India Sri Lanka: Development Co-operation

India's people-centric development partnership with Sri Lanka stands out as one of the most important pillars of our bilateral relationship. India's grant assistance to Sri Lanka currently stands at around USD 900 million, covering various projects that have been completed, ongoing, and committed or in the pipeline.

2. India's developmental assistance projects are based on the priorities set by the Government and the people of Sri Lanka. They have been widely appreciated for their transparent approach and implementation through the utilization of local materials and manpower, in a manner that supports local economy. The assistance focuses specially on capacity-building, human resource development, uplifting of weaker sections as well as infrastructure development, in addition to various other aspects pertaining to daily lives such as housing, education, health, industrial development, livelihood support, transport etc.

3. India's initiatives in the developmental cooperation sector have been continuously evolving both in terms of the nature of projects as well as implementation modalities. A case in point is the USD 100 million worth grant assistance projects as part of the rescue and rehabilitation package of USD 450 million in the aftermath of Cyclone Ditwah. This comprehensive package covers various projects structured along the pillars: Physical Connectivity Infrastructure; Housing and Water; Health and education; Disaster Response and Prevention Measures. Some notable completed projects include supply and installation of 11 Bailey bridges at 10 locations across Sri Lanka; the restoration of Sri Lanka's Northern Railway Line in a record time of less than 6 months. Whereas, construction of 13 permanent bridges; supply of equipment to educational institutes; Construction of three-storied Accident & Emergency Unit at Base Hospital Puttalam**;** supply of medical equipment to Base Hospital Deniyaya; digitization of health records; implementation of Disaster Early Warning System, among others are at various stages of implementation.

4. Sri Lanka Unique Digital Identity (SLUDI) project, which will help Sri Lanka in creation of secure, versatile, biometrics-backed digital IDs that can be used to digitally authenticate a user's identity, is supported with Indian grant assistance. The assistance which was to the tune of INR 300 crore earlier, is being considered to be increased following a request from the Sri Lankan side. The project would unlock an array of Digital Public Infrastructure services to the people of Sri Lanka.

5. The Indian Housing Project, which entails a commitment to construct 60,000 houses, is a flagship grant project of India in Sri Lanka. A total grant of approximately ₹1,835 crore has been committed for this initiative. It is one of the key projects of its kind undertaken by the Government of India abroad.

a) The first phase (Phase-I), a pilot project, involved the construction of 1,000 houses in the Northern Province and was completed in July 2012.

b) The second phase (Phase-II), which involved construction of 45,000 houses across the Northern and Eastern Provinces, was completed in December 2018. It was implemented under a novel 'owner-driven model,' wherein the homeowners (beneficiaries) themselves undertook the construction or repair of their houses, while the Government of India provided technical assistance and financial support.

c) The third phase (Phase III) of the housing project envisaged the construction of 4,000 houses for estate workers in plantation areas under a 'community-driven model'. During the visit of Vice President of India in April 2026, the last tranche of houses under this phase were handed over to the beneficiaries marking the successful completion of this phase.

d) The fourth phase (Phase IV), was announced during Prime Minister Narendra Modi's visit to Sri Lanka in May 2017. This phase envisaged the construction of an additional 10,000 houses in plantation areas of Sri Lanka. Despite several challenges during the course of implementation, currently over 600 houses have been completed with the remaining houses are likely to be finished soon.

6. Prime Minister Narendra Modi announced a dedicated grant of USD 15 million for the promotion of Buddhist ties between India and Sri Lanka in September 2020. MOU governing the grant was signed in March 2022. The first project to be undertaken under this grant is solar electrification of Buddhist places of worship worth around USD 10 million. Sri Lankan side is undertaking necessary measures for early roll out of the project.

7. The following two grant assistance packages were announced by Prime Minister Narendra Modi, during the visit of President of Sri Lanka to India, in July 2023:

a) A comprehensive grant assistance package to the tune of INR 75 crore was announced to mark 200 years of the arrival of Indian origin Tamil community to Sri Lanka. The package encompasses different projects under various categories such as Education and skill development; Livelihood assistance; Infrastructure development; Food Security; and others in plantation areas of Sri Lanka. Projects namely teacher training program in STEM subjects for over 2000 school teachers from plantation area, supply of 4000 solar lanterns, supply of 30000 notebooks and 10000 schoolbags have been undertaken under the package. A project for supply of 16,300 school bags, water bottles and geometric boxes to Grade 6 students from IOT familites is being implemented under the package.

b) A grant assistance package was announced covering the three Districts of Eastern Province namely Ampara, Batticaloa and Trincomalee. A framework Memorandum of Understanding (MoU) to support thirty-three (33) different socio-economic development projects, with grant assistance of INR 64 crore, was signed during the visit of Prime Minister Narendra Modi to Sri Lanka in April 2025. MoUs with respect to implementation of six (6) projects, namely Women Empowerment via Establishment of Batik Training Centers in Eastern Province; Establishment of a Premature Baby Unit (PBU) at Base Hospital Dehiattakandiya; Construction of EYE, ENT, and Mental Health units in Base Hospital Muthur; Establishment of Contract Farmer Clusters; Establishment of Sustainable Ayurveda Village; and Establishment of a Ward complex at Central Ayurvedic Dispensary, Gomarankadawala in Trincomalee have been signed coinciding with the visit of Vice President of India to Sri Lanka in April 2026 and are set for implementation.

8. Another important grant project currently under implementation is the construction of Hybrid Renewable Energy Systems in three islands off Jaffna that are not connected to the national grid, with financial commitment of upto USD 11 million. The project combines solar, wind and diesel generator with battery backup and caters to Nainativu, Analativu and Delft islands. Taken together, the combined output is close to 4.3 MW.

9. The country-wide 1990 Emergency Ambulance Service is another flagship project which was implemented using Indian grant. The service, initially launched in July 2016 in Western and Southern Provinces of Sri Lanka, was later expanded to all the provinces. At a total cost of more than USD 22.5 million, 294 ambulances were provided through Indian assistance under this project. The Emergency Service has been rendering critical medical assistance across Sri Lanka since its launch. To augment the services further, a MoU for supply of 100 Ambulances to 1990 Suwa Seriya National Emergency Ambulance Service was signed and exchanged during bilateral Health Ministers' meeitng on the sidelines of the First BIMSTEC Health Ministers' meeting held in Colombo on 10-11 November 2026.

10. The iconic Jaffna Thiruvalluvar Cultural Center was built through Indian grant assistance of around US$ 12 million in Jaffna. This state-of-the-art facility consists of multiple facilities such as a museum of two floors; an advanced theatre style auditorium for more than 600 people; a 11-storeyed learning tower; a public square which could also act as an amphitheater; etc. In September 2026, a Trust was formally established to administer and manage the Jaffna Thiruvalluvar Cultural Centre. The Trust will act as an interim governing body which will provide the necessary administrative and financial autonomy for sustained operations of the Centre.

11. The Maho–Anuradhapura Advanced Signalling Project, with an estimated cost of USD 14.89 million, was flagged off by Prime Minister Shri Narendra Modi during his visit

in April 2025. The project will enhance passenger safety while improving the frequency and efficiency of train services on the upgraded track.

12. The passenger ferry service between Nagapattinam, India, and Kankesanthurai (KKS), near Jaffna, launched in October 2023, is supported by Viability Gap Funding (VGF) assistance from the Government of India.

13. In recent times, India has also provided assistance to Sri Lanka through supply of 500 litres of Technical Malathion for control of dengue (Aug 2026) and through donation of anti-TB medicines to Government of Sri Lanka worth LKR 52 million (Oct 2026)

14. Capacity building is another pillar of the development cooperation. In addition to the 400 fully-funded slots offered every year to Sri Lankan nationals under the Indian Technical and Economic Cooperation (ITEC) program, a MoU was signed between National Centre for Good Government of India and Sri Lanka Institute of Development Administration in December 2024 for training of 1500 Sri Lankan Civil Service Officers over a period of five years. Further, Prime Minister of India Narendra Modi announced an additional 700 seats for a comprehensive framework of capacity building for Sri Lankan professionals during his State visit to Sri Lanka in April 2025.

15. Some of other notable grant projects which have been completed are:

- Distribution of 2.6 lakh family packs to IDP's immediately after the war in Northern Province;
- Construction 200 bed ward complex and supply of medical equipment to Vavuniya Hospital;
- 150-bed multi-specialty hospital in Dickoya;
- Renovation of Duraiappah Stadium in Jaffna;
- Livelihood assistance to nearly 70,000 people from fishing and farming community in Hambantota;
- 1500 seated auditorium in Ruhuna University, Matara;
- Construction of buildings, supply and delivery of equipment & vehicles and skill components to Faculties of Engineering and Agriculture, at Ariviyal Nagar, Killinochchi, University of Jaffna;
- Construction of buildings for Faculty of Kandian Dancing School at Dalada Maligawa;
- 90 houses in Ven. Shobitha Thero Village in Anuradhapura;
- Tri-lingual school building at Polonnaruwa;
- Two-storey surgical unit building at Teaching Hospital Batticaloa;
- Supply of smart boards, tablets and other equipment to 200 classrooms in Galle, and;
- 134 single cabs to Sri Lanka Police in Northern Province etc.

16. There are currently 17 grant projects ongoing across diverse spheres in Sri Lanka. These include projects like:

- Construction of 600 houses under Model Village Housing Project in 25 districts of Sri Lanka;
- 5000 MT temperature-controlled warehouse for perishable agriculture produce in Dambulla;
- Transit housing units for pilgrims to Madhu Shrine, Mannar.
- Upgradation of selected Plantation schools;
- Rehabilitation of the Karainagar Boatyard;
- 60 Smart Class Rooms in selected plantation schools located in Nuwara Eliya, Kandy and Badulla Districts;
- Construction and Supply of Medical Equipment for Accident and Emergency Unit at District General Hospital, Mannar;
- Construction of four-storied Medical Ward Complex at District General Hospital, Mullaitivu etc.

(As on Nov 2026)