



ஈர்டீக சஂவீர்டெ ஈரூதலாஂகெ
புருளாதார அபிவீருத்தி அமைச்சு
Ministry of Economic Development

கார்டீசலாடெ வார்டீல
செயலாற்றுகை அறிக்கை
PERFORMANCE REPORT

2012

Performance Report 2012



Ministry of Economic Development

This report has been prepared according to the requirement of the Treasury circular No.402 of 12th September 2002

It has been translated into Tamil & Sinhala languages as well.

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Preface

The concept of "care for the person to protect the family, protect the family to strengthen the village, strengthen the village to develop the country, develop the country in order to win the world" is the foundation of all development efforts of the Ministry of Economic Development. Actually it is a inclusive growth programme.

The initiative of this programme is to create a community with values and success in life, thereby create a family empowered in all aspects, towards rural, urban and provincial upliftment, leading to a comprehensive development programme combined with international economy through industrial promotion. The Ministry has actively and positively contributed in 2012 towards this objective.

The Phase III of Divi Neguma National Programme covering the whole island, benefiting over 2.5 million families was commenced in March, 2012 while Phase IV commenced in October, 2012 accruing benefits to total number of families in the country, totaling around 5.0 million.

Programmes such as Development of infrastructure facilities, Improvement of sanitary facilities in schools and Development of pre-schools were successfully implemented under Gama Neguma Programme.

Development efforts such as Construction of jogging tracks for physical exercises, Improvements of bus terminals, Construction of play grounds and public parks, Improvement of pavements, Development of weekly fairs (sathi pola) and Development of urban facilities such as maternity and child health clinics were carried out in 2012 under Pura Neguma Programme.

Development activities were carried out through out the island in the year under the Regional Development Programmes of Uthuru Wasanthaya, Negenahira Navodaya, Batahira Ran Aruna, Wayamba Pubuduwa, Ruhunu Udanaya, Sabaragamuwa Arunalokaya, Pubudamu Wellassa, Kandurata Udanaya, Rajarata Navodaya for the development of all provinces simultaneously by giving the opportunities to contribute towards the national economy.

In this process, special emphasis was placed on the Removal of land mines, Resettlement of displaced persons, Rehabilitation of their livelihoods, Development of required infrastructure facilities and Creation of new livelihood avenues in the Northern Province, under Uthuru Wasanthaya Programme. In addition to this, the Ministry of Economic Development was instrumental in implementing a number of projects pertaining to economic and social infrastructure development with foreign loans and grants as well as local funds, targeting provincial development.

The phased out programme aimed at fulfilling the target of attracting 2.5. million of high-spending tourists by 2016 was successfully implemented in 2012, where it was possible to attract 1.0 million of tourists exceeding the target as a result of developing facilities, promotional activities and developing human resources in the field of tourism.

In 2012, promotional activities aimed at obtaining investments to the tune of 2.0 million were carried out in more vigorous manner which enabled optimal and direct economicities and co-operations between national and international economy.

A wide expansion was achieved in 2012, in the fields such as agriculture, fishery and livestock, construction, technical, computer and services, tourism and infrastructure facilities in order to empower the local business community while the Ministry was successful in higher value addition to local production by activating wide collaboration with global market for investment promotion and combining advanced technology with local economy.

The Ministry of Economic Development which is in the process of guiding the overall programme with the intention of converting "Sri Lanka into the Wonder of Asia", is engaged in implementing the comprehensive programme aimed at establishing the best Asian economy in Sri Lanka, through requisite regulatory activities and improving organizational facilities and creating a business development and investment friendly environment by simplification of administrative procedures.



1

Ministry of Economic Development

Leadership & Directions

Minister

Hon. Basil Rajapaksa

Deputy Ministers

Hon. Lakshman Yapa Abeywardhana

Hon. Muththu Sivalingam

Staff

Secretary

P.B. Jayasundera

Additional Secretaries

Nihal Somaweera	-	Regional Development
R.A.A.K. Ranawake	-	Rural Economy
Chandra Wickramasinghe	-	Livehoods Development
N.B.H. Dharmawardena	-	Administration
M.B.K. Dissanayake	-	Investment

Director Generals

Rupa S. Ekanayake	-	Administration
S.S. Hettiarachchi	-	Tourism
Saroja Sirisena	-	Foreign Affairs
Sunanda Maddumabandara	-	Communication & Development
Chandrawansa Pathiraja	-	Wildlife & Parks
Dhamma Dissanayake	-	Janasaba & Rural Development
B.S. Gunaratne	-	Development Forum

Chief Accountant

W. Wimalasena

Internal Auditor

H. Chandrasena

Directors & Senior Assistant Secretaries

R.P.R. Amarasinghe	-	Senior Assistant Secretary
M.D.Nevil Padmasiri	-	Senior Assistant Secretary
M.A.S. Weerasinghe	-	Senior Assistant Secretary
H.C.S. Gunathilake	-	Director (Engineering)
U. Samarasinghe	-	Director (Rural Economic)
W.Ananda Wijesooriya	-	Director (Investment)
Anura Ranasinghe	-	Director(Planning)
A.H.M.U.Aruna Bandara	-	Director (Monitoring)
R.H.W.A. Kumarasiri	-	Director (World Food Programme)
N.B.Monty Ranatunga	-	Director (Regional Development, Pura Neguma)

H.M. Jayathilake Herath- Director (Divi Neguma)

N.A.P. Nissanka	-	Director (Self Employment)
M.C.K. Dammika	-	Director (Gama Neguma)
C.R. Sooriyaarachchi	-	Director (Poverty Alleviation & SAARC)
M.I.A. Wahabdeen	-	Director (DCB)
K.N.A. Somaratne	-	Senior Assistant Secretary
P.V. Gunathilake	-	Senior Assistant Secretary
D.R.L. Abeyratne	-	Senior Assistant Secretary
Alexie Gunawardena	-	Director (Foreign Affairs)

Senior Accountants

S.U. Chandirakumaran

H.P. Lalith Kumara

P.R.L. Wasantha

Heads of Departments & Other Institutions

Chandra Wickramasinghe	-	Commissioner General, Department of Samurdhi Commissioner General
H. W. M. Pushpalatha Manike	-	Commissioner General (Acting), Department of Upcountry Peasantry
R.P.B. Thilakasiri	-	Director General, Sri Lanka Samurdhi Authority
A.P.S. Ranjith Gunasekara	-	Director General, Sri Lanka Southern Development Authority
Amarananda Weerasinghe	-	Chairman, Sri Lanka Upcountry Development Authority
Thilak Hettiarachchi	-	Acting Director, Rural Development, Training & Research Institute
D.S.A. Wijesundara	-	Director General, Department of National Botanical Gardens
P.M. Anura de Silva	-	Director, Department of National Zoological Gardens
Nalaka Godahewa	-	Chairman

- Sri Lanka Tourism Development Authority

- Sri Lanka Tourism Promotion Bureau

J.D. Neel Rupasinghe	-	Chairman, Sri Lanka Convention Bureau
Sarath Chandra Mohotti	-	Chairman, Sri Lanka Tourism & Hotel Management Institute
M.M.C. Ferdinando	-	Chairman, Board of Investment of Sri Lanka
Vipula Wanigasekara	-	Director (Acting), Sri Lanka Tourism Development Authority General Manager, Sri Lanka Convention Bureau
Rumy Jauffar	-	Managing Director, Sri Lanka Tourism Promotion Bureau
Senaka Wijewardena	-	Director General, Sri Lanka Tourism & Hotel Management Institute

VISION

Building a new Sri Lanka in the form of a country of middle income level through Mahinda Chinthana.

MISSION

Provision of an active contribution for compilation and implementation of Policies, Strategies, Programmes and Projects for the creation of an empowered Community, Strong village comprising with all the facilities, a province rising with equilibrium powered by diversity and a sustainable national Economy.

SUBJECTS AND FUNCTIONS OF THE MINISTRY

As per Extra Ordinary Gazette Notification no. 1651/20 dated 30 April, 2010, the subjects and the functions of Ministry of Economic Development are as follows.

1. Formulation of policies programmes and projects in regard to the subjects of poverty alleviation, tourism, investments.
2. Direction of the implementation of such policies programmes and projects with a view to achieving the relevant national objectives within time lines agreed with the national planning authorities and within budgeted resources.
3. Provision of all public services that come under the purview of the Ministry in an efficient and people friendly manner.
4. Reforming of all systems and procedures to ensure the conduct of business in an efficient manner deploying modern management techniques and technology where applicable while eliminating corruption and waste.
5. Implementation of rural livelihood development initiatives
6. Formulation of rural and regional economic development policies and strategies
7. Implementation of Decentralize Capital Budget Programme
8. Development of the Tourism Industry and establishment of standards
9. Registration of Tourism Agencies
10. Conservation of Sri Lanka Flora, maintain the Botanical Gardens and assist the Floriculture Industry
11. Exhibit collection of animals, birds, reptiles, ect., to provide educational programmes for public

Institutions under the Ministry

Department of Commissioner General of Samurdhi

Department of Up-country Peasantry Rehabilitation

Department of National Botanic Garden

Department of National Zoological Garden

Rural Development Training & Research Institute

Samurdhi Authority of Sri Lanka

Southern Development Authority of Sri Lanka

Udarata Development Authority of Sri Lanka

Sri Lanka Tourism Development Authority

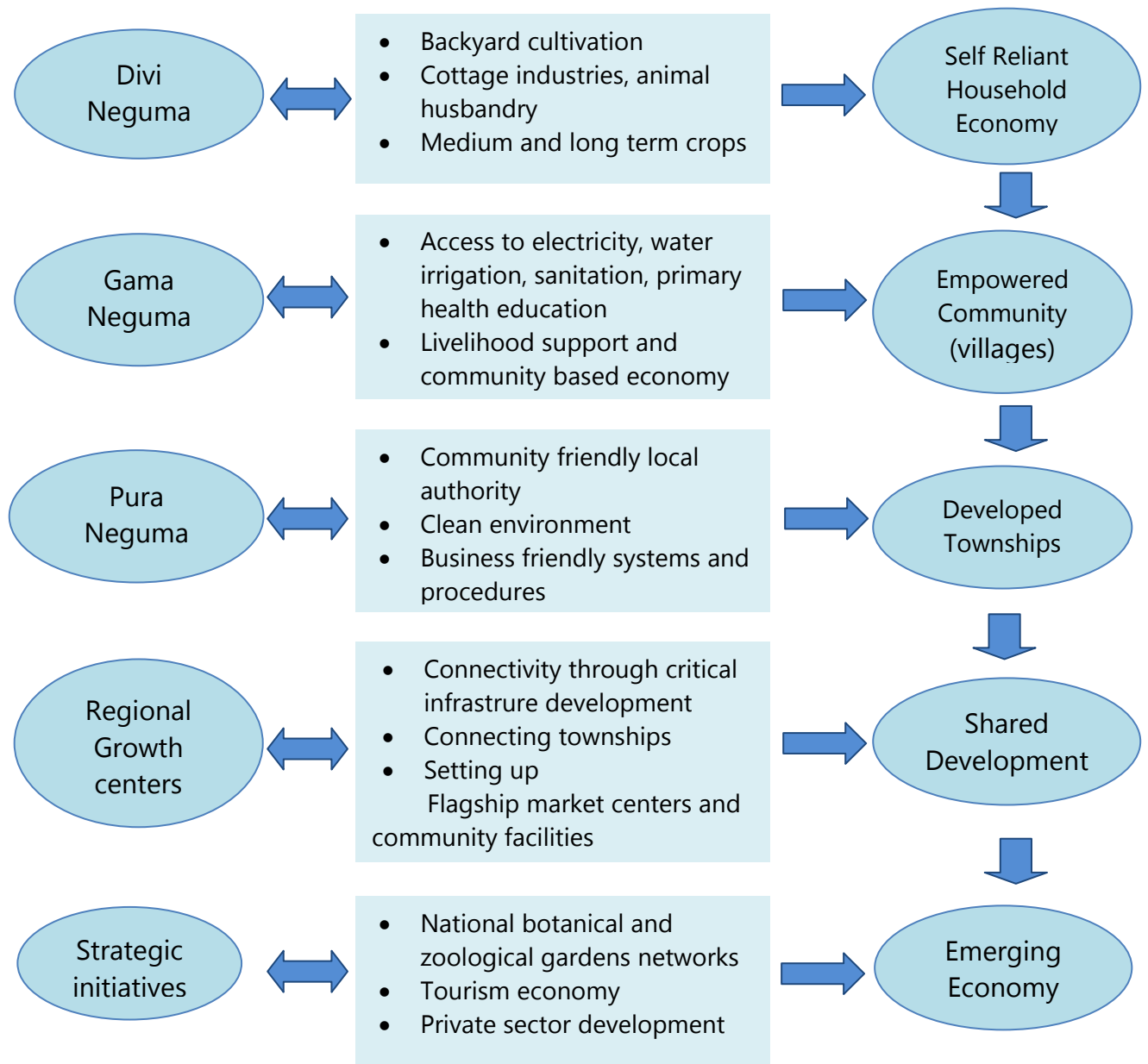
Sri Lanka Convention Bureau

Sri Lanka Tourism Promotion Bureau

Sri Lanka Institute of Tourism & Hotel Management

Board of Investment of Sri Lanka

Interfacing Development



Graph No. 1.1

2

Divi Neguma
Empowered Domestic Unit

2. Divi Neguma Programme

Divi Neguma Programme was commenced at National Level, converting into reality, the concept of creating a prosperous village brimming with resources through livelihood and social development by the year 2016, as envisaged in the "Mahinda Chinthana- Vision for the future", the pilot force of the present Government and Budget Proposals-2011.

This programme focused on the family, aimed at its empowerment was launched under four salient factors of Agriculture, Livestock, Fisheries and Enterprise Development, envisaging domestic production of day to day requirements for consumption, while opening additional avenues of income through marketing excessive produces.

Accordingly, this programme was implemented in the following manner, targeting 2.5 Million Domestic Units in March and targeting total number of Rs.05 Million units in October, 2012.

2.1 Agricultural Sector

The Agricultural Sector, the main sector in the Divi Neguma National Programme was launched with the objectives of producing family requirements of vegetables and fruits in the developed home gardens, enhancing the nutritional level of the family and minimizing the import of agricultural products through encouraging local production as well as promoting domestic economy.

Required inputs have been made available to the beneficiaries at a cost of Rs. 1559.81 Million as at the end of 2012. In the third and fourth stages, distribution of requisite inputs among the beneficiaries for the purpose of promoting cultivation of day to day requirements of vegetables and fruits, short term, midterm and perennial crops and bee

keeping along with the cultivation of mushroom was carried out with the objective of creating a fully fledged home garden. Further, 2,728,176 coconut seedlings were distributed, under Divi Neguma Programme, for planting in 42,628 acres of land as at end of 2012, contributing towards national coconut production which in turn will increase the domestic consumption of coconut and coconut oil, thereby reducing the volume of foreign exchange spent on the importation of alternative oils for consumption.

In addition, 3.96 Million of fruit plants were distributed during the year 2012, ensuring increased production of fruits in the country and self-sufficiency in fruits within the family. A 40% increase in local production of fruits within the next five years was envisaged.

Further, action was taken in 2012 to cultivate around 10,000 acres of land with locally cultivable crops such as green gram, sesame, black grams, ground nuts and chilies, fulfilling local requirements as an initiative to save foreign exchange.

2.1.1 Distribution Programme of Drum Sticks (Dwarf variety) seedlings.

The programme for distributing dwarf variety of drum sticks, a crop endemic to the North as well the South was launched in keeping with a proposal of Hon. Minister of Economic Development. Salient features of this variety are its high nutritional value, shorter period of around 06 month to commence bearing, less extent of space required for the plant and bearing throughout the year.

Accordingly, 0.5 Million of drumsticks plants were distributed through Divisional Secretariats in the Island, during Yala season in May/June, 2012.



Successful green-gram cultivation
Under Divi Neguma Programme,
Dikwella Divisional Secretary Division,
Matara District



Training workshop on Bee keeping
Thamankaduwa Divisional Secretary
Division, Polonnaruwa District



Dwarf Drumstick Project
Nallur Divisional Secretary Division
Jaffna District



A well managed home garden
Medirigriya Divisional Secretary Division,
Polonnaruwa District

2.1.2 Cultivation of high value crops in Green Houses

Method of Green House cultivation was publicized under Divi Neguma Programme in order to ensure throughout the year cultivation of various kinds of vegetables and fruits, flowers of high commercial value with a

greater demand in foreign markets, which are tolerant to various climatic and weather conditions prevailing in the country.

Number of such green houses constructed and put into use as at 31.12.2012 amounts to 2,297.

Progress of Agriculture Section - 2012

Table 2.1.1

Material Distributed	Quantity Distributed	Expenditure Rs.Mn.
Seed packets	7,509,406	633.97
Vegetable seedlings	4,297,853	51.88
Fruit seedlings	3,955,492	350.83
Minor Export crop plants	2,449,501	64.27
Cereals	14,734	4.73
Medicinal herbs	39,748	2.53
Coconut seedlings	2,728,176	111.95
Other plants	1,207,726	37.4
Inputs for bee-keeping	9,016	20.22
Inputs for mushroom cultivation	2,730	26.01
Inputs for ornamental floriculture	2,154	39.58
Inputs for green houses	2,297	175.26

Source- Ministry of Economic Development

2.2. Livestock Development

This sector was launched in order to produce foods such as milk and eggs, containing high level of animal protein which will be of immense benefit in reducing malnutrition and protein deficiency among the younger generation in Sri Lanka, while contributing towards savings on foreign exchange on food imports.

Distribution of chicks, cows and goats was carried out under the programme of livestock development in addition to construction of cattle sheds and expenditure on implementation as at 31.12.2012 was Rs. 365.0Million.

Progress of Livestock sector as at 31.12.2012

Table 2.1.2

Activity	Number	Expenditure Rs.Mn.
Distribution of chicks	488,780	163.04
Distribution of cows	1,810	5.68
Distribution of goats	3,547	18.14
Preparation of cattle sheds	5,319	148.06
Preparation of poultry cages	6,536	28.48

Source- Ministry of Economic Development



Successfully managed Poultry Farm,
Aturaliya Grama Niladhari Division,
Malimbada Divisional Secretary
Division, Matara District



Distribution of goats Akmeemana
Divisional Secretary Division,
Galle District

2.3 Fisheries Section

Twelve projects were implemented in 2012 by the Department of Fisheries and Aquatic Resources, National Aquaculture Development Authority and National Aquatic Resources Research and Development Agency with provision made available to the Ministry of Fisheries and Aquatic Resources Development under Fishery Sector of the Divi Neguma Programme. The objectives of this process being alleviation of poverty and savings on foreign exchange through enhancement of food security, fulfillment of animal protein requirements, additional income avenues, minimizing post harvest wastages, knowledge and technical know how on fishery and aquatic farming. These projects

are being implemented by individuals as well as groups.

Projects numbering 6,764, covering fish and fresh water prawns farming in ponds for consumption, Ornamental fish farming, fattening fries up to fingerlings, combined fish farming, upgrading of ornamental fish farmers, oyster farming, Seasonal fish farming in reservoirs, fish farming in estate reservoirs, sea bass fish farming and post harvest technical projects, were carried out as at end of December, 2012, with an expenditure of Rs. 105.81 Million.

Training on steamed dry fish production and cultivation of sea plants was afforded to 54 beneficiaries and projects will commence in 2013.

Progress on Fishery Sector as at 31.12.2012

Table 2.1.3

Srl.No	Project	No of beneficiaries who have commenced activities
01	Fish farming in ponds for consumption	516
02	Ornamental fish farming (new)	577
03	Fattening fries up to fingerlings	24
04	Combined fish farming	113
05	Upgrading of ornamental fish farmers	793
06	Oyster farming	18
07	Seasonal Fish farming	760
08	Fish farming in estate reservoirs	230
09	Fresh water steamed dry fish production	Implements on order and projects will commence in 2013
10	Sea plants growing	
11	Sea Bass Fish farming	43
12	Post harvest technical projects	2675

Source- Ministry of Economic Development



A dry fish project under Divi Neguma Programme in Jaffna District



Fish Farming in ponds
Abagamuwa Divisional Secretary
Division, NuwaraEliya District



Harvesting Fish Production of inland fisheries
Thanamalwela Divisional Secretary Division, Monaragala District



Inland fisheries project
Monaragala District

2.4 Enterprise Development Sector

An optimal contribution towards upliftment of national economy as well family empowerment could be made by commencement and promotion of domestic industries. Hence, programme for establishing domestic industries was inaugurated under Divi Neguma National Programme.

As the first phase of this programme, exhibitions were held at district level creating awareness on technology, marketing and training opportunities for domestic industries with special emphasis on industries and potential resources endemic to respective districts. Accordingly, similar exhibitions have been held in 24 districts as at 31.12.2012.

As the second phase, training courses covering the following industries were conducted for the benefit of selected persons who are in need of training to commence industries:

- Food related products
- Leather goods
- Timber based industries
- Coir and Fiber related industries
- Rubber/plastic based industries
- Chemical products related industries
- Light Engineering industries
- Paper based industries

- Apparel/patch work/ pets related industries
- Construction related industries
- Electrical industries
- Bamboo and cane related industries
- Clay based industries
- Kitul and Palmira based industries
- Handicrafts based industries
- Pure coconut oil based industries
- Services
- Agri. products based industries
- Mush rooms based industries
- Floriculture based industries

Capital equipment and basic raw materials were made available to those who successfully completed their training and those who are already in possession of technical know how to commence their own domestic industries. Accordingly, 12,535 such beneficiaries were provided with necessary facilities at a cost of Rs. 178.69 Million as at 31.12.2012.

Workshops are being held at district level with the participation of relevant bank officials in order to co-ordinate provision of financial assistance for the benefit of those who are already engaged in some kind of industries, yet are in need of financial assistance to improve their industries. Such bank programmes have been held in four districts, providing financial assistance to 573 persons.



Successful commencement of enterprises after training on domestic industries Thanamalwela Divisional Secretary Division, Monaragala District



Successfully engaged in coir based industries after training - Hikkaduwa Divisional Secretary Division, Galle District

2.4.1 Self-Employment Programme

This Unit is responsible for co-ordination of activities with regard to the generation and improvement of self-employment, in collaboration with relevant state agencies.

In keeping with Budget-2012 proposals, Ranaviru - Divineguma Self Employment Special Credit Scheme was launched in order to provide credit facilities for self-employment

of close relatives of those valiant soldiers in the three armed forces and police officers who sacrificed their lives or went missing and those officers in three armed forces and the Police who were disabled or retired after being disabled. Provision amounting to Rs. 10.00 Million was made available by the Ministry of Economic Development to implement this revolving credit scheme in 2012, in addition to the contribution made by the Regional Development Bank as well.

Ranaviru - Divineguma Self Employment Special Credit Scheme Progress as at 31.12.2012

Table 2.1.4

No	Type of self-employment	No of beneficiaries			Amount of credit Rs.M.		
		New projects	Improvements	Total	To commence new projects	For improvements	Total
1	Trading	4	6	10	1.80	2.75	4.55
2	Apparel industry	0	2	2		1.00	1.00
3	Cultivation	8	9	17	3.50	3.80	7.30
4	Services	2	3	5	1.00	1.50	2.50
5	Poultry	1	0	1	0.20	0.00	0.20
6	Small Industries	2	6	8	1.00	2.75	3.75
7	Coir industries	0	1	1	0.00	0.50	0.50
8	Purchase of three wheelers	3	0	3	1.50	0.00	1.50
Total		20	27	47	9.00	12.30	21.30

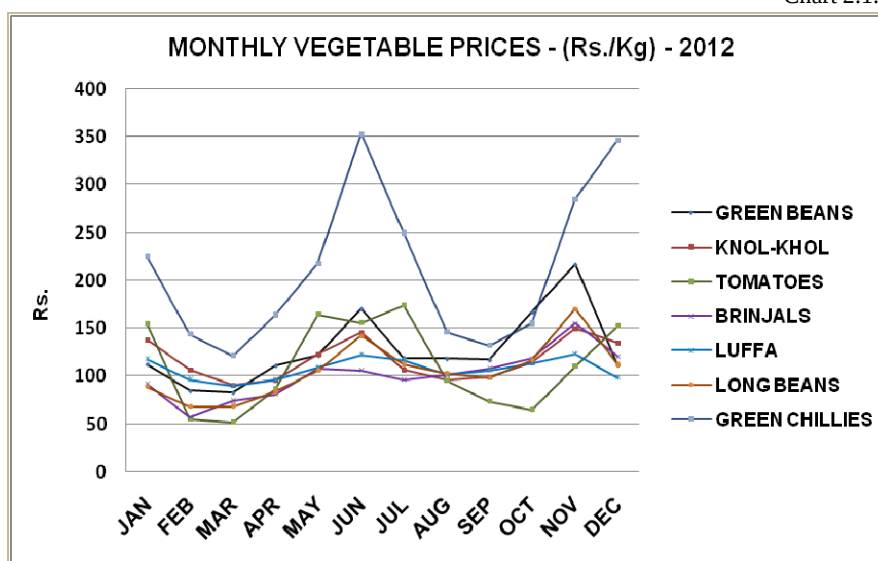
Source- Regional Development Bank

2.5 Impact of Divi Neguma Programme

A rapid increase in the price of vegetables in April and December (which are festive seasons) is normally recorded as against the price of vegetables during the period from January to December in past several years. However, price of vegetables in these two months in the year 2012 has significantly

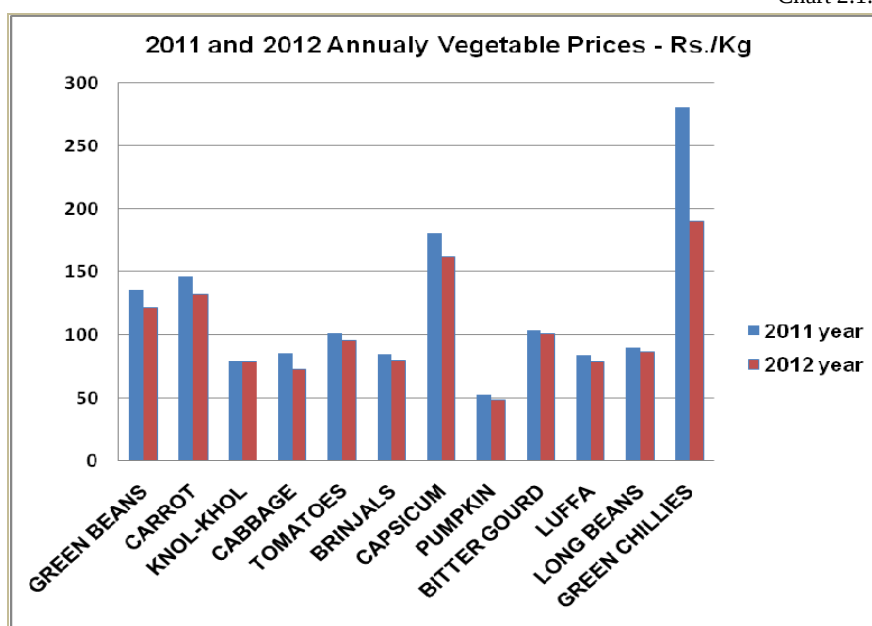
decreased. Further, the price of vegetables in 2012 was comparatively less than 2011. The cultivation of vegetables in most home gardens due to the awakening under Divi Neguma National Programme has had a significant impact on the reduction of prices.

Chart 2.1.1



Source - Hector Kobbekaduwa Agrarian Research & Training Institute

Chart 2.1.2



Source - Hector Kobbekaduwa Agrarian Research & Training Institute

2.6 Achievements and Challenges of Divi Neguma Programme.

Sri Lanka is forging ahead towards a mammoth development at present in comparison to other developing countries in the world. It is imperative that self-sufficiency in all aspects is achieved and livelihood of all sections of the people is strengthened in order to avoid obligation to any foreign country.

It is no secret that ancient Sri Lanka was self-sufficient in agriculture. However, this pattern was subjected to change with the introduction of Open Economy. Divi Neguma National Programme proved to be a strong foundation for the re-creation of a self-sufficient domestic unit.

The people who were dependent on the market to procure their day to day requirements for consumption underwent a change of mind, where they were eager to grow food crops in their back yards as far as possible to supplement their food requirements. This is an appreciative trend where pure and fresh vegetables, green leaves and fruits free of toxin could be easily made available for consumption. This will also be helpful in creating a healthy community.

The consumers who avoided consumption of eggs due to exorbitant price of in the market had the opportunity to add eggs to their daily diet as a result of producing eggs under poultry farming in their home gardens. In the same way, people who were in the habit of consuming powdered milk purchased from the market commenced consuming fresh milk produced in their own home gardens.

Divi Neguma Programme is not confined to home gardening only. It covers every field

related to the upliftment of a family. As such, training facilities were afforded to those who were interested in self employment under enterprise development and assistance extended to commence small industries. This not only enabled those without employment to gain employment, but created a proud generation which forged ahead, rising on their own strength.

However, among these victories, the programme also encounters various obstacles and challenges. In any country there are sections of people of different mind sets. In a multiple society, a section is blessed with energetic and ambitious people who are trying to rise in life on their own strength while another section is grossly lethargic and depend on others, posing a challenge to programmes of this nature which are aimed at extending assistance to those who are ambitious in empowerment of their families.

It is unfortunate that the fullest contribution and intervention expected from the facilitators who are appointed for the successful implementation of this programme, posing another challenge. In the practical implementation of this programme, another challenge encountered is the presence of different religious norms and practices. For an example, animal husbandry is faced with objections from certain religious quarters.

The future target of this programme is to be self-sufficient in chilies and various other cereals which can be easily cultivated in the Island, thereby accrue savings on heavy foreign exchange spent for the importation of such items.

Divi Neguma National Programme - 2012

Table 2.1.5

S. No.	District	Agriculture	Livestocks & Fisheries	Enterprise Development	Other Expenditure	Total Expenditure
		Expenditure Rs. Mn.	Expenditure Rs. Mn.	Expenditure Rs. Mn.	Rs. Mn.	Rs. Mn.
1	Colombo	13.88	7.22	3.78	25.98	50.86
2	Gampaha	41.12	18.75	14.42	81.16	155.44
3	Kalutara	30.56	10.83	8.49	58.96	108.85
4	Ratnapura	42.14	12.69	10.33	5.56	70.72
5	Kegalle	47.54	6.90	11.04	6.76	72.25
6	Kurunegala	85.41	16.08	1.76	10.83	114.08
7	Puttalam	31.15	23.70	2.32	40.77	97.94
8	Anuradhapura	26.79	15.01	4.91	18.70	65.41
9	Polonnaruwa	37.04	10.63	10.77	20.09	78.54
10	Galle	44.61	20.24	8.79	31.19	104.83
11	Matara	92.18	9.29	3.31	47.06	151.84
12	Hambantota	66.27	8.38	6.85	65.20	146.70
13	Monaragala	24.44	8.68	10.77	2.83	46.71
14	Badulla	54.20	26.40	16.23	35.96	132.79
15	NuwaraEliya	44.54	17.04	8.34	2.30	72.22
16	Kandy	44.17	35.57	7.59	-	87.33
17	Matale	32.78	11.57	13.22	24.75	82.32
18	Trincomalee	11.61	4.37	1.09	5.33	22.40
19	Batticaloa	15.89	10.50	3.45	10.52	40.35
20	Ampara	52.41	28.32	0.14	1.08	81.95
21	Vavuniya	0.83	2.51	2.20	3.66	9.20
22	Mannar	2.90	1.00	1.88	1.00	6.78
23	Jaffna	8.63	11.81	8.85	2.00	31.29
24	Mulativu	5.00	7.49	3.93	1.30	17.72
25	Kilinochchi	4.01	1.00	3.79	1.20	10.00
26	Other Govet. Institutes	699.70	144.83	13.21	155.14	1,012.87
27	Ministry of Economic Development	-	-	-	41.59	41.59
Total		1,559.81	470.81	181.47	* 700.90	2,912.99

Source- Ministry of Economic Development

* Concurrent expenditure, Diriya Piyasa Housing Programme, Divi Neguma Fair, Modernization of paddy stores and Fishery Fuel Subsidy for Fishery etc. are given separately under 'Other Expenditure'.

2.7 Social Security - Samurdhi Programme

Among the Development and Welfare Programmes, the Samurdhi Social Security Programme implemented for the benefit of the low income groups living throughout the Island is an ancillary programme of the Samurdhi Programme which is implemented with the intention of poverty alleviation. This programme is implemented under the auspices of the Department of Samurdhi Commissioner General. Accordingly, main programmes carried out in 2012 with the objective of accruing benefits to the recipient families of Samurdhi Relief are as follows:

- Samurdhi Relief Programme
- Nutritional Programmes for lactating mothers
- Social Security Programme

2.7.1 Samurdhi Relief Programme

Samurdhi Relief Programme which is being implemented since 1995, is aimed at enhancing the living standard of the low income groups scattered throughout the Island and Samurdhi Relief hitherto granted has been increased in the following manner as per Budget -2012 proposals.

Table 2.7.1

Number of Family Members	Value of Relief Package- Rupees
1- 2	750.00
3-5	1,200.00
Over 5	1,500.00
For empowered Families	210.00

Source- Dept. of Samurdhi Commissioner General

In the process of expanding the Samurdhi Relief Programme, with the objective of persuading the beneficiaries to save and invest, a system was introduced with effect from April, 2012 to their bank in place of Samurdhi Stamps. Accordingly, during the year 2012, subsidies to the tune of Rs. 10,553 Million have been distributed among 1,549,107 families.

Details of benefits accrued to the beneficiaries under Samurdhi Relief Programme during the period from 2006 to 2012 are given in the Index appended.

Table 2.7.2

Year	Samurdhi Relief Programme	
	No of Families	Value Rs. Mn.
2006	1,916,594	9,244
2007	1,844,660	9,423
2008	1,631,113	9,967
2009	1,600,786	9,274
2010	1,572,129	9,241
2011	1,541,575	9,044
2012	1,549,107	10,553

Source- Dept. of Samurdhi Commissioner General

2.7.2 Nutritional Programme for Lactating Mothers

This is a programme implemented under "Mahinda Chinthana" Policy Framework, aimed at improving the nutritional level of the lactating mothers in low income families, by issuing a Nutrition Stamp enabling the lactating mothers to enjoy a nutritional diet. During 2012, Nutrition Stamps have been issued to 55,299 beneficiaries at a cost of Rs. 249.60 Million.

Nutritional Programme for Lactating Mothers - 2008-2012

Table 2.7.3

Year	Number of beneficiaries	Cost Rs. Mn.
2008	60,050	385.70
2009	76,620	505.00
2010	71,471	388.00
2011	43,252	360.00
2012	55,299	249.60

Source- Dept. of Samurdhi Commissioner General

Accordingly the benefits were distributed as follows.

Samurdhi Social Security Programme - 2012

Table 2.7.4

Allowances and Benefits	Exp. Rs. Mn.	Number of Beneficiaries
Child Births	3.64	729
Marriages	9.89	3,297
Ailments	9.79	3,449
Bereavement	33.02	3,303
Scholarships	28.72	26,739

Source- Dept. of Samurdhi Commissioner General

2.7.3 Samurdhi Social Security Programme - 2012

This programme was initiated with the objectives of ensuring economical and social security of the samurdhi beneficiaries and the members of their families. The Samurdhi beneficiary families with more than two members are entitled for this programme and the allowances and benefits are given in the special occasions of the families such as child births, marriages, hospitalizations and the higher educations.

3

Gama Neguma Empowered Community

3. Gama Neguma - Empowered Community

"Gama Neguma" Development Programme was inaugurated in 2006 for the purpose of creating a bountiful village with pleasant, lovable and aesthetical environment as indicated in the 'Mahinda Chinthana' Policy statement with the aim of developing the village as the pivotal centre of government's development planning process in 2016.

Gama Neguma Programme with the objective of minimizing the discrepancies in between rural and urban development was being implemented up to 2011, under three major components, viz. spiritual and socio development, livelihood development and infrastructure development by the Ministry of Economic Development in collaboration with institutions such as Samurdhi Authority, Udarata Development Authority and Southern Development Authority under the Ministry.

By 2012, Gama Neguma Programme was converted, as a novel approach, in to 'One Village-One Project' Programme, implemented

as a Small Scale Infrastructure Facilities Development Programme, with the objective of accruing direct and indirect benefits for rural economic activities.

Action was taken to implement one development project at a cost of Rs.01 Million each in one village. Accordingly, approval was granted by the Ministry of Economic Development for the implementation of 14,000 projects covering all Grama Niladhari Divisions in the Island. However, due to certain technical problems, 13,098 projects were commenced out of which 11,819 were completed.

Projects were implemented under components such as Rural Road Development, Rural Electrification, Minor irrigation works, Potable Water Supply, Maternity and Child care facility, Pre-school Development, Building Facilities and Play ground and Park Facilities Development.



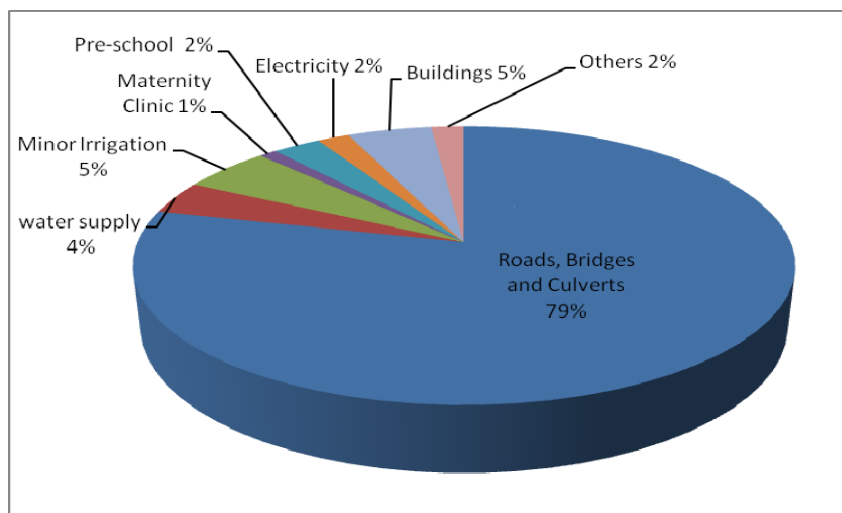
Constructed Child & Maternity Health Center
Nochchiyagama Divisional Secretary Division, Anuradhapura District



Suppling of water facility
Dimbulagala Divisional Secretary Division, Polonnaruwa District

Distribution of Projects under "One Village- One Project" Programme in 2012

chart 3.1



3.1. Rural Road Development

Greater emphasis was placed on Rural Road Development under 'One Village-One Project' Programme'. New inter-links thus created will open wider access for new products and services produced in domestic economic unit and a developed road network will be of immense benefit in fulfilling the requirements newly surfaced in villages. Developed roads will provide local and foreign tourists with

easy and early access to places of tourist attraction, will pave way for infrastructure development required for the creation of new industries in rural areas and help minimizing discrepancies in between rural and urban development process.

In 2012, work on 9,310 projects of roads, bridges, culverts etc. were completed at accost of Rs. 7,652 Million, benefitting around 3,618,517 beneficiaries.

Rural Road Development (Roads, Bridges and culverts)
Progress as at 31.12.2012 (Source-Ministry of Economic Development)

Table 3.1.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Colombo	451	406	331.00
Gampaha	980	936	722.20
Kalutara	616	589	444.65
Ratnapura	484	471	430.69
Kegalle	513	502	380.93
Kurunegala	921	755	529.02
Puttalam	342	313	277.37
Galle	753	704	516.24
Matara	550	472	352.4
Hambantota	372	360	282.57
Monaragala	250	248	207.16
Badulla	498	489	426.19
Nuwara Eliya	379	340	276.31
Kandy	1003	935	818.67
Matale	458	445	424.85
Anuradhapura	343	310	242.54
Polonnaruwa	208	208	190.88
Trincomalee	165	160	162.75
Batticaloa	270	270	260.40
Ampara	488	397	375.04
Total	10044	9310	7652.00

Source- Ministry of Economic Development

Some of the completed projects



Road constructed parallel to Moragoda Canal,
 Maligaspe Kadawath Sathara Divisional
 Secretary Division
 Galle District



Road constructed Pananawatte at
 Warakapola Divisional Secretary Division
 Kegalle District

3.2. Community Water Supply

Construction of water tanks, construction of public wells and laying water pipes were carried out under 'One Village-One Project' Programme in order to provide clean potable water required for the creation of a healthy rural community.

In 2012, 451 projects under Community Water Supply were completed at a cost of Rs. 367 Million, benefitting around 252,799 beneficiaries.

Progress of Community Water Supply as at 31.12.2012

Table 3.2.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Colombo	6	4	4.90
Gampaha	12	7	9.92
Kalutara	58	51	41.04
Ratnapura	32	28	25.31
Kegalle	28	26	19.67
Kurunegala	921	755	529.02
Puttalam	53	43	21.73
Galle	15	11	6.72
Matara	10	5	2.59
Hambantota	21	20	17.41
Monaragala	7	5	6.85
Baddulla	23	19	15.92
NuwaraEliya	49	40	30.26
Kandy	56	43	40.39
Matale	15	11	11.07
Anuradhapura	38	30	22.4
polonnaruwa	11	11	6.80
Trincomalee	10	10	9.73
Batticaloa	3	3	2.58
Ampara	4	1	1.16
Total	583	451	367.00

Source- Ministry of Economic Development

Some of the completed projects



Supply of Potable water
From Pinthaliya Junction to Dambeyaya
Buttala Divisional Secretary Division
Monaragala District



Extended Kanichchagala Water Supply
Scheme Thamankaduwa Divisional
Secretary Division,
Polonnaruwa District

3.3. Small Scale Irrigation Development

Construction and reconstruction of tanks, anicuts, sluices and distributory canals for storage and distribution of irrigation water for agricultural purposes is implemented under this Programme. This programme will enable abandoned paddy lands to be asweddumized which in turn will improve economy of the rural famer community, uplifting their living

standard. This process will make a great contribution towards national objective of achieving self-sufficiency. Cleansing process of canal system help eradicate environmental pollution, dengu epidemic and minimize flood damages.

In 2012, 605 projects under Small Irrigation Development Programme were completed at a cost of Rs. 542 Million, benefitting around 243,110 beneficiaries.

Small scale Irrigation Development - Progress as at 31.12.2012

Table 3.3.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Colombo	737	605	542
Gampaha	12	10	9.19
Kalutara	12	12	9.01
Ratnapura	9	8	7.44
Kegalle	5	5	0
Kurunegala	258	192	194.65
Puttalam	35	31	30.64
Galle	49	39	30.98
Matara	39	29	26.07
Hambantota	107	103	88.61
Monaragala	16	14	14.63
Baddulla	8	8	7.56
NuwaraEliya	6	4	2.32
Kandy	12	12	11.70
Matale	22	21	19.85
Anuradhapura	85	66	47
polonnaruwa	18	18	13.19
Trincomalee	15	13	11.72
Batticaloa	3	3	2.86
Ampara	17	11	10.89
Total	737	605	542.00

Source- Ministry of Economic Development

Some of the completed projects



Concreted Balance section of 9C Field Canal,
Hambantota Divisional Secretary Division
Hambantota District

3.4. Maternity and Child Health Care Clinic Facilities

Construction of at least one fully fledged Maternity Clinic in each Divisional Secretary Division, Provision of permanent buildings for clinics presently conducted in temporary buildings in rural areas and provision of requisite facilities for healthy mothers and children. Improvements on Maternity and Child Health Care Facilities in rural areas were carried out under One Village-One Project Programme with the objective of creating a generation of needy maternity and Child care

clinic have been carried out under this programme.

Provision of clean potable water, seating arrangements, and appropriate changing facilities for children, playing areas for children, sanitary facilities, ceiling fans and televisions etc. was carried out under this programme. Under Maternity and Child Health Care Facility Improvement Programme, 118 projects were completed at a cost of Rs. 90 million, benefiting 93,439 beneficiaries.

Maternity and Child Health Care Clinic Facilities - Progress as at 31.1.2012

Table 3.4.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Colombo	6	6	5.6
Gampaha	4	4	3.61
Kalutara	4	3	1.17
Ratnapura	6	6	5.83
Kegalle	3	3	0
Kurunegala	39	31	23.92
Puttalam	8	7	6.21
Galle	8	7	2.85
Matara	6	4	2.5
Hambantota	4	4	1.95
Monaragala	8	8	7.65
Baddulla	5	4	3.47
NuwaraEliya	9	8	3.89
Kandy	9	6	6.30
Anuradhapura	9	8	6.36
polonnaruwa	1	1	0.43
Trincomalee	1	1	0.98
Batticaloa	6	6	5.66
Ampara	2	1	1.29
Total	138	118	90.00

Source- Ministry of Economic Development

Some of the completed projects



Maternity and Child Health Centre
Gampaha District

3.5. Pre-School Development

Pre-school Development is an important factor in bringing up a child from his childhood. In this context, making him adaptable to the society, preparation of his social educational background before he enters school, educate him to get used to local foods and beverages, traditional norms, ethics and values, cultural & religious activities, good behavior in the society, respecting others and their opinions and moral and spiritual development are the objectives of pre-school development.

Accordingly, construction of pre-school buildings and reconstruction where necessary, provision of play grounds and teaching equipments, required to fulfill educational, sports and sanitary requirements for children in pre - schools were carried out under 'One Village - One Project' Programme.

In 2012, 325 projects under Pre-School Facility Development Programme were completed at a cost of Rs. 266 Million, benefiting around 117,118 beneficiaries.

Pre-School Development - Progress as at 31.12.2012

Table 3.5.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Colombo	20	18	16
Gampaha	13	12	10.86
Kalutara	19	10	6.24
Ratnapura	6	6	5.45
Kegalle	5	4	0.39
Kurunegala	33	21	17.72
Puttalam	25	20	16.30
Galle	13	11	7.09
Matara	11	7	5.78
Hambantota	37	34	23.44
Monaragala	23	23	21.45
Baddulla	17	15	12.14
NuwaraEliya	19	18	12.42
Kandy	23	20	18.00
Anuradhapura	70	66	54.98
polonnaruwa	15	15	13.10
Trincomalee	6	4	3.5
Batticaloa	13	13	11.62
Ampara	13	8	9.19
Total	381	325	266.00

Source- Ministry of Economic Development

3.6. Development of Electricity Supply Facility

Considering the importance of the aspect of providing electricity in the process of rural infra-structure development, action was taken under 'One Village - One Project' Programme to provide electricity for the needy families in rural areas. In addition to bringing much needed light to households which were in darkness for decades, provision of electricity

was instrumental in developing rural livelihoods, usage of computers and information technology systems and promotion of rural investments etc.

In 2012, 217 projects were completed at a cost of Rs. 194 Million, benefitting around 7,791 beneficiaries.

Development of Electricity Supply Facility - Progress as at 31.12.2012

Table 3.6.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Kurunegala	126	126	107.39
Puttalam	62	61	57.90
Monaragala	4	4	3.99
NuwaraEliya	2	1	1.00
Matale	1	1	1.00
Anuradhapura	23	16	14.63
polonnaruwa	2	2	1.97
Batticaloa	3	3	2.94
Ampara	3	3	2.99
Total	226	217	194.00

Source- Ministry of Economic Development

3.7. Development of Building Facilities

A society made of people blessed with a balanced mentality can be regarded as a village free of internal as well as external encumbrances. In order to create a village with such a society, the people living therein have to be empowered in spiritual and social aspects.

Development of building is one of the important components under One Village-One Project Programme which is being implemented with the objective of filling a village with the light of development through activating the process of fulfilling the daily

and essential social and spiritual requirements in a rural society.

Community halls, libraries and various multi-purpose buildings have been constructed under One Village-One Project Programme which will provide necessary facilities for the community to sort out their day to day problems and to acquire necessary knowledge, converting the rural areas into fully fledged areas with prosperity.

In 2012, 654 such projects have been completed under building programme at a cost of Rs.501 Million, benefiting 632,063 beneficiaries.

Development of Buildings - Progress as at 31.12.2012

Table 3.4.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Colombo	41	31	28.70
Gampaha	65	40	20.99
Kalutara	46	29	13.67
Kegalle	16	12	4.44
Kurunegala	83	52	39.61
Puttalam	17	15	12.78
Galle	42	33	19.62
Matara	48	30	22.49
Hambantota	23	23	18.43
Monaragala	10	10	8.20
Baddulla	13	13	10.09
NuwaraEliya	18	17	9.21
Kandy	63	53	43.24
Matale	45	43	40.63
Anuradhapura	101	86	67.13
polonnaruwa	33	33	20.23
Trincomalee	87	86	77.98
Batticaloa	29	29	27.08
Ampara	25	19	16.04
Total	805	654	501.00

Source- Ministry of Economic Development

Some of the completed projects



Community Hall constructed in Minuwangoda
Divisional Secretary Division, Gampaha District

3.8. Development of Play Grounds and Parks

Sports and Exercises are essential factors in building a healthy people blessed with physical fitness and construction of ply grounds and parks is undertaken under the Programme of 'One Village-One Project'. This will prevent loitering in highly congested areas

and accidents occurring while playing along road sides. This will also help people to get rid of mental distress.

In 2012, 139 projects were completed under this programme, at a cost of Rs. 107 Million, benefiting around 132,009 beneficiaries.

Development of Play Grounds and Parks - Progress as at 31.12.2012. (District-wise)

Table 3.8.1

District	No of Projects	No of Projects Completed	Expenditure (Rs.Mn.)
Colombo	10	9	9.8
Gampaha	14	8	4.34
Kalutara	10	9	5.34
Kegalle	6	5	1.21
Kurunegala	12	5	5.35
Puttalam	7	7	6.33
Galle	13	11	7.72
Matara	6	5	2.93
Hambantota	11	10	10.15
Monaragala	3	3	1.93
Baddulla	3	3	0.90
NuwaraEliya	7	7	4.88
Kandy	10	7	7.42
Anuradhapura	18	18	15.33
polonnaruwa	6	6	3.94
Trincomalee	8	7	1.00
Batticaloa	16	16	15.43
Ampara	8	3	4.17
Total	168	139	107.00

Source- Ministry of Economic Development

Projects completed in 2012 under Gama Neguma Development Programme (District -wise)

Table 3.8.2

District	Road, Bridges & Culverts	Water Supply	Small Scale Irrigation	Maternity Clinic	Pre School	Electrici ty	Building	Play Ground & Parks	Expenditure Rs. Mn.
Colombo	406	4	10	6	18	0	31	9	407.28
Gampaha	936	7	12	4	12	0	40	8	781.91
Kalutara	589	51	6	3	10	0	29	9	516.79
Kegalle	471	28	8	6	6	0	0	0	506.38
Kurunegala	502	26	5	3	4	0	12	5	406.64
Puttalam	755	83	192	31	21	126	52	5	1010.14
Galle	313	43	31	7	20	61	15	7	433.01
Matara	310	30	66	8	66	16	86	18	474.97
Hambantota	208	11	18	1	15	2	33	6	251.52
Monaragala	704	11	39	7	11	0	33	11	592.40
Baddulla	472	5	29	4	7	0	30	5	423.57
NuwaraEliya	360	20	103	4	34	0	23	10	444.57
Kandy	248	5	14	8	23	4	10	3	269.86
Colombo	489	19	8	4	15	0	13	3	485.06
Gampaha	340	40	4	8	18	1	17	7	344.15
Kalutara	935	43	12	6	20	0	53	7	945.80
Matale	445	11	21	0	0	1	43	0	501.32
Trincomalee	160	10	13	1	4	0	86	7	200.62
Batticaloa	270	3	3	6	13	3	29	16	338.91
Ampara	397	1	11	1	8	3	19	3	421.77
Total	9310	451	605	118	325	217	654	139	9757.00

Source- Ministry of Economic Development

Gama Neguma Programme Sectoral Progress Report - 2006-2011

District	Roads		water supply		Minor Irrigation		Electricity		Maternity Clinic		School sanitary facilities		Pre-school		Common Buildings		Livelihood Development		Social Developments		Others		Total	
	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn	No of Project	Expenditure Rs.Mn
Colombo	3208	1171.84	123	36.37	433	130.84	14	6.41	100	86.95	306	132.96	268	8.85	22	5.98	26	11.72	91	16.05	0	0	4591	1607.97
Gampaha	8059	3542.31	111	78.58	717	252.74	16	3.24	0	0	972	172.56	263	15.13	66	25.56	49	9.17	35	62.33	10	7.98	10298	4169.6
Kalutara	4306	1792.04	92	83.42	307	79.15	110	45.43	30	10.88	356	37.44	430	7.68	16	3.6	1	0.28	62	28.79	0	0	5710	2088.71
Ratnapura	4232	1772.83	121	35.77	813	303.68	12	10.31	157	55.24	417	55.87	472	8.4	16	3.09	450	46.22	267	51.88	2	0.6	6959	2343.89
Kegalle	5126	1474.17	118	42.43	695	184.8	104	34.54	120	53.34	271	39.95	353	8.45	51	33.94	1676	36.09	241	44.74	0	0	8755	1952.45
Kurunegala	5231	1643.23	380	216.45	812	316.34	2010	718.19	140	60.51	379	115.58	439	18.28	679	222.07	6451	115.3	980	19.6	65	39.99	17566	3485.54
Puttalam	2219	1043.61	259	173.47	468	124.97	874	328.93	118	63.03	313	88.18	210	11.87	22	8.77	713	46.72	514	110.32	47	23.59	5757	2023.46
Galle	4658	2665.87	284	43.5	376	171.53	77	30.34	19	19.62	327	55.27	347	9.19	102	88.56	7	9.8	546	113.02	5	0.27	6748	3206.97
Matara	4298	1931.76	229	84.56	599	177.43	155	56.91	4	43.03	799	66.18	250	8.76	76	77.23	79	8.66	460	20.68	15	2.32	6964	2477.52
Hambantota	2303	1509.87	262	83.93	794	438.7	37	24.73	85	47.25	1035	84.3	226	7.8	125	115.16	195	61.08	174	50.49	0	51.94	5236	2475.25
Moneragala	2074	953.48	242	67.97	303	169.06	272	244.2	4	12.77	543	97.36	182	4.94	22	45.18	233	24	597	78.63	6	9.73	4478	1707.32
Badulla	3239	1503.37	157	72.24	274	94.65	22	63.62	97	33.84	297	25.7	267	4.43	338	97.78	596	78.85	5	2.21	3	1.77	5295	1978.46
Nuwara-Eliya	2620	1099.25	180	61.16	212	49.28	121	84.5	41	16.14	264	30.48	185	2.7	285	48.97	398	40.79	10	3.42	2	2.92	4318	1439.61
Kandy	4547	1502.08	190	39.54	805	223.36	35	12.6	118	85.36	473	115.11	459	16.82	154	364.52	14	10.195	190	66.25	8	3.34	6993	2530.93
Matale	2533	970.03	120	51.38	558	244.28	250	111.08	97	53.5	237	66.07	333	8.87	111	50.96	5	2.45	15	6.18	9	4.96	4268	1569.76
Anuradhapura	1858	1120.07	162	75.31	614	292.98	457	516.26	103	64.22	340	65.91	182	7.99	149	83.3	4	1.71	594	189.09	121	53.6	4584	2470.44
Polonnaruwa	946	561.25	115	48.39	111	69.58	113	35.5	50	50.95	209	81.1	86	4	75	67.84	19	10.61	99	36.86	2	0.63	1825	966.71
Vavuniya	146	106.83	24	9.04	28	20.42	33	25.88	0	0	0	0	0	0	11	12.98	25	11.26	65	66.09	0	0	332	252.5
Trincomalee	762	530.79	90	24.94	176	112.1	80	23.71	66	35.74	74	50.7	25	2.96	1	0.38	1521	78.93	229	95.87	3	2.65	3027	958.77
Batticaloa	1148	870.2	58	21.53	56	45.63	31	13.89	44	28.43	196	19.82	112	5.94	0	0	386	94.56	451	122.2	0	0	2482	1222.2
Ampara	1615	1191.6	105	38.05	81	70.74	31	13.35	25	47.2	79	41.46	34	4.94	30	10	789	131.22	106	37.72	15	5.86	2910	1592.14
Jaffna	37	14.08	107	42.89	39	58.86	32	12.69	0	0	0	0	0	0	1	2.38	424	360.04	38	9.33	0	0	678	500.27
Killinochchi	3	4.9	4	1.15	0	0	0	0	0	0	0	0	0	0	0	0	26	4.7	38	9.33	0	0	71	20.08
Mullativu	3	6	0	0	1	6.13	0	0	0	0	0	0	0	0	0	0	9	7.06	6	4	0	0	19	23.19
Mannar	260	163.02	39	10.73	2	165	39	77.05	0	0	0	0	0	0	7	5.15	65	34.73	58	39.77	0	0	470	332.1
Total	65431	29144	3572	1442.8	9274	3638.9	4925	2493.4	1418	868	7887	1442	5123	168	2359	1373.4	14161	1327.9	5871	1284.9	302	207.62	120334	43395.8

3.9. Decentralized Capital Budget Programme

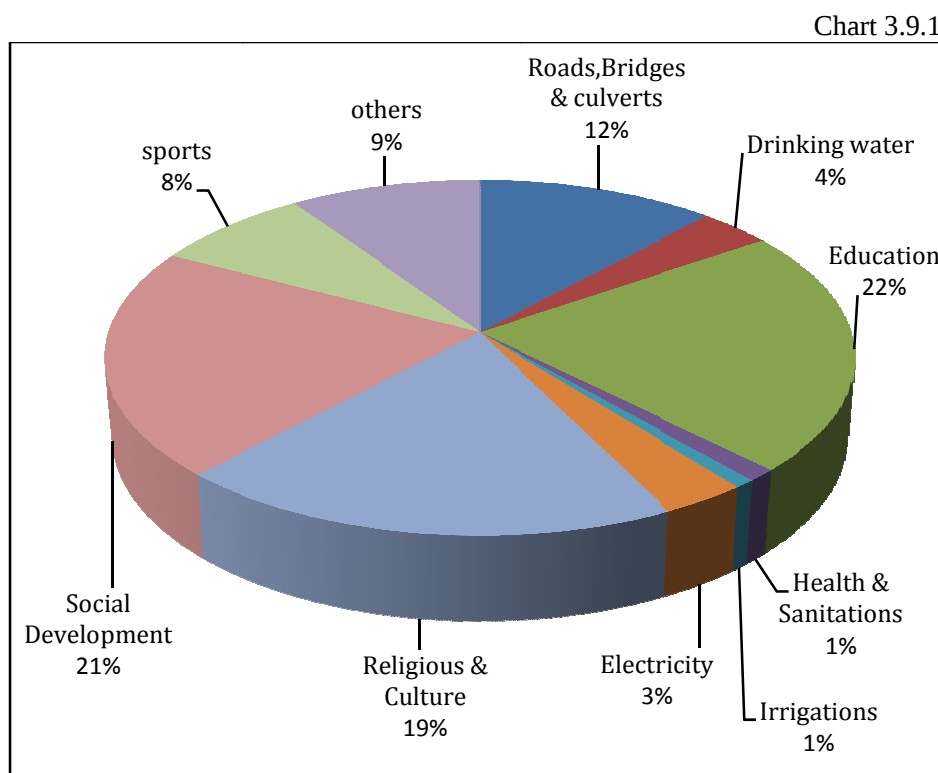
Decentralized Capital Budget Programme was, as usual, implemented in 2012 too, covering the whole Island, with the intention of promoting small scale physical and social infrastructure facilities which are not covered by various other development programmes and projects which have a direct impact on the rural economic development.

This programme run parallel to the Gama Neguma Programme allocates financial provision amounting to Rs.05 Million each for 225 members of Parliament.

Accordingly, financial provision was allocated at District level amounting to Rs. 980 Million for 196 District Members of Parliament, Rs. 145 Million for 29 Members of National List, totaling Rs. 1125 Million for 225 members of Parliament.

A sum of Rs. 1000.77 Million has been spent for completion of 14,805 Small Scale Physical and Social Infrastructure facilities development under this programme

Decentralized Capital Budget Programme 2012- Sectoral distribution of projects



Source- Ministry of Economic Development

Decentralized Capital Budget Programme 2012 - District summary

Table 3.9.1

S. No	District	Total No of District Parliament Members	No of Projects Completed	Expenditure Rs.Mn.
1	Colombo	19	1051	115.400
2	Gampaha	18	738	89.707
3	Kalutara	10	448	59.917
4	Ratnapura	10	540	54.067
5	Kegalle	09	372	27.364
6	Kurunegala	15	1449	68.959
7	Puttalam	08	818	28.860
8	Anuradhapura	09	850	41.719
9	Polonnaruwa	05	539	24.780
10	Galle	10	687	53.620
11	Matara	08	638	45.859
12	Hambantota	07	796	34.600
13	Monaragala	05	393	24.204
14	Badulla	08	678	38.525
15	NuwaraEliya	07	586	35.406
16	Kandy	12	1091	65.844
17	Matale	05	470	25.713
18	Trincomalee	04	213	20.249
19	Batticaloa	05	427	30.395
20	Ampara	07	741	45.036
21	Vavuniya	06	170	10.364
22	Jaffna	09	698	37.930
23	Kilinochchi		139	8.654
24	Mulativu	06	69	7.196
25	Mannar	06	204	6.387
Total		196	14805	1000.77

Source- Ministry of Economic Development

3.10. Reconstruction Programme of 5,000 Primary Schools and 1,000 Secondary Schools. “The best for the children of the nation”

The Reconstruction Programme of 5,000 primary schools and 1,000 secondary schools was inaugurated in August, 2012 with the collaboration of the Ministry of Education, in order to lay the requisite foundation for the school children to develop their potential to the maximum, paving way for the realization of the objectives aimed at developing Sri Lanka as a centre of knowledge, set out in the "Mahinda Chinthana".

Action has been taken to convert developed 5,000 primary schools as "student-friendly schools". These primary schools were developed with special attention to create an environment which will actively fulfill all children-rights such as their health security and protection as well as providing pleasant schooling experiences for the purpose of admitting children who have productively completed their primary education in to secondary education.

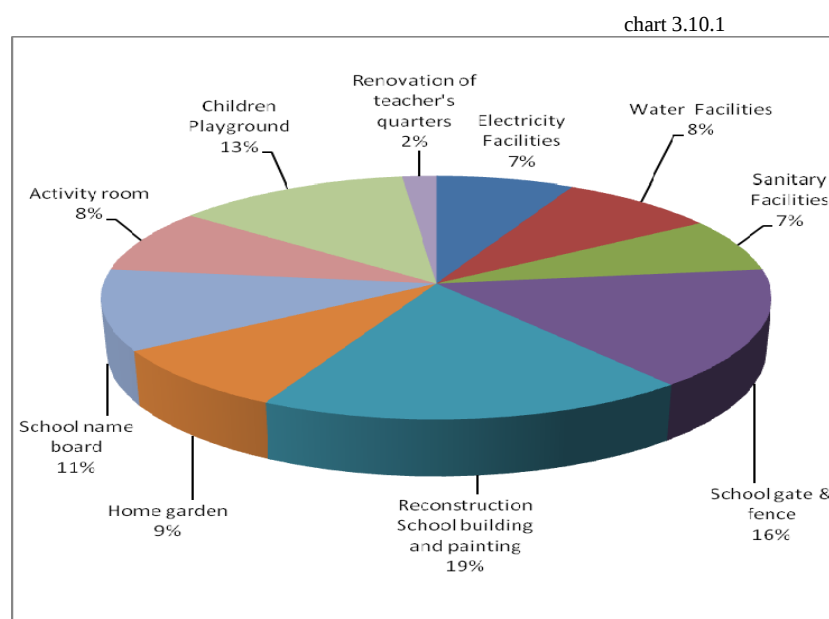
Objectives of this Programme are:

- Reconstruction of Primary School Network with requisite facilities to ensure complete primary education for the school children in Sri Lanka.

- Creation of a basis for easing out the physical and mental pressure faced by the primary school children who are admitted to schools in the city from far away remote areas.
- Minimizing the competition presently existing in admitting children to primary and secondary schools.
- Developing primary schools as 'Student-friendly' schools by providing resources as per approved criteria for primary schools.
- Identification and implementation of specific school based activities for the purpose of improving the quality, by creating a pleasant schooling environment under 'Primary Schools- Student friendly schools concept'.
- Realization of quality development in the primary sector by developing skills of Principals and teachers by developing primary schools as student- friendly schools and obtaining parents' cooperation through awareness programmes.

Provision was made available at Rs.500,000 per school and accordingly 6483 projects were implemented under following categories.

Sectoral distribution of projects.



Some of the completed activities.



Reconstructed Activity Room of year one students -
Hapugahagama Primary School Divulapitiya
Divisional Secretary Division
Gampaha District



Reconstructed Fence and Gate
Viharagala Primary School,
Suriyawewa Divisional Secretary Division,
Hambantota District



Water Supply to Aluthgama Primary School,
Pathadubara Divisional Secretary Division,
Kandy District



Repairs to school building and painting
Perunawalar College
Alayadiwambu Divisional Secretary Division
Ampara District

Above activities of selected 1678 schools covering all the districts in Sri Lanka were carried out with the intervention of the Ministry of Economic Development within short period of two months and the progress achieved is indicated below.

Reconstruction of School Programme Progress as at 31.12.2012

Table 3.10.1

S No	District	No of Schools Activity Started	Released Allocation Rs.Mn.	Expenditure as at 31.12.2012 (Rs.Mn.)	Physical progress %
1	Colombo	45	22.50	22.00	100
2	Gampaha	66	33.00	32.80	100
3	Kalutara	49	25.00	23.44	100
4	Ratnapura	196	98.00	94.78	100
5	Kegalle	173	86.50	68.80	100
6	Kurunegala	111	55.50	54.95	100
7	Puttalam	66	33.00	27.43	100
8	Galle	86	43.00	42.72	100
9	Matara	63	31.50	30.87	100
10	Hambantota	35	17.50	15.95	100
11	Monaragala	41	20.50	19.79	100
12	Badulla	56	28.00	26.72	100
13	NuwaraEliya	57	28.50	28.33	100
14	Kandy	58	29.00	28.70	100
15	Matale	37	18.50	17.97	100
16	Anuradhapura	111	55.50	52.51	100
17	Polonnaruwa	67	33.50	33.47	100
18	Vauniya	14	7.00	6.99	100
19	Trincomalee	67	33.50	32.62	100
20	Batticaloa	70	35.00	35.00	100
21	Ampara	95	47.50	47.32	100
22	Jaffna	61	30.50	30.50	100
23	Kilinochchi	13	6.50	6.50	100
24	Mullativu	19	9.50	9.49	100
25	Mannar	22	11.00	10.76	100
Total		1678	839.50	800.48	
Expenditure Ministry of Economic Development				2.52	
Grand Total				803.00 *	

Source - Ministry of Economic Development

* The expenditure for the school development programme was Rs.Mn. 803 as at 31.12.2012 and the value of bills in hand was Rs.Mn. 25.27. Accordingly the total expenditure was Rs.Mn. 828.28. It is expected to settle the bills in hand by the 2013 allocations.

4

Pura Neguma Eco-Friendly Urban Environment

4. *PURA NEGUMA - Eco Friendly Urban Environment*

4.1 Green City Programme

The objective of the Green City Programme is the development of urban facilities and Infrastructure facilities fulfilling public requirements avoiding the environment pollution caused by rapid urbanization. Following development activities were undertaken by the Ministry of Economic Development in 2012 to develop Colombo and adjoining cities as Green cities.

4.1.1 Diyatha Uyana - Urban Development Programme

Diyatha Uyana at Battaramulla was constructed by Land Reclamation and Development Corporation at a cost of Rs.Mn 99.15 which was provided by the Ministry of Economic Development on a request made by the Ministry of Defence and Urban Development. Action has been taken to create a pleasant environment by constructing 84 flower stalls, three-dimensional pathways, jogging tracks as well as water fountains etc. with a expenditure of Rs.Mn. 61 as at 31.12.2012 and labor contribution by the Navy and the Army.



Flower stalls at Diyatha Uyana



Three-dimensional pathways and jogging tracks

4.1.2 Development of Maternity Clinics

Investment for building up a healthy human resource for prosperous society has been identified by the Government as a prioritized requirement. The Government placed emphasis on building up child and maternity clinics in the year 2012 too, in order to achieve objectives in the health field as per "Mahinda Chinthana-Vision for Future". It was also envisaged to minimize the deficiencies existing in rural and urban Health Service Indices.

First and second phases of the Programme on Development of Child and Maternity Clinics were commenced in 2011 and target was the development of 24 Child and Maternity Clinics covering 15 Divisional Secretary Divisions in Gampaha District. These 24 projects have been completed by 31.12.2012 at a cost of Rs.Mn 113.37. The Third Phase of this programme was commenced in 2012 with an estimated cost of Rs.Mn 505.64. 37 Centers were identified for the development and the expenditure incurred as at 31.12.2012 is Rs.Mn 76.83.



Child and Maternity clinic at Kelaniya, Dalugamgoda, developed at a cost of Rs.Mn 12.31
Number of beneficiaries - 250



Child and Maternity clinic at Makewita, Gampaha, developed at a cost of Rs.Mn 5.09
Number of beneficiaries - 175



Mawaramandiya ,Biyagama Child and Maternity Clinic developed at a cost of Rs.Mn 9.70 Million
Number of beneficiaries - 200

4.1.3 Construction of Weekly Fairs

Development of weekly fairs is being continued by the Ministry of Economic Development since 2011 with the objective of developing infrastructure facilities required for strengthening linkage existing between the producer and the consumer aimed at making available products of better quality to the consumers while providing good and modern facilities to the trading community.

As the first phase of this programme, development works on 14 weekly fairs in 09 Divisional Secretary Divisions were commenced in 2011. As the second phase, work on incomplete 09 fairs and identified 12 new fairs were completed by 31.12.2012, with a financial progress of Rs.Mn 337.86. Further, Rs.Mn 0.8 has been spent as at 31.12.2012 for the development of Weekly fair at Midigama, Matara.



4.1.4 Construction of jogging tracks

A Provision of Rs.Mn 174.21 was set apart by the Ministry of Economic Development for the construction of jogging tracks in order to encourage people to engage in physical exercises and such jogging tracks have been constructed at Gampaha-KaluEla and Kiribathgoda



A view of Jogging track at
KaluEla, Gampaha



Jogging Track at Kiribathgoda

4.1.5 Development of Bus Terminals.

Development of related infrastructures is a major factor in fulfilling the objective of maintaining an efficient transport service required to accelerate the urban and sub-urban development process. With this objective the Development Programme for bus terminals was commenced by the Ministry of Economic Development.

Rs.Mn 31.11 was set apart for carpeting the ground area at Embilipitiya bus stand and a financial progress of Rs.Mn 15.74 has been achieved as at 31.12.2012. Rs.Mn 17.75 has been set apart for the construction of Maspenna Bus Stand at Welimada, Badulla and a financial progress of Rs.Mn 5.51 has been achieved as at 31.12.2012.



Carpeting the ground area in Embilipitiya
Bus Stand
Embilipitiya DS Division
Ratnapura District



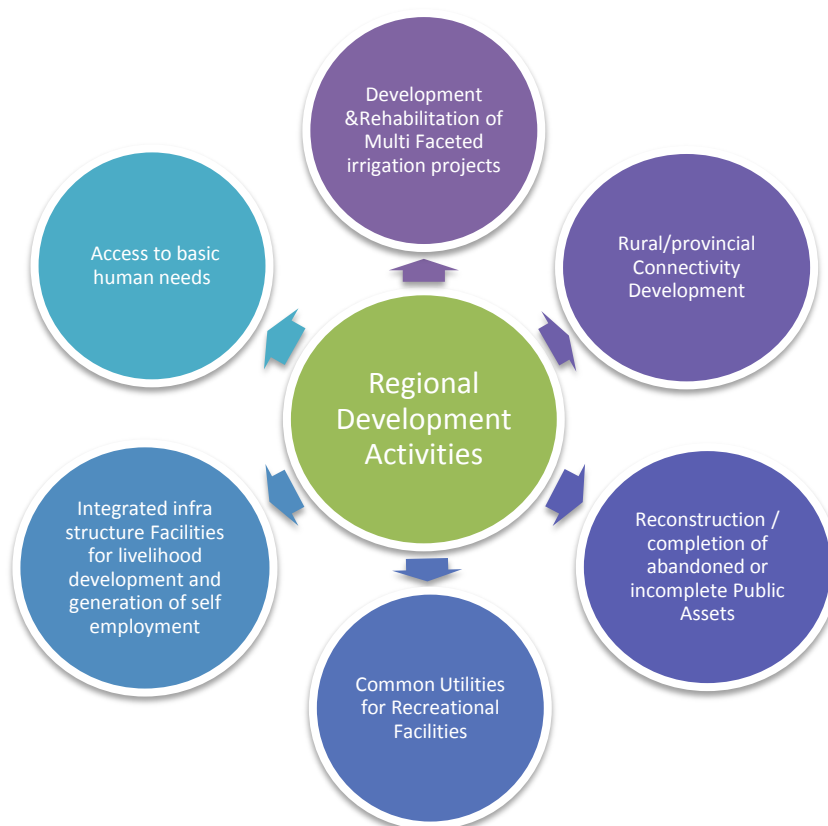
Construction of Maspenna Bus Stand in
Welimada DS Division
Badulla District

5. Regional Development Centres - Extensive Stretched Development

Regional Development Programmes were launched with the objective of increasing all Provinces to contribute towards National economy and achieving a balanced development in all these provinces. In order to

minimize the economical and social inequality among the regions a special emphasis was given on provision of high quality infrastructure and generation of skilled human resources.

Development activities carried out under this programme are categorized as follows.



5.1 Rural/Provincial Connectivity Development

Main objectives anticipated under this programme are strengthening ruraleconomy due to facilitating market access for rural productions through efficient internal transport network in the country, promoting the trend of rural community to remain in the village by

minimizing the distance between the village and the city, increasing the contribution towards gross national production through an efficient transport network and improvement on rural/provincial inter-linkages.

Rural/Provincial Connectivity Development Cumulative progress achieved as at 31.12.2012.

Table 5.1.1

Regional Development Programme	District	Target of overall Project (Km)	Completed length as at 31.12.2012 (Km)	Total expenditure as at 31.12.2012 (Rs.Mn.)
Batahira Ran Aruna	Colombo	173.61	167.85	1477.47
	Kalutara	206.48	192.09	1941.00
	Gampaha	323.00	256.46	2730.84
WayambaPubuduwa	Kurunegala	434.67	385.65	3904.28
	Puttalam	220.54	220.54	2268.95
RajarataNavodaya	Anuradhapura	287.13	120.07	2459.74
	Polonnaruwa	137.96	80.99	1023.60
RuhunuUdanaya	Galle	350.10	217.16	1675.24
	Matara	113.01	99.78	1530.29
	Hambantota	256.15	154.85	2069.72
SabaragamuwaArunalokaya	Ratnapura	272.65	140.85	1301.48
	Kegalle	333.03	117.45	1278.03
KandurataUdanaya	Kandy	430.59	158.10	2839.23
	Matale	123.50	65.35	612.11
PubudamuWellassa	Badulla	277.73	177.17	2990.79
	Monaragala	179.60	81.37	1520.78
	Total	4119.75	2635.73	31623.55

Source- Ministry of Economic Development



NarawilaYakdessawa Road, Naththandiya DS Division
Puttalam District
Carpeted distance -4.45Km



Makandura-Udawela Road,
Katugampola DS Division
Kurunegala District
Carpeted distance - 11.38 Km



Kongasdeniya-Mellahewa Road,
Meerigama DS Division
Gampaha District
Carpeted distance - 3.7 Km

- In 2011, out of 4, 119. 75 Km of roads in 'D' and 'C' categories targeted to be developed in the provinces other than Northern and Eastern Provinces under this programme. 1,000 Km were completed in 2011, while 1, 635.72 Km were completed in 2012, totaling 2,635.72 Km.
- A sum of Rs.Mn.19,458.79 has been spent in 2012 for carpeting provincial roads.
- A sum ofRs.Mn. 145.75 have been set apart for maintenance of heavy machinery used for demining and removal of earth bunds in the Northern Province, out of which a sum of Rs.Mn 82.56 has been spent as at 31.12.2012.

5.2 Reconstruction / completion of abandoned / incomplete Public Assets

State properties which were in unusable stage due to incompleteness of construction were considered wastage of resources and identified as a trend of using for various activities deviating from the initial objectives. Accordingly, abandoned or incomplete state properties in 14 identified districts reconstructed making them usable with benefits accrued to the general public, streamlining the output of state expenditure.



Kitalella Multi purpose Building
Ella DS Division
Badulla District



Completion of partly constructed class rooms in
Cecilia National School
Batticaloa District

Reconstruction of abandoned or incomplete Public Assets Cumulative progress as at 31.12.2012

Table 5.1.2

Programme	District	Provision allocated (Rs. Mn)	Expenditure as at 31.12.2012 (Rs.Mn)	Number of approved projects	Physical Progress	
					Number of projects completed as at 31.12.2012	Number of projects In Progress as at 31.12.2012
Batahira Ran Aruna	Gampaha	39.15	24.31	4	4	
	Kalutara	31.02	17.52	17	16	
Ruhunu Udanaya	Galle	35.26	18.90	18	11	4
	Matara	3.67		2	2	
Sabaragamuwa Arunalogaya	Kegalle	1.44	1.44	3	3	
Rajarata Navodaya	Anuradhapura	34.71	20.01	30	24	5
Pubudamu Wellassa	Badulla	28.66	45.66	11	10	1
Wayamba Pubuduwa	Kurunegala	51.16	28.41	47	45	2
	Puttalama	16.43	11.83	42	39	3
Kandurata Udanaya	Kandy	1.90	1.84	2	2	
	NuwaraEliya	6.05	2.30	2	2	
Neganahira Navodaya	Trincomalee	20.78	18.29	3	3	
	Ampara	24.07	18.88	15	14	1
	Batticaloa	205.54	156.90	45	24	21
Total		499.84	366.29	241	199	37

Source- Ministry of Economic Development

241 projects were identified in 2012 out of which 199 projects had been completed by the end of the year. Work on balance 37 projects is due to be completed in 2013. In 2012, provision to the value of Rs.Mn 499.84 was set apart and Rs.Mn 366.29 has been spent as at 31.12.2012.

Multifaceted irrigation Projects

The main objective of the Development and Rehabilitation of Irrigation Projects is to enhance the income of farmer families by increasing the agricultural production through multiplication of extent of cultivable lands.



Reconstruction of Dimuthugama
Wewadigodaduwa Irrigation canal
Welimada DS Division



Reconstruction of Kongahawewa
Badalkumbura DS Division
Monaragala District

In 2012, Rs.Mn 534.17 was allocated for this programme and 38 projects had been completed as at 31.12.2012. 19 projects were expected to complete in 2013.

5.4 Common Utilities for Recreational Facilities

Action has been taken by his Ministry to create a peaceful environment for the members of the public to spend their leisurely hours deviating from the busy workload and mental distress. Activities such as development of tourist zones, reconstruction of places of worship, construction of multi-ethnic cultural centers, Town beautification, and provision of sanitary facilities at tourist destinations etc. were carried out. Further, improvement of living standard of those low income groups was also envisaged through money circulation among them.

Common Utilities for Recreational Facilities
Cumulative progress achieved as at 31.12.2012

Table 5.4.1

District	Provision allocated (Rs. Mn)	Expenditure as at 31.12.2012 (Rs.Mn)	Number of approved projects	Physical Progress	
				Number of projects completed as at 31.12.2012	Number of projects In Progress as at 31.12.2012
Gampaha	200.00	7.81	11	8	3
Galle	213.01	320.30	29	1	28
Hambantota	63.91	13.10	2		1
Kegalle	88.52		1		1
Polonnaruwa	102.15	17.92	5		5
Badulla	54.44	7.62	19	16	3
Matale	1.25	0.54	1		1
NuwaraEliya	260.66	107.04	326	136	190
Jaffna	50.00	13.43	2		2
Total	1033.94	487.76	396	161	234

Source- Ministry of Economic Development



Reconstruction of access road to
 Bandarawela National Holiday Resort
 Ella DS Division
 Badulla District



Road network around Weeraketiya
 Udukiriwila Tank
 Weeraketiya DS Division
 Hambantota District

- A Provision of Rs.Mn1033.94 was set apart in 2012 for 396 projects, out of which 161 projects have been completed as at 31.12.2012 at a cost of Rs.Mn 487.76. 234 projects are in progress.

Projects such as reconstruction of houses affected by floods, supply of potable water projects and provision of sanitary facilities are of special significance which is aimed at improving living standard of the people.

5.5 Access to basic human needs

Development projects aimed to provide "access to basic human needs" will provide for the fulfillment of basic requirements for sustenance of all the citizens in Sri Lanka.

Cumulative progress achieved as at 31.12.2012

Table 5.5.1

District	Provision allocated (Rs. Mn)	Expenditure as at 31.12.2012 (Rs.Mn)	Number of approved projects	Physical Progress	
				Number of projects completed as at 31.12.2012	Number of projects In Progress as at 31.12.2012
Gampaha	230.00	117.10	26	24	1
Galle	37.45		3458	3457	1
Matara	64.15	35.80	4544	4544	
Hambantota	98.40	75.04	740	192	408
Kegalle	5.35		5		5
Anuradhapura	32.75		14	13	
Badulla	30.62	24.38	90	65	25
Kandy	26.70	7.41	267	93	174
NuwaraEliya	73.30	55.90	1	1	
Trincomalee	4.94		1	1	
Ampara	45.06		5	3	1
Vavuniya	36.45	0.67	1		1
Mannar	10.00		1		1
Mulativu	8.91		3		3
Northern Province	26.53	24.86	4	4	
Total	730.61	341.16	9160	8397	620

Source- Ministry of Economic Development



Granting fuel & machinery parts for the development works done by using heavy machines for the purpose of resettlement of displaced persons

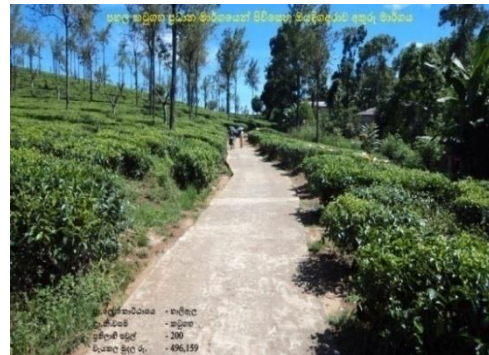
The number of approved projects in 2012 was 9160 out of which 8397 have been completed as at 31.12.2012, with financial progress of Rs. Mn. 341.16.

5.6 Integrated Infrastructure Facilities for livelihood development and generation of self-employment

The main objective of this programme is to ensure enhanced contribution towards Gross National Production from those who are engaged in self-employment by making available market facilities for their products and services. It was also envisaged that foreign exchange could be saved by consuming what is produced locally while enhancing the living standard of the people. Further, development of rural infrastructures will avoid urbanization and retain rural community in the village to strengthen the rural economy.



Reconstructed MalalpolaPiduruwella Bridge
Yatiantota DS Division
Kegalle District



Concreting Mahadigaarawa Road for transporting tea leaves.
HaliEla DS Division
Badulla District

Intrgrated Infrastructure Project for Livelihood Development and Self-employment
Progress achieved as at 31.12.2012.

Table 5.6.1

District	Provision allocated (Rs. Mn)	Expenditure as at 31.12.2012 (Rs.Mn)	Number of approvedProje cts	Physical Progress	
				Number of projects completed as at 31.12.2012	Number of projects In Progress as at 31.12.2012
Colombo	61.54	15.58	5	5	
Gampaha	38.46	17.30	1	1	
Matara	3.97	0.80	1		1
Hambantota	112.34	26.00	1		1
Kegalle	18.91	24.88	3	1	
Ratnapura	33.09	6.22	2	1	
Anuradhapura	127.58	117.78	661	79	582
Polonnaruwa	112.71	51.65	190	116	187
Badulla	1.57	7.06	6	6	
Monaragala	65.50	5.35	3	1	2
Puttalama	20.00	20.00	26	26	
Kurunegala	75.00	31.39	328	328	
Kandy	10.10	10.03	1	1	
Trincomalee	50.00	28.80	10	9	1
Mannar	0.41		3	1	
Total	731.18	362.84	1241	575	774

Source- Ministry of Economic Development

Number of projects approved in 2012 is 1241 and approved financial provision is Rs.Mn731.18 Work on 575 projects have been completed by 31.12.2012 at a cost of Rs.Mn 362.84. Further, 774 projects are in progress.

5.7. Development and Reconstruction of Northern and Eastern Provinces

Highest priority was accorded to the acceleration of Development process in Northern and Eastern Provinces and rapid development was achieved in these areas with the assistance of International funding agencies.

Uthuru Wasanthaya and Negenahira Navodaya, in keeping with regional development strategies were the development programmes inaugurated by the Government to fulfill the urgent as well as long term development requirements in these areas.

A host of development programmes including short term, mid term and long term programmes for the purpose of reconstructing socio and economic infrastructures destroyed due to the war, was in operation. In 2012, reconstruction of roads, Housing, water supply schemes, Irrigation schemes, drainage systems, hospitals, school buildings, bridges, culverts, provision of electricity and livelihood

development activities were carried out under this programme.

5.7.1 Roads and Bridges

Reconstruction of roads and bridges can be mentioned as one phase of the Development process launched by the Government to provide access to markets and provide facilities for educational, health and cultural aspects as well as for purchasing of products to the people living in these areas by reconstructing the road network in the Northern and Eastern provinces, which had been destroyed due to the prolonged civil war.

Northern Province

Investment made by the Ministry for road development in the Northern Province amounts to Rs.Mn 3,310.93. 12 bridges and 470.15 Km of rural roads have been constructed. Carpeting of 281.16 Km of highways was in progress as at 31.12.2012.

Northern Province - Progress as at 31.12.2012

Table 5.7.1

District	Activity	Physical Target 2012 (Km/No.)	Target achieved As at 31.12.2012 (Km/No)		Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
			Completed	In progress		
Jaffna	Highways (Km)	60.87		60.87	577.00	559.70
	Rural Roads (Km)	219.52	149.82	46.15	583.65	361.24
	Bridges(Number)	4	1	3		
Kilinochchi	Highways (Km)	43.84		43.84	491.67	472.80
	Rural Roads (Km)	131.44	59.85	35.63	215.14	131.79
	Bridges(Number)	6	5			
Mulativu	Highways (Km)	85.45		85.45	716.83	699.71
	Rural Roads (Km)	129.26	74.25	58.67		
	Bridges(Number)	Bridges - 4 Cross roads-2 Culverts-1	Bridges - 1	Bridges -3 Cross roads-2 Culverts -1	296.41	163.16
Vavuniya	Highways (Km)	23.07		23.07	110.00	95.01
	Rural Roads (Km)	181.63	90.69	42.48	420.26	271.66
	Bridges(Number)	2	2			
Mannar	Highways (Km)	31.93		31.93	377.00	354.96
	Rural Roads (Km)	201.84	95.54	80.60	286.93	200.89
	Bridges(Number)	3	3			
Total	Highways (Km)	281.16		281.16	4074.89	3310.93
	Rural Roads (Km)	863.69	470.15	263.53		
	Bridges(Number)	Bridges - 19 Cross roads -2 Culverts -1	Bridges -12	Bridges -6 Cross roads -2 Culverts -1		

Source- Ministry of Economic Development



Thonikkal-Laxapana Rural Road
Vavuniya District



Paranthan-Poonakary Road
Kilinochchi District

Eastern Province

Investment made by the Ministry for road development in the Eastern Province amounts to Rs.Mn 1,149.83 and re- construction work on 37 bridges and 285.85 Km of rural roads have been completed.

Eastern Province - Progress as at 31.12.2012

Table 5.7.2

District	Activity	Physical Target (Km/No.)	Target achieved As at 31.12.2012(Km/No)		Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
			Completed	In progress		
Trincomalee	Rural Roads (Km)	131.40	58.37	70.06	341.03	166.33
	Bridges(number)	78	15	62		
Batticaloa	Rural Roads (Km)	102.63	55.52	40.73	557.10	441.03
	Bridges(number)	36	19	3		
Ampara	Rural Roads (Km)	260.96	182.25	110.50	801.49	542.47
	Bridges(number)	23	3	3		
Total	Rural Roads (Km)	494.99	285.85	221.29	1,699.62	1,149.83
	Bridges(number)	137	37	68		

Source- Ministry of Economic Development



Concreted AlAmeen Road
Kavathamunai- Batticaloa



Construction of Bridge and Culvert
Verugal, Trincomalee

5.7.2 Power and Energy

Financial provision under foreign funded projects were made available for provision of facilities required for Electricity Transmission Stations and electricity extensions in the Northern Province with the objective of uplifting the Electricity Supply System, deteriorated during the period in war.

Under this programme, a provision of Rs.Mn 731.12 was allocated by the Ministry of Economic Development in 2012 to fulfill the

requirement of electricity in Jaffna, Kilinochchi and Mullathivu Districts and financial progress of Rs.Mn 714.88 had been achieved as at 31.12.2012. Following major projects were carried out.

- Construction of Chunnakam Sub Station for 132/33 KV.
- Construction of double circuit Transmission line from Kilinochchi to Chunnakam 132 KV.



Transmission extension of
Kilinochchi - Chunnakam

Construction of Chunnakam
electricity sub station



5.7.3 Alleviation of Poverty

A sum of Rs.Mn 2,415.54 has been spent for the distribution of 19,500.86 metric tons of food among 408,879 beneficiaries under World Food Programme in 2012, with the objective of successful completion of the Resettlement Programme in the Northern

Province. Further, a sum of Rs.Mn 9.41 has been spent for the distribution of 69.18 metric tons of food among 1,387 beneficiaries under World Food Programme in 2012, with the objective of successful completion of the Resettlement Programme and ensuring food security of internally displaced persons in the Eastern Province.



Enhancing the nutritional
level for selected groups

Food for work



Northern Province - Progress as at 31.12.2012

Table 5.7.3

District	Target achieved 31.12.2012 Food M.T.	Number of beneficiaries	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
Jaffna	5,975.09	164,350	850.00	740.38
Kilinochchi	2,759.82	53,034	350.00	341.97
Mulativu	4,627.12	63,234	580.00	573.34
Vavuniya	3,605.54	69,422	475.00	446.77
Mannar	2,533.29	58,659	324.00	313.08
Total	19,500.86	408,879	2,579.00	2,415.54

Source- Ministry of Economic Development

Eastern Province - Progress as at 31.12.2012

Table 5.7.4

District	Target achieved 31.12.2012 Food M.T.	Number of beneficiaries	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
Trincomalee	30.72	596	4.00	3.84
Batticaloa	17.95	264	3.00	2.57
Ampara	20.51	527	4.00	3.00
Total	69.18	1387	11.00	9.41

Source- Ministry of Economic Development

5.7.4 Development of Housing

According to the Mahinda Chinthana Policy Framework, it is the policy of the Government to ensure that each family is domiciled in a comfortable house in an environment with protection, basic health facilities and food security. Under the Housing Construction Programme initiated with the objective of

providing quality houses for the displaced persons in the Northern Province who have been identified as a specially targeted group in the society, 1000 houses have been constructed in 2012 with an overall investment of Rs.Mn.1, 645.09.



Indian Pilot Housing Scheme
Kilinochchi District



Indian Pilot Housing Scheme -
Mullativu District

Progress as at 31.12.2012

Table 5.7.5

District	No of houses constructed	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)	No. of beneficiaries (families)
Jaffna	150	1,650.00	1,645.09	150
Kilinochchi	250			250
Mullativu	250			250
Vavuniya	175			175
Mannar	175			175
Total	1000	1,650.00	1,645.09	1,000

Source- Ministry of Economic Development

5.7.5 Water Supply and Drainage Programme

Objective of the Government is to provide potable water to all the citizens in the country at a bearable cost through an effective sustainable strategy, by 2020. With this objective, strong attention of the government

has been directed at meeting the water requirements of at the time of resettling those internally displaced persons. In the Northern and Eastern Provinces, a total investment of Rs.Mn 1,123.29 has been made in 2012 to construct potable water projects and for drinking wells.

Northern Province - Progress as at 31.12.2012

Table 5.7.6

District	Number of Wells constructed and water supply schemes	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
Jaffna	559 wells	401.34	326.79
Kilinochchi	27 wells	4.95	2.34
Mullativu	11 wells	226.42	224.44
Vavuniya	12 wells	29.11	1.00
Mannar	6 wells, 2 water supply projects	234.14	229.47
Total	615 wells, 2 water supply projects	895.96	784.04

Source- Ministry of Economic Development



Drinking water project in Welwetithurai Jaffna District

Construction of wells in Pallawarankattu Kilinochchi District



Eastern Province - Progress as at 31.12.2012

Table 5.7.7

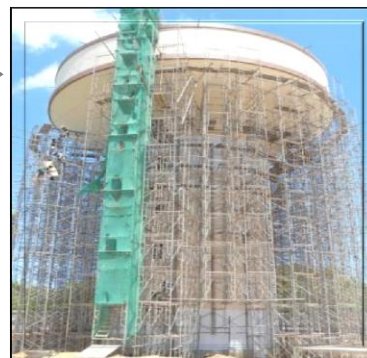
District	Physical Progress	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
Trincomalee	3.55 Km (Drainage system)	331.79	282.63
Batticaloa	12 wells, 0.69 Km (Drainage system)	148.06	33.38
Ampara	2 wells, 10.16 Km (Drainage system)	84.82	23.24
Total	14 wells, 14.40 Km (Drainage system)	564.67	339.25

Source- Ministry of Economic Development



Construction of water
Supply project
Trincomalee District

Construction of drainage
system in Jothi lane at
Arayampathi GN division
Batticaloa District



5.7.6 Irrigation

Conservation and management of irrigation water was possible as a result of reconstruction of small, medium and major scale irrigation systems which had been destroyed due to war in Northern and Eastern provinces. Agricultural production in these areas has been improved through provision of irrigation water for agricultural purposes and in turn livelihood activities of the community too have increased.



Kudaithangi Tank
Mullativu District



Piramantharu Tank
Kilinochchi District



Puluganavi Tank
Batticaloa District

Progress of some of the irrigation works reconstructed as at 31.12.2012 are given below.

Progress as at 31.12.2012 - Northern Province

Table 5.7.8

Sector	Target achieved in 2012 (No of tanks)	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
Small scale tanks	95	1046.99	847.17
Medium and Major Scale tanks	11	654.57	536.97
Total	106	1701.56	1384.14

Source- Ministry of Economic Development

Progress as at 31.12.2012 - Eastern Province

Table 5.7.9

Sector	Target achieved in 2012 (No of tanks)	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
Small scale tanks	38	348.32	257.73
Major Scale tank (Karawahu wewa)	1	92.46	67.27
Total	39	440.78	325.00

Source- Ministry of Economic Development

5.7.7 Development of Infrastructure Facilities

A sum of Rs. Mn.2630.77 has been spent by the Ministry of Economic Development in 2012 for reconstruction of State buildings in

the Eastern Province which were destroyed due to civil war. Priority was accorded to construct and reconstruct of state buildings in administrative, school, hospital and public categories, in the Northern and Eastern Provinces.

Progress as at 31.12.2012 - Northern Province

Table 5.7.10

Sector	Physical Progress (No)	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
State Administrative Buildings	114	1339.40	1206.71
Schools	70	341.48	324.72
Hospitals	65	517.03	509.21
Agrarian Service Centers	61	222.24	197.96
Common buildings	13	245.87	113.28
Market centers	135	250.02	38.72
Total	458	2916.04	2390.60

Source- Ministry of Economic Development



Mallakam Courts Complex
Jaffna District



Chilawathai College
Mullativu District



Tellippalai Divisional Secretary office
Jaffna District



Modernization of Jaffna Hospital



Construction of Talai Mannar Market
Complex, Mannar District



Pannankandi Cemetery
Kilinochchi District

Progress as at 31.12.2012 - Eastern Province

Table 5.7.11

Sector	Physical Progress (No)	Allocation 2012 (Rs.Mn)	Expenditure As at 31.12.2012 (Rs.Mn)
Hospitals	14	141.70	141.70
Common Buildings	2	258.52	47.39
Market Centres	10	236.88	51.08
Total	26	637.10	240.17

Source- Ministry of Economic Development



Trincomalee General Hospital
Supply of medical equipment
and modernization of buildings



Eravur Children's park
Batticaloa District



Irakkamam Market Building
Ampara District

5.8. Demining Programme

The challenge encountered subsequent to cessation of terrorist activities in the Northern Province was the creation of an environment free of land mines. Highest priority was accorded by the State to this aspect and the Humanitarian Demining Programme was launched by the Government in order to clear these areas from land mines and unexploded Ordnance.



Manual Removal of land mines



Removal of land mines with the help of trained dogs



Mechanical demining

Progress as at 31.12.2012

Table 5.8.1

District	Total area under land Mines (Sq.Mtr)	Extent of land cleared (Sq.Mtr)	Extent of land to be cleared (Sq.Mtr)
Jaffna	52,095,175	47,931,052	4,164,123
Kilinochchi	598,299,576	578,845,595	19,453,981
Mullativu	230,331,444	210,194,453	20,136,991
Vavuniya	223,646,516	216,428,340	7,218,176
Mannar	317,235,133	291,235,189	25,999,944
Sub Total	1,421,607,843	1,344,634,628	76,973,215
Trincomalee	98,687,801	95,275,807	3,411,994
Batticaloa	495,246,649	480,574,937	14,671,712
Ampara	46,638,752	46,569,646	69,107
Sub Total	640,573,202	622,420,389	18,152,813
Anuradhapura	3,547,971	196,695	3,351,276
Polonnaruwa	233,900	48,279	185,621
Sub Total	3,781,871	244,974	3,536,897
Grand Total	2,065,962,916	1,967,299,992	98,662,925

Source- Ministry of Economic Development

Area to be cleared was reduced to 98,662,925 Sq.Mtrs. as at 31.12.2012 due to the implementation of Humanitarian Demining Programme launched with the objective of creating peaceful environment free from scare of land mines.



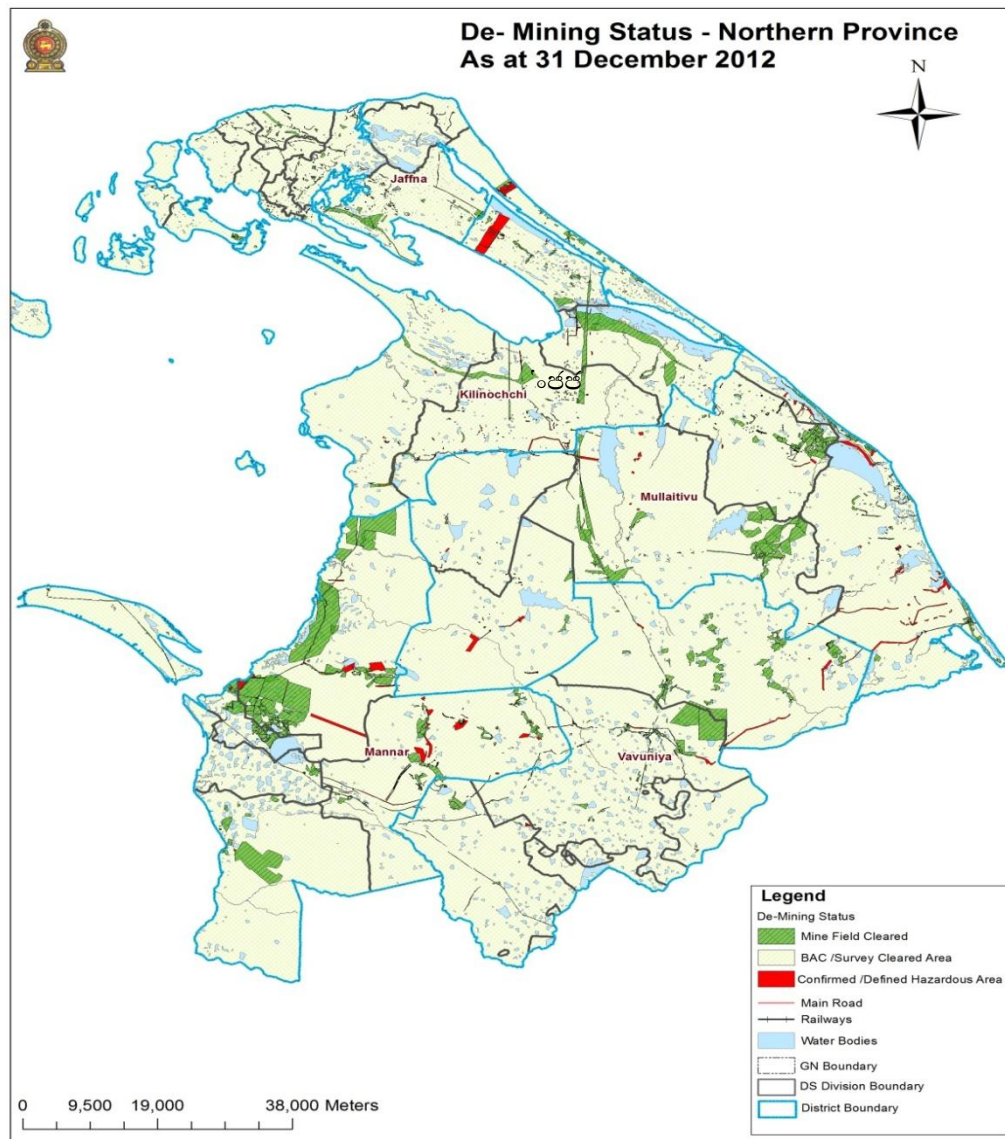
A person disabled due to
Explosion of a land mine



Cleared Land mines



Awareness Programme on
the danger of land mines



Source- Ministry of Economic Development

5.9 Foreign funded projects carried out in other provinces except Northern & Eastern Provinces

Progress as at 31.12.2012 of the development activities carried out in the provinces of North

Central, North Western, Central, Western, Southern and Sabaragamuwa, in addition to the development activities carried out in Northern and Eastern Provinces by the foreign funded projects is given below.

Reconstruction of roads and bridges

Table 5.9.1

Province	Physical progress as at 31.11.2012		Allocation 2012 (Rs.Mn)	Expenditure as at 31.12.2012 (Rs.Mn.)	Number of beneficiaries
	Roads (Km)	Bridges (No)			
North Central	62.57	3	406.44	391.33	12,060
North Western	54.09	15	139.85	182.95	78,114
Uva	101.50	1	215.14	151.60	50,266
Central	47.50	2	447.80	658.49	29,427
Total	265.66	21	1,209.13	1,384.37	169,867

Source- Ministry of Economic Development

Reconstruction of Small Scale Tanks

Table 5.9.2

Province	Physical progress as at 31.11.2012 No of tanks	Allocation 2012 (Rs.Mn)	Expenditure as at 31.12.2012 (Rs.Mn.)	Number of beneficiaries
North Central	18	369.36	406.28	2,662
North Western	21	44.70	47.69	9,419
Uva	11	53.75	59.35	7,643
Central	5	151.78	116.39	816
Total	55	619.59	629.71	20,540

Source- Ministry of Economic Development

- In North Central and North Western Provinces, 13 wells were constructed to obtain potable water at a cost of Rs.Mn 37.51 and it is estimated that 16,563 beneficiaries will be benefitted.
- The Gemidiriya Project has achieved a financial progress of Rs.Mn. 1, 985.87 through reconstruction of roads, small scale irrigation, potable

water projects and community halls in North Central, Uva, Central, Western and Southern Provinces, benefitting around 487,546 beneficiaries.



6

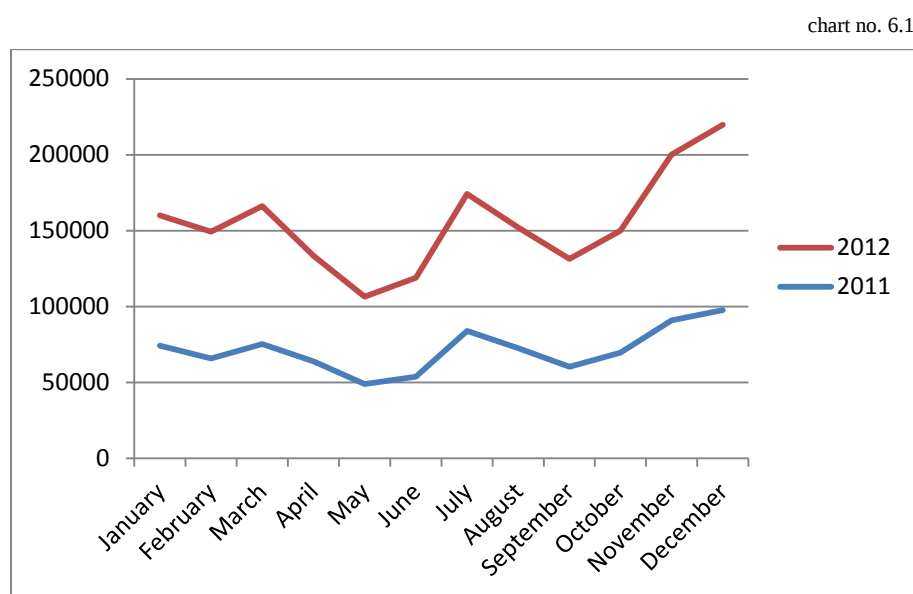
Strategic Initiatives Emerging Economy

6. Development of Tourism Activities and Common Recreational Facilities

Tourism Economy makes an extra-special contribution towards strengthening national economy. In 2012, tourist industry's contribution towards gross national production was around 1.4%. In spite of certain set backs due to war situation in the country, it is now evident that the tourist industry has acquired a rapid annual growth of around 30% since the

cessation of hostilities. Tourist arrivals in 2012 exceeded the anticipated target of one million tourists, which amounted to 1,005,605 and the total earnings in the field of tourism in 2012 has been estimated as US Dollars 1038.3 Mn.

Tourist Arrivals - 2011 and 2012



Source- Sri Lanka Tourism Development Authority

In keeping with the Five Year (2011-2016) Tourism Development Strategic Plan launched in 2011, all activities in the tourism field were planned, with a target of 2.5 Million arrivals by 2016. Accordingly, strategies, programmes and project compilation in the field of tourism were carried out under three major components viz. Tourist Facility Development, Tourism Promotion and

Tourism Human Resources Development. The Ministry of Economic Development and tourism related agencies under the Ministry implemented relevant activities with a target of increasing the Tourism related Foreign Direct Investment to the level of US Dollars 3000 Million and generating 500,000 tourism related direct employments by 2016.

6.1. Tourist Facility Development

Development activities were carried out under the guidance of the Ministry aimed at attracting high -spending tourist rather than a numerical increase in the number of arrivals. With the objective of providing accommodation in order to increase the

number of arrivals to 2.5 Million targeted in the year 2016, development of facilities in major tourist resorts were further carried out, with special emphasis on developing new tourist zones like Passikudah, Kuchchiveli and Dedduwa as environmentally -friendly high spending tourist destinations.

Progress as at 31.12.2012, of Tourist Resorts under construction.

Table 6.1.1

Tourist Zone	Extent of land (Acres)	Number of rooms proposed	Number of rooms completed	Number of rooms under construction	Present Private Sector Contribution (Rs.Mn.)
Passikudah	156	854	130	724	10,161.0
Kalpitiya	14 Islands (20,562 acres)	5,000	-	88 rooms under construction and 200 rooms planned	5,100.0 expected
Kuchchaweli	510	3,000	50	-	850.0
Dedduwa	1,734	-	-	-	-
Yala	1136	345	66 (in operation since 2010)	84	2,705.0
Bentota	100	615	497	118	-

Source- Sri Lanka Tourism Development Authority



Paradise Tourist Resort - Passikudah



Agoda Tourist Resort - Passikudah

❖ One Stop Unit

One Stop Unit has been established under Sri Lanka Tourism Development Authority with the objective of accelerating tourist facility development and action was taken to sort out

problems encountered by the investors in tourist hotel projects , expediting necessary approvals.

Progress of the One Stop Unit (OSU) - 2012

Table 6.1.2

	2011	2012
Number of Projects submitted for approval	210	283
Number of Projects approved	92	112

Source- Sri Lanka Tourism Development Authority

District-wise approvals for One Stop Unit

Table 6.1.3

District	No of projects	Number of rooms
Anuradhapura	1	28
Batticaloa	14	429
Badulla	1	12
Colombo	17	1872
Galle	19	945
Gampaha	8	583
Hambantota	9	195
Jaffna	4	110
Kalutara	11	631
Kandy	2	130
Matale	3	147
Matara	8	360
Nuwara Eliya	2	84
Puttalama	6	325
Trincomalee	7	238
Total	112	6089

Source- Sri Lanka Tourism Development Authority

❖ Home Stay Programme

This programme was implemented with the objective of converting the community to strong service providers in the tourism sector with benefits accrue directly to them and ensuring the availability of required number of rooms in comparison to targeted number of tourist arrivals. This programme specially

implemented parallel to the Divi Neguma National Programme strongly supports improving family economy.

Accordingly, Sri Lanka Tourism Development Authority provides advice, guidance, publicity and incentives to those who are interested in establishing home stay units.



Creating awareness on Home Stay Units



workshops conducted for owners of Home Stay Units

Progress as at 31.12.2012 - Home Stay Programme

Table 6.1.4

Target	No of rooms obtained (31.12.2012)	%
1,500	972	64.8

Source- Sri Lanka Tourism Development Authority

❖ Improvements on Local Rest Houses " Thanayama Programme"

Main objective of this programme is to re-popularize the local rest houses among the local tourists and to provide best hospitality. Local Tourism is expected to be improved by

providing meals prepared according to local menus and providing sanitary services of best quality. Accordingly, Sri Lanka Tourism Development Authority has issued a manual on rest house standardization with a due process of follow up action ensure adherence to the guidelines.



Developed Marawila Rest House



Improved Bagawantalawa Rest House

❖ Mobile services and Awareness Programmes

Mobile services were conducted in 2012 enabling savings on time and cost of those who have to come to Colombo from distant places to attend the registration of their projects and to create awareness on new trends in the tourism industry. Accordingly, mobile services and awareness programmes were carried out in main tourist destinations such as Anuradhapura, Kalpitiya, Arugambay, Trincomalee and Bentota.



Mobile Service Workshop



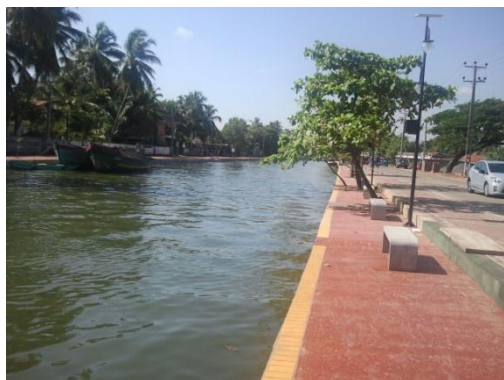
Training session for Home Stay Unit owners

6.1.1 Contribution by Foreign Funded Projects towards development of tourist Infra structure facilities.

Tourist Resources Improvement Project (TRIP) implemented under Japanese Government loan facility which is nearing completion has accorded priority to development of infra structure facilities in tourist destinations of Negombo, Sigiriya, Anuradhapura and Nuwara Eliya, Expansion of human resources Development Programmes of Sri Lanka Institute of Tourism and Hotel Management, Implementation of Community Development Programmes and Tourist Marketing Promotional Programmes in Japan etc. Following development programmes were implemented under this project.

Development of Infra Structure Facilities

Improvement of Hamilton Canal, construction of a new fish complex and town beautification in the city of Negombo were carried out under this project. Further, activities such as Improvement of Inamaluwa-Sigiriya Main road, Tennakone Mawatha and Sigiriya-Moragaswewa circular road, Improvement of Circular road at Anuradhapura Sacred city, Development of Malwathu Oya Park, Improvements in Victoria Park at Nuwara Eliya and construction of tourist park near Gregory Tank were completed.



Development work of Hamilton Canal



**Internal Road Development in
Victoria Park - NuwaraEliya**



**Development of Gregory Park
NuwaraEliya**

Establishment of Tourist Hotel School at Pallekele, Kandy

Construction of a fully fledged hotel school which has been completed at a cost of Rs. 255.0 Million with provision of equipment

valued at Rs. 110 Million is due to be officially opened in year 2013. This Hotel school with 5,500 square feet is equipped with all requisite training facilities for various trades.



Hotel school improvement - Kandy District

Sustainable Tourism Development Project (STDP) - 2012

This project commenced in 2010 was modified in 2012 in order to cater to the present requirements with the basic objective of providing facilities under Matching Grant Programme for tourism related environment - friendly investments and improvements thereof. Operations Manual for the implementation of this programme is in the process of compilation and will be implemented in 2013.

Investment facilities amounting to Rs. 4.0 Billion are expected to be provided in the next two years with private and public sector intervention and awakening of small and medium scale entrepreneurs engaged in tourism trade is anticipated.

6.1.2 Tourism Promotion

A special programme was implemented for tourism promotional activities in foreign countries like China, Korea, Russia, Middle East, India and Japan introducing new markets in addition to our traditional tourism markets with the objective of maintaining uniformity of tourist arrivals throughout the year.

Further, action was taken in 2012 to conduct activities such as major international tourist trade exhibitions, awareness programmes for international media, Tourism Information kiosks at Bandaranayake International Airport, Colombo Marathon Competition for the purpose of promoting Sri Lanka in the international market.

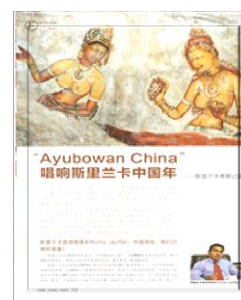


Colombo Marathon Competition

Promotion of Sri Lanka through International Media



Promotion in the Middle East



Through print media in China

World renowned air lines such as British Airways and Korean Airlines are due to commence direct flights to Sri Lanka.

Progress of Programmes conducted by Sri Lanka Tourism Promotion Bureau

Table 6.1.5

Year	Trade Fairs		Street Shows	
	Number of countries	Number of trade fairs	Number of countries	Number of street shows
2011	12	18	01	02
2012	16	23	01	02

Source- Sri Lanka Tourism Promotion Bureau

Awareness Programmes for International Media

Awareness tours were conducted throughout the year 2012, with the participation of 181 international media personnel from leading countries such as United Kingdom, India, China, Germany, Russia.

MICE Tourism (Meetings, Incentive travels, Conferences and Exhibitions)

A significant improvement was evident in this field of specialty in the tourism trade. Tourists numbering around 119,560 arrived in Sri Lanka, surpassing the target of 90,000 set for the year 2012 under this segment.

Special programmes conducted in 2012, such as Jaffna Trade Fair, Commonwealth Parliamentarians Summit, Pediatricians' Seminar, Kiwani International Summit, Asian Youth Sports Festival, Colombo Musical Fiesta, Zheng Ho Oration for Chinese Marketing Promotion and Lupin Pharma Convention were able to attract high spending tourists to Sri Lanka.



Kiwanis International Convention



Lupin Pharma International Summit

MICE training sessions under guidance of three international experts were conducted for 50 personnel selected from the tourism sector.



**MICE Training-2012
Club Hotel Dolphin, Vaikkal**

Consultancy support for Hambantota New Conference Hall, Provision of hotel facilities in Negombo and Dedduwa to conduct meetings out of Colombo, Jetliner Ship Promotion, Courtyard (Old Dutch Hospital) promotion, Construction of Chinese Chamber in Galle Museum are the other development activities conducted under MICE segment.

6.1.3 Human Resources Development in Tourism Sector

Sri Lanka Institute of Tourism and Hotel Management is the state agency which trains human resources required for the tourism sector in the Island. It consists of 05 regional schools in Kandy, Koggala, Bandarawela, Anuradhapura and Ratnapura with its Head Office in Colombo. Activities in new school constructed in Kandy will commence in 2013.

Main activities carried out under Human Resources Development include generating artisans of professional level aimed at employment opportunities in local and foreign hospitality service, provision of further training and knowledge in this field to the staff presently in hotel service, compilation of new syllabuses, standardization of National Vocational Qualifications (NVQ) and course improvements in keeping with international standards etc.

Number of students registered for Study Courses in 2012

Table 6.1.6

	Professional Cookery	Food & Beverages	Hotel Housekeeping	Front Office Management
Basic Crafts level	144	65	92	
Certified Courses	370	325	312	250
Intermediate courses(Colombo)	24	19	09	21
Total	538	409	413	271

Source- Sri Lanka Institute of Tourism & Hotel Management

In addition, 53 students have registered in 2012 for Hotel Management Course. 205 student have been registered for National Chauffer Guide training programme and from that 157 student have obtained the licence.



Attending the course on food preparation

Institutional Development Programmes for Sri Lanka Institute of Tourism and Hotel Management including preparation of new syllabuses and training of advisors for Palkelele New Hotel School under Tourism

Resources Improvement Project (TRIP) were conducted in 2012 with the assistance of foreign specialists.

6.2. Development of public Recreational Facilities

Development activities in National Zoological Gardens and National Botanical Gardens were rapidly expanded also in 2012 under the guidance of the Ministry in order to provide common recreational facilities for local and foreign tourists.

6.2.1 Development of National Zoological Garden

Zoological Gardens, Pinnawala New Zoo, Pinnawala Elephant Orphanage and Hambantota Safari Park were developed by the Department of National Zoological Gardens for which Rs. 600 Million was set apart in the national budget while Rs. 255.0 million was allocated from Zoological Garden Development Fund. Financial progress as at 31.12.2012 was Rs. 503.55 Million. Number

of local tourist arrivals as at 31.12.2012 was 1,909,219 and earned an income of Rs. 146.12 Million. Number of foreign tourists was 287,485 and the Department generated an income of Rs. 626.78 Million.

Following general development activities are conducted in all zoological gardens among their normal development activities.

- Development of internal roads
- Peripheral fences and landscaping
- Sanitary facilities and repairs
- Efficient water supply network
- Improvement of internal roads
- Internal power supply
- Preparation of animal cages
- Construction of official quarters

Development Activities carried out in Dehiwala Zoo



Mud ponds for Rhinoceros



Internal road preparation



Bird cages with steel frames

Development Activities carried out in Pinnawala Zoo



Trench around leopard Zone



Observation compartment
for watching leopards

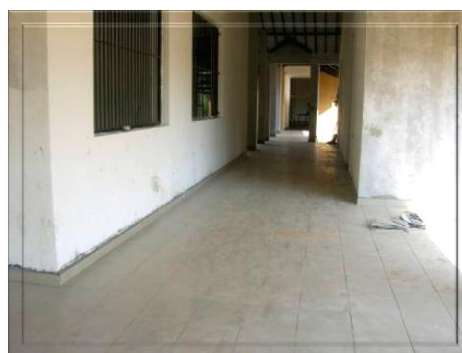


Souvenirs shop being constructed

Development Activities carried out in Hambantota Safari Park



Animal Hospital being constructed



Internal view of Animal Hospital



Outer Boundary wall - 2nd.stage

6.2.2 Development of common facilities in National Zoological Gardens

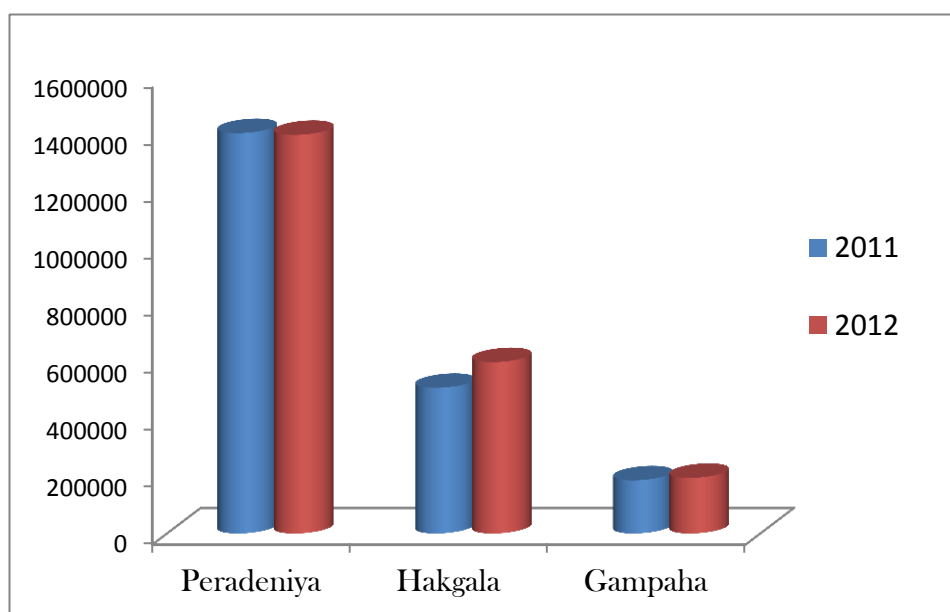
Peradeniya Royal Botanical Gardens, Hakgala Gardens, Gampaha Henarathgoda Gardens as well as Ganewatte Medicinal Herbal gardens make a direct contribution towards tourist economy, while Mirijjawila Dry Zone Botanical Gardens and Avisawella Wet Zone Botanical Gardens will make a significant change in the Tourism sector, which are planned to be opened in year 2013.

Arrival of visitors

Up to 31.12.2012, National Botanical Gardens have been visited by 1,931,914 local tourists and 259,572 foreign tourists. Total income derived from the gate and sale of plants amounts to Rs. 382.79 Million as at 31.12.2012.

Number of visitors in main botanical gardens in 2011 and 2012.

Chart 6.2.1



Source - Department of National Botanical Gardens

Income from Botanical Gardens - 2012

Table 6.2.1

Name of the Botanical Garden	Total Income (Rs.M)
Royal Botanical Gardens, Peradeniya	326.22
Botanical Gardens, Hakgala	40.11
Botanical Gardens, Gampaha	14.72
Medicinal Herbal Gardens, Ganewatte	0.58
Suwahas Flower Nursery, Colombo	0.06
Wet Zone Botanical Gardens, Avisawella	0.81
Dry Zone Botanical Gardens, Hambantota	0.29
Total	382.79

Source - Department of National Botanical Gardens

Development Activities in Botanical Gardens

Development activities in Peradeniya Royal Botanical Gardens

- Landscaping and enhancement of quality of roads through improvements to internal road network.
- New ticket counter and souvenir shop with access for disabled persons.
- Main Office building in the gardens
- Rehabilitation and repairs of old lavatories, summer huts and other structures
- Construction of meshed housing
- Construction of water supply network



Construction of ticket counter



Re-Construction of summer huts



Pergola Renovation

Development activities in Hakgala National Botanical Gardens

- Carpeting main access road, concreting internal roads and improvements to foot paths.
- Modernization of meshed housing for due management of nurseries, construction of drip irrigation system and a liquid fertilizer application system
- Modernization of peripheral fence to prevent damages caused by wild animals, construction of summer huts, construction of main office building, reconstruction of other structures like ticket counter, ponds, lavatories etc.
- Compost Fertilizer system



Improved internal road network



Newly developed rock garden



Renovated poly tunnels

Development activities in Gampaha Henarathgoda Botanical Gardens

- Carpeting internal road system
- Sports equipment in sports ground in the gardens
- Modernization of drainage system in official quarters
- Construction of new vehicle park
- Modernization of culverts and pump house



Improvements to internal roads system



Construction of plant houses

Development activities in Ganewatte Medicinal Herbs Garden

- Landscaping to create a pleasant outer appearance, road development, improvements to main access road and internal road network
- Construction work of Phase 3 of the peripheral fence construction in order to provide security for valuable timber species.
- The 2nd phase of construction of the plant house was carried out.
- 458 plants were added to the garden.
- Improvements to the medicinal plant collection as Ginger, Arattha, etc were carried out for commercial production



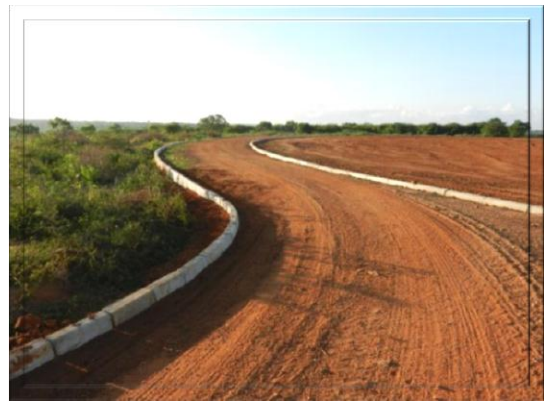
Carpeting of internal roads system



Modernized Tree House

Development work in Mirijjawila Dry Zone Botanical Gardens

- Construction of main access road, car park and 03 summer huts with sanitary facilities
- Construction of potable water system
- Construction of official quarters
- Improvements to internal road network
- Flower gardens with ornamental foliage
- Foot paths, avenues and other herbal parks



Improvements to internal roads system



Construction of Main Entrance



Construction of summer huts

Development work in Wet Zone Botanical Garden-Avissawella

- Main access to the garden
- Interlock paving stone system for internal roads
- Landscaping and expansion of herbal collection
- Construction of 02 sanitary systems
- Construction of 03 ponds, expansion of existing tank and their retention walls and construction of square culverts.
- Construction of Rose Garden



Construction of Sanitary facilities



Construction of ticket counter

6.3. Investment Promotion

Investment Promotion is another important sector under the Ministry. Development of Infrastructure Facilities, Introduction of special tax policies and provision of other

subsidies are carried out by the Board of Investment under the guidance of the Ministry in order to attract Foreign Direct Investments to Sri Lanka.

Performances of Programmes and Projects implemented in year 2012

Table 6.3.1

Investment Projects Commenced in 2012			
Index	Number of projects	Anticipated investment (Rs.Mn.)	Anticipated employment
Approvals	230	693,927	53,239
Signing of agreements	162	405,135	37,382

Source - Board of Investment of Sri Lanka

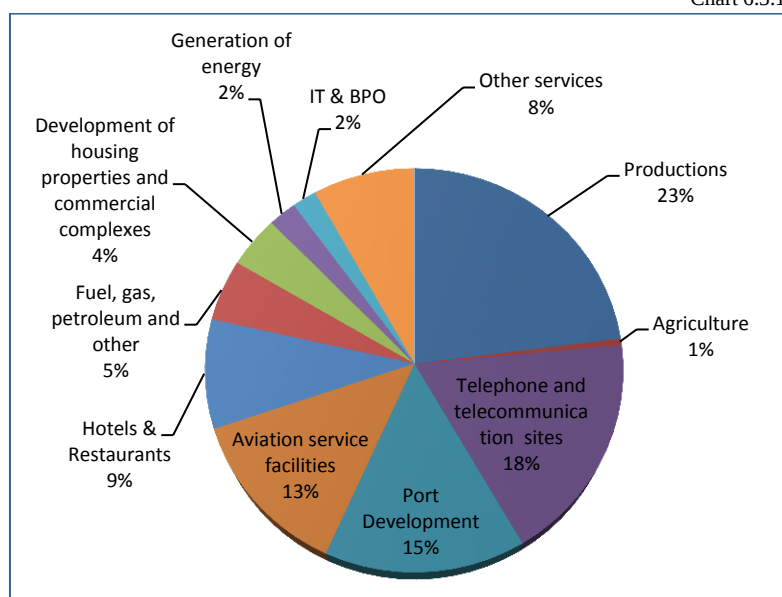
During the period from January to December, 230 projects were approved by the Board of Investment while 162 entrepreneurs have signed agreements. Estimated Investment related to the agreements signed for approved projects, when compared with the

corresponding period in 2011, shows a progress of 63% and 9% respectively.

Further, commercial operations in 63 projects were commenced within this period.

Foreign Direct Investments - Jan to Dec 2012

Chart 6.3.1



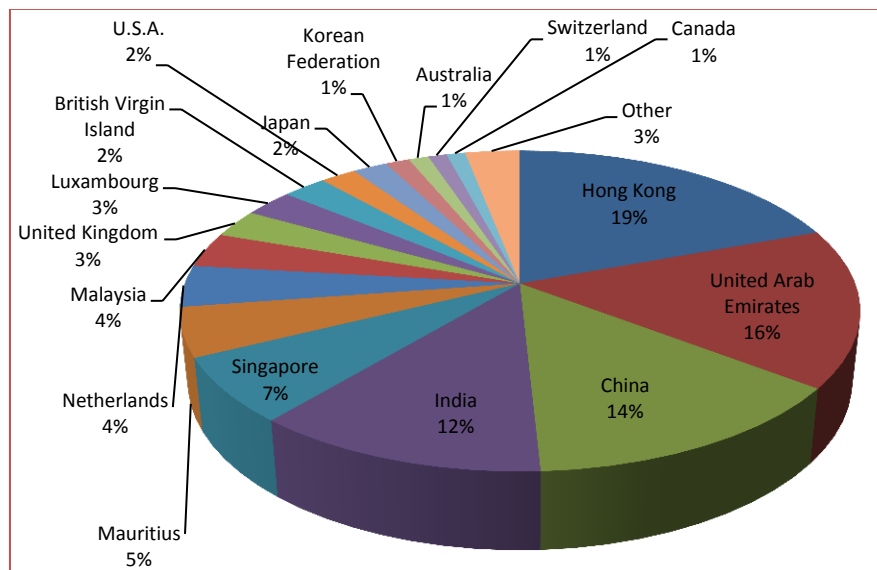
Source - Board of Investment of Sri Lanka

Foreign Direct Investment received during the period from January to December 2012 amounts to US Dollars 1338 Million, which is 26% over and above the last year's investments. To achieve this progress,

contribution from " Production" field amounts to 23%, contribution from" Telephone and Communication" field amounts to 18% while contribution from "Port Development" amounts to 15%.

Receipt of Foreign Direct Investments - Jan to Dec, 2012 Composition as per Investing countries.

Chart 6.3.2



Source - Board of Investment of Sri Lanka

Hong Kong leads by making a 19% contribution out of the total investment while contribution from UAE and China amounts to 16% and 14% respectively.

Flow of Foreign Direct Investment into the field of tourism shows a significant progress parallel to the access of internationally renowned hotel chains. It is estimated that an income of around US Dollars One Billion could be derived through the super grade tourist projects.

Opportunities for local entrepreneurs have gone up through the tourism projects for which agreements have already been entered with the Board of Investment, which provides facilities in collaboration with Sri Lanka Tourism Development Authority.

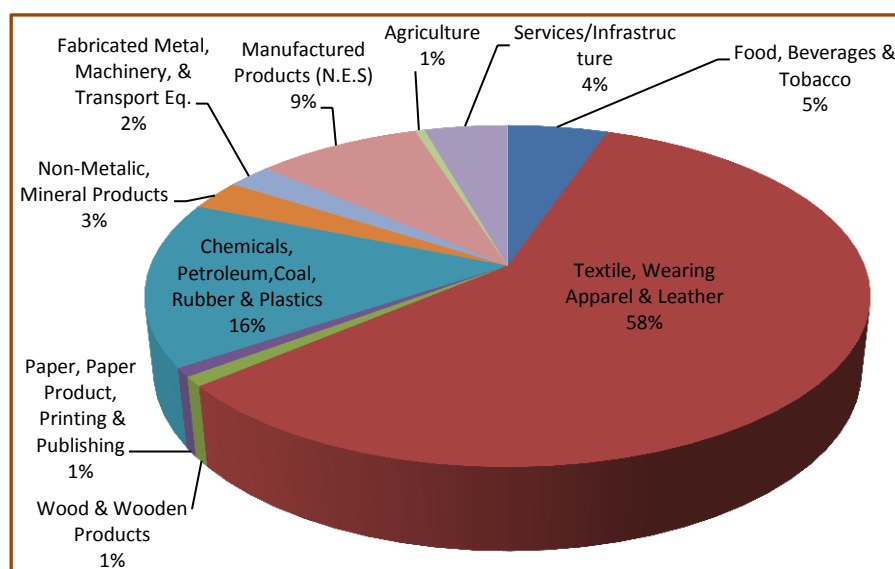
During 2012, Tourism Projects with estimated Foreign Direct Investment of US Dollars 1019 Million have been approved.

Board of Investment has entered into 30 agreements with an estimated Foreign Direct Investment of US Dollars 443 Million, during the year 2012, which amply demonstrates the growing confidence displayed by the investors.

During the corresponding period in 2011, 18 agreements had been entered into by the Board of Investment and anticipated investment was US Dollars 689 Million.

Export Revenue from projects approved by the Board of Investment - 2012

chart 6.3.3



Source - Board of Investment of Sri Lanka

Total export income derived from the projects approved by the Board of Investment during the period from Jan to Dec, 2012 amounts to US Dollars 6125 Million.

During this period, 58% of the total income is derived from enterprises in the field of textile and apparels. Income earned from the fields of chemicals, minerals, coal and food technology amounts to 16% and 5% from the total investment, respectively.

Board of Investment's contribution towards the National Economy - 2012

Enterprises approved by the Board of Investment of Sri Lanka have made a super contribution towards national economy.

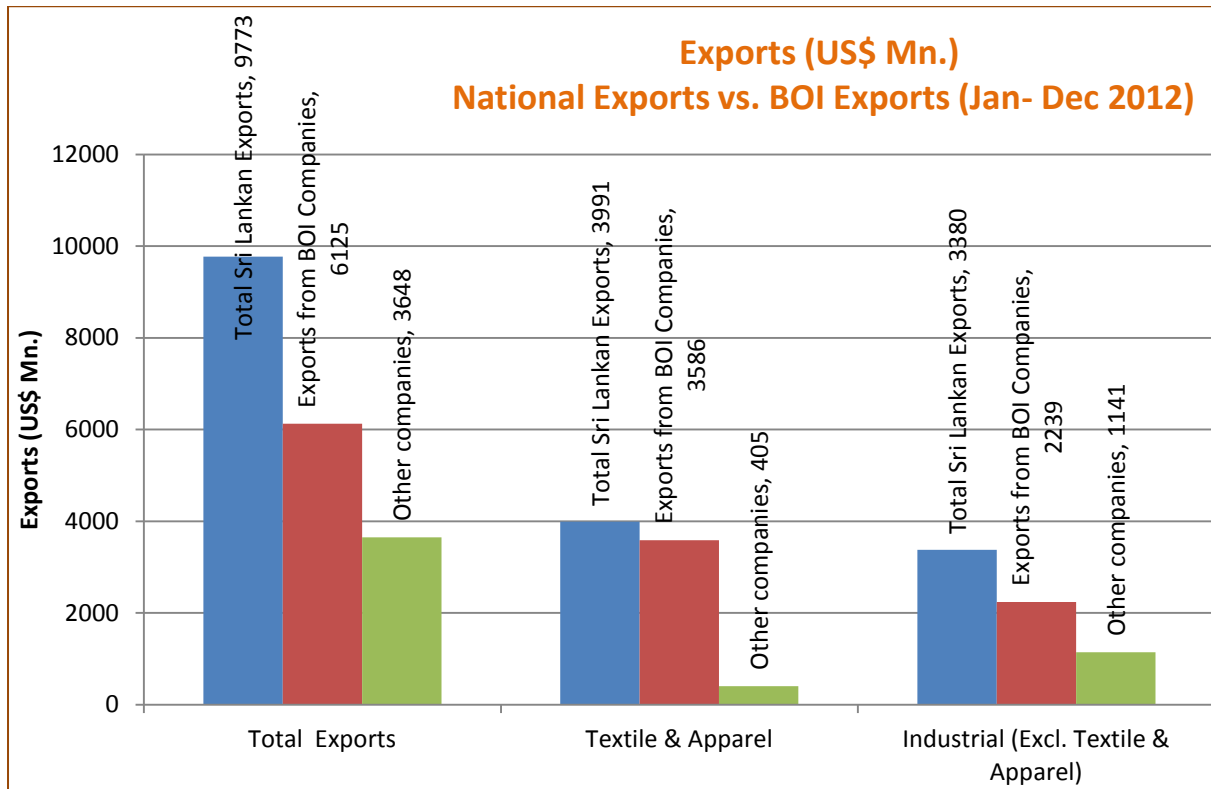
According to the latest statistics produced by the Central Bank of Sri Lanka, total export revenue in 2012 amounts to US Dollars 9,773 Million. Export earnings derived from the enterprises approved by the Board of Investment during the said period amounts to

US Dollars 6,125 Million which represents 63% of the total local export revenue.

The contribution towards industrial exports through the Board of Investment during 2012 amounts to 79%, biggest contribution being from the field of "Textiles and Apparels".

During the above period, contribution towards export earnings through the Board of Investment from the fields of "Textiles and Apparels" and "Products" amounts to 90% and 63% respectively.

chart 6.3.4



Source - Board of Investment of Sri Lanka

Identified Main Strategies for fulfilling targeted investment during the five years from 2011-2015.

- Simplification of the existing incentive package and compilation of a new timely and appropriate incentive package based on prioritized fields.
- Compile and establish a new procedure focussed on prioritized fields in order to provide a better service to investors.
- Construction of Export Processing Zones/Industrial parks and modernization.

Export Processing Zones

Investment Promotion Export Processing Zones and Industrial Parks presently administered by Board of Investment of Sri Lanka are,

- | | | | |
|----|-------------|-----|--------------|
| 1. | Mawathagama | 6. | Horana |
| 2. | Polgahawela | 7. | Koggala |
| 3. | Mirigama | 8. | Kandy |
| 4. | Katunayake | 9. | Malwatta |
| 5. | Biyagama | 10. | Watupitiwala |

Industrial Parks

- | | | | |
|----|------------|----|-------------|
| 1. | Seethawaka | 2. | Mirijjawila |
|----|------------|----|-------------|

New Investment Zones and anticipated Investment

1. Sampur - Heavy Industries related Industrial city - Investment: US \$ 4000 Mn.
2. Mullativu - Tourist activities related zone
3. Mirijjawila - Investment : US \$ 300 Mn.
4. Suriyawewa Investment Promotion Zone
5. Welikanda - Agricultural Zone - Investment: US \$ 140 Mn.

7

Financial Accounts

7. Financial Performance for the year 2012

7.1 Approved Estimates and Progress

The Ministry of Economic Development received annual allocation provided under Head 105 to carry out its operation under following programmes and projects during the year 2012.

Table 7.1.1.

	Programme	Project		Allocation (Rs.)	
Ser.No	Nature of Activity		Activity	Recurrent	Capital
1	Operational Activities	1	Minister's Office	58,335,000	17,607,000
		2	Ministry Head Office	398,442,000	338,466,000
		3	Rural and Regional Administration	669,100,000	19,450,000
Programme - 1: Total				1,125,877,000	375,523,000
2	Development Activities	1	Integrated Rural Development - Household Economy	8,780,500,000	3,915,000,000
		2	Integrated Rural Development - Empowering villages	-	34,488,995,824
		3	Development - Emerging Regions	-	26,212,844,176
		4	Inter-Regional Development	-	18,214,000,000
		5	Investment Promotion	-	1,799,000,000
Programme -2 : Total				8,780,500,000	84,629,840,000
Grand Total				9,906,377,000	85,005,363,000

Source - Ministry of Economic Development

Approved provision actual expenditure, during the year savings percentage of expenditure of recurrent and capital expenditure of programme Operational Activities of the Ministry is given in Table 7.1.2.

Head 105 - Programme-1 - Operational Activities

Minister's Office

Project 1

Table 7.1.2

Nature of Expenditure	Approved Estimate Rs.	Actual Expenditure Rs.	Savings Rs.	Utilization %
Recurrent Expenditure				
Personal Emoluments	19,300,000	18,438,650	861,350	96
Other Expenditure	39,035,000	35,852,340	3,182,660	92
Total Recurrent Expenditure	58,335,000	54,290,990	4,044,010	93
Capital Expenditure				
Improvements to Capital Assets				
Buildings and Structures	300,000	-	300,000	-
Plant Machinery & Equipment	300,000	255,353	44,647	85
Vehicles	2,600,000	2,560,404	39,596	98
Acquisition of Capital Assets				
Vehicles	4,030,000	4,021,660	8,340	100
Furniture & Office Equipment	393,000	392,445	555	100
Plant, Machinery & Equipment	9,984,000	9,982,525	1,475	100
Total Capital Expenditure	17,607,000	17,212,387	394,613	98

Source - Ministry of Economic Development

96% out of the approved recurrent expenditure on personnel emoluments and 92% out of approved provision on the other recurrent expenditure were utilized. 98% of the approved capital provision has been utilized under programme 1 during the year.

Under the programmes 1 & 2 there are 9 projects. Approved Estimate actual expenditure, savings and utilization percentage of the recurrent & capital expenditure are given in Tables.

Head 105 - Programme-1 - Operational Activities

Ministry Head Office

Project 01

Table 7.1.3

Nature of Expenditure	Approved Estimate Rs.	Actual Expenditure Rs.	Savings Rs.	Utilization %
Recurrent Expenditure				
Personal Emoluments	175,300,000	174,642,573	657,427	100
Other Expenditure	223,142,000	207,709,564	15,432,436	93
Total Recurrent Expenditure	398,442,000	382,352,137	16,089,863	96
Capital Expenditure				
Buildings and Structures	148,000,000	38,691,278	109,308,722	26
Plant Machinery & Equipment	1,000,000	23,050	976,950	2
Vehicles	5,300,000	3,061,026	2,238,974	58
Vehicles	170,092,000	170,091,733	267	100
Furniture & Office Equipment	7,922,000	7,921,577	433	100
Plant Machinery & Equipment	4,152,000	4,151,179	821	100
Training & Capacity Building	2,000,000	1,190,727	809,273	60
Total Capital Expenditure	338,466,000	225,130,570	113,335,440	67

Source: Ministry of Economic Development

100% out of the approved recurrent expenditure on personnel emoluments and 93% out of approved provision on the other recurrent expenditure were utilized. 67% of the approved capital provision has been utilized under programme 1 during the year

Regional Administration of Planning Secretariat of 25 District are included in the Programmes 1 Projects 4 for the detailed list shown in the table.

Head 105 - Programme-1 - Operational Activities

Rural and Regional Administration

Project 02 &03

Table 7.1.4

Nature of Expenditure	Approved Estimate Rs.	Actual Expenditure Rs.	Savings Rs.	Utilization %
Recurrent Expenditure				
Personal Emoluments	622,050,000	601,093,057	20,956,943	96.63
Other Expenditure	47,050,000	35,402,171	11,647,829	75.24
Total Recurrent Expenditure	669,100,000	636,495,228	32,604,772	95.13
Capital Expenditure				
Buildings and Structures	4,800,000	3,796,756	1,003,244	79.10
Plant, Machinery & Equipment	500,000	-	500,000	-
Vehicles	2,200,000	1,097,087	1,102,913	49.87
Furniture & Office Equipment	5,000,000	4,691,999	308,001	93.84
Machinery & Equipment	5,450,000	5,040,190	409,810	92.48
Training & skill Development	1,500,000	584,283	915,717	38.95
Total Capital Expenditure	19,450,000	15,210,315	4,239,685	78.20

Source: Ministry of Economic Development

Head 105 - Programme-2 - Development Activities

Integrated Rural Development - Household Economy

Project-01

Table 7.1.5

Description	Approved Estimate Rs.	Actual Expenditure Rs.	Balance Rs.	Utilization %
Recurrent Expenditure				
Samurdhi Authority of Sri Lanka				
Public Institutions	8,644,000,000	8,643,880,000	120,000	100
Southern Development Authority		-	-	-
Public Institutions	112,500,000	108,955,000	3,545,000	97
Udarata Development Authority		-	-	-
Public Institutions	24,000,000	20,640,000	3,360,000	86
Total Recurrent Expenditure	8,780,500,000	8,773,475,000	7,025,000	100
Capital Expenditure				
Divi Neguma Programme			-	-
Land and Land Development	3,515,000,000	2,903,002,138	611,997,862	83
Samurdhi Authority of Sri Lanka			-	-
Public Institutions	260,000,000	32,127,468	227,872,532	12
Southern Development Authority			-	-
Public Institutions	50,000,000	44,972,000	5,028,000	90
Udarata Development Authority		-	-	
Public Institutions	50,000,000	-	50,000,000	0
Ranaviru Divi Neguma Programme on lending	40,000,000	10,000,000	30,000,000	25
Total Capital Expenditure	3,915,000,000	2,990,101,606	924,898,394	76

Source: Ministry of Economic Development

Head 105 - Programme-2 - Development Activities

Integrated Rural Development - Empowering Villages

Project 02

Table 7.1.6.

Project	Programme	Head		Description	Approved Provision Rs.	Expenditure Rs.	Balance Rs.	% of Expenditure
2	2			Capital Expenditure				
	1	2105	11	Gama Neguma Programme	13,478,000,000	12,955,247,074	522,752,926	96
	2	2104	11	Rehabilitation of Minor Irrigation Schemes	800,000,000	584,558,668	215,441,332	73
	3	2103	11	Popularizing pre-school Nurseries Rural Arias	400,000,000	255,609,907	144,390,093	64
	4	2502	11	Decentralized Budget Programme	1,125,000,000	1,015,686,369	109,313,631	90
	6	2105		Reawakening Project		-	-	-
			12		3,000,000,000	2,896,964,706	103,035,294	97
			14		1,100,000,000	1,009,654,279	90,345,721	92
			17		200,000,000	179,968,941	20,031,059	90
	7	2105	12	Community Empowerment Project for the poor	313,000,000	312,705,028	294,972	100
			14		-	-		0
			17		65,489,824	61,990,406	3,499,418	95
	8	2502		Gemidiriya Project		-	-	0
			12		1,745,360,000	1,658,471,462	86,888,538	95
			17		460,000,000	390,000,000	70,000,000	85
	9	2502		World Food Programme	-	-	-	
			16		1,550,000,000	1,525,924,781	24,075,219	98
			17		1,040,000,000	921,486,944	118,513,056	89
	10	2104		Northern & Eastern Housing Project		-	-	-
			12		-	-	-	0
			17		17,500,000	15,983,174	1,516,826	91
	11	2502	13	Const. of Houses	1,650,000,000	1,645,098,726	4,901,274	100

	12	2502		Rural bridges				
			12		1,500,000,000	-	1,500,000,000	0
			17		864,000,000	-	864,000,000	0
	13	2502	11	Puraneguma	25,000,000	750,000	24,250,000	3
	14	2502		NELSIP				
			12		1,714,450,000	713,957,383	1,000,492,617	42
			17		880,000,000	637,579,988	242,420,012	72
	15	2104	11	Rehabilitation of Damaged infrastructure facilities	297,000,000	296,099,030	900,970	100
	16	2502		Monitoring and Evaluation of Samurdhi safety Nets				
			13		50,000,000	35,626,050	14,373,950	71
			17		2,500,000	984,488	1,515,512	39
	18	2502	11	Upgrading Primary and secondary schools	804,000,000	803,004,913	995,087	100
	21	2502	17	Development oriented Emergency & Transitional Aid (GIZ DETA)	11,940,000	-	11,940,000	0
			13		230,000,000	229,510,000	490,000	100
	22	2502	17	Performance Improvement Project (GIZ PIP)	756,000	-	756,000	0
		2502	13		316,000,000	316,000,000	-	100

	28	2502	13	Sri Lanka Returnees skill development programme to capacity of rehabilitation & reconstruction in the war affected region(JICA)	22,000,000	21,820,000	180,000	99
	29	2502	13	Re-integration and Stabilization of the East and North-RISEN(USAID)	478,000,000	477,969,707	30,298	100
	30	2502	13	VEGA/BIZ+ implemented by the volunteers for economic growth alliance	349,000,000	348,654,084	345,916	100
				Total (105-02-02-2502)	34,488,995,824	29,311,306,107	5,177,689,717	85

Source: Ministry of Economic Development

Head 105 - Programme-02 - Development Activities

Development - Emerging Regional

Project - 03

Table 7.1.7.

Project	Object	Financing		Description	Approved Estimate Rs.	Actual Expenditure Rs.	Balance Rs.	Utilization %
2	3							
	1	2502	11	Uthuru Wasanthaya	532,000,000	302,899,830	229,100,170	57
	2	2502		Conflict Affected Region				
			12		4,585,050,000	4,376,781,861	208,268,139	95
			13		153,000,000	152,547,628	452,372	100
			17		595,000,000	561,975,824	33,024,176	94
	3	2502		Northern Emergency Provision Project		-	-	-
			12		2,556,000,000	2,399,603,891	156,396,109	94
			13		5,350,000	5,347,377	2,623	100
			17		5,000,000	3,034,682	1,965,318	61
	4	2502		Livelihood Resrestoration of Resettlement IDP in the North				
			13		149,500,000	134,033,783	15,466,217	90
			17		5,000,000	-	5,000,000	0
	5	2502		Mine Rick Education		-	-	-
			13		5,000,000	1,956,039	3,043,961	39
			17		2,000,000	-	2-000,000	0
	7	2502	13	Transitional Programme	1,165,000,000	1,164,311,334	688,666	100
	11	2502	11	Neganahira Navodaya	472,000,000	171,094,985	300,905,015	36
	14	2502		North East Community Restoration & Development				
			12		470,130,000	470,103,610	26,390	100

			14		546,000,000	545,659,503	30,497	100
			17		176,000,000	170,649,465	5,350,535	97
	16	2502	17	MANRIP - Mannar District Investment 532	1,814,176	-	1,814,176	0
	17	2502	11	Sabaragamuwa Arunalokaya	2,048,000,000	1,841,068,646	206,931,354	90
	18	2502	11	Rajarata Navodaya	2,110,000,000	1,986,657,983	123,342,017	94
	19	2502	11	Kadurata Udanaya	1,567,000,000	969,725,516	597,274,484	62
	20	2502	11	Wayamba Pubuduwa	1,693,000,000	1,643,669,645	49,330,355	97
	21	2502	11	Pubudamu Wellasa	2,100,000,000	1,984,508,681	115,491,319	95
	22	2502	11	Batahira Ran Aruna	2,952,000,000	2,831,084,183	120,915,817	96
	24	2502	11	Ruhunu Udanaya	2,309,000,000	2,007,913,230	301,086,770	87
				Total (105-022-03-2502)	26,212,844,176	23,726,847,670	2,485,996,506	91

Source: Ministry of Economic Development

Head 105 - Programme 02- Development Activities

Inter Regional Development

Project 04

Table 7.1.8.

Project	Object	Financing		Description	Approved Estimate Rs.	Actual Expenditure Rs.	Balance Rs.	Utilization %
2	4							
	1	21 03	11	Regional Interfacing Initiatives	14,996,667,395	12,657,972,221	2,338,695,174	84.4
	2	21 03	11	Machinery for Development	2,303,332,605	2,303,332,6705	-	100
	3	21 03	1	Rehabilitation of Abandoned	500,000,000	348,758,858	151,241,142	69.8
	4	25 02	11	Inter-Regional Common Facilities	414,000,000	156,831,377	257,168,623	37.88
				Total (105-02-04-2103-2502)	18,214,000,000	15,466,895,060	2,747,104,939	85

Source: Ministry of Economic Development

Head 105 - Programme 02- Development Activities

Investment Promotion

Project 05

Chart 7.1.9.

Project	Object	Financing		Nature of Expenditure	Approved Provision Rs.	Expenditure Rs.	Balance Rs.	% of Expenditure
	1	2502	11	Eco. Development Tourism Promotion	752,000,000	1,826,617	750,173,383	0
	2	2502	12	Sustainable Tourist Development Project	503,000,000	-	503,000,000	0
	3	2502		Tourist Resources Improvement Project				
			12		494,000,000	410,602,084	83,397,916	83.1
			17		50,000,000	33,540,700	16,495,300	67
				Total (105-02-05-2502)	1,799,000,000	445,969,401	1,353,030,599	25

Source: Ministry of Economic Development

7.2 Government Officers' Advances "B" Account

In 2012, 2716 officers assigned to Head Office of the Ministry and District offices have obtained loans under Government Officers' Advance "B" Account.

Approved limits for the year and actual balances of the Government Officers Advance "B" Account No. 1050111 are as follows:

	Approved limit (Rs.)	Actual balance (Rs.)	%
Maximum Debit Limit	120,000,000.00	102,074,262.79	85.1
Minimum Credit Limit	60,000,000.00	89,332,491.81	148.9
Maximum Debit Balance Limit	438,000,000.00	283,436,867.55	

Summary of Loans issued in 2012 is as follows:

Nature of loan	No of officers	Amount (Rs.)
Distress Loan	854	79,183,698.98
Festival Advances	1593	7,965,000.00
Other loans	269	<u>3,812,060.00</u>
	Total	90,960,758.98

Presentation of Annual Accounts

Individual Balance s Reconciliation Statements pertaining to Government Officers' Advance B Account for 2012, prepared in the relevant formats were submitted to the Auditor General on 01 April, 2013.

Internal auditing was conducted in keeping with the Auditing Programme compiled at the beginning of the year

under the supervision of the Department of Management Auditing of the General Treasury. This operation also covered the departments and institutions under the Ministry which have no internal audit divisions.

7.3 Auditing and Investigations completed in the year 2012.

Table 7.3.1

Ministry/Department/Institution	Number of Audit queries issued	Number of Special Investigations and Inquiries into petitions
Ministry of Economic Development	09	07
Udarata Development Authority	-	01
Southern Development Authority	-	01
Sri Lanka Institute of Tourist and Hotel Management	03	-
Sri Lanka Tourist Promotion Bureau	01	-
Sri Lanka Convention Bureau	02	-
Sri Lanka Samurdhi Authority	-	03
Sri Lanka Tourist Development Authority	-	03
Rural Development ,Training and Research Institute	-	01
Second Community Development and Livelihood Improvement Project	-	01
Total	15	17

Source: Ministry of Economic Development

In addition, special contribution has been made towards Annual Board of Surveys and Reviews of Assets in the Ministry and the institutions falling within the purview of the Ministry.

01. Audit and Management Committee meetings

Audit and Management Committee meetings conducted in addition to normal auditing in 2012 are as flows:

30.05.2012- Ministry and the all other Departments under the Ministry.

26.07.2012- Ministry and the all other Institutions under the Ministry.

20.11.2012- Ministry and the all other Departments and Institutions under the Ministry.

02. Composition of the Inter Audit Division

Staff details of the Internal Audit Division are as follows:

Designation	Approved cadre	Existing cadre
Chief Internal Auditor	01	01
Internal Auditor	02	-
Audit Assistant	31	11
KKS	01	01
Total	35	13
Integrated Rural Development -		

7.4 Staff Administration of the Ministry

Details of the cadre of the Ministry of Economic Development as at end of December, 2012 are as follows:

Table 7.4.1

Staff Group	approved cadre	existing cadre	Vacancies
1. Senior level	742	586	156
2. Tertiary level	06	02	04
3. Secondary level	1527	1480	47
4. Primary level	241	204	37
Total	2516*	2272	244

Source: Ministry of Economic Development

* Approval of the Department of Management Services has been received to employ 16,748 unemployed graduates as Graduate Trainees under the Ministry. Since they have not been employed on permanent basis, these statistics are not included.

7.4.1 Human Resources Development

* Foreign Training Programmes

Officers of the Ministry and the departments and the institutions under the Ministry participated in foreign training programmes made available by the Department of External Resources and various other projects in 2012. Details are as follows:

Table 7.4.2

Srl. No.	Training Course	Number of participants	Country
1	Foreign Training courses offered by the Department of External Resources	57	Malta, Malaysia Thailand, Cambodia, Vietnam, Laos, Korea, China, Singapore, Hongkong, Japan, India, The Netherlands.
2	Foreign training courses offered by projects	26	America, Germany, Australia, India, Thailand, Philippines, Korea, China

Source: Ministry of Economic Development

* Local Training Programmes

Applications for reimbursement of course fees expended for post graduate courses undergone in keeping with service manuals of the officials in service under the Ministry and as per their service requirements are entertained, depending on the limits of provisions, at the rate of 50% of the amount applied for in

advance and the balance 50% on submission of the Degree Certificate issued at the conclusion of the Course. Further, provision has been made available, depending on the availability, in respect of Diploma and Certificate Courses as well. Details of such courses for which provision was made available are given below.

Table 7.4.3

Srl. No	Institution	Course	Number of participants
Post Graduate Courses/ Diplomas			
01	University of Kelaniya	M.A. Degree Course on Sociology	01
02	University of Colombo	Post Degree Course on Rural Development and Planning	01
03	University of Kelaniya	M.A. Degree Course on Economics	03
04	University of Kelaniya	M.A. Degree Course on Communication	01
05	University of Colombo	Post Degree Diploma Course on Development Studies	01
06	University of Colombo	Post Degree Course on Regional Development and Planning	01
07	University of Ruhuna	M.A. Degree Course on Economics	01
08	Sri Lanka Institute of Development Administration	Post Degree Course on Public Management	01
09	University of Moratuwa	Master of Science in Construction Project Management	01
10	University of Kelaniya	Post Degree Diploma Course on Regional Planning	01
Other Local Training Courses			
11	Institute of Engineering Services	Training Course on Water Supply Systems	01
12	Sri Lanka Institute of Development Administration	MPM Course	01
13	Meloda Institute	Training Module on Economic and Financial Appraisal of Projects	05
14	Meloda Institute	Computerized Integrated Government Accounting System	01
15	Meloda Institute	CIGAZ Training Course	01
16	Construction Training and Development Institute	One Day Workshop on Transport Management	01
17	Construction Training and Development Institute	Workshop on Hybrid Vehicle Technology	01
18	Institute of Engineering Services	Training Course on Water Supply	02

		Systems for Buildings	
19	Department of Vocational Training	Secretarial Training Course	02
20	National Institute for Business Management	Secretarial Training Course	01
21	Sri Lanka Institute of Development Administration	Public Procurement and Contract Administration	01
22	University of Kelaniya	Translation and Interpretation	01
23	University of Kelaniya	Diploma Course of Tamil	01
24	Centre for Settlement Planning and Development	Certificate Course on Quantity Survey	02
25	Department of Tamil Languages	Higher Examination in Tamil	01

Source: Ministry of Economic Development

In addition to these training courses, Workshops on Business Management and Presentation Skills were conducted for staff officers of the Ministry.

Further, a Training Workshop on Preparation of Pensions was conducted for staff of the Ministry. A 1/2 Day Programme on Psychology was conducted for selected groups

of staff on the theme "Subodhya Consultancy Psychological Forum."

*** Training Programmes on Languages Proficiency**

In 2012, Short Term English Language Training Programme of the British Council was conducted in order to develop Ministry staff's skill in a second language.

7.4.2 Welfare Society - Ministry of Economic Development

Ministry of Economic Development was formed amalgamating the Ministry of Tourism, Ministry of Nation Building and the Ministry of Investment Promotion along with a host of other institutions. Accordingly, the welfare societies hitherto existed in these institutions was also amalgamated and Welfare Society of the Ministry of Economic Development was formed, which was inaugurated on 01.06.2012 with religious observances.

Activities

- A get-together with the participation of over 150 members was held on 21.07.2012 at Sri Lanka Holiday Resort, Bentota in order to create familiarization and develop harmony among the members.

- A donation of books to Tract 68 - Vidyalaya at Trincomalee as a gesture of social service.
- Lectures with the objective of enhancing knowledge among the members.
- A friendly cricket match at University grounds on 08.02.2013 with the participation of 16 teams in order to increase interest in sports.
- X'mas celebrations
- Conducting lotteries for the purpose of increasing funds of the society.

Membership of the society is now over 400 with funds over Rs.700, 000/- lying to the credit of the Society.

7.4.3 Web Site of the Ministry - www.med.gov.lk.

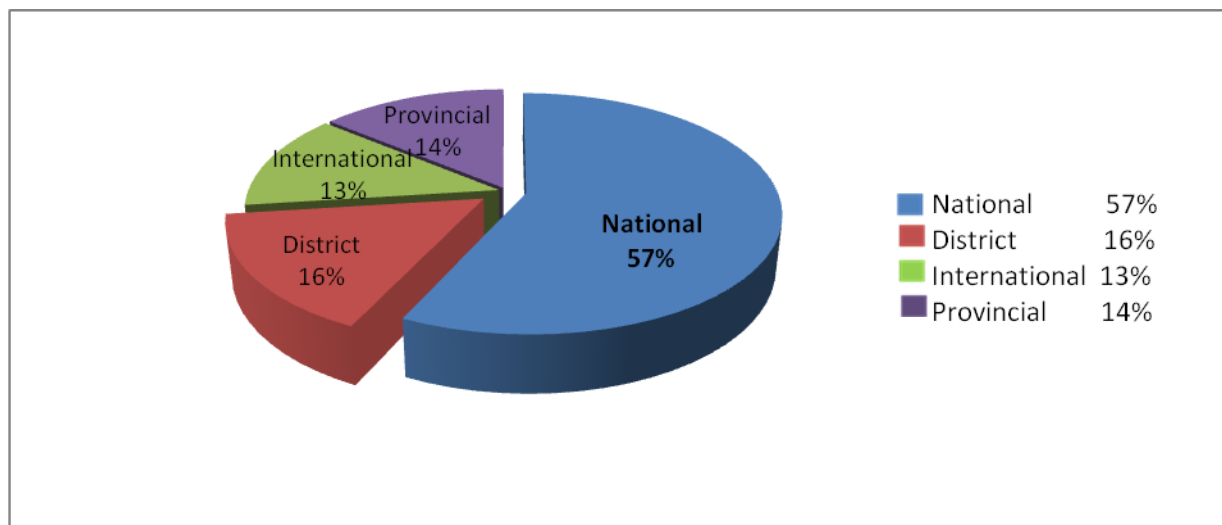
The web-site of the Ministry has turned out to be a locally and internationally popular communication tool which is daily updated in Sinhala and English. The web-site is operated with valuable contribution from the officers of the Communication Division and has over 40,000 viewers per month.

Daily news- bulletins in Sinhala and English with regard to the activities of the Hon.

Minister, the Ministry , tender notifications, scholarships, special projects and activities of institutions under the Ministry are displayed in the web-site providing optimal assistance to the Sri Lankan as well as foreign media who can download various information including photograph and videos. A collection of newspaper articles and television broadcasts on the previous day is daily fed into the web-site for the benefit of the viewers.

**Statistics pertaining to MED Online News Reporting
January to December 2012**

Chart 7.4.1



Source: Ministry of Economic Development



8

Auditor General's Queries and Observation

Auditor General's Queries and Observations

Ministry of Economic Development is engaging in implementing islandwide development activities and the Ministry Office situated in Colombo is being maintained as the center of handling policy, formulation, administration and financial control while implementation of development projects are made through the respective departments, sub office, various institutions, District Secretaries and Divisional Secretariats. Accordingly, auditing of islandwide development activities implemented by the Ministry is observed by the Auditor General through the respective departments of Divisional Secretariats while the auditing of the Ministry Office is observed by the Internal Audit Division attached to the Ministry.

16 Nos. Audit Queries have been received to the Ministry for 2012.

Actions taken regarding the facts submitted through each audit query are enclosed in Annexure I.

59 Nos. Audit Queries regarding the development projects implemented under the financial provision of the Ministry through District Secretariats have been submitted to District Secretaries within the year.

District Secretaries have been made aware to take actions for rectifying the facts pointed out in each Audit Observation and to avoid repetition.

Audit Queries received by the Ministry within the Financial Year of 2012

S. No	No of Audit Query	Subject	Received Date	The date on which forwarded to Auditor General	Action Taken
1	LP/F/MED/2011/5/14	Examination of relinquishing the procurements commenced under the financial provision of the Ministry	06.11.2012	17.09.2012	Replies have been sent by explaining the current status of the project.
2	LP/F/MED/2011/5/07	Examination made relating to provision of chicks for import	09.11.2011	29.11.2012	Replies have been sent by drawing attention of the Ministry of Livestock and Rural Community Development.
3	LP/F/MED/2011/5/15	Examination regarding the provision of money for Hadabima Authority of Sri Lanka for the project of semi-domestic chick production	12.01.2012	09.03.2012	Replies have been sent by explaining the current status of the project.
4	LP/F/MED/2011/5/16	Examination regarding the road development activities carried out under the expenditure Head 105 of Gangawata Korale Divisional Secretariat.	16.01.2012	15.05.2012	Replies have been sent by explaining current status while taking action to rectify the deficiencies having accepted Audit observations.
5	CL/KD/H/UDA/2011/74	Audit Investigation regarding the appointment of executive officers in Udarata Development Authority of Sri Lanka.	10.02.2012	04.01.2012	Audit Observations have been accepted and replies have been sent to Auditor General by rectifying the deficiencies occurred.
6	CAL/RD/H/UDA/2011/67	Audit Investigation regarding the irregularities occurred in purchasing vegetable plants in order to distribute to school under Divi Neguma project 2011	25.11.2011	06.03.2012	Deficiencies pointed out have been rectified and replies have been sent to Auditor General informing that disciplinary actions taken against the responsible officials regarding the purchase that exceeds the necessities.
7	LP/F/MED/2011/5/17	Examination regarding the development activities of Rs.20.25 Mn provided by the ministry to Udarata Development Authority of Sri Lanka.	20.01.2012		Special investigation committee has been appointed and further actions have been taken accordingly.
8	LP/F/MED/5.3/2011	Appropriation Accounts 2011 - expenditure Head 105	02.05.2012	17.08.2012	Actions have been taken to rectify the deficiencies with the consent of Audit observations and to avoid repetition
9	LP/F/CARE "B"/FA/2011	Report of the Auditor General on the Financial Statement of the Conflict Affected Region Emergency Project component "B" for the year ended 31 December 2011.	15.05.2012	17.06.2012	Action have been taken to completed the deficiencies pointed out.
10	LP/F/MED/2012/5 01	Audit investigation regarding the project coordination of conflict Affected Emergency Project and standardization unit.	08.06.2012	12.07.2012	Action have been taken to complete the deficiencies pointed out.
11	LP/F/MED/2012/5. 02	Examination of fuel and electricity expenses - 2012	19.07.2012	17.08.212	Audit observations have been accepted and actions have been taken to complete the deficiencies.
12	LP/F/MED/2012/5 03	Examination regarding the constructions/ renovations of maternity homes made under Ran Aruna Regional Development Programme 2011 implemented within Gampaha District.	20.07.2012	17.09.2012	Relevant sections have been made aware of rectifying deficiencies pointed out.
13	YS/C/MD/2012/ 5 05	Examination regarding the damaged Vehicles	05.10.2012	07.11.2012	Actions have been taken to complete the deficiencies pointed out and to avoid repetition.
14	LP/F/MED/2012/ 5 04	Programme of providing chairs for maternity clinics	11.09.2012	29.11.2012	Audit observations have been accepted and actions have been taken to complete the deficiencies.
15	NW/PT/A/03/puttalam DS/MED/2012/165	Provincial road carpeting programme	03.10.2012	14.11.2012	Action have been taken to complete the deficiencies pointed out and to avoid repetition.
16	Y5/C/MED/information	obtaining the details regarding the financial provisions provided under the expenditure Head of Ministry of Economic Development and expenses incurred by the above provisions - 2012	03.12.2012	20.12.2012	Relevant details have been forwarded to auditing.

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