



# NATIONAL BUDGET

2026

Citizens Budget

A Public - Friendly Version of the Annual Budget





Department of National Budget

Ministry of Finance, Planning and  
Economic Development

# NATIONAL BUDGET 2026

## Citizens Budget

A Public - Friendly Version of the Annual Budget

NOVEMBER 2025



What is  
**Citizens  
Budget  
2026**



The preparation of the Annual Budget Estimates is a constitutional requirement (Article 148 -152 of the Constitution). The Annual Budget Estimates for 2026, includes spending ceilings for each of the Ministries, Departments, and Public Institutions during the year 2026, along with the proposed means of financing this expenditure. Estimates are presented in an accounting format which is often too complex for the easy understanding of the general public.

Therefore, the Department of National Budget intended to disseminate the information of the Government Budget in a simplified and less technical manner. Further, Section 20 of the Public Financial Management Act states that a public-friendly version summarizing the main points of the annual budget should be presented in a transparent and easily understandable manner. Through this, it is expected that all citizens and tax payers can better understand how tax revenues are being spent and the government's priorities in allocating these resources in an optimal manner. It is expected that this initiative will lead to greater transparency and accountability in terms of resource allocation and its efficient utilization.

Instead of presenting estimates categorized by Ministries, Departments, and spending Heads, this publication provides simplified information on government expenditure for key projects and programmes by sector. Furthermore, the provisions for debt servicing and contingency services are not considered under sectors. For easy reference, rupee figures of sectoral totals have been rounded off to the nearest billion and therefore, there may be slight discrepancies in tallying with the figures of the accounting format.

This document will be updated after the budget speech by incorporating budget proposals. This document is also published in Sinhala and Tamil languages in Unicode font for making it accessible to visually impaired people.

# Content

1. Budget Process in Sri Lanka
2. Basis for preparation of the budget for the year 2026
3. Revenue and Expenditure
4. Budget at a Glance



## Budget at a Glance 2026

Healthier Life Towards a Healthier Society

Achieving Quality, Equity, and Excellence in Education

Safe, Efficient, Eco-friendly and Sustainable Transport Services

Support the Aspiration of Decent and Comfortable Living

Productive, Modernized and Sustainable Agriculture to Enhance Country's Food and Nutrient Security

Towards an Evergreen Life

Commitment towards a Peaceful and Fair Society

National Security

Economic Services and Entrepreneurship

Sustainable and Secure Energy Supply

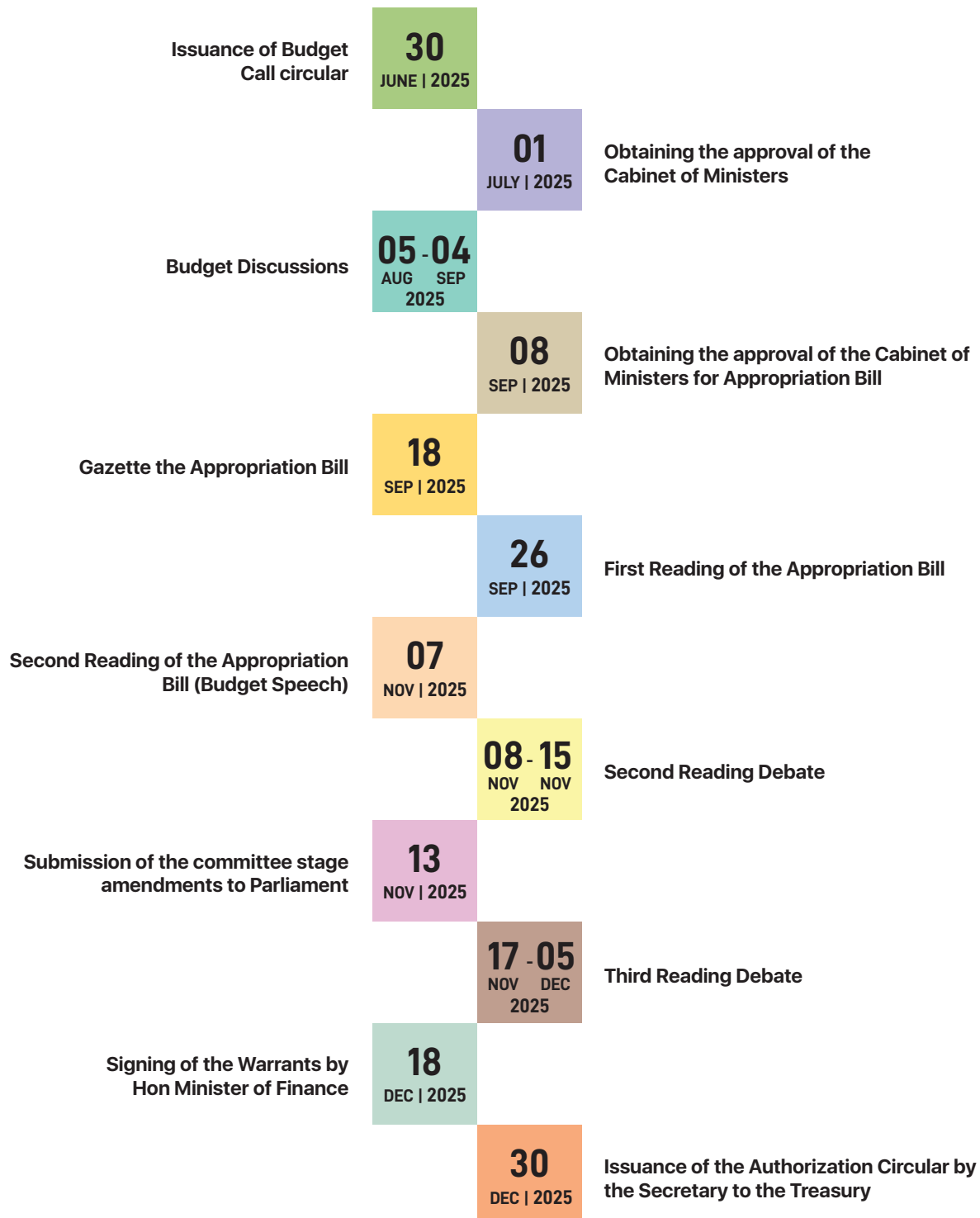
People Friendly Public Service

A Universal Social Protection System

5. Common Subjects

# Annual Budget Preparation

In accordance with the provisions of the Public Financial Management Act No. 44 of 2024, the national budget process is prepared following a clear annual calendar. The budget calendar shows the sequence of activities and timing involved in preparing and approving the national budget each year. The budget preparation process commences with the issuance of the Budget Call Circular which provides the guidelines and directives to Ministries, Departments and other public institutions to prepare the Budget Estimates and process ends after issuing the Authorization Circular that allows Ministries, Departments and Public Institutions to incur expenditure based on the approved budget during the coming year.



# Basis for Preparation of Budget Estimate 2026

The Parliament passes the Appropriation Bill every year in order to authorize the expenditure to be incurred by the government for a particular fiscal year, to authorize the borrowing of the government during that year, and to make certain arrangements for the management of public expenditure during the year. The following guidelines were used to prepare budget estimates for the year 2026.

1. A Thriving Nation , A Beautiful Life –Manifesto of the Present Government
2. Following directives of the Public Financial Management Act No. 44 of 2024
  - Government's Primary Expenditure should not exceed 13% of the estimated nominal gross domestic product for the relevant financial year (Section 15 of the Act)
  - The Annual Budget Reserve shall not exceed two per centum of the proposed estimate of the Primary Expenditure (Section 25 of the Act)
3. Medium Term Macro-Fiscal Framework 2025-2030, by the Department of Fiscal Policy
  - The economy is expected to grow by **4-5** percent in 2026
  - The government revenue is expected to be over **15.4%** of GDP in 2026
  - The government expenditure is expected to maintain at **20.5%** of GDP
  - The public investment is expected to maintain at **4.0%** of GDP in 2026
  - The budget deficit for the year **2026** is expected to maintain at **5.1%** of GDP
  - Achieving a primary balance (expenditure excluding loan interest payments) of **2.5%** of GDP (a necessary step to achieve debt reduction and the rebuilding of fiscal buffers)

# Revenue & Expenditure



## GOVERNMENT REVENUE

The estimated total revenue for the year 2026 is **Rs. 5,305 billion**. Of this, **Rs. 4,850 billion** is expected as tax revenue and the balance **Rs. 455 billion** is expected as non-tax revenue and grants. The tax revenue mainly consists of Value Added Tax (VAT), tax on external Trade and Excise tax while the non-tax revenue consists of interest income, rents, dividends, profits and fees and charges.



## GOVERNMENT EXPENDITURE

For the year 2026, including debt servicing, the government expenditure is **Rs. 8,980 billion**, of which **Rs. 4,495 billion** has been allocated for debt servicing. It includes **Rs. 2,617 billion** for loan interest payments and discounts, while **Rs. 1,878 billion** for loan repayment. Also, the primary expenditure is estimated at **Rs. 4,485 billion**. Primary expenditure includes all government expenses excluding debt repayment and interest. The primary expenditure consists of salaries and wages (Rs. 1,464 billion), Pensions (Rs. 510 billion), other recurrent (Rs. 1,131 billion) and capital expenditure (Rs. 1,380 billion).

## STRUCTURE OF DETAILED BUDGET ESTIMATES AND CITIZENS BUDGET

Expenditure included in the budget estimates for the year 2026 under **24 Ministries, 134 Provincial Councils, District Secretariats and Departments and 21 Special Expenditure Units**. The Citizens Budget summarizes all expenditure into **12 sectors** with the view of presenting a public – friendly version to citizens. Further, cross-cutting initiatives like digitalization, maintenance, rehabilitation and improvement and research and development have been extracted from each spending head and presented in the last section of the book for more information.



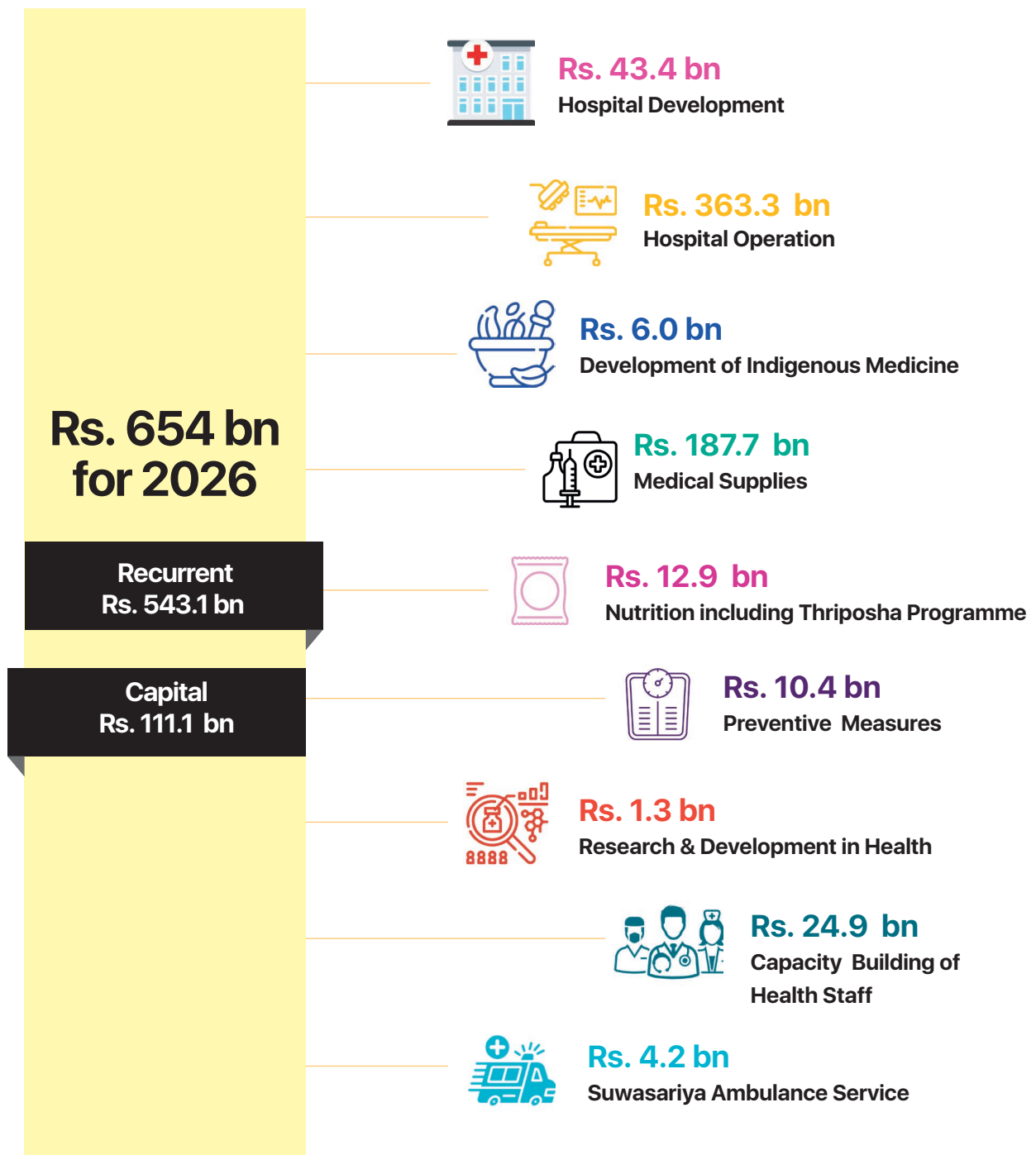
**Healthier  
Life towards  
a Healthier  
Society**



# Island-wide Hospitals Network

To provide health services to the nation through **03** National hospitals, **15** Teaching hospitals, **14** specialized hospitals, **21** District General hospitals and Base hospitals and other Divisional hospitals, MOH Offices and Primary Health Care Units

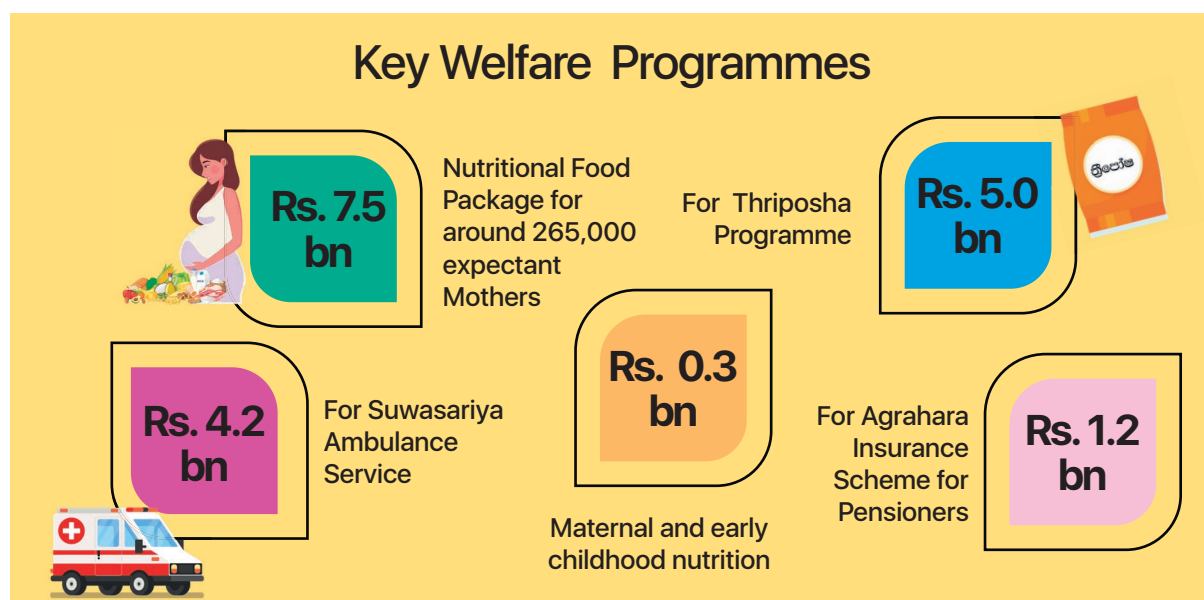
Employing **25,447** Doctors, **41,075** Nurses, **9,169** Midwives, **2,317** Public Health Inspectors and other staff in health related Institutions .



## What You Receive ?

1. Ensuring uninterrupted supply of Pharmaceutical, surgical and Laboratory items	Rs. 185.7 bn
2. Providing bio-medical equipment and lab apparatus for hospitals	Rs. 13.5 bn
3. Maintenance of hospitals and bio-medical equipment	Rs. 31.2 bn
4. Facility improvement of cancer treatment, bone marrow transplant and ETU in Kandy hospital	Rs. 1.12 bn
5. ETU and ward improvement in Chilaw hospital	Rs. 0.65 bn
6. Improving facilities for cardiac, oncology, and paediatric treatment facilities in Rathnapura hospital	Rs. 0.87 bn
7. Improving ETU facilities in Trincomalee Ampara and Batticaloa hospitals	Rs. 0.70 bn
8. Constructing a new building at Badulla hospital	Rs. 1.0 bn
9. Construction of Accident and Emergency Unit at Mannar hospital	Rs. 0.23 bn
10. Expanding operation facilities in Moneragala hospital	Rs. 0.5 bn
11. Improving ETU facilities in Kegalle hospital	Rs. 0.5 bn
12. Improving access and quality of primary healthcare services across all district of the country by strengthening primary medical care institutions through providing bikes for sample transportation, lorries for clinical waste transportation, ambulances for patients transportation, renovation of wastewater treatment plants in hospitals, providing medical equipment, building jogging paths and exercise areas in selected 300 locations and renovation of health related offices	Rs. 8.0 bn
13. Improving medical facilities in selected hospitals including Kandy, Anuradhapura, Kurunegala, Trincomalee, Badulla by constructing buildings, providing equipment's	Rs. 4.5 bn
14. Provision of High-Quality Radiotherapy for Cancer Patients in Sri Lanka with High Energy Radiation	Rs. 2.5 bn
15. Health Sector salary including hospital staff	Rs. 292.0 bn
16. Management of Clinical waste of Hospitals	Rs. 1.3 bn
17. Health information quality improvement	Rs. 3.0 bn

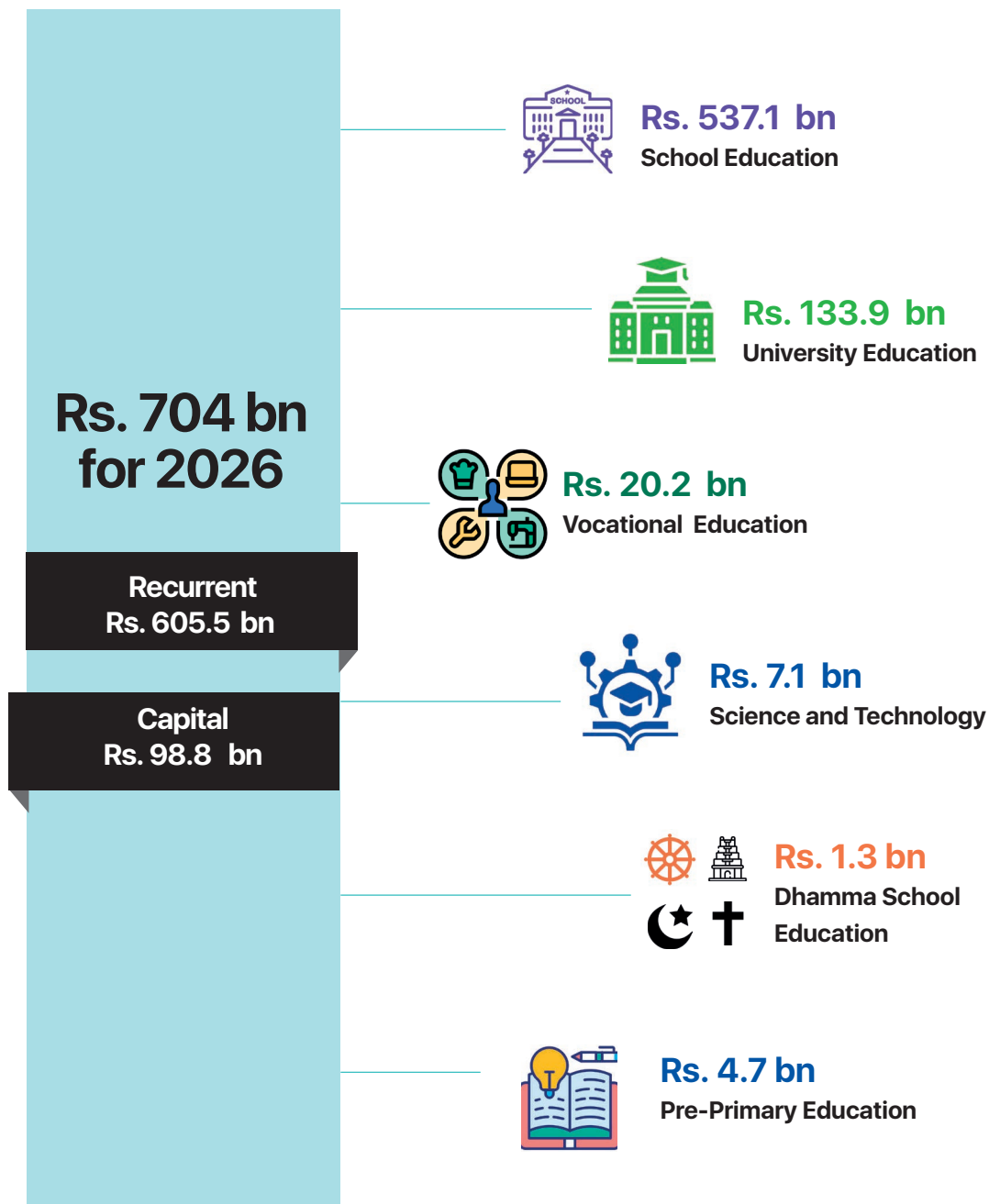
## Key Welfare Programmes



# Achieving Quality, Equity, and Excellence in Education



- Providing quality school education to around **4.1 million Students** Island wide through **10,191 Schools** by employing **236,129 teaching staff**
- Providing higher education to around **192,750 under graduates** through **19 government universities** with the assistance of **11,521 academic staff** and **12,826 non-academic staff**
- Vocational education to around **110,000 students**





**Rs. 537.1 bn**  
**School Education**

Personal emoluments for staff related to school education	- Rs. 362.0 bn
Maintenance, rehabilitation and improvement of school buildings and other assets of schools	- Rs. 23.7 bn
Holding government exams including O/L, A/L	- Rs. 9.1 bn
Support for Piriven Education	- Rs. 8.3 bn
Safety improvement of schools against disasters	- Rs. 0.8 bn
Development of playgrounds, sport infrastructure and hostels in schools	- Rs. 0.98 bn
Providing facilities, smart class rooms to plantation schools	- Rs. 1.9 bn

Establishment of Faculty of Medicine at University of Sabaragamuwa	- Rs. 6.4 bn
Wayamba University Township Development	- Rs. 1.2 bn
Building Complex for the Faculty of Health Care Science, Eastern	- Rs. 2.0 bn
Construction of facilities including hostels, canteens, lecture halls and laboratories in universities	- Rs. 5.6 bn
Government support to Gen Sri John Kotelawala Defence University	- Rs. 7.5 bn
Payment of salaries and bearing other expenses related to universities	- Rs. 88.5 bn



**Rs. 133.9 bn**  
**University Education**



**Rs. 20.2 bn**  
**Vocational Education**

Upgrade Vocational Training Centres to centres of excellence in each province and establishment of career guidance units in VT Centres	- Rs. 2.0 bn
TVET Career Platform Project	- Rs. 0.7 bn
Loan Facility for entrepreneurs to start business (SEPI) programme	- Rs. 0.3 bn
Establishing an renewable Energy Training Hub	- Rs. 0.26 bn



# Welfare Programmes

## Pre-School



- **Rs 1.2 billion** for Guru Abhimani- Allowances for Pre-School Teachers
- **Rs 3.5 billion** for Morning Meal for Pre-school Children

## School Students



- **Rs.11.5 billion** for Subsidy for Schools, Vocational Education & Higher Education Season Tickets
- **Rs. 33.6 billion** for School Nutritional Food Programme
- **Rs. 6.4 billion** for School Uniforms
- **Rs 2.5 billion** for Shoes for Students in Difficult & Very Difficult Schools and Pirivena
- **Rs 1.5 billion** for Sanitary Napkins for Female Students
- **Rs 15.0 billion** for Printing of Text Books
- **Rs 1.9 billion** for Scholarships (Year 5)
- **Rs 0.15 billion** for Nutritious Food for Sports Schools
- **Rs. 2.5 billion** – Suraksha Insurance for school children
- **Rs. 9.0 billion** for Purchasing school stationeries for school age children

## Dhamma School Students

- **Rs 0.20 billion** for Printing of Dhamma School Text Book

## University Students



- **Rs. 5.0 billion** for Mahapola & Bursary for University Students
- **Rs 3.0 billion** for Loan Scheme for the students who are unable to get into the state universities
- **Rs 0.01 billion** for Scholarships Education Programmes with other countries

## Vocational Education



- **Rs. 0.24 billion** for Incentive for Lecturers & Stipend for Students in Vocational Education
- **Rs. 0.85 billion** for Nipunatha Sisudiriya scholarship
- **Rs. 0.16 billion** for Season Tickets of students in vocational training institutes

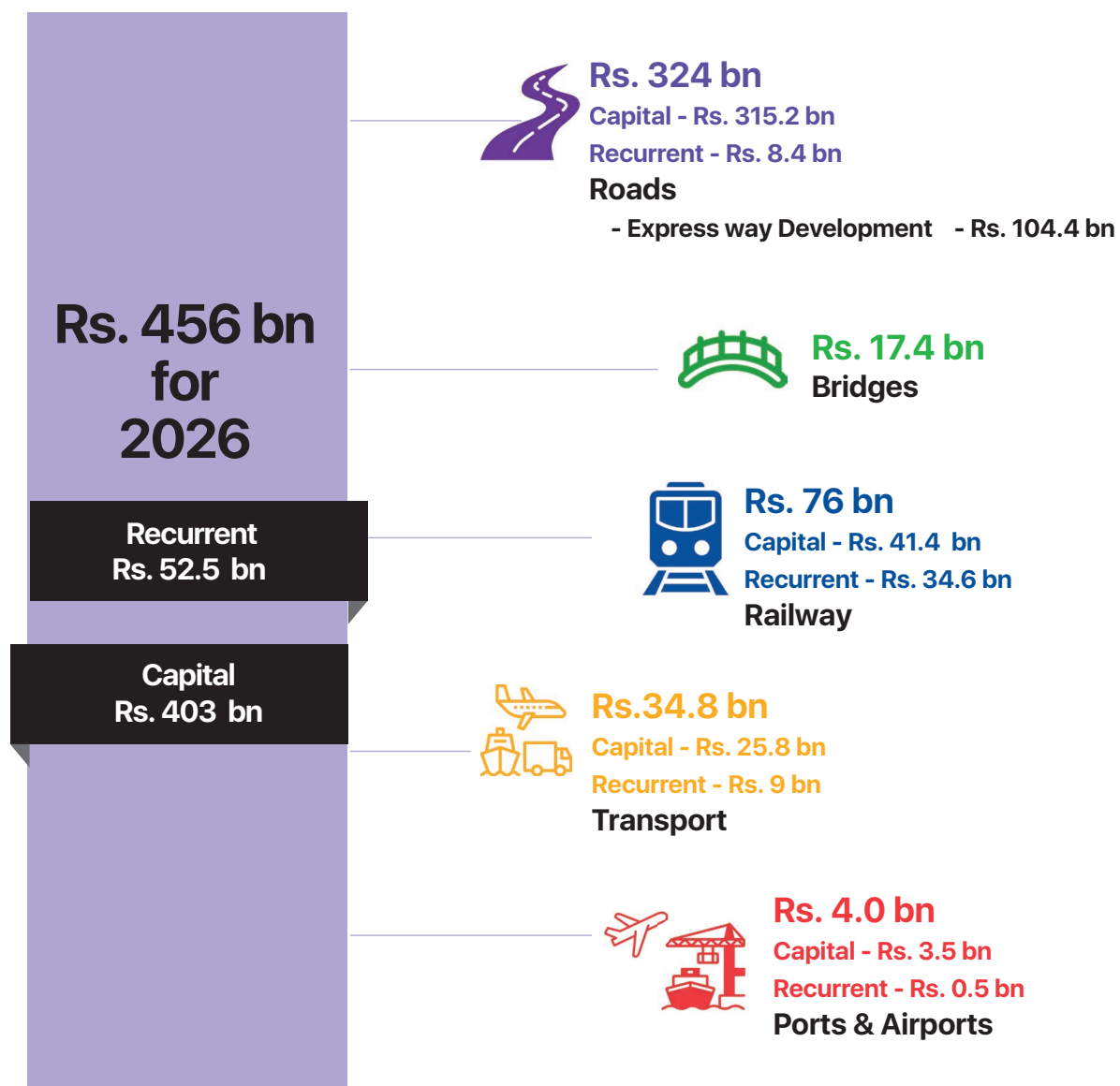
**Safe, Efficient,  
Eco-friendly  
and, Sustainable  
Transport Services**





## What is going to do in next year?

- Maintenance, Rehabilitation, and Improvement of around **12,500 km of national roads**, around **12,800 km of provincial roads**, around **100,000 km of rural roads** island wide together with associated other road infrastructure.
- Widening and improvement of selected roads with heavy traffic congestion
- Continuation of constructing around 50 km of central expressway
- Operation of around **320 trains daily**, maintenance, rehabilitation and improvement of around 1,550 km of rail roads, signals, and rolling stock
- Completion of construction activities in Hingurakgoda Airport
- Maintenance and strengthening of SLTB bus fleet



## What You Receive ?

  
**Rs. 324 bn**  
**Capital - Rs. 315.2 bn**  
**Recurrent - Rs. 8.4 bn**  
**Roads**

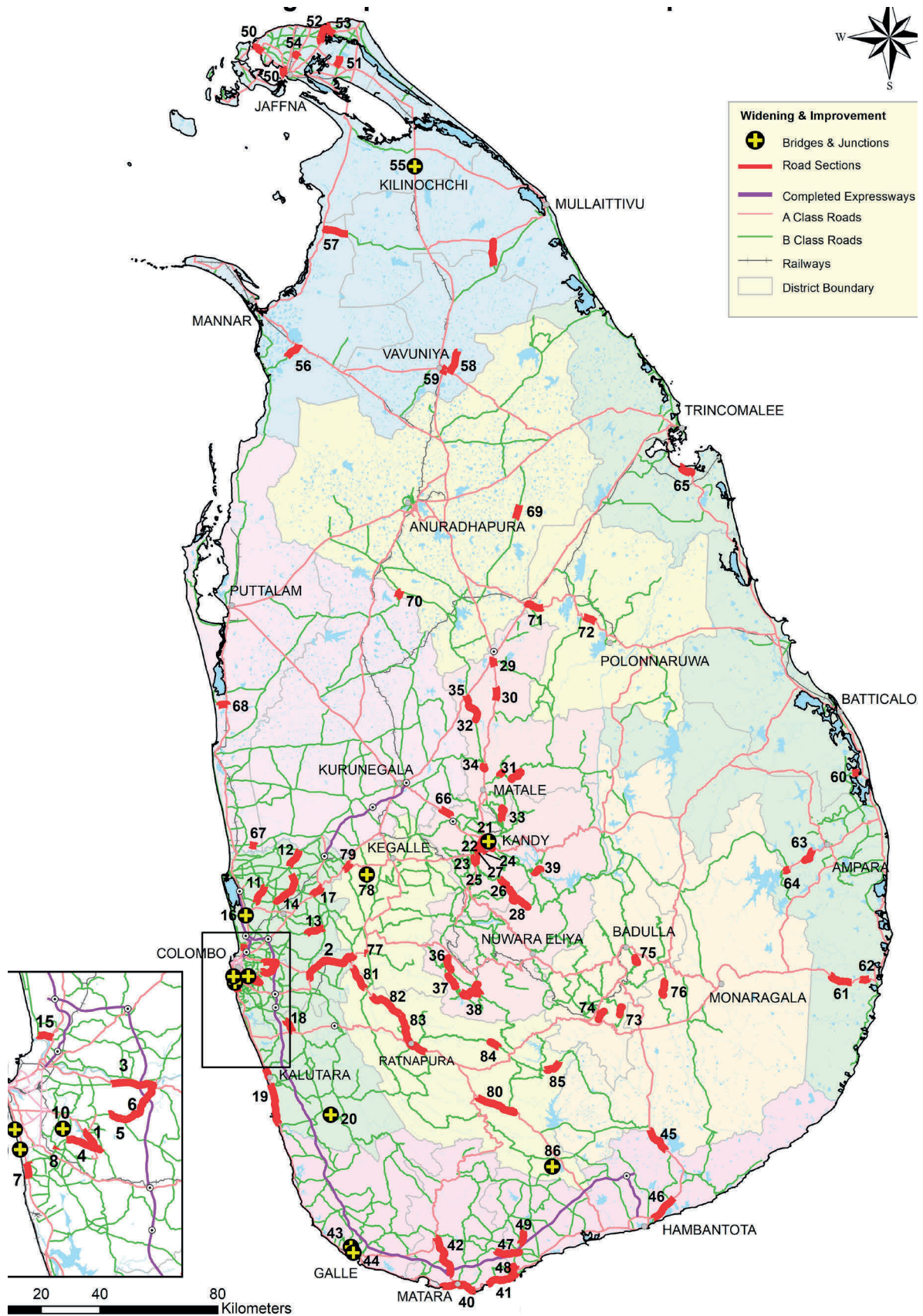
Maintenance, rehabilitation, widening and improvement of national and provincial road network	- Rs. 50.4 bn
Widening and improvement of priority road sections and roundabouts of main roads to ease the traffic congestion	- Rs. 22.0 bn
Improvement of island wide rural road network together with partially completed roads of previous road development programmes	- Rs. 62.0 bn
Kadawatha –Meerigame expressway and Pothuhera-Rambukkana expressway	- Rs.78.15 bn
Completion of Port Access Elevated Highway	- Rs. 12.5 bn
Paying compensation for lands acquired to expand roads	- Rs. 8.0 bn
Improvement of access roads to Kandy city including the construction of a new tunnel below railway line at Katugastota to ease the traffic congestion	- Rs. 2.6 bn
Conducting a feasibility study to connect Marine Drive with Port Access Highway, identification of alternative road to connect Puttalm with Mannar, Kaites Kareinagar Bridge , Ratnapura By pass , Paddirippu Bridge, Kinniyadi Bridge, and Kokilai Bridge	- Rs. 1.1 bn
Enhancing road safety by adopting safety measures at risky road sections	- Rs. 3.2 bn

Expansion of the electronic railway ticketing system (Pravesha) for convenient online ticketing	- Rs. 1.4 bn
Colombo railway station modernization to transform into safe, comfortable, and clean place	- Rs. 0.8 bn
Maintenance and rehabilitation of railway engines, passenger coaches, rail roads and signalling system to continue daily train services	- Rs. 14.0 bn
Adding five new trains to railway fleet for daily train services	- Rs. 3.3 bn
Complete partially completed bridges, elephant bay and signalling system of Maho-Omanthei railway line to enhance safety and efficiency of train services along Northern Railway Line	- Rs. 9.0 bn
Providing uninterrupted fuel supply for Railways to continue daily train services	- Rs. 14.0 bn

**Rs. 76 bn**  
**Capital - Rs. 41.4 bn**  
**Recurrent - Rs. 34.6 bn**  
**Railway**



# Key Widening and Improvement Projects proposed for 2026



This map was prepared by Planning Division of Road Development Authority

1. "Japan Friendship Road (0-2) (Model Road Project)"
2. "AC overlay of Colombo - Rathnapura - Wellawaya - Batticaloa 38+000 - 58+890 Km + Awissawella by pass (0+000-0+910)"
3. Low level Road Ambathoda to Kaduwela (8+500-13+000)
4. Pitakotte Thalawathugoda (0+000 -4+230)
5. Kotte - Bope 3+800 - 6+990 Km(5+500)
6. Malabe - Kaduwela 0+000 - 5+630km
7. "Colombo - Galle - Hambantota - Wellawaya 8.34 - 9.64 Km Council Avenue, Dehiwala 0+00-0+140 Km"
8. Pagoda - Pitakotte 0+ 000- 1+540 Km
9. "1) Balance Work of Reconstruction of pedestrian overpass bridge across Marine drive at Bambalapitiya Railway Station  
2) Reconstruction of pedestrian overpass bridge across Marine drive at Wellawatta Railway Station"
10. Construction of Nawala Bridge Across Nawala Rajagiriya Canal
11. Ekala -Kotadeniyawa (3+000-9+000)
12. Ekala -Kotadeniyawa (21+000-27+000)
13. Widening and Improvements to Weliveriya Kirindiwela Road (6+000 - 12+860 Km)
14. Improvements to Udugampola Divlapitiya Road (0+000 - 13+000)
15. Balance work of Improvements to Wattala Hekitta Road (0+000- 1+500)
16. Balance work of Improvements to Jaela Intersection at Jaela Ekala Road and Peliyagoda Puttalam Road
17. Nittabuwa- Pasyala Road Project
18. Asphalt overlaying of Colombo Horana Road 24+950 - 28+180
19. "1)Asphalt overlaying on Colombo Galle Hambanthota Wellawaya road from 39+420 - 41+700  
2)Asphalt overlaying on Colombo Galle Hambanthota Wellawaya road from 45+460 - 50+970  
3)Asphalt overlaying on of Colombo Galle Hambanthota Wellawaya road from 51+250 - 52+370  
4)Asphalt overlaying on Colombo Galle Hambanthota Wellawaya road from 59+970 - 60+970 "
20. Balance work of Reconstruction of Bridge No 4/1 on Horawala Pelawatta Pitigala Road
21. Mahaiyawa Tunnel and Road Section (1+960- 2+213)
22. Willum Gopallawa mawatha Road construction (2+900 -3+740)
23. Willum Gopallawa mawatha Structures of Mada Ela (1+600 -3+740)
24. Widening and Improvement of Loius peiris Mawatha (0+000 - 0+860)
25. Peradeniya Halloluwa Katugasthota (3-10)
26. Peradeniya Delthota Rikillgaskada 0-3
27. Upper Gampola Road ( 0-2.28)
28. "1)Peradeniya Delthota Rikillgaskada 28-42  
2)Peradeniya Delthota Rikillgaskada 22.75-26"
29. 4 lane construction Kandy Jaffna (70+650 -72+750)
30. Base Correction and A/C Overlay on Kandy - Jaffna Road [58+000 - 63+000 km]
31. "1)A/C Overlay on Matale - Illukkumbura - Laggala Road [8+000 - 10+000 km]  
2)Base Correction and A/C Overlay on Matale - Illukkumbura - Laggala Road [18+000 - 26+000 km]"
32. "1)Base Correction and A/C Overlay on Palapathwela - Galewela Road [23+000 - 27+000 km]  
2)Base Correction and A/C Overlay on Palapathwela - Galewela Road [19+000 - 23+000 km]"
33. Base Correction and A/C Overlay on Wattegama - Kandenuwara - Wariyapola Road [4+810 - 11+000 km]
34. Palapathwela Galewela [0+000 - 2+400]
35. Palapathwela Galewela [28+750 - 30+750]
36. Norton - Maskeliya Road (CH 7+000 km - 13+000 km)Overlay
37. Carolina Norton Wanaraja Road (CH 3+000 km - 8+530 km)Overlay
38. Hatton - Maskeliya - Dellhouse Road (CH 4+000 km - 22+000 km) Overlay
39. Kandehandiya - Adikarigama - Randenigala - Loggal Oya Road ( 7+000 - 11+000)
40. Colombo Galle Hambamtota Wellawaya Road (154+000 - 167.0)
41. Colombo Galle Hambamtota Wellawaya Road (173.0- 185.04 )
42. Matara Akuressa Road (4- 20.09)
43. Improvements of Galle Baddegama Road (B128) (2+000-2+306) - Sarenthukade Junction
44. Improvements of Galle Baddegama Road (B128) (4+200-4+500) - Kahaduwatta Junction
45. Asphalt overlay in Colombo - Galle - Hambantota - Wellawaya (273.88 - 281.9 km)
46. Asphalt overlay in Colombo - Galle - Hambantota - Wellawaya (242.94 -252.88 km)
47. Improvel Beliatta Kirinda Road (0+450 - 1+950 , 2+300- 3+900 , 5+900 - 6+100 , 8+500 - 8+700 km)
48. Improvement of Dickwella - Beliatta Road (4+000 - 7+000 km)
49. Improvement of Dammulla Weeraketiya Road ( 6+000 - 10+100 km)
50. "ABC overlay , widening Shoulder and Asphalt laying work and drainage construction Jaffana -Ponnalai Pointpedro (12+090-14+600),(0+650-1+720)"
51. ABC overlay , widening Shoulder and Asphalt laying work and Culvert construction Chavakachcheri Pulloli (3+600- 7+500)
52. ABC overlay, Widening, Shoulder and Asphalt laying work for Avarankal - Thondaimanaaru road 0+000 - 6+000 km
53. ABC overlay , widening Shoulder and Asphalt laying work and 3 nos of Culvert construction for Thondaimanaaru - Vallai - Thunnalai Road 0+000 - 4+000
54. ABC overlay , widening Shoulder and Asphalt laying work Urumpirai Katpakapilaiyir Kovil Road (0+000-1+600)
55. Widening and Improvements of Depo Jucion at A009 Road (252km) - Stage 2
56. 1)Widening Improvement to Murunkan - Chilawathurai Road (0+000 - 6+000km)
57. Widening Improvement to Mankulam - Velankulankulam Road 31+900 - 39+900 km
58. Widening Improvement to Wellikulam - Mamaduwa Road ( 0+000-8+100)
59. Wideing and Improvement of Kandy - Jaffna Road 176+000 - 179 +000 km including Buid up drain with cover slabs
60. Widening & Improvement of Padiruppu- Vellaveli Road (1+430 - 2+850)
61. Colombo-Ratnapura-Wellawaya-Batticaloa Road (Ch: 300+000 - 308 +000)km
62. Colombo-Ratnapura-Wellawaya-Batticaloa Road (Ch: 312+000 - 320 +000)km
63. "1)Ampara-Iginiyagala Road (Ch: 17 +000-21+710)km"
64. "2)Ampara-Iginiyagala Road (Ch: 5+800 - 11+500)km"
65. Batticaloa - Tirikkondiyamaduru - Trincomalee (108.5+114)
66. Katugastota - Kurunegala - Puttalam Road (16+320-19+175) - (AAO10)
67. Improvement of Narammala - Dankotuwa Road (40+120 - 42+120 km)
68. Improvement of Baththulu Oya - Udappuwa - Animunei Road (0+000 - 2+000 km)
69. W & I of Ganewalpole - Dachchihalmilewa Road (27+000 - 31+000) km
70. W & I of Hurigaswewa - Kalankuttiya - Siyabalangamuwa - Wetakoluwatta Road (0+000 - 2+600) km
71. Maradankadawala Habarana Thirikkondiyamaduru (25 - 31)
72. Maradankadawala Habarana Thirikkondiyamaduru (57 - 61)
73. Bandarawela Liyangahalwela Poonagala (15-20)
74. Haputhale Dambethanna (2-7)
75. AC overlaying of Demodara Sprinvalley Road (12+920 -16+145)
76. Asphalt overlaying of Passara Higurukaduwa Pelwatta Road (9+000-15+000km)
77. Avissawella - Hatton - Nuwara Eliya Road (0+065- 6+650)
78. Nelum-Deniya Thunthota 4/2 Bridge
79. Warakapola By Pass
80. AC Overlay of Pelmadulla - Embilipitiya - Nonagama ( 15-30)
81. AC overlay of Colombo - Rathnapura - Wellawaya - Batticaloa Sections from (62+500 - 70+000)
82. AC overlay of Colombo - Rathnapura - Wellawaya - Batticaloa Sections from (74+000-86+000)
83. AC overlay of Colombo - Rathnapura - Wellawaya - Batticaloa Sections from(87+500-105+000)
84. W&I of Balangoda - Rassagala- Uwella (5 - 9.38)
85. AC overlay of Balangoda - Bowatta - Kalthota (16-23)
86. Reconstructions of Hulandawa Bridge 4/4 (2+300)

Rural bridges improvement	- Rs. 2.5 bn
Balance work of Kohuwala and Getambe flyovers	- Rs. 7.6 bn
Rehabilitation of bridges along national roads	- Rs. 4.0 bn

**Rs. 17.4 bn**  
Bridges



Adding 600 new buses to SLTB for long distance services	- Rs. 3.6 bn
Providing 307 engine kits to SLTB for repairing buses	- Rs. 2.0 bn
Development of Kandy Multimodal Transport Terminal to facilitate public transportation in Kandy	- Rs. 10.7 bn
SLTB bus fleet augmentation and institutional development	- Rs. 2.0 bn
Purchase of number plates for new vehicle registration	- Rs. 1.0 bn



**Rs. 34.8 bn**  
Capital - Rs. 25.8  
Recurrent - Rs. 9 bn  
Transport

**Rs. 3.3  
bn**

## Key Welfare Programmes

**Rs. 2.0  
bn**

Contribution of Socially obligatory Bus Service (Sisusariya, Gamisariya, Nisisariya and late night bus service)

Operating around 1,500 SLTB buses along 270,000 km per day on economically non-profitable routes

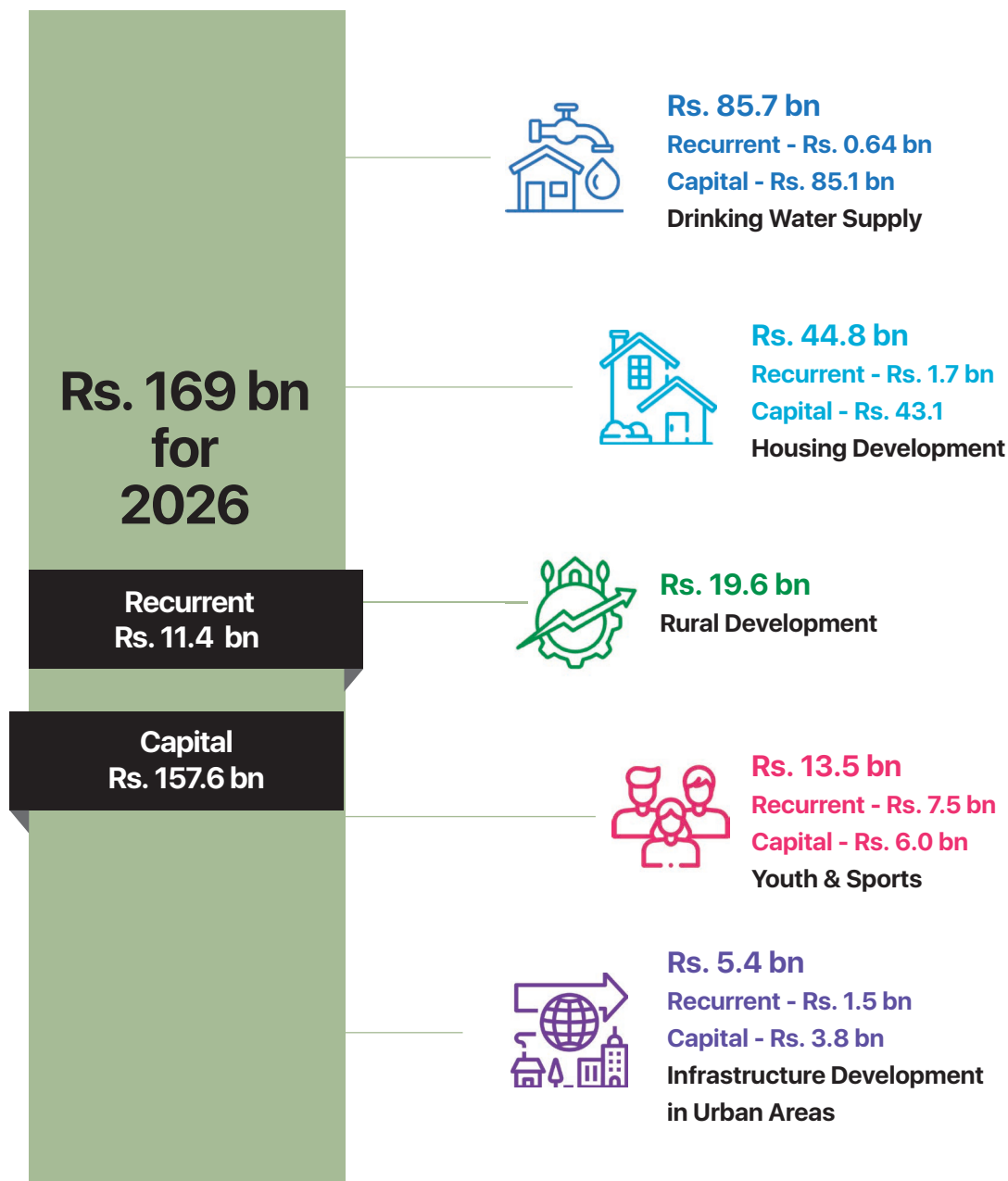


**Support the  
Aspiration of  
Decent and  
Comfortable  
Living**



## What is going to do in next year?

- Providing around 1 million new pipe-borne water supply connections in the medium term
- Providing uninterrupted safe drinking pipe borne water through around 342 existing water supply schemes to 3.1 million houses, industries and other entities
- Ensuring sustainability of around 3,780 community water supply schemes islandwide
- Continuation of construction activities of around 20,000 housing units targeting low income people in 2026
- Development of rural infrastructure covering entire country



## Key Expenditure Activities



**Rs. 85.7 bn**  
**Recurrent - Rs. 0.64 bn**  
**Capital - Rs. 85.1bn**  
**Drinking Water Supply**

Providing pipe-borne water to Pathadumbara, Pujapitiya, Akurana, Harispattuwa, Gangawata Korale, and Thumpane DS Divisions (Kandy North & Pathadumbara Integrated Water Supply Project)	- Rs. 7.5 bn
Providing pipe-borne water to Jaffna and Kilinochchi and suburbs	- Rs. 6.0 bn
Providing pipe-borne water to Padaviya, Kabethigollewa Kahatagasdigiliya, Horowpathana and Rambewa DS Divisions (Anuradhapura North Water Supply Project Phase 1)	- Rs. 7.4 bn
Increase the water supply efficiency in the Southern Area of Western Province, supply of safe drinking water and to improve the water supply networks in Dehiwala and Moratuwa (Kalu ganga Water Supply Expansion Project 1)	- Rs. 1.1 bn
Providing pipe-borne water supply facility to Gampaha, Atthanagalla, Minuwangoda, Thambuththegama, Aluthgama, Mathugama, Agalawatta, Alawwa, Polgahawela, Pothuhera Areas	- Rs. 21.2 bn
Providing pipe-borne water to Giribawa area	- Rs. 1.0 bn
Expansion of capacity of existing water supply schemes to provide new water connections island wide	- Rs. 11.2 bn
Ensuring sustainability of around 3,700 community water supply schemes	- Rs. 2.98 bn
Government support to National Water Supply and Drainage Board to ensure sustainable water supply to citizens	- Rs. 17.0 bn

Completion of another 3,000 housing units out of total 50,000 housing units constructed to Relocate underserved settlements of the city of Colombo and its immediate suburbs - Stadiumgama, Furgution, Madampitiya, Appelawatta, Clombagemawatha, Arunodaya Mawatha	- Rs. 15.0 bn
Thamangema Thenak Lassana Jiwithayak" Housing grant programme for Poor and Low income homeless families to support to construct a house (Constructing 7,000 houses)	- Rs. 7.2 bn
Providing affordable housing for low-income individuals across various suburbs in Colombo	- Rs. 6.5 bn
Constructing around 2,500 new Housing units for estate workers island wide	- Rs. 5.65 bn
Completion of construction of around 2,445 housing units for resettling Conflict Affected families	- Rs. 3.8 bn
Renovation of building common amenities and sewerage systems of old housing schemes constructed by HNDA	- Rs. 0.68 bn
Resettlement of displaced people due to landslide threats and landslide (Completion of balance work of around 2272 houses)	- Rs. 1.0 bn



**Rs. 44.8 bn**  
**Recurrent - Rs. 1.7 bn**  
**Capital - Rs. 43.1 bn**  
**Housing**



Development of basic infrastructure such as Rural Roads, medium and small size irrigation and potable water supply facilities in Northern, Eastern, North Central and Uva Provinces - **Rs. 8.0 bn**

Improving the socio-economic condition in the provinces in a manner that contributes towards reducing regional disparities (criteria based grants) - **Rs. 7.0 bn**

Small size constructions, repairs, and road development activities, distribution of various goods & equipment and income generation projects island-wide (DCB and District Development Programme) - **Rs. 4.5 bn**



**Rs. 19.6 bn**  
**Rural Development**



**Rs. 5.4 bn**  
**Recurrent - Rs. 1.5 bn**  
**Capital - Rs. 3.8 bn**  
**Infrastructure**  
**Development in**  
**Urban Areas**

Urban infrastructure & township development in 100 cities (Siyak Nagara) - **Rs. 0.93 bn**

Reconstruction of Jaffna Town Hall - **Rs. 0.22 bn**

Development of strategic cities – Anuradhapura - **Rs. 0.70 bn**

Development of strategic cities – Jaffna - **Rs. 0.02 bn**

Sustainable Urban Development Project - **Rs. 1.47 bn**

Integrated Regional Development in Northern and Eastern Provinces - **Rs. 0.3 bn**

Provincial Sports complexes - **Rs. 0.15 bn**

District Sports complexes - **Rs. 0.22 bn**

Completion of Sports Stadium, Kalmunai - **Rs. 0.15 bn**

Establishment of Sport Culture - **Rs. 1.8 bn**



**Rs. 13.5 bn**  
**Recurrent - Rs. 7.5 bn**  
**Capital - Rs. 6.0 bn**  
**Youth & Sports**

## Key Welfare Programmes

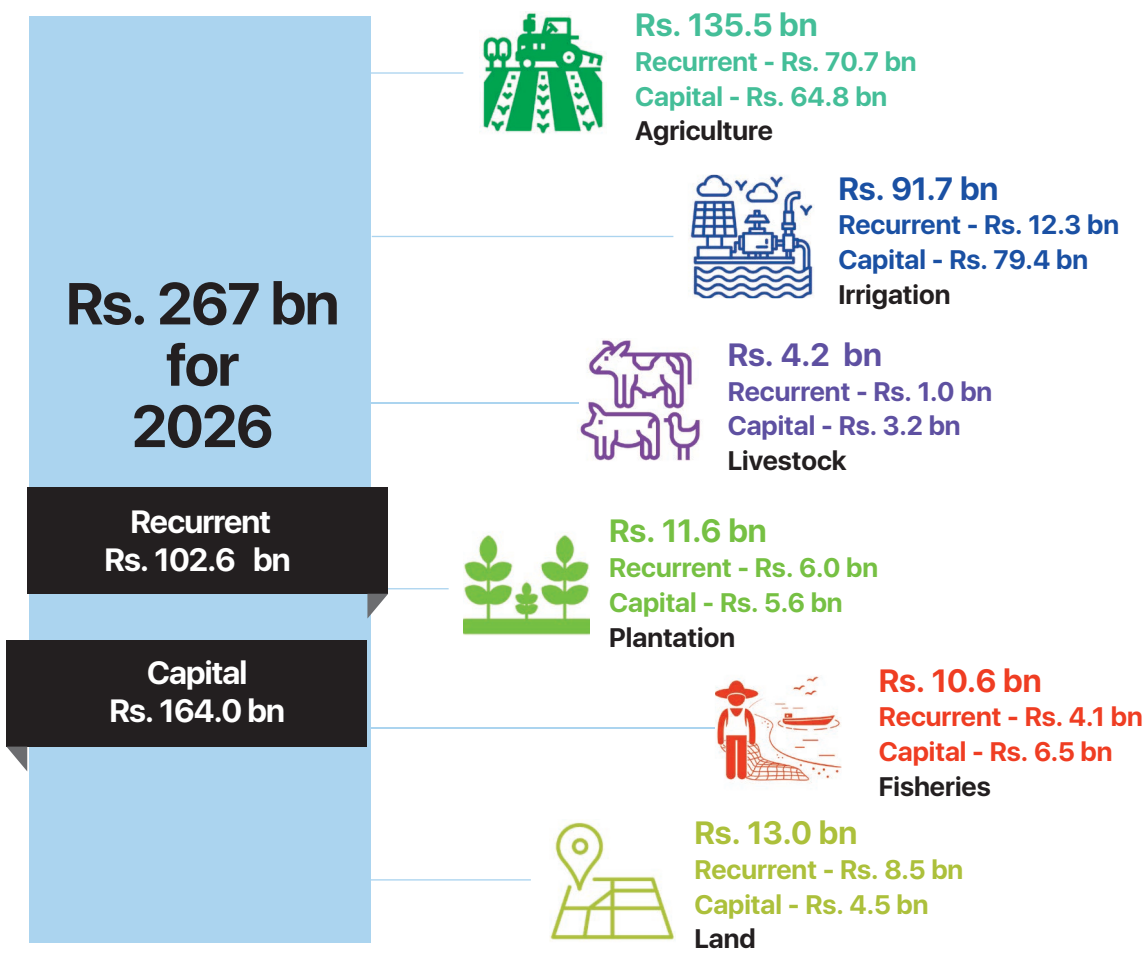
**Rs. 0.35**  
**bn**

Continuing nutrition programme for National Pools



**Productive,  
Modernized  
and Sustainable  
Agriculture  
to Enhance  
Country's Food  
and Nutrient  
Security**





## Key Expenditure Activities

 <b>Rs. 135.5 bn</b> Recurrent - Rs. 70.7 bn Capital - Rs. 64.8 bn <b>Agriculture</b>	Improve agriculture productivity and diversification through the adoption of Climate Smart Agriculture practices and rehabilitation of irrigation systems, upgrade/rehabilitation of critical market infrastructure for common storage, processing, and marketing in Anuradhapura, Polonnaruwa, Kurunegala, Puttalam, Kilinochchi, Mullaitivu, Trincomalee, Batticaloa, Ampara, Moneragala and Hambantota districts	- Rs. 4.0 bn
	Facilitating rural smallholder Farmers Island wide for building the commercial partnerships, providing access to finance, improving technical know-how and financial literacy, introducing mechanization to agriculture	- Rs. 1.67 bn
	Supporting smallholder farmers, strengthening their resilience to climate change, and promoting thriving agribusiness ventures in Puttalam, Kurunegala, Matale, Anuradhapura, Vavuniya, and Mannar districts	- Rs. 9.3 bn
	Increasing productivity, market access, and climate resilience of agri-food producers in Jaffna, Kilinochchi, Mannar, Mullaitivu, Vavuniya, Anuradhapura, Polonnaruwa, Kurunegala, Puttalam, Trincomalee, Batticaloa, Ampara, Matale, Nuwara Eliya, Monaragala and Hambantota districts	- Rs. 1.5 bn
	Purchasing and distribution of good quality seeds among farmers	- Rs. 1.2 bn
	Maintenance, rehabilitation of agriculture and irrigation related infrastructure and support for agriculture under Provincial councils	- Rs. 13.63 bn
	Maintaining paddy buffer stock	- Rs. 10.0 bn

Constructing around 27.7 km of North Central Province Canal from Kongatiya to Madeththawa, Completion of balance activities of canal from Moragahakanda to Kongatiya and canal from Madaththawa to Koduruwewa ,(Mahaweli Water Security Investment Programme ii) - **Rs. 29.0 bn**

Rehabilitation of island wide irrigation infrastructure related to tanks, and dams, watershed management, watershed restoration (Integrated Watershed and Water Resources Management Project) - **Rs. 5.1 bn**

Rehabilitation and establishment of village tanks, ponds, irrigation networks and restoration of forest and streamside protection and management along roads in Mathale, Kandy, Kurunegala and Anuradhapura District - **Rs. 3.2 bn**

Maduru Oya Right Bank Development Project - **Rs. 1.0 bn**

Carrying out operation and maintenance work of all the irrigation schemes under purview of irrigation department island wide - **Rs. 2.2 bn**

Essential Rehabilitation in selected Major Irrigation Schemes island wide - **Rs. 6.5 bn**

Construction of a reservoir and related infrastructure across Malwathu Oya - **Rs. 5.0 bn**

Development of Minor Irrigation, Village Tank cascade Systems and Abandoned Paddy Lands - **Rs. 3.0 bn**

Operation, rehabilitation, maintenance of major dams and reservoirs island wide, agricultural and rural road development, agricultural innovation and promotion of livelihood under Mahaweli Authority - **Rs. 3.6 bn**

Kivul Oya Reservoir construction - **Rs. 2.5 bn**

Ellewewa Reservoir - **Rs. 1.0 bn**



**Rs. 91.7 bn**  
**Recurrent - Rs. 12.3 bn**  
**Capital - Rs. 79.4 bn**  
**Irrigation**



**Rs. 4.2 bn**

**Recurrent - Rs. 1.0 bn**  
**Capital - Rs. 3.2 bn**

**Livestock**

Development of Infrastructure required for goat farming and provide subsidised farm inputs for identified small & medium goat farms island wide - **Rs. 0.20 bn**

Development of Infrastructure required to animal husbandry, Promotion, Facilitation and exportation of animal products (eggs & chicken) and ornamental fish, and Provide subsidized farm inputs for identified small & medium farmers - **Rs. 0.25 bn**

Increase the numbers of good quality animals with high genetic potential - **Rs. 0.1 bn**

Agriculture and Livestock Programme implemented by Sri Lanka Mahaweli Authority - **Rs. 1.4 bn**

Improve productivity in dairy sector - **Rs. 0.38 bn**

Construction of Gandara Fishery Harbour - **Rs. 1.36 bn**

Development of Myliddy Fishery Harbour - **Rs. 0.22 bn**

Provide supportive equipment for fishery industry - **Rs. 0.9 bn**

Provide infrastructure facilities for small scale landing sites to increase livelihood through post harvest loss mitigation - **Rs. 0.5 bn**

Renovation, rehabilitation and improvement of existing fishery infrastructure of 15 harbours - **Rs. 0.3 bn**

Rehabilitation of Valachcheni Harbour - **Rs. 0.35 bn**

Rehabilitation of Karainagar Boat Yard of Cey-Nor - **Rs. 0.35 bn**



**Rs. 10.6 bn**  
**Recurrent - Rs. 4.1 bn**  
**Capital - Rs. 6.5 bn**  
**Fisheries**



**Rs. 11.6 bn**  
**Recurrent - Rs. 6.0 bn**  
**Capital - Rs. 5.6 bn**  
**Plantation**

Development activities aimed at increasing production, marketing activities, improvement of productivity and working for the welfare of the tea small holders - **Rs. 1.0 bn**

Coconut production improvement & Northern Coconut triangle program - **Rs. 0.6 bn**



**Rs. 13.0 bn**  
**Recurrent - Rs. 8.5 bn**  
**Capital - Rs. 4.5 bn**  
**Land**

Land Acquisition for State purposes - **Rs. 2.66 bn**

Bim Saviya Programme - **Rs. 0.73 bn**

## Key Welfare Programmes



**Rs. 5.55 bn**

Farmer Pensions

**Rs. 36.9 bn**



Fertilizer Subsidy Programme For Chemical and Organic Fertilizer

\*

**Rs. 3.0 bn**

Administration of a compulsory crop insurance scheme implemented free of charge for farmers under the state sponsorship for 6 crops (Paddy, Maize, Big Onion, Chilli, Potato and Soybean)

**Rs. 1.1 bn**



Assisting the Farmers for Export Crop Development

**Rs. 0.25 bn**

Assisting the Farmers for Revitalizing Ceylon Cinnamon Industry

**Rs. 0.5 bn**



Subsidy for rubber



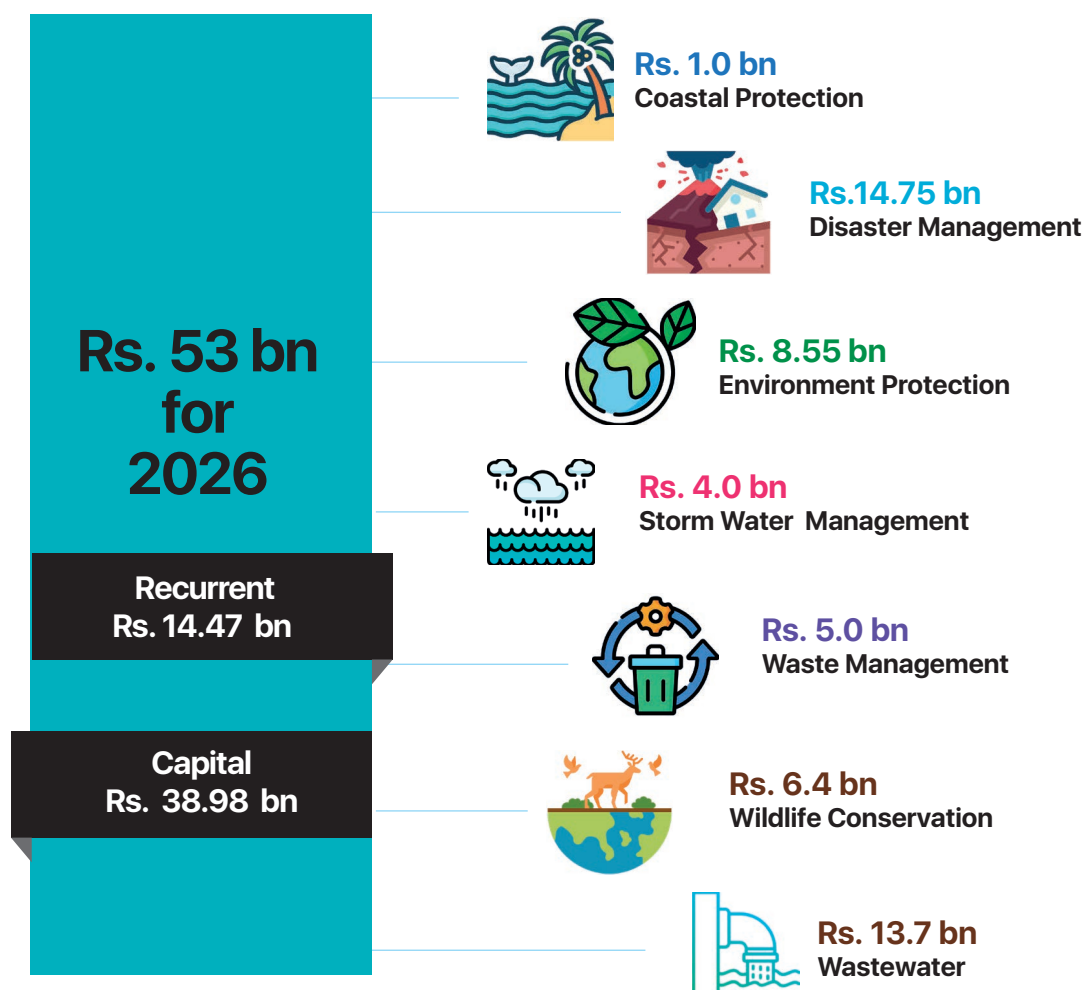
**Rs. 0.29 bn**

Re-cultivation of abandon matured rubber cultivations



\* Of which Rs. 1.2 billion for paying compensation to paddy farmers for the damages caused to paddy cultivation due to flooding in Nilwala River

**Towards  
an  
Evergreen Life**





## Key Expenditure Activities

 <p><b>Rs. 14.75 bn Disaster Management</b></p>	Implementation of Mitigation Projects to Minimize the Impact of Disasters	- Rs. 0.50 bn	 <p><b>Rs. 6.4 bn Wild-Life Conservation</b></p>
	Strengthening the Capacity of the Floods and Landslides Disaster Response Mechanism	- Rs. 0.01 bn	
	Rehabilitation and Reconstruction Activities of the Areas Affected by Floods and Landslides	- Rs. 0.60 bn	
	Landslide Investigations, Research and Development	- Rs. 0.10 bn	
	Immediate rectification measures for around 128 landslide sites selected from villages, public places, major roads and upcountry railway line	- Rs. 7.28 bn	
	Early Warning Technology	- Rs. 0.01 bn	
	Formulation and Establishment of the National Building Code of Sri Lanka	- Rs. 0.07 bn	
	Doppler Weather Radar Systems	- Rs. 3.75 bn	
	Maintenance of around 5,600km of existing electric fences to mitigate Human-Elephant Conflict	- Rs. 0.37 bn	
Construction of around 520 km Electric Fences	- Rs. 0.30 bn		
Habitat Enrichment for Wildlife	- Rs. 0.08 bn		

Enhanced Transparency Framework for Agriculture, Forestry and other land use sectors - Rs. 0.10 bn

Strengthening Resilience of Vulnerable Communities to Increased Impacts of Climate Change - Rs. 0.11 bn

Integrated Management and Environmentally Sound Disposal of POPs (toxic chemicals that resist breaking down and can travel long distances through the environment) Pesticides in the Agriculture Sector and Mercury and Waste in the Healthcare Sector - Rs. 0.11bn

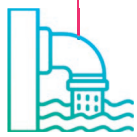
Expanding Forest Cover - Rs. 1.0 bn

Management of Plastic Waste - Rs. 0.06 bn

Conservation of lagoons and coastal belt - Rs. 0.4 bn



**Rs.8.55 bn**  
Environment  
Protection



**Rs. 13.7 bn**  
Wastewater

Provide wastewater collection, treatment and disposal facilities to Kandy City and suburbs - Rs. 2.11 bn

Waste Water Management System for Ella Township - Rs. 0.30 bn

Rathmalana/Moratuwa/Ekala Waste Water Disposal Project (Expansion of Pipe Borne Sewerage Coverage to Moraruwa & Ekala Areas) - Rs. 2.14 bn

Expanding the wastewater coverage, improve collection and treatment facilities of wastewater in Colombo Municipal Council, - Rs. 9.1 bn

Improvement of Fecal Sludge - Rs. 0.01 bn

\* In addition, clinical waste and wastewater management projects are also being implemented under housing (Rs. 0.68 billion) and health (Rs. 1.3 billion) sectors

Weras Ganga, Oliyamulla and Kolonnawa Storm Water Drainage & Environment Improvement Project - Rs. 2.0 bn

Operation and Maintenance of storm water pumping station in Colombo and suburbs - Rs. 0.16 bn

Maintenance and rehabilitation of existing canals, lakes, wetlands and walkways - Rs. 0.97 bn

Drainage Design & implementation and Environment protection Activities - Rs. 0.73 bn



**Rs. 4.0 bn**  
Storm Water  
Management



**Rs. 5.0 bn**  
Waste  
Management

Sanitary landfill in Aruwakkalu, Puttlam with its associated structures. - Rs. 2.5 bn

Kerawalapitiya waste management park - Rs. 0.21 bn

Implementing solid waste disposal mechanism in Anuradhapura MC Area - Rs. 0.53 bn

Support Solid Waste Management in Local Government Authorities - Rs. 0.90 bn

Developing Sustainable Integrated Waste Management in Uva and Northern Provinces - Rs. 0.80 bn



## Key Welfare Programmes






Providing relief for people affected by flood and drought

**Rs. 0.5  
bn**



**Commitment  
towards a  
Peaceful and Fair  
Society**



	Total Rs. bn	Capital Rs. bn	Recurrent Rs. bn
<b>Rs. 307 bn for 2026</b>			
<b>Recurrent Rs. 258.6 bn</b>			
<b>Capital Rs. 48.1 bn</b>			
 <b>224.16</b> <b>Public Security</b>	<b>224.16</b>	<b>22.87</b>	<b>201.29</b>
 <b>64.45</b> <b>Law and Order</b>	<b>64.45</b>	<b>17.75</b>	<b>46.7</b>
 <b>14.5</b> <b>Culture &amp; Religion</b>	<b>14.5</b>	<b>5.52</b>	<b>8.97</b>
 <b>1.22</b> <b>Ensuring Democratic</b>	<b>1.22</b>	<b>0.05</b>	<b>1.17</b>
 <b>2.32</b> <b>Media</b>	<b>2.32</b>	<b>2.27</b>	<b>0.05</b>

## What's going to do in 2026 ?

### **Rs. 224.16 bn** **Public Security**

Enforcing criminal and traffic laws, maintain public order and safety, and keep the peace throughout the country through Police and Special Task Force	- Rs. 177.4 bn
Providing blank travel documents (blank passports) & related deliverables	- Rs. 4.0 bn
Establishing a robust, inclusive, and secure digital identity system	- Rs. 2.0 bn
Pre Printed Cards & Related activities of issuing Identity Cards	- Rs. 1.9 bn

Development of court complexes including Gampaha, Kaduwela, Welimada, Galle, Ratnapura, Anuradhapura, Matale, Jaffna Polonnaruwa, Kilinochchi, Theldeniya, Pugoda and Kantale - Rs. 1.9 bn

Three-year Plan for the Improvement of the Infrastructure Facilities in the Judicial Sector - Rs. 1.3 bn

Maintenance of assets related to probation & child care services under the Provincial Councils - Rs. 2.3 bn

House of Justice - Rs. 3.0 bn

Running the prison system of the country by providing all facilities  
 - Construction of Kalutara, Watareka and Pallekele Prisons - Rs. 22.4 bn  
 - Enhancement of Sanitary facilities of detainees in prisons - Rs. 0.74 bn  
 - Rs. 0.35 bn

Office for Reparations - Rs. 0.7 bn

Living Allowance for Children under Institutional care, guardianship and Street Children - Rs. 0.75 bn

### **Rs. 64.45 bn** **Law and Order**

**Rs. 14.5 bn**  
**Culture and Religion**



Sri Lankan day	- Rs. 0.35 bn
Maintaining museums and providing required services to citizens -	- Rs. 0.75 bn
Archaeological Services	- Rs. 2.6 bn
Archives Management	- Rs. 1.6 bn
National Art Festival and Cultural Promotions	- Rs. 0.1 bn
Providing solar facilities for religious places	- Rs. 1.2 bn
Development of Rural Buddhist Temples	- Rs. 0.1 bn
Renovate John De Silva Theatre	- Rs. 0.2 bn

Digitalization of Terrestrial Television Broadcasting Project – Rs. 1.2 bn



**Rs. 2.32 bn**  
**Media**



**National  
Security**



**Rs. 407 bn  
for  
2026**

**Recurrent  
Rs. 361.6 bn**

**Capital  
Rs. 45.3 bn**

## What's going to do in 2026?



**Rs.407 bn**  
Recurrent - Rs. 361.6 bn  
Capital - Rs. 45.3 bn

Defence Headquarters Building construction at Akuregoda	- Rs.	4.2 bn
Diets and ration for Tri-Forces	- Rs.	75.5 bn
Uniforms for Tri-Forces	- Rs.	6.1 bn
Salaries and Wages of Tri-forces	- Rs.	223.0 bn

## Key Rehabilitations & Improvements



**Sri Lanka Navy  
Rs. 10.5 bn**



**Sri Lanka Army  
Rs. 1.8 bn**



**Sri Lanka Airforce  
Rs. 16.8 bn**

## Key Welfare Programmes

**Rs. 1.70  
bn**



Ranaviru Mapiya Rakawarana Allowance

**Rs. 0.02  
bn**



Uplifting Wellbeing of War Heroes and their Families

**Economic  
Services and  
Entrepreneurship**



**Rs. 120 bn  
for  
2026**

**Recurrent  
Rs. 46.7 bn**

**Capital  
Rs. 73.4 bn**

	Total Rs. bn	Capital Rs. bn	Recurrent Rs. bn
 <b>19.2</b> <b>Facilitating for investments and industries</b>	19.2	13.0	6.2
 <b>55.7</b> <b>SME Development</b>	55.7	53.4	2.3
 <b>7.6</b> <b>Labor</b>	7.6	1.2	6.3
 <b>29.5</b> <b>Postal Services</b>	29.5	1.8	27.7
 <b>5.1</b> <b>Tourism Facilitation</b>	5.1	3.1	2.0
 <b>2.7</b> <b>Trade Facilitation</b>	2.7	0.7	2.0

Providing postal services island wide

- Rs. 29.5 bn

  
**Rs. 29.5 bn**  
**Postal Services**

  
**Rs. 2.7 bn**  
**Trade  
Facilitation**

Producer corporative society system for supply chain management	- Rs. 0.1 bn
Renovation of Existing Paddy Stores	- Rs. 0.2 bn
Ensuring protection of consumers	- Rs. 0.62 bn

Tourism promotion / City Branding	- Rs. 1.3 bn
Tourism Infrastructure Development in Jaffna District	- Rs. 0.13 bn
Sunset View Park ,Arugambay	- Rs. 0.07 bn
Development of Tourism Infrastructure in Local Authority Areas	- Rs. 0.2 bn
Operation and management of Zoological and botanical gardens	- Rs. 2.3 bn
Development of Tourist Attractions	- Rs. 0.8 bn

  
**Rs. 5.1 bn**  
**Tourism  
Facilitation**

  
**Rs. 19.2 bn**  
**Industry  
Promotion**

Improvement of infrastructure facilities of 33 existing Industrial Estates	- Rs. 4.0 bn
Provision of utility facilities including pipe-borne water and sewerage to the border of the Colombo Port City	- Rs. 1.3 bn
Commercialization of research findings	- Rs. 1.2 bn
Creating an Investment Friendly Environment	- Rs. 2.0 bn
Establishment of New Economic Zones to Attract Foreign Investors	- Rs. 1.4 bn



Are you an Entrepreneur, or think of a business, ?

Around Rs. 50 Bn

The government is ready to support you



### New Comprehensive Rural Credit Scheme

- |                      |  |
|----------------------|--|
| <b>For Whom</b>      | - Micro and small-scale Farmers  |
| <b>For What</b>      | - for fulfil low cost working capital requirements of micro and small-scale farmers for cultivating short-term crops (34 crops) and their nurseries, home gardening and warehouse financing. |
| <b>Loan Amount</b>   | - Rs. 3 million  |
| <b>Interest</b>      | - 5% subsidy for loan interest (effective rate is 11%)   |
| <b>Implementing</b>  | - through Licensed Banks (13 banks)  |
| <b>Contact point</b> | - relevant banks   |

**Rs. 1.8 bn for 2026**

### Enhancing Small and Medium sized Enterprises Finance Project (SMELO2) - Revolving

**Rs. 5.9 bn for 2026**

- |   |   |
|---|---|
| <b>For Whom</b>                             | - All the sectors except trading, leasing and renting businesses                                    |
| <b>For What</b>                             | - Investment/ working capital/ combined loans   |
| <b>Loan Amount</b>                          | - Maximum Rs. 50.0 million  |
| <b>Implementing</b>                         | - through 13 Licensed Banks (State and Private)   |
| <b>Interest rate &amp; Repayment period</b> | - 8% maximum interest with maximum 10 years repayment period including maximum 2 years grace period |
| <b>Contact point</b>                        | - Relevant banks  |

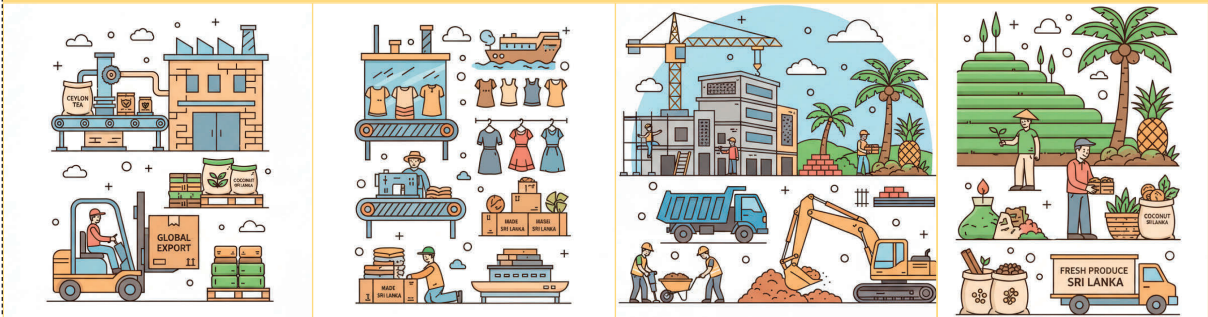




## Stimulating Loan Scheme for Re-energize the Micro, Small, and Medium Enterprises (MSME) Sector

**Rs. 25 bn  
for  
2026**

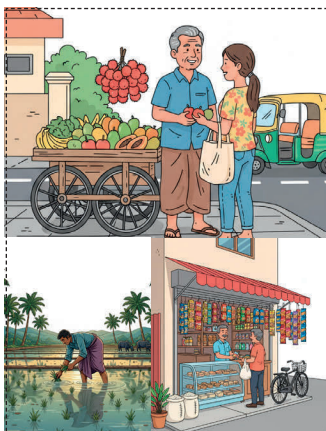
- For Whom** - Micro, Small, and Medium Enterprises
- For What** - Strengthening the Existing MSMEs and Start-ups in manufacturing, construction, export oriented, apparel, agriculture and agro base industries sectors and any MSMEs that are women led
- Investment and working capital loans**
- Performing Loan Category (MSMEs with no issues on loan repayment)  
For investment and working capital loans 7% maximum interest with 10 years repayment period
  - Non-performing Category – (MSMEs with issues on loan repayment)
- Interest and - Repayment** For investment and working capital loans 8% maximum interest rate with 5 years repayment period
- Implementation** - through Licensed Banks (State and Private)
- Contact point** - Field Officers of Ministry of Industries stationed in Divisional Secretariat offices



## Agriculture Value Chain Financing and Commercialization Sector Development Project

**Rs 6.2 bn  
for 2026**

- For Whom** - Small- and medium- scale enterprises (SMEs), cooperatives, and agri-startups engaged in agriculture value chains.
- For What** - To provide accessible, affordable, and targeted financial products enhanced productivity, value addition, and market access while integrating climate resilience and inclusivity in agriculture sector



## SME Sector Development Programme (Building a Strong and Inclusive Environment for MSMEs)

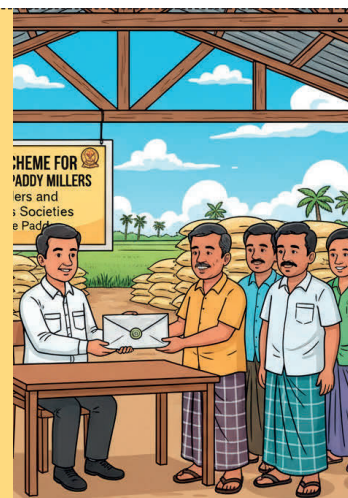
- For Whom** - Micro, Small, and Medium Enterprises
- For What** - Development of Micro, Small, and Medium Enterprise Sector
- Benefits Receive** - introducing innovative financing mechanisms, rating systems, targeted credit lines for MSMEs, and a Venture Capital Fund.

**Rs. 7.7 bn  
for  
2026**

## Pledge Loan Scheme for Small and Medium Scale Paddy Millers and Cooperatives Societies to Purchase Paddy

**Rs. 0.25 bn  
for  
2026**

- For whom** - Small and Medium Scale Paddy Millers and Corporate Societies subject to the maximum milling capacity of 25 metric tons per day
- For What** - to purchase paddy
- Loan Amount** - Rs. 50 million per borrower
- Implementing** - through Licensed Banks
- Repayment** - 6 months maximum
- Interest** - 4 % subsidy for interest
- Contact Point** - Relevant banks



## Youth Entrepreneurs Development Programme in Agriculture Sector

- For whom** - Youth Entrepreneurs in Agriculture Sector with the age limit of 18 -50 years
- For What** - Enhance entrepreneurship in Agriculture and agriculture related industries
- Loan Amount** - Rs. 5 million
- Interest rate & repayment** - 4% with 5 years repayment period including 6 months grace period
- Implementing** - through Bank of Ceylon, Peoples Bank and Regional Development Banks
- Contact Point** - Divisional Secretariat Offices

**Rs. 0.75  
bn for  
2026**

## Individual Loan Scheme for Youth

**Rs. 0.8 bn  
for  
2026**

- For whom** - Youth Entrepreneurs connected to Agriculture value chain with the age limit of 18 -50 years
- For What** - Any agribusiness project connected to agriculture value chain
- Loan Amount** - Maximum Rs. 2 million
- Interest rate & repayment** - 6.5 % with 5 years repayment period
- Implementing** - through commercial Banks
- Contact Point** - Ministry of Agriculture



## Self-Employment Promotion Initiative Loan Scheme

- For whom** - Trained Youths at the Vocational Training Institutions (who has NVQ certificate and also the certificate issued after participating 8 days programme on "Entrepreneurship Development")
- For What** - to start any self-employment initiative
- Loan Amount** - Rs. 1.0 million
- Interest rate & repayment** - 7% interest and 5 years repayment period
- Implementing** - through commercial Banks
- Contact Point** - Vocational Training Institutes/ Banks

**Rs. 0.30  
bn for  
2026**

## Women Empowerment through Entrepreneurship Development

**Rs 0.24  
bn for  
2026**

- For whom** - Women in low-income families, who are member of Women Action Societies and have obtained a training on entrepreneurship provided by those societies
- For What** - to start any self-employment initiative
- Loan Amount** - Rs. 100,000
- Interest rate & repayment** - totally a grant
- Contact Point** - Women Development Officers in Divisional Secretariats Offices



### Social Protection Project - Rs. 1.1 bn

#### Empowering Aswasuma Beneficiaries – Rs. 3.7 bn

With the view of empowering Aswasuma Beneficiaries, preparation of family development plan for selected Aswasuma families and provide vocational trainings, support to business plan development and financial support to start a business



### Other Supporting Schemes

Developing livelihoods in villages and the necessary infrastructure for that purpose (National Villages Empowerment Programme)

- **Rs. 2.0 bn**

Support for Low Income Disable Person

- **Rs. 0.1 bn**

## National Credit Guarantee Institution Limited

This institution has been established to provide partial credit guarantees to the Shareholder Financial Institutions to encourage them to provide uncollateralized lending to the MSMEs based on the viability of the projects



# Sustainable and Secure Energy Supply



**Rs. 23 bn  
for  
2026**

**Recurrent  
Rs. 1.1 bn**

**Capital  
Rs. 22 bn**

- Promotion of renewable energy usage
- Grid expansion and modernization to reduce energy losses
- Reducing dependence on high cost energy sources
- Enhance private sector participation and investments

## Plan for 2026

**Rs. 23 bn**  
**Recurrent - Rs. 1.1 bn**  
**Capital - Rs. 22.0 bn**



Enhancing the capacity of national transmission and distribution network located in Greater Colombo and its surrounding area and to reduce transmission losses by constructing or upgrading transmission lines, sub-stations and distribution lines	- Rs. 7.6 bn
Producing energy from waste	- Rs. 1.1 bn
Kerawalapitiya – Colombo Port underground transmission line development	- Rs. 5.4 bn
New Habarana Kappalthurai Transmission Development Project	- Rs. 1.94 bn
Sampur Kappalthurai Transmission Development Projects	- Rs. 1.5 bn
Installation of 75MWA Synchronous Condenser Unit at New Habarana	- Rs. 1.8 bn
Rooftop Solar Aggregation and Virtual Net Metering Project	- Rs. 1.0 bn
Obtaining Grant Support for Renewable Energy Admission and Energy Efficiency Enhancement Project	- Rs. 0.60 bn
Establishment of Secretariat for Power Sector Reforms	- Rs. 0.07 bn

### Renewable Projects implemented by other institutions

Installation of Solar (PV) System at the Southern Naval Area	- Rs. 0.15 bn
Installation of Solar Plant at Block No 03, DHQC Project, Akuregoda	- Rs. 0.12 bn
Solar Facilitation for Religious Places	- Rs. 1.2 bn
Project for the Stabilization of Power Supply Using Renewable Energy at Hospitals	- Rs. 1.0 bn

**People  
Friendly Public  
Service**



	Total Rs. bn	Capital Rs. bn	Recurrent Rs. bn
<b>Public Service Delivery through District and Divisional Secretariats</b>	<b>82.41</b>	<b>14.74</b>	<b>67.67</b>
Free and Fair Elections	6.65	0.15	6.49
Executive and legislative	18.13	2.57	15.56
Financial Affairs	167.3	90.0	77.3
Foreign Affairs	20.56	0.89	19.67
<b>Public Service Delivery through Provincial Councils</b>	<b>93.24</b>	<b>29.49</b>	<b>66.75</b>
Government Printing and Publication Activities	6.88	2.26	4.61
Digitalizing Government Services	9.71	6.15	3.55
Clean Sri Lanka	6.5	6.5	-


**Rs. 411 bn  
for  
2026**

**Recurrent  
Rs. 261.6 bn**

**Capital  
Rs. 149.5 bn**

\* Excluded provisions for  
Budget Proposals

## Key Expenditure Activities

 <p><b>Rs. 82.41 bn</b> <b>Public Service Delivery through District and Divisional Secretariats</b></p>	Provision of services through Division & District Secretariats	- Rs. 53.43 bn
	e-Grama Niladari Project to Enhance the ICT usage among Grass Root level	- Rs. 0.59 bn
	Maintenance, rehabilitation and improvements of Division & District Secretariats	- Rs. 8.74 bn

Clean Sri Lanka - to reposition the nationwide efforts of environmental, social and governance initiatives through introducing change, integration and collaboration


**Rs. 6.5 bn**



Strengthening Local Government Authorities	- Rs. 1.20 bn
Upgrading infrastructure and income generation in Local Authorities	- Rs. 1.35 bn
Maintenance and rehabilitation related activities implemented by provincial councils (excluding roads, health, education and agriculture sectors)	- Rs. 26.9 bn
Implementation of Multisectoral Grant Assistance for Eastern Province	- Rs. 1.15 bn
Tourism for Heritage, Resilience, Inclusion and Value Driven Employment	- Rs. 0.30 bn
Integrated Regional Development Program	- Rs. 0.20 bn



**Rs. 93.24 bn**  
Public Service Delivery through Provincial Councils

  
**Rs. 167.3 bn**  
Financial Affairs

New Container Scanning Project	- Rs. 4.76 bn
Financial Sector Safety Net Strengthening Project (FSSNP)	- Rs. 3.18 bn
Providing a single entry point for traders to submit documents and data for cross-border trade	- Rs. 2.5 bn
Implementing e-procurement methods in government institutions	- Rs. 0.4 bn

Overseas missions activities - Rs. 17.71 bn

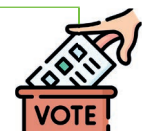


**Rs. 20.56 bn**  
Foreign Affairs

  
**Rs. 9.71 bn**  
Digitalization

Information and communication technology project	- Rs. 2.2 bn
Digital Economy Advancement	- Rs. 5.39 bn

Voters registration & awareness programmes	- Rs. 0.29 bn
Conducting elections	- Rs. 5.0 bn



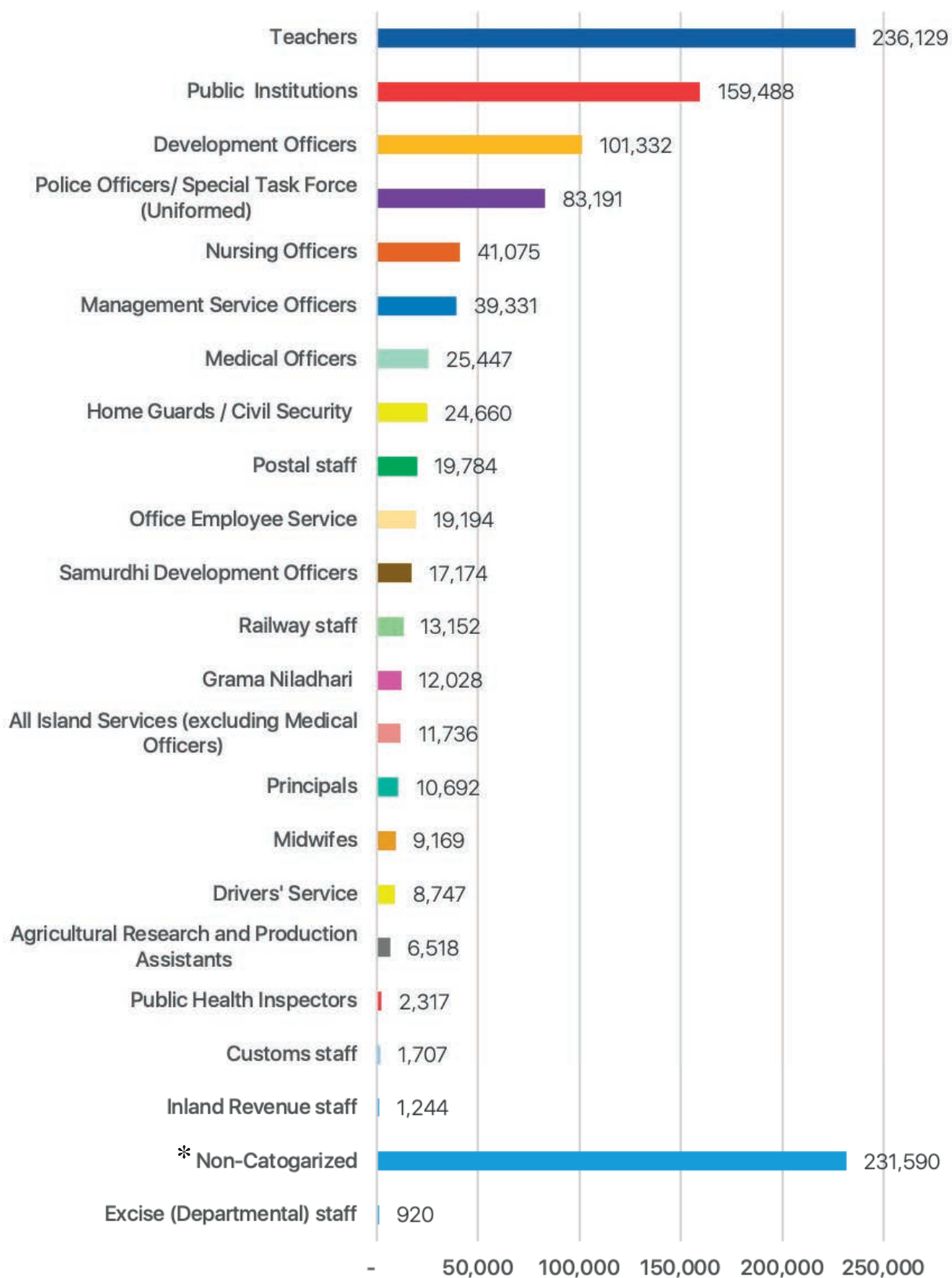
**Rs. 6.65 bn**  
Free and Fair Elections

  
**Rs. 18.13 bn**  
Executive and Legislative

Development Initiatives, Coordination and Monitoring	- Rs. 0.78 bn
Sri Lanka Public Financial Management Strengthening Project	- Rs. 0.37 bn

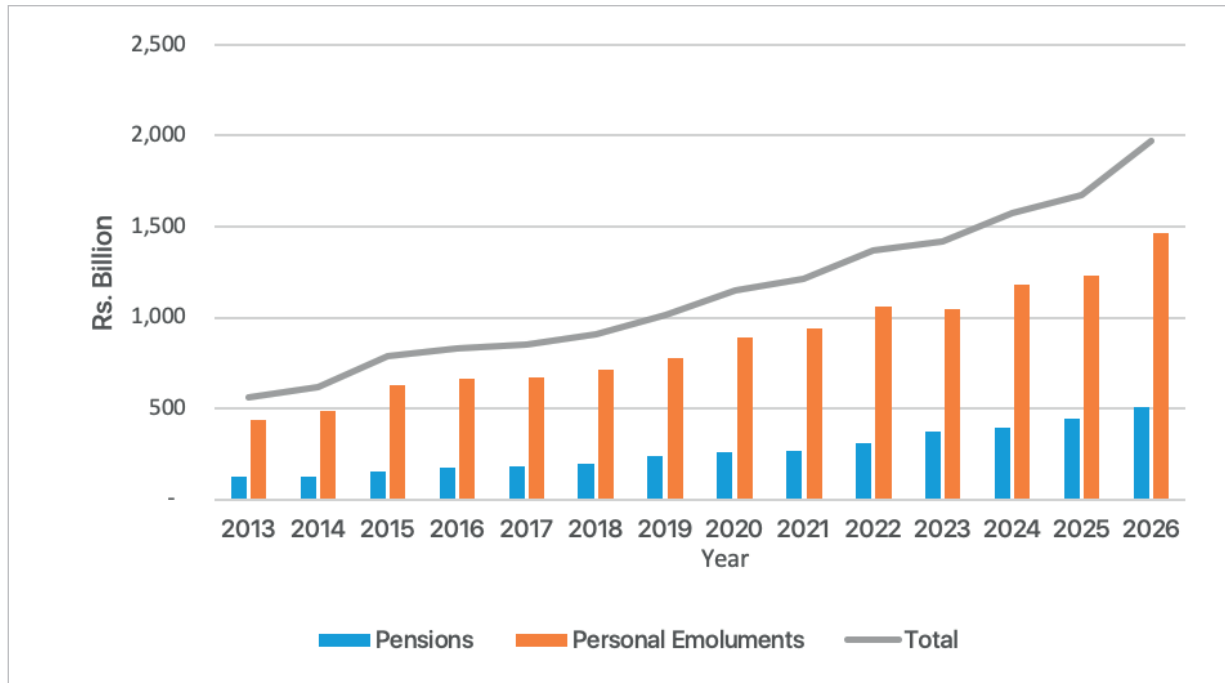


## Public Sector Carder by Key Professions

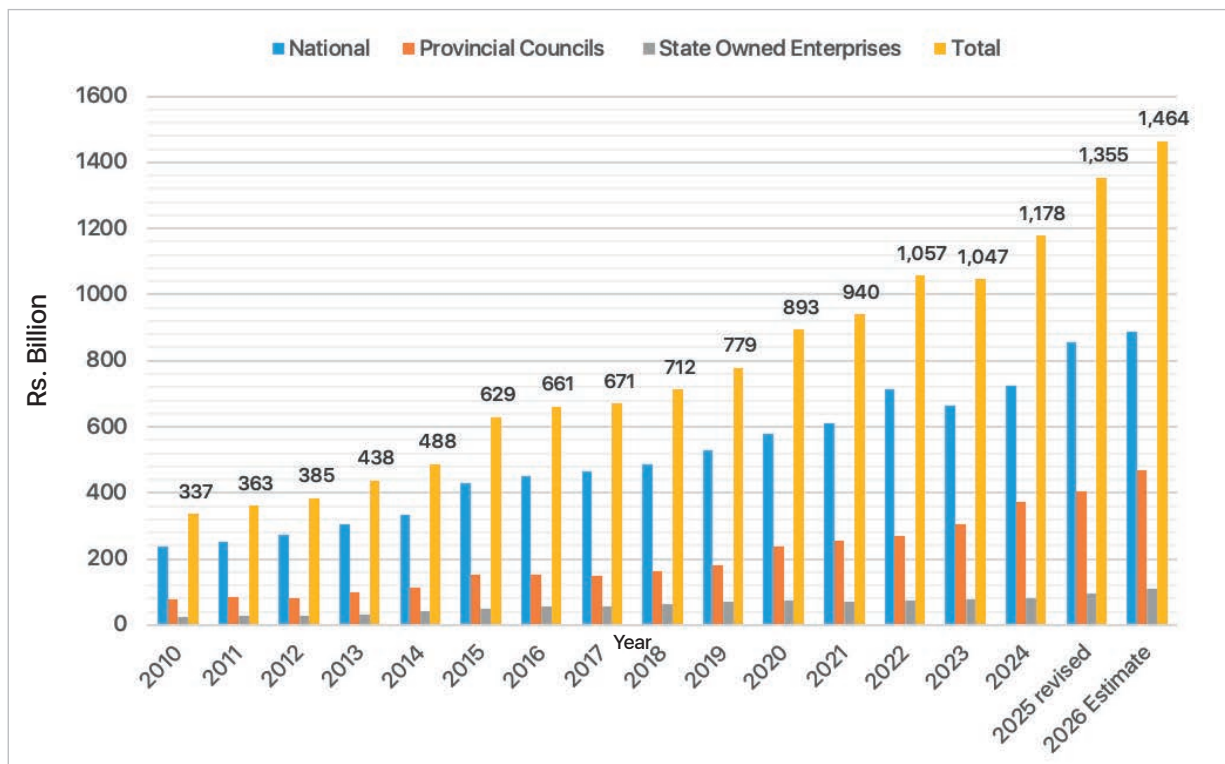


\*It consists of non-categorized public sector employees

## Public Sector Salary and Pension



## Public Sector Salaries



# A Universal Social Protection System



**Rs. 837 bn  
for  
2026**

**Recurrent  
Rs. 835.4 bn**

**Capital  
Rs. 1.5 bn**

### Aswasuma Programme – Rs. 231 bn\*

Cash Grant for Low Income Families	–	Rs. 151.3 bn
Support for Low Income Disable Persons	–	Rs. 19.0 bn
Financial Support for Elderly (Over 70 years of age)	–	Rs. 54.3 bn
Financial Support for Elderly (Over 100 years of age)	–	Rs. 0.03 bn
Financial Support for Kidney Patients	–	Rs. 6.4 bn

\* excluding financial assistant to purchasing school stationeries.

### Pension And Gratuity – Rs. 565.0 bn

Pension for Public Officers (745,000 pensioners)	–	Rs. 372.0 bn
Pension for Widows, Widowers and Orphans of Public Officers	–	Rs. 78.0 bn
Gratuity Payments	–	Rs. 60.0 bn
Service Compensation for Death and Injured Soldiers	–	Rs. 55.0 bn

### Other Welfare – Rs. 10.65 bn

Interest Difference on Senior Citizen's Bank Accounts	–	Rs. 10.0 bn
Railway Warrants for Pensioners	–	Rs. 0.65 bn

## Key Expenditure Activities



**Rs. 0.35 bn**

Development of  
Daycare Centers



**Rs. 0.50 bn**

Providing grants and  
training to vulnerable  
families receiving  
benefits under the  
Aswesuma welfare  
scheme



**Rs. 0.085 bn**

Identification system  
for disable people



**Rs. 0.2 bn**

Promoting resilience  
and Opportunity for  
Inclusive Recovery  
Programme through  
education and  
skills development,  
fostering a supportive  
environment for private  
sector and SME growth

# **Common Subjects of Budget 2026**

# A Digital State – Digital Transformation

**Rs. 30.0 bn  
for  
2026**

**Digitalization** is the process of leveraging digital technologies to transform business processes, services, or governance, improving efficiency, access, and innovation. The government's digitalization expenditure for the year 2026 is around Rs. 30.0 billion and it covers mainly the following aspects.

- Providing digital infrastructure to government institutions
- Data and information management
- Digital platforms and applications
- Connectivity and communication
- Security and privacy
- Improving human and organizational capabilities
- Governance and policy

**Rs 5.4 bn** Digital Economy Advancement

**Rs. 2.0 bn** Coordination of Sri Lanka Unique Digital Identity Project (SL-UDI) –

**Rs. 0.6 bn** Digitalization of Divisional Secretariats

**Rs. 0.59 bn** e Grama Niladari Project to Enhance the ICT usage among Grass Root level

**Rs. 0.6 bn** Rolling out of Treasury's revenue and expenditure management and reporting system to expenditure units

**Rs. 3.2 bn** Revenue Administration Management Information System of Inland Revenue Department

**Rs. 1.0 bn** Digitalization initiatives of Immigration and Emigration Department

**Rs. 1.0 bn** Digitalization initiatives of Police Service

**Rs. 0.07 bn** Data Protection Authority

**Rs. 0.75 bn** Accelerating Sri Lanka's Digital Industry and Innovation Ecosystem (Digi Industry )

**Rs. 0.65 bn** Digital Revenue Economy Enablement and Acceleration Initiative (DigiRevSL)

**Rs. 0.5 bn** Advancing Digital Skills and Capacity Building in Sri Lanka (DigiCapBuild)

**Rs. 0.95 bn** DEA Strengthen and Inter Ministerial Coordination Platform

# Research & Development- Rs. 21.0 bn

Public expenditure in Research and Development (R&D) is critical for Sri Lanka's economic, social, and environmental progress—especially as the country seeks to transition to a knowledge-based, innovation-driven one.

This is also a cross-cutting initiative and spreads in different sectors of the economy. Different public institutions conduct various initiatives respective to their sectors. In 2026 Budget Estimates, around **Rs. 21.0 billion** has been allocated for research and development activities under different Ministries and Agencies. The following are the key research initiatives for the year 2026.



## Key Expenditure Items

<b>1. Research initiatives in Agriculture Sector</b>	<b>Rs. 10.2 bn</b>
a. Economic Census on Agriculture	Rs. 1.1 bn
b. National Seed Production and Purchasing Programme	Rs. 1.2 bn
c. New technology and climate resilient practices	Rs. 0.4 bn
d. Accelerated Seed Farms Development Programme	Rs. 0.5 bn
e. Development of new hybrids open pollinated chilli, maize, onion vegetables varieties production of seeds	Rs. 0.17 bn
f. Implementation of National Agricultural Research Plan	Rs. 0.1 bn
g. Facilitating research institutions in agriculture, fisheries, plantation and livestock	Rs. 4.4 bn
h. Improvement of Productivity in Dairy Sector	Rs. 0.35 bn
i. Increase the Liquid milk production through enhanced breeding	Rs. 0.1 bn
j. Establishment of Animal Breed Farms	Rs. 0.1 bn
k. Implementation of Livestock Research	Rs. 0.085 bn
<b>2. Research initiatives in Economic Services Sector</b>	<b>Rs. 1.98 bn</b>
a. Strengthening of the National Quality Infrastructure (NQI) system	Rs. 0.37 bn
b. Support to research institutes related to industrial development	Rs. 1.6 bn
<b>3. Research initiatives in Education Sector</b>	<b>Rs. 5.8 bn</b>
a. Support to research institutes related to science and technology	Rs. 5.2 bn
<b>4. Research initiatives in Health Sector</b>	<b>Rs. 1.7 bn</b>
a. Research on health	Rs. 1.1 bn
b. Research on indigenous medicine	Rs. 0.65 bn
<b>5. Research on public services</b>	<b>Rs. 1.3 bn</b>
a. Economic Census on non -Agriculture sector	Rs. 0.8 bn
b. Demographic and Health Survey – 2026	Rs. 0.57 bn



# Responsiveness to Climate Change

## What is climate change and climate change impact?

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Climate change is the long-term change in temperature and weather patterns. The impacts of climate change are the effects that global warming and changing weather patterns have on Earth's natural systems and human societies.

## How will climate change affect Sri Lanka?

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As a tropical island nation, Sri Lanka is highly vulnerable to climate change and consistently ranks among the top countries at risk from extreme weather events.

1. Prolonged droughts
2. Natural disasters such as flash floods/ landslides
3. Rising sea levels, coastal erosion and storm surges
4. Rising temperatures and unpredictable rainfall
5. Extreme heat



## How Government Support to Mitigate or Adopt Climate Impacts

The projects and programs are scattered in different institutions. Most of these climate change mitigation and adaptation initiatives are embedded into projects and programmes during planning stage. Hence, without a proper tagging most of these initiatives and expenditure related to climate change cannot be segregated easily. However, following aspects can be directly identified.

**Adaptation** - Activities that reduce the current risk or expected impacts of climate change, building resilience to the negative impacts of climate change

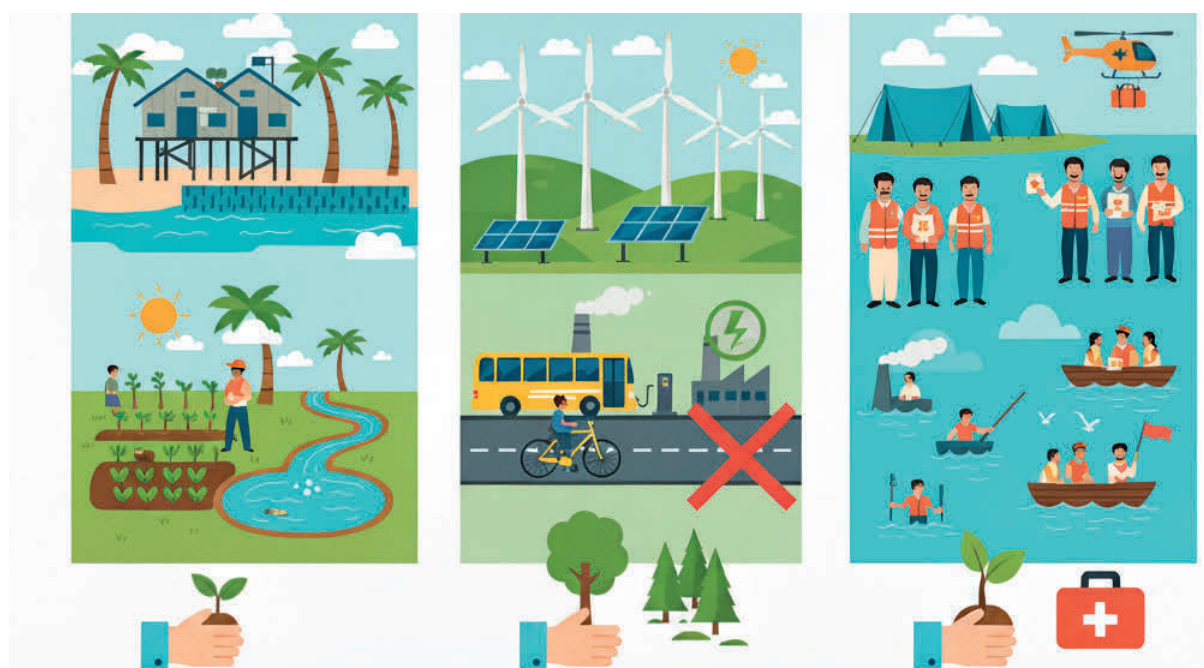
1. Storm water management, and improved drainage systems
2. Enhances irrigation and water supply infrastructure
3. Protection of coastal communities from erosion, sea-level rise, and storm surges
4. Early warning systems
5. Provides sustainable water sources to drought-prone villages
6. Introducing climate smart agriculture practices
7. Include elevated road designs
8. Resettlement of vulnerable families to climate disasters in safe places

**Mitigation** - Activities that reduce greenhouse gas emissions or increase carbon sinks

1. Promoting installation of solar panels on households, religious places, and public buildings
2. Development of wind and solar power plants across the country
3. Restoration of degraded forests and mangrove ecosystems

**Relief** – This refers to short-term emergency support provided to communities affected by climate-induced disasters.

1. Evacuation centers, rescue operations during floods or landslides
2. Distribution of rations, clean water supplies
3. Mobile medical units, medicines, emergency clinics
4. Tents, temporary housing for displaced families
5. Repairing electricity, water, and sanitation infrastructure



# Drug Free Nation

Drug abuse is one of the most serious social and health problems in Sri Lanka today. It affects individuals, families, and communities, leading to rising crime, health issues, and social instability. The Government of Sri Lanka has therefore established a comprehensive national strategy for drug control.



## Major Components of the National Drug Control Programme



### 1. Prevention and Education

Prevention aims to reduce the demand for drugs by raising awareness among youth and communities. This includes school-based and community-based programs and Mass media campaigns.

### 2. Treatment and Rehabilitation

The treatment and rehabilitation centers that provide detoxification and counselling services and vocational training and reintegration programmes for drug addicted people. There are several treatment centers throughout the country including Thalangama, Kandy, Galle, Nittabuwa, which are controlled by the National Dangerous Drugs Control Board.

In addition the National Dangerous Drugs Control Board has been established of Designated and Private Treatment Centers as a division in order to expand treatment programmes and there are around 13 designated treatment centers under this division. These centers includes Pallakale, Pallansena, Watareka, Kandewatta, Thaldena, Meethirigala , Weeravila, Abepussa, Anuradapura, and Kandakadu.

### 3. Law Enforcement and Supply Reduction








The government works to control the supply of illegal drugs by strict law enforcement through Sri Lanka Police, Sri Lanka Customs and Coast Guard

The expenditure for the above initiatives is scattered among different Ministries, Departments and other public institutions including Sri Lanka Police, National Dangerous Drugs Control Board, Rehabilitation Beuro, Department of Prisons, and Department of Community Based Corrections. However, in most of these institutions, drug prevention is one of the key duties and it is difficult to segregate the exact expenditure for the above initiatives. The cost of such directly identifiable institutions for the year 2026 is **Rs. 1,800 million** for the above initiative.

# Maintenance, Rehabilitation and Improvement of Infrastructure

Maintenance, rehabilitation and improvement of infrastructure mean the ongoing process of preserving, restoring, and increasing the functionality and lifespan of existing infrastructure assets such as roads, bridges, buildings, tanks, and other utilities through regular upkeep, targeted repairs, and upgrades to address deterioration and improve performance over time. It is highly important to enhance economic growth, safety and quality of life. Annually, the Government allocates significant amount of money to different Ministries and institutions for the above purpose.

In 2026, Budget Estimates, around **Rs. 292 billion** has been allocated to the above purpose. The breakdown of this allocation by key sectors is as follows.

	<b>Health Sector</b>	<b>Rs. 38.7 bn</b>
	a Hospital buildings, equipment maintenance, rehabilitation and improvement	Rs. 32.6 bn
	<b>Education</b>	<b>Rs. 33.7 bn</b>
	a. School education related buildings, equipment maintenance, rehabilitation and improvement	Rs. 30.6 bn
	b. Vocational education related building and equipment maintenance and rehabilitation	Rs. 2.3 bn
	<b>Transport</b>	<b>Rs. 94.0 bn</b>
	a. Road and bridges maintenance, rehabilitation, widening and improvement	Rs. 79.3 bn
	b. Railway locomotives, passenger coaches, rail roads, signering systems maintenance and rehabilitation	Rs. 14.5 bn
	<b>Agriculture and Irrigation</b>	<b>Rs. 29.2 bn</b>
	a. Rehabilitation of small, medium and large-scale irrigation systems –	Rs. 12.5 bn
	b. Rehabilitation of agriculture, irrigation, fisheries and livestock related infrastructure by Provincial Councils	Rs. 13.6 bn
	<b>Peaceful and fair society</b>	<b>Rs. 13.2 bn</b>
	a. Rehabilitation and maintenance of police stations, police vehicles and other infrastructure under the police Department	Rs. 4.0 bn
	b. Maintenance and rehabilitation of prison related assets	Rs. 0.98 bn
	<b>National Security (Rehabilitation and maintenance of Tri-forces related assets)</b>	<b>Rs. 35.0 bn</b>
	<b>Public Services</b>	<b>Rs. 41.7 bn</b>
	a. Rehabilitation and maintenance of district and divisional secretariats	Rs. 8.7 bn
	b. Rehabilitation and maintenance of assets under provincial councils' purview (except roads, health, education, agriculture and irrigation)	Rs. 27.0 bn



# National Budget 2026

## Citizens Budget

Ministry of Finance, Planning and Economic Development

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