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 MINISTRY OF FINANCE, ECONOMY AND POLICY DEVELOPMENT

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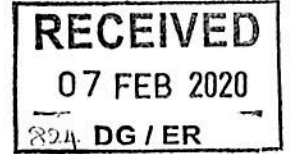
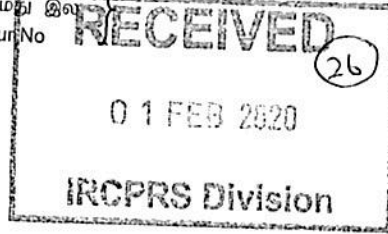
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 திகதி } 31.01.2020  
 Date }

Secretaries to Ministries  
 Chief Secretaries of Provincial Councils  
 Secretaries to the Governors  
 Heads of Departments  
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 Heads of all Government Corporations/Statutory Bodies/State Owned Enterprises



**Guidelines for Submitting Development Project Proposals for Public Investment**

The Government's National Policy Framework "Vistas of Prosperity and Splendor" is aimed at achieving 6.5% or higher GDP growth rate, achieving a per capita income exceeding US dollar 6500, to keep the unemployment rate below 4%, to maintain the budget deficit below 4% of GDP and to keep the inflation rate below 5% during the period of 2020-2025. Accordingly, in order to achieve these policy objectives, all the government institutions are necessary to plan their development activities comply with the National Policy Framework.

Your kind attention is drawn to Circular No. MNPEA 02/2019 on the above, which is issued with the objective of streamlining the project approval procedure to meet the Government's investment priorities (please refer [www.npd.gov.lk](http://www.npd.gov.lk) for more information).

As clearly mentioned under the section 2 and section 3 of that Circular, if any of the aforementioned institution is initiating a development project proposal utilizing the Consolidated Fund, all such proposals are needed to be submitted to the NPD to undertake the preliminary appraisal. After completing the preliminary appraisal, NPD will submit its recommendations to the External Resources Department(ERD) for external funding arrangements and to the Department of National Budget (NBD) for domestic funding arrangements with a copy to the relevant line Ministry. The Financial Regulations of the Government of the Democratic Socialist Republic of Sri Lanka 1992 highlight the role of NPD with regards to the Planning of Expenditure under the section of F.R.3.

However, we have observed that, the situations where a significant number of Development Proposals are directly submitted to the Cabinet of Ministers for the approval, without the NPD recommendations. This deviation results major issues such as duplication of similar projects by different institutions, inability to prioritize development initiatives and mismanagement of constrained fiscal space.

Accordingly, as the pressure on the constrained fiscal space is insurmountable, there is a pressing need for streamlining the Public Investment Programme. Therefore, you are kindly requested to adhere to the above circular, guidelines and project submission format and hereinafter all the project proposals developed by your agency should submit to the NPD for appraisal and recommendations.

Your kind cooperation in this regard is highly appreciated.

S.R. Attygalle  
Secretary

Copies:

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

} For your information please

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