

Progress of Development Projects and Programmes as at 31st December 2018

With a view to accomplish development targets in the Public Investment Plan, the Government has implemented 1398 development projects and programmes under the purview of 31 Cabinet ministries and 02 non-Cabinet ministries, by the end of 2018 (One of the Cabinet ministries has not implemented projects). Of them 16 projects which each has implemented jointly by relevant 02 line ministries. Approximately, Rs. 849 billion has been allocated for 2018 through local and foreign financing to implement these projects and programmes in 2018.

Rs. 681 billion (80%) out of the above total allocation is financed through the annual Budget Estimates to implement 1,280 projects and; Rs. 168 billion (20%) of the total allocation is allocated to implement 118 projects through various other sources such as generated funds of respective institutions and direct loans obtained by the implementing agencies. (Annex- I)

Table No.1: Number of Projects and Programmes based on the Total Estimated Cost

Classification of Cost	Number of Projects and Programmes		
	Annual Budget Estimate	Other Sources of Funding	Total
Small Scale (<Rs. 50 mn)	338	17	355
Medium Scale (Rs. 50-499 mn)	494	47	541
Large/Mega Scale (≥Rs. 500 mn)	448	54	502
Total	1,280	118	1,398

Financial Progress

In 2018, Rs. 849 billion has been allocated to implement these projects. The actual expenditure for the correspondent year has been reported as Rs. 581 billion which is equivalent to 68% of the annual allocation. Anyhow, overall expenditure compared to annual allocation reaches up to 82 %, if the bills-in-hand (Rs. 111 billion) also taken into account.

According to the data reported at the end of year 2018, over 75% of financial progress compared to targeted expenditure has been achieved by 236 mega scale projects while 184 out of these 236 projects have recorded more than 90% of financial progress. The unfavorable scenario observed in this analysis is, incapability of 21% of mega scale projects (106 projects) to achieve at least 25% of their agreed financial progress.

Table No. 02: Utilization of funds

Source of Funding	Number of Projects	Allocation 2018 (Rs. Mn)	Actual Expenditure (Rs. Mn.)	Utilization against the Allocation (%)
Annual Budget Estimate	1,280	680,752	519,495	76
Other sources of funding	118	168,491	61,699	37
Total	1,398	849,243	581,194	68

Physical Progress

In the year 2018, only 55% of total projects (773 projects) were able to achieve more than 75 % of targeted physical progress. 221 (16%) out of total projects which has not achieved at least 25% of physical progress calls for serious attention to avoid similar situation at the implementation of development projects in the next year.

Table No. 03: Progress against the physical targets

Source of Funding	Number of Projects				Total
	≤25 (%)	26 -50 (%)	51 -75 (%)	76 -100(%)	
Annual Budget Estimate	192	160	207	721	1,280
Other sources of funding	29	19	18	52	118
Total	221	179	225	773	1,398

In consideration of the mega scale projects, 243 projects (48%) exceeded 75% of physical progress while 182 projects out of them have exceeded 90% of physical progress, compared to their respective targets. Since 83 (17%) mega scale projects have not achieved at least 25% of targeted physical progress, accomplishment of expected development targets of those projects will be delayed due to failure in their completion in time.

Reported reasons for inability to achieve at least 90% of expected annual targets by projects are as follows:

Table No.04: Reasons for low physical progress of projects

Reasons for low physical progress	Number of projects	
	From the inception of the project	During 4 th quarter
Delay in approvals, delay in required third party intervention and management issues	193	113
Procurement related issues	177	133
Issues at the start-up of projects	137	83
Unexpected situations, technical issues, public protests and reasons beyond control	120	100
Delay in release of imprest	103	85
Weaknesses in the performance of contractors	99	82
Scope changes, revision of Total Cost Estimates, halt or temporary suspension of projects	90	71
Issues in land acquisition and compensation	52	36

Fluctuation of project cost and extension of project period

In 2018, 50 large scale projects have reported a cost increase while 13 projects have reported a cost reduction from originally agreed estimated cost. Changes in the scope and designs of projects, have resulted in these variations.

Extensions for project period have also been obtained for 254 projects due to inability to complete those projects within the expected period due to issues such as delay in procurement, inefficiency and poor cash-flow of contractors, issues in land acquisition, etc.137 projects in this category are mega scale projects.

In 2018, 119 projects have fully completed their project activities, while another 157 projects have completed their all physical activities but pending for financial closure. These figures were reported as 26 and 108 respectively, by the end of 3rd quarter 2018.

Table No. 05: Completion of projects and programmes-2018

Status	<50 (Rs. Mn.)	50-499 (Rs. Mn)	500-2999 (Rs. Mn.)	3000-4999 (Rs. Mn)	>5000 (Rs. Mn.)	Total
Physically and Financially Completed	59	37	13	4	6	119
Physically Completed and Financial closure is pending	42	67	23	4	21	157

Overall assessment of progress reveals that projects which have been implemented through sources other than the Treasury funds have recorded lesser performance than the projects funded through the Budget Estimates of 2018.

One of the main facts reflected through the analysis of reported data is that targets of most of the projects are not realistic. Therefore, high level of attention is called for this aspect at the planning stage of projects.

Accordingly, factors which hinder completion of the projects and programmes productive and efficient manner in future should be analyzed based on the lessons learned above.

Ministry-wise - Budget Estimate and Off Budget Figures - As at 31.12.2018

S.No	Ministry	No. of Projects and Annual Programmes						Allocation 2018 (Rs.Mn)	Financial Progress upto end of 4th quarter 2018			Annual Physical Progress against the target up to end of 4th quarter 2018				Total	
		Classification based on Total Cost (Rs.Million)							Actual Expenditure (Rs. Mn)	% Expenditure (Expenditure to Target)	Bills in Hand (Rs.Mn)	≤ 25 %	26 - 50 %	51 -75 %	76 - 100 %		
		< 50	50 - 499	500- 2999	3000 - 4999	≥5000	Total										
1	Agriculture, Rural Economic Affairs, Livestock Development, Irrigation and Fisheries & Aquatic Resources Development	43	51	27	4	18	143	77,647.51	51,165.03	68	7,504.61	9	14	31	89	143	
2	Buddhasasana & Wayamba Development	Budget Estimate	10	8	2	0	0	20	2,106.50	1,518.90	73	54.13	1	0	2	17	20
		Off Budget Estimate	0	0	0	0	1	1	54.21	54.21	100	0.00	0	0	0	1	1
		Sub Total	10	8	2	0	1	21	2,160.71	1,573.11	73	54.13	1	0	2	18	21
3	City Planning, Water Supply and Higher Education	Budget Estimate	34	104	39	6	44	227	58,864.93	62,439.53	92	11,637.50	42	25	29	131	227
		Off Budget Estimate	0	0	7	5	3	15	73,568.50	28,749.01	72	478.74	2	4	2	7	15
		Sub Total	34	104	46	11	47	242	132,433.43	91,188.54	84	12,116.24	44	29	31	138	242
4	Defence	4	15	11	3	4	37	19,108.67	13,287.03	70	1,010.15	6	6	4	21	37	
5	Development Strategies and International Trade	Budget Estimate	13	1	0	0	1	15	3,180.00	819.67	38	1,029.00	0	1	4	10	15
		Off Budget Estimate	0	0	1	0	0	1	2,305.30	722.73	72	0.00	0	0	1	0	1
		Sub Total	13	1	1	0	1	16	5,485.30	1,542.40	49	1,029.00	0	1	5	10	16

S.No	Ministry		No. of Projects and Annual Programmes					Allocation 2018 (Rs.Mn)	Financial Progress upto end of 4th quarter 2018			Annual Physical Progress against the target up to end of 4th quarter 2018				Total		
			Classification based on Total Cost (Rs.Million)						Actual Expenditure (Rs. Mn)	% Expenditure (Expenditure to Target)	Bills in Hand (Rs.Mn)	≤ 25 %	26 - 50 %	51 -75 %	76 - 100 %			
			< 50	50 - 499	500-2999	3000 - 4999	≥5000										Total	
6	Education		7	9	10	1	11	38	38,503.14	23,599.32	70	3,703.00	1	13	9	15	38	
7	Finance and Mass Media		12	13	1	2	9	37	20,494.95	14,487.11	71	1,180.85	5	9	3	20	37	
8	Foreign Affairs		0	2	2	0	0	4	1,174.30	770.60	66	-	2	1	0	1	4	
9	Health, Nutrition & Indigenous Medicine		13	27	29	7	11	87	25,121.00	15,630.00	81	2,286.00	19	6	7	55	87	
10	Highways & Road Development and Petroleum Resources Development		Budget Estimate	3	2	7	2	30	44	152,690.85	161,358.59	89	52,662.90	6	4	10	24	44
			Off Budget Estimate	3	16	3	0	3	25	20,705.40	406.34	11	250.10	9	4	1	11	25
			Sub Total	6	18	10	2	33	69	173,396.25	161,764.93	87	52,913.00	15	8	11	35	69
11	Hill Country New Villages Infrastructure and Community Development		0	1	1	2	1	5	3,386.00	2,595.00	77	623.92	0	1	2	2	5	
12	Housing, Construction and Cultural Affairs		Budget Estimate	26	12	3	0	2	43	11,581.54	9,604.17	84	149.60	6	4	8	25	43
			Off Budget Estimate	0	1	1	0	0	2	279.00	279.00	100	0.00	0	0	0	2	2
			Sub Total	26	13	4	0	2	45	11,860.54	9,883.17	84	149.60	6	4	8	27	45

S.No	Ministry		No. of Projects and Annual Programmes					Allocation 2018 (Rs.Mn)	Financial Progress upto end of 4th quarter 2018			Annual Physical Progress against the target up to end of 4th quarter 2018				Total	
			Classification based on Total Cost (Rs.Million)						Actual Expenditure (Rs. Mn)	% Expenditure (Expenditure Target)	Bills in Hand (Rs.Mn)	≤ 25 %	26 - 50 %	51 -75 %	76 - 100 %		
			< 50	50 - 499	500-2999	3000 - 4999	≥5000										Total
13	Industry & Commerce, Resettlement of Protracted Displaced Persons and Co-operative Development		34	9	7	0	0	50	8,270.01	3,280.50	44	665.57	10	6	7	27	50
14	Internal & Home Affairs and Provincial Councils & Local Government		6	44	14	3	11	78	34,807.20	29,101.20	89	1,729.72	24	10	5	39	78
15	Justice and Prison Reforms		8	19	7	2	0	36	3,560.14	1,981.19	56	682.26	11	3	7	15	36
16	Labour, Trade Union Relations and Social Empowerment		14	14	2	0	1	31	4,870.25	3,238.91	68	230.16	5	3	3	20	31
17	Lands and Parliamentary Reforms		2	2	1	0	0	5	3,085.44	3,045.33	99	36.92	0	0	1	4	5
18	Mahaweli Development and Environment		5	8	6	3	8	30	38,070.84	33,266.80	87	3,452.27	1	0	3	26	30
19	Megapolis & Western Development	Budget Estimate	1	6	6	2	15	30	58,327.05	28,919.73	50	13,340.43	4	6	6	14	30
		Off Budget Estimate	2	14	2	1	6	25	17,343.05	6,015.32	35	70.28	8	4	4	9	25
		Sub Total	3	20	8	3	21	55	75,670.10	34,935.05	46	13,410.71	12	10	10	23	55
20	National Integration, Official Languages, Social Progress and Hindu Religious Affairs		7	9	5	0	1	22	7,694.80	2,423.03	35	893.68	3	3	3	13	22
21	National Policies, Economic Affairs, Resettlement & Rehabilitation, Northern Province Development, Vocational training & Skills Development and Youth Affairs	Budget Estimate	12	10	12	2	4	40	51,728.63	22,913.89	45	2,349.90	1	2	11	26	40
		Off Budget Estimate	0	0	1	0	0	1	470.90	470.90	100	0.00	0	1	0	0	1
		Sub Total	12	10	13	2	4	41	52,199.53	23,384.79	46	2,349.90	1	3	11	26	41

S.No	Ministry		No. of Projects and Annual Programmes					Allocation 2018 (Rs.Mn)	Financial Progress upto end of 4th quarter 2018			Annual Physical Progress against the target up to end of 4th quarter 2018				Total	
			Classification based on Total Cost (Rs.Million)						Actual Expenditure (Rs. Mn)	% Expenditure (Expenditure Target)	Bills in Hand (Rs.Mn)	≤ 25 %	26 - 50 %	51 -75 %	76 - 100 %		
			< 50	50 - 499	500-2999	3000 - 4999	≥5000										Total
22	Plantation Industries		7	11	0	0	1	19	2,284.50	1,329.54	65	122.92	0	3	7	9	19
23	Ports & Shipping and Southern Development	Budget Estimate	2	2	3	0	1	8	3,333.80	618.45	39	189.00	0	3	3	2	8
		Off Budget Estimate	7	14	3	1	0	25	2,832.60	257.36	9	0.00	10	2	3	10	25
		Sub Total	9	16	6	1	1	33	6,166.40	875.81	20	189.00	10	5	6	12	33
24	Postal Services and Muslim Religious Affairs		6	2	0	0	0	8	338.85	313.91	93	-	0	0	1	7	8
25	Power, Energy and Business Development	Budget Estimate	0	4	0	0	0	4	256.00	98.00	102	6.00	0	2	0	2	4
		Off Budget Estimate	0	1	3	0	10	14	46,655.90	22,486.88	73	704.00	0	3	6	5	14
		Sub Total	0	5	3	0	10	18	46,911.90	22,584.88	73	710.00	0	5	6	7	18
26	Public Administration and Disaster Management		2	16	3	0	1	22	5,838.00	4,494.70	77	238.19	2	2	5	13	22
27	Public Enterprise, Kandy Heritage and Kandy Development		0	0	0	0	0	0	-	-	0	-	0	0	0	0	0
28	Telecommunication, Foreign Employment and Sports		4	19	4	0	3	30	6,281.51	2,013.80	32	286.96	10	11	4	5	30

S.No	Ministry		No. of Projects and Annual Programmes						Allocation 2018 (Rs.Mn)	Financial Progress upto end of 4th quarter 2018			Annual Physical Progress against the target up to end of 4th quarter 2018				Total
			Classification based on Total Cost (Rs.Million)							Actual Expenditure (Rs. Mn)	% Expenditure (Expenditure Target)	Bills in Hand (Rs.Mn)	≤ 25 %	26 - 50 %	51 -75 %	76 - 100 %	
			< 50	50 - 499	500-2999	3000 - 4999	≥5000	Total									
29	Tourism Development, Wildlife and Christian Religious Affairs	Budget Estimate	13	10	4	1	0	28	2,833.78	1,501.72	56	177.57	6	2	6	14	28
		Off Budget Estimate	5	1	0	0	0	6	142.75	116.43	82	26.14	0	0	1	5	6
		Sub Total	18	11	4	1	0	34	2,976.53	1,618.15	58	203.71	6	2	7	19	34
30	Transport and Civil Aviation	Budget Estimate	14	9	8	1	2	34	25,066.00	18,149.00	72	93.00	6	1	3	24	34
		Off Budget Estimate	0	0	1	0	2	3	4,133.00	2,141.00	52	126.00	0	1	0	2	3
		Sub Total	14	9	9	1	4	37	29,199.00	20,290.00	69	219.00	6	2	3	26	37
31	Women & Child Affairs and Dry Zone Development		15	6	0	0	1	22	1,689.96	1,207.23	77	-	4	1	3	14	22
32	Digital Infrastructure and Information Technology (Non Cabinet Ministry)		10	30	5	0	1	46	3,666.83	1,233.42	49	1,689.20	4	13	17	12	46
33	Science Technology and Research (Non Cabinet Ministry)		11	19	4	1	2	37	4,889.00	3,090.00	66	653.00	4	5	3	25	37
Total			355	541	245	49	208	1398	849,242.59	581,194.48	73	110,333.67	221	179	225	773	1398