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ශ්‍රී ලංකාවේ 154 'රී' වැනි වගන්තිය යටතේ පිහිටුවන ලදී

நிதி ஆணைக்குழு

இலங்கையின் 154 'ம்' ஆம் உறுப்புகளின் கீழ் துவங்கப்பட்டது

FINANCE COMMISSION

(Established under Article 154 'R' of the Constitution)

03, සරණ මාවත,
රාජාගිරිය, ශ්‍රී ලංකාව.

இல. 03, சரண மாவத்தை,
ராஜாகிரிய, இலங்கை.

03, Sarana Mawatha,
Rajagiriya, Sri Lanka.

මගේ අංකය
எனது இல
My No

FC/PDP/01/01/2027

ඔබේ අංකය
உமது இல
Your No

දිනය
திகதி
Date

02.02.2026

Chief Secretary

Western / Central / Southern / Northern / North Western / North Central / Uva / Sabaragamuwa / Eastern Province

Assessment of Annual Provincial Capital Needs – 2027

The Finance Commission assesses financial needs of the Provincial Councils annually as a prerequisite for the need assessment process for submission of its annual recommendations to the Hon. President and to the government as required under Article 154R (3) of the Constitution. The Finance Commission expects to review capital financial requirements of each Provincial Council for the year 2027 identified in line with the national development priorities and regional specific felt needs under the Sectoral Results Framework/ Five Year Provincial Development Plan of the Province. Therefore, you are kindly requested to submit us the capital needs for the Provincial Specific Development Grant (PSDG) for the year 2027. The Criteria Based Grant (CBG) will also be recommended based on the same resource needs submitted by you.

2. In submitting the capital need requirements according to the specimen format, the cost estimates need to be prepared realistically considering the provisions made for the past years and physical and financial performances with respect to the implementation the Annual Development Plans of previous years. In addition, due attention should be paid to the following matters in identifying projects or Broad Activity Areas in each sector.

I. Policy Matters

- Need to ensure that a proper planning approach is followed as envisaged in the Public Financial Management Act No. 44 of 2024 to ensure the the projects are in line with sectoral priorities and process of appraisal.
- Due attention should be paid to identify the strategies/ projects that support to revitalize the economy of the Province to compensate the expected setback due to the disaster situation occurred in last November, 2025 in the country.
- Long term development priorities that were spelt out in the Budget Speech for the year 2026 presented by Hon.President at Parliament on 07.11.2025.
- The National Policy Framework “A Thriving Nation- A Beautiful Life” approved by the Cabinet on 03.03.2025.
- Agenda 2030 on Sustainable Development.

II. Strategic Planning Concerns

- Activities to be implemented for the reconstruction/ rehabilitation of damaged infrastructure in ther Province within the Government’s overall plan.
- Need for reducing intra-regional disparities in development within the Province.

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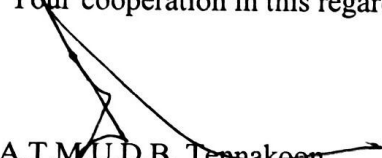
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- iii. Optimum utilization of physical and human resources and identification of development potentials in the Province in harnessing comparative advantages accordingly.
- iv. Contribution to achieve the objectives of “Clean Sri Lanka Programme”.
- v. Projects to be implemented under Budget Proposals 2026 which are coming under the purview of Provincial Councils with possibility to continue to 2027 and funds required to utilize the assets created by those projects.
- vi. Financial assistance offered by various credit schemes managed by government, semi-government and other formal financial sector institutions (Eg. Samurdhi Banks, Commercial and Regional Development Banks, Co-operative Societies, NGOs, CBOs, etc.) to the community.
- vii. Special development programmes, donor funded projects implemented/ to be implemented in the Province and projects identified/implemented by the government and their effect/impact to the socio-economic development and any gap filling needs.
- viii. Feasibility of projects and the readiness for project implementation should be assessed. Accordingly, sectoral capital needs are required to finalize through the Provincial Sectoral Committee and overall Provincial capital need through the Provincial Planning Committee referred to in Financial Rules of your Province.
- ix. The guidelines and circulars on capital expenditure issued by the Finance Commission, Ministry of Finance and other relevant government rules & regulations.
- x. Prevention of duplication in allocation of funds by maintaining a proper coordination with relevant (Central) government agencies.
- xi. Identification of high potential areas in industrial development within the Province and preparation, coordination and implementation of industrial development plans for the Province.
- xii. Budgetary allocations received from the Line Ministries to your Province and capital investment made in recent years.
- xiii. Addressing the needs with respects to sectors which can contribute to growth of the economy of the Province is important as limited resources are allocated for the development activities.
- xiv. Adequate attention to be drawn to the effect and impact of economic crises and natural disasters.

3. Information that you have communicated to Director General, Department of National Budget with reference to my letter no. FC/PDP/01/22/2025 dated 19.12.2025 on the additional fund requirement for 2027 for the restoration of areas affected by the disaster situation, should be separately indicated using the form 2a in your Capital Need Assessment – 2027, so that it can be considered separately in making recommendation to the Treasury on Provincial capital fund requirement.

4. You are expected to identify development priorities in consultation with Hon. Governor of the Province and providing appropriate instructions to the Secretaries of the Provincial Ministries and Deputy Chief Secretaries. The Medium Term Development Plan should be updated analyzing current socio economic situation and future challenges with the focus on decent living standard of people through sustainable development interventions. Accordingly, you are kindly requested that the duly filled formats (Form 2 and 2a) be submitted to the Finance Commission, before **31st March 2026**. Your reference is kindly requested to the Guidelines issued on the preparation of Annual Development Plan – 2025 for the Components and Sub Components introduced under each sector based on which form 2 should be prepared.

Your cooperation in this regard is highly appreciated.


A.T.M.U.D.B. Tennakoon
Secretary
Finance Commission

Copies:

- | | |
|--|-------------------------------|
| 1. Hon. Governor, All Province | - For your information please |
| 2. Secretary to the Hon. President, Presidential Secretariat | - For your information please |
| 3. Secretary to the Treasury, Ministry of Finance | - For your information please |
| 4. Secretary, Ministry of Public Administration,
Provincial Councils and Local Government | - For your information please |
| 5. Deputy Chief Secretary (Planning) | - For necessary action please |
| 6. Deputy Chief Secretary (Finance) | - For necessary action please |
| 7. Assistant Auditor General | - For your attention please |

Province:

Provincial Ministry:

Department/ Agency:

Sector:
Component 1:

No.	Sub-Component	KPIs	Baseline	Target			Broad Activity Area	Budget for 2027 (Rs. Mn.)					
			2020	2026	2027			District					Total
1.1								1...	2...	3...	4...	5...	
Sub Total													
1.2													
Sub Total													
Total													

Component 2:

No.	Sub-Component	KPIs	Target			Broad Activity Area	Budget for 2027 (Rs. Mn.)					
			Baseline 2020	2026	2027		District					Total
							1...	2...	3...	4...	5...	
2.1												
Sub Total												

Sectoral Summary of Needs

Component	Budget for 2027 (Rs. Mn.)					
	District					Total
	1...	2...	3...	4...	5...	
1.						
2.						
Grand Total						

Additional Fund Requirement for the year 2027 for restoration of areas affected by the Disaster (Ditwah)

Sector	Broad Activity Area			Budget for 2027 (Rs.Mn)
	1.	2.	3.	
Agriculture	1.			
	2.			
	3.			
Provincial Roads	1.			
	2.			
	3.			
Education	1.			
	2.			
	3.			
.....				
.....				
.....				
Total				