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PART I : SECTION (I) — GENERAL

Government Notifications

WELFARE BENEFITS ACT, No. 24 OF 2002

BY virtue of the power vested in me under Section 09 of the Welfare Benefits Act, No. 24 of 2002, I, Mangala Samaraweera, Minister of Finance of the Democratic Socialist Republic of Sri Lanka do hereby make the following Welfare Benefits Payment Scheme as specified in the Schedule below with effect from 2nd May, 2019.

MANGALA SAMARAWEEA,
Minister of Finance.

03rd April, 2019.

Schedule

METHODOLOGY TO IDENTIFY LOW-INCOME FAMILIES FOR WELFARE BENEFIT PAYMENTS

Common Criteria and Indicators for Selection

Methodology for identifying low-income families uses six criteria and each criterion is measured by using particular indicators (Part I). Each applicant gets a maximum score of 100% and weighing of each indicator will be calculated on number of poor families related to particular indicator based on Household Income and Expenditure Survey (HIES) conducted by the Department of Census and Statistics. Calculation method of indicator's cut-off is given in Part II and the formula for Calculation of Deprivation Score is given in Part III. Part IV is the payment schemes for the four programmes. The list of criteria and indicators is given in Part I below



<i>Criteria</i>	<i>Indicators</i>
1. Education	<ul style="list-style-type: none"> i. Education level of family members ii. Number of non-school going children between the age of 5 - 16 years
2. Health	<ul style="list-style-type: none"> i. Family members suffering from long-term chronic diseases ii. Family members with disabilities
3. Economic level	<ul style="list-style-type: none"> i. Monthly per capita expenditure ii. Monthly per capita income iii. Electricity consumption less than 60 units per month
4. Assets	<ul style="list-style-type: none"> i. Not having ownership of the occupies house and land to a family member ii. Not having ownership of other house or a building to a family member. iii. Not having at least 0.5 acre of cultivable highland to a family. iv. Not having at least one acre of cultivable paddy land to a family. v. Not having at least one assets related to mobility (Motor bike CC 125≥, Three wheeler, Car, Van, Jeep, Bus, Lorry, Tipper, Handtractor (2 wheels), Tractor (4 wheels) vi. Not having at least one assets related to economic activity, (Fishing boat, Combined harvest machines, Threshers) vii. Not having at least one assets related to livelihood (5 cattle for milk, 20 goats, 50 chickens, 50 ducks, 10 swine)
5. Housing Condition	<ul style="list-style-type: none"> i. Living in line room/row house/slum/shanty or other ii. Not having a living home with a permanent wall and permanent floor and permanent roof iii. Total floor area is less than 500 square feet iv. No access to clean drinking water v. No acces to adequate sanitation vi. Not having acces to electricity
6. Family Demography	<ul style="list-style-type: none"> i. Dependency ratio (Number of people aged 0-14 and those aged 65 and over/number of people aged 15-64) greater than 64.2% ii. Single parent family

METHOD OF CALCULATION

The indicators and the indicator cut - off

01. Education

- i. The higherst education level of family members

Having passed G. C. E. Ordinary Level or Higher → not poor (0)

Lower than G. C. E. Ordinary Level → poor (1)

As the highest education level, having passed G. C. E. Ordinary Level or higher is considered as 'not poor' and the highest education level of having passed 10th Grade or lower levels, special education, never attended school is considered as poor.

- ii. All the family members in the age of schooling (5-16 years) and who are curenly attending school

Member (age 5-16 years) currently attending school or other educational institution --- →not poor(0)

Member (age 5-16 years) currently not attending school or other educational institution ----→poor (1)

If all the family members in age of schooling (5-16 years) are attending school, it is considered as not poor and it any of the family members in the age of schooling (5-16 years) are not attending school, considered as poor.

02. Health

1. A family members suffering from a long-term (chronic) disease.

Long-term (chronic) disease - NO -----→ not poor (0)

Long-term (chronic) disease - YES -----→poor (1)

If no one in the family is suffering from long-term (chronic) diseases such as Heart stroke, Diabetes, Cancer, High blood pressure, Kidney failures, Mental illnesses, or other long-term disease it is conidered as not poor and if any of the members is suffering from above diseases they are considered as poor.

2. A family member with a disability

Disability - NO -- →not poor (0)

Disability - YES ----→poor (1)

If family members are not disable they are considered as not poor and if any of the family member has a disability they are considered poor.

03. Economic level

- i. Per capita expenditure

Montly Per-capita expenditure ≥ Rs. 5,500 -----→ not poor (0)

Montly Per-capita expenditure < Rs. 5,500 -----→poor (1)

If the monthly Per-capita expenditure is Rs. 5,500 or above it is not considered as poor and monthly Per-capita expenditure below Rs. 5,500 indicates as poor.

ii. Monthly Per-capita income

Montly Per-capita expenditure \geq Rs. 6,000 ----- \rightarrow not poor (0)

Montly Per-capita expenditure $<$ Rs. 6,000 ----- \rightarrow poor (1)

If the monthly Per-capita income is Rs. 6,000 or above it does not consider as poor and if monthly Per-capita income is below Rs. 6,000 considered as poor.

iii. Electricity Consumption

Average monthly electricity consumption \geq 60 kWh ----- \rightarrow not poor (0)

Average monthly electricity consumption $<$ 60 kWh ----- \rightarrow poor (1)

If average electricity consumption is 60 kWh or above it is not considered as poor and average electricity consumption is below 60 kWh indicates as poor.

04. **Assets**

i. Ownership of the family member/members for land with resident house

Owned ----- \rightarrow not poor (0)

Not owned ----- \rightarrow poor (1)

If the land with resident house is owned by family member/members they are considered as not poor and if not owned, considering as poor.

ii. Ownership of the family member/members for other houses/buildings

Owned = 1 ----- \rightarrow not poor (0)

Not owned ----- \rightarrow poor (1)

If there are other houses/buildings in the possession of family member/members it is considered as not poor and if they do not have any other house/building in their possession, considered as poor.

iii. High lands ownership of the family member/members is higher or equivalent to 0.5 acre

Owned and (exceed 0.5 acre or equivalent) ----- \rightarrow not poor (0)

Owned (less than 0.5 acre) ----- \rightarrow poor (1)

If all the high lands in the possession of the family exceed 1/2 acres or equivalent, then they are not poor. If they do not have any high lands or all the high land area is less than 1/2 acres then it is considered as poor.

iv. Paddy land ownership of the family member/members is higher or equivalent to 1 acre.

Owned $>$ one acre ----- \rightarrow not poor (0)

Owned $<$ one acre ----- \rightarrow poor (1)

if all the paddy lands in the possession of the family exceed 1 acre, they are not poor. If all the paddy land area is less than 1 acre it is considered as poor.

- v. Ownership of at least one vehicle such as Motor bike CC \geq 125, three wheelers, car, van/jeep, bus, lorry/tipper, two-wheel tractor, tractor (4 wheel)

Owned ----- \rightarrow not poor (0)

Not owned ----- \rightarrow poor (1)

- vi. Ownership of at least one of the machines such as mechanical/non-mechanical fishing boats, combine Harvester, Paddy Harvester/Prune

Owned ----- \rightarrow not poor (0)

Not owned ----- \rightarrow poor (1)

- vii. Ownership of at least one livestock such as 05 cattle for milk, 20 goats, 50 chickens, 50 ducks, 10 swine or micro livestock such as duck more in number.

Owned ----- \rightarrow not poor (0)

Not ----- \rightarrow owned poor (1)

5. Housing condition

- i. Nature of housing unit

Nature of housing unit* = ----- \rightarrow not poor (0)

Nature of housing unit** = ----- \rightarrow poor (1)

* Nature of the housing unit is single homes (single floor), single homes (2 floor), single house (more than 2 floors), adjoining homes/annexe, luxury house, twin homes it is considered as not poor.

** If the nature of the house is line homes/line rooms, shanties/slums, or other type, they are considered poor.

- ii. The main raw material used in building the house

- a. Main raw material used for walls

Walls* - permanent raw materials ----- \rightarrow not poor (0)

Walls** - semi-permanent raw materials ----- \rightarrow poor (1)

*Bricks, laterite, cement rocks/rocks, clay rocks used for wall are permanent raw materials

**Clay, boards/tin, coconut/Palmyra branches and other similar materials are identified as semi-permanent raw materials.

- b. Main raw material used for the floor

Floor-permanent raw materials* ----- \rightarrow Not poor (0)

Floor-semi-permanent raw materials** ----- \rightarrow poor (1)

•Cement, terrazzo, pantry bricks, concrete used for the floor are permanent raw materials

**Clay, wood, sand and other similar materials are identified as semi-permanent, raw materials.

- c. Main raw material used for roof

Roof-permanent raw materials* ----- \rightarrow not poor (0)

Roof-permanent raw materials** ----- \rightarrow poor (1)

*Bricks, asbestos, concrete, aluminium mixed plates used for roof are permanent raw materials

**Tin, coconut/Palmyra branches/hay or other similar materials are semi-permanent.

The raw materials of walls, floor and roof are made with permanent raw materials, then it is considered as not poor and if semi-permanent raw material is used for any of the above, then it is considered poor.

iii. Floor area

Floor area more than 500 sq. ft* -----> not poor (0)
Floor area less than 500 sq. ft** -----> poor (1)

*If floor area is 500 sq. ft. or higher than 500 sq. ft., it is considered as not poor ** if floor area is less than 500 sq. ft. it is considered as poor.

iv. Main source of drinking water

Main source of drinking water - safe* -----> not poor (0)
Main source of drinking water - not safe** -----> poor (1)

*If the main source of drinking water is safe, if it is a protected well (with the pipe line/without pipe lines) in the garden, protected well outside the garden, pipe line in the house, water lines outside the house in the garden, water lines outside the garden, water projects in rural areas, tube well, bowsers, bottled water and then it is considered as not poor.

**If the main source of drinking water is not-safe such as unprotected well, tanks/rivers/streams/bubbles, rainwater, or another similar source, then it is considered as poor.

v. Toilet facilities

Toilet facilities * -----> not poor (0)
Toilet facilities ** -----> poor (1)

*When the toilet facility is available inside the unit or outside the unit for personal use of family, and is available inside or outside the unit for shared use, if the nature of the toilet is water sealed connected to a pit, or connected to water sealed to sewage line, it is considered as not poor. And when the toilet facility is available inside the unit or outside the unit for personal use of family, and is available inside or outside the unit for shared use.

**If the nature of the toilet is not water sealed, a direct pit and in cases such as having no toilet but which is shared with another family, usage of public toilet, and using no toilet indicates poor.

vi. Main source of lighting

Lighting* -----> not poor (0)
Lighting** -----> poor (1)

* If the main source of lighting is by electricity, solar power, generator/battery, biogas it is considered as not poor.

** If the main source of lighting is kerosene, or other similar source they are considered as poor.

6. Family Demography

i. Dependency ratio

Dependency ratio (number of people aged 0-14 and those aged 65 and over/number of people aged 15-64) less than 64.2% -----> not poor (0)
Dependency ratio greater than 64.2% -----> poor (1)

If dependency ratio of the family if greater than 64.2 percentage is considered as poor otherwise not poor

ii. Single parent family

Marital status - both parents live ----- → not poor (0)

Marital status - one parent lives -----→ poor (1)

Single parent family considered as poor

PART III ¹

Formula for Calculation of Deprivation Score :

Calculation of deprivation score for an individual is done in three steps

1. Calculation of indicator deprivation
2. Calculation of weight for indicators
3. Calculation of weighted deprivation score for individual

Calculation of indicator deprivation

If individual i , owns indicator j , then his/her indicator deprivation can be calculated using the following equation.

$x_j(i)$ is the individual value on indicator j

then

$\mu_j(i) = 1$; if individual deprived in indicator j

$\mu_j(i) = 0$; if individual does not deprive in indicator j

Formular for weight function

Weights are generated using frequency-based weight function, indicators are weighted considering relative importance of the different deprivations by districts using Household Income and Expenditure Survey (HIES) conducted by the Department of Census and Statistics once in three years. The weights will be fixed for this calculation for a period of time for each district and review once a new HIES data become available.

$$w_{ij} = \frac{\ln \frac{1}{f_j}}{\sum_{j=1}^k \ln \frac{1}{f_j}} \times$$

Where f_j denotes the proportion of people who are deprived on j^{th} indicator in i^{th} district in the HIES sample and k is the number of indicators ($i = 1, 2, \dots, 25$ districts)

Lower weights mean to the criterion in which many people are less deprived to be, that is lower weights indicate lower importance. Higher weights mean high frequency of 'deprived people' in a criterion that people highly belong to deprivation of that criterion. Higher weights indicate greater importance.

¹ Formula for calculation was developed by the Department of Census and Statics

Calculation of weighted deprivation score for individual



Where ; μ_i is the weighted deprivation score for individual. Weighted deprivation score is getting values between 0 and 1 in which towards zero (0) is less deprived and towards one (1) is highly deprived.

Example using hypothetical data

Indicator	Family								Final weight
	1	2	3	4	count(f)	1/f	ln(1/f)	weight	
1. Education									
(i) No. of family members have completed education at least O/L	0	1	1	1	3	1/3	-1.10	0.062548	6.25
(ii) At least one school age (5-16) child not enrolled in school	0	0	1	1	2	1/2	-0.69	0.039464	3.95
2. Health									
(i) disease	0	1	1	0	2	1/2	-0.69	0.039464	3.95
(ii) A family member is disabled	0	1	1	1	3	1/3	-0.10	0.062548	6.25
3. Economic Level									
(i) Per capita expenditure per month is less than 5500 rupees	0	1	1	0	2	1/2	-0.69	0.039464	3.95
(ii) Per capita income per month is less than 6000 rupees	0	1	1	1	3	1/3	-1.10	0.062548	6.25
(iii) Electricity consumption less than 90 units per month	0	0	1	1	2	1/2	-0.69	0.039464	3.95
4. Assets									
(i) Not having ownership of the occupied house and land to a family member	0	0	1	1	2	1/2	-0.69	0.039464	3.95
(ii) Not having ownership of other house or a building to a family owner	0	1	1	0	2	1/2	-0.69	0.039464	3.95
(iii) Not having at least 0.5 acre of highland to a family	0	0	1	1	2	1/2	-0.69	0.039464	3.95
(iv) Not having at least one acre of paddy land to a family	1	1	0	0	2	1/2	-0.69	0.039464	3.95
(v) Not having at least asset related to mobility (Motor bike, Three wheeler, Car, Van, Jeep, Bus, Lorry, Tipper, hand tractor (2 wheels), tractor (4 wheels)	0	0	1	1	2	1/2	-0.69	0.039464	3.95
(vi) Not having at least one asset related to Economic activity (Fishing boat, Combined harvest machines, Threshers)	1	1	1	0	3	1/3	-1.10	0.062548	6.25
(vii) Not having at least one asset related to livelihood (5 cattle, 20 goats, 50 chickens, 50 ducks, 10 swine)	1	1	1	1	4	1/4	-0.69	0.078927	7.89
5. Housing									
(i) Living in line room/row house, slum/shanty or other	0	0	1	1	2	1/2	-0.69	0.039464	3.95
(ii) Not having a living home with a permanent wall and permanent floor and permanent roof	0	1	0	1	2	1/2	-0.69	0.039464	3.95
(iii) Total floor area is less than 500 square feet	0	0	1	1	2	1/2	-0.69	0.039464	3.95
(iv) No access to clean drinking water	0	0	1	1	2	1/2	-0.69	0.039464	3.95
(v) No access to adequate sanitation	0	1	1	0	2	1/2	-0.69	0.039464	3.95
(vi) Not having access to electricity	0	0	1	1	2	1/2	-0.69	0.039464	3.95
6. Family Demography									
(i) Dependency ratio (greater than 64.2%)	0	0	1	1	2	1/2	-0.69	0.039464	3.95
(ii) Single parent family	0	0	1	1	2	1/2	-0.69	0.039464	3.95
	18.09	56.59	92.11	74.01	50		-17.56		

Weighted deprivation score for family 1 :
(1* 3.95) + (1 *6.25) + (1* 7.89) = 18.08

Calculation of selection cut-off

Selection cut-off will be set at the district level to distribute the available programme budget in a manner consistent with pattern of deprivation nationally. Selection cut-off will be set for each district separately.

Given a national program quota Q the i^{th} district quota (q_i) will be set as follow :

$$x = \frac{\text{number of Samurdhi beneficiary families in the country}}{\text{Total Number of Families in the country}}$$

(q_i)

= Total number of families below x^{th} national centile of per capita expenditure in the district

Then

$$Q =$$

Where ;

$i = 1, 2, 3, \dots, 25$ (districts)

PART IV

1. Welfare Benefit Payment Scheme for Samurdhi Beneficiaries :

Eligibility

Those who are above the cut off point of the score of the scale of 0 to 100 as determined by the Welfare Benefits Board in consultation with the Ministry of Finance will be paid benefits as follows

- a) Number of family members 4 or more = Rs. 3,500/- only
- b) Number of family members 3 and 4 = Rs. 2,500/- only
- c) Number of family members below 3 = Rs. 1,500/- only

Note :

Payment will be made to the woman head of the family and in her absence, payment will be made to male head.

2. Welfare Benefit Payment Scheme for persons over 70 years of age :

Eligibility

- a) Those who are above the cut-off point of the score of the scale of 0 to 100 as determined by the Welfare Benefits Board in consultation with the Ministry of Finance.

- b) Those who are above 70 years of age and
- c) Only one spouse of the family is eligible to receive Rs. 2,000/- monthly
- d) Those who receive welfare benefits from other schemes are entitled for benefits.

3. Welfare Benefit Payments Scheme for persons with disability :

Eligibility

- a) Those who are above the cut-off point of the score of the scale of 0 to 100 as determined by the Welfare Benefits Board in consultation with the Ministry of Finance.
- b) Disability of the person/s should be visible through physical appearance or certified by a medical doctor.
- c) Person/s who is unable to function on his/her own because of the disability
- d) Persons with temporary disability due to accident and old age are not entitled to receive payment under this scheme.
- e) Those who receive welfare benefits from other schemes are entitled for benefits.
- f) Person with complete disability = Rs. 3,000/- monthly

4. Welfare Benefit Payment Scheme for Persons with Chronic Kidney Disease uncertain (CKDu)

Eligibility

- a) Those who are above the cut-off point of the score of the scale of 0 to 100 as determined by the Welfare Benefits Board in consultation with the Ministry of Finance.
- b) CKDu patient certified by specialist government doctor.
- c) The patient will be paid with Rs. 5,000/- monthly
- d) Those who receive welfare benefits from other schemes are entitled for benefits.