

PERFORMANCE REPORT

2015



DEPARTMENT OF DIVINEGUMA DEVELOPMENT

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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 2015 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 of the Ministry of Finance, General Treasury and the Ministry of Housing and Samurdhi, Ministry of Social Empoerment 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 persons who co-operated in various ways in maintaining the duties of our Department in the year 2015.

CHANDRA WICKRAMASINGHE
DIRECTOR GENERAL
DEPARTMENT OF DIVINEGUMA DEVELOPMENT

OUR VISION

“A community with livelihood empowered through 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; the Kandyan Peasantry Rehabilitation Department and the Department of 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, District Divineguma Directors and Divisional Secretaries 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 composition of the official structure of the Department is as follows. That is, 12 Divisions with the Heads of Divisions of the Divisions of the Head Office, the Director General, Additional Director General and Administration, Social Security and Social Welfare, Social Development, Community Based Organizations, Livelihood Development, Information Technology, Media, Community based banks and Accounts and Finance and Internal Audit performing the duties of each Division. At the District level, under the guidance of the Additional District Directors Generals (the District Secretaries) the staff headed by the Divi Neguma District Directors and their staff perform the relevant duties at District, Divisional 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 headed by the Divisional Secretaries.

(11) Community Based Banking System Stream

The function of this Division is as follows. That is, this bank system operates through the staff coming under the control of the Director of Banking Finance of the Head Office and through all the staff relevant to the community based banking unions and *maha sangams* relevant to the 332 Secretarial Divisions island wide and the 1074 banks operating at *Grama Niladhari* division levels. Through this banking system, disbursement of 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 2015, the total loan amount disbursed to the needy rural people through diverse of loan schemes is Rs. 26,184 million and total number of loans given is 462,970. During the period of 1999 – 2015, the total cumulative value of the different loans disbursed is Rs Mn 152,890 and total number of loans given is 6,851,459. 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 13.

(111) Community Based Organization Stream

Sections 09, 10, 11 and 12 of the Divi Neguma Act indicate the 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. 38,696 Community Based Organizations had been established during the year 2014, with the objective of

directing the community towards the community based banking and livelihood programme, strengthening Community Based Organizations, empowering the people and developing them economically, socially and spiritually. To achieve objectives of the Act, having held 03 TOT training sessions (i.e. Sinhala medium 02 & Tamil medium 01) subject knowledge as to strengthening and promoting Community Based Organizations was imparted to selected 139 Mangers (i.e. Sinhala 89 & Tamil 50). Also, having lagally established Community Based Organizations, actions on empowering of member community of those are to be done in the ensuing years. Detailed information in respect of the performance of this Division is shown under the chapter 08

Also, a summary of performance achieved by the Department of Divineguma Development in respect of the year 2015 is appended below.

Livelihood Development Based Development Projects

A total sum of Rs Mn 2,553.6, including Rs. Mn 1,200 directly receieved for the Livelihood Development Division, and Rs.1,353.6 as Ministry allocations had been allocated for the implementation of projects centered on livelihood development in the year 2015. Through the implementation of projects such as Agricultural Development Projects, Animal Husbandry Projects, Fisheries Development Projects, Self Employment, and Industrial Development Projects, it has been aimed to increase the income levels of Divi Neguma (Samurdhi) families and low incoming earning families, to enhance their health and nutrition levels and to provide vocational training to make available labour appropriate to the job market.

In this regard, a total number of 85,455 projects out of targetted 110,674numbers of projects, had been completed spending a sum of Rs Mn 2,083.6 (i.e. Department allocations Rs. Mn 988.25 and Ministry allocations Rs. Mn 1,094.81) in the year 2015. Accordingly, while the financial progress achieved during the year 2015 is 82%, the physical progress achieved is 77%. Further,the information about the projects implemented sub sector-wise and district-wise as shown above, the funds spent for the same and the project beneficiaries is shown under the chapter 09.

Performance of other Divisions

The data and information about the performance achieved by the other service and the development divisions are included in this report as follows. That is, the performance achieved by the Administration, Training and Investigation as service units are mentioned under the chapters 02, 03 and 04 respectively. While the performance achieved by the Social Welfare and the Social Security divisions are noted under the chapters 05 and 06 respectively, the same achieved by the Social Development division is given under the chapter 07. The performance by the rest of the divisions are appended as; performance by the Marketting division, under the chapter 10, Performance by the Information and Technology division ,

under the chapter 11, the Media division, under the chapter 12 and Accounting reports, under the chapter 14.

The summary of performance achieved by one of the major programmes of this Department, Divi Neguma (Samurdhi) Assistance Programme, are as follows. Thus, the total value of benefits provided to 1,453,078 number of beneficiaries out of Rs. Mn 41,760 is Rs. Mn 40,210.

Besides, under the Social Security Programme, benefits to the value of Rs. Mn 638 was given to a total number of 275,024 families in their instances of birth to death.

Apart from the above, during the year 2015, training opportunities were provided to 9,400 employees spending Rs. 6.31 m. out of Rs. 8 m. allocations received from the Treasury for the purpose. Thereby, the financial progress achieved in that respect is 79%. Also, this Division completed 58 training programs out of planned 67 programs achieving a physical progress of 87%.

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 2015, formulation of the recruitment procedure for institutions, and matters in relation to the structuring of the administrative structure institutionally had to be 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, it was an achievement for the Department to have been able to implement island-wide development projects in respect of 85,455 number of beneficiary families incurring an expenditure of Rs Mn 2,083.06 to up-grade the living standards of the beneficiary families and low income families. I must also state that through the above means, it was able to achieve to some extent the objectives stated in the section 04 of the Divineguma Act. Also, this Department put into operation numerous plans so as 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 low income earning people of this country and accelerating livelihood and economic development in the year 2015. It is with happiness I note here that this Department will endeavor with dedication to make those aims a complete reality. As such, I would like 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.

Chandra Wickramasinghe
Director General
Department of Divineguma Development

2. Performance of the Administration Division

The Administration Division of the Department of Divineguma Development functions in relation to establishment, human resources, training and investigation matters. A major function of this Division is attending to the day to day activities faced in administration and 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.
- ❖ Taking action regarding 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

2.1.3 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 24,001, 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	8	11
Divi Neguma District Director	25	25	1
Deputy Director/Assistant Director	21	12	9
Divi Neguma Deputy District Director	50	14	36
Divi Neguma Div Asst Director	160	0	160
Divi Neguma Regional Asst Director	332	0	332
Administration Officer	7	2	5
Divi Neguma Senior Manager	205	0	205
Divi Neguma Manager	2557	2399	358
Divi Neguma Development Officer	27437	20707	6730
Managemenet Assistant	477	371	106
Sub total	31298	23540	7959//

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	2	4
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	25	398
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	24001	8763

(Source – Departmental sources)

2.1.5. List of Names of the Staff Officers of the Department of Divineguma Development -2015

Director General

1. Mr R. A. A. K. Ranawake - From 03.04.2014 to 28.01.2015
- Mr H. Sumanapala - From 25.02.2015 to 29.04.2015
- Mr Dhammika Gunawardena - From 30.04.2015 to 03.12.2015
- Mrs Chandra Wickremasinghe - From 04.12.2015 onwards
2. Mr R. H. W. A. Kumarasiri - Additional Director General

3. Chief Accountant

- 1 Mr R. M. G. Rathnayake

4. Directors

1. Mr C. D. Kaluarachchi - Director (Administration)
2. Mrs Sunanda Piyaseeli - Director (Micro Finance)
3. Mr J. M. S. Bandara - Director (Livelihood)
4. Mr Anura N. Weeraratne - Director (Community Based Organizations)
5. Mrs Rajini Atapattu (up to 15.09.2015) - Director, (Social Development)
6. Mrs I.D. Nadeeka Sanjeevani (From 16.09.2015) - Actg. Director, (Social Development)
7. Mr J. K. Padmasiri - Director (Planning & Monitoring)
8. Mrs Kanthi Dissanayake - Director (Marketing)

5. Accountants

1. Mr P. A. S. J. Kumara
2. Mr K. K. L. Chandratilake

6. Chief Internal Auditor

1. Mr T. K. de Costa - From 23.05.2014 to 15.08.2015
2. Mrs A. P. Kodikara - From 16.08.2015 to 31.12.2015

7. Divineguma District Directors

1. Mr. U.P. Sandaruwan Anuruddha - Ampara
2. Mrs. M. Chandima - Anuradhapura
3. Mr. W.M.P. Wijayabandara - Badulla
4. Mr. P. Gunarathnam - Batticaloa
5. Mrs. Harshani R. Sirinama - Colombo
6. Mrs. Disna S. Vithanage - Galle
7. Mr. K. Ayesh M. Perera - Gampaha
8. Mr. N.G. J.P. Rohitha - Hambantota
9. Mr. K. Maheshwaran - Jaffna
10. Mrs. B.A.S. Udayangani - Kaluthara
11. Mrs. W.M.T.U. Vijerathna - Kandy
12. Mr. Sithara Gamage - Kegalle
13. Mr. M.S.M. Safras - Kurunegala
14. Mrs. A. Thavapalalan - Kilinochchi
15. Mr. K. Sasidaran - Mannar
16. Mr. K.A. Cyril Liyanage - Matara
17. Mr. K.D. Wickramasooriya - Matale
18. Mr. Niel Pranando - Monearagala
19. Mrs. J. Kaneshamurthi - Mulatiu
20. Miss. H.M.S.K.K. Herath - Nuwara-eliya
21. Mr. N. Ruwan Rajashilpa - Polonnaruwa
22. Mr. S.A. Nalaka Priyashantha - Puttalam
23. Mr. H.M.C. Susantha Herath - Rathnapura
24. Mr. K.P. Premadasa - Trincomalee

8. Deputy Directors

1. Mr Mahesh Perera
2. Mr S. Liyanarachchi
3. Mr H. K. Ranaweera
4. Mrs R. M. L. W. L. Rathnayake
5. Mr B. G. L. R. N. S. Bandara
6. Mr S. R. Wijesekera
7. Mr T. A. Ranasinghe
8. Mr S. Wannigama
9. Mr Kapila Masakorala
10. Mrs S. D. Kalyani
11. Mr Ranjith de Silva
12. Mr S. P. Wanigatunga

9. Deputy Internal Auditor

1. Mr H. Anurawansa

10. Assistant Directors

1. Mr Ananda Gamage
2. Mrs I. D. N. Sanjeevani
3. Mr I. C. J. Gunaratne
4. Mr G. M. D. W. D. Pallawala
5. Mr G. D. R. K. Perera
6. Mr A. F. Fernando

11. Engineers

1. Mr A. L. M. Maheer

12. Administration Officers

1. Mr P. G. Upul Jayashantha
2. Mrs B. L. S. Boralugoda

03. Performance of the Training and Research Division

The previous year was a period of transition for the Department of Divineguma Development.

Accordingly, during that year various changes took place in the structure of the Department and various revisions had been made in respect of establishment matters. The relevant training programmes are being planned and implemented, and during the same year, two state budgets had to be faced. After the General Election held in August 2015, the Department of Divineguma Development was attached to the Ministry of Social Empowerment and Welfare.

The relevant training programmes were planned at national level to positively enhance the knowledge and skills of the Officers of various grades working attached to the Department of Divineguma Development and accordingly to obtain a more efficient and productive service.

Table – 02 Training programmes held at national level

S/No	Training Programme	No of programmes	No of officers trained
01	Training about administration and disciplinary matters	01	100
02	Training programme about office systems and establishment matters	01	100
03	Training programme about preparation of pensions	01	83
04	Training programme about advance accounts of state officers	01	02
05	Training programme for staff officers in disciplinary procedure	01	50
06	Training about administration and disciplinary matters (Tamil medium)	01	20
07	Training programme on the training function for office staff for higher productivity	01	09
08	Awareness workshop for drivers regarding the vehicle air emission programme	01	06
10	Payment of fees for courses selected at the discretion of officers (Post Graduate Courses/Rural Development Courses)		73
Total		08	443

(Source – Departmental sources)

Accordingly, the officers who had the Authority mentality, after their induction to the Department, were given a training about administration and discipline for training in accordance with the Departmental methodology, and through this, it is expected to create a disciplined work force and service security through being made aware of the rules and regulations of the public service.

Through the formal training given in respect of office systems and establishment matters, it was expected to create awareness amongst officers to work by creating a good working environment under a formal and uniform framework in accordance with the Establishment Code and the Financial Regulations, through the formal training given about office systems and establishment matters.

Through the formal training given from the initial step of preparing a pension file up to the conclusion to minimize errors that take place in the preparation of pension files of a very large number of staff, it was expected to minimize errors that take place in respect of the files of those who by now had selected their options, thereby making available to the officers an accelerated and satisfactory service.

Through conducting training programmes about accounting matters, it was aimed to increase the knowledge of the officers about financial management and, this too was a training programme conducted at national level.

By organizing the training programme for Karyala Karya Sahayakas, it was aimed to get them to work with a team spirit, thereby providing a very efficient service and through it, a high productivity was expected

For Staff Officers, training programmes were conducted about office procedure, making innovation the prime objective. Through this, it is expected to create a good working environment whilst managing the human resources well.

Similarly, with the objective of obtaining a more efficient and productive service through the maintenance of vehicles, the drivers of the institution were made aware of the air emission programme. Through this, attention had been paid through this workshop to a segment to which not much attention is being paid and this was appreciated by them.

To conduct these training programmes at the national level, the Department of Divineguma Development possesses the following Training Centers:

- 1 Matara Training Center
- 2 Nillamba Training Center
- 3 Samanalawewa Training Center

The following programs were conducted at the above centers during 2015.

Table – 03 During the year 2015, the following training programmes had been conducted at the above Centers:

S/No	Training Programme	No of programmes	Where held	No of participants
01	Training programme for Internal Audit Asst Officers	01	Samanalawewa District Training Center	40
02	1.Office systems and office management training. 2. Public Financial Management training	02	Matara District Training Center	100
03	Awareness programme and progress review meeting for officers of the Internal Audit Division.	01	Samanalawewa District Training Center	180
04	Residential training for the Divineguma staff of the Kandy District about office systems and establishment matters (02 groups)	02	Nillamba District Training Center	114
Total		06		434

(Source – Departmental sources)

There are no residential facilities at the Matara Training Center, and Nillamba and Samanalawewa being Training Centers with residential facilities are of special interest. Through this, it was expected to provide a more effective training in a relaxed atmosphere to public officers, free from the high pressure of work.

Sri Lanka is a multi ethnic country. A training programme was conducted for those working in the Tamil medium in their mother tongue, and through this, a better service was expected.

In addition, training programmes had been conducted at the District level, and through the overall training programmes it was expected to increase the knowledge, attitudes and skills of the staff.

Table – 04 In the past year, the under mentioned training programmes had been conducted in the various Districts

S/No	District	Training Programme	No of programmes	No of participants
01	Colombo	Awareness programme for internal officers of the staff	13	863
02	Kilinochchi	Subject training for the Internal Audit staff 1 Training on establishment methods (02 days) 2 Training on attitudinal development for Managers	02	62 75
03	Kilinochchi	Providing subject training for the District internal staff 1 Disciplinary management – 40 officers 2 Training in public accounts – 10 officers 3 Training in public accounts management and accounting systems, social development training programme – 40 officers	03	120
04	Gampaha	For the internal staff 1. Training about the Establishment Code and provisions of the financial regulations (02 days)	03	318
05	Galle	For the internal staff 1 Office systems and establishment matters 2 Prevention of the use of drugs, happy family, food security	02	200
06	Ratnapura	Training programme about the accounting procedure for the Divineguma staff.	01	40
07	Kurunegala	For the internal staff 1. One day training on establishment, disciplinary and office work (05 workshops) 2. One day workshop on establishments and discipline 3. One day training on accounts (CIGAS) 4. One day training on the preparation of pensions	08	475

08	Kegalle	For the internal staff 1.Training in disciplinary function management 2.Training programme on boards of survey 3.Training on public accounts management and accounting systems	03	180
09	Kandy	Training of Development Officers of the District at the Divisional Secretariat, Doluwa	01	55
10	Kandy	For the internal staff 1.Briefing about preliminary matters relevant to the payment of pensions due to officers who had been Departmentalized. 2.Briefing about the correct preparation of the personal files of Departmentalized officers.	02	127
11	Badulla	For the internal staff 1.Training workshop for Divineguma Zonal Managers on office systems and establishment matters (01 day) 2.Training course for the Divineguma community based bank staff on attitude development and institutional productivity. (03 days) 3.Training programme for the registration of the officers of the Department of Divineguma Development in the pension scheme and the maintenance of personal files	03	468
12	Badulla	Training programme in disaster management for District Divineguma Managers	01	100
13	Hambantota	For the internal staff (Briefing about the public sector of Sri Lanka, provisions of the Establishment Code, office management, filing and financial regulations)	04	225
14	Ampara	Capacity training programme for the Divineguma staff of the Mahaoya Divisional Secretariat.	01	34
15	Ampara	Programme for the briefing of the field officers of the Dehiattakandiya Divisional Secretariat	01	100
16	Anuradhapura	Conducting training for the internal staff 1. Two 03 day training programmes on office systems and establishment matters – 140 officers 2.Two one day training programmes about new accounting systems –	04	280

		140 officers		
17	Polonnaruwa	Subject training for the internal staff 1.Training programme about establishment matters for subject officers of the institutions 2.Basic training programme for the preparation of project reports 3.Briefing about counterfeit money and awareness programme for officers about Internet facilities and email.	03	189
Total			55	3911

(Source – Departmental sources)

The exceptional asset in the possession of the Department of Divineguma Development is the human resource replete with various skills. The Training Division of the Department of Divineguma Development announces very proudly that it would serve in the future too to reach the goals without difficulty, with a firm determination in the face of challenges by making them a staff replete with knowledge, skills and wholesome attitudes and guiding them towards successful objectives by managing this human resource well. The challenge we are faced with in the year 2016 is achieving the goal of developing these Training Centers to a level whereby even training workshops at an international level could be conducted.

04. Performance of the Investigation Division

Creation of 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.

Functions

Taking under mentioned action in respect of complaints received regarding neglect of duty, irregularities and criminal activities committed by any Officer working in the institution:

- 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 2015	-	14
2. Orders relevant to formal disciplinary inquiries relating to year 2015	-	17
3. Preliminary inquiries/internal audit reports relating to year 2015	-	32
4. Number of charge sheets served relating to year 2015	-	03
5. Interdiction relating to year 2015	-	01
6. Reinstatement subject to disciplinary inquiries relating to year 2015	-	12
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 relating to year 2015	-	81
• Reinstatement with punishments	-	22
• Mitigation of punishments	-	--
• Rejections	-	59
• Appeals sent to the Public Service Commission against disciplinary orders	-	02

Special Matters:

I would like to mention that in the year 2015, the performance of the Investigation Division fell down below the expected level, as after the Head Office of the Department was shifted from Borella to Sethsiripaya in February 2015, it took several months to identify an office premises for the Investigation Division, and until then the files of the Division had been lying at Borella, and also due to the transfer of Mrs Anoma Jayasinghe who supervised the Division and the lack of a Staff Officer for the full time supervision of the Investigations Division.

**Table - Progress of Annual Livelihood Development Programme
and Other Programmes as at 31.12.2015**

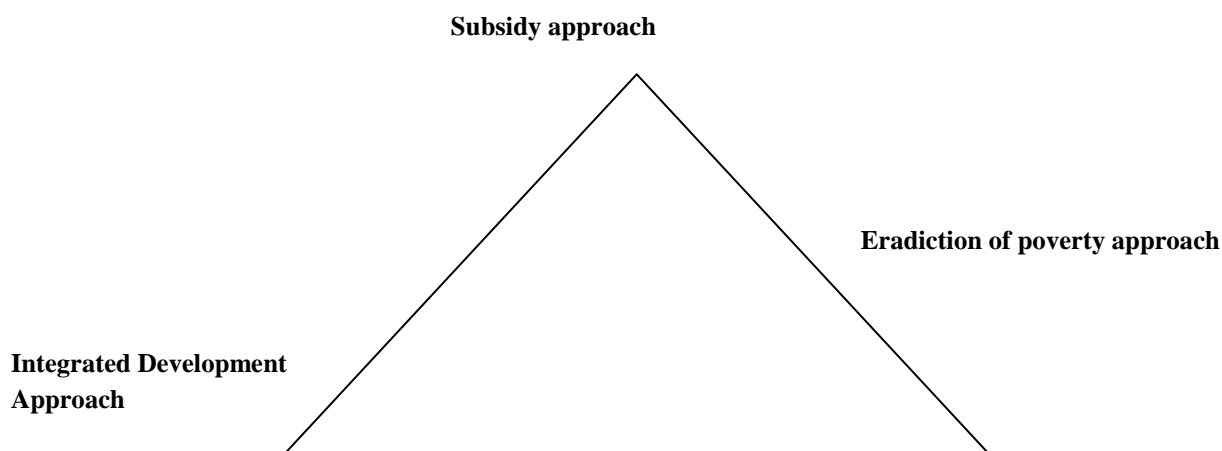
S/N	Programme	Amt. Allocated (Rs.m.) 2015	No, of Approved Projects	Financial Progress		Physical Progress	
				Expen. (Rs. M.)	Percent. (%)	No. of Projects Completed	Percent. (%)
Departmental Allocations							
01	Livelihood Development Prog.	1,015.00	49,585	847.24	83.47	43,923	88.58
02	Social Development Prog.	60.00	15,448	57.87	96.45	10,532	68.18
03	Marketing Promotion Prog.	50.00	1,864	25.39	50.78	846	45.39
04	Community Based Developpment Prog.	17.00	653	3.75	22.06	125	19.14
05	IT Programme	30.00	03	30.00	100	03	100
06	Media Programme	4.00	03	-	-		
07	Social Welfare Prog.	24.00	01	24.00	100	01	100
	Sub Total	1,200.00	67,557	988.25	82.35	55,430	82.05
Ministry Allocations							
08	Livelihood Developmentt Programme	688.80	30,211	576.28	83.66	21,044	69.66
09	Livelihood Revolving Loan Programme	477.00	10,402	471.43	98.83	8,353	80.30
10	“Diriya Piyasa” Housing Programme	187.80	2,504	47.10	25.08	628	25.08
	Sub Total	1,353.60	43,117	1,094.81	80.88	30,025	69.64
	Grand Total	2,553.60	110,674	2,083.06	81.57	85,455	77.21
Other Programmes							
11	Training and Capacity Building Programme	8.00	67	6.31	78.89	58	86.57
12	Divineguma (Samurdhi) Asst. Prog.	41,760	01	40,209.74	96.29	01	100
13	Community Based Banking Prog. (Micro-finance Loans - 1999 – 2015)	-	-	153,990 (Rs. m.) (LoanVal.)	-	6,851,459 (No.of Loans)	-
14	Social Security Prog.	-	-	638 (Rs. m.)	-	275,024 (Benefi.s)	-

05. Performance of the Social Welfare Division

The main objective of the Social Welfare Division is to assist the empowerment of low income earning families socially and economically so that they would be stable without their economic level 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 Samurdhi Subsidy Programme was implemented island wide with the objective of eradicating poverty through a threefold development approach.



The most important feature of the 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 Samurdi 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.

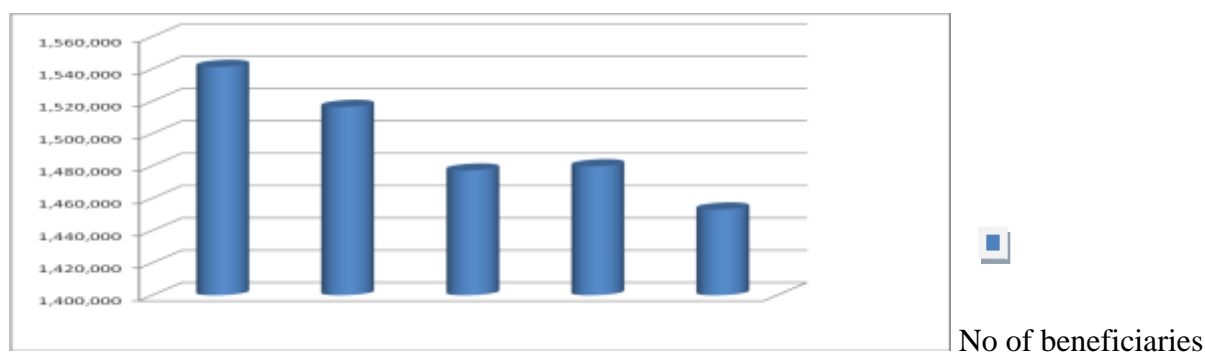
The number of Samurdhi beneficiaries during the year 2015 was 1,453,078, and in this respect an allocation of Rs.Bn. 40.2 had been spent.

Table – 05 No of Samurdhi beneficiaries during the past 05 years (2011-2015)

Year	No of beneficiaries
2011	1,541,318
2012	1,516,543
2013	1,477,173
2014	1,479,811
2015	1,453,078

(Source – Departmental sources)

Chart – 01 Samurdhi beneficiaries in the last 05 years (2011 – 2015)



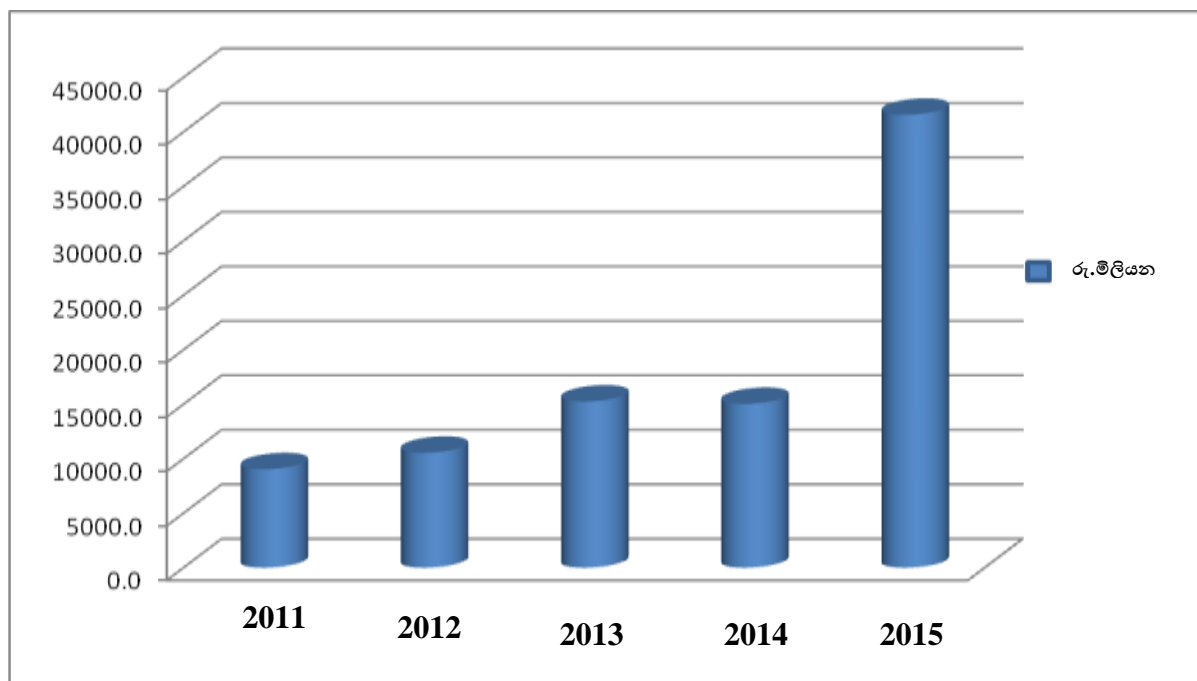
(Source – Departmental sources)

Table – 06 Expenditure of the Samurdhi Subsidy Programme during the past 05 years (2011-2015)

Year	Expenditure Rs
2011	9,043,442,154.63
2012	10,553,188,655.62
2013	15,255,979,958.73
2014	15,041,799,341.62
2015	40,209,736,640.00

(Source – Departmental sources)

Chart – 02 Samurdhi program in the last 05 years the cost (2011 -2015)



Rs Mn

(Source – Departmental sources)

Table – 07 Distribution of the allowance related to the Subsidy Programme for the year 2015

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	420/-	365/-	45/-	10/-	-

(Source – Departmental sources)

5.1. 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.

5.2. 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.

5.3. 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.

5.4. Survey to Select Beneficiaries

In the last quarter of 2015, it was decided to conduct a Survey to select genuine beneficiaries those who would qualify to receive Divineguma (Samurdhi) benefits. Rs. 24 million was spent to print 2.5 million number of survey forms for that purpose. Further, by the end of the year 2015, 1,455,078 number of survey forms were distributed among beneficiaries.

5.5.Amount entitled by 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 – 08 No of Samurdhi Beneficiaries in the Year 2015 District-wise

(Source – Departmental sources)

District	Rs-/420.	Rs-/1500.	Rs-/2500.	Rs-/3500.	Total No of Beneficiaries
Colombo	1,268	21,945	9,339	17,012	49,564
Gampaha	7,349	41,593	22,260	45,417	116,619
Kalutara	6,063	23,711	10,995	21,804	62,573
Kandy	7,409	30,972	15,071	33,807	87,259
Matale	3,087	15,803	7,862	14,965	41,717
Nuwara Eliya	8,065	12,419	6,031	13,126	39,641
Galle	7,893	20,246	11,806	31,254	71,199
Matara	4,527	23,227	11,137	26,399	65,290
Hambantota	6,397	14,660	9,772	23,952	54,781
Jaffna	0	13,418	9,205	31,283	53,906
Mannar	0	3,020	2,307	7,839	13,166
Vavuniya	2,759	2,822	1,599	4,829	12,009
Mullaitivu	44	1,926	2,614	6,530	11,114
Kilinochchi	0	2,716	2,050	6,968	11,734
Batticaloa	16,502	19,764	10,269	32,677	79,212
Ampara	13,960	20,742	10,404	29,336	74,442
Trincomalee	7,330	10,218	5,899	15,602	39,049
Kurunegala	8,555	51,155	27,581	58,440	145,731
Puttalam	1,559	22,123	9,446	20,959	54,087
Anuradhapura	5,245	23,020	11,507	22,050	61,822
Polonnaruwa	4,304	7,691	5,781	11,241	29,017
Badulla	6,087	18,608	9,699	22,126	56,520
Moneragala	7,306	12,656	8,045	18,677	46,684
Ratnapura	11,504	25,974	20,698	51,572	109,748
Kegalle	8,382	19,214	11,869	26,729	66,194
Total	145,595	459,643	253,246	594,594	1,453,078

Shown below is the distribution of allocations district wise for Samurdhi subsidies from January to December 2015.

Table – 09 Allocation of Divineguma Stamps from January to December 2015

District	January	February	March	April	May	June	july	August	September	October	November	December	Total Allocation/Imprest (Rs.)
Colombo	97,171,780	97,171,780	97,171,780	119,457,680	119,457,680	117,153,380	117,292,820	117,111,740	116,934,660	116,727,740	116,548,980	116,339,560	1,348,539,580
Gampaha	118,007,060	118,007,060	118,007,060	285,178,380	285,178,380	283,424,460	283,153,820	282,156,020	281,824,800	281,239,420	280,748,000	280,085,580	2,897,010,040
Kalutara	231,079,200	231,079,200	231,079,200	144,658,120	144,658,120	144,276,520	144,040,000	143,834,400	143,582,980	143,353,140	142,969,020	141,914,460	1,986,524,360
Kandy	140,939,580	140,939,580	140,939,580	211,633,220	211,633,220	211,050,600	210,352,840	210,062,620	208,803,740	208,427,480	206,614,880	205,571,780	2,306,969,120
Matale	145,204,000	145,204,000	145,204,000	99,193,360	99,193,360	99,163,020	98,793,420	98,543,320	98,209,360	97,820,640	97,394,700	97,033,540	1,320,956,720
Nuwara-Eliya	231,027,640	231,357,360	231,357,360	83,386,620	83,386,620	83,275,380	83,217,380	83,156,780	83,087,020	83,057,520	83,033,460	83,034,300	1,442,377,440
Galle	294,200,580	294,200,580	294,200,580	176,766,820	176,766,820	175,403,960	175,218,660	174,964,640	174,575,400	173,983,440	173,360,740	172,588,060	2,456,230,280
Matara	105,445,940	105,445,940	105,445,940	163,206,660	163,206,660	162,526,820	162,154,360	161,576,760	161,094,700	160,576,220	159,563,580	156,980,840	1,767,224,420
Hambantota	131,868,760	131,868,760	131,868,760	133,759,300	133,759,300	133,711,980	133,613,320	133,492,740	133,332,260	132,493,380	133,112,920	132,938,740	1,595,820,220
Jaffna	172,264,560	172,264,560	172,264,560	152,633,500	152,633,500	152,633,500	152,633,500	152,633,500	152,633,500	152,633,500	152,633,500	152,630,000	1,890,491,680
Mannar	81,127,020	81,127,020	79,835,720	37,839,000	37,839,000	37,874,000	37,918,000	37,894,000	37,894,000	37,793,000	37,776,000	37,734,000	582,650,760
Vavuniya	81,028,520	81,028,520	81,028,520	26,254,280	26,254,280	26,272,280	26,289,280	26,281,280	26,286,280	26,284,780	26,288,780	26,290,780	479,587,580
Mullativu	108,788,200	108,788,200	108,788,200	32,192,480	32,192,480	32,214,980	32,134,480	32,134,480	32,134,480	32,160,480	32,183,480	32,297,480	616,009,420
Kilinochchi	109,844,080	109,844,080	109,844,080	33,518,500	33,518,500	33,518,500	33,535,500	33,564,500	33,564,500	33,566,500	33,564,500	33,587,000	631,470,240
Batticalo	145,440,360	145,440,360	145,440,360	178,915,940	178,915,940	177,678,040	177,571,200	177,454,660	177,090,520	176,967,280	176,843,380	176,618,840	2,034,376,880
Ampara	89,722,300	89,722,300	89,722,300	167,475,040	167,475,040	166,885,560	167,105,860	166,564,540	166,536,220	166,355,260	166,026,500	165,662,200	1,769,253,120
Trincomalee	115,746,100	115,746,100	115,746,100	87,689,560	87,689,560	87,699,060	87,781,480	87,787,800	87,785,080	87,791,780	87,769,660	87,760,100	1,136,992,380
Kurunegala	55,921,640	55,921,640	55,921,640	361,475,500	361,475,500	361,063,200	359,751,200	358,793,000	357,567,360	357,019,860	355,267,660	353,818,100	3,393,996,300
Puttalama	71,159,460	71,857,460	71,857,460	134,020,860	134,020,860	134,049,120	133,918,700	132,635,180	131,969,980	131,590,780	131,403,180	130,810,780	1,409,293,820
Anuradhapura	149,273,840	149,220,260	149,220,260	143,966,740	143,966,740	143,685,800	143,905,600	143,758,380	143,495,980	143,679,420	142,825,860	142,675,400	1,739,674,280
Polonnaruwa	125,680,000	125,680,000	125,680,000	68,258,240	68,258,240	68,288,740	67,934,960	67,677,400	67,601,880	67,465,620	67,220,560	67,140,180	986,885,820
Badulla	31,247,000	31,247,000	31,247,000	133,063,900	133,063,900	133,067,740	133,071,000	132,809,620	132,687,220	132,507,580	132,312,080	132,157,040	1,288,481,080
Monargala	21,640,780	21,640,780	21,640,780	109,469,840	109,469,840	108,263,640	108,190,700	108,116,220	108,095,600	107,935,520	107,628,320	107,534,520	1,039,626,540
Ratnapura	26,692,480	26,692,480	26,692,480	279,670,940	279,670,940	279,694,400	279,272,380	278,789,740	277,783,220	277,246,140	276,814,080	276,039,680	2,585,058,960
Kegalle	27,557,000	27,557,000	27,557,000	159,614,260	159,614,260	159,165,600	158,605,620	157,801,060	157,749,920	157,358,400	156,090,040	155,565,440	1,504,235,600
Total	2,908,077,880	2,909,052,020	2,907,760,720	3,523,298,740	3,523,298,740	3,512,040,280	3,507,456,080	3,499,594,380	3,492,320,660	3,486,034,880	3,475,993,860	3,464,808,400	40,209,736,640

(Source – Departmental sources)

6. Performance of the Social Security Division

The main objective of this division is to provide opportunities for Divineguma (Samurdhi) beneficiaries to lead a smooth life providing financial assistance in their important events of day – to – day life ranging from cradle to grave, until they are empowered.

The Divineguma Social Security Fund had been set up on 01st January 1997.

Contributors to the Fund: All Samurdhi beneficiary families

Subscriptions to the Fund: An amount recovered from the subsidy allowance payable to Samurdhi beneficiaries (Rs.45/-)

Functions basically performed by the Fund:

- 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 bursaries to children of Samurdhi beneficiary families engaged in tertiary education through the Sipdora Scholarship Programme, thereby providing a lifeline to the education of these those children.

Value of benefits provided:

- I. Rs. 5,000/= for a child birth,
- II. Rs. 5,000/= for a marriage,
- III. Rs. 6,000/= for a hospitalization (For only 30 days for a year at Rs. 200/- per year.)
- IV. Rs. 10,000/= for a death,
- V. Sipdora Scholarship monthly allowance is Rs. 1000/=.

A bursary of Rs.24,000/= is paid for the two year academic period of the GCE (A/L). (A total number of 10,000 scholarship holders will be selected from the 25 Districts)

Table – 10 Divineguma Social Security Fund

District-Wise Payment Summary Form 01.01.2015 to 31.12.2015

Code No	District Secretariat	Births		Marriages		Illnesses		Deaths		Scholarships		Travelling Expenses		Other expenses	
		No	Amount Rs.	No	Amount Rs.	No	Amount Rs.	No	Amount Rs.	No	Amount Rs.	No	Amount Rs.	No	Amount Rs.
1	Colombo	51	255,000.00	401	2,005,000.00	328	996,000.00	654	6,540,000.00	5845	5,845,000.00	46	40,236.00	0	276,632.23
2	Gampaha	255	1,275,000.00	1493	7,465,000.00	1525	4,513,000.00	1650	16,500,000.00	11199	11,199,000.00	82	77,597.00	0	916,976.67
3	Kalutara	145	725,000.00	982	4,910,000.00	865	2,328,600.00	1293	12,930,000.00	8514	8,514,000.00	2	1,986.00	0	587,995.79
4	Kandy	227	1,135,000.00	791	3,955,000.00	1100	3,067,400.00	963	9,630,000.00	11785	11,785,000.00	26	19,694.00	5	442,480.79
5	Matale	132	660,000.00	454	2,270,000.00	517	1,429,800.00	502	5,020,000.00	7440	7,440,000.00	0	-	0	150,486.17
6	Nuwara Eliya	201	1,005,000.00	482	2,410,000.00	610	1,684,400.00	775	7,750,000.00	5885	5,885,000.00	55	58,470.00	0	326,011.11
7	Galle	157	785,000.00	1187	5,935,000.00	918	2,582,600.00	1358	13,580,000.00	11013	11,013,000.00	82	80,570.00	0	797,720.43
8	Matara	353	1,765,000.00	1261	6,305,000.00	1243	3,491,800.00	1161	11,610,000.00	8995	8,995,000.00	66	65,359.00	4	508,780.77
9	Hambantota	341	1,705,000.00	1137	5,685,000.00	901	2,536,800.00	798	7,980,000.00	6112	6,112,000.00	65	71,470.50	0	183,934.47
10	Jaffna	310	1,550,000.00	792	3,960,000.00	813	2,176,800.00	656	6,560,000.00	9549	9,549,000.00	0	-	0	335,458.22
11	Mannar	162	810,000.00	337	1,685,000.00	314	836,000.00	141	1,410,000.00	7041	7,041,000.00	0	-	0	-
12	Vavuniya	71	355,000.00	158	790,000.00	163	486,000.00	116	1,160,000.00	2082	2,082,000.00	0	-	0	147,763.17
13	Mullaitivu	163	815,000.00	118	590,000.00	159	546,800.00	76	760,000.00	451	451,000.00	0	-	0	-
14	Kilinochchi	58	290,000.00	131	655,000.00	115	334,800.00	80	800,000.00	167	167,000.00	0	-	0	-
15	Batticaloa	414	2,070,000.00	1934	9,670,000.00	1695	4,144,400.00	799	7,990,000.00	11066	11,066,000.00	38	38,000.00	0	-
16	Ampara	643	3,215,000.00	2503	12,515,000.00	2669	6,112,800.00	977	9,770,000.00	9035	9,035,000.00	15	14,879.10	0	671,809.17
17	Trincomalee	187	935,000.00	825	4,125,000.00	453	1,263,000.00	408	4,080,000.00	6935	6,935,000.00	18	15,131.00	0	228,176.84
18	Kurunegala	603	3,015,000.00	1965	9,825,000.00	2318	6,765,400.00	2108	21,080,000.00	15731	15,731,000.00	9	6,423.00	0	1,030,580.46
19	Puttalam	371	1,855,000.00	860	4,300,000.00	527	1,598,400.00	719	7,190,000.00	8945	8,945,000.00	72	45,440.40	0	471,531.70
20	Anuradhapura	353	1,765,000.00	749	3,745,000.00	796	2,235,400.00	664	6,640,000.00	8376	8,376,000.00	60	57,565.00	0	330,626.40
21	Polonnaruwa	184	920,000.00	428	2,140,000.00	330	1,030,600.00	342	3,420,000.00	4474	4,474,000.00	41	40,400.00	0	181,349.52
22	Badulla	288	1,440,000.00	1178	5,890,000.00	1510	3,931,400.00	925	9,250,000.00	9302	9,302,000.00	90	89,269.00	26	547,753.03
23	Moneragala	269	1,345,000.00	920	4,600,000.00	812	2,240,600.00	595	5,950,000.00	8579	8,579,000.00	36	31,783.00	0	264,640.79
24	Ratnapura	544	2,720,000.00	2299	11,495,000.00	1682	5,044,600.00	1981	19,810,000.00	11320	11,320,000.00	8	5,468.00	0	616,851.69
25	Kegalle	132	660,000.00	867	4,335,000.00	1185	3,438,600.00	1172	11,720,000.00	8988	8,988,000.00	22	26,026.00	0	665,978.12
	Total	6614	33,070,000.00	24252	121,260,000.00	23548	64,816,000.00	20913	209,130,000.00	198829	198,829,000.00	833	785,767.00	35	9,683,537.54

07.Social Development Division

Social development means the development of all sectors of society. Accordingly, the prime objective is the creation of a family environment in overall society, rich in spiritual development having fulfilled the basic needs of the poor and the low income families.

Background

Shown below are the details of programmes implemented by this Division in 2015 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.

Current Function

In order to achieve the above objectives, during the year 2015, the Social Development Division had been given a Treasury allocation of Rs. Mn 50. The function of the Social Development Division is 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, a Treasury allocation of Rs Mn 200 had been received from the Ministry of Housing Development and Samurdhi, and out of this, a sum of Rs Mn 187.8 had been utilized for the construction of houses and balance Rs Mn 12.2 for providing tiles. In addition, 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 five major sectors:

01 Spiritual and Social Development Programmes

- I Spiritual development
- II Preventing of drug abuse and smoking
- III Happy Family Programme
- IV Child protection and childrens' club programme

- 02. Diriya Piyasa Housing Programme
- 03. Model Villages programme
- 04. Programme for the commemoration of international days
- 05. Special programmes

6.1. Spiritual and Social Development Programme

I.I Spiritual Development

- ❖ Mustering the community around places of religious worship, thereby encouraging them for religious practices and to develop their religious faith and wisdom.
 - ❖ Organizing shramadana, medicinal herb gardens and eco friendly home gardens centered in religious sites, public areas and houses, conservation of public property and encouraging adaptation to indigenouness.
 - ❖ Guiding children towards daham pasel education and the development of daham pasels in every religious place.
 - ❖ Attitudinal development of children, youth and the elders and development of aesthetic taste at village level
- No of spiritual development programmes – 9200
 - Amount spent for these – Rs. Mn. 0.16

6.1.1. Anti-Liquor and Anti-Smoking Programme

Implementation of programmes at wasam, division and district level in collaboration with voluntary organizations, religious places, schools and other civic organizations centered around them against drug abuse, by educating about the socio economic dangers of the use of drugs and tobacco, which has become a major obstacle to the economic development of low income earners.

- ❖ Collection of information regarding the current situation about drugs and cigarettes and investigating through new surveys.
- ❖ Briefing children, the youth and the elders about the drug menace properly and about social attitudes towards drugs at school level and through other civic organizations and taking measures to discourage them using drugs.
- ❖ Encouraging children, the youth and the elders to take part in anti drugs activities and the establishment and operating of anti drug committees

- ❖ Identifying the unjust behavior of drinkers in society and briefing the community to rise up against it.
- ❖ Creation of parent groups and other groups to counter publicity and other related pressures which operate targeting children
- ❖ Briefing the people about the National Authority on Tobacco and Alcohol Act and empowering the people to implement this Act.
- ❖ Briefing shop owners about this Act and empowering the people to implement this Act.
- ❖ Briefing shop owners about this Act and creation of shops which discourage publicity about tobacco.
 - No of programmes implemented – 70
 - Total amount spent in that behalf – Rs Mn 1.3

7.1.2. Happy Family Programme

One's family is the strength of the social bond. Society can be made a pleasanter place when interactions among family members are closer, friendlier and mixed with attitudes.

- ❖ Providing guidance for the development of proper communications within the family, mutual respect, recognition, listening to others, and development of love, affection and cordiality.
- ❖ Encouraging housing units to manage their houses well, developing nutrition, safety and freedom and building a self-sufficient family with home gardens without using chemical fertilizer.
- ❖ Promotion of correct aesthetic activities and taking action to develop an understanding about gender differences.
- ❖ Providing guidance to minimize domestic violence
 - No of programmes implemented – 65
 - Total amount spent in that behalf – Rs Mn 1.0

7.1.3. Child Protection and Children's Club Programme

The future belongs to the children of this country. To take over this heritage, intelligent and courageous children should be empowered by embellishing their world and 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.

By now one active childrens club per wasama, named Divineguma Kekulu Childrens Club have been established and during this year reorganization took place.

- ❖ Establishing an active childrens club in every village (In accordance with the hand book called “Nipuna Lama Lowak”
- ❖ Programmes must be implemented for the development of cultural and aesthetic values , development 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.

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 2014 was conducted at the Rahula Balika Vidyalaya, Malabe on the 12th July 2015 for children selected at district level. Children of Sinhala medium childrens clubs participated in 12 events under 3 age groups. In this regard, Sinhala and Tamil medium children’s club members from all districts took part in 15 events, under three age groups. Further, for Tamil medium children too it had been held at the Rahula Balika Vidyalaya, Malabe on the 26th July 2015 in the same manner.

- No of programmes implemented – 10
- Total amount spent in that behalf – Rs Mn 3.3





7.1.3. 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, families looking after their aged parents, families with disabled parents or brothers, 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.

During this year, the Ministry of Housing and Samurdhi Development had given a financial allocation of Rs. Mn 187.8 at the rate of Rs. 75,000/= per house for the construction of 2400 houses for 160 electorates at the rate of 15 houses per electorate. Under this, 2504 houses had been constructed.

In addition, it had become possible to construct 511 houses under the Special Diriya Piyasa programme in respect of applications made by low income earners recommended by District Secretariats, and beneficiaries identified through newspaper notices, based on the recommendations of the relevant Divisional Secretary made after observations.

The value of a house so constructed through the participation of beneficiaries and external voluntary parties is between Rs.400,000/- and Rs.500,000/=

- No of houses constructed – 3015
- Total amount spent– Rs Mn – 225.9

The former and present condition of the house of Mrs K M Subaratne Menike, Kitulgaha Arawa Wasama, Haldummulla Secretarial Division, Badulla District.



7.2. Model Village Programme

Personal development means guiding the person towards development which is complete in all aspects of economic, physical, mental, social, intellectual and environmental development. The process of economic development should be promoted by planning for the generation of income of individuals, families and communities, facilitating projects and increasing job opportunities. This Model Village Programme expects to develop a village as a model of all programmes implemented under social development programmes, where livelihood development has taken place within a just social environment favourable for the welfare of the people. The basic step of establishing model village is the creation of a village where a number of families have been clustered through a participatory rural approach, whilst building the social background necessary for it.

A village faced with more challenges socially and materially has been basically selected in the year 2015 from each Secretarial Division in the District. It will be created as the major model in the district, developing it socially and materially. As it has to be prepared as a model village complete with the targeted developmental levels, it is expected to accomplish this fully in the years 2016 and 2017.

During the year 2015, 332 villages have been selected as a model village from each Secretarial Division. Later, during the year 2016, it is expected to commence the basic tasks of those model villages at Secretarial Division level. In this respect, the supervision and follow up of the basic tasks of the model village would be done by the National Monitoring Committee, the District Monitoring Committees and the Divisional Monitoring Committees.

The operative strategy here is the joint contribution of the Social Development, Livelihood, Community Based, Micro Finance and Marketing Divisions to search for solutions to the social and material challenges by accessing a joint procedure made up of institutions, heads of institutions, voluntary organizations and all responsible officers.

- No of programmes implemented – 300
- Total amount spent– Rs Mn – 2.25

7.3 Programmes To Commemorate International Days

7.3.1. International Women’s Day (08th March)

The role of the women is very large in the creation of a friendly 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. As such, action had been taken during the year 2016 to obtain the contributions of low income earning women who had clustered round the Divineguma Programme for making their contribution active, and to appreciate women who by now have been empowered.

For this, Rs.10,000/= had been given to each Secretarial Division from the Social Development Foundation Fund.

- No of programmes implemented – 290
- Total amount spent– Rs Mn – 61

7.3.2. 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.....

The objective of the Internal 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 20th time, in the year 2015, action had been taken to distribute island wide flags and stickers printed with the motto “mathin thora vinaya onamai ratakata semada”, and a sum of Rs Mn 3.34 had been

புகைப்பிடிப்பை நிறுத்தி - உங்கள் உயிரை காப்பாற்றండి

உலக புகைப்பிடிப்பின் எதிர்ப்பு நாள்

2015 ஆம் ஆண்டு

31

புகைப்பிடிப்பை நிறுத்தி 10 உதவிகள்

உலக புகைப்பிடிப்பின் எதிர்ப்பு நாள்

[illegible]

Chart - 3

Year	Number of Employees (in thousands)
1996	2.6
1997	2.3
1998	1.6
1999	4.9
2000	10
2001	14.8
2002	18.2
2003	23.1
2004	31.8
2005	30.8
2006	35.7
2007	51.9
2008	68.1
2009	88.3
2010	79
2011	86.5
2012	123.5
2013	124.5
2014	91.64
2015	129.4

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Table – 11 Flag Sales (2010 – 2015)

Year	Flag Income Rs Mn
2010	79.3
2011	86.3
2012	123.5
2013	124.7
2014	90.0
2015	129.45

(Source – Departmental sources)

7.3.3. Social Development Foundation

There are funds in the Social Development Foundations established at the level of all Secretarial Divisions made up of deposits of flag income earned on the International Anti Smoking Day. Utilizing these funds, social development programmes are implemented in each of the Secretarial Divisions. Accordingly, shown below are the programmes implemented by the Social Development Foundations island wide in the year 2015. Accordingly, development programmes have been implemented island wide utilizing funds exceeding Rs Mn 108.

Table – 12 Progress of the Programmes implemented with the Funds of Social Development Foundation

Serial No	Pr Programmes implemented	No of programmes	Amount Rs..
01	Anti Liquor Programme	1953	6,175,652.00
02	Child Protection Programme	4868	12,253,525.00
03	Sisu Diriya Scholarships	7602	15,980,251.00
04	Schooling of children not going to school	1219	1,788,5000.00
05	Providing school equipment to school children	3348	5,617,582.00
06	Sathutu Pawula Programme	1138	1,042,000.00
07	Model Villages Programme	179	583,000.00
08	Welfare programme for the Disabled	559	2,266,800.00
09	Cultural and Spiritual Development Programme	2196	6,682,160.00
10	Repair of houses	795	14,367,583.00
11	Construction of houses	288	14,419,175.00
12	Sanitation Programmes	1929	12,597,360.00
13	International Day Commemoration	2064	7,189,921.00
14	Other programmes	1148	6,141,353.00
Total		29286	108,104,862.00

(Source – Departmental sources)

7.3.4. International Literacy Day – (08th September)

The majority of low income earners live in estates and urban shanty areas. The number of children of school going age who should go to school, but who do not attend school due to family hardships, is large. Under this programme, action has been taken to admit illiterate children between 5 – 14 years of age to formal schools, raising of the literacy levels and guidance for other trades. and literacy classes, and referring them to other vocations.

A ceremony for granting scholarships had been held concurrent to the Internal Literacy Day by summoning 100 children to Colombo and introducing them to 100 foster persons to cover the 25 districts as a model to grant a larger number of scholarships under the Foster Persons Scheme this year, targeting 14,100 scholarships.

- No admitted to schools - 1150
- No of scholarships -13554
- Amount spent Rs Mn - 0.29

7.4. Special Programmes

7.4.1 Training

These functions were implemented jointly with the District Progress Review Programmes. Under this, training had been conducted under the major topics of the Social Development Programme, Prevention of the use of liquor, Sathuta Pawula Programme, Prevention of child abuse, Prevention of suicides, Diriya Piyasa Housing Programme, Model villages and International days.

7.6.2. Progress Review

This is done in 2 stages:

- ❖ District level
- ❖ National level

Progress Review at District Level

This has been held quarterly with the participation of the District Secretary, District Director of Divineguma, District subject manager, Headquarters manager, zonal managers and the social development assistants. Provision for this is released by the Social Development Division. In the year 2015, the number of programmes held had been 70.

Progress Review at National Level

This is also held quarterly, where the Social Development Manager of the district is summoned to Colombo and this programme is held. 63 programmes had been held in the year 2015.

- No programmes implemented- 70
- Amount spent Rs Mn - 0.32

08. 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. Section 09 of this Act clearly states that every development programme should be community centered. Accordingly, Divineguma community based organizations should be established so as to cover each Grama Niladhari wasam, part of a Grama Niladhari wasam or several such wasams.

It is the community based organization which is the lowest organized unit to which the community is involved in for the implementation of the function of this Division under the Department of Divineguma Development. A Divineguma Community Based Organization is a rural level organization where the community gets involved in the operational process envisaged by the Divineguma Act. The overall organization structure of bodies such as the Divineguma Divisional Organizations, Divineguma District Committees and the Divineguma National Convention should be built based on this unit.

In accordance with the Divineguma Act, all development activities to be performed by the Department of Divineguma Development should be done with the total participation of the community, based on community based organizations, which are the smallest organized units in which the community is involved. Community based organizations should be established, and concurrently Divisional Organizations and District Committees too should be set up and maintained.

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 Division.

8.1. Function of the Community Based Organizations Division

Details of the activities carried out by this division during the year 2015 are appended below.

With the objective of strengthening Divineguma Community Based Organizations, during the year 2015, the Community Based Organizations Division has drafted three constitutions and orders in respect of Community Based Organizations, Divisional Organizations and District Committees, after obtaining legal advice from a lawyer.

To build Divineguma Community Based Organizations and to strengthen existing Community Based Organizations, a group of trainers had been selected, and after they had been provided with training, action had been taken to brief the officers and the community at district and divisional levels through these trainers. Selections for trainers had been made at the District level so as to include 05 Sinhala and Tamil media Divineguma Managers for each District, and 03 two day training programmes had been conducted. These three programmes, comprising 2 Sinhala media and 1 Tamil media, had been successfully concluded.

Through this, action had been taken to release provisions for the Districts to implement training programmes using the trained officers in all the districts after organizing 500 awareness programmes island wide for all Divineguma Managers, Development Officers and the community of the Districts and Divisions. 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 socio economic development activities taking place at rural level to be implemented by community based organizations and taking them up successfully to divisional, district and national levels.

Table – 13 Shown below are the details of these programmes:

No	Programme	No of programmes	Expenditure (Rs)
01.	Programme for the drafting of the constitutions	06	18,476.50
02.	Programme for the training of trainers	03	533,652.50
	Sinhala medium - 02		
03.	Tamil medium - 01	116	3,203,878.00
	Conducting training programmes at District and Divisional levels		
Total		125	Rs. 3,756,007.00

(Source – Departmental sources)

Table – 14 Divineguma Community Based Organizations – Expenditure Of Allocations For The District Training Programme - 2015

Serial No	District	Amount of Provisions Made (Rs)	Amount of Provisions Spent (Rs)
1	Colombo	606,100	-
2	Kalutara	797,500	-
3	Gampaha	1,180,300	65,100
4	Galle	988,900	-
5	Matara	797,500	-
6	Hambantota	638,000	-
7	Kandy	1,276,000	-
8	Matale	606,100	-
9	Nuwara Eliya	542,300	-
10	Kurunegala	1,722,600	-
11	Puttalam	606,100	196,485
12	Anuradhapura	765,600	-
13	Polonnaruwa	319,000	-
14	Badulla	701,800	-
15	Moneragala	414,700	-
16	Ratnapura	765,600	-
17	Kegalle	669,900	-
18	Ampara	638,000	-
19	Trincomalee	287,100	277,663
20	Batticaloa	446,600	379,193
21	Vavuniya	159,500	159,000
22	Jaffna	542,300	388,691
23	Manaar	191,400	163,310
24	Mullaitivu	159,500	-
25	Kilinochchi	127,600	-
	Total	Rs.15,950,000	Rs. 1,629,443

09. Livelihood Development Programme

the prime objective of this division is to upgrade the living standards of Divineguma (Samurdhi) beneficiaries and the low income families by increasing the productivity of agriculture, live-stock, fisheries and industry sectors and generating employment opportunities.

The Livelihood Development Programme for 2015 was launched with the objective of increasing the income levels of low income earning families, enhancing the health and nutritional levels, as well as for providing vocational training to provide appropriate trained labour for the job market.

2015 was a decisive year for the Department of Divineguma Development, and being engaged in development activity in conformity and adaptation to the departmental instructions, circulars and regulations, and the various changes that took place in government policies since the beginning of the year, as a result of the Presidential Election and the subsequent General Election made an impact on the implementation of development programmes.

Accordingly, the Department of Divineguma Development allocated a provision of Rs Mn 1015 to this Division for the implementation of the Livelihood Development Programme. The total allocations received, as shown below, were Rs Mn 2180.8, including Rs Mn 1165.8 given by the Ministry of Housing and Samurdhi (since September 2015 the Ministry of Social Empowerment and Welfare) for the Poverty Eradication Programme and the Livelihood Revolving Loan Programme

1. Livelihood Development Programme – Rs Mn 1015.00
2. Poverty Eradication Programme – Rs Mn 688.80
3. Livelihood Revolving Loan Programme – Rs Mn 2180.80

Total amount of allocations – Rs. Mn 2180.80



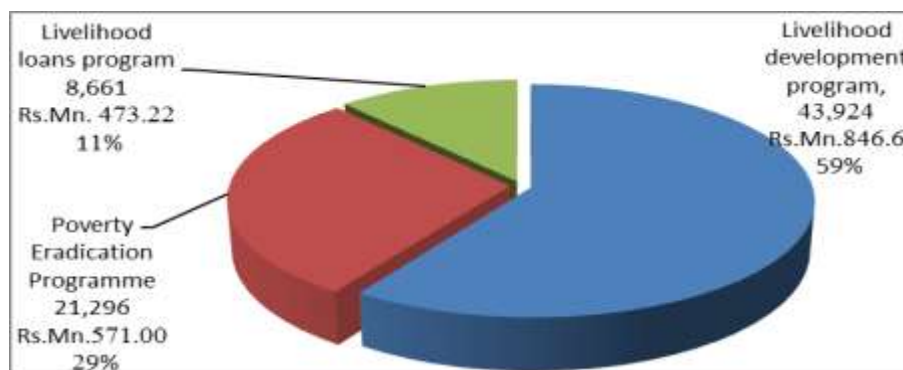
However, in utilizing all these provisions for projects, under the theme of the new government for a society of good governance, the Department of Divineguma Development also took action to provide project relief to 149,036 beneficiaries for their livelihood development, based on the poverty indices and the number of Samurdhi beneficiaries in the various Districts.

Table – 15 Overall Progress of the Programme Implemented In 2015

Serial	Programme/Vote	Amount allocated (Rs Mn)	No of completed projects	Amount spent (Rs Mn)	Contribution of the Revolving Loan Programme/beneficiaries (Rs Mn)	No of beneficiaries
01	Livelihood Development Programme	1015.00	43,924	846.49	507.04	119,076
02	Poverty Eradication Programme (Ministry allocations)	688.80	21,296	571.00	137.78	21,299
03	Livelihood Revolving Loan Programme (Ministry allocations)	477.00	8661	473.22	-	8,661
	Total	2180.8	73,881	1890.71	644.82	149,036

(Source – Departmental sources)

Chart – 04 2015 Overall Progress of the Implementation of the Program



(Source – Departmental sources)

Livelihood Revolving Loan Programme 8661 Rs Mn -	473.22	- 11%
Poverty Eradication Programme 21,296 Rs Mn -	571.00	- 29%
Livelihood Development Programme 43,294 Rs Mn -	846.6	- 59%

Projects related to livelihood development were implemented under the undermentioned sectors utilizing the allocations stated above

- 1 Agricultural development
- 2 Animal husbandry development
- 3 Fisheries development
- 4 Development of small scale enterprises
- 5 Marketing development
- 6 Vocational training targeting employment



Under this Livelihood Programme, while it was being implemented, more attention was paid to a wider spectrum extending from low income earners who could not contribute economically whilst suffering from long term illnesses to low income earners with a satisfactory income level.

Accordingly, how beneficiaries had been incorporated into projects, whilst achieving an overall financial progress of 86.73% is shown below:

Table – 16 Expansion of the Livelihood Programme in accordance with Project Criteria

Criteria		No of Projects Provided	Amount Spent (Rs)	No of Beneficiaries
A For Divineguma beneficiaries who are disabled, widowed, aged and suffering from long term illnesses such as kidney diseases and cancer	Providing a grant of 90% of the relevant project cost and a contribution of 10% being borne by the beneficiary	28,922	844.74	104,179
B – For the empowerment of low income earners who have been at a disadvantage economically and socially and their young children related to the demand for employment locally and abroad	Providing 40 % of the relevant project cost as a grant and providing a loan of 60% from the revolving fund with a community contribution of 10%	36,209	570.57	36,107
C For low income earners who are capable of paying	The revolving fund to bear 50% of the relevant project cost and the balance 50% to be borne by the beneficiary or recovering the entire amount after making provisions for this 50%	89	2.18	89
D - For Divineguma beneficiaries and low income earners	Providing a 100% loan and recovery at a 5% interest per annum after a grace period	8,661	473.22	8,661
Total		73,881	1890.71	149,036

(Source – Departmental sources)



Special mention must be made about the strong support given through the loans from the livelihood revolving fund, which has been built up at Divineguma banking union level for the successful implementation of this programme utilizing Treasury allocations, targeting the maximum number of beneficiaries.

9.1. Divineguma Livelihood Development Programme

Out of the Rs Mn 1200.00 given to the Department for Divineguma development programmes, Rs Mn 1015.00 had been allocated to the Livelihood Development Division, and it became possible to implement projects enabling livelihood projects and livelihood development under various programmes, as shown below. Accordingly:

Table – 17 Progress of Livelihood Development Programme

Programme	<i>Amount of Allocations (Rs Mn)</i>	<i>No of Projects Completed</i>	<i>Amount Spent (Rs Mn)</i>	<i>Contribution Of Beneficiaries /Revolving Fund</i>	<i>No of Beneficiary Families</i>
1.1 Livelihood development	706.59	35,481	601.03	482.52	35,379
1.2 Implementation of special projects	173.94	2,230	132.19	13.22	77,484
1.3 2014 Settlement of bills in hand	134.47	6,213	113.27	11.30	6,213
Total	1015.00	43,924	846.49	507.04	119,076

(Source – Departmental sources)

9.2. Livelihood Development Programme

Cash imprests were given in accordance with project proposals submitted by the Districts based on the number of poverty ridden people and the number of Divineguma beneficiaries in each District, from the allocation of Rs Mn 706.59 given for the Livelihood Development Programme mentioned in the above table.

Accordingly, it became possible to provide a maximum sum of Rs. 75,000/= for each project from the estimated amount for projects, and action had been taken to implement development proposals through credit obtained through the Livelihood Revolving Funds and contributions of the beneficiaries, in accordance with the project criteria shown below.

Accordingly, data in annex 01 indicate that it became possible to provide more benefits to the Kurunegala, Ratnapura, Batticaloa and Galle Districts respectively, when making adjustments of the poverty indices and the number of poor people of each district. Also, shown below are the number of finished projects, amount spent and the number of beneficiaries in each sector under the Livelihood Development Programme.

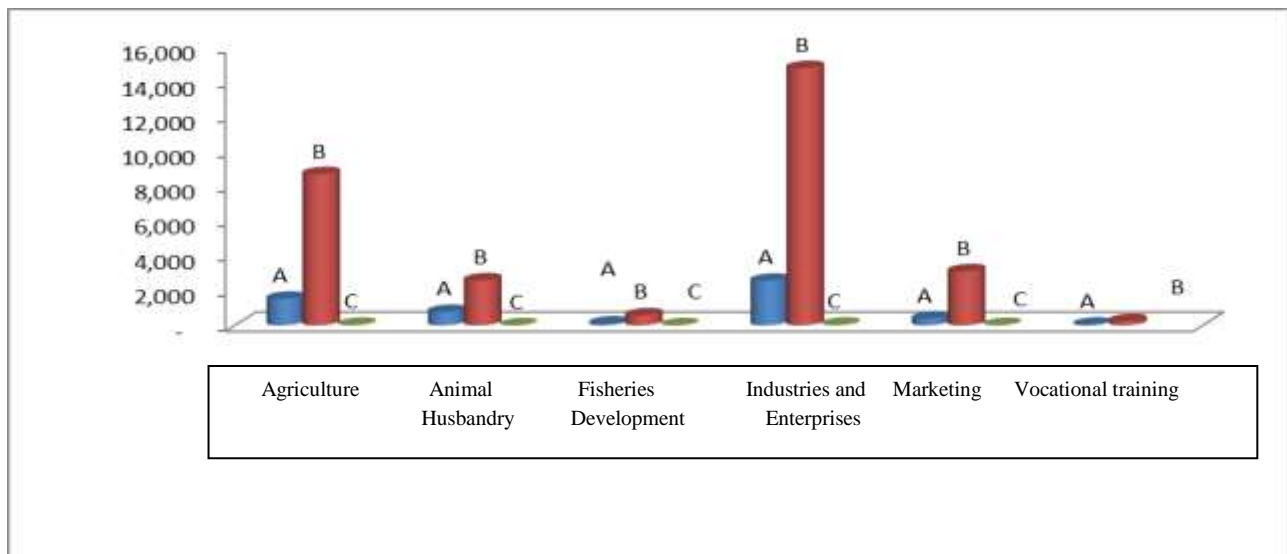


Table – 18 Distribution of Projects Criteria-Wise

Type of project	<i>Projects for which a 90% grant had been given - A</i>		<i>40% grant, 10% beneficiary contribution and 50% from revolving funds - B</i>		<i>50% allocations subject to recovery and balance allocation to be born by the beneficiary- C</i>	
	No of finished projects	Amount spent (Rs Mn)	No of finished projects	Amount spent (Rs Mn)	No of finished projects	Amount spent (RsMn)
Agricultural Development Projects	1,533	30.85	8,691	94.47	29	0.49
Animal husbandry projects	773	24.86	2,587	49.56	3	0.09
Series Development Projects	106	3.75	576	11.02	3	0.08
Small scale enterprises development projects	2,563	70.21	14,788	251.72	40	1.15
Marketing Development Projects	381	10.47	3,111	45.18	14	0.37
Job oriented vocational training projects	40	1.59	243	5.26		
Total	5,396	141.73	29,996	457.2	89	2.18

(Source – Departmental sources)

Chart – 05 Deployment solutions projects



(Source – Departmental sources)

Accordingly, it can be shown that benefits had been derived in respect of projects high in success and potential through the ensuring of beneficiary contribution also for projects.

Special Project Development Programme

The Divineguma Department annually sets apart a certain allocation in respect of development activities that have to be undertaken due to natural disasters or contemporary requirements, and for the year 2015, a sum of Rs Mn 173.93 had been set apart.

It must be especially mentioned here in this respect that the main objective of this is to further enhance the living conditions of Dinineguma beneficiaries or low income earners or to minimize the risk of the decline of livelihood as a result of natural disasters.



Accordingly, it must be especially mentioned here about the reconstruction of small tanks concurrent to the government scheme for the reconstruction of small tanks destroyed in the Polonnaruwa and Hambantota districts as a result of the country wide heavy rain in the year 2014, supply of potable water and the off season cultivation of pepper, potatoes, big onions and plantains in the Districts of Hambantota, Jaffna, Kandy and Matale.

Table – 19 Progress of the Special Projects Programme

<i>Project</i>	Amount Allocated (Rs Mn)	No of Finished Projects	Amount <i>Spent</i> (Rs Mn)	No of <i>Beneficiaries</i>
Reconstruction of minor irrigation works damaged due to floods	120.30	829	79.72	75,118
Supply of potable water	40.86	141	40.85	1,110
Surveying and clearing of land for the project for giving lands to low income earners	4.09	616	3.64	616
Cultivation of pepper	0.29	312	0.20	312
Cultivation of potatoes	4.50	150	4.50	150
Cultivation of big onions	2.73	101	2.71	97
Cultivation of plantains	0.89	81	0.57	81
Total	173.66	2,230	132.19	77,484

(Source – Departmental sources)



Settlement of 2014 Bills in Hand

The under mentioned payments had been made in respect of projects which include contributions of beneficiaries for which payments could not be made as at 31.12.2014 for programmes implemented under the Livelihood Development Programme for 2014.

Table – 20 2014 Progress of Continuation Programmes

Type of Project	No of Projects for which Payments had been made	Amount Spent (Rs Mn)	No of Beneficiaries
Agricultural Development	2,066	23.65	2,066
Live stock development	628	14.76	628
Fisheries development	86	2.09	86
Enterprise development	3,433	72.87	3,433
Total	6,213	113.37	6,213

(Source – Departmental sources)

9.3. Poverty Alleviation Programme

An allocation of Rs Mn 688.8 was given to the Divineguma Department by the Ministry of Housing and Samurdhi (Ministry of Social Empowerment and Welfare since September 2015) in the first month of the 3rd quarter of the year for the further expansion of the Livelihood Development Programme on behalf of from low income earners incapable of contributing economically and suffering from long term illnesses to low income earners with a satisfactory income level.



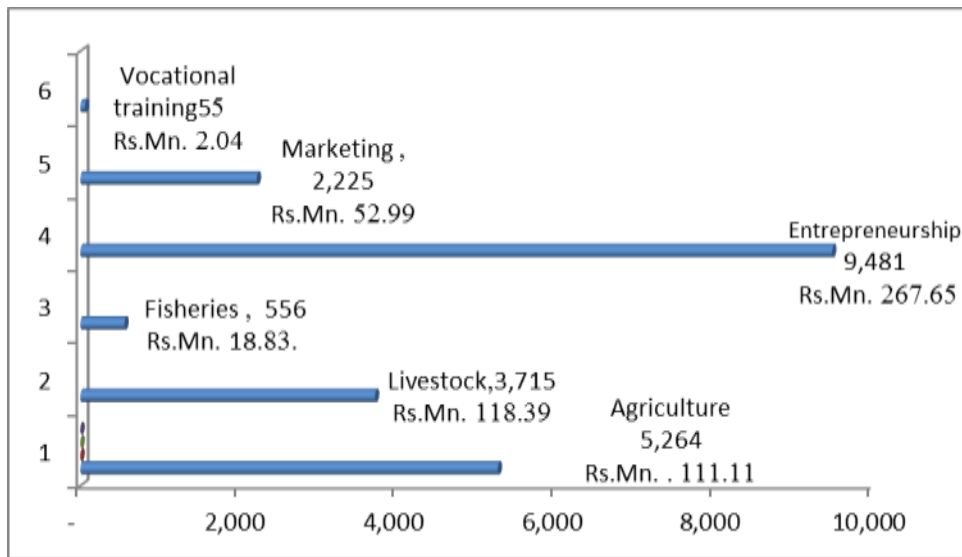
Accordingly, every District was given an allocation of Rs Mn 28, and providing for 10% of the project requirements either by cash or by labour by oneself and the balance 90% being given as a grant was a major incentive for long term patients, as well those who are aged, disabled, widowed and disadvantaged socially, to overcome the economic abyss.

Table – 21 Progress of Poverty Alleviation Program

Serial No	Type of Project	No of Projects	Contribution of the Dept. (Rs Mn)	Contribution of the Beneficiaries (Rs Mn)	No of Beneficiaries
1	Agricultural Development	5,264	111.11	22.59	5,264
2	Live stock development	3,715	118.39	24.44	3,715
3	Fisheries development	556	18.83	3.80	556
4	Enterprise development	9,481	267.65	71.63	9,481
5	Marketing Development	2,225	52.99	13.35	2,225
6	Vocational training	55	2.04	1.96	58
	Total	21,296	571.01	137.77	21,299

(Source – Departmental sources)

Chart – 06 The Distribution of Project Beneficiaries



(Source – Departmental sources)

9.4. Livelihood Revolving Loan Programme

An allocation of Rs Mn 477.0 was given to the Divineguma Department by the Ministry of Housing and Samurdhi (Ministry of Social Empowerment and Welfare since September 2015) in the middle of the 3rd quarter of the year for the programme also on behalf of low income earners with a satisfactory income level

In this respect, the programme was implemented with the basic objective of generating self employment at domestic level and the development of existing enterprises, and special attention was paid to the promotion of value added agricultural, fisheries and animal husbandry products and the promotion of products targeting local and foreign tourists. Here, a loan of Rs.100,000/= is given with a grace period and it is recovered with an annual interest rate of 5% and credited to the Livelihood Revolving Fund.

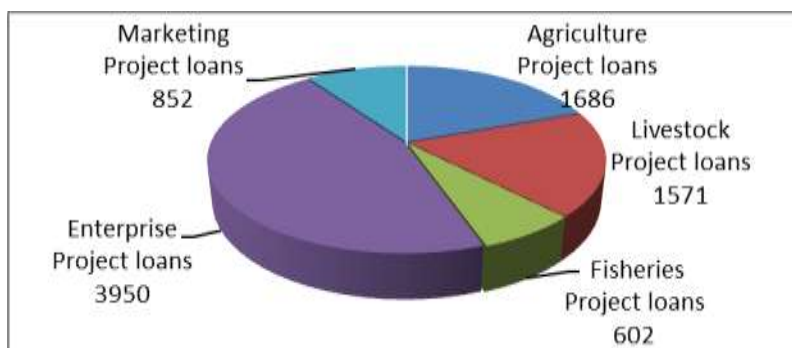
In the Colombo, Gampaha, Kalutara, Galle and Ratnapura Districts, this programme was not implemented, but it was implemented in all the other Districts. Accordingly, the under mentioned revolving loans had been given through Divineguma banks:

Table - 22 Progress of Livelihood Revolving Programme

Serial No	Type of Project	No of Project Loans	Deptl Contribution (Rs Mn)	No of Beneficiaries
1	Agricultural Development	1,686	81.53	1,686
2	Live stock development	1,571	72.19	1,571
3	Fisheries development	602	32.41	602
4	Enterprise development	3,950	235.84	3,950
5	Marketing Development	852	51.25	852
	Total	8,661	473.22	8,661

(Source – Departmental sources)

Chart - 07 Distribution of Livelihood Debtors



(Source – Departmental sources)





7.5 Overall Progress

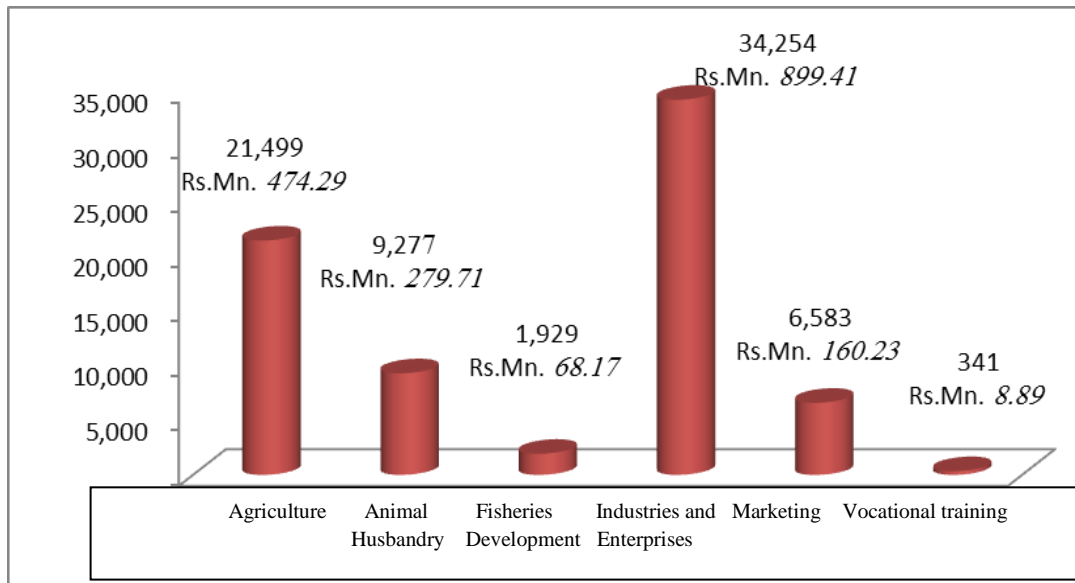
Accordingly, shown below are the number of projects completed under each project sector, the finished value and the number of beneficiaries:

Table – 23 Overall Progress of Projects Completed

Type of Project	No of Project Loans	Amount Spent (Rs Mn)	Contribution of Beneficiaries (Rs Mn)	Contribution of Revolving Fund (Rs Mn)	No of Beneficiary Families
Agricultural Development	21,499	474.30	14.43	72.17	96,651
Live stock development	9,277	279.71	7.84	39.19	9,278
Fisheries development	1,929	68.17	1.71	8.56	1,929
Enterprise development	34,255	899.41	33.08	165.41	34,254
Marketing Development	6,583	160.23	6.66	33.32	6,583
Vocational training projects	338	8.89	0.75	3.75	341
Total	73,881	1890.71	64.47	322.4	149,036

(Source – Departmental sources)

Chart – 08 Overall Progress of Projects Completed



(Source – Departmental sources)

Agricultural Projects - Animal Husbandry Projects - Fisheries Projects - Enterprise Development Projects - Marketing Projects – Vocational Training

Physical and Financial Progress of Livelihood Development Programs
(as at 2015.12.31)

no	District	Allocated Amount (Rs.M.)	Physical and financial progress											
			Agriculture		Live-stock		Fisheries		Enterprise Development		Job-oriented Training		Entire	
			<i>Number of finished projects</i>	<i>Cost (Rs.M.)</i>	<i>Number of finished projects</i>	<i>Cost (Rs.M.)</i>	<i>Number of finished projects</i>	<i>Cost (Rs.M.)</i>	<i>Number of finished projects</i>	<i>Cost (Rs.M.)</i>	<i>Number of finished projects</i>	<i>Cost (Rs.M.)</i>	<i>Number of finished projects</i>	<i>Cost (Rs.M.)</i>
1	Colombo	19.27	63	0.42	27	0.28	2	0.09	982	13.44			1,074	14.23
2	Gampaha	37.25	134	1.97	36	0.58	22	0.63	1836	28.40	8	0.19	2,036	31.77
3	kaluthara	23.69	125	3.23	14	0.76	9	0.28	1033	18.79			1,181	23.06
4	galle	45.80	354	3.97	24	0.52	26	0.45	2006	35.66	65	1.68	2,475	42.28
5	matara	30.64	485	4.44	45	0.60	71	1.03	1193	12.16	16	0.11	1,810	18.34
6	hambanthota	140.14	1978	90.49	9	0.10	12	0.10	803	10.79	9	0.20	2,811	101.68
7	kandy	43.14	260	2.32	286	5.29			934	13.75			1,480	21.36
8	matale	26.29	574	8.21	62	1.43			749	14.14	37	0.30	1,422	24.08
9	Nuwara eliya	22.01	197	2.93	221	6.95			301	9.28	37	1.11	756	20.27
10	Kurunegala	60.30	1528	13.77	286	3.37			2468	38.92	7	0.18	4,289	56.24
11	Puttalam	25.46	276	4.40	205	3.58	79	1.74	740	13.19			1,300	22.91

12	Badulla	41.64	837	17.37	265	5.44			426	10.42			1,528	33.23
13	Monaragala	37.84	1134	12.40	88	1.77	5	0.08	1060	22.43			2,287	36.68
14	Kegalla	30.14	606	6.00	35	0.23			1145	14.21			1,786	20.44
15	Rathnapuara	56.39	1008	10.44	75	1.02			1724	39.39	3	0.12	2,810	50.97
16	Anuradapura	31.69	1013	9.55	172	3.41	17	0.29	530	8.38	1	0.02	1,733	21.65
17	polonnaruwa	58.79	632	38.88	185	3.65	78	0.76	250	5.74			1,145	49.03
18	ampara	25.27	205	2.51	188	2.90	52	1.22	667	13.83	57	1.14	1,169	21.60
19	Trincomalee	18.17	142	2.84	177	5.03	28	0.91	306	9.15			653	17.93
20	Batticalo	46.84	172	5.31	88	3.00	59	1.93	1149	34.31	43	1.82	1,511	46.37
21	Vaunniyawa	4.17	116	1.40	93	1.81	1	0.01	49	0.91			259	4.13
22	Jaffana	29.85	454	10.61	317	8.92	182	4.42	311	5.90			1,264	29.85
23	Mannar	8.48	50	1.88	114	4.90	1	0.03	41	1.58			206	8.39
24	Mulathu	10.27	85	1.87	204	6.22	17	0.49	53	1.58			359	10.16
25	Kilinochi	6.63	54	0.78	147	2.65	24	0.39	141	2.74			366	6.56
Total		880.16	12,482	257.99	3,363	74.41	685	14.85	20,897	379.09	283	6.87	37,710	733.21

10. Performance of the Marketing Development Division

Marketing Development Programme

With the prime theme of an equitable price to producer, a concessionary price to consumer and increasing self employment opportunities, the main objective of this division is to expand the marketing opportunities for innovative products.

Vision :- “A benevolent business community”

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

Programmes of the Marketing Development Division were implemented by the Marketing Development Division under two major programmes with the aim of widening and developing marketing opportunities for the products of low income earners

01 Marketing Development Programme

02 Housing Development Lottery Programme

The major aim of the Marketing Development Division is “the widening of market opportunities for new products” under the basic theme of a fair price to the producer, concessionary prices to the consumer and increasing self employment opportunities.

The main objective here is providing an opportunity to the consumer to buy quality goods easily at reasonable prices, whilst enhancing marketing opportunities for agricultural, animal husbandry, fisheries and industrial services and products and ensuring a stable market and a fair price for the producer

In planning programmes of the Marketing Development Division, marketing has been considered as the overall process from the planning stage of the production of an item or a service up to it reaching the hands of the consumer finally, and the subsequent after sales service

Programmes Implemented in the Year 2015

- ❖ Mobile sales vehicles and mobile marketing stalls development programme
- ❖ Domestic storage development programme

- ❖ Training programme for planning and implementing enterprises and improving entrepreneurship knowledge.
- ❖ Marketing exhibitions programme
- ❖ Programme to guide producers to weekly fairs
- ❖ Programme for establishing Divineguma business associations.

10.1. Mobile Sales Vehicles and Mobile Marketing Stalls Development Programme

This programme has been implemented with the aim of increasing marketing facilities through the mobile sales vehicles and mobile marketing stalls development programme. Through this it becomes possible for the producer to take his products to the consumer direct, free from the clutches of the middleman, sell it and earn a higher income. In addition to the contribution of the beneficiary in making a mobile vehicle or a mobile marketing stall, financial provisions had been given by the Divineguma Marketing Development Division subject to a maximum of Rs. 20,000/=. During the year 2015, a sum of Rs Mn 4.568 had been spent for 232 entrepreneurs.



Table – 24 Ratnapura District Exhibition

Mobile Sales Vehicles and Mobile Marketing Stalls Development Programme at District Level

District	No of Entrepreneurs	Amount Spent Rs.
Matara	18	336,500
Polonnaruwa	9	180,000
Moneragala	2	40,000
Gampaha	8	160,000
Ratnapura	8	180,000
Vavuniya	10	200,000
Kandy	11	240,000
Nuwara Eliya	18	360,000
Badulla	5	100,000
Kurunegala	64	1,258,500
Puttalam	17	340,000
Galle	4	60,000
Anuradhapura	1	20,000
Ampara	1	20,000
Trincomalee	9	180,000
Batticaloa	7	140,000
Kilinochchi	7	140,000
Jaffna	15	300,000
Kegalle	4	80,000
Mullaitivu	10	180,000
Manaar	4	53,352
Total	232	4568352

(Source – Departmental sources)

10.2. Domestic Storage Development Programme

A major problem faced by small and medium producers at present is the inability and the lack of facilities to properly store their products. Here, it was expected to encourage producers to construct a small scale stores domestically and to provide an opportunity to sell their products when the market prices were high. Direct Treasury provisions were given subject to a maximum of Rs. 20,000/= to construct one store. During this year, 24 stores had been constructed and a sum of Rs.460,000/= spent in that behalf.

10.3. Training Programme for Planning and Implementing Enterprises and Improving Entrepreneurship Knowledge

A one day training workshop was held to develop the entrepreneurship intelligence and marketing knowledge as well as skills of entrepreneurs to create a successful business community. Entrepreneurs who are already engaged in some production were identified and here the knowledge required to increase their production and to broaden marketing opportunities was provided.

Training content:

- ❖ Standarization of products
- ❖ Keeping accounts about transactions
- ❖ Establishing the market and searching for new market opportunities

The one day training had been implemented on the above topics. For this, the assistance and resource contributions of veteran advisors in each field from the Sri Lanka Industrial Development Board, Sri Lanka Chamber of Commerce, Department of Small Enterprise Development and the Sri Lanka Bureau of Standards were obtained. During the year 2015, 263 training programmes had been held. Expenditure had been Rs Mn 3.84.

Table – 25 Training Programme for Planning and Implementing Enterprises and Improving Entrepreneurship Knowledge at District Level

District	No of Entrepreneurs, Received Training	Amount Spent Rs.
Matara	801	234983.00
Polonnaruwa	354	101130.00
Moneragala	409	134527.00
Colombo	600	165000.00
Gampaha	605	179162.00
Ratnapura	805	246655.00
Vavuniya	213	60000.00
Kandy	491	137591.00
Nuwara Eliya	189	73515.00
Badulla	340	105000.00
Kurunegala	1548	438475.00
Puttalam	782	232163.00
Galle	920	257910.00
Matale	491	121400.00
Anuradhapura	300	86460.00
Ampara	504	131900.00
Trincomalee	350	103935.00
Batticaloa	583	164937.00
Kilinochchi	238	57380.00
Jaffna	750	225000.00
Kegalle	235	70400.00
Mullaitivu	300	89990.00
Manaar	250	75000.00
Kalutara	788	194060.00
Hambantota	489	151579
Total	13335	3838152

(Source – Departmental sources)

10.4. Marketing Exhibition Programme

The District and Divisional marketing exhibition programme had been implemented under the theme “Da Bindu Mithuru 2015”. Here, the selection and appreciation of the best entrepreneur at divisional and district levels was done during the year 2015 after gathering producers in the agricultural, animal husbandry, fisheries, industrial and services sectors. Gathering of the Divineguma business community, the mutual exchange of marketing facilities for each others produce and the introduction of producers to the national level took place here.



Kurunegala District Exhibition



Ratnapura District Exhibition

Table – 26 Marketing Exhibitions at District level

District	No of Entrepreneurs, Took Part	Amount Spent (Rs.)
Matara	1162	952806.00
Polonnaruwa	847	237,566.00
Moneragala	538	283,111.00
Colombo	570	885,415.00
Gampaha	550	950,000.00
Ratnapura	910	1,145,200.00
Vavuniya	235	335,000.00
Kandy	2212	948,361.00
Nuwara Eliya	264	384,031.00
Badulla	1221	533,637.00
Kurunegala	3148	1,185,481.00
Puttalam	1104	752,745.00
Galle	884	607,970.00
Matale	843	560,799.00
Anuradhapura	1532	1,066,409.00
Ampara	1074	829,085.00
Trincomalee	589	446,654.00
Batticaloa	944	724,572.00
Kilinochchi	294	276,918.00
Jaffna	1068	898316.00
Kegalle	530	606,484.00
Mullaitivu	275	419,969.00
Manaar	230	348,662.00
Kalutara	468	877,250.00
Hambantota	422	249,655.00
Total	21914	16506096.00

(Source – Departmental sources)

10.5. Guiding Divineguma Producers to Weekly Fairs and Establishment Of Trader Associations.

Trader associations were established assembling Divineguma entrepreneurs at Secretarial Division level, and it has been planned to develop the strength of small and medium scale entrepreneurs up to national level. Through this it became possible to obtain the assistance and services of the Pradeshiya Sabha to create a high demand in Divisional weekly fairs for producers in respect of their products being produced on a small scale. During the year 2015, the number of beneficiaries who were directed to weekly fairs and increased their marketing opportunities was 2755. The number of trader associations established was 331.



Ratnapura District Exhibition

Receiving the Award for the Best Entrepreneur



The best entrepreneur in the Ratnapura District.

10.6. Housing Development Lottery Programme- 2015

With the objective of making every low income earning family the owner of a permanent house, under section 45 of the Divineguma Act No 01 of 2013, the Divineguma Housing Lottery Trust Fund was inaugurated and became operative. All Divineguma beneficiaries become contributors to the Fund after paying a sum of Rs.10/- monthly, and every month a sum of approximately Rs Mn 14 is credited to the Development Lottery Fund. Its annual subscription is around Rs Mn 168.

Administrative structure of the Lottery Trust Fund

The fund is administered by a board of trustees comprising 07 members appointed ex-officio and approved through a cabinet memorandum, and its official board is as follows:

- 01.The Secretary to the subject Ministry (Chairman)
- 02.Director General of the Divineguma Department,
- 03.Director of the Social Welfare Division of the Divineguma Department
- 04.A representative from the Ministry of Finance.
05. A representative from the Ministry of Samurdhi
- 06.President of the Samurdhi Managers Union
- 07.President of the Samurdhi Development Officers Union.

Lottery Draw

After a computer data system has been prepared after entering particulars of all beneficiaries, the draw is held through allocating a lottery number for each beneficiary. During the year 2015, 24 draws in respect of the years 2012 and 2013 had been held, and 2400 winners selected there. The money reserved to pay these winners was Rs Mn 360, and the said prize money had been paid to the winners at District level, as shown below:

16th draw held at the auditorium of the Urban Development Authority, Sethsiripaya Level 11

RELEASE OF CASH AWARDS TO WINNERS OF THE HOUSING LOTTERY - 2012



Table – 27 Free Cash Prizes for Housing Lottery Winners - 2012

Serial No	District	Total No of Prizes	Prizes for Which Cash Released	Amount Released
1	Colombo	36	34	5100000.00
2	Gampaha	96	86	12900000.00
3	Kalutara	48	44	6600000.00
4	Galle	60	59	8850000.00
5	Matara	60	56	8400000.00
6	Hambantota	48	47	7050000.00
7	Kandy	72	69	10350000.00
8	Matale	36	32	4800000.00
9	Nuwara Eliya	36	33	4950000.00
10	Kurunegala	120	112	16800000.00
11	Puttalam	48	44	6600000.00
12	Ratnapura	93	87	13050000.00
13	Kegalle	60	57	8550000.00
14	Anuradhapura	48	46	6900000.00
15	Polonnaruwa	24	21	3150000.00
16	Badulla	48	47	7050000.00
17	Moneragala	36	34	5100000.00
18	Ampar	60	59	8850000.00
19	Trincomalee	36	36	5400000.00
20	Batticaloa	69	68	10200000.00
21	Vavuniya	12	12	1800000.00
22	Jaffna	45	44	6600000.00
23	Kilinochchi	3	3	450000.00
24	Manaar	3	3	450000.00
25	Mullaitivu	3	3	450000.00
Total		1200	1136	170400000.00

(Source – Departmental sources)

Table – 28 RELEASE OF CASH AWARDS TO WINNERS OF THE HOUSING LOTTERY - 2013

Serial No	District	Total no of prizes	Prizes for which cash has been released	Amount released
1	Colombo	36	30	4500000.00
2	Gampaha	96	91	13650000.00
3	Kalutara	48	44	6600000.00
4	Galle	60	53	7950000.00
5	Matara	60	57	8550000.00
6	Hambantota	48	46	6900000.00
7	Kandy	72	69	10350000.00
8	Matale	36	29	4350000.00
9	Nuwara Eliya	36	35	5250000.00
10	Kurunegala	120	114	17100000.00
11	Puttalam	48	39	5850000.00
12	Ratnapura	84	75	11250000.00
13	Kegalle	60	54	8100000.00
14	Anuradhapura	48	45	6750000.00
15	Polonnaruwa	24	22	3300000.00
16	Badulla	48	39	5850000.00
17	Moneragala	36	34	5100000.00
18	Ampara	60	58	8700000.00
19	Trincomalee	36	35	5250000.00
20	Batticaloa	60	60	9000000.00
21	Vavuniya	12	12	1800000.00
22	Jaffna	36	36	5400000.00
23	Kilinochchi	12	12	1800000.00
24	Manaar	12	12	1800000.00
25	Mullaitivu	12	12	1800000.00
Total		Total	1113	166950000.00

(Source – Departmental sources)

11. 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.

11.1. 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.

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

11.3. 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 with other banks on the Internet jointly with the ICTA with the computer software. Through this, computers of Divineguma banks can be made faster.

11.4. Preparation of the data system in respect of the lottery draw of the Samurdhi Housing Development Lottery for 2015 and taking action to hand over 2400 houses.

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

11.6. Providing 332 computers to the 332 Divineguma Headquarter Offices spread island wide and providing of Internet facilities.

11.7. 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. Performance of the Media Division

The main function of the Media Division is keeping the common people of the country and other concerned parties constantly informed about development projects and social welfare, social security and social development programmes implemented annually by the Department of Divineguma Development to minimize the poverty in the country through the embellishment of the living standards as a result of the livelihood development activities, whilst ensuring social justice.

12.1 Objective

Giving publicity relevant to the building up a communication pattern, shouldering the development tasks and the efforts made by low income earning segments of society for the minimization of poverty, subjecting the Samurdhi campaign to a broad dialogue, making its growth more productive and meaningful and propagating it among the people.

12.2. Project

Utilizing the electronic and printed media to implement more productively and meaningfully Divineguma development projects, which give a helping hand for the national economic development of the country.

12.3. Use of the Electronic Media

Connecting Audit Officers of the DDD with the “Top Light” Programme on Hiru TV.

12.4. Printed Media Matters

Bringing to the notice of the Director General daily news items published in the national news papers related to the Divineguma development project, and taking relevant action through coordination with the respective Divisions.

Publishing special features articles in national newspapers in respect of contemporary ceremonial events taking place. (Marketing promotion, Samurdhi Lama Kekulu, Literacy programs)

13. Community Based Banking Division

The main objective of this division is to gain a sufficient return on investment of compulsory savings and other deposits of the poor and the low income families and secure such moneies, provide micro-finance loan facilities to the above beneficiaries in their needs of capital to start projects/other living means in viable sectors and thereby, to alleviate poverty and upgrade living standards of the poor and the low income families and ultimately, get the active contribution of the above families to enhance the national economy.

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. Banking unions and maha sangams which hitherto had been under the Samurdhi Authority of Sri Lanka were named community based banking unions 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, and the micro finance system acts with the basic objective of promoting savings among the low income earners at community level, thereby adapting the investment potential to the objectives of poverty eradication, empowering the community economically, and increasing incomes by satisfying their financial requirements, as well as for

obtaining a better contribution to the country's national production. This system is made up of the Community Based Banking Division of the Head Office of the Department of Divineguma Development, 332 regional community based banking unions and 1074 community based banks spread island wide. Through this, it was expected 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.

Later, 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, this division took actions to achieve the following.

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 Banking Finance Division became the main steering office of the Divineguma community based maha sangam 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 Banking Finance 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 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.

04.1. Community based Banking Unions Programme

Setting up of the banking unions had been implemented in 07 stages, and by 31/12/2015, there were 1074 banking unions and 332 banking societies operating in all districts, including the north and the east.

From this perspective, the network of branches which started as community based banking unions, 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.

13.1..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 share holders of the bank.

Table - 29 Progress of membership of banking unions – (2000-2015)

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

(Source – Departmental sources)

Table 1 shows the expansion of the membership during 15 years. In the year 2015 too, 153,262 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 implies the trust the customers have placed in our community based banking unions.

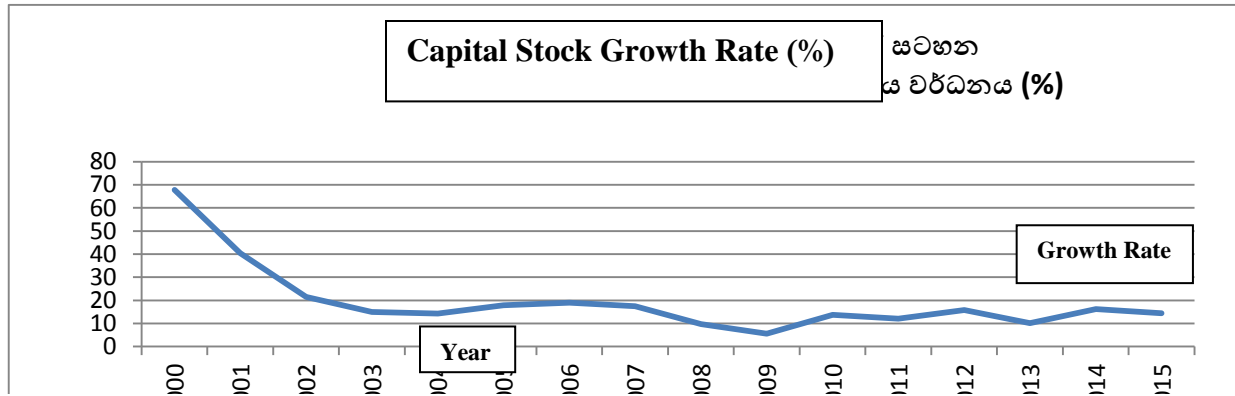
Especially, loan schemes such as self employment, cultivation, Mihijaya, fisheries, Swashakthi, distress, Kirula Naya, Yovun Diriya, consumer, livelihood, including the Diriya Saviya special loan scheme introduced in the year 2015 through community based banks, had been contributory to this development.

Table – 30
Shares paid by members (2000-2015)

Year	Amount (Rs Mn)	Growth (Rs Mn)	Growth rate %
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
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	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

(Source – Departmental sources)

Chart – 09 Capital Stock Growth Rate (%)



(Source – Departmental sources)

Table 2 (chart 1) shows the expansion of the share capital during 15 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 Banking Finance Division to contribute to ensuring the viability of the Banking unions.

The share capital which was Rs Mn 8,499.5 million in the year 2014 has shown a growth up to Rs Mn 9,927.81 in the year 2015.

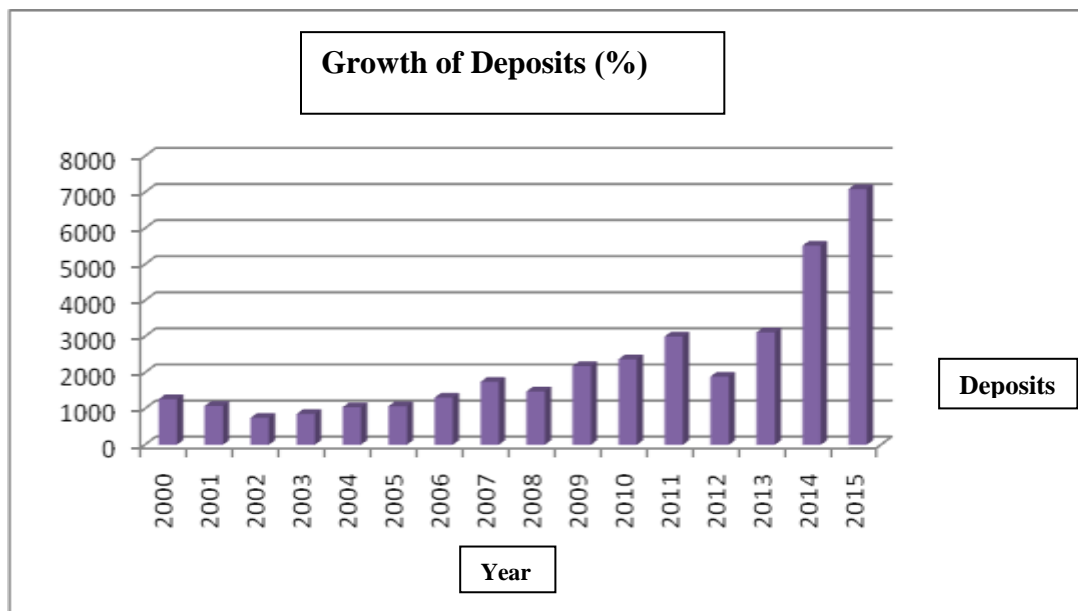
13.2. BANKING UNIONS DEPOSIT PROGRAMME

Table – 31 Deposits (member, non-member, group, Lama and Diriya Matha) (2000-2015)

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

(Source – Departmental sources)

Chart – 10 Growth of Deposits (%)



(Source – Departmental sources)

A sum of Rs Mn 7,091.93 million rupees had been deposited during the year 2015, indicating further trust in the banking union programme, and the New Year savings programme for the New Year 2015 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.

13.3. COMMUNITY BASED BANK 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.

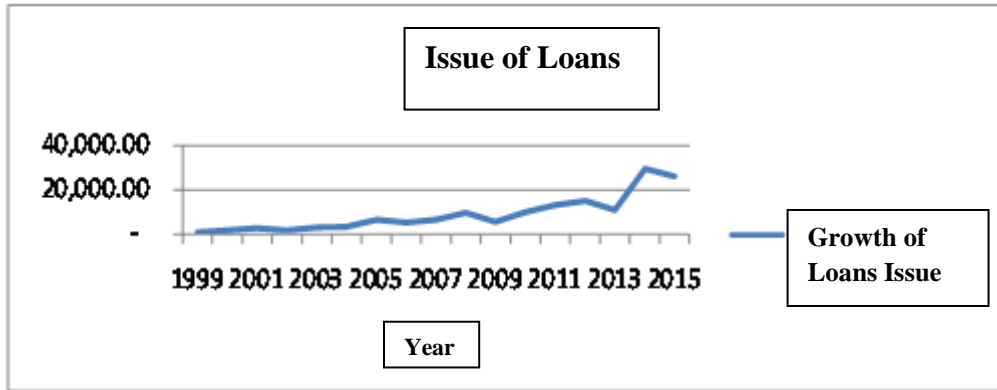
- Under this, for self employment and for income generating projects under the self employment, Mihi Jaya, Kirula development, Yovun Diriya and livelihood loan programmes, loans of Rs.100,000/- to Rs.250,000/- are released. Facilities are available to obtain loans up to Rs.75000/= for funds required 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 to a limit of 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 2015.

Table – 32 Issue of loans (1999-2015)

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

(Source – Departmental sources)

Chart - 11 Issue of Loans



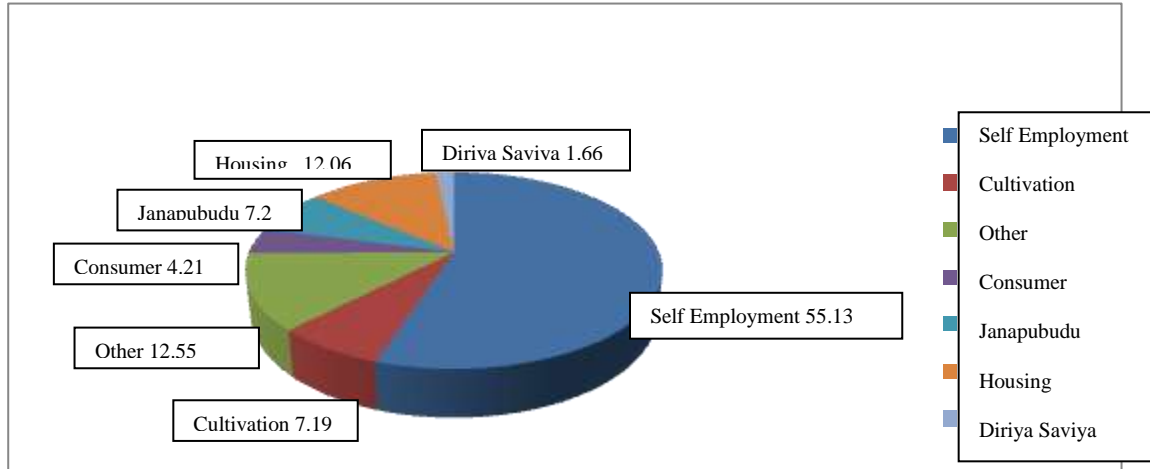
(Source – Departmental sources)

Table - 33 CLASSIFICATION OF LOANS AGGREGATE AS AT 31.12.2015

TYPE OF LOAN	Rs Mn	Contribution
SELF EMPLOYMENT	84,900	55.13
CULTIVATION	11,084	7.19
OTHER (MIHIJAYA, FISHERIES, SWASAKTHI, DISTRESS, KIRULA LOANS, YOWUN DIRIYA)	19,323	12.55
CONSUMER	6,497	4.21
JANAPUBUDU	11,095	7.20
HOUSING	18,526	12.06
DIRIYA SAVIYA	2,564	1.66
TOTAL	153,989	100.00

(Source – Departmental sources)

Chart - 12 Classification of Loans



(Source – Departmental sources)

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

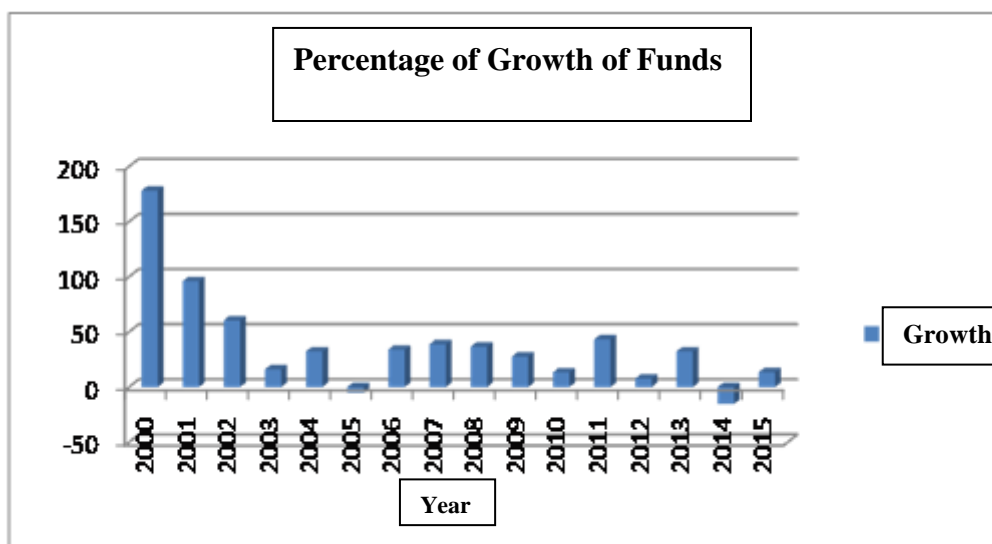
With the objective of getting the maximum returns for the assets of banking unions, funds found surplus after releasing loans for loan applicants have been authorized to be invested in state banks only, in accordance with Treasury circular instructions, through maha sangams. Through this, it is envisaged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

Table - 34 Investment of surplus community based banking society funds (2000 – 2015)

Year	Amount Rs Mn	Growth	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

(Source – Departmental sources)

Chart – 13 Percentage of Growth of Funds



(Source – Departmental sources)

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 2015 an increase in investments is shown due to the expansion of deposits. It is a positive indication.

13.5. Activities within the Banking Finance Division

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

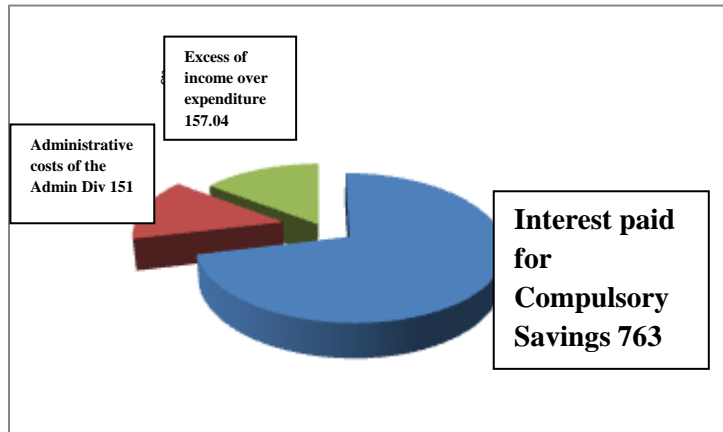
Acting accordingly, the Banking Finance Division bears all its expenditure, and in addition, travelling expenses of audit officers, costs of preparation of annual reports of Banking unions and training expenditure come under this. Also, granting of refinancing loans to Banking unions, reimbursement of 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 Banking unions.

Shown below is the overall income and expenditure of the Banking Finance Division:

Table 35 – Income and expenditure during the year 2015

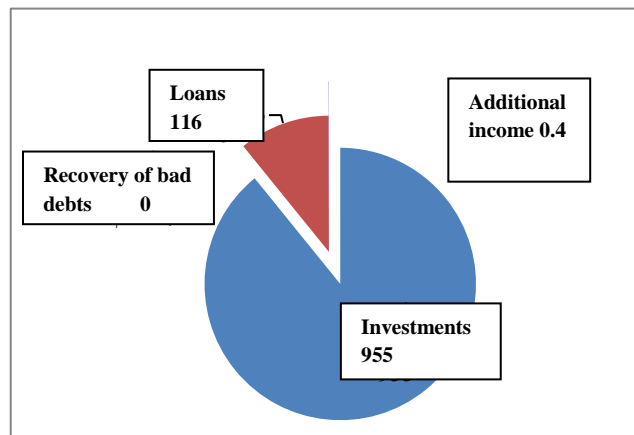
Expenditure	Rs Mn	Income	Rs Mn
Interest paid for compulsory savings	763.00	From investments	955.00
Administrative expenses of the Division	151.00	From loans	116.00
Excess of income over expenditure	157.04	Recovery of bad debts	0
		Additional income	0.4
Total expenditure	1,071.04	Total income	1,071.04

Chart - 14 Expenditure



(Source – Departmental sources)

Chart - 15 Income



(Source – Departmental sources)

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

Table – 36 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
	Total	52

(Source – Departmental sources)

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

13.6. Compulsory Savings procedure of Community Based Banking Unions

13.7. Introduction

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 Banking Finance Division in favour of the various beneficiaries' Banking unions 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.

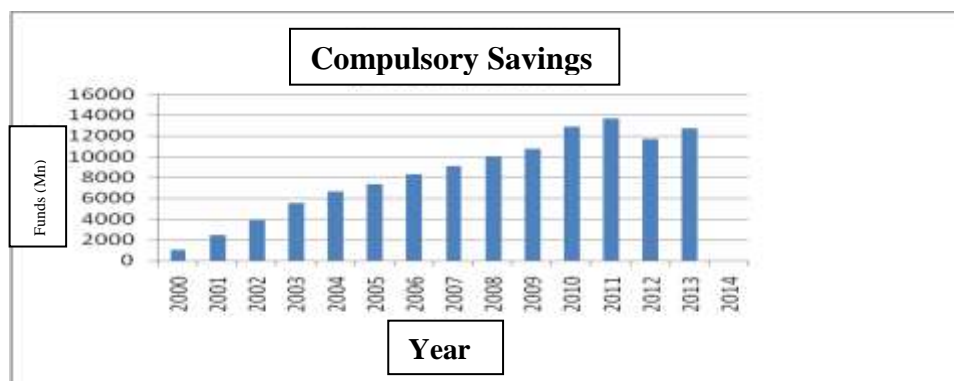
Details of compulsory savings funds invested in the Banking Finance Division are shown below:

Table 37 - Compulsory Savings received for investment (2000-2013)

YEAR	FUNDS RS MN	GROWTH	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

(Source – Departmental sources)

Chart –16 Compulsory Savings



(Source – Departmental sources)

13.8. Payment of Compulsory Savings Interest

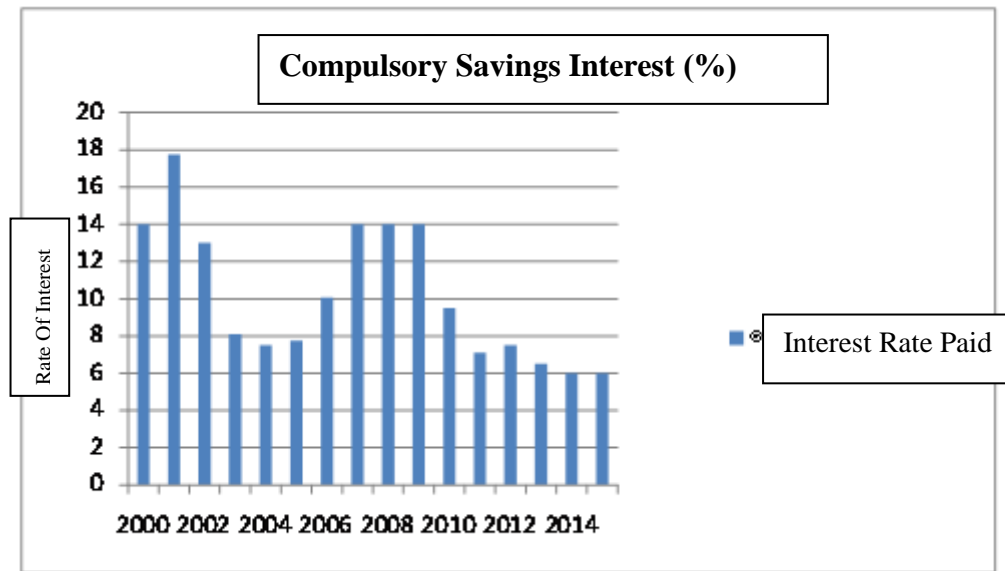
Compulsory savings received by the Banking Finance Division are invested through the investment unit and, from the benefits received, interest is paid to the various community based banking unions at the end of the year. Similarly, with the aim of mobilizing and strengthening Divineguma societies, since 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 banking societies/ banking sangams, since the year 2008, the payment of interest for compulsory savings investments was done through direct remission to the Maha sangam account. Through this, it was possible for the Banking Finance 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 - 38 Interest for Compulsory Savings (2000-2015)

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

(Source – Departmental sources)

Chart - 17 - Compulsory savings interest (1%)



(Source – Departmental sources)

Even though there was a sharp decline in the interest rate in the money market during the year 2015, the ability to pay an interest rate of 6.0% to the banking unions for compulsory savings should be appreciated.

13.9. Loan Scheme

The Banking Finance 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 Banking Finance Division can be classified as follows:

2.2.1 Loan scheme for beneficiaries.

2.2.2 Loan scheme for the staff.

13.9.1 Loan Scheme implemented for beneficiaries

13.9.2. Refinancing Loan Scheme

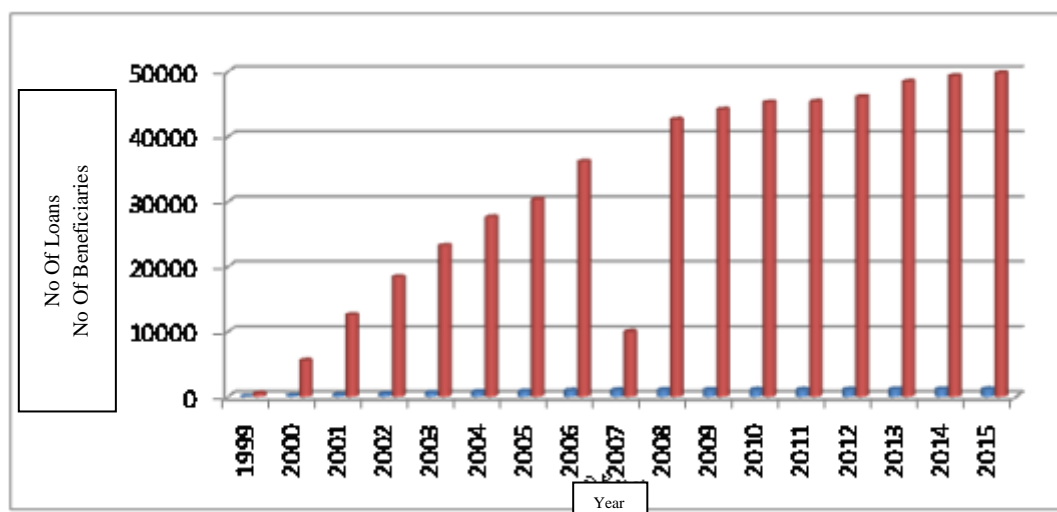
Banking unions give loans from deposits accumulated by the relevant beneficiaries themselves. For this purpose, Banking unions are authorized to give only up to 80 percent of the total deposits. To offset the financial difficulties arising due to loans granted beyond this limit, the Banking Finance Division provides refinancing facilities to Banking unions, 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 - 39 Progress of the Refinancing Loan Programme (1999-2015)

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

(Source – Departmental sources)

Chart – 18 Progress of the Re Financing Loan Scheme



(Source – Departmental sources)

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 Banking Finance 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 Banking Finance 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 Banking Finance Division as above.

Table 40 – Progress of the Refinancing Loan Programme (2014 – 2015)

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

(Source – Departmental sources)

13.10. Reimbursement of Mihijaya (8%, 10%) concessionary interest

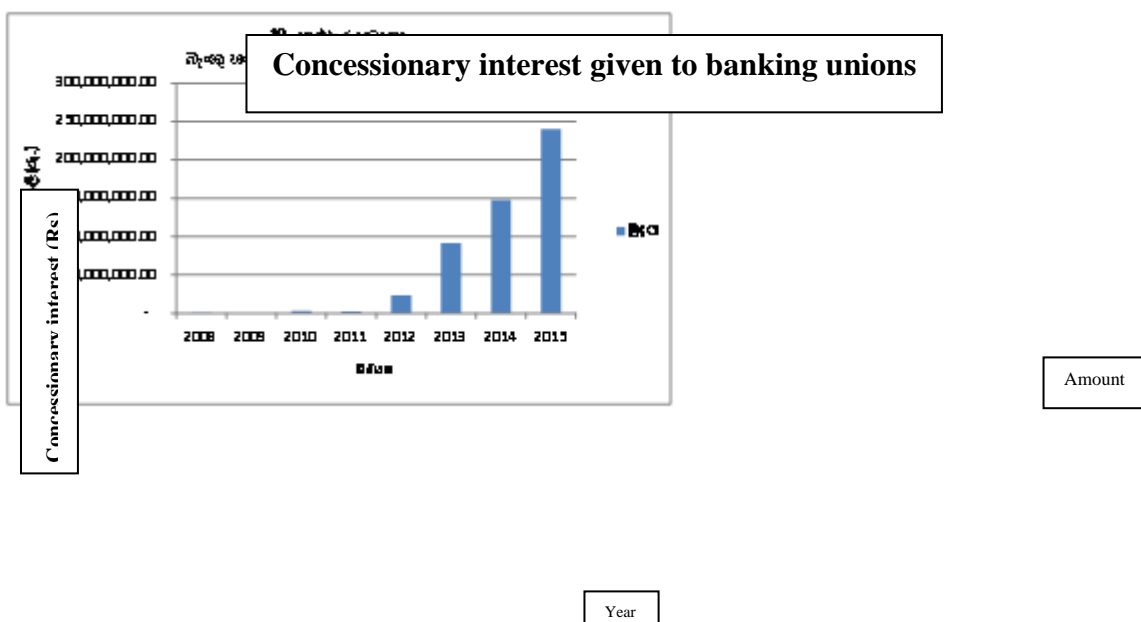
The Sabanda, Jana Pubudu and Gedera Naya loan schemes had been suspended during the year 2010, and as an alternative to this loan scheme, self employment, Piyasa and Mihi Jaya programmes are being implemented. Accordingly, the Banking Finance Division reimburses the concessionary interest for all income generating projects implemented by community based banking unions. 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.

Table – 41 Concessionary interest given to banking unions (2009-2015)

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

(Source – Departmental sources)

Chart – 19 Concessionary interest given to banking unions



(Source – Departmental sources)

13.11. 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 is being guided by the Ministry of Economic Development and the Ministry of Power and Energy, while the Samurdhi Authority of Sri Lanka (presently the Department of Divineguma Development) and the Ceylon Electricity Board are contributing actively in this behalf.

The Banking Finance Division provides funds required to implement this concessionary “*Viduli Athwela*” credit programme through the island wide network of Divineguma community based bBanking unions 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 by low income earners.

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

111. Possibility of increasing the income of the Banking unions due to the service charges provided by the Banking Finance Division.

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

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 - 42 Progress of the Viduli Athwela Loan Programme (2011-2015)

Year	Details of loans given by the Banking Finance Division to the Ceylon Electricity Board			Details of loans given by the Banking Finance Division 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

(Source – Departmental sources)

13.12. Loan Scheme for the staff of the Department of Divineguma Development

13.12.1. 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. Now 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.

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

Table - 43 Staff Consumer Loans as at 31.12.2015 (aggregate)

No of loans given	Amount Rs Mn
28308	2001.00

(Source – Departmental sources)

13.12.1.2. 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 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 - 44 Housing loans as at 31/12/2015 (aggregate)

No of loans given	Amount Rs Mn
2129	905.08

(Source – Departmental sources)

13.12.1.3. 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 Banking Finance 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. Granting of this loan has been suspended with effect from 19.01.2015.

Table – 45 Motor cycle loans as at 31/12/2015 (aggregate)

No of loans given	Amount Rs Mn
4067	368.03

(Source – Departmental sources)

13.13. Staff Physical Injury Insurance

Under this programme, members are paid compensation for physical injuries sustained during cash robberies whilst taking cash of community based banking unions for depositing at commercial banks and when cash is being brought to community based banking unions 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 2014, under this programme a sum of Rs.808,400/- has been received through the Banking unions by way of insurance premia, and for the year 2015, the amount is Rs.1,295,480.00. As at 31.12.2015, a sum of Rs.1,786,270/= had been paid as compensation for physical injuries.

13.14. Insurance of cash in hand of Divineguma Banking Unions

- 13.14.1. 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.
- 13.14.2. Taking into consideration the daily liquidity requirements of bank societies and maha sangams, inquiries may be made from the Banking Finance Division regarding this insurance cover. For this, the annual installments should be sent to the Banking Finance Division, and necessary steps have been organized to provide the insurance cover. Its progress as at 31st December, 2015 is that 1073 banking unions and 270 maha sangams have obtained this insurance cover.
- 13.14.3. 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 2015, action had been taken to increase the limit of cash in hand insurance from Rupees One Million to Rupees Two Million.
- 13.14.4. Installments sent by banking unions (including physical injury insurance premia) and maha sangams are credited to a fund raised by the Banking Finance Division, and the fund has been expanded by productive investments.
- 13.14.5. As at 31.12.2015, a sum of Rs.3,778,218.91/= (aggregate) had been paid to Banking unions by way of cash in hand insurance compensation.

13.15. External audit of banking societies and banking maha sangams

In respect of banking societies and maha sangams, an annual audit report has been prepared at the end of each financial year, that is from 1st of January to 31st December, covering all operations. 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.

13.16. Bank Monitoring Unit

For the purpose of monitoring whether the operational process of the Divineguma community based banking unions and banking sangams are functioning properly in accordance with the operational instructions and circulars issued by the Banking Finance

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 will be carried 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, 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 banking unions and banking sangams, 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 “Bank/Banking Union Regulatory and Monitoring Units” contribute to improving the productivity of Divineguma Banking unions and maha sangams through operational instructions and guidance necessary to banking sangams and maha sangams 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 2015, 3 progress reviews had been held at national level in respect of the Banking Maha Sangam Regulatory and Monitoring Units, and a large number of issues identified there had been settled in that year itself.

13.17. Training matters

The training unit of the Banking Finance Division, utilizing Banking Finance funds, coordinates in training the staff of the network of 1074 Samurdhi banking unions and around 332 maha sangams 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 maha sangams about functions of the

maha sangams and their accounting procedures. Similarly, training programmes had been conducted through the Institute of Banks of Sri Lanka, and during the year 2015 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.

13.18. Management Information Unit

Management of the data of the 1074 community based banking unions is done by the Management Information Unit of the Banking Finance Division. Accordingly, every banking union 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 banking unions and submit data and to create a ratio analysis necessary for the evaluation of progress of Banking unions and to evaluate Banking unions based on it. Further, action has been taken to transmit to the Banking Finance Division data about Banking unions and maha sangams utilizing computer technology.

With the successful computerization of community based banking unions, this unit continues to analyze and evaluate the prevailing conditions of Banking unions to make them more productive and efficient. 21 national level progress review programmes had been held at District Level in the year 2015.

13.19. Deposit Promotion Unit

The Banking Finance 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 Banking Finance Division has launched special programmes for the purpose of promotion of deposits in community based banking unions.

❖ In the year 2015 too, with the objective of conserving for future generations Sinhala cultural traditions and national games, and for giving publicity to community based banking unions among the people, 1000 New Year festivals were held covering every bank union. For this purpose, the Banking Finance Division has given a saving of 10.5 million rupees to Banking unions.

❖ In the year 2015, the under mentioned 5 programmes were formulated and implemented to promote savings in community based banking unions.

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, 2015, 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.

13.20. General matters

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

❖ For the year 2015, an action plan was prepared with five targets spread properly over the year for banking unions, and banking unions were directed towards it.

As most banking unions 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 progress of enhancing infra structure facilities of Banking unions and maha sangams in the year 2015 under government allocations is shown below:-

Table - 46 Progress of construction and repair of buildings and purchases of land as at 31.12.2015

Programme	Number of projects	Monetary progress Rs mn
Newly constructed bank union and maha sangam buildings and additions	31	34.99
Repaired bank union and maha sangam buildings	06	1.49
Purchase of land	02	7.4

(Source – Departmental sources)

❖ Sri Lanka Telecom has been selected to develop the software required to computerize the banking unions 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 banking societies.

Tabale - 47 – Appropriation Accornt - 2015

Vote Head no- 331

Name of Department – Department of Divineguma 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 form budget estimate	Provisional Allocations	Transpers as per FR 660 69	Total net reserve (1+2+3)	Total expenditure	Net effect saving (excess)	
		Rs.	Rs.	Rs.	Rs..	Rs.	Rs.	
1	<u>Recnrrent</u> Operatinoal program	- 414,860,000	9,600,000	15,000,000 (15,000,000)	424,460,000	328,406,481	96,053,519	2
2	Development program	47,277,040,000	5,738,400,000	901,000,000 (901,000,000)	53,015,440,000	50,977,685,264	2,037,754,736	3
	Sub total (<u>Recnrrent</u>)	47,691,900,000	5,748,000,000	0	53,439,900,000	51,306,091,745	2,133,808,255	
1	<u>capital</u> Operatinoal program	- 86,950,000	0	0	86,950,000	21,094,203	65,855,797	2
2	Development program	1,233,000,000	0	0	1,233,000,000	1,002,902,728	230,097,272	3
	Sub total (capital)	1,319,950,000	0	0	1,319,950,000	1,023,996,931	295,953,069	
	Grand Total	49,011,850,000	5,748,000,000	0	54,759,850,000	52,330,088,676	2,429,761,324	