

0 | REGIONAL DEVELOPMENT



## 9.1 Overview

The Western province plays a dominant role in the economic growth of the country and however, during the last decade its contribution has been reduced while the contribution from Southern, Central, Northern and Eastern Provinces is at an increasing trend. Physical and social infrastructure facilities are unevenly spread in the country. The most developed core regions are also lies in the Western Province. Most of the economic activities such as industry, trade, commerce and services take place within this region. All regional cities in the country are connected to the prime city of Colombo directly rather than to other regional centers. Therefore, value addition to the production does not take place in regional centres leading to create regional disparities.

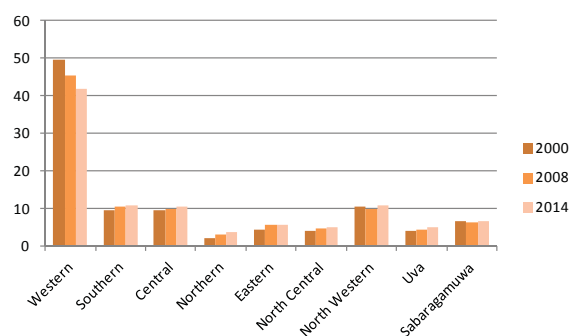
During the last decade, the average growth of Sri Lanka is around 6.3 percent and also during the next half of the decade, the Government has planned to keep the growth rate around 6.6 percent. In the mean time, it is important to assure a spill over impact across all strata of the society. It is also vital to create equity and equality in the society. However, the following table indicates that specific measures need to be implemented in order to create such spillover impact or equity in the future.

Table 9.1: Contribution to GDP by Province (%)

Province	2000	2008	2014	2015*
Western	49.6	45.4	42.0	41.2
Southern	9.4	10.5	10.8	10.4
Central	9.4	9.8	10.4	10.3
Northern	2.2	3.2	3.6	3.5
Eastern	4.5	5.6	5.8	6.0
North Central	3.9	4.7	5.1	5.4
North Western	10.4	9.9	10.7	11.0
Uva	3.9	4.5	5.0	5.2
Sabaragamuwa	6.7	6.4	6.7	7.0

Source: Central Bank of Sri Lanka  
\* Provisional

Figure 9.1: Contribution for GDP by Province (%)



Source: Dept. of Census & Statistics

Table 9.2: Selected Social Indicators - 2014

Province	Poverty	G.C.E.	G.CG.C.E.	Access to pipe	Access to	Maternal	Infant	Unemployment
	HCR (%)	(O/L)	(A/L)	born Water	Electricity	Mortality	Mortality	rate
	2012/13	Pass Rate (%)	Pass Rate (%)	(% population	(% households)	Ratio	Ratio	2014
						(per 100,000	(per 1,000	
						live birth)*	live birth)*	
Western	2.0	71.9	60.1	58.7	100	31.6	9.0	3.7
Central	6.6	65.9	59.8	49.7	98	41.8	11.3	4.3
Southern	7.7	73.0	62.1	53.9	100	39.1	7.6	5.9
Northern	10.9	64.1	64.1	9.3	94	43.8	14.3	5.3
Eastern	11.0	66.7	61.8	47.2	94	37.7	9.1	4.9
North Western	6.0	70.4	59.7	24	97	29.9	11.2	4.4
North Central	7.3	65.2	59.1	47	98	46.0	9.5	3.3
Uva	15.4	64.8	61.9	42.2	97	31.0	8.8	2.9
Sabaragamuwa	8.8	68.2	64.9	22.7	99	38.0	9.7	5.5
Sri Lanka	6.7	69.0	61.2	44.3	98.6	34.2	9.9	4.2

Source: Dept. of Census & Statistics, Department of Examinations, Ministry of Health

## 9.2 Issues and Challenges

- Regional disparities in poverty and unemployment across the region are considerably high
- Prevalence of poverty pockets/traps
- Inadequate contribution to GDP from lagging regions
- Prevalence of region specific health issues (Ex: CKDu in North-Central, Eastern, Southern, Uva etc), non-communicable diseases and children malnutrition issues across the regions
- Mismatch between the labour market demand and the vocational training programmes in terms of relevancy, quality and availability of opportunities in the current job market
- Lack of capacity in certain local government institutions in providing local services efficiently
- Lack of private sector participation (Local Investors) for region specific development initiatives
- Lack of empowerment of local communities in terms of participation for community development activities effectively.
- Weak coordination in implementation of decisions taken by Divisional Coordination Committee for rehabilitation and maintenance of rural roads, minor irrigation, rural bridges and other common facilities which come under the purview of different national/provincial institutions
- Inadequate attention/interventions for conservation of environment/ natural resources (including water sources, village forest areas, wetlands) especially in disaster prone regions with community participation

## 9.3 Policy Directions

Enhancing the living standards of communities to a decent level by identifying regional potentials, uniqueness and diverse nature of resources and effectively utilizing these resources

## 9.4 Key Strategies

- Improve inter-regional connectivity, linking regions to the national economic development process through establishment of information technology, fisheries, economic, agriculture and tourism development mega zones and a megapolis in Western Province
- Strengthen disaster risk reduction measures in disaster vulnerable areas with the participation of communities
- Enhance the sustainability and sustainable utilization of resources available at regional level for achieving long term regional development targets
- Formulate and implement region or district specific poverty reduction plans/programs which are more responsive for location specific factors focusing existing poverty pockets and lagging areas
- Promote private sector participation (Local Investors) for region specific development initiatives by using alternative financing methodologies/ concessionary measures (Ex: Public Private Partnerships (PPP), Tapping Capital Market...etc)
- Improve urban-rural connectivity/ accessibility for services and markets
- Establish appropriate mechanism to empower local communities to participate community development activities effectively
- Upgrade skills and quality of vocational training programs in rural areas and among small communities/villages engaged in traditional crafts
- Enhance capacity development of Local Government Institutions by introducing local government service delivery systems
- Strengthening coordination for implementing decisions taken by the divisional level in terms of rehabilitation and maintenance of rural roads, minor irrigation, rural bridges and other common facilities which are owned by different national/provincial institutions
- Enforce conservation of environment/natural resources (including water sources, village forest areas, wetlands) especially in disaster prone regions with community participation

*Specific programmes/activities for implementing regional development strategies*

**CAPACITY DEVELOPMENT**

Under the theme of "Nearest school is the best school", develop 1,000 '1AB' Schools islandwide representing at least 3 schools per Divisional Secretariat Division and develop 5,000 schools as feeder Schools Island wide

Rearrangement of the vocational training institutes in line with skill sector requirements in respective regions  
Constructing 2 vocational training institutes at Kilinochchi and Polonnaruwa

Introducing a diploma in 24 Technical Colleges for students who are following Science and Technology for A/L

Upgrading of hospitals in line with modern requirements (equipment for kidney diseases and other non-communicable diseases)

Strengthening health sector institutions with necessary equipment and human resources

Minor irrigation rehabilitation to enhance cropping intensity & drought resilience and also to control the floods

Rural and estate sector road development

Increase the access to pipe borne water supply facilities in rural areas and strengthening institutions relate to rural & estate water supply

Rural housing development schemes under shared cost between the government and occupants. Housing programme for urban underserved population and estate sector community

**CREATING OPPORTUNITIES**

Creating 45 mega zones in the sectors of Economic Development, Fisheries, Tourism, Information Technology, Agriculture. Value addition to products and services incorporating modern technology, linking with domestic and international markets

Promoting regional based private investment in agriculture, primary industries & tourism industry

Livelihood development through promoting traditional, small industries and self-employment through micro financing

Extension of rail roads and expressways to connect emerging urban centres

New institutional mechanism to enhance the agriculture sector

Table 9.3: Island wide distribution of proposed mega-zones

Province	Agriculture	Fisheries	Tourism	Manufacturing, ship building	Logistics and business	IT, agro tech. & other tech.
Western	-	X	X	X	X	-
Central	X	-	X	-	-	X
Southern	X	X	X	X	-	X
Northern	X	X	-	X	-	X
Eastern	X	X	X	X	-	-
North Western	X	X	-	X	-	-
North Central	X	-	X	-	-	-
Uva	X	-	X	-	-	-
Sabaragamuwa	X	-	-	-	-	-

Source: Five Point Plan

### Box 9.1: Grama Rajjaya: 2500 cluster villages

This is a village centric development programme. Identification, planning, implementation and monitoring of village level development programmes will be done by villagers with other relevant stakeholders through "Grama Rajjaya Sanwardhana Kendraya"

This will effectively address the specific issues in each community that are not solved by large scale projects and programmes. The attention will be focused on the development requirements such as infrastructure, livelihood development, employment and income generation activities in each community.

### Box 9.2 : Decentralized Capital Budget

Decentralization Capital Budget (DCB) is a key step towards the decentralization of resource allocation from the Center to the Districts. It represents an attempt at directing a part of the national budgetary resources to the districts as decided by the local authorities to meet the regional development needs. This development programme provides a great opportunity for rural people to take part in decision making and for meeting their needs by utilizing the funds under the direction of Members of Parliament.

Each Member of Parliament is allocated funds for fulfilling the following major objectives. The Government has increased the allocation of DCB for each Member of Parliament from 5 million to 10 million since 2016. It is also emphasized that 75 percent of this amount should be invested on rural infrastructure development with a view to reducing the divisional level development disparities.

#### Objectives

- Improving rural accessibility facilities.
- Enhancing safe water, sanitation and electricity coverage.
- Enhancing Community infrastructure development.
- Enhancing Social Welfare facilities.

#### Activities

- Supply of community based rural drinking water facilities
- Construct small scale rural electricity projects
- Construct provincial and rural roads, footpaths, bridges, culverts and causeways
- Renovate play grounds and religious cultural centers
- Provide facilities for registered pre schools, children's homes, Dhamma schools and elders homes.
- Minimize the damages caused by wild animals to human settlements
- Provide Skill Training Programmes for the rural communities.

## 9.5 Medium Term Targets

- Reduction of poverty mainly in Northern, Eastern and Uva provinces to national average by 2020
- Develop all schools to eliminate regional disparities in school education
- Increase the student intake by 50 percent to vocational training and technical education by 2020
- Reducing maternal mortality at least up to current national average by 2020 in provinces such as Central, Northern and North Central
- Reducing infant mortality at least up to current national average by 2020 in provinces such as Central, Northern and North Western
- Construction of 65 000 standard houses for underserved settlers in urban areas
- Improvement of 50,000 rural sub standard housing units annually
- Provision of housing with basic utilities to 65 percent of plantation families by 2020
- Completion of all the housing requirement for resettled community by 2020
- Rehabilitation of more than 50 percent of small and medium irrigation systems on a priority basis
- Improvement of 3 000 km of rural roads by 2020