2015 Progress and 2016 Development Programmes

Ministry of National Policies and Economic Affairs
Institutions under the Purview of the Ministry of National Policies and Economic Affairs

Departments

Department of National Planning
Department of External Resources
Department of Census and Statistics
Department of Project Management and Monitoring

Statutory Boards/ Other Institutions

Central Bank of Sri Lanka
Institute of Policy studies
Securities and Exchange Commission of Sri Lanka
Credit information Bureau
National Pay Commission
National Insurance Trust Fund
Employees` Trust Fund
Public Utilities Commission of Sri Lanka
National Human Resources Development Council of Sri Lanka
National Youth Services Council
National Youth Corps
National Youth Awards Authority
National Youths Services Co-operative Limited
National Center for Leadership Development
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Message of the Hon. Prime Minister

As we remain committed to the progress of national policies and strategies under the five pillar development plan enacted with the aim of achieving prosperity and sustainable development for Sri Lanka, it is with much satisfaction that I present before you the Progress Report of the Ministry of National Policies & Economic Affairs for the year 2015 and Development Programme for the year 2016.

Our historic 100 Day Programme brought the long awaited economic relief and benefits for the people and was successfully coordinated by the Ministry. The Programme was hailed for its considerable impact on the people, socially and economically, empowering them as promised. It also brought about a historically significant achievement, passing of The 19th Amendment to the Constitution that embodied the principles of democracy, media freedom and good governance.

In addition, a much needed salary increase of Rs. 10,000 for all public sector employees was granted under the Programme while significant reductions of fuel and domestic gas prices were made. The Mahapola scholarship allowances for university students and the Samurdhi allowances were significantly increased.

Under the Programme, the drafting of bills against actions or statements deemed to insult religious leaders and likely to cause religious disharmony, was also initiated. Having passed The 19th Amendment, we will appoint members to the Constitutional Council and the Independent Commissions this year. Additionally, the Plan for Mega polis Development and the drafting of legal structures that empower the process of sustainable development were also inducted during the year 2015.

In 2016, we hope to put into place strategies towards the successful implementation of the five-pillar development plan that has been endorsed by the people. Currently, we are engaged in the process of formulating strategies that take into account our geographic location, climate and natural resources, human resources, and the significance of our ancient civilization and culture.

As a noteworthy step towards achieving optimal development, we will draft the Development (Special Provisions) Act towards the vesting the power for modernizing the state economy. Policies are to be devised towards enhancing the competitiveness of the Sri Lankan market while strategies will be developed to network local producers and give them access to international markets. Steps are to be taken towards the establishment of mega zones for economic development in technology and industrial development, tourism, agriculture development and fisheries development.

We are in the process of enacting new legislation to ensure the right of information for the people; we are also appraising a much needed regulation process for the microfinance sector. On the whole, we are secure on a steady path of sustainable development. We will adhere to an approach based on encouraging and fostering a productive dialogue and strive at all times to build a consensus in achieving our targets.

I would like to take this opportunity to thank the officials at the Ministry of National Policies & Economic Affairs and the organizations under the purview of the Ministry, for their support and co-operation.

Ranil Wickremesinghe
Prime Minister
09th November 2015
Message of the Hon. State Minister

The new Government formed on January 8th by His Excellency the President Maithripala Sirisena, and Hon. Prime Minister Ranil Wickremesinghe, marked the birth of a new orientation in the country. The newly formed government focused on establishing democracy, good governance and a disciplined financial process to bring primary development objectives closer to the people.

The government realized the urgency of finding possible short term solutions for perplexing economic constraints surfaced during last 10 years, directed its special attention towards highly sensitive economic aspects such as reducing the price of fuel and bringing down the cost of essential food commodities.

Our new government also directed its attention towards the fields of youth, child, women, culture, investment, agriculture, education, fisheries, industries and foreign employment. Action was taken by us through a short term budgetary process, to ensure policy and financial thrust in the respective fields.

The objective of the government is to create a knowledge-oriented competitive socio market economy based on the social equity with primary attention towards all inclusive economic stability, foreign trade and investment. Within the next 60 months, the country guided by strong national policies will march forward along the path laid by the Hon. Prime Minister's Policy Framework as the foundation. In this background and in the process of policy implementation, our Ministry will play a crucial role to achieve the anticipated targets through optimum co-ordination with all relevant stakeholders.

I take this opportunity to place on record my sincere and respectful thanks to the Hon. Prime Minister for his guidance and blessings for successful implementation of ministerial tasks and my compliments to the Secretary and the staff of the Ministry for their unstinted support in the administrative process.

Niroshan Perera M.P.
State Minister
Ministry of National Policies and Economic Affairs
Message of the Secretary to the Ministry

2015 Progress and Proposed Programmes for 2016 of the Ministry of National Policies and Economic Affairs are included in this document to be tabled at the committee stage of the Budget 2016.

The exclusive objective of the Ministry of National Policies and Economic Affairs is to be a key player in achieving the five point strategic framework of the new government “A New Country in Sixty Months: Five Point Plan”. The ministry is taking dynamic action with the relevant stakeholders to review and implement policy decisions relating to the enhancement of efficient and effective economic policies which will mainly induce the competitiveness of the Sri Lankan economy.

I extend my sincere thanks for Hon. Minister and Hon. State Minister of the Ministry of National Policies and Economic Affairs for giving proper guidance which provided in the successful execution of the foreshadowed functions. I avail this opportunity to thank the officials and staff of the Ministry and Departments including the Chairmen and the staff of the Institutions coming under the purview of this ministry.

Finally, I wish to invite everyone to work collectively in achieving the goals of the ministry in order to uplift the nation.

M.I.M. Rafeek
Secretary
1.0 Ministry of National Policies and Economic Affairs

1.1 Preface

The Ministry of National Policies and Economic Affairs was established as a new ministry with effect from 21 September 2015 with the intention of facilitating the policy formulation and alignment process. The ministry is also expected to be a key player in achieving the five-point strategic framework of the new national government “A New Country in sixty Months: Five Point Plan”. The framework recognizes its five points as building the economy, fighting corruption, ensuring freedoms for all, developing infrastructure & investment and developing education.

The ministry is entrusted with the development of many policies to achieve the economic and social development targets for the citizens. The ministry should also ensure that these policies align with other national and sectoral policies.

The ministry is now introducing the economic policies that will increase the competiveness of the Sri Lankan market and lead to a knowledge based human friendly economy. Economic reforms will favour a policy salient to Sri Lanka that is not inclined to a leftist or a capitalist economy.

The policies are being formulated to support accelerating the development process by modernizing the existing economy to enable decrease the high level of development gaps between Sri Lanka and South-East Asian countries such as Singapore, Thailand and Malaysia. Higher development of the country is expected to create one million employment opportunities and achieve the higher level of per capita income.

Various mega development zones will be established and local administration will be strengthened in a way that citizens enjoy more powers. Restoration of GSP plus facility under the European Union’s new GSP regulation will help to achieve the socio-economic targets further.

The new government is led by the principles of good governance. Therefore, the government is committed to eradicate corruption and fraud. Existing institutional structures will be reformed to facilitate eradication of corruption and motivation of practicing democracy, justice and rule of the law. These were already strengthened by the 19th amendment to the constitution. The measures are expected to achieve long term prosperity of the nation, sustainable economic growth and social well-being.
1.2 **Vision**

“Inclusive economic growth and Prosperity through viable national policies”

1.3 **Mission**

“Ensure the benefits of development for each citizen through the formulation of national policies and dynamic economic strategies for inclusive development.”

1.4 **Objectives**

- Achieving economic development
- Elimination of poverty
- Elimination of unemployment and reduction of under employment
- Investment promotion through enhancement of domestic savings
- Promotion of economic and social infrastructure
- Increasing Foreign Assistance
- Promotion of fair trade
- Ensure skilled human resources giving special focus on youth
- Ensure efficient and effective insurance system

1.5 **Functions**

- Formulation of policies and programs, monitoring and evaluation in regard to subjects of national policies and economic affairs and those subjects that come under the purview of Departments, Statutory Institutions and Public Corporations related to the ministry
- Formulation of national policies to fulfill sustainable development targets
- Formulation of monetary policies and macro-economic management in coordination with the Central Bank of Sri Lanka
- Formulation of national development programs and projects
- Coordination between public and private sectors to facilitate the participation of private sector in economic development
- Implementation of aforesaid policies, programs and projects within the time frame agreed upon with the national planning authorities and ambit of budgeted resources for the accomplishment of the relevant national objectives
1.6 Organizational set up of the Ministry

The functions of the Ministry have been divided into few main sections with the hope of maintaining sound management under the secretariat office of the ministry.

- Planning and Policy Formulation Division
- Economic Affairs Division
- Youth Affairs Division
- Project Division
- Administration Division
- Account and Finance Division
- Internal Audit Division
1.7 Planning and Policy Formulation Division

Planning Division is entrusted to coordinate and facilitate the preparation of streamlined National development policies, Programmes and Projects for the country. In order to achieve this task, this Division plays a key role to facilitate and coordinate the public investment programs and projects of the government, coordinate with international development agencies to mobilize foreign resources for economic development, liaise with donor agencies and international financial institutions, facilitate the private sector for economic development, in coordination with the following Institutions;

I. Department of National Planning
II. Department of External Resources
III. Department of Census and Statistics
IV. Institute of Policy Studies
V. Sri Lanka National Human Resource Development Council

Achievements

✔ Timely submission of observations to the Cabinet papers on Policy Matters; 35 Cabinet Observation papers have been submitted in coordination with the ERD and NPD.

✔ Providing inputs to the Policy documents prepared by the Line Ministries; Inputs for 20 Policy documents of the Line Ministries have been submitted through the NPD.

✔ Preparation of guidelines on implementing of National Development Policies, Programs and Public Investment Programs;
  - Coordinated with the Department of National Planning to issue guidelines for all the Ministries to prepare Annual Action Plans – 2016 of the Line Ministries.
  - Guidelines for Decentralized Budget – 2016 are currently being prepared.

✔ Coordination of Mobilization of External Resources through the Department of External Resources (ERD);
  - 11 kick – off meetings and 16 wrap- up meetings with Donor Missions were conducted in coordination with the ERD.

✔ Facilitation of the Department of Census and Statistics (DCS) to conduct National Census and prepare National Accounts;
  - Discussions were organized to finalize the Re-basing process of National Accounts to the 2010 base year.
  - Coordinated the activities related to celebration of “The World Statistics Day – 2015”
  - Facilitated the DCS to obtain approval of the Cabinet of Ministers for;
    - Release of 2010 – rebased National Statistics
2015 Progress and 2016 Development Programmes

- Conduct the Child Activity Survey – 2015

✓ Facilitated the Department of Census and Statistics, Department of National Planning and Department of External Resources to submit their Performance Reports – 2014 to the Parliament.

1.8 Economic Affairs Division

The major responsibilities of the Economic Affairs division are to supervision, monitoring, coordination, reporting, analyzing of reports, recommendations and approval given to the relevant institutions when and where necessary with relation to economic activities of the institutions coming under the ministry.

In addition following activities are being carried out by the division

- Coordinate with the government institutions under the fiscal policies and monitoring policies.
- Coordinate with Central Bank of Sri Lanka on macroeconomic management
- Facilitate to private sector on economic matters
- Planning of development programs on institutional arrangements with state and private sector
- Facilitate to make legislations on insurance industry
- Any other business related to national economy

Achievements

✓ All coordination and facilitation activities for implementation of the Micro Finance Act were being carried out. For this task, division has coordinated with the Prime Minister office, Attorney General Office, Legal Draftsman office and Department of Project Management and Monitoring for collection of public views, arranging several meetings with stakeholders.

✓ Prepared the guidelines for Corporate Social Responsibility (CSR) program and facilitated to make policies on Gender Based Violence (GBV) Program

✓ Coordinated the implementation of 19th amendment to the constitution which results the peace, harmony and reconciliation of the civil society.

✓ Forwarded annual performance report 2014 of the SEC to the Hon. Minister in order to getting approval of the Cabinet.

✓ Annual performance report 2013 of NITF, UPCSL and annual performance report 2012 of NITF, ETF has been submitted to the Cabinet.
1.9 Youth Affairs Division

The purpose of the Youth Development Division is to develop the skills, knowledge and attitudes of the youth to become productive citizens and to empower them to an optimum level politically and socioeconomically. Major key functions of the division are as follows.

- Implementation of National Policies related to Youth Development
- Organizing and empowering youth
- Development of Sports and Cultural competencies of youth
- Development of leadership and personality of youth
- Development of an international recognition for Sri Lankan youth
- Promotion of small business sector among youth community
- Introducing new business opportunities for youth
- Providing training of entrepreneurship and generation of employment Opportunities

The following institutions are coordinated by the division.

- National Youth Corps (NYC)
- National Youth Service Council (NYSC)
- National Youth Services Corporative Ltd. (NYSCO Ltd.)
- Sri Lanka Youth Services Private Ltd. (SLYS Ltd.)
- National Centre for Leadership Development (NCLD)

Achievements

 ✓ A Direction For Prestigious Youth (Abimanawath Tharunnayata Athwelak) Series of Educational Programs

A special series of program was conducted for 5,595 students in Advance Level classes of Schools in Western and North Western Provinces enabling young people to hold opinions and express them freely, and illustrate them creatively, and to freely enjoy the rights associate d with youth, parallel to the Government’s Accelerated Development (100 days) program.
Celebration of World Youth Skills Day

It’s agreed to celebrate World Youth Skills Day on July 15th of every year as per the proposal made by Sri Lanka to unite Nations. Further, all the SAARC countries also decided to celebrate World Youth Skills Day on July 15th of every year as per the decision taken on 18th SAARC summit.

In Parallel to this day, the Small Enterprises Development Division (SEDD) of the Ministry of Youth Affairs had conducted an awareness program on Entrepreneurship for 58 trainees in Vocational Training Center at Kolonnawa of National Youth Services Council.

Implementation of Youth Exchange Program

20 youth delegates from India visited Sri Lanka on 15-07-2015 on a Youth Exchange Program conducted by the National youth Services Council. A 7 days program was arranged for them to share the knowledge and experience with their Sri Lankan counter partner who has been selected to visit India through this Youth Exchange Program.

Signing of Memorandums of Understanding

- MoU Between Sri Lanka & India

A MoU on Youth Development has been signed between the State Ministry of Youth Affairs in Sri Lanka and the Ministry of Youth Affairs and Sports in India in Parallel to the Sri Lankan visit of Indian Prime Minister on 13.03.2015.

- MoU Between Sri Lanka & Qatar

A MoU on Youth Development has been signed between the Government of Sri Lanka and the Government of Qatar on 24.03.2015. Foreign Minister of Foreign Affairs of Qatar signed the MoU on behalf of the Government of Qatar while the State Minister of Youth affairs of Sri Lanka Hon. Niroshan Perera has signed on behalf of the Government of Sri Lanka.
Commemoration of Commonwealth Day

A panel discussion was held on “Youth Rights and Young Commonwealth” based on the this Year’s theme “A Young Commonwealth” on 26.03.2015 at the auditorium of the Ministry of Skill Development & Vocational Training, in commemorating the Commonwealth Day. Around 200 young professionals were participated at this event which organized by the Youth Network of Commonwealth & Sri Lanka.

Implementation of the Youth Policy.

“A Youth Free From Drugs” Holding Drug Prevention Program

A one day workshop on the detriments of using Narcotic, Alcohol, and Cigarettes was held on 23rd July 2015 at the auditorium of National Youth Services Council, Maharagama in order to educate the contemporary young generation targeting the “Health and Well-Being” of the youth community. Nearly 800 participants including Assistant Directors, Instructors, Entrepreneurship Development Training Officers and Trainees of the institutes coming under the ministry of Youth Affairs and the Ministry of Skills Development and Vocational Training attended this Workshop.

Launching of Study Report Prepared Regarding Sexual and Reproductive Health

Under the financial contribution of United Nation Population Fund, a study survey was conducted by the Tertiary and Vocational Education Commission in order to introduce a training module regarding sexual and reproductive health to the Vocational Training Curriculum for the vocational trainees. Accordingly, the launching of the prepared survey report was taken place on 24.07.2015 at the auditorium of the Ministry of Skills Development and Vocational Training.
● Awareness Program on Health Issues Affect the Youth Community

A one day awareness workshop, on health issues that affect current youth community, was held at the auditorium of the National Youth Services Council on 25.06.2015.

200 trainees of the National Youth Services Council (NYSC), Ceylon German Technical Training Institute (CGTTI), Vocational Training Authority (VTA), National Apprentice and Industrial Training Authority (NAITA), Department of Technical Education and Training (DTET), and National Institute of Fisheries and National Engineering (NIFNE) which come under the Ministry of Youth Affairs and Ministry of Vocational Training and Skills Development Participated for this. A panel of scholars of the Health Education Bureau conducted lectures on topics such as Reproductive Health Education/Venereal Diseases, No Communicable Diseases, Good Health Habits, and Good Nourishment patterns, and Mental Personality Development at the workshop. United Nations Population Fund provided financial assistance for this workshop.

✔ Holding of the Entrepreneurship 2015 Trade Exhibition (Vyavasaya 2015)

“Entrepreneurship 2015” trade exhibition, organized by the Small Enterprises Development Division coming under the State Ministry of Youth Affairs, was successfully conducted at the Bandaranaike Memorial International Conference Hall premises from 27th to 29th March 2015.

✔ Launching of “Isuru Saviya” Program

The Small Enterprises Development Division has conducted entrepreneurship programs for repatriate workers of Sri Lanka with the intention of directing them to the business field. In parallel with this, group of the 230 persons who
returned to the island after serving in South Korea was selected, and an awareness program was held for them on 25\textsuperscript{th} June 2015 at the auditorium of the Foreign Employment Bureau, Battaramulla.

- **Conducting of Training Programs**
  A 21 day training program for the youth who wish to be entrepreneurs in future which organized by the Small Enterprises Development Division, was held on 10.06.2015 at the District office, Polonnaruwa, Small Enterprises Development Division. Further, the business promotion program conducted by the Small Enterprises Development Division was held on 4\textsuperscript{th} and 5\textsuperscript{th} June 2015 at the Nuwara Eliya District Secretariat.

- **Commemoration of International Youth Day 2015**
  The theme of the International Youth Day for the year 2015 was “Youth Civic Engagement” accordingly; the State Ministry of Youth Affairs and National Youth Services Council together with the United Nations jointly conducted an International Youth Day commemoration program under the above theme with the assistance of United Nation Sri Lanka envoys. The program was held under the patronage of community of scholars in Youth Affairs in the form of a panel discussion. Topics such as Youth and Gender, Youth Labor Rights, Reintegration of Vulnerable Youth, Youth Political Participation and Youth Volunteerism were discussed at this forum.

Nearly 150 persons including government officials, the Heads of the Departments of the United Nations, delegates of the government organization related to Youth Affairs, and representatives of diverse youth organizations participated in this occasion.

1.10 **Project Division**

The project division is responsible for the coordination, monitoring and evaluation of the foreign and local funded projects coming under the ministry and also the coordination with the Department of Project Management is another key area to the division.
Achievements

The following progresses were achieved by the project division up to 30 September 2015.

✓ **Handing over Foreign Funded Projects**

Handed over 32 numbered foreign funded projects which were implemented under the former Ministry of Economic Development to the relevant Ministries by the Cabinet decision.

✓ **Re-awakening Project (RaP)**

Completed the winding up process of Re-awakening Project and transferred vehicles and properties of the project to the relevant Institutions. All documents of the project has officially handed over to relevant Government Agents and Divisional Secretaries for sustaining the project.

✓ **Conflict Affected Region Emergency Project (CARE Project)**

Winding up process of the project is being completed. Settled the financial obligation with Asian Development Bank completely, amounting of US$ 27,650 and final accounts are prepared.

✓ **Second Community Development and Livelihood Improvement (Gemidiriya) Project**

Although, the project was winded up, it was identified that Rs. 22.45Mn of Ineligible expenditure to be settled to the World Bank. Related actions are being taken.

✓ **Western Region Magapolis Master Plan**

The project division has facilitated to design the Western Region Megapolis Master Plan and allocated Rs. 56 Mn for the Project to achieve its ultimate objective.

✓ **District Development Programmes - 2014**

Successfully settled a sum of Rs. 8,897.24 Mn bills in hand on District Development Programmes which were implemented by the former Ministry of Economic Development.
✓ **Road Carpeting Programme**

Allocated sum of Rs. 6,366.59 Mn to the relevant districts for settle the bills in hand for the Road Carpeting Programme, which was under purview of former Ministry of Economic Development. Meanwhile, Rs. 2,212.17 Mn has been allocated to relevant districts to implement of continuation of Road Carpeting Programme.

✓ **Purchasing of Machinery for the Road Carpeting Programme**

Settled as final payment of Rs. 1,804Mn to the Bank of Ceylon (BOC) for purchasing of machineries from China. This project has been directly implemented by the former Ministry of Economic Development.

1.11 **Administration Division**

**Functions**

- All institutional and administration matters related to Ministry Staff.
- Coordination of the administration activities of the institutions under purview of the Ministry
- Reply for Parliamentary Questions
- Participation of Parliamentary Consultative Committee Meetings, COOP, COPA

**Achievements**

- Handled all personal files and other matters effectively and timely
- Prepared five personal files
- Involved to issue leave, overtime, subsistence, train permits of Ministry staff and other institutions under the Ministry
- Approved 110 Festival Advance, 41 Distress Loans and 03 Property Loans
- Coordinated 700 foreign travels of the officers of the Ministry and Institutions
- Issued 47 Vehicle Permits to officers
- Managed 204 vehicles and handed over them to various Ministries and Institutions
- Coordinated the administrative matters of the Institutions coming under the Ministry
- Appointed the Chairmen and Board of Directors to the Boards under the Ministry
- Submitted all Parliamentary questions timely
- Coordinated with all Institutions in related to the Parliament.
1.12 Account and Finance Division

The total capital and recurrent allocations for this year is Rs. 4,877 Mn and 8,752 Mn respectively and financial progress is 32.8% and 74.8%. The total financial expenditure progress up to 30 September 2015 is 59.81%.

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 Estimate</th>
<th>Total Expenditure</th>
<th>Balance</th>
<th>Expenditure %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent</td>
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<td>6,549,387,530</td>
<td>2,203,518,081</td>
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<td>Capital</td>
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<td>Total</td>
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<td>8,152,613,034</td>
<td>5,477,294,402</td>
<td>59.81</td>
</tr>
</tbody>
</table>

Table 1.1: Financial summary 1

The further details for the financial progress are given in below table.

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<thead>
<tr>
<th>Description</th>
<th>2015 Estimate</th>
<th>Total Expenditure</th>
<th>Balance</th>
<th>Expenditure %</th>
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<tr>
<td>Ministers Office</td>
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<tr>
<td>Recurrent</td>
<td>56,000,000</td>
<td>25,313,084</td>
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<td>9,870,762</td>
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<td>Administration &amp; Establishment Services</td>
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<tr>
<td>Recurrent</td>
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<td>84,829,202</td>
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<td>3,741,510</td>
<td>-</td>
</tr>
<tr>
<td>Capital</td>
<td>1,605,611</td>
<td>-</td>
<td>1,605,611</td>
<td>-</td>
</tr>
<tr>
<td>Capital</td>
<td>904,704</td>
<td>-</td>
<td>904,704</td>
<td>-</td>
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<tr>
<td>Rural &amp; Regional Administration</td>
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<td></td>
<td></td>
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<tr>
<td>Recurrent</td>
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<td>Public Institutions</td>
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<tr>
<td>Recurrent</td>
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<td>Empowering Village</td>
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<tr>
<td>Capital</td>
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<td>Total</td>
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<td>8,152,613,034</td>
<td>5,477,294,402</td>
<td>59.81</td>
</tr>
</tbody>
</table>

Table 1.2: Financial summary 2
2016 – Programs

- The ministry is to be performed with the coordination of Decentralized Budget (DCB) with all districts by next year Rs. 2,250.0 Mn is allocated for DCB.
- A committee to be established to identify investment opportunities, barriers for the investors on their business, suggested policy measures which required for removing such barriers and proposing strategies achieve for increasing foreign investments.
- The World Food Programme project will be extended for 2016 and 2017 years align with national sustainable development goals. The expected total cost estimate for the project is USD 14.18Mn.
- Signing Memorandum of Understanding with other countries relevant to Youth Development
- Preparing & Implementation of National Youth Charter for the empowerment of Sri Lanka Youth
- Conducting of youth development programs on following areas
  - Awareness programs on young people’s health & wellbeing
  - TOT programs for developing physically and mentally fit young generation
  - Prevention of Non Communicable Diseases
- Celebration of National Youth Day on 23rd May
- Celebration of International Youth Day on August 12
- Progress review of the institutions coming under the Youth Affairs Division
- Staff capacity building programs
2.0 Department of National Planning

**Key Functions**

- Preparation of Long Term/ Medium Term Development Plans and the Public Investment Programmed and facilitating line agencies to prepare sectoral plans, programmers and projects
- Development of the macro economic framework and strategies
- Review economic development policies, strategies and programmers
- Appraisal of project proposals submitted by line agencies
- Provision of technical inputs for the preparation of the Capital Budget
- Preparation and updating of the Project Pipe-line
- Implementation of special tasks assigned to the Department in relation to the project planning and policy development

**Clusters of the Department**

- Agriculture and Irrigation
- Economic Infrastructure and Environment
- Industries, Plantation, Information and Communication and Technology and Research
- Health Culture, Religion, National Integration, Sports
- Education, Higher Education
- Macro Economics
- Regional Development and Social Protection
- Public Management

**Performance of the above sectors as at 30/09/2015**

<table>
<thead>
<tr>
<th>Serial Code</th>
<th>Sector</th>
<th>Project Proposals</th>
<th>Cabinet Memorandum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Project proposals received for evaluation until 30/09/2015</td>
<td>No. of Project proposals evaluated until 30/09/2015</td>
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<tr>
<td>01</td>
<td>Housing and urban Development</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>02</td>
<td>Land and Irrigation</td>
<td>05</td>
<td>05</td>
</tr>
<tr>
<td>03</td>
<td>Postal, science and technology</td>
<td>15</td>
<td>15</td>
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</table>
2015 Progress and 2016 Development Programmes

<table>
<thead>
<tr>
<th>Vote</th>
<th>Social Protection</th>
<th>06</th>
<th>06</th>
<th>05</th>
<th>05</th>
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<tr>
<td>05</td>
<td>Public Management</td>
<td>13</td>
<td>13</td>
<td>11</td>
<td>11</td>
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<tr>
<td>06</td>
<td>Transport and Roads</td>
<td>07</td>
<td>06</td>
<td>07</td>
<td>06</td>
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<tr>
<td>07</td>
<td>Power and energy</td>
<td>06</td>
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<td>01</td>
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<tr>
<td>08</td>
<td>Tourism</td>
<td>01</td>
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<td>Macro</td>
<td>-</td>
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<td>11</td>
<td>Health</td>
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<td>06</td>
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<td>Sport</td>
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<td>01</td>
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<tr>
<td>13</td>
<td>Environment and Disaster Management</td>
<td>16</td>
<td>16</td>
<td>06</td>
<td>06</td>
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<tr>
<td>14</td>
<td>Agriculture</td>
<td>06</td>
<td>05</td>
<td>04</td>
<td>01</td>
</tr>
<tr>
<td>15</td>
<td>Fishers and Livestock</td>
<td>39</td>
<td>34</td>
<td>05</td>
<td>-</td>
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<td>Plantation</td>
<td>30</td>
<td>17</td>
<td>01</td>
<td>01</td>
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<tr>
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<td>23</td>
<td>16</td>
<td>05</td>
<td>05</td>
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<tr>
<td>18</td>
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<td>08</td>
<td>07</td>
<td>02</td>
<td>02</td>
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<tr>
<td>19</td>
<td>Rural Development</td>
<td>-</td>
<td>-</td>
<td>01</td>
<td>01</td>
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<tr>
<td>20</td>
<td>Port and Navy</td>
<td>03</td>
<td>03</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>21</td>
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<td>-</td>
<td>-</td>
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<td>02</td>
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<tr>
<td>22</td>
<td>Education</td>
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<td>04</td>
<td>04</td>
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<tr>
<td>23</td>
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<td>14</td>
<td>-</td>
<td>-</td>
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<tr>
<td>24</td>
<td>Vocational Training</td>
<td>34</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 2.1: Performance of the sectors

In addition, we have the following three sections to handle the General administration financial administration and development information of the Department.

1. Center for Development Information

   This division particularly handles organization of the library, Circulation of books, inquiries & reference services and the co–ordination with the other library activities.

2. General Administration division

   This division is responsible for the human resource development and general Administration of the department.

<table>
<thead>
<tr>
<th>Vote</th>
<th>Recurrent</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Expenditure as at 30th September 2015</th>
<th>Balance Provision</th>
<th>% of Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>05</td>
<td>237-1-1-1001</td>
<td>Salaries and wages</td>
<td>27,300,000.00</td>
<td>17,536,163.16</td>
<td>9,763,836.84</td>
<td>64.24</td>
</tr>
<tr>
<td>06</td>
<td>237-1-1-1002</td>
<td>Overtime &amp; Holiday Payments</td>
<td>1,800,000.00</td>
<td>699,248.73</td>
<td>1,100,751.27</td>
<td>38.85</td>
</tr>
<tr>
<td>07</td>
<td>237-1-1-1003</td>
<td>Other Allowances</td>
<td>15,000,000.00</td>
<td>17,495,263.01</td>
<td>(2,495,263.01)</td>
<td>116.64</td>
</tr>
<tr>
<td>08</td>
<td>237-1-1-1101</td>
<td>Travelling Expenses (domestic)</td>
<td>400,000.00</td>
<td>158,866.75</td>
<td>241,133.25</td>
<td>39.72</td>
</tr>
</tbody>
</table>
## Table 2.2: Financial progress

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Recurrent Total</th>
<th>Capital Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>237-1-1-1102</td>
<td>Travelling Expenses (foreign)</td>
<td>4,500,000.00</td>
<td>2,278,593.56</td>
</tr>
<tr>
<td>237-1-1-1201</td>
<td>Stationary &amp; Office requisites</td>
<td>1,750,000.00</td>
<td>1,178,291.83</td>
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<tr>
<td>237-1-1-1202</td>
<td>Fuel</td>
<td>4,800,000.00</td>
<td>2,546,804.00</td>
</tr>
<tr>
<td>237-1-1-1203</td>
<td>Diets &amp; Uniforms</td>
<td>125,000.00</td>
<td>104,000.00</td>
</tr>
<tr>
<td>237-1-1-1301</td>
<td>Vehicles</td>
<td>4,200,000.00</td>
<td>1,815,901.11</td>
</tr>
<tr>
<td>237-1-1-1302</td>
<td>Plant &amp; Machinery</td>
<td>1,500,000.00</td>
<td>702,293.68</td>
</tr>
<tr>
<td>237-1-1-1401</td>
<td>Transport</td>
<td>2,300,000.00</td>
<td>1,480,112.00</td>
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<tr>
<td>237-1-1-1402</td>
<td>Postal &amp; Communication</td>
<td>3,000,000.00</td>
<td>1,652,484.45</td>
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<tr>
<td>237-1-1-1404</td>
<td>Rents &amp; local taxes</td>
<td>35,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>237-1-1-1405</td>
<td>Other</td>
<td>10,000,000.00</td>
<td>748,363.33</td>
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<tr>
<td>237-1-1-1506</td>
<td>Property loan interest to Public Servants</td>
<td>1,200,000.00</td>
<td>650,404.58</td>
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<tr>
<td><strong>Recurrent - Total</strong></td>
<td></td>
<td>77,910,03.00</td>
<td>49,046,790.19</td>
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<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>237-1-1-2001</td>
<td>Buildings &amp; Structures</td>
<td>10,000,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>237-1-1-2102</td>
<td>Furniture &amp; Office Equipment</td>
<td>1,000,000.00</td>
<td>522,795.50</td>
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<tr>
<td>237-1-1-2401</td>
<td>Staff Training</td>
<td>2,500,000.00</td>
<td>2,769,630.88</td>
</tr>
<tr>
<td>237-1-1-2502</td>
<td>Investments</td>
<td>300,000.00</td>
<td>4,535.00</td>
</tr>
<tr>
<td><strong>Capital - Total</strong></td>
<td></td>
<td>13,800,000.00</td>
<td>3,296,961.38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>91,710,000.00</td>
<td>52,343,751.57</td>
</tr>
</tbody>
</table>

- Additional provision of the above two votes are applied through FR.66
3.0 Department of External Resources

Functions

- Conduct consultations with development partners to identify development assistance strategies and priorities.
- Co-ordinate Annual Country Aid Programming activities of the development partners in consultation with the line Ministries/Agencies.
- Prepare project pipelines for foreign financing in consultation with the line Ministries/Agencies, National Planning Department
- Co-ordinate activities of donor missions from the fact finding stage to the appraisal stage.
- Negotiate foreign aid and make arrangements for signing of loan/grant agreements and make them effective. Activities involved;
  1. conduct loan negotiations with the development partners & lending agencies;
  2. obtain Government approval and authority for signing of agreements;
  3. sign subsidiary loan agreements with the implementing agencies; and
  4. Fulfill conditions prior to effectiveness of the loan agreements.
- Oversee implementation of donor funded projects by;
  1. coordinating activities connected with the review missions fielded by the development partners and follow-up on actions recommended;
  2. participating in Steering Committees set-up by the line Ministries to monitor implementation of foreign funded projects and reviewing implementation of projects jointly with the development partners;
- Manage foreign training opportunities provided by donors under Technical Cooperation Programmes
- Manage of Government external debt database by;
  1. maintaining a database on foreign loan/grant commitments, disbursements and repayments for various users such as line Ministries, Treasury, Central Bank and individual project offices;
  2. providing information with regard to servicing of foreign debt to the Superintendent of Public Debt, CBSL; and ,
  3. publishing information on foreign aid and foreign training placements provided by the donors

Foreign Financing

A substantial amount of public investment is essential for Sri Lanka to ensure its robust and sustainable economic growth, and external financing provides the required
resources to bridge the domestic savings-investment gap in the form of loans and grants received from multilateral and bilateral development partners. However, concessional financing options available for Sri Lanka has shown a declining trend during the past as the country is graduating to a middle income country status. In his context, steps have been taken to broaden the options for foreign financing for public investment with a proper mix of less or non concessional financing with the available concessional financing extended in the form of outright grants, credits with longer maturities and mixed credits (loans and grants combined). Poverty reduction, livelihood development, social welfare, education, health, agriculture, irrigation, housing, environment protection, economic infrastructure such as power and energy, water supply, roads, bridges, ports, ground transport and aviation are the main areas considered for foreign financing. After January 2015, steps were taken by the government to streamline the project identification procedure for foreign financing, and also to review some high – cost ongoing unsolicited projects aiming their overall cost reduction, and better implementation with proper regulatory framework, which has resulted in slowing down of disbursement targets of some foreign funded projects for 2015.

Foreign Financing Commitments from January to September, 2015

The total commitments made by the development partners and lending agencies to Sri Lanka to support the public investment program during January to September 2015 was USD 641.70 million of which project loans amounted to USD 637.20 million and grants amounted to USD 4.5 million. A details of the Agreements signed during the first 6 months of 2015 are depicted in Table 1.

Foreign Financing Disbursements from January to September, 2015

The total disbursements from commitments already made by various bilateral and multilateral development partners during January to September of 2015 was USD 938.4 million (SLRS 125,616.1 million), of which project loans accounted for USD 914.10 million, 97 percent of total disbursement and grant accounted for 24.03 million. Disbursement made during the period by each development partners are depicted in Table 2. Out of total disbursement recorded during the period of 2015, 63 percent or USD 597.7 million was financed by the bilateral development partners and 27 percent or USD 340.7 million was made by multilateral development partners. The highest amount of disbursement (USD 208.7 million) was made for the projects funded by China followed by ADB, Japan and World Bank by disbursing USD 160.3 million, USD 131.6 million and USD 115.2 million, respectively.

Committed Undisbursed Balance (CUB) and Utilization

The total undisbursed balance for foreign financing available for development projects as at September 30, 2015 was USD 7,671.20 million, of which USD 5,320.30 million or 69 percent of total undisbursed balance was available for economic infrastructure sector, which includes balance available for roads and bridges, water supply and
sewerage, power and energy sectors. The sector-wise classification of the committed undisbursed balance is demonstrated in Table 3.

**Agreements Signed during January to September, 2015**

<table>
<thead>
<tr>
<th>Development partner/ Lending Agency</th>
<th>Loan/ Grant</th>
<th>Agreement Date</th>
<th>Project</th>
<th>In signed Currency</th>
<th>Amount Committed</th>
<th>SLRS Million</th>
<th>USD Million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food and Agriculture Organization (FAO)</strong></td>
<td>Grant</td>
<td>2/25/2015</td>
<td>Agro Economic Development Project</td>
<td>CAD</td>
<td>3.00</td>
<td>320.0</td>
<td>2.40</td>
</tr>
<tr>
<td><strong>Government of Korea</strong></td>
<td></td>
<td>5/22/2015</td>
<td>Hatton-Nuwara Eliya Improvement Project</td>
<td>KRK</td>
<td>19.20</td>
<td>2,317.20</td>
<td>17.30</td>
</tr>
<tr>
<td><strong>Asian Development Bank (ADB)</strong></td>
<td>Loan</td>
<td>5/28/2015</td>
<td>Integrated Road Investment Program</td>
<td>XDR</td>
<td>6.10</td>
<td>1148.20</td>
<td>8.60</td>
</tr>
<tr>
<td><strong>Asian Development Bank (ADB)</strong></td>
<td>Loan</td>
<td>5/28/2015</td>
<td>Integrated Road Investment Program</td>
<td>USD</td>
<td>98.00</td>
<td>13,122.20</td>
<td>98.00</td>
</tr>
<tr>
<td><strong>Australia and New Zealand Bank in Australia</strong></td>
<td>EnhANCEMENT (Loan)</td>
<td>5/29/2015</td>
<td>Integrated Water Supply Scheme for the un-served areas of Ampara District</td>
<td>USD</td>
<td>7.50</td>
<td>1,004.00</td>
<td>7.50</td>
</tr>
<tr>
<td><strong>Government of Sweden</strong></td>
<td>EnhANCEMENT (Loan)</td>
<td>6/3/2015</td>
<td>Ratmalana &amp; Ja-ela Wastewater Treatment Facilities Project</td>
<td>USD</td>
<td>3.10</td>
<td>415.00</td>
<td>3.10</td>
</tr>
<tr>
<td><strong>OPEC fund for International Development</strong></td>
<td>Loan</td>
<td>6/26/2015</td>
<td>Western Province Road Development Project</td>
<td>USD</td>
<td>17.00</td>
<td>2,273.10</td>
<td>17.00</td>
</tr>
<tr>
<td><strong>OPEC fund for International Development</strong></td>
<td>Loan</td>
<td>6/26/2015</td>
<td>Badulla Chenkaladi Road Development Project</td>
<td>USD</td>
<td>60.00</td>
<td>8,022.70</td>
<td>60.00</td>
</tr>
<tr>
<td><strong>Government of Japan</strong></td>
<td>Loan</td>
<td>8/11/2015</td>
<td>National Transmission and Distribution Network Development and Efficiency Improvement Project</td>
<td>JPK</td>
<td>23,900.00</td>
<td>26,729.90</td>
<td>199.90</td>
</tr>
<tr>
<td><strong>Government of Japan</strong></td>
<td>EnhANCEMENT (Grant)</td>
<td>8/14/2015</td>
<td>Amendment to the Grant Agreement for Rehabilitation of Killinochchi Water Supply Project</td>
<td>JPK</td>
<td>248.00</td>
<td>277.40</td>
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</tr>
<tr>
<td><strong>HSBC (With Guarantee of EKF Denmark)</strong></td>
<td>Loan</td>
<td>8/14/2015</td>
<td>Establishment of Dairy Processing Plant at Badalgama</td>
<td>EUR</td>
<td>66.60</td>
<td>9932.70</td>
<td>74.20</td>
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<td><strong>Asian Development Bank(ADB)</strong></td>
<td>Loan</td>
<td>9/17/2015</td>
<td>Mahaweli Water Security Investment Programme- Tranche 1</td>
<td>XDR</td>
<td>53.60</td>
<td>10,624.10</td>
<td>75.60</td>
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<tr>
<td><strong>Asian Development Bank(ADB)</strong></td>
<td>Loan</td>
<td>9/17/2015</td>
<td>Mahaweli Water Security Investment Programme- Tranche 1</td>
<td>USD</td>
<td>76.00</td>
<td>10,688.30</td>
<td>76.00</td>
</tr>
</tbody>
</table>

**Total** | | | | | 86,874.80 | 641.70 |

*Note: The conversion rates used for the report were the exchange rates prevailed for different currencies at the date where the disbursement was made*

*Table 3.1: Agreements Signed during January to September, 2015*
### Foreign Financing Disbursements in Development Projects during January to August, 2015 by Development Partner

<table>
<thead>
<tr>
<th>Development Partner/ Lending Agency</th>
<th>Loan Rs.</th>
<th>USD</th>
<th>Grant Rs.</th>
<th>USD</th>
<th>Total Amount Rs.</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bilateral</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>27,969.3</td>
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<td>0.0</td>
<td>0.0</td>
<td>27,969.3</td>
<td>208.7</td>
</tr>
<tr>
<td>Japan</td>
<td>17,181.0</td>
<td>128.4</td>
<td>422.3</td>
<td>3.2</td>
<td>17,603.3</td>
<td>131.6</td>
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<tr>
<td>India</td>
<td>9,544.9</td>
<td>71.4</td>
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<td>0.0</td>
<td>9,544.9</td>
<td>71.4</td>
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<tr>
<td>United Kingdom</td>
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<td>41.9</td>
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<td>0.0</td>
<td>5,602.6</td>
<td>41.9</td>
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<tr>
<td>Netherlands</td>
<td>7,778.8</td>
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<td>0.0</td>
<td>7,778.8</td>
<td>58.3</td>
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<tr>
<td>South Korea</td>
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<td>15.6</td>
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<td>0.0</td>
<td>2,081.8</td>
<td>15.6</td>
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<tr>
<td>Hungry</td>
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<td>0.0</td>
<td>660.3</td>
<td>4.9</td>
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<tr>
<td>Sweden</td>
<td>285.5</td>
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<td>285.5</td>
<td>2.1</td>
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<tr>
<td>Spain</td>
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<tr>
<td>France</td>
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<td>0.0</td>
<td>909.7</td>
<td>6.6</td>
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<tr>
<td>Austria</td>
<td>687.2</td>
<td>5.1</td>
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<td>5.1</td>
</tr>
<tr>
<td>Belgium</td>
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<td>0.0</td>
<td>1,119.5</td>
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<tr>
<td>Germany</td>
<td>190.0</td>
<td>1.4</td>
<td>260.2</td>
<td>2.0</td>
<td>450.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,060.2</td>
<td>7.6</td>
<td>0.0</td>
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<td>1,060.2</td>
<td>7.6</td>
</tr>
<tr>
<td>USA</td>
<td>950.7</td>
<td>7.1</td>
<td>0.0</td>
<td>0.0</td>
<td>950.7</td>
<td>7.1</td>
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<tr>
<td>Saudi Fund</td>
<td>2,008.7</td>
<td>15.0</td>
<td>0.0</td>
<td>0.0</td>
<td>2,008.7</td>
<td>15.0</td>
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<tr>
<td><strong>Multilateral</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Asian Development Bank</td>
<td>21,276.0</td>
<td>158.7</td>
<td>206.5</td>
<td>1.6</td>
<td>21,482.5</td>
<td>160.3</td>
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<tr>
<td>World Bank - International</td>
<td>13,345.5</td>
<td>99.4</td>
<td>2,092.7</td>
<td>15.8</td>
<td>15,438.2</td>
<td>115.2</td>
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<td>Development Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Bank - International Bank</td>
<td>2,496.7</td>
<td>18.8</td>
<td>70.4</td>
<td>0.5</td>
<td>2,567.1</td>
<td>19.3</td>
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<tr>
<td>Bank for Reconstruction and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>International Fund for Agricultural</td>
<td>459.5</td>
<td>3.5</td>
<td>66.9</td>
<td>0.5</td>
<td>526.4</td>
<td>4.0</td>
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<td>Development</td>
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<td></td>
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<tr>
<td>UNDP</td>
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<td>0.0</td>
<td>20.4</td>
<td>0.2</td>
<td>20.4</td>
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<td>UNFPA</td>
<td>0.0</td>
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<td>0.0</td>
<td>4.5</td>
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<tr>
<td>UNICEF</td>
<td>0.0</td>
<td>0.0</td>
<td>82.7</td>
<td>0.6</td>
<td>82.7</td>
<td>0.6</td>
</tr>
<tr>
<td>OPEC Fund for International</td>
<td>1,535.2</td>
<td>11.5</td>
<td>0.0</td>
<td>0.0</td>
<td>1,535.2</td>
<td>11.5</td>
</tr>
<tr>
<td>Development (OFID)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>European Investment Bank</td>
<td>3,946.1</td>
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<td>0.0</td>
<td>3,946.1</td>
<td>29.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>122,389.5</strong></td>
<td><strong>914.1</strong></td>
<td><strong>3,226.6</strong></td>
<td><strong>24.4</strong></td>
<td><strong>125,616.1</strong></td>
<td><strong>938.4</strong></td>
</tr>
</tbody>
</table>

**Source:** – Department of External Resources

**Note:** 1. The conversion rates used for the report were the exchange rates prevailed for different Currencies at the date where the disbursement was made.

2. Disbursements of loans obtained by State Owned Business Enterprises (SOBEs) are not included.

*Table 3.2: Foreign Financing Disbursements in Development Projects during January to August, 2015 by Development Partner*
### Committed Undisbursed Balance by Sector as at September, 2015

<table>
<thead>
<tr>
<th>Sector</th>
<th>SLRS (Millions)</th>
<th>USD (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agriculture</strong></td>
<td>91,740.90</td>
<td>649.60</td>
</tr>
<tr>
<td>Agriculture</td>
<td>3,289.70</td>
<td>23.3</td>
</tr>
<tr>
<td>Livestock Development</td>
<td>12,036.50</td>
<td>85.2</td>
</tr>
<tr>
<td>Land &amp; Irrigation</td>
<td>76,414.70</td>
<td>541.1</td>
</tr>
<tr>
<td><strong>Economic Infrastructure</strong></td>
<td>751,415.60</td>
<td>5,320.30</td>
</tr>
<tr>
<td>Transport</td>
<td>51,367.40</td>
<td>363.7</td>
</tr>
<tr>
<td>Ports &amp; Shipping</td>
<td>16,543.00</td>
<td>117.1</td>
</tr>
<tr>
<td>Power &amp; Energy</td>
<td>122,677.90</td>
<td>868.6</td>
</tr>
<tr>
<td>Water Supply and Sewerage</td>
<td>112,206.50</td>
<td>794.5</td>
</tr>
<tr>
<td>Road and Bridges</td>
<td>448,620.80</td>
<td>3,176.40</td>
</tr>
<tr>
<td><strong>Social Infrastructure</strong></td>
<td>103,960.10</td>
<td>736.10</td>
</tr>
<tr>
<td>Education &amp; Vocational Training</td>
<td>41,332.90</td>
<td>292.7</td>
</tr>
<tr>
<td>Health &amp; Social Welfare</td>
<td>23,503.10</td>
<td>166.4</td>
</tr>
<tr>
<td>Housing &amp; Urban Development</td>
<td>37,465.40</td>
<td>265.3</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>1,658.70</td>
<td>11.7</td>
</tr>
<tr>
<td><strong>Regional &amp; Rural Development</strong></td>
<td>409.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Finance &amp; Banking</td>
<td>1,772.50</td>
<td>12.5</td>
</tr>
<tr>
<td>Institutional &amp; Industrial Development</td>
<td>3,409.70</td>
<td>24.1</td>
</tr>
<tr>
<td>Environment</td>
<td>8,874.70</td>
<td>62.8</td>
</tr>
<tr>
<td>Other</td>
<td>121,849.80</td>
<td>862.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,083,432.40</td>
<td>7,671.20</td>
</tr>
</tbody>
</table>

*Source: Department of External Resources*

*Note: Foreign loans commitments received by SOEs are not included*

#### Table 3.3: Committed Undisbursed Balance by Sector as at Sep. 2015

Out of the total commitments received for the implementation of development projects/programmes during 2015, a major portion (40%) of the fund have been committed by Asian Development Bank, followed by the Japan, OPEC and HSBC –UK which contributed 31%, 12% and 11% respectively.
The total disbursements from bilateral and multilateral development partners during January to September of 2015 was USD 938.4 million. Major portion of the fund have been disbursed by China (208.7 USD Million), followed by the ADB, Japan and IDA which contributed million 160.2, 131.6 and 115.2 respectively.
4.0 Department of Census and Statistics

The Department of Census and Statistics is the Central Government Agency which is responsible for collection and dissemination of statistical information for statistical needs of the country. The Department provides data required for national planning under subject areas such as population, housing, agriculture, industry, trade and services national accounts, price index and Prices and also responsible for collection, process, analysis and dissemination of timely credible and important data for other social activities as government statistical agency. Department also provides statistical advisory services to the external agencies through Technical Division of the department.

Summary of main tasks done by the Department during the year 2015 and proposed development programmes for the year 2016 are as follows.

Progress – 2015

- Census of Population and Housing

**Chart 4.1: Population Distribution of Sri Lanka by Districts, 2012**

14th Census of Population and Housing of Sri Lanka was Conducted successfully in 2012. After three decades, In 1981, this census was conducted covering the all island and it marked an important junction in the census history of Sri Lanka. Report contained demography and housing information based on this final census was published in the 3rd Quarter 2015 and those information have been published in the website, too.

According to this census, total population in Sri Lanka is 20.3 Mn. Out of total population; male population is 9.8 Mn. as female Population is 10.5 Mn. In comparison to the child population, working and elder population has increased. (Annexure 1)

**National Accounts of Sri Lanka**

With rebasing of 2002 based year which was used so far as 2010 for estimation of National Accounts. Improvements of calculation methodology' identification of new economic activities and suitable data sources were used. Accordingly. Estimates from 2010 to 2014 under 2010 based year were published. Instead of gross domestic production estimates from 2010 to 2014 under 2002 based year) more accuracy GDP estimates from 2010 to 2014 under 2010 based year were published.
Accordingly, Gross Domestic Product calculated under fixed market prices using 2010 based year for Sri Lanka has increased from Rs.7,846,202 to Rs. 8,195,979 from the year 2013 to 2014. This is an increase of 4.5 in comparison to year 2013. Also, chart 2 shows GDP contribution by for the year 2014 main sectors of economy.(Annexure 2)

- **Price Index**

  Colombo Censusers’ Price Index (CCPI) which is considered as official price index calculated and was published as official index for calculation of inflation from June 2011. Also, Producer’s Price Index (PPI) was introduced in second quarter of 2015. Further, in addition, department is making arrangements to introduce National Consumers’ Price Index (NCPI) in November, 2015. (Annexure 3,4)

- **Research and Special studies**

  1. Official statistics programme is being prepared using National Data committee reports relating to various subjects. The main objective of this programme is to identify and record indexes that should be prepared coming 5 years.

  11. This year, 7th SARRAC Statistical Heads meeting was held in Sri Lanka and World Statistics Day was celebrated on 2015.10.20 at National and regional level. Then, specially, arrangements were made to aware various parties about statistics literacy.

- **Training of officers**

  Local training was given to 466 officers in order to improve statistical knowledge of department staff. 82 officers participated for foreign training programmes. Two modern computer laboratories were established under KOSTAT funds to give computer training for department officers.

- **Location of new building**

  Divisions of head office operated in Colombo and suburbs occupying at rental buildings for a long time. At the beginning of the year 2015, department officers came to the new building with 11 storied situated at Battaramulla.

- **Sri Lanka Labour Force Survey**

  This Survey is carried out annually from 1990 and this survey schedule was improved in 2006. Then, information on employment, under employment literacy and household activities in the informal sector activities were published and schedule was improved in accordance with new trends in 2013, also gives detailed information on computer
literacy and secondary employment. Accordingly this survey gives quarterly and annual information continuously for 26 years by the year 2014. (Annexure 5)

✓ **Household Income and Expenditure Survey**

This survey was started in 1980/81 as labour force and Socio Economic Survey and this survey was conducted as a separate survey namely Household Income and Expenditure Survey from 1990. Up to 2006/07, this survey was done once in 05 years and after it was conducted once in 03 years. Accordingly, this survey was done in 2012/13 for the last time and report was published in the beginning of the year 2015. Measuring changes of living conditions, observation of consumer patterns and official poverty line, poverty population rate, monthly average household income and Poverty Headcount Index are calculated through information of this survey that is very important for policy formulation. (Annexure 6)

✓ **Poverty Index**

This index was prepared at divisional secretariat divisions level in 2002. After 10 years, by analyzing 2012 Census of Housing and Population and 2012/13 Household Income and Expenditure Survey data, again, poverty index was calculated at divisional secretariat divisional level. It will be easy to plan and implement poverty reducing programmes for poor families in Sri Lanka by using this index.

**Development Plan for the year 2016**

• **Demography and Health Survey 2016**

It is expected to collect information from women aged 15 -49 in the Island on women’s fertility, family planning methods, child and infant mortality as well as Health and nutrition level. Demography and health survey which is scheduled to be held in 2016 under World Bank assistance, basic plans of it is completed in the year 2015.

• **Development Plan to Prepare National Accounts**

In addition to preparation of National Accounts Estimates every year, it is planned to do following improvements.

  o Preparation of National Accounts estimates using Production, Revenue and Expenditure methods.
  o Preparation of Quarterly National Accounts Estimates using Production and Expenditure methods.
  o Preparation of Input-Output tables.
• Estimation of Provincial and National Account estimates.
• To widen surveys for collection of data for preparation of National Accounts.
  Eg: Surveys to be done to collect data on Trade, Transport, Household industry.
• To conduct awareness programmes for data providing institutions, data users, and data collectors in the fields.

- **International Comparison of Prices (ICP – 2015)**

It is a programme to collect prices for calculation of Purchasing Power Parity (PPP) of 23 countries of Asia – Pacific region and price Level index. This programme is coordinated by the Asian Development Bank. Prices of proposed goods and services for this programme should be collected from September 2015 to July 2016 and data should be submitted to the Asian Development Bank.

- **Child Activity Survey of Sri Lanka**

This survey is scheduled to be held in 2015/16 covering all island and health, education, protection of children, dangerous employments information will be collected. It is expected to cover 25,000 housing units and information on children aged 5 -17 will be collected. Financial Assistance of International Labour Organization will be received.

- **Research and Special Studies**

This census is conducted on employment of government and semi – government sectors. Then, more information collected from employees.

- **Domestic Tourism Expenditure Survey**

The Public and Semi Government Sector Employment Census will be conducted in 2016. From this survey, more information can be collected from this Census.

**Annexure 1**

**Table 1: Population, Inter-census Increase and Annual Average Growth Rate by Census Years, 1871-2012**

<table>
<thead>
<tr>
<th>Census years</th>
<th>Population</th>
<th>Inter-census Increase</th>
<th>Annual Average Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>1871</td>
<td>2,400,380</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1881</td>
<td>2,759,738</td>
<td>359,358</td>
<td>15.0</td>
</tr>
<tr>
<td>1891</td>
<td>3,007,789</td>
<td>248,051</td>
<td>9.0</td>
</tr>
<tr>
<td>1901</td>
<td>3,565,954</td>
<td>558,165</td>
<td>18.6</td>
</tr>
<tr>
<td>1911</td>
<td>4,106,350</td>
<td>540,396</td>
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</tr>
<tr>
<td>1921</td>
<td>4,498,605</td>
<td>392,255</td>
<td>9.6</td>
</tr>
<tr>
<td>1931</td>
<td>5,306,871</td>
<td>808,266</td>
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<tr>
<td>1946</td>
<td>6,657,339</td>
<td>1,350,468</td>
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<tr>
<td>1953</td>
<td>8,097,895</td>
<td>1,440,556</td>
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<tr>
<td>1963</td>
<td>10,582,064</td>
<td>2,484,169</td>
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<td>1971</td>
<td>12,689,897</td>
<td>2,107,833</td>
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<td>1981</td>
<td>14,846,750</td>
<td>2,156,853</td>
<td>17.0</td>
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<td>2001</td>
<td>18,797,257</td>
<td>3,950,507</td>
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<td>2012</td>
<td>20,359,439</td>
<td>1,562,182</td>
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Annexure 2

Table 2: Summary Indices of National Accounts

<table>
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<tr>
<th>Index</th>
<th>Base Year 2002</th>
<th>Base Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>Rate</td>
</tr>
<tr>
<td>State Revenue Rs. Mn.</td>
<td>841,463</td>
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</tr>
<tr>
<td>Tax Revenue Rs. Mn.</td>
<td>135,623</td>
<td>2</td>
</tr>
<tr>
<td>Public Debt Rs. Mn.</td>
<td>4,590,245</td>
<td>82</td>
</tr>
<tr>
<td>GDP at Current Price Rs. Mn.</td>
<td>5,604,104</td>
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</tr>
<tr>
<td>Per Capita Income US$</td>
<td>2,397</td>
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</tr>
</tbody>
</table>

Annexure 3

Table 3: Movements of Colombo Consumers’ Price Index Jan. 2014 – Sept. 2015 (Base year 2006/07=100)

<table>
<thead>
<tr>
<th>Month</th>
<th>Value of Index</th>
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<tbody>
<tr>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>January</td>
<td>177.5</td>
</tr>
<tr>
<td>February</td>
<td>177.8</td>
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<tr>
<td>March</td>
<td>177.9</td>
</tr>
<tr>
<td>April</td>
<td>178.4</td>
</tr>
<tr>
<td>May</td>
<td>179.5</td>
</tr>
<tr>
<td>June</td>
<td>181.4</td>
</tr>
<tr>
<td>July</td>
<td>183.2</td>
</tr>
<tr>
<td>August</td>
<td>182.3</td>
</tr>
<tr>
<td>September</td>
<td>181.9</td>
</tr>
<tr>
<td>October</td>
<td>179.0</td>
</tr>
<tr>
<td>November</td>
<td>179.2</td>
</tr>
<tr>
<td>December</td>
<td>180.2</td>
</tr>
</tbody>
</table>
Annexure 4

Table 4: Producer’s Price Index (Base year 2013 Q.4=100)

<table>
<thead>
<tr>
<th>Month</th>
<th>Value of Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>January</td>
<td>100.79</td>
</tr>
<tr>
<td>February</td>
<td>101.12</td>
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<tr>
<td>March</td>
<td>100.49</td>
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<tr>
<td>April</td>
<td>102.34</td>
</tr>
<tr>
<td>May</td>
<td>100.24</td>
</tr>
<tr>
<td>June</td>
<td>100.14</td>
</tr>
<tr>
<td>July</td>
<td>100.94</td>
</tr>
<tr>
<td>August</td>
<td>104.54</td>
</tr>
<tr>
<td>September</td>
<td>101.18</td>
</tr>
<tr>
<td>October</td>
<td>103.52</td>
</tr>
<tr>
<td>November</td>
<td>102.04</td>
</tr>
<tr>
<td>December</td>
<td>102.13</td>
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</tbody>
</table>

Annexure 5

Table 5: Summary Indices of Labour Force Survey, 2000 - 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour Force ('000)</th>
<th>Labour Force Participation Rate (%)</th>
<th>Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>2000</td>
<td>4,502</td>
<td>2,326</td>
<td>50.3</td>
</tr>
<tr>
<td>2001</td>
<td>4,529</td>
<td>2,244</td>
<td>48.8</td>
</tr>
<tr>
<td>2002</td>
<td>4,706</td>
<td>2,440</td>
<td>50.3</td>
</tr>
<tr>
<td>2003</td>
<td>4,782</td>
<td>2,409</td>
<td>49.7</td>
</tr>
<tr>
<td>2004</td>
<td>4,801</td>
<td>2,494</td>
<td>49.6</td>
</tr>
<tr>
<td>2005</td>
<td>4,803</td>
<td>2,509</td>
<td>49.3</td>
</tr>
<tr>
<td>2006</td>
<td>4,837</td>
<td>2,761</td>
<td>51.2</td>
</tr>
<tr>
<td>2007</td>
<td>4,863</td>
<td>2,626</td>
<td>49.8</td>
</tr>
<tr>
<td>2008</td>
<td>4,838</td>
<td>2,730</td>
<td>50.2</td>
</tr>
<tr>
<td>2009</td>
<td>4,816</td>
<td>2,757</td>
<td>49.2</td>
</tr>
<tr>
<td>2010</td>
<td>4,944</td>
<td>2,666</td>
<td>48.6</td>
</tr>
<tr>
<td>2011</td>
<td>5,605</td>
<td>2,938</td>
<td>53.0</td>
</tr>
<tr>
<td>2012</td>
<td>5,630</td>
<td>2,825</td>
<td>52.6</td>
</tr>
<tr>
<td>2013</td>
<td>5,678</td>
<td>3,124</td>
<td>53.8</td>
</tr>
<tr>
<td>2014</td>
<td>5,728</td>
<td>3,076</td>
<td>53.3</td>
</tr>
</tbody>
</table>

2. Including All Districts (2011 – 2014)
Annexure 6

Table 6: Monthly Average Household Income by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Monthly Average Household Income (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sri Lanka</td>
<td>3,549</td>
</tr>
<tr>
<td>Urban</td>
<td>6,783</td>
</tr>
<tr>
<td>Rural</td>
<td>2,724</td>
</tr>
<tr>
<td>Estate</td>
<td>2,399</td>
</tr>
</tbody>
</table>

**Note:**

* Excluding Northern and Eastern Provinces
** Excluding Northern Province & Trincomalee District
*** Excluding Mannar, Kilinochchi & Mullativu Districts
5.0 Department of Project Management and Monitoring

With the accelerated development efforts, a large number of projects and programmes that are being implemented in accordance with the investment strategy of the country required a greater focus to realize their intended benefits by timely delivery within given cost. Accordingly, the role of project management and monitoring has become significant in public financial management to ensure resources earmarked for public investments are utilized in an efficient and effective manner. In addition, facilitation for coherent and knowledgeable decision making on projects through reporting their progress is vital for timely interventions to address bottlenecks during project implementation. In order to achieve this goal, the Department of Project Management and Monitoring provides the relevant guidance and facilitation, to ensure their smooth and expeditious implementation.

Functions

- Monitoring of Development Projects and Programmes implemented on foreign and domestic resources.
- Reporting the implementation progress of the decisions taken by the Cabinet of Ministers and Sub Committee on Economic Management on development projects and programmes
- Undertaking portfolio reviews for foreign financing projects in collaboration with relevant donors.
- Certifying the achievement of Disbursement Linked Indicators of sectoral development programmes.
- Undertaking project assessments and evaluations on demand and providing feedback to the planning process.
- Publishing the performance of the development projects and programmes.
- Assisting line Ministries to achieve the targeted development results

In order to reach to entrusted tasks of development effectiveness through smooth and expeditious implementation of development projects and programmes Department plays a wider role using number of monitoring measures.
Integrated National Development Information System (INDIS); The web-based application facilitates to store all the project related data from the commencement to completion. The system is updated on monthly basis by the end users (Project Staff). It facilitates to filter project details and generate reports pertaining to the sector, ministry, province, district, donor agency, implementation agency, and project wise status etc. to fulfill the needs of the users.

The National Operations Room (NOR); which is being maintained as a major facilitation centre for development related decision making of the Government. Utilizing this facility, a number of discussions with policy makers, development planners, donors, and contractors were held through modern electronic audio visual media in view of development project monitoring.

In order to realize the entrusted tasks, this department has been organized into four clusters according to the main thematic development areas; Infrastructure, Human Resource Development, Agriculture & Irrigation, and Industry & Governance. All officers were gathered to one umbrella by having 9 general staff meetings and 22 senior staff meetings with a view to achieve the overall objectives of the department and it facilitators.

Performance: during January to September, 2015

- Monitoring of Development Projects and Programmes implemented by the various line ministries on foreign and domestic resources.

<table>
<thead>
<tr>
<th>Source of Finance</th>
<th>Rs. Million</th>
<th>Annual Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt; 500</td>
<td>50 - 500</td>
</tr>
<tr>
<td>Foreign</td>
<td>147</td>
<td>28</td>
</tr>
<tr>
<td>Local</td>
<td>156</td>
<td>321</td>
</tr>
<tr>
<td>Total</td>
<td>303</td>
<td>349</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This is one of the main activities of the Department and is being implemented throughout the year. In 2015, around 1048 small, medium and large scale development projects and programmes are being implemented under various line ministries. These projects are being reviewed on monthly and quarterly basis and timely intervened to address bottlenecks during project implementation by coordinating and facilitating for discussions and directing them to the decision makers’ attention. In addition, with the assistance of integrated web based monitoring system, improvement in disbursement of funds, frequent reviews with donor agencies as well as at site monitoring in last nine months were instrumental to get project implementation on track. Besides the above, the Department facilitates to sector review sessions, and progress review meetings with relevant line ministries, development partners, project staff and relevant implementing agencies to facilitate resolving the implementation issues.
The department was able to successfully face the challenge of obtaining monthly progress reports even with the changes made at the beginning of the Year 2015 with regard to ministry portfolios, ownership of projects as well as complexities in cash flow situation. Continuous facilitation and giving inputs in decision making by this Department at different level through participating in 17 project Steering Committees and 38 Progress Review Committees in line ministries in 2015 have help to improve the project readiness, expedites procurement documentation process, and resolved inter-agency issues with regard to projects. The progress on projects was prepared in quarterly and Midterm reports and published them in the Departmental Web page www.pmm.gov.lk .

- **Reviewing and reporting of Government 100 Day programme**

This was a new task assigned to the Department with effect from 2015.02.02. Accordingly, implementation progress of the Government 100 day Programme from 2015.02.02 to 2015.04.23 was monitored and reported weekly, to the High Level Monitoring Committee appointed under the Office of the Prime Minister to make policy decisions. The final report of the first quarter has been published on the Department webpage. The second quarter report has also prepared and submitted to Office of the Prime Ministers.

- **Reporting the implementation progress of the decisions taken by the Cabinet of Ministers and Sub Committee on Economic Affairs on development projects and programmes**

This task was assigned to the Department with effect on 01st of June on a Cabinet Decision. Accordingly, progress of the implementation of Economic Sub Committee Decisions by line ministries were monitored and reported to the Committee since 2015.05.19. So far 16 weekly reports and three monthly reports have been submitted facilitating the Cabinet of Ministers in coherent and knowledgeable decision making and Sub Committee in making recommendations. Accordingly, projects which were lagging in different stages of project management cycle due to unsettled issues were brought forward clearing obstacles.

- **Monitoring the progress of the Budget Proposals – 2014**

The implementation progress of the 2014 Budget Proposals was reviewed in March as planned and the status of the proposal was reported facilitating the decision making process.

- **Certifying the achievement of Disbursement Linked Indicators (DLI) of the Health Sector in order to obtain the funds**

Collaborative discussions with the relevant stakeholders were held to review the progress of achieving the DLI of Health Sector Development Programme by quarterly, facilitating the certification of the annual achievements. The quarterly progress was reported to the World Bank with the consent of External Resource Department in timely enabling the Bank to secure next loan tranche to the Country for the coming
Progress review of this process will be carried out throughout the year and the final report will be prepared within the 1st quarter to expedite and smooth processing.

- **Undertaking portfolio reviews for foreign financing projects in collaboration with relevant donors**

Progress of 17 GOSL/ADB co-funded development projects and 20 GOSL/JICA funded development projects were reviewed in collaboration with Donors, Project Directors, Treasury Officials and officials of relevant line Ministries in order to identify the implementation issues and disbursement problems. Follow up action reviews were also carried out with the intention of facilitating to implement the decisions taken at the said reviews ensuring smooth implementation. Outstanding issues were brought to the Decision makers’ attention for effective managing.

- **Undertaking project assessments and evaluations on demand and providing feedback to the planning process.**

As per the request of the policy makers, an assessment was carried out to observe the impact of the Nutrition Food Pack Programme which was implemented under the 100 Day program with an aim to increase the nutritional standards of the pregnant and lactating mothers island wide. The result was delivered and preliminary evaluation is also being carried out to make recommendations for future improvements of the programme.

- **Assisting line ministries to achieve the targeted development results through the strengthened monitoring and evaluation base.**

Need assessment was carried out to upgrade the performance of officials who are engaged in project management in line ministries as well as the Department. Accordingly, 02 workshops and training sessions were conducted for them to refresh and update their knowledge in the project monitoring methodologies and thereby achieving the expected project results.

**Proposed Development Programme-2016**

As the apex body for national level monitoring, Department of Project Management and Monitoring (DPMM) is planned to implement number of important programmes in year 2016.

**Monitoring of all projects and programmes** both the foreign and domestic funded with a view to realize their intended benefits by timely deliver with given cost. It is fact that most of the foreign and domestic funded projects are lagging behind and weaken in delivering expected benefits to the society, delay in completion, unrealistic cost escalations and deterioration of the quality of outputs and outcomes due to various reasons, identifying and facilitating to rectify them is essential for smooth functioning as well as the Government in reaching the expected targets. DPMM will play a key role in reviving, reporting, coordinating and taking steps to direct the
outstanding problems and issues encountered by the projects for the attention of the concerned parties in solving and resolving.

**Evaluation of the projects on demand** is also planned for the year 2016 by DPMM as Execution Agency, Implementing Authority, Donor Community are willing to know whether the expected outcomes and impacts could be achieved by implementing such projects. Accordingly, three evaluations are scheduled to be undertaken in 2016.

**Monitoring of the implementation of Cabinet Decision with regard to Projects and Programme** is a newest function assigned to the Department and also be continued in 2016. Implementation of the Cabinet decision is basically requires contribution of different stakeholder at various level in a coordinating manner. The Department will facilitate in the decision making process by identifying bottlenecks and the implementation delays in the process in consultation with relevant stakeholders and reporting them to the Sub Committee on Economic Affairs by weekly/fortnightly depend on the nature of the Decision.

**Monitoring of the implementation of the decisions taken by the Cabinet sub Committee on Economic Affairs** is also one of major programmes to be implemented by the DPMM in 2016. In order to see the expeditious result of the respective decisions taken by the above Committee is indispensable in timely manner as most of the decisions are directly related to the community requirement. In this stance, DPMM facilitation by bringing the implementation delays to the notice of the Sub Committee speeds up the process as well as clears the holdups.

**Guiding the line Ministries towards result based planning and implementation in order to achieve the key performance indicators (KPIs)** is also another important task to be carried out by the DPMM in the year 2016. Problems with regards to measuring the performance made by the development partners expected to be addressed through this exercise.

**Strengthening of the monitoring cells in the line Ministries** through create awareness and conducting effective training programmes is also another programme which will be implementing by the DPMM in 2016. Monitoring mechanism of the development programmes and projects by the line ministries themselves is needed to be enhanced to timely and effective implementation of the planned programmes.
6.0 Central Bank of Sri Lanka

Major Functions:
- Core business areas –
  - Economic and price stability
  - Financial system stability
- Agency services on behalf of the government –
  - Public debt management
  - Foreign exchange management
  - Regional development
  - Employees’ provident fund management
- Currency issue and management
- Risk management and compliance activities
- Corporate services

Performance 2015:

Economic and price stability
- CBSL announced the desired path for monetary expansion and inflation at the beginning of the year and closely monitored the macroeconomic developments to maintain economic and price stability.
- The CBSL maintained an accommodative monetary policy stance throughout the year with policy rates being lowered to 6.00% (Standing Deposit Facility Rate) and 7.50% (Standing Lending Facility Rate) respectively in April, 2015. Further easing of the monetary policy stance was to support the growth momentum.
- The impact of the sharp downward adjustments to administratively determined prices at end 2014 and the beginning of 2015, improved domestic supply conditions, favourable global commodity prices and subdued inflation expectations supported the maintenance of headline inflation at below mid-single digit levels.
- CBSL developed several models to improve the forecasting of key macroeconomic variables. Indicator based GDP forecasting models were also improved by using indices developed through the Business Outlook Survey, Credit Conditions Survey and Purchasing Managers’ Index Survey. Steps were taken to compile indices that would act as leading indicators in monetary policy decision making.
During 2015, the CBSL continued to monitor and assess external sector developments and recommend appropriate policy measures in order to maintain external sector stability. The CBSL allowed market forces to determine exchange rates in September 2015 as a major step towards improving external sector stability and to bring the value of the Sri Lankan rupee in line with market fundamentals. The resulting depreciation of the exchange rate is expected to enhance exports while curtailing non-essential imports, thereby having a favourable impact on the trade balance.

- CBSL also extended the currency swap agreement with the Reserve Bank of India in September 2015 with a view to enhancing the level of official reserves and stabilising the exchange rate.

**Financial system stability**

The financial sector remained sound and robust and continued to support the expansion of domestic economic activity. CBSL ensured maintenance of system stability through macroprudential and microprudential surveillance, regulation and supervision.
Satisfactory levels of liquidity and capital levels were retained by the banking sector making the system resilient to risk. The total Capital Adequacy Ratio (CAR) was at 16% and Net Non-Performing Loans (NPL) 2.7% as at end June 2015. The supervisory framework was strengthened with a more risk based approach and a consultation paper on implementation of Basel III capital and leverage standards was issued to the industry for its observations.

Non-Bank Financial Sector also remained strong and robust with adequate liquidity and capital adequacy levels. A new rule on Annual License Fees for LFCs was issued.

Expanding and enhancing retail payment systems Common ATM Switch (CAS), Common Electronic Fund Transfer Switch (CEFT) and the Shared Services Switch were implemented under the Common Card and Payment Switch (CCAPS).

**Agency Services on Behalf of the Government**

Public debt management

Governments financing needs were met at the lowest possible cost, while managing the debt stocks at a prudent level of risk. A 10-year International Sovereign Bond was issued and the benchmark yield curve was activated by conducting 18 Treasury bond auctions with medium to long maturities. Further, initial steps were taken to set up the Central Counter Party system.
Foreign Exchange Management

Steps were taken to further liberalise exchange controls to facilitate foreign exchange transactions supporting growing economic activities. Action was also taken with regard to resolution of non-compliance through the conduct of investigations and litigation in respect of violations.

Regional Development

- In order to ensure increased flow of credit and information to the Micro Medium and Small Enterprises (MSME) sector and to assist in balanced growth, RDD has been engaging in the conduct of awareness programmes and in the implementation of a number of credit schemes. Measures were taken to enhance financial inclusion with the assistance of commercial and specialised banks. Interest subsidy loan schemes and donor funded loan schemes were continued and credit guarantees for several loan schemes were provided.
- The CBSL also took steps to establish provincial level departments during 2015 in order to further the Bank’s regional outreach. Further, a Department of Supervision of Microfinance Institutions was established to supervise microfinance activities under the proposed Microfinance Act.
- Acting as the branch office of the CBSL in Regional level, the regional offices (ROs) continued to facilitate the core activities of the Bank (EPF, Currency re-circulation etc).
- The ROs were able to conduct several workshops, seminars and awareness programmes to educate the public on the economy, CBSL credit schemes, skills development, financial literacy etc.

Employees’ Provident Fund Management

CBSL ensured that the Employees’ Provident Fund is managed effectively to offer the optimum return and retirement benefit to members even amidst highly volatile market conditions. Many initiatives were taken during the government’s 100 day programme including establishing EPF counters at the regional offices to expand operations; establishing a system to collect member contributions through commercial banks; and introducing an SMS alert facility was to track refund status and housing loan status by members.
Currency Issue and Management

- CBSL continued to issue currency notes and coins to meet public demand, arranged currency printing and minting of coins, conducted public awareness programs to improve currency usage practices and continued to assist law enforcement authorities to deal with instances of violations of the provisions in the Monetary Law Act with respect to the legal tender.

- CBSL also took steps to conduct public awareness through educating the public on security features of currency notes, the clean note policy and preventing the willful defacement and mutilation of currency notes.

Risk management and compliance activities

A Risk Management Department and a Legal and Compliance Department were established during 2015 with a view to strengthening the risk management function and governance and compliance of the CBSL.

Proposed Development Programs – 2016

Economic and price stability

- CBSL is in the process of developing economic models for Sri Lanka for better macroeconomic analysis and informed economic policy decision making. This programme is expected to be finalised and forecasts presented to the Monetary Board during 2016. Macroeconomic modeling will be improved through the application of a Dynamic Stochastic General Equilibrium (DSGE) Model.

- During 2016, CBSL also plans to conduct a Public and External Debt Sustainability Analysis for Sri Lanka to better detect, prevent and resolve potential crises.

- The CBSL is also taking steps towards improving the coverage of 3 of its surveys by increasing the number of respondents and conducting them at regional levels with the assistance of regional offices.

- In the area of foreign reserves management, the CBSL plans to develop a model for Strategic Asset Allocation by obtaining the services and technical assistance from the World Bank and Bank for International Settlements.

Financial System Stability

- The financial system is expanding and becoming increasingly more complex and interconnected. This will demand stronger regulatory and supervisory mechanisms in line with international standards and best practices which will be the key focus of CBSL for year 2016. New supervisory approaches such as risk based supervision, consolidated supervision, new accounting standards in line with IFRS are expected to be introduced to strengthen the regulatory framework.

- Supervision function will be further strengthened to enhance consumer protection and to combat unethical, unauthorised business practises.
Further, full implementation of the Common Card and Payment Switch (CCAPS) is to be completed with the introduction of the Common Mobile Switch and the Common POS Switch.

Agency Services on Behalf of the Government

Public debt management

CBSL plans to formulate and implement a sound debt management strategy with new approaches such as buy-back arrangements and issue index linked bonds to effectively manage the debt portfolio during 2016. An electronic trading platform is proposed to be established for government securities to improve price transparency and greater participation by the public.

Foreign Exchange Management

Exchange controls are to be further relaxed and liberalised with a view to improving investor confidence and to create an investor friendly environment.

Regional Development

The CBSL plans to implement a comprehensive National Strategy for Financial Inclusion to improve access to financial services. CBSL has identified that small and medium scale entrepreneurs face challenges due to insufficient collateral to access financial services, information asymmetry and facing market challenges. To combat these challenges the CBSL will look into the possibility of setting up community based multi-stakeholder business enterprises which enables the promotion of commercial scale organic agriculture and other green business enterprises.

Employees’ Provident Fund Management

CBSL aims to generate high risk adjusted returns to the fund during 2016 with investments made in new markets and asset classes and by improving the risk management framework of the fund. The operations of the department are to be revisited to enhance the efficiency and effectiveness of service delivery.

Currency Issue and Management

- During 2016 the CBSL plans to design a new currency notes series with enhanced security features and durability. CBSL also plans to initiate issuance of coins to the public through regional offices to ensure that there is no shortage of currency.
- During 2016, CBSL will also be looking into the feasibility of setting up a Cash Centre to improve currency management and operations.

Risk management and compliance activities

- Risk Management Department is developing a suitable risk management framework to mitigate risk pertaining to the various functions of the CBSL. The Legal and Compliance Department will focus its efforts on providing legal input at the level of policy formulation and ensuring integrity of the CBSL in all legal and procedural aspects.
7.0 Institute of Policy Studies

About IPS

The Institute of Policy Studies of Sri Lanka (IPS) is an autonomous institution that aims to promote policy-oriented economic research and to strengthen the capacity for medium term policy analysis in Sri Lanka. Today, the IPS has established itself as the foremost economic policy research institute in the country, with regional recognition for excellence in economic policy research.

Our Research

The substantive focus of IPS's research programme is to provide an integrated analysis of medium to long term development challenges facing Sri Lanka, in order to meet the fundamental policy objectives of sustainable growth, equity and poverty alleviation, to inform our stakeholders and shape policy agendas to positively impact the lives of all Sri Lankans.

IPS Research is organized around 8 research areas, focusing on 6 thematic issues at present.

- Macroeconomic Policy
- International Economic Policy
- Labour, Employment, and Human Resources Development Policy
- Industry, Competitiveness and Regulatory Policy
- Poverty and Social Welfare Policy
- Agricultural Economic Policy
- Environmental Economic Policy
- Health Economic Policy

Thematic Areas

- Policy Efficiency & Competitiveness
- Migration & Development
- Human Resources for Sustained Development
- Private Sector Development
- Poverty & Vulnerability
- Environment, Natural Resources & Agriculture
Progress Activities - 2015

**January**

IPS conducted a Stakeholder Consultation Meeting to discuss preliminary findings of a study carried out together with South Asia Watch on Trade, Economics and Environment (SAWTEE) on ‘Trade and Transport Facilitation in Sri Lanka’.

IPS held a Multi-Stakeholder Workshop on Low Carbon Technology Renovation and Climate Technology Centre Network (CTCN). The event was conducted as a part of a study carried out to evaluate the progress and identify follow-up actions to the country study on the Technology Need Assessment (TNA) in Sri Lanka.

**February**

IPS held a national consultation meeting on ‘Products with Regional Trade Potential and Associated Non-tariff Barriers, with special focus on Women Owned and Led Micro, Small and Medium Enterprises (WMSMEs).

**March**

A seminar on South Asian Regional Economic Cooperation was held at the IPS Premises, where Dr. Sanjaya Kathuria, Lead Economist on Regional Integration at the World Bank’s South Asia Regional Cooperation and Integration Unit, Washington, D.C., conducted a presentation on ‘Regional Integration in South Asia: The World Bank’s Approach’.

The Millennium Development Goals (MDG) Country Report 2014 was launched in Colombo, under the patronage of Deputy Minister of Policy Planning and Economic Affairs, Dr. Harsha De Silva. The report was compiled by IPS together with the Government of Sri Lanka and the United Nations.

The Indian External Affairs Ministry Junior Diplomats visited the IPS to obtain a Sri Lankan perspective of the India – Sri Lanka Economic Relations. The delegation was coordinated by Kartik Pande, First Secretary – Economic & Commercial Wing, High Commission of India Colombo. IPS Executive Director, Dr. Saman Kelegama, provided a briefing on the topic which was followed by a lively question and answer session.

The IPS, together with the Consumer Affair Authority of Sri Lanka and Consumer International, recently organized a forum in Colombo to mark the World Consumer Rights Day 2015 under the theme ‘Healthy Diets’.
A Dialogue was held on China’s efforts to revive the Maritime Silk Road (MSR), which is expected to enhance connectivity and promote mutual development among the countries from the Far East to the Indian Ocean to Africa.

April

IPS Executive Director, Dr. Saman Kelegama was a speaker at the session on ‘Regional Development Cooperation and Partnerships’ at the Asia-Pacific High-Level Consultation on Financing for Development Organized by the UN-ESCAP, ADB, ADBI and the Government of Indonesia.

May

A Workshop on ‘Post-Bali Issues and Preparation for the 10th WTO Ministerial Conference: A South Asia Perspective’, organized by the Commonwealth Secretariat, Consumer Unity & Trust Society (CUTS) International and the IPS was held in Colombo.

The 2015 edition of the Economic and Social Survey of Asia and the Pacific (ESCAP) was launched at the IPS Auditorium in Colombo, under the patronage of the State Minister of Finance Mahinda Samarasinghe. The event was organized by the IPS together with the United Nations Information Centre, (UNIC) Colombo.

A Forum on ‘Food and Agriculture: Rural and Urban Innovations’ organized by DuPont was live streamed on the 19th May at the IPS conference room in Colombo.

June

Dr. H. N. Thenuwara, Visiting Professor at Iowa University, USA and former Head of the Economic Research Department, Central Bank of Sri Lanka made a presentation on the topic: ‘The Passage to Riches: Story of Growth and Development’ at a seminar held at the IPS.

Secretary-General of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Sumith Nakandala, visited the IPS on 18th June 2015 to discuss the forthcoming BIMSTEC Think Tanks Network (BTTN) meeting in Bangkok, Thailand. BIMSTEC will soon be moving towards a FTA to strengthen the on-going sectoral cooperation projects.

July

IPS together with the International Food Policy Research Institute (IFPRI) conducted a national consultation workshop on ‘Key Challenges and Opportunities for Food Security Policies in Sri Lanka’. The main objective was to facilitate a dialogue between key stakeholders in order to identify key challenges and opportunities for
food security in Sri Lanka and provide the basis for the formation of a successful food security policy framework for the country.

**September**

The World Tourism Day 2015 was marked under the theme ‘The World Tourism - One Billion Tourists, One Billion Opportunities’. IPS Executive Director, Dr. Saman Kelegama delivered the keynote address.

**Note 1**

Total project value of Rs.10.7mn of SANDEE workshop has been taken to project income at the estimation stage. However, the institute was only a facilitator for this event and income generated from the project represents the fees collected. The Revenue loss due to this was Rs.9.9mn. (Rs.7.4mn for nine months).

The institute expected to create new projects amounting to Rs.14.6mn in 2015. However due to various unstable Conditions in the country, new projects did not turn up as expected. The revenue loss due to this was Rs.10.9mn (Rs.7.2mn for nine months).

**Note 2**

Represents the cost reduction in seminars and workshops. The drop is due to the absence of externally funded revenue generating events., expense drop is supported by the revenue loss.

**Note 3**

Mainly represents the drop in utilities and maintenance expenditure due to the price reduction in Electricity bills and Fuel cost.

**Projects carried forward to year 2016**

- A study of Supply and Price behavior Relating to Selected Crops and Livestock Products in Sri Lanka
- Living Wage for the plantation sector
- Value Chain Analysis of Migration Cost
- Social Protection in Sri Lanka: A household level analysis
- National Level Implications of Implementation of SDGs
- Food-Based Safety Net Programs: Cross Country Implementation, Evolution and Learning: Case Study on Sri Lanka
- Global Competitiveness Report 2015/16
- Regional Training Workshop on Trade in Services
New Projects / Project proposal submitted and expected to be drawn in 2016

Bridging the Climate Information and Communication Gaps for Effective Adaptation Decisions: A Model of Integrated Climate Information Management

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>127,600,000</td>
<td>95,700,000</td>
<td>77,074,800</td>
<td>(18,625,200)</td>
<td>1</td>
</tr>
<tr>
<td>Total expenses</td>
<td>126,640,000</td>
<td>94,980,000</td>
<td>89,955,569</td>
<td>(5,024,431)</td>
<td></td>
</tr>
<tr>
<td>Project Related Direct Cost</td>
<td>11,175,000</td>
<td>8,381,250</td>
<td>6,651,136</td>
<td>(1,730,114)</td>
<td>2</td>
</tr>
<tr>
<td>Administration Cost</td>
<td>115,465,000</td>
<td>86,598,750</td>
<td>83,304,433</td>
<td>(3,294,317)</td>
<td>3</td>
</tr>
<tr>
<td>Surplus</td>
<td>960,000</td>
<td>720,000</td>
<td>(12,880,769)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7.1: Financial Progress
8.0 Securities and Exchange Commission of Sri Lanka (SEC)

**Main Functions of the SEC**

- Review and propose amendments to the SEC Act and other related laws and rules
- Issue directives to regulates and Listed Public Companies
- Administer the Takeovers and Mergers Code
- Implement enforcement action against wrong doers for violation of securities laws, regulations and rules
- Review market disclosures and other information that listed companies are required to disseminate to the public to reduce asymmetry of information
- Conduct a Financial Reporting Surveillance Programme aimed at improving the quality of the financial reporting of the listed companies
- Grant licences / registrations to the Stock Exchange, Stock Broking Companies, Stock Dealing Companies, Unit Trust Managing Companies and Market Intermediaries (Investment Manager, Margin Provider, Underwriter, Credit Rating Agency and Clearing House)
- Supervise market participants to ensure financial viability and business conduct to safeguard investors
- Monitor trading activities to detect and prevent any transactions or trades that violate the SEC Act
- Conduct investigations relating to any suspected/alleged irregularity in terms of the SEC Act and/or Rules and Regulations to ascertain whether there exists evidence to institute legal action
- Facilitate capital market development initiatives
- Impart knowledge and awareness on the capital market across all sections of society
- Provide professional education and training in order to enhance knowledge and skill levels of market professionals

**Performance - 2015**

✓ **Regulation**

A gap analysis of the Institution was carried out and the shortcomings of the institution were indentified. At present remedial action is being taken.
New SEC Act;

In 2015 the Commission appointed a special review committee headed by Mr. K. Kanag- Isvaran P.C to study the draft amendments proposed in 2013 and to prepare same according to the drafting conventions followed in Sri Lanka.

The committee has reviewed Part I, II and III of the proposed amendments and is currently reviewing Part IV of the proposed amendments. The new Act will align our regulatory framework with International Organisation of Securities Commissions Standards.

New Takeovers and Mergers Code;

The draft of the new Takeovers and Mergers Code was prepared under the guidance and direction of Justice Saleem Marfsoof and was referred for public consultation. The comments received are currently being studied prior to the adoption of the final draft by the Commission.

Review of Listing Rules and Stock Broker Rules of the CSE

Listing Rules and Stock Broker Rules are being currently reviewed. A special review was done on Book Building Rules and all standards required to be met to be compatible with International best practices.

Demutualization of the CSE

The SEC is in the process of converting the CSE from a mutual company owned by its members into a company owned by shareholders in order to increase efficiency. The progress of this is as follows

- The Legal Draftsman has forwarded the draft Bill to the Ministry of Finance and Planning in February 2014.
- The Attorney General has issued a certificate of conformity with the constitution to the Ministry of Finance and Planning in July 2014.
- The final decision on the value allocation of the exchange to be decided and agreed upon between the CSE and the SEC.

Licensing/Registration and Supervision of Market Participants

Details of licensing/registration of market participants and on-site examinations and off-site reviews in respect of Stock Broking Companies and other Market
Intermediaries during the period of 1st January 2015 to 30th September 2015 are stated below.

<table>
<thead>
<tr>
<th>Intermediaries</th>
<th>Total no. of on-site visits</th>
<th>Total no. of off-site reviews</th>
<th>Renewals</th>
<th>New License</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Brokers &amp; Debt Broker</td>
<td>6</td>
<td>575</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Stock Dealers &amp; Debt Dealer</td>
<td>4</td>
<td>**</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Margin Providers</td>
<td>18</td>
<td>288</td>
<td>24</td>
<td>-</td>
</tr>
<tr>
<td>Investment Managers</td>
<td>22</td>
<td>111</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>Credit Rating Agencies</td>
<td>3</td>
<td>24</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Underwriters</td>
<td>-</td>
<td>9</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Clearing House</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Unit Trusts</td>
<td>-</td>
<td>658</td>
<td>-</td>
<td>5 Funds</td>
</tr>
<tr>
<td>Unit Trust Managing Companies</td>
<td>8</td>
<td>126</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>1,794</strong></td>
<td><strong>79</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

Table 8.1: Details of licensing/registration of market participants

1 Monthly Statements & Compliance Reports
2 ** Financial information pertaining to Stock/debt dealer is also included in the monthly statements obtained for stock/debt brokers. Those information are reviewed together with stock/debt broker information.

**Summary of Compliance Reviews and Approvals**

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan-Mar</th>
<th>Apr-Jun</th>
<th>Jul-Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of disclosed Financials completed</td>
<td>20</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Letter of comments based on reviews</td>
<td>15</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Capital Market related complaints resolved</td>
<td>10</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Review of fund raising via capital market proposals</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approvals of private placements under Section 5.4</td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Review of TOM code valuation reports</td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Off the floor transfer approvals</td>
<td>128</td>
<td>149</td>
<td>225</td>
</tr>
<tr>
<td>Approvals under Section 29 (A)^1</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Approvals under Section 28 (A)^2</td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Table 8.2: Summary of Compliance Reviews and Approvals

1 Applications relating to issuance of unlisted securities by listed companies
2 All public companies seeking listings on the CSE are not allowed to list shares which have been allotted to any person within a period of one year prior to its listing on an Exchange, unless the prior written approval.
Administration of the Takeovers and Mergers Code

Administered mandatory offers in respect of 3 listed companies

Investigations

- Capital market malpractices which occurred between 2010 – 2012 were thoroughly re-examined by the Commission and 6 cases were identified for further investigations and possible enforcement action. Work on these cases is in progress.

- One investigation report pertaining to an investigation into a complaint made against a stockbroking firm recommending enforcement action was tabled at the Commission Meeting held in March 2015

- Two other reports on preliminary inquiries that were conducted were circulated amongst the Members of the Investigations Committee in April and May 2015

- Another investigation report recommending enforcement action was deliberated at the Meeting of the Investigations Committee which was held in October and the report pertaining to same will be tabled at the Commission Meeting to be held in November 2015

- Two investigation reports on completed investigations are to be circulated amongst the Members of the Investigations Committee to be deliberated thereat.

- Another investigation report on a completed investigation is being compiled

- The advice of the Hon Attorney General was solicited last year regarding institution of legal action pertaining to certain individuals in three other investigations. Such advice is awaited in order to institute legal action

Surveillance

The surveillance arm of the SEC was revamped in May 2015. During the year the SEC streamlined certain surveillance measures whilst attempting to detect market abuses/adverse situations and pursuing appropriate proactive action to minimize potential negative impact on the market. The SEC is cooperating with other institutions/ bodies such as FCID, CID and AG’S Department with regard to surveillance and investigation matters.
Professional Programmes and Examinations

The SEC plays an important role in nurturing a pool of competent and knowledgeable market professionals by delivering licensing examinations, financial literacy programmes for various audiences as well as continuous learning opportunities for professionals in the securities industry;

<table>
<thead>
<tr>
<th>Programme Name</th>
<th>Number of Programmes</th>
<th>Number of Students Registered for the Programme</th>
<th>Number of Examinations Conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma in Capital Markets Programme (DCM)</td>
<td>1</td>
<td>33</td>
<td>65</td>
</tr>
<tr>
<td>Certificate in Capital Markets Programme (CCM)</td>
<td>3</td>
<td>93</td>
<td>11</td>
</tr>
<tr>
<td>Registered Investment Advisor Licensing Programme (RIA)</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Certificate Programme in Unit Trust (CPUT)</td>
<td>1</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Advance Program in Investing (API)</td>
<td>1</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td>Programme in Investing (PI)</td>
<td>1</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>Continuous Professional Development Programme (CPD)</td>
<td>5</td>
<td>906</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 8.3: Professional Programmes and Examinations

Investor Education Programmes

We initiate financial literacy programmes for existing investors as well as investors who lack financial sophistication and target different categories of investors.

<table>
<thead>
<tr>
<th>Programme Name</th>
<th>Conducted Number of Programmes</th>
<th>Participated Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Programmes</td>
<td>45</td>
<td>7,004</td>
</tr>
<tr>
<td>University Programmes</td>
<td>20</td>
<td>1,821</td>
</tr>
<tr>
<td>Teacher Training Programmes</td>
<td>58</td>
<td>3,263</td>
</tr>
<tr>
<td>Other Programmes</td>
<td>9</td>
<td>470</td>
</tr>
<tr>
<td>Total</td>
<td>132</td>
<td>12,558</td>
</tr>
</tbody>
</table>

Table 8.4: Investor Education Programmes
Capital Market Development Initiatives

Establishment of a Central Counter Party for the CSE

The SEC together with the CSE embarked on an initiative to set up a clearing house acting as a central counterparty, as necessary market infrastructure for the development of the capital markets.

Presently the Consultants to the project have completed the preparation of the inception report drawing out the business and operational model. The Commission has approved the inception report and has consented to the commencement of the phase two of the project to design the legal and regulatory framework.

Introduction of New Products

Real Estate Investment Trusts (REITs)

Conducted a study on Real Estate Investment Trusts (REITs) to facilitate the introduction of the same to Sri Lankan market including the following;

- A comparison of key attributes pertaining to REITS including regulatory framework, capital requirement, structure, listing requirements, investment strategy, permissible investments, key restrictions on investments, tax and distribution treatments available in Singapore, Malaysia, Hong Kong and India;
- Framework for introducing REITs to Sri Lanka including salient features and proposed tax concessions.

Proposed Development Programmes – 2016

It is envisaged that important initiatives which commenced in the year 2015 will be completed in 2016. These initiatives include the amendments to the SEC Act, Demutualization of the CSE and strengthening Risk Management systems (RMS, CCP, DVP Risk based capital/supervision, broker back office).

Conducting an International Organization of Securities Commissions (IOSCO) country assessment is also in the pipeline in the early part of 2016. The aim of this Review will be to evaluate the status of implementation of IOSCO's Principles and to recommend a road map to address any gaps in implementation.
Taking into consideration the importance of the Surveillance function in discharging its mandate, the SEC is exploring the possibility of procuring a new Market Surveillance system.

A live television series focused on imparting knowledge on investing in the capital market to existing investors and potential investors in an easy to understand manner will also be conducted early next year.

In addition the SEC will also concentrate on developing the Corporate Debt market to supplement the banking system to support the long term capital requirement of the corporate sector and Unit Trusts as a retail product available for unsophisticated investors.
9.0 Credit Information Bureau (CRIB)

CRIB was formed in 1990 by an Act of Parliament. Its main objective is to assist the approved lending institutions to mitigate their credit risks thereby safeguarding the depositors funds that they lend. The Bureau currently holds the credit information of nearly 6 Million Borrowers.

Apart from the issue of credit reports CRIB was entrusted with the task of maintaining the Secured Transactions Registry formed by another Act in Parliament for credit strapped small & medium businesses. The Secured Transactions Register (or the Movable Assets Register) comes as a support initiative that facilitates lending possibilities against movable assets. A primary problem faced by our SMEs is the non-availability of assets accepted by Banks as collateral for credit. In Sri Lanka, access to secured bank lending is mainly possible by offering fixed assets such as Land and Buildings as collateral while movable assets which are readily available with SMEs is locked as ‘Dead Capital’. A fully operational STR is designed to change this concept and take credit to the interior of this country.

Financial information for the nine months ended 30.09.2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operational Income</td>
<td>Rs. 666,659,134</td>
</tr>
<tr>
<td>Less Operational Expenses</td>
<td>Rs. 133,772,005</td>
</tr>
<tr>
<td>Operational Profit (gross)</td>
<td>Rs. 532,887,129</td>
</tr>
</tbody>
</table>
10.0 National Pay Commission

Main Functions

Actions Plans for 2014 and 2015 of the National Pay Commission have been prepared with the aim of introducing a national wage policy inclusive of salaries and wages and various incentives that enables the recruitment and retention of a group of employees replete with skills who are capable of productively performing the role of providing public services efficiently while giving due consideration to the manpower required by the private sector and facilitating and regulating when necessary the development process.

In addition, the Commission deals with requests made by various institutions of the public and State Corporation sectors referred to the Commission for its observations and recommendations in respect of the following subject areas.

1. Regarding requests referred by the Director General of Establishments in respect of various incentives.

2. Regarding requests made in respect of amending the service minutes, schemes of recruitments and promotional schemes of the Public Sector.

3. Regarding requests referred by the Department of Management Services on schemes of recruitment, allowances, salary anomalies and the restructuring of cadre in State Corporations and statutory bodies.

4. Regarding complaints filed in the Supreme Court and the Court of Appeals.

5. Serving as a respondent or an external party in respect of complaints lodged with the Human Rights Commission.

6. Dealing with common policies regarding the salaries and allowances of the public and Corporation sectors.

7. Forwarding observations, recommendations for decisions of the Cabinet of Ministers calling for observations and recommendations of this Commission.
## Progress pertaining to the formulation of a New National Wage Policy

<table>
<thead>
<tr>
<th>Activity</th>
<th>Progress up to 2015.09.30</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. National Pay Commission Meetings</td>
<td>Commission has conducted 02 meetings</td>
</tr>
</tbody>
</table>
| 02. Establishment Sub Committees and submission of Sub-committee reports to the Commission | 1. Sub-committee on Pension and Cadre (Sub Committee Report submitted to the Commission)  
2. Sub-Committee on Allowance (Sub Committee Report submitted to the Commission)  
3. Sub-Committee on Wage Policy (Sub Committee Report submitted to the Commission)  
4. Sub-Committee on Salary Anomalies (Sub Committee Report submitted to the Commission)  
5. Sub-Committee on Private Sector (Sub Committee Report submitted to the Commission)  
6. Sub-Committee on Arbitration (Sub Committee Report submitted to the Commission) |
| 03. Preparation of the Interim Report including recommendation of the National Pay Commission | Handed over to the Presidential Secretariat |
| 04. Submission of budget proposal for the year 2016                      | Handed over to the Secretary of Ministry of Finance on 29.09.2015. |
| 05. Revision of Pensions for the Public Sector & Three Armed Forces as per salary structures implemented for them with effect from 01.01.2006. | Submission of conversion tables for issuing circulars to the Secretary of the Ministry of Public Administration & Management |
| 06. Preparation of the Co –Chairmen report for the time period of November 2013 to October 2015 | The report expected to be handed over to the Presidential Secretariat. |
| 07. Formation of a New National Wage Policy                              | Drafting circulars on proposals for the government regarding a new wage policy considering the hikes in allowances consequent to the budget proposals presented in November 2014 & interim budget proposals presented on February 2015. |

*Table 10.1: Progress pertaining to the formulation of a New National Wage Policy*
Progress on the functions of the Commission pertaining to PA Circular No. 06/2006 and Management Circular No. 30

<table>
<thead>
<tr>
<th>Sector</th>
<th>No. of Request made</th>
<th>Recommendations sent</th>
<th>Action being taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowances</td>
<td>82</td>
<td>80</td>
<td>02</td>
</tr>
<tr>
<td>Cadre</td>
<td>02</td>
<td>01</td>
<td>01</td>
</tr>
<tr>
<td>Schemes of Recruitment/ Scheme of Promotion</td>
<td>54</td>
<td>45</td>
<td>09</td>
</tr>
<tr>
<td>Service Minutes</td>
<td>19</td>
<td>19</td>
<td>-</td>
</tr>
<tr>
<td>Cabinet Memorandum</td>
<td>04</td>
<td>04</td>
<td>-</td>
</tr>
<tr>
<td>Court Cases</td>
<td>05</td>
<td>01</td>
<td>03</td>
</tr>
<tr>
<td>Human Right Cases</td>
<td>10</td>
<td>03</td>
<td>07</td>
</tr>
</tbody>
</table>

Table 10.2: Progress of Recommendation

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of Discussions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministries / Departments</td>
<td>27</td>
</tr>
<tr>
<td>Municipal Councils/ Provincial Councils</td>
<td>03</td>
</tr>
<tr>
<td>State Corporations, Authorities, Boards, Statutory Institutions</td>
<td>13</td>
</tr>
<tr>
<td>Trade Unions</td>
<td>2</td>
</tr>
<tr>
<td>General Policy Matters</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 10.3: Progress of discussions
11.0 National Insurance Trust Fund

Major functions

- Accepting mandatory reinsurance (30%) from all licensed general insurance companies and settlement of claims
- Managing the Strike, Riot, Civil Commotion and Terrorism (SRCC & T) Fund
- Managing the Agrahara Health Insurance Scheme for Government Servants
- Providing General Insurance covers to Government Institutions
- Collecting Crop Levy from Banks, Finance Companies and Insurance Companies
- Developing insurance solutions to meet gaps in the market (Agricultural Loan Protection utilizing the Crop Levy, Micro Insurance to promote Micro Enterprise, Insurance Schemes for farmers, fishermen, three wheel drivers, garment workers, plantation workers, etc)

Performance - 2015

✓ Total Income

Total Aggregate Income from all operations including Mandatory Reinsurance, SRCC & T Fund, Agrahara Scheme, General Insurance Operations, Collection of Crop Levy and other special insurance schemes amounted to Rs. 5,780 Million for the period of nine months ending 30 September 2015. This reflects a growth of 8% over the corresponding period last year.

✓ Income from Reinsurance

Income from Mandatory Reinsurance ceded by general insurance companies amounted to Rs. 1,251 Million recording a minus growth of 15%. The main contributors to this reduction is due to the relative increase of General Insurance claims in the market and high vulnerability.

✓ Income from SRCC and T Fund

Income from SRCC and T Fund grew by 12% to record Rs. 2,163 Million for the 9 Months. The main contributor to this growth is better performance recorded by the general insurance market.

✓ Income from Agrahara Scheme

Income from Agrahara members collected through salary deductions increased to Rs. 933.1 Million compared with Rs 802.3 Million in the same period last year. This is a result of adding more institutions to the network.

✓ Income from General Insurance Operations

Income from General Insurance business increased by 75% to record Rs. 201.5 mn. for the nine months ended 30 September 2015. This is due to more focused marketing activities carried out targeting public sector institutions.
Income from Crop Levy

Income collected by way of Crop Levy from Banks, Finance Companies and Insurance Companies recorded Rs. 758 Million for the period under review recording a decrease of 15%.

Claims

Total Claims incurred in respect of Reinsurance, SRCC and T Fund Operations, Agrahara Scheme and General Insurance Operations amounted to Rs. 1746 Million recording an increase of 29% over the corresponding period last year. Significant contributors to the increase in claims were from Agrahara medical scheme and while there was a reduction in claims in respect of crop insurance.

Expenses

Total Expenses incurred by NITF during the 9 months to 30 September 2015 amounted to Rs.2398 Million recording a reduction of expenses by 20 %. The main reason for the decrease was less provisions for crop claims. (The crop insurance was transferred to Agrarian Insurance Board from 1st of January 2015)

Investment Income

Total Investment Income generated by investing the NITF funds in a range of Government Securities (Repos, Treasury Bills, Treasury Bonds, SL Development Bonds, etc.) amounted to Rs. 506.4 Million during the period under review denoting a growth of 6%.

Capital Expenditure

Total capital expenditure for the period of 9 months amounted to Rs. 8.95 Million representing 31% of the approved budget.

Profit

The profit generated by NITF from all the above activities for the period of 9 months to 30 September 2015 amounted to Rs. 3,387Million. This reflects a decline of 1%

Transfers to Consolidated Fund

NITF has been a significant contributor to the Consolidated Fund throughout its existence. In the current year too, it has already transferred Rs. 1000 Million to the Consolidated Fund and aims to transfer a further Rs. 1,500 by the end of the year after deducting a contribution of Rs. 500 Million from the treasury towards the Agrahara Scheme.

Other Achievements during 2015

A number of steps have been taken during the year to improve the Risk Management process of NITF and to enhance the level of service provided to
institutional and individual customers. Some of these are briefly described below.

- **Risk Management and Governance Improvements**
  - Floated an international tender to select a panel of reinsurers to provide protection to NITF balance sheet in the event of a natural catastrophe or any large claim exceeding Rs. One Billion through a Retrocession Programme. The selection of an international reinsurance broker has now been completed (subject to Ministry Approval) and it is expected to complete the placement before the end of 2015. The Retrocession Programme will come into effect from 1st January 2016.
  - Established an Investment Committee comprising Board Members to guide the Management on Investment Activities and monitor the performance of investments on a periodic basis. This functions independently of the Audit Committee and reports to the Board.

- **Customer Service Improvements**
  - Introduced a web based system for insurance companies to monitor status of Reinsurance and SRCC claims.
  - Commenced sending SMS alerts to Agrahara and Motor insurance customers on settlement of claims.
  - Expedited Agrahara claims payment process. Currently, most claims are settled within one week of submitting the required documentation.
  - Entered into MOUs with Lanka Hospitals, Nawaloka Hospitals, Hemas Hospitals and Northern Central Hospital to obtain concessionary charges and facilities for Agrahara members.
  - Established a 24 hour call center to assist motor insurance and Agrahara customers around the clock at their time of need.

**Proposed Development Programs – 2016**

- **Increasing benefits offered under Agrahara Scheme**
  - It is proposed to enhance some of the health insurance benefits provided to government servants and their families under the Agrahara Scheme. A proposal approved by the NITF Board has already been submitted to the Ministry for approval. The estimated net cost of Rs. 100 Million can be funded by an increase in the treasury contribution made towards the Agrahara Scheme which is customarily deducted from the transfer of surplus from NITF to the Consolidated Fund. Hence, it will not be a burden to the Treasury.

- **Launching Agricultural Loan Protection Scheme using Crop Levy collected from financial institutions**
  - It is proposed to establish the above scheme to cover the loans taken by farmers for cultivation of paddy. The objective will be to settle the loans in the event of the farmers being unable to repay due to their crop being
damaged by floods, drought or other natural perils. It is intended to fund this scheme entirely with the crop levy being collected from banks, finance companies and insurance companies.

✔ Launching insurance scheme for fishermen
   - A proposal has been submitted to the Ministry of Fisheries at their request to cover fishermen against accidental death.

✔ Investing in Joint Ventures with private sector hospital owners to establish new hospitals/expand hospital facilities
   - Since the NITF Act No. 28 of 2006 permits the investment of funds in projects to establish or expand hospital facilities, NITF has written to major hospital operating companies to submit proposals for such investment. Upon receiving suitable proposals, NITF will consider making investments subject to necessary approvals.

✔ Launching Micro Insurance schemes in collaboration with insurance industry and other relevant institutions
   - NITF Act No. 28 of 2006 requires NITF to introduce insurance schemes for the protection of needy persons who are not adequately covered by the traditional insurance market. Hence, NITF is in the process of developing a number of such schemes targeting Micro Entrepreneurs, farmers, three wheel drivers, garment workers, plantation workers, villagers facing damages caused by wild elephants, etc
12.0 Employees` Trust Fund

Major functions

- Collection and Employers Relations
- Member Services
- Investments of the funds received as contribution from employers

Performance - 2015

Collection & Employers Relations

**Total Collection against Targets up to September 2015**

**Graph 12.1: Total Collection against Targets up to September 2015**

**Total Number of Active Employers up to September 2015**

**Graph 12.2: Number of Employers**
Achievements of 100 day intensive programme in 2015

<table>
<thead>
<tr>
<th>Item</th>
<th>Target</th>
<th>Achievement</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of New Employers</td>
<td>2500</td>
<td>2292</td>
<td>92</td>
</tr>
<tr>
<td>No of Members</td>
<td>25000</td>
<td>13143</td>
<td>53</td>
</tr>
<tr>
<td>New Contributions</td>
<td>Rs 10 Mn</td>
<td>Rs 28 Mn</td>
<td>280</td>
</tr>
</tbody>
</table>

Table 12.1: Achievements of 100 day intensive programme in 2015

Financial Key Performance Indicators up to September 2015

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross return( including other income)</td>
<td>10.13</td>
</tr>
<tr>
<td>Operating Expenses(On total Investment )</td>
<td>0.57</td>
</tr>
<tr>
<td>Member expenses (On total Investment )</td>
<td>0.27</td>
</tr>
<tr>
<td>Total expenses (On total Investment )</td>
<td>0.84</td>
</tr>
<tr>
<td>Net Rate realized on Investment</td>
<td>9.29</td>
</tr>
</tbody>
</table>

Table 12.2: Financial Key Performance Indicators up to September 2015

Financial Performance up to September 2015

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual (Rs 000)</th>
<th>Budgeted (Rs 000)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>14,618,077</td>
<td>13,672,747</td>
<td>945,330</td>
</tr>
<tr>
<td>Other Income</td>
<td>271,272</td>
<td>254,853</td>
<td>16,419</td>
</tr>
<tr>
<td>Total</td>
<td>14889350</td>
<td>13927600</td>
<td>961749</td>
</tr>
<tr>
<td>Less Operating Expenses</td>
<td>904,744</td>
<td>921,430</td>
<td>16,686</td>
</tr>
<tr>
<td>Member Expenses</td>
<td>393,550</td>
<td>532,970</td>
<td>139,420</td>
</tr>
<tr>
<td>Profit</td>
<td>13,591,056</td>
<td>12,473,201</td>
<td>805,643</td>
</tr>
</tbody>
</table>

Table 12.3: Financial Performance up to September 2015
2015 Progress and 2016 Development Programmes

Graph 12.4: Investment value

Graph 12.5: Investment income

Awarding the first cheque of Rs 300,000.00 under member benefit scheme for a heart surgery by Mr Mahinda Madihaheva Chairman/CEO on 29th July 2015
## Proposed Development Programmes – 2016

<table>
<thead>
<tr>
<th>Key Result Area</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collection &amp; Employers Relations</strong></td>
<td></td>
</tr>
<tr>
<td>• Increase Employer base from 76,000 to 100,000</td>
<td>8% 8% 8% 8% 8% 8% 9% 9% 9% 9% %</td>
</tr>
<tr>
<td>• Increase member base from 2.4Mn to 2.7Mn in 2016</td>
<td>8% 8% 8% 8% 8% 8% 8% 9% 9% 9% %</td>
</tr>
<tr>
<td>• Increase Contribution from Rs 18Bn to Rs 24Bn In 2016</td>
<td>8% 8% 8% 8% 8% 8% 8% 9% 9% 9% %</td>
</tr>
<tr>
<td>• Motivate &amp; enroll 8000 employers in e- banking scheme by introducing new 3 banks for receiving contribution.</td>
<td>8% 8% 8% 8% 8% 8% 8% 9% 9% 9% %</td>
</tr>
<tr>
<td>• Commencing document scanning &amp; data retrieval system to create paper less office environment.</td>
<td>Within 3 months</td>
</tr>
<tr>
<td>• Planned to create a special Investigation Unit (SIU) and Planning , Research &amp; Development section (P R&amp;D)</td>
<td></td>
</tr>
<tr>
<td>• Planned to link databases of persons’ Registration Department , Labour Department &amp; Registrar Generals Office to the IT system of ETF Board to streamline the processes.</td>
<td></td>
</tr>
<tr>
<td><strong>Member Services</strong></td>
<td></td>
</tr>
<tr>
<td>• Re organizing the claim payment process &amp; benchmark to pay within 7 working days.</td>
<td>Within 2 months</td>
</tr>
</tbody>
</table>


### Key Result Area

<table>
<thead>
<tr>
<th>2016</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re visit member benefit scheme for the purpose of introducing more effective benefits to the members for upgrading their quality of lives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Within 2 months</td>
</tr>
<tr>
<td>Decentralization of claim payments for additional 3 Regional offices.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Within 3 months</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8% 8% 8% 8% 8% 8% 8% 9% 9% 9% 9%</td>
</tr>
<tr>
<td>Planned to maintain investment income of equity market between 12% to 15% (Return on equity portfolio)</td>
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<td>Information Technology</td>
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<td>Within 3 months</td>
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<td>Planned to re-engineering the IT system of the Board to meet demand of divisions &amp; members</td>
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<tr>
<td>Capacity Building of Human Resources of the Board</td>
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<td>Continuous Process</td>
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<tr>
<td>Continue productivity improvement programme with the support of National Productivity secretariat</td>
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<tr>
<td>Staff Training &amp; development programmes will be implemented with sponsorship of International Labour Organization (ILO), External Resources Department (ERD) &amp; other related agencies.</td>
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<td>Continuous Process</td>
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</tbody>
</table>

### Development Programmes 2016

- Purchase, Installation, Commissioning & Maintenance of a Document Scanning System- Rs 6 Mn
- Purchase, Installation, Commissioning & Maintenance of Servers and Personal Computers - Rs 5 Mn
- IT system re engineering programme - Rs 100 Mn
- Shifting to a new Building “Mehewarapiyasa” under condominium Law with Labour Department - Rs 1.5 Bn
13.0 Public Utilities Commission of Sri Lanka

Functions

- exercise, perform and discharge the powers, functions and duties conferred on or assigned to the Commission by or under the PUCSL Act or any industry Act
- (Consult, to the extent the Commission considers appropriate, any person or group who or which may be affected, by the decisions of the Commission
- advise the Government, as the Commission deems appropriate, on all matters concerning any industry falling within the purview of the PUCSL Act
- collect, record and disseminate, subject to section 15(4) of PUCSL Act, information concerning any public utilities industries
- prepare within six months of its establishment a regulatory manual containing a code of good practice governing the functions of the Commission and revise it as and when required
- exercise licensing, regulatory and inspection functions in respect of all matters provided for in any industry Act
- enforce the provisions of licences, contracts and other instruments issued under the authority of any industry Act
- regulate tariffs and other charges levied by regulated entities where required by any industry Act
- determine by mediations disputes arising in any public utilities industry
- set and enforce technical and other standards relating to the safety, quality, continuity and reliability of the public utilities industries
- undertake such other incidental or ancillary activities which the Commission may consider appropriate for the effective discharge of any of its functions

Performance 2015

The Public Utilities Commission of Sri Lanka as the Economic, Technical and Safety regulator of the electricity industry and the shadow regulator of the Lubricants has completed the following during the period 1 January to 30 September 2015.

Licensing

All players in the electricity industry are required to obtain a licence or an exemption from the Commission as per the Sri Lanka electricity Act no 28 of 2009. The terms and conditions of the license or exemption brings the licensee or exempted party under the regulatory preview of the Commission71 licenses have been granted to small power producers with the occurrence of the Hon. Minister. Another 30 applications are being processed as per provisions in the regulations.
Public consultations

The commission is required to consult affected parties when making a decision. The consultations are held on the basis of written representations, oral representations or both. The Commission held four public Consultations during this period.

- Public Consultation on The Long Term Generation Expansion Plan 2015-2034
- Public Consultation Formulation of Guidelines for the Purpose of Being satisfied that a Person does not have Sufficient means to Defray Expenses Incurred by Distribution Licensees in Connecting and Supplying Electricity
- Public Consultation on Annual Activity Plan-2016
- Public Consultation Implementation of a Single Standard for Plugs and Socket Outlets in Sri Lanka for Non-industrial Applications

Awareness programs (Electricity Safety)

Awareness programs are a key strategy to reduce the electrocutions and related accidents and to enhance the electrical energy efficiency and conservation. The commission has conducted Safety awareness programs in 18 schools, 12 educational institutes and 12 government dept. and local authorities. Energy Efficiency and Conservation awareness programs have been conducted in 18 schools, 12 educational institutes and 12 Government dept. and local authorities. The awareness campaign on safety has been done through posters, leaflets, radio, TV and widescreen TV at public places. Awareness on lubricant and downstream petroleum sector has been done through Workshop, lectures and leaflets.

Information Dissemination

The commission disseminate the sector performance information mainly through its website. The 2014 Performance reports on electricity Generation, Transmission and Distribution and Lubricant Market Report and daily dispatch data on electricity generation are available in the public domain.
Electricity Consumer Complaints

The Commission has received 1140 disputes (complaints) from electricity consumers by 30 September 2015 and all these disputes have been facilitated.

With the implementation of electricity safety awareness campaign in 2012, Electrocutions are decreasing

Electricity Tariff & charges

Electricity tariff and charges operational in the sector is valid and legal only after it is approved by the Commission. The Commission approve tariff and charges proposed by licensees with necessary adjustments in consultation with them.

Based on generation cost and sales forecast filed by the licensees (CEB and LECO), The Commission has issued Bulk Supply Tariffs (transfer tariffs between transmission and distribution licensees) for the first and second half of the year 2015. The Commission has commenced the major electricity tariff review process for the period 2016 – 2020. The cost filed by CEB and LECO for the period are being scrutinized by the Commission. The commission approval has been granted for the time of use tariff for 3 phase consumers and reduction (about 50%) on connection charges for I-1 category industrial consumers.
Regulations
Transmission Performance Standards Regulations was finalized. Formulation of following regulations is in progress. Actions were taken to formulate several other regulations.

Inspections
Inspections for compliance and fact finding are conducted as a functional activity. The commission has inspected 11 sites on power quality, 6 schools on electricity safety and 2 sites on electricity accidents.

Activities for Long term goals
The Commission has set twelve long term goals for the electricity sector. 35 activities have been undertaken in 2015 as steps towards archiving those goals by the respective target year. Details of those activities are given in the Annual activity Plan 2015. The physical progresses of most of these activities are over 80% by 30 September 2015. The total budget of the year 2015 is 247.6 million.

Proposed Activities for the Year 2016
The Commission has planned to undertake total of 60 activities in 2016 under the following twelve medium/long term goals which are focused on the enhancing the quality, continuity and safety of electricity and reducing the price. The activities planned for 2016 will contribute to archive the goals by the target year. Details of these activities are available in the Annual Activity Plan 2016.
Goal 1 - All electricity consumers receive the statutory quality levels, 230 V ± 6% for voltage and 50 Hz ± 0.5% for frequency by the year 2020

Goal 2 - The total electricity outage time experienced by a consumer within a year is below 24 hours (on average basis) by the year 2025

Goal 3 - The total number of electricity interruptions experienced by a consumer within a year is below 30 (on average basis) by the year 2025

Goal 4 - The electricity breakdown restoration time for consumer service line faults is below 2 hours (on average basis) by the year 2025

Goal 5 - Average time spent by a consumer to know his/her Rights and obligations in connection with the electricity or supply of electricity is below 1 day by year the 2020

Goal 6 - The average time taken by an electricity service provider to serve consumer inquiry/request/complaint is below 14 days by the year 2020

Goal 7 - The average time taken by PUCSL to serve consumer is below 14 days by the year 2020

Goal 8 - The total cost incurred in the supply of electricity in 2013 is reduced by 10% in real terms by the year 2020 (subjected to adjustment for the generation mix and fuel prices)

Goal 9 - Charges levied by service provider on services in 2013 is reduced by 10% in real terms by the year 2020

Goal 10 - Number of fatal electrical accidents is below 20 per annum by the year 2020

Goal 11 - Electricity generation capacity is installed to ensure that the electricity demands in the country are met all the time and under any circumstances by the year 2030 and thereafter

Goal 12 - 250 GWh of energy and 30 MW of capacity are saved by year 2025 through utility driven energy efficiency and conservation programs

In addition to the 60 activities mentioned above, The Commission will execute all routine activities in the functional areas of licensing, regulatory, inspection, Tariff and charges, and consumer protection. The total budget for 2016 is RS 241.9 million.
14.0 National Human Resources Development Council

Major Functions

- to advise the Minister on national human resources policy in all its aspects, including the rationalization and coordination of sectoral human resources development concerning, or related to
  
a) employment, training and education;
  b) the application of Science and Technology;
  c) The enhancement of the quality of life;
  d) The designing of social protection for disadvantaged groups of persons; and
  e) Maintaining entitlements with economic reforms

- to make recommendations to the Minister, on plans and programmes on human resources development, in accordance with the national policy, for submission to the Government;

- to review and examine, periodically, the national human, resources development policy plans and programmes in operation and where necessary , to recommend to the Minister, changes in such policy, plans and programmes

- to monitor the implementation of human resources development plans and programmes approves by the Government; and

- to implement any project related to any subject referred to in the Schedule to this Act, provided that, where such project relates to a subject which has been assigned to any other Minister, implementation shall be with the concurrence of that other Minister; and

- to ado all such other acts which in the opinion of the Council are necessary for, or conducive or incidental to, human resources development in accordance with the national objectives.

Performance - 2015

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Summary of progress</th>
<th>Progress as a %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate the Skills Gap study covering the Hospitality Sector in consultation with the Tourism ministry</td>
<td>1. Had Two Initial discussion with Hotel Industry peoples and Consultants 2. Establish two expert committees identify jobs and skills audit</td>
<td>35%</td>
</tr>
<tr>
<td>Develop a business module to build SME capacity in Consultation with the IFC</td>
<td>1. Nine discussion conducted 2. Outlined the module</td>
<td>20%</td>
</tr>
<tr>
<td>Publish an Annual Report on Local and International Labor Market trend</td>
<td>1. Two Initial discussion was held with expertise to make Research Design and Formulation 2. Updating of the report is ongoing</td>
<td>10%</td>
</tr>
<tr>
<td>Initiation Skills Gap Study Covering the Technology sector</td>
<td>1. Six discussion and one workshop has conducted 2. Developed the profile and Terms Of Reference (TOR)</td>
<td>20%</td>
</tr>
<tr>
<td>Improve information sharing among key stakeholders and to</td>
<td>1. One newsletter is published 2. Second newsletter: Article collection is</td>
<td>50%</td>
</tr>
</tbody>
</table>
## 2015 Progress and 2016 Development Programmes

### Project Name

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Summary of progress</th>
<th>Progress as a %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>show case the projects and programs of NHRDC bi- annual through a News letter</strong></td>
<td>ongoing</td>
<td></td>
</tr>
</tbody>
</table>
| **Formulate & Implement Quality Enhancement plan for NHRDC**                | 1. Conducted training program on Internal Quality Audit  
2. Conducted the Internal Quality Audit and Management Review Meetings  
3. Developed the Quality Policy/Objectives Quality Manual                                  | 86% |
| **Identified the HR needs in Matara District**                             | 1. Conducted the survey  
2. Completed the data entry and analyzing  
3. Report drafted                                                                | 60% |
| **Lead a task force to discuss the government proposal to increase the expenditure allocation for the education sector from 1.5% of GDP to 6% of GDP** | Project completed. Proposal handover to the Prime Minister                                                  | 100%           |
| **Exposure to Global HR Practices for the leadership team**                | Pending approval in finalizing the list of recommended executive officers who has nominated in to this foreign tour in collaboration with Malaysian University  | 20% |
| **Plan and intervention to provide training for school Leavers using the state infrastructure ship capability.** | Organize a program at Pollonnanaruwa to aware the school leavers on information of job opportunities and skills training providing organizations in Sri Lanka. | 40% |
| **Develop a HR strategy to build leadership capability in the Public Sector** | Two discussion has been conducted and one workshop conducted                                           | 40% |
| **Conduct Continuously Professional Development Programs (CPD) for the management Staff and Team building sessions for the clerical staff** | 1. 07 Individual Trainings, 04 Group Training Programme conducted  
2. Given 06 staff members to Financial Support for Career Development  
3. Done One Team Building Sessions  | 75% |
| **Preparation of proposal to make provisions for all those who qualify in three subjects at Advance Level to study towards obtaining a Degree or Diploma** | Project completed. Proposal handover to the Prime Minister                                                  | 100%           |
| **Work with the Key State Holders in TVET Sectors to implement proposal above and monitor Progress** | Initial discussions has been conducted                                                                 | -              |
| **Preparation of a policy paper for creating a million Jobs by 2020.**      | Project completed                                                                                       | 100%           |
| **Assessment of HR policy implementation**                                 | 1. Discussions done with the labor Ministry  
2. Discussed the policy prepared by the Ministry of Labour .Hold the project until the new policy plan update and implement.  | -              |
| **Effective use of technology to improve the effectiveness of NHRDC**      | 1. Completed the Study work flow  
2. Prepared Project monitoring system  
3. Configured Orange HRM for store personal records                                           | 70% |

Table 14.1: Progress
Development Programs - 2016

- Study on “Bridging the skill Gap of Human Resources for Health sector in Sri Lanka” and Introduce an effective training module
- Publish an annual report on local & International Labor Market trends
- Conduct Study, training and providing of resource personal for prospective International Investors
- Conduct Study on need for Education and Training for Resource Personal in Relation to the need of the pipeline projects.
- Developing Academicals/ Psychological tools to Identify latent Aptitudes, Predispositions and Motivations and Directing Youth Towards Constructive Education, Training and Employment
- Study on” strategy to promote export oriented SME”
- Study on IT promotion and creativity in to the business development
- Study on "Enhancing social protection for migrant workers in a selected district in Sri Lanka Improving access of cross-border migrant workers to basic social services"
- Success, Failure and Gap analysis on “Development strategy for poverty reduction introduced by government after independence
- Develop a HR strategy to build leadership capability in the Public Sector
- Conduct All-Island training programme for all governmental Entities based on attitudinal Change, Motivation, Direction and Team-Work and Publish books in all three languages
- Staff Continuous Professional Development Programs
- Formulate & Implement a Quality and Productivity enhancement plan for NHRDC
- Exposure to the Global HR practices for the leadership team
- Improve information sharing among key stakeholders and to show case the projects and programs of NHRDC through bi-annual journal
- weekly news bulletin in NHRDC web site
15.0 National Youth Services Council

In the 1960s the youth wave that blew through Asia was affected to Sri Lanka. In this situation public institution was a need for promoting economic of young people. The legal framework of National Youth Services council further was strengthening with issuing the act of No. 69 of 1979. The social, economic, cultural and political activities in the youth development fields have been expanded.

In the last three decades, National Youth Services Council development activities were expanded. In Youth programs receive direct benefits was enacted for rural youth in 2015.

Major Function

- **Youth Development**
  - Implementation of National Policies related to Youth Development.
  - Organize and Empower of youth.
  - Development of Sports and Cultural competencies of youth.
  - Development of Leadership and Personality of youth.
  - Development of an international recognition for Sri Lankan youth.

- **Entrepreneurship Development**
  - Promotion of small business sector among youth community.
  - Introducing new business opportunities for youth.

- **Skills Development**
  - Formulation and implementation of policy programmes pertaining to Skills Development.
  - International cooperation in Skills Development.
  - Formulation and implementation of policies related to youth human resource development.

- **Vocational Training Development**
  - Formulation and implementation of national policies related to Vocational Training Development.
  - Providing career guidance and counseling.
  - Introduction and development of training courses for government and private sector training institutes.
  - Development of quality of the vocational training programmes.
  - Enhancement of infrastructure facilities in vocational training institutes.

Performance - 2015

- **Youth and Skills Development Programme**
  - National Youth Awards Competition (Programme 01 – Participants 545)
  - Development of Aesthetic Institutes (Bellwood, Maharagama, Eraminiyaya, Orubendiwewa) (Programme 04 – Participants 166)
  - Districts Performing Arts Consortiums (Programme 18 – Participants 911)
2015 Progress and 2016 Development Programmes

- Drama & Performing Arts Diploma (Programme 01 – Participants 31)
- Sri Lanka Youth Awards Ceremony (2013/2014)
- UN Youth Delegates Programme - (Programme 01 – Participants 02)
- International youth exchange programs- (Programme 05 – Participants 84)
- Volunteer Programme- (Programme 15 – Participants 145)
- 27 ship for world youth programme - (Programme 02 – Participants 35)
- Training Programme for Selected Youth in Foreign Pool- (Programme 01 – Participants 78)
- Programme of ‘HOPE 2015’ (Youth Clubs and Trainings)
- National youth Day- (Programme 01 – Participants 2000)
- Rata Roda Badina Ran Bhumees Smarakaya- (Programme 100)
- The Duke of Edinburgh’s International Award Programme- (Programme 04 – Participants 384)

- 27th National Youth Sports Festival -2015 (Programme 334 – Participants 271, 208)
- Sri Lanka Youth National Pools (Volleyball, Kabadi, Judo) (Programme 03 – Participants 51)
- Sri Lanka Youth Sports Club – Maharagama (Programme 13 – Participants 609)
- Taruna Sewa - Rupavahini Volleyball Tournament (Programme 01)
- Thurunu Udanaya (HOPE 2015) (Programme 01)
- Short film Festival 2013/2014 (Programme 03 – Participants 500)
- Short film Festival 2015 (Programme 01 – Participants 230)

✓ Entrepreneurship Development

✓ Vocational Training development

✓ Vocational Training Programmes (Full Time Coerces 82 – Trainees 1351 / Part Time Coerces 632 – Trainees 16,174)
- Land Scaping Certificate Course (Programme 4 – Participants 24)
- Room Attendant Course (Programme 14 – Participants 58)
- Development of Farms (Programme 14)
- Agricultural Course (Programme 6 – Participants 147) 314)
- Developing Sri Lanka Youth Career Guidance
Centers & Job Bank Centers (Programme 23 – Participants 3115)
Development of Sri Lanka Youth Counseling Centers (Programme 6 – Participants 3456)

✓ Organizational Development

✓ Staff Training Programmes
✓ Renovation, Modification & Improvement of Sri Lanka Youth Centre at Batangala
✓ Modification & Improvement of Sri Lanka Youth Centre at Poonagary
✓ Renovation, Modification & Improvement Youth Centre at Maharagama (Disable Wash Room & Treatment Plant)

Financial Progresses

Graph 15.1: Financial progress

Sri Lanka Youth Parliament (Allocation Rs. Mn. 250.00 – Expenditure Rs. Mn. 61.45)

B. External funding related programmes

- Child Funds Programmes Rs. Mn. 12.88
- SSDP Programmes Rs. Mn. 75.58
- 27th Ship for World youth Programme (Japan Funds) Rs. Mn. 1.23
- United Nation Volunteer (UNV) Rs. Mn. 2.21
Proposed Youth development Programme- 2016

Aesthetics Development

- National Youth Awards Competition (Districts Programme 26 – Participants 5200, National Programmes 1 – Participants 1700)
- Youth Drama Competition (Programme 8 – Participants 1200)
- Development of Aesthetic Institutes (Bellwood, Maharagama, Eraminiyaya, Orubendiwewa – Participants 285)
- Drama & Performing Arts Diploma (Programme 01 – Participants 40)
- National Youth Services Council Dancing and Music Group (Programme 02 – Participants 60)

Foreign Relations Youth Development Programmes

- International youth exchange programs - (Programme 05 – Participants 50)
- Volunteering Service Programmes - (Programme 05 – Participants 110)
- 28 th Ship for World youth Programme - (Participants 250)
- UN Youth Delegates Programme - (Programme 01 – Participants 50)
- Training Programme for Selected Youth in Foreign Pool - (Participants 156)
- Foreign Youth for the Yowunpuraya (Participants 52)
- Volunteer Programme - (Programme 15 – Participants 145)
- 27 ship for world youth programme - (Programme 02 – Participants 35)

Youth Clubs Programmes

- HOPE 2016 programmes (Youth Clubs !5,000)
- Yowunpura Programme
- National Youth Volunteering Service
- National Youth Day Programme
- Differently able youth Development Programme (Participants 34,400)
- Local Youth Exchange Programme- (Programme 9– Participants 900)
- Youth Camps
- Duke of Edinburgh's International Award Programme - (Programme 21– Participants 2344)
- Youth Parliament Programme

Sports Development Programme

- National Youth Sports Festival (Divisions 334 - Participants 250,000, Districts 26 - Participants 45,000, National 1 - Participants 5000)
- Sri Lanka Youth National Pools (Volleyball, Kabhadi, Judo - Participants 95)
- Sri Lanka Youth Sports Club – Maharagama- (team 14 – Participants 600)

Vocational Training

- Vocational Training Programmes (Full Time Coerces 795 – Trainees 16, 010)
- Land Scarping Certificate Course (Programme 14 – Participants 210)
- Room Attendant Course (Programme 4 – Participants 60)

Entrepreneur Development Programmes

- National Youth Cooperative Development)
- Development of Farms (Programme 14)
- Agricultural Course Development (Full Time And Part Time courses 17)
Career Guidance and Counseling Programmes

- Job Fair (Programme 24 – Participants 7800)
- Development of Sri Lanka Yowun Mithiro Centers (Programme 6 – Participants 3456)

Publicity Programmes

- HOPE 2016 – Dorin dorata (Programme 4)
- Youth Media School (Programme 4 – Participants 600)
- Media Workshops (Programme 2 – Participants 80)
- Thurunu Udanaya Programme
- Short Film Festival (Programme 5)

Organizational Development

- ICT Youth Development Programme
- Staff Training Programme (Programme 20 – Participants 1600)

External funding related programmes

- Plan Sri Lanka
- SSDP Programmes
- Unicef Programmes
- Care Institute Programmes
- Child Funds Programmes
16.0 National Youth Corp

Established in 2002, under the parliament Act no 21, National youth corps is completely dedicated towards youth development in Sri Lanka. It is currently operating under the Ministry of Economic Affairs and Public Policy consists of 35 training centers island wide.

Aiming to build a young generation who could contribute to the country’s vision of being the miracle of Asia. National Youth Corps operates focusing on the school leavers aged between 18 to 29. After a multi-disciplinary 6 months training program which intends to develop work ethics, leadership and personality. The participants are directed to apt vocational trainings which open up new career path not only in private but also in government sector.

Functions

1) Conducting personality development and leadership program sessions are annually two batches per annual in 35 training centers.

2) Conducting In house training programs for six months, those for school leavers between the ages of 18 - 29. Following subjects are been delivered for the trainees.
   - Personality Development
   - Career Guidance
   - Information Technology
   - Aesthetics education
   - English Language and Tamil Language
   - Physical Training
   - Adventure Based Activities

3) During training period, following privileges are provided to the trainees.
   - Breakfast and lunch
   - Uniforms
   - Attendance allowance up to Rs.500
   - Vocational Training allowance Rs. 10,000
   - Insurance

4) Trainees who completed the training program are eligible to receive the NVQ level 1 certificate.

5) Adventure based training center at “Naula” provides the opportunity to concur the difficulties while focusing the development of leadership skills.

6) Guiding youth for vocational training programs in order to breed skill workers to fill vacancies for national and international jobs.

7) Direct youth for government, Public and private sector job vacancies.

8) Conduct leadership programs for government and private employee’s to enhance their mindset, productivity, personality and self-esteem.

9) Conduct leadership development programmes for school prefects.

10) Conduct courses for the BPO industry through Institute of Business Process Outsourcing (IBPO).
11) To train the youth for upcoming hotel industry jobs through hotel school.

**Progress - 2015**

- 3,378 trainees successfully completed the leadership and personality development basic course as the first batch in the year 2015 and 2,620 candidates are currently been enrolled for the second batch.
- Within the time period from January 2015 till September, 3,395 youth were guided for the vocational training.
- 370 rangers were engaged for the 67th national day parade
- Conducted 15 workshops for the student leaders with the participation of 1,064 Students Island wide.
- Conducted center wise “danuma minuma” quiz competition with the participation of 4,157 rangers from the both first and second batches.
- Organized the provincial level “danuma minuma” quiz competition with the participation of 210 ranges of the first group.
- Organized the national level “danuma minuma” quiz competition with the participation of 70 rangers of the first group.
- Organized the center wise sport meet with the participation of 3,068 rangers of the 2015 1st batch and the 2nd batch
- Organized the parents’ day with the participation of 3,240 of rangers.
- Organized the training program for the NYC instructors to improve their subject knowledge and teaching skills utilizing 1,713 man days from January 2015 to September.
- Conducted 02 career fairs with the participation of 997 trainees, to provide public and private sector job opportunities. NVQ certificates were awarded at the inauguration ceremony of the career fair.
- Conducted “Y - Art” 2015 visual art talent show with the participation of 272 trainees.
- Organized center wise art festival with the participation of 3,497 ranges of 1st and 2nd batch in the year 2015.
- Conducted Adventure based training program for the 2015 1st and 2nd batch with the participation of 3,165 rangers.
- Conducted five training programs for 522 outside youth in order to improve their soft skills.
- Provided Adventure Based Training for 783 outsiders in private and public sector.
- Constructed “Dambulla” hotel school and commenced four courses up to the standard of NVQ - IV certificate level and recruited 178 candidates for the training program.
- Through institute of Business Process Outsourcing (IBPO) commenced three courses and enrollments 49 students for the course.
- Held 34 awareness programs for sexual health, sexually transmitted diseases and social responsibility was conducted for 2,972 youth in Sri Lanka.
- 5 awareness programs on drug abuse and addiction was conducted for 420 youth.
Three trainees won awards for the art competition organized by the noninfectious disease unit of the Ministry of Health and Indigenous Medicine.

### 2015 Recruitments Details

![Graph 16.1: Recruitment details -2015](image)

<table>
<thead>
<tr>
<th>Programme</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Development and Leadership Programme</td>
<td>97%</td>
</tr>
<tr>
<td>Hotel Training Course</td>
<td>2%</td>
</tr>
<tr>
<td>Business Process Outsourcing Programme</td>
<td>1%</td>
</tr>
</tbody>
</table>

### 2016 Target

- **Enrollment of new batches.**
  - 2015 target for year 2016 is, 12,000 youth to be recruited for the NYC network for personality and leadership development training. All the trainees who have followed personality development training are eligible to receive NVQ-level 01 certificate.
- **Vocational training.**
  - Guiding 4000 youth for vocational training programs to improve their skills to match national and international level job opportunities.
- **Hotel School.**
  - Dambulla hotel school which is situated at Inamaluwa wants to be the best hotel school and train 400 trainees for the current market and even more in the future.
- **Prefect workshop.**
  - Conduct practical leadership training program for 2,500 prefects in government and private schools.
- **Staff Training Program**
  - Organize a training program for the NYC instructors to improve their subject knowledge and training skills utilizing 1,600 man days.
- **Aesthetic activates**
  - Organizing Center wise, provincial wise and national level art festival with the participation of 10,000 youth.
- **Sending 300 youth for the national parade.**
- **Conducting Y - Art 2016 with the participation of 200 youth.**
- **Sending 10,000 youth for the Adventure Based Training.**
- **To improve sport skills of rangers by organizing Centre wise sports meet.**
- **Organize "paurushabhimani" event with the participation of 1,000 rangers to improve the skills of dancing, singing and announcing.**
- **Organize Centre wise parents’ day with the participation of 10,000.**
- Conduct center wise, provincial wise and national level “danuma minuma” quiz competition with the participation of 10,000 youth.
- Conduct Centre wise, provincial wise and national level debate competition with the participation of 1,120 youth.
- Conduct Centre wise, provincial and national level essay competition with the participation at 10,000 youth.
- Conduct 20 programs to develop soft skills / to prevent important health risks among youth and prevention of drug abuse with the participation of 2,000 youth.
- Organize the passing out ceremony center wise with the participation of 10,000.
- Conduct six career fairs with the participation of 2400.
- Conduct Adventure Based Training programs for the organizations attached to TVEC with the participation of 750.
- Organize a "Bathe Gee" event for youth with the participation of 100.
- Conducting three courses under institute of Business Process Outsourcing (IBPO) with the participation of 120 trainees.
- Conduct Adventure Based Training program with 200 Tamil candidates and 100 Sinhala candidates.
- Enhancing the quality of the Courses (training programs) by converting National Youth Corps to an authority.
17.0 National Youths Services Co-operative Limited

At the aim of gathering the youth, those who ended their education and being an important part of the present society, to raise their economy and gather them for the development of the country, the Nysco cooperation was started in the year of 1981. Through this, it offered the basic financial support needed to raise the economy of the unemployed youth and to start their own self-employed jobs. It offered loan facilities with much simple agreements rather than the other financial companies through well-developed Bank systems and highly organized financial companies. While starting this company we gathered the good qualities possessed by the other international cooperatives running in the South Asian region.

Functions

- Providing the financial support, practice and other services and directing the unemployed youth who have ended their education towards the self-employed jobs.
- Providing the needs of the members such that economic, social, educational, cultural, and sports needs.
- Cultivating the thoughts of helping others, while helping your self making use of them among the members.
- When implementing various development activities, formulating youth services policies an implementing them, they should be done subject to the cooperative law and an interim constitution requirements and also with the representation of the membership.

Achievements in 2015

- Enrolling 6740 of new members, during the first nine months of the year.
- Holding two days Accounting training programme, for the staff of Nysco union and for the 24 selected employees in 13 selected district societies with the sponsorship of the Peoples’ Bank Cooperative and educational fund.
- Holding a Nysco Re-Organization workshop with the participation of the General Managers of the District Societies.
- Holding the Annual General Meeting of the Nysco Union with the participation of the 71 representatives.
- Submitting the financial report for the year 2014, to the Cooperative Department for the annual audit.

Programmes and targets for 2016

- Holding 15 entrepreneurship training programmes.
- Distributing 150 mobile carts for the Nysco members.
- Conducting two training programmes for the General Managers of the District Societies and for the operating staff.
- Enrolling 10,000 Nysco members.
18.0 National Center for Leadership Development

The National Centre for Leadership Development which is being implemented by utilizing the existing lands and constructions of the premises, designed for the “Gamuda exhibition” in 1985 at Embilipitiya Newtown in Ratnapura district. NCLD is controlled by residential director under the Ministry of National Policies and Economic Affairs.

Major functions

- Implementation of training programmes
  - Leadership development training programmes for School prefect.
  - Leadership development training programmes for school students.
  - Leadership development training programmes for school teachers.

- Leadership development training programmes for youth club members
  - Providing facilities for training programmes

Progress 2015

✓ Conducted 69 staff training programmes (providing training to youth and school prefects)
✓ Conducted 40 leadership development programmes for school prefect (internal)
✓ Conducted 11 leadership development programmes for school student (internal)
✓ Conducted 2 training programmes for prefects in assisted special schools
✓ Conducted 3 leadership development programmes for youth club members
✓ Conducted 2 leadership programmes on school teachers
✓ Conducted 11 feedback workshop on conducted programmes
✓ Conducted 1 training programmes for training staff and development officers

Programs -2016

- 50 Leadership development programmes for School prefect (Internal-two days)
- 10 Leadership development programmes for School prefect (Internal-five days)
- 5 Leadership development programmes for youth club members
- 4 Leadership Programme on School Teachers
- 5 Training Programme for prefects in Assisted Special School
- 1 Training school students, youth club members and office staff