.unesco.org/index.aspx?queryid=3807

Accordingly, NSHEI and international and local private universities need to play an emerging role in attracting students by offering degrees affiliated with well-recognized foreign universities with a facility of either staying in Sri Lanka or going abroad to complete the degree. This will increase the foreign exchange outflow, affecting badly to the economy. Therefore, a mechanism needs to be created to enhance the higher education system to retain young students and foreign exchange.

Government Investment on Higher Education

In 2023, the government allocated over Rs. 250 billion per annum for education, which includes early childhood, general, higher, vocational and other further education projects implemented by the different ministries. Accordingly, around 40% of the education budget has been allocated for the enhancement of skills and knowledge of young undergraduate students. Government investment has been provided through two channels: the Ministry of Education (Higher Education) and University Grants Commission. Apart from this, universities generate their own funds to invest in the higher education system. In 2021, the Treasury has allocated Rs. 156 billion for higher education, while universities generated Rs. 71 billion.

Figure 05: Government Expenditure on Higher Education (Rs. Bn)

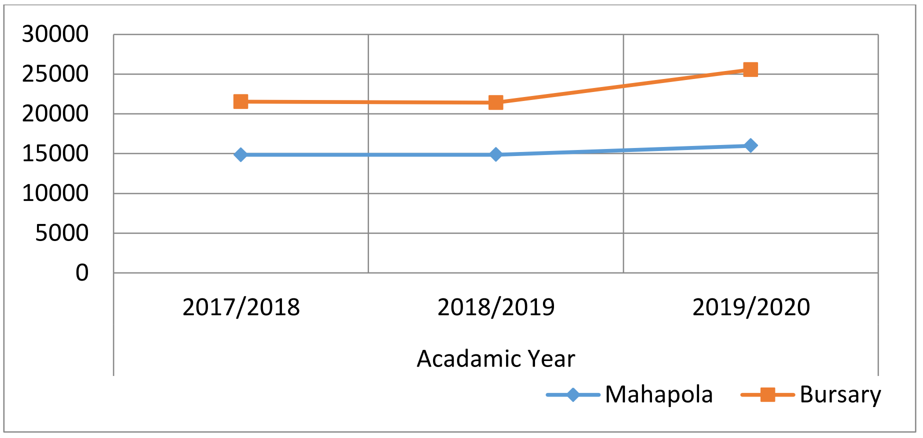


Source: Department of National Budget, Ministry of Education

Welfare Facilities for University Students

Hostel facility is an essential accommodation provision for university students, and in 2021, hostel facilities were provided for around 125,000 students, representing 50% of the total eligible students. This promotes student interactions between roommates of different backgrounds and contributes for upgrading students' knowledge and outcomes. Further, the government provides financial assistance: Mahapola and Bursary for undergraduate students to cover higher education expenses.

Figure 06: Mahapola & Bursary Recipients of Higher Educational Institutions



Source: Ministry of Education

Issues and Challenges

Shortage of Academic Staff – There is no sufficient academic staff: especially for the senior category in the faculties of Medicine, Engineering, Agriculture, Science, and Management. With the higher mobility of human capital, university lecturers are going abroad permanently, while others are not coming back. Accordingly, the universities are facing difficulties in conducting lectures with limited academic staff.

Table 03: Composition of Teaching Staff in Universities – 2021

University	Professor	Snr. Lecturer	Lecturer
Colombo	155	333	210
Peradeniya	237	412	241
Sri J'pura	176	395	151
Kelaniya	166	336	187
Moratuwa	66	227	115
Jaffna	49	260	226
Ruhuna	104	308	228

Eastern	20	148	99
South Eastern	19	103	72
Rajarata	31	155	101
Sabaragamuwa	45	145	120
Wayamba	33	125	94
Uva Wellassa	16	82	89
V & P Arts	9	81	58
Open University	31	210	96
G W University	2	30	41
Vavuniya	1	35	23

Source: Ministry of Education

Skills Mismatch and Lack of Employability for Graduating Students – Some graduates are unemployable and have a lack of marketable skills, leading to unemployment or underemployment. Therefore, the governments in power have been pressurized to employ the graduates, not demanded by the private sector.

Poor Performance in University Ranking – None of the Sri Lankan universities has not currently been positioned among the top 1,000 universities in the world. University of Colombo and University of Peradeniya have been only positioned below 2,000. Most of the universities are working progresively to upgrade the positions.

Table 04: University Ranking 2019 – 2023

No	University Name	2019	2020	2021	2022	2023
1	University of Colombo	2023	1766	1591	1531	1487
2	University of Sri Jayewardenepura	2960	2383	2219	1962	2043
3	University of Peradeniya	1981	1829	1757	1972	1978
4	Rajarata University	4383	4178	3471	3216	2973
5	University of Ruhuna	2624	2339	2203	2464	2534
6	University of Kelaniya	2853	2731	2556	3005	3001
7	University of Moratuwa	2495	2104	2393	2394	2553

Source: https://www.webometrics.info/en/Asia/Sri%20Lanka%20

Lack of Infrastructure Facilities and Under Utilization of Existing Infrastructure - According to the government policy decision, student intake has increased by 10,000 since 2020; however, infrastructure facilities were not upgraded simultaneously. Particularly, laboratory facilities for science stream faculties and Professorial units for medical faculties need to be provided for newly established universities. Moreover, existing buildings, including lecture halls and other common facilities, are not utilized fully and not shared with other faculties.

Migration of Highly Skilled Persons Permanently –

Migration of highly skilled persons creates financial costs and welfare losses for the country. According to the Ministry of Education, the government spends around Rs. 250 billion (per annum) for the entire higher education system, including recurrent costs. Accordingly, the government has invested the highest amount in creating Dentists, Veterinarians and Medical Officers.

Table: 05- Estimated Cost per Student by Academic Discipline – 2021 (Rs.)

Faculty	Duration of the Course	Estimated cost per student per year	Faculty	Duration of the Course	Estimated cost per student per year
Agriculture	4	686,607	Vet Medicine	5	1,522,988
Architecture	4/5	410,179	Livestock & Nutrition	4	588,524
Education	4	589,853	Geometrics	4	513,267
Business Studies	4	283,886	Mass Media & Performing Arts	4	520,393
Dental	5	1,712,039	Information Technology	4	362,994
Arts/Social Sc. /Humanities	3/4	352,475	Fisheries & Marine Science & Technology	4	704,771
Engineering	4	705,231	Islamic Studies	3/4	235,328
Law	4	312,460	Allied Health Science	4	720,252
Medicine	5	1,010,452	Technology	4	369,879
Science	3/4	466,344			

HUMAN RESOURCE DEVELOPMENT

Apart from the above, the government invests in postgraduate education of some professions, especially medical officers, academic staff and other government officers; hence, the expenditure on higher education is further increasing. Though the government invests a vast amount in creating highly skilled persons, the return on investment (ROI) is gradually declining as graduates leave the country after graduation, and others do not return after completing higher studies. In such an event, the government expenses become irrevocable.

Policy Direction

Higher Education policy aimed at achieving excellence in higher education by creating smart graduates and converting all universities to smart learning centers and upgrading the state universities to international standards in conformity with the Government Development Policy.

Key Strategies for Upgrading Higher Education Sector

Sri Lanka is experiencing a human capital dividend, particularly in gender and youth, who are well-educated compared to other countries. Therefore, experts in the field of demography emphasized the importance of obtaining the full potential for the socio-economic development of the country through the human capital dividend. Accordingly, sharing human capital surplus with the international labour market is one of the best opportunities for the country in this economically challenging period. Hence, it is appropriate to create smart students with professional qualifications par with the local and international labour market. The following strategies need to be considered while expanding the higher education sector.

Public Private Partnership for Higher Education

The country is facing financial difficulties; hence government is unable to invest further to expand the higher education sector. Therefore, innovative financial mechanisms need to be introduced to enhance student intake for both government and private universities while discouraging the migration of young, qualified students for education.

- Creating higher education opportunities by establishing branch campus – Well-functioning universities are encouraged to establish branch campuses in needy areas based on the demand of students and the labour market. The government will provide basic facilities such as land and infrastructure to commence the operations. In this regard, KDU proposed to establish a branch campus in Kurunagala to enrol 450 students per annum for various programmes including the MBBS.
- Attracting private sector investors to invest in higher education – In the first instance, the establishment of new faculties in well-established government or private universities will be initiated. Private universities/colleges will commence the MBBS programme, which is an untapped area by the private sector, and it is one of the key initiatives in the higher education sector. The programme will be conducted on a fee-levying basis for students eligible but not selected to the state universities. Three private universities have initiated preliminary activities of establishing medical faculties.

- **Enhancement of Access and Quality Education to Improve Student Outcome**

Various efforts will be undertaken to further improve access and quality of education to par with international standards. Strengthening industry collaboration, promoting good governance, improving and introducing diverse learning and teaching approaches, student assessment system, university environment, competency of teachers and quality of university academic staff will be commenced in this regard. This will include work-oriented education and virtual learning programmes.

- **Promoting a Flexible Higher Education System**

Concerted efforts will be undertaken to promote a flexible higher education system. This will include opening up more diverse education and training pathways, offering trans-disciplinary programmes and redesigning existing programmes to incorporate innovative approaches. These measures will enable HEIs to offer a flexible and dynamic curriculum, which can be updated and reshaped, according to industry demand. In addition, university enrolment will be made flexible across universities, where students are allowed to pursue subjects at other HEIs during the course of their study.

- **Provision of Higher Education Digital Infrastructure Facilities**

The provision of infrastructure facilities for higher education will be intensified, including expansion of broadband coverage in populated areas and providing broadband connectivity to rural and remote areas. Broadband coverage in Sri Lanka will be further enhanced to provide equitable digital opportunities to both students and teachers. In addition, measures will be undertaken to improve broadband connectivity in state universities and HEIs located in rural areas.

Enhancing Governance and Coordination of the Higher Education System

Education governance will be strengthened to support the development of future-ready talents. This will include enhancing governance and coordination of the university system as well as fostering effective governance and providing greater financial independence to HEIs. Concerted efforts will be undertaken to review, streamline and formulate relevant policies and legislations that govern the higher education ecosystem to increase the efficiency and effectiveness of HEIs. Guidelines on Good Practices (GGP) for international students in HEIs will be formulated to improve the management of international students. In addition, GGP on international accreditation will be developed as an initiative to improve quality and strengthen niche programmes.

- **Accreditation of Higher Education Programmes and Institutes**

Accreditation is an assurance that a student will receive a quality education. There are two types of accreditations: programme and institutional accreditation, which create a set of quality standards for all educational institutions or degree programmes to match with international educational standards. Labour mobility is increasing in an unprecedented manner; therefore, accreditation facilitates transferring credits, measuring education standards, helping employers to determine the programme's creditability and knowledge level of students, and finding a job in the international job market. Therefore, it is needed to establish an independent institute to accredit degree programmes and higher education institutions in the country.

Leveraging Emerging Technology

Technologies such as artificial intelligence, digitalization, high-speed mobile internet, big data analytics, and the internet of things will impact education and training. Several initiatives to leverage emerging technology in higher education will focus on optimizing the digital learning ecosystem, strengthening TVET through digital learning and strengthening industry collaboration for greater innovation. These initiatives will contribute towards creating an effective learning ecosystem, and impactful Research and Development as well as ensuring that institutions are future-ready.

- **Expand Carrier Guidance Programmes**

Carrier guidance programmes need to expand with the collaboration of the private sector to enhance the industry exposure of young graduates. This will facilitate them to find job opportunities with hands-on experience in the private sector.

- **Curriculum Reform for increasing employability**

A mechanism needs to be created to update/ review the course curriculum based on the duration of the degree programme. The main objective of the reform is to change the purpose and the way learning takes place.

  - Curriculum needs to be reviewed based on the student performance, relevance of the course, market applicability and demand from the industry. After conducting evaluations periodically, new programmes need to be introduced while upgrading/ modifying existing programmes.

- Curriculum needs to be designed with choices for students to customize their study programmes by offering cross-disciplinary and cross-faculty courses based on their preferences.
- The labour market has formulated emerging demand in the fields of healthcare, banking and financing, ICT, cosmetology, and agriculture. Accordingly, higher education institutes need to address this emerging demand to get the market share.

- **Financing in Higher Education**

Sri Lanka is one of the countries offering free education from primary to higher education. The government investment in education is a relatively small component of the total public spending. However, the government is planning to manage higher education expenditure strategically while opening access to more students. Accordingly, during the economically challenging period, different financial modalities; scholarships, grants and student loans need to be introduced in higher education.

- The scholarships will be awarded based on the student's merit, while grants will be given based on income. However, new tools will be introduced for all eligible students to enter the university by obtaining a loan.
- The contribution to the loan will be shared between the government and the student based on the student's performance and family income. The ratio of the loan amount will be divided into 80:20, 60:40, 50:50, 40:60, and 20:80 between the government and the student, respectively. However, some students can get the total student loan without having any conditions.
- Students entitled to grants and government-contributed loans need to work for the country as a compulsory requirement, depending on the government contribution.
- A mechanism needs to be prepared for selecting the

students for each category under the different financial modes in consultation with all relevant stakeholders.

- A strong monitoring mechanism needs to be introduced for this purpose through a well-established digital platform.

- **Upgrading of Sri Lanka Qualification Framework (SLQF)**

SLQF needs to be updated to facilitate horizontal and vertical mobility of students between programmes within as well as among the higher education institutes. Further, the National Vocational Qualification Framework (NVQF), which is awarded based on industry-based qualification, needs to be matched with SLQF to work together to evaluate student performance.

- **Expanding Engagement in Research and Development Activities**

Encourage academics to engage in market-oriented and economically effective research activities and to disseminate research outputs, including commercialization of research findings through the industry. This will direct research funds to the right place and for the right purpose while publishing findings with all the stakeholders, including universities.

Medium Term Targets

Targets by 2026

- Enhance gross enrollment in higher education (%) by 30
- Increase student enrolment to both state and non-state universities by 150,000
- Entering into top 2, 000 world ranking universities (no) 5
- Increase foreign student enrolment in local universities 5,000
- Encourage academics and postgraduate students to engage in research and development activities by a faculty (No of research) 1,000
- Attract students migrated for undergraduate programmes to local universities (no) 2500

2.3 Technical and Vocational Education

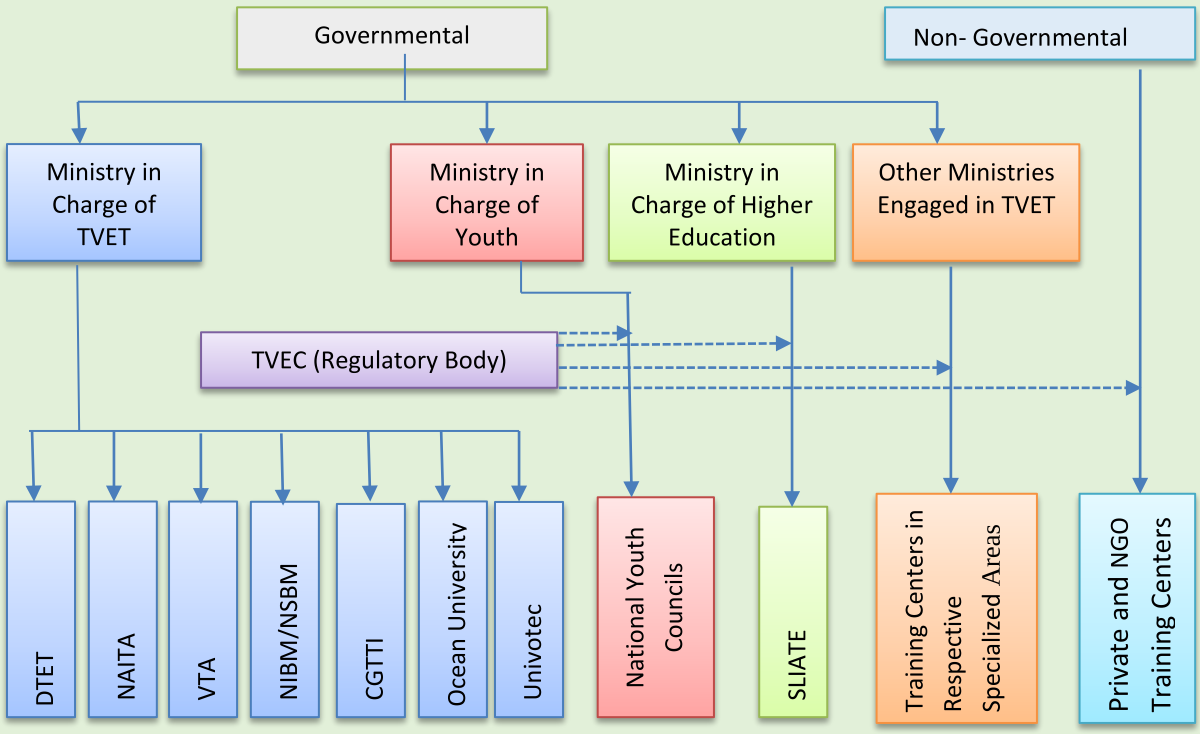
2.3.1 Overview

A skilled workforce is one of the most important inputs of the production process and it is a vibrant part of the human capital development in a country. It plays an active role in sustaining economic stability and removing poverty from the country. Therefore, the investment in education and training produces benefits both to individuals and society. The return on this investment for the society will be a skilled workforce enabling to meet the global competitiveness and to boost the economic growth resulting better career path, increased earnings, and a better quality life for individuals.

In view of the Technical and Vocational Education Training (TVET) delivery network in the country, around 1,500 registered institutes are currently functioning island-wide, as public, private, charity, and nongovernmental institutions. The public sector continues as the dominant player among the three types of institutions. The Tertiary and Vocational Education Commission (TVEC) which takes part in overall regulation of the TVET sector in the country while acting as the apex body mandated for TVET regulation. Accordingly, about 7,000 registered courses and 3,000 accredited courses are currently being conducted throughout the country targeting unemployed youth, rural women, school dropouts, and semiskilled or unskilled workers with an annual enrolment that accounts for more than 100,000 student

In the public sector, the Vocational Training Authority (VTA) operates a network of Vocational Training Centers Island-wide with NVQ-level courses ranging from levels 1- 6, and the National Apprentice and Industrial Training Authority (NAITA) is the leading training organization that provides training in Enterprise Based Training (EBT) mode across the country. The Department of Technical Education and Training (DTET) operates a network of Technical Colleges and Colleges of Technology with courses NVQ level 1-6. The National Youth Services Council (NYSC), organizes vocational training courses in urban as well as rural areas. In addition, a set of other state agencies are currently delivering different areas of training.

Figure 2.3.1: Institutional Framework of the TVET Sector in Sri Lanka



National Policy on Technical and Vocational Education (TVEC) 2018

Table 2.3.1 : Institutional Development of Vocational and Technical Training Sector -2019

Institute	No. of Centers	No. of Courses Part Time	No. of Courses Full Time
Vocational Training Authority (VTA)	216	191	1,244
National Apprentice & Industrial Training Authority (NAITA)	66	33	251
National Youth Service Council	54	87	49
Department of Technical Education and Training (DTET)	39	18	100
National Institute of Business Management (NIBM) -Self-financing	05	72	69
Ceylon German Technical Training Institute (CGTTI)	02	45	12
Sri Lanka Institute of Printing	02	20	01
University of Vocational Technology (UNIVOTEC)	01	-	15
NSBM Green University -Self - financing	01	06	31

Source: Statistical Pocket Book 2020, Department of Census and Statistics

According to the TVEC database, in the year 2022, it has recorded about 102,821 enrolments for both NVQ and non-NVQ courses which are conducted in registered TVET institutes whereas the institutional capacity is about 430,600. The government sector contributed to 78% of this total enrolment and the other two sectors have contributed to the rest.

Table 2.3.2: Student Enrolment in the year 2022 based on Institutional ownership

Owner	NVQ No. of Registered Courses	NVQ Institutional student Capacity	NVQ Student Enrolments (provisional)	Non-NVQ No. of Registered Courses	Non-NVQ Institutional Student Capacity	Non-NVQ Student Enrolments* (Provisional)	Total No. of Registered Courses	Total Institutional Student Capacity	Total Student Enrolments* (Provisional)
Government	2,914	128,223	70,892	1,215	79,529	2,652	4,129	207,752	73,544
Private	687	42,977	18,301	2,191	166,357	7,264	2,878	209,334	25,565
Charity	47	2,041	711	49	1,981	188	96	4,022	899
NGO	128	6,381	2,660	78	3,110	153	206	9,491	2,813
Total	**3,776**	**179,622**	**92,564**	**3,533**	**250,977**	**10,257**	**7,309**	**430,599**	**102,821**

* The figures of enrollment are based on the database maintained by TVEC based on the data furnished by relevant institutions

Further, it is observed that most of the students have been enrolled in the areas of caregiving, food and beverage, ICT, automobile, etc. which are highly demanding sectors in the local as well as global market.

Public Investment

Skills development is a prerequisite for the creation of a productive labor force particularly, for the youth. Therefore, on average, the government has annually invested around Rs. 9,000 – 10,000 million on skill development such as infrastructure development, capacity building, the introduction of new TVET courses, quality assurance, accreditation of coursework, and regularization of the TVET sector, etc. In addition, the private and NGO sector training service providers have correspondingly invested in TVET sector development by investing in the expansion of physical and human capital necessary for technology-based development in the TVET sector.

Key Issues and Challenges

- Underutilization of the resources

  It is observed that the majority of TVET centers in the country are not operating at maximum capacity due to many reasons such as no proper career guidance for youth, not conducting valid, reliable, and quality-assured training programmes, incompetent instructors, less awareness among students, and less attractive training institutes. Further, TVET institutions normally conduct their training programmes only on weekdays during office hours leaving valuable training equipment and machinery idling during weekends and vacation periods. Due to this pattern of use, most of the modern equipment brought by spending millions of rupees remains underutilized for much of the time year around. Some of this equipment gets obsolete over time as well.

- Limited/ obsolete resources

  Since resources for TVET are often limited, some of the institutions do not have modern training equipment (institutions like German Tech have specific facilities to train the students). Further, equipment from previous investments is left idle due to the expensive trading supplies, no capacity to repair the imported equipment, and few knowing how to use it. Some of this equipment is already obsolete and not fit to modern industrial requirements.

- Skill mismatch with labour requirement

  TVET does not fully respond to the demands of the labour market and the needs of the industry and therefore there is a considerable gap between the supplies of competent passed-out trainees with industrial demand. Public investment is entirely supply-driven and input-based and is not deployed to areas with the highest impact/outcomes with the return on investments not monitored or measured.

- Negative perception of TVET amongst industry and community

  Parents and the community give less value to TVET than university or professional education and it is leaving for those who have less academic capacity. Therefore,

  Parents are reluctant to send their children to industrial training due to the less attractive industry environment and no motivational emoluments.

- Limited access to skills development for informal workers and entrepreneurs, people in rural areas, women, and those with disabilities

  Mainstreaming females into the formal labour market and certifying informal sector employees are two major tasks for improving the quality of human resources in the country. However, women, persons with a disability, or marginalized people are most likely to suffer from exclusion from any form of education.

Policy Direction

The NPD is observed that growing economies like Sri Lanka must have a good TVET system for its youth to get competencies to engage with industrial sectors. Further, future labour markets will

require a constantly evolving range of skills to meet the&challenges of digitalization and the fourth

industrial revolution. Considering the above domestic and global dynamics, the TVET system is needed to be transformed to fulfill the technology-based, highly productive, skilled workforce for domestic and global markets. Therefore, NPD is of the view that when the preparation of the National Skills Strategy of the TVET sector needs to correctly identify the remaining gaps in the

sector enabling to fill the skills gaps required to access the local, regional, and global labour market.

Further, it suggested to consider the findings/recommendations of the following documents when identifying the core problems/challenges in the TVET sector and setting up strategic direction The NPD is observed that growing economies like Sri Lanka must have a good TVET system for its

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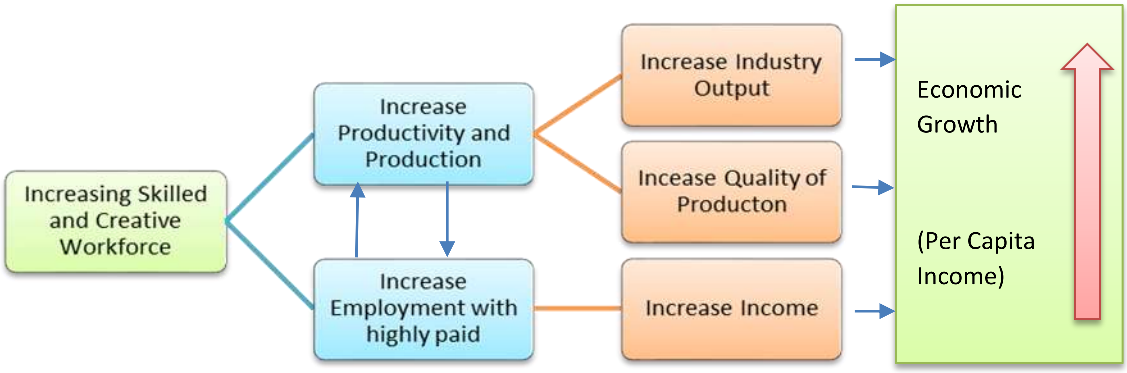
Figure 2.3.2: Skills and Economic Growth



- Focusing on demand and industry-driven TVET: aligning different elements of TVET (e.g., competency standards, curricula, training and assessment materials, practical training arrangements and facilities, career guidance and counselling, RPL measures, and assessment and certification) with up-to-date industry and occupational standards

- Focusing on domestic and overseas employment: prioritizing employment-oriented skills development for industries/occupations experiencing skills shortages now and in the future.

- Ensuring accessibility to TVET: making TVET programs available for all youth irrespective of education qualifications, geographical location, gender, poverty, disability, and any other differences. Creating pathways for student transition from school to TVET.

- Maintaining relevance and quality: prioritizing wider implementation of NVQ courses, in both institutional and apprenticeship - based modes, covering all industry sectors and effective implementation of quality assurance and regulatory framework

- Upgrading staff competencies continually: maintaining required numbers of qualified staff with adequate remuneration and continually upgrading the competencies in relevant technologies and teaching/learning methods.
- Developing Lifelong skills: addressing continuous skills development and upgrading needs of people in different stages of life.
- Introducing performance-based management system: promoting
- well-performing public and private TVET providers/centers
- Focusing unified TVET strategy: harmonizing legal mandates of TVET institutions and formulating and implementing unified TVET strategy across public and private institutions.

Key Strategies

- Create vocational pathways within the school while including curriculums aimed at promoting and encouraging vocational-technical education and training in the proposed education policy.
- Introduce career key assessment at school level to identify the career path which suit to child personality, interest, skills and values to education.
- Disseminate information on available job opportunities and skills requirements at the national/ provincial /district/divisional/ school level.
- Carry out detailed studies and market analysis on the TVET sector, from time to time given the labour market requirement and identifying contemporary and upcoming employment opportunities qualification-wise based on local, regional and international demand. In line with that, relevancy and quality of each training program conducted in respective training institute should be further reviewed and if any obsolete training programs with no significant demand are identified, those are to be removed or updated to suit with the industry demand.
- Ensure alignment of course content with industry expectations and that students are equipped with soft skills, critical thinking, analytical and

communications skills in addition to technical expertise.

- Provide students with opportunities to pursue on-the-job training and gain work experience which would count as course credits.
- Promotion of vocational and training education as an attractive socially recognized alternative tertiary education pathway.
- Embedding 21st-century skills into the TVET curricula to allow for advanced, responsive, and fit-for-the-purpose teaching-learning materials, methods, and technologies.
- Carry out necessary assessments on training capacity including resources and level of utilization on each training institute based on the market analysis. Based on the results, demanding centers could be identified for delivering courses which are really link with the industry requirement.
- Encourage Public-Private Partnerships (PPP) in the TVET training by formulating policies and guidelines in order to promote such partnerships in the areas of a resource sharing in terms of physical and human facilities among the training providers.
- Establish a proper coordination mechanism among all training providers and the related government agencies to the subject such as the Department of Labour, Department of Man Power, and Sri Lanka Bureau of Foreign Employment Department etc., whilst sharing information by each other (for example, establishment of a coordinating committee including all relevant Agencies).
- Introduce the distance and blended learning will be another challenge in coping with the ongoing energy and economic crisis. Further, augmented and virtual realities for practical simulations will have greater potential in the future.
- Make relevant policy reforms, and introduce policy guidance and regulatory framework for TVET to promote technical skills for a transition to a greener economy as the green economy is a new economic model that seeks to achieve economic development while protecting the environment

and achieving sustainable economic and social development. Transitioning to green jobs and green skills, and to create new jobs in relation to the greening of workforces is required in this regards.

- Take strategic approach for digital transition of the TVET and skills system and Implement a whole-of-system digitalization strategy for a national skills system.
- Digital transformations of TVET - TVET and skills systems should take a strategic approach to their digital transition according to local needs and capabilities. Therefore, it is important to implement a whole-of-system digitalization strategy for a national skills system.
- Demographic Transition

  The world is expecting major demographic changes in future and people are leading longer lifetime. Accordingly, older people are willing to work into their sixties and beyond and they need support in acquiring new skills in line with the demand of the labour market to remain in the labour market for longer periods. Further, increasing aging population will be demanded for aged care services in the near future. Therefore, it is important to prepare the future workforce for jobs in the elderly care sector.
- Labour Migration (Skills for Foreign Employment)

  Foreign employment is an important and stable source of foreign currency inflow to the country. However, Sri Lanka has not been able to cater the full global demand of workers in mid-professional, skilled, and semi-skilled job categories, so far. Therefore, it is necessary to, encourage youth who dropped out from school to work abroad as skilled workers and strengthening them to match with the demand of the international labour market. At the same time, conversion of unskilled persons into skilled workers through providing necessary trainings either short term or long term in competent areas should be looked into

2.4 Labour

2.4.1 Overview

The physical and mental effort, or labour, that a person expended on bringing a product or service to market is a very essential factor in production. When considering labour, the individual's skill level, education, technical literacy, and interest in productivity are incredibly important factors. Therefore, the overall productivity of the economy depends on the quality of labour.

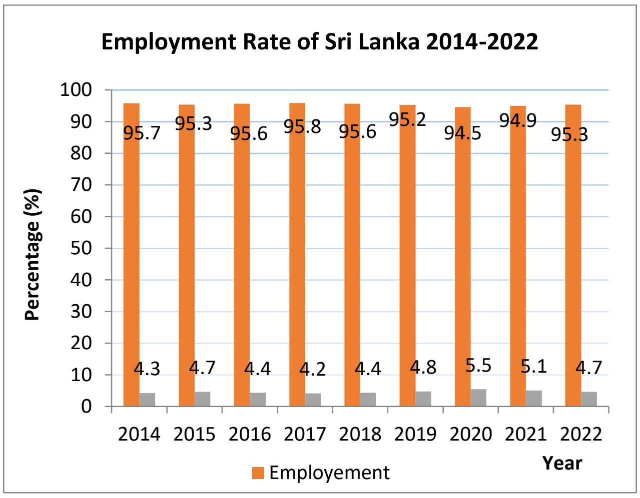
Furthermore, conditions of work and remuneration paid to the workers determine the standard of living and social well-being of people.

The total labour force of Sri Lanka consists of about 8.5 mn persons, which is equivalent to 40 percent of the total population. Labour force participation rate of Sri Lanka is 49.8 percent in 2022 while it is 70.5 percent for males and 32.1 percent for females. Although the employment rate is 95.3 percent, employment rate of females (93.5 percent) is lower than males (96.3 percent). Higher proportion of employment is represented by private sector employees (42 percent to the employed population in 2021) and the self-employed (own account workers -33.4 percent to the employed population in 2021). The public-sector employment is 15.2 percent to the employed population in 2021.

Labour productivity is an important factor of economic development which has an impact on worker's salary or income. The value of goods and services created by the labour force is called the labour productivity. Labour productivity has an impact on the sectoral share of the GDP. Accordingly, out of the total employed population, the highest share (47%) is reported from the Services sector, whereas Industry sector and Agriculture sector equally distributed (26.5% in each) in 2022.

Unemployment in Sri Lanka has increased significantly to 5.5 percent in 2020 from 4.2 percent in 2017. It is 5.1% and 4.7% in 2021 and in 2022 respectively.

Figure 2.4.1: Employment Rate of Sri Lanka 2014-2022



Job/Labour Market Recovery

The need for a strategic plan for the recovery and transformation of the job market has emerged as recent research revealed that there is a possibility of 40% collapse of micro, small and medium enterprises in Sri Lanka soon.

Thus, expanding micro, small and medium employment opportunities and expanding the representation of women in the Sri Lankan job market are key points that needs to be focused on in the recovery of the market, and Labour laws that are currently operation in Sri Lanka should be revised to suit the current socio-economic context by removing the discrepancies in order to preserve equality and fairness.

In preparing the strategic plan for the recovery and transformation of the job market, demand in the job market, supply in the job market, and an institutional reform to regulate the supply and demand mechanism in the domestic labor market should be mainly focused on.

Foreign employment

Migrant workers provide an invaluable contribution to the socio-economic development of the country. Foreign exchange earnings from them are immensely important to our country as the country is having an economic downturn. Moreover, foreign employment plays a prominent role in the economy in reducing unemployment. Sri Lankan migrant workers have earned US$ 3,789 mn remittances in 2022 contributing 6.7 percent to the GDP.

Furthermore, migration of Housemaids/ Domestic Housekeeping Assistant has notably decreased to 23.8 percent in 2022 from 40.9 percent in 2011. Meanwhile, the migration percentage of professionals and skilled labourers has significantly increased to 34.45 per cent in 2022 from 27.2 per cent in 2011.

2.4.2 Issues and Challenges

- Due to the covid -19 epidemic situation in the country, there was a structural change in the economy and with the current economic crisis, people are facing the challenge of unemployment, underemployment as well as reduced participation of women in the workforce. The rate of unemployment has come to the higher level of 5.5 percent in 2020 and but it has declined to 4.7 percent in 2022
- Female labour force participation remains at a low level which was 32 percent in 2022 compared with male's participation rate of 71 percent.
- Due to the increase in the elderly population in the country's workforce, in the near future Sri Lanka has to face the social and economic issues caused by the aging of the population.
- Inadequacy in harmonization of training for both foreign and domestic needs absence of dialogue among different policy sectors like foreign employment, education, higher education and Technical and Vocational Education and Training (TEVT).

Sri Lanka has identified following issues in the foreign employment sector.

- Absence of an adequate mechanism to capture global labour market information and identify foreign employment opportunities.
- The competition from other countries for the foreign labour market is very high and the lack of trained workers to meet the modern technical requirements of today's world is one of the main challenges we face.
- From the point of view of domestic socio-economic development, brain drain of "skilled workers" becomes an issue that needs to be taken into serious consideration, while policies in respect of migration for employment highlight the need to promote migration of skilled rather than unskilled.
- Since migrant mothers remit earnings, their families are financially sound to a certain extent but socially, most of these families face many challenging issues such as children's education and victims of various

forms of abuses. As well as drug/alcohol addicted husbands ruin their families and properties.

- High concentration of overseas labour migration in low-skill job categories and to a few destinations. The high percentage of low-skill migrants lead to poor working conditions, hardships encountered due to harassment and low average levels of remittances.
- Institutional and legislative constraints.
- Emerging competition to Sri Lanka as a source of migrant labour. Competition for the developing countries in South Asia, East Asia and Africa is visible for the supply of skilled and unskilled labour within the traditional Gulf country markers as well as in new destinations.
- Mass migration of professionals and skilled workers is likely to lead to a scarcity of labour in selected industries alongside a substantial drop in productivity, thus affecting the economic growth of the country significantly during the recovery phase and beyond.

2.4.3 Policy Directions

The dynamism of a country's economy depends on its labour force. A country's development depends on its productivity. According to the Government Vision "to become a fully developed country by 2048", it is required a skilled labor force for a technology intensive country and a working culture for an accelerated growth of the economy. From the special statement delivered by President is heighted that necessity of designing reforms to benefit the entire population and foster the development of the entire country to enhance the living conditions of all Sri Lankans and Sri Lanka's international competitiveness in exports and create new opportunities for labour participation amongst the youth, leading to a fully stabilized economy within the next five years. To create new opportunities for labour participation, national policy on migration for employment and other policy linkages are also provided policy directions.

2.4.4 Key Strategies

- To overcome the relatively low level of female employment in the workforce, efforts are made to increase the participation of women in the workforce by adopting measures such as easing the night shift conditions and creating a women friendly work environment.
- Harmonization of training for both foreign and domestic with of dialogue among different policy sectors.
- Strengthening of demand mechanism in the job market and aligning it with the new economic policies, high attention should be paid to the tourism, transportation, knowledge process outsourcing, information technology, business process outsourcing, logistic management sectors etc, and preparation of strategic plans in those sectors for job creation.
- Preparing a strong and appropriate program for the early completion of vocational training programs for development of professional skills of the youth to suit the local and foreign job market by strengthen the supply mechanism in the labor market.
- Creating an institutional framework to regulate the supply and demand mechanism in the job market.
- Revising the country's labour laws to suit the current socio-economic context and expand opportunities to attract foreign investment.
- Developing a 'Long-term Human Resource Plan' to enhance the productivity and efficiency of the labour force.
- Enhancing the labour productivity of the labour force by skill development.
- Providing special facilities to foreign employees to encourage them to remit/invest in the country.
- Enhancing skills of migrant workers to explore new potential job markets and ensure their security.
- Promotion alternative destinations offering employment for a wide range of job categories with high wage potential, especially in advanced economies, such as South Korea,

Singapore, Japan, and European countries, thereby increasing the quantum of workers' remittances while reducing geopolitically driven vulnerabilities of remittance receipts.

- Strengthening social security measures as a remedy for the social and economic issues caused by the aging population.
- Preparing an Emergency Evacuation/ Response Plan to protect the Migrant workers in the event of disasters.

2.4.5 Medium Term Targets

- To amend the Shop and Office Employees Act No. 19 of 1954 by 2023 to bring it to suit the present and in line with the welfare of employees
- To amend of Payment of Gratuity Act No 12 of 1983 by 2024.
- To amend Sri Lanka Bureau of Foreign Employment Act, No. 21 of 1985 to streamline the foreign employment sector, strengthen existing legal frameworks and facilitate local implementation of laws to comply with international obligations
- To introduce a special contributory pension scheme in addition to the Employees' Provident Fund.
- To submit a report as directed by the Cabinet of Ministers to amend National Minimum Wage of Workers Act by 2024
- To amend the Industrial Disputes Act No. 43 of 1950 by 2022.
- To obtain Cabinet approval for National Labour Migration Policy and Action Plan.
- To prepare an Emergency Evacuation/ Response Plan.
- Introducing a new labour law adding terms and conditions of service to suit the current socio-economic changes.
- By 2023 Kandy, Nuwara Eliya, Puttalam, Batticaloa, Matara, Monaragala, Gampaha, Kalutara, Badulla and Galle as 'Child Labour Free Zones' and by 2025 all districts as 'Child Labour Free Zones'.
- Increasing the quality of service, increasing the quality of services related to daily life such as security service, cleaning service providers are to be taken in the year 2023.

2.5 Health

2.5.1 Overview

Sri Lanka health system has recorded impressive achievements in health by implementing high impact but low cost evidence based interventions. Reasons for such achievements could be the strong focus on preventive and public health services delivered by robust network of 358 preventive healthcare units named Medical Officer of Health (MOH) and easy access to non-fee levying, public financed, three tiered (primary medical care units, secondary and tertiary hospitals) Allopathic/Western Medicine stream curative care services provided through over 1,160 institutes coupled with a commitment to implement welfare orientated policies and programmes which resulted in high standards in health and social development including education. 21,045 doctors and 40,775 nurses are attached to the above institutions

Ayurveda medicine healthcare service are provided through 119 hospitals with 5,345 beds capacity under the Ayurveda Department around the country with 2,303 qualified doctors in 2022. As per the records of the Ayurvedic Medical Council, there are 26,650 registered Ayurvedic Doctors in Sri Lanka in 2022. Further to government healthcare facilities, private sector also play a significant role in healthcare delivery in the country. State sector covers about 95% of inward care and 50% of total ambulatory care (Out Patient Care) in the country.

However, the Health Ministry records revealed that trend of increasing of inward care and ambulatory care in government hospitals recently, believed to be the reason that due to the increase of health care cost.

Figure 2.5.1 shows the key health related indicators of Sri Lanka.

Table 2.5.1: Key Health Indicators of Sri Lanka

Country/region	Life Expectancy		Infant mortality rate	Maternal mortality ratio per 100,000 live birth	Medical Doctor per 1,000 population	Nurses & Midwives per 1,000 population	Hospital Bed per 1,000 population	Government health expenditure as a percentage of GNP
	Male	Female						
Sri Lanka	73.1	79.5	6	29	29	2.5	4.2	4.07
South Asia	66.1	69.7	31	138	138	1.5	0.6	3.05
OECD Members	78.1	83.4	6	22	22	10	5.1	8.58
European Union	77.7	83.3	3	6	6	9.5	4.6	10.91
East Asia Pacific	76	82	12	71	74	3.9	4.5	6.94

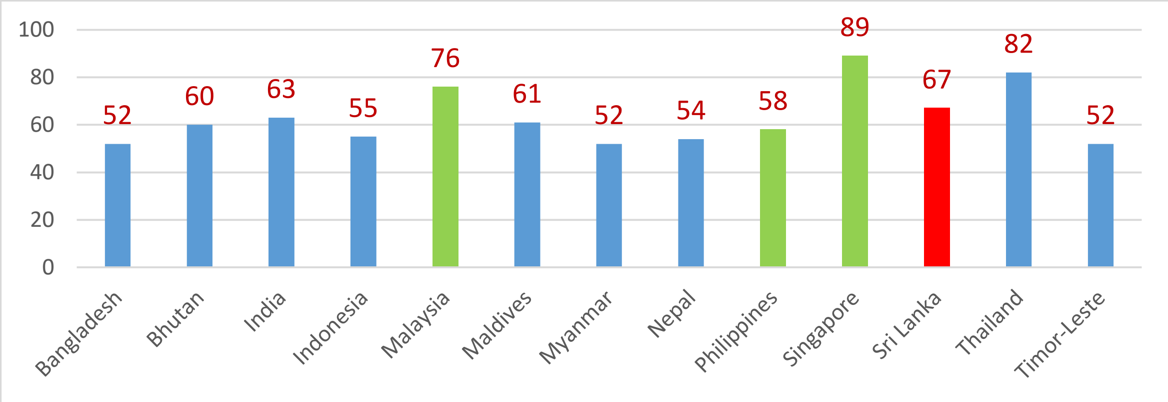
Source: World Bank, 2020

Sri Lanka's total expenditure on healthcare (both public and private) is 3.8% of GDP and out of which the public health expenditure amounts to 1.5% of GDP, which is similar to the average public health expenditure of lower-middle-income countries (1.5%) and is higher than her regional peers in South Asia (1% of GDP).

2.5.2 Issues and challengers

Sri Lanka's health system has a long track record of strong performance. For at least 50 years it has achieved much better outcomes in maternal and child health and infectious disease control than would have been predicted by its income level. It has provided universal, free access to government provided health care services to its population since the 1930s. Even though we have achieved many outcomes in term of maternal and child health and infectious disease control, Sri Lanka's Universal Health Coverage (UHC) still remaining lower than the global average of 68. Sri Lanka achievement is 67.

Figure 2.5.1 - UHC SCI – Country comparison



UHC is mainly related to the 2 main SDG UHC indicators to track a country's progress towards SDG and UHC namely; SDG 3.8.1 Coverage of essential health services and Catastrophic health spending (Out of Pocket expenditure).

Figure 2.5.2 - Schematic of UHC SCI (SDG 3.8.1) components and calculation

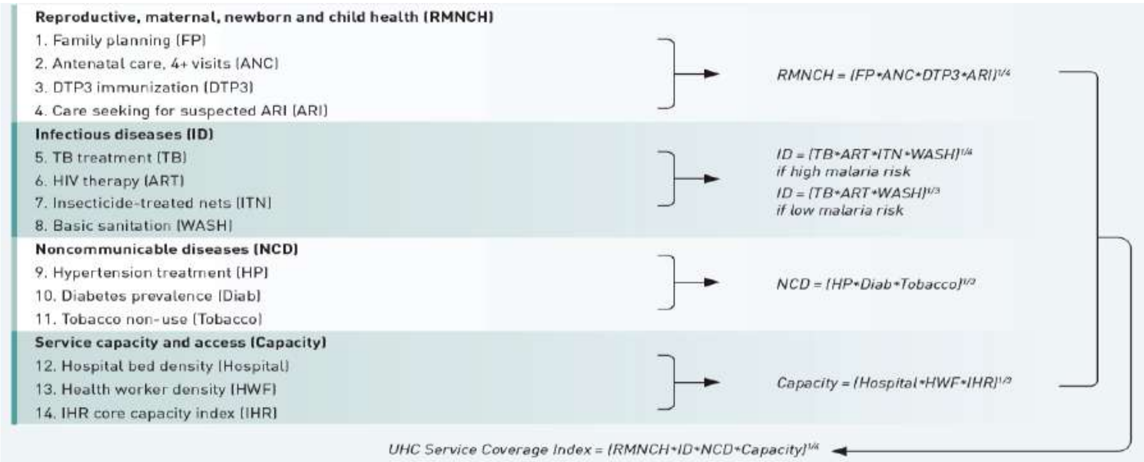


Table 2.5.2- Sri Lanka – in comparison with regional countries on UHC SCI (SDG 3.8.1)

Indicator	Period	Bangladesh	Bhutan	India	Indonesia	Malaysia	Maldives	Singapore	Sri Lanka	Thailand
UHC Service Coverage Index (SDG 3.8.1)	2021	52	60	63	55	76	61	89	67	82
UHC Service Coverage sub- index on reproductive, maternal, newborn and child health	2021	59	83	68	78	83	66	91	76	89
UHC Service Coverage sub- index on infectiuos diseases	2021	53	60	69	48	70	47	89	66	84
UHC Service Coverage sub- index on noncommunical diseases	2021	51	47	54	44	61	58	77	60	67
UHC Service Coverage sub- index on service capacity and access	2021	44	57	64	55	95	79	98	66	90

Accordingly, Sri Lanka has to improve the service coverage on infectious diseases, non-communicable diseases and service coverage and access to achieve higher level of UHC.

Sri Lanka is at the stage of a demographic, epidemiological and economic transition. Therefore, country preparedness is vital to face the challengers of the aging population, non-communicable diseases and degenerative diseases in adults such as heart diseases, cerebro-vascular disease and diabetes and adult and child cancers. Estimates has projected that more than one in four or 25% of the population will be 60 or above by 2030. Accordingly, this demographic transition creates several economic, health and social challenges (creating, updating and retraining of health workers on Geriatric Care).

Box 2.5.3

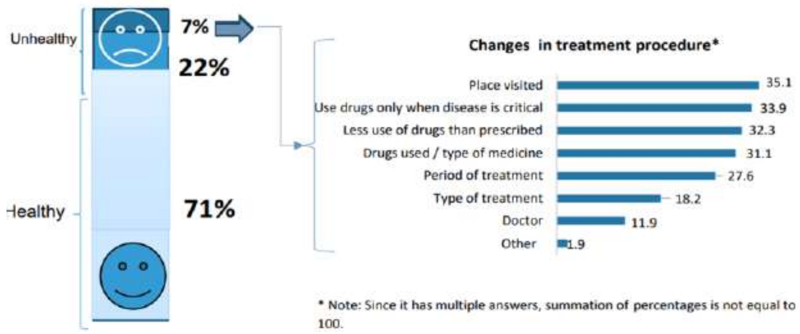
The impact of the economic crisis on Health

Sri Lanka is currently facing one of its most challenging economic crises since independence in 1948. Economic crises significantly impact people's health by affecting their access to healthcare. Individuals facing unemployment or reduced incomes often encounter challenges in accessing necessary medical treatments and preventive care, leading to delays or unavoidable gaps in healthcare. Financial barriers may exacerbate pre-existing health conditions by limiting access to essential medications and

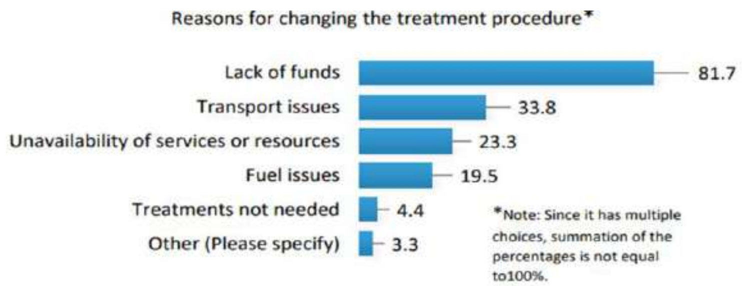
The survey conducted by the Department of Census and Statistics in 2023 collected information aims to provide a comprehensive understanding of how people's health is affected during economic crisis, supporting policymakers in formulating strategies to address healthcare challenges arising from financial hardships.

The survey findings reported that approximately 29 % of individuals have experienced some form of illness. Among these individuals, 7 % of patients have changed their treatment procedures as a direct result of the ongoing economic crisis. This data highlights a significant portion of the population being affected by health issues during this period, with a noteworthy portion adjusting their treatment due to the economic challenges they're facing.

The impact of the economic crisis on Health



Among the patients who altered their treatment procedures due to the economic crisis, 35.1% have changed their treatment location and 33.9% resorted to using drugs only when their illness reached a critical stage. These statistics showcase the diverse ways in which patients adjusted their treatment approaches in response to the economic challenges they encountered, encompassing changes in treatment settings, medications, and usage patterns based on necessity.



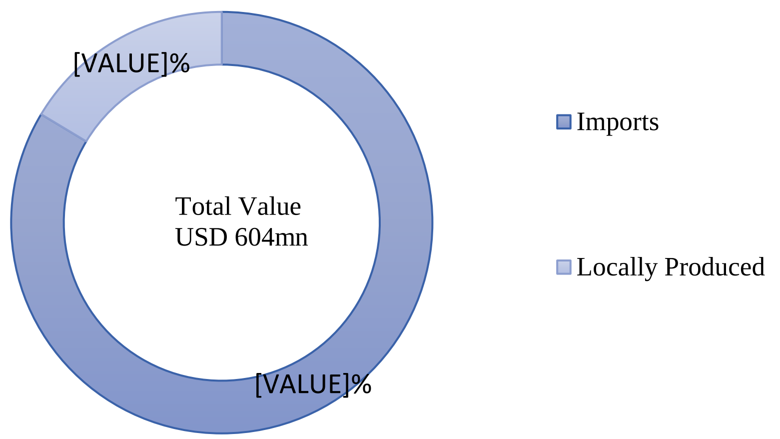
Among patients who altered their treatment procedures, a significant majority (81.7%) reported that insufficient funds as the primary reason for this change. Following closely, the second and third most reported reasons for changing treatment procedures were transportation issues and the unavailability of services or resources.

Further, Sri Lanka health system is robust in human and infrastructure resources to face any emergency such as natural disasters, conflict or preventing and curing any disease among the community. This was showcased during the COVID 19 pandemic and interventions taken in preventing spreading COVID 19 virus among people and curing patients. This was recognized by international communities including World Health Organization.

However, due to the economic crisis experience recently, new challengers have been arise in the health sector.

- Economic crisis creates significant uncertainty among people on security on the occupations, availability of foods, medicines, continues supply of electricity and fuel and environment for doing business in the country. As a result, migration of skilled professionals drastically increased during the recent months affecting the economic and social activities of the country including the health sector. As per the records of the Ministry of Health, more than 1,000 Medical Officers are leaving the country temporarily or permanently. Further, around 120 specialized Medical Officers in several disciplines have applied for no-pay leave, while around 300 will retire at the end of year 2023, which may affect severely on the health sector. It is also stated that significant no of newly qualified specialists (about 30%) has left the job without informing the Ministry. Similar trends of leaving the jobs was observed among other health staff categories.
- Healthcare system requires human resources as well as pharmaceutical, lab reagents and other consumables for its smooth functions. An average of 25% of the total Health Budget is allocated for medical supplies every year. Out of which, approximately 85 percent of total medical requirements are imported, and the current dollar crisis has interrupted the importing of the medical supplies creating scarcity of medicines in the country. Sri Lankan pharmaceutical market comprises with imports and locally produced pharmaceuticals as shown in figure 2.5.3.

Figure 2.5.3 : SL Pharma Market 2019 (Percentage)



Source: Sri Lanka Chamber of Pharmaceutical Industry (2019)

- Mental and behavioral disorders are on an increasing trend among the people with substance abuse. Especially, effects of the post COVID and over usage of digital devices, drug and alcohol addiction are some causes for mental disorders among the different age categories, that needs immediate interventions to prevent further aggravating to the next level of suicide, which demands for Counsellors and Psychiatrists.
- Increase of malnutrition among children particularly children of age under five (5) identified as a critical health issue recently which coursed by the increase of prices and unavailability of food items due to the economic crisis. Recent assessment shows the magnitude of a deteriorating in all major nutrition indicators for children, particularly, stunting, wasting, and underweight in the under five-year age category. At the national level, the percentage of underweight children under five years increased to 15.3 per cent in 2022 from 12.2 per cent in 2021.

2.5.4 Policy Directions

The international policy for healthcare delivery aims to ensure the Universal Health Coverage (UHC) for all citizens and UHC means that all people have access to the full range of quality health services they need, when and where they need them, without financial hardship. It covers the full continuum of essential health services, from health promotion to prevention, treatment, rehabilitation and palliative care.

Adhering to international policies, National Health Policy prepared by the Ministry of Health and it aims to provide patient care enriched with quality by reorganizing the healthcare delivery system, giving priority for the primary care service delivery.

In addition to National Health Policy, several researches, assessments and reports have highlighted areas need to be focused in improving healthcare delivery of the country.

Box article on PERC

Box Article

Transformation in Health sector

Sri Lanka significantly outperforms its pears on major health indicators, such as in reducing child and maternal mortality rates and increase in life expectancy at birth. Sri Lanka's child and maternal mortality indicators are already lower than the relevant targets set under the SDGs and in par with those of develop countries, there has also being several progress in eliminating several communicable diseases including Malaria and TB. Nonetheless, there remain several challengers concerning the minimization of reginal disparities in health outcomes, child malnutrition's and rising non-communicable diseases associated with aging population.

Total expenditure on healthcare (both public and private) is 3.8% of GDP and out of which the public health expenditure amounts to 1.5% of GDP, which is similar to the average public health expenditure of lower-middle-income countries (1.5%) and is higher than her regional peers in South Asia (1% of GDP).

The majority of public health expenditure in Sri Lanka allocated for recurrent expenses, accounting for 84% on average in 2023 and the greater proportion is spent on salaries and wages of the health personal, as well as provision of medical supplies. Capital expenditure is mostly earmarked towards hospital development and to provide other institutional requirements.

This require the attention of the policy makers and relevant health authorities to improve efficiency, effectiveness and equity to avoid duplication, minimize wastages and improve the accountability in the existing health services.

While expediting the projects related to digital transformation and increase of health professionals (especially staff dedicated to community health) and other professionals necessary to maintain health care services (Ex – Biomedical Engineering), the report recommended to implement the following initiatives;

Standards of preventive and curative services provided by the different levels of health care institutions

Supply of pharmaceuticals, bio-medical equipment for diagnosis and treatment, and consumables for biomedical equipment

Strengthening primary care facilities and enforce the referral system.

Human resource management

Extended service time in government hospitals

Digital transformation of healthcare

Institutional reforms

Demographics and disease burden of the country

Partnerships with the private sector

Paying wards

Early detection

Ayurveda wellness tourism

Access control

Shared –care concept

Health financing

Community health promotion through “Sewa Piyasa” and social and mass media

2.5.6 Improve efficiency, effectiveness and equity of the health financing

Innovative reforms will be applied for the health sector financing based on the recommendation proposed by the different committees and groups of professional on the health sector financing from the budget 2024. This will include, human resources management, digital transformation in health sector, cluster-care, partnership with private sector and institutional reforms.

2.5.7 Ensuring the uninterrupted medical supply and bio-medical equipment

Systems need to be in place to prepare estimates, procure and delivery of medical supplies and mechanism to monitor and evaluate the entire supply chain of medical supply. NMRA, improve efficiency in .. HTA

2.5.8 Strengthen human resources management

The health system has to mobilize its available human resources ensuring availability of minimum human resources at all the levels of institutions. Action need to be taken to ensure the investment of the government to produce health professionals is secured by introducing different mechanism at the stage of entering to undergraduate programems, at the recruitment for government system and leaving the job for migration.

Table 09: Required Targets for achieving SDG Goal per 10,000 population

Indicator	2020	2030
Physicians	9.8	17.9
Psychiatrists	4.6	12
Surgeons	27.4	38
Dental Surgeon	7.1	14
Midwives/Nurses	25.2	38.2
Pharmacists	*1.7*	*4.7*

Source: Ministry of Health, 2020

2.5.9 Strengthening primary care facilities and enforce the referral system

Patients in the country have been able to bypass primary care centers in the absence of well-defined drainage regions and clear referral protocols. The absence of the referral system raises both the government and patient out-of-pocket expenses. Therefore, a strong referral system is required to introduce while strengthening the primary care facilities with designated drainage system and the enforcement of suitable referral policies while ensuring delivery of quality essential heath service package from all primary care institutions to define the population equally.

2.5.10 Digital transformation of healthcare

Digital transformation in healthcare is a cornerstone of a patient-centered approach to healthcare, and it assist healthcare provision by streamlining operations, understanding the patient demands, developing loyalty and trust, and provision of a better user experience. The introduction of digital health into health care delivery has increased the efficacy and cost-effectiveness of patient treatment all over the world, eventually increasing people's health.

2.5.11 High priority for demographics and disease burden of the country

As Sri Lanka population is rapidly aging, more than one in four or 25% of the population will be 60 or above by 2030. Accordingly, this demographic transition creates several economic, health and social challenges (creating, updating and retraining of health workers on Geriatric Care). Demography and morbidity patterns have shifted and must be addressed seriously, and for that necessary actions should be taken to analyses the morbidity pattern of the population, while mapping human resources and updating the available data sources. Develop as integrated mechanism to address the aging population in collaboration with the all relevant stakeholders particularly education, social services and community.

2.5.12 Improve community health promotion

As prevention is better than cure, community empowerment against high risk behaviors to prevent and control diseases, is essential to create a healthier nation with low cost intervention.

2.5.13 Ayurveda wellness tourism

Wellness tourism is in high demand in most of tourist destinations, especially in south and south-east Asian countries. Sri Lanka also have Ayurveda and Indigenous medicine services which largely spread around the country and it is proposed investigating the feasibility of implementing this through both Governmental Ayurvedic Institutions and Private Sector entities.

2.5.14 Key Strategies

2.5.14.1 Improve efficiency, effectiveness and equity of the health financing

- Ensure the implementation of recommendations of the Public Expenditure Review Committee for Health sector
- Access the feasibility of applying strategic purchasing for health.
- Establish a risk pooling mechanism

2.5.14.2 Ensuring the uninterrupted medical supply and bio-medical equipment

- Conduct a Health Technology Assessment
- Build the trust in the pharmaceutical regulatory process of the country by necessary legislative enactment to increase the independence of the National Medicines Regulatory Agency (NMRA).
- Ensure maintain of safe/buffer stock at national and sub national level medical stores.
- Promote the local manufacturing of drugs by expanding the manufacturing capability of the SPMC and providing incentives to the private sector.
- Expand the e-Procurement for the all the procurement of medical supplies.

2.5.14.3 Strengthen human resources management

- Identify required minimum human resources for each category of health institution and redistribute available human resources
- Identify and establish facilities to be provided to health staff at under serve areas including accommodation and transport.
- Introduce financial and non-financial incentives for the health staff who serve in under underserved to ensure rural retention.
- Undertake a complete review of the health care workforce needed for the government and private health care sectors in the country taking into account migration.

2.5.14.4 Strengthening primary care facilities and enforce the referral system

- Strengthen the Primary Medical Care Units (PMCUs) and Base Hospitals to ensure the provision of essential basic services at the grass root level.
- Introduce the Cluster Care System that includes few PMCUs, few Divisional and Based Hospitals and one District or Provincial General Hospital in one cluster.
- Create public awareness on the Cluster Care System through digital, print and social media and administrative mechanisms.
- Rename Divisional and Based Hospitals as Affiliated Hospitals of District or Provincial General Hospital in the cluster to further enforce the concept of the cluster in the minds of the public.
- Strengthen the Suwasariya 1990 Ambulance Service to provide services to the Cluster Care System without providing individual ambulances to institutes.
- Increase the carder of Community Health Staff to strengthen Primary Care

2.5.14.5 Digital transformation of healthcare

- Fully implementation of digital health blueprint (DHB) developed by Ministry of Health
- Development of foundational registries (Provider, Institute and Client) and other key digital assets which include implementation of terminology services to facilitate digital health transformation

- Capacity building of health sector staff on Digital Health and establishment of online training platform.
- Development of the National Electronic Health Record (NEHR), which assists continuation of care individual by linking different health information systems.
- ICT Infrastructure development in healthcare institutes.

2.5.14.6 High priority for demographics and disease burden of the country.

- Prepare a strategic action plan to address the challengers to be emerged due to demographic transition and mental and behavioral disorders.
- Take necessary action to increase the number of Counselors, Psychologists and Psychiatrics deployed to the system.
- Create or strengthen health workforce related to Geriatric care deliver the services in the community level.
- Strengthen care facilities including Day-care, re-employment opportunities, transportation facilities and IT services to cater the elderly population.
- Increase the amount spend for early detection, prevention and promotion under the health budget estimates.
- Revise the education curriculum and include good health practices and food making.
- Mechanism need to be introduce to provide health food to educational institutes at affordable prices in coordination with other relevant stakeholders such as Department of Agriculture, Department of Animal Production and Health.

2.5.14.7 Improve community health promotion

- Study the active or suspended preventive programmes.
- Introduce a multi stakeholder engaged Community Health Promotion implemented through “Sewa Piyasa” with assistance of existing field level health and non-health staff at the divisional level while enhancing the necessary logistic facilities.
- Introduce a simple health promotional activity programme targeting pre-school, as a primordial prevention action.
- Strengthen media campaign on Community Health Promotion by

guiding all digital and printed media to allocate common time or space in every media for Community Health Promotion advertisements/ developed by the Health Promotion Bureau.

- Strengthen media campaign on Community Health Promotion through social media
- Introduction of an App to identify early warning signals of communicable disease outbreak

2.5.14.8 Ayurveda wellness tourism

- Identify the Ayurveda treatments to be provided under Wellness tourism by the Ayurveda Department.
  - Collaborate with the private sector to develop and run Ayurveda Wellness centers targeting tourists as per government guidelines.
  - Establish a proper mechanism to employ registered Ayurveda Doctors in Ayurvedic Medical Council to Ayurveda Wellness Centers owned by the private sector.
  - Guide Ayurveda drug Manufacturing Cooperation to provide high quality drugs to Ayurveda Wellness centers.
- Initiate a dialogue with major Tourist hotel networks to introduce Ayurveda Wellness Tourism Centers function as per government standards.
- Establish a proper mechanism to employ registered Ayurveda Doctors in Ayurvedic Medical Council at major tourist hotel networks.

2.5.15 Medium Term Targets

Target: by 2030

- Reduction of maternal mortality rate from 28.83 (2019) to 16 (per 100,000 live births) by 2030
- Reduction of infant mortality rate from 9.8 (2020) to 7 (per 100,000 live births) by 2030
- Reduction of under-five mortality rate from 9 (2015) to 7 (per 100,000 live births) by 2030
- Increase the International Health Regulation (IHR) core capacity index from 62% (2020) to 70% by 3030.
- Digitalize 70% of the government hospitals

- Establish open-source picture archiving and communication system (PACS) in all tertiary care hospitals.

2.6 Sports

2.6.1 Overview

Sports in Sri Lanka are an important aspect of the country's culture and contribute to its social, economic and physical development. Sports help to build the character and personality of a person which is an integral part of human life and there is great importance of sports in all spheres of life. It certainly is an excellent tool to keep the body physically fit and most noteworthy, sports have a massive positive effect on both the mind and body. Sports teach the value of sacrifice, discipline, team work, communication, decision making abilities, which enable individuals to lead successful lives. The Government aims to build the country with a healthy nation by grooming every citizen to be an energetic, healthy disciplined and dignified person through the formulation of national policies promoting the field of sports. In this endeavor, it has been identified to enhance the sports field in Sri Lanka mainly with regard to three aspects: sharpening sports talents of the younger generation, making the sports sector as an approach to contribute to the economic development of the country by uplifting various sports in Sri Lanka as well as enhancing the skills of human resources engaged with the sports sector. Under the current government policy, and the framework pertaining to the sports sector, every person in the country is ensured equal opportunities to learn and engage in sports activities based on their skills and talents.

In addition to the above, Sports has the potential to unite people, break down racial and ethnic barriers, eliminate discrimination and build stronger, healthier and happier communities on a national level as well as an international level.

As sport is an aspect of human life that is of paramount importance and certainly increases the quality of human life, it is important that priority be given for conducting a comprehensive physical education program in schools, so that all necessary physical features and skills are developed, academic performance in the classroom enhanced and a foundation built upon which mass participation in sport is encouraged.

2.6.2 Issues and Challenges

The following issues and challenges are identified to develop sports sector in Sri Lanka.

- Disparity between available sports facilities between peripheral, rural, semi-urban and urban areas.
- High costs and taxes that have to be borne for construction of sport infrastructure facilities and providing sports items and equipment, and less involvement and lack of interest from the private sector.
- Difficulty in obtaining Sporting goods and other equipment due to the prevailed import restrictions.
- Difficulty in completing the project works during the expected time period due to the scarcity of raw materials and insufficient fund due to financial constraints in the country.
- Unavailability of a sports university to complete degree expertise for higher education of Sports undergraduates in Sri Lanka.
- Inability to attract and retain professional coaches and trainers due to unsatisfactory salary scales and the financial crisis of the Country.
- Lack of knowledge and experience in technology relevant to sports.
- Implementing new technologies are expensive and advanced analytics, and stadium enhancements are costly.
- Lack of nutritional Level and medical facilities required for the development of the talent of the players/ athletes for international competitions.
- Lack of transparency in the selection methodology of athletes/players for the international competitions.
- Inadequate development of researches and innovative techniques conducted in sports science.
- Lack of focus to produce and retain the players as national and international level coaches.
- Inability to recognize the potential of sports and geographical areas to attract appropriate sports for tourism.

2.6.3 Policy Directions

The existing Government policy direction on sports is to use sports sector to create a vibrant youth. Engaging youth in sports can have numerous benefits, including physical fitness, social development and overall well-being. The overall policy objective is the creation of energetic, healthy and disciplined nation through sports. In order to achieve these policy objectives, it is necessary to provide adequate infrastructure facilities to the sports sector in order to make Sri Lanka thrive in sports which would contribute to the socio -economic development of the country.

National sports policy considers the following aspects in view of achieving the above objectives,

- Talents development of younger generation in sports.
- Making sports an active contributor to the economic development of the country by focusing on the Sports Economy.
- Human resources development related to sports sector.

2.6.4 Key Strategies

The main aspects of the Sports sector can be developed by using the following key strategies.

- Introduction of a new Sports Act in place of the Sports Law No. 25 of 1973 including provisions leading to the development of the sports sector capable of facing the dynamic nature of future trends.
- Identifying the potential areas and initiating suitable sports to attract tourism.
- Making in mandatory to engage in at least one physical Sport activity by school Students on a regular basis.
- Recognizing outstanding athletes at the rural school level and provide the necessary facilities including nutrition, training to advance their abilities to National and International level..
- Establishment of a Sports University by providing the opportunity to undergraduates to complete the degree with expertise in sports.
- Signing bilateral Memorandums of Understanding (MOU) between Sri Lanka and other countries on cooperation in field of Sports
- Establish affiliated Sports University Colleges in each of the nine provinces.
- Establish an international level stadium for each provincial Sports University College which could be

used for all sportsmen and sportswomen in the province.

- Promoting and developing a variety of sports such as cricket, golf, surfing and water sports, motor racing, hill climbing, beach games and horse racing to attract tourists which will contribute towards the development of tourism and Sports economy.
- Promoting of organizing sports tournament which are needed small extent of space and less financial requirements in order to earn foreign exchange and encouraging youth to engage in such tournaments.
- Introduce a special programme to develop the professions of coaches, trainers and physiotherapists required for the development of sports.
- Introduce an incentive scheme enabling professional sportsmen and sports women to obtain foreign education and training.
- Provide tax concessions for imported sports goods, technical equipment and nutritional supplements.
- Conducting research for identifying the issued related to nutrition of the sports persons and giving the necessary recommendations and guidance on the outcome of such research.
- Conducting programmes/courses on sports knowledge and nutrition that are essential for training plays as national and international level coaches.
- Conducting the selection through an unbiased proper selection mechanism as a means of removing possible weaknesses in the selection of sportsmen/ athletes for international competitions.
- Encouraging the innovators towards the creation of technical equipment in the sports and exercise fields.
- Implementing ways and means to increase private sector financial contribution and participation in sports

2.6.5 Medium Term Target

- Increase the contribution of sports economy to the GDP.
- Increase participation at international games where Sri Lankans can perform well to get higher number of medals.

- Speeding up the establishment of the Sports University for providing the opportunity to undergraduates to complete the degree with expertise in sports.
- Signing MOU between Australia and Sri Lanka on cooperation in field of sports to provide opportunities to the athletes, coaches, and sports officers of Sri Lanka for taking part in capacity building programmes international competitions, trainer education and curriculum development, sharing information, promotion of sports medicine etc.
- Introduction of a new Sports Act in place of the Sports Law No. 25 of 1973
- Increase the participation of international sports events by 25%.
- Minimizing the number of students leaving schools through the development of sports infrastructure in rural and difficult schools.
- Providing the background for winning the international sports events and making the lives success of the students through the identification of the sports requirements of the talented students and providing them with facilities.
- Conducting Sports and Exercise Medical Science Researches with universities that have sport and exercise science courses, engineers, technical universities, institutions and personnel to identify the strategies for improving the talents of the players.

2.7 Religion, Culture and Heritage

2.7.1 Overview

Known as the "Pearl of the Indian Ocean," Sri Lanka has a history spanning over 2,500 years, drawing inspiration from its diverse religious and multi-ethnic background. Throughout ancient times, cultural bonds have connected the Sinhalese, Tamils, Muslims, Burghers, and other minority groups, fostering a harmonious and coexisting society.

Sri Lanka received the Buddhist philosophy from India, which significantly transformed the country's religious, cultural, and heritage landscape. Today, Buddhist philosophy coexisting alongside with other religions such as Hinduism, Christianity, and Islam, with enjoying all faiths and believes.

As a result of this historical context, a large number of religious and culturally significant monuments, sites, artifacts, and other structures are located and dispersed across various regions of the country. Many of these archaeological sites are declared as sacred locations, making them highly attractive to both local and foreign tourists.

It is evident that each government has given priority to the protection and enhancement of the religious and cultural sectors. Accordingly, various policies, programs, and projects have been implemented from one reign to another, aimed at safeguarding and promoting the religious and cultural values of the country.

Promotion of Cultural Tourism

Sri Lanka is enriched the distinction of having eight UNESCO World Heritage Sites. Among them, six locations, namely the ancient city of Sigiriya, the sacred cities of Anuradhapura, Polonnaruwa, and Kandy, the old town of Galle and its fortifications, and the Golden Temple of Dambulla, are concerned as focal point for cultural tourism. Currently, a significant portion of revenue earned by the tourism is derived from cultural tourism. Therefore, it is imperative to prioritize the development, maintenance, and effective marketing of these sites.

Maritime archaeological tourism is an emerging sector in worldwide, and Sri Lanka retains a special place in maritime archaeology due to its geographical location. Throughout ancient times traders, pilgrims, and foreign invasion fleets and ships visited the country and some of these vessels had sunken at the depths of the Southern, Northern, and Eastern sea areas where such sites are at Hambantota Godawaya, Mullaitivu, Koneshwaram, and Galle Harbor. Underwater cultural heritage presents numerous opportunities for recreational activities, cultural enrichment, scientific exploration, and the sustainable development of the tourism industry.

Spiritual and cultural tourism is a rapidly developing sector in countries across the world. Sri Lanka holds a significant position in offering spiritual tourism experiences due to its rich heritage of Buddhist philosophy, Hinduism, and its rich ecological environment under which meditation plays a pivotal role in the spiritual tourist experience.

2.7.2 Key Issues and Challenges

- Inadequate infrastructure facilities and poor management at heritage sites and religious places
- Absence of a proper mechanism for the protection and conservation of traditional artistic works and their associated knowledge.
- Lack of clear demarcation for several archaeological sites particularly in the Northern and Eastern Provinces.
- Escalating incidents of heritage theft and lack of adequate security measures at these sites.
- Underutilization of Information Technology for the promotion of Cultural Tourism.
- Insufficient coordination among institutions, including government institutions and the private sector related to the sector.

2.7.3 Policy Directions

To establish the aforementioned cultural and social background in the country, the government has introduced the policy of 'A Righteous, Disciplined, and Law-Abiding Society.' To make this policy a reality, the government has devised the following strategies;

2.7.4 Key Strategies

- Promote religious harmony and foster integration among different religions.
- Support development of infrastructure facilities in underdeveloped religious places particularly in remote areas.
- Enforce strict measures to prevent the destruction or vandalism of heritage and archaeological sites.
- Preserve the culture, literature, arts, and their creations.
- Promote authors and publishers in literary contributions.
- Enhance facilities and introduce new technologies for theatre and stage drama.
- Address deep-rooted issues in the film industry.
- Formalize and streamline the collection of royalties.
- Facilitate the production of high-quality artistic products in musical theatre performances, operas, and related fields.

Measures to protect traditional dancing practices

- Provide continuous support for creation of traditional up-country dancing, low-country dancing and Sabaragamuwa dancing traditions.
- Provide opportunities to exhibit and marketing arts and sculpture products.
- address issues and resolve problems in “bali thovil and shanthikarma.”
- Facilitate easily access in online for the World Heritage sites in Sri Lanka to arrange their tours to the country.

2.7.5 Mid Term Targets

- Establish a proper National Cultural Policy to Sri Lanka.
- Establish a cultural and heritage data base.
- Promote the number of foreign and local tourist visits to UNESCO world heritage sites.
- Prepare a programme to enhance selected maritime archeological sites.
- Develop and promote a mechanism to expand the tourism for spiritual development.
- Enhance usage of the Information Technology facility to development and conservation of the religious, cultural and heritage monuments, artifacts etc.

Technology Transformation towards Economic Growth

Overview

Research & Development (R&D), innovations, technological advancements are key parameters which cause to leap the economic growth of economies in multiple folds. Those parameters enable the country to improve productivity of the working force by enhancing their skills. Technological innovations, knowledge creation, productivity enhancement are the ways and means to reach towards the solutions of economic downturn and other issues in the economy. Therefore, investing in Science and Technology is important to achieve a rapid national development. In the global context; the economy will be competitive and will gain comparative advantages. The resolutions for many of the global and national issues are provided through technological innovations by providing knowledge and the productive ways to generate economic activity, improve health and living standards, alleviate poverty, enhance public safety and security, preserve the quality of the environment and manage the natural resources. To enhance the quality of life of our citizens, it is essential to launch a massive social transformation and create a Culture of Technological Innovation.

However, R&D and innovation arenas of Sri Lanka are being sluggishly grown. Total R&D expenditure of Sri Lanka was Rs. 18,174.60 million on in 2020. This corresponds to 0.12% of the GDP of the country. It is a comparatively lower level even compared with South Asian Region as Table 1. It is reported that 272 patent registrations were in 2020 and out of them 223 patents were Non-Resident registrations and ranked as the 61st country in 2019 in terms of patent application submission.

Table 1: R&D Expenditure percentage of GDP

Country / Region	R & D Expenditure/GDP (%)
High Income Countries	2.97 (2020)
Upper Middle Income Countries	1.91 (2020)
Middle Income Countries	1.86 (2020)
South Asia	0.64 (2018)
World Average	2.63 (2020)

Source: The World Bank, 2022, Research and development expenditure (% of GDP)

Policy Direction

Sri Lanka is to enhance the existing usage of Science, Technology in a sustainable manner to create a science literate society to enable wealth creation to foster healthy living standards of people of Sri Lanka.

Challenges

1. Institutional and policy barriers upon STI and R&D.
2. Inadequate law enforcement for innovations, R&D and gaps in the existing IP legislation
3. Investment for research is inadequate
4. Inadequate collaboration between the STI, community and industry

5. Absence of a mechanism to ensure adequate rewards and recognition of research and innovations
6. Current environment does not encourage retention of high caliber skills for research and innovations
7. Not having a strong institutional set up to monitor and implement the STI and R&D

Strategies

1. Creation of Science, Technology and Innovation(STI) led ecosystem
   a. Strengthening the Policy framework
   b. Build and enhance critical infrastructure
   c. Linking STI to socio-economic priorities
   d. Create a culture of creativity and innovations
   e. Protect Intellectual Property Rights (IPR)

2. Establishment of an R & D underpinning economy
   a. Attracting private sector investments for R & D
   b. Streamlining of research institutes
   c. strengthened and sufficiently expanded human capital in terms of scientists and technologists
   d. Creating the link between researchers and the economic priorities
   e. Streamline investments for R & D

3. Application of STI in every economic sector and activity
   a. Application of STI in sustainable use of natural resources for the development
   b. Preserving of usable indigenous knowledge
   c. Ensure quality standards of Science and Technology Institutions, deliverables and services to national and international recognition
   d. Promote the application of Science, Technology and Innovation for human welfare & environmental protection
   e. Enhance the competitiveness globally

Medium Term Targets

1. Increase R&D expenditure of GDP upto 0.6% by 2026 with the partnership of private sector
2. Double the number of Intellectual Property Rights within the country by 2026

2.8. ICT towards A Digital Economy

ICT towards A Digital Economy Overview

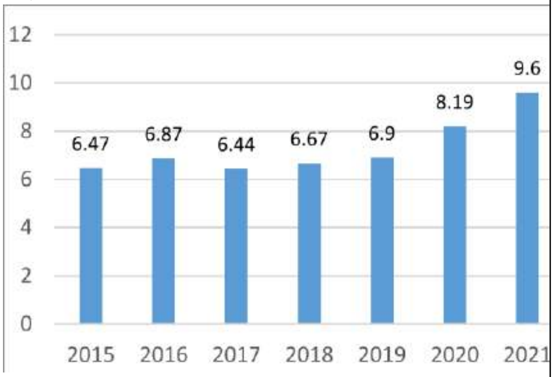
Information Communication Technology is one of key growth components within the services sector. Technology advancement and transformation are driving factors to leap the stages in the juncture of economy. Therefore, investing in Technology development and transformation will be important to achieve economic development.

The current Digital Transformation Landscape of Sri Lanka is aiming towards digitalization of economy through 6 pillars names connectivity and Access, IT literacy, connected digital government, Security, Digital financing and digitalization of economic sectors. The private sector involvement and investments is prominent in this endeavor and the government encourages their contribution. The private sector has already taken initiatives to develop technological innovation for many industries including agriculture, tourism, transport and manufacturing sectors. Moreover, the banking sector has been moving to digital banking solutions introducing cash deposit machines, Internet and mobile banking solutions and digital payment apps.

ICT sector of Sri Lanka serves a number of Industry verticals with over 300 companies at present including Communication, Apparel and Textiles, Banking Financial Services & Insurance (BFSI), Healthcare, Manufacturing, Media, Retailing, Transportation, Travel and Leisure etc. The export revenue of this sector grew towards US$ 1.5 billion in 2022 (Figure 1) with a workforce of over 175,000. ICT services were the 4th largest export earner of the country in 2023. Contribution from IT/BPO industry to the total exports of the country is around 9.6 percent (Figure 2) in 2021.

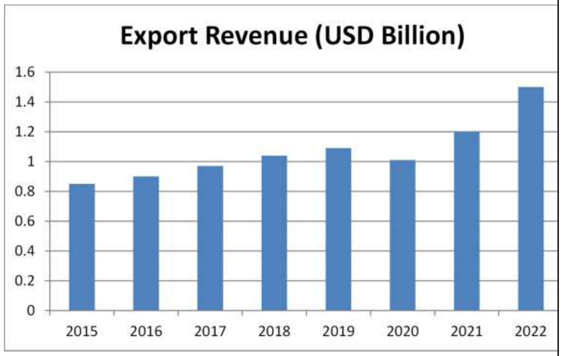
Sri Lanka's success in ICT exports contribution to total export is over 8% after year 2020 with value addition and high paying jobs, has made a significant impact on the Economy.

Figure 2: ICT Sector Contribution (%) to Total Exports



Sri Lanka holds 80th position in Networked Readiness Index (NRI) out of 131 countries in 2022. Sri Lanka is the first South Asian nation to become a state party to the Budapest Convention on Cybercrime – a process led and facilitated by the Information and Communication Technology Agency (ICTA) of Sri Lanka. The Electronic Transaction Act was amended to fall in line with the UN Electronic Communications Convention – another first for South Asia, which provides a major boost to commerce, business and trade in the digital era.

Figure 1: IT Export Revenue



Source: Export Development Board

Sri Lankan ICT companies export software products and services to regions such as North America, EU, Australia, East Asia, Middle East, Africa and Nordic region. Their core competencies include automated application testing, infrastructure outsourcing, high-end R & D, Enterprise Resource Planning, Cloud Technology, Mobile Applications, and many other Business Solutions.

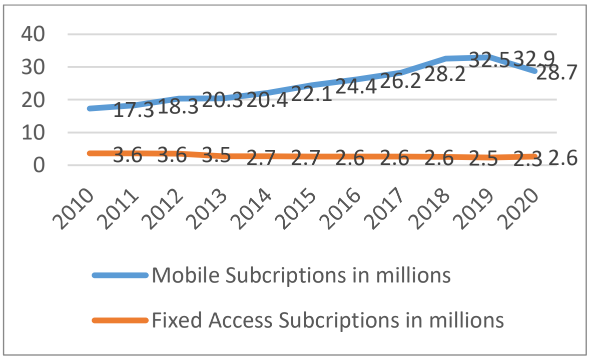
Sri Lanka also acts as an offshore development center for several fortune 500 companies from USA, Ireland, UK, Australasia, Sweden and joint venture development companies from Sweden, Norway, USA, Japan, etc.

Telecommunication Sector

The telecom industry comprises four mobile operators and three fixed-access operators. Combined, these players contribute 96 percent to total industry revenue. The remaining 4 percent is provided by 25 system licensees, whose range of service provisions includes international telecom—services, home satellite broadcasting and cable television.

According to the Annual Report 2020 of Telecommunication Regulatory Commission of Sri Lanka (TRCSL), the number of mobile subscribers has grown steadily since 2010, from 17.2 mn to 28.7 mn in 2021 with a slight decrease in 2019, while fixed-line subscribers have declined slightly, from 3.5 million to 2.6 mn for the same period.

Mobile and Fixed Access Subscription Growth



Source: Telecommunication Regulatory Commission of Sri Lanka (TRCSL)

ICT use across Sri Lanka

Table 2: Percentage distribution of Internet and E-mail usage among household population

Gender, Sector, Age group	Computer Literacy	Digital Literacy
Sri Lanka	35.7	59.8
By Sex		
Male	37.1	62.2
Female	34.4	57.6
Sector		
Urban	49.1	72.4
Rural	34.2	58.0
Estate	11.5	43.0
By Age group(years)		
5 to 9	14.5	43.6
10 to 14	47.8	74.6
15 to 19	74.2	90.2
20 to 24	67.9	90.9
25 to 29	58.9	86.9
30 to 34	47	79.6
35 to 39	39.1	73.2
40 to 49	25.2	56.2
50 to 59	14.5	32.1
60 to 69	7.7	18.5

Source: Department of Census and Statistics

Computer literacy and digital literacy are getting sored drastically. Computer literacy rate is 35.7% whilst digital literacy rate is 59.8%. As a country with over 92% literacy rate, the digital and computer literacy rates prevail far behind. In 2022, 22.1 % households own a desktop or laptop computer. Currently, 47.4 percent of the households have internet facility and 17.4 percent of the population has e-mail accounts. However, in the rural and estate sector these values are far below the national average value showing the economic disparity. (Table 2)

Table : Percentage distribution of Internet andEmail using household population (aged 5 -69 years) by Sex, Sector and Age Group - 2020, 2021 & 2022

Gender, Sector, Age Group (years)	Household Population (aged 5 - 69)					
	Internet (%)			Email (%)		
	2020	2021	2022	2020	2021	2022
Sri Lanka	**34.4**	**42.7**	**47.4**	**13.1**	**17.4**	**17.4**
By Sex						
Male	38.6	46.2	50.2	15.0	19.2	19.1
Female	30.6	39.5	44.9	11.3	15.8	15.9
By Sector						
Urban	52.2	60.4	61.5	23.7	30.4	25.5
Rural	31.9	40.1	45.5	11.4	15.4	16.4
Estate	11.6	22.2	27.3	2.1	3.6	4.6
By Age Groups						
5 to 14	17.7	35.9	39.3	2.1	6.6	5.4
15 to 19	55.1	70	77	18	29.3	29.4
20 to 24	73.5	78.2	81.9	37.3	42.4	42.9
25 to 29	65	72.3	78.6	29.6	37.5	38.3
30 to 34	56.6	65.4	69.4	22.5	29.5	29.3
35 to 39	44.5	53.6	60.4	17.2	20.5	22.1
40 to 49	31.2	37.7	42.7	11.5	14.7	14.8
50 to 59	17.3	20.2	22.7	6.8	8.5	7.7
60 to 69	7.7	9.1	12.3	2.8	3.1	3.7

Sourcs: Department of Census and Statistics

Digital Sri Lanka Policy Initiatives and Challenges

A digitally – empowered Sri Lanka for innovation, inclusion and sustainable growth will ensure through below pillars

- Infrastructure, connectivity and access
- Skills, literacy, industry and jobs
- Connected digital government
- Cyber -security, safety and privacy
- Digital financial services
- Digitalization across sectors and SMEs

In the juncture towards a digital economy, it is required to enable critical factors in the economy. Existing legal and regulatory framework hinders the attraction Legislations should be enacted to regulate competition in the digital market, facilitate intellectual property rights, protect personal data, secure transaction, etc. A secure digital Identity system should be in place to unlock the benefits of digital economy for all. A comprehensive and transparent data governance framework should be in place. By enabling regulatory and institutional governance the private sector engagement will be encouraged and more investors will be attracted to the economy.

Private sector participation should be encouraged while ensuring their quality of service/product, supporting to upgrade the skills/experience of human resources and encouraging innovation, research & development. Moreover, technological advancements, productivity, opportunity availability, formal–informal networks, assistance from overseas head office/other, more investments on business developments and present peaceful & healthy economic environment of the country are the other important factors affecting the rapid growth of the industry. The availability of access to new market and client sources such as international IT fairs, conferences, events and programs are limited in the industry.

Availability and poor condition of infrastructure facilities and high communication cost are also some of the issues the ICT industry.

Key Strategies

- Create an investor friendly conducive climate by providing necessary infrastructure, connectivity and access
  - Enhance broadband infrastructure and connectivity
  - Establish enabling regulatory frameworks to create a fair and competitive environment

- Improve skills, literacy which match with the digital industry and innovations
  - Increase number of ICT related degrees and intakes
  - Encourage private universities to award ICT degrees par with SLQF standards
- Ensure cyber security, safety and privacy
  - Establish regulatory frameworks
  - Facilitate government institutions
- Establish a secure digital financial service.
  - Strengthen the legal and regulatory framework
- Digitalization across sectors and SMEs.
  - Establish secure digital payment system

Midterm Targets

- Increase export earnings to $ 3 billion in ICT industry related export revenue by 2026.
- Create 1200 digital startup companies by 2026.
- Establish 300000 strong digital workforce by 2026.
- Improve digital literacy rate up to 75% by 2026
- Improve cyber security Index ranking from 83rd to 60th.

03 AGRICULTURE

3 Agriculture

The government aims to modernize the agriculture sector towards a highly productive, technology driven, sustainable and highly profitable sector ensuring food and nutrition security with assured food safety standards. Ensuring the food security of people deserves high priority. Food safety and maintaining the quality standards of food also deserve priority as people are now asking for more nutritionally rich and safe food with the graduation to lower middle income status. The strengthening of value chains, product diversification and value addition harnessing the comparative advantage that the country would deserve in the overseas markets will be streamlined. The strategies for climate resilience agriculture take high prominence and target the orientation of climate smart production. The overarching agriculture policy for agriculture being formulated has been given due consideration on the above concerns with the focus of increasing the competitiveness in the sector ensuring possible comparative advantages.

3.1 Crop Agriculture

The government has taken a number of initiatives to increase the agriculture production and productivity for enhancing the competitiveness of exports and substituting possible imports. The projects are being implemented to introduce novel technologies with the estbalishment of agriculture demonstration parks in selected districts to provide the innovation of technologies and to provide facilities to private sector entreprenuers including farmer cooperatives /companies to strengthen their position in the agricultural value chains. Crop production zones are being established in selected districts identifying the potentials and conducive value chains which have potential to be further improved, aiming at conventional and new niche markets. The approch of 4Ps (Public-Private-Producer- Partnerships) is being further popularized, whereby it is expected to strengthen the potential value chains to have the best mix of production as well as marketing. A number of initiatives have already been undertaken to increase the productivity of the water use and availability for agriculture, thereby ensuring and strengthening the resilience in agriculture.

Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) have been given due consideration by the government to ensure the food safety and quality in the domestic market and to minimize non compliances in food export. In addition, various incentives including fertilizer subsidy, guaranteed price for paddy, interest subsidy for cultivation loans and crop insurance are being continued in view of ensuring the sustainability of agriculture production.

3.2 Livestock

Livestock sector development has been directed to increase the domestic animal product quantity and quality in ways of exploring the new avenues of farm animal production such as incorporation of modern technology into farm management systems, encouraging private sector participation in farm operations, recognizing alternative ways of cost reduction in production processes, generating more income and employment for the community through the expansion of traditional farming targeting value addition and new niche markets.

The dairy sector, being the main subsector in livestock, uses the integrated approach for the establishment of commercial dairy which is being encouraged while uplifting small scale dairy farming through mutual cohesion between these two levels of production. The poultry industry needs to expand its operations further towards the global market, attracting more private sector investments and young entrepreneurs facilitated by the government together with its allied supportive services. Actions are being taken to develop the Livestock Sector Master Plan for the period, 2018-2025 focusing on the development of the livestock sector which has been adjusted due to the present scenarios.

3.3 Plantation

Being the second largest contributor to the economy at present in terms of foreign exchange earnings, the sector has further potential to expand through many untouched areas which would generate foreign earnings to the country's economy. The government initiatives are mainly targeted on increasing productivity, improving efficiency in the sector, promoting the potential for exports and implementation of regulatory measures that the sector would need for its development. The investment in increasing products and productivity is being carried out to maintain and increase the amount of production requested by the domestic as well as overseas markets. In addition, marketing and market facilitation will jointly be undertaken with the private sector to promote value addition and the exports in particular. The improvement of quality will be given high emphasis as it is the contributor to stay competitive in the overseas market. The Rubber Master Plan (2017-2026) which comprises of several strategic actions will be supported for implementation jointly with the private sector investment. The strategies will be brought for making the RPCs more viable business entities. Also more importantly, the Government is investing to improve the living standards of community in this sector. The provision of a decent housing unit with the ownership of a land parcel is now underway particularly targeting the community in line rooms in the tea sector.

3.4 Fisheries

The development of fishery sector has been moved to focus on Blue Economy which is narrated mainly to support the country's economic development through optimum utilization of aquatic resources. Under the context of a multi sectoral approach aimed at mitigating malnutrition and poverty, identification and demarcation of potential inland water bodies including lagoons for capture and culture based fisheries have been prioritized. Fishery harbour development, operation and management is also exposed to the private sector in order to improve it with possible options such as fishery related tourism such as marina, yatch development etc. The gaps in the fishery value chain from the producer to the end user is being rectified to promote non-conventional fish products such as jelly fish, sea weed, sea cucumber, sea bass adhering to global market in line with quality standards required by export markets. The ornamental fish export is promoted through the development of new fish strains, fish feed, providing training on quality, breeding and disease controlling. Actions are in place to provide decent living for the fishing communities whose majority are artisanal fishers.

3.5 Land and Land Development

Within the policy context of rationalizing the utilization of land resource while maintaining the equity and ecological sustainability, the government has undertaken a number of projects and programmes to streamline the policy initiatives, guaranteeing economic, social and ecological dimensions of the development process. Cadastral mapping has been completed for nearly 1.4 million land parcels so far. This assures the basic information of lands such as boundaries, roads, vegetation etc. In parallel to the cadastral mapping, land regularization is being undertaken to ensure the legal ownership of the lands. Consequently, another 3.6 million of land parcels are expected to be completed with the cadastral mapping with the ongoing and proposed development programmes. The Light Detecting and Ranging (LiDAR) survey is also being carried out to capture the elevational parameter whereby to show the three dimensional attributes of land parcels. The land regulatory process is also moving slow owing to the complexity of issues connected with this process. The alienation of lands for mega development projects and implementation of scientific land management systems including digitalization of the land information system are also another priority action which will be undertaken over the medium term. Also, the land user for cultivation and designation of lands for cultivation deserve priority as country anticipate the need of ensuring the sustenance of food security.

3. Agriculture

Towards Green- Resilient- Inclusive and Modern Agriculture Sector

Policy Direction:

To achieve globally competitive production, processing and marketing enterprises through socially acceptable, innovative and commercially-oriented agriculture while sustainably managing natural resources of the country to assure food security, safety and inclusive development while encouraging exports.

Introduction

Since the independence, agriculture has remained the mainstay of the nation's economy. The contribution it makes towards the economic and social development of the country through vertical and horizontal integration with other sectors of the economy while contributing to national and household food and nutrition security is substantial. The primary production in agriculture accounted for around 7-8 % of the country's Gross Domestic Product (GDP) in the recent decade. Hitted with the worst ever economic crisis, still it remained contributing to 7.5% to the GDP due to the strategic policy interventions in 2022. The agriculture sector generated 19.6% of national export earnings equivalent to USD 2.5 billion in 2022 (CBSL, 2022).

Development of agriculture sector is a growing priority globally owing to its contribution towards food and nutrition security and economy through livelihood and employment creation and as an export earner. Agriculture production is not similarly dispersed geographically. Land has become the critical factor in expanding the production, to specialize or to exploit economies of scale. Increasing the productivity through technology intrusions vital in this context bringing modernization of the agriculture sector thus has become the only and viable option for a tremendous growth in the sector.

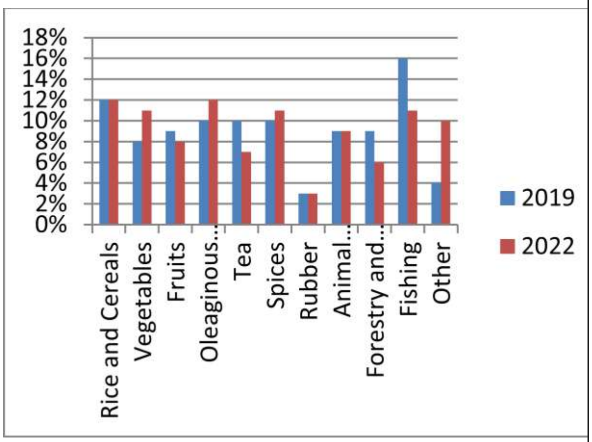
Agriculture sector employs 27.3% of country's labour force (2.21 million persons) as indicated in the Annual Labour force Survey 2021. Notably, Agriculture engages over half of the work force in rural areas. As indicates in the Economic Census 2013/14, the total land area under cultivation in Sri Lanka 2.3 million ha which is equivalent to 36% of the total land area. Of this, 45.9% is used for the production of permanent crops such as tea, rubber and coconuts, followed by paddy 31.7%.

Agriculture sector is mainly comprised of smallholders while around 82% of total agriculture lands are operated by smallholders (Agriculture Census 2014). These smallholder farmers grow food crops, such as rice, maize, cassava, ground nuts, chillies (green), cowpea, black gram, green gram, millet, potatoes, gingelly, red onion and several traditional vegetables and cash crops such as pepper, cinnamon, sugarcane, cashew nuts, etc.

The agricultural production in the country is mainly carried out with rainwater. The reservoir-based Irrigation systems are most common in Dry zone whereas steam diversions are more common in the wet zone. Having about 230 man-made major and medium irrigation reservoirs and about 12,000-15,000 minor irrigation reservoirs/village tanks, a larger extent of irrigable land is being allocated for paddy cultivation.

The contribution of various segments of the agriculture sector to the total agriculture output is as follows.

Figure 3.1.1 total agriculture output



Source: Annual Report CBSL

The structure of contribution to the GDP by different subsectors in agriculture remains same over the decade having no major changes.

3.1 Crop Agriculture

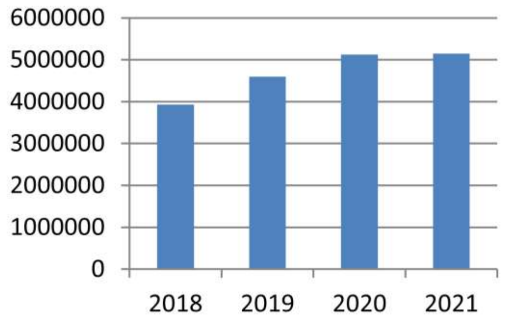
3.1.1 Overview

The level of calorie deficit in Sri Lanka is 192 Kcal/capita / day on average in 2014-2016 and it is the highest in South Asia. Regarding the prevalence of undernourishment and food shortage Sri Lanka is not up to the level of other Asian Countries (IPS, 2017). The both Global Hunger Index (GHI) and Global Food Security Index (GFSI) has kept Sri Lanka at a poor rank in terms of food security (IPS, 2017). Almost, 80% of the domestically consumed food produced locally, achieving self-sufficiency in all major food commodities as a mean of achieving food security has become one among the major government policies.

3.1.2 Paddy

Paddy production is main crop cultivated by majority of farmers and being livelihood of more than 1.8 Mn farm families in the country. Self-sufficiency in paddy production had been achieved over the past years through modern technology intrusion, improvement in planting material, land expansion and various policy supports by the government. Amidst the shortages in input supply, the paddy production in 2022 has recorded as 3.4 million metric tons, with a 34% decrease compared to the previous year's paddy production owing to the contingency support given by the Government (CBSL,2022). This has been a combined effect of poor land productivity due to deficiency in inputs and decrease in cultivation extent which is 1,257,000 hectares in both Maha and Yala seasons (CBSL, 2022).

Figure 3.1.2 Paddy production 2018-2021 (Metric Tonnes)



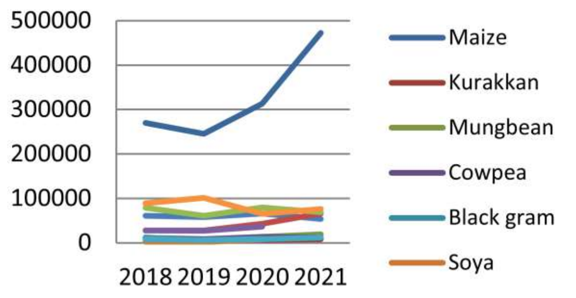
Source: Socio economic Division, DOA

3.1.3 Other Field Crops

Other than the paddy production, there are field crops (OFCs) such as maize, potatoes, onions, ground nuts, chilies, gingerly (sesame), green gram, cow pea, black gram, finger millet and soya beans which are grown in small scale in scattered land plots. On par with the Government initiatives taken to promote the cultivation of OFC's to reduce the importation of OFC's, Gingelly, Ground nut and Green gram production has been increased and satisfy the local demand.

The expectation of self-sufficiency extends beyond staple foods and includes OFC's particularly such as Big Onion, Chilies and Potato. Accordingly, the initiatives have been taken to increase the domestic food production to fulfill the country's total demand and substitute importation while moving towards food and nutrition security in the country. Similarly, increasing food exportation as finished or intermediate goods has been another government priority.

Figure 3.1.3 OFC Production (Metric Tonnes) 2018-2022



Source: Department of Census and Statistics

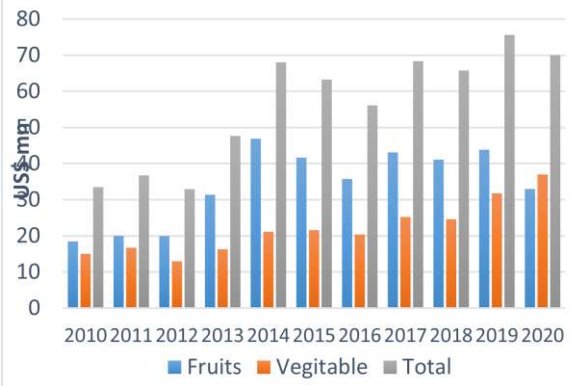
3.1.4 Fruits and Vegetables

Sri Lanka is rich with number of Fruits and vegetables varied based on the agro-climatic Zone. There is a growing demand for this sector owing to the uniqueness in flavors, aromas and appetizing colors of the fruits and vegetables grown in the country. There is an annual total production of around 900,000 metric tons of vegetables. There are around 120,000 farm families directly or indirectly engage in vegetable cultivation and 75,000 hectares are utilized for this purpose. Mainly the vegetable production is in two categories as upcountry vegetables such as Carrot, Leek, Cabbage and low country vegetables such as Bitter gourd, Snake gourd and

Drumsticks. As per the dietary recommendations per capita vegetable consumption should be double as the current consumption level.

The domestic fruit production is around 1 million Mt and around 100,000 farm families are involve in fruit cultivation. The per capita consumption of fruits is rather below than the recommended levels. Therefore, to have a healthy society and to maintain a food secured nation, the consumption of fruits need to be increased. There are underutilized fruits such as Mora. Himbutu and Uguressa which are rich with nutrients yet less commonly available for consumption in local markets. These fruits explicit the potential to expand its growth for both local consumption and export production.

Figure 3.1.4 *Export* Performance Fruits and Vegetable (2010-2020)



Source: Central Bank Report, Annual Report MOF-

Sri Lanka exports fruits in fresh as well as in processed form mainly targeting Middle East, Maldives and European Markets. The promising demand for the intrinsic properties of Sri Lankan fruits such as Mango, Banana and Pine apple indicates the growing potential for this sector to explore new export markets.

3.1.5 Floriculture

Floriculture is becoming a part of life style with the development of higher living standards, creating more opportunities for the growers to extend their market linkages along the emerging demand. The floriculture industry inclusive of ornamentals, leafy and pot plants is picking up pace due to the increasing demand for fresh flowers, leafy plants and several other associated products. It generates new income prospects for farmers/producers and others working in the allied sectors of this industry. Floriculture industry is considered as a high income generating agribusiness and deserves huge potential to be harnessed as a means of socioeconomic development in the country. The business is presently handled by a few exporters, middle level growers and small scale growers. This industry has been grown in the past 10 years and provides direct employment to around 5,000 people in semi-urban and rural areas. Sri Lanka is blessed with wide range of horticulture/floriculture crop varieties which mainly include; cut flower/orchid, foliage and pot plants, ornamental plants and plants for landscaping.

Presently, this industry cater for domestic market needs as well as the demand of overseas markets, mainly Japan and Netherland, Saudi Arabia, UAE, Qatar, Kuwait etc. across different continents and cross boarder boundaries. The major floriculture product varieties that are exported from Sri Lanka include; decorative foliage, young plants, indoor pot plants, cut flowers, landscaping plants, tissue cultured plants and aquarium plants. The export revenue generated from horticulture product exports in 2022was 14.66 USD million having a 0.5-1 % share of the total agriculture exports. Despite supplying of floriculture products to the global market over past decades, the floriculture industry (inclusive of leafy and pot plants) in Sri Lanka still remains as a small and medium enterprise yet has a vast potential to attract local and global markets.

3.1.6 Issues and Challenges

Agriculture sector growth and development is hampered owing to the intrinsic features of the sector; small scale in operation, low productivity, seasonality in production, policy and price inconsistencies, poorly linked value chains, low market orientation and tied up capital such as land.

The average farm size is low in Sri Lanka resulting lower rate of returns and higher cost of productions and more vulnerable for economic shocks and climate calamities. These small farm units undermine the farmers' power to interfere in market operations thus making their livelihoods less profitable and instable. Exploiting economies of scale or specialization is less possible owing to the immobility of input factors such land specially as an island nation having less cultivable lands available for production. As a result, the productivity levels of the field crops have stagnated at lower levels for more than decades owing to the less technology advancements flowing to the ground level and lower efficiency in agriculture extension service delivery systems. The seasonality and biological lags in production cause the agriculture production/yields unpredictable and thereby result in fluctuations in food supply causing gluts and deficiency in agriculture produce in each time of the year. Therefore, storages and size of stocks plays an important role in guaranteeing continuous supply of food to the market with less price fluctuations to assure the food security.

Moreover, the agriculture value chains face a multitude of problems including fragmented nature of the value chains, involvement of large number of actors with less coordination, lack of quality assurance, less conformity with standards causing poor marketability in final product and threatening the food safety factor. This has affected expansion of agriculture trade and grasping new avenues to generate export income.

Intimidated by all these issues and challenges of agriculture sector has made it less attractive for youth and private sector investments. Hence, retention of existing labour and attracting new generations for agriculture is becoming challenging. This has been also backed by policy inconsistencies occurred over the time such as stern policies on organic agriculture.

These issues and challenges are summarized below:

- Low economy of scale in production resulting low rate of returns for the investment
- Price instability owing to the lack of bargaining power of segregated farm units and other vulnerabilities
- Low adoption of technology and poor productivity of different production systems
- High cost of production leading to low profitability creating less competitiveness
- Less variation in financial sources/modalities and poor attention to explore latest financing modalities; Producer-Public-Private–Partnerships (4Ps), nature capital-green bond, blue bonds, etc.
- Limited private sector investments in value chains and poor consolidation of value chain actors

- Poor agriculture diversification causing more vulnerable to external shocks (climate change, pandemic, economic crisis)
- Post-harvest losses (in-farm and off-farm) due to poor handling and poor value chain infrastructure
- Insufficient food safety and quality measures and lack of adherence to Good Agriculture practices in the production systems and value chains
- Inadequate attention for value additions to address the emerging demands of consumers and to expand exportation
- Poor vertical integration from agriculture production to food processing and poor horizontal integration among other sectors of the economy
- Data and Information asymmetry causing lack of reliable, accurate and continuous data flow which is mandatory for decision making, implementation, monitoring & evaluation
- Unclear land rights , ownerships and land fragmentation and land degradation due to poor land management
- Lack of focus on promoting international agriculture Trade, branding and adopting related regulations and standards

3.1.7 Policy Directions

Agriculture sector is a crucial sector in the economy and create in larger fluctuations in the GDP. This is not only because of its contribution to the food security of the nation, but also its role in poverty reduction and its inter-relation with other parallel sectors of the economy. The subdued performance is observed in the agriculture sector, in the backdrop of the economic crisis. However, prudent Government interventions are being taken place to recover and reinitiate the sector growth through transformation of domestic agriculture sector into a modern, resilient, inclusive and green agriculture sector. This requires structural changes in the domestic agriculture sector which is predominantly comprised with smaller units of farmers at subsistence level. Aggregation of these small units into farmer managed societies/federation to empower them with required technology, financial literacy and support them through training, coaching and financial supports such as performance based grants to access the markets by themselves.

Moreover, an integrated package inclusive of all of the above could be provided to develop agro - entrepreneurs specially to attract youth in agriculture.

Attention will also be given to convert traditional farmer fields into more productive modern farm villages by introducing smart technologies developed for precision agriculture, post-harvest management and processing, low input agriculture, climate resilience and eco friendliness. Overall, the approaches will be align with green concept to assure the sustainability of the venture. Attention will be paid for agriculture research and development to be more demand driven and closely coordinated with the extension services to transfer the latest technology, know-how to farmers/producers. Support will be given for Digitalization of production and market information and research dissemination as it plays a crucial role in this endeavor to enhance the revenue generation in a sustainable manner. Accordingly PERC has reviewed the Government expenditure on Agriculture sector and has given directives for the public investments mainly targeting the modernization of the agriculture sector, directing producers for high quality agriculture connectivity among the relevant stakeholders of the agriculture sector. The attention will continuously be paid to encourage private sector investments in agriculture marketing and value chain infrastructure development through fiscal supports. This will keep the agriculture production more safe to consume, more marketable and enable to divert a part of the quality production for the export market. Government will more focus on expanding the production not only to substitute the importation of necessary food commodities but also to generate

export income through facilitation of trade facilities.

The Cabinet has appointed Public Expenditure Review Committee (PERC) to systematically review government spending on agriculture and recommends ways to improve efficiency and effectiveness while reducing the spending, increasing

production for local consumption as well as for exportation, support in popularizing value addition and providing safe food for the community through effective management and

efficient utilization of financial and other resources in the sector. Accordingly, priority is given for improvement of Agro production and productivity, reduction of pre and post-harvest losses, managing risks, shocks, threats, and uncertainties, strengthening value chain and competitiveness and expanding extension services.

3.1.8 Key Strategies

Major Thrust Area	Core Strategies
Assuring Food and Nutrition Security and food safety through multi -sector approach	- Providing assistance to increase farm productivity and maximize land utilization for food production - Strengthening institutional structure regulatory mechanisms to improve quality and safety of food - Diversifying crop farming through integration with aquaculture and animal husbandry - Promote technologies to reduce post-harvest losses along the value chain Promote the consumption and production of nutritious food through home gardening
Advanced technology driven agriculture	- Promote demand driven agriculture research and development for resource use efficiency - Enhance technologies in post-harvest management and value additions in food processing - Increase productivity through high tech agriculture and innovation of quality inputs and farm management practices - Encourage PPP partnerships in innovation product promotion in agriculture - Mechanization and use of high-tech irrigation to enhance water conveyance efficiency
Farmer centric agriculture economy	- Enhance farmer welfare via strengthening social security system for farmers and targeted incentives - Promote small scale farmers aggregate into farmer clusters/societies to enhance the scale of production - Introduction of farmer out-grower model - Development of farmers entrepreneurships through providing performance based grants Empower farmer community in financial literacy, market intelligence through training and coaching
Service delivery to Support food production and revitalize rural economy	- Enhance market intelligence via digitization and information dissemination - Improve necessary infrastructure facilities including storage and markets - Strengthen the distribution channels of critical inputs; fertilizer, seed, planting materials and agrochemicals - Introduction of social welfare schemes particularly for the most deprived segments of the sector Facilitate business oriented farmer societies/clusters

Vibrant International trade	- Intensifying branding and promotion - Enhance competitiveness and supply capacities through adopting corrective measures in trade such as SPS/TBT - Promote e commerce platforms for international transactions - Upgrade laboratory and testing infrastructures in line with global and domestic market requirements - Improve market intelligence for export-oriented commodities and awareness on trade agreements Strengthen legislation and regulatory environment which connects exporters with global and regional value chains
Climate smart and sustainable food production	- Promote planning agriculture production systems to sustain coexistence - Introduce climate resilient, climate resistant cultivars and water conservation and management techniques - Promote sustainable management of sensitive ecosystems including catchment protection, soil rehabilitation - Promote integrated plant nutrient management and pest control to reduce harmful agrochemical usage Promote sustainable ecosystem management through crop-livestock-aquaculture integration in farming systems

3.2 Livestock Sector

3.2.1 Overview

Livestock sector is one of the major subsectors which contributes for the nutrition and food security and livelihood support for around 1.6 mn population specifically in rural areas of the country. Apart from having less than 1% contribution to the GDP, its labour intensive nature in operation, make it one among the major sectors which have the potential to be harnessed for the rural employment creation, poverty alleviation and thereby to pave the way for economic development. This sector mainly comprises with cattle, buffalo, goat, poultry and swine. Amongst these, Dairy and Poultry are the main development thrusts areas. There are around 600,000 registered livestock farms in the country, whereas more than 80% of the farm holdings are operated in underutilized or marginalized lands employing idled labour.

Table 3.2.1

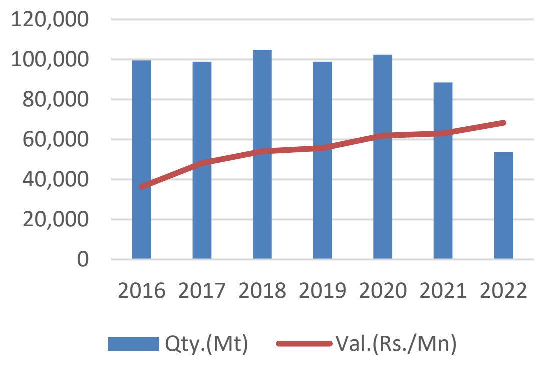
	2019	2020	2021	2022*
Milk (L mn)	424	414	412	380
Chicken ('000 MT)	224	216	237	228
Beef (MT)	29.8	29.5	27.8	27.6
Mutton(MT)	1.8	1.9	2.5	2.7
Pork ('000 MT)	8.99	9.01	9.82	9.3
Egg (mn)	2631	2436	2934	2090

**provisional*

Source: statistical Bulletin, 2022

The dairy sector is the main subsector in livestock development. Dairy Milk is good nutrient and income source and dairy products deserve huge market demand. With regard to the milk consumption in the country, as per the Dietary based guidelines of Ministry of Health 150 ml of dairy milk/milk products required to be consumed by an adult to fulfill the daily nutrient intake. However, as per the domestic production level, only 50% of the requirement could be fulfilled. The remainder/gap is completed by the imported powdered milk and milk products spending around Rs.50 bn.

Figure 3.2.1 Milk & Milk products imports Quantity (Mt) & value (Rs.mn)



Source: statistical Bulletin, 2022

The domestic milk production has been recorded as 380 Mn litres in 2022 which indicates a 7% decrease compared to the previous year (Annual Report, DAPH). The Government role in animal breeding, animal health management and, quality regulation are crucial for the sector development. There are 14 main milk processors in the formal milk collecting network which collects 60% of total milk produced in the country. In addition to this formal route of milk collection the remainder is channeling through the informal milk collecting routes to the consumers. 293 milk chilling centers.

The domestic Cattle herd is comprised mainly with Indian breeds (33%), European breeds (43%) and crosses and local breeds (23%). Of the total cattle and buffalo population

Tabel 3.2.2 Number of Cattle and Buffalo animals ('000)

	Milking animals	Dry & Unproductive females	Young females	Male animals	Total
Cattle	598.4	282.4	421	311.2	1613
Buffalo	171.7	79.5	134.8	89.9	476
Total	769.7	361.9	555.8	401.1	2089

which is around 2 million, 37% is dairy animals who are local bred or improved.

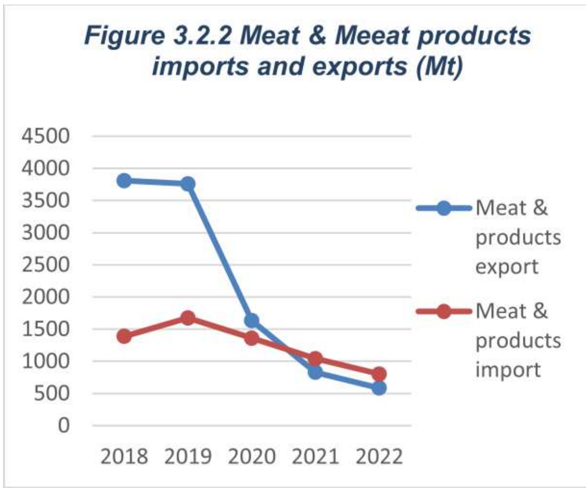
The poultry sector is fully operated by the private sector in the form of forward contracts with small scale poultry farmers for supplying inputs and marketing. Government interventions are limited to the areas of poultry health management, research and development and quality assurance of poultry products. This sector is capable of fulfilling the domestic consumption needs. Currently, there are 20,896 layer farms, 10,490 broiler farms and 222,943 Backyard poultry farms registered in the country and provide the needs of chicken meat and eggs as convenient sources of animal protein.

The Swine sector is one of the main livestock sectors which is positioned next to the dairy and poultry sectors. There are around 5000 farmers engaged in swine farming. The swine industry will also be promoted mainly by the private sector as an alternative mean for beef which will be regulated with the slash-down of the slaughtering of cattle. However, the domestic demand for beef and mutton is not satisfied by the local production so as the importation of meat types is being done annually draining around Rs.600 mn for meat importation.

Goat farming sector is also an emerging sector of livestock in which both the dairy and meat requirements can be fulfilled more conveniently. At present there are 61,000 registered goat farms in the country where as goats are primarily reared for meat purpose. Goat milk is also becoming popular due to its health benefits Government has taken few interventions to promote rural livelihoods through domestic goat farming, mainly in backward rural areas.

3.2.2 Issues and Challenges

The domestic livestock sector development is challenged due to its low scale of economy, poor farm productivity, and high cost of production followed by low profitability in venture. Unavailability of improved breeds, mismatch in modern technology to traditional livestock farming, lack of awareness of farmers in farm management and animal health management, low attractiveness for private sector investment and youth employment are other hindering factors which affects its development.



Source: Livestock Bulletin 2022

The domestic demand for milk is still not fulfilled totally by the domestic milk production. Hence, large amount of money is drained out for milk exports which is 1.2% of the total import bill in 2022 (CBSL Annual Report,2022). As a result, the opportunity to intake nutrients at its natural form at a concessional price has been weakened. Similarly, the malnutrition status of the country is slowly arising specially among the children. Apart from having large number of farms the milk production is stagnated at a certain level owing to the poor farm productivity. Low productivity of local breeds, unavailability of nutritious feed and poor farm management practices with less technology intrusion are the major factors of low farm productivity and high cost of production for the livestock products. This on the other hand has caused dairy sector particularly less profitable and less attractive for investments. Hence, the operational model of the dairy sector still remained at a small scale having only a 13% farms operated with more than 10 cows (Census & Statistics Department).

The recent issues related to feed ingredient unavailability significantly effect on the livestock industry and most of the small scale farmers faced with financial issues with high cost in production and low returns. Poultry sector in particular has been largely affected due to high feed cost whereas the poultry products became less affordable for all the layers of the society. As chicken meat and egg are recognized as one of the cheapest source of animal protein, increasing the poultry product availability in the local market at a cheap price to fulfill the animal protein requirement of the people has therefore been challenged. In addition, the import ban imposed in the recent past has raised the concern in importing breeding animals (parents stock for poultry, stud bulls for dairy, etc) to upgrade the local breeds. Overall, the resource limitation including feed, land and quality breeding material availability within the country, less motive for commercialization of the livestock sector are found to be the main hindering factors for the livestock sector development.

3.2.3 Policy Directions

To achieve transformation of livestock sector to effectively contribute to agriculture outputs through increased production, health and value chain interventions for improved household livelihoods, economic growth and export, ensuring the sustainability of natural ecosystems.

3.2.4 Key Strategies

Focusing on increasing the livestock production to cater the local demand while assuring the quality of animal products, Government will intervene in developing Livestock sector through engage in promoting research and development, breeding programmes to improve the productivity of native herd which are adaptable to local climatic conditions and to have high production capacities, promotion of feed resources to increase feed availability, improve quality assurance systems through developing regulations and quality standards and engage in animal health surveillance. In addition, efforts will be taken to modernize the livestock sector to operate as a profitable venture which is climate resilient through incorporating modern technology, attracting more private sector investment and youth labour force.

Moreover, Dairy sector policy adjusted with present scenarios and developed through a multi-sectoral approach is at final draft stage. This has been formulated with the mission to create a competitive and sustainable dairy industry that provides safe and nutritious dairy products.

As the main subsector in livestock sector, dairy sector development will be targeted through an integrated approach to scale up small level farms in cohesion with large scale farms targeting the commercial dairy production. Following strategies are identified for the above purpose:

- Promotion of improved breeds of dairy cattle through expanding the effective Artificial Insemination services at farm level.
- Introduction of high yielding, nutritious pasture and fodder varieties which are available throughout the year to reduce dependency on Imports for cattle feed.
- Undertake research to select and introduce cattle breeds to suit

different geographical regions and to adapt the impact of climate change.

- Promote evening milking and milk collection through strengthening milk collection network, processing facilities to avoid milk adulteration and maintain quality standards.
- Introduce clean energy sources for milk processing, small-scale solar-powered refrigeration facilities in order to enhance the milk storage facilities.
- Establish a new milk pricing system based on milk quality to provide higher prices for milk farmers and to promote quality maintenance.
- Develop Land and investment facilities needed to build up medium and large scale cattle farms.
- Develop farmer pension scheme and strengthen farmer cooperatives to enhance farmer welfare and have decent living.

The poultry industry which has a potential to develop and capture the export market needs to expand its operations further by attracting more private sector investments and young entrepreneurs. This will be facilitated and regulated by the Government through following interventions;

- Promote Public and Private Partnership involvement in production, processing, value addition and marketing of livestock products through provision of interest subsidies and credit facilities.
- Upscale the production of chicken and egg of large scale producers to export the surplus production modern technology and maintain the quality standards
- Assist in applying required health protocols, quality testing to align with international standards for commercial scale poultry farmers.
- Expand domestic production by promoting small and medium scale producers/start-ups by providing required capital investment by performance based grants and introducing technology to reduce the Cost of production and obtain profits

Development interventions are undertaken to promote rural livelihoods through domestic goat farming, mainly in backward rural areas to uplift household income and nutrition. Accordingly, following strategies are proposed;

- Support in upscaling goat faming through providing performance based grants or interest subsidies for the capital investment and providing required Technology and awareness.
- Develop quality breeding material required for goat farming through Government farms and provide for goat farmers at a reasonable price.

3.3 Export Oriented Plantation Industry

3.3.1 Overview

Plantation sector plays a significant role in earning foreign exchange to the country.

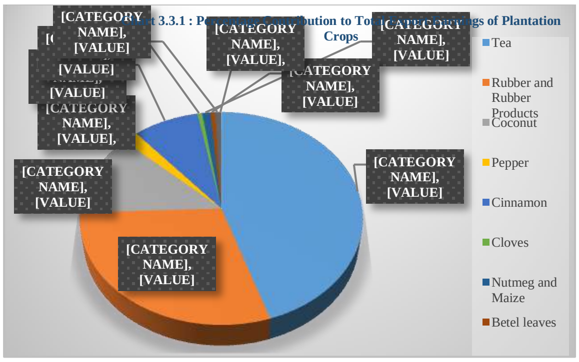
The intention of the year 2022 was to lead the entire plantation sector to a new dimension targeting the export market through diversification of value added products with a view to achieving national prosperity through development of the plantation industry. In achieving the goals within a people centric plantation economy, the contribution from plantation sector to the country's socio-economic development is significant, as it is one of the most labor-intensive sectors of the country. Major plantation crops are tea, rubber and coconut while pepper, cinnamon, cloves, cashew, betel, sugarcane, maize and turmeric are the other minor plantation crops that belong to the sector. The plantation sector contribution to the GDP is around 2.0 percent.

The total extent under plantation crops is around 0.9mn hectares. Nearly 5 percent of the total populations (around 1mn) live in plantation estates which provide direct and indirect employment to around 1.5 mn people. However, there is a trend towards moving away young generation from plantation sector to other sectors due to the low recognition in plantation related employment.

The total export earnings from the plantation sector is around US$ 31.7 billion during the period of 2010-2020, which is 27 percent of total export earnings of the country. However, as a result of the expansion of industrial and service sectors, the contribution of plantation sector to total export earning has declined during the last few years with slight increase in 2021.

The plantation sector is categorized into two sectors namely the estate sector and the smallholder sector. The estate sector consists of 23 Regional Plantation Companies (RPCs) and of that 21 RPCs are related to the tea sector and others to the coconut sector. Tea small holders contribute for around 70 percent of total production by occupying around 61 percent of tea lands.

Small holder plantations export over 80 percent of tea, rubber, coconut, cinnamon, pepper and other spices to the global market in comparison to large plantations.

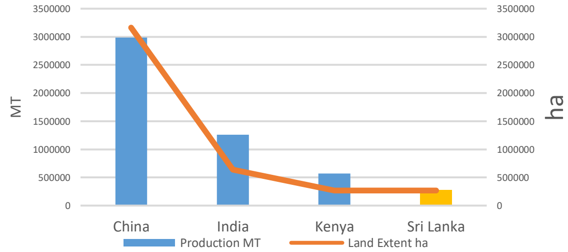


Tea Sector

"Ceylon Tea" is one of the most popular brands in beverage industry for its rich aroma and taste for several generations around the world which is a gift to world from Sri Lanka.

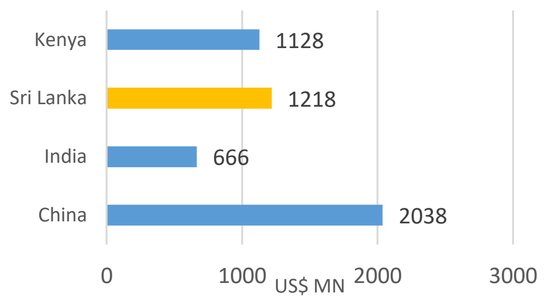
The total extent of land under tea cultivation is around 266,509 ha and total tea production is around 299,488 Mt which is fourth highest land extent in global tea cultivation and production.

Figure 3.3.2: World Tea Production and Land Extent



Source: Sri Lanka Tea Board and International Tea Committee, Annual Bulleting of Statistics – 2021

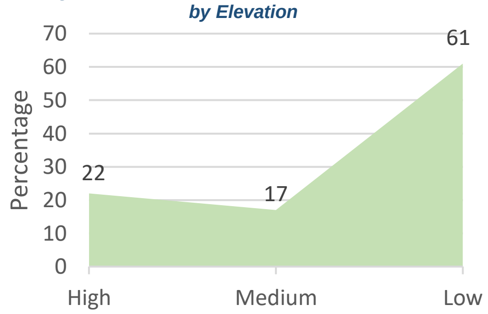
Figure 3.3.3: Global Tea Exports 2020



Source: International Tea Committee, Annual Bulleting of Statistics - 2021.

Low grown tea, which has higher auction prices, contributes 61 percent to the total tea production.

Figure 3.3.4: Contribution to Total Production by Elevation



Source: Annual Report of Tea Small Holding Development Authority (2019)

Table 3.3.1 Performance of Tea Sector 2021-2022

Item	2021 (January to September)	2022 (January to September)
Tea Production	234.72 Kg Mn	Kg 192.37 Mn
Export Revenue	Rs 195.28 Mn	Rs 294.20 Mn
Export quantity	Kg 211.49 Mn	Kg 192.59 Mn

Source:

Coconut Sector

Sri Lanka is the fourth largest coconut products exporter in the world and the country produces value-added coconut-based products to the global market. Around 12 percent of agriculture products of the country are from coconut plants.

Figure 3.3.5: Global Coconut Production 2019

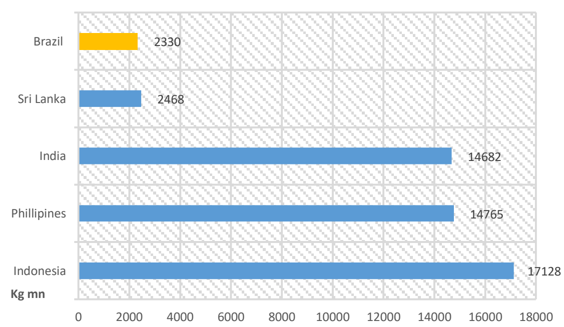


Table 3.3.2 Export Income of Coconut products 2021-2022

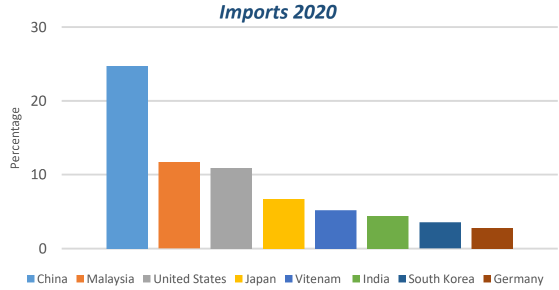
Product category	2021 (January to September) (Rs.Mn)	2022 (January to September) (Rs.Mn)
Coconut kernel based	61,628.77	99,020.22
Coir	4,565.07	6,173.08
Coir finished products	32,565.25	51,789.58
Coconut shell based products	20,997.89	39,927.16
Other	500.11	1,298.27
Total	120,257.10	198,208.31

Source:

Rubber Sector

Sri Lanka is not included in the top 15 natural rubber exporters, even though the country is in the 13th position of net natural rubber production. There is a potential to access to major natural rubber importing countries such as China, United States, India etc. while focusing on value addition.

Figure 3.3.6: Global Share of Natural Rubber Imports 2020



Source: Natural Rubber Imports by Country, World's Top Exports

Table 3.3.3 Performance of Rubber sector 2021-2022

Details	2021 (January to September)	2022 (January to September)
Quantity of Production	Kg 61.32 Mn	Kg 54.03 Mn
Export Revenue	Rs.159.42 Bn	Rs.243.54 Bn

Source:

Minor Export Crops

Sri Lanka is a leading exporter of Ceylon Cinnamon, Ceylon Pepper, Ceylon Cloves, Ceylon Nutmeg and Ceylon Cardamom, all branded under the geographical indication of Ceylon Spices due to their unique aroma and flavor shaped by the terror of the country. The country exports approximately 85 percent of True Cinnamon to the world market.

Improving productivity, production, quality and formulate strategies to catch up niche markets through high value exports are key factors to increase the foreign exchange earnings from the sector. Attract young generation and uplift the livelihoods of around 1.5 mn plantation sector employees are needed to achieve the objectives. At the same time, restructuring in the plantation sector is needed particularly with regard to underperforming large plantation estates to put such land in to productive use.

3.3.2 Issues and Challenges

The main issues and challenges face by plantation industry are as follows:

- Low replanting and new planting rate particularly by RPC's
- Increasing cost of production
- Decrease production due to adverse impacts of climate change
- Low value addition in tea, rubber, coconut and other export crops
- Reduction of productive lands for plantation crops due to urbanization.
- Conversion of plantation lands for other development activities
- Capturing new and niche markets
- Low competitiveness
- Less land and labour productivity
- Lack of skilled workers particularly in rubber industry.
- Enhancing the living conditions of smallholding sector and plantation community

To address the above issues and achieve higher economic growth, following recovery actions are proposed to implement in next two years.

3.3.3 Policy Directions

It is the export crops dominated by tea, rubber and coconut which kept Sri Lanka known in international markets over an extended period of time. The country ought to keep its international export business going in the future through various value added products backed up by new technologies. Further, prompt action will be taken to ban the import and re-export of minor export crops.

3.3.4 Strategies

- Prepare a mechanism to continuously supply fuel to tea, rubber and coconut collecting vendors, distributors and exporters in collaboration with Ceylon Petroleum Cooperation, Ministry of Plantation and Ministry of Industries considering importance of increasing export income.
- Prepare a mechanism to provide continuous electricity supply for production industries related to tea, coconut and rubber at least for six months.
- Prepare a mechanism to provide chemical and organic fertilizer for small holders in tea, coconut, rubber and export agricultural sectors at a concessionary price.
- Encourage industrialists and small holders to use alternative energy sources such as solar power by introducing low or zero interest loan schemes in collaboration with commercial banks.
- Diversification of plantation sector by introducing animal husbandry and other cash crops in tea, rubber, coconut and minor crops cultivation.
- Encourage to use organic fertilizers by minimizing synthetic fertilizer through strengthening extension service.
- Encourage replanting of old tea, rubber and coconut cultivations.
- Increase soil rehabilitation activities using organic soil rehabilitation techniques.
- Encourage farmers to establish irrigation systems in dry and intermediate climatic areas.
- Enhanced production and productivity through an increased rate of new planting, replanting and gap filling.
- Promote organic agriculture and organic agriculture products in the global market.
- Catch-up potential markets for tea, rubber, coconut and other export agricultural crops.

- Increase value addition in plantation crops.
- Develop plantation community by improving their living standards.
- Prepare strategies to addressing the impact of climate change.
- Encourage private sector to conduct research in relation to plantation industry.

Increase Production and Productivity

Increasing rate of land fragmentation due to population increase, urbanization, insufficient supply of high quality seed/seedlings, pest and diseases, climatic factors, price instability, soil erosion and increasing cost of production, biotic and abiotic stresses and poor management have caused on static/declining stage of production and productivity of plantation crops.

Production and productivity will be enhanced through an increased rate of new planting, replanting and gap filling.

Replanting will be done at a minimum rate of 2 percent per annum. Subsidized loan scheme will be introduced for replanting.

New lands will be identified including barren lands which are suitable for coconut and rubber cultivations. Steps will be taken to reduce land fragmentation by strengthening existing legal framework and formulate a new policy in collaboration with relevant stakeholders.

Nurseries will be established to provide high quality seedlings/planting materials.

An internationally accepted product quality inspection system and a system of geographical information certificates will be introduced.

New plating will be promoted in suitable non-traditional areas covering all the plantation crops. New high yielding hybrids varieties with short term maturity will be introduced at home gardening level.

Promote Organic Agriculture and Organic Agriculture Products in the Global Market

There is an increasing demand for organically grown products in the global market due to growing perception that natural sourced pesticide free organic products are healthy compared to conventional products.

The global organic tea market size was USD 820.8 million in 2019 and it has been projected to reach USD 1,918.7 million by 2027. There is an increasing health consciousness of consumers in USA, German, Japan and Europe out of organically grown tea against the harmfulness of conventionally grown tea can be promoted in these high value markets.

At present, the country exports approximately 1,400 MT of organic products per annum, valued at **USD 228 mn including tea, cinnamon and pepper.**

Private sector will be encouraged to produce organic certified coconut products and spices in addition to tea.

Subsidized loan scheme will be introduced to promote organic agriculture at smallholder level.

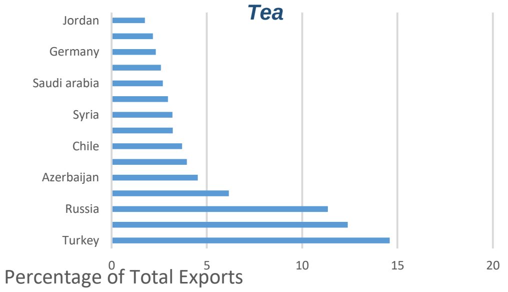
A marketing strategy will be prepared to promote certified organic tea, coconut and spices in potential markets such as USA, German, Japan and Europe.

Internationally accepted organic tea, coconut and spices certification center will be established.

Catch-up Potential Markets

Turkey is the number one destination for "Ceylon Tea" followed by Iraq and Russia with the export market shares of 14.59, 12.39 and 11.35 and respectively in 2020.

Figure 3.3.7 Top Destinations of Ceylon Tea



Per capita tea consumption is highest in Turkey followed by Ireland and United Kingdom. There is a potential to access these markets with rational approach.

Figure 3.3.8 Per Capita Tea Consumption 2016

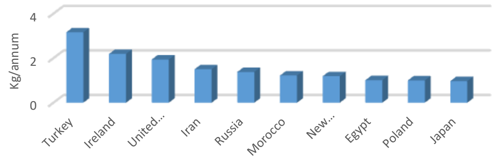


Table 3.3.4: Global Consumer Preferences on Tea

Type of Tea	Customer Preferences and Regions
Leafy tea from low grown areas	High demand in Middle East market, since middle east consumers prefer stronger taste and body
Lighter Sri Lankan teas comes from areas such as Nuwara Eliya, Uva and other high grown areas	Germany, Netherlands and other European countries prefer these types
Value added and flavored tea	Consumers in United States and Europe focus more on health and willing to pay higher amount money for these types of tea

A marketing strategy will be developed to catch up potential markets focusing on global tea consumption and preferences.

A strategy will be prepared to maximize the utilization of preferential Tariff Rate Quota (TRQ) with Pakistan and India.

Free Trade Agreement	**Quota Per Annum**	**Total Exports in Kg in 2016**	**Percent of use in 2016**
India-Sri Lanka	15,000,000	888,328.27	5.92
Pakistan-Sri Lanka	10,000,000	72349.00	0.72

Source: Annual Report 2016, Sri Lanka Tea Board.

Required facilities will be provided to identify innovative technologies to improve the quality suit to niche markets.

Value Addition

At present value added tea exports are around 40- 45 percent of the total exports. The global market share of rubber based products is around 0.75 percent while only 1/3 of coconut harvest is exported as value added products.

The size of the world market for rubber products is estimated at $90 billion per annum which is over Rs 116 billion per annum.

Value addition of tea will be increased at a rate of 3.5 percent per year.

Production of premium quality natural rubber type known as Lankaprene which is odour free to a certain extent, light colored, and clean which is ideally suited for medical equipment and up-market value added products will be increased under suitable PPP model.

Facilities will be provided for the development of value added rubber products such as rubber based toy products tyres, tubes, rubber based motor spare parts, for export market under Free Trade Agreement between Sri Lanka and India/ Sri Lanka and Pakistan.

New value added products such as quality coconut milk products will be developed targeting Sri Lankan and Asian community in potential markets

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such as Australia, United Kingdom, Canada etc.

Private sector will be encouraged to export king coconut with suitable PPP model.

Digital platform will be introduced to increase the efficiency and attract young generation to the plantation sector.

Plantation Community Development

Estate sector community can be considered as a highly vulnerable population of the country. Poverty, unsatisfactory living conditions, lack of safe water and sanitary facilities, poor cash management, , low level of education, difficult terrain, poor transport facilities with poor access to health care services, language barrier are major factors which have negatively affected on economic and social wellbeing of the community.

Interest free loan scheme will be introduced with the help of Regional Plantation companies to fulfill all the required facilities of estate employees.

A special programme will be introduced to improve the education level of estate employees.

Development of Other Export Crops

However, export-oriented agriculture sector is still in the stage of small scale and scattered form and proper export-oriented value chains have not been developed for minor export crops. Growers are mainly focused on fulfilling local need, without paying attention on large scale commercialized agriculture.

Export agriculture zones will be established covering all the potential areas.

Steps will be taken to convert scattered farmer groups into export oriented agricultural villages and zones.

Low interest subsidized loan scheme will be introduced to obtain required equipment and technical instructions to improve minor export crop production and quality.

Development of other Supplementary Planation Crops

Sugarcane, Kithul and Palmyrah cultivations have potential to develop as import substitution crops.

At present, the total sugar production of the country is around 81,641 Mt while total requirement is around 743,000 Mt. To fulfill the total demand, it is required to import sugar.

The sugarcane production will be increased by introducing high yielding varieties with the target of self-sufficient in sugar production.

Palmyrah cultivation will be expanded at commercial scale in potential areas such as Northern and Eastern Provinces.

Research and Development

All the research institutes will be strengthened to produce high yielding short maturity improved varieties, value added products to increase export revenue.

A new research institute will be established to carryout research in relation to Kithul and Palmyrah production.

Extension service will be strengthened to disseminate research findings among growers.

Private sector will be encouraged to establish research laboratories to carryout research on minor export crops improvement.

Addressing the Impact of Climate Change

Plantation sector is highly vulnerable to drought, floods and landslides. Mortality rate is around 30 percent during the drought periods at tea nursery stage. Need to be identified impact of floods and landslides cause to increase the soil erosion and decrease the soil fertility causing reduction of harvest.

Subsidized appropriate irrigation systems such as drip, sprinkler irrigations will be introduced to mitigate drought conditions focusing on small holder sector.

Subsidized loan scheme will be introduced to establish soil conservation methods in tea sector.

New drought, flood, pest and disease tolerance varieties will be introduced.

3.5 Land and Land Development

3.5.1 Overview

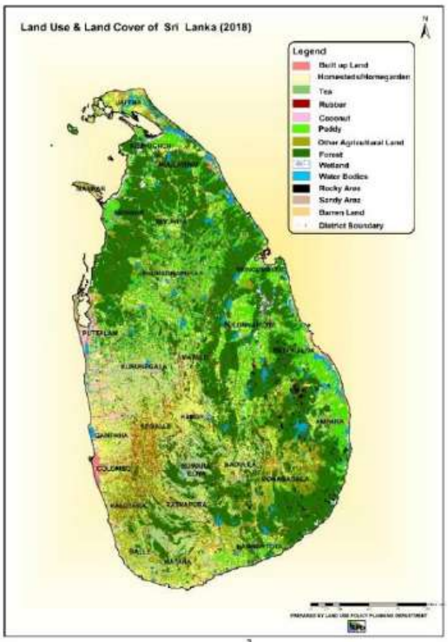
Sri Lanka consists of 6.56 million ha of land area of which 63.6 percent is in the Dry Zone, 23.2 percent is in the Wet Zone and the remaining 13.2 percent is in the Intermediate Zone. The total land extent under cultivation, both paddy farming and the highland cultivations is around 1.7 million hectares, which is close to 25 percent of the total extent of land in the country. The remaining land area includes land with unsuitable terrain, inland water bodies, and forest reservations. At present with an estimated population of 21.9 million, the per capita cultivable land area is about 0.06 ha. This indicates heavy pressure on agricultural land use.

Paddy occupies 34 percent of the agricultural land. Coconut, tea and rubber together account for 36.2 percent. The remaining 29.8 percent is used by all other crops including other field crops, export agricultural crops and sugarcane. The major features of land ownership are that the state controls about 82.3 percent while the remaining 17.7 percent is privately owned. Of the total land area controlled by the state, a larger percentage of plantation land is managed by the private sector plantation companies. Around 27 percent of peasants are landless or have no legal ownership for a land.

3.5.2 Issues and Challenges

- Low productivity level of agricultural and plantation lands

Figure 3.5.1: Land use & Land Cover of Sri Lanka in 2018



Source: National Physical Planning Department

- Various human, biological and environmental problems caused by improper land use practices
- Existence of a large number of fragmented unproductive and underutilized agricultural lands
- Encroachment on state lands by the landless
- Difficulties in determination of ownership of lands as proper

records are not available and it disturbs the development of land and land owners who use the land as an investment

- Less attention in establishing a more productive pattern of land use. Low priority has been given for integrating land policy with the provision of infrastructure needed for employment creation and with the need for environment conservation and sustainable use of natural resources
- Unavailability of up-to-date reliable data and information on land resources
- Control human impacts on marshy lands and mangroves
- Land vested in state authorities are either under-utilized or unutilized
- The per capita extent of land is decline rapidly as the population continuous to grow
- The extent of productive land is decreasing due to land degradation

3.5.3 Policy Directions

Rational utilization of land resource on the basis of suitability evaluation for achieving higher economic gain, ensuring food security and decent living of people while maintaining the equity and ecological sustainability.

3.5.4 Key Strategies

- Distribute land allotments for landless people with the intention of improving the land productivity
- Establishment of State Land Information System and Land Bank and periodical update
- Launch Land Kachcheri and Mobile services to resolve the land issue of people
- Prepare a programme to minimize the existence of a large number of fragmented unproductive and underutilized agricultural lands
- Establish a more productive pattern of land use for environment conservation and sustainable use of natural resources
- Commencement of up-to-date reliable data and information on land resources
- Provision of ownership of land to the people who have lived on lands given on permits for over a decade
- Provision of lands to agricultural enterprises for harnessing and developing farmer based agricultural initiatives
- Introduce a methodology to bring lands to productive uses in consultation with relevant stakeholders

- Utilization of land for the sole betterment of all Sri Lankans through sustainable land-use in agriculture, animal husbandry and plantation.
- Sustainable land and water resource management through land slide mitigation and conservation of sensitive ecosystems
- Restoration of barren and abandoned lands to utilize them for agriculture and forestry
- Manage and monitor land utilization in order to achieve a balanced regional development
- Direct all the institutions engage in land related activities to adopt and integrated approach to land management
- Prevention of encroachment of state lands
- Prepare land use plans at the national, provincial, district, divisional and LA levels
- Enhance peoples participation in the sustainable use of land resources
- Strengthen the institutions providing services and facilities for land use to provide better services to the peoples
- Protect areas of cultural, archeological, historical and authentic values
- Make available Under-utilized or unutilized lands vested in state authorities to proper development purposes
- Rehabilitate degraded lands
- Implement awareness and education programmes on proper and scientific land use
- Develop all marginal and uncultivated lands through appropriate land uses
- Identify and develop agricultural lands more suitable for paddy, coconut, rubber and minor export crops

3.5.5 Medium Term Targets

- Prepare a comprehensive land policy considering the future development agenda
- Register over 6 million out of the total land parcels of 12.9 million by 2026 to ensure the ownership of lands
- Identify appropriate lands for development activities and to minimize the environmental impacts
- Release all the private lands currently being held by the Government to their

04 INDUSTRY, TRADE, INVESTMENT AND TOURISM

4.1 Industry

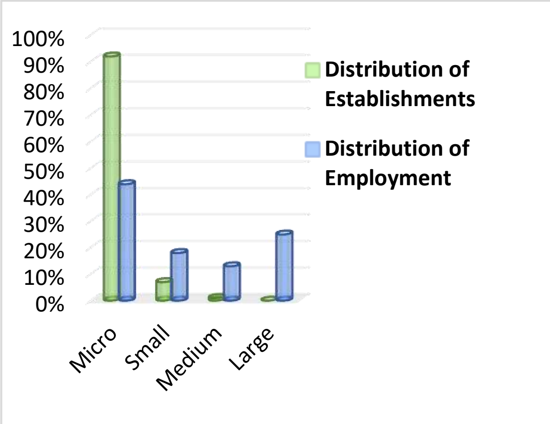
4.1.1 Overview

Manufacturing, mining, construction, and other secondary industry sectors play a crucial role in building a more resilient and robust economy in the country than the country's predominately service-based economy. Consequently, the industrial sector continuously marked a crucial part of the country's national economy, accounting approximately 27 percent for the Gross Domestic Production (GDP) and approximately 27 percent of total employment while contributing approximately 80 percent to the country's total exports during the past recent years.

The industrial sector in Sri Lanka is primarily comprised with a range of large-scale firms, Small and Medium Enterprises (SMEs) as well as micro or cottage level businesses linked with self-employment activities.

Figure 4.1.1: Distribution of Industrial Establishments and Employment- 2022

As depicted in Figure 1, it is evident that large portion of the country's



Source: Department of Census and Statistics, 2022

industrial establishments and sectorial employment are related to the Micro, Small and Medium Enterprise (MSME) sector. Therefore, MSME sector is recognized as the backbone of the country's economy where MSMEs endorse equitable socio-economic development mostly targeting the rural sector while providing more opportunity for women and youth participation in the economic development of the country.

Table 4.1.1: Industrial Sector Performance 2018-2022

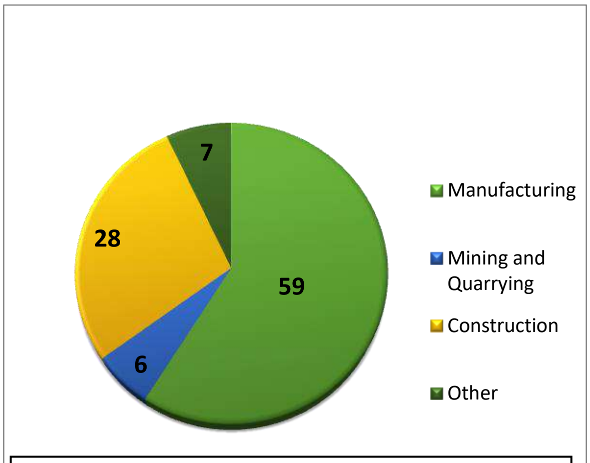
Indicator	2018	2019	2020	2021	2022
Share of GDP Revised (at current market prices)	30.1	29.2	28.2	30.0	30.3
Share of GDP Revised (at constant (2015) market prices)	31.0	29.8	29.6	30.2	27.5
Sector Growth rate	1.2	2.7	-5.3	5.7	-16.0
Industrial exports (USD million)	9,258	9,426	7,672	9,702	10,465
Industrial exports (As a % of total exports)	83.93	84.47	76.36	77.62	79.85
Employed population (number)	2,239,262	2,258,421	2,152,746	2,109,482	2,158,199
Employed population (%)	27.9	27.6	26.9	26.0	26.5

Source: Annual Report, 2022, Ministry of Finance, Economic Stabilization and National Policies, Economic Statistics of Sri Lanka—2023, The Central Bank of Sri Lanka

As depicted in Table 1, it is observed that amidst the pressures emanating from the recent economic crisis, the industry sector contracted notably by 16.0 per cent, year-on-year compared to the growth of 5.7 per cent recorded in 2021 owing to the contraction of construction activities, mining and quarrying activities and manufacturing activities except for textiles, wearing apparel and leather related products. This is attributable to the interrupted power supply, severe shortage of key raw materials and input cost escalations due to the lack of foreign exchange liquidity, and low demand stemming from deterioration in purchasing power.

The construction subsector, which accounted for 28.0 per cent of the overall manufacturing activities, which accounted for about 59 per cent in the total industry sector, contracted by 12.6 per cent, year-on-year, in 2022. Within the manufacturing sector, manufacture of coke and refined petroleum products, and manufacture of food, beverages, and tobacco

Figure 4.1.2: Industrial Sector Composition in Sri Lanka - 2022



Source: Annual Report, 2022, Ministry of Finance, Economic Stabilization and National Policies products registered notable contractions of 58.2 per cent and 14.2 per cent, respectively, while the subsector of manufacture of textiles, wearing apparel, leather, and other related products registered a year-on-year growth of 8.1 per cent in 2022. Meanwhile, mining and quarrying activities also reported a notable year-on-year contraction of 31.0 per cent in 2022.

4.1.2 Issues and Challenges

Following the challenging period experienced during the pandemic period, the sector's growth is hampered due to a host of reasons ranging from high energy costs, high financial costs, inconsistent border tariffs, non-availability of skilled labor, various market imperfections etc.

High cost of energy is identified as one of the severe impediments to the growth of Sri Lanka's manufacturing sector. As a reasonable share of cost of production of every manufactured product constitutes energy cost, availability of low cost energy is vital for a healthy manufacturing sector. Particularly, for a country like Sri Lanka, whose manufacturing sector largely consists of primary and semi-finished products, supply of low cost energy is equally important same as the thrust towards cleaner sources of energy.

Country's manufacturing sector still largely constitutes a limited number of semi value added products, requiring product diversification and more value addition. As such, it is important that a conducive environment is created to attract manufacturing industries which will produce value added products of a broader spectrum, particularly for export. Hence, necessary public investments need to be made to put up infrastructure towards this end.

Apart from the above, creation of an appropriate policy environment including an incentivised tax structure to encourage manufacturers is also critical. The tax incentive is expected to be selective and targeted. For instance, tax incentive could be used for promoting environmental friendly manufacturing practices and/or promoting digital transformation of SMEs, which could create positive externality.

Further, low international ranking in ease of Doing Business is also identified as one of the key challenges the Industry sector is experiencing.

Figure 4.1.3: Doing Business Ranking in Sri Lanka - 2020

Source: Economic Profile Sri Lanka, Doing Business 2020, World Bank Group

4.1.3 Policy Directions

In face of the above issues and challenges, it is well understood that well directed public and private investments should be made available towards the development of the sector. Similar to the past years, the Government continued to support the growth and development of the industrial sector through the implementation of numerous policy initiatives, while assisting the industrial sector to recover from the impact of the pandemic followed by the economic crisis. The Government has identified that in order to create a conducive environment required for industries, it is vital to draw together all the direct policies, auxiliary policies related to Industry sector in a consistent and predictable manner. In line with this, the Ministry of Industries has finalised the National Policy for Industrial Development (NaPID) for 2023-2048 period, with a view to instituting a comprehensive and holistic policy framework for industrial sector development in Sri Lanka.

It is important to note that the NaPID has been designed through a 21st century lens adhering to the Government's National Development Policy Framework as well as with the SDG -2030 with the ultimate aim of establishing a "Globally Competitive Industry for Sustainable and Inclusive Growth of Sri Lanka by advancing green growth and digitalization".

Greening Industries

As serious initiatives are underway by majority of the economies towards green economy, integrating climate change and environmental considerations will be critical for Sri Lanka's industrial development as well. Having experienced a rapidly changing global economy, it is vital to encourage Industries to accelerate the adoption and implementation of green practices, particularly sustainable consumption and production (SCP) practices. The expansion of green procurement initiatives will increase demand for green products and services and catalyse the industries to shift towards green practices. Industries will be urged to procure and utilise local green products and services, which will contribute expanding the green market. In addition to that, Industries will be encouraged to use Circular Economy Concept throughout the supply chain which will lead to optimise recycled materials used in the production cycle, thus reducing the demand for raw inputs.

Digital Industrialization

Similar to the momentum towards a green economy, and as recognized in Sri Lanka's National Policy Framework, the rise of the digital economy has important implications for Sri Lanka's industrial development. It is undeniable that these technological advances are fundamentally altering products, production processes, and value creation. Thus, to be future-proof and successful, Sri Lanka's industrial policy strategy should harness digital technologies and products.

4.1.4 Key strategies

Given the increasingly challenging domestic and global economic landscape, it is vital to introduce appropriate strategies to sustain the growth momentum and strengthen resilience. Accordingly, thrust areas of the industrial sector identified are illustrated as below.

4.1.4.1 Development of Manufacturing sector

Out of the GDP contribution of the Industrial sector which accounts for 26 percent, manufacturing accounts for 15.5 percent (approx. 59 percent), and sub-sectors like construction, quarrying, and utilities account the balance.

As mentioned in the Section 1 above, the performance of the manufacturing sector has been hindering back from 2020 primarily due to prolonged pandemic lockdowns imposed island wide along with the future uncertainties of the which lead to reduce demand for goods. On top pf that, the economic challenging situation in 2022 also caused a serious negative impact on the manufacturing sector.

Sri Lankan Manufacturing sector is classified into two groups as below.

I. Resource based industries - Ex: Ceramics, Rubber, Gem & Jewellery, Coir, Leather, Processed food industries

II. Technology Intensive Industries- Ex: Apparel, Plastic, Machinery, Chemicals and Electric/Electronic, Pharmaceutical Products

Table 4.1.2: Proposed Key Strategies for the major manufacturing sectors

Sub sector	**Proposed Key Strategies**
Resource based industries	
Gem and Jewellery Industry	• Upgrading of the Gem Laboratory of the National Gem and Jewellery Authority to international standards and the setting up of international quality laboratories and thereby strengthen international acceptance for local Gem and Jewellery industry via improving quality of the products • Training for youth with private sector assistance with the exposure of foreign country experience in the sector. • Promote Online Gem and Jewellery trading by providing necessary assistance for local traders
Ceramic Industry	• Carry out surveys to find deposits of kaolin and ball clay • Strengthen product development in the sector to improve competitiveness
Rubber Industry	• Consolidation of Supply Side/Expansion of Rubber Plantations • Empowerment of small scale rubber holders • Promotion of FDIs in Rubber Industry • Promote the establishment of custom rubber compound manufacturers
Coir Industry	• Expand existing local market via exploring new applications • Manage product quality and improving productivity
Leather Industry	• Enhance the quality of raw hides • Enhance the value addition via production of high-quality leather production • Support local industries to pave the way for import substitution and export promotion

Paper Industry	• Promotion of recycled paper • Promotion of know-how of industrialists through training and enhancing experience
Food Processing Industry	• Provide technical and technological assistance in value addition
Technology Intensive Industries	
Apparel and Textile Industry	• Develop exports of domestic industry mainly through promoting industries which are based on raw materials available domestically • Protect, safeguard and strengthen domestic entrepreneurs • Strengthen Handloom and Batik industry through introducing new technology and designs, quality raw materials, encouraging women and youth into the sector, marketing techniques to popularize them in both internationally and locally • Revisit the taxes on the apparel sector • Develop and promote the image of Sri Lanka made apparel and brand names as a trade mark for quality and design
Plastic Industry	• Promotion of FDIs in plastic industry • Promotion of R & D and Market expansion through value addition • Environment protection and recycling
Machinery Industry	• Promotion of inventing new technology and new design via licensing of foreign Advanced Technology • Promotion of agricultural and industrial machinery
Chemical Industry	• Promote national competitiveness by encouraging investments in R &D • Encourage FDIs to upgrade the industry • Encourage PPP to enhance the competitiveness of the industry • Regain drained knowledge to the country to uplift the industrial status

4.1.4.2 Development of Micro, Small and Medium Scale Enterprises (MSMEs)

Despite of various policy reforms and assistance from government and other donor agencies, MSMEs are still less dynamic and underdeveloped compared to large scale enterprises. The low adoption of technology and high dependency on unskilled workers has widened the productivity gap between MSMEs and large firms, and render local MSMEs uncompetitive globally. In addition, there is poor understanding among MSMEs regarding processes and compliance to requirements to formal and secure financing. Existing rules and legislation pertaining to business financing procedures are not supportive in promoting sustainable growth of MSMEs and innovation-based entrepreneurship. These challenges have further been intensified due to the Economic crisis following the COVID-19 pandemic resulting lower demand for goods & services and disruption in the supply chain. Following strategies are proposed to minimize the unprecedented downturn made on MSME Sector due to the adverse influences on the sector.

- Provide financial, marketing, technical and other related facilities to nurture, foster and develop MSMEs including traditional industries
- Promote consolidation of MSME related services and facilities which are currently provided by multiple government organizations to minimize the issue of overlapping of the functions in the sector
- Enhance the value-added activities in the MSME sector
- Facilitate MSMEs by providing business linkages and developing sub-contacting arrangements
- Strategically set systematic selection criteria for MSME beneficiaries to utilize the limited resources in more efficient manner
- Establish an online platform to expand the government's service outreach rural MSMEs and women entrepreneurs
- Address gender gap in training provisions primarily via developing a special approach to support women entrepreneurs
- MSME sector in the country to support undertaking evidenced based policy making
- Strengthen the university-industry linkages by embedding industry input and expertise in the field of study

4.1.4.2 Traditional and Rural Cottage Industries

- Lease out the underutilized state lands under a cooperative system to cultivate necessary plants to supply the raw material needs of traditional industries Infuse modern technology while enhancing production quality
- Strengthen Market Access enabling traditional industries to reach local as well as international market
- Establish dedicated Traditional Industrial Villages to enhance

the rural economy and employment opportunities. In this view, potential regions will be identified to establish traditional industries in line with the resource availability.

4.1.4.3 Development of Industrial Estates

Recognizing the fact that resilience of industrial estates depends on a sustainable ecosystem sustainable practices will be incorporated in increasing economic prosperity with minimal environmental and social impact.

In this line, following initiatives are underway.

- A comprehensive guideline on eco-industrial parks will be introduced to be adopted by industrial estates.
- Development of new industrial estates will be based on prospective demand and tailored to the actual needs of investors.
- Strategies will be formulated to guide the developers in the planning, development and operation of these estates and promoting backward linkages and efficient maintenance of industrial estates in creating a conducive investment ecosystem. By this, developers will be encouraged to conduct comprehensive feasibility and market studies to reduce the potential risks of underutilisation of industrial estates.

4.1.4.4 Development of State Owned Enterprises (SOEs)

As a result of severe disruptions to supply of goods, the role of SOEs in manufacturing and trading has been identified as critical in providing essential services to people.

In this backdrop, following strategies are introduced by the government.

- Significant measures were taken to reduce the net burden posed by State Owned Enterprises (SOEs) on Sri Lanka’s public finances. A SOE Restructuring Unit has been set up to drive the restructuring of key SOEs.
- In addition, significant structural reforms are to be implemented to strengthen the governance of SOEs and to make them financially viable.

4.1.4.5 Development of Mining and Quarrying sector

With the continuation of adverse impacts augmented by the pandemic situation followed by the economic challenging situation, mining and quarrying activities contracted by 31 per cent in 2022, in value added terms. Strategies for developing the mining and quarrying sector as given below.

- Discover new mineral resources believed to be available inside and along the sea- bed of the country
- Restrict export of currently identified natural resources (mineral sands, dolomite, phosphate and gems) in raw form
- Upgrade value addition of the products before export to get higher prices
- Encourage the collaboration of foreign investors in producing finished and semi-finished goods from natural resources unique to Sri Lanka

4.1.4.6 Development of Construction Industry sector

The construction industry contracted by 20.9 per cent in 2022 owing to the closure of construction sites during the economic crisis and delays associated with raw material importation arising from induced shocks.

With the objective of boosting the construction industry sector from the recession experiencing and expand as an environment friendly industry in overseas, following strategies are proposed.

- Ensure the security of domestic small and medium subcontracting firms
- Assist in investment to move to technical solutions and address labour shortage
- Facilitate early approval process in the industry Grant preference to domestic construction firms in International Competitive Tenders during financial evaluation

4.1.4.7 Infrastructure, Logistics and Utilities

The Government has identified infrastructure and logistics as one of the major determining factors in sustainable industrial sector development.

Four (4) key unfavourable elements connected with infrastructure and logistic environment are as below.

1. High cost of energy

2. Lack of waste management facilities
3. Inadequate road and transport facilities
4. Lack of warehouse and cold storage facilities

High cost of energy is considered as the most substantive and challenging element while three other elements carry equal importance but not weighted at the same level as the high cost of energy.

Main strategies encountered under the broader impediment of infrastructure and logistics are as below.

Develop modern physical infrastructure and logistics facilities

- Approach in national spatial system - The spatial approach focuses on developing multi-dimensional commercial cities
- Apply National physical planning policy to execute infrastructure needs of manufacturing industries
- Establish a national infrastructure and logistics planning for industry particularly aiming at economic zones
- Ensure integrated, high quality, efficient, resilient, safe and cost effective infrastructure and logistics for land/water/air transportation, sea & air ports, and other harbour facilities covering all regions
- Incentivize the development of reliable, high-speed broadband networks throughout Sri Lanka

Clean Energy and Waste Management

- Adopt policies to facilitate a transition to a circular economy
- Introduce holistic waste management (solid, liquid and gaseous) approaches, including prevention, reduction, recycling and reuse
- Promote new industrial enterprises producing sustainable products & services in a resource efficient manner, leading to near zero pollution over the life cycle
- Incentivize a transition to using renewable energy. Specifically, it expected that, by 2030, the country's renewable energy mix will comprise 40 percent of the total portfolio, with hydro and renewable together accounting for 80 percent. The strategy specifies plans to increase hydro energy, solar (encouraging roof top solar for households and small businesses), wind, to explore natural gas, and to develop a smart grid to ensure maximum energy efficiency. It notes plans to introduce an efficient

energy generation programme using industrial waste in each city
- Increase energy efficiency in industrial manufacturing plants and across distribution networks.
- Source materials with lower embedded energy.
- Encourage green practices in manufacturing firms

Table 4.1.3: Investment Priority Areas

Rs. million

Area	**2023**	**2024**	**2025**	**2026**
Development of Industrial Estates and Zones	1,108	1,500	1,500	1,600
Thrust Area Development	300	400	450	450
Micro Small and Medium Scale Entrepreneurship Development	15,455	32,000	34,000	17,550
Development of Handloom and Textile Industries	368	1,000	800	850
Development of Traditional Industries	1000	1,300	1,500	1,000

Source: Department of National Planning and Budget Estimates, 2023

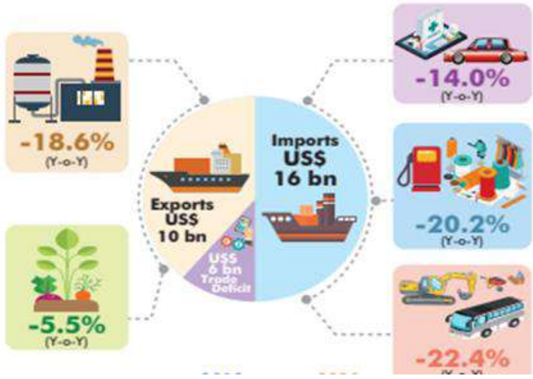
4.2 Trade Sector – Uplift the Nation to the Next Level

4.2.1 Overview

Sri Lanka is a renowned focal trading center since ancient times entailed with a huge potential to expand the global trade. The strategic location of the country which lies along major trading routes, highly literate workforce, rich resource base, etc. are highly beneficial for development of the internal and international trades by tapping new opportunities. However, the nation has not yet explored its highest trade potentials. New challenges and opportunities have dramatically altered the trade and investment landscape where the country has to move away from their traditional way of doing business to reach new heights.

4.2.2 International Trade & Foreign Investments

4.2.2.1 Exports, Imports and Trade Deficits



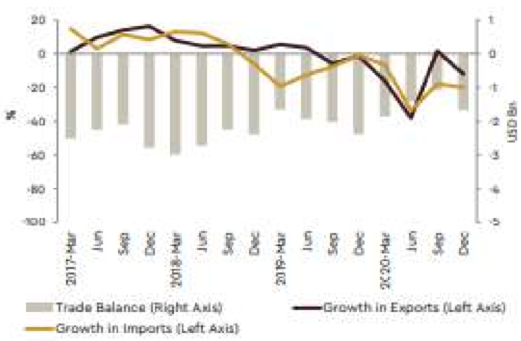
Sri Lanka is an open market economy highly relying on international trade based on imports and exports. Major portion of the export basket still consists of industrial exports (e.g. Textile & garments, etc.) followed by Agriculture exports (e.g. tea, coconut, rubber) and very low amount of mineral and other exports (**Table 4.2.1**)

Table 4.2.1- Exports and Imports in Sri Lanka

USD Million				
	2017	**2018**	**2019**	**2020**
Total Exports	**11,360**	**11,890**	**11,940**	**10,047**
Agriculture	2,767	2,579	2,462	2,336
Industrial	8,542	9,258	9,426	7,672
Mineral	35	34	34	25
Unclassified	17	18	18	14
Imports	**20,980**	**22,233**	**19,937**	**16,055**
Consumer Goods	4,503	4,980	3,957	3,402
Intermediate Goods	11,436	12,488	11,370	9,077
Investment Goods	4,895	4,690	4,603	3,563
Unclassified	**147**	**75**	**8**	**14**
Trade Deficit	**-9,619**	**-10,343**	**-7,997**	**-6,008**
Source : Central bank Annual Report 2020, Sri Lanka				

However, the country has not diversified from its traditional exports lately. As showed in ***Figure4.2.1***, the country has been experiencing a continuous trade deficit with export income exceeded by import expenditure.

Figure: 4.2.1- Trade Deficit fluctuation



Source: Central bank of Sri Lanka, Annual Report 2020

However, with the strike of Covid-19 pandemic in 2020, the entire trade pattern was altered globally. Unprecedented exchange rate fluctuations, restrictions on merchandise imports, reduction in export revenue, etc. contracted the trade deficit in Sri Lanka to its lowest level recorded in recent past. Export earnings declined by 5% from USD 10.5 billion in 2015 to USD 10 billion in 2020. The import expenditure also declined by 15% from USD 18.9 billion in 2015 to USD 16.1 billion in 2020.

Trade Agreements

Being a member of World Trade Organization (WTO), Free Trade agreements (FTA) and Regional Trade Arrangements (RTA) are key instruments of Trade Policy in Sri Lanka. The country is signatory to three bilateral FTAs with India, Pakistan and Singapore and holds RTAs namely South Asian Free Trade Area (SAFTA), Asia Pacific Trade Agreement (APTA), Global System of Trade Preferences (GSTP). Further, Sri Lanka is continuing its negotiations with China, India and Thailand for new bilateral agreements. In the same time, negotiations on the Bay of Bengal Initiatives for Multi-Sectoral Technical & Economic Cooperation (BIMSTEC-FTA) and negotiations on a Preferential Trade Agreement (PTA) with Bangladesh are under way. This will support Sri Lanka's strategic objective to expand the export market and seize opportunities.

4.2.2.2 Foreign Direct Investments (FDIs)

Sri Lanka's focus on attracting FDIs was getting intense during the past decade to achieve the objective of becoming an upper-middle income country on a solid foundation built on public and private investments. The country has all its plus factors to boost investments in the areas of tourism, logistics, high values added food processing and apparel, etc. Difficulties in attracting FDIs remains a bottleneck for economic development in Sri Lanka where the country has to improve its investment landscape to make it a preferred, safe and viable destination for FDIs by concentrating to elevate its position in global ranking. Current global ranks that Sri Lanka bears is as follows

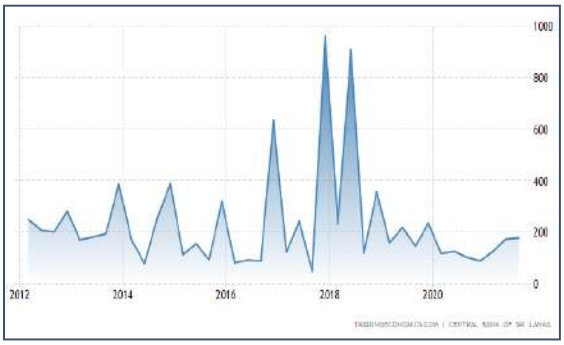
Table 4.2.2–Selected Indices for Investors

Index	Rank
Ease of Doing Business (2020)	99/190
Global Competitiveness Index (2019)	84/141
Corruption Perception Index (2020)	94/180

Source: Central Bank Annual Report 2020

Foreign Direct Investments to Sri Lanka declined to USD 548 million by 2020 compared to USD 793 million in 2019 and USD 1.6 billion in 2018 respectively. Sri Lanka's FDI net inflow fluctuation is shown in **Figure 4.2.2**.

Figure 4.2.2- Sri Lanka FDI Inflow 2012-2020 (USD Mn)



Source: Tradingecoomics.com|Central Bank of Sri Lanka

Why should focus on FDIs?

- **FDIs are leading external source of finance:** Sri Lanka's Annual GDP growth averaged around 4% during past few decades. To accelerate this to reach Upper Income level higher investments are needed. Since, Sri Lanka's public investment is still low, FDIs can accelerate the economic growth coupled with private investment and job creation.

- **Drive technology exchange and innovation:**
  FDIs inject new technologies and innovations to country's local production and service value chains through which local firms can increase their competitiveness and efficiency.

- **Diversify and increase exports:** Since decades, Sri Lanka is focusing on its traditional export sectors. Diversification of country's export basket through FDIs will enhance access to global market through value addition and development of new activities. This will further make Sri Lanka resilient to external shocks.

- **Increase Government revenue and foreign exchange reserves:**
  With reduced borrowings and increased tax revenue FDIs boosts the economy of the country and since FDIs flows in the foreign denominated currency it will help paying of external borrowings.

4.2.3 Policy Directions

Promotion of export-led growth driven by innovation by promoting domestic investments, reducing import expenditure and raising export income to make Sri Lanka next growth haven in Asia.

4.2.4 Strategies

- Promotion of domestic resources based exports, increase import substitution and expanding the export economy by increasing valued-added industries to minimize the trade deficit.
- Revolutionizing the export strategy to diversify exports into high technology products.
- Improve Sri Lanka's position in doing Business Index to attract FDIs

- Reducing import taxes on raw materials and intermediate goods to promote domestic production.
- Making free of import tariff on machinery and technical equipment to develop internationally competitive industries.

- Enhance linkage to Global Value-Chains (GVCs) to go beyond trading products and trade know-how and outsource stages of productions.
- Develop an enabling environment of digitalization for e-commerce value chain.

4.3 Tourism

4.3.1 Overview

Tourism can emerge as a major driver of economic growth. It is one of the fastest-growing economic sectors in the case of absence of external and internal calamities and has a significant impact on economic growth, the foreign exchange market, labor market, investment, infrastructure development and social inclusion. It is a labor-intensive sector and has a significant multiplier effect on employment in backward and forward linkage sectors.

Tourism has traditionally been the third largest foreign exchange earner in the country and an important income generator for Sri Lanka. Tourism will be the highest income generator of the country if Sri Lanka can maintain a safe, hazard-free environment and introduce high demanded and quality tourism products which can attract high spending potential market segments.

Potential Areas for Tourism Development

- Abundance of tourist attractions
- Archeological and heritage sites

- Sun and beautiful beaches including marine tourism products
- Nature and adventure tourism
- Cultural tourism
- Leisure, sports and wellness
- MICE Tourism
- Community and Agro-based Tourism

Tourism sector has been one of the fastest growing sectors since 2010, contributing to ~14% of foreign exchange earnings and ~4% of GDP over the last decade.

The 2019 Easter Sunday Attack had a massive impact on tourist arrivals and Covid -19 pushed the sector towards a complete shutdown.

Figure 4.3.1 -No of Tourist Arrivals

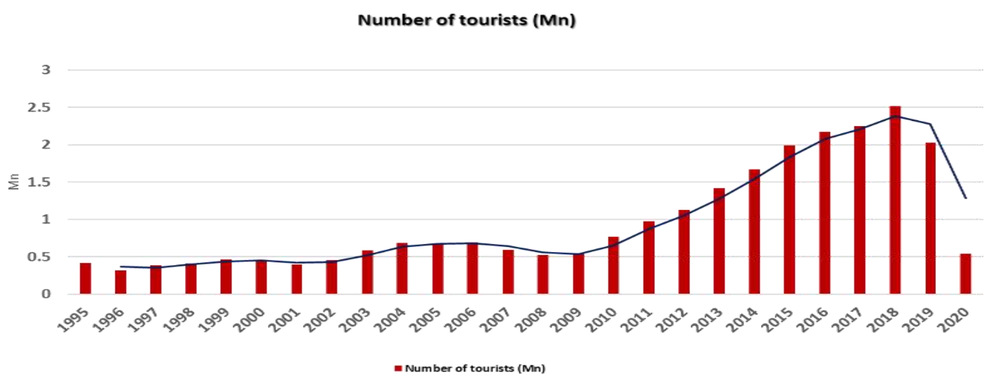
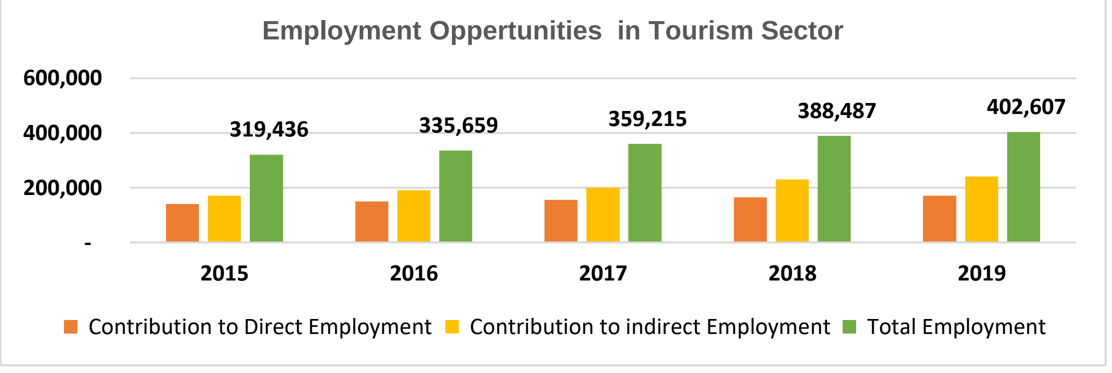


Figure 4.3.2 -Employment Opportunities in Tourism Sector

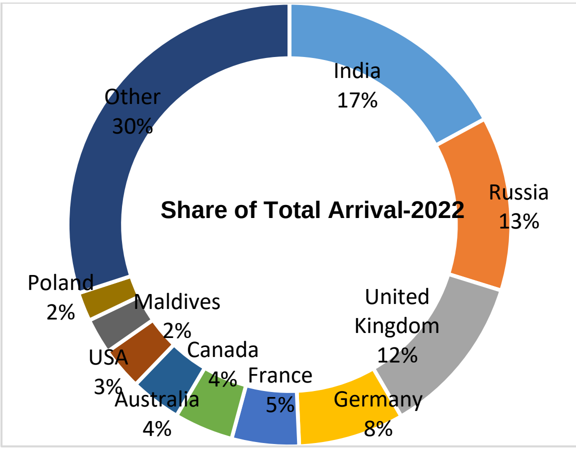


In a situation where the majority of job seekers are looking for white-collar jobs, for example, IT specialists, computer programmers, technical artists, physical therapists, sports couches, exterior and interior designers, event managers, indigenous doctors and supportive staff, divers and lifeguards, tourism is a major sector that offers many opportunities. However, it is noted that in order to uplift the tourism industry, it is essential to attract professionals as well as lower-level skill workers from various fields and levels to the tourism sector. At the same time, tourism can be used to encourage the conservation of cultural and natural heritage and has great potential to contribute positively to the Sustainable Development Goals.

4.3.2 Challenges and Issues

In 2022, international tourism gradually recovered after the coronavirus epidemic, according to forecasts, this trend will continue in 2023. Research firm, Euromonitor International recently released its own forecast, expects inbound tourism spending to reach in the first quarter of 2023 that of 83% of its recorded highest peak levels in 2019. Full recovery of the industry will be expected in 2024.

However, tourism is currently facing new challenges, including the "world cost of living crisis". Tourist operators strive to create products that reflect the values of tourists and will engage them as much as possible.



According to the forecasts of the International Monetary Fund, Sri Lanka has to turn to alternative tourism markets because the economic development rate of traditional markets such as England, Germany, Russia and France have stagnated except for India. And the ongoing war between Russia and Ukraine will adversely affect the growth of Sri Lanka's tourism industry. Therefore, it is impossible to expect more tourist attraction from these countries in short-term. Consequently, it is necessary to focus on other alternative and potential foreign markets.

Besides the global challenges mentioned earlier , the tourism industry in Sri Lanka is also facing the following issues.

- Majority of tourism activities are primarily concentrated in limited areas.
- Tourist arrival over the capacity of major attractions adversely affects its sustainability and tourist experience. There are no measures in place to manage the arrivals of both local and domestic tourism.
- Limited products catering to high yield markets/ target segments.

  Sri Lanka offers tourists what we have inherited like beaches, sunshine, ruins etc. and a few very narrow steps have been taken to offer innovative things and what tourists expect. Potential segments such as Nautical Tourism, Wildlife Tourism & Safari Holidays, Sports Tourism, Water Tourism, Wellness Tourism, Whale watching is underutilized due to a lack of infrastructure facilities and poor coordination of parallel regulatory bodies.
- Problems related to transport modes within the country

- Traffic congestion be caused by various reasons such as unplanned city development, gaps in traffic laws & regulations.
- Road Safety
- Poor quality and reliability of inter and intra-city public and private transportation
- Low service quality and quantity of rail and road infrastructure.
- Lack of digital approaches in ticket booking fare paying and access to the information

- Many service providers in the tourism sector are informal and it is difficult to regulate their working conditions as they are not properly registered or adhere to formal regulations. Under this situation, it has become a challenge to provide a standard and reliable service to tourists. In particular, the lack of monitoring of tour guides through a centralized regulatory body has raised many issues regarding the quality of their services. The behaviors of the guides who are in direct and close contact with foreign tourists may critically affect the image of the tourism industry in the country.
- In-effective payment system or unavailability of e-payment facilities at visitor sites
- Lack of reliability of ETA System

  This cause inconvenience and frustration among travelers decreasing growth potential

- Lack of basic facilities at visitor sites/ attractions across the country Rest rooms and basic visitor facilities.
- Long Waiting time for Passenger Clearance at Bandaranaike International Airport and Hambantota, Mahinda Rajapaksha International Airport on arrival
- Lack of reliable digital platforms, screens and information for tourists on facilities, fares and destinations.

4.3.3 Policy Directions

Role of the Government in Tourism Development

Since the private sector plays a major role in the tourism industry, instead of the government owning the direct ownership and operation of parts of the industry, the government's role is to create and facilitate a favorable business environment for the private sector.

4.3.4 Key Strategies

Formal security should be provided for tourists while engaging in water sports, hiking climbing mountains, engaging in other adventurous sports and traveling. This program should be sustained by charging them on the basis of the service they provide or charging them through an insurance scheme. In providing goods and services to tourists, higher fees should be charged based on the quality, packaging and value addition of the goods and should not be charged different fees for similar services just because of being a tourist.

- Develop new tourism destinations, trails and

Products to increase the attraction of natural and socio-cultural heritage in Sri Lanka while analyzing the market for the tourism. At the same time facilitate potential niche tourism industries especially, related to Water skiing, Water Rafting, Cruising, Adventure and Hiking, Sports, MICE tourism, Camping, medical and wellness, Theme Parks and entertainment events.

- What travel products will be popular in 2023?

  Experts predict an increase in the popularity of tourist routes based experiential tourism such as sports, ecotourism and a healthy lifestyle in the period from 2023 to 2027. For example, trips during which most of the time is devoted to yoga, well-being practices and meditation in wellness centers with a direction of qualified professionals.

- The tourism sector should be equipped to cater for the system of mixed trips (or "bleisure" - business plus leisure) that is actively growing: these can be so-called "workations" (working vacations) or "Digital nomads " (the ability to work from anywhere) which are contemporary trending in the global scenario.
- Create a positive image and first impressions by minimizing the waiting time for the clearances at the Airport.
- Develop a long-term sustainable master plans with the integration of all stakeholders including private sector service providers for the main tourist attractions.
- Promote desirable value-added products targeting high-end tourists.
- Improve the digitalized accessibility for reliable information, payments and bookings for tourists.
- Improve the quality of transport modes with the Assistance of private investors.

- Establish a courtesy and standard tourist guiding service.
- Introduce a regulating/ monitoring system for the informal sector facilitators in tourism to ensure augmented Service Standards for the tourists and sustain the livelihood of facilitators.

05 INFRASTRUCTURE

5.1 Land Transport Sector

Overview

Efficient and well-functioning transport facilities are essential for enhancing connectivity, reducing costs and time, improving accessibility, and promoting overall economic growth of the country. The vital role played by the transport sector in the overall development of a country is well understood and recognized. The interconnected nature of this sector with other sectors such trade, tourism, logistics and various other economic activities a comprehensive intervention is a must. Land transport of the country depends on the extensive road network and railway network facilitating both passenger and freight movements.

Over the years, the government priority was given to the development of road network resulting a sizable asset which is a big challenge in asset management. Without proper management of the road network land transportation becomes an inefficient, time-wasting service. Several interventions for railway transportation development were taken place showing some improvements in the sector. The operational inefficiencies are still visible in most of the time.

According to the published data in 2021 on active vehicle fleet, approximately there are 250 vehicles per 1,000 people. This number is even higher compared with the registered number of vehicles making it approximately 350 vehicles per 1,000 people. Majority is private vehicles. Approximately, 6 million vehicles are motor cycles and motor tricycles. Added number of motor cars make this closer to 7 million. Requirement of the improvement of public transportation is visible with the above numbers as most of the urban roads are crowded by most of these vehicles.

The country to gain its momentum for the economic success, the transport sector should be properly integrated with other sectors seamlessly due to its networked nature with the rest of the economic sectors. This ensures accessibility and mobility requirement of people and goods in an effective manner and also addresses the transport planning with climate-smart and low-carbon priorities.

In the last decades many strategies have been implemented with large investments to develop an efficient transport system in the country. However, with the prevailing tight fiscal conditions of the country, the most suitable public investment strategy for the upcoming few years has to be the maintenance and use the existing transport infrastructure facilities with its full potential to provide better transport services to the public while incorporating digitalization of processes and procedures. Essential reforms have to be introduced to ensure that reliable and quality public transport services are available while meeting the mobility needs of general public avoiding inefficiencies.

5.1.1 Challenges

A positive outcome of the economic crisis experienced by the country is the shift of a considerable fraction of private vehicle users to public transportation modes. Though there are services to supply the demand, improvements are a major requirement of both the road and rail transport in the short, medium and long-term. Service quality and the reliability, delays, cancellations, comfortability are prominent matters to be addressed even in the short-term. Service provided by the para-transit modes such as three wheelers cannot be ignored in this juncture since the penetration of such services, though they are costly in some cases, to the transportation service is unavoidable due to the inefficiencies in the existing public transportation services.

In the medium-term, some of the issues in the transportation sector might be critical and need particular attention.

- Recovery of the transport sector which was badly affected by COVID – 19 pandemic and prevailing downturns of the economy.
- Traffic congestion in urban and semi-urban areas and continuous rising of traffic accidents
- Providing first and last-mile connectivity on a cost-effective manner
- Unreliability, overcrowding and poor maintenance of public transportation services.
- Inadequate enforcement of traffic rules and poor monitoring of road

worthiness of vehicles running on the roads.

- Poor stakeholders' coordination in transport planning and operations.
- Proper maintenance of rolling stocks and the bus fleets.
- Inability to adopt new technologies to the transportation sector on time
- Financial sustainability of transport operators.

5.1.2 Policy Priorities

Providing mobility needs of the people and goods, improving customer satisfaction and reliability with necessary improvements directed by critical reforms in the public transport sector over the medium-term.

5.1.3 Strategies

- Maximize the utilization of existing public transport services with necessary reforms.
- Improve the level of service and connectivity of network infrastructure
- Increase the share of public transportation services in the passenger transport market.
- Modernize the transport sector by introducing new technologies.
- Facilitation of private investments to support market-based transport.
- Capacity building of transportation management agencies to achieve higher efficiencies.
- Provide inter modal inter-connectivity and facility enhancement in the transportation through multimodal transport centers to increase customer satisfaction for both passenger and freight transportation.
- Promote a modal shift of freight transportation from most energy consuming road transport to low-carbon railway transport.
- Increase the environmental friendliness of transportation.
- Improve the role of transportation in the development of other sectors such as tourism and industries.

5.2 Road Sector

5.2.1 Overview

The road sector in Sri Lanka plays a crucial role in the country's transportation and economic development. The road network spans across urban and rural areas, connecting communities and international gateways while facilitating various activities of the economy. Major highways such as Southern Expressway have enhanced connectivity and reduced travel times. Additionally, ongoing efforts to improve road infrastructure, maintenance, and safety have led to advancements in transportation efficiency and road quality. The government has collaborated with international organizations to fund and implement projects aimed at expanding and upgrading the road network. Despite progress, challenges such as congestion, traffic accidents, inadequate road space, poor road conditions in some regions and environmental concerns persist. Continued investments in road infrastructure, coupled with sustainable and innovative approaches, are essential to fostering economic growth, social integration, and overall development in Sri Lanka.

National road network in Sri Lanka which is managed by the Road Development Authority forms a vital network connecting cities, towns, and regions. The current expressway network of the country is 312.6 km long and the A and B class national highways network is 12,568 km long. The provincial road network in Sri Lanka managed by relevant provincial councils comprises an essential infrastructure connecting regions within each province. The country has over 18,400 km long provincial road network. The rural road network represents approximately 75 percent (114,000 km) of the total road network (144,000 km) of the country. The network is managed by local authorities and some other government institutions such as Agriculture Department, Wild Life Department.

Despite efforts to improve the road network in Sri Lanka, several issues and challenges continue to impact the road system, affecting both urban and rural areas. One of the prominent issues is the insufficient road capacity to handle the increasing traffic demand in urban and semi urban areas. As Sri Lanka experiences population growth and urbanization, the number of vehicles on the road has surged. Although the road density of the country is higher, compared to the many developing countries in the world, uncontrolled roadside developments and poor maintenance have resulted in poor services and low travel speeds. Therefore, existing road infrastructure struggles to cope with this heightened usage, resulting in productivity losses, increased fuel consumption, and heightened air pollution. Increasing the efficiency of road use is therefore an important factor.

5.2.2 Issues and Challenges

Many roads in Sri Lanka suffer from poor upkeep, including potholes, uneven surfaces, and inadequate drainage systems. These deficiencies lead to frequent accidents, vehicle damage, and discomfort for travelers. The lack of proper maintenance not only endangers the safety of road users but also contributes to a negative perception of the country's overall infrastructure. Further, already rehabilitated roads in the last 15 years, are reaching towards the end of their designed life. Immediate attention to rehabilitation/reconstruction such roads is an urgent requirement.

The road network's connectivity is also a significant concern. While major cities and economic centers are relatively well-connected with a surfaced road network, rural and remote areas often lack such proper road access. These deficiencies limit opportunities for economic growth and social development in these regions. Resulted absence of reliable transportation inhibits the movement of goods, access to healthcare and education, and overall societal integration.

The country experiences a significant rate of road accidents and fatalities, often attributed to reckless driving and inadequate enforcement of traffic rules. Recent statistics show that for a given day, on average 7 people die due to road accidents and 11 people get severely injured. Road developers are responsible to take engineering measures in this regard.

Environmental concerns are intertwined with the road network challenges. The inadequate drainage systems and lack of sustainable practices lead to waterlogging during the monsoon season, causing damage to roads and posing health risks. Additionally, the increasing number of vehicles contributes to air pollution, affecting both public health and the environment.

Funding constraints also hinder road network development. While the Sri Lankan government has undertaken various road expansion projects, limited financial resources have delayed the completion of critical infrastructure projects. Insufficient funding affects not only new constructions but also the maintenance and upgrading of existing roads. The road sectors SMEs face challenges in access to finance and high material prices due to inflation. It is noted that Provincial and local authority level roads receive lower attention compared to national highways.

In the current context, road sector reforms are imperative for efficient infrastructure development, encompassing improved maintenance, enhanced safety measures, sustainable funding mechanisms, technological advancements, and streamlined regulations to foster economic growth and connectivity.

5.2.3 Policy Directions

Catalyze the country's economic growth as an industry and as a facilitator for mobility of passengers and freight between growth centers while ensuring the safety, equal access and connectivity to all the nodes.

5.2.4 Key Strategies

- Increase the road network efficiency
  - Continuously maintain the available road network in the country in a motor-able condition.
  - Use of modern technologies and other IT based solutions in the operational purpose of road network to utilize the existing road network efficiently.
- Asset management
  - Invest in local expertise and capacity building for road planning, design, construction, and maintenance to reduce reliance on foreign consultants and contractors.
  - Expand the IT based solutions for asset management covering the entire road network of the country.

- Ensure high speed connectivity
  - Priority is given to complete the ongoing expressway construction projects and to introduce a proper operation mechanism for the expressway network.
- Add all nodes to a single network
  - Integrate road network with other modes of transportation, such as railways, ports, and airports, to create a holistic and efficient transportation system.
- Ensure road safety
  - Embrace smart transportation solutions like intelligent traffic management systems, real-time traffic updates, and smart parking to improve traffic flow and reduce congestion.
  - Integrate road safety features such as pedestrian crossings, traffic signals, speed limits, and proper signage to enhance road safety for all users.

5.2.5 Medium Term Targets

- Complete the construction of Port Access Elevated Highway.
- Maintain the available road network in a sustainable way.
- Maximum utilization and management of the road assets

5.3 Ports and Shipping

5.3.1 Overview

The ports and shipping sector plays a pivotal role in the country's economy by serving as a key gateway for international trade and maritime transportation. At present, five main ports Colombo, Galle, Hambantota, Trincomalee and Kankesanthurai are in operation handling more than 7.2 million Twenty-foot Equivalent Units (TEUs) annually, domestic and international. The Port of Colombo stands as the main maritime hub in Sri Lanka and is among the busiest transshipment ports in South Asia. Its modern facilities and deep-water berths attract a considerable share of global shipping traffic, making it a crucial transshipment point for cargo heading to various destinations. Apart from the Port of Colombo, other notable ports include the Port of Hambantota and the Port of Trincomalee. The Port of Trincomalee, with its natural deep-water harbor, holds potential for expansion and development to accommodate larger vessels and boost maritime activities in the eastern part of the country.

Sri Lanka has invested in several infrastructure developments in port and shipping sector including modernizing port facilities, improving connectivity through road and rail networks, and implementing advanced technologies to enhance operational efficiency. But, one of the primary challenges is port congestion. The main ports in Sri Lanka, such as the Colombo Port, often experience congestion due to high container volumes and limited infrastructure capacity. This leads to delays in cargo handling, increased shipping costs, and negatively affects the country's ability to attract foreign investment, boosting the country's export-import activities, and positioning Sri Lanka as a preferred maritime destination.

5.3.2 Issues and Challenges

The challenges faced by the ports and shipping sector in Sri Lanka has impacts on its efficiency, competitiveness, and overall economic growth of the country. Retaining the leadership position of Colombo Port in the South Asia is the main challenge for Sri Lanka, due to the Competition from regional actors such as Singapore, Dubai, Malaysia and India. Finding sufficient investment in modernizing port facilities is a challenge as the out-dated technology and equipment hinder productivity and operational efficiency.

The inconsistent regulatory environment poses a challenge for the shipping sector. Frequent changes in policies and regulations can create uncertainty for shipping companies, importers, and exporters. A stable and predictable regulatory framework is essential to encourage long-term investment and foster a favorable business environment. Increasing global awareness of the environmental impact of maritime activities has led to stricter regulations on emissions and waste disposal. Ensuring compliance with these regulations while maintaining operational efficiency can be demanding for the industry.

Security and safety are critical aspects of the ports and shipping sector. With the evolving nature of global security threats, ensuring the safety of cargo, vessels, and port facilities is a continuous challenge.

Adequate investment in security measures, such as advanced screening technologies and enhanced surveillance, is essential to mitigate risks and maintain smooth operations.

Developing a skilled labour force equipped with the latest knowledge and expertise is a challenge which is crucial to adapt to technological advancements and changing industry dynamics.

5.3.3 Policy Directions

Develop Sri Lanka as a maritime and logistic hub in the international maritime industry to be a major partner of the economic development of country.

5.3.4 Key Strategies

- Increasing port capacity
    - Prioritize substantial investment in port infrastructure, including terminals, berths, cranes, and storage facilities. Upgrading and expanding the capacity of existing ports. Focus on handling higher number of large ships efficiently, which are operating on the main east-west trade lane.
- Special Economic Zones (SEZs):
- Establish dedicated SEZs around major ports to attract industries related to shipping, logistics, and manufacturing. These zones can provide tax incentives, simplified customs procedures, and other benefits, promoting economic diversification and job creation.
- Diversification of Services:
    - Expand the range of services offered within ports, such as value-added logistics services, warehousing, and distribution. This diversification can attract a broader range of customers and increase revenue streams.
- Adopting new technology to increase operational efficiency and move towards digitalization
    - Embrace digitalization and implement advanced technologies like IoT, blockchain, and data analytics to optimize port operations, track cargo movements, and enhance security.
    - To remain competitive globally, Sri Lanka needs

continuous investments in state-of-the-art technologies like automated cargo handling systems.

- Port Community System (PCS) and Single Window System are to be integrated with port operations to streamline operations, and facilitating information exchange. Consolidating data for seamless regulatory compliance, enhancing efficiency, and transparency in port activities are expected through Single Window System.

- Financing modalities to port infrastructure development, operations and management
  - Foster partnerships between the government and private sector (PPP models) to encourage investments and technological expertise. PPPs can bring in necessary capital, operational efficiency, and global best practices to the sector.
- Regulatory Framework Enhancement:
  - Develop transparent and investor-friendly regulations that streamline processes, reduce bureaucratic barriers, and ensure a level playing field for all stakeholders. An efficient regulatory framework can attract international shipping companies and investors. Concepts like Port liberalization are considered in this regards.
- Dry ports and value addition
  - Increase the handling capacity of ports by constructing dry port facilities in particular location.
- Ensuring road and rail connectivity
  - Improve connectivity between ports and other modes of transportation, including roads, railways, and airports. Efficient multi-modal transportation networks can facilitate the seamless movement of goods and reduce transit times.
- Human resources development
  - Invest in workforce training and development programs to enhance the skills of local labour in the maritime and logistics industries.

- Environmental Sustainability:
  - Integrate eco-friendly practices into port operations by adopting green technologies and adhering to stringent environmental regulations. This can attract environmentally conscious shipping companies and investors, while also minimizing negative impacts on the local ecosystem.

5.3.5 Medium Term Targets

- Complete the development of next stage of the East Container Terminal
- Complete the Feasibility Study for Colombo North Port Development Project.
- Complete civil works for rehabilitation of Kankesanthurai harbor.
- Complete the works of Port Access Elevated Highway Project (Ports component).

5.4 Aviation

5.4.1 Overview

As a major driver of economic growth in the country, aviation stimulates trade, tourism, and investment by connecting businesses and people across the world. The sector directly and indirectly supports millions of jobs, making it a crucial part of a nation's workforce. The sector was one of the most affected industries in recent years due to the global COVID-19 pandemic and the economic instability that prevailed in Sri Lanka.

Aviation industry in Sri Lanka is mainly under the government's umbrella. Local airline engaged in international air services and 31 international airlines have already selected Sri Lanka as one of their destinations. During 2022, Sri Lankan International Airports have managed around 37,600 international flights and around 5.5 mn passengers. Further, around 170,000 metric tons of air cargo has been handled. In addition, the country has provided required facilities to around 24,000 flights that over flown Sri Lankan air space. Flying training is also a growing industry in the country and there are 15 institutions engaged in flying training related activities.

5.4.2 Issues and Challenges

The global aviation industry witnessed a chaotic situation in air travel and passenger movements in recent years due to the imposition of travel bans, the closure of international borders due to the outbreak of COVID-19, and increasing jet fuel prices and airfares. However, the activities of the civil aviation sector have improved in 2022 with the gradual recovery of global tourism activities as the world recovers from the COVID-19 pandemic. All of these factors had direct or indirect impacts on the aviation industry of the country. Further, during the year 2022, Sri Lanka faced an unprecedented economic and social crisis consisting of power outages, fuel shortages, and public unrest that had a disastrous impact on the local economy and aviation sector creating a challenging environment to the industry.

- Exchange rates fluctuations affected the aviation sector incurring high operating costs.
- Limitations in terms of capacity, technology, and facilities are crucial to accommodate growing passenger traffic and improve operational efficiency.
- Ensuring compliance with international aviation safety and security standards set by organizations like the International Civil Aviation Organization (ICAO) requires investments in training, technology, and infrastructure
- Competition from the well-established regional aviation hubs for airline traffic.
- Maintaining the fleet in good conditions is a challenge as cancellations of flights and fluctuation in demand reduce significant portion of passenger market.
- Training and educating professionals in various aviation-related roles, from pilots and maintenance personnel to airport staff, is critical for the growth and efficiency of the sector.
- The aviation sector faces growing pressure to reduce its environmental footprint, including carbon emissions and noise pollution. Implementing sustainable practices and investing in greener technologies to mitigate environmental impacts is a challenge that the industry needs to address.

5.4.3 Policy Direction:

Providing the best air services to the local and international passengers and cargo services improving the safety, security, efficiency and regularity of the aviation industry in the region through a strong airline network in compliance to the international standards

5.4.5 Key Strategies:

- Encourage private sector involvement through public-private partnerships (PPPs) in airport modernization, expansion, and upgrading of facilities in international airports especially at BIA to meet international standards and accommodate the increasing air traffic
- Provide incentives to attract airlines to operate in Sri Lanka, encourage route expansions, and increase connectivity with key international destinations
- Collaborate with the tourism industry to market Sri Lanka as a key tourism destination, leveraging the country's natural beauty, cultural heritage, and historical significance to attract more travelers
- Invest in training and development programs to enhance the skills and expertise of the aviation workforce, focusing on technical, operational, and customer service skills
- Implement cost-saving measures such as fuel efficiency programs, streamlined operations, and improved procurement processes to reduce operational expenses
- Invest in state-of-the-art technologies for aviation operations, such as advanced navigation systems, predictive maintenance, and data analytics, to improve efficiency and safety
- Promote sustainable practices within the aviation sector, such as biofuels, carbon offset programs, and energy-efficient operations, to reduce the environmental impact
- Foster collaboration and communication among key stakeholders, including government agencies, airlines, airports, tourism boards, and industry associations, to work collectively towards common goals
- Regularly review and update aviation regulations to align with international standards, ensuring safety, security, and efficiency
- Conduct regular risk assessments and develop

resilience strategies to mitigate the impact of unforeseen events.

5.5 Irrigation

5.5.1 Overview

The irrigation sector in the country makes a substantial contribution to the national economy by providing water for agriculture, domestic and industrial uses, livestock development, inland fisheries, hydropower generation, eco-tourism, enriches environment and wildlife and supplements reaching of ground water availability. Due to the population growth, the high proportion of people living in rural areas and most of them depend on agriculture as their livelihood, the role of irrigation sector is now becoming more important. The recurrence of extreme climatic events has further triggered the challenge towards the importance of the irrigation sector.

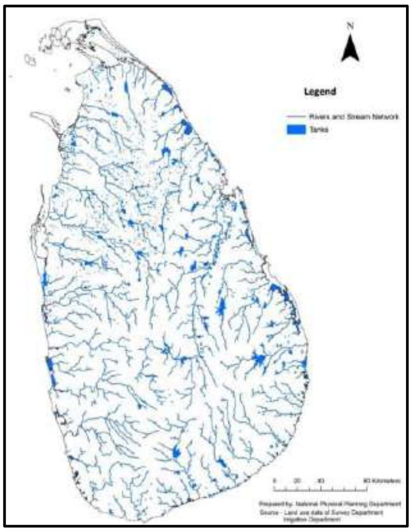
The climate change, population growth and increasing water scarcity is gearing pressure on food security of the country as most of the fresh water, about 70 percent on average is used for agriculture, making more pressure on the quantum of available water which is estimated at 43,000 Million Cubic Meter (MCM) per annum. Therefore, efficient and effective use of water resources among sectors with vibrant accountability process is important to maintain the sustainability of water resources in the country.

Table: 5.5.1 Existing Irrigation Network of the Country

Scheme	No. of Scheme	Irrigable Extent (ha.)	Capacity (MCM)
Major and Medium Irrigation Schemes Including Lift & Flood Protection & Drainage Schemes	520	453,978	8,334
Minor Irrigation Schemes (Tanks and Anicuts)	29,369	311,195	1,400
Total	29,886	765,173	9,734

Sources: Department of Irrigation, S.L Mahaweli Authority & Department of Agrarian Development (2018)

Figure: 5.5.1 Existing Major Irrigation Network of Sri Lanka



Source: National Physical Planning Department

Since independence, investment in irrigation has recorded high priority in the public investment programme (PIP) in the country. The proportion of public investment for irrigation varied 9 percent to 40 percent in the past (the peak was during the Accelerated Mahaweli Programme in 1980s). However, since year 2000, irrigation sector investments are directed towards mixed development, rehabilitation and modernization of aging irrigation systems, water productivity improvement, water management and construction of a few major multipurpose projects, watershed management and water diversion. In addition to increasing total water storage capacity through new storage reservoirs and augmentation of existing tanks, increasing water and land productivity in existing medium and small irrigation schemes and increase of conveyance efficiency of tertiary systems in major Irrigation schemes were identified as a highly desirable and cost-effective interventions to achieve food and water security of the country.

As per the cabinet decision No.22/1286/604/022 dated 05/09/2022 Re-strategizing and Acceleration of Mega Projects (RAMP) committee has been established and accordingly, 27 large scale development projects which are currently implemented under the Ministry of Irrigation were reviewed by the committee focusing on effective utilization of scares resources in the country. Accordingly, the committee instructed to windup 13 projects under the Ministry of Irrigation during the year 2023.

Furthermore, as per the cabinet decision No.23/0256/604/030 dated 26.02.2023 ten Public Expenditure Review Committees (PERC) have been established to rationalize the expenditure of ten ministries including the Ministry of Irrigation and to make recommendation to Cabinet of Ministers. The committee prioritized 26 projects considering the several factors together with the directives of RAMP and assigned priority levels.

5.5.2 Issues and Challenges

- With growing urban population, rising incomes and industry development, the demand for water resources is being increased to fulfill the requirement of drinking, agriculture, energy and industry sectors. Thus, the allocation of the water among the sectors on priority is getting challenged. This essentially needs a clear policy for water allocation among the sectors.

- Currently the government is making a huge investment on irrigation sector development due to poor private participation in the sector.
- Inefficient water management, resulting low productivity in irrigation.
- The inefficient or inadequate operation and maintenance (O&M) of irrigation infrastructure and lack of funding for O&M has been a major cause for the deterioration of the irrigation systems.
- Inadequate conservation/protection of watersheds and upstream watersheds are threatened by deforestation, cultivation of annual crops and other uses in higher elevation resulting the considerable siltation of canals and reservoirs.
- Poor water conveyance efficiency under canal network particularly beyond the branch canals.
- Encroachment of irrigation reservation for resettlement and cultivation.

5.5.3 Policy Directions

Encourage integrated water resources development and management to ensure that the national water resources are conserved, efficiently managed and equitably allocated among all stakeholders to meet the needs of the society and the environment endeavor to sustainable economic development of the country.

5.5.4 Key Strategies

- Revisit the effectiveness of the existing water allocation methodology; either improve or establish a system with higher effectiveness for catering emerging demand/needs.
- Improve productivity and efficiency of water use through optimal utilization of input including water, high yielding varieties, system improvement in water management, better

operation and maintenance of infrastructure through farmer participation and use of modern irrigation technology. This will reduce further deterioration of irrigation systems.

- Enhance water retention capacities of existing reservoirs/tanks and conveyance systems by upper catchment protection and watershed restoration through reforestation and good agricultural practices in collaboration with farmers and private sector participation.
- Minimize spatial variation of water availability through minimizing wastages and increasing water retention and trans-basin diversion.
- Raising knowledge with new innovations of already employed local professionals to avert dependency on external expertise which incur a huge cost of fund.

5.5.5 Medium Term Targets

- Reduce volume of runoff water from 26,500 MCM to 23,400 MCM by 2026.
- Increase water use efficiency from 30 percent to 40 percent by 2026.
- Encourage new investment in the irrigation sector through the private sector at least 20 percent by 2026.
- Increase cropping intensity from 150 to over 190 percent in major irrigation areas and from 90 percent to 140 percent in other schemes including planned minor irrigation areas.
- Establish mechanism to strengthen farmer organization to undertake operation and maintenance works particularly in minor schemes.

5.6 Power & Energy

5.6.1 Overview

Considering the modern industrial economy, energy sector is one of the foremost drivers of the economy. Therefore, it acts as a powerful engine for both the economic and social development. Many factors such as availability, price and accessibility as well as environmental concerns play key roles in influencing the energy supply of a country.

Table 5.6.1: Fuel shares of primary energy and contributions to growth in 2019

Energy Source	Consumption (exajoules)	Annual change (exajoules)	Share of primary energy	Percentage point change in share from 2018
Oil	193	1.6	33.1%	-0.2%
Gas	141.5	2.8	24.2%	0.2%
Coal	157.9	-0.9	27.0%	-0.5%
Renewables	29	3.2	5.0%	0.5%
Hydro	37.6	0.3	6.4%	0.0%
Nuclear	24.9	0.8	4.3%	0.1%
Total	**583.9**	**7.8**		

Source: Statistical Review of World Energy, 2020

In 2021, primary energy consumption for Sri Lanka was 0.35 quadrillion btu and it is increased from 0.2 quadrillion btu in 2002 to 0.35 quadrillion btu in 2021 growing at an average annual rate of 3.20 percent. However, approximately 50 percent of total energy demand of the country is still fulfilled by the conventional fossil fuels.

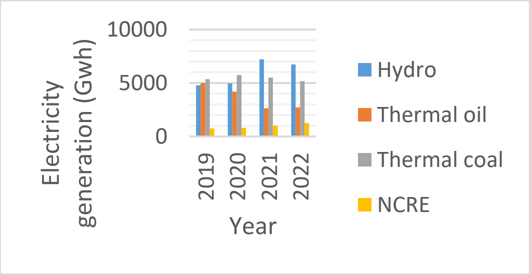
When analyzing the CO_2 emission from fuel combustion in each sector, it is observed that approximately 41 percent of CO_2 emission generated from the electricity sector and 48 percent from the transport sector, which emphasizes that an urgent attention is needed in a long run. Also, the average CO_2 emission factor (kg/kwh) of electricity generation has been fluctuating over the years, ranging between 0.3 - 0.6 kg/kWh, which is still a lower value compared with the other countries in the region such as India and Bangladesh.

Electricity Generation

The National Policy Framework mainly focuses on integrating more renewable energy sources to the electricity generation mix. As a result, by 2030, it is expected to transform country's electricity generation mix mainly focusing on clean green options including "New Renewable Energy".

Total electricity generation in 2022 and 2021 were 15,942 GWh and 16,716 GWh respectively and observed a 4.6 percent decline compared to 2021 mainly due to economic crisis and continuous power supply interruption in the country.

Figure 5.6.1: Electricity Generation Mix 2019 – 2020

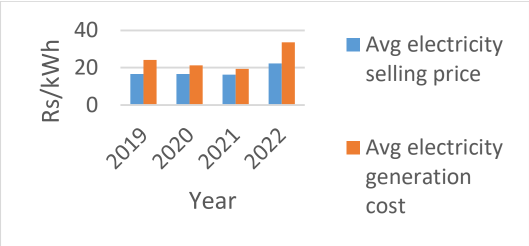


Source: Statistical Digest of CEB 2019 to 2022

According to the Figure 5.6.1, the electricity generation by thermal oil has decreased by approximately 50 percent in 2022 compared to 2019.

At the same time, the electricity generation by Non-Conventional Renewable Energy in 2022 increased by approximately 67 percent compared to 2019.

Figure 5.6.2: Average electricity selling price and average electricity cost per unit from 2019 – 2022



Source: Annual Report 2020, Central Bank of Sri Lanka

Based on the Figure 5.6.2, it is observed that in 2022, the average generation cost per unit has increased up to Rs. 33.65 /kWh and the average selling price per unit has increased up to Rs. 22.24/kWh due to the sudden increment of fuel price.

Meantime, it is observed that a comprehensive action plan to be prepared in order to integrate more clean-green options to the electricity generation mix while taking into the consideration of least cost reliable electricity generation options.

Upstream and Downstream Petroleum industry

Natural gas is a relatively cleaner energy source compared with other forms of fossil fuels such as petroleum oils and coal produces about 25 percent less CO_2 than burning petroleum oils and about 40 percent less than burning coal, per unit of energy released.

Accordingly, the National Energy Policy & Strategies of Sri Lanka as approved by the Cabinet and tabled in Parliament is issued under the Gazette Extraordinary No. 2135/61 dated 2019-08-19. This identifies natural gas as the next fossil fuel option for the country to broaden diversity. Considering the upstream petroleum industry of Sri Lanka, the hydrocarbon explorations during past few years remained at a satisfactory level. Further, recent explorations revealed the existence of economically viable natural gas deposits along the territorial boundaries of the country. Further, expedite measures have been taken in exploring areas such as development and production of discovered natural gas and further exploration of hydrocarbons, carrying out a joint study in identified blocks

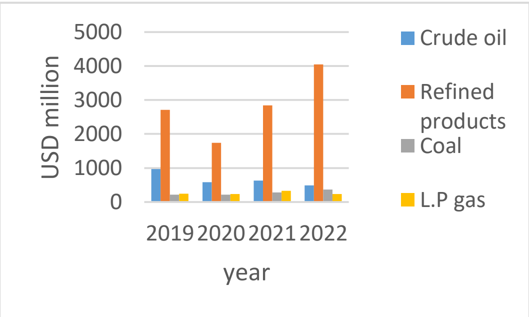
INFRASTRUCTURE

of the eastern coast of the country, initiating exploration activities in identified blocks, evaluating on-shore potential for hydrocarbons, acquiring geophysical data and conducting a marine environmental baseline study as well.

With the aim of moving towards clean green energy options, the Government has taken measures to integrate Natural Gas (NG)/Liquefied Natural Gas (LNG) to the energy mix by 2030 of the energy sector including transport, electricity generation, industry sector etc.

Considering the statistics of the downstream petroleum industry, the country has spent approximately USD 3,892 mn in 2019, which is 4.6 percent of the GDP, to import crude oil & refined products in order to fulfill the energy requirements of the country.

Figure 5.6.3: Import Value of Fuel (2019 – 2022)



Source: Annual Report 2019 -2022, Central Bank of Sri Lanka

As per the above graph, in 2022, it is observed that import value of the refined products has been increased up to USD 4,048 million, which is approximately 50 percent increment compared to 2019. Further, considering the downstream petroleum activities, developing related infrastructure facilities including modernization and expansion of existing refining capacities, storage facilities and pipelines have been observed as a timely requirement.

5.6.2 Issues and Challenges

Assurance of energy security through a reliable guaranteed system is still a key challenge to the Sri Lankan electricity sector.

- Economic growth and the availability of reliable, stable and affordable electricity service are interlinked. Accordingly, ability of electricity sector to meet the rising demand from industry, commerce and service sectors by delivering efficient and affordable service is remained critical in the Sri Lankan context.

- System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) are significantly higher than the global average. It indicates that interruptions to the electricity distribution system are still at significant level in Sri Lanka.
- Meeting demand for the average electricity energy increase of 5.0 percent per annum during the next 25 years with least cost generation options. Therefore, timely implementation of generation projects will be required as per the generation plan ensuring low cost reliable, uninterrupted energy for all.
- Medium & Long Term Investment challenges with the tight fiscal position.
- Shifting from conventional energy sources to natural gas and renewables - large amount of investment is required for development of Renewable Energy (RE) in electricity generation sector. It is a huge challenge faced by the Sri Lanka during the tight fiscal condition.
- Capital costs related to project development / large amount of investments.
- Associated transmission infrastructure costs.
- Costs of associated ancillary systems (support services for improving & enhancing the reliability & security of the electrical power systems Eg: Frequent support for grid services, battery storage).
- Identifying the investment pathway.
- Investor risks (lack of transmission infrastructure, Regulatory/ policy risks, return of investment risks).
- Utilization of Natural Gas potential in Sri Lanka or diversifying the fuel option to LNG.
- Providing Cost reflective tariff / competitive tariff instead of present feed in tariff for NRE.
- Adopting Climate Change Policies and other externalities.
- Planning upstream (Exploration and Production) and downstream (Distribution and Consumption) activities in harmony.

5.6.3 Policy Directions

- Assurance of energy security
- Ensuring supply of energy at the least economic cost
- Availability of quick access to energy services
- Conserving energy and improving energy efficiency
- Assurance of environment sustainability
- Enhancing the share of renewable energy in electricity generation mix
- Ensuring the availability of well developed, modern energy infrastructure
- Providing opportunities for innovation and entrepreneurship

5.6.4 Key Strategies

- **Diversification of Energy Sources:** Promote a balanced energy mix that includes renewable sources and non-renewable sources to enhance energy security and reduce dependence on imported fossil fuels.
- **Balanced Energy Mix Incorporation by 2030:**
  - Formulate a detailed roadmap for integrating both natural gas and renewable energy sources into the energy mix by 2030.
  - Establish a transparent evaluation framework that considers energy security, energy equity, environmental sustainability, and cost-effectiveness when deciding the proportion of each energy source.
- **Renewable Energy Development:** Set ambitious targets for renewable energy capacity expansion and prioritize the development of solar and wind energy projects.
  - Introduce favorable policies and incentives to attract private investments in renewable energy generation.
- **Peak Demand Solutions and Environmental Considerations:**
  - Explore and prioritize electricity generation technologies capable of meeting peak demand while aligning with environmental sustainability goals.
  - Investigate innovative solutions such as energy storage, demand response, and efficient power plants to ensure a stable and

environmentally friendly power supply during peak periods.

- **Energy Efficiency and Conservation:**

  Implement energy efficiency measures across sectors to reduce energy consumption and lower costs.

  Raise public awareness about energy conservation through education campaigns.

- **Grid Modernization:** Upgrade and modernize the power grid to accommodate a higher share of renewable energy sources and enhance grid stability and reliability.
- **Energy Storage Solutions:** Encourage private sector to invest in energy storage technologies such as batteries to manage intermittent renewable energy generation and ensure a consistent power supply.
- **Private Sector Engagement:** Encourage public-private partnerships to facilitate investment in energy infrastructure and technology development.
- **Research and Innovation:** Foster research and development in energy-related technologies, such as advanced solar panels, wind turbines, and energy storage systems.
- **Electrification of Transport:** Seek the sustainability of promoting electric vehicles and promote electric vehicles (EVs) and the necessary charging infrastructure accordingly to reduce the reliance on oil imports and decrease transportation-related emissions.
- **International Collaboration:** Collaborate with international organizations, countries, and experts to share knowledge and best practices for sustainable energy development.
- **Data and Monitoring:** Establish robust data collection and monitoring systems to track progress, identify trends, and make informed policy decisions.

5.6.5 Medium Term Targets

Medium Term Targets relevant to the Power and Energy sector is summarized in Table 5.6.2

Table 5.6.2: Medium Term Targets

Indicator		2023	2024	2025	2026	2027
Increasing Clean –Green electricity to the generation mix	Other Renewable Energy except major hydro (As a % of total Generation)	22	26	30	36	41
	Clean Energy (Thermal NG) (As a % of total Generation			18	15	12
Reducing the thermal oil share in the electricity generation mix (As a % of the total generation)		22	19			
Transmission & Distribution Losses (%) (on net generation)		7.95	7.89	7.83	7.77	7.7

Source: Long Term Generation Plan of CEB 2023 – 2042

5.7 Water and Sanitation Sector

5.7.1 Overview

Access on safe potable water and safe sanitation is high priority in Sri Lanka due to its definite correlation to socio economic conditions and the living standards of the people in the country. In line with National Policy of Government of Sri Lanka, the provision of clean and safe drinking water for all households by 2025 has determined. As a result, the coverage of 96 percent of safe drinking water supply is already realized in current context. The total delivered water supply connections in country have reached 2.95 million as at mid-2023. In view of safe sanitation, the piped sewer connections of 115,348 have delivered as at mid-2023 to increase sanitation coverage of the country.

As increased access to water supply and sanitation considered a pre-requisite for achieving the desired economic growth of any country, the availability of sustainable and efficient water supply and sanitation services in townships is considered vital to keep up the continuous development of the country.

However, water availability is limited both in terms of "quality and quantity". Also the water related problems are not homogeneous across the country and it is significant for region to region.

Identification of correct policy transformations and policy coherence in water and sanitation provides better drive on the sector towards goal achievement of safe water and sanitation.

As national entity of water supply, The National Water Supply and Drainage Board (NWS&DB) provided 47.3 percent piped water coverage and 2.08 percent piped sewer coverage with standard quality. The subsequent water production of NWSDB has increased by 86 million cubic meter volume during last five years, while reporting 818 million cubic meter volume production in 2022 at a cost of Rs. 23.1 billion. Though the cost- reflective water and sewerage tariff revision took place in 2022 after 10 years, the production entity result-in loss with 1/3 on the unit cost of production at rate of Rs. 67.7 by 2022.

5.7.2 Sector Usage

In the current water supply profile Colombo district has achieved 100% piped water coverage whereas Kilinochchi District showed lowest with 7.4% coverage. In view of sanitation, piped sewer coverage in Colombo district bared as 16.73%. However there are 19 districts are available without any piped sewer systems by mid-2023. Over 94 percent of the population has the access to basic sanitation facilities and the majority of households in the country use onsite sanitation systems.

Among the three sectors exists of Urban, Rural and Estate ; the rural water supply schemes fulfills the vacuum of NWSDB owned piped schemes or untapped areas by pipe born water supply connections. Moreover, rural sector includes the individual domestic entity utilizing groundwater resources dominantly, where the proper management and regulation of these resources are inevitably important.

The overall target of providing access to safe drinking water and safe sanitation helps to ensure the sustainable economic status of country. The environment with access on safe water and its sustainable usage should be recognized well in advance to reach social indicators that contributing to economic status.

5.7.3 Priorities of the sector

- Providing of "adequate water in safe" to meet drinking need in an equitable manner is the prime objective of sector. Also the harmonization of such provision with nature has high priority, since the water based for all living ecosystems and habitats. The strategies on delivering adequate safe water supply to end users coupling with sustainability concepts drives align on the sustainable development goals (SDGs).

- As per the government strategies, the water supply and sanitation service policy should adequately prioritized the sustainable management of water sources/water sheds in terms of Integrated Water Resource Management. Consideration on formulation of strategic directions to achieve sustainable water source management spontaneously help to form healthy society enhancing health indicators of country offering safe living environment.

- In the sanitation perspective, improvement of safe sanitation provisions in the country to avoid the prevailing ground & surface water contamination is key step to address in the coming decade to secure the water environment. Moreover, the all strategies have to be aligned to fulfill the sanitation service chain to enhance the safe sanitation coverage in the country. Accordingly the focus to increase the safe containment of onsite sanitation systems, reduction of untreated wastewater discharges to the environment, providing basic sanitation for all communities and finally to enhance the safe sanitation provision in the country

- The Covid 19 crisis has badly impacted the journey of obtaining better economic growth in the country. Illness spreading due to infected water and untreated water causes the reduction of human capacity to work. This may directly hits to the health indicators and growth indicators of country while decreasing the efficiency of Water and Sanitation sector. As mitigation on crisis, the introduction and implementation of National Water Security Plan has high priority.

5.7.4 Current Policies

The government of Sri Lanka is determined steadfastly to provide safe water supply and safe sanitation facilities covering all citizens of the country by 2030. The two main Policies are;

1. Supply of “Water for All” to citizens in the country.
2. Ensue of safe disposal of human excreta and wastewater under the “Sanitation for All”.

5.7.5 Policy directions

Existing water policy of Sri Lanka addresses that, provision of safe drinking water to growing population demand with continued efforts to improve social development indicators has decelerated due to the fiscal limitations and debt burden exists in country.

Though the national policy on water supply oversee broad framework and policy guidelines to improve service coverage, ensuring of availability and suitable management of water and sanitation for all ; this further needs adequate policy reforms on sectorial strategies to achieve forecasted demands under national development plan.

Table 5.7.1: Pipe connection forecast

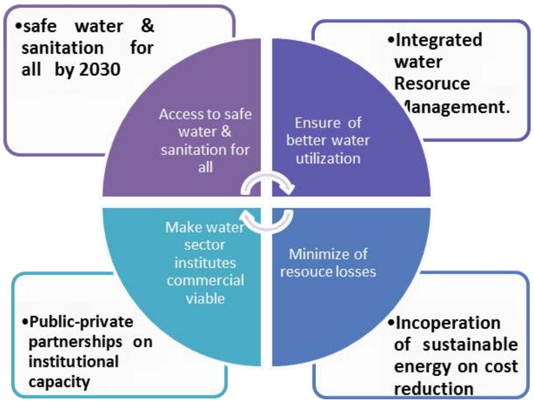
Sector	Piped connection			
	Demand Forecast coverage %			
	2023	**2024**	**2025**	**2026**
Water supply	49.9	53.4	58.6	59.6
Sanitation	2.08	2.09	2.10	2.12

Source: NWSDB data - 2022

Inclusion of optimum water utilization, consideration of full capacity of existing water and sanitation schemes, protection and management of water resources, maximization of benefits deriving from water sources with Integrated Water Resource Management Plan, accurate valuation of water and sanitation sector requirements to obtain service extends on energy saving alternatives reflecting technological advances. Increase of institutional capacities preferably towards private public partnership (PPP) concepts has right priority on current development platform with reference to the water and sanitation in the country. In relation to the sanitation sector the increase of investment, selection of appropriate land and enhancing positive attitudes of community should be well directed.

In nutshell, the combination of national water and sanitation policies to enhance medium term economic growth including resilient and sustainable service delivery are focused with prevailing limitation of funds.

Figure 5.7.1: The core directions in sector



5.7.6 Sector Objectives and Strategies

Objectives

1. The Utilization of full capacity of existing water and sewerage projects Access to safe drinking water for all and equitable sanitation for all at urban, rural, and estate sectors with sustainable utilization and management of surface and groundwater sources in order to maintain water quality and quantity through appropriate water utilization and management plan to ensure more efficient use of water supply.

2. Minimize of water losses considering to Non-Revenue Water (NRW) losses and system improvements to reduce transmission losses.

3. Initiation of water retentions including catchment protection, water storage, enhanced Management Aquifer Recharge on ground water resources with minimizing the contaminations and reduction of water source pollution in order to enter into alternative smart tech solutions on water distribution.

4. Assurance of commercial viability of water institutes for funding and provide technology to increase water coverage in order to active management and consolidate the principles of good governance in water sector.

5. Develop and ensure the quality of specifications for water and sanitation projects to come up with a robust infrastructure to serve as long as possible at the lowest cost.

5.7.8 Strategies

To align the sector policies and set objectives in to the realistic outcomes, the water and sanitation sector should enrich with the appropriate strategies including SDGs alignments as follows;

- Development and improvement of rural water supply schemes and large scale water supply schemes lies within the concept of water for all and sanitation for all on equal basis with suitable technical consultation at manageable cost.
- Adherence for ‘sector utilization plans” to overcome the regional disparities of allocated resources in order to optimize the usage of water sources related natural resources.
- Ensure the water quality maintenance through

  1. Identification of water polluters and identification of contaminations through water quality monitoring of all water resources of the country specially utilized for drinking purposes
  2. Regularization of periodic water quality of water sources with National Engagements.
  3. Operation of water purification and waste water recycling through right legislative processes.
  4. Improvement of water storage capacities/ emergency water storage plans to reduce water wastage and misuse.

- Catchment protection measures
  1. Initiation of water retention activities.
  2. Minimize soil erosions at unauthorized excavations, forest clearance on water development activities to limit top soil removal.
  3. Managing of quarry mining and other vulnerable activities which impacts on surface water and groundwater resources with necessary recommendation and guidelines for optimal operations to minimize or to avert the impacts.

- Ensure of achievement of 100 percent basic sanitation target & increase fecal sludge treatment by improving onsite sanitation systems.
- Institutional restructurings to increase commercial viability of water and sanitation sector organizations preferably on public private partnerships. Moreover, bring up of private sector involvement to the public sector

organizations makes fill with more innovative pathways on their journey.

- Introduction of new product marketing activities in both sectors to attract voluntary customers in water and sanitation sector.

  Level 1 :

  Lies within the financial limitation exist in sector, the short term initiatives without deteriorating quality and quantity of water supply and sanitation can serve as first.

  Level 2 :

  Operationalization of sector in stabilized platform to cater the identified prioritized demands can treat as middle level.

  Level 3 :

  Divergence of sector in to long term development pathway under efficient milestones in order to fill above levels.

These adjustments are expected to bring long term sustainable management towards the accomplishment of set objectives on sector while reducing the unrealistic costs incurred in projects which bridge the gaps of physical and financial under sector.

Eg. Make convince the importance about sewerage connections

However, due to the prevailing conditions of country the journey of 'strategy implementation' should specifically focus on actions with high demands by prioritizing the strategies in to levels;
As efficient tool on these proposing strategies two main frameworks can be introduced namely,

1. Strategic Recovery Framework
2. Core Strategic Framework

5.7.9 Strategic Recovery Framework

Provision of "right quantity and quality of water" to societal functions could helpful when moving from crisis management of water in to risk management of water and Sanitation sector. It means not only maintain its high standards but also better understand of water footprint and improve water efficiency by aligning to most suitable measures both on short term and long term basis. The recovery framework would propose time based initiatives to reboot the economy of country. Leads frequent price escalations. Moreover, appropriate institutional rearrangements may bring successful recovery initiatives, up scaled water and sanitation sector would expect as resilient to the existing crisis in the country.

Table 5.7.2 - Recovery Framework

Recovery Objectives	Recovery initiatives	Recovery time frame (2024-2025)
1. To withhold output deterioration in the sector.	i. Prioritize existing maintenance and most urgent public demands as sector implementation.	Short term Initiatives (6 Months)
	ii Re- structuring of financial modalities encouraging local financing.	
	iii. Made push back of non-revenue activities in sector.	
2. To Manage the Debt Crisis in sector.	i. Tariff- restructuring	Short term Initiatives (6 Months)
	ii. Rearrange water related institutions for performance based budget activities	
	iii. Encourage nature based solution to reduce risks in sector , Eg: Minimize unrealistic cost in TECs,	
3. To accelerate the quick return outputs in sector	i. Encourage low cost – high return water supply and sanitation	Medium term (1 year)
	ii. Apply digitalization technology to the sector	
4. To contribute revenue increase in country from the sector	i. Reduce unfruitful expenditures due to scope variations and time extensions of projects.	Medium term (1 year)
	ii. Adhere on best practices on procurement process for efficient implementations	
	iii. Ensure equal access for safe water and sanitation	

5.7.10 Core Strategic Framework

At a situation with recovered platform, the implementation of core strategies either in parallel or sequencing method would enrich the sector with its full capacity to deliver.

Table 5.7.3 – Core Strategic Framework

No	Goal	Strategies	Time frame
01	Access to safe water and sanitation for all	1. Development of infrastructure in unserved areas for water supply connections and sewerage connections.	4 years
		2. Service improvements of existing water and wastewater connections.	4 years
		3. Preparation and activation of "water utilization plan" on national and sub national level.	3 years
		4. Preparation of National Water Safety plan as supportive instrument to mitigate risk reduction on emergency crisis.	3 years
		5. Monitoring water quality and storage of surface water and groundwater resources of the country with follow up prevention / protection programmes to maintain the qualitative and quantitative levels of the resources.	8 years
02	Access to adequate and equitable sanitation for all	1. Development of fecal sludge treatment plants for high demand in priority Local government areas.	3 years
		2. Development of fecal sludge treatment plants for other areas on necessities.	8 years
		3. Improvements of onsite sanitation systems – 100% basic sanitation	8 years
		4. Improvements of onsite sanitation systems – 53% safe onsite sanitation	8 years
		5.Establishing Decentralized wastewater treatment plants for institutions and urban clusters	8 years
		6.Establishing Centralized wastewater treatment systems – 4.4% piped sewer coverage	8 years
03	Minimize of water losses	1. Detection of NRW losses through technology based indicators.	2 years
		2. Reduction of water transmission losses with high tech transmission methods.	2 years
		3. Enhancement of cost recovery systems in water and sanitation sector.	3 years
		4. Managing of Groundwater Resources by introducing and implementation of guideline on efficient and sustainable use of water	7 years
04	Initiation of water retentions	1. Assurance of sustainability in water sources periodically.	4 years
		2. Water sheds and catchment protection activities.	4 years
		3. Improvement of water storage mechanisms considering to climate changes.	4 years
		4. Stakeholder and community awareness on the	7 years

No	Goal		Strategies	Time frame
			effective and efficient operation in water usage.	
		5.	Identification of water source pollutions on region wise and take measures for warning and alarming on water scarcity.	2 years
		6.	Implementation mechanism on surface water and groundwater resources for storage enhancement through different strategies. (i.e. Groundwater Resources enhancement by MAR adaptation)	7 years
04	Make water sector institutes commercial viable	1.	Selection of viable Public- private partnerships for water and sanitation sector	2 years
		2.	Review the mandates of water sector implementers to cohere with private investors	1 years
		3.	Optimum resource utilization aligning to COVID 19 crisis.	4 years

The combination of all, directs the vision for 2030 of Water and Sanitation achieving depicted strategies and targets making strengthen the sector parallel to absorption of shocks while rebuilding and developing affected economy in country.

5.8 Housing and Construction

5.8.1 Overview

We believe that ending poverty starts with every human being having access to a safe and decent place to live. The United Nations Sustainable Development Goals aim to eradicate extreme poverty for people across the globe by 2030 (The 2030 Agenda for Sustainable Development, United Nations 2023). Accordingly, UN believes one of the first steps in doing this is providing clean and safe housing to every single person.

Over the several decades demand for housing has rapidly gone up with the population growth, industrialization and urbanization. Government committed to expansion of adequate and affordable housing facilities with access to basic services and utilities such as water, sanitation and electricity for vulnerable groups and low-income families, is one of the crucial factors for achieving sustainable development. Accordingly, housing constructions have been line up as one of the highest priority of the human as well as the Government's development effort. The Ministry of Urban Development and Housing solely responsible for the constructing standard houses for vulnerable communities such as rural poor families, low-income earners, urban and semi-urban underserved settlers, displaced families and estate communities in Sri Lanka with support of several government arms by providing grants, in-kind assistance, concessionary loans and technical assistance while creating a conducive environment for the private sector to invest in commercial housing. For this purpose, the National Housing Development Authority (NHDA), Department of Buildings, Department of Government Factory, Construction Industry Development Authority (CIDA), State Engineering Services (SES), National Equipment and Machinery Organization (NEMO), Ocean View Development Private Limited and Building Materials Corporation are functioning under the line Ministry to perform respective duties.

The housing construction industry can be categories as single houses, attached houses, condominiums, flats, twin houses, line houses and shanties based on the design and structure of the building. By 2016, there were 6 million families in the country and only 5.2 million of them have some form of housing. According to the Census of Population and Housing in 2001, it is identified regional disparities among the districts and most of the huts and shanties were located in Colombo and Puttalam districts. Moreover, estate housing units were centralized in Nuwara Eliya district. Further, 27,657 households in Ampara district not using a toilet and 470,952 households in Colombo district were not using safe drinking water for their living.

Therefore, every year government have allocated significant amount for housing construction to uplift the living standard of people. At the beginning of the year 2022, the government had allocated Rs. 3,713 million for development activities. However, the allocation was reduced to Rs. 3,488 million due to tight fiscal space through the interim budget.

By the end of the year 2022, there were 5 foreign funded projects implemented and all those projects were funded by the High Commission of India.

Table 5.8.1: Foreign Funded Projects in 2022

Name of the Project	TEC (Rs. Mn)	Objective
Ven. Maduluwawe Sobitha Nahimigama Housing	300 (GOSL Rs. 195 Mn)	Providing houses and basic social infrastructure facilities to 153 poor families in

project		Anuradhapura
Island-wide Model Village Project	300	Constructing houses for 600 poor families on participatory approach
Model Village Project in Hambantota District	300	Constructing houses for 600 poor families on participatory approach
Model Village Project in Southern Province	300	Constructing houses for 600 poor families on participatory approach
Model Village Project in Northern Province	300	Constructing houses for 600 poor families on participatory approach

Source: Ministry of Urban Development and Housing

However, several projects were funded by Government of Sri Lanka (GOSL) for providing essential infrastructure and continuation of necessary additional works of the several foreign funded projects. In addition, Obata Geyak-Ratata Hetak housing project, Mihindu Niwahana housing project, Mihindupura housing project, Power Hyde housing project, Soysapura Relocation housing project, Siyapatha housing programme, Hanthana housing project and Obata Geyak-Ratata Hetak housing loan programme have been continued with at a moderate pace amidst the financial constraints associated with the deepened economic crisis in 2022. However, four major projects under Urban Settlement Development Authority (USDA), including the Wattala and Nittambuwa Middle Income Housing Projects and Mixed Development Projects of Sri Jayawardenapura Kotte and Kaduwela, were discontinued in 2022 due to cash flow pressures of the Government, while the planned Low Income Housing Projects in Hikkaduwa and Nawalapitiya were also terminated due to budgetary constraints.

5.8.2 Performance of On-going Housing Projects

5.8.2.1 "Obata Geyak – Ratata Hetak" Housing Programme

This housing program is being implemented with the aim of creating a productive citizen and a happy family by enabling every family in Sri Lanka to live in a comfortable home.

The maximum of Rs. 650,000 financial assistance will be provided stage wise based on the construction progress of the house per beneficiary family those who are living in a temporary house with low-income. Furthermore, this programme has been conducted in island wide and focused the necessity of houses by GN wise.

The annual target is constructing the 14,022 houses of low-income earners. Accordingly, in 2022, 5,878 houses were fully constructed under this programme. Further, it has been provided required support for home gardening and necessary seeds, saplings and agro-technical support to strengthen the economy of the targeted group.

5.8.2.2 "Mihindu Niwahana" Housing Project

This programme aiming to offer shelter to parents who have donated their children to the Buddha Sasana, and who experienced economic hardships and are without houses or own partially constructed houses. Through this programme, financial assistance of Rs. 600,000 is provided for the construction of a new house or the completion of a partially completed house per beneficiary family who was recommended by Technical Officer (TO) of NHDA. Accordingly, 758 beneficiary families were selected by NHDA based on the relevant criteria. The 201 housing units have been completed at the end of the 2021. The financial assistance has been given to 77 beneficiaries in 2022.

5.8.2.3 "Power Hyde" Housing Project

This programme basically aiming to build 25,000 houses for low-income families and expects to install 25KW solar panels on the roof of the built houses under this project with collaboration of Bank of Australia and Sunpower-Power Hyde Consortium. The partially constructed houses which were built under the model village programme in 2015/2019 by NHDA will be used for stage I of this programme. Furthermore, the ownership of the built houses belongs to NHDA for a 20 year period and solar panels are property of the developer. After 20 years, the ownership of the house will be transferred to the beneficiary.

5.8.2.4 "Soysapura" Relocation Housing Project

The Soysapura Relocation Housing Project which is initiated in 1970s was derived to relocate 48 very old and dilapidated two-story low-rent houses and 24 unauthorized shanties located within the premises of the Soysapura Housing Project.

Accordingly, 02 housing blocks which comprise 30 housing units per block have been constructed by State Engineering Corporation (SEC) under this project based on pre-sale basis and out of 10 houses were already sold.

5.8.3 Issues and Challenges

- Temporary suspension of on-going construction works due to limited budget
- High cost of construction materials in local market as well as international market
- Rapid price fluctuations of imported items that used for construction works such as raw materials, intermediate goods, machinery and equipment due to Sri Lankan Rupee (LKR) depreciation
- Responsible government entities and authorities properly not involving to price controls of constructions items
- Limited suitable lands with secure tenure for housing schemes
- Unable to meet the growing housing demand associated with the increasing population
- Accomplish the housing demand of lower middle-income class nourishing affordability and good quality
- Extraordinary demand for affordable houses due to rapid urbanization
- Unable to regulate the rental housing market to an acceptable level
- Shortage of skilled labor in the construction industry
- Seeking alternatives for several construction materials (eg: river sand, asbestos, cement and roofing materials etc.)
- Illegal settlements

5.8.4 Policy Direction

Ensuring affordable access to decent and comfortable housing facilities for every single family, and thereby raising the quality of life of all citizens in this country.

5.8.5 Key Strategies

- Introduce easy payment plans based on the level of income earned by purchaser
- Introduce PPP model (public-private partnership) to build housing complex without additional burden to the Government
- Provide lands at reasonable prices for construction companies/private sector to encourage investors to build reasonable priced apartments for middle-income earners
- Introduce multi-story housing complex schemes under a PPP for those who required temporary

accommodations in an urban and sub-urban areas at a reasonable price/rent

- Implement a programme island-wide to provide a fully completed house from housing schemes for displaced persons and those who are living in shanties
- Construct housing schemes with essential facilities (toilet, drinking water, electricity, sewerage facility) in rural agricultural areas where the land is limited to build individual houses
- Provide concessionary loans with low interest rates for housing constructions development
- Introduce low-rise housing schemes with fully fledged health care centers, preschools, schools, shopping malls, vehicle parks and community centers for each districts

5.8.6 Medium Term Targets

- Continue the temporary suspended projects using alternative foreign financing within the extended project periods
- Revise the scope of the projects with their available funds and get every effort to complete the proposed projects during the project period
- Minimize the unnecessary payments for on-going projects
- Priorities proposed projects with the current requirements of the general public during this economic crisis
- Take necessary and required actions to complete proposed projects through the PPPs and foreign grants
- Preparation of Integrated Rapid Developments Plans for identified provinces or sectors.

5.9 A City Centric Economy

5.9.1 Overview

Development of the urban areas reflects the level of development of a country. People moves to urban areas for various reasons. From a global perspective, the two main drivers of urban expansion are population growth and economic growth. In many cities across the globe, the majority of urban expansion can be attributed to economic development, rather than population growth. In such cases, urban economic growth results in the expansion of industrial and services related land use.

The population growth happens due to natural population growth and rural-urban migration. Natural population growth is low in Sri Lanka whereas rural-urban migration is a significant driver of urban population growth in many provincial capitals.

Rural-Urban migration and development driven land use pattern will increase the need of urban development towards a city centric economy which provide a comfortable life for urban communities and increase productivity of resource utilization.

In Sri Lanka, large development projects (such as Port City) have played a role in increasing urban area, and have been a response to the changing trade and investment climate in the country as Colombo emerges as a regional hub of trade and investment.

5.9.2 Global trend

- The Global economy is moving towards a city centric economy. More than 80 percent of global GDP is generated in cities.
- It is expected to be doubling the world's urban population from 2000 to 2030. It may add 2 billion more people to the urban areas and may increase build-up urban area by 1.2 million square kilometers.
- The urban development may increase demand for basic services, infrastructure, jobs, land, and affordable houses.
- Approximately 2/3 of the world energy consumption and 70 percent of global

greenhouse gas emission happens in the cities.

- Managing urban development in a sustainable way will increase the productivity; allow innovation and new ideas, save energy, land and natural resources.

Table No 5.9.1 Total No. of International Visitors and Total Spending in Selected Cities

City	Total International Visitors (MM)	Total Spend (US$ Billion)
Bangkok	22.78	20.03
Paris	19.10	14.06
London	19.09	16.47
Dubai	15.93	30.82
Singapore	14.67	16.56
Kuala Lumpur	13.79	11.13
New York	13.60	16.43
Istanbul	13.40	8.26
Tokyo	12.93	13.77
Antalya	12.41	7.65

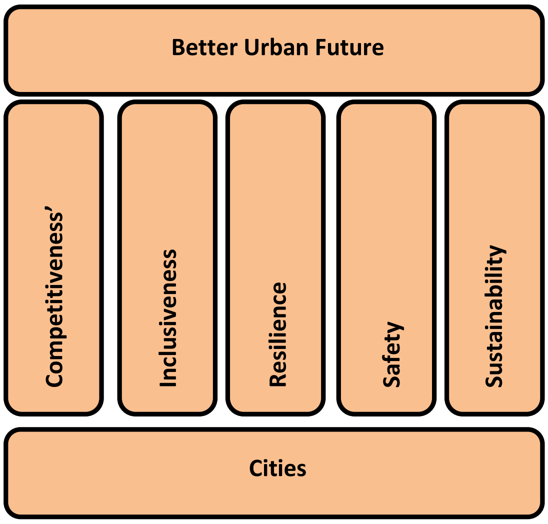
(Source : Mastercard Global Destination Cities Index 2019)

INFRASTRUCTURE

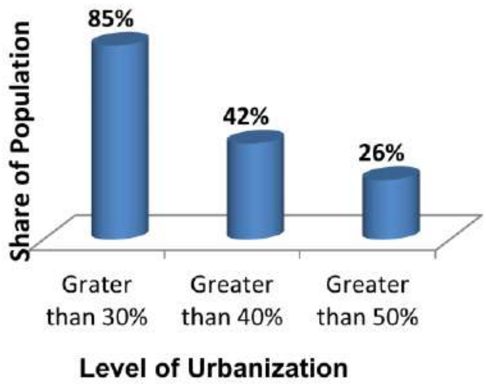
5.9.3 Top Destination Cities of International Visitors - 2018

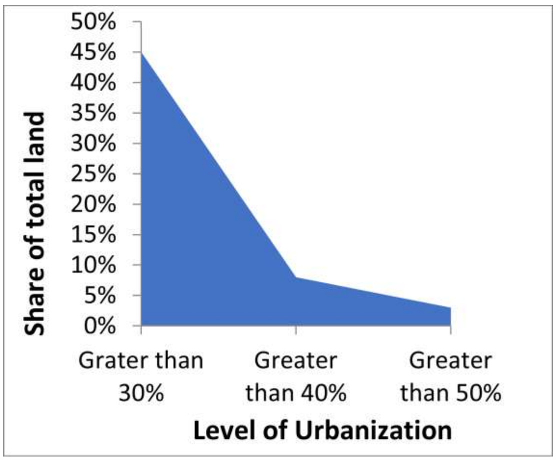
(Source : Mastercard Global Destination Cities Index 2019)

Five core principles for better urban future



Urban Development in Sri Lanka – Key Highlights in 2016





Key Issues in Urban Development in Sri Lanka

- Policy imperfections
- Urban sprawl
- Urban informal economy
- High traffic congestion
- Air Pollution
- Land Use Problems and Shortage of Lands
- Urban Planning and Coordination Problems
- Waste Management
- Drainage problems
- Traffic congestion, unauthorized parking, insufficient parking facilities and accidents
- Durability and structural issues in recently built buildings
- Sea level rising
- Disaster Risks
- Low accessibility to affordable houses
- Squatters
- Governance issues
- Doing business issues
- Traffic control issues
- Street lights problems
- No night-time economy
- Behavioral issues of people
- Maintenance issues of low-income communities housing schemes
- Problems of services provided by Local Authorities
- Connectivity issues
- Unemployment and underemployment
- Lack of quality public facilities
- Lack of recreational facilities
- Lack of Investment

5.9.5 Policy Direction

New Colombo-Commercial and Financial Hub will operate as a Center for 0Global Commerce, Trade, Finance and Businesses. Linking Colombo Port and Katunayake Airport, Hambanthota Port and Mattala Airport, Kankasanthurei Port and Airport, Economic Corridors will be developed. Four Multi-Dimensional Commercial Cities, National Cities, Connecting cities and Urban Clusters will be developed. Priority will be given to Re-engineering the Townships. Sustainable Urban Development wll be promoted while integrated modern facilities and infrastructure are added to the urban environment.

5.9.6 Key Strategies

❖ A World Class City for South Asia - Colombo Port City

- A Center for Global Commerce, Trade, Finance and Businesses
- To develop the most livable city in South Asia built on Sustainable Values, a healthy environment with future ready infrastructure to enhance the living convenience.
- An exemplary city providing the highest quality commercial, entertainment, medical, education and lifestyle opportunities
- The catalyst for growth, a place that fuses the culture and energy of a nation with international best practices

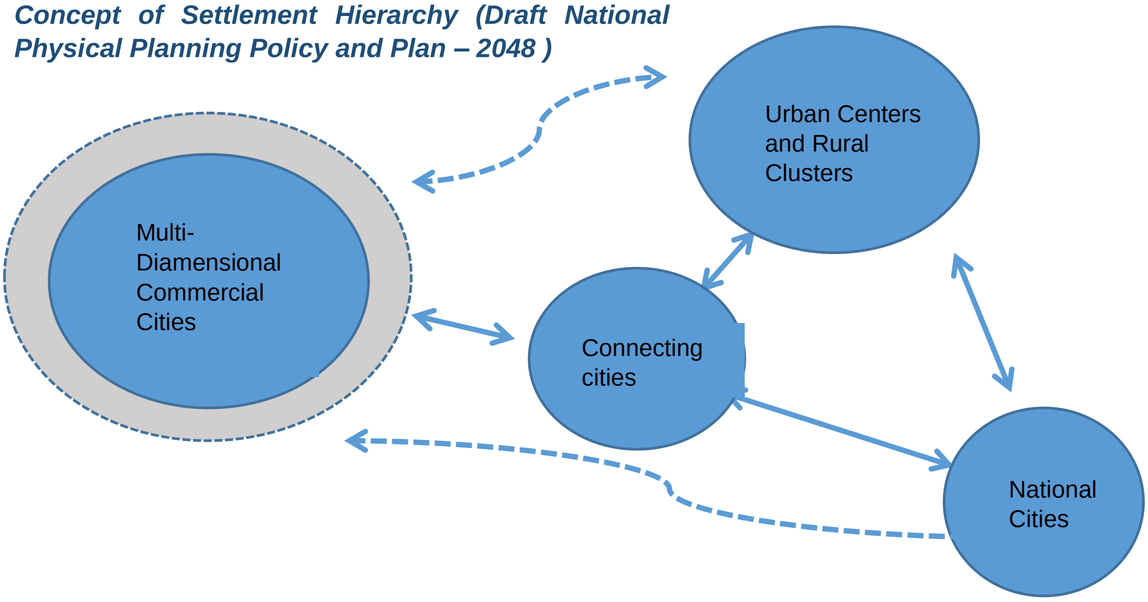
Total Land Extent – 269 Ha including Financial District, Marina District, Central Park Living, Central Living and International Island.

Anticipated Gross Floor Area – 6.9 Mn Sq.m. including Commercial Space, Retail Space, Residential, Hospitals, Convention, Exhibition Centre, Hospitality Facilities, Car Parks, etc.

Table no 5.9.2 Proposed Hierarchy of Settlements – National Physical Planning Policy and Plan 2048

Province	Multidimensional Commercial Cities	National Cities	Connecting Cities	Urban Centers
Western	Colombo	Kalutara, Gampaha	Pandura	Mirigama
Sourthern	Hambantota	Galle, Matara		Deniyaya
Central		Nuwara Eliya, Kandy, Matale	Hatton, Dambulla	Galewela
Sabaragamuwa		Ratnapura, Kegalle	Embilipitiya	Pelmadulla,
Uva		Monaragala. Badulla	Wellawaya, Bandarawela, Mahiyanganaya	Badalmumbura,
North Western		Kurunegala, Puttalam		Kuliyapitiya, Chilaw,Melsiripura
North Central		Anuradhapura, Polonnaruwa		Hingurakgoada, Medirigiriya, Nochchiyagama, Thambuttegama, Eppawala
Eastern	Trincomallee	Ampara, Baticaloa	Vachchanai	Dehiattakandiya, Kantale
Northern	Jaffna	Vavuniya, Mannar, Mullaithive, Kilinochchi,	Mankulam	Pooneryn, Pallai

Concept of Settlement Hierarchy (Draft National Physical Planning Policy and Plan – 2048)



❖ Slums free cities - Urban Regeneration in Colombo and Immediate Suburbs

Houses will be provided for the dwellers in slums under the low-income housing programmes. The land will be utilized for more productive investment projects. In addition to that, the effective actions will be taken to avoid creation of vertical slums in urban low-income apartment complexes.

Urban Regeneration

- **Better houses for communities living in Urban Underserved Settlements**
- **Valuable land from Underserved Settlements to attractive commercial /development projects**
- **New Policies and Plans for urban regeneration**

Plan

Construction of 50,000 housing units in Colombo and immediate suburbs for the communities in the underserved settlements

A survey conducted in 2011, revealed that about 68,812 households (approximately 53% of total population) in Colombo reside in 1499 underserved settlements. These communities suffer due to limited space and low access to public amenities such as pipe-borne water, electricity, sanitary facilities, sewage and waste water disposal systems, storm water drainage, proper access roads, and community halls.

13,923 houses	Construction completed under the Urban Regeneration Programme
1,426 houses	Construction Ongoing under the Urban Regeneration Programme
3,600 houses	Construction ongoing under the Support to Colombo Urban Regeneration Programme
1996 houses	Pending to construct under the Urban Regeneration Programme

Valuable land from Undeserved Settlements to attractive commercial /development projects

Underserved Settlements

It is estimated that underserved settlements in Colombo occupy around 900 Acres of land. The estimated acres of land to be utilized for construction of 50,000 new housing units are 300 Acres. The balance land can be utilized for commercial and development purposes, with the urban regeneration programme.

Apartment complexes for low income communities

Commercial and Development

New Policies under Urban Regeneration

- New policies on Housing Allocation, Transfer and Management
- Master plan for Urban Regeneration Programme
- New policies for Integrated Urban Development and Management

Tourists friendly urban areas

Under the Financial Assistance of Asian Development Bank, the facilities for tourism development will be constructed in selected urban areas. As the first phase of this project, project preparatory works are ongoing under the Urban Project Preparatory Facility Project funded by the Asian Development Bank.

Identified list of projects under UPPF

Trincomalee city development

- Dutch bay and Back bay Beach Development
- Fort Fredrick Heritage Conservation and Improvement
- Public Facilities Improvement at Hot Water Springs
- Floating Restaurant and Eco-park and Powder Island and Crow Island Areas
- Refurbishment and Adaptive reuse of Colonial Buildings
- Harbor Master's Office
- Public Facility Improvement in Pegeon Island Area

Dambulla city development

- Improvement of Nawagammanaya Car Park Area
- Solid Waste Management Improvement
- Pidurangala Mapagala Fort and Kaludiya Pokuna
- Heritage Trail from Ramakele to Thalkote Tank
- Improvement of Sigiriya Lake
- Tourism facility improvement at Inamaluwa lake area
- Tourism facility improvement at Galewela lake area

❖ Affordable Urban Houses

Construction of houses will be facilitated by providing lands at reasonable price for the investors and implementing special housing projects under PPP arrangements.

Policy

New National Physical Planning Policy and Plan 2048 is currently being prepared. It will provide a broad guideline on preparation of development activities for Ministries, Departments, Government Institutes and Development Partners in relation to physical planning.

Main components in the New National Physical Planning Policy and Plan – 2048 includes,

- Environmental sensitive areas (Central, Coastal and Isolated)
- Protected Area Network – Eco-heritage, forest, water, agriculture, etc.
- Economic Axes dedicated to the connecting of raw material regions, production areas, and National and International markets
- Settlement Hierarchy of Multi-dimensional commercial cities, National cities, Connecting cities, Urban Centers, Urban Agglomeration and Rural Clusters
- The Development of Marine and Aquatic Resources

❖ New policies on Housing Allocation, Transfer and Management

A new policy will be implemented to improve the housing condition of low income communities and increase the land use efficiency in the Colombo and immediate suburbs. Following basic contents are included in the policy.

- Establishment of Colombo Urban Area Habitat Development Committee and URP Settlement Committee
- Clear beneficiary selection criteria
- Housing allocation and transfer of titles
- Sustainable financing modality for urban regeneration programme
- Sustainable housing maintenance arrangements
- Resettlement and social process
- Grievance Redressal Mechanism

❖ Urban transport facility improvement

Efficient, affordable and reliable public transport service is a key factor to improve the urban living condition. Therefore, required facilities to improve urban transportation will be developed.

- Multimodal Transport Hub in Anuradhapura
- Multi-storied car parks

❖ Urban Waste Management Facility – Aruwakkalu

The solid waste management in western province was a very serious problem especially in Colombo and suburbs. As a solution, the Government has decided to establish facilities for treating solid waste and using it for sanitary land filling. Now this project is at final stage. The project includes following key components.

- Kelaniya Transfer Station
- Aruwakkalu Transfer Station

- Aruwakkalu Sanitory Land Fill
    - Facilities for Railway Transportation

Leachate Treatment Plant and Deodorization System

❖ Drainage improvement and flood prevention

Most of the area in Colombo Metropolitan Region is located in the low-lying area, at 6m or less above sea level. Wetland area in cities has decreased due to urbanization. Under Metro Colombo Urban Development Project, remarkable work has been done to improve drainage and reduce floods.

- Weras Ganga Storm Water Drainage and Environment Improvement Project
- Oliyamulla Storm Water Drainage and Envirionment Improvement Project
- Kolonnawa Storm Water Drainage and Environment Improvement Project

❖ Water Quality Improvement in Beire Lake

A large amount of sediments has accumulated in the bed of the lake and water quality of the Beire Lake has deteriorated very seriously. The Government has taken various interventions to improve the water quality and develop Beire Lake. In the mid of 2023, the Government decided to facilitate for a private company as a PPP project, to improve the water quality in Beire Lake.

Following technologies will be used to improve water quality in Beire Lake.

- Micro nano bubble technology
- Carbon fiber bio-film technology
- Bacterial enzymes

❖ Encouraging for integrated urban development towards Clean, Safe, Secured, Attractive, Livable Conditions in urban areas.

People move to urban areas for working, living, obtaining goods and services, enjoying better facilities and entertaining. Therefore, a comfortable environment for people’s activities should be provided in the urban areas with following interventions.

- Urban beatification
- Proper waste management

- Ensuring security and safety (Road safety and pedestrian's safety)
- Creating an attractive, clean and unpolluted environment
- Ensuring equal benefits for all social groups including children, differently abled people, women, senior citizens
- Providing quality physical facilities
- Smart and convenient facilities
- Providing sufficient space for pedestrians for their activities without getting disturbance.
- Providing spaces for formal and informal social, cultural and economic activities, parks, squares are required.
- Providing spaces for building of social capital, physical activities and social and psychological incorporating various components such as parks, streets, sidewalks, footpaths, squares and playgrounds in urban designs.

❖ Green and Sustainable Environment

Over 80% of GDP in many countries in Asia and Pacific generate in cities. Cities are the hub for economic growth. However, focus should be given to develop green and sustainable cities.

- Low environment and climate change impact
- Inclusive development and engaged residents
- Resilient to disasters and other shocks
- Cultural and historic preservation
- Green space and walkability

Livability Triangle

❖ Strategic investment plan for cities

- Preparation of investment plan for each city
- Encouraging private investments and PPP
- Promoting investments in mixed development projects,

❖ Redefined Urban Areas

As per the existing definition, only Urban Councils (UCS) and Municipal Councils (MCs) are considered urban areas. Accordingly, only 18.2 percent of the population lives in the urban areas.

However, some other estimates indicate that 35 percent to 50 percent of Sri Lankan Population live in urban areas. Therefore, it is a requirement

❖ Planning and development coordination

Within urban areas, it is required to identify areas for commercial activities, apartments, industries, recreational activities, etc. Projects can be identified following the land use plan and the implementation of project will be done in coordination with the agencies which implement the project in the same area with the objectives of avoiding duplications and optimizing the resource use.

❖ PPP in Urban Development

PPP is one of the most suitable modality to finance urban development projects. Under the current financial constraints, the Government encourages agencies to use PPP modality for urban development projects. PPP modality can be applied in urban housing, mixed development and commercial projects, public facility development, urban infrastructure development, etc.

Especially, construction of urban houses under the urban regeneration programme and urban infrastructure will be encouraged to be funded through the PPP mechanism. The fiscal space generated through such interventions could be utilized to supply resources for critical social sectors.

06 GOVERNANCE

6. Governance

The concept of good governance ensures transparency, accountability, effectiveness, efficiency, rule of law, responsiveness, predictability, participation and equitable distribution of resources.

The Governance Sector encompasses various subject areas such as Public Administration, Justice, Defence, Public Security, Mass Media and Foreign Affairs. A strong legal framework and stable political environment attract investments fostering economic growth. Additionally efficient public services facilitated by competent Governance contribute to citizen's well-being.

6.1 Judicial System

6.1.1 Overview

The judicial system/ judiciary stands as the cornerstone of the society. Its primary role lies in upholding the rule of law of the community and also to ensure equality for all. A robust judicial system safeguards individual rights, resolve disputes and maintains social order. It promotes accountability and checks against abuses of power.

Rule of law plays a key role in attracting foreign direct investments to the country. A well-functioning judiciary system positively impacts on several aspects that contributes to a country's Ease of Doing Businesses such as; contract enforcement, resolving disputes, property right protection, timely legal procedure etc. In particular in a situation where Sri Lanka ranks 99th in the Ease of Doing Business Index 2020, Sri Lankan Judicial system needs strong reforms to enhance the effectiveness of rule of law.

Presently there are 267 courts island wide to ensure the efficiency of the judiciary system.

Table 6.1.1 Network of Court System

Type of Courts	Number of Courts
Supreme Courts	1
Permanent Special High Courts at Bar	2
Court of Appeal	1
High Courts	33
Provincial Civil Appellate High Courts	22
Commercial High Court	1
District Courts	32
Magistrate's Courts	51
District Magistrate's Courts	50
Circuit Magistrate's Courts	25
Children Magistrate's Courts	2
Labour Tribunals	47
	267

Source: Ministry of Justice

GOVERNANCE

6.1.2 Issues and Challenges

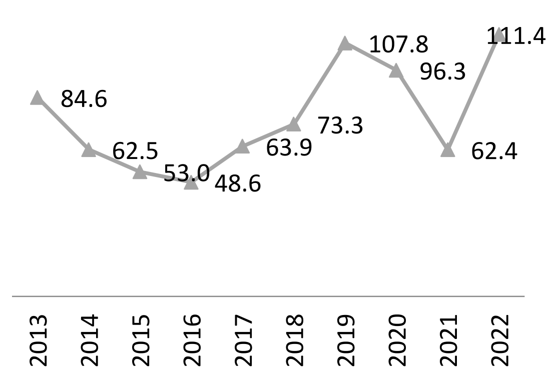
- Case Backlog

There are number of root causes for case backlog in the Sri Lankan court system. Inadequate number of judges, traditional outdated manual office systems, outdated laws, limited and centralized facilities to obtain scientific evidence, shortage of alternative dispute resolution method and inadequate infrastructure facilities etc.

- Overcrowded prisons

Prison overcrowding is a pressing issue that arises when correctional facilities exceed their designed capacity, leading to an imbalance between the number of inmates and the available resources and the infrastructure.

Figure: 6.1.1 Percentage of Overcrowding



Source: Prison Statistics Sri Lanka, 2022

- Lack of rehabilitation facilities
- Lack of Accountability and Transparency of Officers
- Absence of a mechanism to absorb the prisoner's manpower to the effective economic process

6.1.3 Policy Direction

To eliminate inequality, and other various disparities, access to justice be increased and judicial independence be enhanced while introducing strong reforms. Use of modern technological developments can be used as a solution for many issues.

6.1.4 Key Strategies

- Alternate Dispute Resolution by encouraging the use of mediation, arbitration and negotiation to resolve disputes outside the courts
  - Increase capacities of mediators and improve infrastructure facilities of mediation boards based on need assessment
- Accelerate court proceedings and processes
  - Apply scientific methods for crime detection
  - Implement Efficient Case Management System and

Software which can streamline the handling the cases, track progress and ensure timely scheduling of hearing

- Increase judicial resources
- Case prioritization

- Implement measures to ensure transparency and accountability in judicial process
- Create a proper environment where law enforcement agencies and law enforcement officers shall be subject to the rule of law
- Legislative reforms
- Introduce commercial arbitration centers to address commercial disputes rapidly

Medium Term Targets

- Introduce new scientific methods for crime detection
- Establishing a specialized court to clear case backlogs
- Bolstering the Judicial Service Commission's resource and governance
- Streamlining commercial claim processes
- Implementing a system of home detention for eligible bailable prisoners as a measure to alleviate overcrowding in prisons
- Promote legal literacy among the public
- Promote video conferencing

6.2 National Security

6.2.1. Overview

National Security refers the measures and strategies that a country will be taken to safeguard its territory from internal and external threats by preventing, mitigating and responding to various security challenges.

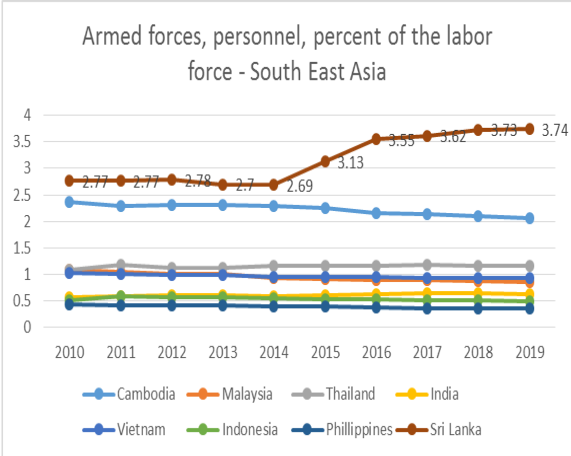
National security is a comprehensive concept that encompasses broader areas like; defence and military preparedness, intelligence and counter intelligence, law enforcement and public security, border control and immigration, cyber security, counter terrorism, emergency response and disaster management, critical Infrastructure (energy, water supply, communication, transport etc.) protection, safeguarding economic interests, social unrest etc.

Issues and Challenges

- Higher labor force participation in Tri Forces and Department of Police

- At present the existing staff of Sri Lanka Police and STF is 96301. In addition more than 4000 civil staff has been attached to the Sri Lanka Police and 607 Police Stations have been established. Compared to other countries in the region, the number of police officers in Sri Lanka is relatively high to the size of the population and the area covered by a police station in Sri Lanka is relatively small.
- Although Sri Lanka Police currently has a large number of officers, it is observed that a significant number of them are employed for tasks that are not directly related to public security.
- Expenditure of defence sector and deployment of military personnel on per capita compared to several peer countries across the region clearly shows that Sri Lanka allocates significantly higher percentage of its limited fiscal and human resources to the defence sector compared to those countries.

-



Source: theglobaleconomy.com

6.2.2 Policy Directions

In light of the nation's post-conflict setting, it is imperative to redirect resources towards the restoration of peace and reconciliation. Limited public funds should be directed towards enhancing the utilization of modern technology and enabling the deployment of fewer human resources in National Security. Meanwhile, measures be taken to right-size the Sri Lanka Police and the Tri Forces, channeling human resources in more economically productive sectors.

6.2.3 Key Strategies

- Sri Lanka police should explore the possibility of employing existing officers only for duties directly related to public security, rather than recruiting new personnel

- It should be taken all the measures to reduce future personnel requirements through the introduction of new technological measures, especially for traffic management, crime detection, and document management
- Sri Lanka Police has a significant number of vehicles and police stations .Accordingly, it should be re-analyzed whether existing vehicle fleets use for the direct duties of maintaining law and order in the country
- Identify non-essential and non-priority expenditure related to the defence sector. Based on the essentiality, required staff, vehicles should be allocated. Resources utilization policies should be revised in order to constrain the usage of vehicle and other resources for services/duties only
- Reduce non-essential expenditure (unnecessary/traditional defence ceremonies)
- Create Smart and Lean Tri Forces which can ensure national security which will lower crowding out impact of labor to the tri forces from more productive sectors
- Existing members of tri forces should be deployed in economically beneficial activities and proper mechanisms should be formed with the collaboration of private sector
- Integrated resources utilization should be encouraged among tri forces. For example, currently army and navy own their hospitals of which utilization is not optimal and cost of maintenance high
- Equip tri forces with advanced technology. The strengthening of tri forces should be done through technology upgrading. Sri Lanka tri Forces should be equipped with intelligence/information and not with weapons / sophisticated war vehicles / equipment at this juncture
- Link tri forces information network and extend it to regions and international level
- Improve the efficiency and effectiveness of traffic control and road patrolling

- Ensure safety for women and children in transport, roads, public places and villages

Medium Term Targets

- Downsizing the Tri Forces and Sri Lanka Police on par with the international standards
- Strengthening SL Navy to establish a safe environment in the Indian Ocean
- Strengthening the State Intelligence Service
- Providing modern technological facilities for Tri Forces and Sri Lanka Police
- Improving response time and efficiency of the Police
- Strengthening community-based policing
- Managing carder through deploying carder for core duties by releasing carder deployed in static duties and non-core activities

6.3 Foreign Affairs

6.3.1. Overview

Foreign affairs encompass a nation's relationships and engagements with other countries and international organizations. This domain engages with diplomacy, international trade, defence, investments and cultural exchange. Entering into bilateral and multilateral agreements, negotiation strategies and addressing global challenges are the key aspects of this area.

The country's foreign policy stance should be non-aligned and maintain progressive relations with the rest of the world.

6.3.2 Issues and Challenges

- Economic diplomacy is lagging in international trade to find alternative markets and niche markets for authentic Sri Lanka products/ services
- Sri Lanka has faced criticism from the international community over alleged human rights violation particularly during the civil conflict
- Given the strategic location of the country in Indian Ocean, Sri Lanka faces issues in maritime security, illegal drug trafficking/ poaching etc.

6.3.3. Policy Directions

Promote non-aligned and friendly relations with the rest of the world from a standpoint of equality while ensuring the national sovereignty.

6.3.4 Key Strategies

- Protect the country's sovereignty and territorial integrity
- Foster friendly non-aligned relations with foreign countries by balancing major power blocks
- Promote Sri Lankan economic diplomacy
- Strength multilateralism; apart from the economic benefits this concept brings key advantages in global governance, resource sharing, collective security, environmental protection etc.

6.3.5 Medium Term Targets

- Coordinating with creditor countries in attaining debt restructuring
- Finding alternative markets to boost Sri Lankan exports
- Exploring new opportunities in enhancing the tourism sector development, foreign employment and learning opportunities for Sri Lankans
- Attracting foreign investments to the country

6.2 Public Management

6.2.1 Overview

Over the years, the public sector has undergone numerous administrative reforms to provide better services to the citizens of the country. Currently, the public sector offers a comprehensive range of services from birth to death for its citizens. Approximately 1.4 million public servants are deployed to serve around 22.1 million people in Sri Lanka (Central Bank Annual Report, 2022). The government delivers several public services to fulfill welfare requirements and some services are offered free of charge, while others are provided at concessionary rates. Therefore, the public service is necessary for the citizens and it is a highly sensitive with tax payers` money.

By early 2022, Sri Lanka faced its worst economic crisis which was resulted by the COVID-19 pandemic, reduction in foreign reserves, challenges in importing essential goods like fuel and food, the conflict between Russia and Ukraine, and the effects of global climate changes etc. Given the prevailing economic instability, the public sector initiated several reforms. These measures included a temporary suspension of public sector recruitments, the creation of opportunities for public servants to work abroad up to five years without termination of their service period and engagement with the International Monetary Fund (IMF) to address the crisis. Furthermore, additional reforms were deemed necessary, including structural changes in the government sector, amendments to tax-related legislation, introduction of user-friendly technology solutions, implementation of anti-corruption procedures, and provision of online access to payments and digitalization. These reforms are essential steps to address the challenges facing by the public sector and the country as a whole.

6.2.2 Issues and Challenges

i. The public service workforce is disproportionately large when compared to the country's population.

ii. Lack of accountability and transparency.

iii. Many public sector institutions are slow to adopt to modern technology and continue to use outdated systems and procedures.

iv. Lack of continuous training opportunities for public sector employees to enhance the present development challenges.

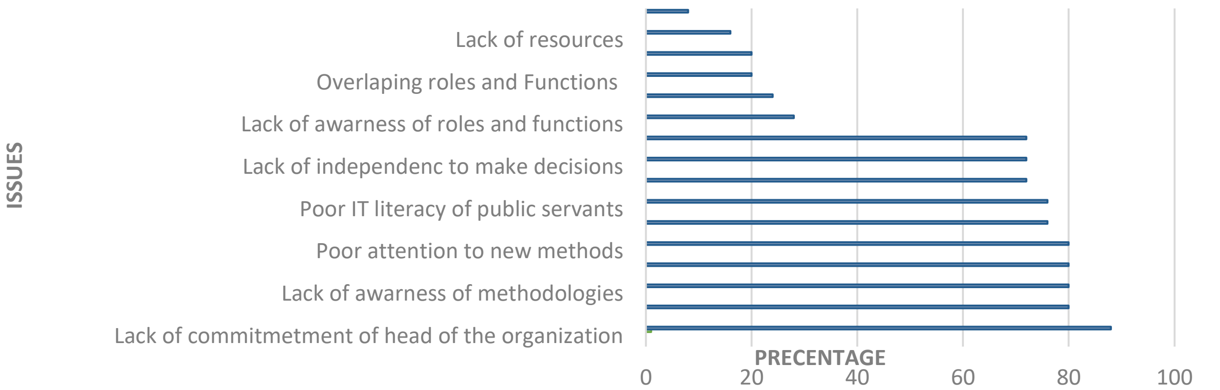
v. Lack of effective teamwork in public service delivery operations.

vi. Poor people centric orientation and communication barriers in some regions of the country are obstacles for sustainable development.

vii. Underemployment and over-deployment of human resources.

viii. Anti-productive trade union activities which reduce efficiency in the public sector.

Figure: 6.2.1 Critical issues in the public service delivery process at the divisional level in Sri Lanka



Source: https://www.uniselinus.education

6.2.3 Policy Directions

Enhance the efficiency and effectiveness of the public service by empowering and motivating public servants and utilizing modern technology and techniques while ensuring accountability and transparency in delivering quality public service.

1. Key Strategies

- Downsizing the public sector by introducing sustainable mechanisms and merging the overlapping functions of the institutions.
- Improve transparency and accountability in performing public administration.
- Re-orient the public service to improve national competitiveness.
- Establish simplified and proper systems and procedures to facilitate service delivery and provide client-friendly services.
- Use modern technology at all levels of administrative entities and minimizing procedural delays and structural inefficiencies in public institutions.
- Manage resources in an efficient and effective manner.
- Introduce specialized programs to improve capacities of public service employees at all levels on the excellence in customer service.
- Improve the quality of the public service by developing knowledge and skills and introducing proper

selection and recruitment methods and attractive remuneration.

- Introduce an outcome based evaluation system for performance management system.

6.2.4 Medium Term Targets

- Develop effective, accountable and transparent institutions at all levels.
- Change the composition and structure of the Constitutional Council with independence representatives.
- Prioritize technological and non-technological approaches to make effective and efficiency public service.
- Encourage the usage of digitization processes in grass root level.
- Enhance e-government system in grass root level to reduce unnecessary mobilizations.
- Implement a mechanism to escape economic dependency mentality in citizens of the country.

07 ENVIRONMENT AND DISASTER MANAGEMENT

7 Environmental Management

7.1 Overview

The rapid movement of industrialization and urbanization which are prerequisites of economic growth generate adverse impact to the natural ecosystem. It is observed that the economic performance and environmental performance need parallel approach and therefore, the natural environment can be considered as a center in economic growth providing resources to produce goods & services.

Climate Change is a global challenge at the moment. World's greenhouse gas (GHG) emissions have approximately been doubled since early 1970s and based on current policies, it would rise over 70 percent during 2008- 2050 period. However, the developing countries are responsible for 2/3 of the flow of new emissions into to the atmosphere. Without new policies this share will be further risen by 2050.

Global sustainability has been considered amongst both the developed and developing countries of the world. International efforts such as Montreal Protocol, Kyoto Protocol, Paris Agreement, and Basal Convention on control of transboundary movements of hazardous waste and their disposal can be considered as few international efforts that have been taken for conservation and improvement of the environment.

In line with the country's National Policy Framework Sri Lanka takes measures to environmental management paying attention to wildlife, forest conservation and disaster management. It emphasizes the careful attention and utilization of natural resources while achieving the sustainable development through balanced social, economic and environmental practices. Hence, the environmental sector needs more economic based approach under this particular critical economic situation while paying attention to conserve natural environment.

In addition, the government will take remedial steps to move towards phasing out single polythene and will impose a tax on polythene bags, plastic bottles and containers.

7.1.2 Forest Conservation

Prior attention has been given to sustainable land use practices focusing on re-establishing and enhancing the green cover to achieve the target of increasing the forest cover by 30 percent by 2030, minimizing anthropogenic impacts for marshy, mangrove and other forest lands while recognizing and utilizing barren and abandoned lands for agriculture, forestry and commercial uses. In addition to the above, the bare and abandoned lands are utilized to increase commercial forest cover by introducing genetically modified local varieties to meet commercial wood industry requirements.

7.1.3 Wildlife Conservation & Human-Animal Co-existence

Sri Lanka's biodiversity, which boasts having the highest biodiversity per 10,000 km^2 in Asia and is rated as one of the top 25 biodiversity hot spots in the world, is vital in both regional and global aspects.

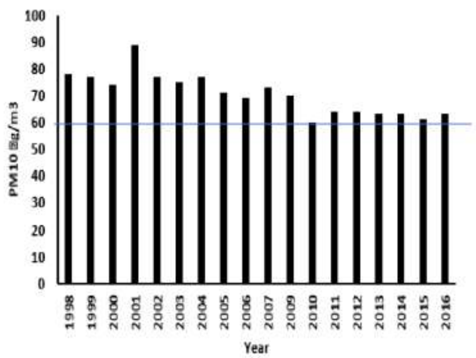
Therefore, wildlife conservation including the human-elephant reconciliation has been given a higher priority in the government development agenda. With this background, Sri Lanka has been recognized as a country with one of the highest densities of elephants amongst Asian countries. Approximately, 20 percent of the elephant population, which are mainly dispersed in 17 districts, are being continuously affected by the human-elephant conflict. At the moment, the government takes several measures such as electric/village/agricultural fencing, application of radio collar to elephants in order to minimize the human-elephant conflict. Further it is viewed, while considering the symbolic, cultural and economic importance of local elephants and also their annual deaths (approximately 50-250 elephants/year), seeking other scientific options such as wildlife contraception etc might be a strategic solution in a long run.

7.1.4 Minimizing Green House Gas Emissions (GHGs) and other harmful gases/ particles

The total GHG emission in the country represents less than 0.1 percent of the global emissions and the country's per capita emission has been recorded as around 0.6 CO_2. However, as other developing countries, Sri Lanka is triggered with adverse climate change impacts including deviations in the natural systems such as water cycle, ecosystems and the bio diversity and also repercussions on health, livelihoods and human settlements. Despite the vulnerable situation, Sri

Lanka committed to address the global climate change through low carbon pathway by taking appropriate mitigation and adaptation strategies converging on "Net Carbon Zero". The reduction of 30 percent of GHG emissions mainly from the energy sector and also from other sectors including transport, industry, forestry and waste during the target period of 2021-2030 in line with the Nationally Determined Contributions under the Paris Agreement is a major international obligation the country has already committed and proceed with appropriate measures.

Figure 01: Variation of Annual Average of PM10 for 1998-2016 at the Colombo Fort Air Quality Monitoring Station, horizontal line at Air Quality Standard for PM10 at 50µg/m3



(Source: Central Environment Authority)

7.1.5 Sustainable financing

Special attention will be paid to follow the Blue Green initiative to encourage low emission economic development. Under this initiative, it is expected to utilize oceanic and marine resources in sustainable manner and promote organic agricultural practices and clean renewable energy.

Furthermore, action will be taken to introduce a green financial strategy encouraging banks and other financial institutions to invest actively in green projects. The Government of Sri Lanka has established green bond framework to communicates how the Government of Sri Lanka intends to raise capital for climate adaptation and mitigation and environment conservation both domestically and internationally.

In addition, Climate Prosperity Plan has prepared by focusing on unlocking the maximum domestic renewable energy potential and enhancing resilience through nature-based solutions and financial protection. Further, Green finance taxonomy has been developed by the Central Bank of Sri Lanka for Climate change mitigation, Climate change adaptation, Pollution prevention and control, ecological conservation and resource efficiency.

ENVIRONMENT AND DISASTER MANAGEMENT

7.1.6 Waste Management

Waste management has been identified as a major issue in Sri Lanka and therefore, the Government has taken measures to introduce the 3R system i.e reduce, reuse and recycle and encourage people through enforcing suitable tax incentives. Furthermore, the households are encouraged to dispose their garbage either permanently or to use for the energy production. In addition, the government will continue to build partnerships with the private sector for PPP models in order to adopt world recognized best practices of final solid waste disposal.

7.1.7 Prevention and minimization of plastic wastes generation

The plastic waste (mega, micro and nano plastics) can be considered/recognized as a widespread and persistent global issue/challenge with negative impacts to the environment, economy, human health and aesthetics.

As an island surrounded by the Indian Ocean, it is observed that paying more attention to marine/fresh water plastic debris is a timely requirement due to several concerns mainly due to the fisheries sector, that plays a key role in Sri Lanka's social and economic life contributing approximately 2 percent to the GDP generating over 300,000 direct and indirect employment opportunities. Further, protection of aquatic ecosystems in order to maintain a sound environmental balance is also a significant factor.

Developing a well-defined waste management system has been ensured including appropriate preventive and reduction measures to address the issue of marine and fresh water mega/ micro plastic debris while taking precautions against transboundary movement of marine plastics and micro plastics. As a result, it has been taken initial steps and appropriate measures to strengthen the capacity of the country in order to control the transboundary movements of plastic waste, ensuring the environmentally sound management of plastic waste.

7.1.8 Issues and Challenges

- Extensive logging of forests (illegal deforestation) and degradation of mangroves, coral reefs and soil
- Air pollution (mainly due to industrial and vehicle emissions) and water pollution due to release of pesticides into ground and

surface water, which ultimately effect on human health

- Adverse climate change impacts such as extreme weather events including droughts, floods, unusual rainfalls etc. negatively affect mainly on food security, biodiversity loss and water cycle
- Adequate knowledge on sustainable financing including blue/ green bonds , debt for nature swaps etc
- Issues in waste management mainly in waste sorting, waste collection and waste disposal and also issues in managing e-waste due to insufficient formal mechanisms, inadequate awareness on health and environmental impacts, e-waste handling, insufficient regulations for entire lifecycle management of e-products.
- Soil degradation due to unsustainable agricultural practices, high intensity of rainfalls etc
- Species extinctions due to anthropogenic activities
- Habitat losses and fragmentations due to development activities
- Many forms of wildlife are illegally and unsustainably harvested and traded
- Danger to the marine ecosystem due to accumulation of plastic, polythene and other contaminations
- Elephant-human reconciliation
- Lack of advanced technology usage in economic activities in order to make activities efficient and environmental friendly.

7.1.9 Policy Directions

The overall policy direction of the Environmental Management and Forest and Wildlife Conservation is to achieve sustainable development through balanced social, economic and environmental practices.

- Sectoral Policies/ Policy Component

1. Utilizing the land for the sole betterment of all Sri Lankans
2. Sustainable consumption & production/ “Waste” to “Resource”
3. Net Carbon Zero Country
4. Environment and biodiversity conservation and protection
5. Sustainable land and water resource management
6. Biodiversity for economic perspectives
7. Blue- Green Economy/Green, Smart Cities, resilient cities and settlements

8. Creating an environmental sensitive community

7.1.10 Short & Medium term Strategies

- Identify the most essential projects / programmes / activities to be carried out through the domestic financing while encouraging private sector to engage in environmental protection via public- private partnerships & CSRs
- Seeking all possible avenues to obtain grant assistance for implementation of projects rather depending on domestic financing
- Overcome barriers to behavior change and the take-up of cost-effective measures and practices that help protect the natural environment. – Eg : take actions to introduce/ announce **"No car days"** within cities with high population (Colombo / Kandy / Gampaha etc)
- Reduce unnecessary expenditure from the funds which has been already allocated for the environment sector utilization through a proper review (for example : energy usage, fuel usage, etc)
- Introduce avenues in natural environment & economy- Eg : Encourage private sector in eco-tourism opportunities particularly targeting foreign tourists
- Encourage business resource efficiency – Encourage businesses not only to reduce their costs but also provide environmental benefits (Eg: use less water & produce less waste)
- Identify the opportunities in blue green economy and develop a mechanism to get the optimum socio- economical advantage to the country
- Seeking approaches to encourage market-based instruments such as emission trading schemes, landfill taxes and environmental stewardship payments
- Develop mechanisms to access climate change aligned planning and budgeting with appropriate guidelines for developing project proposals / KPIs for blue/ green bonds, matured pipeline for blue green bond issuance, climate budget tagging systems
- Seeking all possible avenues to obtain grant assistance in terms of implementing projects Grant assistances can be utilized for income generating environment projects

- Introduce new livelihood for economically vulnerable people to earn export income
- Increase productivity of the institutions in the environment sector
- Implementing promotional campaigns on biodiversity of the country through embassies by focusing other countries to attract tourists, same time importance of protection of environment should be informed. The Ministry of Tourism and Ministry of Environment should be worked collaboratively.
- As a solution for fuel challenge, bicycles and mass transportations can be promoted as an alternative solution and those users should be incentivized
- Encourage private sector to participate in optimizing the ecosystem services up to international recognized level in order to gain economic benefits.

7.1.11 Long Term Strategies

- Environmental regulation for conservation and protection
- Updating the existing environmental policies, rules and regulations
- Incorporating Sustainable financing – green bonds, blue bonds
- Integrating the SDGs into development framework
- Incorporating the indigenous knowledge and technologies into sustainable development
- Coordinating at all administrative levels to ensure upgrading living standards
- Conservation of sensitive ecosystems
- Restoring barren and abandoned lands
- Integrating 3R (reduce, re-use and recycle) concept
- Safeguarding the coastal areas and marine environment
- Establishing waste collection and disposal systems
- Enforcing regulations in waste disposal
- Controlling air pollution including Carbon emissions
- Encouraging de-carbonization
- Overcome Institutional bottlenecks and red tape
- Increasing national forest cover up to 30- percent by 2030
- Introducing appropriate regulations for sand mining
- Integrating biodiversity based tourism, education and cultural activities

- Managing ocean resources sustainably
- Ensuring sustainable land use planning
- Incorporating environmental education in to educational system
- Implement mechanisms to direct access to international financing

7.2 Disaster Management

7.2.1 Overview

By its location, Sri Lanka is subjected to adverse impacts of multiple natural disasters, mainly frequent floods and landslides especially during the South-West monsoon period, high winds/cyclones, lightning strikes etc. Over the past years, a significant number of human deaths have been recorded disrupting human settlements and property losses. Therefore, it is understood that strategic solutions for the disaster risk reduction need to be incorporated in line with the development trajectory of the country.

Further, 13 districts of the country are susceptible to landslides and floods (accounting 30 percent of total land area and representing 38 percent of population of the country) generating a significant impact to the country's economy. As a result, the government spends approximately Rs. 50 billion (US$313 million) per annum for disaster losses including housing, infrastructure, agriculture, and relief.

Disaster management includes coordinating the roles and responsibilities of responders, private sector organizations, public sector institutions, volunteers, donors etc. The prime goal of the disaster management is to minimize the impacts through the process of preparedness, response, recovery and mitigation.

The current development framework emphasizes the integration of Disaster Risk Reduction (DRR) measures in to the local development planning and has already taken measures under the thematic components such as institutional development, multi-hazard early warning systems, disaster preparedness, planning and response, public awareness and training and education.

Furthermore, in line with the international obligations such as the Sendai Framework, it is expected to reduce all types of risks caused by nature or man-made or by hazards from environmental, technological and biological issues through understanding disaster risk, strengthening disaster risk governance, investing in disaster risk reduction for resilience, enhancing disaster preparedness for effective response and "build back better" in recovery, rehabilitation and reconstruction.

Meantime, it is observed a development of a multi-layered disaster risk financing mechanism including contingency budget transfer and disaster risk insurance, will required to be promoted in enabling quick fund mobilization upon the occurrence the disaster, and thereby to reduce the overall fiscal cost.

7.2.2 Issues and Challenges

1. Lack of community awareness on disaster response and risk reduction
2. Vulnerable community has no adequate knowledge on preparedness for disasters, prevention activities from disasters and post disaster recovery activities.
3. Community irresponsible intervention to help people during difficulties/ disaster situation.
4. Lack of preparedness of first responders to disasters on First-Aid, Cardiopulmonary Resuscitation (CPR) and the needs of the elderly and disabled.
5. Complex institutional arrangements in disaster management and lack of collaboration
6. Lack of a proper integration plan amongst the Government and other institutions in order to address the real issues related to the disasters.
7. Lack of capacities amongst many private institutions regarding the in-house capabilities and resources to prepare disaster management plans, business continuity plans and recovery plans.
8. Gaps in legal framework and lack of guidance for implementation of Acts, regulations and other legislations on disaster related activities (Prevention, mitigation, preparedness, response, and recovery) to facilitate the vulnerable community properly.
9. Lack of qualified human resources/expertise with skills and technical capacities to manage various disasters.

10. Inadequacy in sharing information, research and planning support
11. Lack of a centralized information system for disasters management for disaster handling efficiently & effectively.
12. Mainstreaming gender for the disaster risk reduction
13. Investment challenges with the tight fiscal position.
14. Increase of human induce disasters due to population increase, conflicts and development related modifications to land use and landscape conditions

7.2.3 Key Strategies

- Making internal system of disaster management functioning in a synchronized manner.
- Strengthening disaster warning system
- Strengthening the institutions with powers and facilities to act swiftly and responsibility
- Ensuring the data availability for planning and informed decision making.
- Ensuring appropriate compensation for affected people and properties
- Ensuring the safety of vulnerable people such as women and children.
- Mitigating Human Elephant Conflict (HEC).
- Amend the existing legal framework and develop new policies in order to mitigate the disasters.
- Establish multi-hazard early warning and effective dissemination.
- Develop a proper risk assessment mechanism by using the disaster information system.
- Incorporate disaster mitigation and mainstreaming DRR into development planning.
- Enhance preparedness and response to disasters.
- Targeted and effective capacity building at all levels through training and awareness.
- Results based monitoring
- Develop appropriate measures to obtain services from private sector as PPP and CSRs minimizing the burden to the government

- Need and Opportunity to Strengthening First Responders.
- Enhanced role for Private Sector in Disaster Management & Developed an improved mechanism through co-ordination and facilitation among banks, industries and other government institutions (especially the Small & Medium Industry sector) to improve the in-house capabilities and resources of private sector to prepare disaster management plans, business continuity plans and recovery plans.
- Established “National Disaster Database” including disaster affected and potential disaster-prone areas, people, properties, businesses and agricultural lands to provide early warnings and to take preventive measures.
- Established permanent “Care Centre System” to facilitate and minimize the difficulties faced by the people, especially the women and children, who are frequently affected by natural disasters.
- Issuance of landslide Risk Assessment Certificates
- Working towards achieving the targets of Sendai Framework by 2030 (1. Understanding disaster risk; 2.Strengthening disaster risk governance to manage disaster risk; 3. Investing in disaster reduction for resilience and; 4. Enhancing disaster preparedness for effective response, and to "Build Back Better" in recovery, rehabilitation and reconstruction.).

08 SOCIAL PROTECTION

8. Social Protection

8.1 Overview

Sri Lanka, though a developing country, has been performing well with regard to human development. Free education and health services, being provided to all citizens and various social welfare programmes to assist the poor, which continued for more than five to six decades, have contributed this success. This has helped Sri Lankan citizens achieve long, healthy lives, and impressively high levels of education, which are reaching the levels of developed countries.

However, significant changes in demographic structure of households as well as social dimensions occurred with the broad-based social and economic development in the country, transforming Sri Lanka into a strong middle income status. Despite the above achievements, inequality and vulnerability remain with certain segments of the population like children, disadvantaged women, elders, poor and disabled.

The COVID-19 pandemic and the economic crisis that resulted have damaged people's lives and livelihoods around the world. Sri Lanka is still facing its worst economic crisis since independence. High level of debt, low foreign exchange, weak revenue mobilization and other pre-existing structural weakness, worsened by a series of shocks, including the Easter Sunday attacks, the COVID 19 crisis, and the Russia-Ukraine conflict, have inflicted high inflation and acute shortages of essential imports, with cascading impact on the entire economy. The impact of the on folding economic crisis are severe, and has affected for economic activities, house holding purchasing power for basic necessities, including adequate nutrition and schooling. Further the negative impacts of the crisis has translated into lower standards especially for most vulnerable populations as a result of income and employment losses and reduced fiscal capacity for essential Government services.

According to Department of Census Statistics, the monthly consumption limit of households has increased from Rs.6, 966 in 2019 to Rs.13,777 in December 2022. Poverty rates have increased from 3.2% to 14.3%. According to the 2019 Household

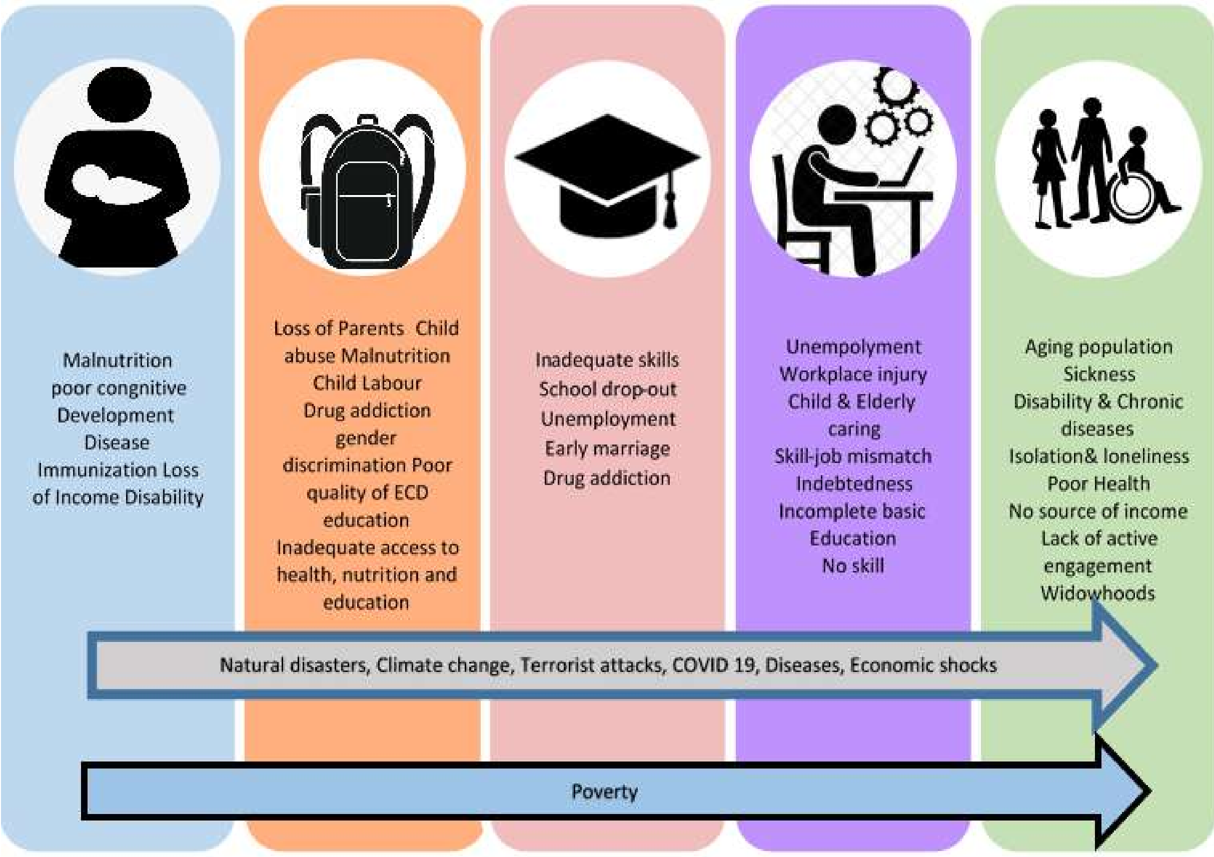
Economic survey, 2.88 family units are Poor out of which 5.7 family units. It is 40% of total family households.

Therefore, this crisis situation has exhibited deep structural issues surrounding the prevailing social protection framework in the country. Therefore, future reforms are vital important aiming to narrow the gaps and to address the fundamental issues. This would strengthen the future social protection system and help individuals to protect and enhance their well-being. Reforms would also enhance the counter-cyclicality of policy support for the economy in facing future health, environment, social, and economic shocks.

8.1.2 Social protection programs in Sri Lanka

Social protection can be considered as the set of policies and programmes that enable vulnerable groups to prevent reduce and/or cope with risk, and that are targeted at vulnerable groups; and involve cash or transfers in kind. Social protection programs can generally be disaggregated in to three broad categories: (i) Social Insurance/ Security programs (including pensions and other retirement benefits and heath instance); (ii) Social Assistance/ Welfare (including cash and in-kind assistance for poor, disabled persons, etc., health assistance, disaster relief, education assistance for children, etc.) and (iii) Labour Market programs (that include support for income generation activities through public works, grants and subsidised loans and skills development). In Sri Lanka, there are large numbers of social protection programs that are implemented through the government (e.g., Ministries and the Provincial Councils) and the non-governmental sectors. These programs are targeted towards various vulnerable segments of the population, such as the poor, elderly, disabled, children, and women. They vary from cash and in-kind transfers to education programs, pensions, micro-insurance, and livelihood development programs.

Figure 8.1.1 Summary of the life cycle risks experienced by Sri Lanka



The largest government-sponsored welfare programme in the country is the Samurdhi (meaning prosperity) scheme. The scheme is targeted at the poorer population of Sri Lanka and aims to reduce poverty levels.

Sri Lankans experience risks and challenges in every stage of life-cycle. However some risks and challenges are directly related to the low income and poor households while some factors as natural disasters, diseases and terrorism are common for all.

8.1.3 Issues and challenges of the present Social Safety Net programmes

- The identified Social Safety Net spending remains insufficient. The plan sets an indicative target for SSN spending of LKR 187 billion in 2023 (ie.0.6 percent of Gross Domestic Product (GDP)) compared to 142 billion in 2022.
- Despite significant expansion of the sector in recent years, most schemes prioritize those living in extreme poverty due to limited

resources invested in social protection.

- Most schemes target transfers at households living in poverty but, in reality, most are unable to access the schemes targeted at them due to the volatility of income and consumption, and the difficulty of identifying real income of beneficiaries and those living in poverty.
- Numerous government ministries and departments deliver a range of social protection services and in the absence of a lead agency, have done so with little coordination or policy coherence. This has resulted in fragmented and overlapping programmes,
- Inclusion and exclusion errors (include the beneficiaries those who are not eligible to receive benefits and exclude the eligible persons) can be seen in existing programmes. In most cases beneficiary selecting criteria is based on the poverty line and also suffer from lack of clearly defined criterion/ definition.
- There is no clear exit mechanism to remove empowered families and higher dependency can be seen on welfare assistance without graduating.
- 'Dependent mentality' among most of the vulnerable people is paramount barrier to eradicate poverty.
- Beneficiaries are not actively participate in empowerment programmes.
- People cribbed in the vicious circle of getting loans/goods from illegal/improper finance institutions at exorbitant interest rates.

Absence of comprehensive policy guidance and an intergraded strategic framework can be considered as the main reason for the complicated situation of the social protection sector. Therefore, Based on the Assessment of the Social Protection system in Sri Lanka National Social Protection Policy and Strategy are drafting. This NSPP articulates the direction of social protection in Sri Lanka with the objective of ensuring that, All Sri Lankans live in dignity and exploit their human capabilities to further their own social and economic development.

Box 8.1.4 Leave no one behind - “Aswesuma” Programme

Considering above facts, while, the government had taken the preliminary measures to face the crisis, the government is focused on starting a new welfare benefit scheme since July. Further, requirement of such system for welfare programme management has been highlighted by the IMF and several development partners during their recent consultation with the government

For this purpose, the survey to identify the beneficiaries using the new questionnaire and criteria was implemented all over the island. The ongoing SSNP funded by the World Bank aims to provide technical support to develop an Integrated Safety Net System (SRIS and IWMS) for the country. Accordingly, properly functioning Social Registry Information System (SRIS) and Integrated Welfare Management System (IWMS) are prerequisites for taking the decision on targeting potential beneficiaries- and vulnerable groups.

Accordingly, the “Aswesuma” new welfare benefit scheme is scheduled to start since July. This new consolidated welfare system “Aswesuma” aims to create a poverty-free Sri Lanka by 2048 with a view to creating an entrepreneurial state instead of a welfare state. In accordance with the provisions of the welfare Benefits Act No.24 of 2002, Order No 1 of 2022: the payment of Welfare Benefits (Selection of eligible persons for payment), published in the Gazette No. 2302/23 and dated 20.10.2022, new Aswesuma welfare Benefit Payment Scheme, is giving benefits to the transitional, vulnerable, poor and extreme poor group as mentioned in Table 8.1.1. Additionally, the usual allowances for the differently-abled, elderly, and kidney patients will also be provided under the “Aswesuma” (Table 8.1.2).

Accordingly, about 3.72 million of applications received for the Welfare Benefits Board and the information provided by the applicants was considered according to 22 criteria under 6 dimensions and 1.8 million beneficiaries were identified as eligible persons.

Table 8.1.1 Social group receiving welfare benefits payments

Social group receiving welfare benefits payments	Number of Welfare Beneficiaries/ Families	Proposed Monthly Welfare Allowance per Family Unit (Rs.)*
i) Transitional Up to 31st December 2023	400,000	2,500
ii) Vulnerable Up to 31st March 2024	400,000	5,000
iii) Poor For 03 years from 01st July 2023	800,000	8,500
iv) Severely Poor For 03 years from 01st July 2023	400,000	15,000

* Note - In a case where the number of members in a family unit is two or less than two members, only a half of the above allowance shall be paid.

Table 8.1.2. Payments for differently-abled persons, chronic kidney disease of unknown etiology (CKDu), elderly beneficiaries

Social category receiving welfare benefits	Number of current beneficiaries	Approximate Number of persons belonging to the family unit **	Monthly Welfare Benefit Allowance (Rs.)
i) Persons with disabilities receiving support	72,000	21,000	5,000
ii) People receiving renal support	39,150	19,500	5,000
iii) people receiving Elderly support	416,667	250,000	2,000

8.1.5 Children

The total child population under 18 years in Sri Lanka was 6,214,692 in 2022. The free education and health system have led children to gain a high level of educational and health achievements. However, children around the country still need support to fully realize their rights and unlock their vast potential.

Instances of violence, abuse and exploitation make hard for children to go about their lives free from fear or discrimination. Therefore, a conducive and safe environment needs to be built where children can learn and develop physically and socially. In this way, all children will be equipped for the future and will be empowered and enabled to play a key role in driving sustainable national development.

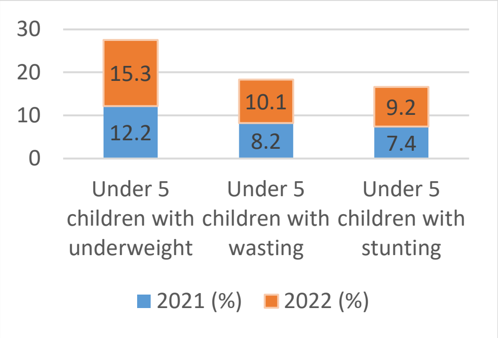
8.1.6 Issues and Challenges

- Child malnutrition and undernutrition

Vulnerable communities still face the challenges of infant and under-five mortality, under-nutrition and unequal access to preventative and curative health services. Child malnutrition and undernutrition are persistent challenges undermining progress in the heath sector. Nutrition is a critical area of income security for children in Sri Lanka, with recent research pointing to food insecurity of households being the primary driver of child under–nutrition.

A report by the Sri Lankan Health Ministry’s Family Health Bureau showed that all forms of malnutrition in children increased in 2022 after a steady drop since 2016. According to the Bureau, more than 43.4 percent of children under 5 are suffering from nutrition problems. The economic crisis in Sri Lanka is causing food prices to soar and families have to struggle affording the cost of food and feed their children adequately.

Figure 8.1.2 Prevalence (%) of malnutrition (underweight, wasting, stunting) under 5 children



- Child labour

Sri Lanka has made substantial improvements in the child labour area in recent decades– this is apparent from trends in working children, child labour and children in hazardous forms of child labour. However, when compared to the year 2020, in 2021 the total number of complaints regarding child labour received has increased to 204 from 145.

As Sri Lanka experiences its worst economic crisis, close to 30% of its population are facing food insecurity, while the rising poverty rate continues to push more families below the poverty line. The present situation has meant that vulnerable and marginalized groups are forced to grapple with further exacerbated challenges in carrying on their day-to-day lives. Especially for those engaged in the agriculture and fisheries sector, their livelihoods have been severely disrupted from all fronts. Thus, Most of children in rural areas are engaged in child labour as bread- winners or as helpers in the family.

- Increased violence/abuse against children

Children are more vulnerable to risks, such as abuse, conflict, labour migration, Tsunami, illegal pregnancy and neglect resulting in increasing number of children being institutionalized. According to the Child Protection Authority, 10,497 cases have been reported in 2022. Around 167 rape cases and 729 sexual harassment have been reported within 2022.

- Poor quality of early childhood education and daycare centers

- Inadequate access to health, nutrition and education facilities by vulnerable children
- Addiction to drugs
- Provision of foster parent or institutional care for destitute and orphans
- Child Marriage

8.1.7 Policy Direction

- The new policy direction ensures to create an environment that enables child survival, protection and development, and a world in which all children are equipped with the skillset, the mindset and the toolset they need to cope with tomorrow's challenges and seize its many opportunities.

8.1.8 Key Activities

- Update and implementation of National Policy on Early Childhood Care Development.
- Introducing minimum standards for pre-schools and implementation of Early Childhood Development Standards.
- Formulate and implement child Protection policy.
- Formulate a child friendly legal system.
- Formulate a legal system to address all forms of exploitation, abuse and violence against children.
- Establish a dedicated section in each District Court to resolve court cases pertaining to children without delay.
- Ensure effective coordination among all organizations and institutes working for the protection and development of the children.
- Introduce a special child nutrition programme to reduce malnutrition among children under 5 years.
- Protect school children from harmful drugs and ensure the rehabilitation of all who addicted to drugs.
- Introduce single curriculum system for pre-schools.
- Provide allowances for pre-school teachers.

- Establish a monitoring mechanism under the central government to maintain these pre-schools and day-care centers.
- Provide teacher trainings, with psychology for all pre-school teachers.
- Simplify the complex system of child adoption and take all efforts to prevent children from being abandoned or killed.
- Establish a national programme to introduce a ‘foster family system’ for all children in Child Care and Development Centers/Institutions
- Establish and develop Early Childhood Development Centers/Preschool Development with minimum standards.
- Taking necessary measures to ensure the rights of the children in accordance with the International Convention on Rights of the Child, with the integration of all the relevant institutions.
- Expanding the concept of “Child Friendly School”.

8.1.9 Women

Sri Lanka has a higher percentage of females 51.6% (11,429,000) in the population while males constitute 48.4% (10,727,000) of the population according to mid –year population estimates of 2021. Sri Lankan Women make a major contribution to the economy of the country and play a critical role within the family as the care giver, nurturer of values and balanced characters as the “Mother”. Therefore, harnessing the contribution of women is vital to short and long term development plans. Building high levels of literacy and education of women in Sri Lanka is not only for women to be equal partners in development but also to harness their skills to prepare the next generation to face the challenges ahead.

8.1.11 Policy Direction

The policy direction will emphasize the creation of a conducive environment for women where they can utilize their knowledge in emerging opportunities and special attention will be given to those who are unemployed, pregnant, widowed, destitute and to female headed households.

8.1.10 Issues and Challenges

- Low labour participation

Female labour force participation rate in Sri Lanka has remained low between 30 – 35 per cent in the past two decades, which is surprising given the consistently high educational attainment levels and other social indicators of women in the country. By 2022 second quarter, female labour force participation was 32.1% and male labour force participation was 70.9% (in 2019 LFPR in female was 34.5 and male was 73). Women's labour force participation in the country is often compounded by many factors such as the lack of affordable and quality childcare services, lack of support in sharing household work and workplace cultures which are not supportive of women employees.

- Women Headed Households

According to the Household Income and Expenditure Survey (HIES) 2019, out of 5.7 mn households in Sri Lanka, 1.4 mn households or 25.3 percent of the households were women-headed.

WHHs were considered vulnerable even before the pandemic, as the majority of these women were only able to engage in low-paying informal employment and/or daily income generation activities. WHHs are also prone to becoming indebted from microfinance loans. Since they lack access to adequate social protection mechanisms, they are burdened with unpaid care and domestic work, and as a result, lose their livelihoods faster during times of crisis.

- Increase of incidents of Violence Against Women

The government of Sri Lanka adopts a holistic approach to eliminate gender-based violence including discrimination and to promote and foster equal and equitable treatment for all women and girls in Sri Lanka. Over the years, Sri Lanka has made significant progress on gender equality, particularly in terms of free and equal access to education and healthcare. However, with structural barriers and societal norms that perpetuate gender stereotypes and biases, women continue to be underrepresented and discriminated in the economic, political and social spheres. It was reported that 1 in 5 ever-partnered women have experienced physical and/or sexual violence in their lifetime and crises such as COVID-19 has intensified violence against women in the country.

- Less paid for women in economic activities.
- In adequacy in technical knowhow of women.
- Teenage Mothers / Adolescent pregnancies.
- Low participation in the decision making process.

8.1.12 Key Activities

- Formulate "National policy on Gender Equality and Women's Empowerment".
- Drafting "National Action Plan to Address Sexual and Gender-based Violence in Sri Lanka (2023-2027)".
- Formulate "National action plan on Women, peace and Security 2023-2027".
- Draft the amendments to the bill of Prevention of Domestic Violence Act No.34 of 2005.
- Established an independent "National Women's commission".
- Build on the high levels of literacy and education of women to provide opportunities to be equal partners in development and to harness their skills to prepare the next generation to face the challenges ahead.
- Implementing a programme to ensure the security of women.
- Establish a Framework of Making Low Income Earners as High Income Earners.
- Recognize the invaluable effort and enhance contribution of the village women in economic activities.
- Establish mechanism to prevent women with Sexual and Gender Based Violence.
- Increase the labour force participation of women.
- Providing relief to rural women victimized by unregulated microfinance schemes.
- Implementing permanent mechanisms to provide protection and minimize adversities to persons subject to regular vulnerabilities.
- Recognizing the invaluable effort and enhance contribution of the village women in economic activities.
- Providing self-employment assistance & relief to rural women affected by unregulated microfinance schemes

8.1.13 Elders

Sri Lanka is one of the fast-aging countries in the world and at present 12.4% of the population is over 60 years of age. The growth of the elder population as a proportion of the population is reflected in the increasing government allocations for the support of the elderly. The outbreak of the COVID-19 pandemic also cast a spotlight on the growing needs of older persons, aged 65 and above, and the rising demand for eldercare in Sri Lanka.

8.1.14 Policy Direction

The government's policy aims to create an encouraging environment to absorb the wealth of experience of the senior citizens into the development process. In this regard, socially, economically, physically and spiritually productive and fulfilling life in old age is ensured.

8.1.15 Future trends are as follows

The population of Sri Lanka is ageing at a pace that is far more sustained than in other countries in the region and in most developing economies. It is projected that by the year 2042, persons over the age of 65 years will increase from 1.6 million to 4 million and approximately one in every 4 persons will be over the age of 60 by 2042.

The total population of the country in 2021 is estimated by the Registrar General's Department reported as 22.156 million which consisted of 48 percent males and 52 percent females.

Gender ratio which was 113.7 in 1981 is today 79. Life expectancy gap which is 4.7 today favoring females. It is expected to rise to 5.1 between the period 2025-2031 creating further imbalance in male female population and resulting in more females, especially widowed females, living alone and needing support.

Generally, it has been observed that individuals within the working age population (approximately those between 18 to 60 years of age), or a family member within the home, bears the responsibility of caring for older persons at present. Yet a worrying trend is that the working-age population and those who could be potential care providers are also projected to decline in the coming years. Thus, with a growing older population and a shrinking pool of youth to provide long-term support and care work, Sri Lanka appears to be heading toward a care deficit.

8.1.16 Key Activities

- Review National Policy for Senior Citizens in Sri Lanka
- Provide welfare measures enabling the elderly to live with dignity
- Maintenance and improvement of elder homes and elder day care centers
- Invest in Homes for the Elderly and Aged with private sector participation
- Establish standards in implementing Homes for the Elderly and Aged, in order to ensure the safety and comfort of the elderly
- Empowerment of rural elder committees
- Improved access to health facilities
- Providing health assistance equipment such as hearing aids, eye lenses, eye glasses etc.
- Facilitate senior citizens to engage in productive economic activities in collaboration with the private sector
- Introduce a subsidy scheme for senior citizens above 65 years of age to purchase prescribed medicines and provide free health checkup once in every six months
- Introduce National Pension Plan extending beyond the public sector to include private sector and informal sector workers

8.1.17 Issues and challenges

- In Sri Lanka, about 96% of the total disabled population with functional difficulties didn't engage in educational activities. Most of them have never attended school and therefore lack opportunities.

- Generally, most disabled people are unemployed as they face discrimination and limitations to access safe working environments. Self-employment is the only option available to disabled people instead of expecting an open safe working environment.

- Experience higher rates of poverty

Inability live independently or participate fully in community activities.

8.1.18 Disability support

The number of disabled persons in the country according to the 2012 Census is 1, 617, 924 of which 996,939 are visually impaired, 734,213 have problems of mobility and 389,077 are hearing impaired. Among them nearly 50 percent are of working age. There 87 handicapped persons per thousand people. Of the disabled people around 50% are over 75 years and 1/3 of 70-74 years are disabled.

8.1.19 Policy Direction

The Government's policy aims to mobilize disabled persons, empower and integrate them into society as useful and equal partners and supported to lead a healthy life.

8.1.20 Key activities

- Promotion of welfare of the persons with disabilities.
- Prevention and control of main causes of disability.
- Taking action to rehabilitate persons with disabilities.
- Monitoring of activities of institutions providing assistance to persons with disabilities.
- Fulfillment of needs of persons with disabilities.
- Formulation of programmes and policies, provision of guidance to prepare a proper` physical environment for persons with disabilities.
- Enhancement of making aware of the public on needs and situation of persons with disabilities.
- Employment of persons with disabilities in the private sector
- Providing medical assistance to the disabled persons
- Assistive devices for people with disabilities.
- Take steps to ratify the United Nations Convention on the Rights of Persons with Disabilities.
- Improve communication facilities
- Introduce facilities to address the difficulties encountered by those with disabilities in accessing education, in learning and in sitting for examinations in schools, universities, and other educational institutions.

- Provide special skill / professional training programmes for differently abled people.

09 Regional Development

9.1 Regional Development

Overview

Sri Lanka has pursued various approaches and strategies to address regional disparities since gaining independence in 1948. These approaches have encompassed geographical orientation, regional economic development, cultural regionalism, and the development of natural resources.

However, Sri Lanka is in far behind with regional disparities which reflect the contribution of the GDP by province wise. The major share of GDP comes from the Western Province while the Northern, North Central, Uva and Eastern Provinces are represented the low proportion to the GDP. Six provinces except Western, North Western and Central, contribute less than 40 percent to the national economy. This indicators clearly shows the regional disparity in economic development of the country.

GDP value and contribution in Provincial Level - Table 1

Province	2020		2021	
	Value (Rs. Bn)	**Share %**	**Value (Rs. Bn)**	**Share %**
Western	6,688	42.2	7,541	42.6
North Western	1,734	10.9	1,956	11.1
Central	1,673	10.6	1,787	10.1
Southern	1,441	9.1	1,604	9.1
Sabaragamuwa	1,087	6.9	1,287	7.3
Eastern	929	5.9	975	5.5
Uva	829	5.2	922	5.2
North Central	796	5	875	4.9
Northern	663	4.2	740	4.2
Sri Lanka	**15,840**	**100.0**	**17,687**	**100.0**

Source: Central Bank, Sri Lanka- 2022

The poverty rate of the Sri Lanka which was estimated to risen to 25 percent in 2022 from 13 percent in 2021 (The World Bank bi-annual report). Poverty is a key challenge in rural areas and estate sector in the country. Province wise poverty rates reflect inequality development of the country.

More than 80 percent of the total population in Sri Lanka lives in the rural areas. The primary livelihood activities for rural people in Sri Lanka include agriculture, fisheries, plantations and livestock, among others. The underdeveloped regions in the country are lacking essential infrastructure facilities such as rural roads, water supply, irrigation

REGIONAL DEVELOPMENT

facilities, and efficient market access. As of June 2023, the unemployment rate in Sri Lanka is 4.7 percent, with a youth unemployment rate of 23.8 percent. (Source: https:// trading economics .com / Sri-Lanka/population)

Unemployment Rate by Provinces

Province	2019	2020	2021
Total	4.8	5.5	5.1
Western	4	5.5	4.9
Central	6	6.4	5.7
Southern	6.7	7.7	7.3
Northern	5	5.2	4.4
Eastern	6.4	4.8	5
North Western	4.1	4.3	3.6
North Central	3.3	4.1	4.6
Uva	4	4.7	5.6
Sabaragamuwa	4.4	5.4	4.9

Source: Annual Labour Statistic Report, Sri Lanka, 2021

There are several physical and social challenges to hinder the regional development in Sri Lanka.

Issues and Challenges

- Lack of connectivity to economic and service centers in regionally

The absence of prevailing infrastructure facilities such as roads and transportation represents a significant barrier to connect the rural areas with urban areas. The road networks in particularly, plays a crucial role in facilitating the movement of goods and services.

- Dilapidated irrigation systems

Currently, the majority of well-established minor irrigation systems has either been destroyed or is in a state of disrepair. Reliable irrigation systems are essential for maintaining agricultural productivity, and the deterioration of these systems can result in various challenges such as food insecurity.

- Lack of drinking water and sanitary facilities

The challenge of ensuring access to safe drinking water in specific provinces, such as North Western, North Central, and Uva in Sri Lanka, is a critical issue with significant health implications. The scarcity of safe drinking water can lead to various problems, including high risk of Chronic Kidney Disease (CKD), which has been a concerning health issue in these regions.

- Regional variations of the poverty

In 2020, the poverty headcount ratio for Sri Lanka was reported as 4.1%. This ratio indicates the percentage of the population living below the poverty line. Colombo, as the capital and a major urban center, tends to have lower poverty headcount ratio of 0.6% compared to many other regions in the country. However, districts like Mullaitivu (11.2%) and Killinochchi (15.0%) located in the Northern Province of Sri Lanka, had shown higher poverty headcount ratio. Since these districts faced challenges in conflict time, it resulted to high level poverty rates.

- Lack of knowledge of conservation of the environment.

Deforestation, soil erosion, wetland destruction, and the inadequate protection of water resources are major environmental issues. Their direct impact is felt on reduction of food production and limitation of water resources in the affected areas.

In addition, following challenges can be identified in regional development.

- Inequality distribution of innovative skills, technology know how and entrepreneurship skills.
- Shortage of Foreign Direct Investments.
- Low level of income of the estate workers.
- Poor coordination among line ministries / institutions, provincial councils and local authorities in implementation of development projects / works in rural areas.
- Lack of capacity in certain Local Government Authorities in providing local service delivery.

Addressing these constraints requires a combination of political stability, economic diversification, capacity building, and a sustained commitment to balanced regional development.

Policy Direction

The government's policy for regional development is to connect the village development together with regional development. The country will develop as a whole when cities grow as metropolitan areas and villages develop as regional areas.

- Transitioning isolated villages to fully integrate economic centers with all facilities.
- Developing lagging provinces (Northern, Eastern and Uva) where citizens can afford adequate livelihood infrastructure, strengthening economic base to achieve income and employment needs and self-sufficiency in the province.
- Recognizing and accepting the estate population who predominantly work in the tea industry as equals enjoying the same rights.

Key Strategies

- Upgrade and connect infrastructure networks such as rural roads, bridges and train lines to main cities and metropolitan areas. Fulfill the each gaps of the connectivity.
- Expedite development, rehabilitation and renovation process of the irrigation system of the country.
- Establish a proper mechanism and distribution process to provide safe drinking water for all.
- Encourage Foreign Direct Investments in regions, through fulfil infrastructure facilities in each regions.
- Encourage value added plantation productions to export markets.
- Encourage land owners to cultivate export oriented agriculture cultivations in their abandon lands and non-profitable lands.
- Pay more attention to produce value added productions from plantation sector and develop the quality of productions.
- Improve and update farmer, trader (wholesale, retail) banker and consumer based user friendly data base system to establish fair trade system.
- Develop farmers` selling networks to reduce huge margins of middlemen and minimize post-harvest losses.
- Encourage organic home gardening for each households and gradually apply this concept each sectors (rural / urban and plantation) in the country to

achieve balance diet and healthy family concept.

- Establish food banks in staple food of rice for Sri Lankans.
- Find more opportunities to enhance the daily milk production and fisheries productions in the country.
- Follow and incorporate with institutional plans such as Physical Plans, Urban Development Plans and Land Use Plans to construct most sophisticated towns.
- Promote to construct multi-tasking high-rise housing schemes rather than construction of single storied houses to maximum utilization of lands.
- Establish regional wise renewable energy plant to fulfill daily requirements to relief heavy burden to the national grid of power supply.
- Strengthen the small industries in regional level and find export market opportunities for their productions.
- Prioritize the establishment of export oriented industries in regional wise with proper management to reduce regional disparities and unemployment.
- Establish pharmaceutical industries at the regional level to achieve self-sufficiency in producing essential medicines for the country.
- Popularize Sri Lankan traditional indigenous medicine among younger and elder generation.
- Promote sports and daily exercises to minimize non-communicable diseases.
- Promote the consumption of local food varieties among school children to prevent non communicable diseases among them.
- Enhance skill education opportunities for school leavers before they consider ad-hoc employment options.
- Find overseas job opportunities for skilled labour.

Medium Term Targets

- Rehabilitate and modernize 150,000 kilometers of identified rural roads to enhance connectivity.
- Connect the 100 isolated villages with towns though bridges and roads.
- Repair and rehabilitate identified dilapidated irrigation cannels, tanks and reservoirs.
- Use appropriate mechanisms to attract foreign direct investments to each district, aligning with the human and physical resources available in the regions
- Absorb 2.5 Mn school leavers to the Vocational Training Programmes within the next three years.
- Develop one million home gardens.

PUBLIC INVESTMENT 2024-2026

Rs.Bn

S.No	Sector Summery	2023		2024		2025		2026		2024-2026 Cumulative	
		Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
1	Education	19417	12077.8	24575	15836	28739	9538	37158	10208	90472	35582
2	Higher Education	20821.3	14496.6	31320	19755	32615	15265	34765	4585	98700	39605
3	Skills Education	3603.5	943.5	4274	2526	4867	1828	5491	775	14632	5129
4	Youth (Skill Sector)	1965	-	3380	-	3532	-	3683	-	10595	-
5	Labour	850.9	306	606	236	3975	25	4076	24	8657	285
6	Health	70689	51326.5	63180	23193.53	69740	24009	88900	35012	221820	82214.53
7	Sports	2137	-	2871	-	5011	-	5050	-	12932	-
8	Religious, Cultural and Heritage	3177	60	3960	482	4686	143	4844	110	13490	735
9	Information Communication Technology	2965.5	548	7990	1000	5736	2250	5515	800	19241	4050
10	Science & Technology Development	1361	-	3071	-	4184	-	5752	-	13007	-
11	Agriculture	35423.16	19003.28	43763.87	23730.17	42039.75	25375	36793.17	17880	122596.8	66985.17
12	Livestock	2502.34	825.34	3084	1015	3321	1018	3565	1018	9970	3051
13	Plantation	8823	5481	4592	1878	4397	-	4598	-	13587	1878
14	Fisheries	3591	-	4709	-	4845	-	4842	-	14396	-
15	Land	3569.8	280	10839.1	174.8	12307.3	100	13889	100	37035.4	374.8
16	Industry,Trade & Investment	43578	11990	52330	18661	29253	10000	28809	-	110392	28661
17	Tourism	232	-	3852	981	3400	400	3500	400	10752	1781
18	Land Transport	51808.1	18712	66230	31762	59409	17614	52361	-	178000	49376
19	Roads	342905	167376	320111	128442	289771.7	119700	241628	69500	851510.7	317642
20	Port and Aviation	2433.27	1825	7646	4386	9743	7809	3134	2325	20523	14520
21	Irrigation	75207	47937.2	76926	37689	44687	27608	45935.8	29049	167548.8	94346
22	Power & Energy	107	-	69011	68208	36454	35966	27648	27385	133113	131559
23	Water Supply & Sanitation	88384	57783	80681	44716	78831	50363	85542	52724	245054	147803
24	Housing Development	28059	13584	28315	15000	29110	14435	29572	15300	86997	44735
25	Urban Development	15372	1130	15902	1520	7275	3500	7400	4000	30577	9020

Rs.Bn

S.No	Sector Summery	2023		2024		2025		2026		2024-2026 Cumulative	
		Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
26	Governance	155351	8629	98744	12601	105910	11115	111895	7282	316549	30998
27	Environment	9343.9	5533.9	14714	10568.5	16432.23	3787.7	17140	-	48286.23	14356.2
28	Social protection	4733.5	3247	5391	3304	5879	1514	6399	2015	17669	6833
29	Regional Development	36433	16814	68442	18171	71970	710	100917	16384	241329	35265
Total		**1034843**	**459909**	**1120510**	**485836**	**1018120**	**384073**	**1020802**	**296876**	**3159432**	**1166784.7**

Public Investment Programme 2023 -2026

Rs. mn

Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate		Projections						2024-2026 Cumulative	
					2024		*2025*		*2026*			
			Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector : Education			***19,417***	***12,078***	***24,575***	***15,836***	***28,739***	***9,538***	***37,158***	***10,208***	***90,472***	***35,582***
Ministry: Education			***15,457***	***8,118***	***19,625***	***10,886***	***28,739***	***9,538***	***37,158***	***10,208***	***85,522***	***30,632***
Annual Program			**2,552**	**128**	**2,783**	**98**	**1,723**	**28**	**1,710**	**28**	**6,216**	**154**
1 Acquisition,Rehabilitaion and Improvement of Capital Assetes			271		202		155		156		513	
2 Capacity Building			36		33		32		32		97	
3 National Library and Documentation Services Board			10		10		10		10		30	
4 National Institute of Education			500	100	30		30		30		90	
5 Primary Education			85		165		85		85		335	
6 Secondary Education			557		715		165		165		1,045	
7 Special Education			34		45		35		35		115	
8 Strengthening the Piriven Education			115		150		250		300		700	
9 Strengthening the Handicapped Students Education			17		17		17		17		51	
10 National & Provincial Resources Centers for Children with Special Education Needs			45		73		67		52		192	
11 Facilitate Education and Training of A/L Vocational Stream Students			80		90		100		110		300	
12 Defence Service School			180		250		60				310	
13 Teacher Colleges and Centers			79		130		159		160		449	
14 National Colleges of Education			117		145		210		210		565	

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate		Projections						2024-2026 Cumulative	
						2024		*2025*		*2026*			
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
15	Department of Examination			185		140		33		33		206	
16	Department of Educational Publication			84		60		6		6		72	
17	National Education Commission			11		10		11		11		32	
18	Annual Workplan - UNFPA			3	3	3	3	3	3	3	3	9	9
19	Annual Workplan - UNICEF			25	25	95	95	25	25	25	25	145	145
20	E-Thaksalawa					270		270		270		810	
21	Other Capital Expenditure			119	-	150						150	
	Ongoing			***12,905***	***7,990***	***16,842***	***10,788***	***17,016***	***9,510***	***20,448***	***10,180***	***54,306***	***30,478***
1	Strengthening the Education for Children with Disabilities- (GOSL/JICA)	2019		1	1	20	18	-	-	-	-	20	18
2	UNESCO Activities	2012		24	24	10	10	10	10	10	10	30	30
3	Estabilishment of National College of Education for Technology Stream - (GOSL/KOICA)	2015		1,532	1,000	2,620	1,200	2,407	1,000	833	200	5,860	2,400
4	Providing Electricity Facilities (through National Grid or Solar) for the Schools	2016	2,700	25		25		30		30		85	
5	Upgrading Plantation Schools to Secondary Level	2016	1,000	77		185		200		200		585	
6	Facilitate Dental Health Facilities in Schools	2016	365	20		16		15		11		42	
7	Providing Sanitory and Water Facilities for all Schools	2019		108		42		42		40		124	
8	Upgrading Facilities of 3,577 Primary Schools	2018		510		402		410		150		962	
9	Providing Facilities of Teacher Quarters and Rest Rooms Etc. for Rural and Regional Schools	2016	2,000	20		30		30		30		90	

Public Investment Programme 2023 -2026 — *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												***Rs. mn***
10	Upgrading Facilities of 1,000 Secondary Schools	2018		700		900		800		900		2,600	
11	Improve Facilities of 1,360 Schools which were not included in recent pProjects	2019		1,040		900		600		500		2,000	
12	Construction of Multi Ethnic Trlingual School in Polonnaruwa	2019	300	188	100	185	100	180	100	162	100	527	300
13	General Education Modernization Project - (GOSL/WB)	2018	17,554	1,800	1,800	3,000	3,000					3,000	3,000
14	Qualitative Development Reform in Education	2021		1,500				4,000		7,000		11,000	
15	Technological Education Development Projects - (GOSL/OFID)	2019	10,719	1,895	1,675	4,262	3,900	3,380	3,100	3,300	3,100	10,942	10,100
16	Establishment of ICT Hubs Secondary Education- (GOSL/EDCF)	2019		1,562	1,500	1,100	950	1,800	2,200	3,200	2,700	6,100	5,850
17	Upgrading Schools in Plantation Areas - (GOSL/India)	2020	300	103	90	235	200	112	100	82	70	429	370
22	Secondary Education sector Improvement Project	2021		1,800	1,800	1,410	1,410	3,000	3,000	4,000	4,000	8,410	8,410
23	Establishment of University of Education(BP)	2024	1000			1,000						1,000	
24	English for All(BP)	2024				500						500	
	New							***10,000***		***15,000***		**25,000**	
1	New Investments/Initiatives	2025						10,000		15,000		25,000	
	Ministry: Public Administration, Home Affairs, Provincial Councils and Local Government			**3,960**	**3,960**	**4,950**	**4,950**					**4,950**	**4,950**
1	General Education Modernization Project (GOSL/WB) for nine provinces	2017	9,303	3,960	3,960	4,950	4,950					4,950	4,950

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												***Rs. mn***
	Sector : Higher Education												
	Ministry:Ministry of Education			***20,821***	***14,497***	***31,320***	***19,755***	***32,615***	***15,265***	***34,765***	***4,585***	***98,700***	***39,605***
	Ongoing			***14,497***	***14,497***	***23,395***	***19,755***	***17,115***	***15,265***	***5,915***	***4,585***	***46,425***	***39,605***
1	Accelerating Higher Education Expansion and Development Project (WB)	2017-2023	14,500	650	650	1,000	1,000					1,000	1,000
2	Building Complx for the Faculty of Health Care Science, Eastern University (GOSL/Kuwait)	2017-2023	5,484	1,008	1,008	1,800	1,800					1,800	1,800
3	Wayamba University Township Development Project (GOSL/Saudi)	2017-2023	5,088	2,000	2,000	3,000	3,000	100	100			3,100	3,100
4	Science and Technology Human Resources Development Project (GOSl/ADB)	2018-2024	26,400	9,709	9,709	9,500	9,500	6,350	6,350			15,850	15,850
5	Construction of Building in Swami Vipulananda Aesthetic Institute of Batticaloa (GOSL/India)		620			275	275	340	340	230	230	845	845
6	Establishment of Faculty of Medicine at University of Sabaragamuwa - Phase II (GOSL/Saudi)	2019-2025	9,093	1,000	1,000	4,000	4,000	4,250	4,250	1,860	1,860	10,110	10,110
7	Establishment of Medical Faculty, Moratuwa University (GOSL/Kuwait)	2021-2025	5,985	36	36	50	50	4,050	4,050	2,260	2,260	6,360	6,360
8	Capacity Building in the Field of Higher Education (ERASMUS)			65	65	10	10	25	25	35	35	70	70
9	Foreign grants for research activities at Universities and Higher Education Institutes			28	28	120	120	150	150	200	200	470	470
10	Local Bank loan obtained to establish 17 storied building, Faculty of Medicine, University of Colombo 1 and 2					1,850		1,650		1,200		4,700	
11	Laboratory Facilities of Medical Faculty, Universities of Sri Jayawardenepura					500		200		130		830	
12	Development of University of Peradeniya					500						500	
13	Establishment of National Institute of Allergy and Immunology					40						40	

	Public Investment Programme 2023 -2026												Rs. mn
	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
14	Skills Development in ICT through Apprenticeships					750						750	
	Administration and Establishment Services			***2,066***		***2,445***		***1,399***		***1,009***		***4,853***	
1	Rehabilitation and Improvement of Capital Assets			6		7		7		7		21	
2	Acquisition of Capital Assets					3		2		3		7	
3	Capacity Building			500		500		1,000		1,000		2,500	
5	12 storied Building for the Faculty of Medicine, University of Ruhuna			50		300		390				690	
6	Establishment of a Medical Faculty at Sabaragamuwa University (Phase I)			300		150						150	
7	Establishment of a Professorial Unit at Karapitiya Hospital			200		730						730	
8	Establishment of a Centre of Naval Studies and Shipping at University of Ruhuna			560		280						280	
9	Development of Faculty of Allied Health Science at the Ruhuna University and Laboratory Facilities for Medical Faculty, Sri Jayewardenepura University			450		475						475	
	Development of Universities			***5,825***		***7,375***		***8,450***		***11,850***		***27,675***	
1	University Grants Commission			200		200		250		325		775	
2	University of Peradeniya			525		650		700		975		2,325	
3	University of Colombo			300		425		500		700		1,625	
4	University of Sri Jayewardenepura			600		850		875		1,150		2,875	

Public Investment Programme 2023 -2026 *Rs. mn*

	Project/ Activity	Impleme ntation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections *2024* Total	Projections *2024* Foreign	Projections *2025* Total	Projections *2025* Foreign	Projections *2026* Total	Projections *2026* Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
5	University of Kelaniya			250		325		400		600		1,325	
6	University of Moratuwa			350		525		600		850		**1,975**	
7	University of Jaffna			325		400		475		675		**1,550**	
8	University of Ruhuna			250		250		300		450		**1,000**	
9	Open University of Sri Lanka					50						**50**	
10	Eastern University of Sri Lanka			150		176		225		325		**726**	
11	South -Eastern University of Sri Lanka			150		225		250		350		**825**	
12	Rajarata University of Sri Lanka			300		500		575		825		**1,900**	
13	Sabaragamuwa University of Sri Lanka			300		400		475		700		**1,575**	
14	Wayamba University of Sri Lanka			200		300		350		525		**1,175**	
15	Uva Wellassa University of Sri Lanka			450		450		500		725		**1,675**	
16	University of the Visual and Performing Arts			150		150		275		325		**750**	
17	Trincomalee Campus			150		300		350		500		**1,150**	
18	Establishment of a Technology Faculty of the Universities			875		665		700		950		**2,315**	
19	Gamphaha Wickramarachchi University of Indigenous Medicine			100		100		125		175		**400**	
20	University of Vavuniya			200		225		250		350		**825**	
21	Postgraduate Institute of Pali and Buddhist Studies					22						**22**	

No.	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026											***Rs. mn***	
								Projections					
22	Postgraduate Institute of Medical Science, University of Peradeniya					2						**2**	
23	Institute of Technology, University of Moratuwa					25		50		75		**150**	
24	Swami Vipulananda Institute of Aesthetic Studies					90		125		150		**365**	
25	National Center for Advanced Studies in Humanities and Social Sciences					70		100		150		**320**	
	Institutional Assistance for Quality Improvements in Higher Education			**350**		**300**		**400**		**500**		**1,200**	
1	Sri Lanka Institute of Advanced Technological Education			100		75		100		150		**325**	
2	Bhiksu University of Sri Lanka			200		150		200		225		**575**	
3	Buddhist and Pali University of Sri Lanka			50		75		100		125		**300**	
	New			***150***		***250***		***6,650***		***16,500***		***23,400***	
1	Renovation and Improvements to the Faculty of Law Building, University of Colombo	2024 - 2025	350			200		150				**350**	
2	Establishment of Uva Wellassa University	2023 - 2028	13,906	150		50		1,000		1,500		**2,550**	
3	New Initiatives in higher education sector							2,500		5,000		**7,500**	
4	Introduction of New Degree Programmes inline with the emerging needs									5,000		**5,000**	
5	Establishment of New Universities							3,000		5000		**8,000**	

Public Investment Programme 2023 -2026 *Rs. mn*

	Project/ Activity	Implem entation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	*2024* Total	*2024* Foreign	Projections *2025* Total	Projections *2025* Foreign	*2026* Total	*2026* Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
Sector : Skills Education													
Ministry: Education				***3,604***	***944***	***4,274***	***2,526***	***4,867***	***1,828***	***5,491***	***775***	***14,632***	***5,129***
	Annual Program			**942**		**1,144**		**1,873**		**2,682**		**5,699**	
1	Acquisition, Rehabilitaion and Improvement of capital Assets			137		202		312		505		1,019	
2	Capacity Building			3		5		7		8		20	
3	Tertiary and Vocational Education Commission			15		21		34		49		104	
4	Vocational Training Authority			120		120		200		300		620	
5	National Apprentice and Industrial Training Authority			116		100		170		300		570	
6	Ceylon German Technical Training Institute			50		160		250		300		710	
7	University of Vocational Technology (UNIVOTEC)			126		286		440		610		1,336	
8	Ocean University of Sri Lanka			70		80		180		250		510	
9	City University -kegalle			200									
10	Self Employment Promotion Initiatives (SEPI)			45		70		130		180		380	
11	Improvement of vocational training			60		100		150		180		430	
	Ongoing			***2,662***	***944***	***3,130***	***2,526***	***1,994***	***1,828***	***809***	***775***	***5,933***	***5,129***
1	Skills Sector Development Programme - SSDP (ADB/ WB)	2014	125,000	1,079									
2	Vocational Training in Sri Lanka(GOSL/Germany)	2019		383	380	607	600	623	528	472	445	1,702	1,573
3	You Lead (GOSL USAID)	2017	3,600	404	400	203	200					203	200

	Public Investment Programme 2023 -2026												Rs. mn
	Project/ Activity	Implem entation /Start Year	TEC	2023 Budget Estimate		Projections						2024-2026 Cumulative	
						2024		*2025*		*2026*			
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
4	Skills for Inclusive Growth (S4IG) Phase 2 (GOSL/Australia)	2022	1,644	5	4	146	145					146	145
5	Modernization of 7 Colleges of Technology/Techical Colleges	2021	852	300		225						225	
6	Capacity Building Project for construction courses in Technical Colleges and Collages of Technology in Sri Lanka(GOSL/KOICA)	2022	880	191	160	31	27					31	27
7	Development of Vocational and Technical Training	2021		300		200						200	
8	TVET Career Platform Project (KOICA/GOSL)	2024	1,700			660	600	415	400	337	330	1,412	1,330
9	Strengthening Labour Market Demand Driven Technical Vocational Education and Training (TVET) Sector in National Vocational Training Institute Niyagama in Sri Lanka (KOICA/GOSL)	2024	568			568	494					568	494
10	Establishment of Colombo Vocational Training Center and Gampaha Technical College 9 GOSL-EDCF)	2024				490	460	956	900			1,446	1,360
	New							***1,000***		***2,000***		***3,000***	
1	New Investments/Initiaves for skill sector Development							1,000		2,000		1,000	

Public Investment Programme 2023 -2026 *Rs. mn*

Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget		Projections 2024		2025		2026		2024-2026 Cumulative	
			Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector : Youth (Skill Sector)			***1,965***		***3,380***		***3,532***		***3,683***		***10,595***	
Ministry: Sports and Youth Affairs			***1,965***		***3,380***		***3,532***		***3,683***		***10,595***	
Annual Programme			***1,915***		***2,380***		***2,632***		***2,833***		***7,845***	
1 Empowering the Youth Parliament			*100*									
2 Youth Emplowerment Programme Development Assistance (Small and Medium Enterprises (SME))			*150*		*350*		*400*		*450*		***1,200***	
3 Leadership Development -other capital			*30*		*30*		*32*		*33*		***95***	
4 National Youth Corps			*450*		*550*		*600*		*650*		***1,800***	
5 National Youth Services Council			*1,185*		*1,450*		*1,600*		*1,700*		***4,750***	
New			***50***		***1,000***		***900***		***850***		***2,750***	
1 Training of Youth for Foreign Employment - Budget proposal 2023	2023	*50*	*50*									
2 Youth Development Programme - Budget Proposal	*2024*				*1,000*						***1,000***	
3 Establishment of "Youth Human Resource Data Bank" to facilitate correct identification of Sri Lanan youth for government, private sector and overseas employment opportunities.	2021-2025	*106*										
4 New Initiatives	2024						900		850		***1,750***	

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget		2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector : Labour				***851***	***306***	***606***	***236***	***3,975***	***25***	***4,076***	***24***	***8,657***	***285***
Ministry: Labour and Foreign Employment				***851***	***306***	***606***	***236***	***3,975***	***25***	***4,076***	***24***	***8,657***	***285***
	Annual Programme			***90***		***86***	***33***	***45***		***52***		***183***	***33***
1	National Institute of Labour Studies			5									
2	Implementation of the National Policy for Decent Work			16		10		17		18		45	
3	Improving Productivity, Employment Growth and Economic Development in Sri Lanka			20		35		11		11		57	
4	Producing Human Resources with Employment Skills Targeting the Demand of Labour Market	2013		4									
5	Establishment of Management Information System (MIS) for Active Labour Market	2017		3									
6	Conducting Career Guidance Program for Dropout Students from Secondary Education System	2015		8									
7	Facilitating for Regularise the Operational Evaluation Process in District and Divisional Levels	2021		6		6		6		6		18	
8	Implementing the Re-socialization Programme	2021		6						6		6	
9	Establishment of Labour Market Information System	2015		1									
10	Establishment of Public Employment Service Excellence	2015		1									
11	SpecialProductivity Promotion Programmes(Asian Productivity Organization)	2023		20		35	33	11		11		57	33.00
	Ongoing			***750***	***295***	***476***	***175***	***1***		***1***		***478***	***175***
1	Construction of Mehewara Piyasa office complex building - Interor works and common facilities	2020-2023	1,444	210		200						200	

Public Investment Programme 2023 -2026 — *Rs. mn*

Public Investment Programme 2023 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget		Projections 2024		Projections 2025		Projections 2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
2	Promoting Employees' Provident Fund Activities through media to attract informal sector employments	2021-2024	45	5		1		1		1		3	
3	The Project for the Improvement of EPF Information System to Effective Service Delivery	2021-2023	351	240		100						100	
4	Safe and Regular labour migration programme with the financial assistance of the Government of Switzerland	2022-2024	1,715	295	295	175	175					175	175
	New			***11***	***11***	***44***	***28***	***3,929***	***25***	***4,023***	***24***	***7,996***	***77***
1	ILO Funded programmes	2023		11	11								
2	Establishment of a Migrant Resource Center managed by International Center for Migration Policy Development (ICMPD) funded by the Government of New Zealand	2024	77			28	28	25	25	24	24	77	77
3	Providing Public Employment Services (PES)					15						15	
4	Labour Market Information, Research and Promotion (LMI, R&P)					1						1	
5	Labour sector reforms and new Initiatives	2024						3,904		3,999		7,903	

	Public Investment Programme 2023-2026												Rs. mn
		Implement ation /Start		Budget		Projections							
	Project/ Activity	Year	TEC	2,023 Total	Foreign	2,024 Total	Foreign	2,025 Total	Foreign	2,026 Total	Foreign	2024-2026 Total	Total Foreign
	Sector : Health												
	Ministry of Health			***70,689***	***51,327***	***63,180***	***23,194***	***69,740***	***24,009***	***88,900***	***35,012***	***221,820***	***82,215***
	Annual Programme (Including Rehabilitation)			***10,444***		***26,540***		***39,240***		***47,955***		***113,735***	
	Ministry of Health												
1	Blood Bank Equipment	Annual		75		150		1,000		1,200		2,350	
2	Bio Medical Equipment	Annual		2,600		8,000		15,000		17,000		40,000	
3	Lab apparatus	Annual		500		1,145		3,150		5,175		9,470	
4	Prevention and Control of Communicable & Non Communicable Diseases	Annual		5,484		710		900		1,300		2,910	
5	National Nutrition Programme	Annual						50		50		100	
6	Medical Research*	Annual		37		112		100		100		312	
7	Promotion of Indegeneous Medicine	Annual		5		10		25		40		75	
8	Human Resource Development	Annual		1,238		1,878		2,200		2,500		6,578	
9	Maintenance of Medical Equipment	Annual				4,000		6,000		7,500		17,500	
10	Other Preventive activities	Annual		451		450		600		800		1,850	
11	Other Governance related activities	Annual				9,400		10,000		12,000		31,400	
	Department of Ayurveda - Development Activities												
12	1. Teaching and Research Hospitals	Annual		23		668		150		200		1,018	
13	2. Research	Annual		16				25		25		50	
14	3. Education and Training	Annual		4		9		20		35		64	

	Public Investment Programme 2023-2026												Rs. mn
		Implement ation /Start Year		Budget		Projections							
	Project/ Activity		TEC	*2,023* Total	Foreign	*2,024* Total	Foreign	*2,025* Total	Foreign	*2,026* Total	Foreign	2024-2026 Total Total	Foreign
15	4.Herbal Garden for Research & Extension	Annual		11		9		20		30		59	
	Ongoing		***270,118***	***59,277***	***51,327***	***34,113***	***22,174***	***10,500***	***7,500***	***1,950***		***45,841***	***29,004***
1	Primary health System Strengthening Project (PSSP)**	2019	36,142	14,800	14,800	3,880	3,880					3,880	3,880
2	Improvement of ETU - facilities under line ministry hospitals	2014	9,525	200		400						400	
3	Construction of Cardiology Unit, Cathetre Laborotory Complex and Ward Complex at TH, Batticoloa	2014	427	65		80						80	
4	New Medical Ward Complex- DGH, Chilaw	2013	311	25		200						200	
5	Development of Karapitiya Hospital	2016	1,024	30		75		150		300		525	
6	Development of District Hospital, Kalutara as a specialised Maternity and Children's Hospital	2016	6,050	1,750	1,720								
7	Construction of Ministry Building	2014	5,979	200		1,000		500		500		2,000	
8	Helmut Khol Maternity Hospital, Karapitiya, Galle (GoSL-Germany-Kfw)	2013	4,480	4,210	3,360								
9	Construction of National Stroke Centre at BH, Mulleriyawa	2014	1,112	60		200						200	
10	Provision of High Quality Radiotheraphy for cancer patient in SL with high energy radiation	2014	7,960	850		2,220		750		750		3,720	
11	Construction of Cancer Hospitals at Karapitiya, Kandy, Tellipallai	2016	3,000			240						***240***	
12	Construction of Three Storied building consist of X-Ray unit, OPD, A & E Unit and Blood Bank at Base Hospital, Pimbura	2017	294	10		27						27	
13	Upgrading health facilities of selected hospitals (EXIM Bank of China)	2019	15,292	8,500	8,495	3,000						3,000	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2,023 Total	Foreign	Projections 2,024 Total	Foreign	2,025 Total	Foreign	2,026 Total	Foreign	2024-2026 Total	Total Foreign
	Public Investment Programme 2023-2026												***Rs. mn***
14	Specialized pediatric care complexes in Karapitiya,Ampara and Jaffna	2017	4,676			95						95	
15	Establishment of Bone Marrow Transplant Unit at Kandy General Hospital	2017	1,701	400		250						250	
16	Construction of Heart Centre at Lady Rigway Hospital (LRH)	2018	2,439	800		1,500		500				2,000	
17	Upgrading of Drug Stores at Hospitals- Medical Supplies Division			107		376						376	
18	Establish 3 highly specialized Centers in Colombo, Kandy & Anuradhapura to manage serve obstetric complications and Medical diseases compicating pregnancies	2018	1,845	150		122		250				372	
19	Expanding the Medical Supplies Management Information Systems (MIMIS) up to Divisional Hospitals - Medical Supply Division		353	65		95						95	
20	Construction of Building for National STD / AIDS Control	2018	126	25		10						10	
21	Implementation of a Neonatal and Obsterics Reference Center for the De Zoyza Maternity Hospital- (UK-Sampath Bank)	2019	5,800	500		600						600	
22	Health System Enhancement Project - ADB	2018-2024	10,701	3,500	2,755	2,831	2,608					2,831	2,608
23	Estsblish a Reproductive Treatment Center at the Castle Street Hospital for women	2018	100	30		25						25	
24	Expand the Beruwala Base Hospitals	2019	300	50									
25	Health and Medical Services Improvement Project (JICA)	2018	16,594	105	100	550	500					550	500
26	Development of Hospitals in Nothern Province (Drive) (GOSL_Netherland)	2019	13,800	3,005	3,000								
27	Construction of 10 Storied building at the PGH Badulla	2019	3,958					400		400		800	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2,023 Total	Foreign	2,024 Total	Foreign	Projections 2,025 Total	Foreign	2,026 Total	Foreign	2024-2026 Total	Total Foreign
	Public Investment Programme 2023-2026												***Rs. mn***
28	Covid 19 Emergency response and health systems preparedness project - WB -GOSL	2020	23,148	3,635	3,633	3,768	3,760					3,768	3,760
29	Health Information and Quality Improvement Project (Debt 2 Health Swap Project)	2021	4,646	3,010	2,750	3,316	2,926					3,316	2,926
30	Health System Enhancement Project - Additional Financing -ADB	2022-2025	23,333	9,500	9,134	5,682	5389	7,950	7,500			13,632	12,889
31	Responcive Covid - 19 Vaccines for Recovery (RECOVER) Project	2022-2026	31,831	2,000									
32	Capacity Building of Biomedical Engineering Service in Sri Lanka			745	730	1,650	1440					1,650	1,440
33	Emergency Financing by AIIB for Procuring Essential Pharmaceuticals and Medical Supplies***	2022-2024	30,000										
34	Project for the Improvement of Infectious Waste Management	2024-2029	1,500			1,200	1,000					1,200	1,000
35	Global Fund to Fight Against Aids, Tuberculosis and Malaria (GFATM)	2023-2024	1,540	840	750	700	650						
36	Capacity Enhancement of Elderly Service Management in the Community (JICA)	2023-2024	132	110	100	22	20						
	New		***103,547***	***968***		***2,527***	***1,020***	***20,000***	***16,509***	***38,995***	***35,012***	***61,522***	***52,541***
1	Upgrading facilities of the National Drugs Quality Assurance laboratory	2024	25			25		10				***35***	
2	Picture Archiving and Communication System/ Radiology Information System for 20 Government Hospitals in Sri Lanka *5	2023-2028		968		980		980		980		2,940	
3	Programme to Improve Non-Communicable Disease Treatment Facilities at the Sri Jayewardenepura General Hospital (GOSL_GoJ)	2024	1,200			1,200	1,000					1,200	1,000
4	Establishment of Cardiac Catheterization facility - TH Badulla	2024	300			300						300	

	Public Investment Programme 2023-2026												*Rs. mn*
		Implement ation /Start Year	TEC	Budget *2,023* Total	Foreign	*2,024* Total	Foreign	Projections *2,025* Total	Foreign	*2,026* Total	Foreign	2024-2026 Total	Total Foreign
	Project/ Activity												
5	Project for Promoting Employment Support of Persons with Disabilities in Sri Lanka (GOSL_JICA)	2024	22			22	20					22	20
6	Developing High Impact Sustainable Educational Programmes for Transfusion Medicine Professionals for safe blood donation and supply (ERASMUS-EDU-2022-CBHE)	2024-2027						10	9	15	12	25	21
7	Primary health Care Strengthening Programme	2025-2029	85,500					10,000	10,000	25,000	25,000	35,000	35,000
8	Health System Enhancement Project - Phase II (ADB)	2025-2026	16,500					6,500	6,500	10,000	10,000	16,500	16,500
9	Programme to strengthern the Universal Health Coverage in Sri Lanka	2025-2030						2,500		3,000		5,500	

** - Including Budget Proposal 2024 - " Upgrading the facilities of the Medical reaserch Institute (MRI)" Rs. 100 Mn*

*** - Funds including provosions allocated to 09 provinces to implement activities*

**** - Provisions of AIIB project is included under Annual Programmes of "Supply of Pharmaceuticals and Consumanles" (Recurrent Budget)*

Public Investment Programme 2023 -2026 *Rs. mn*

Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget Total	2023 Revised Budget Foreign	Projections *2024* Total	*2024* Foreign	*2025* Total	*2025* Foreign	*2026* Total	*2026* Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
Sector : Sports			***2,137***		***2,871***		***5,011***		***5,050***		***12,932***	
Ministry: Sports and Youth Affairs			***2,137***		***2,871***		***5,011***		***5,050***		***12,932***	
Annual Programme			***1,467***		***434***		***458***		***484***		***1,376***	
1 National Sports Council			1		1		1		2		4	
2 Other Capital Expenditure (Institute of Sports Medicine - Research and other)			20		23		24		26		73	
3 Sri Lanka Anti-doping Agency			50		64		65		68		197	
4 Construction of Human Performance Laboratory			367		2		2		2		6	
5 Sugathadasa National Sports Complex Authority			398		320		340		355		1,015	
6 Development of Sports Facilities (Development of Sports infrastructure under develop rural schools and Develoment of 17 sports schools)	2022		500									
7 Sports Re - Engineering Project (Development of International Relationship			30		23		25		30		26	
8 Other Capital expenditure of Department of Sports Development			1		1		1		1		3	
9 Other Capital expenditure of Department of Sports Development (Infrastructure Development)			100									
Ongoing			***670***		***2,437***		***4,553***		***4,566***		***11,556***	
1 Development of Sports Infrastructure Facilities- Development of Provincial and District Sports Complexes - Bernad Aluwihare Ground Mathale	2012-2025	8,613	520		837		846		305		1,988	

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
2	Completion of Sports Stadium, Kalmunai	2019-2023	282	50									
3	Establishment of Diyagama Mahinda Rajapakse National Sports Academy	2017-2023	10,950	100		100		50		30		180	
4	Development of School & Outstation Cricket - Budget proposal	2024	1,500			1,500						1,500	
5	New Initiatives	2024						3,657		4,231		7,888	

Public Investment Programme 2023 -2026 — *Rs. mn*

Public Investment Programme 2024 -2026 *Rs. mn*

No.	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate 2023 Total	2023 Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Sector : Religious, Cultural and Heritage			***3,177***	***60***	***3,960***	***482***	***4,686***	***143***	***4,844***	***110***	***13,490***	***735***
	Ministry: Ministry of Buddhasasa, Religious and Cultural Affairs			***3,177***	***60***	***3,960***	***482***	***4,686***	***143***	***4,844***	***110***	***13,490***	***735***
	Annual Program			***2,330***	***1***	***1,885***		***2,644***	***3***	***2,810***	***3***	***5,454***	***6***
	Buddhist Religious Affairs			***614***	***1***	***496***		***662***	***3***	***743***	***3***	***1,405***	***6***
1	Sacred Area Development			30		50		100		100		250	
2	Development of under developed Dhamma schools					40		75		100		215	
3	Punnyagrama Drug Prevention Programme			10		12		15		17		44	
4	Improvement of Rural Buddhist Temples			105		115		150		175		440	
5	Bhikku Training and Religious Co-existence					10		10		12		32	
6	Renovation of Purana Vihara with archological value			10		12		15		15		42	
7	Facilitating of Dhamma Schools			40		41		42		43		126	
8	Facilitating of Sasanarakshaka Bala Mandalaya			1		1		1		1		3	
9	Facilitating of Seelamatha Arama			1		1		1		2		4	
10	Dhamma school Teacher's Training and Dhamma Sarasaviya Programme			2		2		3		3		8	
11	Other Capital Expenditure			415		212		250		275		*737*	
	Hindu Religious Affairs			***39***		***36***		***41***		***44***		***121***	
1	Renovation and Rehabilitation of infrastructure facilities of Hindu Temples			31		31		32		33		*96*	

Public Investment Programme 2024 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate 2023 Total	2023 Foreign	Projections *2024* Total	*2024* Foreign	*2025* Total	*2025* Foreign	*2026* Total	*2026* Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
2	Furniture for Daham schools							3		4		*7*	
3	Other Capital Expenditure			8		5		6		7		*18*	
	Christian Religious Affairs			***15***		***24***		***31***		***42***		***97***	
1	Renovation and Rehabilitation of infrastructure facilities of churches							2		3		*5*	
2	Development of Infarstructre facilities for Pilgrims (Churches under the Pilgrims Ordinance)			5		5		6		7		*18*	
3	Develoment of Christian Religious Places with Archeology value					3		4		5		*12*	
4	Improve Infarstructure Facilities at Madhu Church							1		2		*3*	
5	Rehabilitation and Development of Christian Religious Places							2		3		*5*	
6	Facilitate Christian Religious Places and Churches			*5*		*10*		*10*		*15*		*35*	
7	Other Capital Expenditure			5		*6*		*6*		*7*		19	
	Muslim Religious Affairs (Including Rehabilitation)			***27***		***32***		***36***		***38***		***106***	
1	Facilitation for Dhamma Schools (Buildings and Structures)			5		6		6		7		19	
2	Construction of Islamic Cultural Centers and Improvement of Mosque			10		11		12		12		35	
3	Other Capital Expenditure			12		15		18		19		52	
	Cultural and Heritage			***1,635***		***1,297***		***1,874***		***1,943***		***5,114***	
1	Shilpa Gammanaya Programme					1		1		2		4	
2	Construction and Rehabilitation of Cultural Centers			40		43		45		47		135	

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate 2023 Total	2023 Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2024 -2026												***Rs. mn***
3	Research Activities on Indigenous Knowledge & Cultural Values					1		2		2		5	
4	Heritage Conservation & Promotion of Initatives			1		1		1		1		3	
5	Heritage Conservation of Intangiable Assets			10		12		14		15		41	
6	Improvement of Regional Museums					2		2		3		7	
7	Exploration, Excavation and Research of Archaeological Sites and Monuments			3		3		4		5		12	
8	Conservation and Maintenance of Archological Sites and Monuments			123		125		127		130		382	
9	Promotion and Exhibition of Archaeological Sites and Monuments.			8		8		9		10		27	
10	Ritigala Archeological sites conservation and preservation project.			1		*2*		*3*		*3*		8	
	Maintenance of Kanniya Hot Water Wells			1		1		1		1		3	
11	Archival Management Project					20		21		22		63	
12	Kandian Heritage Foundation			5		7		9		10		63	
10	Galle Heritage Foundation			15		16		17		18		51	
13	Townhall Theater Foundation			25		27		30		32		89	
14	Flok Art Center			15		15		17		18		50	
15	Sri Lanka Art Councils			3		3		4		4		11	
16	Ranminithenna Tele Cinema Village			35		35		36		36		107	
17	Deye Urumaya Daruwantai Awarness Programme					1		1		1		3	
18	Preservation of Native Habits							2		3		5	
19	Introduction Digital Technology for Promotion of National Heritage							1		1		2	

	Public Investment Programme 2024 -2026												*Rs. mn*
	Project/ Activity	**Implementation /Start Year**	**TEC**	**2023 Budget Estimate**		**Projections**						**2024-2026 Cumulative**	
				2023		***2024***		***2025***		***2026***			
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
20	Establish a Research and Preservation Place for National Heritage					1		1		1		3	
21	Rural Art Village- Create programme in Art village associated with famous artistis.					1		1		1		3	
22	Establish and update a Database of Artistist					2		2		3		7	
23	Introduce systamatic mechanism in accordance with recognized international conservation to pay locally based royalties.					1		1		1		3	
24	Heritage Promotion and Preserving Native People					21		22		23		66	
25	Other Capital Expenditure			1,350		948		1500		1550		3,998	
	Ongoing Projects			***847***	***59***	***918***	***30***	***792***		***834***		***2,544***	***30***
1	Sri Dalada Maligawa- Cultural Heritage Project. (India- GOSL)		2,017	1	59	1	30					1	**30**
2	Completion of Dhamma school Building of St. Sebastian's Church, Katuwapitiya			45									
3	Uthuru Dakuna Mithuru Sevana -Mihinthalawa			3		4		5		5		14	
4	Renovate John de Silva Theater			27		150		10		5		165	
5	Computerization of Indices at the National Archives of Sri Lanka.			3		2		1		2		5	
6	Mobile Racking System			50		20						20	
7	Establishment of a Trusted Digital Repository		120	80		10		15		5		30	
8	Establish a Research and Preservation Place for National Heritage					1		1		1		3	
9	Renovation of the Folk Museum at Anuradhapura		136			30		40		66		136	
10	Other Capital Expenditure			638		700		720		750		2,170	

Public Investment Programme 2024 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	New Projects					***457***	***452***	***1,250***	***140***	***1200***	***107***	***2,907***	***699***
1	Solar Electrification Projects in Religious Places under the promotion of Buddhist Ties	2024-2026	320			130	130	100	100	90	90	320	320
2	Infrastructure Development in Religious Places	2024-2026	97			50	50	30	30	17	17	320	97
3	Scientific Documentation and Conservation of the exposed artifacts of the Godawaya wooden shipwreck (2nd century BCE)	2024-2025	25			15	15	10	10			25	25
4	Rectification of cracks propagathing on Jethavana Stupa and Rankoth Vehera	2024	28			30	28					30	28
5	Gangaramaya Expansion: Sacred Relics Chamber, Heritage Museum and an Urban Forest Meditation Garden	2024	210			202	200	10	10			202	210
6	Infrastructure development programme of Sigiriya	2024	29			30	29					30	29
7	New initiations	2025-2026						1100		1200		2300	
	Budget Prposals (New)					***700***						***700***	
1	Anuradhapura Great Temple University Construction Programme (President Secretariat)	2024				400						400	
2	Establishment of an International Buddhist Library in Anuradhapura (President Secretariat)	2024				100						100	
3	Establishment of a Modern Museum on Buddhist Culture in Kandy City (President Secretariat)	2024				200						200	

Public Investment Programme 2023 -2026 Rs. mn

	Project/ Activity	Implementation /Start Year	TEC	2023 Total	2023 Foreign	2024 Total	2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Sector : Information Communication Technology			***2,966***	***548***	***7,990***	***1,000***	***5,736***	***2,250***	***5,515***	***800***	***19,241***	***4,050***
	Ministry of Technology			***1,800***		***5,340***		***5,370***		***5,660***		***11,070***	
	Annual Programme			***1,600***		***940***		***1,590***		***1,310***		***3,840***	
1	Sri Lanka Computer Emergency Readiness Team (SL CERT)	Annual		400		50		60		80		190	
2	Information and Communication Technology Agency of Sri Lanka (ICTA)	Annual		1,200		50		60		80		190	
3	Data Protection Authority (DPA)	Annual				100		100		100		300	
4	Sri Lanka Unique Digital Identity Project (SLUDI)	Annual				670		800		500		1,970	
5	Digiecon International Conference and Exhibition (DIGIECON)	Annual				20		20				40	
6	Centre of Excellence in Robotic Applications (CERA)	Annual				50		50		50		150	
7	Digitalization of Public Service	Annual				-		500		500		1,000	
	Ongoing			***200***		***1,400***		***1,480***		***1,350***		***4,230***	
1	Electronic Payment System	2023		200		200		200				400	
2	Information and Communication Technology Development Projects Implemented by SLCERT	2024				410		450		500		1,360	
3	Information and Communication Technology Development Projects Implemented by ICTA	2024				790		830		850		2,470	
	Budget Proposal 2024					***3,000***						***3,000***	
1	Towards a Digital Economy	2024				3,000						3,000	
	New							2,300		3,000		5,300	
1	New Initiative for digital economy							2,300		3,000		5,300	

	Public Investment Programme 2023 -2026												Rs. mn
		Implementation /Start Year		2023		2024		Projections 2025		2026		2024-2026 Cumulative	
	Project/ Activity		TEC	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector : Media				***1,166***	***548***	***2,650***	***1,000***	***2,666***	***2,250***	***2,855***	***800***	***8,171***	***4,050***
Ministry: Mass Media				***1,166***	***548***	***2,650***	***1,000***	***2,666***	***2,250***	***2,855***	***800***	***8,171***	***4,050***
	Annual Program			***139***		***123***	***500***	***114***	***1,500***	***104***		***341***	
1	Improvement of Government Film unit with Modern Equipments			71		60		55		50		165	
2	Enhancing Postal Services and Stamps			10		12		15		17		44	
3	Sri Lanka Press Council			2		4		5		6		15	
4	Right to Information Commission			2		3		4		5		12	
5	National Film Corporation			50		40		30		20		90	
6	Public Performace Board			4		4		5		6		15	
	Ongoing Projects			***1,027***	***548***	***2,377***	***500***	***2,552***	***750***	***2,751***	***800***	***7,680***	***2,050***
1	Batticaloa Postal Complex	2019-2023	245	415	245	30							
2	Digitalization of Terrestrial Television Broadcasting Project (GOSL / JICA)	2014-2028	21,939	332	303	503	500	752	750	801	800	2,056	2,050
3	Improve the Services of Vasantham TV Channel	2018-2023	314	50		156						156	
4	Other Capital Expenditure			230		1,688		1,700		1,800		5,188	
	New (Budget Prposals)					***150***						***150***	
1	Youth and Adult Learning (Sri Lanka Foundation Institution)	2024				150						150	
2	New Initiations	2025-2026						100		150			

	Project/ Activity	Implementation/Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												***Rs. mn***
Sector : Science & Technology Development				***1,361***		***3,071***		***4,184***		***5,752***		***13,007***	
Ministry: Education				***1,130***		***1,020***		***1,626***		***2,201***		***4,847***	
	Annual Program			**898**		**969**		**1,568**		**2,150**		**4,687**	
1	National Engineering Research and Development Center			60		60		180		250		490	
2	National Science Foundation			70		270		320		380		970	
3	National Science & Technology Connission			20		22		68		100		190	
4	Arthur C. Clarke Centre for Modern Technology			50		50		200		300		550	
5	National Institute of Fundamental Studies			80		220		240		300		760	
6	National Research Council			80		130		250		380		760	
7	Sri Lanka Inventors' Commission			35		70		150		200		420	
8	National Innovation Agency			5		41		100		150		291	
9	Planetarium			18		106		60		90		256	
10	Sri Lanka Institute of Bio Technology			480									
	Ongoing			***231.5***		***51***		***58***		***51***		***160***	
10	Science & Technology Collaboration under Bilateral and Multilateral Cooperation			50		30		35		36		101	
11	Facilitation of Research Projects			0.5		6		7		8		21	
12	Nanotechnology Programme			150								0	
13	Implementation of R & D Investment Framework			1		5		6		7		18	
14	Prototype Manufacturing of Solar Panels			20								0	
15	Improving Degraded Soil (BP)			10		10		10				20	
President Secretariat													
	Budget Proposals (2024)					***2000***		***2500***		***3500***		8000	
1	Promote Research and Development Activities					2000		2500		3500		8000	

Public Investment Programme 2024 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	Sector : Agriculture		***116,796***	***35,423***	***19,003***	***43,764***	***23,730***	***42,040***	***25,375***	***36,793***	***17,880***	***122,597***	***66,985***
	Ministry: Agriculture		***116,796***	***35,423***	***19,003***	***43,764***	***23,730***	***42,040***	***25,375***	***36,793***	***17,880***	***122,597***	***66,985***
	Ongoing Annual Program			***13,423***	***70***	***12,067***	***70***	***9,660***	***75***	***10,455***	***80***	***29,368***	***225***
1	Special programs for Food Security and Technology			900		300		360		390		1,050	
2	Implementation of National Agriculture Research Plan with Universities			20		20		22		25		67	
3	Paddy Marketing Board			3,171		2,814							
4	Hector Kobbekaduwa Agriculture Research and Training Institute			25		30		32		33		95	
5	Sri Lanaka Council for Agricultur Research Policy			25		30		32		33		95	
6	Institute of Post Harvest Management			30		35		37		40		112	
7	National Agricultural Diversification and Settlement Autnority (Hadabima)			200		220		225		230		675	
8	National Food Promotion Board			5									
9	Agriculture and Agrarian Insuarance Board			10									
10	Government Contribution for Crop Insurance			1,000		1,000		1,100		1,200		3,300	
11	Upgrading the National Fertilizer Secretariat's District Offices			20									
12	Establishment of Economic Centres					50		55		58		163	
13	operational capital expenditure (MOA,DAD & DOA)			356		601		315		336		1,253	
14	Implementation of the Agrarian Services Act (crop diversification, development of minor irrigation tanks and abundant paddy lands,			4,362		3,782		4,020		4,348		12,149	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023		2024		Projections 2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	construction of fertilizer stores, development of village tank systems)- Department of Agrarian Development												
15	Agricultural Research & Development -smallscale agriculture research project, implementation of tree felling act, development of new hybrids 7 open pollinated chilli, maize, onion..)			429	70	440	70	460	75	489	80	1,389	225
16	Agricultural Extension & Training - Media, annual symposium of Agriculture, Bataatha & Gannoruwa Agro technology parks, improvement of school of agriculture..)			598		568		592		619		1,779	
17	Seed certification & plant protection - National seed production & purchasing programme, quality assurance of seeds and palanting materials, accelerated seed farms development programme,…)			2,273		2,178		2,410		2,655		7,243	
	Ongoing Projects		***70,296***	***22,000***	***18,933***	***31,697***	***23,660***	***12,030***	***10,000***	***4,338***	***2,800***	***43,565***	***36,460***
18	Agriculture sector modernization project (Componenet 2)	2017-2024	14,574	7,825	7,765	7,250	7,200					7,250	7,200
19	Repairing and procurement of equipment for National Plant Quarantine Service (JICA)	2018	1,188	20	20	14	14					14	14
20	Upgrading of testing facilities at the National Plant Quarantine station (KOICA)	2019-2024	2,040	50		23						23	
21	Climate Smart Irrigated Agriculture Project (CSIAP)(GOSL/WB)*	2019-2024	25,680	6,380	6,230	11,800	8,980	8,000	7,500			19,800	16,480
22	Smallholder Agribusiness partnership programme (SAPP) (IFAD)	2017-2025	12,048	6,392	4,516	7,024	5,000					7,024	5,000
23	Smallholder Agribusiness Resilience Project (SARP) (IFAD)	2021-2027	14,760	700	400	2,836	2,466	2,875	2,500	3,178	2,800	8,889	7,766
24	Initiatives for Commercial Breadfruit Production in Sri Lanka	2018	6	2	2								

Public Investment Programme 2024 -2026 — *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2024 -2026												***Rs. mn***
25	Strengthening the e-agriculture enviornment and developing ICT Maedical Agricultural solutions	2023		2									
26	Reducing Post Harvest crop losses and improve storages	2023		150									
27	Retaining Youth in Agriculture	2023		120									
28	Strengthening of Agriculture and Fisheries Modernization	2024				2,500		1,000		1,000			
29	Establishment of 10 Agro-entrepreneurship village utilizing abandoned lands in Mahaweli Zones	2022		250		100						100	
30	Additional Crop Cultivation programme	2021		100		150		155		160		465	
31	Upgrading the Fertilizer Testing Laboratory of Ceylon Fertilizer Company	2022		9									
	New		***46,970***					***20,350***	***15,300***	***22,000***	***15,000***	***30,000***	***30,000***
32	The project for promotion of safe and appropriate use of pesticides and fertilizer	2023-2025	470					350	300				
33	Agriculture value chain finanace and Commercialization Programme	2024-2028	46,500					15,000	15,000	15,000	15,000	30,000	30,000
34	Agriculture sector modernization	2025-2027						5,000		7,000			

	Public Investment Programme 2024 -2026												Rs. mn
	Project/ Activity	**Implementation /Start Year**	**TEC**	**Budget 2023 Total**	**Budget 2023 Foreign**	**Projections 2024 Total**	**2024 Foreign**	**2025 Total**	**2025 Foreign**	**2026 Total**	**2026 Foreign**	**2024-2026 Cumulative Total**	**Cumulative Foreign**
	Sector : Livestock		***9,376***	***2,502***	***825***	***3,084***	***1,015***	***3,321***	***1,018***	***3,565***	***1,018***	***8,152***	***2,033***
	Ministry: Agriculture		***9,376***	***2,202***	***825***	***2,184***	***1,015***	***2,321***	***1,018***	***2,465***	***1,018***	***5,952***	***2,033***
	Ongoing Annual Program		***437***	***1,333***		***1,122***		***1,259***		***1,396***		***3,777***	
1	Control of contagious Diseases	2004		45		20		25		30		75	
2	Implementation of livestock research	2008		79		80		90		100		270	
3	Production of vacine against foot and mouth disease locally	2010		127		40		50		55		145	
4	facilitation and promotion of liquid milk consumption	2005		25									
5	Establishment of Animal Breeder farms	2006		50		50		52		55		157	
6	Development of Small and Medium Scale Poultry Farming System	2012		275		250		270		285		805	
7	Livelihood Development through Goat Farming			150		200		210		225		635	
8	Mastitis Control programme	2014	117	20		20		25		30		75	
9	Production of compatible and high quality animal vaccine locally for substitution of vaccines imported	2018	320	40		30		35		40		105	
10	Increase liquid milk production through enhanced breeding			100		100		120		130		350	
12	Increase the Availability of High Quality Heifer Calves	2008		71									
13	Improvement of Services Delivery system of field Veterinary Office	2008		15		15		20		25		60	
14	Export Facilitation of Chicken Meat and Eggs Through Poulty Health Management	2013		10		10		12		15		37	
15	Strengthening Capacity of Production of Animal Husbandary Diploma Holder	2018		10		10		15		20		45	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2024 -2026												*Rs. mn*
16	Animal Identification and Traceability System	2011		20		20		22		25		67	
17	Expansion and Mordernization of Animal Quarantine Units	2011		6		4		5		6		15	
18	Livestock Breeding Project			200		200		220		250		670	
19	Department of Animal Production & Health - Operational Activities			91		73		88		105		266	
	Ongoing Projects		***5,885***	***869***	***825***	***47***		***44***		***51***		***142***	
20	Development of Mini Dairy Cooperative Societies	2017-2023	5,440	835	825	10						10	
21	Upgrading poultry and fish disease diagnosis and surveillance facilities at VICs	2018	78	12		5		6		7		18	
22	Minimization of risk of disease to humans and livestock through wildlife disease surveillance	2018	194	2		2		3		4		9	
23	Quality assurance of animal origin feed for food safety and export facilitation	2018	173	20		30		35		40		105	
	New projects		***3,054***			***1,015***	***1,015***	***1,018***	***1,018***	***1,018***	***1,018***	***2,033***	***2,033***
24	promotion of Young dairy entreprenurs through improvement of dairy value chain - ICDP component 2	2024-2025	3,000			1000	1000	1000	1000	1000	1000	2,000	2,000
25	Revitalizing of milk value addition and strengthening of liquid milk marketing network in Jaffna district- ICDP component 2	2024-2025	54			15	15	18	18	18	18	33	33
	Ministry: Irrigation			***300***		***900***		***1,000***		***1,100***		***2,200***	
	Ongoing Project			***300***		***900***		***1,000***		1,100		2,200	
26	Livestock Programme Implemented by MASL			300		900		1,000		1,100		2,200	

	Project/ Activity	Implementation/Start Year	TEC	2023 Revised Budget Total	2023 Revised Budget Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												*Rs. mn*
	Sector : Plantation			**8,823**	**5,481**	**4,592**	**1,878**	**4,397**		**4,598**		**13,587**	**1,878**
	Ministry: Ministry of Agriculture and Plantation Industries			**8,823**	**5,481**	**4,544**	**1,878**	**4,365**		**4,563**		**13,472**	**1,878**
	Annual Program			**3,287**		**2,491**		**4,195**		**4,453**		**11,139**	
1	Rehabilitation and Improvement of Capital Assets			79		112		122		132		366	
2	Acquisition of Capital Assets			37		55		44		52		151	
3	capacity Building			6		5		5		5		15	
4	Tea Research Institute			35		40		45		50		135	
5	Tea Smallholding Development Autority			750		550		452		355		1,357	
6	Plantation Sector Research and Development			500		60		100		150		310	
7	National Institute of Plantation Management			20		25		30		35		90	
8	Kapruka Fund			25		20						20	
9	Thurusaviya Fund			16									
10	Rubber Research Institute			30		30		35		40		105	
11	Coconut Research institute			15		15		20		25		60	
12	Coconut Cultivation Board			500		550		452		355		1,357	
13	Palmyrah Development Board			23		24		25		30		79	
14	Kithul Development Board			2		11		12		15		38	

Public Investment Programme 2023 -2026 *Rs. mn*

	Project/ Activity	Implementation/Start Year	TEC	2023 Revised Budget Total	2023 Revised Budget Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
15	Sugarcane Research Institute			30									
16	Sri Lanka Cashew Corporation			50		55		60		65		180	
17	Kanthale Sugar Industries Ltd			19								-	
18	National Spices and Allied products Marketing Board			10		10		10		10		30	
19	Assisting the Farmes for Export Crop Development			400		400		350		300		1,050	
20	Subsidy for Rubber			700		500		400		300		1,200	
21	Other Capital Expenditure			40		29		33		34		96	
22	Plantation Sector New Projects							2,000		2,500		4,500	
	Ongoing			**5,536**	**5,481**	**2,053**	**1,878**	**170**		**110**		**2,333**	**1,878**
1	Smallholder Tea and Rubber Revitalitation Project (STaRR)	2016-2023	8054.1	1,481	1,481	278	278					278	278
2	Cadastral Surveys in the Plantation Sector	2019-2023	709	40		50		110		110		270	
3	Support the Implementation of the Rubber Master Plan	2017-2026	180	15		25						25	
4	Control of Weligama Coconut leaf Wilt and Rot Disease	2019-2025	311.825			100		60				160	
5	Agriculture sector Modernization Project -ASMP (GOSL/WB)	2018-2023	11,335	4000	4000	1600	1600					1,600	1,600
Ministry: Ministry of Investment Promotion						***48***		***32***		***35***		***115***	
	Annual Program					***48***		***32***		***35***		***115***	
1	Sugarcane Research Institute					30		32		35		97	
2	Kanthale Sugar Industries Ltd					18						18	

Public Investment Programme 2023 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget Total	2023 Revised Budget Foreign	Projections *2024* Total	*2024* Foreign	*2025* Total	*2025* Foreign	*2026* Total	*2026* Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
Sector : Fisheries				***3,591***		***4,709***		***4,845***		***4,842***		***14,396***	
Ministry: Ministry of Fisheries				***3,591***		***4,709***		***4,845***		***4,842***		***14,396***	
	Annual Program			3,591		610		4,845		4,842		10,297	
1	Rehabilitation and Improvement of Capital Assets			23		24		25		26		75	
2	Acquisition of capital Assets			57		57		154		164		375	
3	Capacity Building			1		1		2		2		5	
4	Oruwella Newspaper and Deewara Nawodaya Radio Programme			12		8		9		10		27	
5	National Aquaculture Development Autority of Sri Lanka			100		300		420		450		1,170	
6	National Aquatic Resources Research and Development Agency			125		150		190		250		590	
7	Ceylon Fishery Habours Corporation			50		50		45		40		135	
8	Development and Conservation of lagoons					100		2,047		2,218		4,365	
9	Fisheries Sector Infrastructure Development			3,050				3,500		3,300		6,800	
10	Fisheries and Aquatic Sector Development			173									
11	Feasibility Studies and Investigations of Construction Activities					20		500		600		1,120	
	Ongoing					***3,599***						3,599	
1	Construction of Gandara Fishery Habour	2021-2024	9350			3,199						3,199	

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget		Projections 2024		Projections 2025		Projections 2026		2024-2026 Cumulative	
Public Investment Programme 2023 -2026													***Rs. mn***
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
2	Development of Myliddy Fishery Harbour	2021-2024	645			200						200	
3	Construction of Rekawa Anchorage	2020-2024	379			100						100	
4	Construction of Mawella Anchorage	2020-2024	380			100						100	
	New					***500***						500	
1	Fisheries Industry Development in Northern Region	2024	500			500						500	
	Total			***3,591***		***4,709***		***4,845***		***4,842***		*14,396*	

Public Investment Programme 2023 -2026													Rs. mn
Project/ Activity		Implementation /Start Year	TEC	2023 Revised Budget		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector : Land				***3,570***	***280***	***10,839***	***175***	***12,307***	***100***	***13,889***	***100***	***37,035***	***375***
Ministry: Tourism and Lands				***3,570***	***280***	***10,839***	***175***	***12,307***	***100***	***13,889***	***100***	***37,035***	***375***
	Annual Program			***2,994***		***9,579***		***10,674***		***11,755***		***32,009***	
1	Rehabilitation and Imrpovement of Capital Assets	Annual		319		380		428		473		1,280	
2	Acquisition of Capital Assets	Annual		22		80		106		121		307	
3	Capacity Building	Annual		11		19		22		24		65	
4	Other Capital Expenditure	Annual		93		55		69		83		207	
5	Land Acquisition for State Purposes	Annual		2,500		9,000		10,000		11,000		30,000	
6	State Land Information management System (e-slims)	Annual		50		45		50		55		150	
	Ongoing			***576***	***280***	***1,195***	***175***	***1,620***	***100***	***2,120***	***100***	***4,935***	***375***
1	Bimsaviya Programme		38,284	276		1,000		1,500		2,000		4,500	
2	Land Information Service System in Sri Lanka	2022-2026	19,620	300	280	195	175	120	100	120	100	435	375
	New					***65***		***13***		***14***		***92***	
1	45th Asian Conference on Remote Sensing	2024				53							
2	Preserving Land Title Files					12		13		14			

	Project/ Activity	Implementation/Start Year	TEC	2023 Budget Estimate		Projections 2024		Projections 2025		Projections 2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	Sector : Industry, Trade & Investment			***43,578***	***11,990***	***52,330***	***18,661***	***29,253***	***10,000***	***28,809***		***109,352***	***28,661***
	Ministry: Ministry of Industries			***6,221***		***6,150***		***6,590***		***8,805***		***21,545***	
	Annual Programme			***2,703***		***2,530***		***2,940***		***3,105***		***8,575***	
1	Development of Industrial Estates	Annual		1,108		1,000		1,500		1,600		4,100	
2	Programme to develop industries and products of processed food, packaging, rubber, automobile, wood based, plastic, footwear, leather, ceramics, etc	Annual		300		400		450		450		1,300	
3	Handloom and Textile Industries	Annual		100		80		80		90		250	
4	Institutional Transfers	Annual		711		600		500		500		1,600	
5	Other Capital Expenditure	Annual		134		150		160		165		475	
	Thrust Area Development Programme			300		300		250		300		850	
	Upgrading and Modernization of Main and Mini Industrial Estates			50									
	Ongoing			***3,518***		***3,620***		***3,650***		***5,700***		***12,970***	
1	Establishment of Table Salt Plant 05 Manthai (Improvements in Elephantpass Saltern)	`		100									
2	Create Dedicated Zone for Textile Manufacturing and Related Industries Eravur	2020-2024	3,049	268									
3	Traditional and Rural Industries Promotion Programme	2021-2025	5,870	100		100		150		200		450	
4	Loan scheme for Small & Micro Industries Leader Entrepreneur Promotion Project	2012	11,000	2,600		2,500		2,500		4,000		9,000	
5	Loan scheme for Environmentally Friendly Solutions - Phase II	2018	4,000	400		1,000		1,000		1,500		3,500	

Public Investment Programme 2023 -2026 — *Rs. mn*

	Public Investment Programme 2023 -2026												Rs. mn
	Project/ Activity	Implementation/Start Year	TEC	2023 Budget Estimate		Projections						2024-2026 Cumulative	
						2024		2025		2026			
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
1	Establishment of Gem Precision Cutting Training Centre	2023	50	50		20						20	
	Ministry of Finance, Economic Stabilization and National Policies			***31,542***	***11,990***	***43,500***	***18,661***	***18,000***	***10,000***	***15,000***		***76,500***	***28,661***
	Ongoing			***31,542***	***11,990***	***26,000***	***12,480***		***8,500***	***8,500***		***34,500***	***20,980***
1	SME Credit Line (GOSL/ADB)	2016		30,000	11,990	26,000	12,480		8,500	8,500		34,500	20,980
2	Promotion of SME Sector (GOSL/ GTZ)			1,542									
3	Establish a SME Guarantee Scheme	2024	USD 100Mn			17,500		17,500				35,000	
	Ministry:Trade, Commerce and Food Security			***4,409***		***530***		***235***		***275***		***1,040***	
	Annual Program			***430***		***220***		***220***		***250***		***690***	
1	Maintenance of 8,000 MT Rice Buffer Stock for Mandatory of SAARC Food Bank Security			100									
2	Loan Facility for Small and Medium rice Millers to Maintain a Rice Buffer Stock			50									
3	Modernization of Existing Rice Warehouses			20		20		20		50		90	
4	Expand Laksathosa Outlets			25									
5	Improvements to Co-operative Wholesale Establishment (CWE)			50									
6	Cooperative Development Programmes			10									
7	Establishment of Economic Centres			25									
8	Creating an Investment Friendly Environment			150		200		200		200		600	

No.	Project/ Activity	Implementation/Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												***Rs. mn***
	Ongoing			***3,979***		***310***		***15***		***25***		***350***	
9	Gap Financing of the Settlement of Outstanding Loans obtaied from Bank of Ceylon & People's Bank by Lanka Sathosa and Co-operative Wholesale Establishment to Import rice to Protect Consumers	2020-2025	19,000	3,800									
10	Renovation of existing Paddy stores			20		10		15		25		50	
11	Establishment of Temperature Controlled Ware House-Dambulla	2019-2024	1,389	149		300						300	
12	Home Based Mini Supermarkets Network	2022	15,000	10									
	Ministry of Investment Promotion			***1,406***		***2,150***		***4,428***		***4,729***		***11,307***	
	Ongoing			***1,406***		***2,150***		***4,428***		***4,729***		***11,307***	
1	Colombo Port City Development Project	2016-2025	10,508	956		1,550		1,828		1,929		5,307	
2	Creating Investment Friendly Environment			150		100		100		100		300	
3	Establishment of New Economic Zones to attract FD			300		500		2500		2700		5,700	

Project/ Activity		Impleme ntation /Start Year	TEC	2023 Budget Estimate		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector : Tourism				***232***		***3,852***	***981***	***3,400***	***400***	***3,500***	***400***	***10,752***	***1,781***
Ministry: Tourism and Lands				***232***		***3,852***	***981***	***3,400***	***400***	***3,500***	***400***	***10,752***	***1,781***
	Annual Programme			***232***		***734***		***875***		***1,025***		***2,634***	
1	Development of Tourist Attractions			30		610		700		800		2,110	
2	Promotion of Tourism			50									
3	Development of Botanical Gardens			152		124		175		225		524	
4	Tourism Development assistance												
	New					***3,118***	***981***	***2,525***	***400***	***2,475***	***400***	***8,118***	***1,781***
1	Market Development Facility (MDF) - Phase II		2,541			220	200	440	400	440	400	1,100	1,000
2	Indo – Pacific Opportunity Project (IPOP) – (GOSL/ USAID)					161	160					161	160
3	Tourism Resilience Project (GOSL /European Union)					116	100					116	100
4	Utilization of Government Holiday Resorts for Tourism Industry Promotion - Budget Proposal	*2024*	600			600						600	
5	Development of Tourism Infrastructure in Local Authority Areas - Budget Proposal	*2024*	750			750						750	
6	Development of Pinnawala-Kithulgala Tourist Corridor (Budget Proposal) - Budget Proposal	*2024*	750			750						750	
7	Tourism Development Project in the North Eastern and Cultural Region in Sri Lanka funded by Korean Tourism Organization (Grant)		2,172 (KRW)			521	521					521	521
8	New Initiatives							2,085		2,035		4,120	

Public Investment Programme 2023 -2026 — *Rs. mn*

Public Investment Programme 2023 -2026 — *Rs. mn*

No.	Project/ Activity	Implementation /Start Year	TEC	Budget *2023* Total	Budget *2023* Foreign	Projections *2024* Total	Projections *2024* Foreign	Projections *2025* Total	Projections *2025* Foreign	Projections *2026* Total	Projections *2026* Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Sector : Land Transport												
	Ministry of Transport & Highways (MOTH)			***51,808***	***18,712***	***66,230***	***31,762***	***59,409***	***17,614***	***52,361***		***178,000***	***49,376***
	Sri Lanka Railways (SLR)			***34,835***	***9,890***	***44,974***	***14,562***	***28,330***	***4,614***	***18,076***		***91,380***	***19,176***
	Annual Program			***24,380***		***29,962***		***20,475***		***15,545***		***65,982***	
1	Rehabiliation and Improvement of Capital Assets	annual		7,172		7,815		3,600		3,900		15,315	
2	Acquisition of capital assets	annual		14,386		19,247		12,100		7,500		38,847	
3	Improvement to Railway Stations /Buildings	annual		50		50		250		300		600	
4	Rehabilitation of permanent way with new Rails & Sleepers	annual		2,500		2,500		3,500		2,700		8,700	
5	Shed improvement	annual		10		10		40		45		95	
6	Production of Concrete sleepers	annual		100		125		550		600		1,275	
7	Kelanivalley Rail line (Repairs)	annual		12		15		85		100		200	
8	Installation of level crossing protections	annual	1,200	100		100		100		100		300	
9	Rehabilitation of steel bridges	annual		50		100		250		300		650	
	Ongoing			***10,455***	***9,890***	***15,012***	***14,562***	***7,855***	***4,614***	***2,531***		***25,398***	***19,176***
1	Kandy, Peradeniya, Kadugannawa Railway Development Project	2015		200		200		300		300		800	
2	Double Tracking of Ragama - Puttalama railway Line			10		50		200		200		450	
3	Railway Development Projects Under the Balance USD 382.37 mn Credit Line (Procurement of 30 Nos. of Tank Wagons and20 Nos. of Track Wagons,	2012	57,000	1,210	1,210	1,380	1,380					1,380	1,380

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Procurement of 06 nos. of DMUs and Procurement of 10 Nos. of Locomotives.												
4	Railway Development Projects under US $ 318 mn Credit Line (procurement of 160 Nos. Passenger coaches, Improvement of Rathmalana Workshop and Construction of new running shed and a yard at Dematagoda, Double Tracking from Polgahawela-Kurunegala, Procurement of 02 Nos. of A/C Diesel Multiple Units for Northern Railway Line & Installation of signalling from Maho-Omanthei)	2018	65,951	9,010	8,660	13,182	13,182	4,855	4,614	51		18,088	17,796
5	Kelani Railway Bridge Project	2019	5,280	25	20	200		2,500		1,980		4,680	
	New							**7,500**		***20,000***		***27,500***	
1	Modernization of Sri Lanka Railways							7,500		20,000		27,500	
	MOTH												
	Ongoing			***10,080***	***6,120***	***15,090***	***14,000***	***13,145***	***13,000***	***120***		***28,355***	***27,000***
1	Kurunegala to Habarana via Dambulla New Rail Line	2017	38,840	100		100						100	
2	Colombo Suburban Railway Project (CSRP) - Transport Project Preparatory Facility (TPPF)	2018	2,920	2,100		790						790	
3	Colombo Suburban Railway Efficiency Improvement Project (REIP)	2019	33,880	7,490	6,120	14,050	14,000	13,025	13,000			27,075	27,000
4	Sahasara Bus Moderniztion Programme			190									
5	Greater Colombo Urban Transport Development Project Phase 1 (3K Project)	2020	4,980	200		150		120		120		390	

Public Investment Programme 2023 -2026 — *Rs. mn*

	Public Investment Programme 2023 -2026												Rs. mn
		Implementation /Start		Budget				Projections				2024-2026	
				2023		2024		2025		2026		Cumulative	
	Project/ Activity	Year	TEC	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	New							***2,000***		***5,000***		***7,000***	
1	Electric mobility	2024						2,000		5,000		7,000	
	Sri Lanka Transport Board (SLTB)												
	Ongoing			***5,488***	***2,702***	***4,700***	***3,200***	***3,014***		***3,515***		***11,229***	***3,200***
1	Augmentation of Bus Fleet, Institutional Development and Capacity Building	Annual		2,000		1,500		3,000		3,500		8,000	
2	Procurement of 500 Buses for SLTB using Balance Funds of the 382 Mn. Indian Line of Credit	2021	4,056	3,472	2,702	3,200	3,200					3,200	3,200
3	Lakdiva Engineering Company (Pvt) Ltd.	Annual		6				14		15		29	
4	Rehabilitation of Ampara tire factory	2022	200	10									
	New							***3,000***		***3,000***		***6,000***	
1	Strengthening SLTB bus fleet							3,000		3,000		6,000	
	Department of Motor Traffic (DMT)												
	Ongoing			***1,405***		***1,466***		***2,420***		***2,650***		***6,536***	
1	Rehabilitation and improvement of capital assets	annual		14		14		50		50		114	
2	Acquisition of Capital Assets	annual		149		145		220		250		615	
3	Capacity Building and other capital expenditure	annual		1,102		1,212		1,450		1,500		4,162	
4	Divisional Office at District Secretariat Office -Establishment of Meegahakiula Traning Center and provision of online examination facilities for 24 districts	2019	1,550	30		50		450		500		1,000	
5	E-motoring Project	2020		110		45		250		350		645	

Public Investment Programme 2024 -2026 Rs.Mn												
			Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
Project/ Activity	Implemen tation	TEC	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector : Roads		***3,820,422***	***342,905***	***167,376***	***320,111***	***128,442***	***289,772***	***119,700***	***241,628***	***69,500***	***851,511***	***317,642***
Annual			***119,619***		***123,551***		***132,650***		***140,150***		***396,351***	
1 Road Maintenance	Annual		6,844		23,000		25,200		27,200		75,400	
2 Infrastructure & Road Safety	Annual		30		100		250		250		600	
3 Traffic Management	Annual		80		150		300		300		750	
4 Gap Financing of the Road Development Authority's commitments	Annual		91,575		80,430		90,000		90,000		260,430	
5 Land Acquisition for Completed and Ongoing Projects	Annual		2,235		5,500		10,000		12,000		27,500	
6 Surveys, Investigations and Feasibility Studies	Annual		50		71						71	
7 Widening and Improvement of Roads	Annual		4,000		2,000		4,000		6,000		12,000	
8 Rural Roads Reawakening Programme (Maga Naguma)	Annual		4000		10,300						10,300	
9 Reconstruction of Damaged/Weak Bridges on National Highways	Annual		505		1,000		2,000		3,500		6,500	
10 Construction of Rural Bridges using old Bridge Components	Annual		1,300		1,000		900		900		2,800	
11 Instituitional support	Annual		9,000									
Other Caital Expenditure			***13***		***28***		***32***		***37***		***97***	
Total		***3,820,422***	***223,273***	***167,376***	***196,532***	***128,442***	***157,090***	***119,700***	***101,441***	***69,500***	***455,063***	***317,642***
Expressways Development		***1,240,016***	***97,709***	***75,000***	***99,457***	***69,000***	***111,115***	***90,000***	***77,691***	***48,000***	***288,263***	***207,000***
Ongoing		***1,240,016***	***97,709***	***75,000***	***99,457***	***69,000***	***111,115***	***90,000***	***77,691***	***48,000***	***288,263***	***207,000***

	Project/ Activity	Implementation	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2024 -2026 Rs.Mn												
1	Central Expressway	2016-2025	645,072	62,014	45,000	75,840	49,000	90,500	70,000	77,690	48,000	244,030	167,000
2	Extension of Southern Expressway from Matara to Hambantota (GOSL- China)	2016-2021	118,522	3,152		500						500	
3	Colombo - Rathnapura - Pelmadulla Expressway	2017-2025	286,000	1,950		2,503		500		1		3,004	
4	Elevated Highway from New Kelani Bridge to Athurugiriya	2017-2025	134,506	573		514						514	
5	Port Access Elevated Highway (GOSL- ADB)	2019-2025	55,916	30,020	30,000	20,100	20,000	20,115	20,000			40,215	40,000
	Highways Development		***2,499,426***	***113,423***	***82,276***	***85,675***	***50,542***	***41,075***	***29,200***	***23,750***	***21,500***	***150,500***	***101,242***
	Ongoing		***2,499,426***	***113,423***	***82,276***	***85,675***	***50,542***	***41,075***	***29,200***	***23,750***	***21,500***	***150,500***	***101,242***
1	Baseline Road - Phase III	2014-2023	4,950	200		575						575	
2	Rehabilitation of Peradeniya-Badulla Road from Badulla to Chenkalady (GOSL- SFD)	2018-2021	12,630	1,626	1,441	3,150	2,700	400	300			3,550	3,000
3	Rehabilitation of Peradeniya-Badulla Road from Badulla to Chenkalady (GOSL- OFID)	2017-2021	21,000	3,120	3,000	2,925	2,500	570	500			3,495	3,000
4	Road Network Development Project (GOSL- SFD)	2013-2021	8,912	277	262	510	400	540	400			1,050	800
5	Road Network Development Project (GOSL- OPEC)	2013-2021	6,625	530	500	455	400					455	400
6	Colombo District Road Development Project (GOSL-OFID)	2013-2019	16,062	1,356	900	1,700	500	1,600	500			3,300	1,000
7	Western Province National Highways (GOSL - OFID)	2017-2021	6,047	698	538	470	370	500				970	370
8	Southern Road Connectivity Project (GOSL- ADB)	2014-2021	17,615	316									

	Project/ Activity	Implementation	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2024 -2026 Rs.Mn												
9	Integrated Road Investment Programme - (i Road Phase I & II) (GOSL- ADB)	2014-2027	255,000	49,354	45,674	15,025	15,000	2,015	2,000			17,040	17,000
10	Widening and Improvement of roads and bridges in Central and Uva provinces (GOSL- EXIM China)	2018-2023	14,000	125	95	3,590	3,565					3,590	3,565
11	Transport Project Preparatory Facility (GOSL- ADB)	2016-2022	1,697	9,316	8,100								
12	Transport Connectivity and Asset Management Project (GOSL- WB)	2018-2023	2,560	1,316	1,303	53	50					53	50
13	Marine Drive Extension up to Panadura	2014-2021	8,700	153		100						100	
14	Kandy Tunnel Construction Project (GOSL_ EDCF Korea)	2022-2026	50,461	140	100								
15	Rehabilitation of the A 17 Road Corridor from Deniyaya to Rakwana (GOSL- OFID)	2021-2023	7,200	2,629	2,579	1,600	1,500					1,600	1,500
16	Development of an Alternative Road network to Access Main Roads and Expressways and to ease the traffic congestion	2020-2024	2,000,000	24,000		28,000		8,000		2,000		38,000	
17	Inclusive Connectivity and Development Project (GOSL- WB)	2021-2026	52,388	11,822	11,784	14,552	14,552	13,550	13,500	10,050	10,000	38,152	38,052
18	Enhancement of National Traffic Database and Capacity Building (GOSL- KOICA)	2021-2025	1,000	120		165						165	
19	Kandy Multimodal Transport Terminal Development Project (GOSL- WB)	2021-2025	12,579	6,325	6,000	12,805	9,005	13,900	12,000	11,700	11,500	38,405	32,505
	Construction of Bridges and Flyovers		***80,980***	***12,141***	***10,100***	***11,400***	***8,900***	***4,900***	***500***			***16,300***	***9,400***
	Ongoing		***80,980***	***12,141***	***10,100***	***11,400***	***8,900***	***4,900***	***500***			***16,300***	***9,400***
1	Reconstruction of 25 Bridges on National Highways (GOSL- Kuwait)	2014-2023	5,070	1,027	1,000	2,550	2,200	1,000				3,550	2,200

	Project/ Activity	Implementation	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
2	Second New Kelani Bridge Construction Project (GOSL- JICA)	2015-2021	55,313	8,010	8,000	4,700	4,700					4,700	4,700
3	Design and Construction of Flyovers in Kohuwala and Gatambe (GOSL- Hungary)	2021-2024	12,584	1,344	1,100	2,240	2,000	700	500			2,940	2,500
4	Construction of Flyovers over the Railway Line at Uttharananda Mawatha and near the Slave Island Railway Station,	2021-2022	8,013	1,760		1,760		3,200				4,960	
5	Rehabilitation of Garagoda Bridge on Yatiyanthota- Magammana Road	2023-2024	377	150		150						150	

Public Investment Programme 2024 -2026, Rs.Mn

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2024 -2026							**Projections**					
	Sector: Port and Aviation		***22,816***	***2,433***	***1,825***	***7,646***	***4,386***	***9,743***	***7,809***	***3,134***	***2,325***	***20,523***	***14,520***
	Sub-Sector: Ports		***20,816***	***2,433***	***1,825***	***5,646***	***4,386***	***9,743***	***7,809***	***3,134***	***2,325***	***18,523***	***14,520***
	Ministry of Ports, Shipping and Aviation		***20,816***	***2,433***	***1,825***	***5,646***	***4,386***	***9,743***	***7,809***	***3,134***	***2,325***	***18,523***	***14,520***
	Annual			***493***		***330***		***330***		***330***		***990***	
1	Sooriyawewa International Cricket Stadium	Annual		493		330		330		330		990	
	Other Capital Expenditure			13		10		10		10		30	
	Ongoing		***20,776***	***1,920***	***1,825***	***5,304***	***4,386***	***9,400***	***7,809***	***2,790***	***2,325***	***17,494***	***14,520***
1	Rehabilitation of Kankasanthurei Harbour (GOSL- India)	2018-2022	10,497	360	300	4,591	3,826	8,387	6,990	2,580	2,150	**15,558**	***12,966***
2	Port Access Elevated Highway Project (GOSL - ADB)	2019-2025	7,712	1,320	1,320	53		30				**83**	
3	Feasibility Study for Colombo North Port Development Project (GOSL - ADB)	2019-2022	714	240	205								
4	Detail Design for the Extension of Western Breakwater for West Container Terminal II – Colombo Port Extension Project Phase II (GOSL- ADB)	2024-2025	1,853			660	560	983	819	210	175	**1,853**	***1,554***
	Merchant Shipping Secretariat		***40***	***7***		***2***		***3***		***4***		***9***	
	Annual			***2***		***2***		***3***		***4***		***9***	
1	Rehabilitation and Improvement of Capital Assets	Annual		1		1		2		2		6	
2	Capacity Building	Annual		1		1		1		2		4	

Public Investment Programme 2024 -2026

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	Ongoing		***40***	***5***									
1	System of issuing certificate of competencies & seafarer continuous discharge certificate with biometric to comply with seafarer identity document - MSS	2019-2022	40	5									
Sub-Sector : Aviation			***2,000***			***2,000***						***2,000***	
	Ongoing		***2,000***			***2,000***						***2,000***	
1	Hingurakgoda International Airport Development Project	2024	2,000			2,000						**2,000**	

Project/ Activity		Implementation /Start Year	TEC	2023 Revised Budget Total	2023 Revised Budget Foreign	2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
Public Investment Programme 2023 -2026													*Rs. mn*
Sector : Irrigation				***75,207***	***47,937***	***76,926***	***37,689***	***44,687***	***27,608***	***45,936***	***29,049***	***167,549***	***94,346***
Ministry:Irrigation				***75,207***	***47,937***	***76,926***	***37,689***	***44,687***	***27,608***	***45,936***	***29,049***	***167,549***	***94,346***
Annual Program				***2,853***		***9,237***		***9,666***		***10,489***		***29,392***	
1	Rehabilitation and Imrpovement of Capital Assets	Annual		371		855		878		997		2,730	
2	Acquisition of Capital Assets	Annual		97		314		372		445		1,130	
3	Capacity Building	Annual		7		9		10		12		31	
4	Other Capital Expenditure	Annual		90		148		162		179		489	
5	International Training institute of Irrigation & Water Management Institute - Kotmale	Annual		209		222		233		244		699	
6	Essential Rehabilitation in selected Major Irrigation Scheme	Annual		725		2,700		2,800		2,900		8,400	
7	Gravity Irrigation Works	Annual		1,000		2,150		2,200		2,500		6,850	
8	Ministry Feasibility studies	Annual		5		10		11		12		33	
9	Rehabilitation of Major and Medium Irrigation Schemes including Emergency Infrastructure Rehabilitation Work	Annual		250		2,000		2,100		2,200		6,300	
10	River Basin Development and managment	Annual		100		830		900		1,000		2,730	
Ongoing				***72,354***	***47,937***	***65,689***	***37,689***	***34,021***	***27,608***	***34,447***	***29,049***	***134,157***	***94,346***
1	Thalpitigala Reservoir	2017 - 2024	28,160	500		500		600				1,100	
2	Lower Malwathu Oya Multisector Development Project	2019 - 2024	22,900	550		2,700						2,700	
3	Gin Nilwala Diversion Project	2018 - 2023	139,000	15									

Public Investment Programme 2023 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
4	Productivity Enhancement and Irrigation System Efficiency Management Project	2017 - 2024	18,026	100									
5	Moragahakanda and Kaluganga Resrevoir Project 1*	2007 - 2024	117,200	2,250	80	1,372						1,372	
6	Uma Oya Diverson Project 1*	2013-2024	98,361	3,600		5,500						5,500	
7	Weli Oya Intergrated development Project (System L)	2013 - 2023	3,957	32									
8	Mahaweli Water Security Investment Programme	2015 - 2025	162,000	43,000	40,000	25,370	23,570	10,177	10,177	17,395	17,395	52,942	51,142
9	Rambakan Oya Intergrated Development	2012 - 2023	1,086	43									
10	Maduruoya Right Bank Development (System B)	2014 - 2024	34,500	650									
11	Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events through an Integrated Aprroach to Water Management (Wawe Gampubuduwa) (GCF/UNDP)	2017-2024	9,114	2,930	1,700	2,531	1,826	2,450	1,770			4,981	3,596
12	Development in pheriperal area of Settlers at Pelawatta Sugar Plantation	2021-2023	144	30									
13	Weli Oya Development Project (Kivul Oya Reservoir)	2021 - 2025	6,000	100									
14	Barrack Plane Tank-Nuwara-Eliya	2021-2023	230	30		100						100	
15	Integrated Watershed and Water Resources Management Project (IWWRMP),WB	2021 - 2025	16,210	3,005	3,000	4,397	4,327	3,433	3,370	784	784	8,614	8,481
16	Pilot Farm Land Consolidation Study Project (Japan)			57	7								
17	Climate Resilience Multi-phase Programme (Cres MPA) Phase-1, WB	2021 - 2026	27,900	2,025	2,000	7,119	6,966	9,826	9,765	9,193	9,142	26,138	25,873

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget Total	2023 Revised Budget Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												***Rs. mn***
18	Strengthening Climate Resilience of Subsistence farmers and Agriculture Plantation communities in vulnerable river basins, watershed area and downstream of the knukles mountain Range Catchment of Sri Lanka (GCF)	2023-2029	13,640	1,245	1,000	1,400	1,000	3,335	2,526	2,275	1,728	7,010	5,254
19	Project implements under " Wari Saubhagya Programme"	2021-2025	12,500	500									
20	Mahaweli Authority of Sri Lanka			1,000		3,500		4,000		4,500		12,000	
21	Rural Tank Development Project			1,782									
22	Yan Oya Project 1*	2011 - 2024	36,855	3,500		6,000						6,000	
23	Lower Uva Project	2012 - 2023	1,250	30									
24	Morana Reservoir 1*	2012 - 2024	2,900	180		170						170	
25	Elle Wewa Reservoir	2021-2024	1,532	100		500						500	
26	Kumbukkan Oya Reservoir	2015 - 2022	32,397	300									
27	Mundeni aru River Basin Development (Rugam-Kithul Reservoir)	2015 - 2025	34,000	165	150	110		200		300		610	
28	Pollonnaruwa District Irrigation Development Project	2017 - 2023	7,000	200									
29	Accelarated Irrigation Development Project in Moneragala District (Wellassa Navodaya)	2017 - 2023	1,700	150									
30	Kelani River Flood Bund protection	2018 - 2023	1,000	1,000		670						670	
31	Development and Improvement of Godigamuwa Tank	2017 - 2023	166	63									
32	kudawilachchiya Reservoir Rehabilitation	2021-2024	6,000	280									

Public Investment Programme 2023 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Revised Budget Total	2023 Revised Budget Foreign	Projections *2024* Total	*2024* Foreign	*2025* Total	*2025* Foreign	*2026* Total	*2026* Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
33	Uma oya Downstream Development Project (Construction of Alikota Ara Storage Reservoir and Kuda Oya Storage Reservoir)	2013-2024	17,914	2,320		3,500						***3,500***	
34	Hibiliyakada, Waththegedara Irrigation Infrastructure Development Project	2021-2024	7,155	250		250						***250***	
35	Development and Management of water resources in 10 Districts			300									
36	Augmentation of Mahagalgamuwa Tank	2013 - 2023	500	72									
	New					***2,000***		***1,000***		***1,000***		***4,000***	
1	Construction of Mahakithula Entrance Tunnel and Associated Canal	2024-2027	2,742			1,000		500		500			
2	Construction of the canal from Eruwewa to Mahakanadarawa Reservoir	2024-2027	7,000			1,000		500		500			

Project/ Activity		Implementation /Start Year	TEC	Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Public Investment Programme 2024 -2026													***Rs. mn***
Sector : Commercial Infrastructure													
Ministry:Power & Energy				***107***		***69,011***	***68,208***	***36,454***	***35,966***	***27,648***	***27,385***	***133,113***	***131,559***
	Annual Program			***107***		***72***		***113***		***148***		***333***	
1	Sustainable practices to gain energy security by developing indigenous energy resources			50		50		55		61		166	
2	Radiation protection services to facilitate protection of workers, public and environment from exposure to unwarranted ionizing radiation			50		20		50		75		145	
3	Implementing an effective and efficient regulatory regime for protecting potentially harmful effects of ionizing radiation			7		2		8		12		22	
	Ongoing					***59,482***	***58,761***	***15,509***	***15,164***	***5,774***	***5,659***	***80,765***	***79,584***
1	(1 MW X 2) Floating Solar PV Pilot Project (Chandrika Wewa & Kiri - Ibban Wewa)					1,087	1,002	21	5	5	5	1,113	1,012
2	Accounting for the Foreign Disbursment of CEB Loan (ADB/JICA) - Infrastructure Development					30,000	30,000	10,960	10,960	2,500	2,500	43,460	43,460
3	Colombo Waste to Energy Power Plant					1,750	1,750	1,750	1,750	1,750	1,750	5,250	5,250
4	Capacity development on the Power sector Master Plan implementation program (JICA)					22	20					22	20
5	Battery Energy Storage System under Grant of Korean Government					3,239	2,900	408	408			3,647	3,308
6	Solar Power Generation Project (GOSL/ADB)					17,500	17,500					17,500	17,500
7	Providing Rooftop Solar Power Facility installation for government building, low - income households, religious places and RO plants (GOSL /India)					600	500	1,015	700	1,005	900	2,620	2,100
8	Construction of Hybrid Renewable Energy System in Small Islands - Selft, Analtivu, Nainativu, Sri Lanka (India)					3,600	3,465	313	308	5		3,918	3,773

Public Investment Programme 2024 -2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	Budget *2023*		Projections *2024*		*2025*		*2026*		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
9	Sri Lanka Energy Program - USAID					1,210	1,200	1,042	1,033	509	504	2,761	2,737
10	Energy Efficiency Centralized Air Conditioning System - ADB					122	96					122	96
11	Appliance Energy Labeling Program Air Conditioning Testing Lab					218	206					218	206
12	Expanding the Capacities & Capabilities of the SLAEB					25	20					25	20
13	Donation from International Atomic Energy Agency					109	102					109	102
	New Initiative					***9,457***	***9,447***	***20,832***	***20,802***	***21,726***	***21,726***	***52,015***	***51,975***
1	Colombo City Transmission Network Development Project - Phase 2		*35,669*			2,754	2,754	12,525	12,525	15,390	15,390	*30,669*	*30,669*
2	Construction of Second 220kV Cable from Kerawalapitiya SS to Colombo Port Substation		*10,736*			3,803	3,803	4,487	4,487	2,446	2,446	*10,736*	*10,736*
3	Implementation of SCADA supported Advanced Distribution Control Center for Western Province South 1 in Ceylon Electricity Board		*1,220*			*400*	*390*	*820*	*790*			*1,220*	*1,180*
4	50 MW/50MWh grid connected Battery Energy Storage System (BESS)		*9,890*			*2,500*	*2,500*	*3,000*	*3,000*	*3,890*	*3,890*	*9,390*	*9,390*

Project/ Activity		Implementation /Start Year	TEC	2023 Total	2023 Foreign	2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024 -2026 Cumulative Total	2024 -2026 Cumulative Foreign
	Public Investment Programme 2024-2026							Budget Projections					***Rs. mn ' 000***
Sector : Water Supply & Sanitation			***554,983***	***88,384***	***57,783***	***80,681***	***44,716***	***78,831***	***50,363***	***85,542***	***52,724***	***245,054***	***147,803***
	Annual Programme (Including Rehabilitation)-Ministry of Water Supply		***-***	***22,055***	***10***	***16,418***	***3***	***17,450***	***10***	***18,860***	***10***	***52,728***	***23***
1	Catchment Protection and Prevension of Pollution at water sources			40		20						20	
2	Implementation of Rain Water Harvesting Programme			50		50		40		30		120	
3	Prevention of Water Borne Diseases in the Chronic Kidney Disease Affected Areas			300		150		200		220		570	
4	Improvement of Rural Water Supply & Sanitation			200		100		150		200		450	
5	Improvement of Community Water Supply through the Department of National Community Water Supply			500		500		550		600		1,650	
6	"Praja Jala Abhiman" Programme	2021-2024		1,000		1,250		1,000		800		*3,050*	
7	Development of Water Safety plans for community managed water schemes			10	10	3	3	10	10	10	10	*23*	*23*
8	Expansion and Rehabilitation of Small and Medium Water Supply Schemes - Utility shifting/land acquisition			300		300						*300*	
9	South Asia Conference on Sanitation (SACOSAN IV) Follow up action - All island sanitation programme			50		30						*30*	
10	Water Resources Board			20		15						*15*	
11	Capacity Enhancement and Distribution Expansion (CEDE) project			12,000		10,000		12,000		14,000		*36,000*	
12	Other Capital Expenditure			7,585		4,000		3,500		3,000		*10,500*	
	Ongoing Projects-Ministry of Water Supply		***52,570***	***1,318***	***15***	***743***	***10***	***78***	***10***	***80***	***12***	***901***	***32***
13	Water Supply Facilities for Resettlement Villages in Kegalle District	2017-2023	455	50									

Public Investment Programme 2024-2026 *Rs. mn ' 000*

	Project/ Activity	Implementation /Start Year	TEC	*2023* Total	Foreign	*2024* Total	Foreign	Budget Projections *2025* Total	Foreign	*2026* Total	Foreign	2024 -2026 Cumulative Total	Foreign
14	China - Sri Lanka Grant Research Project (for investigation of Chronic Kidney Disease)	2017-2025	1,514	65	5	68		68		68		204	
15	Wash knowlegde and skiis development of teachers and frontline healthcare workers (UNICEF)			10	10	10	10	10	10	12	12	32	32
16	Hemmathagama Water Supply Project	2018-2023	17,541	30		10						10	
17	Gampaha, Attanagalla & Minuwangoda Intergrated Water supply Scheme	2017-2023	33,060	163		155						155	
18	Payment of Custom Duties			1,000		500						500	
	Large Scale Water Supply Projects (All)		***361,606***	***65,011***	***57,758***	***63,270***	***44,703***	***48,803***	***40,843***	***44,602***	***35,502***	***156,675***	***121,048***
	Ministry of Water Supply												
19	Water Supply and Sanitation Improvement Project (WASSIP)	2016-2025	34,150	8,310	8,000	6,200	6,000	5,200	5,000	1,600	1,500	13,000	12,500
20	Anuradhapura North Integrated WSP (JICA) Phase I	2011-2023	11,515	1,240	1,150	1,020	1,000					1,020	1,000
21	Greater Colombo Water and Wastewater Management Improvement Investment Programme - Project II (GOSL/ADB)	2014 - 2022	13,917	4,878	4,800	5,120						5,120	
22	Greater Colombo Water and Wastewater Management Improvement Investment Programme - Project III (GOSL/ADB)	2016-2025	7,232	7,422	6,450	3,660						3,660	
23	Jaffna Killinochchi Water Supply & Sanitation Project (with additional financing for sea water desalination plant)	2011 - 2024	35,880	7,628	7,128	9,203	8,003	4,503	3,503	2,002	1,002	15,708	12,508
24	Ambatale Water Supply Systems Improvement & Energy Saving Project (GOSL/France)	2015 - 2024	13,000	10,156	8,000	5,030						5,030	
25	Greater Matale Water Supply Project (France)	2017-2022	31,453	1,910	1,620								
26	Puttalam Anamaduwa Water Supply Project(GOSL/Spain/HNB)	2017-2023	8,625	381	326								

	Project/ Activity	Implementation /Start Year	TEC	2023 Total	2023 Foreign	2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024 -2026 Cumulative Total	2024 -2026 Cumulative Foreign
	Public Investment Programme 2024-2026												***Rs. mn ' 000***
								Budget Projections					
27	Deduru Oya Water Supply Project	2017 - 2022	6,192	1,648	1,211	2,505	1,500	500	400	1,000	800	4,005	2,700
28	Kandy North (Pathadumbara) Water Supply Project(Gosl/China)	2018-2024	51,324	6,998	6,960	15,054	15,000					15,054	15,000
29	Anuradhapura North Water Supply Project Phase II(GOSL/JICA)	2018-2026	27,590	2,000	1,935	1,063	600	5,000	4,000	500	400	6,563	5,000
30	Ruwanwella Water Supply Project(GOSL/Korea)	2017 - 2024	6,291	3,260	2,000	2,505	2,800	800	640			3,305	3,440
31	Kalu Ganga Water Supply Expansion Project (1) (GOSL/JICA)	2018-2025	55,335	880	875	700	500	10,000	8,000	12,000	9,600	22,700	18,100
32	Kirama- Katuwana Water Supply Project(GOSL/Austria)	2018-2023	2,776	222	222								
33	Kandy City Wastewater Disposal Project (JICA)	2010-2024	22,588	994	900	2,250	2,000					2,250	2,000
34	Sanitation & Hygiene Initiatives for Towns in South and West Sri Lnaka (SHIFT I) - Negombo Wastewater Disposal Project	2017 - 2023	17,665	925	921	100	100					100	100
35	Moratuwa, Rathmalana Wastewater Disposal Project - Phase II	2019-2023	16,073	798	600	1,010						1,010	
	Ministry of Public Administration and Provincial Councils			***5,361***	***4,660***	***7,700***	***7,200***	***10,300***	***9,800***	***5,500***	***5,000***	***23,500***	***22,000***
36	Greater Colombo Waste water Management Project (GOSL/ADB)			1,000	798	2,200	2,200	2,900	2,900			*5,100*	*5,100*
37	Greater Colombo water and waste water Investment Management Programme- Tranche 2 (GOSL/ADB)			125	105								
38	Greater Colombo water and waste water Management Improvement Programme- Tranche 3 (GOSL/EIB)			3,600	3,220	3,500	3,000	5,000	4,500	5,500	*5,000*	*14,000*	*12,500*
39	Greater Colombo water and waste water Improvement Investment Programme- Tranche 3 (GOSL/ADB)			636	537	2,000	2,000	2,400	2,400			*4,400*	*4,400*
	New Projects - Ministry of Water Supply		***140,807***			***250***		***12,500***	***9,500***	***22,000***	***17,200***	***34,750***	***26,700***
	Budget Proposals -2024												

Public Investment Programme 2024-2026 *Rs. mn ' 000*

	Project/ Activity	Implementation /Start Year	TEC	*2023* Total	Foreign	Budget Projections *2024* Total	Foreign	*2025* Total	Foreign	*2026* Total	Foreign	2024 -2026 Cumulative Total	Foreign
40	Jafffna Water Supply Project	2024-2027	64,974			250		1,000		1,000		*2,250*	
	Other New Projects												
41	Lunugamwehera Water Supply Project	2025-2028	19,942					3,000	2,400	6,000	4,800	9,000	7,200
42	Greater Vauniya Water Supply Project	2025-2028	23,820					4,000	3,200	8,000	6,400	12,000	9,600
43	Yatimahana Water Supply Project	2025-2028	22,158					3,000	2,400	5,000	4,000	8,000	6,400
44	Construction of cluster based Swerage treatment plant septic sewer treatment at Maddegedarawatta Mathugaama, Kalutara.(Grant)	2025-2030	9,913					1,500	1,500	2,000	2,000	3,500	3,500

	Project/ Activity	Implementation/Start Year	TEC	2023 Budget Estimate		Projections						2024-2026 Cumulative	
	Public Investment Programme 2023 -2026												***Rs. mn***
						2024		***2025***		***2026***			
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
Sector : Housing Development				***28059***	***13584***	***28315***	***15000***	***29110***	***14435***	***29572***	***15300***	***86997***	***44735***
Ministry: Ministry of Urban Development and Housing				***23154***	***9984***	***23590***	***11200***	***20125***	***11985***	***17572***	***7500***	***61287***	***30685***
	Annual Program			**101**		**69**		**88**		**159**		**316**	
1	Construction Industry Development Authority -(CIDA)	Annual		23		26		10		5		41	
2	Implementation of UN Habitat Program	Annual		3		3		3		4		10	
3	Middle Income Housing Project	Annual		15		10		5				15	
4	Renovation of Housing Schemes	Annual		50		20		50		100		170	
5	Compensation for the Land Acquistion of Projects, Implemented by NHDA	Annual		10		10		20		50		80	
	Ongoing			***23053***	***9984***	***23521***	***11200***	***19437***	***11835***	***14413***	***5000***	***57371***	***28035***
1	Development of Training Infrastructure at Operator Training Center at Galkulama	2018	100					30		10		40	
2	Programme for Demining	2020	64825					70		100		170	
3	Trainning of 500 Rehabilitators as Bachoe Loader Operators	2021	18	3				2		3		5	
4	Resettlement/ Permenent Houses for Conflict Affected Families	2010	29702	2240		2500		3500		3000		9000	
5	Construction of Houses in Sobhitha Thero Village in Anuradhapura- Indian Grant	2018	450	478	253	310	200					310	200
6	Construction of 600 Houses under Model Village Housing Project in 25 Districts of Sri Lanka	2018	340	103	103			55	50			55	50
7	Housing Project (600 Houses) in Southern Province - 2017	2017	350	103	103	40		50	35			90	35
8	Housing Project (600 Houses) in Nothern Province of Sri Lanka - 2019	2019	347	206	153								
9	Indian Grant Housing Project Phase II (600 houses) in Southern Province - 2019	2019	344	245	222	1						1	

	Project/ Activity	Implementation/Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												***Rs. mn***
10	"Samata Niwahana" Housing Programme (Obata Geyak Ratata Hetak)	2016	27952	3750		2000		3500		6000		11500	
11	Construction of 2,000 Housing Units under the Chinese Aid Programme for the Low income people		29136	4000	3500	3200	3000	3000	2750	5300	5000	11500	10750
12	Urban Regeneration Programme	2012	74941	11925	5650	15470	8000	9230	9000			24700	17000
13	Construction of New Technology Concrete Panel Cost Effective Permanent Houses for the Conflict Affected Families in the Northern and Estern Province	2020	1280										
14	Investment Assistant Program in Nothern Province	2021	5										
15	Support Selected Small Industries in the Northern Province through the Cooperatives	2020	26										
16	Issuance of Craft Identity Card to Registered Skilled Construction Craftsmen According to CIDA Act No. 33 of 2014	2019	111										
17	Establishment of National Building Code for Sri Lanka	2020	48										
18	Traditional Brick and Motar Type Permanent Housing Programme for Conflict Affected Families in Northern and Eastern Provinces	2020	29702										
	New		***300***					***600***	***150***	***3000***	***2500***	***3600***	***2650***
1	Construction of Transit Housing Units in Madu Church in Mannar	2018	300					150	100			150	100
2	Other New Initiatives							450	50	3000	2500	3450	2550
	Ministry: Ministry of Water Supply and Infrastructure Development			***4905***	***3600***	***4725***	***3800***	***8985***	***2450***	***12000***	***7800***	***25710***	***14050***
	Annual Program			***100***		***100***		***395***		***500***		***995***	

	Public Investment Programme 2023 -2026												*Rs. mn*
	Project/ Activity	**Implementation/Start Year**	**TEC**	**2023 Budget Estimate**		**Projections**						**2024-2026 Cumulative**	
						2024		***2025***		***2026***			
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
1	Infrastructure Development in the plantaion sector	Annual	600	100		100		395		500		995	
	Ongoing			***4805***	***3600***	***4625***	***3800***	***3590***	***1450***	***5000***	***3300***	***13215***	***8550***
1	Estate Housing Programme (New Life Housing)	2021	1000	500		500		200		500		1200	
2	Indian Grant Assisted Housing Programme (Stage I)	2016	4977	125	100	225	200	60	50	1000	800	1285	1050
3	Indian Funded 10,000 Housing Programme	2023	33552	4180	3500	3900	3600	3330	1400	3500	2500	10730	7500
	New							***5000***	***1000***	***6500***	***4500***	***11500***	***5500***
1	New Initiatives							5000	1000	6500	4500	11500	5500

	Public Investment Programme 2023 -2026												Rs. mn
	Project/ Activity	Implementation/Start Year	TEC	2023 Budget Estimate		Projections						2024-2026 Cumulative	
						2024		2025		2026			
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
Sector :Urban Development													
Ministry:Urban Development and Housing				***15,372***	***1,130***	***15,902***	***1,520***	***7,275***	***3,500***	***7,400***	***4,000***	***30,577***	***9,020***
	Annual Programme			***2,003***		***1,000***		***1,100***		***1,100***		***3,200***	
1	Urban Development - UDA			1,000		400		450		450		1,300	
2	Urban Settlement- USDA			3									
3	Land Development-SLLDC			1,000		600		650		650		1,900	
	Ongoing			***13,369***	***1,130***	***12,022***	***20***	***2,725***	***500***	***2,850***	***1,000***	***17,597***	***1,520***
1	Metro Colombo Urban Development Project	2012	40,129	457		292		90		40		422	
2	Metro Colombo Solid Waste Mangement Project	2017	33,238	5,000		5,500		650		650		6,800	
3	Development of Strategic Cities - Jaffna	2016	6,460	320		150						150	
4	Development of Strategic Cities - Anuradhapura	2016	10,125	660	400	2,070		575	500	1,100	1,000	3,745	1,500
5	Beira Lake Rehabilitation and Re-development project	2018	280	92									
6	Weras Ganga Storm Water Drainage & Environment Improvement Project	2013	11,050	889		800		560		560		1,920	
7	Improvement of Road Infrastructure in the Homagama Tech City - widening of three roads	2018	712	58		500						500	
8	Urban project preparatory facility	2019	1,892	870	730	320	20					320	20
9	Restortion of water quality in Beira lake	2020	50	50		40						40	
10	Re-construction of Jaffna Town Hall	2019	2,350	500		400						400	

	Public Investment Programme 2023 -2026												*Rs. mn*
	Project/ Activity	**Implementation/Start Year**	**TEC**	**2023 Budget Estimate**		**Projections**						**2024-2026 Cumulative**	
						2024		***2025***		***2026***			
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
11	Oliyamulla storm water drainage and environment	2018	3,000	300		450		450				900	
12	Kolonnawa storm water drainage and environment inprovement	2018	1,510	250		300		400		500		1,200	
13	Siyak Nagara/ Urbn Infrastructure & Township Development Programme	2021	12,567	3,723		600						600	
14	Preperation of Master Plan for Development Eastern & western Province, Hambantota	2023		200		600						600	
	New (Total)					***2,880***	***1,500***	***3,450***	***3,000***	***3,450***	***3,000***	***9,780***	***7,500***
1	Sustainable Urban Development Project	2024				1,680	1,500	3,450	3,000	3,450	3,000	8,580	7,500
2	Development of poonerin City	2024	500			500						500	
3	Development of Bandarawela Wholesale Vegetable Center	2024	250			250						250	
4	Greater Mihinthale	2024	200			200						200	
5	Flood control in Galle District	2024	250			250						250	

Public Investment Programme 2023 -2026 Rs. mn

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Sector: Governance			***155351***	***8629***	***98744***	***12601***	***105910***	***11115***	***111895***	***7282***	***315779***	***19992***
	Sub Sector: Justice			***10399***	***1172***	***13513***	***4825***	***15334***	***2525***	***17645***	***1900***	***46492***	***9250***
	Ministry of Justice, Prison Affairs and Constitutional Reforms			***10399***	***1172***	***13513***	***4825***	***15334***	***2525***	***17645***	***1900***	***46492***	***9250***
	Annual Programme			***5812***		***4422***		***7200***		***11300***		***22922***	
1	Rehabilitation and Improvement			1587		1800		3500		4800		10100	
2	Acqusition of Capital Assets			2973		2000		2500		4500		9000	
3	Other Capital Expenditure			1252		622		1200		2000		3822	
	Ongoing			***4587***	***1172***	***9091***	***4825***	***8134***	***2525***	***6345***	***1900***	***23570***	***9250***
1	Galle Court Complex	2020	1125	150		150		200		250		600	
2	Small Scale Development Program	2018	931	25		150		250		355		755	
3	Matara Court Building	2019	1240	50		10		12		13		35	
4	Construction of New Head Office Building for Atorney General's Department	2019	2609	90		20		23		25		68	
5	Gampola District Magiistrate Court	2017	446	70		60		40				100	
6	Ruvanwella District Magistrate Court	2017	250	5									
7	Mankulam Circuit District Magistrate Court	2017	396	20									
8	Construction of Court Complex in Anuradhapura, Jaffna and Polonnaruwa	2017	1322	60		55		60		80		195	
9	Relocating Courts in Ratnapura and Welimada	2018	2958	400		200						200	
10	Expansion of Courts in Kilinochchi, Theldeniya, Pugoda and Kantale	2018	1137	160		200		240		280		720	
11	Walapane Magistrate Court Complex	2022	320	50		50		60		65		175	
12	House of Justice	2021	14399	950		700		1100		1200		3000	
13	Establishment Farm and Drug User's Rehabilitation Center at Weeravila	2019	250	15		15		19		20		54	
14	Construction of Office Building at Headquarters	2014	52	10									
15	Three Year plan for the Improvement of the Infrastructure Facilities in the Judicial Sector	2021	18500	100		320		350		780		1450	
16	Comprehensive Refurbishment Project of Sri Lanka Superior Courts Complex	2023	Grant	395	350	2200	2100					2200	2100

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023		Projections 2024		Projections 2025		Projections 2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
17	Office for National Unity and Reconciliation (ONUR)			100		100		110		150		360	
18	Construction of 3000 Rain Water Harvesting System in Jaffna District - ONUR Project (India)		300	120	100	160	150					160	150
19	Office on Missing Persons			9		16		17		25		58	
20	Rehabilitation Focused Economic Empowerment Project (REEP)			15		15		17		20		52	
21	Wattala Court Complex	2018	21	5									
22	Mullaitive Cout Complex	2017	434	10		5						5	
23	Construction of Pallekele Prison Complex	2007	4364	300		250		275		350		875	
24	Construction of Jaffna Prison Complex	2010	1137	35									
25	Strenggthening Capacity Building for Forensic Drug Analysis in the Criminal Justice	2021	794	225	200	475	475	125	125			600	600
26	Rehabilitation of Prisoners			4		10		11		12		33	
27	Construction of Prison Complex	2017	1927	335		380		465				845	
28	Relocation of Prisons in Western Province			24		100		110		120		330	
29	Relocation of Prisons in Other Districts	2013	4997										
30	Enhancement of Sanitary Facilities of Detainees in Prisons			300		350		450		500		1300	
31	Social Cohesion and Reconciliation Project (SCORE) USAID	2021	1819	185	185								
32	Efficient and Effective Justice (EEJ)	2021	5475	160	150	550	500	1400	1200	600	500	2550	2200
33	Expand Legal Aid Services for Children in Contact with the Law through an Assessment of the Current Status, Capacity Building and Direct Support			17	17								
34	Strengthening Transformation, Reconciliation and Inclusive Democratic Engagement (STRIDE)			13	10								
35	Facilitate Improvements in Judicial Procedures and Processes that			10	10								

Public Investment Programme 2023 -2026 — Rs. mn

	Public Investment Programme 2023 -2026												Rs. mn
	Project/ Activity	Implement ation /Start Year	TEC	Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	Address Child Abuse Cases to Reduce the Case Backlog												
36	Support to Justice Sector in Sri Lanka	2021	6935	170	150	800	850	1300	1200	1500	1400	3600	3450
37	Supporting Effective Dispute Resolution (SEDR)	2020	2252										
38	Social Cohesion and Peace Projece (SCOPE)	2022	2467			750	750					750	750
39	New Initiatives							1500		3800		5300	
	Budget Proposal					***1000***						***1000***	
1	Office for Reparation (Budget Proposal 2024)					1000						1000	
Sub Sector : Law and Order				***22406***	***4942***	***14126***	***2300***	***16535***		***19912***		***50573***	***2300***
Ministry of Public Security				***1901***		***3270***		***5910***		***7600***		***16780***	
	Annual Programme			***1441***		***2970***		***5910***		***7600***		***16480***	
1	Rehabilitation and Improvement			305		1500		3200		3800		8500	
2	Acquisition of Capital Assets			176		650		1960		2500		5110	
3	Other Capital Investments			960		820		750		1300		2870	
	Ongoing Projects			***460***		***300***						***300***	
1	UN Peace Keep Mission			460		300						300	
	Department of Police			***16403***	***4942***	***7330***	***2300***	***5495***		***5853***		***18678***	***2300***
	Annual Programme			***2820***		***1645***		***1485***		***1313***		***4443***	
1	Capacity Building			30		15		10		8		33	
2	Rehabilitation and Improvement			970		520		485		450		1455	
3	Acquisition of Capital Assets			1810		1100		985		850		2935	
4	Other Capital Expenditure			10		10		5		5		20	
	Ongoing Projects			***13583***	***4942***	***5685***	***2300***	***4010***		***4540***		***14235***	***2300***
1	Indian Credit Line for Vehicles	2021		11008	2942	350	300					350	300
2	Construction of a Building to Police Academy	2018	680	60		110		160		170		440	
3	Development of Police Training Colleges	2019	484	15		150		200		120		470	
4	Procuring of Animals (Horse and Dogs)	2023	49	50		75		150		250		475	
5	e NIC Project			450		3000		3500		4000		10500	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
Public Investment Programme 2023 -2026													Rs. mn
6	Expand Legal Services for Children in Contact with the Law through an Assessment of the Current Status, Capacity Building and the Direct Support			2000	2000	2000	2000					2000	2000
	Department of Immigration and Emigration			***2832***		***2436***		***3035***		***3259***		***8730***	
1	Blank Travel Documents and Related Deliverables/ Visa Sticker/ Other			2270		1750		2200		2400		6350	
2	Other Capital Expenditure			562		686		835		859		2380	
	Department for Registration of Persons			***1270***		***1090***		***2095***		***3200***		***6385***	
1	Pre Printed Cards and Related Activities			1062		1000		2000		3100		6100	
2	Other Capital Expenditure			208		90		95		100		285	
Sub Sector: Defence				***44716***	***145***	***48614***	***200***	***50645***		***51672***		***150931***	***200***
Ministry of Defence				***44716***	***145***	***48614***	***200***	***50645***		***51672***		***150931***	***200***
	Annual Program			***911***		***860***		***1250***		***1315***		***3425***	
1	Sri Lanka Cadet Corps			18		50		60		70		180	
2	State Intelligence Services			150		170		380		395		945	
3	Department of Sri Lanka Coast Guard			370		400		550		570		1520	
4	Department of Civil Security			373		240		260		280		780	
	Ongoing			***43805***	***145***	***47754***	***200***	***49395***		***50357***		***147506***	***200***
				7385		***10239***		***1785***		***2090***		***14114***	
1	Tri Forces Central Ammunition Armoury and Commercial Explosive Armoury Complex - Punani (Oyamaduwa)	2017	2080	180		82						82	
2	Defence Head Quarters	2011	60886	7000		10000		500		500		11000	
3	Multi Purpose Task Force			55		57		75		80		212	
4	Development of Humanitarian Search and Rescue Capacity	2016	349	10		10		10		10		30	
5	Modern Technological and Infrastructure Facilities for Strengthening the National Security			140		90						90	
6	New Initiatives							1200		1500		2700	

	Public Investment Programme 2023 -2026												Rs. mn
	Project/ Activity	Implementation /Start Year	TEC	Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	Sri Lanka Army			***4777***		***5180***		***9085***		***9215***		***23480***	
1	Army Hospital Project	2017	4004	500		250						250	
2	UN Peace Keeping Mission	2023	500	500		300		350		375		1025	
3	Income Generated Commercial Projects	2023		27		30		35		40		105	
4	Upgrading and Modernization of the SL Army Communication System			500									
5	Rehabilitation and Acquisition of Plant, Mechinery and Equipment			1750		2800		3500		3600		9900	
6	Other Capital (SLA)			1500		1800		2700		2600		7100	
7	New Initiatives							2500		2600		5100	
	Sri Lanka Navy			***11897***		***12505***		***16865***		***17252***		***46622***	
1	Relocation the Navy Camp in North and East Provinces	2017	369	10									
2	Construction of Quay at Dockyard - Trincomalee	2020	4611	777		1750		550		600		2900	
3	Navy Academy - Trincomalee	2016	679	50		100		100		30		230	
4	Modernzation of VHF UHF Communication System	2021	390	515									
5	Income Generated Commercial Projects			100		60		100		110		270	
6	International Fleet Exercise			20		40		60		80		180	
7	Enhancement of Infrastructure Facility at Sri Lanka Naval Dockyard Incorporated with the Floating Dock of Sri Lanka Navy	2021	250	25		50		85		100		235	
8	Upgrading VHF Clear Communication System	2021	100	100		75		100		110		285	
9	Upgrading Sri Lanka Navy Private Auto branch Exchange System and Data Network Switches	2021	50	50		110		120		122		352	
10	Upgrading of Sri Lanka Navy Microwave Network	2021	100	100		60		150		200		410	
11	Upgrading and Replacement of Obsolete Electrical/ Electronic systems, Equipment and Machineries of SLN ships/ Craft and Bases for Improving of	2021	100	100		150		180		200		530	

Public Investment Programme 2023 -2026													Rs. mn
Project/ Activity		Implement ation /Start Year	TEC	Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	Maritime Surveillance capabilities of SLN												
12	Expansion of Machinery Testing and Trials Unit(MTTU)	2021	220	50		60		120				180	
13	Rehabilitation and Acquisition of Plant, Mechinery and Equipment			7860		7900		8100		8100		24100	
14	Other Capital(SLN)			2140		2150		3700		3800		9650	
15	New Initiatives							3500		3800		7300	
Sri Lanka Air Force				***19746***	***145***	***19830***	***200***	***21660***		***21800***		***63290***	***200***
1	02 Nos of Y-12 Light Transport Aircraft	2017	USD 18 Mn (4015. 29)	2160		2500		500		200		3200	
2	4 Nos of used Trainer Helicopters	2021		424									
3	06 Nos of PT 6 Primary Air Craft	2017	946	24									
4	Income Generated Commercial Projects			180		300		380		400		1080	
5	UN Peace Keeping Missions			478		650		780		800		2230	
6	Indian Line of Credit			145	145	280	200					280	200
7	Rehabilitation and Acquisition of Plant, Mechinery and Equipment			12575		15000		15800		16000		46800	
8	Other Capital (SLAF)			3760		1100		1700		1800		4600	
9	New Initiatives							2500		2600		5100	
Sub Sector: Foreign Affairs				***433***		***730***		***767***		***803***		***2300***	
Ministry: Foreign Affairs				***433***		***730***		***767***		***803***		***2300***	
	Annual Program			***433***		***730***		***767***		***803***		***2300***	
1	Rehabilitation and Improvement			289		560		590		620		1770	
2	Acquisition of Capital Assets			124		150		155		160		465	
3	Capacity Building			5		5		6		6		17	
4	Other Capital			15		15		16		17		48	
Sub-Sector- Public Management				***74019***	***570***	***17815***	***3476***	***17409***	***4968***	***16609***	***2562***	***51063***	
Ministry: Public Administration, Home Affairs, Provincial Councils and Local Government				***6,428***	***250***	***6,439***	***200***	***4,600***	***210***	***4,035***	***-***	***15074***	***410***

Public Investment Programme 2023 -2026 — Rs. mn

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Annual Program			***3,455***		***3,732***		***3,974***		***4,029***		***11735***	
1	National Human Resource Development Council			6		7		8		9		24	
2	Official Languages Commission			4		4		5		5		14	
3	National Institute of Language Education and Training			20		21		22		23		66	
4	Sri LankaInstitute of Local Governance			20		20		21		21		62	
5	National Language Development Programme			10		10						10	
6	Sri Lanka Institute of Development Administration			12		13		14		15		42	
7	Capacity Development of All Island and Combined Service Officers			100		95		90		90		275	
8	General Administration and Establishment Services District Secretarites			3,223		3,500		3,750		3,800		11050	
9	Other Capital Expenditure			60		62		64		66		192	
	Ongoing			***2,973***	***250***	***607***	***200***	***626***	***210***	***6***		***1239***	***410***
1	Let's Awaken Polonnaruwa Programme 2016-2020			1,170									
2	e Grama Niladari Project to Enhance the ICT usage among Grass Root Level (e GN Project)	2018-2025	1,689	1,500		400		411				811	
3	Establishment of a Incubator Business Center in Jaffna			300	250	203	200	210	210			413	410
4	Other Capital Expenditure			3		4		5		6		15	
	New (Budget Proposals)					***2,100***						***2100***	
1	Construction of Galle District Auditorium					500						500	

	Public Investment Programme 2023 -2026												Rs. mn
	Project/ Activity	Implement ation /Start Year	TEC	Budget 2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
2	Development of Tourism Infrastructure in Local Authority Areas					1,000						1000	
3	Utilization of Government Holiday Resorts for Tourism Industry Promotion					600						600	
	Ministry: Finance, Economic Stabilization and National Policies			***67,591***	***320***	***11,376***	***3,276***	***12,809***	***4,758***	***12,574***	***2,562***	***35,989***	***960***
	Annual Program			***6,233***		***7,236***	***320***	***8,118***	***320***	***10,030***	***320***	***25,064***	***960***
1	Sri Lanka Accounting and Auditng Standards monitoring Board			8		9		10		11		30	
2	Welfare Benefit Board			2		2		3		3		8	
3	Tax Appeals Commission			4		4		4		5		13	
4	Economic and Fiscal Management Reforms			1,898		1,900		2,000		2,010		5,910	
5	Japanees Grant Aid for Human Resources Development Schoparship Programme			320	320	320	320	320	320	320	320	960	960
6	National Single Widow Project			1		1		1		1	4,484	3	4,484
7	Other Capital Expenditure			4,000		5,000		6,100		8,000	2,242	19,100	
	Ongoing			***61,358***	***50,149***	***4,040***	***2,956***	***4,541***	***4,438***	***2,344***	***2,242***	***10,925***	***9,636***
1	e-Government Procurement Project	2019-2023	600	254		230						230	
2	Revenue Administration Management Information System (RAMIS)	2020-2023	17,990	9,305									
3	Excise Revenue Management System			100		100		100		100		300	
4	Establishment of New Laboratory in Department of Excise	2023-2023		100									
5	Cences Population and Housing			1,275		100						100	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												**Rs. mn**
6	Pilot Study on implementation of 19 th ICSL International Conference of Labour Statistician			5		4		3		2		9	
7	Rehabilitation and Maintenance of ASYCUDA IT system			170		100						100	
8	Contingent Emergency Response Component (CERCs) for Covid 19			4,010	4,010								
9	Restoring Social Stability			41,465	41,465								
10	Food Security and Livelihood Recovery / Emergency Assistance Project					1559	1,559	2,290	2,290			3,849	
11	Capacity Development for Effective Public Investment Management			57	57	42	42					42	
12	Contingent emergency Response for poor & vulnerable			2,398	2,398								
13	Governance for Growth Programme (Australian Grant)					1050	1,050	1,038	1,038	1,032	1,032	3,120	3,120
14	Partnership for Accelerating Result in Trade, National, Ependiture and Revenue Activity (PARTNER)					305	305	1,110	1,110	1,210	1,210	2,625	2,625
15	Food Relief Programme (WFP)			1,800	1,800								
16	Promoting Autonomy, Literacy and Attentiveness through Market Alliance (PALAM/A) projet in Sri Lanka			419	419	550							550
	New (Budget Proposals)					***100***		***150***		***200***			***450***
1	Development and Implementation of a Risk Management Software in Sri Lanka Customs					100							100
2	New Projects							150		200			350
	Sector : Special Spending Units			***3,378***	***1,800***	***3,946***	***1,800***	***5,220***	***3,622***	***5,254***	***2,820***	***14,420***	***8,242***
	Annual Program			***3,378***	***1,800***	***3,946***	***1,800***	***5,220***	***3,388***	***5,254***	***2,820***	***14,420***	***8,008***
1	His Excellency the Present			487		500		510		515		1,525	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												**Rs. mn**
2	Development Initiatives Coordination and Monitoring			500		500		550		600		1,650	
3	Food Relief Programme (WFP)			1,800	1,800	1,800	1,800	3,388	3,388	2,820	2,820	8,008	8,008
4	Office of the Prime Minister			86		111		98		84		293	
5	Judges of the Superior Courts			14		19		25		31		75	
6	Office of the Cabinet of Ministes			85		35		38		41		114	
7	Office of the Public Service Commission			13		8		9		10		27	
8	Judicial Service Commission			1		1		1		2		4	
9	National Police Commission			5		8		8		9		25	
10	Administrative Appeals Tribunal			1		7		2		2		11	
11	Commission to Investigate Allegations of Bribary or Corruption			70		122		92		69		283	
12	Office of the Finance Commission			3		3		3		4		10	
13	Human Rights Commission of Sri Lanka			19		44		10		13		67	
14	Parliament			120		120		122		124		366	
15	Repurbushment of Parliamentary Complex			10		60		50		30		140	
16	Office of the Leader of the House of Parliament			1		1		1		1		3	
17	Office of the Chief Government Whip of Parliament			1		2		2		3		7	
18	Office of the Leader of the Opposition of Parliament			20		16		12		15		43	
19	Election Commission			86		143		48		33		224	

	Project/ Activity	Implementation /Start Year	TEC	Budget 2023 Total	Budget 2023 Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023 -2026												Rs. mn
20	National Audit Office			52		74		76		82		232	
21	Sri Lanka Public financial Management Strengthening Project (WB)					368	368	234	234	234		836	602
22	Office of the Parlimentary Commission for Administration			1		1		1		1		3	
23	Delimination Commission					1		1		1		3	
24	New Proposed Projects			3		2		100		530		632	

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023-2026												*Rs. mn*
Sector: Environment													
	Grand Total of the sector			***9343.90***	***5533.90***	***14,714***	***10,569***	***16,432***	***3,788***	***17,140***		***48,286***	***14,356***
	Ministry : Environment												
	Total - Environment			***678.90***	***308.90***	***482***	***282***	***505***		***725***		***1,712***	***282***
	Annual Program			***340***		***195***		***505***		***725***		***1425***	
1	Implementing Annual Programme of the Ministry		*N/A*	*20*		*35*		*45*		*50*		130	
2	National Environment Conservation Programme (Budget Proposals - 2022) Husma Dena Thuru		*N/A*	*150*		*20*						20	
3	Implementation of Montreal Protocol (GOSL UNDP)		*N/A*	*35*		50		*50*		*50*		150	
4	Surakimu Ganga National Environment Programme		*N/A*	*45*		*0*		*300*		*500*		800	
5	Education, Awareness Programme and Green Award Implemented by CEA			*25*		*30*		*40*		*50*		120	
6	Rehabilitation, improvement and acquisition of Assets of Central Environment Authority - Capital Expenditure			*65*		*60*		*70*		*75*		205	
	Ongoing			***339***	***309***	***287***	***282***					**287**	**282**
1	Implmenting annual programe of the Ministry			*25*									
2	Environmentally Sound Management and Disposal of PCB Waste and PCB Contaminated Equipment in Sri Lanka (GEF)	2016	685.1 (Ministry component -127.21)	1	1								
3	GEF Support to UNCCD 2018 National Reporting Prosess	2019	11.5	1	1								

Public Investment Programme 2023-2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
4	Strengthening National Level Institutional and Professional Capacities of Country parties Towards Enhanced UNCCD Monitoring and Reporting- GEF 7 EA Umbrella IV	2023	29.49	10	10	12	12					12	12
5	Marine Litter and Micro Plastics: Promoting the Environmentally Sound Management of Plastic Waste and Achieving the Prevention and Minimization of the Generation of Plastic Waste.	2021	10.37	11	11								
6	Capacity Building on Environmentally Sound Management of Single use Plastic and its Waste in Asia Pacific Countries.	2021	3.24	2	2								
7	Strengthening National Capacity for Phasing out Mercury Added Products and Environmentaly Sound Management of Waste Consisting of, Contaminated with and containing Mercury in Sri Lanka.	2021	32.15	13	13	5						5	
8	Project on Healthy Landscapes Managing Agricultural Landscape in Socio - Ecologically Sensitive Ereas to Promote Food Security, Wellbeing and Ecosystem health in Sri Lanka.	2021	383 (Ministry Component - 112)	70	70	10	10					10	10
9	Project on Managing together Integrating Community Centered, Ecosystem – Base Approaches in to Forestry, Agriculture and Tourism Sectors.	2021	635.9 (Ministry Component - 158)	50	50	90	90					90	90

	Project/ Activity	Implementation /Start Year	TEC	Public Investment Programme 2023-2026 2023 Budget Estimate		2024		Projections 2025		2026		2024-2026 Cumulative	Rs. mn
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
10	Enhanced Transparency Framework (ETF) for Agriculture, Forestry and Other Land Use (AFOLU) Sector	2023	863,242 (USD) (Ministry Component - 822,845 USD)	150	150	170	170					170	170
11	Improvement of Indoor Air Quality	2021	54.1	5									
Sector : Environment													
Ministry:Ministry of Wildlife and Forest Resources Conservation													
	Annual Program			***3,571***		***977***		***2,452***		***5,026***		***8,455***	
	Ministry of Willife and Forest Resources Conservation												
	Eco System Conservation and Management Project(ESCAMP)			2,374	2,300								
	Department of Wildlife Conservation												
1	Construction of Electric Fences			100		150		170		200		520	
2	Habitat Enrichment for Wildlife			80		80		100		110		290	
3	Improvement of Road Netawrk in National parks			20		20		25		30		75	
4	Wilpattu National Park and Influence Zone Management Project			20									
Department of Forest Conservation													
1	Expanding Forest Cover			800		600		1,000		1,500		3,100	
2	Research & Development			7		8		10		12		30	

Public Investment Programme 2023-2026 — *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
3	Forest protection - Prevention Programme to Control Forest Fire			60		40		50		60		150	
	Department of National Zoological Garden									-		-	
1	Development of Pinnawala Elephant Orphanage			40		31		38		44		113	
2	Development of Pinnawala Zoo			30		22		27		33		82	
3	Development of Safari Park at Hambantota			40		26		32		37		95	
	Conservation of wildlife and expansion of forest cover							1,000		3,000		4,000	
Sector : Environment & Disaster Management													
Ministry : Ministry of Defence													
Institute : Natuional Building Research Organisation													
	Grand Total			***5,094***	***2,925***	***13,255***	***10,287***	***13,475***	***3,788***	***11,389***		***38,119***	***14,074***
	Annual Program			***275***		***277***		***276***		***277***		***830***	
1	Issurance of Landslide Risk Assesment Certificates			40.0		42		43		44		129	
2	Landslide investigation, research and Developmentt			100.0		100		100		100		300	
3	Landslide Mitigation Programme			100.0		100		100		100		300	
4	Enhance Real Time Landslide Forecasting and Early Warning Systems - Phase 1 (maintenance Component)			10.0		15		15		15		45	

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	Projections 2024 Total	Projections 2024 Foreign	Projections 2025 Total	Projections 2025 Foreign	Projections 2026 Total	Projections 2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023-2026												***Rs. mn***
5	Developing the Systems for Building Assesment and Condition Reporting			25.0		20		18		18		56	
	Ongoing			***3,625***	***2,910***	***10,454***	***8,885***	***12,082***	***3,788***	***10,005***		***32,541***	***12,672***
1	Development of a Landslide Risk Profile	2016-2024	246	10		10		5		5		20	
2	Reduction of Landslide Voulnerability by Mitigation Mesures (GOSL - AIIB)	2021-2025		3,400	2,900	10,224	8,675	5,577	3,787.7			15,801	12,462
3	Construction of Pre-Cast Disaster Resilient Houses for the People Residing in Disaster Prone Areas	2024-2025	650	200									
4	Development of early warning technology of rain-induced rapid and long-travelling landslides in Sri Lanka (Under SATREPS/JICA & JST)	2020-2024	819	15	10	220	210					220	210
5	Systematic Diagnostic Assesment of Chemical Disaster Risks in Sri Lanka by the National Research Organisation	2019-2025	48										
6	Development and Deployment of Structural and non-Structural Measures for Effective Mitigation of Landslides and Associated Hazards and Related Capacity Strengthening - (Local applications)	2019-2025	30										
7	Implementation of Disaster Management Action Plan (Understanding disaster risk,Strengthening disaster risk governance to manage disaster risk, Investing in disaster risk reduction for resilience, Enhancing	2025						6,500		10,000			

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget Estimate Total	2023 Budget Estimate Foreign	2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
	Public Investment Programme 2023-2026												***Rs. mn***
							Projections						
	disaster preparedness for effective response and to "Build Back Better" in recovery, rehabilitation and reconstruction)												
Institute : Department of Meteorology													
	Ongoing					***1402***	***1402***					***1402***	***1,402***
1	Doppler Weather Radar Systems (JICA)	2019	JPY 2,503,000,000 / Rs. 486.65 mn			1402	1402					1402	1,402
Institute : National Disaster Relief Services Centre													
	Ongoing		***21,350***	***950***		***890***		***885***		***875***		***2650***	
1	Resettlement of Displaced People Due to Landslide Threaten and Landslide	2017	21,050	650		600		600		600		1800	
2	Rehabilitation and reconstruction avtivities of the area affected by floods and landslides			250		250		250		250		750	
3	Construction of Safety Centres in Districts for people who displaced due to disaster situation	2021	300	50		40		35		25		100	
Institute : Disaster Management Center													
	Annual Program			***244***	***15***	***232***		***232***		***232***		***696***	
1	Activities related to the disaster mitigation			12		10		10		10		30	
2	Implementation of Mitigation Projects to Minimize the Impact of Disasters.			200		200		200		200		600	
3	Awareness and Prepardness of Community on Disaster Management Other			10		10		10		10		30	

	Project/ Activity	Implementation /Start Year	TEC	Public Investment Programme 2023-2026 2023 Budget Estimate		Projections 2024		2025		2026		2024-2026 Cumulative *Rs. mn*	
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
4	Development of Multy Hazard Risk Profile for Sri Lanka			1		1		1		1		3	
5	Strengthening the Capacity of the Floods and Landslides Disaster Response Mechanism Plant, Machinery and Equipment			5		10		10		10		30	
6	Mainstreaaming Disaster Risk Reduction in to Development			1		1		1		1		3	
7	Preparation of Local Disaster Risk Reduction (DRR) Plans for Local Authorities (UNDP)			15	15								

Public Investment Programme 2023-2026 *Rs. mn*

	Project/ Activity	Implementation /Start Year	TEC	2023 Budget		Projections						2024-2026 Cumulative	
						2024		*2025*		*2026*			
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	Sector : Social protection		***8,200***	***4,734***	***3,247***	***5,391***	***3,304***	***5,879***	***1,514***	***6,399***	***2,015***	***17,669***	***6,833***
	Ministry:Ministry of Women, child Affairs and Social Empowerment		***8,200***	***2,918***	***1,688***	***2,884***	***1,014***	***4,155***	***14***	***4,197***	***15***	***11,236***	***1,043***
	Annual Program			***151***	***51***	***127***	***7***	***148***	***7***	***190***	***8***	***465***	***22***
1	Coordinating and Ensuring the Women Rights			7		7		7		8		22	
2	Gender based Violecnce programme (GOSL/ UNFPA)			7	7	7	7	7	7	8	8	22	22
3	Prevention of child abuse and Violence Against Women			15		15		20		30		65	
4	Women empowerment through entrepreneship development			30		30		40		50		120	
5	Support for Low Income Disable persons			34		50		50		60		160	
6	National Couselling Programme			10		6		10		15		31	
7	Implementation of Action Plan- UNICEF			44	44								
8	Other Capital Expenditure			4		12		14		19		45	
	Ongoing		***7,950***	***2,517***	***1,637***	***257***	***7***	***7***	***7***	***7***	***7***	***271***	***21***
1	National Village Empowerment Programmee			650		150						150	
2	Construction of a Building Complex for the National Institute of Social Development in Seeduwa	2017-2023	1,000	230		100						100	
3	Early Childhood Care and Development (GOSL/WB)	2015-2023	6,950	1,615	1,615								

	Public Investment Programme 2023-2026												Rs. mn
	Project/ Activity	**Implementation /Start Year**	**TEC**	**2023 Budget**		**Projections**						**2024-2026 Cumulative**	
						2024		***2025***		***2026***			
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
4	24 Hours Tall Free Help (GOSL-SAARC Development Fund)	2016-2024		22	22	7	7	7	7	7	7	21	21
	New Program		***250***	***250***		***2,500***	***1,000***	***4,000***		***4,000***		***10,500***	***1,000***
1	Strengthenening of Elders/Disable/Low income widows as households (Budget Proposal)	*2023*	*250*	*250*									
2	Social Protection project	*2023-2027*				*1,000*	*1,000*					***1,000***	***1,000***
3	New Inititatives for empowering low income families					*1,500*		*4,000*		*4,000*		***9,500***	
Deaprment of Social Servvices				***34***		***95***		***49***		***51***		***195***	
	Annual Program			***34***		***95***		***49***		***51***		***195***	
1	Community Based Rehabilitation Programme			11		11		11		12		34	
2	Modernization of Vocational Training Centers for Differently Abled			10		10		10		11		31	
3	Construction of a Vocational Training Centre - Killinochchi					35						35	
4	Other Capital Expenditure			13		39		28		28		95	
Probation and Child Care Services				***65***		***60***		***62***		***82***		***204***	
	Annual Program			***65***		***60***		***62***		***82***		***204***	
1	Refurbisment of Children's Homes			5									
2	Supervision of Children's Homes			5									

Public Investment Programme 2023-2026 *Rs. mn*

Project/ Activity	Implementation /Start Year	TEC	2023 Budget Total	2023 Budget Foreign	Projections 2024 Total	2024 Foreign	2025 Total	2025 Foreign	2026 Total	2026 Foreign	2024-2026 Cumulative Total	2024-2026 Cumulative Foreign
3 Empowerment of vulnerable children providing vocational skills and financial assistance			25		29		30		40		99	
4 Ensuring child rights			26		28		30		40		98	
5 Other Capital Expenditure			4		3		2		2		7	
Department of Samurdhi Development			***158***		***62***		***113***		***69***		***244***	
Annual Program			***158***		***62***		***113***		***69***		***244***	
1 Empowering Samurdhi Beneficiaries			150		50		100		50		200	
2 Other Capital Expenditure			8		12		13		19		44	
Department of National Planning			***1,559***	***1,559***	***2,290***	***2,290***	***1,500***	***1,500***	***2,000***	***2,000***	***5,790***	***5,790***
Ongoing			***1,559***	***1,559***	***2,290***	***2,290***	***1,500***	***1,500***	***2,000***	***2,000***	***5,790***	***5,790***
1 Food security and livelihood Recovery Emergency Assistance Project	2022-2024		1,559	1,559	2,290	2,290	1,500	1,500	2,000	2,000	5,790	5,790

	Public Investment Programme 2024 -2026												*Rs. mn*
	Project/ Activity	**Implementation /Start Year**	**TEC**	**2023**		***2024***		**Projections** ***2025***		***2026***		**2024-2026 Cumulative**	
				Total	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**	**Total**	**Foreign**
	Sector : Regional Development			***36,433***	***16,814***	***68,442***	***18,171***	***71,970***	***710***	***100,917***	***16,384***	***241,329***	***35,265***
	Ministry: Public Administration, Home Affairs, Provincial Councils and Local Government			***36,433***	***16,814***	***68,442***	***18,171***	***71,970***	***710***	***100,917***	***16,384***	***241,329***	***35,265***
	Ongoing Projects			***36,433***	***16,814***	***46,927***	***17,911***	***40,508***	***500***	***69,190***	***15,914***	***156,625***	***34,325***
1	Crireria Based Grant (for nine provinces)			2,007		3,340		4,000		7,340		14,680	
2	Provincial Specific Development Grant (for nine provinces)			16,900		25,060		35,955		61,015		122,030	
5	Local Government Enhancement Sector Project - "Pura Neguma" (Additional Financing) - GOSL / ADB	2017-2023	12,300	2,570	2,561	401	400			401	400	802	801
6	Rural Infrastructure Development Project in Emerging Regions (GOSL/JICA)	2017-2024	20,622	1,955	1,953	2,502	2,500			2,502		5,004	5,002
7	UNICEF Funded Programmes			551	550	282	280	553	500	835	780	1,106	1,560
8	Local Development Support Project (GOSL/WB)	2019-2024	14,915	6,000	6,000	7,050	7,050			7,050	7,050	14,100	14,100
9	Solid Waste Management Project			300	300	153	150			153	153	306	303
10	Strengthening of Local Government Authorities			200		600				600		1,200	
11	Rural Bridges Project (GOSL/DRIVE Netherland)	2021-2024	14,112	5,000	5,000	7,135	7,131			7,135	7,131	14,270	14,262
12	Rural Bridges Project (GOSL/UK)	2021-2024		200	200	202	200			202	200	404	400
13	Waste Management and Infrastructure Development in Pradeshiya Sabha	2021		500									
15	Pilot Project for Formulation of Western Province Solid Waste Management Master Plan (GOSL /JICA)	2023		250	250	202	200			202	200	404	400

	Project/ Activity	Implementation /Start Year	TEC	2023		Projections 2024		2025		2026		2024-2026 Cumulative	
				Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign	Total	Foreign
	New					***21,515***	***260***	***31,462***	***210***	***31,727***	***470***	***84,704***	***940***
1	Waste to Value Project (GOSL / Germany)	2024				265	260	212	210	477	470	954	940
2	New Initiations	2025-2026						20,000		20,000		40,000	40,000
	Budget Proposal												
1	Decentralized Budget Programme (President Secretariat)	2024				11,250		11,250		11,250		40,000	40,000
2	"Kadurata Dasakaya" Integrated Village Development Programme (President Secretariat)	2024				10,000							

Public Investment Programme 2024 -2026 — *Rs. mn*