

## **ECONOMIC AND SOCIAL OVERHEADS\***

### **OVERALL TRENDS**

Increased demand for energy following the improved business climate and the enhancement of hydro electricity generation resulting from favourable weather conditions and increased installed capacity were the significant features of the developments in the domestic energy sector during 1990. Exorbitant increases in the prices of petroleum products in the international market following the eruption of the Gulf crisis in August, 1990 caused adverse implications on the energy sector during the year. Meanwhile, Sri Lanka Railways and Private bus transporters showed improved performance, while the operations of the Sri Lanka Transport Board continued to deteriorate. Reflecting the high priority assigned to the housing sector by the government, the One Point Five Million Houses Programme was launched in 1990. However, the activities in this sector were affected to some extent by material and financial constraints. Meanwhile, the Postal and Telecommunication sectors witnessed progress in 1990 with the improvement of the security situation in the country.

### **ENERGY**

In 1990, the demand for electricity increased due to an expansion of economic activities following the improved security situation in the country. Increased installed capacity of hydro power, coupled with favourable weather conditions that prevailed during most parts of the year resulted in an increased level of hydro electricity generation. Consequently, the Ceylon Electricity Board (CEB) was able to meet almost all the country's entire electricity demand from hydro power and reduce thermal power generation to a negligible level. However, during the latter half of the year, the energy sector had to face certain adverse developments, largely due to sharp increases in the prices of petroleum products in the international market following unstable conditions in the Gulf Region and consequent price adjustments in the domestic market.

Non commercial energy sources such as fuelwood, agricultural residues and animal waste, together with other ligno cellulosic matters continued to be the largest source of energy in Sri Lanka in 1990. These sources accounted for about 69 per cent of the total energy supply in the country and are estimated to have yielded about 6.1 million tons of oil equivalent (t.o.e.) in 1990. Commercial energy, consisting of petroleum, electricity, liquified petroleum gas (LPG) and a small quantity of coal accounted for the rest.

With the commissioning of the Rantambe Hydro Power Plant in March, 1990, hydro power installed capacity rose by 49 MW to 1017.45 MW by the end of the year. The installed capacity of thermal power remained unchanged at 272.2 MW at the end of 1990. Hence, the total installed capacity of electricity stood at 1289.65 MW as at the end of 1990.

In 1990, the total power generated by the CEB stood at 3149 million kWh indicating an increase of 10 per cent as compared with a 2 per cent increase in the previous year. As the water levels of the reservoirs improved, the hydro power plants were

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\* The analysis in this section is based on the data and information provided by the respective Agencies.

**TABLE 1.23**  
**Salient Features of the Energy Sector 1989 -1990**

Item	Unit	1989	% Change over 1988	1990*	% Change over 1989
<b>1. Petroleum Products</b>					
1.1 Exports	Rs.Mn.	2,241.9	- 1.0	3,973.8	77.3
	SDR Mn.	48.5	- 8.3	73.0	50.5
1.2 Imports	Rs.Mn.	8,376.3	6.9	14,366.9	71.5
	SDR Mn.	181.3	- 1.1	264.0	45.6
1.3 Quantity Imported					
1.3.1 Crude Oil	M.T	1,275,059	-32.7	1,778,866	39.5
1.3.2 Refined Products	"	374,344	161.6	124,986	-66.6
1.3.3 Other Products	"	21,320	-20.1	29,055	36.3
1.4 Average Price of Crude Oil	Rs./Barrel	628.31	29.7	942.51	50.0
	US \$/Barrel	17.43	6.0	23.53	35.0
1.5 Local Sales					
1.5.1 Super Petrol	M.T.	172,864	9.2	178,948	3.5
1.5.2 Auto Diesel	"	483,551	-3.3	512,670	6.0
1.5.3 Heavy Diesel	"	22,734	-54.1	20,079	-11.7
1.5.4 Super Diesel	"	16,585	-14.1	16,681	0.6
1.5.5 Kerosene	"	160,033	- 4.7	167,196	4.5
1.5.6 Furnace Oil	"	151,044	-7.7	160,459	6.2
1.6 Local Price					
1.6.1 <sup>2</sup> Super Petrol	Rs./Litre	20.00	48.1	30.00	50.0
1.6.2 Auto Diesel	"	9.60	18.1	11.00	14.6
1.6.3 Heavy Diesel	"	9.20	17.5	10.60	15.2
1.6.4 Super Diesel	"	10.90	17.5	13.00	19.3
1.6.5 Kerosene	"	6.58	-	8.80	33.7
1.6.6 Furnace Oil:					
500 Seconds	"	5.00	18.5	6.60	32.0
800 Seconds	"	4.70	21.4	6.30	34.0
1000 Seconds	"	4.55	22.3	6.00	31.9
1.6.7 Bitumen	"	8.45	17.0	11.00	30.2
<b>2. Electricity</b>					
2.1 Installed Capacity	MW	1,240.65	2.7	1,289.65	3.9
2.1.1 Hydro	"	968.45	3.2	1,017.45	5.1
2.1.2 Thermal	"	272.20	0.8	272.20	-
2.2 Units Generated	Mn.kWh	2,858.1	2.1	3,149.4	10.2
2.2.1 Hydro	"	2,801.5	7.8	3,144.6	12.2
2.2.2 Thermal	"	56.6	-72.0	4.8	-91.5
2.3 Total Sales	Mn.kWh	2,346.8	-0.8	2,560.7	9.1
2.3.1 Domestic	"	420.8	3.8	508.6	20.9
2.3.2 Industrial	"	844.3	-6.2	887.3	5.1
2.3.3 Commercial	"	440.8	-1.6	509.2	15.5
2.3.4 Local Authorities	"	623.7	5.0	638.1	2.3
2.3.5 Street Lighting	"	17.2	1.2	17.5	1.7

\* Provisional.

Sources : Ceylon Electricity Board;  
Ceylon Petroleum Corporation.

able to operate at full capacity. As a result, total hydro power generation during 1990 rose by 12 per cent to 3145 million kWh. Consequently, the total electricity generation in 1990 was almost confined to hydro sources thereby raising its share in commercial energy to 29 per cent from 26 per cent in 1989. Correspondingly, thermal power generation recorded a substantial decline from 56 million kWh to 4.88 million kWh in 1990. The sharp decline in the dependence on petroleum products for electricity generation not only reduced the unit cost of power generation but also provided relief to the balance of payments. Meanwhile, the generation and transmission losses increased to 589 million kWh in 1990 or 18.7 per cent of total generation as compared with 511 million kWh or 17.9 per cent in 1989. The increase in losses was largely due to the under recording of electricity sales to the Northern and Eastern regions affected by civil disturbances.

Electricity tariffs were revised upwards by the CEB with effect from 1st April, 1990. While electricity tariffs to the domestic category were increased by 50 per cent, the consumption of the first 50 units was exempted from this increase. Tariffs applicable to industrial and commercial categories were revised by 34 - 43 per cent and 55 - 64 per cent, respectively. Meanwhile, rates applicable to hotels were increased by 59 - 69 per cent. Furthermore, time of day tariff was introduced to small scale industries.

**TABLE 1.24**  
**Revised Electricity Rates**

Category			Old Rate (Rs./kWh)	Revised Rate (Rs./kWh)	Percentage Increase
Domestic	Units	0 - 10	0.55	0.55	-
		11 - 50	1.05	1.05	-
		51 - 100	1.05	2.00	90
		101 - 450	2.00	3.00	50
		> 450	2.45	4.00	62
Religious	Units	0 - 150	0.60	0.80	33
		> 150	2.00	2.95	48
Industrial	Small		1.75	2.35	34
	Medium		1.60	2.20	38
	Large		1.50	2.15	43
General Purposes	Small		2.00	3.10	55
	Medium		1.90	3.05	61
	Large		1.80	2.95	64
Hotels	Small		1.95	3.10	59
	Medium		1.85	3.05	65
	Large		1.75	2.95	69

Source : Ceylon Electricity Board

Note : Small - Supply of electricity at 400/230 volts and contract demand is less than 50 KVA.

Medium - Supply of electricity at 400/230 volts and contract demand is equal or more than 50 KVA.

Large - Supply of electricity at 11KV, 33 KV and 132 KV.

Time of day tariff is applicable only for Industrial and Hotels categories. Peak rates and off peak rates were revised upward by 102-116 per cent and 35-45 per cent respectively.

The revised rates along with old rates are given in Table 1.24. The revision of electricity tariffs was aimed at achieving a rate of return of 8 per cent on the average net fixed assets, maintaining a debt service ratio not less than 1.5 and providing 30 per cent of the funds needed for capital work from internal cash generation.

In spite of sharp upward adjustments in electricity tariffs, the total sales of electricity rose by 9 per cent to 2,561 million kWh in 1990. The increase would have been much higher had there been no civil disturbances in the Northern and Eastern Regions. The electricity sales to the domestic sector recorded the highest increase of 21 per cent compared with 4 per cent increase in 1989, when the domestic demand was largely restricted due to civil disturbances. Similarly, sales to the industrial and commercial sectors also recorded increases of 5 per cent and 16 per cent to 887 million kWh and 509 million kWh, respectively, reflecting the expansion in activities related to those sectors with the improvement of the security situation in the country. Meanwhile, the bulk sales to local authorities rose by 2 per cent to 638 million kWh in 1990.

The sharp increase in international prices of petroleum products coupled with the increased volume of imports of petroleum products resulted in a substantial increase in foreign exchange outlay on petroleum imports in 1990. The total expenditure on petroleum imports which accounted for 10 per cent of total imports in 1989, rose to 13 per cent in 1990. The average price of crude oil per barrel rose by 35 per cent to U.S. Dollars 23.53 (Rs. 943) in 1990 from U.S. Dollars 17.43 (Rs. 628) in 1989. The import volume of crude oil rose by 40 per cent to 1,778,866 metric tons. In contrast, imports of refined products declined from 374,344 metric tons in 1989 to 124,986 metric tons in 1990 due to the smooth functioning of the refinery without interruption.

Following the upward movement in the prices of petroleum products in the international market, the domestic prices were revised upward twice during the latter half of the year, first on 15th August and second on 6th November. When compared with 1989, the highest increase was recorded with respect to petrol (75 per cent), while the lowest increase was in respect of furnace oil (between 30 and 34 per cent). The price of kerosene which had not been revised since 1983, was also increased by 34 per cent. However, with the stabilisation of prices in the international market the prices were revised downward on 27th December. Details of the price revisions are given in Table 1.25.

Domestic consumption of petroleum products recorded a moderate increase of 6 per cent, from 1,071,350 metric tons in 1989 to 1,136,111 metric tons in 1990. However, during the last 5 months of the year, the demand for certain petroleum products slackened due to the sharp upward adjustment in domestic prices. The demand for petrol increased by only 4 per cent in 1990 compared with an increase of 9 per cent in the previous year. Consumption of auto diesel and kerosene rose by 6 per cent and 5 per cent, respectively in 1990. Reflecting the increased industrial activities following the improved civil situation, sales of furnace oil rose by 6 per cent in 1990 as compared with a decline of 7 per cent in the previous year. Sales of liquified petroleum gas (LPG) too increased by 23 per cent to 18,718 metric tons.

**Table 1.25**  
**Revised Prices of Petroleum Products**

(Rupees per Litre)

Product	Old Price (Rs. Cts.)	Revised		
		15.08.90 (Rs. Cts.)	06.11.90 (Rs. Cts.)	27.12.90 (Rs. Cts.)
Petrol	20.00	25.00	35.00	30.00
3 Star Petrol	22.00	27.00	38.00	32.50
Auto Diesel	9.60	11.00	13.00	11.00
Kerosene	6.58	8.00	8.80	8.80
Heavy Diesel	9.20	10.60	12.50	10.60
Super Diesel	10.90	12.50	15.00	13.00
Furnace Oil	200	5.79	6.65	7.50
"	500	5.00	5.75	6.60
"	800	4.70	5.40	6.30
"	1000	4.55	5.25	6.00
"	1500	4.29	4.90	5.60
"	2000	4.15	4.75	5.40
"	3500	3.83	4.40	5.00
Bitumen	8.45	9.70	11.00	11.00
L.P.G. Per Kg.	8.86	10.20	11.20	11.20

Source : Ceylon Petroleum Corporation

Export of petroleum products increased by 29 per cent to 620,610 metric tons in 1990. Accordingly, gross earnings from petroleum products rose by 77 per cent (51 per cent in SDR terms) in 1990 from Rs.2,242 million (SDR 49 million) in 1989 to Rs. 3,974 million (SDR 73 million) in 1990.

## TRANSPORTATION

The operations of the transport sector showed mixed results during 1990 with varying performance in different transport sectors. The activities of the Sri Lanka Regional Transport Boards (SLRTBs) were heavily restricted due to the damage caused to the vehicle fleet during the last few years and the escalation of civil disturbances in the Northern and Eastern Regions. However, the services provided by the Sri Lanka Railway (SLR) improved considerably during the year with the restoration of train services to the Northern and Eastern provinces, although the operations were slowed to some extent during the latter half of the year owing to the resumption of civil disturbances in those regions. The private sector, on the other hand, was able to expand its operations largely due to increased availability of credit facilities and tax concessions offered by the government. Meanwhile, fares of all modes of transport had increased during the year, due to the sharp upward adjustments of fuel prices in the domestic market.

The scale of operations of the SLRTBs continued to decline during 1990. The operated kilometerage recorded a decrease of 6 per cent to 245 million in 1990. The drop in the scale of operations was largely due to the substantial decline in the operational bus fleet on account of damages caused to the vehicle fleet during the last few years and the disruption to scheduled services in the Northern and Eastern regions with the escalation of civil disturbances since mid-1990. Although a total of 66 new buses was added to the existing fleet, the average number of buses operated per day further declined to 3,300 in 1990 from 3,672 in 1989. In addition, the run down state of the vehicle fleet and shortage of spare parts to meet the normal maintenance requirements resulted in reduced

frequency of operations. Consequently, the SLRTBs were able to operate less than half their scheduled services during the year.

In spite of the decline in the scale of operations, the passenger kilometrage of the SLRTBs rose marginally by 3 per cent to 13,327 million in 1990. Meanwhile, the passenger fares of the SLTB which had remained unchanged since 1983 were revised upward with effect from 26th August, 1990, in order to cover the additional expenditure resulting from increased domestic prices of auto diesel. Accordingly, the passenger fares of the SLTB increased by 57 per cent raising the fare per kilometer from 17 cents to 27 cents. In keeping with the marginal growth in passenger kilometrage and increased passenger fares, the total revenue of the SLRTBs increased by 17 per cent to Rs. 2,618 million in 1990 from Rs. 2,242 million in 1989.

In view of the heavy losses incurred during the past few years, the Government decided to peoplisthe Sri Lanka Transport Board (SLTB) in order to make it an operationally efficient and financially viable venture. This is an extension of a broad privatization programme which is being implemented by the Government under the ongoing economic restructuring programme. Under the peoplistation programme, the Ministry of Transport expects to establish 40 to 50 independent ventures based on depots as viable

**TABLE 1.26**  
**Salient Features of the Transport Sector 1989 - 1990**

Item	Unit	1989	% Change over 1988	1990*	% Change over 1989
<b>1. New Registration of Motor Vehicles</b>	<b>Nos.</b>				
1.1 SLTB Buses	"	260	6.1	78	-70.0
1.2 Private Coaches	"	444	-48.6	1,159	161.0
1.3 Private Cars	"	11,921	8.0	15,061	26.3
1.4 Motor Cycles	"	66,696	140.0	84,424	26.6
1.5 Goods Transport Vehicles	"	2,457	-1.9	2,813	14.5
1.6 Land Vehicles	"	2,603	11.1	2,569	-1.3
1.7 Others	"	14	1,300	21	50
<b>2. Sri Lanka Transport Board (SLTB)</b>					
2.1 Operated Kilometres	Million	260.7	21.8	245.4	-5.9
2.2 Passenger Kilometres	"	12,980.0	-15.8	13,327.0	2.7
2.3 Total Revenue	Rs. Mn.	2,242.4	-10.7	2,617.7	16.7
2.4 Total Cost	"	2,755.2	-10.1	n.a.	-
2.5 Surplus/Deficit (+/-)	"	-512.8	0.5	n.a.	-
<b>3. Sri Lanka Railways (SLR)</b>					
3.1 Operated Kilometres	Million	5.7	-13.6	7.5	31.6
3.2 Passenger Kilometres	"	1,733.9	-6.7	2,484.7	43.3
3.3 Freight ton Kilometres	"	169.7	-14.1	167.0	-1.4
3.4 Total Revenue	Rs. Mn.	457.7	-1.4	638.4	39.5
3.5 Total Cost	"	883.1	2.3	1,056.7	19.7
3.6 Surplus/Deficit (+/-)	"	-425.3	6.6	-418.3	-1.6

\* Provisional

Source : Sri Lanka Central Transport Board;  
Sri Lanka Railways;  
Department of Motor Traffic.

units. In order to motivate the employees to participate actively in management, the administration of the depots will be entrusted to boards elected by the employees. At the initial stage, 50 per cent of the shares will be allocated to employees free of charge while the balance 50 per cent will be held in trust by financial institutions. After a lapse of 3 to 5 years the latter shares will also be transferred to the employees; thereby allowing them to be the ultimate owners of these ventures. As a first step of the peoplisation programme, three depots namely; Ratmalana, Negombo and Kandy South were converted into peoplised companies with effect from 20th December, 1990. Meanwhile, under the voluntary retirement scheme introduced in April, 1990, as a cost minimising device, the total staff of the SLTB was reduced by 26 per cent to 37,577 by end 1990, compared with 1989.

Compared with the operations of SLRTBs, the SLR fared better during the year under review. During the first half of the year, the SLR was able to restore its services to the Northern and Eastern Regions on the Northern, Talaimannar, Batticaloa and Trincomalee lines. Meanwhile, night mail trains and special trains for festivals and pilgrim seasons were also operated during the first half of the year. However, with the escalation of civil disturbances in the Northern and Eastern regions since mid 1990, the SLR was able to operate only restricted services in those regions. Consequently, the operated kilometerage of the SLR rose by 32 per cent to 7.5 million in 1990 from 5.7 million in 1989. Similarly, the passenger kilometerage rose considerably by 43 per cent to 2,485 million in 1990 from 1,734 million in 1989 indicating an increased volume of travel. Meanwhile, freight ton kilometerage declined by 1 per cent to 167 million in 1990 from 170 million in 1989.

The SLR revised passenger fares with effect from 26th August, 1990 in response to the fuel price increase in the domestic market. Accordingly, fares for the third class increased by 30 per cent to 17 cents per kilometer while that of the suburban areas increased by 50 per cent to 21 cents per kilometer. The first and second class fares were increased by 26 per cent and 27 per cent, respectively. Freight rates were also revised twice on 11th June and 26th June, 1990. The significant increase in passenger kilometerage coupled with the increased passenger fares resulted in raising the revenue of the SLR by 40 per cent to Rs. 638 million in 1990. Similarly, the total expenditure also rose by 20 per cent to Rs. 1,057 million thereby reducing the operational loss of SLR to Rs. 418 million as compared with Rs. 425 million in 1989.

Passenger services provided by the private sector increased significantly in 1990 compared with 1989. According to the Department of Motor Traffic, new registrations of private omnibuses nearly trebled to 1,071 in 1990 from 388 in 1989. The expansion of activities relating to private bus transportation was largely due to the increased availability of credit facilities to purchase buses at subsidised rates of interest through the SMI loan scheme of the National Development Bank and the reduction of the costs of vehicles due to the exemption from turnover taxes and import duties of the importation of buses with seating capacity above 30.

## HOUSING

With the completion of the One Million Houses Programme in 1989, the major emphasis on housing development in 1990 was on the One Point Five Million Houses Programme (OPFMHP). This programme was formulated on the basis of experience gained by the Million Houses Programme (MHP) during 1984-89 and Hundred Thousand

Houses Programme (HTHP) during 1979-83. The main objective of this programme was to assist 1.5 million families by providing loans and grants to construct new houses, upgrade existing houses and improve shelter conditions of the poor. The programme stretches over a period of six years commencing 1990.

The OPFMHP is a national umbrella programme with implementation undertaken by 11 sub-programmes namely Rural Housing Sub-Programme (RHSP), Urban Housing Sub-Programme (UHSP), Disaster Housing Sub-Programme (DHSP), Provincial Council Housing Sub-Programme (PCHSP), Mahaweli Housing Sub-Programme (MHSP), Plantation Housing Sub-Programme (PHSP), Non-Government Housing Sub-Programme (NGHSP), Employees Housing Sub-Programme (EHSP), Individual Family Housing Sub-Programme (IFHSP), Private Developers Housing Sub-Programme (PDHSP) and Building Resources Development Sub-Programme (BRDSP). Out of the 11 Housing Sub-Programmes under the OPFMHP, the National Housing Development Authority (NHDA) was assigned direct responsibility to cater to the housing needs of the Rural and Urban low income families under the RHSP and the UHSP. These two programmes targetted to provide housing facilities to 450,000 and 150,000 families, respectively by end 1995. Further, the NHDA was assigned the task of implementing special housing programmes under the DHSP and EHSP for disaster victims affected by man-made and natural disasters and for the low income families in the Greater Colombo Area. In addition to the NHDA, the Ministries of Rehabilitation and Reconstruction and Social Welfare, Plantation Industries, Mahaweli and Labour, Provincial Councils, Housing Development Finance Corporation (HDFC), Co-operatives, Banks, Private Developers and NGOs have been identified as implementing partners of the OPFMHP.

In 1990, housing activities under the OPFMHP were affected by several factors such as financial constraints experienced by the relevant housing financing institutions, escalation of civil disturbances in the Northern and Eastern Provinces during the latter half of the year and scarcity of building materials. However, the NHDA has taken several measures to facilitate the implementation of the OPFMHP in 1990. The Housing Development Finance Contributory Projects were initiated to mobilize funds from the decentralised budgets of Provincial Councils and Integrated Rural Development Programmes (IRDPs). The total allocation committed was Rs. 68 million and Rs. 49 million received in 1990. Meanwhile, Housing Development Co-operative Societies (HDCS) were established to smoothen the operation of the OPFMHP at community level. It was proposed to expand the HDCSs network throughout the community by establishing them in each Pradeshiya Sabah Division. Further, Resources Development Projects were launched with twin objectives of producing low cost building materials and generating income opportunities with optimal utilization of local resources. In addition, efforts have been taken under the sponsorship of various organisations such as Police, Temples, Schools, Seva Vanitha Movement, NGOs etc., to mobilize more contributors towards the implementation of the OPFMHP.

Under the OPFMHP, sub-programmes such as RHSP, UHSP, DHSP, MHSP, PCHSP and PHSP are classified under public sector housing programme. Under the Rural Housing Sub Programme (RHSP), the largest sub programme of the OPFMHP, loans were provided to 28,708 families with a maximum of Rs. 12,500 per recipient. A total of 15,787 units have been completed by end 1990 and total outlay under the programme was Rs. 207 million. Under the Urban Housing Sub Programme (UHSP),



housing loans were given to 3,983 urban low income families with a maximum of Rs. 20,000 per recipient. During the year, construction of 1,493 units have been completed and total loan disbursements were in the region of Rs. 33 million. The number of loans granted under the DHSP was 2,179 while the number of units completed was 145. Expenditure incurred for the above programme was Rs. 24 million. Meanwhile, under the PCHSP, housing loans amounted to Rs. 4 million were provided to 1,070 families. Further, 3513 housing plots alienated by the NHDA under the UHSP and the IFHSP during the year were valued at Rs. 37 million.

Meanwhile, the NHDA has undertaken several special housing projects under the EHSP in 1990. A Five Thousand Houses Programme (FTHP) has been launched for the

**TABLE 1.27**  
**Performance of One Point Five Million Houses Programme - 1990**

Sub-Programme	No. of families reached	No. of units completed	Value of loans disbursed (Rs. Mn.)
Rural Housing Sub-Programme (RHSP)	28,708	15,787	207.3
Urban Housing Sub-Programme (UHSP)	3,983	1,493	32.6
Provincial Council Housing Sub-Programme (PCHSP)	1,070	127	3.9
Disaster Housing Sub-Programme (DHSP)	2,179	145	24.3
Plantation Housing Sub-Programme (PHSP)*	300	Nil	0.9
Mahaweli Housing Sub-Programme (MHSP)	3,618	4,510**	15.4***
Employee Housing Sub-Programme (EHSP)	1,010	130	34.7
<b>Total</b>	<b>40,367</b>	<b>22,192</b>	<b>319.1</b>

Source : National Housing Development Authority  
Mahaweli Economic Agency

\* Excluding JEDB & SLSPC

\*\* Units completed under MEA, EEC and NHDA and own construction undertaken by sub-families

\*\*\* Grants provided by MEA for the new settlers.

benefit of low income families within the city of Colombo, at a total estimated cost of Rs. 1,500 million. Under this programme, five projects were started in 1990 and targetted to yield 407 housing units at an estimated total cost of Rs. 84 million. In the meantime, Manning Town Housing Project was launched at Narahenpita to yield 400 housing units to cater to public servants at a total estimated cost of Rs. 271 million during the corresponding period.

The Plantation Housing Sub Programme (PHSP) geared under the Social Welfare Programme of the Medium Term Investment Programme (MTIP) funded by the Asian Development Bank (ADB) and the Dutch and Norwegian governments has been further extended to 1990. The two state owned institutions - Janatha Estates Development Board and Sri Lanka State Plantations Corporation, responsible for carrying out the PHSP, showed slow progress in housing construction work during 1990. This was due to the delay in carrying out the construction programme during the first half of the year on account of the changes that took place in the administrative framework of the plantation sector. According to provisional data, the JEDB was able to complete 96 new houses and 180 upgradings while 66 new houses and 204 upgradings were under construction in 1990. Similarly, the SLSPC built only 4 new houses and 3 upgradings while 36 new houses and 22 upgradings were under construction during the year 1990. A further,

2,438 houses in the JEDB and 5,835 houses in the SLSPC were provided with latrine facilities during the corresponding period. In addition, under this programme, the NHDA has provided housing loans for 300 families in 1990.

Under the Mahaweli Housing Sub-Programme, the Mahaweli Economic Agency (MEA) has provided financial assistance in the region of Rs. 15 million to 3,618 families in systems H, B, C, G and L during 1990. Each selected family received Rs. 4,250 as housing assistance from MEA. In addition to this programme, arrangements have been made to provide housing loan facilities for Mahaweli settlers under the European Economic Community (EEC) and the NHDA. Accordingly, 226 and 72 houses were completed respectively under EEC and NHDA loan schemes in 1990. During the year, construction work under the MHSP was constrained to some extent by the scarcity of building materials such as timber, cement, etc.

The State Mortgage and Investment Bank (SMIB), National Savings Bank (NSB), Housing Development Finance Corporation (HDFC), Bank of Ceylon (BOC) and People's Bank (PB) were the major state owned financial institutions which extended financial facilities for private sector housing development activities in 1990. However, during 1990, the private sector housing construction programme was largely constrained by factors such as the high cost of funds, increased cost of building materials, and scarcity of building materials. Consequently, certain financial institutions have re-organised their housing loan programmes to provide loan facilities on more concessional terms to the private sector.

The State Mortgage and Investment Bank (SMIB) continued its function as a leading financial institution of housing finance to individuals and real estate developers in 1990. According to provisional data, 2,643 housing loans amounting to Rs. 270 million were sanctioned during 1990. However, the number of loans and amount sanctioned under the housing loan scheme of the SMIB declined by 9 per cent and 19 per cent, respectively over the previous year. This decline was largely due to the upward revision of interest rates and high cost of materials pertaining to building constructions during 1990. In contrast, the total amount of housing loan recoveries increased by 17 per cent to Rs. 543 million (inclusive of arrears) in 1990. Meanwhile, new policy measures were implemented to enhance the demand for housing loans from the private sector in 1990. Accordingly, housing loans for renovations and improvement to dwelling houses and purchases of used dwelling houses which were suspended in 1989 were reintroduced. Furthermore, special Group Housing Loan Schemes were introduced for employees of Government and Semi-Government institutions whereby loans are given at concessionary rates of interest on funds provided by the employer. Meanwhile, the SMIB continued to provide housing loans under the Employees Provident Fund Loan Scheme sponsored by the Ministry of Labour, retaining EPF balances as security.

Two State owned commercial banks - the Bank of Ceylon and the People's Bank - continued their loan schemes for housing development activities during 1990. During the year 1990, the Bank of Ceylon granted housing loans to 1,327 borrowers amounting to Rs. 587 million. The number of loans and value of loan disbursements recorded increases of 50 and 58 per cent, respectively over the previous year.

The National Savings Bank also made a contribution to the housing sector by granting housing loans during 1990. The Bank granted Rs.70 million on housing loans to 591 individuals as against Rs. 56 million granted to 457 individuals during 1989. Total loans

granted to construct new houses increased by 20 per cent to Rs. 35 million in 1990. The interest rates charged on housing loans varied from 18 per cent to 22 per cent depending on the amount and purpose of the loan.

The Housing Development Finance Corporation (HDFC) of Sri Lanka Ltd. provided loans for housing purposes on a limited scale. Loans disbursed in 1990 for housing purposes amounted to Rs. 12 million as compared with Rs. 11 million in 1989. The slow progress was mainly due to the paucity of funds for disbursement. During the year, seven districts have been identified to set up District Units of the HDFC with a view to extending facilities outside Colombo. Two units had been opened in Kandy and Matara districts. The average interest rate charged on loans was 19 per cent in 1990.

Meanwhile, the previous programme of Million Houses (MHP) also carried out its activities in 1990. Under the MHP, a total sum of Rs. 37 million was disbursed in 1990 and 13,732 units were completed under the sub-programmes of RHSP and UHSP and Rehabilitation programmes. Furthermore, Rs. 8 million was disbursed as grants to the needy poor families both in the Rural and Urban sectors to complete 5,176 units under the Sevana Housing Grant Programme (SHGP). In addition, ownership of 197 rural houses valued at Rs. 3.9 million was transferred to individuals in 1990.

## **URBAN DEVELOPMENT**

The activities related to urban development undertaken by the Urban Development Authority (UDA) increased during 1990. They were largely concentrated in social and cultural projects. During the year, a sum of approximately Rs.135 million was spent on the construction of the Sugathadasa Indoor Stadium. In addition, a sum of Rs.50 million was spent on the work relating to improving Keththarama Stadium. Meanwhile, a further sum of Rs. 25 million was spent in connection with the infrastructure development activities in the Homagama Industrial Development Project. Under the Peliyagoda Integrated Development Project Stage I, 90 per cent of the saleable lands were leased out by end 1990 and initial steps were taken for the construction of 136 housing units for relocation of families.

In 1990, the total investment on urban development activities was Rs.315 million as compared with Rs.154 million in 1989. Of the total expenditure, Rs. 135 million was on social and cultural projects, while Rs.75 million was on projects undertaken on behalf of clients. Meanwhile, a sum of Rs.51 million was incurred on the purchase of under-developed or unutilized land by the Land Bank. A further sum of Rs.44 million was spent on integrated and industrial development projects. Of the total investment, 76 per cent was financed by issuing debentures and internal fund generation while the rest was provided by the clients.

## **ROADS AND RAILTRACKS**

The activities of the Road Development Authority (RDA) increased in 1990 compared with the previous year. The work relating to rehabilitation of the road net work was in progress during the year under review, although the activities were affected to some extent by the non-availability of explosives, paucity of contractors for execution of work and civil disturbances in the Northern and Eastern Regions.

Under the World Bank Second Road Project, the rehabilitation work of the Colombo-Kandy road from Warakapola to Kandy, Colombo-Horana road from Pepiliyana to Horana and Kadawatha-Welisara road were completed by end 1990. Under

the Trunk Road Improvement Project funded by the Asian Development Bank, work on rehabilitation of the Matale - Dambulla - Habarana road was completed, while work on the Omaragalla - Dambulla - Anuradhapura road was in progress during the year. Meanwhile, the reconstruction work of the Victoria Bridge undertaken by a Japanese Grant was in progress during the year.

The road network maintained by the Ministry of Highways and Provincial Councils in 1990 totalled 25,749 kms., while 5,477 bridges were maintained by the RDA and provincial councils. During the year, a sum of Rs. 1,075 million was spent on the construction of roads. This was an increase of 32 per cent over the previous year. Total expenditure incurred on the maintenance of roads was Rs. 178 million.

As in the previous year, the railtrack kilometerage remained unchanged at 1,944 kms., in 1990. Production in the Concrete Sleeper Manufacturing Plant commenced in February 1990 and sleepers produced were used to maintain the track-structure on the main line and coast line.

## COMMUNICATION SERVICES

In 1990, activities of the Postal and Telecommunications departments improved considerably following the improved security situation in the country.

During the year, the number of articles handled by the Postal Department rose by 6 per cent to 519 million in 1990 from 488 million in 1989, mainly due to the increased handling of inland mail and parcels. Inland mail handling increased by 9 per cent to 446 million while inland parcel handling rose by 5 per cent to 590,000 in 1990. Meanwhile, foreign mail handling declined by 5 per cent to 72,382 in 1990 while the foreign parcel handling remained at the same level of 71,000 as in the previous year.

The post office network expanded to 3,945 in 1990 from 3,908 in 1989. Consequently, the area served by a post office was further reduced to 16.6 sq.kms. in 1990 from 16.8 sq.kms. in 1989, indicating an increased availability and access to postal services for the public. Meanwhile, the number of letters per inhabitant also increased to 29 in 1990 from 28 in 1989.

During 1990, the activities of the telecommunications sector were further improved by extending, upgrading and rehabilitating the existing telecommunication network. The major projects continued during the year were Colombo Area Development Scheme Stage IV, General Development of Telecommunication Services, Telecommunication Network Improvement in the Greater Colombo Area, South East Asian Middle East Western Europe Submarine Cable project (SEA-ME-WE) and provision of junction circuits through Radio Links to Rural Exchanges. By the end of 1990, the Colombo Area Development Scheme Stage IV and Stage I of the SEA-ME-WE project were completed while the major parts of the work relating to the Greater Colombo Area Telecommunication Project and the Telecommunication Training Centre were also completed. Meanwhile, certain civil works of the Matara District Telecommunication Network Development Project financed by FINNIDA was also completed during 1990.

TABLE 1.28

## Growth of Postal &amp; Telecommunication Service 1986 – 1990

	1987	1988	1989	1990*
<b>1. Postal Service</b>				
1.1 No. of delivery areas	6,621	6,621	6,630	6,636
1.2 Area served by a Post Office (Sq. Kms.)	17.4	17.0	16.8	16.6
1.3 Total No. of Post Offices	3,778	3,869	3,908	3,945
1.3.1 Public	3,757	3,829	3,841	3,864
1.3.2 Private	21	40	67	81
1.4 Population served by a Post Office	4,335	4,306	4,406	4,398
1.5 Number of letters per inhabitant	35	32	28	29
<b>2. Telecommunication Service</b>				
2.1 Inland Telephone Service				
2.1.1 No. of telephone lines	97,832	104,208	105,007	115,248
2.1.2 New telephone lines given	5,073	5,000	6,087	10,241
2.1.3 No. of applicants in waiting list	27,016	50,994	48,400	38,000
2.1.4 Demand for telephone (Nos.)	124,848	155,202	153,407	153,248
2.1.5 Telephone density (Telephones per 100 persons)	0.59	0.62	0.62	0.68
2.2 Overseas Telecommunication Service				
2.2.1 No. of telex connections	1,378	1,535	1,591	1,662
2.2.2 No. of applicants in waiting list	135	127	59	54
2.2.3 Outgoing traffic (Nos.)				
2.2.3.1 Overseas telephone traffic	6,376,372	6,980,022	8,038,000	9,006,000
2.2.3.2 Overseas telegrams (b)	3,726,913	3,359,723	3,023,000	2,720,000
2.2.3.3 Overseas telex traffic (a)	4,854,422	4,824,658	4,777,000	4,730,000

(a) Figures are given in number of minutes.

(b) Figures are given in number of words.

\* Provisional

Source : Department of Posts;  
Department of Telecommunications.

In addition to these specific projects, several measures were taken to develop the general telecommunication services of the country during the year. Accordingly, the total number of telephone lines provided to the public increased by 10 per cent to 115,248 in 1990. Consequently, the Department of Telecommunications was able to bring down the number of applicants in the waiting list to 38,000 in 1990 from 48,400 in 1989. Meanwhile, the total number of telex connections rose by 4 per cent to 1662 in 1990. The total overseas telephone traffic increased by 12 per cent while the overseas telegrams (messages) and overseas telex traffic declined by 10 per cent and 1 per cent respectively, in 1990.

### **JANASAVIYA PROGRAMME**

As a part of the Government poverty alleviation strategy, the Janasaviya Programme (JSP) was launched by the Government during the last quarter of 1989. The JSP is scheduled to be implemented in eleven rounds and the duration of the first round was October 1989 to September 1991. As a preliminary requirement, Janasaviya Entitlement Certificates were distributed among all the 2.3 million food stamp receiving families on 29th June, 1989, throughout the island without considering the eligibility criteria. This certificate is a proof of access to the JSP. The identification of families for Janasaviya benefits is done by the respective communities through a family identification process in an open procedure without bureaucratic interventions. The only criteria of selecting households is monthly family income and households earning less than Rs.700 per month are selected for these benefits.

Each selected family is given a pool of resources valued at Rs.2,500 a month during a 24 month period for their consumption and investment purposes. Basically, Rs.1,458 is given for consumption of which Rs.1,000 is for direct consumption and the balance is deposited in the household's savings account. Beneficiaries are free to encash those deposits whenever they need funds for consumption purposes. The balance amount of Rs.1,042 per month is deposited in their savings account maintaining at the National Savings Bank.

The implementation of the JSP first round which commenced in October 1989, started in 28 Assistant Government Agents (AGA) divisions in all 25 districts. The selection of AGA divisions was based on the highest percentage of food stamps receiving families as a ratio of the population. At the commencement of the implementation of the first round, 188,169 families were identified, but the number was gradually reduced to 156,245 at the end of 1990 through a continuous screening process. Households which either earn more than Rs.700 per month or do not provide their labour contribution have regularly been screened during this period.

The consumption component of the JSP is almost similar to the earlier Food Stamp Scheme, but beneficiaries are able to buy only locally produced food and non-food items through co-operatives and authorized retail outlets. Beneficiaries are given opportunities to select any item out of that food basket. The highest demands were for rice and sugar while the demand for other food items was low. In addition, a considerable share of consumption expenditure was spent on purchases of fertilizer and agricultural implements. The total expenditure on the first round of the JSP was Rs. 2,757 million, while net savings out of the consumption component at the National Savings Bank were Rs.525 million as at the end of 1990.

Under the JSP, each identified family has to contribute 24 days of labour per month. This labour was mostly used for infrastructure development activities such as gravel road widening, road rehabilitation, irrigation canal rehabilitation, etc. Furthermore, beneficiaries are trained in different skills to boost existing projects as well as to initiate new projects or enterprises. At the end of the year 1990, 22,500 beneficiaries were trained at various training centres in government institutions. In addition, 28,598 new projects were established in different sectors, Agriculture - 17,664, Industry - 5,704, Trade - 4,068 and Services - 1,162, during the implementation period of the first round. As a result, 28,990 beneficiary families were engaged in these projects and generated 38,132 new employment opportunities at the end of 1990.

The JSP beneficiaries were given credit facilities by various financial institutions for their income generating activities without collaterals. Financial institutions had granted Rs.132 million for 18,359 families (Bank of Ceylon - Rs.48 million for 6,106 families, People's Bank - Rs.44 million for 5,733 families, Co-operative Rural Banks - Rs.33 million for 5,257 families and other banks Rs.7 million for 1,263 families) as at the end of 1990. In addition, the Janasaviya Trust Fund, a World Bank assisted programme, was established towards the end of 1990 to extend financial and skill development assistance especially for the Janasaviya beneficiaries.

The second round of the JSP commenced in December 1990 over 30 AGA Divisions in all 25 districts. Under the first step of identification, 52,840 beneficiary families were identified (excluding 7 AGA Divisions in Jaffna, Mannar, Vavunia, Mullativu, Kilinochchi and Trincomalee districts). In addition, 26,420 families were identified under the second step of identification totalling 77,260 households under the second round of the JSP.

### **THE ACCELERATED MAHAWELI PROGRAMME 1/**

Since most of the construction work of the Accelerated Mahaweli Programme (AMP) had been completed, the main focus of the AMP during 1990 was on the downstream development and settlement activities. Construction and settlement activities which suffered a setback in 1989 recorded a substantial improvement in 1990 with the easing of civil disturbances. However, activities connected with the implementation of System 'B' (Right Bank) remained suspended due to unsettled conditions in the area. The total expenditure incurred on the AMP in 1990 amounted to Rs.1,960 million, of which approximately Rs.1,177 million or 60 per cent was spent on systems development activities: System 'C' (Rs.582 million), System 'B' (Rs.537 million) and System 'L' (Rs.58 million).

During 1990, 1,461 gigawatt hours (gWh) of energy were generated by the major hydro power projects coming under the AMP: Victoria (611 gWh), Kotmale (420 gWh), Randenigala (332 gWh) and Rantambe (98 gWh). This indicated an increase of 13 per cent over the total energy generated under the AMP in 1989 and accounted for 46 per cent of the national power generation.

According to provisional data provided by the Mahaweli Authority, the total extent cultivated under Mahaweli Command Area increased by about 51 per cent to 114,388 hectares in 1990, when compared with the previous year. The extent cultivated in the Mahaweli Command Area during Maha, 1989/90 provisionally estimated at 66,499 hectares,

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1/ Based on the information received from the Mahaweli Authority of Sri Lanka.

TABLE 1.29

## New Land Cultivated under Mahaweli Development Programme

Item	Hectares											
	Maha 1986/87	Yala 1987	Total 1987	Maha 1987/88	Yala 1988	Total 1988	Maha 1988/89	Yala 1989	Total 1989	Maha 1989/90 (a)	Yala 1990 (a)	Total 1990 (a)
System 'H'	24,913	9,661	34,574	24,847	12,830	37,677	19,076	4,137	23,213	30,866	18,468	49,334
Paddy	23,317	3,295	26,612	23,560	3,951	27,511	17,360	1,455	18,815	27,893	7,594	35,487
Other Crops	1,596	6,366	7,962	1,287	8,879	10,166	1,716	2,682	4,398	2,973	10,874	13,847
System 'B'	5,902	5,952	11,854	6,241	6,413	12,654	9,014	9,306	18,320	12,933	10,565	23,498
Paddy	5,120	5,626	10,746	5,850	5,945	11,795	8,688	8,669	17,357	12,207	9,721	21,928
Other Crops	782	326	1,108	391	468	859	326	637	963	726	844	1,570
System 'C'	9,865	9,588	19,453	13,362	11,219	24,581	13,105	12,768	25,873	17,352	14,730	32,082
Paddy	9,258	9,480	18,738	11,618	11,155	22,773	11,565	12,409	23,974	14,085	14,274	28,359
Other Crops	607	108	715	1,744	64	1,808	1,540	359	1,899	3,267	456	3,723
System 'G'	4,033	4,120	8,153	4,243	3,613	7,856	4,381	3,825	8,206	4,836	3,582	8,418
Paddy	3,805	2,285	6,090	3,830	1,740	5,570	4,104	1,842	5,946	4,546	2,350	6,896
Other Crops	228	1,835	2,063	413	1,873	2,286	277	1,983	2,260	290	1,232	1,522
System 'L'	-	-	-	-	-	-	-	-	-	512	544	1,056
Paddy	-	-	-	-	-	-	-	-	-	315	138	453
Other Crops	-	-	-	-	-	-	-	-	-	197	406	603
Total	44,713	29,321	74,034	48,693	34,075	82,768	45,576	30,036	75,612	66,499	47,889	114,388

(a) Provisional.

Source: Mahaweli Authority of Sri Lanka.



recorded a substantial increase of 46 per cent when compared with the previous Maha season. Systems 'H', 'B' and 'C' accounted for 95 per cent of the increase in the total extent cultivated. Cultivation activities under the AMP in System 'L' commenced during Maha, 1989/90. During Yala, 1990, the total area cultivated in the Mahaweli Command Area recorded a substantial increase of 59 per cent to 47,889 hectares. The extent cultivated in System 'H' during Yala, 1990 recorded a more than four-fold increase to 18,468 hectares. Extents cultivated in Systems 'B' and 'C' also recorded substantial increases. However, the extent cultivated in System 'G' during Yala, 1990 declined by 6 per cent to 3,582 hectares.

The extent under paddy in the Mahaweli Command Area, during 1990 increased substantially by 41 per cent to 93,123 hectares when compared with 66,092 hectares in the previous year. Extents under the other crops also showed a more than two-fold increase to 21,265 hectares in 1990 when compared with 9,520 hectares in the previous year.

**TABLE 1.30**  
**Settlement under Mahaweli Development Programme**  
**('H', 'C', 'B', 'G' & 'L' Systems)**

Year	System					No. of Families
	'H'	'C'	'B'	'G'	'L'	Total
1975	-	-	-	-	-	-
1976	2,383	-	-	-	-	2,383
1977	3,141	-	-	-	-	3,141
1978	2,754	-	-	-	-	2,754
1979	5,290	-	-	-	-	5,290
1980	7,407	-	-	-	-	7,407
1981	2,389	2,777	-	-	-	5,166
1982	1,449	2,683	1,918	-	-	6,050
1983	1,077	1,988	1,938	1,319	-	6,322
1984	1,956	1,992	1,381	446	-	5,775
1985	44	823	3,423	1,045	-	5,335
1986	780	2,151	1,260	583	-	4,774
1987	182	1,407	857	274	-	2,720
1988	14	1,081	656	85	3,270	5,106
1989	9	1,008	324	1,305	94	2,740
1990(a)	1,680	3,427	3,492	366	-	8,588
Total	30,555	19,337	14,872(b)	5,423	3,364	73,551

Source: Mahaweli Authority of Sri Lanka.

(a) Provisional.

(b) Annual figures do not add up to the total due to subsequent cancellation of 377 allotments.

Note: Data prior to 1990 were revised.

Paddy production in the Mahaweli Command Area increased substantially by about 43 per cent to 389,182 metric tons in 1990 when compared with the previous year. The production in System 'H' alone amounted to 166,362 metric tons, accounting for 43 per cent of the total production of the Mahaweli Command Area.

The settlement activities under the Mahaweli Development Programme, which suffered a setback during 1989 in the face of unsettled conditions recovered markedly with the easing of civil disturbances in 1990. During 1990, the total number of families (farmer and non-farmer) settled in the systems coming under the AMP amounted to 8,588, the highest number

of family settlements in any one particular year since the inception of the AMP. The number of families settled in Systems 'B' and 'C' during 1990 amounted to 3,492 and 3,427, respectively. Settlement of families in System 'H' which experienced a downward trend during the last few years recorded a substantial improvement in 1990 rising to 1,680. Of this, 1,595 families were encroachers who were regularized as legitimate settlers in the area.

## **OTHER IRRIGATION DEVELOPMENT**

Other irrigation development work during 1990 was confined largely to the development of existing irrigation schemes and the promotion of effective irrigation management systems with active participation of farmer organizations in all areas other than those coming under the Accelerated Mahaweli Programme.

During the year, the Kirindi Oya Irrigation and Settlement Project-Phase I and II (KOISP), Nilwala Ganga Flood Protection Scheme, Village Irrigation Rehabilitation Project and the Minipe-Nagadeepa Irrigation Rehabilitation Project were the major irrigation projects in progress. The Integrated Rural Development Programmes were also involved in irrigation projects in certain districts, in which they were in operation. Development activities carried out under irrigation projects achieved substantial progress in 1990 with the easing of the civil disturbances in most project areas. However, the progress of the projects were below the targetted levels due to continued shortage of construction materials.

All head works and the channel systems of the KOISP -Phase I had already been completed and the work on the settlement of farmer families and the water supply scheme was in progress during 1990. According to the Irrigation Department, under both Phases I and II of the KOISP, approximately 236 families were settled during the year. Under Phase II of the KOISP, irrigation facilities were provided to about 266 hectares during 1990. The expenditure on Phase I and II of the KOISP during the year amounted to Rs.11 million and Rs.90 million, respectively.

Work on the Nilwala Ganga Flood Protection Scheme-Stage II recorded considerable progress in 1990. The expenditure on this scheme in 1990 was Rs.16 million.

The North Western Province Special Irrigation Project was inaugurated in March, 1990. This project envisages the rehabilitation of 12 schemes in the Kurunegala and Puttalam districts to provide irrigation facilities to about 9,873 hectares of existing and new lands. The total cost of the project has been estimated at Rs.452 million. Of this, Rs.14 million was spent during 1990. Under the Minipe-Nagadeepa Irrigation Rehabilitation Project, Rs.19 million was spent during the year.

Village Irrigation Rehabilitation Project (VIRP), assisted by the International Development Association (IDA) completed 129 minor irrigation schemes in 1990 providing improved irrigation facilities to about 3,021 hectares. Rehabilitation work on 81 minor irrigation schemes commenced under the Project. The total cost incurred in respect of VIRP during 1990 amounted to Rs.118 million.

**Table 1.31**  
**Expenditure On Selected Major Irrigation Schemes**

Project	Source of Aid	Total foreign Aid Commitment (In Mn.)	Actual Expenditure in 1989 (Rs. Mn.)	Expenditure in 1990* (Rs. Mn.)	Cumulative Expenditure upto end 1990* (Rs. Mn.)
1. Kirindi Oya Irrigation and Settlement Project (K.O.I.S.P.) - Phase I	ADB KFW IFAD IFAD	30.0 (US.\$) 43.5 (D.M.) 5.5 (SDR) 12.0 (US.\$)	52.2	11.0	1,693.1
2. Kirindi Oya Irrigation and Settlement Project (K.O.I.S.P.) - Phase II	IFAD	22.2 (SDR)	85.1	89.5	286.3
3. Village Irrigation Rehabilitation Project (VIRP)	IDA	24.4 (SDR)	73.7	117.7	928.0
4. Nilwala Ganga Flood Protection Scheme - Stage II	France	200.0 (F.Fr.)	80.6	16.2	1,050.9
5. Minipe-Nagadeepa Irrigation Rehabilitation Project	Japan	1,295.0 (Yen)	1.3	19.0	20.3
6. North Western Province Special Irrigation Project	-	-	-	14.1	14.1

\* Provisional.

Source: Irrigation Department.

Irrigation development works were also carried out particularly in the Anuradhapura, Polonnaruwa, Kurunegala and Monaragala districts with the funds allocated to respective Provincial Councils through the decentralized budget. Under the Integrated Management of Irrigation Systems (INMAS), work relating to the establishment of distributory channel farmer organisations was in progress during 1990. The total number of field channel groups established upto the end of 1990 was 5,836.

## INTEGRATED RURAL DEVELOPMENT PROGRAMME

The Integrated Rural Development Programme (IRDP) continued to concentrate on uplifting the standard of living and alleviating poverty in the rural areas by decentralizing development activities with greater co-ordination at the central level.

The IRDP covered only 12 districts in 1990 as the projects in Mannar, Vavuniya and Mullaitivu districts which remained suspended in the recent past as a result of civil disturbances, were terminated by the donors with the concurrence of the Government of Sri Lanka. In 1990, technical assistance from the Asian Development Bank was received for the formulation of an IRDP proposal for the Galle district. The Swedish International Development Association (SIDA) agreed to support an IRDP for the Anuradhapura district.

The total expenditure of the IRDP during 1990 amounted to Rs.694 million when compared with Rs.332 million in 1989. The cumulative expenditure on all projects up to the end of 1990, together with the expenditure incurred during 1989 and 1990 is shown in Table 1.32 Development activities under the IRDP which suffered a severe setback in 1989 recorded a recovery in 1990 with the easing of civil disturbances in the project areas.

**TABLE 1.32**  
**District-wise Expenditure on Integrated Rural Development Programme 1989-1990**

Rs. Million

District (a)	Source of Foreign Aid	Estimated Cost			Expenditure to date Cumulative		Expenditure	
		Foreign Aid Commitment	Local	Total	As at end 1989	As at end 1990(b)	During 1989	During 1990(b)
Matara (1979)	SIDA	338	37	375	197	240	22	43
Hambantota (1979)	NORAD	686	14	700	494	571	47	76
Nuwara-Eliya (1979)	Netherlands	510	10	520	312	349	25	37
Matale (1981)	World Bank	337	131	468	415	434	30	19
Puttalam (1981)	World Bank	406	191	597	579	605	34	26
Badulla (1981)	IFAD	500	110	610	308	357	31	50
Ratnapura (1984)	Netherlands	209	4	213	142	169	17	28
Monaragala (1984)	NORAD	413	8	421	180	236	35	56
Kegalle (1986)	IFAD	262	147	409	102	144	29	43
Kalutara (1987)	FINNIDA(Finland)	371	66	437	120	172	56	52
Kandy (1987)	Federal Republic of Germany	60	2	62	17	22	6	5
Gampaha (1989)	Japan	521	38	559	0.5	260	0.5	259

(a) Year of implementation is shown within parenthesis.

(b) Provisional.

Source: Ministry of Policy Planning and Implementation.