

Samurdhi Programme

Its Implementation & Progress 1995-2000

H. Sumanapala*

The Samurdhi Programme, one of the major poverty alleviation programmes in Sri Lanka, has been in operation since 1995. In addition to the Samurdhi Authority, the Department of the Commissioner General of Samurdhi and Department of Poor Relief is engaged in the implementation of the programme. This article reviews the progress achieved in alleviating poverty through its various projects implemented since its inception.

Compulsory Savings

Rs. 100 and Rs. 200 respectively is deposited in a bank account opened in the name of the beneficiary in those households that receive Rs. 500 and Rs. 1000 under the Poor Relief Scheme. The total amount saved under this scheme up to end of June 2000 amounted to Rs. 5893.86 million.

Voluntary Savings

Under the Samurdhi Scheme, the beneficiary households are organized into small groups. Voluntary savings are identified as their savings. These amounts are used for meeting their small loan requirements. The remaining balance is deposited under a collective account with the Samurdhi Banks.

Table: 1 Compulsory Savings

	1996	1997	1998	1999	2000
No. of Households	925985	918036	897802	904257	886055
Cumulative Savings Rs. Mn.	1517.54	2519.77	3764.15	5211.98	5893.86

Community Projects

These projects are intended to provide infrastructure facilities that are required to improve the living standards of the low-income rural community. The Samurdhi beneficiaries are required to contribute their labour 10-25% of the project costs while such projects are being carried out with the participation of the beneficiaries.

The facilities that are being made available under this project are as follows:

Table: 2 Voluntary Savings Fund

	1997	1998	1999	2000 (30 th June)
No. of small groups	116565	183915	227796	366234
Voluntary savings Rs.mn.	271.34	407.21	401.43	571.02

- ❖ Construction of roads, culverts, small bridges that are required for agriculture
- ❖ Construction of small scale irrigation schemes
- ❖ Establishment of village sales outlets
- ❖ Construction of inland water fisheries, fisheries harbours
- ❖ Rehabilitation of minor irrigation systems
- ❖ Participation in health and community welfare schemes
- ❖ Construction of buildings for Samurdhi Bank Unions and Regional offices

An accelerated programme named 'Rankethata Diyawara' was launched in August 1999 to implement projects in selected Grama Niladhari divisions that had been included in the programme. The number of projects completed in 1999 was 8094, inclusively irrigation, water supply, and playground development projects.

Samurdhi Credit Programme

Number of loan schemes are being implemented to enable Samurdhi beneficiaries. In order to commence income generating projects, strengthen existing projects and to meet their various credit requirements; Samurdhi beneficiaries are blessed with the Samurdhi Credit Programme.

Accelerated Credit Animators Programme

This loan scheme has been in operation in 40 Divisional Secretariat Divisions since 1996. The main objective of this scheme is to discourage Samurdhi beneficiaries from accessing informal sources of credit. Consumption, emergency and development loans are made available under the scheme, which is implemented in collaboration with the People's Bank and the Bank of Ceylon.

Samurdhi Development Loan Scheme (SASANA)

This loan scheme was implemented through the People's Bank and the Bank of Ceylon. The maximum amount of the loan was Rs. 10,000 for which a 10% rate of interest per annum is charged. As at 30th June 2000 the amount of loan funds disbursed by the two banks amounted to Rs.481.49 mn. in respect of 80173 loans. Since 1st July 2000, Samurdhi Banks have taken over the disbursement of these loans.

Samurdhi Entrepreneurship Loan Scheme

This scheme is being implemented through the People's Bank and the Bank of Ceylon. The loan amount ranges from Rs. 10,000 to Rs. 50,000 and carries an interest rate of 10% per annum. The personal security of another Samurdhi beneficiary is required to obtain this loan.

Samurdhi Leasing Scheme

The objective of this loan scheme is to increase the income levels of target beneficiaries and to introduce them to new financial facilities that are available for income generation. This loan scheme is being implemented in collaboration with the People's Leasing Co. Loans are available to both individuals and groups. The former are eligible to borrow a sum between Rs. 75,000 to Rs. 150,000 while the latter can obtain facilities between Rs. 150,000 and Rs. 300,000. The interest rate is fixed at 10% per annum and the loan repayment period is 48 months.

Samurdhi Banking Union Programme

The main objectives of this programme are to enhance the productive capacity of Samurdhi beneficiaries as well as the low-income earners by encouraging savings and providing them the required credit to enhance production and to wean them away from informal credit sources.

Table: 3 Investments in Community Projects

Year	No. of distr.	No. Div sect	Investments Rs. Mn	No. of completed projects
1995	18	235	114.06	11306
1996	18	235	210.52	11640
1997	18	235	562.54	11288
1998	21	283	373.50	6061
1999	21	283	362.45	5112
2000.06.30	21	283	365.00	1395
			1988.07	46802

* Director General, Samurdhi Programme

Type of Loan	1996		1997		1998		1999		Upto 30.06.2000	
	No	Amt Rs.Mn.	No	Amt Rs.Mn.	No	Amt Rs.Mn.	No	Amt Rs.Mn.	No	Amt Rs.Mn.
Consumption	6024	2092	16639	7.6	23565	11.21	2913	14.13	32447	15.77
Distress	—	—	—	—	—	—	—	—	—	—
Development	16498	15.26	42938	39.46	71352	67.2	99503	94.61	116681	111.77
Total	22522	2107.26	59577	47.06	94917	78.41	102416	108.74	149128	127.54

Operation of Banking Programme

905 Banking Societies covering each Samurdhi zone has been established in six stages.

Membership of Banking Societies and Share Capital

The table given below presents data on the growth of membership of the banking societies.

The table shows that the share capital has grown significantly from Rs. 83.3 mn in 1997 to Rs. 1684 mn in 1998 to Rs. 2929 in 1999 and to Rs.

Table 5 Credit granted under the Accelerated Credit Animators Programme

Year	Amount Rs. Mn.	No.	% of Recovery
1997	425.23	72740	59
1998	556.83	77357	66
1999	491.82	80152	72
Upto 30.06.2000	481.89	80173	76

674 as at 30th June 2000.

Savings in Banking Societies

Five types of deposits are offered by the Samurdhi Banking Societies. The table below provides data on the number of accounts and the amount of savings that had been generated by the Societies.

Credits granted by Banking Unions

There are five categories of loans that are made available by the banking unions. They are loans for self-employment, agriculture, fisheries, consumption and emergency purposes. Loan disbursements commenced in 1998 and the table below presents the total number of loan accounts and the amounts outstanding at the end of June 2000.

Total assets of the banking societies amounted to Rs. 2620 mn as at 30th June 2000. Of this amount Rs.935 mn had been invested in Treasury Bills

Table 6 Credit granted under the Samurdhi Entrepreneurship Programme

Year	Amount Granted Rs. Mn.	No.	% of Recovery
1998	132147	5368	98
1999	238284	9238	75
Upto 30.06.2000	300.09	10601	75

and fixed deposits. Loans accounted for Rs. 1685 mn and this amount comprised 64% of the total.

The table below provides information on the number trained in different activity areas.

Agricultural Development Programme

The main objective of this scheme is to develop agricultural activities of the beneficiaries and to improve their income status and to enhance employment opportunities by developing agro-based industries. The following strategies are identified for this purpose:

- Home gardening
- Training for self-employment
- Introduction of new agricultural techniques and methods
- Tree planting and cultivation of herbal plants
- Special agricultural projects (cadju, coir, pineapple, banana fibre)

The varied projects undertaken under this programme and their value are given in the table below:

Animal Husbandry and Fisheries Development Project

The main objectives of the project are to encourage low income households to undertake livestock rearing and fishing and fisheries related activities; to introduce new technology, know-how and skills to those who are already engaged in such activities and thereby enhance productivity; to provide self employment opportunities to beneficiaries; and to improve their nutritional status.

Awareness Raising and Skill Development Programme

A greater focus had been placed on training and skill development at the commencement of the programme in 1996.

In addition to the training of beneficiaries, attention was also paid to the training of Development Offic-

Self Employment Programme

Table 7 Loans granted for Leasing Programme

Year	No. of Items	Value of Items Rs. Mn.	No. of Instalments Paid	% of Recovery
1998	508	121.87	2.14	50
1999	672	156.54	11.8	54
Upto 06.30.2000	715	164.91	18.53	52

Several projects have been commenced under this program, which has been implemented since 1997. They include the production of broiler chicken, sale of day-old chicken, production of

Table 8 Number of Banking Societies in Operation

Year	No. of Banking Societies In Operation
1997	261
1998	439
1999	848
Upto 30.06.2000	905

eggs, rearing of pigs, goats and cows, production of bottled milk, rearing and marketing of ornamental fish, and the production dried fish. The table below presents data to show how self-employment has been generated in the fisheries and livestock sectors.

Table 9 Membership progress of Banking Societies & Shares

Membership	1997	1998	1999	Upto 30.06.2000
Female	63741	389460	737458	843198
Male	31000	249646	507476	563000
Total	94741	639106	1244934	1406198

Social Development Programme

Community groups that had been rendered vulnerable due to various reasons and those groups that are outside the mainstream of the development process are provided a measure of relief under this scheme. Attention is also paid to the development of moral values among them.

Welfare Programme

15458 welfare programmes have been implemented throughout the country for elders, chil-

Table 10 Savings in Banking Societies as at 30.06.2000

Category of Savings	No. of Savings A/Cs	Amount Rs. Mn.
Member	1083190	558.005
Non-Member	58170	53.880
Minors	462418	77.482
Diriya Matha	397972	95.807
Group	195504	422.618
Total	2197254	1207.792

Table: 11 Number of Loans and Amount granted (up to 30th June, 2000).

Category of Loan	No. of Loans	Amount Rs. Mn.	% of Recovery
Self Employment	221036	1308	104
Agriculture	78956	349	100
Consumption	13250	19	103
Fisheries	736	4	101
Distress	9006	5	100
Total :	322984	1685	103

Table: 13 Awareness Raising and Training

Programme	1996	1997	1998	1999	30.06.2000
Fisheries	—	183	205	98	203
Livestock Rearing	910	1126	1329	1313	190
Nutrition	1644	1417	—	—	—
Total :	2554	2726	1534	1411	393

dren, the disabled, women and for families of migrant workers during the first six months of 2000.

Prevention of Alcoholism

As the consumption of alcohol results in the perpetuation of the poverty situation of low-income earners, several programmes were initiated in

Table: 14 Generation of Self-Employment

Programme	1997	1998	1999	30.06.2000
Livestock	7	68	151	418
Fishers	38	34	16	25
Total :	45	102	167	443

Table:15 Income from Sale of Flags

Year	Income Rs. Mn.
1996	2.66
1997	2.38
1998	1.62
1999	4.90
30.06.2000	10.08

1997 in collaboration with the National Dangerous Drugs Control Board to discourage the consumption of alcohol and other dangerous substances. The number of such programmes carried out during the six months of the year 2000 was 4183.

Literacy

This programme targets children of school-going age, especially those between the ages 6 and 15 years. Non-school going children are admitted to school, school requirements are distributed, children's libraries and children's societies are set up. Literacy programmes have also been conducted for adults in collaboration with the Ministry of Education.

Table: 18 Completed Projects under the Labour Intensive Programme

Description	Year			Total
	1998	1999	30.06.2000	
Small Tanks	645	183	209	1037
Small Scale Irrigation Works	587	348	595	1530
Agricultural Wells	116	24	101	241
Others	37	16	11	64
Labour units used	—	400154	678826	1078980
No. of Beneficiaries	92005	42644	83202	217851
Acreage cultivated	27301	21254	45175	93730

Table:12 Projects implemented under agricultural Development Programme

Programme	1996	1997	1998	1999	30.06.2000
Home Gardening	75	61	77486	3274	7678
Trees planted in home gardens	—	—	—	451	1642
No. of trees planted	—	5000	781398	394721	18553
Indigenous medicinal plant projects	—	1	78	1	—
Special agricultural projects	—	17	14	14	101

Sale of Samurdhi Flags

'Social Development Foundations' have been established in Divisional Secretariat Divisions as a strategy for raising funds for social development programmes that are being implemented at the divisional level. The Samurdhi Flag

Day is used for selling flags and the proceeds from such sales are credited to the accounts of the Social Development Foundations. The monies collected since 1996 by the sale of flags is given in the table below.

Marketing Development Programme

This programme has several objectives. They are to enable low-income beneficiaries to obtain a reasonable price for their products/produce, to provide marketing outlets and facilities as well as to provide self-employment opportunities.

income of Rs. 1500-4000 per month by participating in marketing related activities.

Samurdhi Sales Centres

Private entrepreneurs maintain 92 such centers throughout the country at district, divisional secretariat, and zonal levels. The participants are able to earn an average income between Rs. 4000-8000 per month.

Mobile Sales Units

Mobile sales vehicles are operative in populated areas. There are 86 mobile sales vehicles in operation in different parts of the country.

Development of Small Scale Industries

This programme aims to increase the income levels of beneficiaries who are engaged in small-scale industries by organizing them and providing them the necessary and technical know-how, capital and marketing assistance.

It also attempts to provide vocational skills through training to youths, both female and male, and to provide loans under the new Samurdhi loan schemes for commencing self-employment

Table: 16 The Number Trained and in Employment

Year	No. Trained	No. found employment
1997	163	147
1998	187	168
1999	2300	2300
30.06.2000	2800	2650
Total:	5450	5265

Weekly Fairs

Currently there are 264 weekly marketing outlets in operation. These have provided self-employment opportunities to 8173 persons who earn an average

activities. Up to the end of June 2000, 5450 youths had been trained while 5262 had found employment.

Table: 17 Payment of Social Insurance (Rs.Mn.)

Year	Birth	Marriage	Sickness	Death
1997	11.8	32.3	16.9	25
1998	25.5	56.1	10.7	81.5
1999	193.1	24.6	9.2	73.2
30.06.2000	8.1	10.8	5.5	32.6
Total:	238.5	123.8	42.3	212.3

Samurdhi Social Security Fund

This programme has been initiated with the objective of providing insurance to enable the beneficiaries to engage in economic and social development activities. The programme is being implemented by the Commissioner General of Samurdhi who maintains the security fund out of regular contributions of Rs. 25 made by the beneficiaries.

Participation in the scheme provides the beneficiaries insurance in the following circumstances:

- i. Child birth – Rs. 2000
- ii. Marriage – Rs. 3000
- iii. Sickness – Rs. 1500
- iv. Death – compensation of Rs. 5000

The following table provides data on the disbursement of insurance funds from 1997

Samurdhi Scholarships (NENA NUWANA)

The scholarship programme has been implemented under the social insurance scheme from 1998. The scholarships that are being implemented under this scheme are as follows:

- .. Scholarships for Advanced Level students
- .. Scholarships for Pirivena students
- .. Young university students programme
- .. Special scholarships
- .. Sports scholarships

Each scholarship holder is provided an allowance of Rs. 250 per month. Up to 30th June 2001, 2322 scholarships had been awarded to the value of Rs. 8 million.

Self-employment Schemes

5808 sewing machines and 10415 kg of cut pieces had been distributed among Samurdhi beneficiaries up to 30th June 2000 creating 5808 self-employment opportunities.

In addition, under the pre-school and ???child projects implemented under the Social Security Scheme first aid programmes and distribution of wheel chairs have also been undertaken. Further, in order to overcome the problems faced by women engaged in income earning activities, a women's empowerment programme has been drawn up at *grama niladhari* level.

Labour Intensive Projects

This programme aims to develop agricultural activities by rehabilitation of small irrigation works, and the construction of wells using the labour contributions of the beneficiaries while at the same time providing them an opportunity to earn an income. From 1998, 93730 acres have been brought under cultivation while expenditure has amounted to Rs. 440 million. The total number of projects completed is 2872. The table below gives details of this programme ■

