



PERFORMANCE REPORT- 2017

Ministry Of Housing

2nd Floor

"Sethsiripaya", Battaramulla.



Message of the Hon. Minister

Our ambitious housing development drive targeting ‘shelter for all’ by the year 2025 is moving forward overcoming many obstacles and challenges.

The acuteness of the country’s housing problem could be unearthed from the extensive island-wide survey conducted in the year 2016 on housing requirements of the country. According to the survey, out of the total of 6,094,115 families in the country, 42% i.e. 2,568,451 are faced with some kind of housing problem.

A committee comprising academics of various fields associated with development including housing, settlements and infrastructure have made a meaningful contribution in the year 2017 in updating the country’s housing policy. It also received commendable support from the United Nation’s Human Settlements Programme.

Encompassed in our medium term development plan aimed at providing shelter for all by the year 2025 is a programme for monitoring housing development programmes and plans implemented by other ministries. Hence the challenging responsibility of formulating and implementing housing development programmes so as not to leave out any community lies with our Ministry.

Besides the low income category who have been the primary focus in housing programmes, “Grama Shakthi” housing assistance programme was initiated targeting families living in grinding poverty with no means of paying back loans. Launching housing programmes for the war affected communities in the Northern and Eastern provinces and commencing “Viri Sumithuru” housing programme for war heroes were two other major projects of the housing sector in the year 2017. Amongst a host of other projects in the housing sector launched in the year 2017 includes housing programmes for people suffering from chronic kidney disease of unknown etiology and special housing projects implemented

in economically backward divisional secretary divisions such as Siyambalanduwa, Vavuniya and Bogaswewa.

Renovation of multi storied housing schemes, launching housing programmes for the middle-class, granting title deeds for people living on rent in government housing schemes and development activities pertaining to condominium properties were prominent among activities carried out during the year 2017 for physical and social development in urban underserved settlements.

Our ongoing housing development drive ensures that all deserving sections of our society including low income and poverty stricken people as well as families of war heroes, women headed families, families of people suffering from chronic kidney disease, families of the North and East affected by war receive benefits of housing programmes tailor-made for their specific needs.

Similarly, the role performed by the Ministry making relevant interventions for regulation of prices in the construction industry and uplifting the affiliated institutions of the construction sector for the provision of qualitative service and offering necessary guidance for the formulation of new projects was no doubt helped in reinforcing national economy vis-à-vis the field of construction.

The extent of appreciation of our role within the national development process is evident from the increase in the allocation made from the capital inputs of the overall budget of 2018 to the Ministry of Housing and Construction to Rs 6.9 billion. Posting 100% efficacy in expending this allocation, our Ministry was ranked number one from amongst all ministries in this regard.

I wish to pay my gratitude to His Excellency the President and the Hon. Prime Minister for paving the way this impressive achievement. I also wish to take this opportunity to convey my heartfelt thanks to the two secretaries of the Ministry and the entire staff and the chairmen and officers of the institutions coming under the purview of the Ministry for the constant encouragement I received from them.

Sajith Premadasa

Minister of Housing and Construction

Message of the Hon. Deputy Minister



At the conclusion of a year wherein the people's trust was won in regard to the launch of housing programmes, it is with a sense of great happiness a congratulatory message is issued to the Performance Report of the line ministry in charge of that subject.

Additional to the low-income groups, who have hitherto being the main focus of housing programmes, the standout success in the past year was our ability to orientate housing programmes for communities living in penury, parallel to the national programme launched by His Excellency the President Maithreepala Sirisena declaring 2017 as the year for the alleviation of poverty.

Accordingly, the "Grama Shakthi" model village programme was instituted for socially and economically backward regions as well for people in abject poverty. Chronic towards addressing housing issues of diverse social groups including people suffering from kidney disease of unknown and families of war heroes.

Seeing our efforts bearing fruit in respect of measures taken for the reinforcement of legal and institutional framework for uplifting the construction industry and the formulation of programmes to overcome the timely challenges encountered by the construction industry give us more reasons be happy about the year 2017.

While being grateful to His Excellency the President Maithreepala Sirisena, the Hon. Prime Minister Ranil Wickremesinghe and the Cabinet of the Ministers for being a source of inspiration in discharging our obligations for the wellbeing of the people and national advancement, I wish to take this opportunity to express my appreciation of the leadership given by the Hon. Minister in devising development strategies and achieving targets.

My heartfelt thanks are also due to the Secretary of the Ministry and the entire staff and the members of Board of Directors, heads of departments and the staff members of the affiliated institutions and the personal staff of the Hon. Minister and me for their unwavering commitment to overcome challenges we were confronted with in the year 2017.

Indika Bandaranayake (M.P.)

Deputy Minister of Housing and Construction.

Message of the Secretary



It is with a sense of pride that I note that our Ministry was able to secure the top spot in the financial input efficiency chart as a result of efficiently discharging the targeted development goals in both sectors of housing and construction having spent 100% of its annual financial provisions for target oriented purposes.

The year 2017 can also be termed as a year during which the true nature of housing problems affecting diverse communities scattered across the country was correctly identified on the basis of the housing survey launched by the Ministry of Housing and Construction in the year 2016 and programmes were designed to address those problems with a scientific basis.

In dealing with the subjects of housing and construction, it is essential to work in close coordination with other ministries and institutions. Accordingly, the support extended by offices at the national level and district and district levels to maintain proper coordination is truly appreciated.

“Shilpa Saviya” programme aimed at training young people as craftsmen in the construction sector has started to yield the desired results and measures were also taken during 2017 to strengthen the legal and policy framework for the upliftment of the construction industry.

While being grateful to the excellent contribution made by His Excellency the President, the Hon. Prime Minister and the Cabinet of Ministers for giving effect to policy decisions coming under the scope of this Ministry, I wish to take this opportunity to convey my heartfelt gratitude to the Hon. Minister Sajith Premadasa for his inspiring leadership and guidance in achieving all these successes and to the Hon. Deputy Minister Indika Bandaranayake for being a source of strength and support.

My thanks are due to additional secretaries and all officials of the Ministry, the staff of the Hon. Minister and the Hon. Deputy Minister, the heads of all institutions affiliated to the Ministry and their staff for their commitment to ensure success of all our activities and I also wish to thank the heads of all public and private sector institutions for their cooperation.

R.M. Abeyrathne

Secretary

Ministry of Housing and Construction

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1. INTERDUCTION

Today we are in an era characterized by one of the most rapid phases of development in the housing and construction sectors of Sri Lanka. In the housing sector, we have created a massive programme towards the realization of “shelter for all” by the year 2025.

That programme is based on the findings of the countrywide survey on housing requirements conducted in the year 2016. The survey itself was an enormous exercise launched with the support of the public officials serving at the village level to statistically identify the true nature of the existing housing problem faced by each and every family unit of the country. The most significant finding of the survey was that out of the total of 6,094,115 families of the country, 42% or 2,568,451 were faced with some kind of housing problem.

Though the responsibility of solving these housing problems through different approaches has been entrusted to a number of ministries involved in the housing sector, the responsibility of formulating and regulating key policies lies with this Ministry. Hence, through a committee consisting of experts serving in the fields of housing and settlement as well as infrastructure development, action was pursued in the year 2017 to update the country’s national housing policy.

Based on the national housing policy, measures were taken to realize “Shelter for All” by the year 2025 and identify policies relevant to the development of settlements in Sri Lanka in line with the Sustainable Development Goals of the United Nations.

United Nations Human Settlement Development Programme “UN - Habitat” Extended extensive support in the formulation of the national housing policy.

Additional to the national housing policy, the mid-term development plan which is central to the realization of shelter for all in the year 2025 too was prepared during the year. The support of all other ministries involved in the housing sector too was enlisted in this exercise. Thus the challenging responsibility of making housing development programmes while ensuring that no community is excluded and implementing same was taken under the wings of the Ministry of Housing and Construction.

Accordingly, within the housing programme of this Ministry, housing loan and assistance programmes are launched accommodating the requirements of the twin income levels; low income groups and those living in penury with special emphasis on socially and economically deprived groups such as women headed families, families suffering from Chronic kidney disease of unknown etiology, families affected by the armed conflict in the North and East.

Our ability to have the financial provision allocated to the Ministry from the capital inputs of the overall budget increased to Rs 6,791 million in the year 2017 as against Rs 6,442 million in the year 2016.

Taken as a separate entity, the construction industry of the country faced a number of challenges parallel to the recent expansion in the industry. One of the most pressing issues was the lack of skilled craftsmen in the construction sector. Therefore the programme launched in collaboration with the Treasury in

the year 2016 to train construction craftsmen continued unabated in 2017 as well and the programme produced 2401 craftsmen armed with national vocational qualification (NVQ 2/3) to be deployed in the construction sector. Further, the national construction policy was developed and published with the approval of the Cabinet of Ministers.

2. Vision and Mission of the Ministry

Vision

"Development of sustainable settlements and a reawakening of the construction industry"

Mission

Creation of a planned, environmentally friendly and high quality construction industry by strengthening Sri Lankan entrepreneurs, professionals and labour force with skills and resources and contributing to economic development by generating settlements with basic facilities through community participation.

3. Scope of the Ministry

Formulating policies and development plans to realize the objectives of the housing and construction sector and making guidelines for the relevant institution involved in the sector

3.1 Main subjects areas coming under the purview of the Ministry



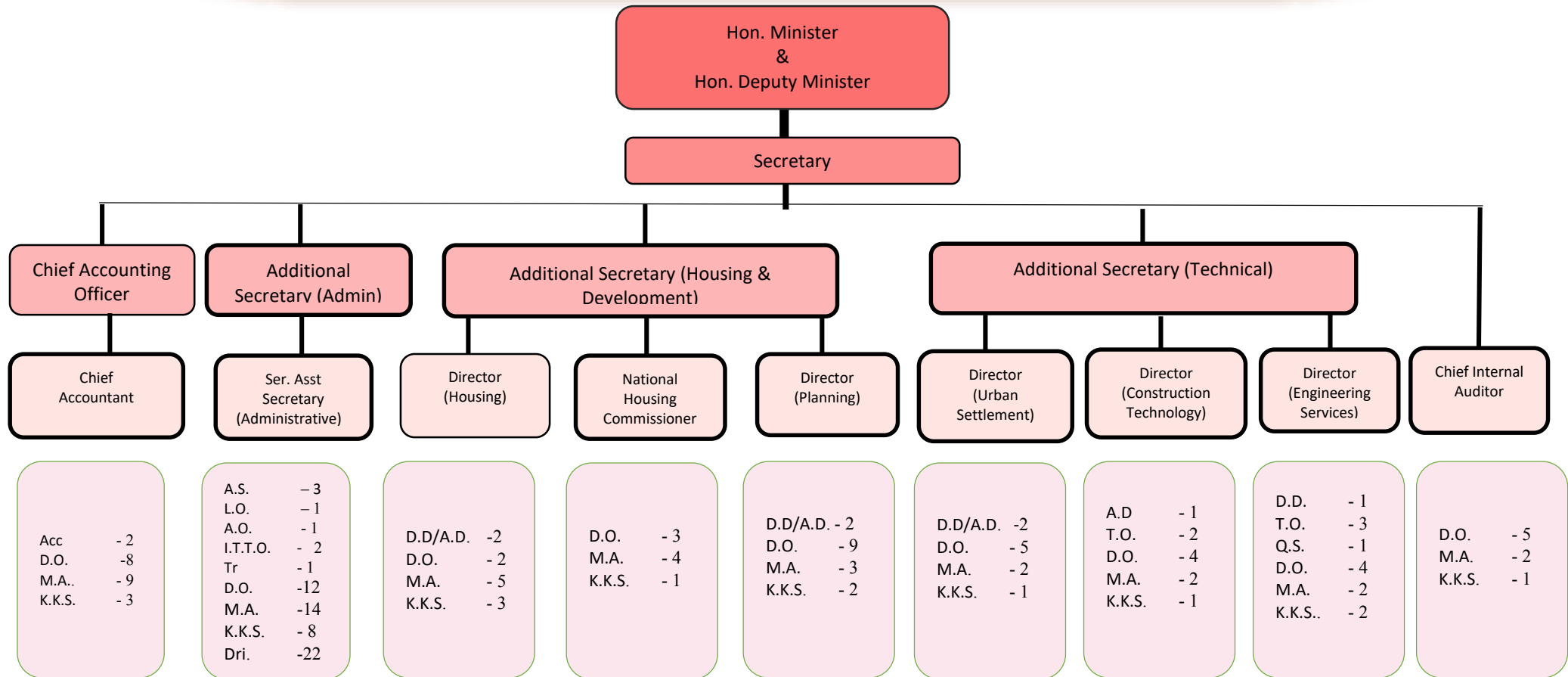
Housing Sector

1. Implementing housing schemes and housing financing programmes to fulfill the housing requirements of the people including low income earners and special community groups.
2. Educating rural communities about housing construction techniques which are eco-friendly and cost effective.
3. Formulating policies, programmes and projects relevant to the housing sector and following up and evaluating same.

Construction Sector

1. Formulating policies, programmes and projects relevant to the subject of construction and following up and evaluating same.
2. Provision of consultancy and regulatory service to the construction industry and training on operating and maintaining heavy construction machinery.
3. Regulation, registration, regularization and standardization of the activities of the construction sector in compliance with relevant rules, regulations and standards.

4. Organizational structure & Human resource profile of the Ministry



Acct- Accountant

D.D.- Deputy Director

A.S. – Assistant Secretary

L.O. Legal Officer

A.O. Administrative Officer

Tr- Translator

D.O. Development Officer

T.O. Technical Officer

Q.S. Quantity Surveyor

M.A – Management Assistant

Dri. – Driver

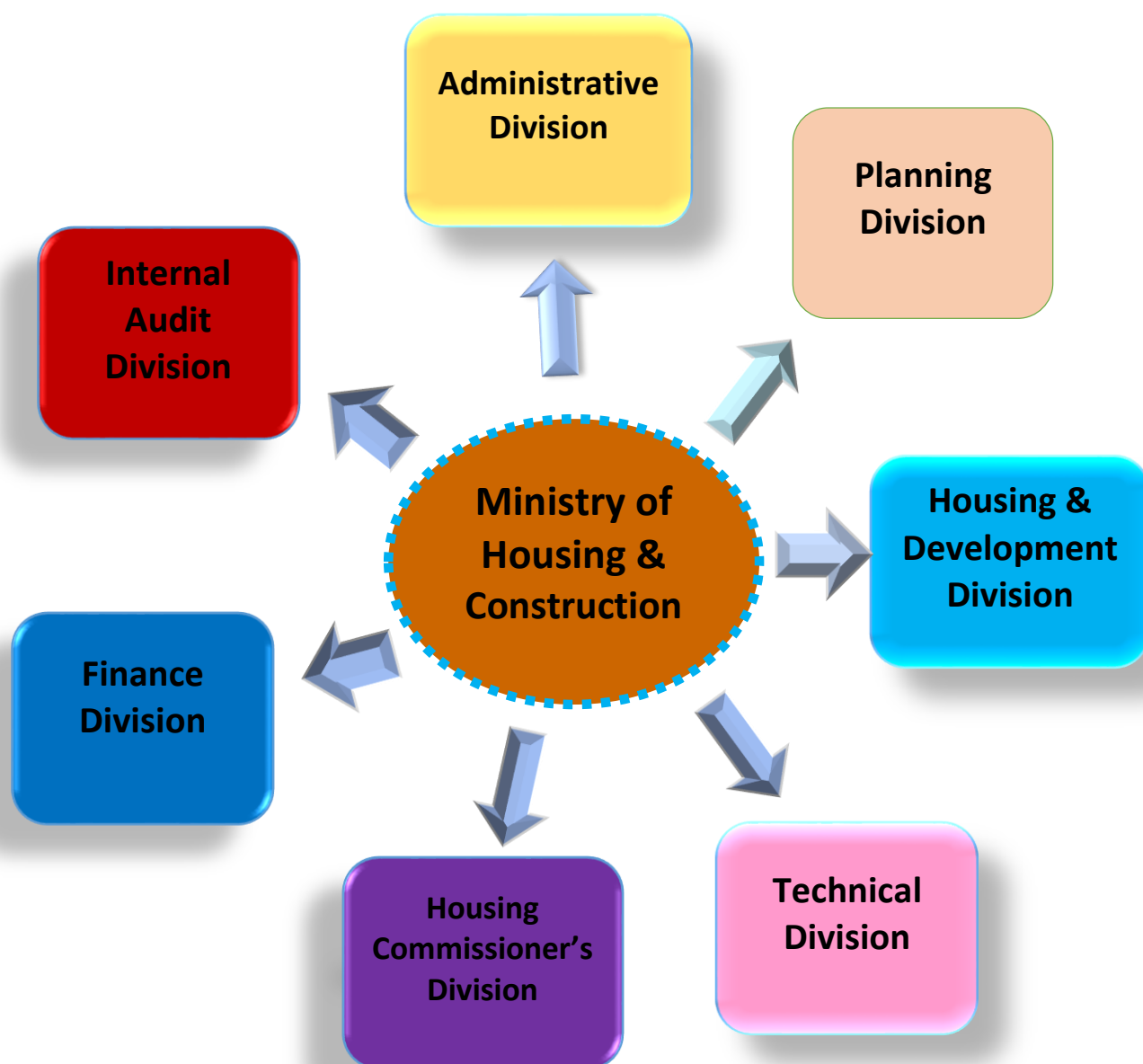
K.K.S- Karyala Karya Sahayaka

5. Approved Carder of the Ministry

No.		Salary Scale	Service Applicable	No. of Approved Posts
1	Secretary	SL 4		01
2	Additional Secretary (Admin)	SL 3	SLAS Special	01
3	Additional Secretary (Housing & Development)	SL 3	SLAS Special	01
4	Additional Secretary (Technical)	SL 3	SLES (Special)	01
5	Chief Financial Officer	SL 3	SLAccS Special	01
6	Senior Assistant Secretary (Admin)	SL 1	SLAS I	01
7	Director (Housing)	SL 1	SLAS I	01
8	Director (Cons.Tec.)	SL 1	SLES I	01
9	Director (Planning)	SL 1	SLPS I	01
10	Director (Engineering Services)	SL 1	SLES I	01
11	Director (USD)	SL 1	SLES. I	01
12	Chief Accountant	SL 1	SLAccS I	01
13	Chief Internal Auditor	SL 1	SLAccS. I	01
12	Housing Commissioner	SL 1	-	01
13	Deputy Director / Asst. Director (Housing)	SL 1	SLAS II / III	02
14	Deputy Director / Asst. Director (Cons.Tec.)	SL 1	SLES II / III	01
15	Deputy Director / Asst. Director (Planning)	SL 1	SLPS II / III	01
16	Deputy Director / Asst. Director (Planning)	SL 1	SLES II / III	01
17	Deputy Director / Asst. Director (Engineering Services)	SL 1	SLES II / III	01
18	Deputy Director / Asst. Director (USD)	SL 1	SLAS II / III	01
19	Asst. Secretary (Admin)	SL 1	SLAS II / III	03
20	Accountant	SL 1	SLAccS II / III	02

21	Legal Officer	SL 1	Departmental	01
22	Information & Technology Technical Officer	SL 1	SLITS 2/II	01
23	Administrative Officer	MN 7	PMAS (Supra)	01
24	Coordinating Secretary to the Secretary (a Temporary Post)	MN 6		02
25	Translator	MN 6	Translator Service	01
26	Budget Assistant	MN 4	Associated Officer	01
27	Supplies Assistant	MN 4	Associated Officer	25
28	Development Assistant	MN 4	Associated Officer	11
29	Housing Development Assistant	MN 4	Associated Officer	19
30	Development Officer	MN 4	Associated Officer	43
31	Management Assistant	MN 4	Management Ass.Ser.	05
32	Technical Officer	MT 2	SLTS	01
33	Quantity Surveyor	MT 2	SLTS	26
34	Driver	PL 3	Drivers' Services	26
35	KKS	PL 1	KKSS	01
36	Video camera (Temporary)			01
37	Still Photographer (Temporary)			01
38	Office Assistants (Temporary)			01
	Total Number of Posts			193

6. Structure of the Ministry



6.1 Administrative division

Extending support to all divisions of the Ministry in implementing the policies of the government and in discharging various functions for the wellbeing of the public by the Ministry of Housing and Construction.

Creating conducive working environment and managing human resources efficiently is the responsibility of the Administrative Division.

Key functions of the Administrative Division

1. Maintaining establishment activities of all officials serving in the Ministry.
2. All maintenance activities of the Ministry.
3. Carrying out procurement activities of the Ministry.
4. All administrative activities executed with the intervention of the Ministry and institutions affiliated to the Ministry.
5. Activities concerning the staff of the Ministry.
6. Providing facilities required for all divisions of the Ministry.
7. Updating the website of the Ministry
8. Conducting productivity activities.
9. Providing transport facilities for the activities of the Ministry.
10. Conducting training sessions for the officials of the Ministry.

6.2 Planning Division

Guiding the Ministry and the institutions under the purview of the Ministry to achieve the progress in development activities as planned.

Creating awareness amongst the relevant parties and the general public by disseminating information about the

development activities carried out in the construction sector.

Identifying the developmental needs of the housing and construction sector and assisting to have the project proposals formulated by the affiliated institutions approved by the Ministry of Finance and Planning.

Key functions of the Planning Division

1. Coordinating the activities in respect of drafting the action plan of the Ministry and affiliated institutions in line with the vision and the mission of the Ministry.
2. Evaluating the progress of developmental activities of institutions under the purview of the Ministry as per the monthly and annual action plans.
3. Compiling and reporting information related to development programmes
4. Forwarding the project proposals of the Ministry and affiliated institutions to the National Planning Department and coordinating relevant activities.
5. Following up and evaluating projects
6. Following up on the implementation of cabinet decisions relevant to the Ministry and affiliated institutions.
7. Preparing the annual Progress Report and Performance Report of the Ministry.
8. Organizing and following up on progress review meetings

6.3 Housing Division

Formulating national policies, making plans and conducting follow-ups in the field of housing development and common amenities

A view to achieving the objectives of the housing sector offering guidance to institutions affiliated to the Ministry.

Key functions of the Housing Division

1. Policy formulation

- Formulating policies required for the advancement of the housing sector
- Implementing policies relevant to the housing sector in collaboration with other public sector institutions.
- Developing underserved settlements and developing their communities
- Establishing district, divisional and village level housing committees.
- Implementing programmes associated with housing construction island-wide parallel to World Habitat Day and commemorating World Habitat Day.

2. Land related duties

- Activities relating to acquisition of lands for housing development purposes
- Activities pertaining to disposal of lands for housing purposes
- Transferring legal ownership of lands/housing to their occupants under section 8(1) of the National Housing Development Authority Act.
- Regularizing illegal occupants of lands belonging to the National Housing Development Authority as per the decision of the cabinet of ministers.

3. Housing Development

- Implementing housing construction programmes and housing projects in accord with the requirements of the country
- Renovating multi-storied housing programmes
- Implementing housing loan programmes
- Submitting cabinet memoranda in respect of housing schemes

- Implementing housing programmes in collaboration with other public sector agencies.
- Coordinating housing projects with local and foreign investors
- Developing underserved settlements and uplifting communities

6.4 Technical Division

6.4.1. Engineering Services Division

Controlling the total construction cost by fixing reasonable and affordable prices for construction projects and assisting the institutions under the Ministry

Select contractors for construction projects at reasonable prices employing a transparent process are carried out.

Key function of the Engineering Service Division

1. Granting approval of the standing technical committees in respect of constructions of government institutions
2. Appointing procurement committees for institutions under the Ministry.
3. Granting approval of the Ministry for contract fluctuations
4. Conveying the decisions of the ministerial procurement committee
5. Maintaining databases on contractors involved in the construction sector and prices relevant to the construction sector

6.4.2 Construction Technology Division

Steering the institutions under the purview of the Ministry to create an environmental friendly and qualitative construction industry.

Key function of the Construction Technology Division

1. Guiding the institutions affiliated to the construction sector providing construction and engineering services for the advancement of the construction industry.
2. Preparing the labour force required for the construction industry
3. Guiding the affiliated institutions to equip professionals and construction craftsmen with knowledge and skills.
4. Taking measures to present Cabinet Papers as and when necessary.

6.4.3. Urban Settlement development Division

Steering the construction of housing projects equipped with amenities primarily for urban low income earners.

Developing urban settlements are carried out

Key function of the Urban Settlement development

1. Forwarding the development proposals submitted by the institutions affiliated to the Ministry to the National Planning Department through the standing project evaluation committee.
2. Monitoring and reviewing the progress of urban settlement development projects.

6.5 National Housing commissioner's Division

This division executes powers and functions proclaimed under the Ceiling on Housing Property Law No. 01 of 1973. It also carries out certain functions under the Rent Act No. 7 of 1972.

Granting deeds to tenants and payment of compensation to owners of houses acquired by the government which are the main objectives set out by the above legislation are main responsibilities of this division.

Key function of the National Housing Commissioner's Division

1. Granting deeds for tenants
2. Paying compensation to owners of houses acquired by the government.
3. Resolving problems arisen in respect of areas reserved for common amenities.

6.6 Finance Division

Provision of financial resources and consultancy services required for the attainment of objectives of the Ministry and institutions coming under its purview and giving instructions on systems and controls needed for more efficient and effective deployment of such resources.

Key function of the Finance Division

1. Planning in respect of funds
2. Budgeting
3. Securing right amounts of funds at the right time
4. Releasing and spending money to achieve the targets of the Ministry
5. Reporting to the relevant parties about the expenditure and the financial progress on or before the due date.

6.7 Internal Audit Division

Establishing sound financial administration and proper management to convert the expected goals of the institutions into reality.

Participating in the financial administration and management activities of the Ministry and institutions under its purview and assisting them by offering guidance and giving instructions to carry out such activities more systematically and efficiently.

Key function of the Internal Audit Division

1. Coordinating audit activities of the Ministry and institutions affiliated to the Ministry.
2. Taking action to minimize problematic situations of the Ministry and institutions affiliated to the Ministry through the meetings of the Audit and Management Committee.
3. Assisting in the minimization of problems of institutions through audits and inquiries.
4. Following up on the implementation of the recommendations and directives of the Committee on Public Enterprises and the Committee on Public Accounts.

7. Institutions under the purview of the Ministry

7.1 National Housing Development Authority



The National Housing Development Authority functions with the objective of providing a secured house with basic facilities to all those who are in need of a house in Sri Lanka. The National Housing Development Authority was incorporated by the National Housing Development Authority, Act No. 17 of 1979 to undertake Housing Development activities in Sri Lanka. The Authority carries out its activities on an island wide basis through a network of 25 district offices and 02 metropolitan offices in addition to the head office in Colombo.

7.2 Urban Settlement Development Authority



The Urban Settlement Development Authority was established by Act No. 36 of 2008 for the purpose of offering housing solutions to persons living underserved urban settlements, empowering them economically, socially and culturally and improving their living conditions to ensure a sustainable urban settlement development.

7.3 Condominium Management Authority



The Condominium Management Authority was established under the Common Amenities Board (Amendment) Act No. 24 of 2003 as a regulatory authority to ensure that condominium properties are constructed for the benefit and welfare of residents of such properties, and regulate the management of the property through the establishment of management corporations. Further, the main objective setting up of this Authority is to regulate the terms of the Apartment Ownership Act amended as per Act No. 45 of 1982 and Act No. 39 of 2003.

7.4 Ocean View Development Private Limited



Ocean View Development Company was established with the objective of becoming the flagship property developer in the property development market of Sri Lanka and has been registered as a private company under the Companies Act No. 17 of 1982 (Registration No. PV 17667) and later, the company was re-registered under the Companies Act No. 7 of 2007.

Bringing to the fore trust and responsibility as a private sector institution, it has been able to bring about a noticeable change to the housing market while catering to the housing needs of the country.

7.5 Department of Buildings



The Department of Buildings which was founded as the Government Works Department in the year 1849 was established as an “A” grade department in 1969 and with the abolition of the Government Works Department, it is considered as the sole authority and consultancy institution in the field of construction of government buildings.

With 27 district engineer offices, it renders an immense service in the construction of buildings in the public sector across the island through architectural and engineering designs, maintenance, project management and provision of technical instructions.

7.6 Department of Government Factory



The Government Factory provides metal and carpentry products in the field of mechanical engineering for the public sector and private sector institutions and also provides practical workshop training for mechanical engineers on workshop production and works.

7.7 Construction Industry Development Authority



The Institute of Construction Training and Development (ICTAD) was converted into the Construction Industry Development Authority under the provisions of the Construction Industry Development Act No. 33 of 2014. The prime objective of this Act is to regulate, register, formalize and standardize the activities of the construction industry.

The Act has provided for the establishment of the National Advisory Council on construction, the establishment of the Construction Industry Development Fund, provides measures for the improvement and wellbeing of the industry related professionals, manufacturers, suppliers, contractors and craftsmen and for the settlement of disputes related to construction activities: to ensure public safety in the construction industry.

7.8 State Engineering Corporation



The State Engineering Corporation, a semi-government institution functioning under the purview of the Ministry of Housing and Construction. The Corporation's main functions include the provision of construction consultancy services, the provision of engineering services for constructions, provision of construction machinery, planning and designing, manufacturing precast and pre stressed concrete accessories, provision of training and conducting research.

It was awarded ISO 9001:2000 quality certification in 2009 and more recently it received ISO 14001:2004 environmental management certification.

7.9 National Equipment and Machinery Organization



The National Equipment and Machinery Organization (NEMO) was established in 1992 under the National Housing Development Authority (NHDA) to provide earth moving machinery and equipment to government organizations. In 2011 the NEMO was brought

under the State Engineering Corporation of Sri Lanka (SEC) as the Equipment and Machinery Division and in January 2016 the NEMO was once again made an individual organization by a Cabinet approval.

NEMO is progressively moving forward with specialized contracts awarded by the Departments of Wild Life, Zoological, Irrigation, Coast Conservation and Railway. The staff consists of 609 employees including printing professionals, skilled workers and labourers.

It has a fleet of heavy machinery, island wide depot system which caters to all the districts of the country and fully fledged mechanical workshops in all provinces of the country.

7.10 State Development and Construction Corporation



State Development & Construction Corporation (SD &CC) was incorporated on 01 October 1971 as an engineering institution under the State Industrial Corporation Act No. 49 of 1957 and is currently under the purview of the Ministry of Housing and Construction.

SD&CC has been playing a leading role in developing infrastructure facilities of the country as a leading engineering institution by planning, designing and constructing bridges, roads, multi-storied buildings, irrigation structures, tunnels and water supply projects and is the foremost institution in bridge construction. It is also the only local construction organization capable of constructing tunnels.

The Construction Industry Development Authority has registered SD & CC as a construction institution of C1 Grade and has

also bagged the award for construction performance awarded by CIDA.

It has also been awarded ISO9001 : 2008 quality certification and the Corporation carries out construction activities as per the set standards.

The Corporation manufactures precast concrete bridges, beams, electricity posts and all other precast concrete products required for engineering purposes. In addition, the maintenance of traffic signal systems of the Road Development Authority and the installation of new systems are carried out by this Department.

7.11 Building Materials Corporation



Building Materials Corporation (BMC) was established in 1971 under the “Sri Lanka State Trading Corporations Act” No. 33 of 1970. Thereafter in September 1992, the corporation was converted into a 100% government owned limited liability public company under the “Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act” No. 23 of 1987. The institution was re-registered in March 2010 under the Companies Act No.07 of 2007.

The Building Materials Corporation carries out its activities as the leading public sector entity that supplies building materials and equipment's in the housing and infrastructure developments at competitive prices island-wide earning the trust of the community whilst performing its social responsibility as a government agency.

8. Financial Provision

The total financial provision allocated to the Ministry in the year 2017 and the progress of the financial provisions as at 31.12.2017 are tabulated below.

➤ Overall Financial Progress of the Ministry

	Estimated Provision (Rs.)	Net (Gross) Provision (Rs.)	Actual Expenditure (Rs.)
Recurrent expenditure	436,606,000.00	683,978,131.00	681,823,650.00
Capital expenditure	2,323,650,000.00	6,849,150,000.00	6,849,149,973.00
Total	2,760,256,000.00	7,533,128,131.00	7,530,973,623.00

➤ Programmes

Programme 1 – Operational Activities

	Estimated Provision (Rs.)	Net (Gross) Provision (Rs.)	Actual Expenditure (Rs.)
Recurrent expenditure	226,116,000.00	467,943,131.00	467,812,650.00
Capital expenditure	11,450,000.00	11,650,000.00	11,649,974.00
Total	237,566,000.00	479,593,131.00	479,462,624.00

Programme 2 – Development Activities

	Estimated Provision (Rs.)	Net (Gross) Provision (Rs.)	Actual Expenditure (Rs.)
Recurrent expenditure	210,490,000.00	216,035,000.00	214,011,000.00
Capital expenditure	2,12,200,000.00	6,837,500,000.00	6,837,500,000.00
Total	2,522,690,000.00	7,053,535,000.00	7,051,511,000.00

Advance to public officer's account

Item No. - 123011
 - 123012

Approved limits - Maximum debit limit - Rs.11,000,000.00
 - Maximum credit limit - Rs. 5,500,000.00
 - Maximum debit balance limit - Rs.45,000,000.00

Balance at the beginning of the year (2017.01.01) Rs.23,581,143.50

Total debits during the year -	123011	- Rs.10,968,902.50
	123012	- Rs. 1,756,853.00

Total credits during the year -	123011	- Rs.8,202,908.32
	123012	- Rs.4,097,512.00

Balance at the end of the year (2017.12.31) Rs.24,006,478.68

Some of the development projects implemented in the year 2017



Contributing to solve the housing problem of a school child who met with an accident



Handing over Sooriyawewa, Somirivigama to the people



Laying foundation stone for a model village under the Northern Province housing



Solving the housing problem of a female athlete



Distributing tool kits under the 'Shilpa Saviya' construction training programme



Commemorating World Habitat Day-2017

9. Progress of the Ministry

9.1 Administrative division

❖ Staff of the Ministry

The approved overall cadre for the Ministry as at the end of year 2017 was 193 and the Ministry was able to have a post of Statistical Officer and a post of Assistant Secretary belonging to the Sri Lanka Administrative Service approved during the year. Further, in line with the staff review instructions issued by the Department of Management Services, action was pursued to create a new post of Assistant Director in respect of the Sri Lanka Planning Service and a new post of Internal Auditor in respect of the Sri Lanka Accounting Service and it is expected to secure the approval for the two posts in the year 2018.

However, by the end of the year 2017, the overall staff serving in the Ministry stood at 148 and in the year 2016 it was 150.

❖ Vacancies in the staff of the Ministry

The posts of Additional Secretary (Administration), Senior Assistant Secretary (Administration) and Director (Engineering Services) which are staff grade posts of the Ministry that remained vacant were filled during the year 2017.

The posts of Chief Financial Officer, Director (Construction Technology) and Director (Urban Settlement) fell vacant due to the retirement of officers serving in those posts and owing to the shortage of officers of the Sri Lanka Administrative Service, Sri Lanka Engineering Service and Grade III officers of the Sri Lanka Accounting Service, the posts of Assistant Director (Housing), Assistant Director

(Planning) and Accountant remained vacant even by the end of the year.

As at the end of the year 2017, the total number of vacancies in the Ministry was 45 and in the year 2016 the figure stood at 40.

❖ Cabinet Memoranda and Parliamentary Questions

During the year 2017, the Ministry submitted 47 cabinet memoranda in respect of various development activities and administrative activities implemented by this Ministry covering the subjects of housing and construction for the approval of the Cabinet of Ministers. In addition 13 Cabinet Notes were also submitted by the Ministry.

Similarly, 09 parliamentary questions were asked in year 2017 in regard to matters coming under the scope of the Ministry and the Ministry took action to respond to all of them.

❖ Responding to public requests

As the housing development was the key function of the Ministry, the majority of requests received from the public were relating to housing and there have also been instances where complaints received on establishments issues of employees and problems of trade unions. Requests have also been made through the Presidential Secretariat, Prime Minister's Office and Public Petitions Committee.

The Ministry has intervened promptly to deal with all such requests and for institutional and trade union issues, action has been taken to offer solutions through discussions held with the relevant parties under the patronage of the Ministry

❖ Training and Productivity activities

The Ministry organized a training workshop in the year 2017 to create awareness on office methods and procedures covering all Development Assistant/Development Officers

and Management Assistants and an employee motivation workshop was also conducted for all staff officers.

In addition, action was taken to conduct Tamil Language classes to help ministry officials to improve their Tamil language proficiency 22 officers were referred to training courses conducted by various training institutes.

The Ministry made arrangements to provide practical training to 20 trainees who have completed their courses in the vocational training institutes of the government in respect of subjects of their training courses.

9.2 Planning Division

❖ Annual action plan & progress review meeting

Every year an annual action plan is prepared incorporating activities associated with development programmes and activities connected with projects of the Ministry and institutions under its purview and estimates thereof and for the year 2017 as also the action plan of the Ministry and its affiliated institutions was prepared.

During the year 2017, thirty four (34) progress review meetings were held under the patronage of the Minister and 10 meetings of the housing and technical division were held under the aegis of the Secretary to observe the implementation of development programmes in line with the annual action plan and assess their progress and it enabled the provision of necessary instructions and guidance for the effective and efficacious execution of development programmes particularly in the housing sector.

❖ Progress Reports.

Action was taken to submit progress reports that should be submitted monthly to the

National Budget Department, quarterly to the Department of Project Management and Monitoring and monthly to the Presidential Secretariat and the Prime Minister's Office within the stipulated

Timeframe. In addition, necessary steps were taken for the coordination of the result based evaluation reports of institutions under the purview of the Ministry.

❖ Project Proposals

With the objective of seeking approval of the Department of National Planning for development programmes and projects to be implemented by the institutions under the purview of the Ministry in the year 2017, the Ministry submitted 23 project proposals formulated in respect of housing and construction sector to the Department of National Planning in order to secure funds from the Treasury.

❖ Report containing the Progress of the Ministry and future plans

Every year, the report containing the progress and future plans of the Ministry is submitted to the Committee Stage debate of the budget and this year to the Ministry was able to submit this report on time setting out the progress, project proposals and plans of the Ministry and institutions coming under its purview.

❖ Securing aid for development projects.

As per the Memorandum of Understanding signed between the governments of India and Sri Lanka for the 'Samata Sevana Grama Shakthi' model village housing project for the construction of 600 houses in 25 districts with one project for each district, Rs 300 million is due to be received from the government of India.

Another grant of Rs. 300 million is also due consequent to the Memorandum of Understanding signed on 26th October 2017 for the Samata Sevana Grama Shakthi model village project for the construction of 600 houses in the Southern province.

Using the donation of Rs 296.50 million by the government of India for the Most Venerable Maduluwawe Sobitha Nahimigama project proposed to be constructed at Elapathgama in the Wilachchiya Divisional Secretary Division in Anuradhapura, new houses are to be constructed for 153 families. In addition a multipurpose building, a Bhikku awasa and an alms hall will be constructed and the existing library will be modernized and a rural tank will be constructed for the supply of water.

❖ Presidential Task Force

Under this, 04 programmes are implemented in every village vested with people.

1. Food production national programme
2. Programme for combating kidney disease
3. Environmental conservation programme
4. Drug prevention national programme

These programmes are implemented with the participation of officers of the National Housing Development Authority and the prime objective of these programmes is to create drug-free environmental friendly model villages with a high living standard.

9.3 Housing Division

❖ Requests of the public

2757 requests forwarded to the Ministry during the year 2017 were referred to the relevant institutions and the applicants were made aware in that regard.

1895 grievances received under the “Tell the President” programme were referred to the relevant institutions under the purview of the Ministry and the parties who submitted the grievances were made aware of the action being taken regarding their grievances and relevant details were given for 1200 inquiries made by the public over the phone.

❖ Amendment of Act

Having secured the approval of the Attorney General for the amended bill in respect of the Urban Settlement Development Authority Act, it was referred to the Legal Draftsman’s Department. Further, a set of proposal for the amendment of the Apartment Ownership Act No.11 of 1973 too was referred to the Legal Draftsman’s Department and the regulations made under the Condominium Management Authority Act No. 10 of 1973 were published in gazette extraordinary No. 2026/25 dated 05.07.2017.

❖ Policy formulation

1200 copies of 87-page final survey report of the island-wide survey on housing needs were printed and all three languages and were distributed among members of Parliament and the relevant government institutions.

Parallel to the 30th anniversary of International year of housing, measures were taken to revise the National Housing Policy to be in harmony with emerging trends and challenges and the final draft of the revised national housing policy compiled by a panel of experts appointed for that purpose was submitted to the Cabinet of Ministers. It was approved by the Cabinet subject to certain amendments. Accordingly, the amended draft was once again submitted to the Cabinet of Ministers.

22 cabinet memoranda and notes in respect of the housing sector were submitted during the year and observations were made regarding 30 cabinet memoranda submitted by other ministries in connection with housing programmes.

Further, answers for oral questions asked in Parliament from the Hon. Minister regarding the subject of housing and construction were prepared and forwarded.

* **Granting entitlement or ownership**

Under the disposal of legal ownership of lands/houses is carried out as per section 8(1) of the National Housing Development Authority Act, necessary measures have been taken to grant the approval of the Hon. Minister to grant deeds to 1857 beneficiaries in the year 2017.

Further, a task force was appointed in accordance with a decision of the cabinet of ministers to devise a suitable mechanism for the transfer of ownership of condominium and non-condominium properties belonging to the government excluding official quarters allocated for staffs, to their long term occupants and accordingly information on residents who have occupied such properties continuously for over a period of 15 years was collected through a newspaper notice. The information thus gathered is now being processed in collaboration with the Ministry of National Policies and Economic Affairs.

❖ **Implementation of housing programmes**

The National Housing Development Authority and the Urban Settlement Development Authority are the two premier institutions that implement housing programmes. "Shelter for All", model village programme, 'Viri Sumithuru' housing programme, 'Sonduru Piyasa' housing programme, "Sampath Sevana" programme,

Northern province housing programme, Welioya housing programme, housing programme for kidney patients and 'Grama Shakthi' housing programme are the most prominent among them.

Under the "Shelter for All" housing programme, construction work of 49290 has been commenced by the end of the year 2017.

Under 'Viri Sumithuru' housing programme, though a target of 488 new houses and 425 upgraded houses was expected by the end of the year 2017, a target of only 182 new houses and 51 upgraded houses could be achieved and the NHDA has released Rs.170.128 million to beneficiaries under this programme. The expected target could not be reached due to unforeseen obstacles in selecting the beneficiaries.

'Sonduru Piyasa' is a concessionary housing loan programme and one of the main criteria to be eligible for the loan facility is that the floor area should be less than 750 square feet. However in order to accommodate more people, this was increased to 1000 square feet and 19595 applications received under this programme were forwarded to the banks and the loan facility was approved for 4170 in the year 2017.

During the year 2017, construction work of 3671 new houses was commenced and 31 villages were vested in the people.

Under the 'Grama Shakthi' model village programme, construction work of 1304 housing units was started in the year 2017.

❖ **Scattered Housing Programme**

This programme is geared towards addressing housing requirements and upgrading partially constructed houses of low income families scattered across the country. A concessionary loan subject to a ceiling of Rs two hundred thousand is provided. During the year 2017, Rs 1460.33 million was disbursed amongst 22943 families under this programme

❖ **World Habitat Day**

‘World Habitat Day’ declared by the United Nations upon the adoption of a resolution moved by the then Prime Minister, the late Hon. Ranasinghe Premadasa to the annual session of the United Nations Human Habitat Commission held in the year 1985 in Kingston, Jamaica in the West Indies has been celebrated continuously since 1985 under various themes associated with the field of housing and settlements.

The United Nations commemorates the first Monday of October of every year as World Habitat Day and in the year 2017, it fell on Monday, 02nd October. With the objective of marking the celebration of this international day as a more productive programme in the housing and settlement sector, special attention was focused on the basic needs of the people in implementing programmes associated with the day.

The 31st anniversary of World Habitat Day was held under the theme of “Housing Policies-Affordable Homes” on 02nd October 2017 at Sanath Jayasuriya Stadium, Matara.

Hence, the main commemorative event of World Habitat Day 2017 and activities connected with World Habitat Week centered on the Matara town.

The Ministry of Housing and Construction, the Sri Lankan agency of the United Nations Human Settlements Programme which implements World Habitat Day across the world conducted a host of programmes including the launching of a first day cover, publication of a journal by Urban Settlement Development Authority, opening of model villages constructed in the Matara District, organizing an exhibition on housing and settlements in collaboration with the Ruhuna University, granting 100 scattered housing loans and 200 title deeds, conducting art, essay and drama competitions on the theme of

settlements and organizing awareness raising programmes on settlements for officials, community and children.

In addition, organizing entrepreneurship promotion programmes and workshops for residents of underserved settlements, conducting awareness raising programmes on the condominium concept (flats and apartments) for officers, undergraduates and community, conducting competitions amongst management corporations, awarding certificates for the best management corporations and awarding certificates for NVQ trainees were held concurrent to the main event.

❖ **Establishment of rural housing committees**

Rural housing committees had been established in 9565 Grama Niladhari divisions out of a total of 14023 GN divisions in the island.

9.4 Construction Technology Division

All bills submitted by professional institutions involved in the construction industry were amended and recommendations were made and action was also taken to offer solutions to other issues faced by such institutions. Observations had been made in respect of 17 cabinet papers during the year.

In granting recommendations for visa requests received by the Ministry from construction institutions, recommendations were granted to 22 foreign professionals and 89 Nepalese workers.

The Construction Industry Development Act was referred to the Attorney General for his observations and observations were called from the relevant institutions for the

incorporation of the Building Services Engineering and Technology Institute.

The preliminary draft of the 'Policy of High Rise Buildings' was referred to the Prime Minister's Office for the relevant coordination activities.

9.4.1. Urban Settlement Division

Preliminary inquiries were conducted in respect of 21 policy proposals submitted in the year 2017 by the NHDA, USDA, CIDA, Buildings Department and the Government Factory Department and handed over to the Planning Division to be referred to the National Planning Department.

9.5 National Housing Commissioners' Division

Under the project for granting title deeds to tenants of houses acquired by the government under the Ceiling on Housing Property Law No 1 of 1973, 09 deeds were granted during the year 2017. Accordingly, 19 inspections and 18 spot inspections were conducted.

A significant number of deeds have been issued for housing properties acquired and 17,842 transfer deeds have been issued.

Payment of compensation to the majority of owners of houses acquired by the government too has been finalized.

As original files, documents, gazettes and plans could not be traced when dealing with problems that have cropped up in respect of certain housing properties, the inquiries could not be completed and this posed a challenge in achieving the targets set for the year.

9.6 Internal Audit Division

As per the annual audit programme of 2017, though 18 programmes were planned to be completed, only 06 could be completed.

Further, 04 Audit and Management Committee meetings and 05 inquiries were conducted as planned.

The absence of experienced staff knowledgeable in conducting inquiries audit activities has been a major impediment in executing the duties of the Audit Division.



Sandaresgama' Dimbulagala, Polonnaruwa- providing benefits under 'Shelter for All'



Island wide data survey on housing needs launched



Handing over Polpithigama , model village, Vijayabagama to residents



Handing over Siyathurugama model village, Lunugamvehera to the people



Signing a MoU between the governments of India and Sri Lanka for housing projects



Observing the progress of the national food production programme of the model village programme



Handing over Jayavijayagama model village, Wilgamuwa to residents



Presenting cheques for beneficiaries of Colombo District of scattered housing programme

10. Challenges faced by the Ministry

❖ Not filling vacancies in permanent posts

The Ministry was unable in the year 2017 to duly fill the vacancies in the permanent posts approved for the Ministry. The vacancies in the key posts of Chief Financial Officer, Director (Engineering Technology), Director (Urban Settlements) and Director (Construction Technology) could not be filled due to the acute shortage of qualified officers in island-wide services.

Similarly, a setback was evident in audit activities due to the absence of an experienced staff to conduct audit inquiries.

❖ Non-receipt of adequate financial provisions

Routine activities of the ministry were hampered in the year 2017 due to the non-receipt of adequate assets for the purchase of assets required for the Ministry. Adequate numbers of computers, printers and photocopiers were not available for the use of the officers of the Ministry and due to the non-allocation of provisions for this purpose the existing machines had to be overused which resulted in the constant malfunctions.

❖ Challenges faced in implementing housing programmes

Though 100% financial progress was achieved vis-a-vis the overall provision allocated for housing programmes in the financial year, difficulties were experienced in securing funds on time to sustain the physical progress of projects. As a result, the Ministry was compelled to amend the plans in midyear.

Further, lands required for the model village housing programme and middle class housing programme could not be adequately identified. As most of the lands allotted for the model village programme were located in areas without basic infrastructure facilities, extra efforts have to be put in for the development of infrastructure through alternative methods.