

**Estimated Resource requirements of the RIRP in Sri Lanka, 2005 - 2007, in US\$**  
(Including resources already allocated or identified)

Cost component	2005	2006	2007	Total cost
<b>Instrument 1: Temporary income transfers</b>				
<b>1.1 Benefits for those who lost their livelihoods</b>				
Average annual beneficiary households	143,000	72,000	36,000	251,000
Benefit expenditure 2005 grant programme	85,400,000	-	-	85,400,000
Benefit expenditure under welfare programmes	5,700,000	6,900,000	3,400,000	16,000,000
<b>1.2 Benefits for disabled, orphans and widows</b>				
Average annual beneficiaries	47,000	35,000	34,000	116,000
Benefit expenditure	3,700,000	5,600,000	5,500,000	14,800,000
<b>1.3 Administrative cost and capacity building</b>				
	7,200,000	800,000	600,000	8,600,000
<b>SUBTOTAL</b>	<b>102,000,000</b>	<b>13,300,000</b>	<b>9,500,000</b>	<b>125,000,000</b>
<b>Instrument 2: Cash for work programme</b>				
<b>2.1 Wages paid to participants</b>				
Average number, over the year, of beneficiaries	43,000	65,000	22,000	130,000
Benefit expenditure	12,000,000	18,000,000	6,000,000	36,000,000
<b>2.2 Advisory services, capacity building, materials, admin.</b>				
	8,600,000	13,000,000	4,300,000	25,900,000
<b>SUBTOTAL</b>	<b>20,600,000</b>	<b>31,000,000</b>	<b>10,300,000</b>	<b>62,000,000</b>
<b>Instrument 3: Rebuilding economic activities</b>				
<b>3.1 Micro loans to micro and small enterprises</b>				
Average annual beneficiaries	20,000	20,000	-	40,000
Benefit expenditure	1,600,000	2,300,000	700,000	4,600,000
<b>3.2 Small loans in the fisheries sector</b>				
Average annual beneficiaries	12,000	12,000	-	24,000
Benefit expenditure	2,300,000	3,100,000	800,000	6,200,000
<b>3.3 Small loans to small and medium size enterprises</b>				
Average annual beneficiaries	8,000	8,000	-	16,000
Benefit expenditure	3,600,000	5,100,000	1,400,000	10,100,000
<b>3.4 Small Start-up grants</b>				
Average annual beneficiaries	28,000	-	-	28,000
Benefit expenditure	6,900,000	-	-	6,900,000
<b>3.5 Business services and skills training</b>				
Average annual beneficiaries	40,000	40,000	-	80,000
Training stipends	2,000,000	2,000,000	-	4,000,000
Training overhead	2,000,000	2,000,000	-	4,000,000
Total benefit expenditure 3.1, 3.2, 3.3, 3.4, 3.5	18,400,000	14,500,000	2,900,000	35,800,000
<b>3.6 Advisory services, capacity building, administration</b>				
	7,400,000	5,800,000	1,200,000	14,400,000
<b>SUBTOTAL</b>	<b>25,800,000</b>	<b>20,300,000</b>	<b>4,100,000</b>	<b>50,000,000</b>
<b>GRAND TOTAL COST</b>	<b>148,400,000</b>	<b>64,600,000</b>	<b>23,900,000</b>	<b>237,000,000</b>

<b>Memorandum: loan capital requirements (including funds already allocated or identified)</b>				
Loan capital requirement micro loans	14,700,000	14,700,000	-	29,400,000
Loan capital requirement fisheries	17,600,000	17,600,000	-	35,200,000
Loan capital requirement small loans	31,400,000	31,400,000	-	62,800,000
<b>Total capital requirement</b>	<b>63,700,000</b>	<b>63,700,000</b>	<b>-</b>	<b>127,400,000</b>

<b>Cost excluding small loans and fisheries</b>				
Total benefit expenditure 3.1, 3.4, 3.5	12,500,000	6,300,000	700,000	19,500,000
Advisory services, capacity building, administration	3,600,000	1,800,000	200,000	5,600,000
<b>SUBTOTAL</b>	<b>16,100,000</b>	<b>8,100,000</b>	<b>900,000</b>	<b>25,100,000</b>
<b>GRAND TOTAL excluding small loans and fisheries</b>	<b>132,300,000</b>	<b>56,500,000</b>	<b>23,000,000</b>	<b>211,900,000</b>

Estimated number of job losses	275,000
Average number of beneficiary households 2005	143,000

#### 1.1 Income transfers assumptions

% annual decrease households	50%
average household size	4.2

number households 2005	143,000
2006	71,500
2007	35,750

#### Weekly allowance for February to July 2005 (6 months - partly in kind)

Monthly allowance per adult (Rs 375 per week)	\$	16
per child		100%
per child	\$	16
no of adults		2.7
no of children		1.5
allowance per month	\$	66

Number of months	6
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#### Monthly allowance for February to March 2005 (4 months)

Monthly allowance per household (Rs 5,000)	\$	50
Number of months		4

<b>Average household allowance up to July 2005</b>	<b>\$</b>	<b>597</b>
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#### Allowance from August 2005

Average monthly Samurdhi allowance per household	\$	8
Number of months in 2005		5
Number of months in 2006		12
Number of months in 2007		12
Average household allowance 2005	\$	40
Average household allowance 2006	\$	96
Average household allowance 2006	\$	96

Project to reform and strengthen Samurdhi	\$	1,000,000
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## 1.2 Benefits for disabled, orphans and widows

it has been assumed that these will be receiving benefits under 1.1 until and including July 2005

After that:

benefit amount per widow/er	\$	10
per orphan	\$	7
disability	\$	25

*Note: This is above current Samurdhi allowances.*

	2005	2006	2007
Number of direct victims (situation report)			
Number of deaths	36,402		
under 15	18,201		
15-64	16,660		
64+	1,541		
Number of widows/widowers	11,326	11,162	11,050
Number of orphans	14,776	13,770	13,082
Number of injured (and invalids from 2006 onwards)	20,891	10,354	10,354
Total	46,993	35,285	34,485

Administrative costs for instrument 1 6.5% of benefits

## 2. Cash for work assumptions

	2005	2006	2007
Number of working days	4,000,000	6,000,000	2,000,000
Wage per day	\$ 3.00	\$ 3.00	\$ 3.00
number of days worked per person per year	93	93	93
number of beneficiaries	43,011	64,516	21,505
Total cost per year for beneficiaries	\$ 12,000,000	\$ 18,000,000	\$ 6,000,000
%capacity building, management, other non-wage cost over total	42%	42%	42%
capacity building, management, other non-wage cost	\$ 8,640,000	\$ 12,960,000	\$ 4,320,000
Total cash for work	\$ 20,640,000	\$ 30,960,000	\$ 10,320,000

### 3.1, 3.2, 3.3 Loan assumptions

% that requires capital (go in business, self-employment)	80% survey results
% that does not have capital	95% survey results
% that seeks loans	75% assumption
% served under the programme	50% assumption
% in micro enterprise	50%
% in fisheries	30% survey results
% in small enterprise	20%
% served in 2005	50%
% served in 2006	50%
average loan size micro enterprises	\$ 750
average loan size fisheries	\$ 1,500
average loan size small and medium size enterprise	\$ 4,000

% interest covered for one year grace period		6%
% loan loss provision micro and small enterprise		5%
average support per loan	\$	35
% loan loss provision fisheries loan		5%
average support per loan	\$	100
% loan loss provision small and medium enterprise		5%
average support per loan	\$	200

<b>total number of beneficiaries micro loans</b>		39,188		
served in year 2005		19,594		
served in year 2006		19,594		
total capital required	\$	29,390,625		
interest covered for one year	\$	1,763,438		
interest covered 2005	\$	440,859		
interest covered 2006	\$	1,146,234		
interest covered 2007	\$	176,344		
loan loss provision	\$	1,469,531	over 3 years	\$ 489,844
operational subsidy 2005	\$	685,781		
operational subsidy 2006	\$	685,781		
Total cost	\$	4,604,531		

<b>total number of fisheries loans beneficiaries</b>		23,513		
served in 2005		11,756		
served in 2006		11,756		
total capital required	\$	35,268,750		
interest covered for one year	\$	2,116,125		
interest covered 2005	\$	529,031		
interest covered 2006	\$	1,375,481		
interest covered 2007	\$	211,613		
loan loss provision	\$	1,763,438	over 3 years	\$ 587,813
operational subsidy 2005	\$	1,175,625		
operational subsidy 2006	\$	1,175,625		
Total cost	\$	6,230,813		

<b>total number of small loans beneficiaries</b>		15,675		
served in 2005		7,838		
served in 2006		7,838		
total capital required	\$	62,700,000		
interest covered for one year	\$	3,762,000		
interest covered 2005	\$	940,500		
interest covered 2006	\$	2,445,300		
interest covered 2007	\$	376,200		
loan loss provision	\$	3,135,000	over 3 years	\$ 1,045,000
operational subsidy 2005	\$	1,567,500		
operational subsidy 2006	\$	1,567,500		
Total cost	\$	6,897,000		

<b>Grand total loan capital</b>	\$	<b>127,359,375</b>
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### 3.4 Grant assumptions

% that is extra vulnerable		10%
grant amount	\$	250

total number of beneficiaries, all in 2005		27,500
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Total cost	\$	6,875,000
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### 3.5 Business development services, skills training

Number of people served		80,000
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In year 1		40,000
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In year 2		40,000
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Monthly stipend	\$	50
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Average duration of training, months		1
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Cost year 1	\$	2,000,000
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Cost year 2	\$	2,000,000
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% service provider cost		100%
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service provider cost year 1	\$	2,000,000
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service provider cost year 2	\$	2,000,000
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Total cost	\$	8,000,000
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Total benefit cost this component	\$	32,607,344
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% capacity building and management over total benefits		40%
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% capacity building and management over total		29%
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capacity building and management	\$	13,042,938
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