Annual Report

2022

Mahaweli Authority

Of Sri Lanka

Annual Report of the Mahaweli Authority of Sri Lanka - 2022

Contents **page**

VISION

To become the best institution in Sri Lanka for sustainable agriculture, renewable energy, environmental conservation and optimal use of land and water to uplift the living standards of the citizens living in the Mahaweli areas.

MISSION

Leading the Mahaweli community for the optimal use of land and water resources for innovative and sustainable agricultural productivity based on modern technology with the contribution of renewable energy generation, green environment and eco-tourism in order to uplift their living standards.

Historical Background

Mahaweli Development Program remains the largest physical and human resources program ever implemented in Sri Lanka. This program basically focusing on the rural development of the dry zone was designed in 1968 by the then government with the technical support of UNDP/ FAO and played a key role in harnessing the natural water resources of the central hills towards the agricultural and settlement development activities of the dry zone.
In the pursuit of solutions to the problems which were the by-products of rapid population increase of Sri Lanka, it was required to focus on accelerating production. Compared to the 1940's figure the population of Sri Lanka doubled by the year 1969 and reached 11.8 million. The country had an annual population increase of 3.1 %. In the backdrop of the increase of population that was taking place at that time, it was assumed that by 1980 the country would require 1.8 million tons of rice for consumption. However, only 0.7million tons of rice was produced in the country at that time. Further, the demand for electricity for both industrial development and domestic consumption was estimated at 2000Gwh. However, annual generation of electricity remained at 470 GWh in 1969 and hydro power plants contributed 388 GWh and the balance was generated by thermal power. The annual import of rice during 1960 – 67 period was 466,000 metric tons and as a result each year an out flow of Rs 200 million was recorded. In addition to that, an annual expenditure of Rs 139 million was incurred for the import of supplementary food crops. These expenditures reflected an exceptionally high value.

During that period, it was found that population was concentrating within the wet zone of the country by recording a density of 465 persons per square km. The density of population in the dry zone was approximately 80 persons per square km. While the dry zone covered 66% of the total land area of the country, 70% of the population was concentrated in the wet zone. Accordingly, a low density of population was observed across the large extent of the dry zone. Compared to the other rivers of the country, the Mahaweli Ganga which has its origin in the central hills of the wet zone and reach the sea flowing through the dry zone after having collected rain water inflows of an area which is equaling to the 1/6th of the total land extent of the country, considered a perennial river. In this context, it was apparent that the future needs of the country could be fulfilled by diverting Mahaweli waters to the dry zone so as to develop agricultural production in that zone while contributing to the hydro power generating plants in the upper Mahaweli areas. A United States Mission, under the request of the government of Sri Lanka, initialed a Feasibility Study in 1956, to explore the possibility of land development in the dry zone. Simultaneously, Hunting Survey Corporation of Canada, in collaboration with Sri Lanka's Departments of Irrigation and Survey carried out a study of Mahaweli River at the request of the then government. Two independent reports were submitted by these organizations in 1961 covering their respective studies, and the relevant studies were presented to the Parliament in 1962 for approval.

This proposal was not approved by the Parliament, since the local experts were of the view that diversion of part of Mahaweli waters, without carrying out a comprehensive study on the water resources of the entire Mahaweli basin, would result in negative impacts. Subsequently, a request was forwarded to the United Nations in 1962 in order to obtain independent recommendations in selecting projects for development on priority basis, after having carried out a comprehensive study on the entire lands and water resources covering all rivers, including the Mahaweli Ganga. Subsequent to that request an FAO team was sent to Sri Lanka by the United Nations Development Program. In addition, a team of experts from Sri Lanka and other supporting staff were appointed to assist the FAO team.

After four years of extensive study the relevant research report was published in 1968 in 3 volumes comprising 14 separate reports. Thus, the Mahaweli Development Plan was approved by the Parliament in 1968.The areas located within the North Central Province and the Eastern Province, which would receive benefits from this program were divided into 13 Systems and named in alphabetical order from A to M. The projects which were considered as economically viable and provide larger benefits with less investments, were taken up for implementation during the first phase.

Mahaweli Master Plan

The main objective of the Mahaweli Master Plan was providing of approximately 6900 million cubic meters of waters from the Mahaweli water resources for the purposes of generation of electricity and irrigation. The second objective was construction of 15 reservoirs and utilizing 11 of such reservoirs for generation of electricity.

According to the Mahaweli Master Plan submitted by United Nations Development Program (UNDP) and Food and Agriculture Organization (FAO) it was proposed to provide irrigation waters for both Yala and Maha seasons for 364, 372 hectares of land situated within the Mahaweli basin and other river basins of the dry zone. Out of this total land extent, 264, 777 hectares were new lands to be opened up for agriculture; cultivation in the remaining 110, 404 hectares has been carried out only for one season. It has also been pointed out that 2037GWh of electricity could be generated by utilizing the potential of the planned reservoirs and canals. As per the Mahaweli Master Plan, it has been proposed to carry out the development activities within a 30-year period. Considering the convenience of utilization of funds and implementation, particularly the need for development benefits, the activities of this program were divided into three phases:

I First Phase

It was proposed to implement the first phase during the 1969-1980 period. It was planned to provide irrigation waters during this phase for 74, 494 hectares of new lands and 58, 300 hectares of old lands and generate 820GWh electricity annually. The activities of this stage were divided into 3 projects:

- Polgolla Diversion (1969-1973)
- Victoria/Minipe Diversion (1973-1977)
- Moragahakanda Multipurpose Unit

II Second Phase

Under this phase irrigation facilities would be provided to 93, 117 hectares of land in the Mahaweli and Maduruoya basins. Further, the headworks related to Maduruoya reservoir, Thaldene Multi-purpose Complex and Kandakadu anicut would be carried out. Out of the land extent of 93, 117 earmarked for provision of irrigation facilities, 8502 hectares of land have already been under cultivation. The main activities of this phase included: Construction of a hydro power plant with the installed capacity of 15MW Thaldene, to construct a tunnel from Rathkinda reservoir to the Maduruoya reservoir in order to feed it with water, construction of a mini hydro power plant along with Maduruoya reservoir with installed capacity of 4.9MW.

III Third Phase

Under this phase 105, 668 hectares of new lands in the North Central Province would be developed. The implementation of the Final Plan to generate hydro power would result in the construction of hydro power plants with the installed capacity of 293MW. Through such plants 1169 GWh power would be generated annually. The development of the left bank canal of the old Minipe Tank, construction of the 164 km North Central Canal, construction of reservoirs such as Rotalawala, Umaoya, Rantambe, Kotmale, and Kaluganga were included under this phase. However, Mahaweli Master Plan is being implemented in three development phases by according priority to the present needs.

Implementation of the Mahaweli Master Plan (First Development Phase)

Polgolla and Bowatanna Project as the first project of the Mahaweli Master Plan, was commenced in 1970 and its construction activities were completed by 1976. The completion of this project enabled the supply of irrigation water for existing 16,000 hectares of lands and 23,000 hectares of new lands and generation of electricity with an installed capacity of 40MWh. Under this project, 23,000 farmer families were settled at the Kalawewa basin within the Mahaweli H System by 1977. As of now, all activities related to settlements at system H under Mahaweli Program have been completed and the total number of families settled there remains as 39,500.

By 1977 the economy of Sri Lanka was facing several issues. The increase of the import expenditures of agricultural commodities including rice remained the main issue. Of the total requirement of rice only 69% was produced within the country and 31% of the supplies was dependent on imports. In addition to that, several other essential agricultural commodities, as well, were also being imported into the country.

By 1977 the generation of electricity by the Ceylon Electricity Board was 408MW and it was not adequate to fulfill the demand for electricity existing in the country at that time. Electricity breakdowns has become a routine issue and No. of days of power cuts per year has been increased to 70 by that time.

The rate of unemployment rose to 17%. Reducing unemployment became an essential aspect and immediate solutions were required for such issues.

As a step to address these issues in an urgent manner, the then government decided on 12th October 1977 to accelerate the implementation of the Mahaweli Master Plan.

Accelerated Mahaweli Program (Second Development Phase)

The 1977 government decided to implement a few selected projects from the Mahaweli Master Plan and complete them within a short period of six years. An exclusive ministry was also established in order to implement those projects. Accordingly, steps were taken to commence and implement Kotmale, Victoria, Randenigala and Maduruoya reservoir projects. Later, Rantambe Project as well, was included into this program. Hydro power is being generated at all these reservoirs, other than Maduruoya, and the same water is being used for irrigation purposes. Accordingly, development of Mahaweli Systems C & B along with settling of farmer families also included into the Accelerated Program. Number of families settled at System B and System C remained at 30,645 and 45,488, respectively.

Financial assistance was provided for these projects by Great Britain, Canada, Sweden and Germany, respectively. Downstream development activities were funded by World Bank, EEC, Japan and Kuwait. Mahaweli Authority of Sri Lanka was established in 1979 in order to launch these projects. Mahaweli Engineering and Construction Agency and Mahaweli Economic Agency were established for engineering and design functions and resettlement activities, respectively. For the purpose of management of the large reservoirs constructed under the Accelerated Mahaweli Program, Head works Operation& Administration Division was established in 1986.

The Accelerated Mahaweli Development Projects were completed by 1990 and through such projects a massive investment has been made in the sectors of generation of power and agriculture. In this context, the government was rather reluctant to make further investments in the agriculture sector and therefore the Moragahakanda Reservoir project which has been included in the Mahaweli Master Plan, was to be kept at abeyance. However, this project which remained confined only to plans relatively for a long period, is being implemented at present. This would result in expanding the benefits of Mahaweli Development Program, further.

Present Role and Future Plans of the Mahaweli Program (Third Development Phase)

The third development phase could be called the phase in which Mahaweli development program would expand throughout the country. The Moragahakanda and Kalu Ganga Development Project has been commissioned to supply water to 1200 small scale tanks in the North, North Central, Eastern, North Western and Central Provinces through the Moragahakanda Kalu Ganga Reservoir Project. Among its main objectives are contributing to the self-sufficiency of the country through the development of agriculture by supplying water to freshly cultivated 81,000ha of lands through the provision of uninterrupted water supply to paddy fields of Elahara, all the reservoirs in Polonnaruwa area and all major reservoirs in Trincomalee District throughout the year and contributing to quell the national energy demand by adding 25 MW of capacity to the national grid through the generation of its power plant. Further, going beyond the building of settlements to the people displaced due to this project, the yeoman task of building anew of the Laggala town with all the infrastructure facilities and handing it over to the public is successfully completed by now. With the acquisition of this project the Mahaweli Authority of Sri Lanka saw another successful completion of one of its major development programs.

The Mahaweli Development Authority launched the Uma Oya Multipurpose Development Project with the aim of further expanding its mission. Through this, the water of the Uma Oya River basin will be collected in two reservoirs constructed in the Welimada area and for the first time in the island the water would then be diverted to the Kirindi Oya basin through a 15.6 km tunnel. Through this, the project is successfully in pursuing its primary objectives of adding 120 MW capacity to the national grid through Asia's largest underground power plant, and thereby contributing to the national energy supply and increasing the agricultural productivity of the extremely difficult Uva Province and meeting the drinking water needs of the people

Moreover, many projects are being implemented in Mahaweli regions, such as Mahaweli Integrated Development Project, large and medium irrigation projects including emergency infrastructure reconstruction, Ridhimaliyadda Integrated Development Project, Welioya Integrated Development Project, Maduruoya Right Bank Development Project, Rambakanoya Integrated Development Project and Agricultural and Livestock Development Project etc.

Also, at present, various development works are being implemented in Mahaweli H, B, C, D, Moragahakanda, Rambakanoya, Huruluwewa, E and L zones, navigating Mahaweli Authority of Sri Lanka to a new direction and increasing the production and productivity of Mahaweli scheme and the income of Mahaweli settlers. It is expected to maintain the standard of living of Mahaweli settlers at a high level by increasing their incomes and quickly resolving the land related problems of the farmers and affirming the land rights.

The Environment and Forest Conservation Division of the Mahaweli Authority of Sri Lanka is currently working on a project to clean up the large reservoirs and other reservoirs of the Mahaweli Authority of Sri Lanka as well as a project to protect catchment areas and river basins. In the same way, necessary steps have been taken to promote animal husbandry related to the Mahaweli region to ensure national food security.

Under the Sustainable Energy Program, the Mahaweli Authority of Sri Lanka is identifying new strategic revenue streams through the installation of floating solar power systems in the Mahaweli reservoirs and the development of small-scale hydropower projects to contribute to the national energy supply in an environmentally friendly manner and thereby generate a handsome revenue.

At the same time, by initiating large scale development projects in order to achieve the all the primary objectives of the third development phase, the Mahaweli Authority of Sri Lanka is expanding throughout the country and moving towards the objective of providing maximum contribution from the fields of Agriculture, Irrigation and Livestock, Energy Generation and Environmental Conservation.

Board of Directors During the Year 2022

Serial No.	Name / Position	Period
01	Mr. Ivan de Silva (Member), Secretary (Ministry of Irrigation),	from February to August 2022
	Mr. U.D.C Jayalal (member), Secretary (Ministry of Irrigation),	from August 2022 to date
02	Chairman/ Director General, Mahaweli Authority of Sri Lanka, No. 500, T.B. Jayah Mw, Colombo 10.	from January 2021
03	Mr. P.P.S.R. Silva (Member), Director (External Resources), Ministry of Finance, Colombo 01.	From March 2022
04	Dr. D.M. Suratissa (Member), Director, Sri Lanka Institute of Local Governance, No 17, Malalasekara Mw, Colombo 07.	From August 2022 to date
05	Ms. Gayani Premathilake, Legal Officer, State Ministry of Provincial Councils and Local Government, No 330, Dr. Colvin R De Silva Mw, Colombo 02.	from August 2022 to date

Senior Management

Information Report on Senior Management of Sri Lanka Mahaweli Authority at the end of year 2022

S No	Designation	Name
1	Director General	Mr. Keerthi B Kotagama
2	Additional Director General	Mr. M.M.A. Gunathilaka, Resident Project Manager (coverage of duties from 21.09.2022 - 31.12.2022)
3	Deputy Director General (Administration and Finance)	Mr. G. D. N De Silva (from 22.07.2021- 03.02.2022 on secondary basis)
		Mrs. D. K. V. Wijeweera, Director (Research, Development and Special Projects) (coverage of duties from 01.08.2022 to date)
4	Deputy Director General (Technical Services)	Mr. D. M. N.J. Dhanapala, Director (Water Management Secretariat) (coverage of duties from 26.10.2021 to date)
5	Deputy Director General (Development)	Mr. R. M. Neville Rajapakse, Director (Agriculture) (Coverage of duties from 01.12.2021 to 31.12.2022)
6	Director (Personnel and Administration)	Mrs. M. W. R. N. Delfort, Assistant Secretary (Administration) State Ministry (coverage of duties from 26.07.2021 to date), (from 01.06.2022 -25.07.2023 on secondary basis)
7	Director (Finance)	Mr. T.D. Priyantha
8	Director (Internal Audit)	Mrs. H. N. Yalinga
9	Director (Mahaweli Center)	Professor S. Madduma Bandara (on contract basis from 01.02.2022 to 26.07.2022)
		Mr. D. Fernando (On contract basis from 18.08.2022 to date)
10	Director (Agriculture)	Mrs. D.K.H.W.M.W.R. Senevirathne, Director (Business Development) (coverage of duties from 01.12.2021 to date)
11	Director (Fisheries and Livestock)	Mrs. M.G.T. Priyadarshani
12	Director (Land)	Mrs. S.A.E.W. Kularathne, Director (lands) Ministry of Irrigation (coverage of duties from 26.01.2021 to 31.05.2022)
		Mr. A.M.A.P.H. Gunawardena, Resident Project Manager (coverage of duties from 01.08.2022 to date)
513	Director (Institutional Development)	Mr. M. L. D. C Abeywardane, Deputy Director, (Institutional Development) (from 08.09.2017 to 31.03.2022 coverage of duties) and (Acting from 01.04.2022 to 25.07.2022) and (made permanent in post from 26.07.2022)

14	Director (Business Development)	Mrs. D.K.H.W.M.W.R. Senevirathna
15	Director (Engineering Design and Design)	Eng. S.A.A. Dharmasiri, (Downstream Development) (coverage of duties from 26.10.2021).
16	Director (Down Stream Development)	Mr. T Ranasinghe, Deputy Director (Engineering) (from 30.04.2021 to 31.12.2022)
		Eng. M.P. M. Perera, Deputy Director (Engineering) (coverage of duties from 30.12. 2022)
17	Director (Major Dams and Reservoir Operations)	Eng. S. R. K. Aruppola (01.02.2017 to 31.12.2022)
18	Director (River Basin Management)	Eng. Miss Chandra Senarath (till 31.12. 2022)
19	Director (Land Use Planning)	Mrs. J.M.I.H Jayawardena-Assistant Director (Land Use Planning) (coverage of duties from 27.08.2018 - 31.08.2021) and (permanent performance duties from 01.09.2021 to date)
20	Director (Forest and Environment)	Mr A.M.K.B. Attanayake
21	Director (Water Management Secretariat)	Eng. D.M.N.J. Dhanapala (from 30.04.2021 to date)
22	Director (Planning and Monitoring)	Mr B.L.B. Senaratne-Assistant Director (Planning and Monitoring) (coverage of duties from 27.08.2018 - 03.08.2021) and (performing duties from 04.08.2021 to date)
23	Director (Research, Development and Special Projects)	Mrs. D.K.V Wijayaweera
24	Director (Electrical and Mechanical)	Mr J. R Bopitiya, Deputy Director (Engineering) (coverage of duties from 15.11.2019 - 31.08.2021) and (performing duties from 01.09.2021 to 31.12.2022)
25	Resident Project Manager (System B)	Mr P.G Noel Jayasiri, Deputy Resident Project Manager (Land) (Coverage of duty from 03.11.2020 - 01.08.2022)
		Mr. I Ranaweera, Deputy Resident Project Manager (Land) (Coverage of duty from 01.08.2022 to date)
26	Resident Project Manager (System C)	Mr. I.M.U.K Kumara (from 26.10.2020 to date)
27		Mr. A.M.A.P.G Gunawardena (2021.02.04 - 2022.07.31)

	Resident Project Manager (System D)	Mr. A.G.T.H. Jayasinghe, Deputy Resident Project Manager (Lands) (Duty coverage from 16.11.2022 to date)
28	Resident Project Manager (System E)	Mr J.P Jayathilaka, Deputy Resident Project Manager (Agriculture) (Coverage of duties from 12.02.2021 to 03.08.2022)
		Mr. H.M. K.R. Herath (from 01.08.2022 to date)
29	Resident Project Manager (System G)	Mr A.G.T. Hemantha Jayasinghe, Deputy Resident Project Manager (Lands) (covering duties from 01.02.2017 - 27.07.2022)
		Mr. R.M.K.B. Randeniya, Deputy Resident Project Manager (Lands) (coverage of duties from 29.09.2022 to date
30	Resident Project Manager (System L)	Mr H.M.K.R Herath (05.04.2021 - 31.07.2022)
		Mr J.P Jayathilaka, Deputy Resident Project Manager (Agriculture) (Coverage of duties from 04.08.2022 to date)
31	Resident Project Manager (System H)	Mr W.M.S. Weerasinghe, Block Manager (covering duties from 29.10.2020 to date)
32	Resident Project Manager (System Huruluwewa)	Mr M.M.A. Gunathilaka (14.10.2021 – 02.08.2022) Mr. P.G.N. Jayasiri, Deputy Resident Project Manager (Lands) (Coverage of duties from 02.08.2022)
33	Resident Project Manager (System RambakenOya)	Mr. A.L. Osman De Silva (Coverage of duties from 04.10.2021 – 31.12.2022)
		Mr. H.P.S. Thilakaratne, Accountant (Coverage of duties from 23.12.2022 to date)
34	Resident Project Manager (System Walawa)	Mr L.M.N. Priyantha, Deputy Resident Project Manager (Administration) (Coverage of duty from 01.10.2021 to date)

Review of the Director General for the year 2022.

The Mahaweli Development Scheme, which was initiated by Act No. 23 of 1979 with special areas of authority, is the largest physical and human resource development project implemented in the country and has made a unique contribution to the national economy of Sri Lanka through various disciplines since its inception. In accordance with the Mahaweli Development Plan, the Mahaweli Development Scheme has made a unique contribution to the national economic process for more than 5 decades, by providing irrigation water facilities for national food production, renewable electricity generation, drinking water and water for commercial activities as well as by improving the living standards of Mahaweli settlers is given. As an institution with a structure for implementing and monitoring development work at the local level more efficiently under various subject areas, necessary arrangements have been made for effective investment of local and foreign funds allocated for development and funds from non-governmental organizations.

With subsiding of risks associated with covid 19 epidemic that ravaged the country during last two years, in the first quarter of the current year this has been a year in which there has been a significant growth in the agriculture sector to uplift the local economy and advance economic situation of the settlers, with programs of promoting the production of seed paddy and additional crop seeds with local flavor, cultivating additional crops in Mahaweli regions and getting high yields, encouraging the home garden development program, successful completion of the "Waari Saubhagya" (Prosperity through Irrigation) with limited allocations and also this has also been a year in which considerable progress was achieved under fisheries and livestock development in all the programs relating to the liquid milk production, egg production, freshwater and ornamental fish production and freshwater shrimp production. Modern technical strategies have been introduced for the agriculture sector and the farmers have been enjoying the fruits of these efforts.In addition this is also a year in which, initial allocations were made for foreign projects for the development of the agriculture and livestock sector by United Nations Food and Agriculture Organization, Asian Development Bank, and the World Vision Project and activities initiated.

In addition to this, the combined watershed and water resource planning project has been initiated as a foreign project for the development of small and medium scale irrigation systems. In the environment and forest conservation department, environmental protection activities have been launched, including a program to remove and clean the environment of invasive plants and planting trees for the conservation of biodiversity in lower basin and catchment areas and to inspect quality of water. The granting of title deeds has been expedited this year by strengthening farmers' organizations and solving land problems of settlers. By paying special attention to the attenuation of long-term power outages and increasing the contribution of hydropower production, it was possible to make a vast contribution to the national economy. Also, by successfully carrying out water management including flood control, the crop security of the settler farming community has been assured.

I highly appreciate the encouragement received from the Honorable Roshan Ranasinghe, the Minister of Irrigation, who provides the guidance and counsel necessary to accomplish the above tasks. Also, I take this opportunity to pay tribute to the Additional Director General and entire staff of Mahaweli Authority of Sri Lanka and staff of the affiliated local and foreign projects who worked to successfully achieve the above goals with the commitment of the secretaries for ministry and state ministry.

Keerthi B Kotagama
Director General
Mahaweli Authority of Sri Lanka

Brief Note of the Board of Directors.

The Report of the Board of Directors of the Mahaweli Authority of Sri Lanka with the Audited Financial Statements of the Organization as at 31-12-2022 is kindly submitted herewith.

Review of the Year 2022

The Review submitted by the Director General contains a detailed description of the operations of the Organization during the year ended on 31st December 2022.

Also, proper steps have been taken to ensure that the assets of the Organization are safeguarded and proper systems of internal control have been made available with a view to the prevention and detection of fraud and other irregularities and minimizing of risks.

As the Board we wish to express our great appreciation to all Staff Members of MASL for the enormous commitment shown by them in fulfilling the tasks entrusted to them.

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Mr. U.D.C. Jayalal Dissanayake Secretary
Ministry of Irrigation

Mr. P.P. S.R. Silva
Director (External Resources) ,
Ministry of Finance

Dr. D.M. Suratissa,
Director,
Sri Lanka Institute of Local Governance

Ms Gayani Premathilake,
Legal Officer,
State Ministry of Provincial Councils and Local Government

Report of the Audit Committee – 2022

Internal Audit Division

In order to achieve the objectives of the MASL in accordance with the Financial Regulations, Administration Regulations issued by the Republic of Sri Lanka, circulars issued from time to time, policy decisions and statutory requirements, the Internal Audit Division of the MASL assists management in implementing the internal audit plan through inspection and observations.

Activities

In the implementation of the annual action plan, ensuring that it is carried out in accordance with the existing internal control methods and good governance policies and that economic benefits(Value for Money)are obtained from the transactions carried out and performing the audit with audit tests, observations, reconciliations, physical inspections, and in accordance with the standards issued by the Institute of Chartered Accountants of Sri Lanka (ICA) and International Accounting Standards (IAS) and report to the management

a)	Evaluate the robustness of the internal control system in place in the Authority to detect and prevent fraud and error.
b)	Inspection of the accuracy and reliability of the financial statements of the Authority
c)	To ascertain whether the assets of the Authority are properly secured
d)	To evaluate the performance of each division of the Authority in fulfilling its responsibilities and role
e)	Ascertaining whether laws, rules, regulations and management decisions have been complied with Establishment Code, Financial Regulations, Treasury and other government circulars and administrative circulars of the Authority.
f)	Conducting special inquiries when necessary.
g)	Enquiring into wasteful expenses, underutilized assets, shortfalls in revenue, payables and receivables etc.
h)	Monitoring of projects regarding their operations and progress, achievement of targets, delays, administration etc.

In the year 2022, the following tasks have been completed.

1. The number of audit reports prepared as per internal audit plan are 43
2. The number of investigation reports issued are 04
3. Number of audit and management meetings held

- Audit Management Committee Meetings at Ministry Level 03
- Audit Management Meetings at Authority Level 01

4. Follow up on responses to internal audit queries and implementation of recommendations made by queries.
5. To implement the guidelines and recommendations provided by the Audit and Management Committees, by providing advice through obtaining progress reports

Composition of Audit and Management Committee

The Audit and Management Committee of MASL is comprised of the following

1. Mr. P.P. S.R. Silva - Chairman -Treasury
2. Professor. D.M. Suratissa, Committee Member
3. Ms. K.K.G. Premathilake, Attorney-at-Law Committee Member

Director Board of the MASL

4. Chief Internal Auditor -Ministry
5. Audit Supervisor representing the Auditor General
6. Director (Technical Audit) – Ministry

Other officers participating in the committee

7. Director (Internal Audit)
8. Director (Finance)
9. Such other officers as may be required

Role of the Committee

- Monitoring the Annual Internal Audit Plan.
- Reviewing the Auditor General's Reports and Internal Audit Reports and giving necessary advice to resolve the issues so identified.
- Advising to regularize the internal administration by paying special attention to the matters raised by the Auditor General in terms of sub section 142 (c) of the Finance Act No. 38 of 1971.
- Conducting quarterly meetings

Assets and Liabilities in the Preceding 7 year’s

	2022	2021 (Restated)	2020	2019	2018	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS							
Non Current Assets							
Property Plant and Equipment	111,447,032.00	114,258,254.00	119,033,935	4,972,468	4,675,657	4,116,187	4,195,724
Investments (LT)	235,989.00	23,104.00	164,555	166,299	171,313	187,531	178,556
Intangible Assets	-	6.00	785				
Capital Working Progress -	8,738.00	31,390.00	57,166	47,482	84,947	78,552	41,301
Total Non Current Assets	**111,691,760.00**	**114,312,754.00**	**119,256,441**	**5,186,249**	**4,931,917**	**4,382,270**	**4,415,581**
Biological Assets - Capital	320,905.00	286,717.00	259,342	219,777	167,027	134,578	101,940
Proposed write-off				-	-	859	859
Current Assets							
Inventories / Stocks	270,140.00	276,905.00	166,810	170,983	180,342	184,815	168,173
Biological Assets - Trading	119,708.00	41,118.00	42,721	47,178	26,312	15,875	22,630
Trade and Other Receivables	4,576,005.00	3,471,407.00	2,594,637	2,997,661	2,032,715	2,084,069	1,730,015
Suspense Account				-	-	-	-
Prepayments				-	4,767	3,896	8,754
Bank Guarantees			377	374	6,292	6,164	4,153
Inter Agency Current A/c Balances				-	-	-	-
Cash and Cash Equivalents	272,418.00	1,177,597.00	667,498	258,877	312,702	343,312	312,750
Total Current Assets	5,238,270.00	4,967,027.00	3,472,043	3,475,073	2,563,130	2,638,131	2,246,475
Total Assets	**117,250,935.00**	**119,566,498.00**	**122,987,826**	**8,881,100**	**7,662,074**	**7,155,838**	**6,764,855**

Board of Directors of the Companies Established under MASL

S. No	Name of the Company	Activities performed during the year/status
01	Mahaweli Livestock & Agro Enterprises (Pvt) Ltd	▪ Collecting milk from dairy farmers in the region and providing services to them. ▪ Carrying out dairy-related production activities and marketing those products in Mahaweli regions and surrounding areas. ▪ Providing buffaloes to the Department of Animal Production and Health for use as bulls. ▪ Producing and selling high quality meat from broilers in the first two quarters of 2022. ▪ In the Maha Season 200 acres of animal farm in Girandurukotte has been leased to farmers for maize cultivation and 25 acres of paddy has been cultivated. ▪ 08 hectares (20 acres) have been cultivated for seed paddy for two seasons at Damminna Animal Farm. ▪ Dragon Fruit cultivation was carried out for in a small area
02.	Mahaweli Consultancy Bureau (Pvt) Ltd	This company was transferred to Ministry of Irrigation from 30.12.2020
03.	Natural Resources Management Services (Pvt) Ltd	All financial statements have been handed over to the Legal Department after the decision to liquidate.

Administrative Report

Part I

Chapter One

1.1 ESTABLISHMENT AND COMPOSITION OF THE MAHAWELI AUTHORITY OF SRI LANKA.

The Mahaweli Authority of Lanka (MASL) was established under the Act No. 23 of 1979.

The functions of the Mahaweli Authority of Sri Lanka in respect of a Specific Area or a Special Area are set out in Section 12 of the MASL Act.

(a) To plan and implement, the Mahaweli Ganga Development Scheme including the construction and operation of reservoirs, irrigation distribution systems and installations for the generation and supply of electrical energy.

Provided, however, that the function relating to the distribution of electrical energy may be discharged by any Authority competent to do so under any other written law.

(b) To foster and secure the full and integrated development and securing the sustainability of that development.

(c) To optimize agricultural productivity and employment potential and to generate and secure economic and agricultural development.

(d) To conserve and maintain the physical environment.

(e) To further the general welfare and cultural progress of the community and to administer the affairs related to that progress.

(f) To promote and secure the participation of private capital, both internal and external, in the agricultural development

(g) To promote, and secure the cooperation of government departments, state institutions, local authorities, public corporations and other persons, whether private or public, in the planning and implementation of Mahaweli Ganga Development Scheme.

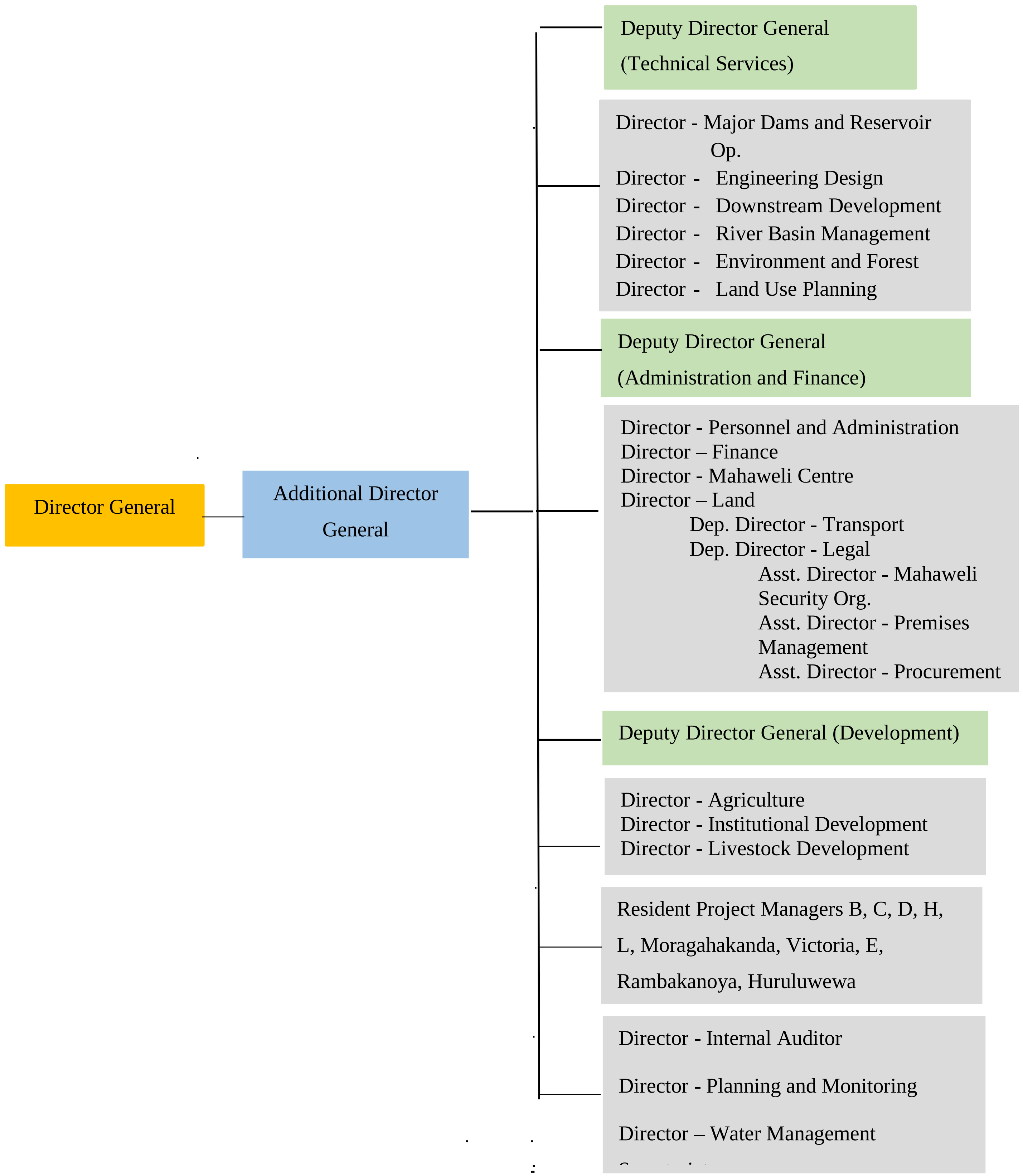
1.2 The Functions of the Mahaweli Authority of Sri Lanka

The administration of the Projects and Field Offices established under each subject area of the MASL by the Director General is coordinated by the respective Deputy Directors General, Directors, Project Directors and Resident Project Managers.

Accordingly, the MASL has performed the following functions.

- Conducting monthly reviews on the progress of the Authority as per the Corporate Plan and Annual Activity Plan and achieving the relevant targets through required interventions.
- Disposal of assets according to a Plan prepared for the maintenance and administration of assets.
- Construction of the Moragahakanda-Kaluganga Reservoir and Kivuloya Reservoir according to a time frame.
- Identifying of areas and conducting Initial Environmental Studies in order to expand the extent of irrigated lands in the Right Bank of the System 'B' and System 'L'.
- Promoting agricultural supporting services, promoting agriculture and income generating programs and ensuring the food security of the country.
- Empowerment of Officers and farmer representatives to enable them to strengthen the Farmers Organizations to facilitate the delegation of the maintenance and management of Irrigation Systems to the Farmers Organizations.
- Empowering livestock sector improve the livelihoods of the Mahaweli settler communities.
- Initiating investment projects for employment creation in sectors other than traditional agriculture for the economic development and employment of second and third generations of Mahaweli settlers, who possess only limited land resources.
- Capacity development of Officers and employees at all levels and taking steps to introduce an e-human resources management system by computerizing all personnel related information.
- Distribution of water from the major reservoirs for settlement schemes, hydro-power generation, domestic hydro-power and domestic water supply through the process of Season Planning by conducting discussions with the line agencies.
- Initiating steps to facilitate for crop diversification, socio-economic development and employment creation in B, C, H, L, D, Moragahakanda, Huruluwewa, Walawe, Victoria and newly declared Rambukkan Oya (Rambaken Oya) project areas.
- Raising the awareness of the community on issues such as water management, human resources management, livestock development, agricultural development, soil and water conservation, watershed management, environment pollution and water pollution.
- Formulation and implementation of effective operational maintenance programs in order to ensure the safety of main diversion structures of reservoirs and raising awareness of the Farmer Organizations

1.3 Administrative Structure of the MASL



1.4 Systems –Structure & Administration and the Present Situation

Mahaweli area is divided into 10 Administrative Units according to the Master Plan for the Development of the Mahaweli Basin, so as to facilitate the settlements administration, operations and maintenance of the Irrigation Systems. The Systems B, C, E, D, H, Moragahakanda, Victoria and Huruluwewa are established along the Mahaweli river basin and Udawalawe, Weliloya (System 'L') and Rambukkan Oya Systems have been set up as Special Areas.

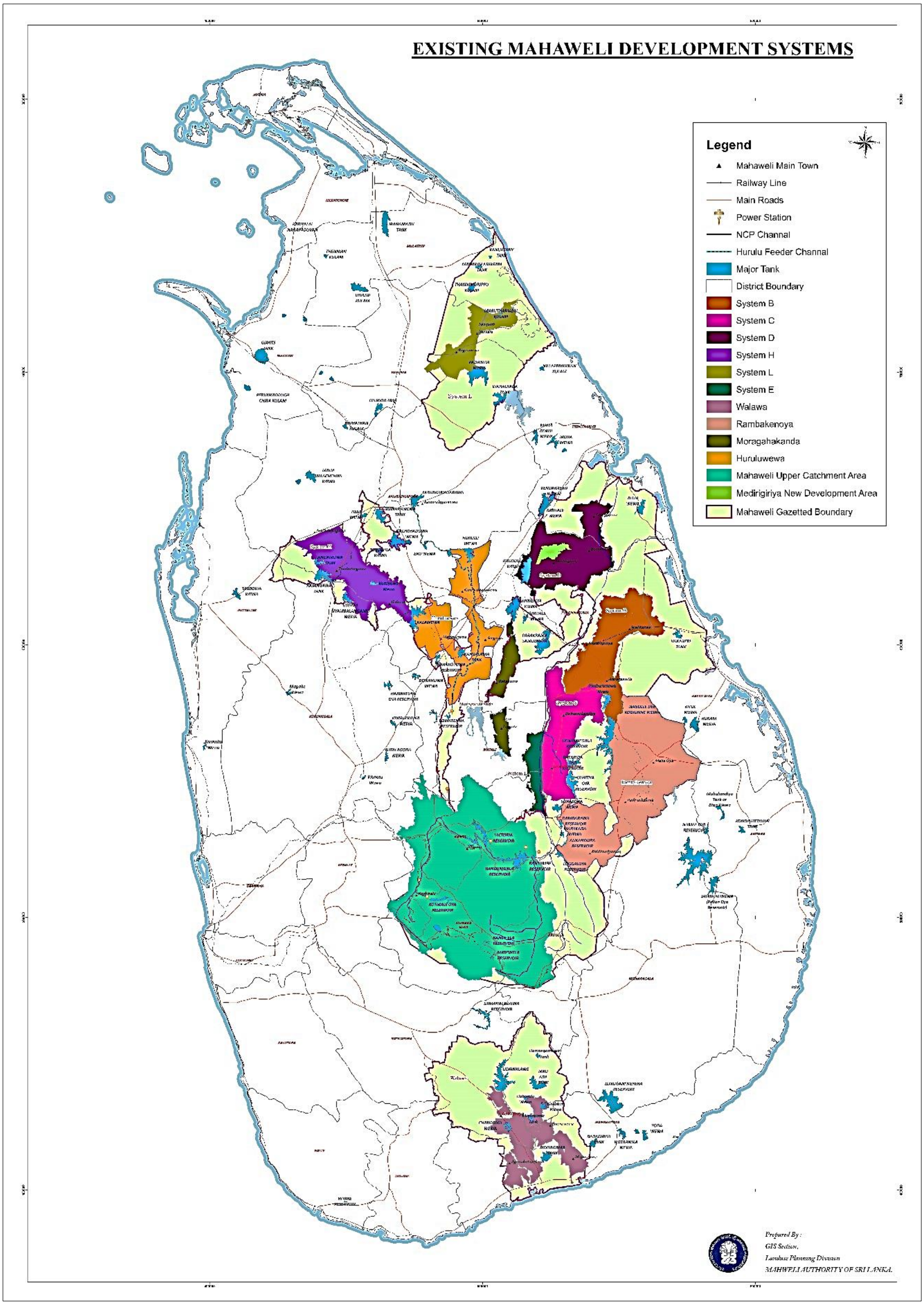
The development and management functions of the Mahaweli Systems and the Special Areas have been delegated to the Resident Project Managers. The Resident Project Managers are required to report directly to the Director General and Additional Director General. They are supported by Directors appointed at Head Office level for each subject area, in respect of the functions to be carried out at System level under the purview of Deputy Directors General.

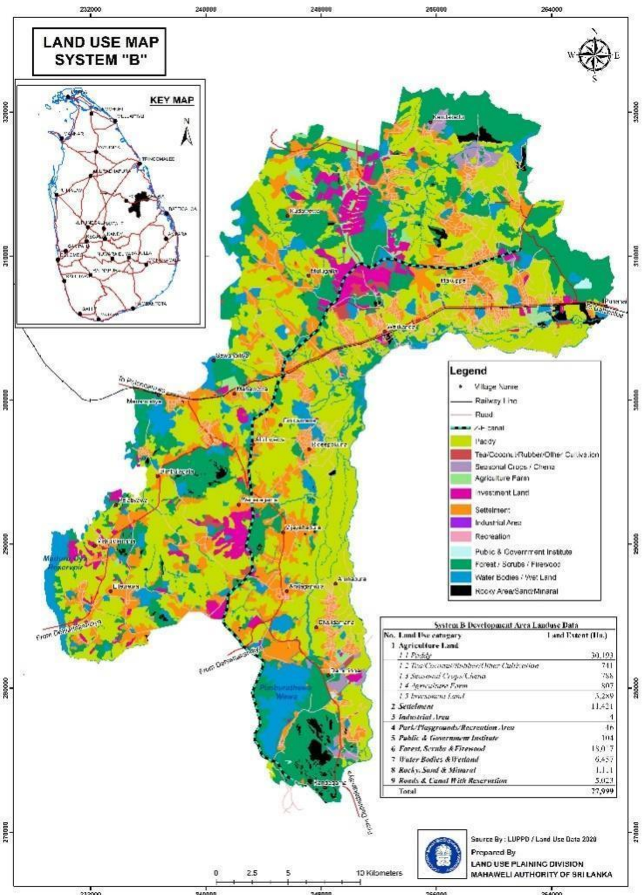
The Resident Project Manager functions as the Chief Executive Officer in respect of each System and Deputy Resident Project Managers are attached as the supervisory officers looking after the technical, land, agricultural and development functions. The Block Office, which comprises a few Units, functions under Block Managers and under their direct supervision, an Irrigation Engineer, Institutional Development Officer, Agriculture Officer and a Land Officer are stationed for each subject area. Unit Managers are appointed for each Unit and they perform their duties in respect of each subject area, under the supervision of the above Officers. Approximately 250 – 300 allotters of land are settled under each Unit.

Land administration in the Mahaweli Systems is carried out according to the Land Policy of the government based on the Land Development Ordinance and Crown Lands Ordinance. From functions related to disposing of state lands for development activities to issuing of Grants are performed in this regard. Further, activities related to leasing out of land for commercial and investment purposes and granting of lands to the second and third generations of settlers, in addition to the original settlers, are handled by the Block Offices.

The following activities are also being carried out under the supervision of System Administration : Irrigation, water management, maintenance and improvement of irrigation Systems under institutional development , production of seeds, farm development, training and demonstrations under agriculture development, livestock, fisheries and environment conservation, project development, implementation of small and medium scale credit schemes, commercial agriculture ventures, Argo- industries and related self-employment programs.

Mahaweli Systems – Map





System B

Introduction to the System

Mahaweli System B is the largest Mahaweli system in the Mahaweli Development Scheme. Mahaweli system B is a Mahaweli development zone that started in the period of 1982-1983. This region consists of 08 blocks and has 48 units. The main crop is paddy and the additional crops are maize, cowpea, mungbean, vegetables, papaya, pineapple, banana, mango, coconut. Additional sources of income - animal husbandry, freshwater fisheries etc.

The area under cultivation is 20,006 hectares (left bank).

The largest reservoir is the Maduru Oya reservoir with a total capacity of 596.6 MCM. In addition, there are 74 small sized tanks. Mahaweli system B consists of two regions, namely left bank and right bank and is located in Polonnaruwa and Batticaloa districts. This region is covered by three divisional secretariats namely Weliknada, Dimbulagala, Koralaipattu North Wakarai. Mahaweli System B is a special area within the Mahaweli Authority of Sri Lanka was gazette on 15.06.1979.

The Maduru Oya Reservoir, built according to the Mahaweli Master Plan, is the main water source in System B. Maduru Oya main canal is 52.887 km long. And the Pimburatthewa Reservoir is also located in the system B and its main channel is 23 km long. And 72.655 km of branch channels are also located. Also, distributary channel is 418.223 km. Also, the field canal in the region is 1381.834 km and currently the left bank is being developed under the Maduruoya Reservoir establishing settlements with eight Mahaweli block offices and the administration is carried out by the divisions of Land, Agriculture, Irrigation, Social Development, Technology etc.

Annual rainfall in System B belonging to DL2 agro-climatic zone is130mm. Average temperature is 31 Celsius. The main soil group is Non-Ceramic Brown Soil (NCB). Regional development activities are carried out by several departments and the progress achieved during the year is indicated in the chart below.

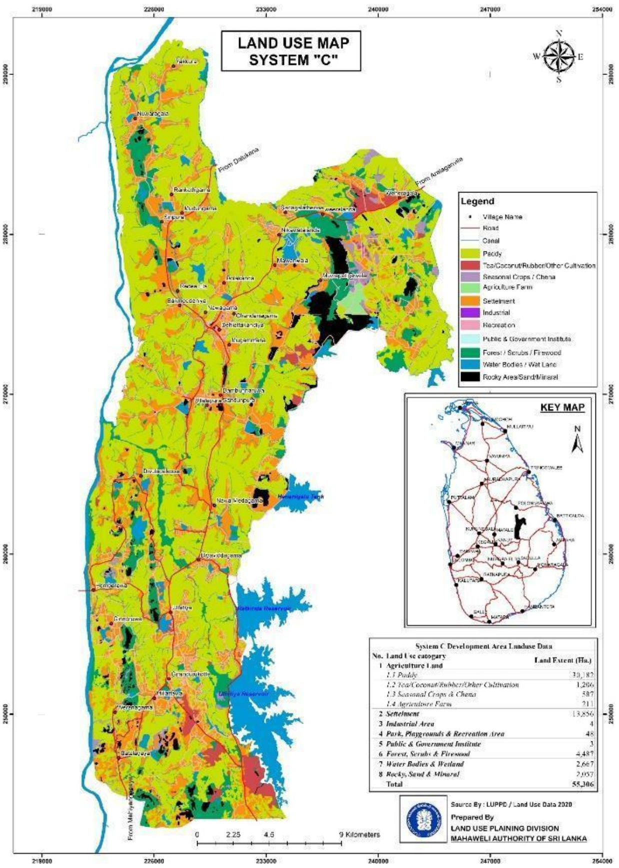
There are various divisions administrated by the Office of Resident Project Manager, System B, Mahaweli Authority of Sri Lanka. These are Technology Services Division, Agriculture Development Division, Fisheries and Livestock Development Division, Institutional Development Division, Culture and Sports Division, Lands Division, Environment and Forest Conservation Division, Business Development Division, Transport Division, Accounts Division and Administration Division and those sectors are contributing to the development activities of the region.

Rehabilitation work conducted under the "*Waariaubhagya*" programme

Irrigation Rehabilitation work - (Distribution canal)

Irrigation Rehabilitation work - (Field canal)

Rehabilitation work - Drainage Canals



System C

Introduction to the system

The Mahaweli System C belonging to Accelerated Mahaweli Development Scheme is a unique region belonging in part to the historical area known as "Binthanna" and also to the ancient region known as "Pulatisi".

It is located within Badulla, Ampara and Polonnaruwa administrative districts and belongs to three Divisional Secretary's Divisions of Mahiyanganaya, Dehiaththakandiya, Dimbulagala and consist of 31-unit management offices and 7 block management offices. Main administrative town in the system is Dehiattakandiya. System C located in the left bank of Mahaweli river, is bordered by Mahaweli River to the west, Right bank trans basin canal to the east and main canal of the left bank of the Ulhitiya- Rathkinda Reservoir. To harvest 22,406 irrigated lands in the region, water is supplied by the irrigation canal system of 2039 km length. For this purpose, water is collected from 56 tanks and Ulhitiya Rathkinda Reservoir. The number of farmers' organizations is 200.

Mahaweli system C is a rapidly developing agricultural region with Dehiattakandiya as the main town. Paddy is the main agricultural crop and it contributes 4% towards the domestic production. It is a region where the work relating to granting lands required for settlers and providing them with lands for cultivation, providing drinking water and water for domestic use, and providing other infrastructure facilities including electricity was carried out rapidly. The irrigation water needed for the agricultural lands in this region is provided by the Mahaweli Authority and by introducing efficient water management and modern agricultural techniques, the land use efficiency is as high as 100%. Mahaweli youth-led fruit cultivation adjacent to Agri wells, cultivation in shade houses, cultivation of ornamental plants, predominate in this region. This region encourages small and medium-sized entrepreneurs, and special environmental conservation projects are launched for biodiversity conservation. The people centric administration style of has brought affairs of the Authority closer to the people.

Programs implemented under the Waari Subhagya Programme

Block Committees – Siripura

Block Committees - Girandurukotte



Wijepura 403/D12 Canal Repair

Repairing outer spill of Maldeniya Tank

Programs implemented under Institutional Development Division

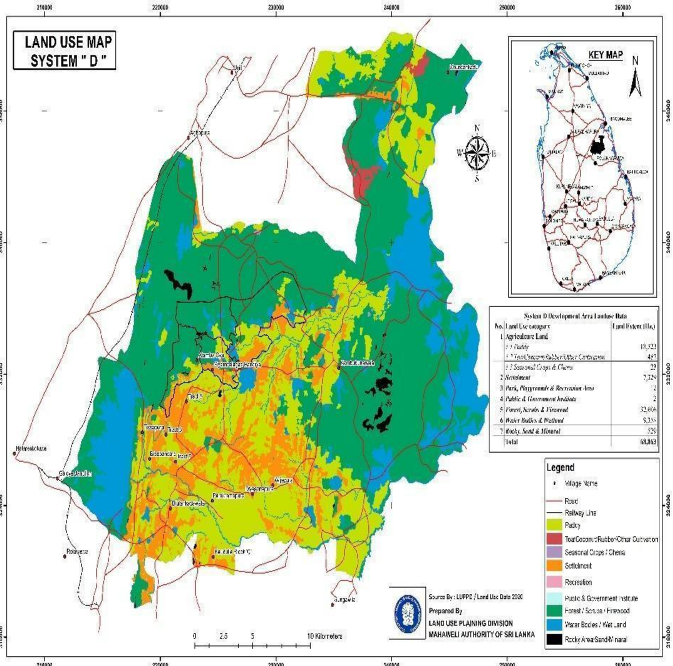

Celebrating World Water Day – Medagama


Fostering religious renaissance in the


Women’s Day Programme - Medagama

Establishing Sports Clubs

System D



Introduction to the System

The Mahaweli System D which was established in the year 2004 in the Medirigiriya area by a special gazette notification of the Democratic Socialist Republic of Sri Lanka consists of three Blocks. They are Bisopura, Suriyapura and Meegaswewa. Bisopura Block was the first Town Center to be built under the Moragahakanda Kalu Ganga Development Project. Bisopura Block consists of 07 units (Dahamwewa, Bandara wewa, Bisopura, Nabadawewa, Medirigiriya, Divulankadawala, New Town) and Suriyapura Block consists of 02 units (Samagipura, Suriyapura) while Meegaswewa Block consist of 04 units (Meegaswewa, Damsopura, Jayagampura, Diyasenpura). It extends to Kantale area in Trincomalee district to the north, Seruwila area to the east and Lankapura and Hingurakgoda areas in Polonnaruwa district to the south and west.

Programmes under Institutional Development Division

Construction of Suriyapura Halambayaya anicut, Darshanapura anicut and Suriyapura Kimbulaela anicut

Desilting of Meegaswewa Wadiga tank

construction of Ambagaswewa D3 Agricultural Road - Meegaswewa




Programs Implemented under Agriculture Division




Programs under Fisheries and Livestock Development Division

Large Scale Grass Cultivation Project
Extent of Land allotted 56 acres
Usable area 40 acres

Extent of Land distributed 19 acres

Extent of lands on which cultivation initiated 17 acres

Contribution to the national economy

Total number of farms - 17

Increased volume of milk per farm per day with grass yield - 5 liters

Accordingly, the volume of milk increased in all the farms (17 X5L X 30 = 2550L) - 2550 liters

Monthly financial progress (2550L X150.00) - Rs. 382, 500.00

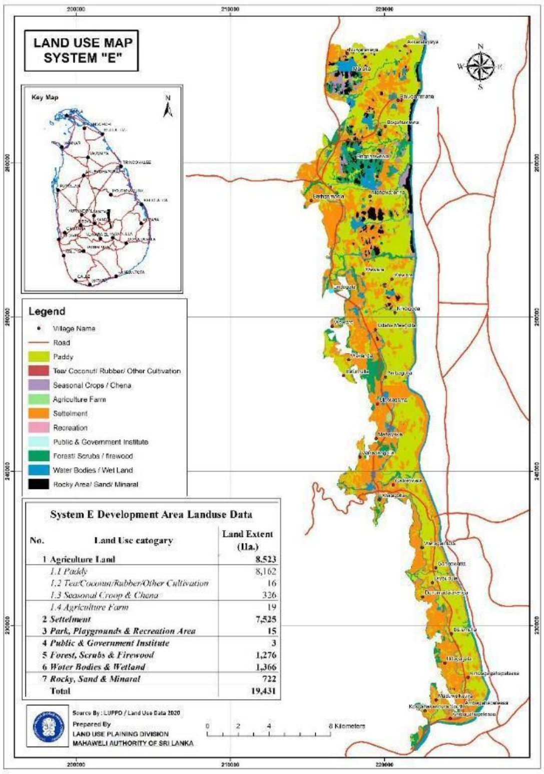








Programs implemented under Institutional Development Division



System E

Introduction to the System

Following the establishment of the Mahaweli Authority by Mahaweli Authority of Sri Lanka Act No. 23 of 1979, the construction of Kothmale Reservoir, Victoria Reservoir, Randenigala Reservoir and Rantambe Reservoir was initiated with the objective of developing the dry zone. The Victoria Special Region was established to resettle the development-induced displaced persons and to develop the acquired land for the construction of reservoirs. Also, in the year 2019, Minipe and Wilgamuwa divisional secretary's divisions were named as Mahaweli System "E" by a special gazette notification. Accordingly, at present, the entire area that includes Kothmale, Victoria Special Area and Minipe and Wilgamuwa blocks function as Mahaweli System E under one resident project manager.

Kothmale, which is a very important area in the history of Sri Lanka, and many irrigation structures including the Minipe Dam built across the Mahaweli River, as well as the Kothmale, Victoria, Randenigala, Rantambe and Polgolla reservoirs, considered as the heart of the Mahaweli Authority, belong to this region.

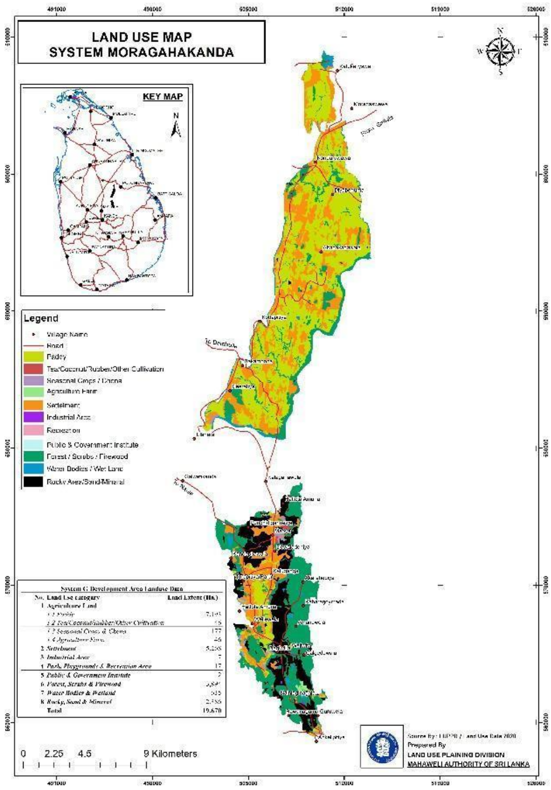
The administrative districts belonging to the System "E" are Matale, Kandy, Nuwara Eliya districts, and land administration activities are carried out only in the areas acquired by the Mahaweli Authority, i.e., Victoria and Kothmale areas

3500 families of those who lost their land due to the Victoria Reservoir project in Kothmale have been resettled in the Kothmale region, and 500 families who lost their land due to the construction of the Victoria and Randenigala Reservoirs have also been resettled in this region.

Apart from this, new towns such as Thispane, Kothmale, Adhikarigama, Gurudeniya, Kundasale, Digana and Theldeniya have been constructed in place of towns that were submerged due to the reservoir projects. The expanded and developed parts of Katugastota also belong to this region.

According to the action plan of 2021, lands in Victoria and Kothmale areas are available only for duties and selected development projects, and priority was given for development activities in Minipe and Wilgamuwa blocks. Also, an environmental impact assessment report is currently being prepared in order to re-gazette 18 divisions belonging to the Wildlife Department in Minipe. Activities in this region are carried out under the following sections.

Activities of Business Development Division



System G

Introduction to the System

Polgolla Diversion System, the first dam built under the Mahaweli Master Plan, releases water through two channels. Bowatenna Reservoir discharges from Aban Ganga to Parakrama Samudraya and through Alahera Canal to Giritale, Minneriya, Kaudulla and Kantale Reservoirs.

From 1982 to 1999, areas presently under System "G" were administrated as a Block Office of System "B" Mahaweli. Later it was declared as Sysem “G” in 1999. In the beginning, Mahaweli G region consisted of two blocks, Bakamoona and Atthanakadawala

The final reservoir project of the Mahaweli Master Plan is the Moragahakanda Kaluguanga Development Project. With the initiation of the project, 24 Grama niladhari divisions of Laggala Pallegama and Naula regional secretariat areas were affected. Therefore, the people who were displaced from their original villages by the Moragahakanda Kaluganga Development Project were resettled on the left bank of the Kaluganga and the right bank.

Accordingly, 4,524 hectares were merged into System "G” and declared as System Moragahakanda.In the year 2010, the Vallewela block was created for the administration of the left bank of the Kaluganga and Guruwela for the administration of the south bank in 2012.
The Moragahakanda system extends over 15,058.41 hectares and is bordered by Diyabeduma - Katukaliawat in the north, Kalugaganga - Vasgamuwa in the east, Knuckles range in the south and Giritale – Minneriya Forest Reserve in the west. Moragahakanda region belongs to Polonnaruwa District in North Central Province and Matale District in Central Province.

●	Districts in which System is located	-	Polonnaruwa and Matale
●	Blocks	-	04
●	Unit Offices	-	17
●	No. of Families	-	13,612
●	Population	-	56,441

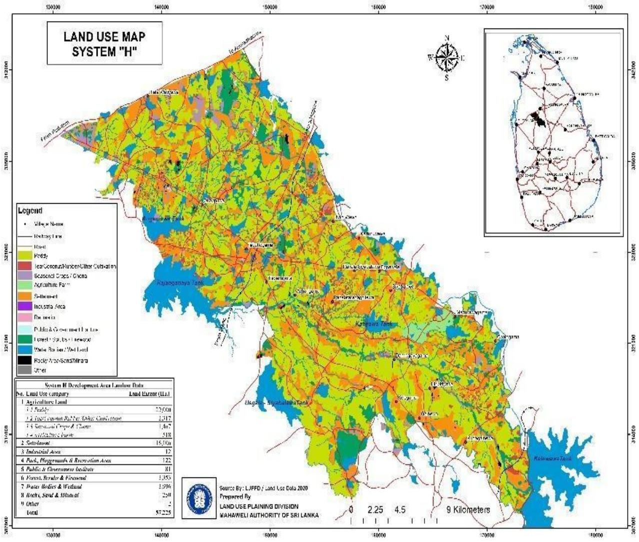
Transforming farmer organizations to be the entities beholden to environmentally friendly farming communities that processes required production inputs to increase the productivity of agricultural produce and reduce production costs and transfer modern agricultural technology to agricultural producers and work towards achieving this goal.



Atthanakadawala Seed Farm

Greenhouse Farms


Greenhouse farms



System H

Introduction to the System

The Mahaweli System "H" is the special zone of the Mahaweli Scheme in which 2 1/2 acres (01 ha) of Wet cultivation land and 1⁄2 acres of dry cultivation lands were distributed to 31500 families from 1977-1978 from Kalawewa area. There are about 100,000 acres of agricultural land (irrigated and fallow). **Being the inaugural settlement area of the Mahaweli scheme**, there are eight (08) main divisions under the Office of the Resident Project Manager. That is, Technology Services Division, Agriculture Development Division, Fisheries and Livestock Development Division, Development Division, Land Division, Environment and Forestry Division, Business Development Division, Accounts Division and Finance Division contribute to the development activities of the region. When considering the location of the system, it is bounded on the west by the Anuradhapura-Puttalam Highway, on the north by the Right Bank Canal, on the south by Rajangana Bank Canal through the Balaluwewa Bank and Usgala Siyambalangamuwa and consist of the old colonies of Kagama Katiyawa and Usgala Siyambalangamuwa.

There are eight (08) main divisions under the Office of the Resident Project Manager, Thambuttegama, System H, Mahaweli Authority of Sri Lanka. That is, Technology Services Division, Agriculture Development Division, Fisheries and Livestock Development Division, Development Division, Land Division, Environment and Forestry Division, Business Development Division, Accounts Division and Finance Division contribute to the development activities of the region.

The construction of the Nochchiyagama Block Office in the field under the Technology Services Division has been completed. construction of the spill of Nallachchiya tank has also been completed. Accordingly, it was possible to achieve 100% physical progress as well as 100% financial progress of the targeted activities given to the Technology Services Division in the year 2022. Under the Waari Sawubhagya Program, construction of spill of Maha Bellankada tank, which was the subject of lot of interest in the System H, has been initiated and about 40% of progress has been achieved. A significant undertaking in the year 2022 was the initiation of the contract (with a contract value of over 160 million rupees) for the repair of the sluice gates and structures of the Kalawewa left bank main canal with the support of the World Bank. With the completion of this construction, the water supply efficiency of the left bank of Kalawewa can be increased. Construction work was carried out in the canal until the release of water for the start of the 2022/2023 Maha season. As the season begins, other possible construction work is currently underway in the field.

Water management activities

2021/2022 Maha Season (January to March)

Canal	Extent of land cultivated (ha)	Estimated amount of water		Amount of water used		Water use efficiency (Ft)
		mcm	A.cft.	mcm	A.cft.	
R.B. Main Canal	14,028.00	185.00	149,850.00	174.20	141,102.00	4.02
L.B. Main Canal	6,642.00	75.00	60,750.00	62.90	50,949.00	3.07
Giant Canal	4,720.00	40.00	32,400.00	21.30	17,253.00	1.46
Total	**25,390.00**	**300.00**	**243,000.00**	**258.40**	**209,304.00**	**3.30**

2022 Yala Season (April to August)

Canal	Extent of land cultivated (ha)	Estimated amount of water		Amount of water used		Water efficiency (Ft)
		mcm	A.cft.	mcm	A.cft.	
R.B. Main Canal	13,598	186.5	151,065	164.3	133,083	3.91
L.B. Main Canal	6,392	69.4	56,214	63.2	51,192	3.20
Giant Canal	4027	23.6	19,116	22.3	18,063	1.79

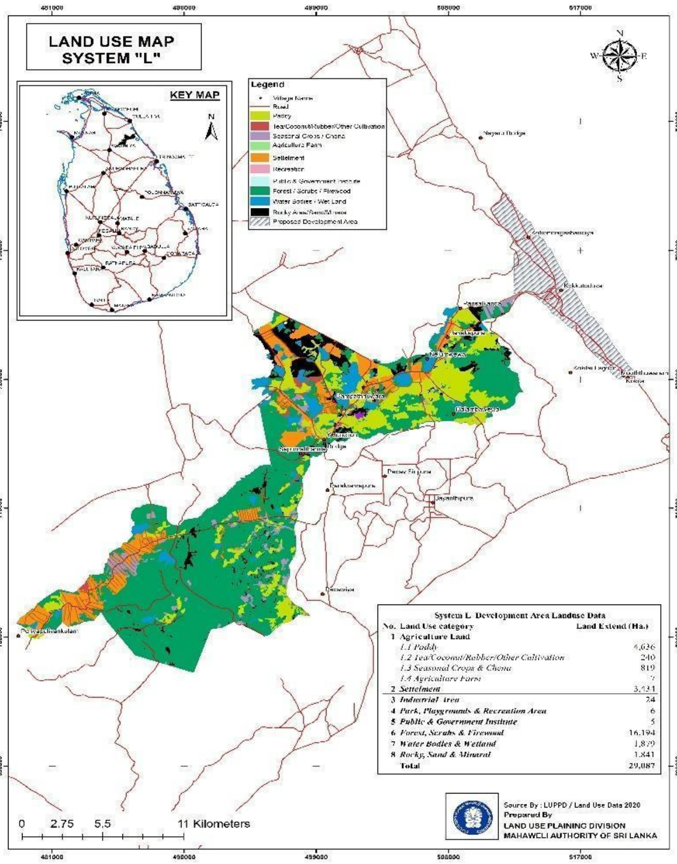
In the year 2022, more attention was paid to attract regional farmers for smart agriculture and strenuous effort was made in the current year for reduction of disease and pest damage by use of insect resistant nets/crop shelters, use of polythene mulches for weed control, and increased water efficiency by using sprinkler irrigation systems for irrigation and guide farmers to generate higher income through cultivation in greenhouses.



Contribution of Mahaweli System H in terms of major crops to national production and the cultivation programs carried out for it-2022



Promoting Paddy Cultivation



System L

Introduction to the System

This area where the colonization was initiated by the Land Commissioner General's Department in 1984 was declared as a Mahaweli System by the Gazette Notification No. 562 in 1988. Initially areas were 163,000 hectares and the land area was expanded to 199,209 hectares by the gazette notification No. 1487/32 of March 09, 2007. The development of 16,857 hectares has been completed .16 units have been established in 03 blocks and 6,295 families had been settled. 47 tanks supply water to irrigate 980 hectares of paddy fields. The area of the system is bounded on the north by the Mullaitivu Vavuniya main road, on the east by the Mullaitivu coastline, on the south by the Pulmudai Kebithigollewa main road and on the west by the line that runs to Puliyankulama Vavuniya Road through Sinhaya Ulpatahinna triangular point and Mahahettiyawahinna mountain range.

The special activities carried out and its contribution to the national economy

Farmer Training Programs- 16 Programs

Digging Agri wells - 264

Rehabilitation of Nelumveva tank embankment.

Rehabilitation of Halambawewa

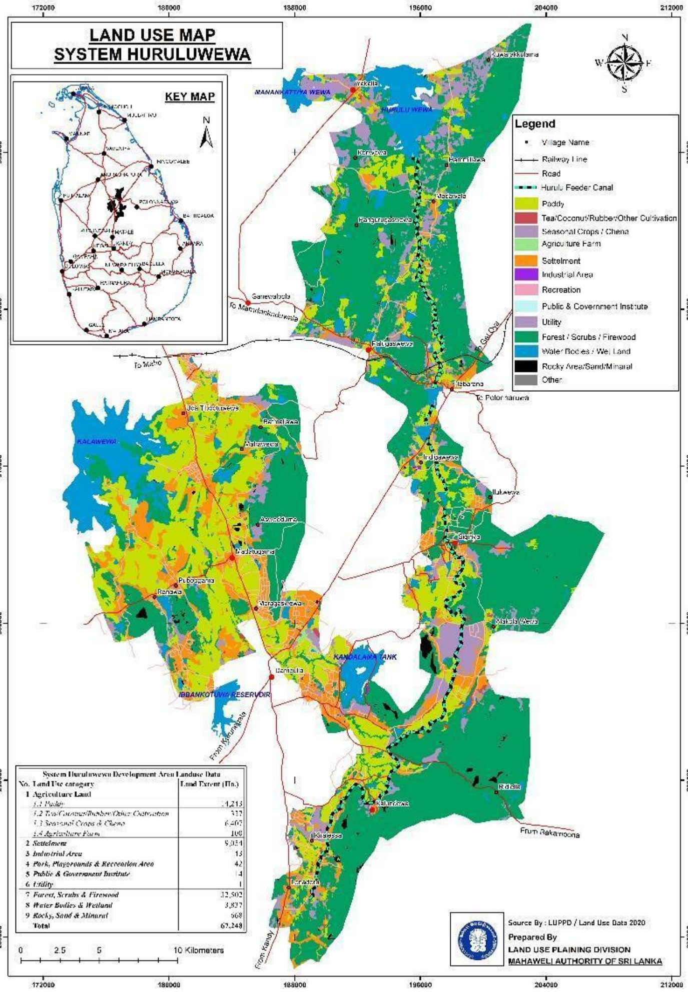
Conducting Land kacheris.

Distributing deeds under “Your Mahaweli Heritage to your Doorstep” programme .

Distribution of deeds for long term lease holds to commercial land owners.

Program for distribution of equipment kits for pregnant mothers

Celebrating World Elderly Day



Huruluwewa

Introduction to the System

The water management of the Huruluwewa Feeder Canal was transferred to the Mahaweli Authority of Sri Lanka by the Gazette Notification No. 984/5 dated 16-07-1997 of the Democratic Socialist Republic of Sri Lanka and the Huruluwewa Resident Project Management Office was established at Dambulla Pelwehera on 09- 05-1998.

As the amount of water received from the Huruluwewa feeder area was not sufficient for the cultivation, the Hurulu Feeder canal was built between 1973-1976 to take the diverted water from the Polgolla Bowatenna reservoir from Lenadora tunnel outlet. Madatugama and Galkiriagama Blocks fed by Kandalama Dambuluoya Reservoirs which were under the administration of Mahaweli System "H" were merged into Huruluwewa Region from 15.05.2008 for efficient water management and ease of service.

Accordingly, there are 49 Grama Niladhari Divisions in the Kekirawa, Palagala, Palugaswewa and Galenbindunuwewa Divisional Secretary’s Divisions in the Anuradhapura District and 32 Grama Niladhari Divisions in the Dambulla and Naula Divisional Secretary’s Divisions in the Matale District that belongs to Galkiriyagama, Madatugama, Palugaswewa, Kalundewa and Sigiriya Blocks.

This region which consist of area upto 33 kilometers that extends from Hurulu feeder canal from Lendora tunnel exit watershed in Matale district and 32 kilometers from there to Sigiri Oya and Talkote tank through Hirivadunna tank and Habarana Tank and the area up to Huruluwewa along Yan Oya to Kalawewa which is fed by Kandalam Reservoir which is indicated as System "H" 06, 07, 08 of the Mahaweli Master Plan known as the Kandalama valley and are extending from Dambulu Oya Reservoir to Kalawewa in the Dambulu Oya valley which is marked as “H” 09 in the Mahaweli Master Plan. In this region, Sigiriya, a world heritage site, Pidurangala Rajamaha temple, Kotagala Sri Piyangala Rajamaha Vihara, which are considered as places of archaeological value according to folklore, ancient Ratmal Kanda Rajamaha Vihara with drip ledges, Alagamukanda Rajamaha Vihara with 68 caves and Bogahava temple and pink quartz hill is also located.

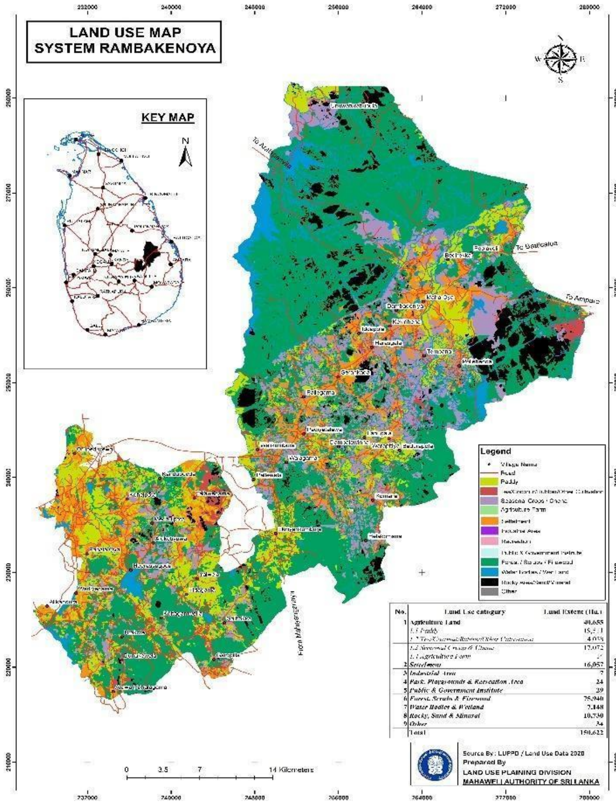
In order to set up high density crop demonstrations, 1000 (Kg) maize seeds received in Huruluwewa region under JICA patronage were distributed to 200 farmers at 5 (Kg) per farmer required to establish a 3/4-acre cultivation. in this case 172 farmers from four Grama Niladhari divisions in Palugaswewa block, 12 farmers from three Grama Niladhari divisions in Sigiriya block and 16 farmers from seven

Grama Niladhari divisions in Galkiriagama block were apprised about cultivation and seeds were provided for 150 acres.

Constructing Poly tunnels

Releasing one and a half hundred thousand (150,000) fingerlings to Ranawa tank in Galkiriagama block and Alagamuwa tank in Madatugama block in Huruluwewa region with the aim of increasing the production of freshwater fish.

Providing raw materials (roofing sheets, cement, gravel, sand, nails, wire) and water tanks to eight (08) selected low income Samurdhi recipients in Galkiriagama and Madatugama blocks of Huruluwewa region.



Rambakan Oya Special Area

Introduction to the System

This area has been declared as a Special Project Area under Section 3/1 of the Mahaweli Authority Act No. 23 of 1979 by the Extraordinary Gazette Notification of the Democratic Socialist People's Government of Sri Lanka No. 1130 (13) dated 07-05- 2000.Accordingly, it was declared that the Mahaweli Authority of Sri Lanka would carry out sustainable development in the area using water and other natural resources available in the Maha Oya and Padiyathalawa Divisional Secretary's Divisions from 01.09.2010.This development program is designed to eradicate poverty in the area and increase its contribution to the GDP and is being implemented as a joint development plan with the Department of Irrigation and line agencies Accordingly, the irrigated land development and administration activities of the Rambaken Oya Reservoir Project is carried out by the Mahaweli Authority of Sri Lanka.

Rambakenoya special area belongs to Ampara and Badulla districts. Mahaoya and Padiyathalawa Divisional Secretariat Divisions belong to the Ampara District of the Eastern Province. Mahaoya Divisional Secretariat Division consists of 17 Grama Niladhari Divisions, Padiyathalawa Divisional Secretariat Division consists of 20 Grama Niladhari Divisions. Ridhimaliyadda Divisional Secretariat Division belongs to Badulla District of Uva Province. Ridhimaliyadda Divisional Secretariat consists of 42 Grama Niladhari Divisions
Mahaweli Authority of Sri Lanka established a Resident Project Office in Mahaoya area in 2010. Three block offices namely, Pollebadda, Padiyathalawa and Ridhimaliyadda are established in the Rambakanoya special area.

Rambakanoya special area exhibits special features compared to other regions. Main feature of this region is aboriginal people (Adivasi) living in Pollebadda area. Dr Spittel mentions about these aboriginal people in one of his magazines as well (1940-1950). This region belonged to the era of King Saddhatissa. Hence there are many archaeological ruins and ancient Buddhist temples as well.

Special Activities carried out in the year 2022 and its contribution to the national economy

- Contributing to the success of children's education in the current economic crisis by providing school books and equipment to print question papers to identified low-income children.
- Conducting entrepreneurship training programs to entrepreneurs to adapt their businesses to the current economic situation and contribute to improving their businesses by helping them to be resilient during the crisis.
- Contributing to the development of sports skills by conducting training programs for athletes.
- Through other activities, the Development Division contributed to the national economy in various ways, including contributing to the uplifting of the attitudes of the people in the region and helping to improve their health through disease prevention programs.

Preschool in Lahugala unit

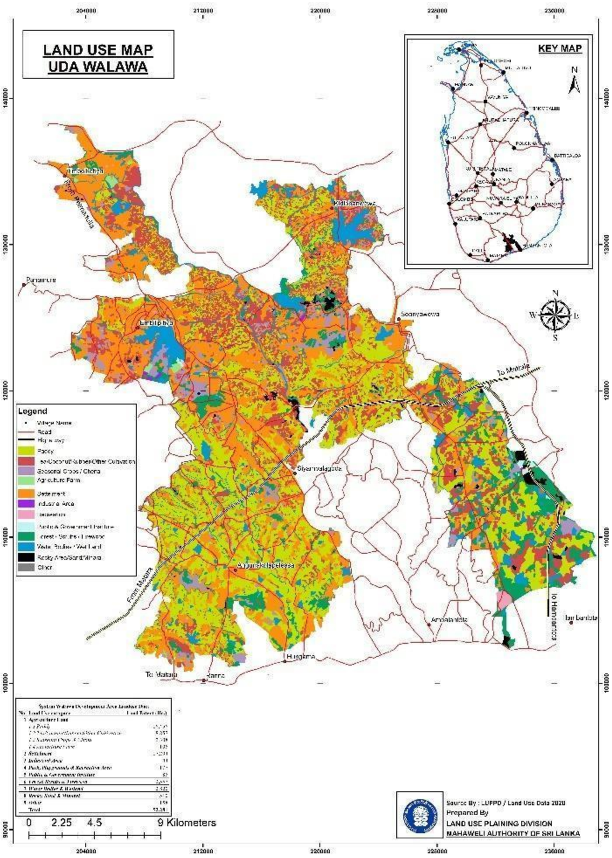
Constructing Miriswellanda tank

Levelling roads

Constructing roads using motor graders

Building lavatories for schools

Water projects for schools



Walawa System

Introduction to the System

The Walawa Valley covers an area of 2442 square kilometers and extends from Balangoda Ratnapura mountain range to Hambantota/Ranna in the southern coastal belt of Sri Lanka. Hundreds of ancient tanks are located in Walawa Valley.

The Uda Walawa Multipurpose Project Scheme was launched by the River Valley Development Board on July 12, 1963. The construction of the Uda Walawa Reservoir and its subsequent settlement and farmland development were implemented by the River Valley Development Board until 1981.

Gamini Dissanayake, Hon. Minister of Land Development and Mahaweli Development declared Walawa Special Area by Gazette Notification No. 137 dated 16/04/1981 in terms of the powers vested in him under Section 3 (1) of the Mahaweli Authority Act, Sri Lanka No. 23 of 1979 Accordingly, the administration of the Walawa Region has come under the Mahaweli Authority of Sri Lanka from 01.01.1982.

By now 34 years elapsed since the administration of the Walawa Area came under the Mahaweli Authority of Sri Lanka and during this period the region has undergone rapid development.This region belongs to 03 districts namely Hambantota, Ratnapura and Monaragala belonging to 03 provinces of Southern, Sabaragamuwa and Uva.

It consists of 06 Blocks namely Angunakolapelessa, Murawasihena, Sooriyawewa, Mayurapura, Chandrika Wewa, Kiriibbanwewa and Sevanagala and is divided into 39 units.

Information regarding area of lands in the region

- Total Land Area -60,803 hectares
- Extent of Irrigated Lands -23,203 hectares
- Extent of dry cultivation lands - 14,064 hectares

Grasslands, tanks, forest reserves, archeological areas - 24,536 hectares

Cake decoration training program organized by the Institutional Development Division of the Walawa Region with the contribution of resources from the Ceylon Industrial Development Board

Home electrical system installation training program conducted by the Institutional Development Division of Walawa region based on resource contributions from Ceylon Industrial Development Board

The training program for sewing school uniforms (for boys and girls) was organized by the Institutional Development Division of Murawasihena Block, Walawa Region, with the contribution of the resources of Ceylon Industrial Development Board.

Financial Progress as at 31-12-2022 – By System

Serial No	System	Allocation for 2022(Rs Millions)	Progress as at 31st December 2022 (Rs. Millions)	Financial Progress (%)
1	B	262.87	171.65	65
2	C	482.64	183.30	38
3	D	77.13	34.41	45
4	Moragahakanda	56.84	36.97	65
5	H	190.80	94.01	49
6	L	60.47	27.51	45
7	Rambakenoya	92.40	26.39	29
8	Udawalawa	313.85	131.21	42
9	E	329.88	91.79	28
10	Huruluwewa	20.34	10.45	51

Divisions managed under the direct supervision of the Director General

1.Planning and Monitoring Division

2 Internal Audit Division

3. Water Management Secretariat

4. Procurement Division

01. Planning and Monitoring Division

Activities

Preparation of a Corporate Action Plan according to the Vision & Mission of the organization and act according to the Annual Plan.

- Preparation of Special Project Reports, conducting Economic and Social Surveys and carrying out analysis.
- Review the progress of projects on monthly, quarterly and annual basis, coordination of project evaluation functions and ensuring the Operation Evaluation System.
- Preserving the Technical Reports, Feasibility Reports and Evaluation Reports and providing them for use.
- Operation and maintenance of the Mahaweli Computer Network. Establishment and updating of Official Website, providing IT support System.
- Coordination of Studies with regard to the impact areas.

02. Internal Audit Division

Introduction

According to the Financial Regulations of the Democratic Socialist Republic of Sri Lanka (F.R.133) the Internal Audit Division of the Authority has been established and according to F.R.134(1) the Chief Internal Auditor reports directly to the Director General of the Authority.

The Internal Audit Division of the Mahaweli Authority of Sri Lanka is implementing the internal audit plan through inspection and observations to achieve the objectives of the Mahaweli Authority of Sri Lanka in accordance with the circulars issued from time to time, Financial Regulations, Administration Regulations issued by the Republic of Sri Lanka, and policy decisions and statutory requirements, providing support to management.

Activities

In the implementation of the annual action plan, ensuring that it is carried out in accordance with the existing internal control methods and good governance policies and that economic benefits (Value for Money) are obtained from the transactions carried out and performing the audit with audit tests, observations, reconciliations ,physical inspections, and in accordance with the standards issued by the Institute of Chartered Accountants of Sri Lanka (ICA) and International Accounting Standards (IAS) and report to the management.

a)	Evaluate the robustness of the internal control system in place in the Authority to detect and prevent fraud and error.
b)	Inspection of the accuracy and reliability of the financial statements of the Authority
c)	To ascertain whether the assets of the Authority are properly secured
d)	To evaluate the performance of each division of the Authority in fulfilling its responsibilities and role
e)	Ascertaining whether laws, rules, regulations and management decisions have been complied with Establishment Code, Financial Regulations, Treasury and other government circulars and administrative circulars of the Authority.
f)	Conducting special inquiries when necessary.
g)	Enquiring into wasteful expenses, underutilized assets, shortfalls in revenue, payables and receivables etc.
h)	Monitoring of projects regarding their operations and progress, achievement of targets, delays, administration etc.

In the year 2022, the following tasks have been completed.

1. The number of audit reports prepared as per internal audit plan are 43
2. The number of investigation reports issued are 04
3. Number of audit and management meetings held
    - Audit Management Committee Meetings at Ministry Level 03
    - Audit Management Meetings at Authority Level 01
4. Follow up on responses to internal audit queries and implementation of recommendations made by queries.
5. To implement the guidelines and recommendations provided by the Audit and Management Committees, by providing advice through obtaining progress reports

Composition of Audit and Management Committee

The Audit and Management Committee of MASL is comprised of the following

Mr. P.P. S.R. Silva - Chairman -Treasury
Professor. D.M. Suratissa, - Committee Member
Ms. K.K.G. Premathilake, Attorney-at-Law Committee Member
Chief Internal Auditor - Ministry
Audit Supervisor representing the Auditor General
Director (Technical Audit) – Ministry

Other officers participating in the committee

Director (Internal Audit)
Director (Finance)
Such other officers as may be required

Role of the Committee

- Monitoring the Annual Internal Audit Plan.
- Reviewing the Auditor General's Reports and Internal Audit Reports and giving necessary advice to resolve the issues so identified.
- Advising to regularize the internal administration by paying special attention to the matters raised by the Auditor General in terms of sub section 142 (c) of the Finance Act No. 38 of 1971.
- Conducting quarterly meetings

3. Water Management Secretariat

Introduction

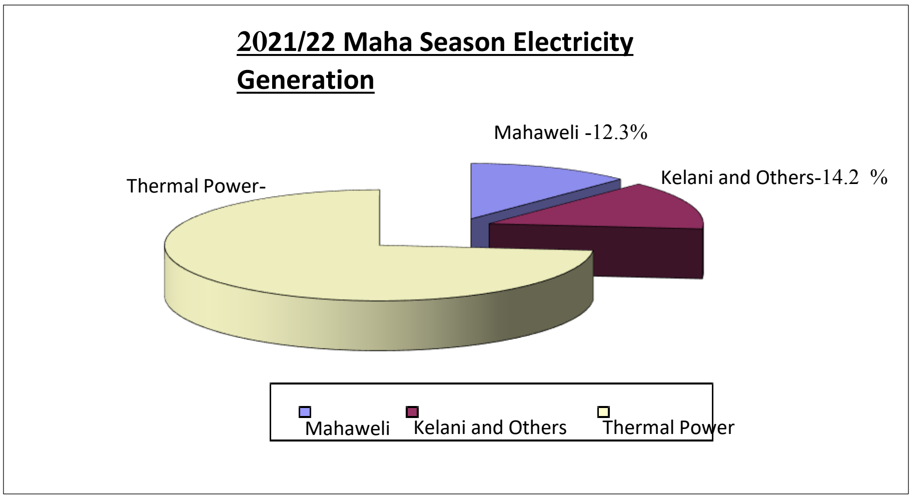
The Water Management Secretariat recommends operating policies for the annual Yala and Maha seasons and prepares operational plans for the Mahaweli system, which is a national program that contributes extensively to the production of paddy and intercropping of crops primarily on the basis of irrigation and energy requirements. As a Technical Expert Advisory Unit for this purpose, the Water Management Secretariat, in coordination with the member agencies of the Water Management Committee, monitors all operational plans on a weekly basis, reviews its progress and advises on the implementation of water operational plans for the coming weeks. These measures are taken to meet the recommended water requirements of the entire system, including agricultural, electricity generation, and drinking water requirements.

<u>Maha Season 2021/22 (Jan 01 2022 – March 31 2022)</u>

The Mahaweli Water Management Committee for the 2021/22 season was held on September 10, 2021 at the Plant and Genetic Resource Center in Gannoruwa, Peradeniya, and at that time the active water levels of all reservoirs in the system were 72.1% in Kothmale, 78.9 % in Victoria, 78.9% in Walawa, 19.3% in Huruluwewa and 49.5% in Maduru Oya.

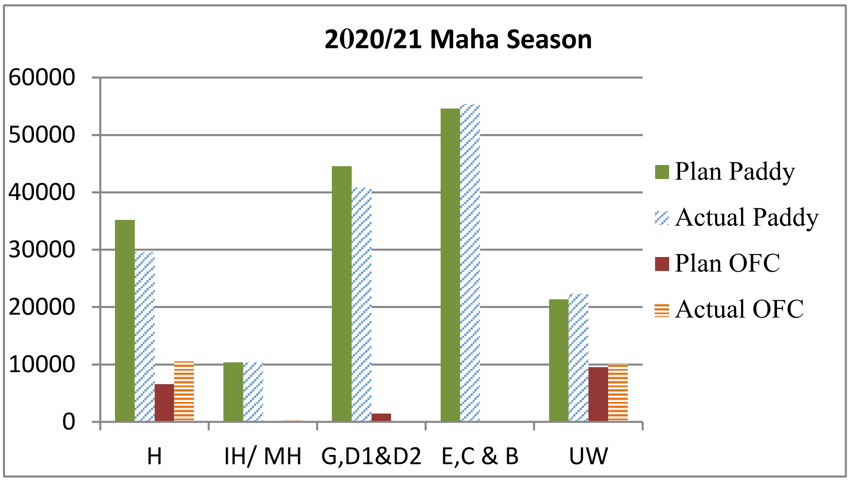
Due to the fact that the second inter-monsoon and north-east monsoon rains had arrived in the expected areas, the release of water could be started by the first week of November 2021 for Systems H, D 02, and Walawa. Accordingly, the total cultivated area in the 2021/22 season was 194,639 hectares, which was about 100 % of the total

During the 2021/22 Maha season, 429.85 gigawatt hours were generated from the Mahaweli system and 494.05 gigawatt hours from the Kelani system from January to March 2022. The first diagram shows how the power generation was during this season.



First Diagram

The second diagram shows the 2021/22 maha season sowing plan and its progress in the zones under the Water Management Committee.



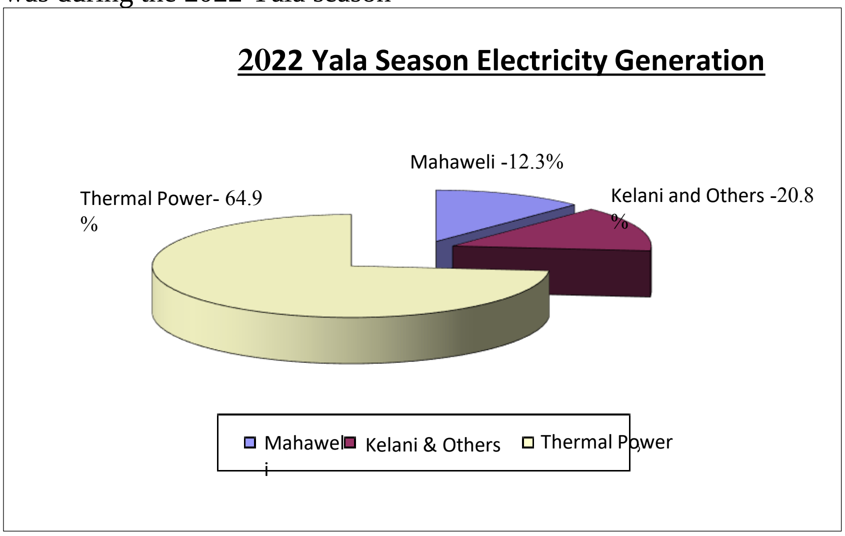
Second Diagram

2022 Yala Season (April 01 2022 – 30 September 2022)

The Mahaweli Water Management Committee meeting for the 2022 Yala season was held on March 25, 2022 at the Plant and Genetic Resource Center. Gannoruwa, Peradeniya. At that time, the active water level of Kotmale reservoir was 19 %, Victoria 35.1%, Maduru Oya 100 %, Kalawewa 39.8 %, Huruluwewa 44.6% and Parakrama Samudra water level was close to the maximum water level of 92.6%.

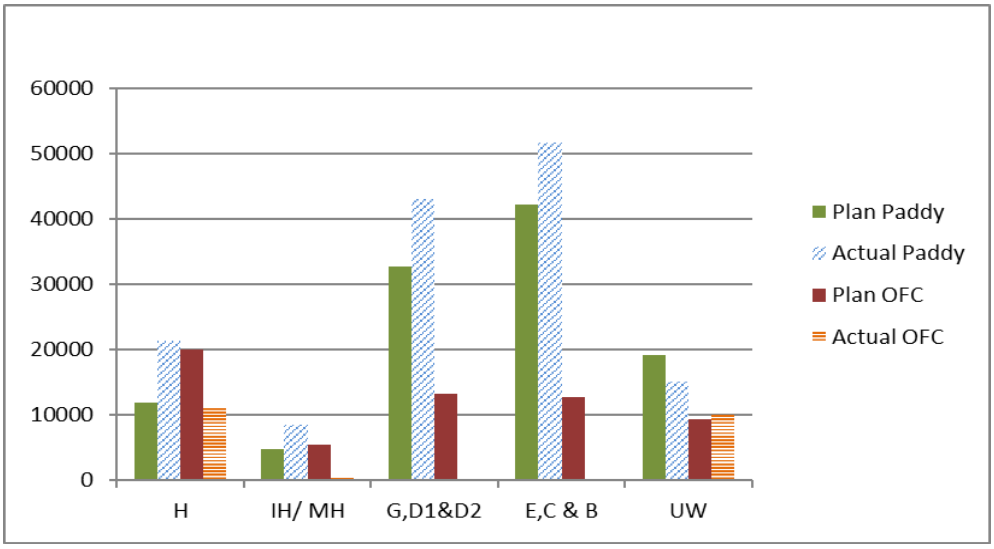
Therefore, a maximum cultivation of about 75% was expected as a whole and 50% was suggested for H,M-H and Walawa systems. Accordingly, the total cultivated area in the 2022 Yala season was 184,622 ha which was approximately 94.6% of the total cultivation level.

During this season, 1126.18 gigawatt hours of electricity was generated from the Mahaweli system and 1635.13 gigawatt hours from the Kelani system. The third diagram shows how the electricity generation was during the 2022 Yala season



Third Diagram

The fourth diagram shows the planning of the 2022 Yala season in the regions under the water management committee and the progress achieved.



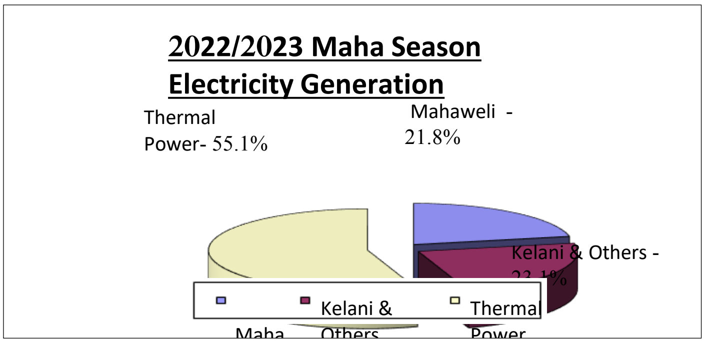
Fourth Diagram

Maha Season 2022/2023 (from October 1st 2022 to 31st December 2022)

The Mahaweli Water Management Committee for the 2022/23 Maha season was held on September 16, 2022 at the Plant and Genetic Resource Center in Gannoruwa, Peradeniya, and by that time the active water levels of all the expected reservoirs were at 88% in Kothmala, 95% in Victoria, 41% in Walava, and 22% in Huruluweva and Maduru Oya was 43%.

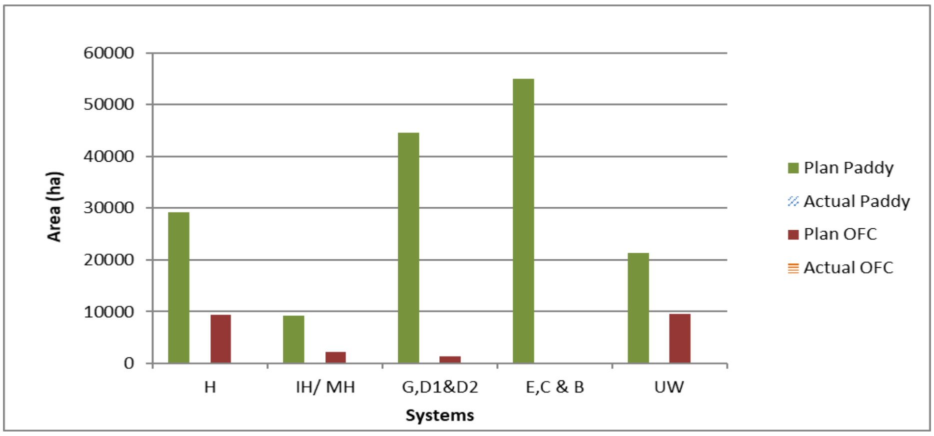
Due to the fact that the second inter-monsoon and north-east monsoon rains had arrived in the expected areas, it was possible to prompt the release of water in Systems H, D 02, and Walawa by the 2nd week of October 2022. Accordingly, the total cultivated area in the 2022/23 season was 195,267 ha. which was about 100 % overall.

During this season, 816.8 gigawatt hours were generated from the Mahaweli system and 860.2 gigawatt hours from the Kelani system. The fifth diagram shows how the power generation was during the 2022/23 on maha season.



Fifth Diagram

The sixth diagram shows the 2022/23 Maha season cultivation plan and its progress in the zones under the Water Management Committee.



Sixth Diagram

04.Procurement Division

Activities

1. Conducting all the activities related to holding the Board of Directors meetings of the Sri Lanka Mahaweli Authority.
2. Conducting departmental procurement committee meetings and performing all related activities.
3. Preparation of master procurement plans of MASL and obtaining necessary approvals.
4. Appointment and follow-up of Regional Procurement Committees, Project Procurement Committees and all Technical Evaluation Committees.
5. Informing and advising the Authority about guidelines, circulars, procedures and processes related to procurement activities from the government.
6. To carry out the organization's procurement activities more efficiently and transparently by decentralizing financial authority and through internal circulars.
7. To carry out and oversee the necessary procurements for the head office and offices of systems of the MASL.
8. Conducting Bid/ quotation openings when calling for quotations/ bids by the MASL.
9. Performing special/emergency procurements and other duties assigned by the Director General.
10. Checking, correcting and providing recommendations to the documents, files and technical evaluation committee reports submitted for the approval of the Director General.
11. . Formulating all necessary activities in relation to preparation of annual reports of the MASL to be presented to the Parliament.

Chapter Two

2.1Technical Services Division

Functions

- Formulation of a Strategic Plan with the objective of achieving targets set out in the Corporate Plan/ Annual Plan.

- Providing guidance and direction for the preparation of Technical Plans and Estimates.

- Formulation of an appropriate process to ensure the proper maintenance and protection of the physical assets including major dams, diversion tunnels and downstream irrigation structures areas.
- Formulation of proper plans to manage and supply water required for agricultural activities, hydro electricity generation, drinking water and other requirements through the reservoirs and irrigation systems.
- Planning of Projects, Feasibility Studies, operation, and progress review.

The Technical Division of the MASL carries out its activities mainly focusing on the above functions.

Accordingly, the following activities were implemented by this Division in 2022

- Maduru Oya Left Bank Development Project
- Kivul Oya Development Project
- Rideemaliyadda Development Project
- Rambakenoya Development Project
- Welioya Integrated Development Project
- Providing guidance for Establishing solar power plant projects on dry cultivation lands and Tanks
- Providing Guidance for setting up small hydropower plants

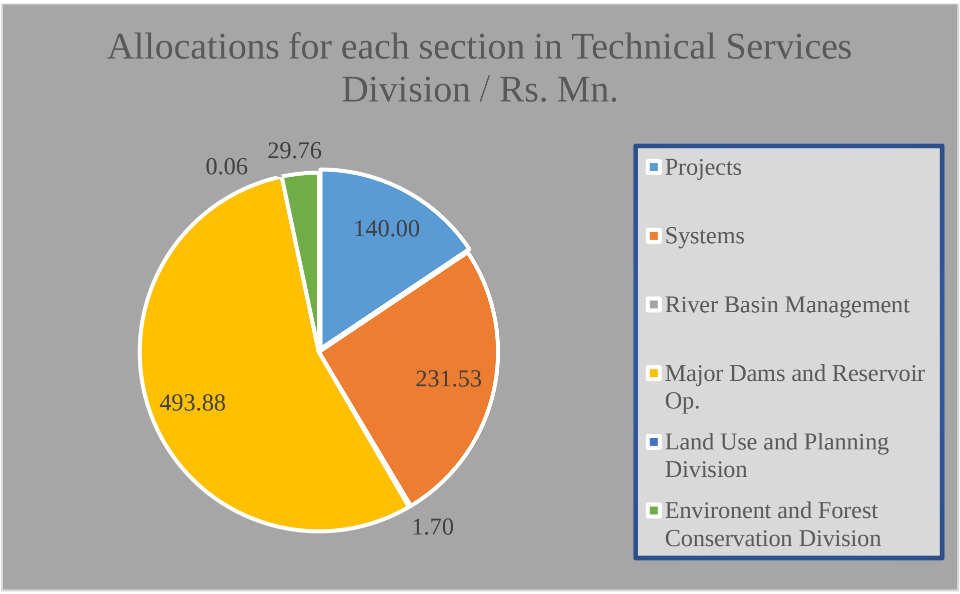
Improving the sources of income of the Mahaweli Authority of Sri Lanka through the following measures,

- Providing water supply at a commercial basis.
- Charging for removal of silt / sand in reservoirs and tanks.

For the year 2022, the budget allocated by the Treasury for each System is as follows

S.N	Projects/Systems /Divisions	Amount allocated to T.S. Division in 2022 /(Rs. Mn.)	Financial Progress in 2022 /(Rs. Mn)	Bills at Hand /(Rs. Mn.)	Financial Progress %	Physical Progress s%
1	Projects	140.00	128.99	0.00	92.14%	98.00%
2	Systems	231.53	210.59	24.71	101.62%	100.00%
	Sub Total 1 (1+ 2) (Downstream Development Division)	**371.53**	**339.58**	**24.71**	**98.05%**	**99.25%**
3	River Basin Mgmt Division	1.70	1.26	0.00	74.14%	99.35%
4	Major Dams and Reservoir Op.	493.88	399.44	28.00	81.00%	86.50%
5	Land Use and Planning Division	0.06	0.05	0.00	91.20%	100.00%
6	Environment and Forest Conservation Division	29.76	25.99	1.37	92.00%	90.00%
	Sub Total 2 (3+4+5+6)	**525.40**	**426.74**	**29.37**	**81.60%**	**86.49%**
	Grand Total - (Technical Services Division)	**896.93**	**766.32**	**54.08**	**91.47%**	**91.92%**

The financial allocation for each sector of the Technical Services Division in the year 2022 is also shown by the following pie chart.



2.1.1 Downstream Development Division

Introduction

Operation and maintenance of irrigation systems, tanks and reservoirs in Mahaweli areas, maintenance and management of building premises, road system repairs and related constructions, estimation, construction quality control and progress review are the main functions of this division.

Functions

- Execution of procurement activities related to works and services including special projects in all regions.
- Facilitate contract administration in project implementation.
- Reviewing the annual budget, physical and financial progress of the programs related to construction,
- Coordinating operations and maintenance related to the tanks and canal system in Mahaweli regions.
- Ensuring availability of water requirements for cultivation in Mahaweli area in coordination with Water Management Secretariat.
- Coordination between other divisions of MASL and external agencies on technical matters.

Physical Progress

For the year 2022, the budget allocated by the Treasury for each System and project is as follow.

(1) Projects

S.N	Project	Total Estimated Investment Amount /(Rs.Mn)	Cumulative Expenditure till 31st December 2022/(Rs.Mn)	Allocation for 2022 /(Rs.Mn)	Expenditure for 2022 (Rs. Mn)	Bills at hand/ (Rs. Mn)	Financial progress % for 2022	Physical progress % for 2022
1	Redeemaliyadda Development Project	1100.00	870.58	40.00	36.55	0.00	85.40%	98.00%
2	Rambakan Oya Development Project	1086.00	706.65	60.00	54.69	0.00	77.72%	98.00%
3	Welioya Integrated Development Project	3957.00	2534.38	40.00	37.75	0.00	94.00%	98.00%
	Total (Projects)	**6,143.00**	**4,111.61**	**140.00**	**128.99**	**0.00**	**92.14%**	**98.00%**

Funds are allocated under the Ministry of Irrigation for the following two projects and supervision undertaken by the Mahaweli Authority of Sri Lanka.

S.N	Project	Total Estimated Investment Amount /(Rs.Mn)	Cumulative Expenditure till 31st December 2022/(Rs.Mn)	Allocation for 2022 /(Rs.Mn)	Expenditure for 2022 (Rs. Mn)	Bills at hand/ (Rs. Mn)	Financial progress % for 2022	Physical progress % for 2022
1	Maduru Oya South Bank Development Project	38,500.00	724.30	500.00	390.20	94.80	97.00%	85.00%
2	Kivul Oya Development Project	8,000.00	59.65	100.00	31.45	0.00	31.45%	40.00%

(2) Institutional Capital

S.N	System	Amount allocated to T.S. Division in 2022 /(Rs. Mn.)	Financial Progress in 2022 /(Rs. Mn)	Bills at Hand /(Rs. Mn.)	Financial Progress %	Physical Progres s%
1	System B	40.25	40.25	3.80	109.44%	100.00%
2	System C	46.49	29.74	16.75	100.00%	100.00%
3	System D	11.16	10.95	0.21	100.00%	100.00%
4	System G	11.30	10.69	0.61	100.00%	100.00%
5	System H	47.31	47.31	0.00	100.00%	100.00%
6	Walawa Special Area	47.23	44.23	3.00	100.00%	100.00%
7	Huruluwewa Special Area	9.59	9.62	0.04	100.73%	100.00%
8	System Victoria	11.70	11.30	0.30	99.15%	100.00%
9	Head Office (Technical Services)	0.50	0.50	0.00	100.00%	100.00%
10	Premises Management	6.00	6.00	0.00	100.00%	100.00%
	Sub Total 2 (Systems)	**231.53**	**210.59**	**24.71**	**101.63%**	**100.00%**

(3) Special functions and contribution to the national economy

Facilitating education by providing school buildings etc.
Providing better infrastructure by repairing roads
Uplifting living conditions of farmers by rehabilitating rural tanks through Varisaubhagya(prosperity through irrigation) Program
Increasing the amount of cultivable land by desilting the tanks and increasing their capacity

\\

System	Allocation for 2022		Revised Allocation for 2022		Number of tanks for which estimates are prepared	Work Commenced		Progress 12/31/2022		Completed in 2022	
	No. of Tanks	Allocation (Rs. Mn)	No. of Tanks	Allocation (Rs. Mn)		Target (No of Tanks)	Progress (No of Tanks)	Physical %	Financial /Rs. Mn	T	P
System B	9	23.50	3	4.00	3	3	3	100.00%	2.70	1	1
System C	8	30.40	5	17.80	5	5	5	100.00%	17.80	1	2
System D	14	13.93	9	7.73	9	9	9	100.00%	7.90	4	4
System G	0	-	0	-	0	0	0	0.00%	-	0	0
System H	37	37.80	21	16.21	21	21	21	100.00%	16.21	20	20
Huruluwewa	1	2.50	1	0.32	1	1	1	0.00%	0.32	0	0
System L	5	25.50	2	1.70	2	2	2	58.00%	1.80	2	0
Walawa Specia Area	5	7.50	3	8.97	3	3	3	95.00%	9.15	3	1
System Rambakan Oya	25	40.18	9	23.10	4	4	4	100.00%	22.05	4	4
System Victoria	7	18.00	1	0.20	1	1	1	0.00%	0.20	0	0
Total	**111**	**199.31**	**54**	**80.00**	**49**	**49**	**49**	**93.90%**	**78.13**	**35**	**32**

Desilting Reservoirs at fee levying basis

No.	System	Contracts Awarded		Total Amount awarded (Rs. Mn)	Work in Progress		Income Received Rs. Mn		Total Income Received (Rs Mn)
		No. of Contracts	No. of Tanks		Tanks Completed	Tanks to be Completed	2021	2022	
1	System B	8	10	268.37	9	-	7.69	7.03	14.72
2	System H	8	10	131.16	6	-	0.42	0.87	1.29
3	System L	1	2	84.00	2	-	2.05	1.00	3.05
4	Walawa Special Area	7	33	337.75	13	7	2.92	1.08	4.00
	Total	**24**	**55**	**821.3**	**30**	**7**	**13**	**9.98**	**23.06**

2.1.2 Engineering Design and Planning Division

The Engineering Design and Planning Division prepares engineering designs and plans for developed, operational and proposed projects belonging to the Mahaweli Authority of Sri Lanka.

The following functions are performed by this division.

- Updating the Mahaweli Water Resources Plan
- Analysis of small-scale water supply project proposals and plans submitted by public and private
entrepreneurs
- Preparation of engineering estimates and Bills of Quantity related to design and layout for the procurement process.
- Training of novice engineers in engineering design and planning as per the accepted standards of the Institution of Engineers of Sri Lanka.

<u>Mahaweli System B</u>

1.1 The architectural and engineering plans for renovation of the Riyadh Trade Complex building in Aralagangwila, Mahaweli System B were submitted.

1.2 The engineering plans required to obtain the environmental report for the proposed investment projects in agricultural, animal husbandry and allied industries in Muthuwella in Sinhapura block of Mahaweli System B were submitted.

1.3 Contribution to Mini Hydro Power Scheme
The design and engineering plans of the proposed mini hydropower plant in connection with the Z-D canal in Mahaweli System B were submitted.

<u>Maduru Oya Right Bank Development Project</u>
<u>Measuring Weir</u>

RBMC 2 type drawings required for a measuring weir at 2+200 location were submitted in relation to the right canal which carries water from the Madurumbaya Reservoir along the main canal system.

<u>Mahaweli System C</u>

Inspection of plans for Tuwaragala anicut and submitting necessary plans for the necessary future renovation work.

<u>Mahaweli System D (Medirigiriya)</u>

Construction of anicut of the Kiwule Ela canal.

Submitting Samagipura Main Distributary Canal Regulation Design.

<u>Mahaweli System H</u>

Submitting the necessary plans and designs for the renovation of the Kalawewa circuit bungalow.

Submitting the preliminary feasibility study required to obtain water for the Tambuttegama water treatment plant.

Submitting the necessary plans and designs for weir and transition of Kalawewa left bank main canal.

<u>Huruluwewa Special Area</u>
<u>Design of entrance canal</u>
Carrying out design plans and feasibility studies for construction of a canal to carry water from Talkote tank to Audangawa tank.

Rehabilitation of Kandalama feeder canal

Construction of protective side wall of the distributary structure to carry water from Huruluwewa Feeder Canal to Kandalama tank.

System L – Welioya

Basic engineering design in relation to the outer spill/ Embankment/ downstream development of the Kivuloya project was re-inspected and submitted.

The necessary engineering designs and plans were provided for the development activities through the System L Residential Project Management Office.

Submission of the technical feasibility report for the tanks expected to be developed under the *Varisaubhagya*Program in the Mahaweli System L to the Director Environment. Prepared environmental investigation reports for the following tanks.

- ✓ Kudadikwewa
- ✓ Dikwewa
- ✓ Namalgama
- ✓ Dunkuduneruwa
- ✓ Ruwanmaduwa
- ✓ Mahakambiliyawa
- ✓ Puranamaya

Polgolla Reservoir

Preparation of report of Akurana flash flood investigation.

Bowatenna Reservoir

Submission of plans for protective embankment for mud sluice area on the left side of Bowatenna Reservoir.

Walawa Special Area

MD15 Structure Design of Udawala Left Bank Main Canal.

Preparation of Irrigation Network Plan for the proposed Valsapugala Dairy Development Project

Submission of necessary engineering designs and plans for Angunakolapelessa bus stand design phase 02

Rambakenoya Special Area

Submission of required engineering designs and plans for Akkara 1000, Pulawala, Bonchigoda, Imbulgoda and Ulpathkandiya Tanks.

- ✓ Outerspill
- ✓ Embankment
- ✓ Downstream Development plan (BOP)

Training

Five new engineers were trained for the chartered engineering entry for the year.

Other Activities

- ✓ On the request of the Mahaweli Agriculture and Livestock Department, providing the necessary contribution for poultry cages and goat shelters as well as fish breeding plans.

2.2 River Basin Management Office

Introduction

The River Basin Management Office is located in the Madatugama Mahaweli Premises and functions under the Director (Watershed Management). The primary responsibility of this office is to carry out activities related to environmental and natural resource management in accordance with the river basin management concept and to inspect the quality of construction and maintenance work carried out under the Mahaweli Authority of Sri Lanka.

Accordingly, the Water Quality Laboratory that functions under this office tests the water quality of the water sources in the watersheds associated with Mahaweli River and the Mahaweli system and uses the data to study the changes in water quality locally and seasonally
Under this office following functions are carried out.
1. Monthly Testing of Water Quality of Mahaweli Reservoirs at Kalawewa, Kandalama, Dambulla Oya, Bowatenna, Udawalawe and Chandrika Wewa.
2. Monthly inspection of water quality of selected small tanks in Mahaweli zones
3. Carrying out water quality testing of selected streams associated with the Mahaweli River and the Mahaweli system, are carried out under this set

Given the Water Quality Laboratory belonging to our division is accredited by the Central Environmental Authority, when the environmental protection licenses for industries are renewed, the quality of the effluent released into the environment by those organizations is also checked and recommendations are given. Reports on the composition of the waste water is given as per the request of owners of these establishments and fees are charged for the same. In addition, water samples are tested at the request of external agencies.

Accordingly, the value of the tests conducted by the Water Quality Laboratory in the year 2022 **by charging fees** is Rs. 1,350,994.80. In addition, an amount of Rs 267,505.00 has been received in 2022 as arrears for the tests carried out in 2021. Accordingly, an amount of Rs. 1,618,499.80 was received in the year 2022 for testing samples. Furthermore, the value of the sample tests carried out **on behalf**

<u>of the Mahaweli Authority for gratis</u> is Rs 3,173,633.87. Accordingly, during the year 2022, the value of total sample inspections conducted **either by charging fees or for gratis, is** Rs. 4,792,133.67

The Quality Control laboratory undertakes necessary measures to maintain the high quality of the construction work carried out by the Mahaweli Authority. To this end, laboratory tests are carried out to check the suitability of the construction materials used for constructions and field tests are carried out to check the quality of the constructions in Mahaweli system as requested by the system offices. If the construction work is carried out by the way of contractors or farmer organizations, fees are charged for inspection.
In the year 2022, the value of the tests carried out **by charging fees is** Rs 140,432.60. This entire sum was received in the year 2022 itself.
In addition, an amount of Rs 825.00 had been received in 2022 as an advance for the tests to be carried out in 2023.

Further an amount of Rs 503,563.23 has been received in 2022 as arrears for the tests carried out in past years.

Accordingly, in the year 2022, a total amount of Rs 638,385.83 has been received for quality control tests.
Further inspection of quality of the constructions done by the Mahaweli System Offices is also conducted either in such instances where Deputy Director General (Technical Services) specifically instructs or in random manner. එබඳු Accordingly, the value of quality inspections carried out for **<u>gratis in 2022</u>** is Rs. 141,637.25. Accordingly, during the year 2022, the value of total sample inspections conducted **either by charging fees or for gratis, is** Rs. 282,069.85.

<u>Contribution to the national economy and society</u>

The River Basin Management Office does not make significant financial gains directly but indirectly contributes to the national economy and social progress.

The operation of the Water Quality Laboratory, made it possible to identify the variables that affect the quality of water, and the study of long terms behavior of these variables helps to identify the pollutants that are basically added to the environment Identifying it more accurately will enable it to take appropriate action and be an environmental investment for future generations.

Quality control tests can identify structures that are not up to standard and that would pave the way for immediate remedial action. This allows for the lifespan of the structures to be maintained as planned and minimizes the need for periodic repairs. Therefore, their benefits can be continuously passed on to the community and the cost of renovations could be minimized. It has a positive impact on the manufacturing economy of the country.

2.3 Electrical and Mechanical Division

The Electrical and Mechanical Division of the Mahaweli Authority of Sri Lanka is mainly responsible for the regulation of renewable energy projects in the Mahaweli region and providing necessary facilities, providing recommendations for work permits for electrical and mechanical work and providing technical evaluation reports for electrical and mechanical procurement activities.

Renewable Energy Projects

In 2002, the Mahaweli Authority of Sri Lanka identified potential locations for small-scale hydropower projects. Suitable investors were selected for this purpose by inviting competitive bids as per the tender procedure. The main selection procedure was the royalty paid as a percentage of the sale of electricity for the land and water used.

Accordingly, 10 small-scale projects suitable for implementation were identified at the beginning based on the royalty and letters of intent were issued for those projects. Depending on the nature of the project site, this percentage ranged from 3.42% to 34.2%. After that, the Mahaweli Authority of Sri Lanka submitted letters of intent to 10 more investors who submitted projects in suitable areas near major rivers and channelized waterways. The Board of Directors of the Mahaweli Authority of Sri Lanka decided to collect the royalty of 10% from the projects located on channelized waterways and 6% from the projects located near the main rivers. So far, 12 small-scale hydropower projects have been completed, from which a capacity of 39.85 M.W. has been added

In addition, Mahaweli Authority of Sri Lanka has also identified suitable locations for the construction of on-site and floating solar power plants. The primary objective of these projects is to popularize clean green solar power breaking away from conventional energy sources such as coal, oil and gas.

Serial No	Description	Quantity	Capacity/ (MW)	Income generated in year 2022 /(Rs.)
1	Small scale hydropower projects in operation	12	39.85	271,810,951.59 *
2	Small scale hydropower projects work in progress	10	26.18	-
3	Solar Power projects in operation	8	44.25	11,925,600.00
4	New solar power projects operational by the end of 2022	29	414.0	8,968,600.00
Total		59	524.28	292,705,151.59

Graph No.1: Summary of renewable energy projects

* - This amount is paid directly by the Ceylon Electricity Board to the Sri Lanka Mahaweli Authority and as per the instructions of the President's Office, the collection of money was suspended from November 2021 to May 2022 and approval has been received for collection from June 2022. However, no amount has been paid by the Ceylon Electricity Board to the Sri Lanka Mahaweli Authority for the year 2022.

01. Small Scale Hydropower Projects in operation:

S.N	Project	Project Investor	Date of Commencement of Power Generation	Catchment area management fee / %	Channelized / Natural	Capacity / MWh	Income 2022/ Rs.
1	Maduru Oya Left Bank Sluice (Maduru Oya I)	Eagle Power (Pvt.) Company, No. 09, Modara Lake Industrial Area, Panadura.	June 2011	34.2	Channelized	5.00	76,793,729.77
2	Koladeniya Hydro power project	Koladenia Hydropower (Pvt.) Company, No. 344, Sirimangalawatta, Mampe, Piliyandala	2012 April	April 2012	6.0	Natural	2,667,531.81
3	Branford Hydropower project	Branford Hydropower (Pvt.) Company, No. 315, Vauxhall Street, Colombo 02.	April 2013	13.1	Channelized	2.50	9,491,000.15
4	Lenadora Hydropower project	Kent Hydro (Pvt.) Company, No. D/1, Guildford Crescent, Colombo 07.	May 2013	13.0	Channelized	1.40	4,495,034.70
5	Palapatwala Hydropower project	Energy Generators (Pvt.) Company, No. 69, President Mawatha, Colombo 01.	May 2013	6.0	Channelized	6.00	33,565,437.71
6	Maduru Oya left bank 24+140 km (Maduru Oya II) Drainage structure Hydropower project	Eagle Power (Pvt.) Company, No. 09, Modara Lake Industrial Area, Panadura.	November 2013	27.0	Channelized	2.00	15,351,782.72
7	Lower Kothmale Hydropower project	Lower Kothmale Oya Hydropower (Pvt.) Company, No. 9/1-5, Royal Mawatha, Colombo 07	June 2014	6.0	Natural	4.80	-
8	Ross Estate Hydropower project	Ross Hydro Power (Pvt.) Company, No. 11, Joseph Street, Colombo 04.	September 2014	10.0	Channelized	3.80	30,877,015.74
9	Owala Hydropower project	Escas (Ovala) Power (Pvt.) Company, No. 276, Mabima, Heiantuduwa	April 2015	10.0	Channelized	2.80	20,407,526.63
10	Left bank of Maduru Oya 28+450 km drainage structure (Maduru Oya III) Hydropower project	Eagle Power (Pvt.) Company, No. 09, Modara Lake Industrial Area, Panadura.	August 2015	3.4	Channelized	0.60	1,507,424.72
11	Dambulu Oya Hydropower project	HPD Power (Ed.) Co., No. 334, T.B. Jaya Mawatha, Colombo 10.	August 2016	10.0	Channelized	3.25	23,092,084.80
12	Ankanda Hydropower project	Escas (Ankanda) Power (Pvt.) Company, No. 276, Mabima, Heiantuduwa	September 2018	10.0	Channelized	6.50	53,562,382.84
Total						**39.85**	**271,810,951.59**

Note – 1. It has not been possible to find out the amount due to the Mahaweli Authority of Sri Lanka due to the fact that the lower Kothmale project has not provided the relevant bills. Therefore, the legal department has been referred to take legal action against this company.

3. According to the instructions of the President's Office, the collection of money was suspended from November 2021 to May 2022 and approval has been received for charge from June 2022. Even so, no money has been paid by the Ceylon Electricity Board to the Sri Lanka Mahaweli Authority for the year 2022.

1. On-going (not currently operational) small scale hydropower projects:

SN	Project	Project Investor	Capacity / MW	Channelized / Natural	Progress
1	Ukuwela Kuriwela	Onyx Hydro Power Company (Pvt.) Co	2.2	Channelized	The company has entered into a Power Purchasing Agreement and a Lease Agreement with the MASL
2	Diggala	Escas Diggala Power (Pvt.) Co	4.4	Channelized	The civil engineering construction activities are almost complete. Installation of generators is in progress.
3	Kiwula	Escas Kiwula Power (Pvt.) Co	2.8	Channelized	Arrangements have been made to sign the Power Purchase Agreement (SPPA).
4	Nayakkumbura	Ralick Hydro Power Generation (Pvt.) Co	0.5	Channelized	Environmental Impact Assessment Report (EIA) has been completed. According to the decision of the Attorney General's Department, a request has been made from the Sri Lanka Sustainable Energy Authority to obtain Provisional Approval.
5	Chandrika Tank	Mahaweli Consulting Bureau (Ed.) Co	0.63	Channelized	The Environmental Impact Assessment Report has been completed. Further work could be carried out after receiving the final report of the Nilwala project.
6	Kumbaloluva I	Norwood Hydropower (Pvt.) Co	2.4	Natural	A land survey is planned to be conducted in order to resolve the conflict between the two investors.
7	Kumbaloluva II	Kumbal Oluva Hydropower (Pvt.) Co	1	Natural	
8	Maduru Oya LBL3	Nippon Knit (Pvt.) Co	0.15	Channelized	Initial Environmental Examination has been completed
9	Moragolla Small Scale Hydropower Project	Xijian yung Energy Company (Pvt.) Co	2.1	Channelized	Environmental Impact Assessment (EIA) process is underway.
10	Gatambe	Asian Hydropower Generartion (pvt) Ltd.	10	Natural	Temporarily halted
Total			**26.18**		

2. Solar Power Projects in operation:

Serial No.	Investor	Location	Capacity / MW	Area / hectares	Annual Lease Amt / Rs.
1	Saga Solar Power	Walawa / Mayurapura Block	10.0	18.21	3,456,000.00
2	Iris Eco Power (Pvt.) Ltd.	Walawa / Mayurapura Block	10.0	18.50	3,888,000.00
3	Anarchy Lanka	Walawa / Mayurapura Block	10.0	18.50	3,888,000.00
4	Sri Lanka Sustainable Energy Authority	Walawa / Mayurapura Block	1.237	18.60	-
5	Solar One Ceylon (Pvt.) Ltd.	System "B", Senapura Block	10.0	19.50	297,600.00
6	Binthenna Solar (Pvt) Ltd.	System "C", Giradurukotte Block	1.0	2.63	120,000.00
7	Uva Solar (Pvt) Ltd.	System "C", Giradurukotte Block	1.0	2.63	128,000.00
8	Mapakada Solar (Pvt) Ltd.	System "C", Giradurukotte Block	1.0	2.83	148,000.00
Total			44.25	101.4	11,925,600.00

3. New projects that are operational by the end of 2022:

Serial No.	Investor	Location	Capacity / MW	Area / hectares	Annual Lease Amt / Rs.	**Status as at 2022.12.31**
Walawa Special Mahaweli Area						
1	Sol Navitas (Pvt.) Ltd.	Mayurapura Block	18.21	10.0	4,320,000.00	Released on the basis of Annual Lease. Project not yet commenced
2	EleXsys Power (Pvt) Ltd.	Mayurapura Block	17.20	10.0	4,648,800.00	Released on the basis of Annual Lease. Project not yet commenced
3	Xijiang Yang (Pvt.) Ltd.	Mayurapura Block	20.23	10.0	-	Generation License obtained. Surveying completed.
4	Asian Sun Edition (Pvt) Ltd.	Mayurapura Block	8.0	5.0	-	Generation License obtained. Surveying completed.
5	Asian Sun Power Edition (Pvt) Ltd.	Mayurapura Block	8.0	5.0	-	Generation License obtained. Surveying completed.
6	Asian Active Solar Edition (Pvt) Ltd.	Mayurapura Block	8.0	5.0	-	Generation License obtained. Surveying completed.
7	Asian Solar Concept Edition (Pvt) Ltd.	Mayurapura Block	8.0	5.0	-	Generation License obtained. Surveying completed.
8	Dudu International (Pvt.) Ltd.	Mayurapura Block	12.15	10.0	-	Generation License obtained.
9	Orion Solar (Pvt.) Ltd.	Mayurapura Block	12.15	10.0	-	Generation License obtained.
10	Tanish International (Pvt.) Ltd.	Mayurapura Block	12.15	10.0	-	Generation License obtained.
11	Tanoo International (Pvt.) Ltd.	Mayurapura Block	12.15	10.0	-	Generation License obtained.
12	Nidhanya International (Pvt.) Ltd.	Mayurapura Block	12.15	10.0	-	Generation License obtained.
13	Electrolyte Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
14	Elephant Power International Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
15	Genco Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
16	Leisure Creations Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
17	Photon Valley Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained

Serial No.	Investor	Location	Capacity / MW	Area / hectares	Annual Lease Amt / Rs.	**Status as at 2022.12.31**
18	Photowatt Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
19	SolarGen Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
20	Stallion Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
21	Talna Holdings Edition (Pvt) Ltd.	Mayurapura Block	10.0	10.0	-	Provisional approval of the Sustainable Energy Authority Obtained
System B						
22	Polonnaruwa Solar (Pvt.) Ltd.	Aselapura Block	12.0	5.0	-	Generation License obtained.
23	Castle A Solar (Pvt.) Ltd.	Aselapura Block	12.0	5.0	-	Generation License obtained.
24	Eco Solar One (Pvt.) Ltd.	Punani West/ Koraleyi Pattu South/ Batticalaoa	10.0	5.0	-	Generation License obtained.
25	Eco Solar Two (Pvt.) Ltd.	Punani West/ Koraleyi Pattu South/ Batticalaoa	10.0	5.0	-	Generation License obtained.
26	Eco Solar Solutions (Pvt.) Ltd.	Punani West/ Koraleyi Pattu South/ Batticalaoa	4.0	2.0	-	Generation License obtained.
27	Seek Energy (Pvt.) Ltd.	Punani West/ Koraleyi Pattu South/ Batticalaoa	148.0	100.0	-	Provisional approval of the Sustainable Energy Authority Obtained
28	Solar Forge (Pvt.) Ltd.	Punani West/ Koraleyi Pattu South/ Batticalaoa	190.0	100.0	-	Generation License obtained.
Huruluwewa System						
29	Syza Solar (Pvt.) Ltd.	Habarana	6.02	2.0	-	Generation License obtained. Surveying completed.
Total			630.41	414.0	8,968,600.00	

2.4 Major Dams & Reservoir Operation (MD & RO of MASL)

According to the Mahaweli Authority of Sri Lanka Act No. 23 of 1979, published in the Gazette of the Democratic Socialist Republic of Sri Lanka, the then Mahaweli Development Board was transformed into a semi-government institution with special powers called the Mahaweli Authority of Sri Lanka.

Headwork's Administration, Operation and Maintenance Division (HAO &M) was established in1985 for the purpose of improving, operating and maintaining the major reservoirs, trans-basin canals, canal networks and dam related structures constructed under the accelerated Mahaweli Program and Mahaweli Development Scheme.
For the convenience of the public, this division has been renamed as "Major Dams and Reservoir Operations Division" since 2019.

The main dam and reservoir system constructed so far is entrusted on behalf of the government as an asset owned by the MASL and the said assets are controlled by the Mahaweli Authority of Sri Lanka. The total current value of the construction cost of this major dam and reservoir system is about 420 billion rupees.

This division carries out all the operations of the main reservoirs in such a way as to ensure the safety of the public. For this purpose, maximum water needs are provided to water users by using modern technology strategies of international reservoir and dam operations. In addition to this, reservoir control gates are being operated to control the flood to reduce the flood damage in the lower valleys.

Furthermore, water management operations at the level of reservoirs and inter-valley canals, maintenance of reservoirs and related structures, plans and implementations for improvements for the long-term existence of reservoirs and rehabilitation projects related to reservoir systems are also carried out.

Main Functions of this Division

Administration - Administration of areas belonging to reservoirs and reserves by enforcing regulations meant for the protections of the body of water of Dams and Reservoirs, the 100m Buffer Zone and associated forest reserves.

Operation - Operating of sluice gates at the reservoirs and trans basin canal level and operating of gates for flood control to minimize flooding at upstream and downstream of reservoirs as per regular decisions taken at the Water Management Secretariat.

Maintenance - Maintenance and improvement of reservoirs and dams, gates, reservoir terminal areas and all structures connected to the reservoirs in accordance with international standards (ICOLD).

Reservoir related environmental conservation activities during the year 2022

S. No	Description	Physical Progress (%)	Financial Progress Rupees Million
01	Dengue Control Shramadana Programs Digana, Nilagama and Office Premises	90	0.270
02	Plastic and Polythene Removal Shramadana Programs in reservations of Victoria and Polgolla Reservoir	85	0.000
03	Monthly plastic and polythene removal programs in reservoir reservations.	80	0.306
04	planting of bamboo saplings/ afforestation the reservation of the reservoir	90	0.131
05	Home gardening in office premises	80	0.100
06	Field inspections of establishments and sites belonging to industrial and environmental polluters	60	0.000
07	Programs that actively contributed to Dengue Committees, Environment Committees and Coordinating Committees	90	0.285
08	Wastewater analysis reports and environmental license fees	100	0.050
Total			1.142

S/S	Reservoir	Water supplied for power Generation (MCM)	Power generation capacity (KWH)	National Income (Rs. Mn) *
01	Victoria	2,256.500	909.301X 10^6	16,176.465
02	Randenigala	2,211.810	421.331X 10^6	7495.478
03	Rantambe	2,578.240	199.219X 10^6	3,544.106
04	Kotmale	988.375	532.166X 10^6	9,467.233
05	Bowatenna	465.498	59.595X 110^6	1,060.195
06	Maduru Oya	562.17	18.9557 X 10^6	223.093
07	Polgolla	976.968	170.502X 10^6	3,033.231
08	Moragahakanda	1,045.380	77.007X 10^6	1,369.951
09	Udawalawa	1002.508	16.388 X 10^6	291.543
Total		**12,087.449**	**2,404.465 X 10^6**	**44,077.242**

Supply of water to Hydropower plants and resultant contribution to the national economy

Releasing water for Agriculture in 2022

S/S	Reservoir		Water supplied (MCM)
01	Polgolla Diversion (to Bowatenna Reservoir)		977
02	Minipe Canal	Left Bank	315
		Right Bank	1326
03	Moragahakanda Reservoir		1046
04	Udawalawa	Left Bank	502
		Right Bank	475
	Total		**4641**

Reservoirs managed by the Major Dams and Reservoir Operations Division

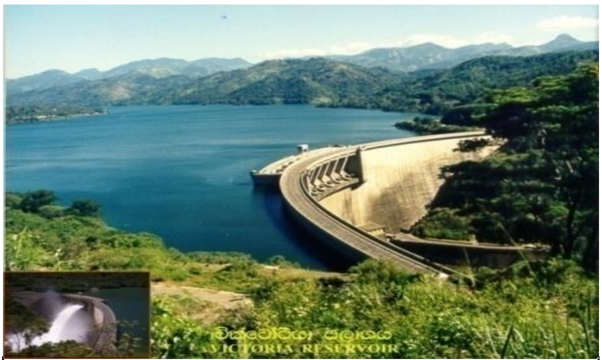
Reservoirs	Component being Maintained
Kotmale	Dam, spill gates, all sluice gates and reservoir terminal areas
Polgolla Diversion	Dam, spill gates, all sluice gates and tunnels
Bowatanna	Dam, spill gates, all sluice gates and reservoir terminal areas
Dambulu Oya	Dam, spill gates, all sluice gates and reservoir terminal areas
Kandalama	Dam, spill gates, all sluice gates and reservoir terminal areas
Kala Wewa	Dam, spill gates, all sluice gates and reservoir terminal areas
Victoria	Dam, spill gates, all sluice gates and reservoir terminal areas
Randenigala	Dam, spill gates, all sluice gates and reservoir terminal areas
Rantambe	Dam, spill gates, all sluice gates and reservoir terminal areas
Minipe Anicut	Sluice gates, Spill Gates, trans basin canal, Badulu Oya aqueduct, Tunnel, and structures of aqueducts.
Loggal Oya, Hapola Oya and Dihabana Oya aqueduct level	Dam, spill gates, all sluice gates and reservoir terminal areas
Ulhitiya Rathkinda	Dam, spill gates, all sluice gates and reservoir terminal areas
Maduru Oya	Dam, spill gates, all sluice gates and reservoir terminal areas
Uda Walwe	Dam, spill gates, all sluice gates and reservoir terminal areas
Chandrika Wewa	Dam, spill gates, all sluice gates and reservoir terminal areas
Moragahakanda	Dam, spill gates, all sluice gates and reservoir terminal areas
Puhulpola	As the project is not yet completed, maintenance work not undertaken. We have stationed a few of our staff there
Dayaraba	

Kothmale Reservoir

Capacity: 173 million cubic meters

Polgolla Reservoir

Capacity: 4.1 million cubic meters



Victoria Reservoir

Capacity: 721 million cubic meters

Randenigala Reservoir

Capacity: 801 million cubic meters

Rantambe Reservoir

Capacity: 1.15 million cubic meters

Maduru Oya Reservoir

Capacity: 596 million cubic meters

Bowathenna Reservoir

Capacity: 56 million cubic meters

Dambulu Oya Reservoir

Capacity: 117 million cubic meters

Kala wewa Reservoir

Capacity: 123 million cubic meters

Ulhitiya Rathkinda Reservoir

Capacity: 145 million cubic meters

Chandrika Wewa

Capacity: 27.7 million cubic meters

Minipe Reservoir

Capacity: 0.12 million cubic meters

Udawalawa Reservoir

Capacity: 268.65 million cubic meters

Puhulpola Reservoir

Capacity: 0.634 million cubic meters

Kandalama Reservoir

Capacity: 33 million cubic meters

Moragahakanda Reservoir

Capacity: 558 million cubic meters

Dayaraba Reservoir

Capacity: 0.970 million cubic meters

2.5 Land Use Planning Division

Introduction

The role of the Land Use Planning Division is to integrate planning aimed at sustainable development. According to the Mahaweli Master Plan, the identification and planning of land for development projects and functions is a primary task of the Land Use Planning Division, where, by studying the current land use pattern, strategic plans are prepared, by allocating suitable land for future development and areas to be conserved.

Vision of the Division

"A Perfect Lifestyle Through Sustainable Pattern of Land Use"

Functions of the Division

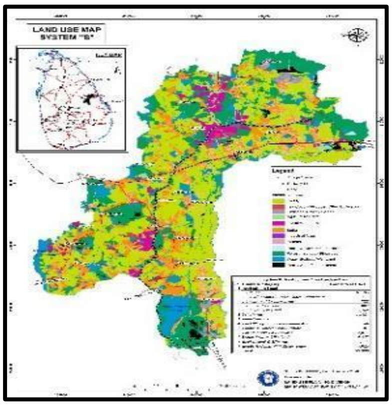
1. Identification of lands for development projects
2. Development of relevant plans in project areas and establishing infrastructure in Mahaweli cities
3. Carrying out resettlement in new project areas
4. Updating plans of Mahaweli areas
5. Preparation of annual work plans and estimates
6. Providing necessary recommendations for alienation of land
7. Mapping of information related to Mahaweli area development
8. Providing recommendations related to the extraction of mineral resources
9. Giving recommendations regarding the development of private lands located within the forest reserves of Mahaweli reservoirs.

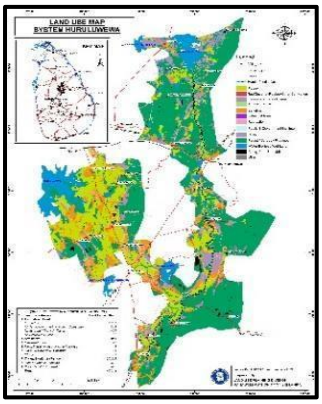
Details regarding the progress of the activities carried out by the Land Use Planning Division in the year 2022

- For the year 2022, an amount of Rs. 60,000 was allocated in relation to the program to map investment lands in Mahaweli regions and an amount of Rs. 54,755 was spent by the Land Use Planning Division for that program. Accordingly, the financial progress of the Land Use Division in the year 2022 is 91.2%.
- In order to provide guidance for optimal land use in Mahaweli systems and to regulate irregular land use, physical planning recommendations have been given for 356 sites that have been referred since January to September 30, 2022 to formally demarcate blocks of land and to provide legal effect, according to plans for dry cultivation, irrigation, homestead and other common requirements according to the requests of the settlers residing in the Mahaweli regions.

- Mineral extraction projects have been approved for the purpose of raising the economic and social standards of the settlers by streamlining the use of land for the sustainable extraction of mineral resources in the Mahaweli areas by the Land Use Planning Division until 30th September 2022. Accordingly, 305 sites have been approved until 30th September 2022 and 122.15 million rupees in land use charges have been collected in the year 2022 until 30th September.

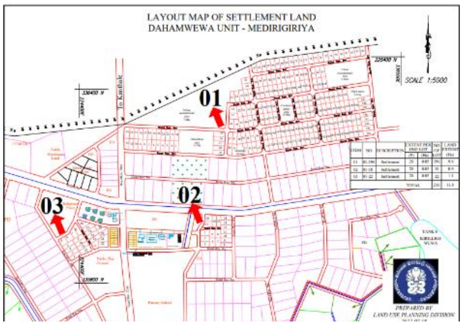
Summary of the Activities carried out by the Land Use Planning Division in the year 2022





01. Redrawing of land use maps in all Mahaweli regions where development activities are currently being carried out based on the updated data of the Land Use Planning Department.

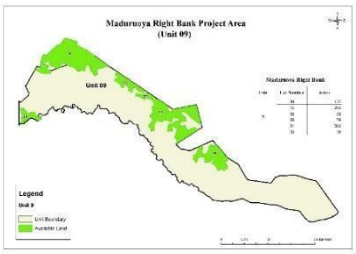
02. Taking into account the regular requests made by the settlers for homestead lands in Mahaweli System D, drawing plans for plots of lands of 20 perches each as homestead lands in Nabada Weva, Bisopura, Dhamma Weva units of Midrigiriya Blocks and referring them to System D administration for the necessary action.

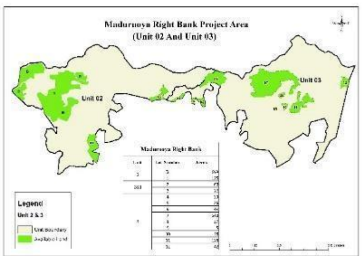


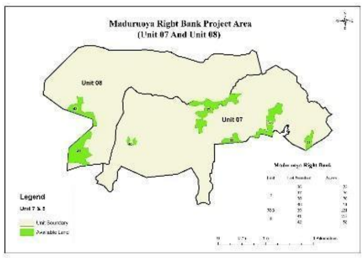
03. The gathering of elephants in the area of 06 plots of land identified from areas demarcated bush and forest in the preliminary plan of the settlements of Atthanakadawala and Bakamoona blocks in Moragahakanda region and the elephants that roost in those areas during the afternoon forcing into villages during the night have affected the life of the settlers. After taking to the accounts palpable threat to the lives of settlers, field inspection of the area and preparation of plans in relation to giving recommendations for allotment of those plots for settlement was carried out.

අ. අ	කොට්ඨාසය හා ඒකකය	සැලසුම් අංකය හා කැබලි අංකය	ප්‍රමාණය (හෙක්)	සංෂිප්ත නිදේශය
1	බකමූණ නිකපිටිය	අ.භූ.පි. 03 අති 87 හි 1223	23.6771	පර්. 20 බැගින් නිර්දේශිත බිම් කට්ටි ප්‍රමාණය 300.
2	බකමූණ නිකපිටිය	අ.ජ.පි.පො.292 හි 145	36.4730	පර්. 20 බැගින් නිර්දේශිත බිම් කට්ටි ප්‍රමාණය 45.
3	අත්තනකඩවල	අ.ජ.පි.පො.25 අති 133 හි 6210	4.9168	පර්. 20 බැගින් නිර්දේශිත බිම් කට්ටි ප්‍රමාණය 53.
4	අත්තනකඩවල	අ.ජ.පි.පො.25 අති 134 හි 6352	5.3675	ස්ථිර වන වගාවක් ලෙස පවත්වා ගෙන යාම
5	අත්තනකඩවල අත්තනකඩවල	අ.ජ.පි.පො.30 අති 03 හි 395	19.2624	යෝජිත භූමිය තුල තවදුරටත් කැලය පවතින බැවින් භාවිතය සංශෝධනය නිර්දේශ නොකරන අතර පරිසර කළමනාකරණය සඳහා වෙන්කරන ලද ප්‍රදේශයක් ලෙස පවත්වා ගෙන යාම හා පර්. 20 බැගින් නිර්දේශිත බිම් කට්ටි ප්‍රමාණය 110.
6	අත්තනකඩවල අත්තනකඩවල	අ.ජ.පි.පො.30 අති 03 හි 151	5.0261	යෝජිත භූමිය තුල තවදුරටත් කැලය පවතින බැවින් භාවිතය සංශෝධනය නිර්දේශ නොකරන අතර පරිසර කළමනාකරණය සඳහා වෙන්කරන ලද ප්‍රදේශයක් ලෙස පවත්වා ගෙන යාම.
එකතුව			**94.7229**	

04. Conducting a field inspection, preparing maps and making necessary arrangements to identify potential areas for maize cultivation in the Right Bank Development Area of Mahaweli System B





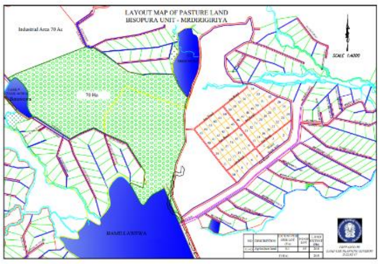


05. Drawing the bank of the Mahaweli River from Polgolla to Nawalapitiya and identifying the locations where sand has been deposited along the river bank.

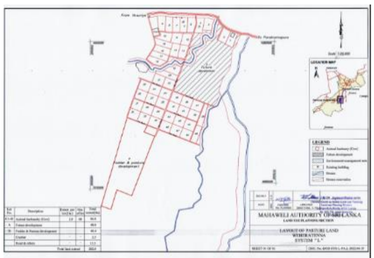
06. Preparation of plans for commercial blocks of land in Bisopura town

07. According to the decisions taken in the discussion chaired by the President's Secretary on the resolution of the land and fisheries issues of the people of Kokilai in relation to the Northern Province Special Problem-Solving Unit, collection of data data and preparation of the final report on resolving the agricultural land problem faced by the people of Kokilai area who are cultivating lands in the Janakapura unit and issues pertaining to fisheries in coordination with the physical planner of the System

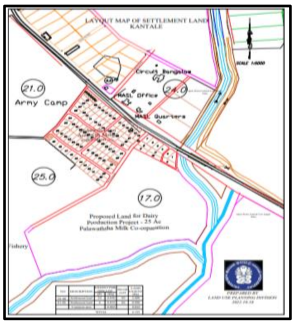
08. Prepare the blocking plan for the land reserved for livestock and animal husbandry development projects in Bisopura unit of Bisopura Block of Mahaweli System D and referring it to System D for necessary action.

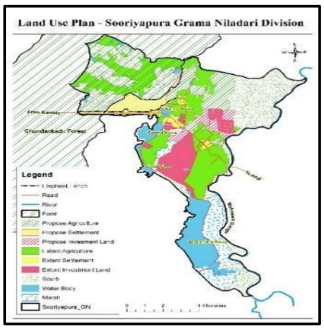


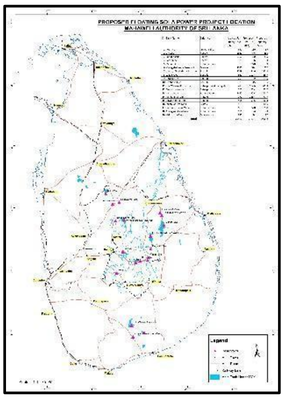
09. In Weherathenna Block, Mahaweli System L, preparing the basic blocking plan of the proposed land for the Livestock and Animal Husbandry Development Project and submit it to System L for the necessary action.



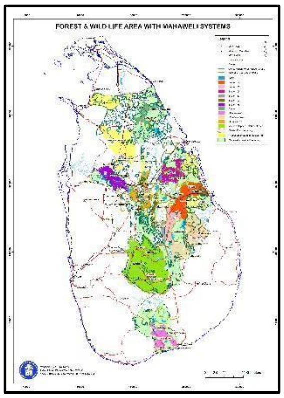
10.Taking into account the constant requests made by the settlers of Suriyapura Kantale Block of Mahaweli System D, preparing a basic blocking plan for the lands identified as suitable for homestead and agricultural activities and refer them to System D for necessary action.





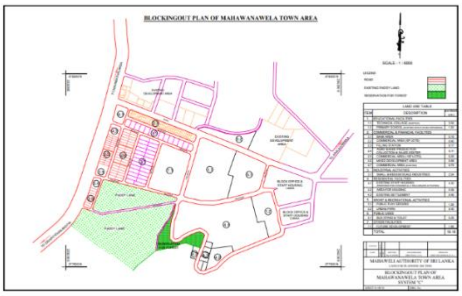


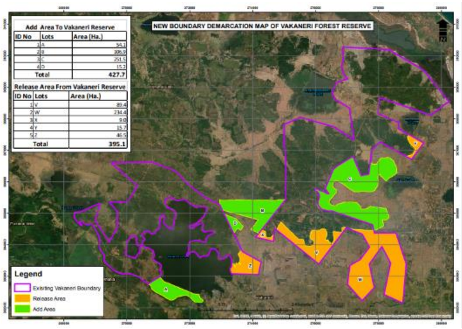
11. Preparing the map showing the proposed locations for the floating solar power generation projects and check the proposed locations for the solar power generation projects using the maps and verify whether they are located in the Mahaweli catchment area



12. Preparation of map of Sri Lanka's Wildlife Conservation Areas and Forest Conservation Areas located within and adjacent to the Mahaweli Zones.

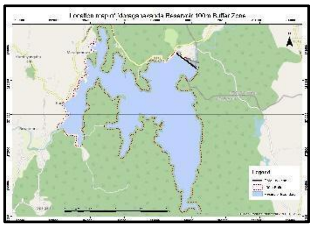
13. Updating the Mahawanawela city plan of System C and referring to the system for necessary actions

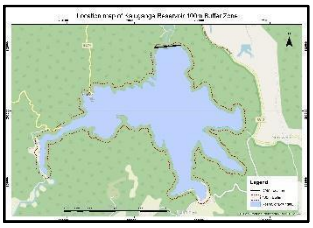


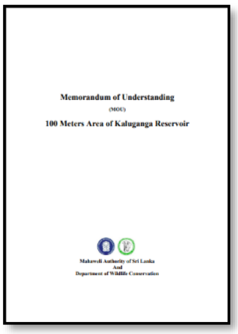


14. Preparation of schedules and maps need to re-gazette revision of the boundaries of Maduru Oya Right Bank Wakaneri areas.

15. Preparing the final schedule for the transfer of Moragahakanda and Kaluguanga buffer zone to the Department of Wildlife Conservation, submitting and coordinating with the Department of Wildlife Conservation







Memorandum of Understanding

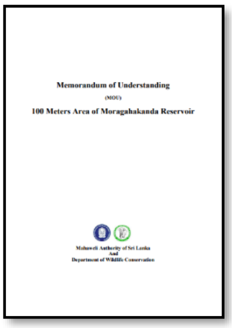
(MOU)

100 Meters Area of Kaluganga Reservoir

Mahaweli Authority of Sri Lanka

And

Department of Wildlife Conservation



Memorandum of Understanding

(MOU)

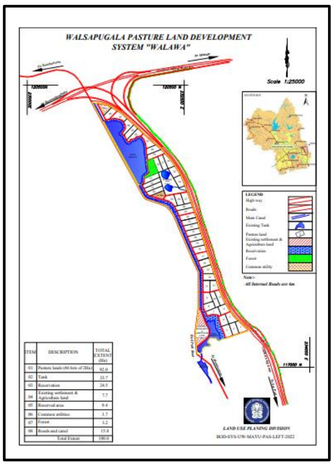
100 Meters Area of Moragahakanda Reservoir

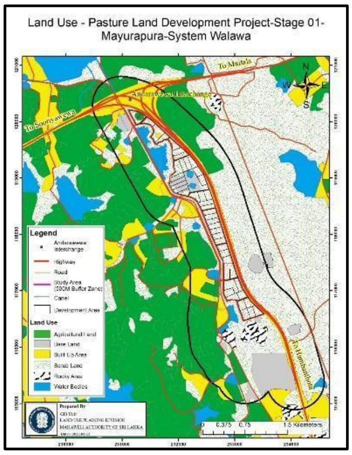
Mahaweli Authority of Sri Lanka

And

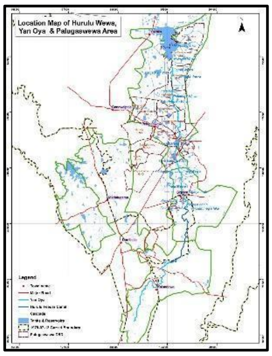
Department of Wildlife Conservation

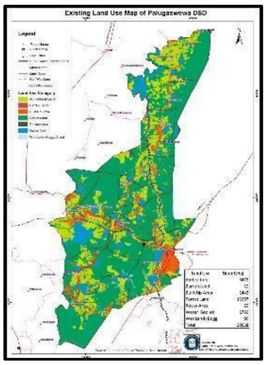
16. Preparation of draft maps related to Walsapugala Pasture Development Project and preparation of environmental report draft by participating in joint field investigations with Mahaweli Authority officials and Wildlife Conservation Department officials



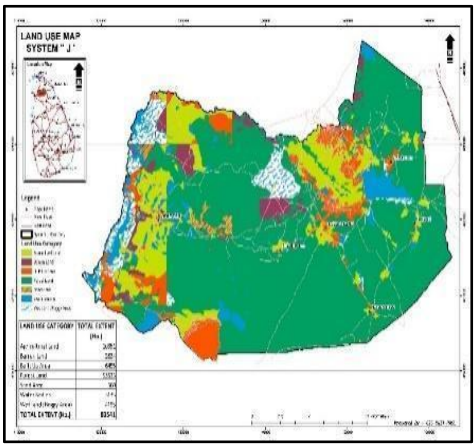


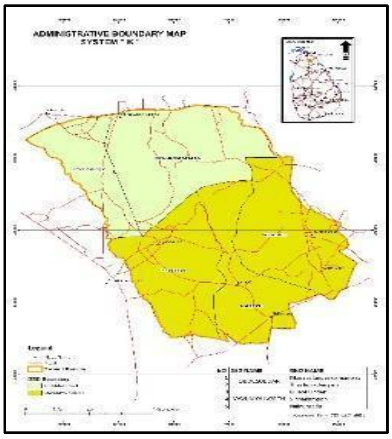
17. Gathering information, preparing maps and drafting ministerial papers related to the inclusion of 05 Grama Niladhari divisions belonging to Palugaswewa Block into Huruluwewa Special Area, which were not gazetted originally into that Area.





18. Studying the existing secondary data (National Physical Plan 2050) to identify the possibilities to carry out development activities in System A, System J, System K and System I, which were gazetted as Mahaweli Special Areas but have not yet been developed. Preparing preliminary maps to identify development potential and to study the existing administrative structure and existing land use of the above areas. (Grama Niladhari Divisions Map, Land Use Map, Contour Line Map, Waterway Map)





2.6 Environment and Forest Conservation Division

Introduction:

The Mahaweli Master Plan, was implemented bringing many socio-economic benefits to Sri Lanka, and to achieve expected targets under the Accelerated Mahaweli Development Scheme, it primarily designed to proceed according to the sustainable environmental conservation program by its environmental planners with the objective of minimizing the environmental impact and change that could occur at every step of the proposed development process.

The primary objective of the environment and forest conservation process is to conserve the upper Mahaweli catchment area and manage natural resources in the Mahaweli regions (in the lower Mahaweli basins) and conserve biodiversity and valuable ecosystems and identify and implement suitable conservation strategies for the future. In this case, problems and their causes in those areas, i.e., in the upper Mahaweli catchment areas and in the lower basis, are practically identified and sustainable solutions are proposed and implemented.

Vision:

Healthy Mahaweli River Basin for Sustainable Development

Mission:

- Directing the development activities to conduct the entire Mahaweli development activities in a manner that preserves the environment.
- Conservation of the upper Mahaweli catchment area to maintain a continuous flow of water in quantity and quality throughout the year.
- Working to protect the natural ecosystem in Mahaweli water bodies and lower Mahaweli areas.
- Conservation of forest resources to protect endemic flora and fauna species and bio-ecosystem in Mahaweli areas.
- Carrying out afforestation in order restore the forest areas cleared due to Mahaweli development activities

Main Functions:

1. Activities for the conservation and management of the Upper Mahaweli catchment area
2. Monitoring and implementation of environmental conservation and management programs and joint projects in Mahaweli lower basin and other Mahaweli regions.
3. Carrying out the administration and follow up of the Environmental Impact Assessment process as a project approval body under the National Environmental Act.
4. Activities and follow-up related to the effectuation of conditions for environmental approval in large-scale projects implemented by the Mahaweli Authority and representing the technical committees, operational committees and follow-up committees of the projects proposed to be implemented by the Ministry and the Mahaweli Authority.
5. Representation in technical committees for development projects implemented by line government agencies, representation of the Authority for meetings and workshops related to environmental activities proposed to be implemented at the national level and representation in internal committees.

Activities for the conservation of the upper Mahaweli catchment area and administrative activities for environmental impact assessment

Environment and Forest Conservation Division - Kothmale

The upper Mahaweli catchment area, which is about 3118 square km and belongs to the central wet zone of Sri Lanka, is the main water supply route for the irrigation and hydroelectric power generation projects carried out under the Mahaweli Development Movement. In addition to the primary objective of the Mahaweli development scheme, it also contributes to the production of hydropower to meet the country's power needs. This hydropower production capacity was close to 50% at the beginning of the Mahaweli project, but due to the increase of country's electricity requirement and climate change and the use of the collected water for other national needs, the amount contributing to hydropower production has reduced, the amount of hydroelectricity produced by the Mahaweli reservoirs still contributes greatly to the national energy requirement. Apart from this, the contribution to fulfill drinking water and water for agricultural requirement must be noted. In particular, Sri Lanka will be able to get the long-term results of the Mahaweli programme.

The improvement of the living conditions of the families currently residing in the lower basin will be determined by the water supply capacity of the upper Mahaweli main reservoirs. Therefore, the upper Mahaweli catchment area of the Mahaweli River is the heartland of the Mahaweli programme. Through the management of the upper Mahaweli catchment, the conservation activities of this heartland are carried out. The conservation of the upper Mahaweli catchment areas as well as the environmental conservation programs of the Mahaweli regions will contribute to the preservation of biodiversity and the balance of its
ecosystems.

Upper Catchment Area Conservation Activities

- Ensuring the sustainability of irrigation and hydropower generation by conserving the upper catchment area and reducing soil erosion through sustainable environmental practices, especially in agricultural lands.
- Implementation of various afforestation programs.
- Farmer training programs.
- Biodiversity conservation programs.
- Horticulture using plant nurseries and provision of plants as per the local requirement
- Implementation of programs such as Mahaweli Thuru Ithurum in order to involve
- school children in horticulture, and horticulture involving farmers (creation of green jobs)
- To provide for the horticulture of bamboo plants for the protections of forest reserves of the reservoirs, through tissue culture technology.
- Conducting environmental promotion programs for training and awareness on environmental conservation activities
- Under the Pristine Mahaweli River Program,
  a) Acquisition of hydrological data and appropriate utilization of such data for development work.
  b) Implementation of Water Quality Studies Program in the catchment area
  c) Coordinating public and private institutions in the upper Mahaweli Catchment Areas and in the Mahaweli regions and involving such institutions in the Catchment Area conservation process and implementing public awareness programs
  d) Implementation of river bank conservation programs
  e) Actions to control the spread of invasive species of animals and insects in reservoirs and catchment areas.
  f) Work is being done to reduce the dumping of solid waste materials and waste water to the Mahaweli River

Head Office

The administrative work of the environmental impact evaluation process and the arrangements related to obtaining environmental approval for development projects proposed to be implemented in the Mahaweli administrative regions are carried out by this division.

Environment and Forest Conservation Program implemented in Mahaweli Zones
Conservation of natural ecosystems affected by the Accelerated Mahaweli Scheme, especially due to the increasing population growth in those areas, is being carried out under the guidance of the Environment Division by implementing environmental and social impact mitigation programs.

Under this, the following environmental action programs were implemented.

- Establishment and maintenance of nurseries required to increase forest conservation.
- Implementation of tree planting programs for protection and enhancement of mini catchment areas, reservoir reservations and afforestation
- Implementing environmental education and training programs for the entire community including Mahaweli settlers and school children
- Water quality testing to protect the quality of water, to maintain a basic database and to educate people.
- Providing field tests and recommendations to ensure conservation and sustainable development of natural resources in the lower river basin area.
- Production of wild plants, fruit plants and medicinal plants and working to increase the forest cover in the country.
- Controlling the spread of invasive species that undermine biodiversity conservation and bio-production in Mahaweli areas
- Conservation process of Mahaweli other river banks
- Construction of electric and bio fences and maintenance in order to mitigate human elephant conflict.
- Promotion of environment friendly means and promotion of green jobs
- Acquaint the people with an environment-friendly lifestyle and promote green cities and green villages in Mahaweli areas.

Chapter Three

3.0 Development Division

3.1 Land Division

Introduction

Contributing to the improvement of the economic and social status of the beneficiary people residing in the Mahaweli areas by ensuring that ownership of their land, which is a limited resource, through good land management methods.

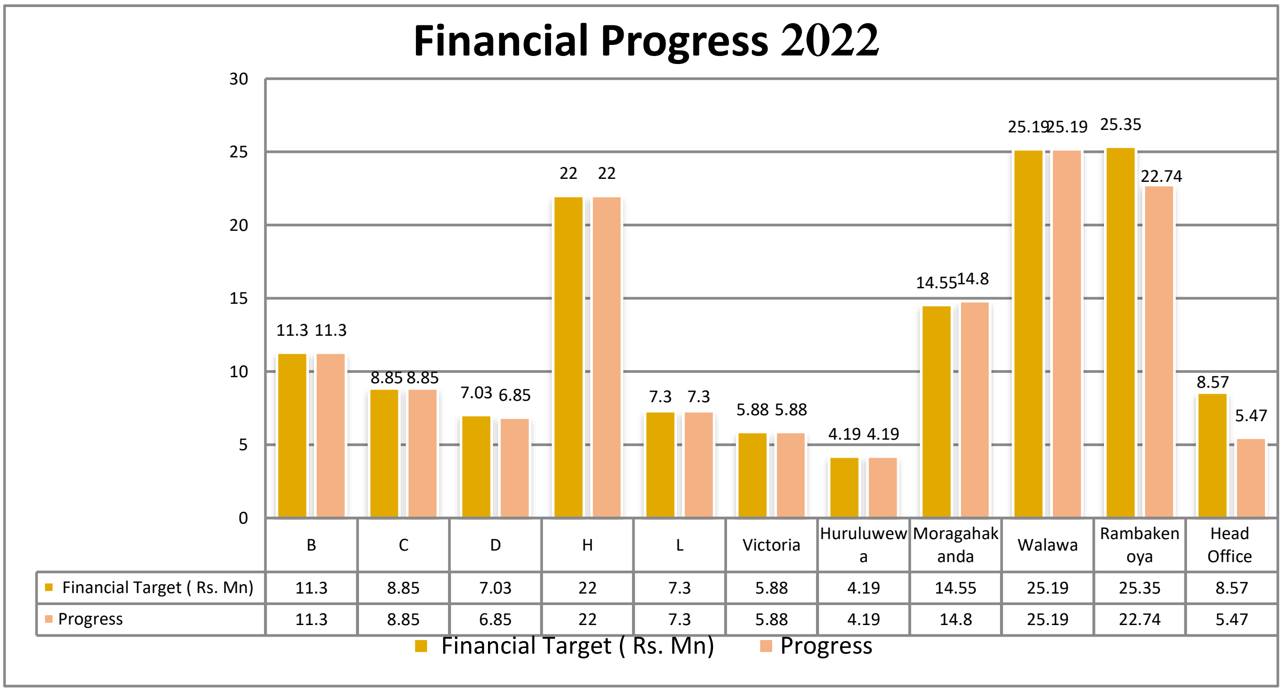
Functions of Land Division: -

01.) Allocation of lands to persons under the Land Development Ordinance and subsequent activities. The main function of the land department is to administer and manage the government lands located in the Mahaweli Special Areas. Under the Land Development Ordinance, land is distributed to landless people for residential purposes as well as for agricultural purposes, and related follow-up activities are carried out.

02.) Allocation of lands to persons and institutions under the Government Land Ordinance and subsequent activities. This land division also alienates land on long-term lease basis for commercial investment projects, houses, government institutions and religious places, and also collects tax revenue and related follow-up activities based on the provisions of the State Land Ordinance.

Financial Progress - 2022

System	Financial Target (Rs Mn)	Progress
B	11.3	11.3
C	8.85	8.85
D	7.03	6.85
H	22	22
L	7.30	7.30
Victoria	5.88	5.88
Huruluwewa	4.19	4.19
Moragahakanda	14.55	14.80
Walawa	25.19	25.19
Rambakenoya	25.35	22.74
Head Office	8.57	5.47
Total	**140.21**	**134.57**

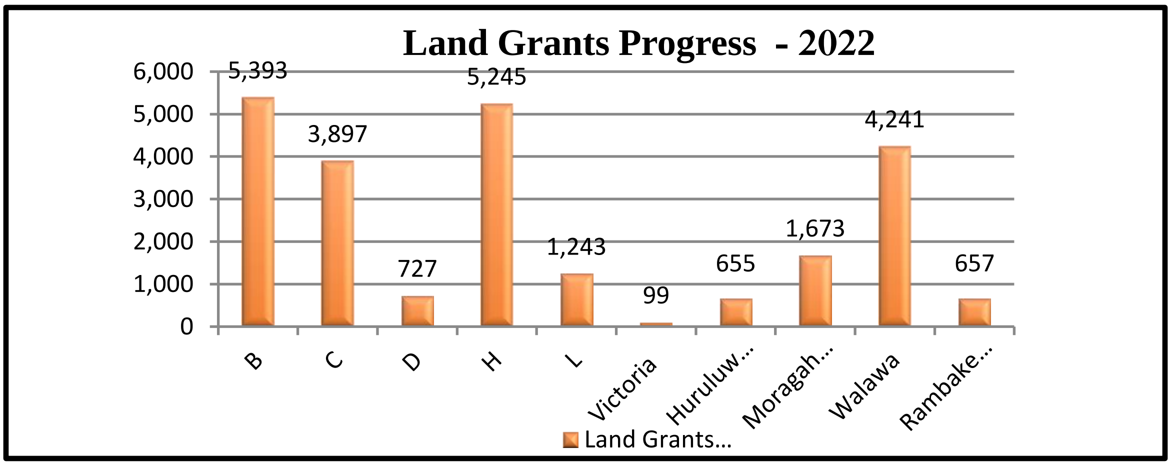


	B	C	D	H	L	Victoria	Huruluwewa	Moragahakanda	Walawa	Rambakenoya	Head Office
Financial Target (Rs. Mn)	11.3	8.85	7.03	22	7.3	5.88	4.19	14.55	25.19	25.35	8.57
Progress	11.3	8.85	6.85	22	7.3	5.88	4.19	14.8	25.19	22.74	5.47

Issuing of Land Grants

Land Development Ordinance 2022

System	Target	Progress
B	6,700	5,393
C	7,700	3,897
D	300	727
H	5,600	5,245
L	5,000	1,243
Victoria	100	99
Hurulu Wewa	1,600	655
Moragahakanda	1,100	1,673
Walawe	34,800	4,241
Rambakan Oya	1,500	657
Total	**65,000**	**23,830**



Issuing Land Grants and long-term leases under the State Land Ordinance - 2022

System	Target	Grants/ Leases Progress
B	22	22
C	88	13
D	87	06
H	33	33
L	20	17
Victoria	470	381
Huruluwewa	-	-
Moragahakanda	111	38
Walawa	25	24
Rambakan Oya	-	-
Total	**856**	**534**

Land Grants to Temples under State Lands Ordinance 2022

System	Target	Progress
B	3	3
C	5	9
D	8	2
H	-	-
L	-	-
Victoria	5	2
Huruluwewa	3	3
Moragahakanda	7	-
Walawa	2	2
Rambakan Oya	-	-
Total	**33**	**21**

Lands to Government Institutions 2022

System	Transfer Orders		Transfer of lands	
	Target	Progress	Target	Progress
B	-	-	10	10
C	19	-	-	-
D	14	3	35	14
H	-	-	18	18
L	-	-	1	1
Victoria	-	-	375	26
Hurulu Wewa	-	-	-	-
Moragahakanda	14	8	-	3
Walawe	-	-	2	2
Rambakan Oya	1	1	7	7
Total	**48**	**12**	**448**	**81**

33.2 Agriculture Development Division

Functions

- Introducing environmentally friendly agricultural techniques and training farmers to acquaint them in order to effectively improve the economy of the farmers residing in the Mahaweli Zones belonging to the Mahaweli Authority of Sri Lanka.

- Setting of Annual Targets for Crop Cultivation, Animal husbandry and Agribusiness in Mahaweli Irrigated and non-Irrigated Lands as per National Food Production Targets
- Developing comprehensive targets and strategic plans in line with the annual allocations made to achieve the annual crop production targets, organizing, implementing, following up, monitoring and reporting on them at the zonal level.
- Coordinating with the Department of Agriculture and other government institutions and private agencies and all external agencies in agricultural development activities

Home Garden Development Program

S.N	System	Annual Physical Target (Home Gardens)	Physical Progress (Home Gardens) until 31.12.2022	%
		(Home Gardens)	(Home Gardens)	
1	B	29,969	23,950	80%
2	C	35,891	31,371	81%
3	D	20,354	20,354	100%
4	H	1,533	1,533	100%
5	L	42,584	42,182	99%
6	Victoria	5,570	5,570	100%
7	Hurulu Wewa	7,100	7,100	100%
8	Moragahakanda	11,532	11,532	100%
9	Walawe	29,186	29,186	100%
10	Rambakan Oya	30,794	30,794	100%
	Total	214,513	203,572	92%

Progress and Contribution of Crop Production - 2021/22 Maha and 2022 Yala Season

Crop	2021/22 Maha		2022 Yala		2022 Total	
	Area (Hec)	Output (M.T)	Area (Hec)	Output (M.T)	Area (Hec)	Output (M.T)
Paddy	96,227	344,388	80,668	336,316	177,895	680,704
Maize	5,365	16,094	1,366	4,098	6,731	20,192
Chillie	417	3,256	575	6,897	992	10,153
Soya	343	446	4,020	8,041	4,363	8,487
Big onions			668	13,360	688	13,380

Green Grams	325	325	1,005	1,005	1,330	1,330
Cowpea	666	599	1,210	1,210	1,876	1,809
Peanuts	526	683	690	1,725	1,216	2,408
Black grams	214	193	1,039	1,039	1,253	1,232
Finger millet	602	903	3,21	481	923	1,384
Sesame	146	102	353	282	499	384
Tubers + Vegetables	6,388	83,898	6,463	91,511	12,851	175,409
Fruits					12,387	160,078

The Mahaweli Authority of Sri Lanka has been very successful in contributing to the national food production and enriching the economy and increasing productivity within the agricultural development program implemented to promote national food security.

Programs for the promotion of paddy cultivation






Additional Crop Promotion Programs

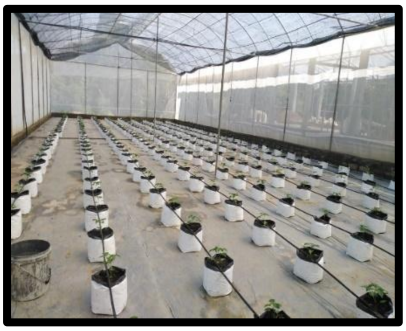


Additional crop cultivation- seed production programme

Production of seeds and planting material

Farmer Training and Awareness Programs

Cultivation using agro-wells and micro-irrigation systems





Production of seeds and planting material in the Mahaweli Farms

Organic Fertilizer Production and Horticulture


Cultivation of Fruits and Vegetables

Cultivation of export agricultural crops

3.3 Fisheries and Livestock Development Division

Introduction

The Mahaweli Authority of Sri Lanka is a leading government project organization committed to increasing local food production through a wide variety of products in the fields of Agriculture, fisheries and livestock. In addition to agriculture, fisheries and livestock sectors have been identified as an alternative way of raising the income of the Mahaweli settlers. Also, since dairy farming plays a major role in the household economy, it has more priority in the livestock sector. In addition, when we evaluate the nutritional importance, milk and by-products play an important role in fulfillment of nutritional needs of the rural people and when considering food security. Also, the livestock sector could be considered as a solution if we take into account the risks of crop cultivation under adverse weather conditions.

Considering the potential and suitability for livestock and fisheries in the Mahaweli areas, presence of a large animal population, genetic variety of animals, the existence of 611 inland reservoirs with an area of 49,419 hectares can be identified. In view of this situation, the Fisheries and Livestock Development Division is facilitating the development of livestock and freshwater fisheries in the Mahaweli region, coordinating the relevant stakeholders, providing the necessary technical leadership and management support.

Vision

Improving the income level and living standards of the Mahaweli families through animal products and improving the nutrition of the community.

Mission

Coordinating and facilitating sustainable production activity to ensure food security and contribute to the country's GDP by enhancing the productivity and profitability of animal products.

Expected targets for 2022

- Increasing the annual dairy production to 50 million liters and increasing the contribution to meet the national dairy requirement (National contribution 8%).
- Increasing the annual freshwater fish output to 14,000 mt and increasing contribution to the GDP to 13%.
- Increasing annual egg production to 80 million eggs.
- Increasing the annual ornamental fish production to 41 million pairs.
- Ensuring the nutrition of the settlers, farmers through animal products and ensuring the food security of the farming community.
- Introduction and expansion of efficient and effective technologies.
- Ensuring the safety of animal health through the provision of proper veterinary services.
- Promoting value added dairy products and strengthening the marketing network.
- Empowering small-scale entrepreneurs and increasing the income of settler farmers.
-

The project methodology of the Fisheries and Livestock Management consist of four major fields of Dairy Cattle Development Program, Poultry farming Program, Freshwater fish farming and Ornamental fish farming.

1. **<u>Dairy Cattle Development Program</u>**

In 2022 Dairy Cattle Development Program was implemented on the concept of setting up a dairy cattle management unit to the ratio of least one farm for every ten agricultural farms in Mahaweli. There are 12,940-unit level dairy farms in the Mahaweli region and 48.3 percent of the production target of 50 million liters of liquid milk in 2022 has been achieved. Liquid milk production of 6.24 million liters in 2022 has exceeded the 42.06 million liters of liquid milk produced in 2021.That figure is a 15% increase over the previous year's production. The average price of a liter of liquid milk in the year 2022 is Rs. 135/= and the dairy farmers in Mahaweli areas have been able to earn 6,520.5 million rupees from the liquid milk produced. The net profit from the sale of liquid milk is 2,415 million rupees.
In the year 2022, Mahaweli Authority of Sri Lanka implemented the Dairy Cattle development expansion program with the funds allocated under the treasury allocation, and a total amount of 26.6 million rupees was spent out of the target amount of 28.52 million rupees. As a percentage it is 93.26%.

2022 was a challenging year for the dairy industry. The production of liquid milk at the national level has gradually decreased due to the covid lockdown, shortage of fuel and animal feed (concentrated feed) and high cost, shortage of chemical fertilizers, inability to carry out artificial insemination and not being able to carry out expansion services regularly.

Measures and activities taken to achieve the production targets include conducting Mahaweli Dairy Farming Field School (FFS), increasing the supply animal feed related to dairy farms, animal breeding and animal health promotion, farm infrastructure development, environment friendly dairy farm management, Mahaweli Farms Related grass cultivation promotion, capacity development programs.
Sub-activities undertaken with the coordination and the contribution of Mahaweli in relation to the model dairy farms identified in the year 2022

S.N.	Sub activity	Unit	2022 Physical	
			Target	Progress
1	model pasture plots with an extent of at least ¼, ½, 1 Acre	Nos.	178	140
2	Planting materials and inputs	Farmers	64	64
3	Model Azolla fodder plots	Farms	730	704
4	Silage barrels	Nos.	157	158
5	Nutrition for calves	Prog.	102	102
6	Promoting Artificial Insemination Programme	Calves	322	353
7	Introducing bulls and dairy cows.	cattle	33	27
8	Breeding farms	Nos.	2	2
9	Animal clinics and vaccines	Prog	70	73
10	Mastitis kits	Nos.	70	70
11	Insuring cattle	Cattle	82	82
12	cattle sheds	Nos.	33	32
13	Grass Shredder/ Grass cutting machines	Nos.	45	45
14	Providing water supply systems to the cattle sheds.	Nos.	41	42
15	Milk containers and equipment	Nos.	69	69
16	Setting up of biogas units	Nos.	2	2
17	Organic fertilizer units	Nos.	60	45
18	Dairy Farming Field Schools/Farmer Training	Prog.	374	374

2. Poultry Farming

Daily protein requirement of a human being is 65g, of which 15g should be met by animal proteins. Therefore, as the cheapest animal source, eggs play an important role in human nutrition. Poultry manure can be used as an organic fertilizer rich in nitrogen to increase the yield of horticulture.
Based on the scale of production, there are 03 main types of commercial egg production farms in the Mahaweli Authority regions i.e. small-scale, medium-scale and large-scale. In the Mahaweli regions, egg poultry farming predominates with very little broiler poultry farming. There are 02 main forms of egg poultry farming, commercial poultry farming and domestic poultry farming.
Main Functions

Increasing Mahaweli egg production to 80 million
Helping farmers who are engaged in poultry farming to set up poultry housing on subsidized basis
Providing quality chicks to increase egg production
Conducting farmer training related to poultry farming

- Production of poultry feed using local raw materials
- Meeting the protein requirement in Mahaweli regions

Although 80 million eggs were expected to be produced in 2022, only 60 million eggs were achieved. The target production could not be achieved due to the increase in chicken feed prices, dearth in the supply of quality feed, and reduced production of chicks due to power cuts. The average price of one egg is Rs. 40.00 and the total income was Rs. 2402.4 million. The financial target was Rs. 11.82 million but only Rs. 11.46 million progresses could be achieved which is 96.99% as a percentage.
Distributing chicks

03. Freshwater Fisheries Development Programme

There are 732 reservoirs in 10 Mahaweli regions administered by Sri Lanka Mahaweli Authority and the area of those reservoirs is about 47,171 hectares. The number of fishermen engaged in the fisheries industry is about 4258.Even during the chaotic situation in the country in the year 2022, a financial allocation of 36 million rupees was made under the project allocation for the advancement of this sector and its progress was 35 million rupees.

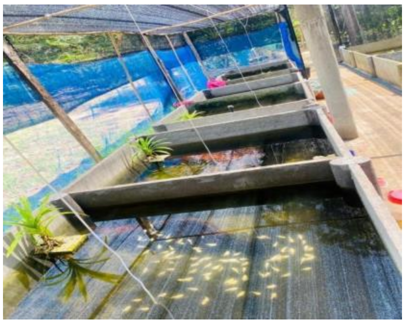
Freshwater fish production in 2022 was 14,398 metric tons, a significant increase of 19% compared to 2021. MASL regions' contribution to the national freshwater fish production is 13%. It has grown by 1.5% over the previous year. 2022 freshwater shrimp production was about 35 MT. Its value is 52.5 million rupees.

Fish seed production, which was affected by the Covid epidemic, suffered a further setback in 2022 due to the instability in the country. In order to remedy the situation, programs were implemented to increase the stocking area used for aquaculture, increase the number of fingerlings stocked and streamline the management.
The number of fingerlings stocked in 161 reservoirs is 22.8 million and the number of freshwater shrimp post-larvae stocked is 9.20 million. The average wholesale price of a kilogram of fish in 2022 is about 450.00 rupees.

4**. Ornamental Fish Farming Development Programme**

About 1180 ornamental fish farms are operating under Mahaweli Authority of Sri Lanka. To improve the quality of fish, quarantine tanks have been introduced to the farms and 39 such tanks have been constructed in the year 2022. In the year 2022, the number of ornamental fish supplied to the domestic and foreign markets is about 42.5 million. Its value is 1912.5 million rupees. 12 training programs have been conducted in order to produce high quality ornamental fish and to maintain good farm management practices, out of which 4 training programs were conducted at the ornamental fish breeding center of the National Aquaculture Development Authority. 48 officers and 76 farmers were trained here.
Increasing the number of ornamental fish farming units, increasing the quality of fish produced, encouraging farmers to cultivate fish with high market demand, adopting good management practices in the farms could be seen as strategies for the development of ornamental fish farming.
Production of fingerlings by placing floating net cages in reservoirs

Training Programs



Quarantine Tanks

Training programs on ornamental fish farming

3.4 Institutional Development Division

Vision
Optimum management of human resources in Mahaweli regions for the sustainable development of Sri Lanka.

Mission

Improving the standard of living of the settlers in the Mahaweli regions for the sustainable development of Sri Lanka

Functions of Institutional Development Division
Community Development

The main objective of the Community Development Program is to provide guidance to create a morally fortified, healthy community free from alcohol, violence and abuses, within the Mahaweli Systems.

- Training of village level volunteer leadership to Prevent Drug Abuse and Educating School Children and the Community.
- Raising awareness on child abuse, violence against women, domestic violence, prevention of underage marriages and pregnancies.
- Conducting awareness programs on non-communicable diseases and conducting health clinics (especially raising awareness on protection against rapidly spreading kidney disease and referring identified patients for treatment).
- Conducting Educational Seminars (For Grade 5 Scholarship Examination, GCE Ordinary Level Examination and GCE Advanced Level Examination).
- Granting Mahaweli Foundation Scholarships (for the children who have passed the GCE Ordinary Level and whose parents are very poor, disabled or deceased,) were carried out under this mandate

The number of targeted programs related to community development programs in the year 2022 is 495.

Of these, progress has been made in 483 programs and the financial target is 91.6 million rupees and the financial progress is 88 million rupees.

<u>Improving Skills of Settlers and Vocational Training</u>

- Main objective is to provide vocational training to low income Mahaweli Settlers in order to provide them with employment raise and to their income level above Rs. 30,000
- Providing accounting training to the officers of the farmers' organization and, giving the necessary training to young people who have completed the Advanced Level in the Mahaweli regions under the Polgolla National Education Cooperative Development Institute for auditing and giving them the authority to conduct audits of farmers' organizations and conducting annual audits of the farmers' organizations in the region.

In the year 2022, there was a target of 95 programs, out of which progress was achieved in 97 programs and a financial target of 8.413 million rupees and a financial progress of 7.315 million rupees was made. Also, under the poverty eradication program, 697 people were provided with employment with monthly earnings over 30,000.00 rupees in the year 2022.

(Photo- Settler's training programs)

Women's Development

- The main purpose of this is to promote savings and provide guidance on home finance management.
- Various programs are implemented under this scheme to empower women in the Mahaweli region.
- She is provided with self-employment and various vocational training to enable her to generate income from the safety of her own home and also provided the necessary equipment. The target for 2022 is 100 programs and the progress is made in 100. The financial expenditure is 2.565 million rupees.

Promoting Farmers' Organizations

Conducting awareness programs for farmers on conducting elections for farmers 'organizations, rules, regulations, legislation, water management etc. as applicable to the farmers' organizations. It also conducts various training programs for the development of attitudes and capacity building of farmers and provides solutions to problems of farmers under the management committees.

Sports Activities

The Mahaweli Games are held with the aim of bringing the Mahaweli athletes up to the national and international level and following activities are undertaken during the year 2022.

- Conducting inter unit/Block and inter-zonal sports meets.
- Conducting sports training camps.
- Establishment of Mahaweli Sports Clubs.
- Providing financial and material support to develop the sports skills of talented low-income athletes.
- Providing sports equipment to underprivileged schools and sports clubs.

Accordingly, 317 Mahaweli sports clubs have been established across the ten systems and 2264 athletes have participated in them. The amount spent for sports activities in the year 2022 was 3.619 million rupees.

(Photo - Mahaweli Sports)

Entrepreneurship Development Programmes

The primary objective of this is to encourage small and medium enterprises in the Mahaweli regions and provide financial facilities on the basis of concessions to improve their enterprises.

Accordingly, with a focus on creating new entrepreneurs related to local products and improving the existing enterprises under various business fields, 250 entrepreneurs were given targets with 25 entrepreneurs for each region.

Accordingly, in the year 2022, a Joint Small and Medium Scale Loan Scheme with the Regional Development Bank was launched at the System level and 367 loan applicants were selected and referred to the bank branches in the respective regions.

3.5. Business Development Division

The Business Development Division is one of the leading sectors that has a major role in the Mahaweli Authority of Sri Lanka. It is entrusted with entrepreneurship promotion and economic development by making maximum use of the limited resources unique to each System in the Mahaweli region.

Accordingly, project planning, developing strategies for project implementation and evaluation for engendering of small, medium and large scale entrepreneurs in various fields such as agriculture, animal husbandry, tourism in the Mahaweli regions, garnering inputs from private sector for business development, establishing links with markets for promotional purposes, launching loan schemes for business promotion to meet the capital needs of entrepreneurs and providing them with guidance are some of the functions of this division

Objectives of the Business Development Division: -

1. Contributing to the small-scale manufacturing sector through self-employment training.
2. Engendering small and medium scale enterprises.
3. Being an intermediary needed to meet capital requirements.
4. Provide entrepreneurial skills development and technology skills
5. Provision of high values to products in Mahaweli areas through market coordination
6. Generating job opportunities for the youth in the Mahaweli areas.
7. Regional development through investment.
8. Contributing to National Production and Export Promotion.
9. Assist in business consulting / business planning and evaluating.
10. Increasing the annual income level of the Authority.

Functions of the Business Development Division: -

- Preparation of business plans under identified nature of rural resource expansion
- Preparation of plans for the development of identified self-employment sectors
- MASL provides 50% financial contribution for equipment and tools to small scale entrepreneurs for capital requirements.
- Encouraging small and medium scale entrepreneurs to earn foreign exchange through agricultural and animal husbandry projects.
- Obtaining lease income on lands allocated for Investment Projects such as Animal Husbandry, Ornamental Fish farming, Coconut Cultivation, Other Crops and Fruit Cultivation
- Gaining profits from lease income from lands led to power generation projects such as solar energy, biomass power, hydropower etc. and by starting joint ventures with the Mahaweli Authority. Providing investment opportunities on the surface of Mahaweli reservoirs for floating solar power projects on reservoirs.
- Strengthening the economy at the local level by maintaining industrial parks.
- Renovating circuit bungalows located at most captivating sites in the Mahaweli areas and generating revenue by opening them up to local and foreign tourists.
- Establishment of Mahaweli Hela Bojun hala to promote traditional local food and promote entrepreneurship among women.
- Granting permission for boat services for tourists in reservoirs to broaden eco-friendly tourism opportunities and obtaining an annual lease.

Mahaweli Circuit Bungalows

The Mahaweli Authority of Sri Lanka established under Act No. 23 of 1979, had, in its development objectives from 1979 until now, built many circuit bungalows.

The Mahaweli Authority of Sri Lanka has established 35 circuit bungalows throughout the Mahaweli areas, surrounded by beautiful ecosystems that attract tourists.

The districts and nearby cities where each of those Mahaweli circuit bungalows are located are as follows.

Serial No.	Circuit Bungalow	System	District	Nearby City
1	Ruhunu Ketha	B	Polonnaruwa	Welikanda
2	Pimburuththewa			Aralaganwila
3	Mahaweli Mansala	C	Ampara	Dehiaththakandiya
4	Ulhitiya Rathkinda II			Girandurukotte
5	Girandurukotte		Badulla	Girandurukotte
6	Bakamuna	G	Polonnaruwa	Bakamuna
7	Mahaweli Viyamana	D		Medirigiriya
8	Nochchiyagama	H	Anuradhapura	Nochchiyagama
9	Thambuttegama			Thambuttegama
10	Kalawewa			Kalawewa
11	Welioya	L	Mullaitivu	Sampath Nuwara
12	Nuwaraeliya	E	Nuwaraeliya	Nuwaraeliya
13	Digana		Kandy	Digana
14	Buwelikada		Kandy	Kandy
15	Kotmale 22/23/24		Kandy	Kotmale
16	Embilipitiya	Walawa	Ratnapura	Embilipitiya
17	Udawalawa			Udawalawa
18	Mahaoya	Rambakan Oya	Rambakan Oya	Mahaoya
19	Polgolla	Engineer in Charge Office	Kandy	Polgolla
20	Kotmale 119	Engineer in Charge Office		Kotmale
21	Randenigala	Engineer in Charge Office	Randenigala	Rantambe
22	Bowatenna	Engineer in Charge Office	Matale	Naula
23	Maduru Oya	Engineer in Charge Office	Polonnaruwa	Aralaganwila
24	Moragahakanda	Engineer in Charge Office	Matale	Dambulla
25	Kaluganga	Engineer in Charge Office	Matale	Laggala
26	Rathmalana		Colombo	Rathmalana

Mahaweli Circuit Bungalows

The main objectives of the system are to provide the accommodation needs of the officials during the field duties of the Authority, to provide lodgings to the Mahaweli Authority officials during their personal visits and the accommodation needs of local and foreign tourists as well. Apart from this, although it has been provided for festive occasions such as weddings, parties etc., various problems have arisen in those occasions regarding the administration and maintenance.

Also, due to the renovation work done in 2017, the annual income which was less than 2 million rupees in 2017, has grown to 19.6 million rupees in 2022.

But since the beginning of 2020, due to the global covid epidemic, the tourism industry has completely collapsed and it has directly affected the economy of this country. Due to the measures taken by the government to control this situation by the year 2022, the epidemic has subsided and plans are underway to create a revival in many sectors including the tourism sector.

Moragahakanda Circuit Bungalow

Chapter Four

4.1 Personnel and Administration Section.

Functions entrusted to the Personnel and Administration Division

1. **Identifying vacancies and planning and attracting employees**
    - Calling applications for vacancies
    - conducting examinations/ interviews
    - selection of suitable candidates
    - Revising the number of employees (subject to the approval of Department of Management Services)

4. **Training and Development of Personnel**

- Training programs to institutionalize new recruits
- Referring for short term and long-term training programs.
- Providing local and foreign scholarships

3. **Matters relating to Compensation and benefits**
    - Providing promotions and salary increments
    - Revision of salaries (as per the approval of the National Salaries and Cadre Commission)
    - Release of Gratuity Benefits
    - Activities related to EPF / ETF

4. **Management of Performance of Personnel**
    - Maintaining of Personal Files
    - Performance evaluation
    - Supervising and monitoring the staff
    - Retirement
    - Termination of Service
    - Transfers
    - Disciplinary action (As per Establishment Code and Disciplinary Procedure)

5. **Management Relations and Labor Relations**
    - Registering Members for EPF / ETF
    - Representing MASL on legal issues.
    - Coordination (Among various divisions, blocks and with outside parties)
    - Public Relations
    - Public Relations
    - Work related to Ministerial Consultative Committees of Parliament
    - Activities relating to Committee on Public Petitions
    - Participate in answering parliamentary oral questions and coordinate with other section

No new recruitments, no internal promotions in the year 2022

Trainings in the Year 2022

Serial No	Program	Expenditure (Rs)
01	Training Programme for Administration Officers	582,874.00
02	Training Programme for circuit bungalow keepers	315,970.00
03	Training Workshop on Expenditure and Payment Procedure and Financial Regulations	.18,000.00
04	Workshop on Formulation of Methodology for Achieving Crop Targets for 2022 Yala Season	97,975.00
05	Course in Basic Warehouse Management	83,575.00
06	Special program for purchasing furniture for tourist bungalows and improving the quality of Hela Bojun Halas	153,000.00
07	Training Program on Public Procurement Process	10,000.00
08	Training workshop on how to prepare a personal file	10,000.00

4.2 Legal Division.

The Legal Department of the Sri Lanka Mahaweli Authority is located in the 8th floor of the Head Office and is headed by the Deputy Director (Legal).

Vision

To improve the lives of the Mahaweli settlers and to make the maximum contribution to solve the legal problems arising in the entire Mahaweli Authority and to mitigate issues.

Objectives

Minimize legal issues and contribute to revenue generation of the Authority with maximum efficiency at a minimum cost.

Duties of Legal Department and Subject Areas of Advice

- Carrying out legal work from the Labor Department, Industrial Court, Labor Tribunal to the Supreme Court regarding the legal issues pertaining to the employees.
- Seeking advice from the Attorney General's Department in all legal matters related to the institution and conducting related legal proceedings.
- Prepare contracts and memorandums of understanding and other agreements signed on behalf of the Mahaweli Authority of Sri Lanka to comply with legal requirements, obtain signatures and carry out further judicial proceedings.

- In the cases of disputes related to agreements, transactions between the Mahaweli Authority of Sri Lanka and the stakeholders, conducting related arbitrations and / or litigations.

- Acting   and following up on legal issues related to land and property of Mahaweli Authority of Sri Lanka.
- Conduct legal proceedings related to industrial disputes, arbitrations, labor tribunals and other judicial functions.
- Advising and performing legal work on land issues such as evasion of lease payments, eviction of unlawful occupation etc.
- Preparing reports related to the division
- Advising on legal issues arising from all divisions related to Mahaweli Authority of Sri Lanka.
- Cases of Vehicle Accidents
- Giving advice with regards to small scale electricity generation projects
- Acting for and advising on companies belonging to the Mahaweli Authority
- Preparation of board papers and cabinet papers related to legal issues.

Targets set in Year 2022 and Progress Achieved

Progress pertaining to recovery of arrears of leases

- Serving Legal Notices
- Serving summons
- Serving Writ of Ejectments under the State Lands (Recovery of Possession) Act
- If the value is less than Rs.500,000/- to refer the issues to the Conciliation Board.
- Filing of cases
- Work is already underway for the coming years
- As at 31.12.2022, an income of Rs. 157, 033,521.85 has been generated.

Special functions carried out in the year 2022 and their contribution to the national economy

❖ Helping to Collect lease arrears and other amounts due to the Mahaweli Authority of Sri Lanka.

❖ Conciliation of certain employee issues, land issues and other disputes prior to initiation of judicial proceedings.

❖ To provide necessary assistance in getting justice done in cases filed against the government by various parties, and to provide necessary assistance to preserve the reputation of the government.

❖ Contributing to provide effective and efficient service by helping to engender honest Mahaweli officers through legal actions against malpractices of errant Mahaweli officers. By enabling reduction of the expenses incurred by the government and being able to provide the opportunity to effectively use the time and effort of that government officials spend on it.

❖ Contributing to sustainable Mahaweli future activities by providing legal guidance to the MASL through the professional advice of the Attorney General's Department in legal issues and to be able to deliver those positive results to the national economy by being able to provide security and prosperity for Mahaweli employees and property.

4.3 Finance Division

The main functions delegated to the Finance Division include: Preparation of Estimates according to the Corporate and Annual Plans of the Organization, preparation of Budgetary proposals in order to obtain allocations made for the Mahaweli Authority of Sri Lanka under the National Budget, forecasting of monthly fund requirements and receipt of funds from the Treasury, preparation of annual estimates for National and Foreign Projects, payment of staff salaries and other payments, management of physical assets, furnishing information to the Audit Queries, and queries sent by the Parliamentary Committee on Public Enterprises (COPE).

1.3.1 Details of Financial Allocations and Expenditure

	Source of Capital	**Allocation (Rs.'000)**	**Expenditure (Rs.'000)**
Recurrent Expenditure		4,479,939	4,090,614
Capital Expenditure		1,200,000	995,470
Mahaweli Projects			
Rideemaliyadda Development Project	Local	40,000	33,997
Rambakan Oya Project	Local	60,000	46,636
Welioya Integrated Project	Local	40,000	27,666
Agriculture and Livestock Development Project	Local	193,000	160,741
Total		6,012,939	5,355,124

1.3.1 Property, Plant & Equipment

						Rs. '000
Description	Cost as at 01.01.2022	Purchases, Revaluation, Assets Transfers	Sales, Disposals & Transfers	Cost as at 31.12.2022	Depreciatio n	After Deduction of Depreciation 31.12.2022
Lands	296,000	-	-	296,000	-	296,000
Buildings and Offices	2,851,325	34,840	224	2,885,941	861,864	2,024,077
Building – Others	3,062,493	32,566	2,946	3,092,113	1,986,353	1,105,761
Main Canal	74,989,140	-	-	74,989,140	5,999,131	68,990,009
Motor Vehicles	1,694,043	27,669	10,746	1,710,967	1,203,467	507,500
Office Equipment and Welfare Items	192,202	306,788	173,946	324,045	58,622	265,423
Generators	6,570,424	6,711,936	6,569,602	6,712,758	1,008,177	5,704,581
Plant Machinery and Equipment – Workshop Services	28,108	69,548	27,522	70,134	9,848	60,628
Plant Machinery and Equipment - Construction	537,728	771,925	533,362	776,291	118,656	657,635
Plant Machinery and Equipment - General	297,070	412,034	273,888	435,216	75,271	359,944
Furniture and Fittings	339,390	7209	1,640	344,960	128,394	216,565
Computers and Accessories	211,189	22,665	7104	226,750	107,329	119,420
Security Equipment	4,410	436	-	4,846	455	4,391
Books and Manuals	6,532	-	-	6,532	94	6,437
Dams	31,764,287	-	-	31,764,287	635,286	31,129,002
Total	**122,843,342**	**8,397,618**	**7,600,980**	**123,639,979**	**12,192,948**	**111,447,032**

4.4 Mahaweli Security Corps

Introduction:

The Mahaweli Security Organization consisting of nearly ten defense ranks was established under the Mahaweli Authority Act No. 23 of 1979 on June 15, 1985 to protect the main constructions, other building complexes and properties of the Mahaweli Authority of Sri Lanka and the protection of Mahaweli officials and staff / settlers etc.

During this period, the security of the Mahaweli Economic Agency and the Mahaweli Engineering and Design Agency was carried out by a small number of security personnel. In order to decentralize the security activities of the Mahaweli Authority of Sri Lanka and to carry out systematic control and operational activities, the security personnel served in the Mahaweli Economic Agency and the Mahaweli Engineering and Design Agency were absorbed into the Mahaweli Security Corps in 1989.

When this Corps was established on June 15, 1985, there was no director position as the head of the organization and hence a commissioned officer of the Sri Lanka Army leads this security organization as a security coordinator on a secondary basis. Accordingly, as the first security coordinator, **Lt. Col. N.P. Fernando** has led the Corps from June 15, 1985 to 1988.

Afterwards Colonel B. Mahipala acted as the security coordinator from 1988 to mid-1989 and after 1989, due to the expansion of the scope of this organization and considering weapons used by this organization, as well as direct responsibility and accountability related to the provision of security to a number of limited yet extremely economically sensitive locations such as Maduru Oya, Kothmale, Polgolla, Bovatthanna Victoria, Randenigala, the post of **Director (Security)** was established in the year 1990.

Accordingly, **Major Tilak Ratnasekara** has fulfilled his duties as the **first director (security)** of the Mahaweli Security Organization,

As the security needs of the MASL became more extensive than its initial stage by the late 1990s, the existing Mahaweli Security Organization was amended with a new brand name as Mahaweli Security Corps

However, in the year 2011, when the recruitment procedure was amended, the post of Director (Security) was abolished and the post of Assistant Director (Security) was replaced by the Director (Security). However, the person who was performing the duties of the Director (Security) at the time could continue to do so until end of his tenure. Accordingly, the Mahaweli Security Corps is currently led by the Assistant Director (Security).

Also, not only the security responsibilities of the newly built mega reservoirs like Moragahakanda, Kalu Ganga, under the Mahaweli Authority of Sri Lanka, but also of Rambaken Oya, System E, Maduru Oya Right Bank, Mayurapura Elephant Management Reserve etc. are entrusted to this Corps. Given the current situation of the country and expansion of scope of protection, the responsibility regarding sites especially important for defense purposes are currently entrusted to them. Accordingly the Corps in currently assigned responsibilities of protecting buildings, properties, irrigation systems and the main reservoirs belonging to Mahaweli Authority including Victoria, Kothmale, Randenigala, Polgolla, Rantambe, Maduru Oya, Moragahakanda, Kalu Ganga, Bowathenna, Udwalawe etc.land and forest conservation activities, protection of offices, work sites, farms and business places, prevention of unauthorized activities, mitigation of illegal activities such as bribery, organization of security activities, intelligence gathering, planning of special security operations, providing security to Mahaweli Authority officials, providing security support for the general requirements of the Mahaweli Authority, providing VIP protection and support for national security.

Main Objectives

- Providing protection to immovable and movable properties, projects handed over by contractors and properties, staff in accordance with Act No. 23 of 1979, including major reservoirs, canals and buildings constructed under Mahaweli development.
- Protection of office complexes and equipment belonging to the Mahaweli Authority
- Providing required security to the staff and settlers of the Mahaweli Authority.

Other Duties and Functions:

- The VIP award and VIP security duties regarding the Hon. Minister of Mahaweli Development and Deputy Ministers of Mahaweli Development, MASL and performance of award and security duties of Mahaweli Games and other special functions.
- Coordinating with the Army and the Police regarding the security of property belonging to the Mahaweli Authority of Sri Lanka
- Providing security for the transportation of cash and valuable property owned by the Mahaweli Authority of Sri Lanka.
- Providing intelligence to the Mahaweli Security Corps and other agencies.
- Assisting the Chief Officers and Project Officers of the Mahaweli Institutions by supervising the duties of the security officers of those Institutions.
- Taking action to prevent thefts, misappropriation and fraud at the Mahaweli Authority and its affiliates and to take steps against such offenders.
- Prevention of encroachment of land, unauthorized constructions, and unauthorized activities in the Mahaweli areas under the Mahaweli Authority Act.
- Possession, protection, distribution and accounting of explosives, weapons and ammunition belonging to the Mahaweli Authority.
- Providing security consultancy services to the Mahaweli Authority and its affiliates
- Conducting defense training as required by the Mahaweli Authority to the staff and settlers.

The main functions of the Mahaweli Security Corps are as given above and it is a framework for the protection of property and individuals in the implementation of the General Policy of the Mahaweli Authority of Sri Lanka in the canals and dams and settlements in the Mahaweli region under the Ministry of Irrigation and State Ministry of Public Infrastructure Development. An Assistant Director to issue directives and advice to the Mahaweli Security Corps, an Operations division under him, 10 Brigade area offices to implement directives and advice in the field, 42 large, medium, and small units consisting of security officers and security guards have been established as required in implementing these functions Also, a Civilian Staff of 50 personnel has been established to take care of the administration and payroll of all ranks, which is carried out by the Brigade Headquarters at Digana. Accordingly, by November 2021, our Corps has a total security staff of 620. The security officers and security guards performing those security duties have been issued the necessary standing orders and instructions to carry out their duties with restraint.

The Mahaweli Security Corps is more skilled and well-armed than other government civil defense agencies.

Goals achieved and special events in the year 2022

While the cuts in allowances such as overtime allowances due to severe economic and political crisis in early 2022 and retirement of a large number of officers due to reaching the age of 60 and further due non-recruitment of new officers, potential of the Corps in   maintaining security duties became overstretched, let us remember with pride that , with proper management of greatly reduced numbers, the troops of this corps made great efforts with the aim of fulfilling security duties continuously and regularly, and made sacrifices to protect all immovable and movable properties of the Mahaweli Authority of Sri Lanka.

Also, with the aim of regularly and continuously maintaining the security activities of the Mahaweli Security Corps, it was possible to purchase 4700 SG NO 12 live ammunition in 2022 for the ESCORT AIMGUARD type repeater firearms purchased in the year 2021.

Also, as further stages of the training workshops on ESCORT AIMGUARD type repeater firearms conducted in the year 2021 with the approval received from the Director General (Mahaweli Authority of Sri Lanka), workshops were held from March 24, 2022 to March 24, 2022 for the security officers of System B and on October 15, 2022 for the ranks engaged in the security duties of the Brigade Headquarters. Conducting for the. Despite many crises that had to faced, by the end of the year 2022, it can be declared as a great achievement of our force to be able to successfully conduct and complete the training workshop for a majority of troops in this Corps.

I recall that another goal achieved by the Corps in the year 2022 is to purchase an air rifle to the Randenigala Brigade to reduce the damage caused for a long time by Toque macaque.

Also, in the year 2022, it was possible to purchase uniform material for uniforms for night duty for 582 security supervisors/assistant security supervisors and security guards and for 02 safari uniforms each for 14 regional managers and security officers.

Also, with the aim of maintaining security duties in the System Moragahakanda continuously and regularly, the installation of two fixed signal towers and stationery signal generators covering the Moragahakanda brigade and the Kaluganga brigade for the use of that region is another noteworthy achievement of the Corps.

Also, I recall that on November 03, 2022, transfer of Pajero SUV with registration number of 32-3343 and the Double Cab numbered 50-3804 from Moragahakanda project to Brigade headquarters helped greatly in carrying out transportation function of the Corps.

Financial and Physical Progress achieved in 2021

Account No

2003 Loan Interest Income	1.05
2005 Penalty interest income	0.04
2008 Unpaid Tender Deposits	--
2010 Various Income	--
Total	**1.09**

Financial Progress

		Millions
2021	Allocation for the year	57.7
2005	Target	57.7
2008	Imprest from Head office	57.7
2010	Expenditure	48.5
		1.6

4.5 Transport Division.

Introduction

Among the services required to achieve the objectives of the Mahaweli Authority of Sri Lanka, a primary role is assigned to the Transport Division. To this end, the primary function of the transport sector is to maintain the transport service of the Authority in a systematic manner by making maximum use of the physical and manpower resources available within the organization in an expeditious and efficient manner while minimizing the economic, social and environmental impact.

It is the necessity in this age to maintain eco-friendly services by adapting to new concepts and modern technological methods. Our objective is to provide the most effective, environmentally friendly, and efficient services by providing the correct guidance, advice and management of the vehicles owned by the Mahaweli Authority of Sri Lanka in the right direction. The Treasury (Ministry of Finance) has advised that the Mahaweli Authority of Sri Lanka, which operates as a quasi-government institution, should not be a burden to the Government but should proceed as a revenue generating or profit-making institution.

Accordingly, special attention should be paid to transport management in planning future activities.

Main Functions and Responsibilities of the Division

Responsibility for all vehicles belonging to the Authority, repair and maintenance of all vehicles and preparation of annual expenses for vehicle maintenance and fuel, updating revenue licenses and insurance certificates on due dates, allocating vehicles to officers on duty, assigning duties to drivers and assistants, preparing and updating list of vehicles, act according to formal procedures in case of accidents to vehicles, maintain coordination activities with the heads of block and regional offices and transport officers on the relevant subject, receiving and updating reports etc. are main functions and responsibilities of the transport department

Chapter Five
Part 1

Companies Established under The Mahaweli Authority of Sri Lanka

Part of the business activities carried out by the Mahaweli Authority of Sri Lanka under the Companies Act have been transferred to the following private companies for management.

- Mahaweli Livestock & Agro Enterprises (Pvt) Ltd
- Mahaweli Consultancy Bureau (Pvt) Ltd
- Natural Resources Management Services (Pvt) Ltd

Performance of Companies in the Year 2022

S.S	Company	Work performed during the year / Status
01	Mahaweli Livestock & Agro Enterprises (Pvt) Ltd	▪ Collection of milk from dairy farmers in the region and thereby providing services to them ▪ Carrying out dairy related activities and marketing of those products in the Mahaweli region and surrounding areas. ▪ Providing buffaloes to the Department of Animal Production and Health for use as bulls. ▪ Producing and selling high quality meat from broilers in the first two quarters of 2021 ▪ In the Maha Season 200 acres of animal farm in Girandurukotte has been leased to farmers for maize cultivation and 25 acres of paddy has been cultivated. ▪ 08 hectares (20 acres) have been cultivated for seed paddy for two seasons at Damminna Animal Farm. ▪ Dragon Fruit cultivation was carried out for in a small area
02.	Mahaweli Consultancy Bureau (Pvt) Ltd	This company was transferred to Ministry of Irrigation from 30.12.2020
03.	Natural Resources Management Services (Pvt) Ltd	All financial statements have been handed over to the Legal Department after the decision to liquidate.

Annual Accounts

Part II

Statement of Financial Position as at 31.12.2022

			GROUP			AUTHORITY	
			Rs'000	**Rs'000**		**Rs'000**	**Rs'000**
			2022	**2021**		**2022**	**2021**
	Notes						
ASSETS							
Non-Current Assets							
Property Plant and Equipment	**(1)**		111,447,032	114,258,254		111,401,972	114,219,393
Investments (LT)	**(2)**		235,989	23,104		636,565	421,485
Intangible Assets			-	6		-	6
Capital Working Progress -			8,738	31,390		8,738	31,390
Total Non-Current Assets			111,691,760	114,312,754		112,047,276	114,672,274
Biological Assets - Capital	**(3)**		320,905	286,717		309,674	278,294
Current Assets							
Inventories / Stocks	**(4)**		270,140	276,905		264,778	273,724
Biological Assets - Trading	**(3)**		119,708	41,118		119,386	40,242
Trade and Other Receivables	**(5)**		4,576,005	3,471,407		4,566,296	3,462,625
Bank Guarantees							
Cash and Cash Equivalents	**(6)**		272,418	1,177,597		271,802	1,175,376
Total Current Assets			5,238,270	4,967,027		5,222,261	4,951,967
Total Assets			**117,250,935**	**119,566,498**		**117,579,210**	**119,902,534**
LIABILITIES							
Current Liabilities							
Payables	**(7)**		39,760,813	39,819,011		39,721,101	39,815,804
Accrued Expenses	**(8)**		107,390	103,544		107,246	66,756
Total Current Liabilities			39,868,202	39,922,555		39,828,347	39,882,560
Non-Current Liabilities							
Provision for Gratuity	**(9)**		1,413,100	1,343,221		1,400,912	1,332,168
Deferred Tax							
Total Non-Current Liabilities			1,413,100	1,343,221		1,400,912	1,332,168
Total Liabilities			41,281,302	41,265,776		41,229,259	41,214,728
Total Net Assets			**75,969,632**	**78,300,722**		**76,349,951**	**78,687,806**
NET ASSETS / EQUITY							
Accumulated Fund	**(10)**		70,823,574	73,877,177		70,823,574	73,877,177
Reserves - B/F Balance of Income and Expenditure A/C			(2,723,686)	(1,238,559)		(2,338,096)	(844,052)
Revenue Reserve - Companies							
Revaluation Reserves			7,869,744	5,662,104		7,864,472	5,654,681
Total Net Assets / Equity			**75,969,632**	**78,300,722**		**76,349,951**	**78,687,806**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2022

GROUP	AUTHORITY				GROUP	AUTHORITY
Rs'000	Rs'000				Rs'000	Rs'000
2021	2021				2022	2022
				SCHEDULE		
			Income	**(01)**		
304,110	304,110		Rent		309,934	309,934
653,583	653,583		Royalty		326,583	326,583
8,859	-		Farm Produce Sale		20,617	-
6,478	6,478		Investment Income (Companies)		5,045	5,045
3,336,532	3,336,532		Other Income		3,342,394	3,342,394
4,309,562	4,300,703		**Generated Income**		4,004,572	3,983,955
			Treasury Grant -			
2,161,937	2,161,937		Recurrent	**(02)**	3,030,026	3,030,026
3,314,843	3,314,843		- Capital		366,518	366,518
-	-		- Agriculture and Livestock		160,741	160,741
-	-		Large and Medium Irrigation Rehabilitation		-	-
9,786,341	**9,777,483**				**7,561,856**	**7,541,240**
			Less: Expenses	**(03)**		
2,817,807	2,815,516		Personal Emoluments		2,960,628	2,958,451
86,400	86,343		Travelling & Subsistence		76,206	75,954
154,543	154,543		Supplies / Transportation		213,750	213,750
440,492	440,492		Maintenance Expenditure		405,750	405,750
134,151	134,100		Contractual Services		127,263	127,203
1,950	1,950		Insurance		1,854	1,854
97,007	91,633		Other Expenses		93,800	87,012
3,242,826	3,240,416		Depreciation		4,150,274	4,147,853
2,495,308	2,495,308		Rehabilitation, Improvement, Other Maintenance, Community Development & Settler Service	**(04)**	1,262,470	1,262,470
36,400	36,400		Profit/ Loss on Circuit Bungalow	**(05)**	37,712	37,712
6,806	6,806		Profit/Loss on Development center		7,326	7,326
5,950	5,950		Profit/ loss on Water Project Management		6,872	6,872
34,430	34,430		loss /profit on work shop	**(06)**	21,915	21,915

25,748	25,748		Profit/ loss on Nursery	**(07)**	24,264	24,264
632	632		Farm Loss/profit	**(08)**	(3,539)	(3,539)
293	293		loss/profit on Hela Bojunhala		204	204
(459,736)	(459,736)		loss/profit on Power Station Moragahakanda		(339,913)	(339,913)
9,121,007	**9,110,823**		**Total Operating Expenses**		**9,046,837**	**9,035,138**
665,334	666,660		**Surplus/(Deficit) from Operating Activities**		(1,484,980)	(1,493,898)
506	506		Add. Profit/Loss on Disposal of Fixed Assets	**(9)**	(147)	(147)
665,841	**667,166**		**Profit After Tax**		(1,485,127)	(1,494,045)
	-					
(1,156,391)	(763,578)		Balance B/F as at 01.01.2022		(1,238,559)	(844,051)
(490,550)	**(96,412)**		**Net Surplus (Deficit) Brought Forward**		**(2,723,686)**	**(2,338,096)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022

		GROUP		AUTHORITY
		(Rs'000)		(Rs'000)
Cash Flows from Operating Activities		(1,485,127)		(1,494,045)
Non - Cash Movements				
	Depreciation	5,187,501		5,185,079
	Provision for Gratuity	69,879		68,744
	Increase in Biological Assets Gain	(34,188)		(31,380)
	Assets Transfers	(8,779)		(8,779)
	Assets sales	473		147
Operating Activities				
	Increase/Decrease in Stocks	6,765		8,946
	Increase/Decrease in Biological Assets - Trading	(78,590)		(79,143)
	Increase /Decrease in other Receivables	(1,104,598)		(1,103,670)
	Increase /Decrease in Bank Guarantee			
	Increase/Decrease in Payables	(58,198)		(94,703)
	Increase / Decrease in Accrued Expenses	3,846		40,490
Net Cash Flows from Operating Activities		**2,498,983**		**2,491,687**
Investing Activities				
	Purchase of property plant and Equipment	(151,976)		(151,781)
	Revaluation of property plant and Equipment	(8,750)		-
	Increase Intangible Assets	6		6
	Proceed from Sale of Assets	2,545		2,545
	Increase/Decrease in Investment	(212,885)		(215,080)
	Increase/Decrease in working Progress	22,651		22,651
Net Cash Flows from Investing Activities		**(348,409)**		**(341,658)**
Financing Activities				
	Increase/Decrease in Finance Charges	-		-
	Increase/Decrease in Accumulated Fund and Reserve	(3,053,603)		(3,053,603)
	Increase/Decrease in Revaluation Reserve	(2,151)		-
Net Cash Flows from Financing Activities		**(3,055,754)**		**(3,053,603)**
Net Increase / (Decrease) in Cash and Cash Equivalents		**(905,179)**		**(903,574)**
Cash and Cash Equivalents as at 01.01.2022		1,177,597		1,175,376
Cash and Cash Equivalents as at 31.12.2022		**272,418**		**271,803**

STATEMENT OF CHANGES IN EQUITY – GROUP

	Rs.'000	Rs.'000	Rs.'000	Rs.'000
DESCRIPTION	**CONSOLIDATED FUND**	**RESERVE S**	**INCOME & EXPENDITURE**	**TOTAL**
Balance as at 01.01.2021	76,779,867	5,626,304	(1,156,391)	81,249,780
During the year	282,781	-	665,841	948,621
Deferred Income	(3,187,920)			(3,187,920)
Balance as at 31.12.2021	**73,874,727**	**5,626,304**	**(490,550)**	**79,010,481**
Balance as at 01.01.2022	**73,877,177**	**5,662,104**	**(1,238,559)**	**78,300,722**
During the year	151,976	2,207,640	(1,485,127)	**874,489**
Deferred Income	(3,205,579)			**(3,205,579)**
Balance as at 31.12.2022	**70,823,574**	**7,869,744**	**(2,723,686)**	**75,969,633**

STATEMENT OF CHANGES IN EQUITY - MAHAWELI AUTHORITY

	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	CONSOLIDATED FUND	**RESERVE S**	**INCOME & EXPENDITURE**	**TOTAL**
				81,647,912
Balance as at 01.01.2021	76,779,867	5,618,881	(763,578)	81,635,170
During the year	282,781	-	667,166	949,947
Deferred Income	(3,187,920)	-	-	(3,187,920)
Balance as at 31.12.2021	**73,874,727**	**5,618,881**	**(96,412)**	**79,397,197**
Balance as at 01.01.2022 (Restated)	73,877,177	5,654,681	(844,051)	79,397,197
During the year	151,781	2,209,791	(1,494,045)	867,528
Deferred Income	(3,205,384)	-	-	(3,205,384)
Balance as at 31.12.2022	**70,823,574**	**7,864,472**	**(2,338,096)**	**77,059,341**

NOTES TO THE FINANCIAL STATEMENTS

1.) Reporting Entity

The Mahaweli Authority of Sri Lanka (MASL) was established under the Act No. 23 of 1979. The functions of the Mahaweli Authority of Sri Lanka are set out in sections 12 and are entrusted with the task of implementing the Mahaweli Development Programmed. (MDP.)

According to the Mahaweli Act, the functions of the Authority in, or in relation to, any Special Area shall be.

a) To plan and implement the Mahaweli Ganga Development Scheme including the construction and operation of reservoirs, irrigation distribution system and installations for the generation and supply of electrical energy.

b) Provided however, that the function relating to the distribution of electrical energy may be discharged by any authority competent to do so under any other written law.

c) To foster and secure the full and integrated development of any special area;

d) To optimize agricultural productivity and employment potential and to generate and secure economic and Agricultural Development within any special area;

e) To conserve and maintain the physical environment within any special area;

f) To further the general welfare and cultural progress of the community within any special area and to administer the affaire of such area;

g) To promote and secure the participation of private capital, both internal and external in the economic and agricultural development of any special area; and

h) To promote and secure the co-operation of Government Departments, state institutions, local authorities, public Corporations and other persons, whether private or public, in the planning and implementation of Mahaweli Ganga Development Scheme and in the Development of any special area.

The powers vested with the authority in order to carry out the functions referred above are set out in section 12 of the same Act.

The Mahaweli Authority of Sri Lanka comprises three subsidiary companies and one associate company viz. Mahaweli Venture Capital company (Pvt) Ltd, Natural Resources Management Services (Pvt) Ltd, Mahaweli Livestock and Agro Enterprises (Pvt) Ltd and Mahaweli Livestock Enterprises Ltd.

All Subsidiary companies and the Associate company have been incorporated under companies Act No. 7 of 2007, and carry out the following principal activities.

Descriptions of the company share capital are as follows

Company Name	Value Per Share (Rs.)	Issued & Fully Paid Share Capital No of Shares	No of Shares Issued to the MASL (Rs.)
1) M.C.B (Pvt) Ltd	10.00	6385	6384
2) N.R.M.S (Pvt) Ltd	10.00	1502	1500
3) Venture Capital (Pvt) Ltd	10.00	1,039,803	1,039,800
4) M.L.A. E	10.00	3	-

<u>Principle Activities of Mahaweli Companies</u>

Subsidiary

A) Mahaweli Venture Capital (Pvt) Ltd.

a) Provision of credit facilities for Mahaweli Entrepreneurs
b) Undertaking of commercial venture to generate funds for the company.

B) Natural Resources Management Services (Pvt) Ltd.

a) Provision of professional advice and services in the field of Natural Resources Management designing and conducting training, hydrological monitoring, land use mapping, catchments conservation, and forestry etc.

b) Provision of information and data and prepare feasibility studies, Environmental Impact Assessment Studies (EIA), Initial Environmental Evaluation Reports (IEER) etc.

C) Mahaweli Livestock and Agro Enterprises (Pvt) Ltd.

a) To make available high-quality animals to Mahaweli farmers.
b) Production and marketing of dairy and meat products.

D) Mahaweli Consultancy Bureau (Pvt.) Ltd.

a) Provision of consultancy services in the fields of construction of buildings, irrigation and land drainage and roads.
b) Undertake of construction contracts in the fields of construction of buildings, irrigation and land drainage and roads.

Associate

A) Mahaweli Livestock Enterprises (Ltd.)

a) Broiler production and marketing.
b) Broiler buys back arrangement with Mahaweli farmers.

However, the Board of Directors of the Mahaweli Authority decided to dissolve the Mahaweli Venture Capital (PVT) ltd. in 2012. So that this company accounts not included in the consolidated accounts. Then Assets and Liabilities Disclose as Note.

2) Basis of Preparation

2.1 Statement of Compliance

The Financial Statements comprise the statement of Financial Position, Statement of Financial performance, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements. These statements have been prepared in accordance with the Sri Lanka Public Sector Accounting standard (SLPSAS) issued by the Institute of Chartered Accountants of Sri Lanka. The Accounting Policies adopted are consistent with those used in the previous financial year.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis. No Adjustment s have been made for inflationary factors affecting the financial statements.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees. All Financial Information presented in Rupees has been rounded to the nearest thousand.

2.4 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Public Sector Accounting Standard (SLPSAS) requires management to make Judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances. Hence actual experience and result may differ from these judgments and estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to Accounting Estimates is recognized in the period in which the estimates are revised if the revision affects only that period and any future periods affected.

2.5 Changes in Accounting Policies

The Accounting Policies adopted are consistent with those of the previous financial year except following.

2.5.1 Individual Farm, Plant Nursery and Circuit bungalows are accounted separate Income & Expenditure account under the particular Mahaweli systems.

2.5.2 Biological assets are valued at a fair value. Gain or loss are identified from farm account. Biological assets (Livestock) are rated based on the annual price circular of the National Livestock Development Board (NLDB) and the valuation of biological assets (Agriculture) has been prepared by considering cost of crop cultivation data published by Agriculture Department and comparing real values of cost of cultivation at Mahaweli Farms.

3) Significant Accounting Policies

The Accounting Policies set out below have been apply consistently to all period presented in those Financial Statement.

3.1 Basis of Consolidation

3.1.1 The Consolidated financial statements are prepared by consistent application of consolidated procedures, which include amalgamation of the financial statements of the parent and subsidiaries the basis of reported result and of the equity method. Thus, the consolidated financial statements present financial information about the M.A.S.L. as a single economic entity.

3.2 Property, Plant and Equipment

3.2.1 The cost of the asset comprises its Revaluation price, purchase price or cost of construction and any directly attributable cost of bringing the asset to working condition for its intended use. All Office Equipment and Welfare Items, Generators, Plant Machinery & Equipment – Workshop Service, Plant Machinery & Equipment – Construction and Plant Machinery & Equipment – General are revalued and taken in to the account with effect from 01.01.2022.

3.2.2 The provision of depreciation is calculated on the cost or revaluation of all property, plant and equipment on a straight-line basis such that the cost of the asset is amortized over the period appropriate to the estimated life of the type of asset. Depreciation is charged when an asset is available for use and ceases at the earlier of the date that the asset is clarified as held for sale. In case of Motor Vehicles 10% scrap value is allowed before applying the Depreciation rates given below.

1)	Buildings – Office	2 ½ per annum
	- Others	5% per annum
2)	Motor Vehicles	20% per annum
3)	Plant, Machinery and Equipment	
	- Office Equipment and Welfare Items	15% per annum
4)	Plant, Machinery and Equipment	
	- Generators	15% per annum
5)	Plant, Machinery and Equipment	
	- Construction	15% per annum
6)	Plant, Machinery and Equipment -	
	- General	15% per annum
7)	Furniture and Fittings	10% per annum
8)	Computer and Accessories	20% per annum
9)	Canals	4% per annum
10)	Dams	1% per annum

3.3 Investments

3.3.1 Investment in Associates.

Investment in the Associate company is accounted for at cost and it is classified as a long-term investment in the Statement of Financial Position. The Authority has no significant influence in the financial and operating policy decisions of the investing company and hence the adoption of the equity method is inappropriate.

3.3.2 Other Investments

Other investments are treated as long term investment in Statement of Financial Position and stated at cost.

3.4 Inventories

Inventories are valued at the lower of cost and net realizable value. Provision has been made where necessary for slow moving, defective and obsolete stocks.

3.5 Trade and Other Receivables

Trade and other receivables are stated at the values estimated to be realized.

3.6 Cash and Cash Equivalent

Cash and cash equivalent comprise cash, bank balances and bank overdrafts that are repayable on demand and form an integral part of the MASL cash management are included as a component of cash for the purpose of the statement of cash Flows.

3.7 Foreign Aid

The utilization of foreign aid reported in the cumulative payments made by Donor Agencies up to 31st December 2012. Expenditure in foreign currencies was converted to Rupees on the exchange rates prevailing on the dates of payments.

3.8 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of Financial Position are those obligation payables on demand or within one year from the Balance Sheet date. Items classified as noncurrent Liabilities are those obligations which expire beyond a period of one year from the Balance Sheet date.

All known liabilities have been accounted for in preparing the financial statements.

3.9 Retiring Benefit Plan

Provision has been made for retiring gratuities for all employees. The computation of the provision is based on half month's qualifying Salary at the end of the financial year, for each year of service commencing from the first year of service.

3.10 Income Statement

3.10. 1 M.A.S.L revenue represent recurrent and capital grant received from General Treasury and lease rental Income from state land under administration of M.A.S.L., rent from quarters and land use fee and income from investment.

3.10.2 Revenue is recognized to the extent that it is probable those economic

benefits will flow to MASL and that it can be reliably measured.

Other rents, land use fee, interest income is recognized on an accrual basis.

3.10.3 Government Grants are recognized as 'Capital Grant and Recurrent Grant."

Recurrent Grant is recognized in profit or loss on systematic basic over the periods in which the MASL recognize as expenses the related cost for which the grants are intend to compensate.

Capital Grants related to assets presented in statement of Financial Position either by sitting up the grants as differed income. That is recognized in Financial Performance on systematic basic over the useful life of the Assets.

3.11 Expenditure

All expenses incurred in day-to-day operations of the organization and maintaining the property plant and equipment in a state of efficiency has been charged to the Income Statement in arriving at the surplus/deficit for the year, provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property plant and equipment.

3.12 Post Balance Sheet Events

All material events occurring after the date of Balance Sheet were adjusted where necessary.

3.13 Contingencies

A contingent liability as at 31.12.2022 on various litigations filed against Mahaweli Authority of Sri Lanka was Rs.56.697 (Mn)

3.14 Winding- Up

Natural Resources Management Services (Pvt) Ltd is under Creditors voluntary winding-up and Mahaweli Consultancy Bureau (Pvt) Ltd is controlled under Ministry of Irrigation in 2021.

MAHAWELI VENTURE CAPITAL (PVT) LIMITED
ASSETS AND LIABILITIES AS AT 31.12.2022
(Under Creditors voluntary Winding – Up)

	Note	2022 Rs.	2021 Rs.
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	07	3	3
Investment	08	2,794,671	2,794,671
	2,794,671	2,794,671	
CURRENT ASSETS			
Singer Machine Stock		29,480	29,480
Interest Receivable	10	380,726	380,726
Explosive Control Account		28,336	28,336
Income Tax Refund		62,008	62,008
Other Receivable	11	25,000	25,000
Treasury Bills		9,455,896	9,455,896
Call Deposits	12	6,229,626	4,466,061
Cash in Hand		2,521	2,521
		16,213,593	14,450,028
Total Assets		19,008,267	17,244,702
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Stated Capital	06	10,398,000	10,398,000
Fund received from ATI		150,325	150,325
Funds received from EEC		10,000,000	10,000,000
Contribution from MASL		432,000	432,000
Retained Profits/ (Losses)		(2,433,223)	(4,196,788)
Total Equity		18,547,102	16,783,537
CURRENT LIABILITIES			
Accrued Expenses	13	71,183	71,183
Sundry Creditors		310,025	310,025
Early received interest on T/B		79,957	79,957
Total Liabilities		461,165	461,165
Total Equity and Liabilities		19,008,267	17,244,702

3.15 Assets of Dams, Reservoirs, Canals, Roads, Tanks and other structures and Land.

The summary of **Assets of Dams, Reservoirs, Canals, Roads, Tanks and other** Structures and land of Mahaweli Authority of Sri Lanka.

3.15.1. No of Tanks

SYSTEM	NO OF TANK	VALUE (Mn.)
System B	84	6,790.00
System C	56	21,100.00
System D	23	1,380.00
System G	19	1,140.00
System H	127	21,913.85
System L	47	940.00
Walawa	80	2,400.00
Huruluwewa	15	2,220.00
Total	**451**	**59,163.85**

3.15.2. Roads

Roads	SYSTEM L (KM)	WALAWA (KM)	SYSTEM B (KM)	VALUE (Bn.)
Main Roads	100.0	51.0	549.0	21
Hamlet Roads	250.0	-	-	0.30
Market Roads	12.5	-	-	0.015
Agri Roads	25.0	-	-	0.025
Bridges	5.0	-	-	0.125
Culverts	125.0	-	-	0.038
Causeway	10.0	-	-	0.08
Total	**527.5**	**51.0**	**549.0**	**21.583**

3.15.3. Water Supply and Wells

WELLS	SYSTEM L (NOS)	HURULUWEWA (NOS)	VALUE (Bn.)
Drinking Wells	350.0	-	0.07
Agriculture wells	150.0	297.0	0.223
Bore Holes	100.0	-	0.04
Overhead Tanks	100.0	-	0.06
Aro Plant	-	1.0	0.0025
Tube Wells	-	48.0	0.0096
Total	**700.00**	**346.0**	**0.4051**

3.15.4. No of Dams

Name of the Dam	(COST RS BILLION)
Kotmale	13.0
Victoriya	9.8
Randenigala	5.8
Rantabe	3.2
Polgolla	0.09
Bowathenna	0.05
Minipe	0.65
Rathkinda	1.9
Maduruoya	2.6
Udawalawa	0.14
Chandrika Wewa	0.08
Total	**37.31**

3.15.5. Land of MASL

SYSTEM	TOTAL LAND (HEC.)	DISPOSED LAND (HEC.)	REMAINING LAND (HEC.)
System B	77,999.0	35,901.0	42,098.0
System C	55,306.0	33,088.0	22,218.0
System D	68,863.0	4,237.0	64,626.0
System H	57,225.0	31,431.0	25,794.0
System G	19,670.0	11,430.0	8,240.0
System L	29,087.0	6,142.0	22,945.0
Victoriya	30,728.0	620.0	30,108.0
Walawa	52,281.0	39,998.0	12,283.0
Huruluwewa	67,248.0	7,250.0	59,998.0
Rabakanoya	150,622.0	6,512.0	144,110.0
Total	**609,029.0**	**176,609.0**	**432,420.0**

3.16 Investment Property

The Mahaweli Authority of Sri Lanka applies Sri Lanka Public Sector Accounting Standard No.13 (SLPSAS 13) regarding the recognition, measurement and disclosure of Investment Property.

Investment Properties measure on the fair value, which measures on the basic valuation conducted by an Independent Valuer, who holds a recognized and relevant professional qualifications and recent experience in the location and category of the investment property being valued.

The MASL has disposed following lands for Investment Projects, which are recognized as "Investment Property" under Sri Lanka Public Sector Accounting Standards No.13. The values of properties will be accounted in year 2023, and will be included in the Financial Statements.

SYSTEM	INVESTMENT PROJECTS	DISPOSED LAND EXTENT (HEC.)
System B	352	3,035
System C	184	1,066
System D	15	715
System H	68	203
System G	8	32
System L	38	381
Victoriya	36	67
Walawa	73	562
Huruluwewa	13	74
Rabakanoya	10	399
Total	**797**	**6,534**

Auditor General's Report

Part 111

NATIONAL AUDIT OFFICE
My NO: IWM/B/MASL/01/22/34
Date: 30th December 2023

Director General,

Mahaweli Authority of Sri Lanka.

<u>Report of the Auditor General's in terms of Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other legal and regulatory requirements of the Mahaweli Authority of Sri Lanka and its subsidiaries for the year ending 31 December 2022</u>

Financial Statements

1.1 Adverse Opinion

The audit of the financial statements of Mahaweli Authority of Sri Lanka ("Authority") and its Subsidiaries (" Group") for the year ended 31 December 2022 comprising the statement of financial position and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, due to the significance of the matters described in the Basis for Adverse Opinion section of my report, the accompanying financial statements of the Authority and the Group does not provide a true and fair view of their financial position as at 31 December 2022 and their financial performance and cash flows for the year then ended, in accordance with Sri Lanka Public Sector Accounting Standards.

<u>1.2 Basis for Adverse Opinion</u>

1.2.1 Non-compliance with Sri Lanka Public Sector Accounting Standards

(a) Although the expenditure of the 11 major dams constructed under the Authority and currently being administered, operated, maintained and improved by the Authority is disclosed by the notes to the financial statement as Rs.37.31 billion, their value has not been assessed and shown in the financial statements as per paragraph 19 of the Sri Lanka Public Sector Accounting Standard No. 7. Furthermore, while the Authority bore the operational and maintenance costs of those assets, the expenditures to be capitalized were not identified and properly accounted for, and they were not depreciated annually on an appropriate basis.

(b) In the financial statements that were prepared and submitted separately for the 18 systems and divisions of the authority, the statement of changes in net assets to be submitted in accordance with paragraph 118 and the Notes containing basis for preparation of the financial statements and the accounting policies and other disclosures to be presented in accordance with section 127 of Sri Lanka Public Sector Accounting Standard were not submitted. Furthermore, 11 systems had not submitted cash flow statements as required by paragraph 1 of Public Sector Accounting Standards No. 2 of Sri Lanka.

(c) According to paragraph 53 of Sri Lanka Public Sector Accounting Standard No. 1, comparative information for the previous year should be disclosed for all numerical information reported in the financial statements, but the Authority had not disclosed comparative information for the consolidated cash flow statement. Also, in the statement of financial position of the Group, the audited balances of the previous year were not presented, only the restated balances were presented. In relation to those restated values, information was not disclosed in accordance with paragraphs (a) to (d) of paragraph 54 of Public Sector Accounting Standards of Sri Lanka No. 3.

(d) The following observations are made regarding the property plant and equipment.

(i) According to paragraph 22 of Sri Lanka Public Sector Accounting Standards No. 7, the capital expenditure related to additions and improvements should be debited to the relevant asset account, but the expenditure of capital nature with a value of Rs. 92,774,812 in relation to 8 systems was shown as recurrent expenditure in the accounts.

(ii) The value of lands where the Authority's block offices, divisions, quarters and circuit bungalows are located is not recognized and two plots of land purchased by the Authority during 1984-1989 period for an expenditure of Rs. 64,320,853 were not accounted for under property, plant and equipment.

(iii) 07 classes of non-current assets had been revalued to a value of Rs.8,190,683 during the year under review, and relating to that revaluation, the matters that need to be disclosed in accordance with paragraph 90 of Sri Lanka Public Sector Accounting Standards 7 had not been disclosed. Furthermore, in accordance with paragraph 49 of Sri Lanka Public Sector Accounting Standards 7, when an item of property and equipment is revalued, that relevant class of assets must be revalued in its entirety, but out of the total expenditure of the office equipment of the System C Residential Project Management Office of Rs.15,601,129 only office equipment costing Rs.11,725,422 had been revalued as of January 01, 2022. Accordingly, 25 percent of the relevant assets, costing Rs.3,875,707, had not been revalued. In the Walawa Resident Project Management Office, on January 01, 2021, out of the machinery costing Rs.15,655,004 (average), only machinery costing Rs.10,561,272 had been revalued. Accordingly, 33 percent of the relevant assets i.e., assets worth of Rs. 5,093,735 had not been revalued.

(iv) According to paragraph 69 of Sri Lanka Public Sector Accounting Standards 7, depreciation of assets should begin when they are available for use, but contrary to that, the Authority purchased a seed cleaning machine at a cost of Rs. 12,550,592 in the year 2022 and kept it idle without installing until April 28, 2023 and yet in the year under review Rs.1,021,239 had been depreciated for the machine.

(e) Regarding 366 cases related to the head office and 7 system offices, the financial statements made no disclosures in accordance with paragraph 100 of Public Sector Accounting Standard No. 8 of Sri Lanka. Rs.56,696,667 was recognized as Contingent Liabilities for 23 cases against the Authority and the amount was disclosed in the consolidated financial statements, but no provisions were recognized as required by paragraph 22 of Sri Lanka Public Sector Accounting Standard No.8.

(f) According to paragraph 34 of Sri Lanka Public Sector Accounting Standards No. 14, renumeration and other allowances paid by the Authority to the related parties should be disclosed in the financial statements. However, the key management staff of the Authority had not disclosed such information nor the financial statements disclose whether transactions with the related parties had not occurred.

1.2.2 Accounting Policies

The Mahaweli Integrated Project was placed under the System B Resident Project Management Office on March 16, 2021, and hence assets of the Mahaweli Integrated Project totaling Rs.121,050,992 and liabilities of Rs.121,050,992 were taken over. Although the related adjustments had been made to the balance on January 01, 2022, the relevant accounting policy had not been disclosed in accordance with paragraph 135 of Sri Lanka Public Sector Accounting Standards No. 1.

1.2.3 Accounting Deficiencies

(a) Instead of recognizing the income and expenses related to the year and accounting on accrual basis, the income and expenses of the previous year had been restated in the year under review and adjustments had been made to the loss. Accordingly, adjustments of Rs.748,009,000 were made for the loss of Rs.490,550,000 shown in the last year's statement of financial performance and the loss at the beginning of the year under review was increased by 152 percent to restate at Rs.1,238,559,000.

(b) There was no disclosure of gratuity payments amounting to Rs.83,774,749 which should be shown as a cash flow under operating activities in the consolidated cash flow statement. The revaluation value of property, plant and equipment, which should not have been adjusted to the cash flow statement, was shown as cash flow from investing activities, and the increase of Rs.2,151,000 in the revaluation reserve was shown as cash flow generated from financing activities. Furthermore, asset transfers between systems of Rs.8,779,000 and decrease of Work in Progress of Rs.2,151,000 that are not cash flows are stated as cash flows.

(c) Although income arising from the use of the Authority's assets by other parties should recognized in accordance with paragraph 33 of Sri Lanka Public Sector Accounting Standards No. 10,land use fees amounting to Rs.24,692,047 and Rs.893,269,386 that are due from 14 and 16 businessmen respectively on December 31, 2022 in relation to the granite projects implemented by the Thambuththegama and Walawa Resident

Project Management Offices and lease income due from Lanka Fertilizer Company and Mahaweli Livestock Enterprises Ltd. respectively of Rs.2,352,000 and Rs.26,100,000 on December 31, 2022 were also not recognized and accounted for.

(d) According to the information submitted to the audit, although assets of Rs. 671,503,748 from the Dam Protection and Water Resource Planning Project, Rs. 536,539,275 from the Moragahakanda Project, and Rs. 325,457,540 from the Climate Resilience Improvement Project were received by the Authority, only assets of Rs. 589,325,677, 466,896,356 and Rs.78,348,847 respectively were accounted for in the year under review. Accordingly, assets totaling Rs.398,929,683 were not accounted for.

(e) According to paragraph 49 of Sri Lanka Public Sector Accounting Standard No. 11, capital and recurrent grants and asset grants should be recognized as revenue immediately upon receipt of the grant. But due to failure to act accordingly, the value of non-exchange transactions related to the assets received from 03 foreign projects has been amortized according to the lifetime, and as at December 31, 2022, deferred income of Rs.83,565,000 shown and Rs.39,095,160,211 that should be recognized further as revenue were shown under balances payable. In addition to this, the deferred income of Rs.3,204,892,000 in the year under review in relation to the capital grants received by the Authority from the Treasury and Rs.70,823,574 which was stated under accumulated funds but should be recognized further as income had not been accounted for according to the standard.

(f) 6534 hectares of land owned by the Authority, disposed of in order to earn rental and that needs to be recognized as investment property according to paragraph 20 of Sri Lanka Public Sector Accounting Standard No. 13, was not valued and accounted for in accordance with paragraph 27 of the standard.

(g) As of December 31, 2022, according to the financial statements of the head office, the balances of Mahaweli Saviya and Moragahakanda Athwela loan schemes, which were shown under debtors and cash balances, were Rs. 80,797,751 and Rs. 28,561,609 respectively, and yet according to the balance confirmations received from the bank, the relevant balances were Rs. 81,936,909 and Rs. was 29,493,597. Accordingly, a difference of Rs.1,139,158 and Rs.931,988 was observed between balance confirmations and account balances respectively.

(h) The Mahaweli Consultancy Bureau (Private) Ltd, in which the Sri Lanka Mahaweli Authority owns 99 percent of the shares, was transferred to the Ministry of Agriculture, Rural, Economic Affairs, Irrigation, Fisheries and Aquatic Resources Development on December 31, 2020. Nevertheless, the investment in 6385 shares worth Rs. 63,850 in the relevant entity was further stated in the financial statements of the Sri Lanka Mahaweli Authority as of December 31, 2022, and the board of directors' approval was not obtained for the transfer of the investment.

(i) The balance payable amounts totaling Rs.44,770,945 related to the following matters, was not shown in the financial statements.

Description	Amount (Rs)
(i) Amount payable to 2 state institutions for the construction done in 3 Mahaweli Systems	22,819,672
(ii) After payment of compensation for 126.23 acres of land acquired for	18,258,685

Digana Resident Project Management Office in the year 2018, arrears of interest payable as at 31st December 2022, and taxes payable to the Inland Revenue Department	
(iii) The sum of expenses for repairs of quarters in system C related to the year 2022 which was paid in the year 2023 and payments made for the 2022/23 Maha Season of Rakkinda Seed Farm	3,692,588
Total	44,770,945

(j) The interest related to the year 2022 for the fixed deposits of Rs. 79,270,211 in Walava Resident Project Management Office of Rs. 2,080,669 is not accounted for

(k) The loss for the year under review was overstated by Rs.12,549,542 due to the following factors

Description	Amount (Rs.)
(i) failure to make provisions for payment of gratuity for 103 employees of the Mahaweli Security Corps with a service period 01 to 05 years in accordance with paragraph 63 of Sri Lanka Public Sector Accounting Standard No. 19	(6,338,112)
(ii) Overstatement of depreciation in the year under review due to showing 4 vehicles with a revalued amount of Rs.34,750,000 as at 31st December 2019 as Rs.41,794,209	1,408,862
(iii) According to the Authority's building depreciation policy, 2.5 percent of the value should be depreciated annually, but the buildings costing Rs. 619,112,600 belonging to the head office were depreciated at 5 percent overstating building depreciation.	15,477,815
(iv) Due to disclosing 14 items that should be shown under machinery with a depreciation rate of 15 percent according to the depreciation policy of the Authority, under vehicles where the applicable rate of depreciation is 20 percent, overstatement of vehicle depreciation in 4 divisions	3,249,977
(v) No provision being made for the audit fees	(1,249,000)
Total	12,549,542

(l) Without formal approval, Rs.46,478,749 of outstanding rental related to Digana Resident Project Management Office was written off through the prior year's adjustment account and Rs.29,740,601 of outstanding rental of System C was written off through the Land Use Fees revenue account.

1.2.4 Not submitting evidence for Audit

(a) According to the consolidated financial statements, the sum of payable balances over 5 years as of December 31, 2022 was Rs. 161,080,000, and the sum of balances over 5 years in the books of Head Office and System offices was Rs. 173,520,378 and hence a difference of Rs. 12,440,378 was observed. A schedule was not submitted to the audit for the miscellaneous creditor balance of Rs.39,231,461,000 of Head Office which represents 98.6 percent of the total payable balance.

(b) Failed to verify the debit balances of Rs.554,135,228 and the credit balances of Rs.509,098,933 shown in the 3001-fund account for many years under the current account balances of the Head Office financial statements and related accounting adjustments had not been made.

(c) In the financial statements of the Authority, the investments of Mahaweli Livestock Enterprises Limited were up to Rs. 10,000,000. However, it was not possible to confirm the appropriateness and sustainability of that investment decision due to failure to submit to the audit, how the share certificates, consideration was determined and the decisions of the Board of Directors and the Cabinet of Ministers related to this investment.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. It is my belief that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other information included in the 2022 Annual Report of the Group

Other information means such information included in the Group's 2022 annual report and expected to be provided to me after the date of this audit report but not included in the financial statements and my audit report thereon. Management is responsible for this other information.

My opinion on the financial statements does not cover other information and I do not express any kind of assurance or opinion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained during the audit or by other means.

Upon reading the 2022 Annual Report of the Group, if I conclude that there are any material misstatements, the same should be communicated to the governing parties for correction. Any further uncorrected misrepresentations will be included in the report which I will table in Parliament in due course in terms of Article 154(6) of the Constitution.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as the management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

As per sub-Section 16(1) of the National Audit Act No. 19 of 2018, the Authority and the Group is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

1.5 Auditor's Responsibility in Auditing Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up

to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- I obtained sufficient appropriate audit evidence regarding the financial information of entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of Group Audit. I am fully responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 I have not received all the information and explanations required for the audit, according to the requirements of Section 12(a) of the National Audit Act No. 19 of 2018, and the proper set of financial records has not been maintained by the Group as per my investigation.

2.1.2 The financial statements of the Authority presented are consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018, except for audit observations in paragraphs 1.2.1 (a), (d) and ii, 1.2.3 (d) (e) (h) in the Basis for Opinion in my report.

2.2 Procedures were followed and evidence obtained on limitations being made to quantitative matters, nothing was drawn to my attention to be able to express an opinion on the followings;

2.2.1 That a member of the Board of Control of the Authority has a direct or indirect connection deviating usual business status with regard to agreements entered into by the Authority in terms of requirements in section 12(c) of the National Audit Act No. 19 of 2018 or

2.2.2 That has acted against any written law or general or special directives issued by the Board of Control of the Authority except for following observations, as per the requirements mentioned in section 12(f) of the National Audit Act No. 19 of 2018

Reference to the laws, rules and regulations, or orders	Observation
(a) Section 72 of Land Development Act (Amended) No 27 of 1981	Permits should be issued only after land is surveyed and plans are prepared or after appropriate lands are selected. But in the year 2014, at the Land Kacheri held at Girandurukotte Block Office in System C, land permits were issued to 99 people who were selected bypassing the above requirements and without specifying the land.
(b) Financial Regulation No. 371 (c) of the Democratic Socialist Republic of Sri Lanka	For the construction of electric fences in Kandakadu and Girandurukotte and the construction of fisheries center and ponds in System H, Director (Research and Special Projects) was given cash advances amounting to Rs. 24,239,319 at 3 instances in 2021. But even by the date of the audit of 19 May 2023 these advances were not settled even after a period of 02 years. And further the relevant tasks were not performed satisfactorily.
(c) Paragraph 9.4 of PED Circular 12 dated June 02, 2003 and Paragraph 3.5 of the Operational Manual established by Public Enterprise Circular No. 01/2021 dated November 17, 2021	From 2020 to 2023, without Cabinet approval, 45 officers/employees were released to external agencies and their salaries, Employees' Provident Fund and Employers' Trust Fund contributions and overtime allowances were respectively Rs.34,867,475, Rs.5,440,787, and Rs.15,851,797. However as at 15 May 2023 only Rs. 1,495,003 had been reimbursed from these amounts.

2.2.3 –That it had not performed in compliance with the powers, functions and duties of the Authority as required by the section 12 (g) of the National Audit Act No. 19 of 2018.

2.2.4 That in accordance with the requirement of Section 12 (h) of the National Audit Act No. 19 of 2018, apart from the following observations, resources of the Authority were not procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws

(a) Cabinet decision No. අමප/21/1396/317/039 dated August 24, 2021 had approved the awarding of the contract for the construction of Bakamuna bus station to the Central Engineering Consultancy Bureau outside of the procurement process. Although the construction of Bakamuna Bus Station was to be completed on 04 April 2022, the construction had been left unfinished and abandoned by the audit date of 28 April 2023.The Authority had not been able to recover the sum of Rs. 13 million that had been paid as pre commencement advance. Rs. 19,238,208 had been paid for this contract, including Rs. 6,238,208 that had been paid on August 31, 2022 for certified work completed.

(b) A contract was awarded for Rs.4,843,183 on November 14, 2017 for the construction of an official quarter in Mahaoya region, and according to the agreement, the work was to be completed on May 6, 2018, but by the audit date of March 28, 2023, the related construction work had been abandoned without completing the contract. The mobilization advance amount of Rs.1,422,931 had not been recovered. Despite this, the contract related to the repair of Rathkinda circuit bungalow was also awarded to the same contractor on December 24, 2018 for an amount of Rs.12,107,000. According to the contract agreement, the work should be completed by July 19, 2019, but by the audit date of August 16, 2023, the work was abandoned without completion. An amount of Rs.3,447,508 had been given to the contractor for this contract, and the Authority had not been able to recover that amount.

(c) The Authority contracted with the Central Engineering Consultancy Bureau on October 12, 2021 to construct an economic center near Tammannawa tank at a cost of Rs.6,514,819 without following procurement guidelines, but by April 28, 2023, the contract in question was suspended, even though as per the agreement the construction work should be completed within 60 days. As on 28th April 2023, which was the date of audit, although almost 2 years had passed since mobilization advance of Rs.2,062,201 had been issued regarding the contract, it had not been recovered nor any further action had been taken regarding the said contract.

(d) The building located near the Polgolla dam, which was used as the Central Provincial office of the Central Environment Authority, was handed over to the Mahaweli Authority and a new building was constructed on a plot of land belonging to the Central Environment Authority in Kundasale Warapitiya area.

The Mahaweli Authority had awarded a contract of Rs.32,096,839 to the Central Engineering Consultancy Bureau without entering into agreement for the construction of a building. However, due to insufficient funds, by the date of audit of April 28, 2023, the building with 04 floors had not been constructed as agreed, and only the ground floor had been completed.

2.3 Other Observations

2.3.1 Managerial Inefficiencies

(a) Approval was given by the Cabinet Decision No. අමප/18/2083/803/031 dated September 18, 2018 to reorganize the Mahaweli Livestock and Agro Enterprises (Private) Limited established using the resources of the Authority as a Public Private Joint Venture with an external investor selected by the Project Committee. However, even by the date of the audit, 4 years had elapsed since the Cabinet Approval but the public private joint venture could not be commenced.

(b) The land and buildings of 0.2139 hectares located on Baseline Road, Dematagoda belonging to MASL which were being used by the Mahaweli Livestock and Agro Enterprises (Private) Limited, was transferred back to the Mahaweli Authority in 2020, but the said company and the Authority had not taken steps to properly hand over and accept the assets. The land was valued at Rs.296 million and the building at Rs.619 million by the Valuation Department in 2018, but during the physical inspection of the premises on May 15, 2023, the audit found that the buildings on the land were ruined beyond reuse and that there was no furniture and equipment in the buildings.

(c) It was decided to liquidate Mahaweli Venture Capital (Pvt) Ltd and Natural Resource Management (Pvt) Ltd. two subsidiary companies belonging to the Authority, in 2012 and in 2019 respectively, but the liquidation proceedings had not been completed by the end of the year under review.

(d) According to the Director General's letter No. MASL/DG/පොදු /01 dated 29 June 2022 and Circular No. DG/3/2019 dated 01 February 2019, to address the essential and current needs of Mahaweli systems and projects such as maintenance of reservoir systems, labor requirement of farms, sanitation, camp maintenance and minor renovations worth up to Rs.5,000,000, workers should be recruited at the farmer organization level to carry out work related to operations. However, 59 small-scale contracts (labor contracts) with a total value of Rs. 46,045,718 and 05 construction contracts with a total of Rs. 9,281,309 for the maintenance work carried out by System C in the year under review were awarded to private contractors.

(e) Although 43 warehouses belonging to the Authority had been used by the Paddy Marketing Board since 2009, no rent had been charged for those warehouses even by the final day of the year under review

(f) Due to the lack of formal tripartite agreements with the Ceylon Electricity Board, the owner of the hydroelectric power plant and the Mahaweli Authority, in order to recover the catchment area management fee charged by the Authority, Rs. 242,149,483 could not be recovered from 12 investors for the years 2021 and 2022. In addition, steps were not taken to regulate 65 small scale hydropower plants generating electricity in the Mahaweli Special Areas to recover charges for management of catchment areas.

(g) The land use fee to be collected from 16 businessmen for excavating granite in the Walawa region for the period from 2009 to 2020 was Rs.1,038,026,047, out of which only Rs.144,756,661 had been recovered on various occasions. According to the Cabinet Decision No. අමප/20/1852/317/012 dated December 20, 2020, it was approved to write off 75 percent of the land use fee of Rs.893,269,386 i.e., Rs.669,952,040, while the remaining amount of Rs.223,317,346 is to be recovered in 36 installments. However, 05 among those businessmen had defaulted on payment of Rs. 157,004,041 out of the installment amount as agreed.

(h) The canals with 9,237.9 km of length belonging to 6 systems, administered and maintained by the Authority has been valued at Rs.74,989,140,000 and disclosed in the financial statements, but the valuation of the canals was not carried out by a recognized valuer or valuation board with professional qualifications hence admissibility of the valuation could be challenged.

2.3.2 Operational Inefficiencies

(a) (i) According to letter No. DL/01/01 dated August 24, 2015 of Assistant Director (Lands) regarding the charging of fees for minerals extracted from lands in Mahaweli areas, the land use fee should be charged based on the amount of minerals extracted as mentioned in the permit. However, in System C of the Authority for the years 2016, 2017 and 2018, sand mining was allowed by charging only the land use fee based on the amount of sand extracted for one month only. Due to this reason, it was not possible to collect the land use fee of 278,685,665 rupees due for the remaining period in relation to 386 sand mining permits. However, the Authority had not investigated and taken action against the officials who were responsible for the loss of an income of Rs. 278,685,665 to the Authority and those officials who acted irresponsibly in granting mining licenses and those who subsequently did not carry out proper supervision.

(ii) As part of the measures taken to prevent such problems from recurring, it was agreed to demarcate the reserve boundaries of 60 meters on both banks of the Mahaweli River at the meeting of the Committee on Public Enterprises held on February 21, 2019. For this exercise a sum of Rs. 1,000,000 in the year 2018 and Rs. 612,300 in the year 2019, giving total of Rs.1,612,300 had been paid to the Survey Department of Sri Lanka, but the survey work had not been carried out and the boundaries of reserves had not been demarcated even by date of audit of 19 June 2023.

(b) In order to introduce information and communication technology to land management, the Authority had established a land information system at a cost of Rs.6,973,405 in the years 2016 and 2018, and had also trained 60 officers to implement the system. Even so, by the date of the audit of August 09, 2023, the information system was not functioning properly, so the expenditure had become fruitless expenditure.

(c) According to the information submitted to the audit, the number of plots of land in the systems B, C, D, G, H, L, E, Huruluwewa, Walava belonging to the Authority and the reservoir reserves under the Reservoir and Operations Division where squatters reside by July 03, 2023 is 2544 and the number of squatters was 402. In order to remove these squatters, institutional measures were taken for 910 plots at the regional level, and legal measures were taken for 145 plots. Institutional action was taken against 150 squatters and legal action was taken against 185 people in reservoir reserves under the Director (Reservoirs and Operations). Thus, no action had been taken to evict 67 squatters of the remaining 1489 plots even by 09 August 2023, which was the audit date.

(d) In 2006, an amount of Rs. 50 million from the Treasury was given to the Lankaputra Development Bank to establish a revolving credit scheme to provide loans to the Mahaweli settlers. After the abolition of Lankaputra Development Bank, the relevant deposit was transferred to the Regional Development Bank, and as of the date of audit of 28 April 2023, this amount was maintained as a deposit without being used for the relevant purpose. In this regard, the bank had confirmed that the interest received on December 31, 2022 was Rs. 26.196 million.

(e) In the period 2013-2014, an advance of 11 million rupees was given to the Ampara Irrigation Director on 05 occasions for the preparation of roads and rough leveling of paddy lands in Galvalaya Mahaweli village of Rambakenoya Resident Project Management Area. An amount of Rs. 8.1 million of the advances was settled in 2019/2020, and an amount of Rs. 2.9 million is outstanding by April 28, 2023.

(f) 06 out of 11 plant nurseries and 13 out of 21 farms owned by the Authority made losses in the year under review, and the losses were Rs.27,429,000 and Rs.72,452,000 respectively.

(g) 3,098,129 rupees were paid as house rent in the year 2022 for the houses, they rented privately for 15 officials when the quarters belonging to the authority exist in many areas without utilization.

2.3.3 Disposing of lands belonging to the Authority

(a) Land, which is a limited resource, should be used in a more planned and scientific approach for agriculture, residence, industry and tourism as well as for environmental balance, with good discipline and transparency according to human needs, but the Authority failed to carry out activities according to a specific program in this regard. According to Section 3 of the Mahaweli Authority of Sri Lanka Act No. 23 of 1979, basic structural plans for land use had been prepared, but after the year 2011, those structural plans were not updated according to the current land use requirements.

(b) As of December 31, 2022, 7832 hectares of land had been given to 704 investors for investment projects, but 2697 hectares, i.e., 34 percent of the disposed amount, remained fully undeveloped.

(c) Only 05 systems had provided information out of 10 when information was requested by the audit regarding the lands that had been issued on long-term lease basis and according to this information, the extent of land was 635.8799 hectares in relation to 237 plots whose long-term lease period of 30 years has expired. The management had not decided by the date of audit of April 28, 2023, whether the lease would be re-issued, canceled, the land would undergo valuation again or should be transferred back to the Authority in respect of these lands whose long-term lease expired.

(d) 1750 acres were given to 04 investors in Pollebedda area of Rambakenoya region when lands were disposed of for investment opportunities under foreign financial facilities and increasing local food production. The 500 acres that had been given to one of the institutions for maize cultivation had been abandoned by that institution, and for the 250 acres that had been released to another institution, approval for lease had not been given or rental collected till March 28, 2023, and there was no arrangement recover the performance bond of Rs.1,125,000 per the agreement either.100 acres had been given to the third company for henna cultivation, and from December 2020 to April 28, 2023, which was the date of audit, no action had been taken to collect the rental arrears of Rs.1,800,000. 150 acres of land had been given to the Central Engineering Consultancy Bureau, and it was not transferred after surveying the land properly and entering into agreement. which had not been formally surveyed and it was not disposed of with an agreement.

(e) A company had been given 100 acres on a long-term lease basis for cultivating coconuts under agricultural projects from Aluthwewa unit in Damminna block of System B. In relation to these 100 acres, under the State Lands Ordinance, long-term lease licenses were given to the above company for a period of 30 years from December 13, 1983, and the lease period expired on December 14, 2013. Before the end of the lease period, the necessary decisions and actions were not taken to lease it back to the same company or to provide to another applicant. Subsequently for the 100 acres, Rs.7,302 per year from 2013 to 2017, and Rs.8,764 per year from 2018 to 2021 with an amount totaling Rs.

80,330 was charged from the company as rental. However, these rentals were not charged based on a valuation obtained.

(f) The arrears of rental amounting to Rs. 19,919,338 due on December 31, 2022 for 03 investment projects for which lands were leased in the Walawa region under long-term lease basis had not been collected as at April 03, 2023, which was the audit date. Out of those 3 companies, 2 institutions have not used for the respective lands for the purpose they were leased.

2.3.4 Fruitless or underutilized assets

(a) By the Government Gazette No. 2181/25 dated June 26, 2020, the Mahaweli System G was gazetted as an organic zone and a compost production yard and 2 40x60 feet buildings were constructed in the year 2021 at the cost of Rs.20,278,462 in the Vallewela area of the region. Also, in the year under review, a compost rolling machine and a compost sifter had been purchased at a cost of Rs.230,000. However, due to non-implementation of the planned work, the purchased machines and constructed buildings were kept idle. In addition, 23 large and small multi-purpose shredding machines purchased at a cost of Rs. 11,270,000 were not used for compost production but were used to shred grass for cattle.

(b) In order to ensure a quality water supply as a remedy for acute kidney disease that has spread in Mahaweli systems B and L, the authority had provided and installed 30 reverse osmosis water purifying machines at a cost of Rs.80,000,000. Out of the 30 installed machines, 09 machines and 04 machines in systems B and L respectively remained inactive as of May 01, 2023. During the installation of the machines in System B, 05 purifying machines remained idle due to the failure to select the locations by carrying out on-site inspections and evaluations and 04 machines were not operated after installation.

2.3.5 Project Performance

(a) The authority had selected an area of 3770 acres in the Kandakadu area belonging to the Mahaweli System B to establish an agriculture and livestock development project. The contract for the preparation of environmental impact assessment reports related to this project was awarded to the University of Sri Jayewardenepura for an amount of Rs. 6,539,600 on September 28, 2021, and by the audit date of May 23, 2023, Rs. 3,211,376 had been paid to the University.Due to the transfer of ownership of the land proposed to be developed to the National Livestock Development Board in accordance with Cabinet Decision No. 22/0482/317/011 dated March 29, 2022, the University had not completed the relevant environmental assessment report due to failure to reach a specific agreement regarding the ownership and future payment obligations of the partially completed environmental impact assessment report by May 31, 2023. Therefore, the amount of Rs. 3,211,376 spent by the audit date for the project which commenced without proper feasibility study and planning had become a fruitless expenditure.

(b) Although, the Authority had planned to give about 2802 acres to dairy farmers in Mahaweli systems B, C, D, L and Udawalawe for growing grass, and to commence a program to improve animal nutrition to be completed by December 31, 2020, even by the audit date of 31st May 2023 no land had been distributed to the grass growers. An amount of Rs.1,551,958 was given to the Rajarata University of Sri Lanka to carry out a preliminary environmental assessment for the proposed grasslands in the system L, an amount of Rs.140,099 was provided to the Department of Archeology for an archaeological evaluation survey, and an amount of Rs.4,879,825 was given to the

Surveying Department of Sri Lanka for surveying the grasslands amounting to a total of Rs. 6,545,882 spent by the Authority.

(c) The project to develop the farms of the dairy farmers who are Samurdhi beneficiaries in the Mahaweli region, was planned to be implemented in the year 2021, with the contribution of labor from the Department of Civil Defense in coordination with the Authority, using the allocations of the Department of Samurdhi Development. Later, the project was not implemented due to the refusal of the Samurdhi Development Department to provide allocations, and the advance amount of Rs.1,425,000 given on November 30, 2021 for the construction of 150 cattle sheds and 150 water troughs, was not settled until May 2, 2023, which was the audit date. and the related tasks were also not completed.

(d) It was planned to provide 540 acres of land from the Muthuwella Welikanda area for the implementation of agricultural crop production projects under the Mahaweli System B Agriculture Development Program in the year 2020 and as of the audited date of June 30, 2023, although a period of 3 1/2 years had elapsed, no investment project had not been implemented. The environmental impact assessment of these investment projects was assigned to the University of Colombo for a contract of Rs.2,619,000, and due to the non-implementation of the projects, there was a loss to the authority of Rs.2,093,200 which had been paid by the date of audit.

(e) In 2021 and 2022, a program was initiated to produce quality seed paddy for the farmers in Mahaweli regions. In the years 2021 and 2022, 3 new threshing floors were built and 15 machines and equipment were purchased at a cost of Rs.60,073,046 for drying of paddy in Rathkinda Seed farm belonging to the Authority. Seed paddy production started from the 2021 Yala season and 196.25, 195.75, 152.75 and 100 hectares of paddy were cultivated using those seeds for 4 seasons and from 2023 seed paddy production was discontinued and the paddy fields belonging to the farm were leased out to the farmers to cultivate under the previous seasonal lease system. Due to this, the amount of Rs.63,897,452 spent by the Authority for seed paddy production had not achieved the expected results.

(f) Although the Authority had spent Rs.1,297,533 from 2011 to 2013 to identify investors and 20 suitable locations for the construction of small-scale hydropower plants, 10 of these projects had not been completed until the audit date of April 28, 2023.

(g) In the year 2022, under the *Waari Saubhagya* (Prosperity through Irrigation) Program, 54 tanks were planned to be renovated and an annual budget of Rs. 80 million had been allocated. As on December 31, 2022, Rs.81.4 million had been spent on this program, making the financial progress of 102 percent, while the physical progress was 59 percent, with only 32 tanks repaired.

(h) The contract for the rehabilitation of Moraketiya branch canal belonging to Walawa region was awarded to a construction company on September 17, 2021 for Rs. 34,475,753 and although the construction work should be completed on July 8, 2022, the relevant construction was not completed by the date of audit of April 28, 2023. As an advance for the commencement, Rs. 9,752,927 was paid and Rs.2,062,244 was paid to the contractor as first interim payment making a total of Rs.11,815,171.

(i) On 23 November 2017, the contract for the construction of quarters in Pollebedda block of Rambakanoya system was awarded for Rs.4,861,103. Although the work was to be completed on April 24, 2018, by the date of audit of April 28, 2023, the construction work had been abandoned without completion of the contract and the mobilization advance amount of Rs.1,417,556 paid to the contractor had not been recovered.

(j) Action was not taken to inspect the work in progress related to the unfinished contracts of the Authority and to prepare estimates and to select new contractors through the procurement process to complete the work even by 28th April 2023 which was the date of audit. Due to this reason, a number of constructions that had been identified as necessary and for which money had been allocated had been discontinued though incomplete, and the accruing of the benefits that could have been obtained through the constructions had been further delayed.

(k) According to the estimate of Rs.43,883,862 submitted by the Authority on March 04, 2021 for the rehabilitation of the damages to the structures related to the distribution channels belonging to Angunukolapalassa and Muravasihena blocks of Walawa Special Area of the Authority, due to the construction of Matara to Hambantota section of Southern Expressway Phase II, the said amount was deposited by the Road Development Authority on March 10, 2021 in the Walawe Area. However, even by 28th April 2023, which was the date of audit, the rehabilitation work of these canals had not been commenced and no action was to be taken to adjust the loss to fixed assets in the accounts.

2.3.6 Recognized Losses

(a) On 07 May 2021, the vehicle bearing registration number of PG-0455 attached to the Digana Resident Project Management Office, whose cost was shown as Rs. 7,898,381 as at 31 December 2022, had met with an accident. Even though more than 02 years had passed since the accident, the damage to the vehicle had not been assessed and repairs had not been carried out, and due to the failure to get vehicle insured in a timely manner for the year 2022/2023, it was not possible to get insurance compensation.

(b) Although the vehicle bearing number CAF-1918 assigned to the director of Mahaweli Center had met with an accident on 24th February 2020, the full report regarding the damage that needs to be submitted within 03 months according to Finance Regulation 104(4) had not been submitted even by 08th August 2023 which was the date of audit. The authority had spent Rs.932,373 for the repairs related to the accident, but only received Rs.318,350 as insurance compensation, so the remaining loss of Rs.614,023 had not been recovered from the responsible parties.

(c) A vehicle attached to the Dehiattakandiya Resident Project Management Office and provided to a consultant to the State Minister of Mahaweli Development was involved in an accident on 22 December 2019 and the full report related to the damage that needs to be submitted within 03 months according to Finance Regulation No. 104(4) was only submitted on 22 May 2023 i.e., 03 years and 05 months after the accident. The vehicle was handed over to the dealership on March 23, 2023 for repairs at an estimate of Rs.9,991,909, and only Rs.3,700,000 was approved as insurance compensation. Accordingly, the irrecoverable loss of Rs.6,217,909 was not recovered from the responsible parties.

2.3.7 Management of the Fleet of Vehicles

(a) Although the audit reports of previous years indicated that the vehicle number WP-JF 3105 attached to Walawa Resident Project Management Office of Mahaweli Authority of Sri Lanka, was given to an external party during 2004-2005 period without approval, no action was taken in this regard until June 23, 2023.

(b) 15 vehicles belonging to the Irrigation Department were kept at the Authority's Thambuththegama Mechanical Workshop without taking action to formally hand over to the Department or transfer to the Authority. According to the recommendation of the committee appointed for the disposal of vehicles in the year 2019, it was decided to dispose of 45 vehicles as vehicles, 31 vehicles to be repaired and reused, and 63 vehicles to be disposed of as scrap metal. Although the chassis numbers of 63 vehicles to be disposed of as scrap metal were removed and the said chassis numbers were handed over to the Commissioner General of Motor Traffic, the ownership of 25 of those vehicles was not with the Authority. During the inspection of the data system of the Department of Motor Traffic, it was observed that the vehicles bearing numbers 31-9908 and 32-2129 handed over for cancellation of registration as they were to be disposed of for scrap metal are still being used by private parties by the audit date i.e., 28 April 2023. The registration of 44 vehicles whose chassis numbers were removed to be disposed of as scrap had not been canceled even by the date of the audit.

2.3.8 Human Resource Management

At the end of the year under review, there were 34 positions at the senior management level of the Authority, out of which 15 positions were vacant. Of these for 12 positions, duties are being performed on the basis of acting, duty coverage and contract basis, and action was not taken to fill these positions permanently. For 10 posts which were not included in the approved cadre, 13 persons were recruited on permanent basis and 32 on contract basis, making a total 45 officers recruited. 63 people were permanently recruited over and above the approved cadre for 04 primary grade posts.

W.P.C. Wickramaratne
Auditor General

Director General’s Comments to the Auditor General’s Report

Part IV

Mahaweli Authority of Sri Lanka

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My Number: MASL/FIN/F4/AG/22/34

21/02/2024

Auditor General,

National Audit Office, No: 306/72, Polduwa Road,

Battaramulla.

Report of the Auditor General's in terms of Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other legal and regulatory requirements of the Mahaweli Authority of Sri Lanka and its subsidiaries for the year ending 31 December 2022

I have provided below the replies to your Auditor General's report No. IWM/B/MASL/01/22/34 dated 30.12.2023 addressed to me regarding the above.

1.2 Basis for Adverse Opinion

1.2.1 Non-compliance with Sri Lanka Public Sector Accounting Standards.

a) In order to assess and account for the value of the 11 main dams administered, supervised, operated, maintained and improved by the Mahaweli Authority of Sri Lanka, there is still no agreement with Ceylon Electricity Board with regards to how and to whom the legal ownership of those dams belongs to. I am currently discussing with the Ceylon Electricity Board with reference to the existing documents and I shall definitely confirm the ownership belonging to the Authority and proceed for formal valuation and accounting for them.

b) Mahaweli Authority of Sri Lanka prepares the consolidated financial statement based on and utilizing the financial statements of the systems and divisions including the head office.

The necessary instructions for the preparation the financial statements of the systems and divisions including the head office, accounting policies and bases, accounting codes as well as information about the relevant funds are decided in general under the Mahaweli Authority of Sri Lanka and no separate instructions for each system and division including the head office and no decisions on policies, accounting codes are provided. Also, there is a trusteeship of all assets and liabilities in the name of Mahaweli Authority of Sri Lanka.

Accordingly, as the same financial and operational decisions are in place for all systems and divisions, including the head office, and given that the Mahaweli Authority of Sri Lanka has the custody of the assets and liabilities, the statement of change of ownership has been presented only using the data included in the consolidated financial statement.

Also, given that funds are provided separately for the systems and divisions and as they accumulate funds by utilizing the resources of their respective system/ division to generate income I agree that as per the accounting standards, separate cash flow statements should be prepared for relevant systems/ divisions. I shall provide the relevant format to the systems/divisions and shall take action to submit the cash flow statement based on that format from the year 2023.

c) Accepted. I will disclose the comparative information for the consolidated cash flow statement from the year 2023 onwards.

A summary of the journal entries for the restated balances is shown in the detailed information restated statement.

d) (i) In the financial statements for the year 2023 of the systems Walawa, Rambakanoya, Medirigiriya, Moragahakanda, Huruluwewa, E and Major Dams and Reservoir Operations Division, it was noted to disclose correctly "Prior Year Adjustment". Also, the values of the incomplete contracts for construction of Hela Bojun Hala near Tammannawa tank and renovation of Kalawewa circuit bungalow in the system H, were accounted for under the "Work in progress' ' account. Also, the amount of Rs. 2 million for the repair of Nochchiyagama block office was not capitalized as that amount was provided as an "advance".

(ii) I have sent the letter No. DL/ADM/45-1 dated 04.09.2023 giving instructions to all the systems to carry out these activities and accordingly the surveying of the land has been initiated by the systems. In order to get these lands valued by the Valuation Department, a large sum of money has to be paid as fees and due to the limited allocation and the large extent of land available that need to be valued, I inform you that it is difficult to complete this work within one year. Accordingly, I would like to inform you that it may take several years to complete the valuation of all the relevant lands and that the relevant lands will be accounted for in the order they are valued. <u>However, the valuation amounts of all the quarters and other buildings located in these lands have been brought to the account books.</u>

As the valuation of land Nos. 493 and 493/01 at T. B. Jaya Mawatha, Colombo 10 has been received on 01.02.2023, I shall account for it in the year 2023. After valuers arrived from the Valuation department to value the plot no. 500 T.B. Jayah Mawatha, Colombo 10, it was informed that there is a change in the plan of the land, and accordingly, the fees set by the surveying department to have the plan of the land prepared anew have been paid. Accordingly, the relevant survey reports from the said department have not been sent so far. After receiving the reports, I shall hand them over to the valuation department, get the valuation report and take the value into account.

(iii) I shall do the relevant corrections and disclosures for the year 2023

(iv) Some construction work had to be done to install the machine. An estimate was prepared for this and due to limited funds, the installation of the machine could not be done. But now the provisions have been provided and an estimate has been prepared and the installation of the machine has been completed.

Action was taken to correct the depreciation from the date of purchase and depreciate the asset from the date of use.

e) It was noted to carry out accounting treatment according to Sri Lanka Public Sector Accounting Standards No. 8 and 22 in the year 2023.
f) It was note to disclose along with Financial Statements for the year 2023

1.2.2 Accounting Policies

The accounting policy for making relevant adjustments has been presented.

1.2.3 Accounting deficiencies

a) It was noted to reduce as far as possible notes for prior year adjustments from the year 2023
b) Correctly shown as a cash flow under operating activities in the consolidated statement of cash flows. I am taking action to correct it in the financial statements for the year 2023.
c) (i). Resident Project Management Office, Thambuththegama.

Lease documents are being updated and I shall make the adjustments in the accounts for the year 2023.

(ii). Land Usage Fee – Resident Project Management Office, Walawe

Based on the recommendations included in the Joint Ministerial Memorandum submitted by the Ministers in charge of Irrigation, Forestry and Forest Conservation, and Environment on 13.11.2020, the Cabinet decision bearing No. අමප/20/1852/317/012 dated 20.12.2020, it was permitted to recover only 25% of the Land Use Fees outstanding by that date. Accordingly, the outstanding land use fee recoverable is Rs. 223,317,346.00 out of which Rs. 67,135.153.98 have been recovered by 31.12.2023.

(iii). Ceylon Fertilizer Company Limited.

I shall do the necessary adjustments after checking into this and identifying as income receivable.

(iv). Mahaweli Livestock Enterprises Limited.

As this farm has not been formally leased to the Mahaweli Livestock Enterprises Limited, I inform that the income due from this lease has not been adjusted to the accounts.

d) As at 31.12.2022, out of the assets received from the Dam Safety and Water Resources Planning Project, only Rs. 5 million worth of assets remained to be revalued.

Out of this amount, assets worth Rs.4 million have been identified and revalued in the year 2023 and adjusted in the accounts. I shall take action to identify and revalue the remaining assets of Rs.1.0 million and adjust them in the accounts of the year 2023.

Out of the assets received from the Moragahakanda project, assets worth Rs.459.6 million have been transferred to the authority and have been accounted for. Although this project is scheduled to be completed on 31.03.2023, the project period has been extended, so the transfer and settlement of fixed assets is still ongoing. When the transfer is formally completed, the fixed assets received from the project can be accounted for and completed as specified in the inquiry.

Assets worth Rs. 102.2 million still unaccounted for, from the assets provided by the Climate Resilience Improvement Project have been formally identified. I shall account for it in the year 2023. After checking and identifying the remaining assets, I shall also be accounting for them in due course.

e) As per paragraph 49 of Sri Lanka Public Sector Accounting Standard No. 11, capital and recurrent grants and asset grants are recognized as revenue immediately upon receipt of the grant

Assets received/receivable from the projects shall be accounted for as per the instructions given by the accounting standard.

f) All resident project managers have already been instructed to account for the lands disposed as investment properties on the basis of the respective valuations [Director (Lands) letter bearing No. DL/ADM/69-1 letter dated 19.06.2023]. Accordingly, in the year 2023, I shall do the needful.

g) As on 31.12.2022 balance confirmations were given by the Regional Development Bank after submission of financial statements to the Auditor General, thus reflecting a change. This was further checked and necessary adjustments were noted to be corrected in the 2023 financial statements.

h) It was noted to carry out activities related to the transfer of investments in a formal manner

i) (i) The balances payable in the 3 systems/divisions of System E, System H and Major Dams and Reservoir Operations Division respectively are Rs. 7,449,354.94, Rs. 12,330,317.00 and Rs. 3,446,294.00 and will be accounted for in the financial statements of the year 2023 as the Balances Payable.

(ii) After paying compensation in the year 2018, the outstanding interest payable on 31.12.2022 of Rs. 16,252,018.00 and amount payable to the Commissioner General of Inland Revenue of Rs. 2,006,667.00 had not been formally calculated even by 31.12.2022. Therefore, accounting has not been possible. Action was taken to account for these amounts in the financial statements of 2023.

(iii) Shall take action to account for these amounts as balances payable in financial statements of 2023.

j) Accepted. Action is taken to correct the financial statements of 2023 with journal entries.

k) (i) Accepted. Action is taken to correct the financial statements of 2023 with a journal entry.

(ii) Vehicle No. PF – 7750 was erroneously entered as PG-7750 in the Fixed Assets Register and as it should be corrected as PF-7750, it was done accordingly.

KV – 7839, CAE – 5358 vehicles were received from the Moragahakanda project in 2021 and CAE -1918 and PG – 2160 vehicles were also received from the Climate Resilience Improvement Project and those vehicles were physically handed over to the Mahaweli Authority by the year 2019. But through formal documents, the vehicles were transferred to the Mahaweli Authority of Sri Lanka about a year later and the vehicles were accounted for based on the values cited in the documents given by the projects at that time.

Therefore, the value and depreciation value on 07.05.2023 have been corrected by journal entries based on the currently accounted values, the dates and values mentioned in the documents formally transferring the relevant vehicles from the projects and the revalued amounts for the year 2019.

(iii) Accepted. Shall take action to correct it in the financial statements for 2023

(iv) Accepted. Shall take action to correct it in the financial statements for 2023

(v) Accepted. I shall make the relevant "provisions" in the financial statements for 2023

l) Based on the instructions given by Circular No. 2020/6 dated 20.05.2020 issued by the Land Commissioner General's Department, Rs. 46,478,749.00 and Rs. 29,740,601.00 respectively have been revised in the Outstanding Income.

I inform that there has been no deduction of arrears of lease rental and land use fees from income without approval and an accounting error has been corrected as per the circular.

1.2.4 Not Submitting Evidence to the Audit

(a) I shall do an analysis of these balances and try to revise along with Financial Statements for the year 2023.

(b) At the beginning of every year, the debit and credit balances are reconciled with the previous year's closing current account balance. The relevant accounting adjustments have been made in the year 2022 as well.

(c) It was noted to inquire into this and submit in the future.

2. Report on Legal and Other Regulatory Requirements.

2.2.2 – That has acted against any written law or general or special directives issued by the Board of Control of the Authority except for following observations, as per the requirements mentioned in section 12(f) of the National Audit Act No. 19 of 2018.

(a) According to Section 72 of the Land Development (Amendment) Act, in the year 2014, a limited land kacheri was conducted in Giradurukotte block of Mahaweli System C, boundaries were demarcated to the awardees and permits were issued without surveying and then the boundaries were indicated and lands were disposed of. But in the villages of Hobariya, Rathkinda, Theldeniya and Ulhitiya, 184 of the awardees were issued permits after demarcating boundaries without surveying. However, as no assistance was received from the surveyors, lands were not handed over to the awardees after showing the boundaries of the plots.

Since the year 2014, the lands have been surveyed and the plots have been shown, but due to the delay in getting the maps, it has not been possible to carry out the work of showing the land. In 2021, the activities relating to surveying and the disposal of lands were initiated, but it had to be suspended due to a protest that arose at that instance.

However, I would like to inform you that lands for disposal have been identified for those people who have been issued permits.

(b) Accepted. As the information presented by the relevant departments is not sufficient to settle the advance given for the construction of the elephant fence around the Kandakadu farm in Mahaweli system B and the project to build fish hatchery center and mud ponds in system H, they have been informed to submit formal documents.

As technical problems have arisen in the hanging electric fence built around the agriculture training center belonging to System C, it is not acceptable to the Mahaweli Authority, so I have appointed a special committee to inquire and report on it and after receiving the committee's report, further work will be done.

(c) Out of the Security Officers of the Security Corps who had been released to external agencies, the officers assigned to other agencies have reported back to duties at Mahaweli Authority of Sri Lanka, except for the 05 officers who were released to the retired President and the 14 officers who were released to the Ministry of Irrigation.

I would like to inform you that although letters have been sent by registered post to the relevant institutions for the reimbursement of amounts spent for the security guards released for the retired President and other institutions, there has been no response. Also, the amount spent on behalf of the officials/employees released to the Ministry of Wildlife and Forest Conservation and the Prime Minister's Office will be reimbursed. As per the instructions issued by the Secretary to the Ministry of Irrigation in the letter No. MI/F/26/MA/2022 dated 05.09.2022, the Ministry of Irrigation, would not be reimbursing the money spent on behalf of the released employees.

2.2.4 That in accordance with the requirement of Section 12 (h) of the National Audit Act No. 19 of 2018, apart from the following observations, resources of the Authority were not procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

(a) The contract for the construction of public bus station in Bakamoona city was awarded to the Central Engineering Consultancy Bureau based on the decision of the Cabinet for that contract dated August 24, 2021 in the form of Cabinet Memorandum No. අමප, 21/1396/317/039.

Also, this contract has been canceled on 12.05.2023 due to the lack of funds consequent to the rapid increase in the prices of construction materials and the economic crisis in the country.

This cancellation was done in such a manner so there is no harm to the public or the environment of the country and the relevant estimates are to be prepared for the future work. It is expected to complete the outstanding work of this contract after the allocation of money for that purpose. 13 million rupees for another contract due to the Central Engineering Consultancy Bureau has also been suspended pending the settlement of the above pre commencement advances.

(b) This contract was awarded to Spiral Construction at No. 334/5, Maligathanna, Gurudeniya under Contract No. MA/TS/RIDE/B/57 for the construction of a Grade IV Quarters at Mahaoya Camp Premises in Rambakan Oya system on November 14, 2017 at a cost of Rs. 4,843,183.00. The contract was to be completed on May 6, 2018 and for that Rs. 1,414,555.65 was paid in mobilization advances. But the said contractor has abandoned the project and the legal department of the Mahaweli Authority has consulted the Attorney General's Department to recover the mobilization advance paid for it, and for that purpose, the legal department is taking further action based on the observations given by the Attorney General's Department.

I would like to inform you that although estimates were prepared for the completion of the remaining portion and submitted for the tender procedure, due to the financial crisis in the country, funds were not allocated for the construction of buildings, so the construction work was not continued.

It is expected that the remaining construction work will be carried out after the money is allocated for the construction of buildings.

The contract for the renovation of Rathkinda Circuit Bungalow was awarded on December 17, 2018 and the work was initiated. The above contract has been canceled on 29th December 2021 and as per the final bill prepared upon the cancellation of the contract, a total amount of Rs. 3,703,459.38 is to be charged from the contractor for unfinished work including 25% surcharge of is Rs. 2,424,281.54 and this has been informed to the contractor by the letter dated

23.08.2023. A copy of this letter has been forwarded to the Legal Department for further legal action.

Due to the economic crisis in the country, funds were not allocated for new constructions in the years 2022 and 2023, and in the future, this work can be completed as a new contract after the necessary allocations are made for this purpose.

(c) Award of the above contract is in accordance with Cabinet Memorandum No. IR/2021/31 dated 25 May 2021 with Cabinet approval No. 21/0967/317/026 dated 14 June 2021 as a direct contract to the Central Engineering Consultancy Bureau (CECB) 2.14.1 (Supplementary 35) and awarded with the approval of Ministry Procurement Committee.

Also, since the land related to the execution of the relevant contract belonged to the reserved area of the Road Development Authority and as the Road Development Authority did not give permission to carry out the relevant construction within the reserved area, the above contract was canceled on 28.04.2023 by mutual agreement.

And for this construction, the mobilization advance given to the respective contract company is Rs. 2,062,201/= and I would like to inform that this amount would be deducted from the amount that Mahaweli Authority of Sri Lanka is payable to the contract company for bill for the construction of Hela Bojun Hala.

(d) As per the Cabinet decision pertaining to the Cabinet Memorandum dated 30.08.2016 (Cabinet Paper No 16/1857/704/052) submitted by the hon. minister of Mahaweli Development and Environment regarding taking over land with old buildings in Divisional Secretary’s Division of Kundasale area of Warapitiya, which was used as Central Provincial Office of the Central Environment Authority and to construct new buildings within it, the approval was received to award the contract for constructing the first phase of the proposed new building to Central Engineering Consultancy Bureau on design- build – hand over basis (Turnkey).

The estimate of Rs 32,096,839.32 was submitted only up to construction of the ground floor slab (Slab Level) in the first phase. In the letter numbered MMDE/TS/Miscellaneous/2017/083 dated 22.08.2017 addressed to the Chairman of the Central Environment Authority by the Secretary of the Ministry, it was informed that the Secretary had personally observed the building and that it is in a satisfactory condition and can be used very soon. In addition, as the approval of the Department of National Planning was received for the remaining construction works of this office building, it was informed that it is expected to have the office running by promptly completing the construction work after Central Environmental Authority receives funds.

2.3 Other Observations

2.3.1 Managerial Inefficiencies

(a) For the reorganization of this company as a Public Private Partnership (PPP), the Board of Directors' approval was obtained for the selection of an investor and following actions have been taken after submitting to the Cabinet and obtaining approval

“Cabinet Appointed Negotiating Committee (CANC)” and “Project Committee” was appointed by the Director General of State Finance Department by letter no. PFD/PMD/APP/irri/2023/08/02 dated 2023.05.02 and 2023.05.09 respectively

Accordingly, all the documents in this regard have been submitted to the Project Committee for approval and then it has been submitted for the approval of the Cabinet Appointed Negotiating Committee and based on that approval, it has been planned to publish the newspaper notice within the next 03 months and select the relevant investor.

For this purpose, the project committee met again on 25.05.2023, 28.06.2023 and 19.07.2023 and a report that includes what was proposed in those meetings has been submitted to the Cabinet Appointed Negotiating Committee on 08.07.2023.

Accordingly, the Cabinet Appointed Negotiating Committee met on 27.08.2023 and based on the report submitted by the project committee, the documents were prepared according to the instructions and the project committee met on 26.09.2023 for the invitation of bids, the application, standard request for the project guidelines and time frame documents have been prepared to get the approval of the Cabinet Appointed Negotiating Committee. Then newspaper advertisements would be published for the invitation of bids.

Also, in order to "obtain the valuation of the company's assets" and "transfer the shares of the company assigned to three outsiders back to the Mahaweli Authority" it is imperative to work together with the government institutions and as soon as those tasks are completed, Cabinet Appointed Negotiating Committee has planned to hold the meeting and to continue further actions.

(b) Before the establishment of this company, the livestock development department of the authority was established in these premises and after the registration of this company in 1998, the office equipment etc. was handed over to the newly established Mahaweli Livestock and Agribusiness (Pvt) Company and shown as "Investment" in the accounts as an investment made to the company.

(c) Therefore, only the value of the buildings and land in the Dematagoda premises is mentioned in the Authority's asset register.

(d) Liquidators have been appointed to liquidate the two companies as per the decisions of the Cabinet and two meetings of the liquidators have been held so far. Apart from this, information related to the receivables from the Employees' Provident Fund, the Employers Trust Fund and the Inland Revenue Department has also been called. A meeting of creditors has been formally convened after publishing in the Government Gazette and advertised in two national newspapers. Accordingly, the liquidation of the two companies is underway.

(e) The functions to be carried out during the year are estimated at the beginning of the year. Hence according to the minimum number of labor days that can be allocated for the functions at the beginning of the year, the contract is given for the completion of the respective work in due time.

In carrying out this work by the farmer organization, the organization faces the following disadvantages.

- Due to the lack of farmers' organizations that meet the financial, technical and management capabilities of the relevant area, it is difficult to carry out the relevant tasks at the time of need.

- Difficulty in encountering such farmer organizations as they must be registered under the labor office regulations

-The absence of workers who are specialized to meet the labor needs.

- Disruption of water management due to personal bias in water management activities.

- Workers procured from farmers' organizations later claiming labor rights

- Abandonment of responsibilities due to annual change of farmers' organization officials.

By farmer organizations

Although an additional amount of 5% has to be paid on top of the amount mentioned in the engineering estimate while procuring the workers from farmers' organizations, when using contract basis, bids for minimum prices could be called and requirements could be fulfilled at the lowest price.

Accordingly, the labor requirements had been met under the formal method.

Also, when getting a laborer from farmer organizations, an unskilled laborer should be paid at least Rs. 2,000.00, Rs.3, 000.00 for a sanitation worker and 5% margin should be paid to the farmer organization.

But under open bidding, the cost per unit of labor for the entire year is Rs. 1,466.50 only. Therefore, considering the above facts, these functions can be carried out on contract basis.

(f) The chairman of Paddy Marketing Board has informed in writing that they are unable to pay rental for the relevant warehouses. Hence it was informed to the Chairman, Paddy Marketing Board to obtain Cabinet Approval to release warehouse from payment of rental and to transfer them to Paddy Marketing Board and to submit the approval into this effect. I will proceed according to the progress of this matter.

(g) After considering the requests submitted by small scale hydropower project investors in the year 2021, the then President's Secretary had instructed the Mahaweli Authority of Sri Lanka and other relevant institutions to suspend the charging of the "Catchment Area Management Fee". Accordingly, since November 2021 when the decision was given, the relevant catchment area management fee has not been received by the Mahaweli Authority of Sri Lanka.

Nevertheless, the President's Secretary himself advised that the relevant catchment area management fee may be charged again in June 2022. Accordingly, although the catchment area management fee should be received from June 2022, due to the financial crisis that the Ceylon Electricity Board was facing at that time, payments were not made for the electricity purchased from small scale hydroelectric power plants and consequently the Mahaweli Authority of Sri Lanka also did not receive the Catchment Areas Management Fee.

But since the financial crisis is gradually easing, the Ceylon Electricity Board has started paying the arrears for the related small scale hydropower projects. Accordingly, the relevant water catchment area management fee is currently being received from July 2023 by the Mahaweli Authority of Sri Lanka.

However, it is not possible to recover the catchment area management fee for the period from November 2021 to June 2022, when the payment of the catchment area management fee was suspended as per the instructions of the President's Secretary.

These 65 small scale hydro power plants were built 15-25 years ago and the relevant approvals were given by the Divisional Secretaries without the intervention of the Mahaweli Authority of Sri Lanka. At present, the Ceylon Electricity Board pays for the electricity generated from these small-scale hydroelectric power plants according to a payment system (Tariff) that is only sufficient to cover their maintenance costs. Therefore, if a catchment area management fee is charged by the Mahaweli Authority of Sri Lanka, the payment methods for those power plants should be revised accordingly. Therefore, there is currently no possibility of entering into an agreement to collect a catchment area management fee from these 65 small-scale hydropower plants.

(h) The 15 businessmen mentioned in this audit query as having outstanding land use fees by the decision of the Cabinet No. අමප/20/1852/317/012 dated December 20, 2020 are as follows. Among them, all the arrears have been paid by R. L Basil Rohana, China State Construction Co., Ltd. K. Dissanayake and regular monthly installments are being paid by Sri Lanka Army and KG Ratna Kumara. In order to collect this money from the rest, complaints have been filed under the Offenses against Public Property Act in the police areas where the respective projects are being implemented and instructions have been given from the concerned police station to file charges against Maga Engineers from Colombo.

(i) Valuation of major dams and reservoirs, tanks, roads and related canals have been carried out by professionally qualified Chartered Engineers under the following guidelines.

I). by multiplying the quantity of raw materials used for the construction of small, medium and large tanks by the prevailing unit price.

II). By multiplying the quantity of raw materials used for the construction of 1 km of roads, main, branching and field canals by the prevailing unit price.

2.3.2 Operational Inefficiencies

a) (I) In the Mahaweli System C, the land use fees to be recovered for the remaining period for 386 sand mining licenses for sand mining in the years 2016, 2017 and 2018 is given as 509 861 400 rupees, due to charging land use fee for only one month. Letters have been sent to the Badulla Mining Engineer of Geological Survey and Mines Bureau to get the relevant information, as the above amount is erroneous.

Accordingly, Engineer-in-Charge (Badulla) of Geological Survey and Mines Bureau, has informed me by the letter No RMR/BD/RPM/Mahaweli/2023/13 dated 17.07.2023, that amount to be charged is Rs 6.278, 685,665.00. Accordingly, I inform you that the relevant amount should be revised.

In order to identify the officials responsible for the loss of revenue to the government, the Ministry of Irrigation has conducted an investigation by a committee chaired by the Senior Assistant Secretary. The recommendations of that inquiry have now been implemented.

b) Aiming to make land management efficient, our institution has introduced the Land Management (E-Slims) data system in 2016. Accordingly, by the year 2019, the information of more than five thousand plots of land under the Government Land Ordinance Act has been included in it. But due to following reasons data entry effort was discontinued with related database being disabled; 60 officers who were trained for this program could not be employed in the program due to the reasons like promotions and resignations, the covid epidemic, the deployment of all officers for the expedited program for the disbursement of land titles in the year 2019 and the shifting of government data space from LGC1 LGC2. Based on the recommendations made in the Committee on Public Enterprises held on 23.05.2023 and 10.08.2023, the work of updating this system has been initiated in the year 2023 with the assistance of computer experts from the University of Colombo. The Technical Evaluation Committee and Consultative Procurement Committee (CPC) have been appointed and currently two committee sessions of the Technical Evaluation Committee have been held to agree on the prices and the procurement process is being carried out. Accordingly, it is planned to prepare programs at the system and block level to enter information and complete the entry of land data by April 2024.

Arrangements have been made for surveying the reserved lands in coordination with the Survey Department to take legal action against the encroachers. In addition, 547 out of 1489 unauthorized activities were carried out on lands reserved only for paddy cultivation in the Maha season as protected by reservoirs in the regions, and awareness was done at the regional level to prevent the encroachment on the lands for those unauthorized cultivations. Apart from this, 651 unauthorized persons planted permanent crops and against whom institutional action and legal action have been initiated. Also, about 17 people who have occupied the land without permission have been vacated and further, necessary activities are being carried out to identify and survey the land occupied by the people who have built permanent houses. In conjunction with the survey work, preparations are made to take legal action under the Recovery of Possession Act.

In order to prevent further unauthorized activities, all resident project managers have been informed about the measures to be taken for encroachments by letter No. DL/ADM/69-1 dated 12.09.2023, In addition to this, all field officers and supervisory officers have been instructed by letter DL/ADM/69-1 dated 04.08.2023 to personally handle and hand over the securing of the reserve area supervised by them including maps. An action plan was prepared to be implemented at all system levels to take legal action against all unauthorized constructions including such construction at reservoir reserves and necessary instructions were given to act accordingly by letter No. DL/ADM 69-1 dated 01.09.2023.

The marches of the reservoir reserves under the Director (Reservoir and Operations) should be identified for vacating of squatters and the necessary measures are being taken to survey the lands. In addition, 57 of the 67 squatters were issued letters to vacate the land and institutional measures were initiated to remove them.

c) Discussions were initiated with the Deputy General Manager (Credit) of the Regional Development Bank and related officials and hence it was confirmed that the relevant deposit amount of Rs. 50 million along with current interest income of Rs. 26.196 totaling a balance of Rs. 76.196 million as existing in the Regional Development Bank.

With the agreement of the Regional Development Bank, all systems were informed in writing to select 10 loan applicants according to the aforementioned criteria and send them to the Director (Business Development).Under the initiative of Business Development Officers/ Institutional Development Officers at Block Office, Unit Office levels under the guidance of the Deputy Resident Business Manager (Development) and under the supervision of the Resident Project Managers in the region, arrangements have been made to select loan applicants and submit recommendations.

It is also planned to provide 100 loan applicants at the initial stage with a maximum of Rs.0.5 million through the relevant method according to the aforementioned criteria to launch agriculture, animal husbandry, and other value-added manufacturing projects and to improve existing businesses using modern technology.

The project reports of 10 selected entrepreneurs from each region will be studied, the field inspections would be carried out and the loan applications would be recommended and forwarded to the bank. The relevant bank branch would study the project reports and then after the field study and studying loan applicant's credit reports and guarantors and the relevant conditions, loans would be issued.

Currently, the Regional Development Bank has given a draft of the MoU to the Mahaweli Authority regarding the implementation of the loan scheme.

By 31.12.2023, issuing of loans to 100 entrepreneurs is planned to be completed.

d) According to the letter no. DI/AMP/W/06/WG/01/2023 of the Director of Irrigation (Ampara) regarding this matter, all payments were made from the funds provided by the Mahaweli Authority of Sri Lanka and there are remaining balances and an analytical report was given to us

After formally confirming its performance, I will proceed with the settlement.

(e) Causes of plant nursery losses

The reason for the increase in the cost of plant production is the increase in the cost of a unit of labor and the increase in other costs at the same time. As per the current market price of a plant, it is not possible to provide the types of plants required by the plant nurseries of Mahaweli Authority of Sri Lanka, and even though the selling prices of high-grade plants is in the range of 450 - 750, these plants were also provided at the concessionary prices of the farm, the crisis situation that prevailed in the country in the year 2021 also acted as reasons for decrease in planting and sales.

But let me inform you that the following steps have been taken to minimize this loss going forward.

1. From the year 2024, the officials have been informed about purchasing the forest plants and other necessary plants through community programs from Mahaweli plant nurseries for the environmental conservation activities as planned.
2. Providing agricultural crops to Mahaweli farmers. Restricting provision of these plants at 50% contributory (at subsidized rates) or free supply.
3. Using the value of plants provided free of charge for profit/loss calculation.
4. Minimizing labor and maintenance costs for plant nurseries.
5. To increase the production of high value and economically important plants.
6. To increase the selling price of plants in every plant nursery.
7. Regularly maintain the crops like pepper, mango, coconut, “kilo” guava, banana in the plant nurseries and increase the income by selling these crops.

(f) In the year 2019, System E was newly created and agriculture, livestock and other development activities were initiated in Hasalaka, Minipe and Wilgamuwa areas and simultaneously the staff of the Victoria office was assigned to System E. But since System E was introduced as a new development zone (Wilgamuwa, Minipe and Hasalaka) there were no established Mahaweli buildings, so private rental houses had to be obtained as offices and residential facilities and rents were paid on the approval of departmental procurement.

2.3.3 Disposal of lands belonging to the Authority.

a) The limited extent of land available in the Mahaweli systems are disposed of in accordance with the provisions of the State Lands Ordinance and Land Development Ordinance for agricultural, industrial and various projects as well as residence through a formal method based on national and current needs. The following is the procedure followed in allocating land for projects.

By providing such investment lands on the basis of lease rental, producing agricultural, livestock products and industrial products locally targeting national needs, strengthening the economy, generating foreign exchange, expanding job opportunities, reducing unemployment, eradicating poverty and developing local infrastructure etc. are targeted to be achieved either directly or indirectly.

Accordingly, the method of selecting investors on a preferential basis based on the provisions of the State Lands Ordinance has been followed by calling for interest through newspaper advertisements for the identified investment lands. Accordingly, a formal committee consisting of experts in various fields evaluates the entrepreneurs through technical, social and financial criteria and according to the land use plan, following the formal procedures under the physical planning recommendation, as per the provisions of the State Lands Ordinance, the lands are handed over to the investors subject to the approval of the Honorable Minister in charge,

b) When considering the lands disposed for investment projects, the total hectares of lands disposed by the year 2023 and the number of investors and their development status are indicated in the report. In this case the development status of the land has been taken as a relative measure.

c) The method of inviting interest through newspaper advertisements or selection of investors on a preferential basis has been followed. Accordingly, a formal committee consisting of experts in various fields would evaluate the entrepreneurs on the basis of technical, social and financial criteria, and according to the land use plan, following formal procedures under the physical planning recommendation, as per the provisions of the State Lands Ordinance, subject to the approval of the Honorable Minister in charge, lands would be disposed on a formal method as transparent long-term lease for a period of 30 years to selected investors.

After the long-term lease has expired, a fresh approval for lease would be obtained on a regular basis and disposed to the original investor on a preferential basis. Necessary arrangements are currently being made to re-lease the lands that had the 30 years term expired.

(d) The land has been disposed of through a report about conditions on handing over enjoyment to the Central Engineering Consultancy Bureau and instructions have been given to the Resident Project Manager to recover the lease rental outstanding.

(e) The land has been handed over to the RAN Plantation based on the government valuation of the nearest land for maize cultivation. Since there was a problem when the land boundaries were shown to the investor, performance lease was paid only for the extent of land that could be cultivated amounting to Rs.555, 750.00. As a case had been filed in the Court of Appeal by the indigenous (adivasi) leader and others for this land, the Attorney General's Department had informed MASL to suspend the development work on this land, so it was carried out.

C.S.W. Herbal Plantation paid Rs. 450,000 as performance lease rental and instructions were given to the resident project manager to recover the annual lease rental.

(f) The land has been given to NKNL Construction and Development on a long-term lease basis. Lease expired after the development was fully completed. When granting a new lease, since the extent of land is larger than 50 acres, the approval of the Cabinet should be obtained for approval of the lease. After the end of the long lease period, a new lease approval is obtained in the formal manner and the land is handed over to the original investor. Necessary arrangements are currently being made to re-lease the lands that have a 30-year lease period expired.

(g) Nandasena Herath.

Based on the draft valuation of this person, the arrears amount of Rs. 3,724,800.00 was identified by date of audit. However, by now the total lease rental outstanding of Rs. 6,540,763.00 has been identified. This person has laid foundations for the construction of buildings on the respective land. No other development work has been done. This investor has filed a case in the Court of Appeal against the cancellation of the lease on the land in question asking to grant the lease. A period of 2 2 years is requested for development. The case is in the process of being settled after paying all the above arrears, so land could be disposed of for development.

Lyceum International School,

An amount of Rs. 11,854,160.00 remains as arrears of lease rental for the concerned institution and Letter of Demand had been sent to recover the said amount. But the arrears have not been paid till now and the lease on the land is being canceled.

Lalith Sanjeewa

According to the audited information, Lalith Sanjeeva should be replaced by Iresha Spicy Lanka Pvt Ltd. The said company has paid Rs. 2,168,618.00 as outstanding. In view of the Covid situation in the country, the relevant institution has requested a grace period to pay lease rental. But the Authority has asked to pay the related rental arrears and has arranged to send the Letters of Demand to initiate legal proceedings to recover the rental.

2.3.4 Fruitless or Underutilized Assets

(a) In the year 2021, under the then existing *Saubhagya* (Prosperity) Agriculture Program, a specialized program regarding the production and use of compost was implemented in the Mahaweli regions in accordance with the government policy of completely precluding the use of chemical fertilizers for crops and directing farmers to use organic fertilizers with the aim of green agriculture.

Accordingly, in order to produce organic fertilizers at a commercial level for the Mahaweli regions, various machines was purchased for the Mahaweli systems for efficient production and to increase the rate of production. In this case, the machinery was purchased for the efficient and fast production of organic fertilizers required for the extent of irrigated lands of 96 hectares of Aralagangwila seed paddy production farm in the System B.

Procurement for these purchases took place in 2021 and the machines were delivered to the farm in the latter part of the first quarter of 2022. Accordingly, although the farm management made all arrangements to produce compost and use this fertilizer for the farm, by the mid-2022, due to the financial crisis that arose in the country, most of the farm development activities were paralyzed due to the limited resources. Accordingly, due to the lack of sufficient funds for the electricity and infrastructure required for the compost production process, the use of this machinery was temporarily delayed.

(Due to the reduction of allocations and fuel for farm development activities, only 47 hectares out of the total irrigated area of 95 hectares could be cultivated in 2022 and only 43 hectares could be cultivated in the 2022/23 maha season, and as there is no longer enough allocations, I mention that the irrigated lands of the farm have been leased to the local farmers from the 2023 yala season.)

Due to this situation, it is difficult to use these machines for the production of compost in the farm, although it was planned to provide these machines to the compost fertilizer production yard in the System G due to the current financial crisis and the government policy decisions regarding the use of chemical fertilizers, the production process of this production yard has been temporarily suspended. Therefore, it has been planned to move these machines to the places where there is a potential to start the compost fertilizer production process in the future and carry out the production.

23 large- and small-scale multi-purpose shredding machines were purchased for the organic fertilizer promotion program in 2021 and the delivery of these 23 machines is mentioned in the table below.

Machine Type	Number	Systems delivered					
		B	C	G	Rmbken	H	Walawa
Multi-Purpose Shredding Machines (Medium)	11		4			7	
Multi-Purpose Shredding Machines (Large)	12	1		1	1	7	2
Compost Sieving Machines	1	*					
Compost Mixing Machines	1						

* Farm Aralagangwila

The distribution of these machines to the above-mentioned regions was done based on the production potential of those regions and the recommended financial allocation.

03 out of 04 multi-purpose shredding machines given to System C were formally handed over to System H based on production targets and increased production capacities. As per the requirements of the farmers of System C action was taken to formally hand over the machines.

Despite these facts, by the year 2022, the production and use of organic fertilizers was hampered due to the financial crisis in the country and the policy decisions taken by the government to allow the use of chemical fertilizers again.

Due to this, these machines purchased for the production of organic fertilizers were used for dairy cattle husbandry as replacement and as a method of carefully providing food to dairy cows, e.g.; - types of food such as grass could be provided in small pieces to increase dairy production. Compared to the production of organic fertilizers, the use of these machines for the dairy production during this period is relatively cheap and effective. While this machinery cannot be used as intended given reduced production of organic fertilizers due to government policies, the use of these machines for dairy cattle management with good management is helpful for the country's food security.

(b) It was informed by the Department of National Community Water Supply, by the letter no. DNCWSTL/PD/4/6 dated 06.10.2023 that the repair of 06 out of 09 machines mentioned in the inquiry is in progress. 02 machines are being repaired by "Lions club Colombo of Excellence", a social services organization. The other machine is in running condition.

After notifying the Department of National Community Water Supply to repair 04 machines in the System as mentioned in the inquiry, the said department has informed that the preliminary procurement work is being carried out for the relevant repairs by the letter no. DNCWS/PD/ ප්‍රතිආශ්‍රිත dated 13.03.2023.

2.3.5 **Project Performance**

(a) A discussion was held on 01.06.2023 regarding the preparation of the environmental impact assessment report of the Kandakadu agriculture investment project and the assignment of its future activities. (With Officials of Sri Lanka Mahaweli Authority, NLDB, and University of Sri Jayewardenepura) As the National Livestock Development Board refuses to prepare the environmental impact assessment report of the Kandakadu Agriculture Investment Project and make advance payments related to the consultancy service for the EIA study commissioned by the University of Sri Jayewardenepura in accordance with the agreement, the board of directors has been consulted to obtain the environmental impact assessment report for the Mahaweli Authority of Sri Lanka as per the agreement.

For this purpose, after submitting a memorandum of the Board to the meeting of Board of Directors held on 08.08.2023, Board of Directors Resolution No. 2023/353/5279 was issued instructing Authority to obtain instructions and approval regarding the expenses incurred so far for these environmental studies and the payments to be made according to the agreements by the way of Cabinet Memorandum and accordingly a Cabinet Memorandum was prepared and submitted for the Cabinet for approval.

(b) In Mahaweli systems B, C and Udawalawe, suitable plots to be released as grazing lands have been identified and completed. In order to obtain environmental approval to release 75 acres for 15 buffalo breeding farms in the 735.36 hectares of lands allocated for grazing in Mayurapura block of Udawalawe region and to obtain permission from the President to dispose of those plots of land (dairy farmers have been selected) letter No. MASL/LD/22/01 dated 25.08.2023 was sent to the Secretary of the Ministry of Irrigation.

The approval of the relevant line ministries has been received for this project. (The Central Environment Authority, Archeology Department and Survey Department prepared the committee plan.)

While there was some delay in these activities due to the crisis situation in the country in the year 2022, the board gave approval to distribute the proposed land to the cattle farmers on 21.07.2022 and disposed of it to 47 people after conducting a land kacheri.

Although the legal procedures required to release the pastures of System L to the dairy farmers had been completed By November 2022, according to the President's Secretary's letter no. PS/CSA/00/08 dated 11.11.2022, the disposal of government land to the Mahaweli Authority of Sri Lanka has been temporarily suspended, and hence I inform that the activities of the project have also been temporarily suspended.

(c) Although the advance was released for the construction of 150 cattle sheds and 150 water troughs to the civil defense department under the farm development program for dairy farmers, the has been informed that, due to the daily increase in commodity prices in the country, it is not possible to build cattle sheds and food troughs at that price.

Hence, they were informed by my letter no. MASL/LD/38-1 dated 21.06.2022 to construct 74 cow sheds under the existing limited funds.

According to the letter No. CSB/ACCT/C/18/06/23 (06) a dated 01.06.2023 of the Director (Finance) of the Civil Defense Department, an amount of Rs.14,185,303.70 has been spent for this purpose, and for the remaining amount, cheque dated 01.06.2023 for Rs. 64,696.30 was handed over to us.

But since the details given to settle the advance amount are not enough, the institution has been informed to submit the check along with the supporting documents for the settlement in a formal and prompt manner.

(d) With the commencement of the field programs of the Mutuwella Project's environmental impact assessment, problematic situations arose hindering continuance of its activities due to the following circumstances, and accordingly, the assessment activities were delayed beyond the stipulated time.

i. Suspension of inter-provincial travel due to travel restrictions caused by the spread of the Covid virus and during that time coordination problems arose between university staff.

ii. At the beginning of the field study, the residents living adjacent to the project areas and the squatters protested regarding the lands and it took some time to resolve the land issues that led to those protests

iii. At the outset when the expression of interest for project development was called from external investors by newspaper advertisements it was under the notion that necessary infrastructure should be obtained by the private investors at their own monetary expenses and therefore feasibility studies relating to water resources and provision of infrastructure would not be carried out by the Mahaweli Authority. However, according to the decision made later and according to the Terms of Reference given by the Environmental Authority and as per the requirement of the environmental assessment, the Mahaweli Authority decided to carry out the studies on the water sources and infrastructure development of the project, leading to a delay in preparing the plans.

The University of Colombo prepared and provided the draft IEE (Initial Environmental Examination) report on 17.10.2022 and the report was forwarded to the Central Environment Authority. Central Environment Authority and other institutions studied the report and submitted revisions and the final report was forwarded to Central Environment Authority on 09.07.2023.

As the final IEE report has been submitted to the Central Environment Authority and it is planned to obtain environmental approval for the project, there is a possibility of further development related to this project.

(e) Irrigated/rain fed lands in Rathkinda seed production farm of Mahaweli System C region were disposed of to the second and third generation youth community who do not have irrigated land rights in the region on the basis of seasonal lease based on the auction system since 2013. But in the year 2021, on the basis of government policies, with the aim of providing certified seed paddy for the regional farming community, cultivation activities of 196 hectares of irrigated land in the Rathkinda farm was carried out by the Mahaweli Authority from the 2021 yala season.

Due to the following reasons, the area devoted to the successful seed paddy production program had to be gradually reduced; Consequent to the economic crisis that arose after the outbreak of the Covid epidemic in the year 2020, the import of chemical fertilizers and agricultural inputs was limited in the 2021/22 maha season, and the as the country faced a severe fuel crisis in the 2022 yala season, it was not possible to carry out the land preparation work in time and in the 2022/23 maha season limitations on the availability of treasury allocations and lack of a steady flow of funds at the times of need caused problematic situations in meeting the targets.

Also, in view of the current crisis situation in obtaining the treasury funds, arrangements were made to obtain the approval of the Cabinet to continue the development activities based on the potential of the farms, to make them into profitable economic units and to provide an elevated contribution to the national production, to involve private investors in the public private partnership system or the long-term lease system.

Accordingly, activities aimed at engaging suitable investors by following formal methods are already being carried out. But since this would take up some time, with the aim of cultivating the entire area and producing paddy, the approval of the board of directors was obtained to lease irrigated/rainfed lands of the farm based on formal methods as seasonal lease based on the auction system from the 2023 yala season and an income of 14.6065 million rupees could be obtained through the seasonal lease of 193 hectares.

(f) In the year 2021, using the allocation provided by the State Ministry of Agriculture, the purchase of machinery for the seed production program of the Rathkinda Seed Production Farm, the modernization of the farm infrastructure and the construction of 03 threshing floors would directly and indirectly contribute to potential production. This helped in the production of 403 metric tons of seed paddy and 52 metric tons of commercial paddy in the 2021/22 maha season, and the financial value of the sale is about 72 million rupees. The production of seed paddy is a complex and meticulous process, from preparing the land to minimizing post-harvest damage, the acquired equipment and facilities were used properly for several seasons. But at present, due to the problematic situation in obtaining treasury allocations, it is not possible to carry out the production of the seed paddy production at the farm, so the seasonal lease should be done according to the auction system, until the work of engaging private investors could be carried out according to the approval of the Cabinet of Ministers.

Accordingly, the amount paid could be considered as an investment rather than a fruitless expenditure.

(g) After considering the requests submitted by small scale hydropower project investors in the year 2021, the then President's Secretary had instructed the Mahaweli Authority of Sri Lanka and other relevant institutions to suspend the charging of the "Catchment Area Management Fee". Accordingly, since November 2021 when the decision was given, the relevant catchment area management fee has not been received by the Mahaweli Authority of Sri Lanka.

Nevertheless, the President's Secretary himself advised that the relevant catchment area management fee may be charged again in June 2022. Accordingly, although the catchment area management fee should be received from June 2022, due to the financial crisis that the Ceylon Electricity Board was facing at that time, payments were not made for the electricity purchased from small scale hydroelectric power plants and consequently the Mahaweli Authority of Sri Lanka also did not receive the Catchment Areas Management Fee.

But since the financial crisis is gradually easing, the Ceylon Electricity Board has started paying the arrears for the related small scale hydropower projects. Accordingly, the relevant water catchment area management fee is currently being received from July 2023 by the Mahaweli Authority of Sri Lanka.

However, it is not possible to recover the catchment area management fee for the period from November 2021 to June 2022, when the payment of the catchment area management fee was suspended as per the instructions of the President's Secretary.

(h) Under the *Waarisabhagya* (Prosperity through Irrigation Program), the details of activities to be carried out were obtained by each region to identify the essential work and 275 tanks were selected as follows according to the available provisions and essential work to be done.

Development of tanks only – 199 tanks

Development of tanks and desilting – 10 tanks

Desilting – 66 tanks

Out of which 152 tanks have been completed.

Number of tanks completed in the year 2020 – 20

Number of tanks completed in 2021 - 100

Number of tanks completed in 2022 - 32

The details of the remaining 123 tanks are as follows.

The number of tanks that had work started in 2022 and still work in progress in 2023-06

Number of tanks that had work suspended due to lack of funds - 30

Number of tanks stopped due to lack of provision - 30

Number of tanks that are being planned - 08

Number of tanks that are being planned - 08

Number of tanks whose work suspended as there are no provisions and as maintenance and operations of tanks are not affected – 12

No. of Tanks chosen under Waari Saubhagya program but no construction had been carried out – 67

i) This contract was awarded to UP Ranugge Institute on 17.09.2021 for an amount of Rs.34,475,753.07 plus VAT. According to the agreement, the construction start date was 01.10.2021 and the work should have been completed by 08.07.2022. But it was only after the completion of release of water for the 2021 yala season, that its construction actually began. Also, no construction work was done here after the completion of water release for the 2021/2022 maha season and 2022 yala season. It was not possible to allocate funds for this project from the annual work plan in that year due to the fuel crisis prevalent in the country and economic problems. Therefore, the contract period was extended till 04.08.2023. Also, the advance bond and performance bond have been extended. The project is expected to be completed after completion of water release for the 2023 Yala season.

j) In connection with the construction of quarters in Pallebedda block of System Rambakan Oya, on November 23, 2017, contract was awarded to the contractor Independent Construction and Development under contract number MA/TS/RAMBA/B/14 for an amount of 4,861,103. Although the work was supposed to be completed by April 18, 2018, the original contractor had abandoned the contract. The Legal Department of Mahaweli Authority has inquired from the Attorney General's Department to recover the mobilization advance amount of 1,243,051.56 rupees paid to the contractor, Independent Construction and Development and based on the observation provided by the Attorney General's Department; the legal department is taking further actions.
And the rest of the work of the contract has been completed and commissioned under DDG/TS/CON/RAMBA/B/14.

k) Accepted. I will take necessary measures to minimize such issues in the future.

l) An amount of Rs. 43,883,862.00 was received from the Road Development Authority to the Walawa region, in this regard. I would like to inform you that procurement activities have also been initiated for 08 projects out of the 10 projects for which estimates were prepared to restore the damages caused to the structures including irrigation canals.

2.3.6 Recognized Losses

(a) A preliminary investigation was conducted on the accident faced by Cab No. WP/PD – 0455 belonging to Resident Project Manager, System E on 07.05.2021 and based on those recommendations, the cab was repaired and it was informed to recover the estimated amount not covered by the insurance from the employee who served as the driver of the cab.

The estimated amount for vehicle repair is 3,419,152.42 rupees and as per Public Finance Circular 01/2020, the Secretary, Ministry of Irrigation has been informed about this through letter no. MASL/ADM/DP/2337 dated 23.08.2023.

(b) The officer who served as the director of the Mahaweli center at the time and the driver who worked on a contract basis had been notified on two separate occasions to come to make statements related to the preliminary investigation on the accident of the vehicle bearing number CAE 1918, but they did not comply with the requests.

The driver of the vehicle was informed to pay the portion of the financial loss to the Mahaweli Authority of Sri Lanka from the accident of the vehicle that is not covered by the Insurance of Rs. 1,652.40 but I inform it is not yet paid.

(c) Accident involving Cab bearing WO OG - 0845.

The concerned officer has been notified by letters dated 29.05.2023 and 16.06.2023 to pay the amount not covered by insurance to the Sri Lanka Mahaweli Authority, of Rs. 6,217,909.16 (Rs. 9,991,909.16 and Rs. 3,774,000.00) which is not covered by insurance. As there is no response regarding payments so far, the legal department is working to take necessary legal action in this regard according to the letter dated 07.08.2023.

2.3.7 Management of the Fleet of Vehicles

(a) Misplacement of Cab bearing number WP JF – 3105

Necessary further actions based on recommendations submitted by the committee appointed by the letter dated 02.05.2023 to conduct an initial investigation regarding the misplacement of the cab bearing number WP JF-3105 attached to Walawa region is being worked out.

According to the letter dated 21.06.2023, the Secretary of the Ministry has been informed about the misplacement of this cab as per Financial Regulation No 104 (1) and the committee appointed by the Secretary for the investigation as per Financial Regulation 104(4) has started the relevant investigation.

(b) These vehicles belong to the Ministry of Irrigation and it was notified to either hand over vehicles to the Mahaweli Authority of Sri Lanka or have them to be taken back to the Irrigation Department, but no response thus far received.

(c) These vehicles were imported during the period when Accelerated Mahaweli Development Project was under implementation and were registered under the name of the project offices operating at that time and some other vehicles under aid agencies. At the end of the project, arrangements were made to hand it over relevant vehicles to its main body, the Mahaweli Authority of Sri Lanka, but the registrations of ownership were not formally transferred. The institutions that claim ownership of these 30-year-old scrap vehicles are currently not operating in the country.

Vehicles No. 31-9908 and 32-2129 are owned by foreign aid agencies of Hayamatoda and Hill International respectively. The said two vehicles were imported as mentioned in (II) above. Their chassis numbers have been removed and handed over to the Department of Motor Traffic. According to the tender related to scrap materials (for weight of steel) under the disposal process held in August 2023, the sellers have already paid the consideration and taken them from the relevant systems.

I would like to inform you that the disposal of the vehicles identified to be disposed of as vehicles had been completed in May 2023.

2.3.8 – Human Resource Management

A special discussion was held on 01.09.2023 with the Secretary of the Ministry and the officials of all institutions under the Ministry under the patronage of the Honorable Minister in charge and the participation of the Minister of State for Irrigation. In that discussion, it was decided that a restructuring programme should be implemented in accordance with the current role of the Mahaweli Authority of Sri Lanka, and it was decided to get the approval of the Cabinet of Ministers in this regard and after getting the approval, to prepare the future work plan of the Mahaweli Authority of Sri Lanka.

Hence, I would like to inform you that filling vacancies by inviting applications from internal candidates is temporarily suspended.

(signed)

M.L.D.C. Mahendra Abeywardena,

Director General,

Mahaweli Authority of Sri Lanka.

Copies - 1. Secretary – Ministry of Irrigation

2. Secretary -Ministry of Finance, Economic Stabilization and National Policy

Performance Report 2022

Part - V

Contents

1. Progress of special programs implemented by Mahaweli Authority OF Sri Lanka

1.1 Welioya Integrated Development Project

Total Estimated Expenditure (Rs. Millions)	3957.10	**Benefitted districts**	Anuradhapura, Vavuniya, Mullativu
Source of Funds	GOSL	**Beneficiaries**	5,700 families
Project Period	2012-2023		
Financial Allocation 2022 (Rs. Million)	40.00	**Request for allocations 2023 (Rs. Millions)**	32.00
Cumulative Expenditure for Financial Progress (Rs. Million)	2534.386	**Financial Progress 2022 (Rs. Millions)**	37.666
		Total Physical Progress	92.5 %
Physical Progress - 2022	• Construction & rehabilitation of roads- 30 km • Rehabilitation of Tanks - 01tank • Rehabilitation of Irrigation Canals- 1.5 km • Construction & rehabilitation of Buildings- 01 Building • Lots surveyed - 744 Lots • Deed granting - 1940 Grants and deeds completed • Institutional and Community Development Programme - 83 Programs		
Total Physical Progress 2022.12.31	• Construction and rehabilitation of 422 km of roads • 393 pipe culverts were reconstructed • 81 kilometers of canal reconstructed • Construction and rehabilitation of 01 tank and 131 irrigation structures • 16698 lots of land surveyed. • Grants and Deeds 5412 completed • 1498 Institutional and Community Development Programs conducted • Construction and rehabilitation of 140 buildings •Agriculture and livestock extension services for 5800 farmers		

1.2 Rambakan Oya Integrated Development Project

<table>
<tr><td>Total Estimated Expenditure (Rs. Millions)</td><td>1086.00</td><td>Benefitted districts</td><td>Ampara</td></tr>
<tr><td>Source of Funds</td><td>GOSL</td><td rowspan="2">Beneficiaries</td><td rowspan="2">(Mahaoya /Padiyathalawa)
15, 975 families</td></tr>
<tr><td>Project Period</td><td>2012-2023</td></tr>
<tr><td>Financial Allocation 2022 (Rs. Million)</td><td>60.00</td><td>Request for allocations 2023 (Rs. Millions)</td><td>Rs. Mn. 43</td></tr>
<tr><td rowspan="2">Cumulative Expenditure for Financial Progress (Rs. Million)</td><td rowspan="2">706.648</td><td>Financial Progress 2022 (Rs. Millions)</td><td>46.636</td></tr>
<tr><td>Total Physical Progress</td><td>86%</td></tr>
<tr><td>Physical Progress - 2022</td><td colspan="3">• Cultivation of import restricted crops 2084 ha
• Homestead garden development 13715
• Farmers/ Officers training programs 60
• Rehabilitation of 35km distance of roads
• Rehabilitation of 3 tanks
• Construction of 4 buildings
• Completing surveying of 600 plots of land.
• 359 licenses issued.
• Compensation paid for 28 lots
• Institutional and Community Development Programs 78</td></tr>
<tr><td>Total Physical Progress 2022.12.31</td><td colspan="3">• Cultivation of import restricted crops 2084 ha
• Homestead garden development 13715
• Farmers/ Officers training programs 60
• 246 km of roads completed.
• Completed rehabilitation of 3 tanks.
• Rehabilitation of 1.925 km long F canal and D canal and 2 anicuts.
• Completed 79 buildings
• Land surveying 2,264 lots completed.
• 2137 permits issued.
• Compensation paid for 568 lots.
• 514 Institutional Development Programs completed.
• Providing market opportunities to 51 small businesses
• Conducted 10 entrepreneurship development programs.
• Providing machinery for 41 people at 50% contribution
•121 agri wells were constructed.
• 840 sanitary health care systems have been improved.
• Maintenance of 10 km of electric fence against elephant encroachment
• 5000 saplings were planted under tree planting program and 8 environmental programs were conducted.</td></tr>
</table>

1. **1.3 Redeemaliyadda Integrated Development Project**

Total Estimated Expenditure (Rs. Millions)	1100.00	**Benefitted districts**	
Source of Funds	GOSL	**Beneficiaries**	19, 127 families
Project Period	2012-2022		
Financial Allocation 2022 (Rs. Million)	40.00	**Request for allocations 2023 (Rs. Millions)**	0.00
Cumulative Expenditure for Financial Progress (Rs. Million)	870.577	**Financial Progress 2022 (Rs. Millions)**	33.997
		Total Physical Progress	98%
Physical Financial Progress - 2022	● Rehabilitation of 18.5 km distance of roads ● Cultivation of import restricted crops in 3468 hectares ● 17079 home gardens developed under Homestead Garden development ● 48 programs conducted under farmers/ officers training programs ● 25 Institutional and Community Development Programs conducted. ● Tree planting carried by 3 tree planting programs ● Rehabilitation work on 2 tanks completed ● One building constructed and maintained		
Total Physical Progress 2022	● Rehabilitation work of 22 tanks completed. • 1 structure rehabilitated. • Rehabilitation work on 72.84 km distance of canal completed • 108.10 km distance of roads rehabilitated. • 4 culverts repaired. • 43 buildings completed. • Cultivation of import restricted crops 1508 ha • Development of home gardens in 17079 homesteads • 48 Farmers/ Officers training programs conducted. • 2,284 sanitary facilities have been provided. • 310 institutional development programs conducted. • 9 tree planting programs conducted.		

1. Progress of Agriculture, Livestock and Fisheries

1.1. Progress of main activities in agriculture.

No	Main Activity	Target (Mt)	Progress (Mt)	%
1	**Agriculture Production**			
1.1	**Seed – Mahaweli Farm**			
	Seed Paddy	2,832.6	1,443.00	85%
	OFC Seed	83.8	15.12	18%
1.2	**Seed – Farmers**			
	Seed Paddy	4,909.5	5,018.50	102%
	OFC Seed	1,232.1	1,008.20	82%
1.3	**Food Crop Production Programme**			
	Paddy	985,547.0	723,944.00	73%
	OFC			
	Big Onion	74,792.0	11,358.00	15%
	Soy	7,227.0	8,485.90	117%
	Black Gram	5,485.0	1,244.00	23%
	Cowpea	2,634.0	1,861.00	71%
	Finger Millet	2,479.0	1,366.50	55%
	Green Gram	10,121.0	1,319.00	24%
	Maize	83,417.0	20,112.00	24%
	Ground Nut	8,436.0	2,388.00	28%
	Chili	64,435.0	10,140.00	16%
	Gingerly(sesame)	753.0	394.40	52%
	Turmeric	5,750.0	6,820.00	119%
	Ginger	3,680.0	4,680.00	127%
1.4	**Fruit Production**			
	Banana	182,340.0	152,230.00	83%
	Papaya	57,036.0	38,970.00	68%
	Guava	20,750.0	18,020.00	87%
	Other fruits (Mango, Dragon Fruit, Pineapple, Passion, orange)	35,852.0	58702.50	163%
1.5	**Vegetable**	233,175.0	212,154.00	91%
2	**Organic Zone development – System G (ha)**	1,970.0	1,745.80	89%
2.1	Organic Fertilizer Production program in Mahaweli Systems - Compost	304,532	27199	59%

1.2. Progress in Livestock Production and Major Activities in Livestock and Fisheries Sector

	Main Activity	Unit	Target 2022	Progress 31.12.2022
	Dairy Cows development			
	Farm Planning and Training of dairy farmers	Dairy farmer families	2000	1445
	Providing cattle sheds and equipment	Sheds and equipment	380	420
	Ornamental Fish Farming			
	Development of Breeding farms	Famers	17	12
	Development of infrastructure/ providing mud ponds/ Quarantine tanks	Housing	102	97
	Poultry production promotion			
	Developing small scale farmers to medium scale	Farmer families	120	120
	Providing month old chicks	Programs	40,536	37,692
	Developing medium scale farmers to commercial units	Farms	37	37
	Fish fingerlings	Millions	30	22.8
	Fish Fry	Millions	32	21.31
	Freshwater shrimp	Millions	6	5.94
	Providing net cages	Cages	4	4

		Target (Mt) Annual	Progress (Mt)	%
	Livestock			
	Inland Fishery (Mt)	14,000	14397.7	100 %
	Fresh Milk (Liter million)	50	48.34	96 %
	Egg (Mn)	80	61	76 %
	Ornament Fish (Couples Mn)	41	42.55	100 %

2 WarisaubhagyaProgram

Progress of Tank rehabilitation programme - 31.12.2022

System	Tanks identified for 2022	Allocation (Rs. Mn.)	Tanks rehabilitated in 2022	
			Target	Progress
B	9	4.00	3	1
C	8	17.8	5	2
D	14	7.73	9	4
H	37	16.21	21	20
Huruluwewa	1	0.32	1	0
L	5	1.7	2	0
Walawa	5	8.97	3	1
Rambaken Oya	25	23.10	9	4
E	7	0.20	1	0
Total	**111**	**80.00**	**54**	**32**

3. Development of Mahaweli Investment Zones and Ecotourism Zones

Providing lands for Mahaweli Investment Projects

Main Activity	Unit	Annual Target	Progress 30.09.2022
Selection of investors for investment projects	Number of applicants evaluated	200	165
	Lands disposed of (hectares)	100	14.58

4. Progress in key activities of Institutional Development Division

	Main Component	Target	Progress	%
	Guiding Vocationally Trained Unemployed Youth to find employment (Youth)	975	697	71%
	To identify the talented athletes of Mahaweli regions and uplifting them to national and international level (Athletes)	2050	2264	100%
	Development of businesses by providing credit facilities to selected small scale entrepreneurs under the Mahaweli Saviya Loan Scheme (Beneficiaries)	250	250	100%

5. Providing Lands

Progress of Issuance of Grants by Mahaweli Authority of Sri Lanka - 31.12.2022

System	Annual Target (Deeds)	Amount Issued
B	6,700	5,363
C	7,700	3,897
D	300	727
E	100	99
G	1,100	1,673
H	5,600	5,245
L	5,000	1,243
Huruluwewa	1,600	655
Rambakan Oya	1,500	657
Walawa	34,800	4,241
Total	**65,000**	**23,830**

6. Environment Conservation

Progress of Environment Conservation Program - 31.12.2022

Main Components	Unit	Target 2022	Progress 31.12.2022
Plant production (by Mahaweli nurseries, school children and farmers)	Plants	661,250	920,360
Planting in upper catchment areas and downstream	Plants	207,600	226,751
Soil Conservation Program in Upper Catchment Areas	Meters	20000	10456
Environmental education and promotion	Programs	101	94
Environmental Impact Study	Projects	Open	7
Study of state of water and hydrology of catchment areas	Locations	27	27
Production of tissue culture plants	Plants	370,000	50350
Minimization of human – elephant conflict (firearms, energizers etc.) and bio fence maintenance	km	31.5	31.5
Removing invasive aquatic plants	No of tanks / hectares	4	4
Landscaping and waste management	Programs	3	5
Environmental education and promotion	Gardens	12	1