

PERFORMANCE REPORT 2016



**DEPARTMENT OF DEVINEGUMA DEVELOPMENT
MINISTRY OF SOCIAL EMPOWERMENT AND WELFARE**



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DEPARTMENT OF DIVINEGUMA DEVELOPMENT

ACKNOWLEDGEMENT

First of all, I would like to thank the entire staff of the Department of Divineguma Development who had worked with dedication in the year 2016 to perform an efficient and quality service for the country and the poor people of the country, whilst achieving the objectives of the Department of Divineguma Development, which was established under the Divineguma Act No 1 of 2013.

Further, on behalf of the entire staff, I am grateful to all relevant officers, including Secretaries of the Ministry of Finance, General Treasury and the Ministry of Social Empowerment and Welfare for providing the kind co-operation to this Department in serving the people as mentioned above through proper guidance. Also, I recollect with gratitude the kind cooperation and the devotion to duty shown by all the District Secretaries/District Additional Directors Generals and Divisional Secretaries of the island to properly maintain the development activities, subsidies and social welfare services of the Department.

Finally, I bestow my thanks to all relevant government agencies, other relevant institutions and individuals who co-operated in various ways in maintaining the duties of our Department in the year 2016.

Neel Bandara Hapuhinna
Director General
Department of Divineguma Development

OUR VISION

“A community empowered through livelihood economic activities, eradicating poverty.”

OUR MISSION

“Contributing to the acceleration of national development through empowering the people, development of human capital, promotion of livelihood activities and the development of rural infrastructure facilities and making a major contribution to create a prosperous nation, which ensures food security, eradicates poverty and assures social justice”

01. MESSAGE OF THE DIRECTOR GENERAL

The Department of Divineguma Development was established in accordance with the Divi Neguma Act No 01 of 2013, amalgamating 05 Government institutions, including the three Authorities; the Samurdhi Authority of Sri Lanka established under Act No 30 of 1995, the Southern Development Authority of Sri Lanka established under Act No 18 of 1996 and the Up Country Development Authority of Sri Lanka established under Act No 26 of 2005 and the two Departments of the Kandyan Peasantry Rehabilitation and the Commissioner General of Samurdhi. In accordance with the provisions of the Divineguma Act, this Department was officially incorporated subsequent to the publication of gazette notification no 1843/47 dated 03rd January 2014 by the Hon Minister of Economic Development. Subsequently, the staff of over 26,000 who had served in the above 05 establishments were absorbed into the new Department. The operation of this Department is widespread covering the 25 Districts, the 332 Secretarial Divisions and the 14,022 Grama Seva divisions in the island. Accordingly, District Secretaries as District Additional Director Generals, and Divisional Secretaries as District Divineguma Directors contribute directly to implement the activities of the Department.

One major objective of this Department is the enhancement of individual, family, group and community based livelihood development activities, galvanizing the national policy for the eradication of poverty and ensuring social justice, to achieve the goal of promoting the economic development process in the island. Another basic aim of the Department of Divineguma Development is the mobilization of the people for a community level national development process by the development and promotion of the micro-finance banking system, through the establishment of Divi Neguma Community Based Organizations and by the creation of a national, district and divisional level coordination network for this. In this respect, in accordance with the provisions of the Divi Neguma Act No 01 of 2013, the Department operates under the three main streams as shown below:

- (1) The Departmental stream with the official structure
- (11) Community based banking system stream
- (111) Community based organization stream

(1) The Departmental Stream with the Official Structure

The make-up of the official structure of the Department comprises the following chain of command. That is, the 14 main Divisions operated under the official leadership of the Director General by the Additional Director General, Human Resources and Administration, the Directors in charge of the Divisions of Social Security and Social Welfare, Social Development, Community Based Organizations, Marketing, Planning and Monitoring, Training and Research, Livelihood Development, and Community based banks and the Chief Accountant, Chief Internal Auditor, Heads of the Information Technology and Media Divisions performing the duties covering the Head Office and the 25 Districts. At the District level, under the guidance of the Additional District Directors Generals/District Secretaries, the staff headed by the Divi Neguma District Directors and their staff perform the relevant duties at District, Secretarial Division and Grama Niladhari division level. Community based banking activities, building of community based organizations and the implementation of development projects at village levels are performed by all the other office and field officers, including Divi Neguma Managers and Divi Neguma Development Officers led by the Divisional Secretaries.

(11) Community Based Banking System Stream

The function of this Division is the implementation of this banking system through the staff coming under the control of the Director of Banking Finance of the Head Office and the entire staff of the respective Headquarters Offices and Community Based Banking Societies relevant to the 332 Secretarial Divisions island wide and the 1074 banks operating at Grama Niladhari division levels. Through this banking system, disbursement of Samurdhi subsidies, maintenance of the compulsory savings deposits of beneficiaries, granting of micro-finance loans to beneficiaries and low income earners, investment of balance funds in sources which bring more returns and other social welfare activities are also implemented.

During the year 2016, the total loan amount disbursed to the needy rural people through various loan schemes was Rs. 26,239.6 million. The relevant number of loans given was 684,798. During the period of 1999 – 2016, the total cumulative value of the different loans disbursed was Rs Mn 180,229.25. The relevant cumulative number of loans was 7,536,257. Further, it is anticipated to program all functions of this Division through new technological methods and to provide a more efficient and quality service to the people. Information in respect of the performance of this Division is shown under chapter 14.

(111) Community Based Organization Stream

Under sections 09 to 14 of the Divi Neguma Act are mentioned the basic provisions in regard to the establishment of Community Based Organizations. In accordance with the relevant sections of the Act, while Community Based Organizations are due to be established constitutionally and officially, and by now, the constitution relevant to it has been drafted and submitted to the Department of the Attorney

General. 34,629 Community Based Organizations had been established during the year 2016, with the objective of directing the community towards the community based banking and livelihood programmes, strengthening Community Based Organizations, empowering the people and developing them economically, socially and

spiritually. To achieve the objectives of the Act, after conducting 03 Training of Trainers training sessions (i.e. Sinhala medium 02 & Tamil medium 01) subject knowledge as to strengthening and promoting Community Based Organizations was imparted to 144 selected Mangers. Also, action will be taken to legally establish Community Based Organizations, and empower the member community thereof in the ensuing years too. Detailed information in respect of the performance of this Division is shown under the chapter 09.

Also, a summary of performance achieved by the Department of Divineguma Development in respect of the year 2016 is appended below.

Livelihood Development Based Development Projects

A provision of Rs Mn 1,200 was given direct to this Department from the General Treasury to implement Livelihood Development Projects. Among the active projects of the Livelihood Development Division, through the implementation of projects such as Agricultural Development Projects, Animal Husbandry Projects, Fisheries Development Projects, Self Employment Industrial Development Projects, the main function of this Division is increasing the income levels of Divi Neguma (Samurdhi) families and low incoming earning families, enhancing their health and nutrition levels and providing vocational training to make available labour appropriate to the job market.

In this regard, a total number of 38,644 projects out of the targeted 41,605 projects, had been completed spending a sum of Rs Mn 1,147.07 in the year 2016. Accordingly, while the financial progress achieved during the year 2016 was 95%, the physical progress achieved is 93%.

Further information about the projects implemented sub sector-wise and district-wise as shown above, the funds spent for the same, the respective projects and the project beneficiaries are shown under the chapters 08 to 13.

Performance of other Divisions

The data and information about the performance achieved by the other service and the development divisions during the year 2016, are included in this report as follows. That is, the performance achieved by the Administration, Training and Investigation divisions as support service units is mentioned under the chapters 02, 03 and 04 respectively, while detailed information about the performance achieved by the Social Welfare and the Social Security divisions is shown under chapters 06 and 07 respectively, information about the performance of the Social Development division is shown under chapter 08 and the performance of the Marketing division is shown under chapter 11. In addition, the performance of the Information and Technology division is shown under chapter 12, the performance of the Media division is shown under chapter 13, and details about accounting reports are shown in chapter 15.

The summary of performance achieved by one of the major programmes of this Department, the Divi Neguma (Samurdhi) Subsidy Programme, relevant to the year 2016, is as follows. That is, the total value of subsidies provided to 1,407,235 beneficiaries is Rs. Mn 40.740, and this amount had been spent out of the total provision of Rs. Mn 43,950 allocated to the Department.

In addition, under the Social Security Programme, in the year 2016, benefits were given to 223,396 beneficiaries in respect of important events of their daily life from birth to death, incurring an expenditure of Rs. Mn 987.59.

In addition to the above Development Project provisions, Rs. 8 m. was received from the General Treasury during the year 2016 for training the staff and developing their capacities, and training opportunities/benefits were provided to 7,056 employees spending Rs. 8 Mn. Thereby, the financial progress achieved in that respect is 100%. This Division had targeted to implement 50 projects, and the number of completed projects is 92.

In addition to this, preparation of files for the implementation of the pension procedure and the Agrahara insurance procedure in respect of the officers who had been absorbed into the Department during the year 2016 from the 05 government institutions mentioned earlier, formulation of the recruitment procedure for the Department, and matters in relation to the preparation of the institutional administrative structure were continuously implemented in co-ordination with institutions such as the Department of Pensions, the Public Service Commission and the Management Services Department.

In the back ground described above, facing various practical difficulties and problems in respect of stabilizing the Department organizationally and administratively, it was an achievement for the Department to have been able to implement island-wide 38,644 development projects, spending Rs Mn 1,141.07 to raise the living standards of the beneficiaries and low income earners and being able to provide 684,798 beneficiaries with loans to the value of Rs Mn 26,239.60. I must also state that through the above means, it was able to achieve to some extent the objectives stated in section 04 of the Divineguma Act. Also, this Department was involved in the year 2016 to achieve the noble aims of liberating the people from poverty and making them active and fixed stakeholders of the major economic stream of this country, while empowering the Divineguma (Samurdhi) beneficiary and low income earning people of this country and accelerating livelihood and economic development. It is with pleasure that I mention that this Department will endeavor with dedication to achieve those aims rationally and totally in the future too. I would like also to state that future plans would be prepared and implemented, also with the objective of creating a motivated and dedicated human resource, to achieve those aims in the ensuing years.

Neel Bandara Hapuhinna
Director General
Department of Divineguma Development

02. Performance of the Administration Division

The Human Resources Division of the Department of Divineguma Development functions in relation to establishment, training and investigation matters. A major function of this Division is attending to the day to day activities faced in administration and also the implementation of policy decisions.

2.1.1 Main Objectives

Shown below is the programme of special discussions and coordination being held with the Ministry of Economic Development since the establishment of the Department of Divineguma Deveopment:

- ❖ Implementation of the recruitment and promotion procedure.
- ❖ Taking action necessary to maintain good order and discipline of the staff and to facilitate day to day work.
- ❖ Ensuring the good order of the institution.
- ❖ Formulation of the office lay out and the office organization chart

2.1.2 Daily Routine Duties

- ❖ Attending to the daily tappal
- ❖ Inter-divisional and intra-divisional co-ordination.
- ❖ Responding to requests made by the public
- ❖ Taking action regarding requests made by the staff.
- ❖ Maintenance and updating of personal files of staff
- ❖ Management of the transport section.
- ❖ Taking action with regard to the payment of staff salaries, allowances, traveling expenses and all payments.
- ❖ Maintenance of statistical data in respect of the posting of Officers.
- ❖ Duties pertaining to inter District transfers
- ❖ Disciplinary functions in respect of officers.

.3 Special Assignments

- ❖ Providing replies to questions in Parliament regarding the Administration Division, and coordination with the Ministry.
- ❖ Duties pertaining to the Public Petitions Committee
- ❖ Compiling answers for audit queries and co-ordination thereof.

Taking action regarding matters arising from Parliamentary Advisory Committee

- ❖ meetings, and briefing divisional heads about such matters.

- ❖ Holding of efficiency bar examinations and other promotion examinations, and attending to the communication function of same.
- ❖ Recruitment of new Officers taking into consideration the existing vacancies.

2.1.4 Staff

The overall staff of the Department of Divineguma Development is 24,011, inclusive of Divineguma Development Officers engaged in field duties.

Table – 01 Summary of the proposed cadre and vacancies

Post	Approved cadre	Present strength	Vacancies
Staff of the Administration and Development Division			
Director General	1	1	0
Additional Director General	7	1	6
Director	19	12	11
Divi Neguma District Director	25	25	0
Deputy Director/Assistant Director	21	20	1
Divi Neguma Deputy District Director	50	14	36
Divi Neguma Zonal Assistant Director	160	0	160
Divi Neguma Divisional Asst Director	332	0	332
Administration Officer	7	2	5
Divi Neguma Senior Manager	205	0	205
Divi Neguma Manager	2557	2399	158
Divi Neguma Development Officer	27437	20707	6730
Managemenet Assistant	477	371	106
Sub total	31298	23552	7746

Post	Approved cadre	Present strength	Vacancies
Staff of the Financial Division			
Chief Accountant	7	1	6
Chief Internal Auditor	1	1	0
Accountant	27	19	8
Internal Auditor	8	4	4
Financial Assistant	7	1	6
Senior Internal Audit Officer	25	0	25
Internal Audit Officer	78	77	1
Internal Audit Assistant	128	120	8
Sub total	281	223	58
Staff of the Technical Division			
Engineer	6	0	6
Systems Analyst	1	1	0
Translator	7	3	4
Legal Officer	1	1	0
Training and Research Officer	35	10	25
Media Officer	2	2	0
Technical Officer	6	6	0
Information Technology Assistant	365	0	365
Sub total	423	23	400
Other staff			
Driver	297	133	164
Office Aide	441	67	374
Cook	8	1	7
Labourer	16	12	4
Sub total	762	213	549
Grand total	32764	24011	8753

(Source – Departmental sources)

Minister, Deputy Minister, Secretary and members of the Board of Management.

Hon Minister of Social Empowerment and Welfare – Mr S B Dissanayake

Deputy Minister of Social Empowerment and Welfare – Mr Ranjan Ramanayake

Secretary of the Ministry of Social Empowerment and Welfare – Mr Mahina Seneviratane

List of names of members of the National Council

Name of Officer

1. Mr Neil Bandara Hapuhinna – Chairman
2. Dr R M K Ratnayake – Consultant to the Hon Minister
3. Mr M K Bandula Harischandra – Additional Secretary (Rural Development)
4. Dr P A Kiriwandeniya – Chairman (SANASA)
5. Dr M Balasuriya – Director (Medical Institution)
6. Dr D M Ajith Dissanayake – (University of Kelaniya)
7. Mr Abhith Kavinda Dangalla - Consultant to the Hon Minister
8. Mr B A T Rodrigo – Director (Ministry of Finance)
9. Mr K K Chandratilake – Director (Micro Finance)
10. Mr A G Wellappili – Director (Social Empowerment and Rural Development)
11. Mr P R D H Anurawansa – Deputy Director (Community Based Development)
12. Mrs I D N Sanjeevani – Secretary

List of names of members of the Bank Management Board

Name of Officer

1. Mr Neil Hapuhinna – Director General (Chairman)
2. Mr K K Chandratilake – Director (Micro Finance) (Member)
3. Mr T B Weerasena – Director (Member)
4. Mr H D Ajith - Deputy Director (Member)
5. Dr Sunil Jayantha Navaratne – (nominated member)
6. Dr P A Kiriwandeniya – (nominated member)
7. Dr R M K Ratnayake – (nominated member)
8. Mr M Ramamurthy – Director (Planning) (Member)

List of names of members of the Board of Trustees of the Social Security Funds

Name of Officer

1. Mr Neil Bandara Hapuhinna – Director General
2. Mr U Anura Shantha Weeraratne - Director (Social Security)
3. Mr U G Rathnasiri – Additional Secretary (Ministry of National Policy and Economic Affairs)
4. Mr H A N Samankumara - Director (Ministry of Finance)
5. Mr S D Udawatta - Additional Secretary (Administration)
6. Mr M K Bandula Harischandra - Additional Secretary (Development)
7. Dr R M K Ratnayake – Consultant to the Hon Minister
8. Mr D M G Wijesiri – Member
9. Professor Athula Senaratne – Member
10. Mr P G Jayasinghe – Member
11. Mr Nalin Mahesh Perera, Attorney at law – Member

List of Names of the Staff Officers of the Department of Divineguma Development -2016

1. Director General

1. Mrs Chandra Wickremasinghe - (from 04.12.2015 to 07.10.2016)
2. Mr Neil Bandara Hapuhinna - (from 11.10.2016 up to date)

2. Additional Director General

Mr R. H. W. A. Kumarasiri (upto 31.08.2016)

3. Chief Accountant

Mr S M S G. Rathnayake

4. Directors

1. Mr C. D. Kaluarachchi - Director (Human Resources)
2. Mr S M R S Bandara - Director (Livelihood) 27.07.2014-17.10.2016
3. Mr A G Wellappili - Director (Social Empowerment and Rural Development)
(from 11.10.2016 to date)
4. Mrs D A Sunanda Piyaseeli - Director (Micro Finance) 28.01.2015-17.10.2016
5. Mr K. K. L. Chandratilake - Director (Micro Finance) from 01.11.2016 to date
6. Mr Anura N. Weeraratne - Director (Community Based Organizations)
- Director (Social Security and Welfare) – from 01.11.2016
7. Mr J K Padmasiri - Director, (Planning and Monitoring)
8. Mrs Kanthi Dissanayake -. Director, (Training and Research)

9. Mr W A L Lankathilake - Director (Social Development and Environment)
10. Mr G D D Kumara - Director (Marketing) – from 25.10.2016
11. Mr S S A Kularatne - Director (Community Based Development)
From 25.10.2016
12. Mr M I A Wahabdeen - Director (Micro Finance N/East) – From 25.10.2016

5. Accountants

1. Mr P. A. S. J. Kumara (Finance and Payments)
2. Mr K. K. L. Chandratilake – 16.09.2014 – 01.11.2016

6. Chief Internal Auditor

1. Mrs R P P Abeykone - From 21.01.2016

7. Divineguma District Directors

1. Mr. K A M Perera -Gampaha (Acting)
2. Mrs. B A S Udayangani – Kalutara (Acting)
3. Mr. W.A R Wimalasiri - Kandy (Acting)
4. Mr. M S M Safraz – Kurunegala (Acting)
5. Mr H M C S Herath – Kegalle (Acting)
6. Mr Dhammika Satharasinghe – Ratnapura (Acting)
7. Mr. K D Wickremasuriya – Matale (Acting)
8. Mrs H M S K K Herath – Nuwara Eliya (Acting)
9. Mr. K P Premadasa – Trincomalee (Acting)
10. Mrs. A Thavabalan – Kilinochchi (Acting)
11. Mrs. H R Sirinama - Colombo (Acting)
12. Mr. U P S A Piyadasa – Ampara (Acting)
13. Mrs D S Withanage – Galle (Acting)
14. Mrs M Chandima - Anuradhapura (Acting)
15. Mr. W A Dharmasiri – Moneragala (Acting)
16. Mrs Jeyahavani Kaneshamurthi – Mullaitivu (Acting)
17. Mr W M P Wijayabandara – Badulla
18. Mr K A L Cyril – Matara (Acting)
19. Mr N G J P Rohitha – Hambantota (Acting)
20. Mr P Gunaratnam – Batticaloa

21. Mr S A N Priyashantha – Puttalam (Acting)
22. Mr Niranjan Ruwan Rajashilpa – Polonnaruwa (Acting)
23. Mr K Maheswaran – Jaffna (Acting)
24. Mrs Sarojinidevi Padmaranjan – Vavuniya
25. Mr P Prabakaran – Manaar (Acting)

8. Deputy Directors

1. Mr Mahesh Perera - Dy Director (Planning and Monitoring)
2. Mr S Liyanarachchi - Dy Director (Training and Research)
3. Mr H. K. Ranaweera - Dy Director (Livelihood Development)
4. Mrs R. M. L. W. L. Rathnayake - Dy Director (Kandy District)
5. Mr B. G. L. R. N. S. Bandara - Dy Director (Kandy District)
6. Mr S. R. Wijsekera – Dy Director (Legal)
7. Mr S Wannigama - Dy Director (Matara District)
8. Mr Kapila Masakorala - Dy Director (Galle District)
9. Mrs S D Kalyani - Dy Director (Galle District)
10. Mr Ranjith de Silva - Dy Director (Matara District)
11. Mr P R D H Anurawansa - Dy Director (Bank Monitoring)

9. Assistant Directors

1. Mr Ananda Gamage – Hambantota District.
2. Mrs I D N Sanjeevani – Social Development
3. Mr S P Wanigatunga – Matara District
4. Mr I C J Gunaratne – Administration
5. Mr P D R K Perera – Kandy District
6. Mr A F Fernando – Colombo
7. Miss W M T U Wijeratne – Administration

10. Administration Officers

1. Mr P. G. Upul Jayashantha – Head Office
2. Mr T B Ilangathilake (Administration Officer – Establishment) (Acting)

03 Performance Report of the Training and Research Division

The aim of the Training and Research Division is to perfect the knowledge and skills of the staff of the Department of Divineguma Development involved in duties for the empowerment of Divineguma beneficiaries including low income earners, and exploring new approaches based on the progress of programmes being implemented. In order to achieve this aim, the major function of this Division is the identification of the training needs of the officers, effective planning, implementation, coordination and guidance.

Main objectives in the year 2016

- Development of the knowledge, skills and attitudes of the internal staff.
- Maintaining the Training Centers belonging to the Divineguma Department in an efficient and productivemanner and conducting training.
- Identifying the successes/failures of ongoing programmes and identifying new approaches.

Programmes planned to perform the above function

- Making officers aware about the duties and obligations of a state employee.
- Updating the subject related knowledge of the staff.
- Maintaining Training Centers properly and efficiently.
- Identifying the effectiveness of ongoing programmes and new approaches
- Coordination of foreign scholarship courses and providing opportunities to exchange local experiences.
- Facilitating new officers to follow courses in accordance with the recruitment procedure.

3.1. Making officers aware about the duties and obligations of a state employee

Along with the integration of officers who had worked in organizations such as the Samurdhi Authority of Sri Lanka, Southern Development Authority, Upcountry Development Authority etc for Departmental service, training modules including fields about which they should be aware of as state employees, were prepared. With the objective of briefing them in this respect, a trainer's pool of 100 Divineguma Managers had been established after being selected at District level as an initial step, and a three day training programme about the above module was conducted for them jointly with the National Social Services Institute.

Amount of money provided – Rs Mn 0.85

Expenditure – Rs Mn 0.72



3.2. Providing subject related knowledge training to the staff

Action was taken to provide subject related training in order to further update the knowledge of officers involved in duties in District Offices relevant to each subject field of the Department of Divineguma and provide new knowledge. For this, programmes are organized at District level and implemented with the approval of the Training and Research Division.

Amount of money provided – Rs Mn 5

Expenditure – Rs Mn 5.0

3.3. Maintaining Training Centers properly and efficiently.

1. Shown below are the Training Centers belonging to the Department of Divineguma Development:

- ❖ Samanalawewa Training Center, Balangoda
- ❖ Nillamba Divineguma Training Center
- ❖ Matara Divineguma Training Center
- ❖ Rural Development Research and Training Center

A major objective here is to utilize these training centers for internal and external training programmes, whilst maintaining their administrative functions properly. Among the functions performed during the current year was to make the Samanalawewa Training Center and the Nillamba Divineguma Training Center fitting enough to be given on rental to external parties after development and repair.

Amount of money provided – Rs Mn 12.5
Expenditure – Rs Mn 7.87



3.4. Coordination of foreign scholarship courses and Programme for the exchange of experience.

Coordination of foreign scholarship courses awarded to officers serving in the Department and guidance thereof is done by this Division. Under this, action had been taken to obtain ten foreign scholarships during the current year. In addition, exchange of various local experience programmes were commenced for officers. Under this, 25 Divineguma District Directors participated in the foreign conference on Social Development and Social Work held in collaboration with the University of Peradeniya.

Amount of money provided – Rs Mn 3.5
Expenditure – Rs Mn 3.4

3.5. Payment of fees for undergoing courses relevant to the recruiting procedure.

Officers serving in the Divineguma Department are given provisions from this Division to pay the fees for undergoing courses. Through this, it has been planned not only to provide the knowledge necessary to carry out establishment matters efficiently and correctly, but also to increase the performance of the officers and to provide the necessary facilities to enhance their vocational qualifications. For this purpose, during the current year, provisions have been released for 50 officers to undergo courses.

Amount of money provided – Rs Mn 1.5

Expenditure – Rs Mn 1.67

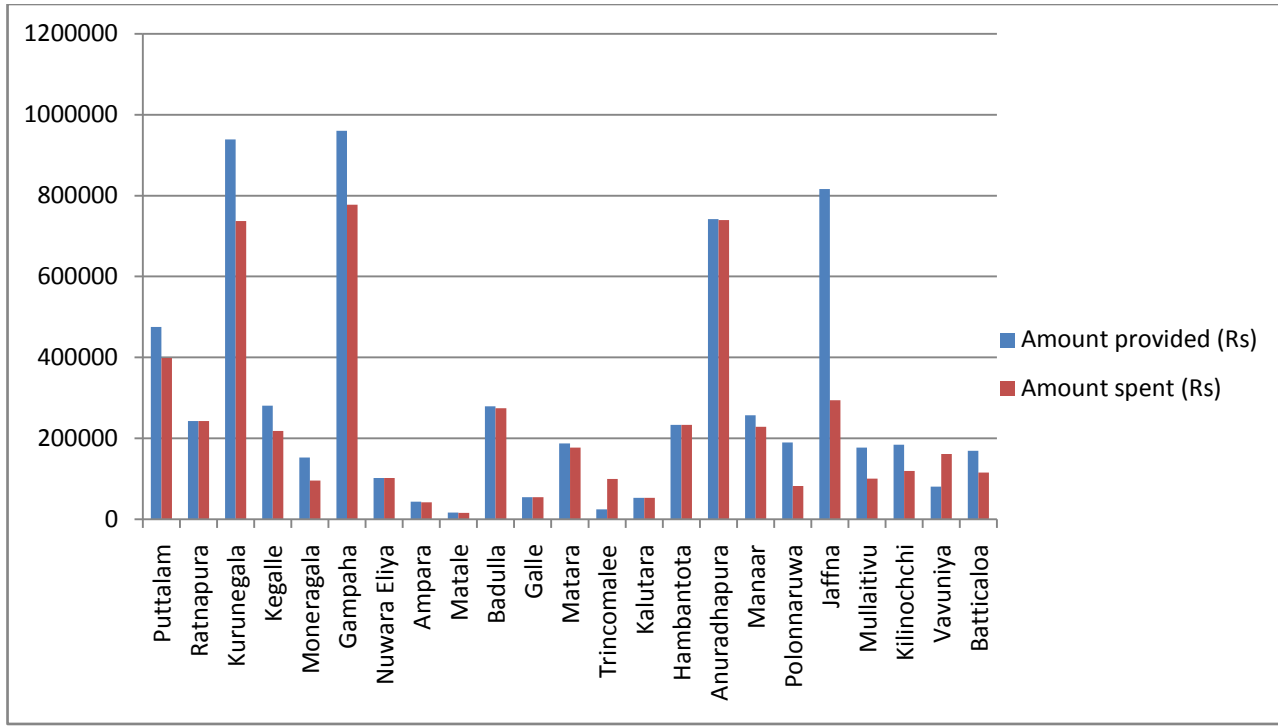
Table 03-01 : Expenditure of allocations for district training

S/No	District	Amount provided (Rs)	Amount spent (Rs)
01	Puttalam	475410.00	399005.00
02	Ratnapura	242776.00	242776.00
03	Kurunegala	939252.00	737044.40
04	Kegalle	280480	217950
05	Moneragala	152790	95476
06	Gampaha	960310.00	777661.00
07	Nuwara Eliya	102280.00	102280.00
08	Ampara	43250.00	41950.00
09	Matale	16500.00	16060.00
10	Badulla	278950.00	274150.00
11	Galle	54870.00	54870.00
12	Matara	187170.00	177493.00
13	Trincomalee	24158.00	99970.00
14	Kalutara	52900.00	52900.00
15	Hambantota	233400.00	233400.00
16	Anuradhapura	741960.00	739764.00
17	Manaar	257150.00	228280.00
18	Polonnaruwa	190100	82430.00
19	Jaffna	816120.00	294098.50
20	Mullaitivu	176930.00	100474.00
21	Kilinochchi	184100.00	119687.00
22	Vavuniya	80810.00	161620.00
23	Batticaloa	169200.00	115825.00
	TOTAL	6,037,496.00	5,051,737.90

Source : Departmental sources

Chart 03.01 - Expenditure of allocations for district training

Source : Departmental sources



OVERALL PROGRESS

Programme	Amount provided (Rs Mn)	Expenditure (Rs Mn)
01. Development of staff skills	- 7.5	5.0
02. Foreign scholarships for officers/ Experience exchange programme	- 3.5	3.4
03. Payment of course fees for officers according to recruiting procedures	- 1.5	1.67
04. Briefing the staff about matters a state Employee should be aware of	- 0.85	0.72
05. Computer training for Micro Finance Bank staff.	- 2.15	1.19
06. Repair of Training Centers	- 12.5	7.87
Total	- 28.00	19.85

04. Performance of the Investigation Division

In the process of creating a model Department devoid of fraud, corruption and irregularities rendering an efficient and productive service by the creation of a law abiding and disciplined work force, taking disciplinary action regarding complaints received about neglect of duties, irregularities and criminal acts committed by any officers working in the institution

In order to achieve the above objective, mainly the following functions were carried out during the year 2016:

- 01 Conducting preliminary investigations.
- 02 Issuing of charge sheets or calling for explanation.
- 03 Holding formal disciplinary inquiries
- 04 Issue of disciplinary orders.
- 05 Taking necessary action in respect of appeals.

Progress regarding the above is given below.

1. Formal disciplinary inquiry reports relating to year 2016	-	12
2. Orders relevant to formal disciplinary inquiries relating to year 2016	-	26
3. Preliminary inquiries/internal audit reports relating to year 2016	-	87
4. Number of charge sheets served relating to year 2016	-	53
5. Interdictions relating to year 2016	-	23
6. Reinstatement subject to disciplinary inquiries relating to year 2016	-	05
7. The following decisions had been given based on the recommendations of the Board of Appeal in respect of officers who had vacated post and for other matters (except for disciplinary orders) relating to year 2016	-	81
• Reinstatement with punishments	-	15
• Rejections	-	119
8. Appeals sent to the Public Service Commission against disciplinary orders	-	04

Special Matters:

It was not possible for officers to work with the maximum efficiency due to the time taken to arrange the location provided as the office premises for the Investigations Division and to complete the infrastructures facilities thereof. Two female officers of the branch getting transferred and two other female officers obtaining maternity leave simultaneously during the year 2016, had adversely affected enhancing the performance of the Investigations Department.

Even in such circumstances, compared to the year 2015, a significant progress has been made during the year 2016.

It is kindly notified that during the year 2017 a higher performance is expected, taking into consideration the appointment of a full time Assistant Director for the Investigations Division from 01.11.2016 and that office facilities and staff requirements have been completed to a great extent.

05 Overall progress of development projects – 2016

Progress of Livelihood Development Programmes (summarized) for the year 2016 is shown sector and district wise in table no 05-01 and table no 05-02

S.N.	Programme	Total provisions (Rs Mn)	Release of provisions (Rs Mn)	Release of imprests (Rs Mn)	Expenditure (Rs Mn)	Percentage of total expenditure relevant to provisions
1	Livelihood Development Programme	577.06	577.06	575.01	558.82	97%
2	Marketing Development Programme	248.69	247.43	236.08	234.38	94%
3	Socil Development Programme	211.00	210.50	210.02	210.04	99%
4	Community Based Development Programme	11.00	10.74	10.71	8.51	77%
5	Information Technology Programme	54.25	52.09	45.78	53.05	98%
6	General Training Programme	20.00	15.28	7.91	7.91	40%
7	Media Programme	23.00	22.69	22.69	22.69	99%
8	Samurdhi Survey Programme	52.00	48.09	42.98	42.98	83%
9	Progress Review and Monitoring Programme	3.00	3.00	2.69	2.69	90%
	Total	1,200.00	1,186.88	1,153.87	1,141.07	95%

Table 05-01 – Progress of the Livelihood Development Programme (summarized) – district wise

Serial No.	District	Total provisions released (Rs Mn)	Total imprest released (Rs Mn)	Total expenditure (Rs Mn)	Percentage of expenditure relevant to imprest	Percentage of total expenditure relevant to provisions
1	Colombo	33.30	30.37	28.54	94%	86%
2	Gampaha	58.18	60.39	55.19	91%	95%
3	Kalutara	38.59	38.31	38.31	100%	99%
4	Galle	46.30	45.75	45.75	100%	99%
5	Matara	39.38	38.66	38.66	100%	98%
6	Hambantota	34.04	33.41	33.41	100%	98%
7	Ratnapura	69.50	68.07	68.07	100%	98%
8	Kegalle	45.78	45.77	45.77	100%	100%
9	Kandy	66.13	68.69	62.87	92%	95%
10	Matale	32.18	31.56	31.56	100%	98%
11	Nuwara Eliya	44.88	37.82	37.82	100%	84%
12	Badulla	61.71	55.74	55.74	100%	90%
13	Moneragala	30.66	30.34	30.40	100%	99%
14	Kurunegala	73.65	70.21	70.22	100%	95%
15	Puttalam	45.03	44.40	44.40	100%	99%
16	Anuradhapura	46.32	44.91	44.99	100%	97%

Date - 31.12.2016

17	Polonnaruwa	43.89	42.31	42.31	100%	96%
18	Ampara	50.46	45.54	45.54	100%	90%
19	Batticaloa	40.03	40.03	40.03	100%	100%
20	Vavuniya	24.88	24.87	24.87	100%	100%
21	Trincomalee	28.89	27.18	27.18	100%	94%
22	Jaffna	37.94	36.98	36.98	100%	97%

23	Kilinochchi	20.94	20.88	20.78	100%	99%
24	Mullaitivu	19.10	19.04	19.04	100%	100%
25	Manaar	22.72	22.76	22.76	100%	100%
26	Head Office	132.40	129.88	129.88	-	98%
Sub total		1,186.88	1,153.87	1,141.07	99%	96%
	Head Office (Provisions not released for districts)	13.12	-	-	-	-
Grand Total		1,200.00	1,153.87	1,141.07	99%	95%

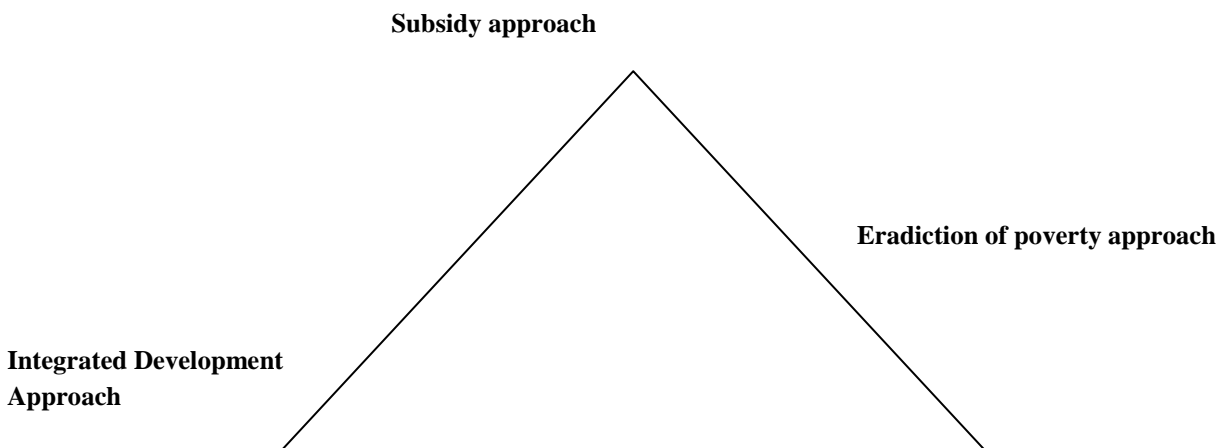
(Sources – Departmental sources)

6. PERFORMANCE OF THE SOCIAL WELFARE DIVISION

The main aim is assisting the empowerment of low income earning families socially and economically so that their economic levels would be maintained stably, without falling below the poverty line.

Divineguma (Samurdhi) programme

Prior to the commencement of the Samurdhi Subsidy Programme in the year 1995, the basic objective of most subsidy programmes which operated earlier, was only social welfare. However, the Divineguma (Samurdhi) Subsidy Programme was implemented island wide with the objective of eradicating poverty through a threefold development approach.



The most important feature of the Divineguma (Samurdhi) Subsidy Programme is its development oriented implementation targeting the overall development of the country. As such, this may be described as a strategy to effectively induce and incorporate low income earning families to the overall economic process of the country, enhancing the income levels of their families, whilst providing some financial subsidy to enable them to maintain a minimum living standard.

Even though Samurdhi subsidies had been given as grants since 1995, the payment in cash of the subsidies provided so far to beneficiaries through Samurdhi banking unions commenced in accordance with the budget proposals of 2012. Its objective was to encourage Samurdhi beneficiaries to save and thereby induce them for future investment activities.

The number of Samurdhi beneficiaries during the year 2016 was 1,407,235, and in this respect an allocation of Rs.Bn. 40.74 had been spent.

Table 6.1 - No of Samurdhi beneficiaries during the past 05 years (2012-2016)

Year	No of beneficiaries
2012	1,516,543
2013	1,477,173
2014	1,479,811
2015	1,453,078
2016	1,407,235

Source – Departmental sources

Table 6.2 - Expenditure of the Samurdhi Subsidy Programme during the past 05 year (2012-2016)

Year	Expenditure Rs
2012	10,553,188,655.62
2013	15,255,979,958.73
2014	15,041,799,341.62
2015	40,209,736,640.00
2016	40,740,170,648.31

Source – Departmental sources

Table 6.3 - Distribution of the allowance related to the Subsidy Programme for the year 2016

No of members of the family	Value of subsidies Rs	Compulsory savings Rs	Social Security Rs	Housing lottery Rs	Amount entitled to the beneficiary Rs
04 or more than 04	3500/-	300/-	45/-	10/-	3145/-
03	2500/-	200/-	45/	10/	2245/-
Less than 03	1500/-	100/-	45/	10/	1345/-
Empowered families	450/-	365/-	45/	10/	-

Source – Departmental sources

6.1 Compulsory Savings

All beneficiaries are made contributors for compulsory savings, with the objective of familiarizing Samurdhi beneficiaries to savings, and the compulsory savings contributions could be withdrawn for any investment requirement, emergency hospitalization or higher educational requirement.

6.2 Social Security

Every beneficiary is made a contributor to the security programmes implemented with the objective of preventing families declining economically as a result of any death, marriage, hospitalization and child birth occurring in a Samurdhi beneficiary family, and providing a scholarship for 24 months when children of beneficiary families are studying for the GCE (Advanced Level).

6.3 Housing Lottery

This is a housing fund built up with the contributions of every beneficiary, with the objective of fulfilling the housing requirements of beneficiary families. 100 winners out of the beneficiaries are selected every month under the lottery system and each one of them is paid Rs.150,000/=.

6.4 Census of Samurdhi beneficiaries

In order to identify beneficiaries who really deserve the Samurdhi subsidy, an island wide census was held and concluded in 2016 and Rs Mn 42.98 spent in that behalf.

6.5 Amount entitled to the beneficiary

Opportunities are provided to obtain goods or services from any place of one's choice to fulfill any food or any other requirement from the cash received by the beneficiary through Samurdhi banks. The process of this subsidy sent from the Head Office to the District Secretariats, from there to Divisional Secretariats and through these being credited to the account of the beneficiary in the Samurdhi Bank, takes a long time. As such, the procedure to credit the beneficiaries' accounts through the money being credited direct from the Head Office to the Samurdhi Bank of the banking zone relevant to the beneficiary was started from the year 2015. Through this, an opportunity has been opened for the beneficiary to obtain the money due to him within a very short period.

Table 6.4. No of Samurdhi beneficiaries in the year 2016 district wise

District	Rs.420/-	Rs.1500/-	Rs.2500/-	Rs.3500/-	Total no of beneficiaries
Colombo	1,151	21,463	8,954	15,873	47,441
Gampaha	6,502	41,126	21,052	41,979	110,659
Kalutara	5,394	23,767	10,384	20,912	60,457
Kandy	6,744	31,199	14,297	31,104	83,344
Matale	2,847	15,825	7,619	14,259	40,550
Nuwara Eliya	7,720	12,665	5,994	12,675	39,054
Galle	7,424	20,501	11,542	29,457	68,928
Matara	4,205	23,467	10,905	23,998	62,575
Hambantota	5,962	14,972	9,653	22,741	53,328
Jaffna	0	13,284	9,164	31,161	53,609
Mannar	0	3,127	2,213	7,826	13,166
Vavuniya	2,720	2,898	1,588	4,717	11,923
Mullaitivu	44	2,068	2,490	6,464	11,066
Kilinochchi	0	2,937	1,933	6,759	11,629
Batticaloa	16,050	21,201	10,076	31,355	78,582
Ampara	13,434	21,194	10,586	27,992	73,206
Trincomalee	6,243	11,344	5,761	14,842	38,190
Kurunegala	8,097	51,190	26,760	54,776	140,823
Puttalam	1,385	22,009	8,720	18,732	50,846
Anuradhapura	4,475	22,898	11,260	21,306	59,939
Polonnaruwa	3,779	7,545	5,523	10,756	27,603
Badulla	5,432	19,080	9,544	21,329	55,385
Moneragala	6,772	12,666	7,736	18,012	45,189
Ratnapura	10,359	26,262	20,288	48,926	105,835
Kegalle	7,867	19,313	11,437	25,295	63,912
Total	134,606	464,001	245,479	563,149	1,407,235

Source – Departmental sources

- Shown below is the distribution of allocations district wise for Samurdhi subsidies from January to December 2016.

District wise distribution of Samurdhi subsidy provisions – year 2016

District	january	February	March	April	May	June	July	Agust	September	October	November	December	Total Allocation/Imprest (Rs.)
Colombo	116,064,040	115,854,620	115,193,060	114,556,360	114,501,940	106,146,800	121,857,240	113,457,560	113,813,860	112,343,900	111,319,560	111,010,380	1,366,119,320.00
Gampaha	279,137,100	278,379,860	275,604,360	270,941,640	268,508,960	267,618,000	266,894,480	266,500,120	266,242,340	265,402,620	264,830,080	263,860,020	3,233,919,580.00
Kalutara	142,160,480	141,885,600	141,475,940	140,879,660	140,508,360	140,052,220	139,411,140	139,000,920	138,645,580	138,226,880	137,414,580	137,325,540	4,600,038,900.00
Kandy	204,446,700	203,839,220	203,074,820	202,080,680	201,051,140	200,096,800	198,815,560	197,232,720	197,092,200	196,530,540	195,516,020	194,630,200	2,394,406,600.00
Matale	96,663,360	96,289,720	95,838,980	95,463,040	95,241,220	94,975,380	94,808,820	94,744,800	94,628,920	94,404,120	94,234,180	94,011,840	1,141,304,380.00
Nuwaraeliya	83,014,360	82,995,040	82,917,720	82,917,720	82,923,160	82,764,940	82,508,120	82,485,280	82,366,820	82,086,200	81,935,540	81,782,020	3,535,710,980.00
Galle	172,036,380	171,291,980	170,788,960	170,216,460	169,610,060	169,166,200	168,663,900	167,992,040	167,217,220	166,996,520	166,492,540	166,032,680	2,026,504,940.00
Matara	155,547,140	154,915,340	155,180,240	152,117,160	151,541,820	150,526,060	150,842,520	150,503,240	150,024,800	149,607,060	149,169,760	148,575,640	1,818,550,780.00
Hambantota	132,597,880	132,309,480	131,983,860	131,595,720	130,831,880	130,744,500	130,169,840	130,026,020	129,511,540	129,157,880	126,663,000	130,943,400	1,566,535,000.00
Jaffna	152,630,000	152,630,000	152,632,000	152,625,500	152,526,500	152,526,500	152,389,000	152,324,500	152,225,500	152,120,500	152,142,000	151,934,500	1,828,706,500.00
Mannar	37,723,000	37,708,000	37,685,000	37,685,000	37,619,000	37,614,000	37,614,000	37,610,000	37,603,000	37,603,000	37,612,000	37,614,000	451,690,000.00
Vavuniya	26,276,280	26,276,280	26,284,780	26,290,280	26,116,040	26,101,460	26,095,120	26,110,700	26,112,120	26,090,120	26,074,120	25,987,320	313,814,620.00
Mullaitivu	32,297,480	32,297,480	32,297,480	32,297,480	32,310,480	32,083,980	32,083,980	32,081,980	32,089,980	32,092,980	31,987,480	31,969,480	385,890,260.00
Kilinochchi	33,556,000	33,567,000	33,557,000	33,557,000	33,476,500	33,435,000	33,435,000	33,396,000	33,404,000	33,404,000	32,996,500	32,976,500	400,760,500.00

Batticaloa	176,516,180	176,337,440	176,207,180	175,811,820	175,635,820	175,340,240	175,065,860	174,821,580	174,655,100	174,184,260	173,932,340	173,756,480	2,102,264,300.00
Ampara	165,424,740	165,082,340	164,817,540	164,206,220	163,862,460	163,595,000	163,161,020	163,006,140	162,636,180	154,722,160	169,564,560	162,088,540	1,962,166,900.00
Trincomalee	87,549,460	87,463,820	87,332,940	87,307,460	86,783,600	86,765,040	86,704,540	86,763,020	86,669,200	87,439,500	87,233,780	86,024,180	1,044,036,540.00
Kurunegala	352,401,620	350,677,200	349,605,820	348,139,120	345,889,780	343,958,700	343,955,700	342,422,520	341,752,640	344,855,120	344,162,640	339,597,060	4,147,417,920.00
Puttlam	129,834,840	129,131,380	128,502,120	126,990,180	126,462,900	126,078,120	124,213,400	123,390,660	122,808,860	122,102,500	121,574,300	121,226,700	1,502,315,960.00
Anuradapura	142,362,600	142,064,060	142,134,200	141,536,060	141,249,240	140,453,160	140,361,280	140,006,380	138,849,680	139,628,140	139,174,080	139,058,300	1,686,877,180.00
Polonnaruwa	66,531,080	66,495,980	66,298,020	65,793,400	65,488,780	65,343,240	64,970,580	64,861,860	64,822,080	64,734,540	64,559,640	64,464,800	784,364,000.00
Badulla	131,989,380	131,850,560	131,814,400	131,488,860	131,301,820	130,984,720	130,778,680	130,673,380	130,236,880	130,055,600	129,768,640	129,539,500	1,570,482,420.00
Monaragala	107,496,600	107,412,720	107,254,200	107,496,600	105,028,520	105,013,340	104,722,760	104,765,840	104,651,220	104,517,800	104,344,220	104,324,020	1,267,027,840.00
Ratnapura	275,038,660	273,583,020	272,886,300	271,747,000	271,054,760	270,295,880	269,459,500	268,721,040	268,112,760	267,714,880	266,997,820	266,249,280	3,241,860,900.00
Kegalle	155,033,260	154,809,980	154,349,060	153,649,420	153,128,640	152,630,780	152,032,680	151,543,900	151,374,780	150,649,140	150,220,940	149,744,560	1,829,167,140.00
Total	3,454,328,620	3,445,148,120	3,435,715,980	3,417,389,840	3,402,653,380	3,384,310,060	3,391,014,720	3,374,442,200	3,367,547,260	3,356,669,960	3,359,920,320	3,344,726,940	40,733,867,400.00

07 PERFORMANCE OF THE SOCIAL SECURITY DIVISION

The main objective of the Social Security Division is to provide financial assistance during births, marriages, hospitalizations and deaths, being essential economic and social occasions of Divineguma (Samurdhi) beneficiary families and for Sipdora scholarships. Further, financial assistance is also given for births of twins in non Samurdhi beneficiary families.

7.1 Establishment of the Divineguma Social Security Fund

The Samurdhi Social Security Fund has been started and is being maintained under the Department of the Commissioner General of Samurdhi with effect from 01.01.1997 through trusteeship deed no 8. This fund is treated as a government owned non-commercial entity. Accordingly, while the Social Security Fund is an entity not dependent on government provisions, and generates income on its own, it has been categorized in this manner.

7.2 Management:

The management of the fund is done by the Samurdhi Social Security Trustee Board. Its composition is 11 members as shown below:

06 *ex officio* members.

- Head of the Department related to the fund – Chairman
- A representative of the Secretary of the Ministry related to the fund
- A representative of the Secretary of the Ministry in charge of the subject of Social Services
- A representative of the Secretary of the Ministry of Finance
- A representative of the Secretary of the Ministry of Policy Planning and Economic Affairs
- Director in charge of the Social Security Division for the time being.

05 Members nominated by the Minister in charge of the subject.

7.3 Contributors to the Fund

- Monthly contribution of Rs. 100/= given voluntarily by Samurdhi beneficiaries.
- Interest income earned from investments made in state banks.

7.4 Anticipated objectives

- Minimizing the financial difficulties that have to be faced unexpectedly and expectedly when Samurdhi beneficiaries are engaged in their economic activities, and safeguarding their social and living conditions.
- Taking action to develop the social and economic state of the beneficiary and non-beneficiary community by enhancing their nutrition levels.

7.5 Functions

- Providing financial assistance to minimize expenditure that has to be incurred in cases of death and illness which are factors for the decline of the socio economic levels of beneficiary families.
- Providing financial assistance to minimize expenditure during births and marriages, which are essential family requirements.
- Granting of Sipdora scholarships to children of Samurdhi beneficiary families who have passed the GCE Ordinary Level with distinction and engaged in studying for the GCE Advanced Level for their education.
- Provision of physical and financial facilities for identified special projects on the approval of the Social Security Trustee Board.

7.6 Benefits given by the Fund at present

01. For a child birth:-

- Rs.7,500/= entitled for each legitimate first, second and third child birth of Divineguma beneficiary families. If it is a still birth, after establishing that 07 months have elapsed, relevant payments will be made.
- In addition to the above Rs.7,500/= for beneficiary and non-beneficiary twin births payments as under mentioned:
 - Rs.60,000/= for an year at Rs.5,000/- monthly for two children
 - Rs.120,000/= for an year at Rs10,000/- monthly in cases of three or more children

02.For a marriage:-

- Payment of Rs.7,500/= each for two instances of legitimate marriages of the beneficiary or his/her children of Divineguma beneficiary families.

03.For a hospitalization:-

- Payment of a maximum of Rs.7,500/= for 30 days a year at Rs.250/= per day if the beneficiary, spouse or unmarried children of Divineguma beneficiary families get hospitalized.

04.For a death:-

- Payment of Rs.15,000/= each for the death of the beneficiary, his/her spouse, unmarried children, mother and father (whose names appear in the application form for membership) and deaths of persons who are under guardians as dependents, of beneficiary families.

05.Sipdora Scholarship programme

- On a weighted criteria based on the poverty line, students of beneficiary families spread island wide in 25 Districts who have passed the GCE Ordinary Level with distinction and engaged in studying for the GCE Advanced Level are entitled to a sum Rs.36,000/= for a study period of two years at Rs.1,500/= per month. This scholarship is awarded to 10,000 scholarship holders per year.

7.7 Fixed assets purchased from the Social Security Fund

➤ Nilavelly Samurdhi Center

This center, purchased by the Social Security Fund in the year 2016, is being used for the training programs of the officers of this Department and other institutions.

➤ Wanaspathi Circuit Bungalow, Pothuwila

This circuit bungalow half completed in a land belonging to the Department of Forest Conservation, was handed over to the Social Security Fund in the year 2003. Its repairs were done by this Fund, and all the necessary equipment also have been purchased.

DIVINEGUMA SOCIAL SECURITY FUND

Payment of Benefits From 2011 To 2016

Year	Births		Marriages		Illnesses		Deaths		Speciel Births		Scholarships		Total	
	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	වෙර ගනු	Amount Rs.	No.	Amount Rs.
2011	5,540	26,968,500.00	20,192	55,208,000.00	16,361	23,229,300.00	19,954	199,535,000.00			138,020	69,028,000.00	200,067	373,968,800.00
2012	5,148	25,740,000.00	24,405	73,213,000.00	22,460	61,993,900.00	24,187	241,865,000.00			125,151	105,792,500.00	201,351	508,604,400.00
2013	9,902	49,507,000.00	29,287	135,116,000.00	29,699	83,438,000.00	29,009	290,090,000.00			177,313	177,043,000.00	275,210	735,194,000.00
2014	10,833	54,160,000.00	32,630	163,098,000.00	32,969	91,714,270.00	28,690	286,891,500.00			70,040	70,040,000.00	175,162	665,903,770.00
2015	10,015	50,075,000.00	34,111	170,555,000.00	33,423	92,072,200.00	29,154	291,545,000.00			225,952	225,952,000.00	332,655	830,199,200.00
2016	7,884	56,405,000.00	29,853	215,562,500.00	36,758	111,245,700.00	26,739	382,120,000.00	34	135,000.00	222,128	222,128,000.00	323,396	987,596,200.00
Total	49,322	262,855,500.00	170,478	812,752,500.00	171,670	463,693,370.00	157,733	1,692,046,500.00	34	135,000.00	958,604	869,983,500.00	1,507,841	4,101,466,370.00

DIVINEGUMA SOCIAL SECURITY FUND***District - Wise Payment Summry*****From 01.01.2016 to 31.12.2016**

code No.	District Secretariat	Births		Marriages		Illnesses		Deaths		Scholarships		Special Births		Total	
		No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.
1	Colombo	77	535,000.00	530	3,762,500.00	640	2,126,150.00	1,052	14,520,000.00	5,914	5,914,000.00	-	-	8,213	26,857,650.00
2	Gampaha	421	3,017,500.00	1,819	13,135,000.00	2,420	7,810,350.00	2,060	29,740,000.00	11,288	11,288,000.00	-	-	18,008	64,990,850.00
3	Kalutara	197	1,347,500.00	1,149	7,885,000.00	1,459	4,432,700.00	1,688	23,020,000.00	8,941	8,941,000.00	-	-	13,434	45,626,200.00
4	Kandy	336	2,435,000.00	1,555	11,422,500.00	2,540	7,672,300.00	1,853	26,615,000.00	13,972	13,972,000.00	-	-	20,256	62,116,800.00
5	Matale	260	1,830,000.00	694	4,945,000.00	895	2,831,200.00	798	11,295,000.00	8,287	8,287,000.00	-	-	10,934	29,188,200.00
6	Nuwara Eliya	243	1,730,000.00	705	5,132,500.00	996	2,968,750.00	900	13,000,000.00	6,941	6,941,000.00	-	-	9,785	29,772,250.00
7	Galle	211	1,527,500.00	1,334	9,612,500.00	1,574	4,642,400.00	1,494	21,375,000.00	11,645	11,645,000.00	-	-	16,258	48,802,400.00
8	Matara	329	2,337,500.00	1,351	9,675,000.00	1,885	5,833,800.00	1,311	19,280,000.00	9,355	9,355,000.00	-	-	14,231	46,481,300.00
9	Hambantota	388	2,732,500.00	1,364	9,640,000.00	1,544	4,667,450.00	983	13,775,000.00	6,840	6,840,000.00	-	-	11,119	37,654,950.00
10	Jaffna	480	3,160,000.00	1,504	10,202,500.00	1,814	4,773,000.00	1,033	13,265,000.00	9,508	9,508,000.00	-	-	14,339	40,908,500.00
11	Mannar	154	1,102,500.00	380	2,682,500.00	386	1,177,800.00	151	2,120,000.00	8,004	8,004,000.00	-	-	9,075	15,086,800.00
12	Vauniya	97	700,000.00	295	2,175,000.00	252	856,600.00	148	2,135,000.00	2,416	2,416,000.00	-	-	3,208	8,282,600.00
13	Mullaittiv	153	1,142,500.00	188	1,410,000.00	187	664,950.00	116	1,740,000.00	5,584	5,584,000.00	-	-	6,228	10,541,450.00
14	Kilinchchi	87	585,000.00	184	1,305,000.00	182	561,300.00	112	1,550,000.00	6,793	6,793,000.00	-	-	7,358	10,794,300.00
15	Batticaloa	569	4,085,000.00	2,991	21,937,500.00	2,703	7,284,050.00	1,001	14,510,000.00	11,928	11,928,000.00	15	50,000.00	19,207	59,794,550.00
16	Ampara	572	4,052,500.00	2,319	16,437,500.00	3,030	7,947,050.00	911	12,915,000.00	9,263	9,263,000.00	-	-	16,095	50,615,050.00
17	Trincomalee	266	1,992,500.00	1,150	8,505,000.00	851	2,585,450.00	506	7,385,000.00	7,217	7,217,000.00	-	-	9,990	27,684,950.00
18	Kurunegala	690	4,975,000.00	2,260	16,282,500.00	3,309	10,357,650.00	2,793	39,690,000.00	15,993	15,993,000.00	-	-	25,045	87,298,150.00
19	Puttalam	354	2,630,000.00	941	6,920,000.00	783	2,682,450.00	1,035	15,280,000.00	9,383	9,383,000.00	3	12,500.00	12,499	36,907,950.00
20	Anuradhapura	458	3,327,500.00	986	7,280,000.00	1,225	4,029,000.00	853	12,440,000.00	9,060	9,060,000.00	-	-	12,582	36,136,500.00
21	Polonnaruwa	287	2,052,500.00	581	4,195,000.00	637	2,006,500.00	386	5,465,000.00	4,611	4,611,000.00	2	15,000.00	6,504	18,345,000.00
22	Badulla	302	2,192,500.00	1,199	8,765,000.00	1,955	5,742,250.00	1,110	16,010,000.00	9,130	9,130,000.00	4	12,500.00	13,700	41,852,250.00
23	Monaragala	248	1,732,500.00	988	7,112,500.00	1,107	3,361,250.00	696	9,855,000.00	8,835	8,835,000.00	-	-	11,874	30,896,250.00
24	Ratnapura	552	4,092,500.00	2,376	17,660,000.00	2,596	8,614,150.00	2,249	33,220,000.00	11,691	11,691,000.00	9	40,000.00	19,473	75,317,650.00
25	Kegalle	153	1,090,000.00	1,010	7,482,500.00	1,788	5,617,150.00	1,500	21,920,000.00	9,529	9,529,000.00	1	5,000.00	13,981	45,643,650.00
	Total	7,884	56,405,000.00	29,853	215,562,500.00	36,758	111,245,700.00	26,739	382,120,000.00	222,128	222,128,000.00	34	135,000.00	323,396	987,596,200.00

Prepared by:-

Checked by:-

Approved by:-

**Samurdhi Social Security Fund
Investment at 31.12.2016**

Code no.	Investee Institution	Date of Investment	Amount Rs.	Time Period	Interest Rate on Investment	Interest Amount on Investment	W.H.T.8%	Total Interest Income	Total Realized Amount	Date of Realization	Certificate No.
1	Bank of Ceylon, Torinton	2016.07.16	58,036,555.48	06 Month	10.85	3,148,483.13	251,878.65	2,896,604.48	60,933,159.96	2017-01-16	
2	Bank of Ceylon, Torinton	2016.07.15	65,790,700.42	06 Month	10.85	3,569,145.50	285,531.64	3,283,613.86	69,074,314.28	2017-01-15	76
3	Bank of Ceylon, Torinton	2016.06.07	215,622,310.97	06 Month	10.80	11,547,903.93	923,832.31	10,624,071.62	226,363,775.64	2016-12-07	58
4	Bank of Ceylon, Torinton	2016.06.01	127,459,150.12	06 Month	10.80	6,826,223.20	546,097.86	6,280,125.34	133,808,669.10	2016-12-01	57
5	Bank of Ceylon, Torinton	2016.08.18	109,336,287.98	06 Month	11.25	6,150,166.20	492,013.30	5,658,152.90	114,994,440.88	2017-02-18	20
6	Bank of Ceylon, Union Place	2016.11.19	209,830,136.99	06 Month	12.75	13,376,671.23	1,070,133.70	12,306,537.53	222,136,674.52	2017-05-19	46
7	Bank of Ceylon, Torinton	2016.11.18	209,275,616.44	06 Month	12.75	13,231,665.86	1,058,533.27	12,173,132.59	221,448,749.03	2017-05-18	45
8	Bank of Ceylon, Battaramulla	2016.11.30	305,960,097.98	06 Month	12.90	19,572,225.56	1,565,778.04	18,006,447.51	323,966,545.49	2017-05-30	86
	Total		1,301,310,856.38			57,850,259.05	4,628,020.72	53,222,238.33	1,354,533,094.71		
9	People's Bank Union Place	2016.06.03	581,110,451.67	06 Month	10.80	31,465,936.90	2,517,274.95	28,948,661.94	610,059,113.61	2016-12-03	53
10	People's Bank Borella*	2016.06.03	581,110,451.67	06 Month	10.80	31,379,964.39	2,510,397.15	28,869,567.24	610,059,113.61	2016-12-03	56
11	*People's Bank Battaramulla*	2016.06.06	462,759,058.32	06 Month	10.80	24,988,989.15	1,999,119.13	22,989,870.02	485,811,914.28	2016-12-05	52
12	People's Bank Battaramulla*	2016.11.27	601,774,956.47	06 Month	12.90	38,814,484.69	2,300,000.00	26,450,000.00	628,224,956.47	2017-05-27	49
13	People's Bank Purahala*	2016.06.02	585,089,455.96	06 Month	10.80	31,594,830.62	2,527,586.45	29,067,244.17	614,236,336.42	2016-12-02	55
14	People's Bank Purahala*	2016.06.10	222,323,684.25	06 Month	10.80	12,038,370.67	963,069.65	11,075,301.02	233,398,985.27	2016-12-10	78
15	People's Bank Co-Div.*	2016.06.07	582,000,000.00	06 Month	10.80	31,428,000.00	2,514,240.00	28,913,760.00	610,992,975.78	2016-12-07	54
	Total		3,616,168,058.34			201,710,576.42	15,331,687.34	176,314,404.39	3,792,482,462.73		
16	National Saving's Bank, Bambalapitiya	2016.07.02	550,677,417.05	06 Month	10.80	29,736,580.52	2,378,926.44	27,357,654.08	578,035,071.13	2017-01-02	67
17	National Saving's Bank, Bambalapitiya	2016.06.18	361,700,488.55	06 Month	10.80	19,531,826.38	1,562,546.11	17,969,280.27	379,669,768.82	2016-12-18	WD 61
18	National Saving's Bank, Battaramulla	2016.07.04	58,034,976.54	06 Month	10.80	3,133,888.73	250,711.10	2,883,177.63	60,918,154.17	2017-01-04	72
19	National Saving's Bank, Battaramulla	2016.06.12	116,069,953.08	06 Month	10.80	6,267,777.47	501,422.20	5,766,355.27	121,836,308.35	2016-12-12	WD 59
20	National Saving's Bank, Battaramulla	2015.11.06	59,284,494.99	06 Month	12.25	3,631,175.32	290,494.03	3,340,681.29	62,625,176.28	2016-05-11	42
21	National Saving's Bank, Narahenpitiya	2016.07.02	550,677,417.05	06 Month	10.80	29,736,580.52	2,378,926.44	27,357,654.08	578,035,071.13	2017-01-02	69
22	National Saving's Bank, Town Branch	2016.07.02	46,849,428.24	06 Month	10.80	2,529,869.12	202,389.53	2,327,479.59	49,176,907.83	2017-01-02	70
23	National Saving's Bank, Head office Kollupitiya	2016.07.10	155,746,309.22	06 Month	10.85	8,449,237.28	675,938.98	7,773,298.29	163,519,607.51	2017-01-10	77
24	National Saving's Bank, Head office Kollupitiya	2016.07.02	247,804,837.67	06 Month	10.80	13,381,461.23	1,070,516.90	12,310,944.34	260,115,782.01	2017-01-02	68
25	National Saving's Bank, Kirulapana	2016.07.16	63,173,076.67	06 Month	10.85	3,427,139.41	274,171.15	3,152,968.26	66,326,044.93	2017-01-16	73
26	National Saving's Bank, Kirulapana	2016.07.02	85,884,150.69	06 Month	10.80	4,637,744.14	371,019.53	4,266,724.61	90,150,875.30	2017-01-02	71
27	National Saving's Bank, Town Branch	2016.08.04	150,000,000.00	06 Month	11.25	8,437,500.00	675,000.00	7,762,500.00	157,762,500.00	2017-02-04	84
28	National Saving's Bank, Battaramulla	2016.08.08	37,740,037.57	06 Month	11.25	2,122,877.11	169,830.17	1,953,046.94	39,693,084.51	2016-02-08	85
29	National Saving's Bank, Battaramulla	2016.06.19	79,830,000.00	06 Month	10.80	4,310,820.00	344,865.60	3,965,954.40	83,795,954.40	2016-12-19	WD 60
30	National Saving's Bank, Battaramulla	2016.11.19	104,255,000.00	06 Month	12.75	6,646,256.25	531,700.50	6,114,555.75	110,369,555.75	2016-05-19	44
31	National Saving's Bank, Battaramulla	2016.11.23	64,406,812.65	06 Month	12.75	684,322.38	54,745.79	629,576.59	65,036,389.24	2017-05-23	19
32	National Saving's Bank, Pitakotte	2016.07.02	53,220,000.00	06 Month	10.80	2,873,880.00	229,910.40	2,643,969.60	55,863,969.60	2017-01-02	65
33	National Saving's Bank, Pitakotte	2016.07.01	153,018,750.00	06 Month	10.80	8,263,012.50	661,041.00	7,601,971.50	160,620,721.50	2017-01-01	64
34	National Saving's Bank, Pitakotte	2016.11.26	601,450,000.00	06 Month	12.90	38,793,525.00	3,103,482.00	35,690,043.00	637,140,043.00	2016-05-26	48
35	National Saving's Bank, Borella	2016.07.02	329,995,279.98	06 Month	10.80	17,819,745.12	1,425,579.61	16,394,165.51	346,389,445.49	2017-01-02	66
	Total		3,869,818,429.95			214,415,218.49	17,153,217.48	197,262,001.01	4,067,080,430.96		
36	HDFC Bank, Head office	2016.06.06	201,521,204.84	06 Month	11.00	11,083,666.27	886,693.30	10,196,972.96	211,746,114.72	2016-12-06	81
37	HDFC Bank, Head office	2016.06.06	11,854,188.53	06 Month	11.00	651,980.37	52,158.43	599,821.94	12,455,653.82	2016-12-06	80
38	HDFC Bank, Head office	2016.11.30	149,473,133.23	06 Month	12.90	9,561,775.86	764,942.07	8,796,833.79	158,269,967.02	2016-05-30	79
39	HDFC Bank, Head office	2016.11.30	42,128,372.00	06 Month	12.90	2,694,946.19	215,595.69	2,479,350.49	44,607,722.49	2016-05-30	83
	Total		404,976,898.60			23,992,368.68	1,919,389.49	22,072,979.18	427,049,877.78		
	Grand Total		9,192,274,243.27			497,968,422.64	39,032,315.04	448,871,622.91	9,641,145,866.18		

**Samurdhi Social Security Fund
Investment at 31.12.2016**

Investee Institution	Investment of Social Security Beach
Bank of Ceylon (BOC)	1,301,310,856.38
People's Bank (PB)	3,616,168,058.34
National Saving's Bank (NSB)	3,869,818,429.95
HDFC Bank	404,976,898.60
Total	9,192,274,243.27

08. Performance of the Social Development Division

Social development means the overall development of all sectors of society. The prime objective is the creation of an environment rich in spiritual development in overall society.

8.1 Background

Shown below are the details of programmes implemented by this Division in the year 2016 for social development, based on the theme that “economic development cannot take place without social development”

- Taking action to highlight the social values of all marginalized segments of society.
- Identifying the underlying social factors which give rise to poverty, and applying solutions to same.
- Implementing programmes enhancing the social and cultural values of low income earners, their families and children.
- Creation of a family replete with spiritual and moral development.
- Selection of one village per District as a model for all programmes implemented under the Social Development Programme, and taking necessary action to develop same.

8.2 Current Function

In order to achieve the above objectives, during the year 2016, the Social Development Division had been given a Treasury allocation of Rs. Mn 211. The function of the Social Development Division was to implement island wide spiritual and social development programmes operating concurrent to the Divi Neguma National Development Programme, by using the above funds. In addition to this, the targets of the Social Development Programmes of this year had been achieved utilizing the funds of the Social Development Foundation too.

Accordingly, the proposed programmes were implemented under the following six major sectors:

- 01 Prevention of drug abuse, Spiritual Development and Happy Family Programmes
- 02 Child protection, childrens' clubs and cultural programme
03. Counselling and Vocational Guidance
04. Programme for the commemoration of international days
05. Divi Saviya Gamanna Programme
06. Diriya Piyasa Housing Programme

8.2.1 Prevention of drug abuse, spiritual development and Happy Family Programmes

Society can be made a happier place based on to what extent the mores of the family, being the primary social unit, are society friendly. Within the modern competitive social set up the love, sympathy, kindness, respecting each other and social relations of the family members has declined and all have adapted a competitive life pattern. This is the social reality we see in the modern social context.

As such, it is expected to implement the Happy Families Development Programme with the objective of strengthening the family unit and society being made a happier place. Under it, activities took place at Secretarial Division level to achieve the under mentioned aims.

- Developing the awareness of the community about the use of drugs and smoking which interfere with the happiness of the family.
- Explaining that happiness is promoted by family members spending their lives loving, respecting and appreciating each other.
- Convincing that family happiness could be acquired through good domestic management.
- Promotion of the safety, security and freedom of the family members within the Happy Family.
- Creation of an eco-friendly housing unit, aesthetically inclined that safeguard social values.
- Ensuring that the satisfaction obtained by a person in the three fold physical, human and social sectors lead to the survival of a precise system.
- No of drug prevention, spiritual development and Happy Family programmes – 529
- Amount spent for this Rupees Million – 8.403



Anti Liquor and Happy Family Programme, Gampaha District



Anti Liquor and Happy Family Programme, Jaffna District

8.2.2 Child Safety and Childrens' Clubs Programme

The future of the world belongs to the children of the country. To take over this heritage, and to embellish their world, the children should be intelligent and courageous by developing skills. The primary objective of this programme is to usher in the child so empowered to the world of tomorrow, dignified and possessing an excellent personality who could take up challenges as a dignified citizen. By now one active childrens club per wasama, named Divineguma Kekulu Childrens Club has been established and reorganization took place during this year.

- ❖ One objective of the Childrens' Club programme is to rescue children from the drug menace as a targeted group that would fall victim to it.
- ❖ Establishing an active childrens club in every village (In accordance with the hand book called "Nipuna Lama Lowak")
- ❖ Briefing parents and children not only about child protection and security, but also about the duties, obligations and rights of children.
- ❖ Minimizing violence against children and enhancing child protection.
- ❖ Implementation of the enhancement of cultural and aesthetic values, enhancement of knowledge and aesthetic programmes for children living in every village, thereby creating sensitive children.

- ❖ Encouraging at least 60% of children at wasam level to participate in childrens clubs (between the ages 5-18).
- ❖ Encouraging children of school age who do not go to school to attend school and follow up action.

In order to enhance the cultural and literary skills of the children of these clubs which are operating island wide, and as well as to high light such skills at the national level, a competition was held at divisional, district and national level. The national level competition for 2016 was conducted at the Rahula Balika Vidyalaya, Malabe on the 22nd and 23rd October 2016 for children selected for the district level, and they participated in 12 events under 03 age groups as Sinhala and Tamil medium clubs.

- No of programmes implemented – 71
- Expenditure incurred – Rs Mn 7.41



Child Safety and Children's Club Programme - 2016



8.2.3.Counselling and Vocational Guidance

Under the function of eradicating poverty, within the period of twenty years' service of the Samurdhi and Divineguma Department, multi-faceted activities were done to identify the various dimensions of poverty and to correctly grasp those as spreading over through social and individual factors. Even though an economic advance was manifest in society through those activities, it is difficult relatively to see a major mental development in the people or a major reduction of the subsistence mentality.

“Counseling and Vocational Guidance” was introduced as a scheme to develop the mental capacity and to minimize the subsistence mentality of the beneficiaries, relative to economic development. Under this, in order to develop their mental capacity and to make them a community with strong personalities to bravely face the problems they encounter in their day to day life with self-help and dignity, 529 Counseling and Vocational Guidance Programmes were implemented incurring an expenditure of Rs Mn 8.4 island wide so as to cover all the Secretarial Divisions. For this purpose, the programme was executed jointly with the Counseling Assistant Officers working in Secretarial Divisions under the Ministry of Social Services through a participatory approach.

- No of programmes implemented – 400
- Expenditure incurred – Rs Mn 7.78

8.2.4.Programmes to commemorate International Days

8.2.4.1. International Women's Day (08th March)

The role of women is very extensive in the creation of a warm family environment to build a prosperous and just society replete with intellectual virtues. Similarly, it became a timely requirement to re-emphasize the importance of female leadership for the good order of society. 662 houses were handed over to two females each per Secretarial Division so as to cover the 25 Districts for helpless female householder families, under the “Diriya Niwasa” Programme concurrent to the International Women's Day.

8.2.4.2.International Literacy Day – 08th September

The majority of the low income earning community lives in estates and in urban shanty areas. A large number of their children of school going age do not go to school due to family difficulties. Under this programme, admitting illiterate children of the 5 – 14 group to proper schools, enhancing the literacy rate and guidance for other vocations were done.

8.2.4.3. International Childrens’ and Elders Day – October 01st

Conducting programmes for the distribution of prizes and certificates for the winning children after holding the Divineguma Kekula Childrens’ Social, Cultural and Literary Competition at zonal, divisional and district levels and implementation of programmes for paying homage to elders and worshipping parents.

8.2.4.4. International Anti-Smoking Day – 31st May

It is an obvious fact that the lack of resources is not the major factor affecting the low income earning community, but the cause is, going beyond it, their destruction of available resources whilst being engaged in anti-social activities. Use of liquor and cigarettes has been identified as the major anti-social activity. This destroys the economic cost.

The objective of the International Anti-Smoking Day is to highlight the health hazards and to oppose the increase in the social, environmental and economic decline due to the use of cigarettes and the smoke emitted, and to contribute to the safeguarding of the present and the future generation.

As such, every year flag programmes are being implemented since the year 1996 up to date based on the International Anti Smoking Day on 31st March. In addition, various special programmes are implemented at divisional, district and national level to divert the money spent for smoking on the development of the country.

For the 21st time, in the year 2016, action had been taken to distribute island wide flags and stickers printed with the motto “A friendly environment for all to live, devoid of cigarette smoke”, and a sum of Rs Mn 24.21 had been spent in this behalf by the National Foundation. The sale of flags was successful in earning a record Rs Mn 229.62 this time, making it the highest income derived during 21 years

Under the above mentioned international day commemoration programmes:

- Total number of programmes implemented – 535
- Money spent (Rs Mn) – 5.94



Commemoration of the International Anti Smoking Day – 31st May 2016

8.2.5.Divisaviya Village Programme

Personal development means guiding the individual towards a development replete with all aspects of economic, mental, social, intellectual and environmental factors. The process of economic development should be promoted by planning for generation of the incomes of individuals, families, groups and the community and providing facilities for projects and increasing employment opportunities. This model

village programme expects to develop a village as a model for all programmes implemented under the social development programmes, is aimed at livelihood development, favourable towards the welfare of the community and with a righteous social environment. The basic stage of establishing the model village is the creation of a village, by building the necessary social environment for that purpose and clustering a group of families through a participatory rural investigation

In the year 2015, 332 villages had been selected at the rate of one model village for each Secretarial Division. Thereafter, during the year 2016, it is expected to commence the preliminary work of the model villages at Secretarial Division level. In this connection, the supervision and follow up action in respect of the execution of the preliminary work of the model village would be done by the National Monitoring Committee, the District Monitoring Committee and the Divisional Monitoring Committee.

Approaching a joint course of action comprising institutions, heads of institutions, voluntary organizations and all responsible officers, the methodology implemented here is the joint contribution of the sectors of social development, livelihood, community based, micro finance and marketing to find solutions for the social and physical challenges.

- No of programmes implemented – 568
- Expenditure incurred – Rs Mn 32.91

8.2.6.Diriya Piyasa Housing Programme

The Diriya Piyasa Housing Programme is being implemented as a very appealing programme under the Divineguma Programme with the objective of providing a house for every homeless low income earner. This facility has been extended to families, who though owing land, are unable to construct a house. In this connection, more attention was paid to families with a large number of members, families with school going girls looking after their aged parents, families with disabled parents or children, families whose chief bread winner had died or with disabled adult children, families with school going orphan children being looked after by the grandmother or the grandfather as the guardian and partly built houses which cannot be constructed even after several years.

- No of houses constructed – 1003
- Expenditure incurred Rs Mn – 145.80

662 houses constructed concurrent to the International Women's Day are also included in the above figure.



The former and present condition of the house of Alagiri Kali Amma of no 110, Doranagoda North, in the Secretarial Division of Minuwangoda, Gampaha District

8.2.7. Progress Review

This is done in 2 stages:

- ❖ District level
- ❖ National level

8.2.7.1 Progress review at district level

This has been held once in every 03 months with the participation of the District Secretary, District Director of Divineguma, District Subject Manager, Headquarters Manager, Managing Director, Zonal Managers and the Social Development Assistants. Provision for this is released by the Social Development Division. In the year 2016, the number of programmes held had been 146.

8.2.7.2 Progress Review at National Level

This is also held once in every 03 months, where the Social Development Manager of the District is summoned to Colombo and this programme is held. 03 programmes had been held in the year 2016.

- No programmes implemented- 149
- Amount spent Rs Mn - 1.80

8.3 Social Development Foundation

The development of the tripartite development approaches of economic, social, spiritual and infrastructure facilities of the community identified as low income earners in accordance with the Samurdhi Act no 30 of 1995, is a significant function. In order to reach these approaches which are humanely and spiritually bound extensively, Social Development Foundations have been established to cover all Divisional Secretariats. District Social Development Foundations and the National Social Development Foundation also have been set up to activate the functions of these Foundations.

Funds for these Foundations are collected through the Anti-Liquor Flag Day Programme sales based on the International Anti-Smoking Day. All income earned through the flag sale programme starting on 31st May is credited to the Social Development Foundation of the respective Divisional Secretariat. 6% of the income earned is credited to the District and National Development Foundations as printing costs.

Utilizing these funds, Social Development Programmes are implemented at Secretarial Division level to achieve the tripartite development approaches. Accordingly, shown below are the programmes implemented island wide by the Social Development Foundations during the year 2016. Accordingly, development programmes have been implemented island wide utilizing funds exceeding Rs Mn 114.89.

Table 08-01 Progress of Programmes implemented with funds of Social Development Foundations

S/No	Programmes implemented	No of programmes	Amount Rs
01	Prevention of liquor and smoking, a Happy Family through spiritual development	1451	5,418,441.64
02	Child protection, Childrens' clubs and cultural	933	7,018,222.87
03	Sisu Diriya scholarships	2403	14,352,065.00
04	Schooling of children not going to school	66	537,383.00
05	Providing school equipment to school children	2754	10,760,433.85
06	Counseling and Vocational Guidance	125	670,265.60
07	International Day Commemoration	597	3,019,051.74
08	Diriya Piyasa Housing Programme	274	20,661,980.00
09	Repair of houses	619	22,543,233.70
10	Sanitation programmes	1905	16,184,350.00
11	Welfare Disabled Programme	125	6,467,105.39
12	Model Villages Programme	248	2,855,224.74
13	Others	208	4,409,541.25
Grand Total		11708	114,897,298.78

Source – Departmental sources

09. Performance of the Community Based Organizations Division

Empowerment of the people through community based organizations, regional organizations and district committees by developing knowledge, attitudes and skills to raise the social and economic conditions of the individual, family and the community, for the strengthening of human and physical resources.

Action has been taken to establish the Community Based Organizations Division under the Divineguma Development Programme for the empowerment of the community economically, socially and spiritually. Accordingly, for the promotion of the process of economic development, it has also been aimed to implement development programmes centered on the individual, family, group and the community for the alleviation of poverty, to ensure social justice and to enforce the national policy, through the provisions of the Divineguma Act No 01 of 2013. All development programme should be community centered and are implemented through Community Based Organizations. Accordingly, Divineguma community based organizations shall be established so as to cover each Grama Niladhari wasam, part of a Grama Niladhari wasam or several such wasams.

The Community Based Organization is the lowest organized unit linked to the community to execute the functions of this Division under the Department of Divineguma Development. A Community Based Organization is a village level organization linking with the community in the operational process proposed by the Divineguma Act. Based on this unit, the overall organizational structure such as the Divineguma Divisional organizations, Divineguma District committees and the Divineguma National Conference would be built.

All development functions of the Department of Divineguma Development according to the Divineguma Act should be performed under the guidance of the Community Based Organizations, being the lowest organized unit linked to the people, with the full participation of the community. Divisional organizations and district committees should also be established and maintained concurrent to the establishment of Community Based Organizations. The establishment, updating, maintenance and management of all these organizations as well as the monitoring of all activities of these societies will be done by the Community Based Organizations.

9.1. Functions performed by the Community Based Organizations Division – 2016

Details of the activities being carried out by the Community Based Organizations Division to empower the people to build up and strengthen Divineguma Community Based Organizations are as shown below.

- Encouraging its members and providing guidance for small groups to organize themselves.

- Taking action to encourage members to enhance their savings habits, promotion of livelihood activities and providing assistance.
- Taking action to implement programmes that would be necessary to increase the vocational skills and knowledge of the members.
- Organizing shramadana activities with the participation of the members and facilitating production and marketing matters.

The initial task has been the registration of Samurdhi Societies spread island wide as Community Based Organizations so that all these functions could be done properly.

9.2 Preparation of the Community Based Constitutions

In order to empower the rural community through Community Based Organizations and to carry out the above function relevant to it, it is essential that Community Based Organizations should be organized properly. As it is necessary to register Community Based Organizations basically, during the year 2016 the initial function of fashioning necessary was done.

Mainly, Samurdhi Societies which hitherto had been functioning at village level have to be registered as Community Based Organizations, divisional organizations have to be built up for the supervision of these organizations and district committees have to be established to supervise all these organizations basically.



For this purpose, during the year 2016, drafts of the Community Based Organization constitution, Divisional Organization constitution and the District Community constitution were prepared, translations into all three languages completed and action was taken to submit to the Legal Draftsman Department.



9.3 Implementation of Training Programmes

9.3.1 Programme for the training of trainers

Action was taken to make use of the 144 trainers selected at District level to provide an understanding to all officers and beneficiaries about the process of registering the existing Samurdhi Societies, about the draft Community Based Organization constitutions and regulations prepared to strengthen and build up Community Based Organizations, and to brief about the functions to be carried out through Community Based Organizations.

Under the initial phase, 3 programmes of 2 days each were organized to brief the training team about this. 2 Sinhala media and 1 Tamil mediaprogrammes had been successfully concluded at the Samanalawewa, Balangoda and Nillamba Training Centers. Action was taken to provide knowledge about the under mentioned subjects through these training programmes.

1. Development of attitudes of the training officers in order to achieve the aims and objectives of the Community Based Organizations through this training programme.
2. Providing the basic understanding about the registration of Community Based Organizations in accordance with the constitutions.
3. Providing knowledge about the subjects of accounts and audit matters of Community Based Organizations

After this training, under the second phase, they were made aware that the training team should organize island wide awareness programmes for all Divineguma Managers, Development Officers and the community of the Districts and Divisions, and to implement the training programmes in all the Districts.

9.3.2 Awareness Program for District and Divisional Level Officers

Action had been taken to release provisions for the Districts to implement training programmes for all Divineguma Managers, Development Officers and the community of the Districts and Divisions using the trained officers in the entire districts island wide. Accordingly, action had been taken to conduct 243 programmes. All officers were provided with the basic knowledge about the draft constitutions and accordingly about the registration of Community Based Organizations. The main objective here was to improve community based organizations that were inefficient, to firmly establish new community based organizations and through it to get organizations registered properly. The aim was to successfully organize and execute programmes up to divisional, district and national level, while implementing socio-economic development activities taking place at rural level through Community Based Organizations.



The progress of these programmes is shown below.

9.4 Progress of the programmes

Amount of provisions allocated to the Community Based Division – Rs Mn 11.00

Progress of programmes carried out by the Community Based Division – 2016

Table 09-01 Performance of the Community Based Division – 2016

Serial No	Programme	No of programmes	Actual Expenditure (Rs)
1	Discussins about the legal frame work of the constitutions	01	5,905.00
2	Awareness programme for Divineguma Managers and Divineguma Development Officers regarding the registration of Community Based Organizations	243	7,018,472.10
3	Training of trainers programme (TOT)	03	260,719.90
4	Awareness programme about the methodology for the legalizing of Divineguma Community Based Organizations and banks	20	1,224,903.00
	Total	267	8,510,000.00

Source – Departmental sources

10 Performance of the Livelihood Development Division

The function of this Division is the enhancement of the living conditions of Divineguma (Samurdhi) beneficiary and low income earning communities by increasing production in the agricultural, animal husbandry, fisheries and the industrial sectors and through the generation of new employment opportunities.

The Livelihood Development Programme for 2016 was launched with the objective of increasing the income levels of low income earning families, enhancing the health and nutritional levels, creating a sustainable agriculture, as well as for providing vocational training to provide appropriate trained labour for the job market. Under this, it was possible to implement 06 innovative and special programmes as shown below, and a Treasury provision of Rs Mn 577.06 was allocated to the Livelihood Development Division. As the Divineguma Programme is the major Government programme implemented to minimize poverty covering all the Grama Niladhari Wasams in the 25 Districts, the under mentioned contributions were made to productively increase the livelihood sources of the Samurdhi beneficiaries and the low income earning community according to their requirements.



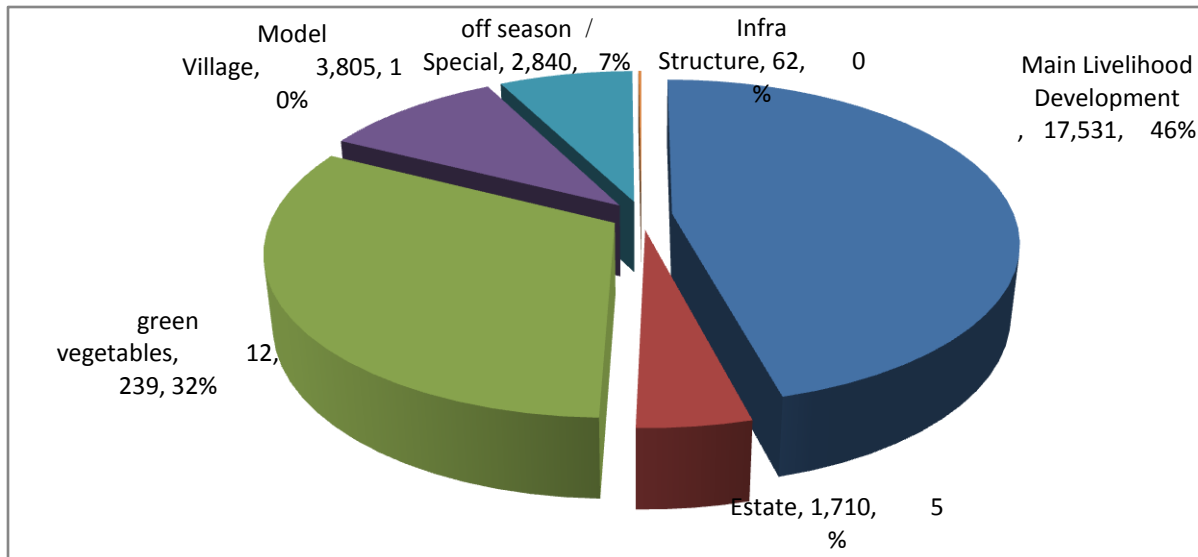
Table 10-01 Physical and financial progress of programmes completed with the contributions of the Government and the beneficiaries – 2016

Programme	Amount of provisions allocated (Rs Mn)	No of projects completed	Expenditure (Rs Mn)	Beneficiary contribution	No of beneficiary families
Programme for the cultivation of green vegetables/leaves, local yams crops/forestation	20.49	12,239	22.26	50.78	525,166
Main Livelihood Development Programme	284.50	17,531	277.91	138.95	17,531
Estate community centered Program for the generation if additional income	50.00	1,710	40.84	3.90	1,710
Samurdhi Model Village Programme	78.54	3,805	78.54	15.37	3,805
Cultivation of off season crops and Special Projects Programme	51.92	2,840	48.76	24.39	2,840
Infra Structure Programme enabling livelihood development	91.61	62	90.51	9.03	123,775
Project administrative cost			5.30		0
Total	577.06	38,187	558.82	242.42	674,737

Source – Departmental sources

10.1 Physical state of ongoing programmes





10.1.1. Programme for the cultivation of green vegetables/leaves, local yams crops/forestation

Concurrent with the “Righteous cultivation, a healthy nation and preservation of the environment” programme implemented by the Government, this programme was implemented in all the Districts aimed at easily obtaining fresh green vegetables/leaves and indigenous yams from one’s home garden, under toxic free carbonic agriculture, forestation and preservation of the environment. Under this, the under mentioned programmes were implemented.

1. Programme for the cultivation of green vegetables/leaves and indigenous yams (toxic free leaves and yams)
2. Forestation programme (Samurdhi Wana Roda)

10.1.2. Forestation programme (Samurdhi Wana Roda)

Rs Mn 25.03 provisions were allocated to this programme which was started during the first quarter, and this had been distributed to each District based on the total number of Grama Seva Wasams and the number of Samurdhi beneficiaries. However, due to the dry weather that prevailed during the first 07 months of the year 2016, it should be especially pointed out that this programme had been implemented in each District during the final quarter. Under this condition, out of the provisions made, 20.49 had been utilized for this and the relevant Districts had taken action to adjust the balance provisions to the main Livelihood Development Programme.

Even though it had been planned to cover 50 beneficiary families from each wasama through this programme, due to the conditions mentioned above, at least 42 beneficiary families/home gardens within the 12,239 Grama Niladhari Wasams were developed through this project, it was encouraged to grow 05 types of green vegetables/leaves and 05 types of indigenous yams in these home gardens. Also, to preserve the environment action was taken to cultivate under forestation forest plants inherent to each area in public places such as schools, temples, government offices, sides of channels, and the care of these forest plants was entrusted to the beneficiaries. This programme was a prominent mission performed by the Divineguma Department for the preservation of forests in Sri Lanka, and its progress is to be measured in the year 2017.



Table 10-02. The progress of cultivation of green vegetables/leaves and indigenous yams and forestation programme

No of wasams where programme is implemented	No of beneficiary home gardens/families	Amount of provisions allocated (Rs Mn)	Total Departmental expenditure
12,239	525,166	22.89	20.08

Source – Departmental sources

No of awareness programmes held - 9,015 Expenditure - Rs Mn.4.76

No of compost fertilizer units- 96,563 Expenditure - Rs Mn. 0.48

Beneficiary contribution for leaf/yam/forest plant cultivation – Rs Mn. 50.78 Departmental expenditure – Rs Mn 14.75



The special feature of this programme is that green vegetables, leaves and yams that have to be cultivated are available around the relevant villages and that expenditure has to be incurred only when necessary. As stated above, green vegetables and leaves were cultivated in the home gardens of 525,166 beneficiary families. Money provided had been utilized not only for workshops about the importance of toxic free cultivation and cultivation training, but also for constructing/purchasing compost fertilizer units.

10.2 MAIN LIVELIHOOD DEVELOPMENT PROGRAMME

While this programme was the main programme for the development of livelihood implemented so as to cover all the Grama Niladhari Wasams in the 25 Districts, under this, apart from agriculture, animal husbandry, fisheries, small industries and enterprise development programmes, vocational training programmes targeting employment were also implemented.

Provisions amounting to Rs Mn 284.50 had been allocated to the 25 Districts for the implementation of the programme based on the number of Samurdhi beneficiaries and the poverty index in respect of each District, and necessary instructions were given to make adjustments percentage wise appropriate to the development potential prevailing in the Districts.

In this connection, instructions were given to identify projects where the various beneficiaries could be empowered within 03 years, and the programme was implemented so that 50% of the estimated cost of each project would be the Government contribution, and the balance 50% the beneficiaries' contribution. Also, depending on each project, the maximum contribution of the Government ranged between Rs.10,000 to Rs.80,000.

Accordingly, 17,531 livelihood projects had been implemented, as shown below, incurring an expenditure of Rs Mn 277.91 and action was taken to enhance the income levels of 17,531 beneficiary families.

Table 10-03. Physical and financial progress of the main Livelihood Development Programme-2016

Type of Project	No of projects	Departmental expenditure (Rs Mn)	Beneficiary contribution (Rs Mn)	No of beneficiary families
Agricultural Development Projects	3,373	38.62	19.31	3,373
Animal Husbandry Development Projects	4,852	52.65	26.33	4,852
Fisheries Development Projects	217	4.48	2.24	217
Industrial and Enterprise Development Projects	5,587	79.75	39.87	5,587
Job Oriented Vocational Training Projects	3,502	102.39	20.48	3,502
Total	17,531	91	108.23	17,531

Source – Departmental sources



Out of the agricultural development projects, a majority of beneficiaries, that is, 429 had obtained benefits for the cultivation of pepper, and for this purpose Rs 2.07 Mn had been spent. Further, as most beneficiaries were low income earners engaged in agriculture, assistance had been given to 392 beneficiaries to obtain agricultural implements according to their requirements, spending Rs 5.07 Mn. Similarly, the ability to create Samurdhi producers was received through financial contributions to develop value added agricultural products of 274 beneficiaries, incurring an expenditure of Rs 5.17 Mn. In this manner, under Animal Husbandry Projects, Rs 16.04 Mn had been given to 2,776 persons for domestic level poultry breeding, Rs.9.92 Mn to 905 beneficiaries for commercial level breeding and Rs.5.77 Mn for 163 milch cows to 163 beneficiaries.

It must be specially pointed out here that under the Job Oriented Vocational Training Programme implemented for young children between 18 – 35 years of Samurdhi beneficiaries, Rs 42.43 Mn for heavy vehicle driver training to 1,466 persons and Rs 31.16 Mn for machinist training for 871 persons had been provided. (Annex 01 shows the analysis of these projects)

10.3 Programme for the generation of additional income related to the estate community.

Special attention was paid during this year to improve the living conditions of low income earning/Divineguma beneficiary community living associated with estates, and for this purpose, Treasury provisions of Rs 50 Mn had been given to 06 Districts to implement Livelihood Development Projects.



This amount of provisions was allocated to the 06 Districts of Kegalle, Ratnapura, Kandy, Matale, Nuwara Eliya and Badulla based on the estate worker demography, and the progress of the livelihood projects implemented is as shown below:

Table 10-04. Physical and financial progress of the programme for the generation of additional income related to the estate community - 2016

Type of Project	No of projects	Departmental expenditure (Rs Mn)	Beneficiary contribution (Rs Mn)	No of beneficiary families
Agricultural Development Projects	166	3.66	0.37	166
Animal Husbandry Development Projects	928	19.79	0.98	928
Industrial and Enterprise Development Projects	463	13.48	1.17	463
Job Oriented Vocational Training Projects	153	3.91	0.36	153
Total	1,710	40.84	3.91	1,710

Source – Departmental sources



In this programme, the beneficiary contribution was 10% and the maximum Departmental contribution was Rs. 50,000/-. As shown above, most of the beneficiaries were interested in improving the animal husbandry projects, and 305 were inclined for domestic level poultry keeping and 151 were inclined for rearing milch cows.

10.4 Samurdhi Model Village Programme

The Samurdhi Model Village Programme was implemented to represent every District with the objective of maintaining family nutrition and food security through a permanent production methodology, and necessary instructions were given to implement this programme through a joint approach for integration and eco friendliness and which could be used as a model for others.

Accordingly, 40 villages with the precise level of infra structure facilities with more active officers and where such a program could be easily implemented were selected, and the required development tasks were launched to empower to the community of these villages.



Development activities of these villages were implemented so that the development activities being implemented by this Department too would be integrated, and under this, it was possible to implement livelihood projects, marketing development projects, providing micro finance credit facilities and implementing social and spiritual development programmes, development of infra structure facilities and the capability to strengthen community based organizations was also provided.

Thus, according to the Livelihood Development Action Plan, action was taken to give provisions of Rupees 79 Million at Rupees 02 Million per village for 40 villages and Rupees 05 Million per village through the Marketing Development Programme, thereby allocating an amount of Rs 07 Mn provisions for each village.

Even though the main objective of this programme was the building up of a production village, only a few villages were able to reach that objective. Despite paying more attention to special livelihood projects and projects supporting livelihood development, it had not been planned to create a model Samurdhi village. This was mainly caused due to insufficient time as a result of this programme being launched during the 3rd quarter.

However, it was significant that a Samurdhi flower village, iron implement manufacturing village and a clay production village became active through this programme. Similarly, special mention must be made about being able to construct an elephant fence round a village which was risky even for safeguarding lives due to the elephant threat.



Table 10-05. Physical and financial progress of the Samurdhi Model Villages programme – 2016

Type of Project	No of projects	Departmental expenditure (Rs Mn)	Beneficiary contribution (Rs Mn)	No of beneficiary families
Agricultural Development Projects	2,508	25.37	4.90	2,508
Animal Husbandry Projects	484	18.56	3.65	484
Industrial Development Projects	729	21.71	4.17	729
Marketing Development Projects	66	1.52	0.30	66
Infra Structure Dev Projects	18	11.06	2.21	18
Training Programmes	31	0.32	0	31
Total	3,805	78.54	15.23	3,805

Source – Departmental sources

In the implementation of this programme the maximum Departmental contribution for each beneficiary was Rs. 75,000 and the beneficiary contribution was 20%.

10.5 Cultivation of off season crops and Special Development Project Programme

A provision of Rs 51.92 Mn was made for this programme with the aim of propagating the cultivation of fruits that can be grown off season such as mangoes, rambuttan, plantains, papaw etc and for crops such as big onions, potatoes and chillies that have a high demand.

Through this, it was expected to ensure a better local and foreign market with higher prices and encouraging beneficiaries to cultivate during the dry season, and provisions were made according to the requirements of the Districts for crops with a higher potential in the various Districts.

Here too, the maximum Departmental contribution for each beneficiary was Rs. 50,000 and 50% of the estimated cost of the project was borne by the beneficiary and the balance 50% by the Department.



Table 10-06 Cultivation of off season crops and Special Development Project Programme – Physical and Financial Progress– 2016

Source – Departmental sources

Beneficiaries were encouraged about off season crops and other crops that could be specially cultivated, and the necessary contribution was provided for the commencement of new crops and to improve existing cultivations.



Type of Project	No of projects	Departmental expenditure (Rs Mn)	Beneficiary contribution (Rs Mn)	No of beneficiary families
Cultivation of seed potatoes	331	7.01	3.51	331
Cultivation of big onions	368	6.72	3.37	368
Cultivation of chillies	281	5.58	2.79	281
Cultivation of peanuts	120	2.33	1.16	120
Cultivation of plantains	128	2.64	1.32	128
Cultivation of rambuttan	33	0.01	0.01	33
Cultivation of passion fruit	20	0.20	0.10	20
Cultivation of cashew	31	0.40	0.20	31
Cultivation of papaw	46	1.07	0.53	46
Cultivation of betel	160	0.37	0.18	160
Cultivation of mangoes	98	1.23	0.61	98
Cultivation of pepper	257	1.18	0.59	257
Cultivation of additional crops	490	4.00	2.00	490
Cultivation of cut flowers	51	0.30	0.15	51
Cultivation of tea	1	0.15	0.07	1
Rearing of milch cows and construction of cattle sheds	61	9.83	4.91	61
Agro capital equipment	364	5.74	2.87	364
Total	2,840	48.78	24.37	2,840

10.7 Infra Structure Facilities Development Programme supporting Livelihood Development

Under the Divineguma Livelihood Development Programme for 2016, action was taken to give provisions also for infra structure projects essential for low income earners. For this, provisions amounting to Rs 91.61 Mn were given to the Districts of Kandy, Nuwara Eliya, Vavuniya, Kegalle, Kurunegala, Ampara and Hambantota to implement the respective 14 projects.

Among these projects, action was taken to complete projects such as the construction of public toilets, expansion of water schemes, construction of tube wells and cultivation wells. Accordingly, it can be pointed out that the under mentioned projects were implemented in respect of facilitating the income generating activities of 123,775 beneficiaries.



Table 10-07 Infra Structure Facilities Development Programme supporting Livelihood Development - Physical and Financial Progress

Type of Project	No of projects	Provisions given (Rs Mn)	Departmental Expenditure (Rs Mn)	No of beneficiary families
Construction of public toilets	02	16.45	16.19	105,000
Construction and improvement of water schemes and tube wells	02	34.98	34.98	2,153
Road Development	07	37.55	37.31	16,532
Hereditary Dancing Industry	51	2.03	2.03	90
Total	62	91.01	90.51	123,775

Source – Departmental sources



10.8 OVERALL PROGRESS

In this manner, it became possible to productively and successfully implement the Livelihood Development Programme through 06 programmes in the year 2016, and the base was laid to empower Samurdhi beneficiaries within a certain specific period. Funds provided for all Livelihood Projects were grants, and it became possible to improve further the income levels of low income earners and Samurdhi beneficiaries through increasing the finished value of the projects by including the contribution of the beneficiaries also.

Also, action had been taken to make the Livelihood Programme easier by providing loans at concessionary installments under low interest, when there was no money available for beneficiaries to provide their contribution, when the Livelihood Development Programme, implemented at the level of Samurdhi Banking Societies was also being implemented by the Livelihood Revolving Fund.

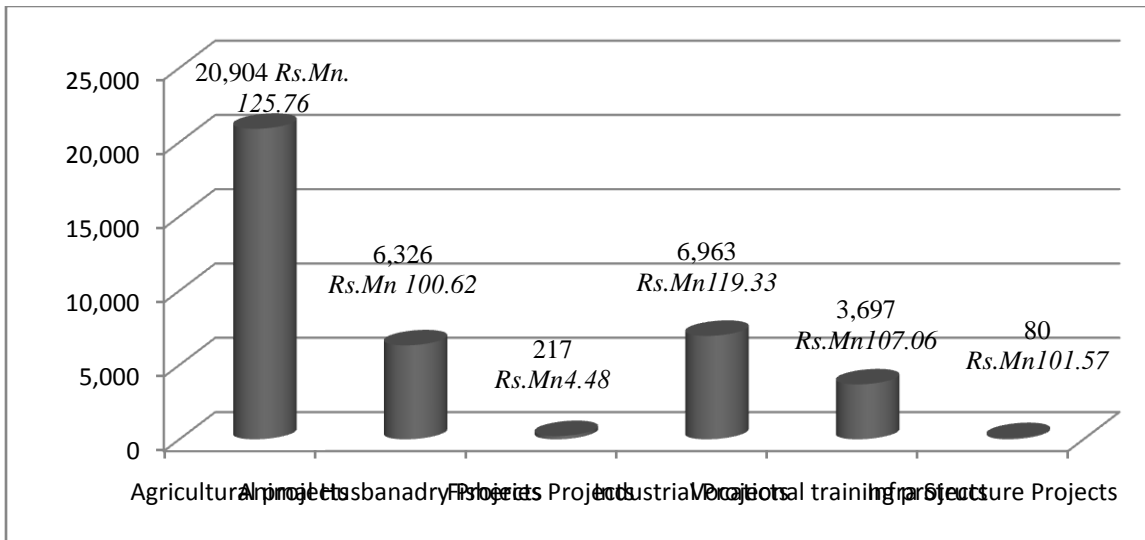
Table 10-08 Overall physical and financial progress of the Livelihood Development Programme at Project Level - 2016

Type of project	No of completed projects/ expenditure (Rs Mn)	Cultivation of green vegetables/ leaves and local yams programme	Main Livelihood Development Programme	Programme for the generation of additional income related to the estate community.	Samurdhi Model Villages Programme	Cultivation of off season crops and special projects	Infra Structure Facilities Development Programme supporting Livelihood Development	Grand total	
Agricultural Development	Number	12,239	3,373	166	2,508	2,618		20,904	
	Amount	22.26	38.64	3.66	25.37	35.83		125.76	
Animal Husbandry	Number		4,852	928	484	62		6,326	
	Amount		52.65	19.79	18.56	9.62		100.62	
Fisheries Development	Number		271					271	
	Amount		4.48					4.48	
Industrial and Enterprise Dev	Number		5,587	463	795	118		6,963	
	Amount		79.75	13.48	23.55	2.55		119.35	
Job oriented vocational training	Number		3,502	153		42		3,697	
	Amount		102.39	3.91		0.76		107.06	
Infra Structure Facilities	Number				18			62	80
	Amount				11.06			90.51	101.57
Total	Number	12,239	17,531	1,710	3,805	2,840		62	38,187
	Amount	20.09	277.89	39.03	76.85	48.78	90.25	552.89	

Source – Departmental sources



Chart 10-01 Overall physical and financial progress of the Livelihood Development Programme at Project Level – 2016



11 Performance of the Marketing Development Division

The main objective of the Marketing Development Division, whose main theme is to provide a fair price to the producer, a concessionary price to the consumer and to improve self-employment opportunities, is the *“expanding of market opportunities for new products”*.

The Marketing Division of the Department of Divineguma Development implements a programme for the construction of houses for low income earners utilizing the Divineguma Housing Development Lottery Fund, and implements the Marketing Development Programme under Treasury provisions according to programmes planned annually with the objective of marketing and obtaining fair prices for the products of small and medium scale producers and for expanding the market for their products.

During the year 2016, a sum of Rs 1060.13 Mn had been spent to implement these programmes, made up of Rs 825.75 Mn from the Lotteries Fund and Rs 234.38 Mn for marketing programmes

11.1. Marketing Development Programme - 2016

Vision :-

“A benevolent business community”

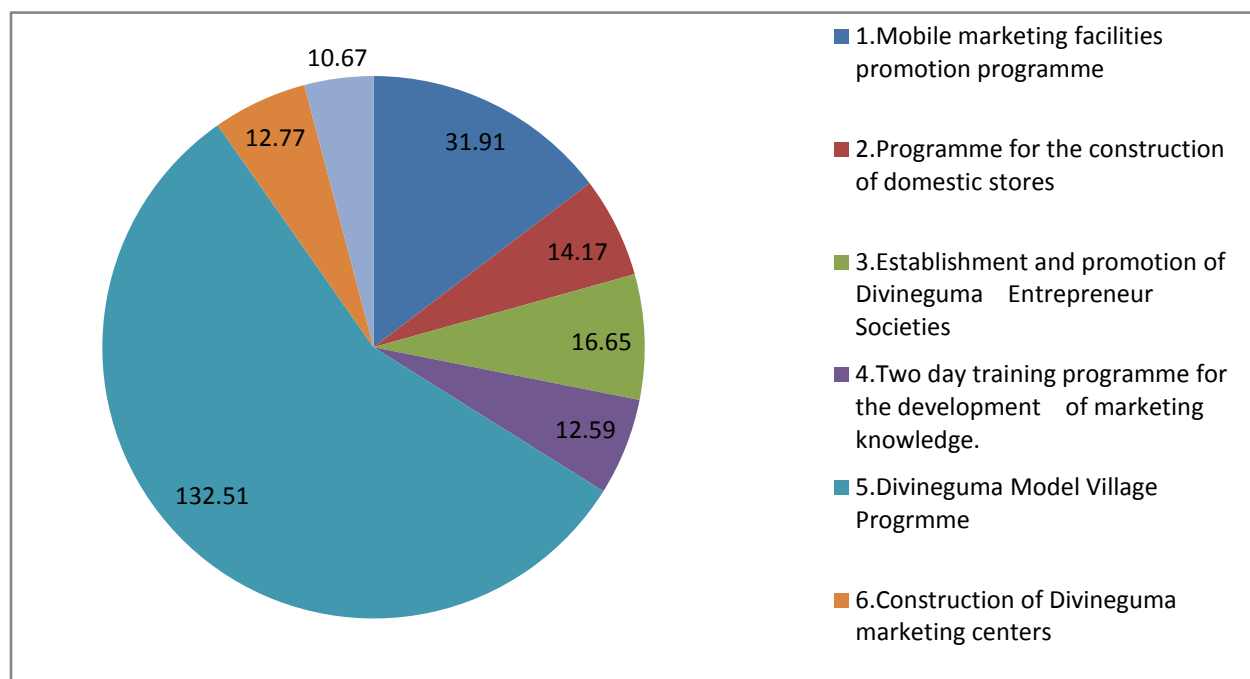
Mission:-

A fair price to the producer, concessionary prices to the consumer and increasing self employment opportunities.

The Divineguma Marketing Development Programme for the year 2016 was implemented under 07 main programmes with the aim of expanding marketing opportunities for the products and services of Divineguma beneficiaries at divisional, district and national level, as well as for introduction of new products to the market and to widen self-employment opportunities. Its overall expenditure was Rs 230.24 Mn and financially, a progress of 90% has been achieved.

Programme	Amount spent Rs Mn	No of programmes/ projects
1.Mobile marketing facilities promotion programme	34.38	647
2.Programme for the construction of domestic stores	14.05	154
3.Establishment and promotion of Divineguma Entrepreneur Societies	17.49	319
4.Two day training programme for the development of marketing knowledge.	13.58	329
5.Divineguma Model Village Programmme	132.11	40
6.Construction of Divineguma marketing centers	13.20	03
7.Trade Stall programmme	09.64	03
Grand Total	234.3	1495

11.1.1 Mobile Marketing Facilities Promotion



Programme

This programme was implemented to expand the opportunity to obtain a higher price after selling his products by going to the consumer aimed at minimizing the distance between the producer and the

consumer (without the intervention of a middle man). Attention was paid to expanding marketing opportunities jointly with agricultural, industrial and service sectors. For this purpose, 658 mobile vehicles and stalls were given in the year 2016 incurring an expenditure of Rs 34.38 Mn. This programme was implemented on the requirement and requests of each producer identifying the problems related to the transport of the products of Divineguma producers spread island wide and medium scale and small scale mobile vehicles and stalls were provided. During this year, 200 medium scale mobile vehicles and 458 small scale mobile vehicles and stalls were provided at district level to expand the transport functions of the producers.



(MatarDistrict – Mobile vehicles and stalls)

11.1.2 Construction of domestic stores programme

The construction of stores programme was executed with the aim of releasing stocks based on market demand and price variations by stocking of products of producers. It was targeted to construct 200 stores to stock excess stocks and sell at a higher price and for stocking of raw materials, and it was estimated to incur Rs 14.79 Mn Departmental provisions for this. A maximum of Rs.100,000/- was estimated for each beneficiary, and under this programme, 154 stores had been constructed spending Rs 14.17 Mn. (Annex 01)



(Matara District – Construction of domestic stores) (Moneragala District – Construction of domestic stores)

11.1.3 Establishment and Promotion of Divineguma Enterprise Societies

This programme was implemented with the main objective of creating a strong business network to function within the national market as a group, by combining Divineguma producers spread within the Divisional Secretariat. The number of business societies established throughout the island is 331, and the Department gave provisions for training requirements regarding the basic operations and establishment matters of these societies. Progress is shown below. (Annex 01)



(Matara District – Establishment of enterprise societies)

11.1.4 Two day training programme to develop marketing knowledge.

Under this, 317 two day training programmes were conducted with the aim of improving the knowledge and skills of businessmen engaged in small scale productions and services within the Secretarial Division, and the number given training is 17618.

Training Content

First day

- Maintenance and promotion of consumer relations.
- Development of characteristics and capabilities of a successful entrepreneur
- **Standardization and publicity of products**

Second day

Field observation trip to exchange experiences of entrepreneurs who had conquered the market.

The amount spent for these training programmes implemented at Secretarial Division level was Rs 13.51 Mn.



District – Training Programmes)

(Moneragala District – Field observation)

(Matara

11.1.5 Divineguma Model Village Programme.

Rs 5 Mn had been provided for each village aimed at the promotion of marketing activities for produce of model villages selected for development as Samurdhi model villages by the Department of Divineguma Development. Under this, marketing infra structure facility projects as well as general infra structure facilities development projects were implemented in 28 model villages throughout the island.

Table No 11-01 Divineguma Model Village - 2016

District	Name of model village	Amount spent Rs.
Colombo	Pelenwatta North	2.52
Gampaha	Dambutuwa/Induragara	7.51
Kalutara	Retiyala	4.97
Kandy	Pahalagama	5.18
Matale	Udahapuwida	4.95
Nuwara Eliya	Makempe	5.50
Kegalle	Ambalawa	5.00
Ratnapura	Seelagama	5.00
Kurunegala	Madawa	5.64
Puttalam	Wathupola	5.00
Anuradhapura	Moragoda	4.99
Polonnaruwa	Thalokolawwewa/Bandana gala/Yatiyalpathana	14.50
Badulla	Maduragama	5.00
Monegala	Ikiriyanpola	5.00
Galle	Ukwatta	5.00
Matara	Mawarala	5.00
Hambantota	Punchiappujapura	2.25
Vavuniya	Omanthai	5.00
Kilinochchi	Mulankavil	5.00
Mullaithivu	Ottaruttakulam	5.00
Trincomalee	Seruwila	4.05
Batticaloa	Mawadiwembu	5.00
Manaar	Pumalanthan	5.00
Ampara	Sarvodapuram	4.97
Jaffna	Kollankaladdi	5.08
Total		132.11

(Source – Departmental sources)



(Matara District Road construction in the model village)



(Polonnaruwa District Bougainvillea Model Village)

11.1.6 Construction of Divineguma Marketing Centers

It was planned to commence marketing centers at district level providing multiple products and services aimed at expanding the market demand for the produce of Divineguma producers, and the first stages of these centers in the districts of Ratnapura, Puttalam and Manaar were constructed. A sum of Rs.13.20 Mn had been spent for the construction of marketing centers planned for each district

District	Amount spent Rs Mn
Ratnapura	1.99
Puttalam	6.76
Manaar	4.45



(Manaar District – Marketing Center)



(Moneragala District – Marketing Center)

11.1.7 Trade Exhibition Programme

The Divineguma Trade Exhibition Programme based on the theme “Da Bindu Muthu – 2016” was implemented. This programme was held at national level at the Waters Edge complex, Battaramulla, Colombo with the objective of introducing products of the agricultural, animal husbandry, fisheries, industries and services sectors to the national market and the selection and felicitation of the best Divineguma entrepreneur. A sum of Rs 5.1 Mn has been spent for this exhibition. Through this marketing exhibition, a good marketing opportunity for the products of the producers was provided, and the producers were enabled to enter the national market through receiving a large number of orders for these goods.

(Diyatha Uyana, Battaramulla – Da Bindu Exhibition)



11.2. Housing Development Lottery Programme

Vision:

“A permanent house for every Divineguma beneficiary family”

Mission:

By operating and maintaining a housing lottery monthly draw among Divineguma beneficiary families, providing the ownership of a permanent house to those families, repair of houses of beneficiaries who own houses, purchase of a land for the construction of a house and the development of spiritual values through strengthening them economically, socially, educationally and culturally.

Goals

01. Getting every Divineguma beneficiary family to contribute to the Divineguma Housing Lottery Draw Programme.

02. Providing a sustainable solution to the problem of permanent houses of beneficiary families by conducting a Divineguma Lottery Draw every month and providing houses as prizes worth Rs.200,000/- for 200 beneficiary families, thereby solving the housing problem of 2,400 families every year.
03. If there is any balance left after giving 200 houses as winnings, utilizing it in such a way to achieve the objectives of this fund, and utilizing the income received from investing in the finance market in a more productive way to achieve the objectives of this fund

Objectives.

01. Finding a permanent solution to the temporary housing problem of Divineguma beneficiary families to increase their welfare.
02. Maintaining updated the data bank containing the information about Divineguma beneficiary families.
03. Strengthening the Divineguma beneficiary families economically, socially, spiritually and culturally and improving their spiritual values through solving their problem about permanent houses.
04. When the winning beneficiary has claim to a permanent house, guiding him towards appropriate projects to increase his economic condition.

In the year 2016 draws were held monthly for constructing houses at district level and 200 beneficiaries had been selected every month. Accordingly, at 12 draws, 2400 beneficiaries had been selected for the construction of houses, and the sum of Rs.15,000/- hitherto paid for a house has been increased to Rs.200,000/- (According to the table below funds had been released for each district for the construction of houses)

Table 11-02 No of winners and funds released for the year 2016

District	Winning no of houses for the year 2016	Amount released (Rs Mn)
Colombo	84	16.8
Gampaha	192	38.4
Kalutara	108	21.6
Kandy	144	28.8
Matale	72	14.4
Nuwara Eliya	60	12.0
Kegalle	108	21.6
Ratnapura	180	36.0
Kurunegala	240	48.0
Puttalam	84	16.8
Anuradhapura	96	19.2
Polonnaruwa	48	9.6
Badulla	96	19.2
Moneragala	72	14.4
Galle	120	24.0
Matara	108	21.6

Hambantota	96	21.6
Vavuniya	24	4.8
Kilinochchi	24	4.8
Mullaithivu	24	4.8
Trincomalee	60	12.0
Batticaloa	132	26.4
Manaar	24	4.8
Ampara	120	24.0
Jaffna	84	16.8
Total	2400	480

(Source – Departmental sources)

For the years 2014 and 2015 no lottery draws had been held and in February 2016 draws were held in respect of those two years and winning beneficiaries selected. Accordingly, Rupees 360 Mn was released to winners for 2400 houses. A sum of Rs. 150,000/- was given for each house.

Table 11-03 No of winners and funds released for the years 2014 and 2015

District	Winning no of houses for the years 2014 and 2015	Amount released (Rs Mn)
Colombo	74	11.1
Gampaha	187	28.05
Kalutara	100	15.0
Kandy	135	20.25
Matale	66	9.9
Nuwara Eliya	59	8.85
Kegalle	101	15.15
Ratnapura	174	26.1
Kurunegala	236	35.4
Puttalam	76	11.4
Anuradhapura	91	13.65
Polonnaruwa	43	6.45
Badulla	93	13.95
Moneragala	64	9.6
Galle	116	17.4
Matara	106	15.9
Hambantota	93	13.95
Vavuniya	24	3.6
Kilinochchi	24	3.6
Mullaithivu	24	3.6
Trincomalee	60	9
Batticaloa	132	19.8
Manaar	24	3.6
Ampara	120	18
Jaffna	83	12.45
Total	2400	345.75

(Source – Departmental sources)



(Lottery Draw Year 2016)



(Puttalam – Construction of prize house)

DIVINEGUMA MARKETING DEVELOPMENT PROGRAMME – 2016

Financial Progress as at 31.12.2016

S.N.	District	Providing Mobile Vehicles				Construction of Domestic Stores		Enterprise associations		Training Programmes		Model Villages	Divineguma Marketing Centers		Special Projects	For Exhibitions		
		Medium Scale		Small Scale		No.s	Am.sp. Rs.	Developm ent of store	Amount spent Rs	No of members	Amount spent Rs.	Amount spent Rs.	Amount spent Rs.	Work completed (yes/no)		Toxic free	Dabindu Muthu	
		No.s	.Am. sp. Rs	No.s	Am. sp. Rs													
1	Colombo	42	1,286,750	1	12,500	8	685,000	1,337	766,162	1,507	696,843	2,583,517				140,211		
2	Gampaha			32	1,474,900			1,395	673,596	688	478,877	7,569,350				153,785	20,000	
3	Kalutara	14	750,000					884	877,000			4,974,389			1830000	209,308	20,000	
4	Kandy	6	896,420	22	1,060,000	3	300,000	2,204	628,001	1,197	782,573	5,400,064				205,380	40,000	
5	Matale	3	370,000	13	647,060	5	499,805	963	666,559	862	497,864	4,946,861			14050	231,942	40,000	
6	Nuwara Eliya	2	250,000	16	454,555	3	300,000	156	257,380	227	223,825	5,560,000				77,680	8,050	
7	Kegalle	5	788,485	13	676,923	2	162,297	1,102	631,348	696	496,869	5,000,000				120,170	40,000	
8	Ratnapura	24	206,238	13	598,846			960	1,029,830	900	744,815	5,000,000	2,142,922		344157	221,675	39,000	
9	Kurunegala	12	1,556,999	20	1,109,246	20	1,604,000	2,427	1,265,287	1,884	1,195,377	5,701,658				102,610	40,000	
10	Puttalam	6	875,468	16	821,161	5	500,000	1,107	959,628	797	377,977	5,000,000	6,905,004	yes		249,720	30,000	
11	Anuradhapur	17	967,800	32	834,326	20	1,961,734	1,380	1,223,229	1,013	992,382	4,999,000			60000	59,160	58,500	
12	Polonnaruwa			43	1,495,166			1,188	418,197	520	408,627	13,880,230			120000	51,300	60,000	
13	Badulla	6	898,000	4	244,000	5	486,850	1,012	556,839	654	297,265	5,000,000				60,465	40,000	
14	Moneragala	5	800,000	5	300,000	5	500,000	709	693,000	619	495,000	5,000,000				51,375		
15	Galle	10	978,500	25	1,106,000	1	84,209	1,254	1,192,896	829	849,959	5,000,000				137,530	35,000	
16	Matara	7	575,000	64	1,656,750	8	577,860	791	938,058	699	664,490	5,000,000				45,500	29,700	
17	Hambantota			26	1,336,000	9	886,500	579	754,729	554	470,869	2,310,000				54,400	39,550	
18	Vavuniya	14	650,000	10	250,000	7	400,000	375	278,000	190	180,000	5,000,000				66,900	60,000	
19	Kilinochchi			8	450,000	8	800,000	59	273,000	260	399,900	5,000,000				67,888	59,719	
20	Mullaitivu	6	455,000	10	245,000	8	600,000	323	356,310	308	264,745	5,000,000				75,400	60,000	
21	Trincomalee	5	800,000	5	400,000	9	900,000	1,313	677,886	688	467,357	4,113,080				46,700		
22	Batticaloa	8	714,875	28	1,355,125	2	197,000	830	860,384	345	712,550	5,030,000				93,850	60,000	
23	Mannar			6	350,000	11	1,100,000	258	331,225	250	302,730	5,000,000	4,143,000			70,580	31,850	
24	Ampara	1	199,250	39	1,829,483			1,704	757,141	977	856,835	4,970,981			55000	71,040	55,000	
25	Jaffna	7	1,251,850	7	400,000	15	1,500,000	529	423,465	954	655,285	5,074,700				138,881	29,905	
26	Head office																	3,517,009
	Total	200	15,270,635	458	19,107,041	154	14,045,255	24,839	17,489,150	17,618	13,513,014	132,113,830	13,190,926	0	2,423,207	2,803,450	4,413,283	

12. Performance of the Information Technology Division

Providing assistance to give a faster and quality service to the people, by the frequent use of information technology in respect of the functions of the Department of Divineguma Development enhancing efficiency and productivity.

12.1. Implementation of the E-Divineguma Programme

Updating data about all officers through the human resources management module and the management of data of about 23,800 officers of the Department of Divineguma Development using the Human Resources Management module.

12.2. Updating data about Grama Niladhari wasams and beneficiaries through the Customer Relationship Management module.

12.3. Under the programme for the computerization of Divineguma community based banks, creation of the software with the 8 banks coming under the pilot project has been completed. Connecting this computer software with other banks on the Internet jointly with the ICTA. Providing the relevant software on line in the year 2017 to all banks to register customers.

12.4. Preparation of the data system in respect of the lottery draw of the Samurdhi Housing Development Lottery for the year 2017 and taking action to hand over a house every month. Accordingly, providing 3972 houses at 331 per month.

12.5. Updating and maintaining the official website of the Department of Divineguma Development. Giving publicity to circulars issued by the institution.

12.6. Operating hot line telephone no 0112-887722 of the Divineguma Department and providing a service to the people by finding solutions after referring complaints received to the relevant Divisions.

12.7. Computerizing data of 3.4 million beneficiaries spread island wide and families who had applied newly. D

Designing a new software for the selection of eligible beneficiaries out of that computer data and selecting those genuinely eligible for subsidies.

12.8 Relevant to the “Tell the President” programme started in the year 2016, downloading complaints sent to the Department of Divineguma Development, obtaining prints out and referring to the respective divisions and updating the system.

13. Performance Report of the Media Division

The function of this Division is giving publicity relevant to the building up a communication pattern that supports the development tasks and the efforts made by low income earning segments of society for the minimization of poverty, subjecting the Divineguma campaign to a broad dialogue, making its growth more productive and propagating it among the people.

01. Publishing the Samurdhi newspaper (Sinhala medium) monthly as a supplement in the Dinamina newspaper



May number



June number



July number



August number



September number



October number



November number



December number

02.Publishing the Samurdhi newspaper (Tamil medium) as a supplement in the Thinakaran newspaper



May number



June number



July number



August number



September number



October number



November number



December number

03. Telecasting the television programme called Diriyaka Waruna, a visual journal that includes news about Divineguma Diriya people, through the National Rupavahini once a week every Monday at 6.00 pm

04.Radio Programme called Samurdhi Pilisandara

Transmission of an hourly radio programme over the Commercial Service of the Sri Lanka Broadcasting Corporation once a week every Saturday from 11 am to 12 pm, that includes information about the developmental activities of the Samurdhi campaign and rehabilitation of beneficiary families.



The program “Samurdhi Radio Chat” being operated from the broadcasting studio.

05. Conducting workshops to strengthen the divisional communication network

Implementation of programmes to strengthen the divisional communication network for the development activities of the Samurdhi campaign to be made aware and given publicity through the electronic and printed media



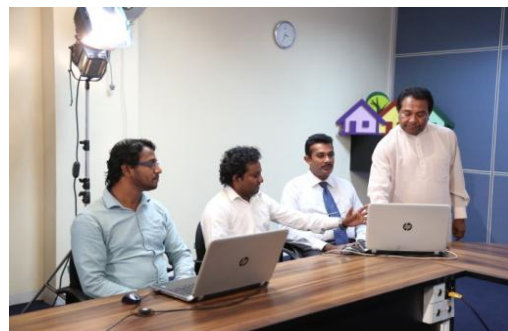
Workshops of the divisional communication net in progress (03 workshops)

06. Translation of the Samurdhi song into the Tamil medium after 22 years of the inauguration of the Samurdhi scheme.

07. Purchase of sound equipment which could be used during various ceremonial occasions of the Samurdhi campaign. (Through this, a large amount of money spent for this could be saved)

08. Taking action to give media cover for special ceremonial occasions and development activities done by the Department of Divineguma Development.

Examples:



Monthly lottery draw



Award of Sipdora scholarships



Samurdhi Lama Kekulu literary and cultural competition



Samurdhi national trade exhibition



Supply of Tab Computers to Samurdhi divisional communicators to facilitate media operations.

09 Expenditure details

09.1 Publication of newspaper supplements (Sinhala and Tamil)

Sinhala	-	Rs.2,683,250.00
Tamil	-	<u>Rs.1,779,250.00</u>
		Rs.4,462,500.00
Publication of newspaper supplements		<u>Rs. 166,500.00</u>
		Rs.4,629,000.00
Additional provisions		Rs.3,400,000.00
Advertisements		<u>Rs.1,500,000.00</u>
		Rs.4,900,000.00
Expenditure		<u>Rs.4,629,000.00</u>
Balance		Rs. 271,000.00

09.2 Rupavahini – Diriyaka Varuna

Expenditure		Rs.4,046,580.00
Telecast of advertisements		<u>Rs. 271,440.00</u>
		Rs.4,318,020.00
Transfer of provisions		<u>Rs. 1,000,000.00</u>
	Rs. 5,318,020.00	
Purchase of Tabs for divisional communications		<u>Rs. 4,000,000.00</u>
		Rs.9,318,020.00
Balance		Rs. 681,980.00

09.3 Regional Communication Workshops

Provisions		Rs. 1000,000.00
Expenditure Stage1	374,520.00	}
Stage 2	264,900.00	
Stage 3	284,900.00	
		<u>Rs. 924,320.00</u>
Balance	75,680.00	

09.4 RADIO PROGRAMMES

Provisions		Rs 3,600,000.00
Expenditure		
Transfer of provisions	1000,000.00	
Purchase of sound equipment	689,000.00	Rs. 1,689,000.00
	<hr/>	<hr/>
		<u>Rs. 1,911,000.00</u>

14 COMMUNITY BASED BANKING DIVISION

The “Credit Division” of the Samurdhi Authority, started in the year 1996 was renamed the “Banking Finance” Division in the year 1998, as a result of policy changes in keeping with the times. Accordingly, the Banking Finance Division deals not only with micro finance matters, but also encourages the savings habit among the Divineguma beneficiaries. However, the Samurdhi Authority of Sri Lanka has been transformed into the Department of Divineguma Development in accordance with the Divineguma Act No 01 of 2013. Banks and Banking unions which hitherto had been under the Samurdhi Authority of Sri Lanka were named community based banks and community based banking societies under the Department of Divineguma Development.

Vision

“The micro financial strength of sustainable development”

Mission

“Providing micro financial services to the nation efficiently and productively for social empowerment along with the promotion of positive and environment friendly attitudes”.

Introduction

With the inauguration of the Samurdhi Authority of Sri Lanka in the year 1996, the “Credit Division” was opened as another Division of it. This Division was renamed the “Banking Finance” Division in the year 1998, due to the contemporary changes which had taken place.

In accordance with the Samurdhi Authority of Sri Lanka Act No 30 of 1995, Samurdhi banking unions were established in 1996 to implement the Samurdhi National Programme, and through this, it was expected to promote savings among the low income earners at community level, thereby increasing the investment potential to provide the capital (credit facilities) required for the development of goods and services, to minimize informal loan transactions and through it to rescue them from the clutches of indebtedness, and to establish a profitable institutional frame work.

After the Samurdhi Development Programme, for the expansion of the economic development process in accordance with the Divineguma Act No 01 of 2013 and with the objective of achieving the primary goal of the enforcement of the national policy of ensuring social justice for the minimization of poverty, by paying proper attention to low income earners who had not been given precedence by the existing commercial banking system

in providing services, the micro financial system functions to achieve the primary objectives of increasing incomes and obtaining a better contribution towards the national product of this country, conforming to the objectives for the alleviation of poverty, and through the promotion of the savings habit of the people at the community root level and, by empowering the community at the economic level and catering to their financial requirements. This system is made up of the Community Based Banking Division of the Head Office of the Department of Divineguma Development, 331 regional community based banking unions and 1074 community based banks spread island wide

Objectives

01. Promotion of savings habits of Divineguma beneficiaries.
02. Improving investment opportunities.
03. Increasing incomes through enhancing production potential.
04. Providing credit facilities to Divineguma beneficiaries.
05. Providing the facilities and training that would be required for the promotion of Divineguma community based banks

The Community Based Banking Division became the main steering office of the Divineguma community based banks and community based banking unions established accordingly, and the steering of those institutions to achieve the following objectives became the responsibility and function of the Community Based Banking Division.

Function of the Community Banking Division

1. Introduction of new credit schemes for the banking system and the issue of circular and operating instructions.
2. Providing the guidance and issue of instructions required for other operational activities
3. Introduction of savings promotion programmes and providing the guidance and issue of instructions required in that behalf.
4. Investment of bank funds and issue of instructions at divisional level.
5. Micro finance insurance functions
6. Investigation of all banks at national level and issue of instructions in that behalf
7. Certifying final accounts in accordance with audit reports issued in respect of the final accounts of Divineguma community based banks and banking unions and issue of orders for the appropriation of profits.
8. Providing refinancing credit facilities to banks and attending to credit analysis.

9. Duties in respect of vesting/purchase of lands for Divineguma community based banks and banking unions, and providing funds for the construction of bank buildings and asset management.
10. Convening the Divineguma community based board of management, submission of board of management papers and implementation of such orders.
11. Supervision, progress control and monitoring of all community based banks and banking unions.
12. Implementation of the Viduli Athwela credit programme in collaboration with the Ceylon Electricity Board.
13. Coordination with projects implemented by approved institutions and organizations through Divineguma beneficiaries and community based banking unions.
14. Taking action to contribute creatively to programmes implemented by the Livelihood and Marketing Divisions.

Accordingly, the functions of the Banking Finance Division are twofold:

1. Community based banking unions programme
2. Activities in the Community based Banking Division.

1. Community Based Banking Unions Programme

Setting up of the Divineguma Community Based Banks had been implemented in 07 stages, and by 31/12/2016, there were 1074 banks and 331 Community Based Banking Societies operating in all districts, including the north and the east. From this perspective, the network of branches which started as community based banks, which during a short span of time has become the largest micro financial institutional structure spread island wide in the field of the local micro finance, and the community based banking union system has achieved an outstanding rating internationally in the field of micro finance. The community based banking union system which has achieved an outstanding place among the giants of micro finance while conforming to the objectives of poverty eradication has reached a special place in the collection of deposits, and following the new technological banking methodologies, has commenced the computerization of banking unions which is being operated now.

1.1 Progress of membership of Banking Unions and Share Capital

Divineguma beneficiaries are eligible to be members of the community banking union on the purchase of a share of Rs.500/=, and become shareholders of the bank.

Table14-1. Progress of membership of banking unions –(2000-2016)

Year	Female	Male	Total	Growth relative to previous year	Growth rate %
2000	943,142	628,094	1,571,236	326,300	26
2001	1,042,158	663,905	1,706,063	134,827	9
2002	1,149,226	716,833	1,866,059	159,996	9
2003	1,275,273	777,222	2,052,495	186,436	10
2004	1,351,769	806,470	2,158,239	105,744	5
2005	1,428,848	824,846	2,253,694	95,455	4
2006	1,516,985	853,604	2,370,589	116,895	5
2007	1,575,509	872,490	2,447,999	77,410	3
2008	1,641,872	859,900	2,501,772	53,773	2
2009	1,691,112	896,947	2,588,059	86,287	3
2010	1,830,840	970,693	2,801,533	213,475	8
2011	1,881,808	987,740	2,869,548	68,015	2
2012	2,079,173	1,078,546	3,157,719	288,171	9
2013	2,199,135	1,121,833	3,320,968	163,249	5
2014	2,389,133	1,214,461	3,603,594	282,626	7.8
2015	2,503,840	1,253,016	3,756,856	153,262	4.8
2016	2,543,403	1,248,042	3,791,445	34,589	0.91

Source – Departmental sources

Table 14 - 1 shows the expansion of the membership during 16 years. In the year 2016 too, 34,589 new members had contributed newly to this programme even when financial institutions had to face economic situations due to

various economic and social problems, and this manifests the trust the customers have placed in our community based banks.

Especially, loan schemes such as self-employment, cultivation, Mihijaya, fisheries, Swashakthi, distress, Kirula Naya, Yovun Diriya, consumer, livelihood, including the Diriya Saviya special loan scheme introduced in the year 2016 through community based banks, had been contributory to this development.

Table 14- 2. Shares paid by members (2000-2016)

Year	Amount(Rs Mn)	Growth (Rs Mn)	Growthrate %
2000	985.16	397.98	67.80
2001	1,383.15	397.99	40.40
2002	1,679.79	296.64	21.40
2003	1,930.37	250.57	14.90
2004	2,206.62	276.25	14.30
2005	2,601.01	394.40	17.90
2006	3,096.44	495.42	19.00
2007	3,639.53	543.10	17.50
Source – Departmental sources//			
2008	3,989.90	350.37	9.63
2009	4212.416	222.516	5.58
2010	4790,470	578,054	13.72
2011	5,370.53	580.06	12.11
2012	6380.00	1009.69	18.00
2013	7,101.00	721.00	10.15
2014	8,499.50	1,398.50	16.45
2015	9:927.81	1,428.31	14.39
2016	11,791.00	1,863.19	15.80

Source – Departmental sources

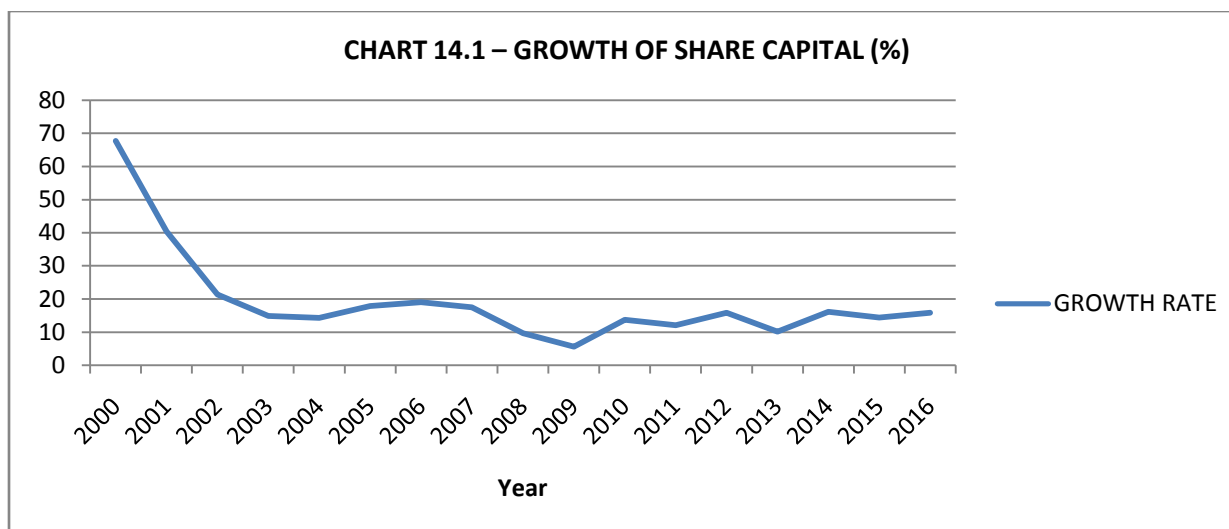


Table 14-2 (chart 1) shows the expansion of the share capital during 16 years. During the initial stage, although the progress of the share capital showed a high value of 68%, the increased ratio has declined sharply during the past few years. Though there was a rise in the share capital during the current year relative to the previous year, the rate of growth has declined relative to the previous year. However, when taking into consideration the growth of the share capital during the current year, a decline of the share capital rate is indicated. While analyzing this situation further, attention is being paid to formulating future plans of the Community based Banking Division to contribute to ensuring the viability of the Banking unions, so that Divineguma beneficiaries, low income earners and those engaged in livelihood development too would be incorporated. The share capital which was Rs 9,927.81 million in the year 2015 has shown a growth up to Rs Mn 11,791.00 in the year 2016.

1.2 BANKING UNIONS DEPOSIT PROGRAMME

Table 14-3

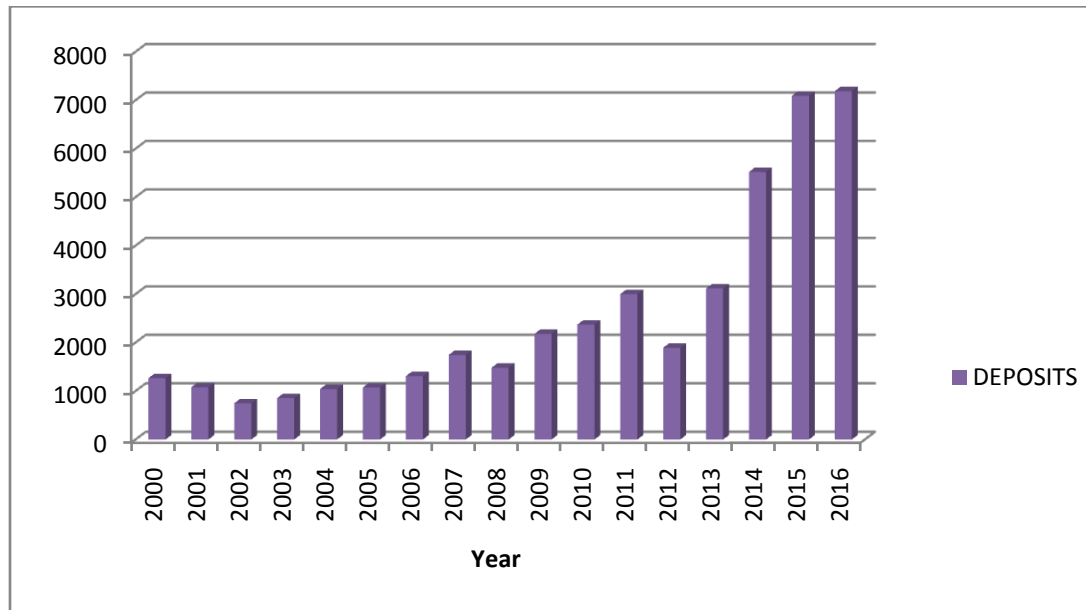
Deposits (member, non-member, group, Lama and Diriya Matha) (2000-2016)

Year	Numbers	Growth	Amount Rs	Growth Rs
2000	2,645,574	1,220,922	2,033.45	1,264.50
2001	3,035,233	389,659	3,111.16	1,077.71
2002	3,296,569	261,336	3,857.10	745.94
2003	3,680,786	384,217	4,710.80	853.70
2004	3,989,539	308,753	5,751.81	1,041.01
2005	4,229,575	240,036	6,824.88	1,073.07
2006	4,394,498	164,923	8,131.66	1,306.78
2007	4,613,504	219,006	9,875.63	1,743.97

2008	5,081,229	467,725	11,356.79	1,481.16
2009	5,167,854	86,625	13,536.65	2,179.86
2010	5,505,853	337,999	15,906.77	2,370.12
2011	5,524,025	18,172	18,907.33	3,000.56
2012	6,280,484	682,459	22,168.917	3201.58
2013	6,383,307	176,823	23,916.57	3,117.52
2014	6,822,409	439,102	29,436.10	5,519.53
2015	7,096,317	273,908	36,528.03	7,091.93
2016	7,417,540	321,223	43,716.00	7,187.97

Source – Departmental sources

Chart 14.2 - Growth of deposits (%)



A sum of Rs Mn 7,187.97 million rupees had been deposited during the year 2016, indicating further trust in the banking union programme, and the New Year savings programme for the New Year 2016 and the Diriya Matha Deposit Promotion Programme implemented targeting the World Womens Day which fell on 08th March has had an effect on the expansion of these deposits. When compared to other competitive micro finance institutions, achieving such a growth should be appreciated.

1.3 COMMUNITY BASEDBANK UNION CREDIT PROGRAMME

- Under the banking union credit scheme, entrepreneurship potential of low income earners including Divineguma beneficiaries is identified, and small credit facilities are provided to build an environment necessary to escape poverty through self-sustenance.
- Introduction and implementation of several special credit programmes to cater to capital funds and urgent financial requirements of members.
- Under this, for income generating projects under self-employment, Mihi Jaya, Kirula development, Yovun Diriya and livelihood loan programmes, loans of Rs.100,000/- to Rs.250,000/- are released. Facilities are available to obtain loans up to Rs.75000/= for funds required for cultivation.
- Under the Kirula development credit scheme implemented during the latter half of the year 2010, the credit limit of Rs.100,000/= hitherto followed was increased up to Rs.250,000/=.
- The banking union is prepared to throw a life line to members to fulfill their housing requirements, by giving loans subject to a maximum of Rs.50000/=, to build a house, complete a partly finished house or for requirements like house repairs.
- Members have been provided relief through the consumer, distress and Swashakthi loan schemes to obtain without difficulty loans for their financial requirements in an emergency, without getting into the clutches of usurers.
- Under the Viduli Ath Wela credit scheme started during the end of the year 2010, credit facilities are made available up to a maximum of Rs. 30,000/= to Samurdhi beneficiary and low income earning members of Banking unions.
- At present, in respect of loans given for income generating loan projects, an interest rate of 8% for Samurdhi beneficiary members and low income earners is charged.
- Under the Diriya Saviya loan scheme introduced to the low income earners in the year 2015, loans up to Rs.100,000/= are given at an interest rate of 4%.
- 462,970 members had been given loans totaling a sum of Rs Mn 26,184.25 by the end of the year 2016.

Table14-4

Issue of loans (1999-2016)

Year	Number (Cumulative)	Amount Rs. Mn.	Grant of loans during the year Rs Mn
1999	209,818	966.31	966.31
2000	481,475	2,788.50	1,822.19
2001	813,334	5,552.75	2,764.24
2002	1,016,392	7,448.08	1,895.33
2003	1,340,126	10,503.30	3,055.22
2004	1,697,866	13,977.81	3,474.51
2005	2,149,135	20,725.03	6,747.22
2007	2,952,840	32,843.04	6,807.93
2008	3,450,469	42,757.37	9,914.36
2009	3,721,662	48,352.73	5,595.36
2010	4,160,596	58,531.61	10,178.88
2011	4,682,822	71,721.04	13,189.43
2012	5,085,275	87,046.00	15,324.96
2013	5,360,115	98,056.00	11,010.00
2014	6,388,489	127,805.40	29,749.40
2015	6,851,459	153,989.65	26,184.25
2016	7,536,257	180,229.25	26,239.60

Source – Departmental sources

- Outstanding loan balances as at 31.12.2016 were Rs Mn 42,981.77.
- The rate of recovery of loans as at 31.12.2016 was 105%.

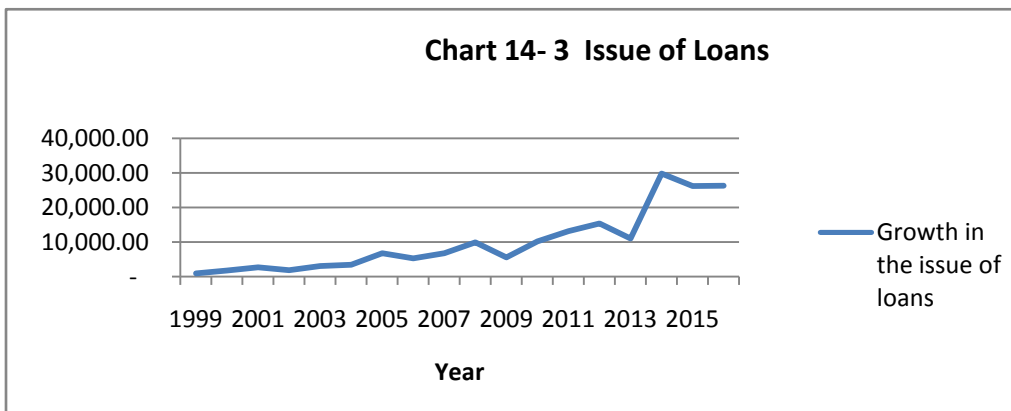
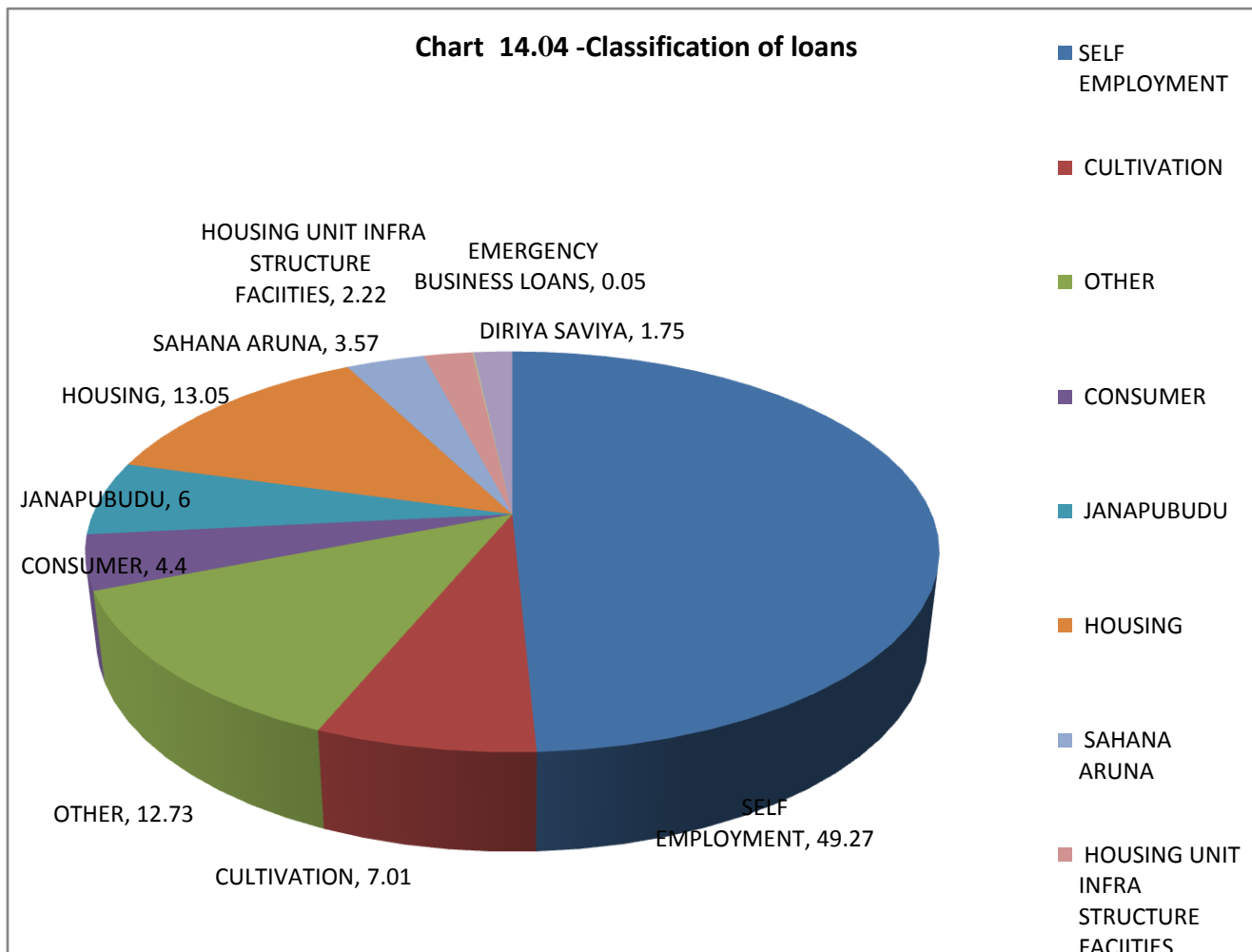


Chart 14-5. CLASSIFICATION OF LOANS AGGREGATEAS AT 31.12.2016

TYPE OF LOAN	Rs Mn	Contribution
SELF EMPLOYMENT	88,806	49.27
CULTIVATION	12,651	7.01
OTHER (MIHIJAYA, FISHERIES, SWASAKTHI, DISTRESS, KIRULA LOANS, YOWUN DIRIYA, LIVELIHOOD REVOLVING, RATA VIRUWO, LIVELIHOOD DEVEOPMENT)	22,949	12.73
CONSUMER	7,946	4.40
JANAPUBUDU	10,632	6.00
HOUSING	23,536	13.05
DIRIYA SAVIYA	3,170	1.75
SAHANA ARUNA	6,442	3.57
HOUSING UNIT INFRA STRUCTURE FACILITIES	4,003	2.22
EMERGENCY BUSINESS LONS	94	0.05
TOTAL	180,229	100.00

Source – Departmental sources

Chart 14.04 -Classification of loans



1.4 Investment of surplus funds of Banking Unions (Fixed Deposits and Treasury Bills)

With the objective of getting the maximum returns for the assets of banks, funds found surplus after releasing loans for loan applicants have been authorized to be invested in state banks only, in accordance with Treasury circular instructions, through Community Based Organizations. Through this, it is envisaged to strengthen the Community Based Organizations also financially.

Table 14 - 6

Investment of surplus community based banking society funds (2000 – 2016)

Year	Amount Rs Mn	Growth (Rs Mn)	Rate (%)
2000	1,620	1,038	178.00
2001	3,175	1,555	95.99
2002	5,097	1,922	60.54
2003	5,914	817	16.03
2004	7,828	1,914	32.36
2005	7,417	-411	(5.25)
2006	9,936	2,519	33.96
2007	13,791	3,855	38.80
2008	18,833	5,042	36.56
2009	24,039	5,206	27.64
2010	27,248	3,209	13.35
2011	39,048	11,800	43.31
2012	42,098	3,050	7.81
2013	55,690	13,592	32.29
2014	48,309	(7,381)	(15.27)
2015	55,906	7,597	13.53
2016	68,782	12,786	18.72

Source – Departmental source

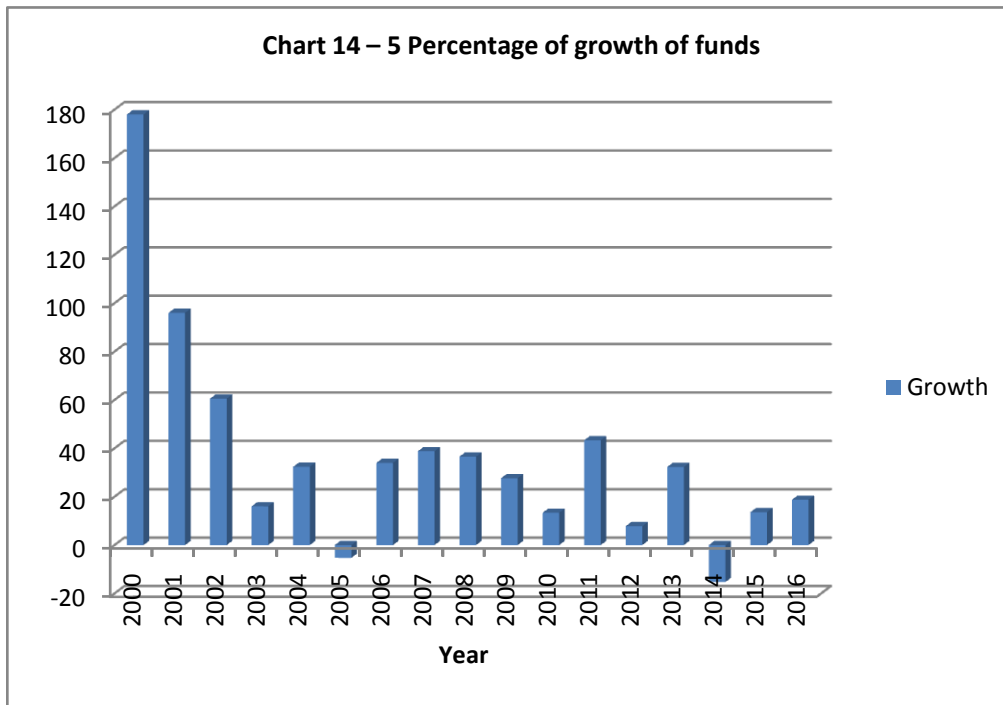


Chart 6 shows the investment of surplus community based banking union funds. Even though a high rate of investment was shown during the inaugural period of banking unions, subsequently, it has declined. Even though amounts investable had dwindled gradually due to the expansion of the credit programme, in the year 2016 an increase in investments is shown due to the expansion of deposits. It is a positive indication.

2. Activities within the Community Based Banking Division

While the Banking Finance Division operates as the financial monitoring unit of all community based banks and community based banking unions established throughout Sri Lanka, accompanying these, a significant function is being carried out within the Division.

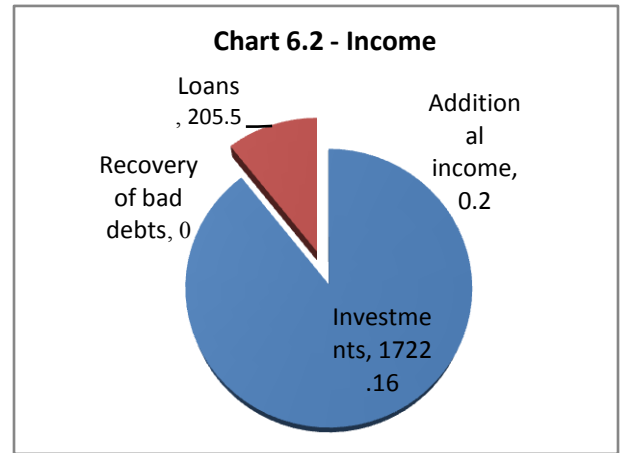
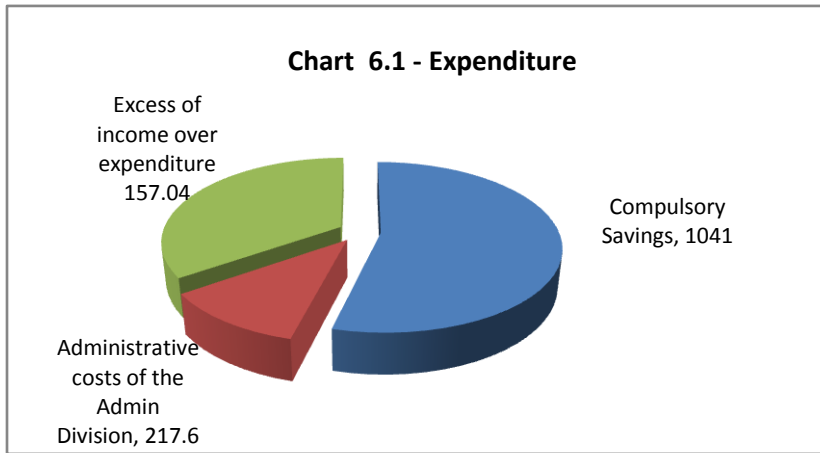
Accordingly, the Banking Finance Division bears all its expenditure, and in addition, travelling expenses of audit officers, costs of preparation of annual reports of community based banks and community based banking unions and training expenditure come under this. Also, granting of refinancing loans to Banks, reimbursement of Mihijaya loans and supply of funds for staff loans are

done through the income of the Banking Finance Division. This Division also spends for promotion and propaganda activities relating to Banks. Shown below is the overall income and expenditure of the Banking Finance Division

Table 14-7. Income and expenditure during the year 2016

Expenditure	Rs Mn	Income	Rs Mn
Interest paid for compulsory savings	1,041.00	From investments	1,722.16
Administrative expenses of the Division	217.60	From loans	205.50
Excess of income over expenditure	669.08	Recovery of bad debts	0
		Additional income	0.02
Total expenditure	1,927.68	Total income	1,927.68

Source – Departmental source



The following staff is employed for the management functions of the Community Based Banking Division which is engaged in the monitoring of banking functions, implementation of the staff loan programmes, progress matters and other operational matters.

Table14- 8
Staff of the Banking Finance Division

	Post	Present strength
1	Director	01
2	Deputy Director	-
3	Assistant Director	-
4	Samurdhi Manager	29
5	Coordination Officer	01
6	Promotion Officer	01
7	Samurdhi Development Officer	17
8	Clerks	01
9	Computer data recordists	0
10	Typist	0
11	Office Aide	02
12	Driver	0

Source – Departmental source

As mentioned above, the functions of the Banking Finance Division maybe analyzed as shown below:

2.1 Compulsory Savings procedure of Community Based Banks

2.1.1Introduction

The Compulsory Savings Programme was inaugurated to get low income earners to get used to saving more and more and for their future prosperity. In this connection, saving a certain portion of the government subsidy monthly is reserved monthly as compulsory savings.

By now, subsidy coupons being issued by the Department of Divineguma Development have been changed in relation to the number of family members. If the number of family members is 04 or more than 04, Rs. 3500, if the number of members is 03, Rs.2,500, if the number members is less than 03, Rs.1,500 and for empowered

families Rs. 420 have been paid. Out of this subsidy value, sums of Rs 300, Rs.200, Rs.100 and Rs.270 are respectively credited to the accounts of the beneficiaries operating in the community based banks monthly as compulsory savings from the year 2015. The compulsory savings scheme, which has been in operation since 1995 is being implemented mainly in two stages:-

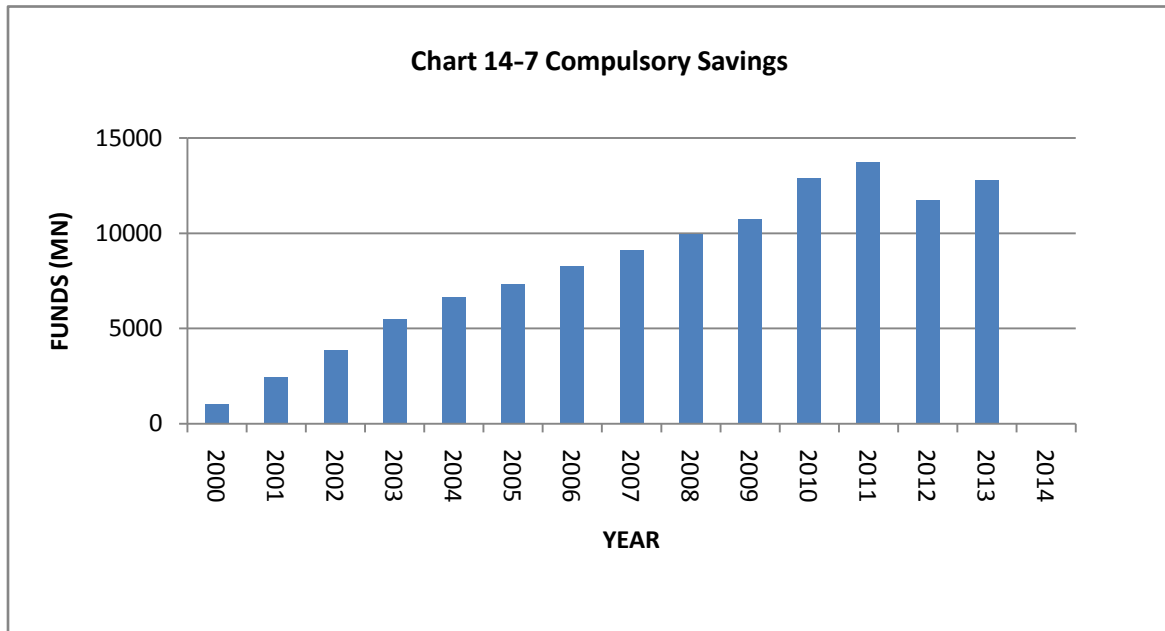
- 01 Compulsory Savings received by the Divisional Secretariats from Nov 1999 up to the year 2012 will be remitted to the Community Based Banking Division in favour of the various beneficiaries' Community Based Banks for monthly investment.
- 02 For the period 1995 to October 1999, out of the funds (funds belonging to beneficiaries) invested in the Peoples Bank and the Bank of Ceylon, 25% of the funds had been obtained by the Banking Finance Division and invested. The Head Office does not make investments in respect of compulsory savings, as the banking unions themselves make the relevant investments since March 2012.

Details of compulsory savings funds invested in the Banking Finance Division are shown below:

Table 14-9. Compulsory Savings received for investment (2000-2013)

YEAR	FUNDS (RS MN)	GROWTH (RS MN)	GROWTH (%)
2000	1,045		-
2001	2,424	1,379	131.96
2002	3,852	1,428	58.91
2003	5,510	1,658	43.04
2004	6,652	1,142	20.73
2005	7,349	697	10.48
2006	8,282	933	12.70
2007	9,099	817	9.86
2008	9,960	861	9.46
2009	10,738	778	7.81
2010	12,886	2,148	20.00
2011	13,702	816	6.33
2012	11,726	(1,976)	(14.42)
2013	12,760	1,034	8.82
2014	--	--	--

Source – Departmental source



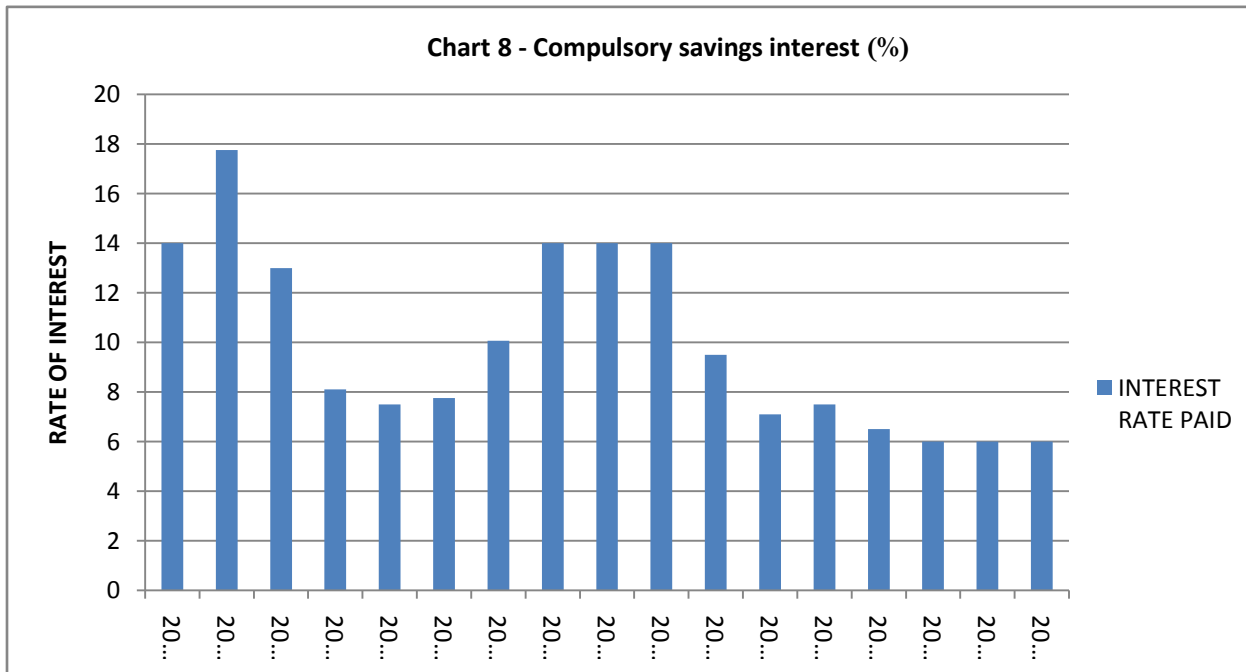
2.1.2 Payment of Compulsory Savings Interest

Compulsory savings received by the Community Based Banking Division are invested through the investment unit and, from the benefits received, interest is paid to the various community based banking unions at the end of the year. Similarly, with the aim of mobilizing and strengthening Divineguma societies, since the year 2006, the payment of this interest is done through the community based banking unions. In the same manner, with the objective of introducing technical and productive systems to community based banks and banking societies, since the year 2008, the payment of interest for compulsory savings investments was done through direct remission to the Community Based Bank current account. Through this, it was possible for the Community Banking Division to earn around 3 million rupees annually as an additional income. The interest paid for compulsory savings to beneficiaries (through the limiting of the cash in transit period to one day) is a higher rate, when compared to other competitive commercial banks, and this is a special privilege bestowed on the account holder beneficiaries.

Table 14-10. Interest for Compulsory Savings (2000-2016)

YEAR	RATE OF INTEREST PAID %
2000	14
2001	17.75
2002	13
2003	8.1
2004	7.5
2005	7.75
2006	10.06
2007	14
2008	14
2009	14
2010	9.5
2011	7.1
2012	7.5
2013	6.5
2014	6.0
2015	6.0
2016	6.0

Source – Departmental source



2.2 Loan Scheme

The Community Based Banking Division has, whilst procuring the funds necessary for the loan schemes implemented by Banking unions, has also launched several loan schemes for the permanent staff of the Department of Divineguma Development also. Accordingly, the loan programmes implemented by the Community Based Banking Division can be classified as follows:

2.2.1 Loan scheme for beneficiaries.

2.2.2 Loan scheme for the staff.

2.2.1 Loan Scheme implemented for beneficiaries

2.2.1.1 Refinancing Loan Scheme

Bank loans are given from deposits accumulated by the relevant beneficiaries themselves. For this purpose, Banks are authorized to give only up to 80 per cent of the total deposits. To offset the financial difficulties arising due to loans granted beyond this limit, the Community Based Banking Division provides refinancing facilities to Banks, at interest rates lower than charged by banks. Credit facilities are provided for income generating projects such as self-employment, cultivation, fisheries, animal husbandry, and trading. Re financing loan scheme materials are effected through community based societies, and the Banking Finance Division gives loans to community based societies at 4%. Community based societies give re financed credit funds to community based banking unions at an interest rate of 5%.

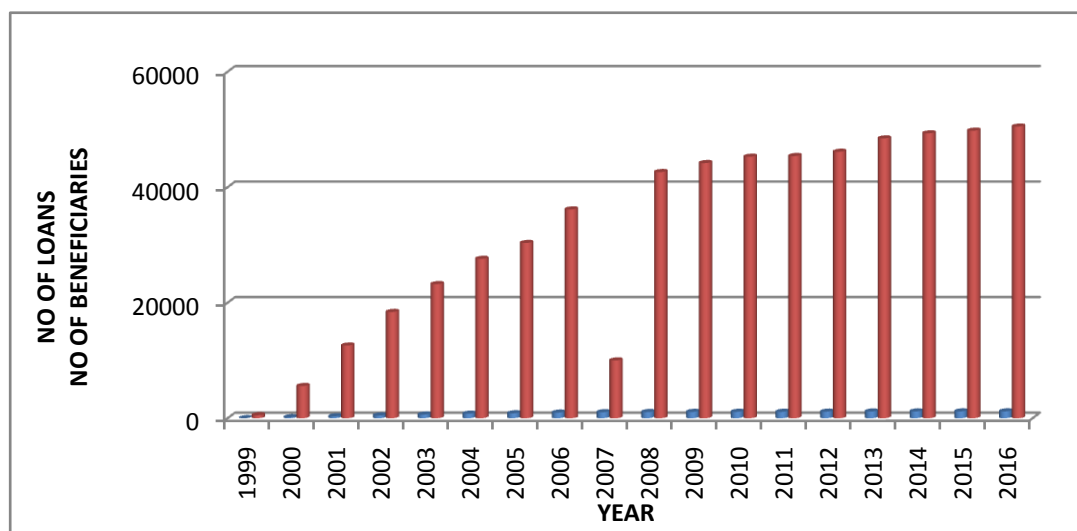
Table 11 – Progress of the Refinancing Loan Programme (1999-2016)

YEAR	NO OF LOANS	NO OF BENEFICIARIES	AMOUNT RELEASED RS MN	RATE OF RECOVERY (%)
1999	11	523	3.00	100
2000	175	5,578	52.00	92
2001	324	12,588	117.00	101
2002	472	18,400	177.00	100
2003	637	23,223	233.00	100
2004	786	27,605	283.00	101
2005	849	30,351	315.80	102
2006	971	36155	389	100
2007	1040	40008	450	100%

2008	1072	42631	499.71	100%
2009	1097	44180	523.58	100%
2010	110	45284	571.11	91%
2011	1,112	45,399	581.42	95%
2012	1,132	46,145	613.12	100
2013	1,163	48,460	710.91	100
2014	1,175	49,332	761.64	100
2015	1,179	49,798	797.88	100
2016	1188	50,506	851.44	100

Source – Departmental source

Chart 09 - Progress of the Re Financing Loan Scheme



Progress of the Refinancing Loan Programme

During the implementation of the Sahana Aruna Programme started in the year 2014, refinancing loans had been given to community based banks that did not have funds sufficient enough to give loans by utilizing funds earned by the Community Based Banking Division. Refinancing loans had been given to community based banks that did not have funds sufficient enough to provide motor cycles to the staff, by utilizing funds earned by the Community Based Banking Division.

Refinancing loans had been given to community based banks that did not have funds sufficient enough to give loans under the Diriya Saviya Programme implemented during the year 2015, by utilizing funds earned by the Community Based Banking Division as above.

Table 11.1 – Progress of the Refinancing Loan Programme (2014 – 2016)

Year	Relevant type of loan	No of loans (bank)	Amount (Rs)
2014	Sahana Aruna - Refinancing	18	82,500,000
2014	Motor cycle - Refinancing	02	5,050,000
2015	Diriya Saviya - Refinancing	36	558,077,600

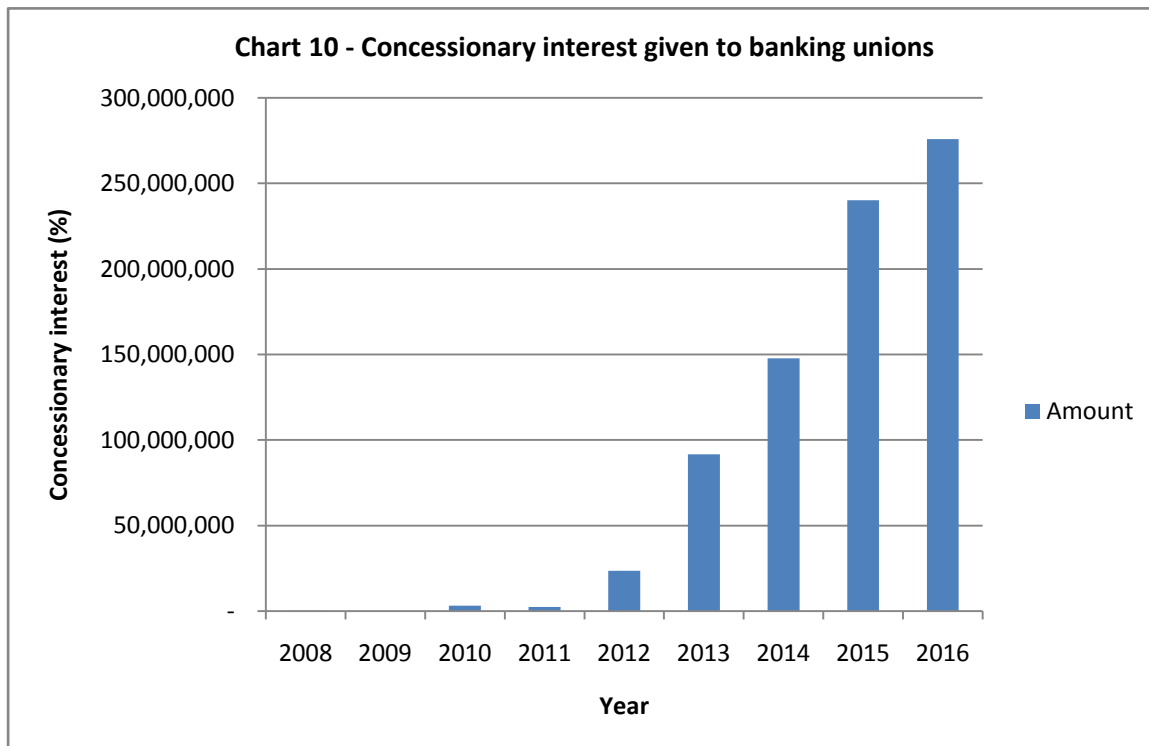
2.2.1.2 Reimbursement of Mihijaya (8%, 10%) concessionary interest

The Sabanda, Jana Pubudu and Gedera Naya loan schemes had been suspended during the year 2010, and as an alternative to this loan scheme, self-employment, Piyasa and Mihi Jaya programmes are being implemented. Accordingly, the Community Based Banking Division reimburses the concessionary interest for all income generating projects implemented by community based banks. The objective of this is the minimization of the financial losses of banking unions. Concessionary interest had not been reimbursed in respect of interest charged after 31/12/2013, and during this year too, concessionary interest was given only for interest charged up to 31/12/2013.

Table12 - Concessionary interest given to banking unions (2009-2016)

Year	Amount
2009	250,143.00
2010	3,108,269.00
2011	2,496,830.25
2012	23,566,040.32
2013	91,706,854.90
2014	147,685,633.11
2015	240,179,298.54
2016	275,798,422.70

Source – Departmental source



2.2.1.3 The Viduli Athwela Programme

With the aim of making electricity available for everyone, the Ministry of Power and Energy inaugurated the *Viduli Athwela* Programme, for Divineguma beneficiary and low income earning families. This programme had been guided by the Ministry of Economic Development and the Ministry of Power and Energy, while presently the Ministry of Social Empowerment and Welfare, the Samurdhi Authority of Sri Lanka (presently the Department of Divineguma Development) and the Ceylon Electricity Board are contributing actively in this behalf.

The Community Based Banking Division provides funds required to implement this concessionary "*Viduli Athwela*" credit programme through the island wide network of Divineguma community based banks for it to be put into operation concurrently.

The anticipated benefits of this programme are:

1. Increasing economic strength through making productive the small industries and marketing developments programmes carried out or intended to be carried out by low income earners.

11. Increased demand for loans for the Divineguma development programme resulting in new members converging with community based banks, thereby increasing deposits.

111. Possibility of increasing the income of the Banks due to the service charges provided by the Community Based Banking Division.

IV. Further development of the financial stability, efficiency and trust of the community based banks.

The maximum loan payable to beneficiaries for this *Viduli Athwela* programme is Rs.30,000/-, and recoveries would be made through installments including the principal and an annual interest of 12% during a period of 60 months.

After obtaining loan applications from the relevant consumer service center and after being duly filled in under operating instruction no. 5, eligible applications would be forwarded to the Electricity Board with the recommendations of the Divineguma Development Officer, Divineguma Manager and the Divisional Secretary respectively, and electricity facilities provided thereafter.

The bilateral agreement between the Samurdhi Authority of Sri Lanka (presently the Department of Divineguma Development) and the Ceylon Electricity Board pertaining to this *Viduli Athwela* credit programme had been signed in the year 2010, and no loans had been given during that year.

The bilateral agreement between the Department of Divineguma Development and the Ceylon Electricity Board pertaining to this *Viduli Athwela* credit programme had been signed for the year 2014 too.

Table 13 - Progress of the Viduli Athwela Loan Programme (2011-2016)

Year	Details of loans given by the Community Based Banking Division to the Ceylon Electricity Board			Details of loans given by the Ceylon Electricity Board to beneficiaries/low income earners	
	No of loans	Amount (Rs Mn)	Outstanding amount (Rs Mn)	No of loans	Amount (Rs Mn)
2011	02	350	335.08	20694	354
2012	07	747	675.32	44932	853
2013	09	1080	861.67	64520	1237
2014	13	1537	1106.18	80153	1537
2015	15	1782	1036.93	97831	1899
2016	16	1984	1,082.52	101,800	1,985

Source – Departmental source

2.2.2 Loan Scheme for the staff of the Department of Divineguma Development

2.2.2.1 Consumer Credit Programme

Under this programme which was launched in February 2004, up to 2008 loans up to a maximum of Rs.50000/- were given at an interest rate of 9% to Samurdhi Development Officers only. This loan scheme is open to all members of the staff. Payback period is 60 months. From 18/10/2008 the loan of Rs.50,000/= has been increased to Rs.100,000/=. By 18.12.2013, this programme had been decentralized to the districts, and recoveries are made at district level.

Since 19.01.2015 granting of these loans has been suspended and recoveries are being made at the District level.

Table 14 - Staff Consumer Loans as at 31.12.2016 (aggregate)

No of loans given	Amount Rs Mn
28308	2001.00

2.2.2.2 Housing Loan Scheme for Staff

In June 2004, this loan scheme was inaugurated for the permanent staff of the Department of Divineguma Development, and financial provisions are allocated from the earned income of investments made by the Community Based Banking Division. Under this loan scheme, credit facilities are given to purchase land, build a new house and for new additions or extension to a house. Payback period of the loan has been extended to 15 years. Under the housing loan scheme, the following loans had been issued as at 31/12/2015. Whilst with effect from 01/01/2010, the relevant rate of interest had been brought down to 10%, and with effect from 01/11/2014 the recovery of these loans too had been decentralized to the District level. Granting of this loan has been suspended with effect from 19.01.2015.

Table 15 – Housing loans as at 31/12/2016 (aggregate)

No of loans given	Amount Rs Mn
2129	905.08

Source – Departmental source

2.2.2.3 Motor Cycle Loan Scheme

In November 2004, this programme was inaugurated and financial provisions are allocated for this from the earned income of investments made by the Community Based Banking Division. This programme has been limited only to the permanent staff of the Department of Divineguma Development. Motor cycle loans are given subject to a maximum of Rs.150,000/- at the interest rate of

10 per cent per annum, with a payback period of 60 months. After 31/12/2014, the issue of motor cycle loans had been handed over to the district level, and since 01.11.2014 the recoveries of these loans too have been decentralized to district level. Granting of this loan has been suspended with effect from 19.01.2015.

Table 16 - Motor cycle loans as at 31/12/2016 (aggregate)

No of loans given	Amount Rs Mn
4067	368.03

Source – Departmental source

2.3 Special Staff Loan Programme

This loan scheme is implemented subject to a maximum of Rs.1,000,000 as a special loan in addition to the loan schemes given by the government for the permanent staff of the Department of Divineguma. The objective here is to provide benefits through the Department to the staff of the Department of Divineguma who had lost the benefits of the various loan schemes before they had joined the Department. This loan scheme has been implemented from 01st May 2016.

Table 17 - Motor cycle loans as at 31/12/2016 (aggregate)

Details of loans given	Amount Rs Mn
Head Office	114.965
For Districts	818.84

Source – Departmental source

2.4 Staff Physical Injury Insurance

Under this programme, members are paid compensation for physical injuries sustained during cash robberies whilst taking cash of community based banks for depositing at commercial banks and when cash is being brought to community based banks from commercial banks. The Staff Physical Injury Compensation Insurance Fund had been implemented with effect from October 2005, and every bank union should pay Rs.1000/- annually to this Fund and obtain insurance cover.

The maximum amount of compensation that could be claimed under this is Rs.300,000/= for all officers with effect from 19.08.2015.

During the year 2016, under this programme a sum of Rs.1,296,480/- has been received through the Banks by way of insurance premia, and for the year 2016, the amount is Rs.1,027,600/-. As at 31.12.2016, a sum of Rs.1,786,270/= had been paid as compensation for physical injuries.

2.5 Insurance of cash in hand of Divineguma Community Based Banking Unions

2.5.1 Through this, cash losses would be reimbursed caused due to thefts or robberies whilst transporting cash in hand belonging to Divineguma community based banks from such banking unions to commercial banks and vice versa.

2.5.2 Taking into consideration the daily liquidity requirements of banks and societies, inquiries may be made from the council of management and a decision made after discussions. regarding this insurance cover. For this, necessary steps have been organized to send the annual installments to the Community Based Banking Division, and to obtain the insurance cover. Its progress as at 31st December, 2016 is that all banks and Community Based Organizations using safes have obtained this insurance cover.

2.5.3 All circulars and amendments issued up to the year 2015 in respect of staff physical injuries and cash in hand insurance have been cancelled, and a new circular has been issued on 14.08.2015. Accordingly, during the year 2016, action had been taken to increase the limit of cash in hand insurance from Rupees One Million to Rupees Two Million.

2.5.4 Installments sent by banking unions (including physical injury insurance premia) and maha sangams are credited to a fund established by the Community Based Banking Division, and the fund has been expanded by productive investments.

2.5.5 As at 31.12.2016, a sum of Rs.4,104,150/82 (aggregate) had been paid to Community Based Banks by way of cash in hand insurance compensation.

2.6 External audit of Community Based Banks and Community Based Organizations

In respect of Community Based Banks and Community Based Organizations, an annual audit report has been prepared at the end of each financial year, which is from 1st of January to 31st December, after auditing all activities done during that period. Earlier, the authority for the preparation of these audit reports had been given to the Accountants of the Divisional Secretariats. However, as this was not being done properly, the services of Accountants in Government/Semi government institutions were obtained and utilized as external Audit Officers to prepare audit reports in respect of the relevant years for which audit reports had not been prepared.

After the year 2006 up to date, the accounts for the relevant years are audited and financial statements prepared by the Internal Audit Division and submitted with the audit opinion to the Community Based Banking Division.

In addition to this, for better decision making, the final accounts for the years 2013, 2014 and 2015 have been referred to Earnest and Young Company, Chartered Auditors.

2.7 Bank Monitoring Unit

For the purpose of monitoring whether the operational process of the Divineguma community based banking unions and community based banking societies are functioning properly in accordance with the operational instructions and circulars issued by the Community Based Banking Division, for the necessary guidance and keeping in view the objective of increasing productivity and efficiency of the overall banking sangam system, a “Bank Monitoring Unit” has been established in the community based Banking Division, and the following functions are being carried out by this unit:-

- ❖ Follow up action regarding complaints received through audit queries, audit investigation reports and from other sources, rectification of short comings discovered thereby in respect of Divineguma Community Based Banks and Banking Societies, and referring relevant matters to the Internal Audit, Legal Investigations and other divisions, and the co-ordination of necessary matters.
- ❖ Taking action to rectify short comings in accounting matters, establishment matters and daily activities of Divineguma community based banks and banking societies, providing the necessary guidance and the protection of the customers.
- ❖ Providing necessary guidance regarding the balancing of single entry trial balances, mobile banking services, amalgamation of Divineguma Banking unions and issuing necessary instructions for the rehabilitation of banking operational activities of banks damaged by natural disasters, and taking action to rectify matters.
- ❖ The Banking Societies Regulatory and Monitoring Units” contribute to improving the productivity of banks and banking societies through operational instructions and guidance necessary to Community Based Banks/Banking Societies to cope up with their various topical requirements.
- ❖ Banking Maha Sangam Regulatory and Monitoring Units have been set up in all the 25 districts, to facilitate providing the necessary assistance in cases of requirements cropping up suddenly, for continuous monitoring and for ease of coordination. During the year 2016, 3 progress reviews had been held at national level in respect of the Community Based Banks and Banking Societies Regulatory and Monitoring Units, and a large number of issues identified there had been settled in that year itself.

2.8 Training matters

The training unit of the Department, utilizing Community Based Banks funds, coordinates in training the staff of the network of 1074 Samurdhi banking unions and around 332 Community Based societies in banking functions and other subjects.

The function of this Unit is to improve the knowledge, skills and positive attitudes of the banking staff, in order to provide the customer community with a more efficient and productive service.

Accordingly, action is being taken to provide every banking officer a basic training course in banking matters and the accounting process, which gives an understanding about banking procedures. In addition, action had been taken to train unskilled staff of the Community Based Banking Societies about functions of the Community Based Banks and Community Based Banking Societies and their accounting procedures. Similarly, training programmes had been conducted through the Institute of Banks of Sri Lanka, and during the year 2016 regulatory and monitoring training programmes had been implemented for bank officers. Under this, 61 Managers had been trained. In the year 2015, the number of officers who had completed the micro finance certificate course was 489.

2.9 Management Information Unit

Management of the data of the 1074 community based banking unions is done by the Management Information Unit of the Community Based Banking Division. Accordingly, every Community Based Banks and Community Based Banking Society has to send a monthly progress report on the prescribed format to the Information and Management Unit, and it has been planned to process such data and analyze the condition of the Community Based Banks and submit data and to create a ratio analysis necessary for the evaluation of progress of Community Based Banks and to evaluate Community Based Banks based on it. Further, action has been taken to transmit to the Community Based Banking Division data about Community Based Banks and Community Based Banking Societies utilizing computer technology.

With the successful computerization of community based banks, this unit continues to analyze and evaluate the prevailing conditions of community based banks to make them more productive and efficient. 21 national level progress review programmes had been held at District Level in the year 2016.

Action has been taken to implement a programme to grade and evaluate banks and also for the motivation of the staff aimed at making the entire banking system a sustainable financial unit. It is appropriate that this programme be implemented every year with improvements.

2.10 Deposit Promotion Unit

The Community Based Banking Division has taken action recently to introduce to the community based banking union field promotion of deposits, which is an important sector in banking. Accordingly, the promotion of deposits unit of the Community Based Banking Division has launched special programmes for the purpose of promotion of deposits in community based banks.

- ❖ In the year 2016 too, with the objective of conserving for future generations Sinhala cultural traditions and national games, and for giving publicity to community based banking societies among the people, 1000 New Year festivals were held covering every bank union. For this purpose, the Community Based Banking Division has given a saving of 10.5 million rupees to Banking societies.
- ❖ In the year 2016, the under mentioned 5 programmes were formulated and implemented to promote savings in community based banks.
 - I. To correspond with the Sinhala and Hindu New Year, an Avurudu Ganu Denu week was named and through it, deposits worth Rs Mn 1,756 were collected.
 - II. To commemorate the International Womens Day, on 08th March, 2016, the Diriya Matha savings promotion strategy was successfully launched in the banking unions. On this occasion, 26,434 new accounts were opened and a sum of Rs Mn 35.2 collected.
 - III. Based on the World Childrens Day, Childrens Deposits Promotion Programmes were implemented.

IV. Promotion programme based on the Thai Pongal festival.

V. Promotion programme based on the Christmas festival.

03. General matters

03.1 Other programmes and activities carried out by the Division during the New Year

- ❖ For the year 2016, an action plan in respect of community based banking activities was prepared with five targets spread properly over the year, and community based banking societies were directed towards it.

As most community based banks are now in the process of being computerized, by now, through Internet facilities, the Management Information Unit of the Head Office has commenced obtaining the relevant data, and the necessary guidance has been given.

- ❖ The construction, repairs and the enhancement of infra-structure facilities of community based banks and community based banking societies were done with the building rent fund provided to the Department monthly as building rent by community based banks, and its progress is shown below:-

Table 18 – Progress of construction and repair of buildings and purchases of land as at 31.12.2016

Programme	Number of projects	Monetary progress Rs mn
Newly constructed community based banks and community based banking society buildings and additions	23	27.112
Repaired community based banks and community based banking society buildings	04	1.67
Purchase of land		

Source – Departmental source

- ❖ Sri Lanka Telecom has been selected to develop the software required to computerize the community based banks in other districts in addition to the districts of Ratnapura, Hambantota and Moneragala, where banking unions have been computerized. Also, action has been initiated to build a data bank of beneficiaries in all community based banks.

By now computer operations in 200 community based banks have commenced and it has been planned to complete those matters during the year 2017.

APPROPRIATION
ACCOUNT 2016

Vote Head no-331

Name of Department – Department of Divineguma (Samurdhi) Development

Program no as per annual estimate	Name of program as per annual estimate	(1)	(2)	(3)	(4)	(5)	(6)	Page as per format DGSA-2
		Allocation of budget estimates	Allocation of supplementary provisions and supplementary estimates	Transfers as per FR 66 and 69	Total net provisions	Total expenditure	Net result saving/ excess	
		Rs.	Rs.	Rs.	Rs..	Rs.	Rs.	
	Recurrrent							
1	Operational program	415,300,000			415,300,000	380,834,670	34,465,330	2
2	Development program	55,575,020,000	1,020,000,000		56,595,020,000	53,082,229,352	3,512,790,648	3
	Sub total(Recurrrent)	55,990,320,000	1,020,000,000	0	57,010,320,000	53,463,064,022	3,547,255,978	
	Capital							
1	Operational program	14,100,000		0	14,100,000	12,961,514	1,138,486	2
2	Development program	33,500,000	1,020,000,000	0	1,233,500,000	1,170,395,674	63,104,326	3
	Sub total (capital)	47,600,000	1,020,000,000	0	1,247,600,000	1,183,357,188	64,242,812	
	Grand Total	56,037,920,000	2,220,000,000	0	58,257,920,000	54,646,421,210	3,611,498,790	

Details and notes of accounts submitted through pages 02 to 31 of form DGSA 2 to DGSA 10 and other details mentioned in pages 32 to 35 are inherent parts of the Appropriation Account. As such, it is hereby certified that the figures stated in the above account have been prepared in accordance with the relevant accounting information and notes, and that the relevant accounts have been reconciled with the Treasury accounting books, and that it has been established that those are correct.

Sgd/: Illegibly

Sgd/: Illegibly

Chief Accounting Officer
Name : Mahinda Seneviratne
Post : Secretary
Date : ...03.2017

Accounting Officer
Name : Neel Bandara Hapuhinna
Post : Director General
30.03.2017