

Annual Report

2021

**MAHAWELI AUTHORITY
OF SRI LANKA**

Annual Report of the Mahaweli Authority of Sri Lanka - 2021

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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 470Gwh 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 Mwh watts 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 2021

Serial No.	Name / Position	Period
01	Mr. Anura Dissanayake Secretary. Ministry of Irrigation.	From January 2021
02	Kirti B. Kotagama Director General. Mahaweli Authority of Sri Lanka	From January 2021
03	Ms. Malarmadi Gangadharan Additional Director General Ministry of Finance	From January 2020
04	Mr. A. P. R. Jayasinghe - Member	From January 2020
05	Mr. KVP Ranjith De Silva - Member	From January 2020

Senior Management

Information Report on Senior Management of Sri Lanka Mahaweli Authority at the end of year 2021

S No	Designation	Name
1	Director General	Eng. Sunil.S.Perera (24.12.2019 – 10.02.2021)
		Mr. Keerthi.B.Kotagama (from 11.02.2021 to date)
2	Additional Director General	-
3	Deputy Director General (Administration and Finance)	Mr G.D.N De Silva (on secondary basis 22.07.2022 to 03.02.2021)
4	Deputy Director General (Technical Services)	Eng.P.G Gunapala (19.04.2020 – 06.02.2021)
		Eng. Ms.T.M Athapaththu (07.02.2021 – 27.10.2021)
		Mr. D.M.N.J Dhanapala-Director (Water Management Secretariat) (Duty Cover from 26.10.2021 to date)
5	Deputy Director General (Development)	Mr. R.M Neville Rajapakse, Director (Agriculture) (Duty cover from 01.12.2021 to date)
6	Director (Personnel and Administration)	Mr. H.M.K.R Herath- Resident Project Manager (Acting from 13.02.2020 – 27.02.2020) and (Permanent from 28.02.2020 – 04.04.2021)
		Mrs. H.G.J.P Wijayasiriwardena, Senior Assistant Secretary, State Ministry (Acting from 2021.04.05 - 2021.07.25)
		Ms. M.W.RN Delpat, Assistant Secretary (Administration) in the State Ministry (Acting from 26.07.2021 to date)
7	Director (Finance)	Mr T.D Priyantha
8	Director (Internal Audit)	Mrs. H.N Yalinga (from 07.06.2021 to date)
9	Director (Mahaweli Center)	Mr P.C.K Paranagamage (on contract basis 30.12.2020 – 21.12.2021)
10	Director (Agriculture)	Mr R.M Nevil Rajapakse (15.03.2017 - 30.11.2021)
		Mrs.D.K.H.W.M.M.W.R Seneviratne-Director(Business Development) (01.12.2021 to date)
11	Director (Fisheries and Livestock)	Mrs. M.G.T Priyadarshani (from 20.12.2018 to date)
12	Director (Land)	Ms. S.A.E.W Kularatne-Director (Lands) Ministry of Irrigation (Acting from 2021.01.26 – 2022.05.31)

S No	Designation	Name
13	Director (Institutional Development)	Mr M.L.D.C. Abeywardena-Deputy Director (Institutional Development) (Coverage of duties from 08.09.2017 - 31.03.2022)
14	Director (Business Development)	Mrs. D. K. H. W. M. W. R. Seneviratne (from 25.06.2019 to date)
15	Director (Engineering Design and Design)	Eng. Mrs. T.M Athapatthu (18.05.2016 - 27.10.2021)
		Eng. S.A.A. Dharmasiri, Deputy Director (Lower Basin Development) (Coverage of duty from 26.10.2021 to date)
16	Director (Down Stream Development)	Mr T. Ranasinghe, Deputy Director (Engineering) (from 30.04.2021 to date)
17	Director (Major Dams and Reservoir Operations)	Eng. S.R.K. Aruppola (from 01.02.2017 to date)
18	Director (River Basin Management)	Eng.Ms.Chandra Senarath.
19	Director (Land Use Planning)	Ms. J.M.I.H Jayawardena-Assistant Director (Land Use Planning) (covering 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) (covering 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) (covering duties from 15.11.2019 - 31.08.2021) and (performing duties from 01.09.2021 to date)
25	Director (Legal)	Mrs. R.L Rajapaksa (up to 15.05.2021)
26	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)
27	Resident Project Manager (System C)	Mr. I.M.U.K Kumara (from 26.10.2020 to date)
28	Resident Project Manager (System D)	Mr J.P Jayathilaka, Deputy Resident Business Manager (Agriculture) (covering duty from 04.04.2017 - 11.02.2021)

S No	Designation	Name
		Mr. A.M.A.P.G Gunawardena (2021.02.04 - 2022.07.31)
29	Resident Project Manager (System E)	Mr. A.M.A.P.G Gunawardena (05.06.2018 - 03.02.2021)
		Mr J.P Jayathilaka, Deputy Resident Project Manager (Agriculture) (2021.02.12 - 2022.08.04 Duty Cover)
30	Resident Project Manager (System G)	Mr A.G.T. Hemantha Jayasinghe, Deputy Resident Project Manager (Land) (covering duties from 01.02.2017 - 27.07.2022)
31	Resident Project Manager (System L)	Mr R.M.K.B. Randeniya, Deputy Resident Project Manager (Land) (covering duties from 27.02.2020 - 07.03.2021)
		Mr. A.M.A.P.G Gunawardena (2021.03.06 - 2021.04.04 covering duties)
		Mr H.M.K.R (05.04.2021 - 03.08.2022)
32	Resident Project Manager (System H)	Mr W.M.S. Weerasinghe, Block Manager (covering duties from 29.10.2020 to date)
33	Resident Project Manager (System Huruluwewa)	Mr M.M.A. Gunathilaka (2020.10.14 - 2022.08.02)
34	Resident Project Manager (System RambakenOya)	H.M. Wijeratne (Duty coverage from 2018.11.01 - 2021.10.02)
		Mr. A.L. Osman De Silva (from 2021.10.04 till now)
35	Resident Project Manager (System Walawa)	Mr. A.L. Osman De Silva (Acting until 31.08.2019) and (2019.09.24 - 2021.10.03 has been made permanent in the position.)
		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 2021.

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. At present, the Mahaweli Authority of Sri Lanka conducts its development activities under 50 blocks and 238 regional level units in 10 systems. 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.

This year saw the effect of the Covid 19 epidemic, which was a great disaster worldwide, that had a strong impact on the economy of our country. Even in the face of such a calamity MASL managed secure 19 main reservoirs, 654 small tanks, an irrigation system of 9,585 km and a road system of 10,134 km, and a water capacity of 3,784 MCM has been provided for irrigation and drinking purposes as well as domestic needs managing needs of a population of 1.23 million (number of families 347,285) in Mahaweli areas. In view of the massive demand for in the future, special irrigation management programs have been launched to provide water to the areas where water shortages may occur and to the areas where severe dry weather conditions might occur.

Despite of pandemic situation during the year, there has been significant growth in the agriculture sector this year. Among them, the programs of promoting the production of quality paddy and additional crop seeds with local flavor, cultivating selected crops in Mahaweli regions and getting high yields, and encouraging the home garden development program for self-sufficiency, promoting the production and use of organic fertilizers, to implement and develop the concept initiated in Knuckles organic zone to encompass all Mahaweli regions, to rehabilitate rural tanks under the “Waari Saubhagya” (Prosperity through Irrigation) Program to enrich irrigated lands are some of the unique programs. Under fisheries and livestock development, the progress of all the programs relating to liquid milk production, egg production, freshwater and ornamental fish production and freshwater shrimp production has been achieved by 100%. It has been a year to introduce modern technical strategies instead of the existing traditional strategies for the agriculture and livestock sectors and special programs have been launched to motivate Mahaweli youth towards agriculture.

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 that spread rapidly in the reservoirs and planting trees for the conservation of biodiversity in catchment areas. It is planned to develop two economic zones called M and N. Community development has been accelerated and deeds have been granted to the settlers

I highly appreciate the encouragement received from the Honorable Chamal Rajapaksa, 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 entire staff of Mahaweli Authority of Sri Lanka and all the project staff who worked to successfully achieve the above goals under the special guidance of the Minister of State for Mahaweli, and 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 31st December 2021 is kindly submitted herewith.

Review of the Year 2021

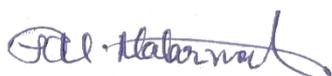
The Review submitted by the Director General contains a detailed description of the operations of the Organization during the year ended on 31st December 2021.

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.



Mr Anura Dissanayake
Secretary,
Irrigation Ministry



Ms Malarmadi Gangadharan
Additional Director General,
Ministry of Finance



Mr A. P.R. Jayasinghe,
Member



K V P Ranjith De Silva,
Member

Report of the Audit Committee – 2021

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.

In the year 2021, the following tasks have been completed.

1. The number of audit reports prepared as per internal audit plan are 28
2. The number of investigation reports issued are 15
3. Number of audit and management meetings held
 - 03 Audit Management Committee Meetings at Ministry Level 03
 - 03 Audit Management Meetings at Authority Level
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 as follows.

- | | | |
|---|---|----------------------------|
| <ol style="list-style-type: none">1. Ms Malarmathy Gangadaran – Chairman Treasury2. Mr K V P Ranjith de Silva- Committee Member3. Mr A P R Jayasinghe - Committee Member4. Chief Internal Auditor - Ministry5. Audit Supervisor representing the Auditor General6. Director (Technical Audit) – Ministry | } | Director Board of the MASL |
|---|---|----------------------------|

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 problems 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.

Assets and Liabilities in the preceding 7 years

	2021	2020	2019	2018	2017	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS							
Non-Current Assets							
Property Plant & Equipment	115,083,911	119,033,935	4,972,468	4,675,657	4,116,187	4,195,724	4,294,893
Investments (LT)	23,104	164,555	166,299	171,313	187,531	178,556	152,577
Intangible Assets	6	785					
Capital Working Progress -	28,496	57,166	47,482	84,947	78,552	41,301	74,286
Total Non-Current Assets	115,135,517	119,256,441	5,186,249	4,931,917	4,382,270	4,415,581	4,521,756
Biological Assets - Capital	286,717	259,342	219,777	167,027	134,578	101,940	-
Proposed write-off			-	-	859	859	-
Current Assets							
Inventories / Stocks	278,716	166,810	170,983	180,342	184,815	168,173	157,428
Biological Assets - Trading	41,118	42,721	47,178	26,312	15,875	22,630	-
Trade and Other Receivables	3,432,901	2,594,637	2,997,661	2,032,715	2,084,069	1,730,015	1,307,077
Suspense Account			-	-	-	-	-
Prepayments			-	4,767	3,896	8,754	5,172
Bank Guarantees	-	377	374	6,292	6,164	4,153	1,372
Inter-Agency Current A/c Balances			-	-	-	-	-
Cash and Cash Equivalents	1,177,597	667,498	258,877	312,702	343,312	312,750	429,588
Total Current Assets	4,930,332	3,472,043	3,475,073	2,563,130	2,638,131	2,246,475	1,900,637
Total Assets	120,352,566	122,987,826	8,881,100	7,662,074	7,155,838	6,764,855	6,422,393
LIABILITIES							
Current Liabilities							
Payables	39,894,796	39,970,622	968,185	651,986	879,967	376,737	341,286
Lease on Alliance Finance			-	-	2,153	3,080	
Accrued Expenses	104,067	94,434	211,909	102,067	175,733	122,286	46,159
Inter-Agency Current A/c Balances			-	-			
Total Current Liabilities	39,998,864	40,065,057	1,180,094	754,053	1,057,853	502,103	387,445

<u>Non-Current Liabilities</u>							
Provision for Gratuity	1,343,221	1,500,519	1,371,814	1,379,494	1,388,101	1,489,288	1,551,379
Bank Loan			-	-		2,455	
Lease Charges			-	219	271	2,653	11,247
Deferred Tax	-	612	612	612	612	612	612
Total Non-Current Liabilities	1,343,221	1,501,131	1,372,426	1,380,325	1,388,984	1,495,008	1,563,238
Total Liabilities	41,342,085	41,566,188	2,552,520	2,134,378	2,446,837	1,997,111	1,950,683
Total Net Assets	79,010,481	81,421,638	6,328,579	5,527,696	4,709,001	4,767,744	4,471,710
<u>NET ASSETS / EQUITY</u>							
Accumulated Fund	73,874,727	76,926,922	1,837,751	24,649,830	24,407,260	24,066,161	23,702,950
Reserves - B/F Balance of Income and Expenditure A/C	(490,550)	(1,178,028)	(657,528)	(24,040,551)	(23,755,208)	52,121	53,992
Revenue Reserve - Sub. companies	-	48,288	48,288	50,865	4,006,082	4,019,027	4,021,721
Revaluation Reserves	5,626,304	5,624,456	5,100,069	4,867,551	50,865	(23,369,566)	(23,276,474)
Total Net Assets / Equity	79,010,481	81,421,638	6,328,580	5,527,696	4,708,999	4,767,743	4,502,189

Board of Directors of the Companies Established under MASL – 2021

S. No	Name of the Company	Chairman	Board	Address of the Head Office
1	Mahaweli Livestock & Agro Enterprises (Pvt) Ltd	-	Mr. Parakrama Abewardena (Director)	No. 260/20, Baseline Road, Colombo 09
			Mr. Edward de Mel (Director)	
			Mr. Osman de Silva (Director)	
2	Mahaweli Consultancy Bureau (Pvt) Ltd	Mr. DM Anura Ranaweera Bandara Dissanayake	Mrs.L.M.K.R Asha Rajakeeya (Director) Ms.P.A.A.P Kanti Pannala (Director) Mr.R.M.B Rajakaruna (Director) Ms.S.C Ramyalatha Damayanthi (Director) Mr.E. A. C. Kumara Edirisuriya (Director)	No. 11, Jawatta Road, Colombo 05
3	Natural Resources Management Services (Pvt) Ltd	-	Engineer (Mr.) B.W.N.W. Senevirathne Banda (Director)	Dam Street, Polgolla, Kandy
			Mr. N.M.K.B. Attanayake (Director)	

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 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.

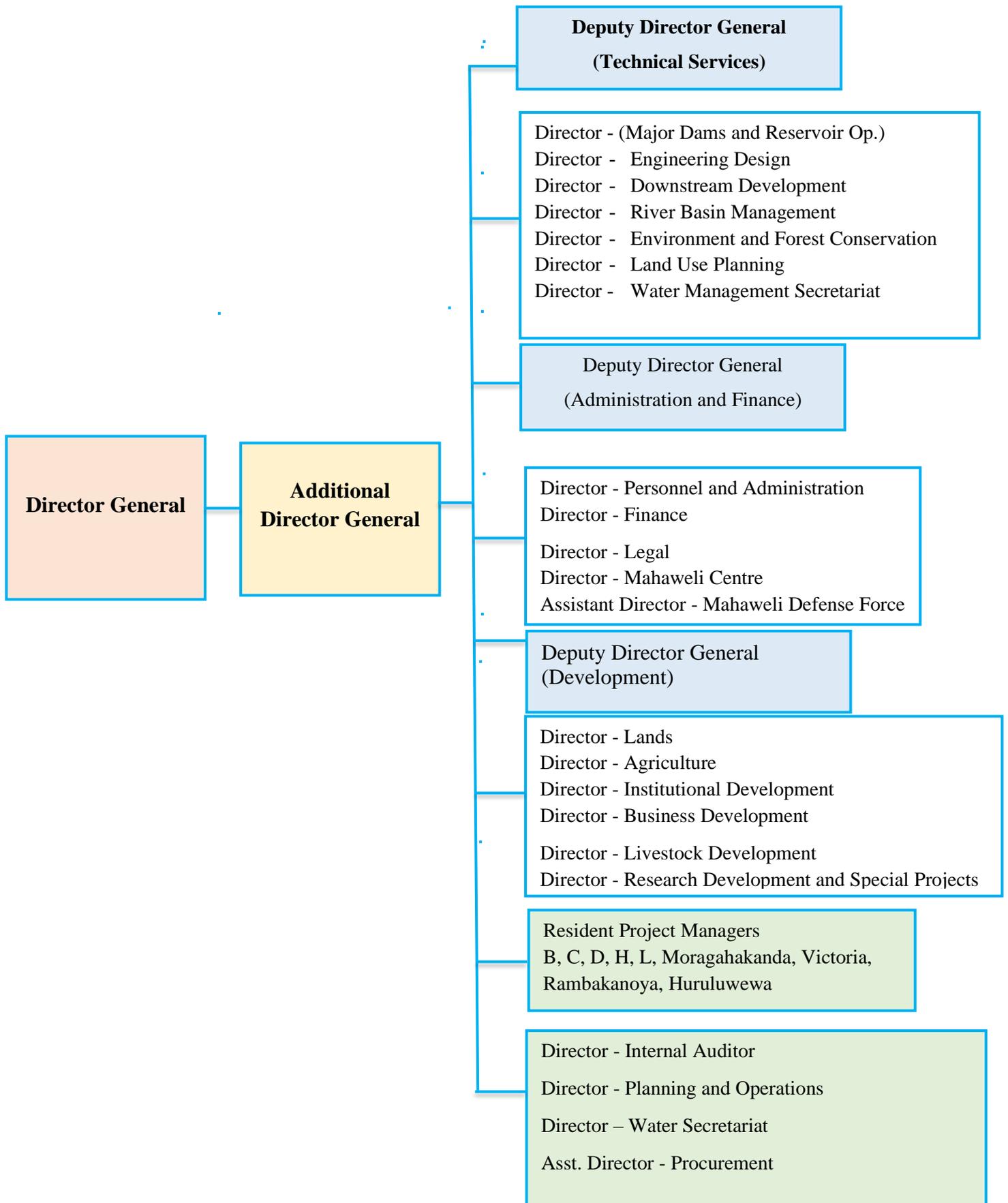
1.2 The Functions of the Mahaweli Authority of Sri Lanka

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 under the theme of "Mahaweli Animal productions for a Prosperous Nation" to 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 Rabbakkanoya 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 reservoirs and raising awareness of the Farmer Organizations

1.3 General Administrative Structure of the MASL



1.4 Mahaweli 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, D, H, Moragahakanda, Victoria and Huruluwewa are established along the Mahaweli river basin and Udawalawe, Weliloya (System ‘L’) and Rambakkan oya Systems have been set up as Special Areas.

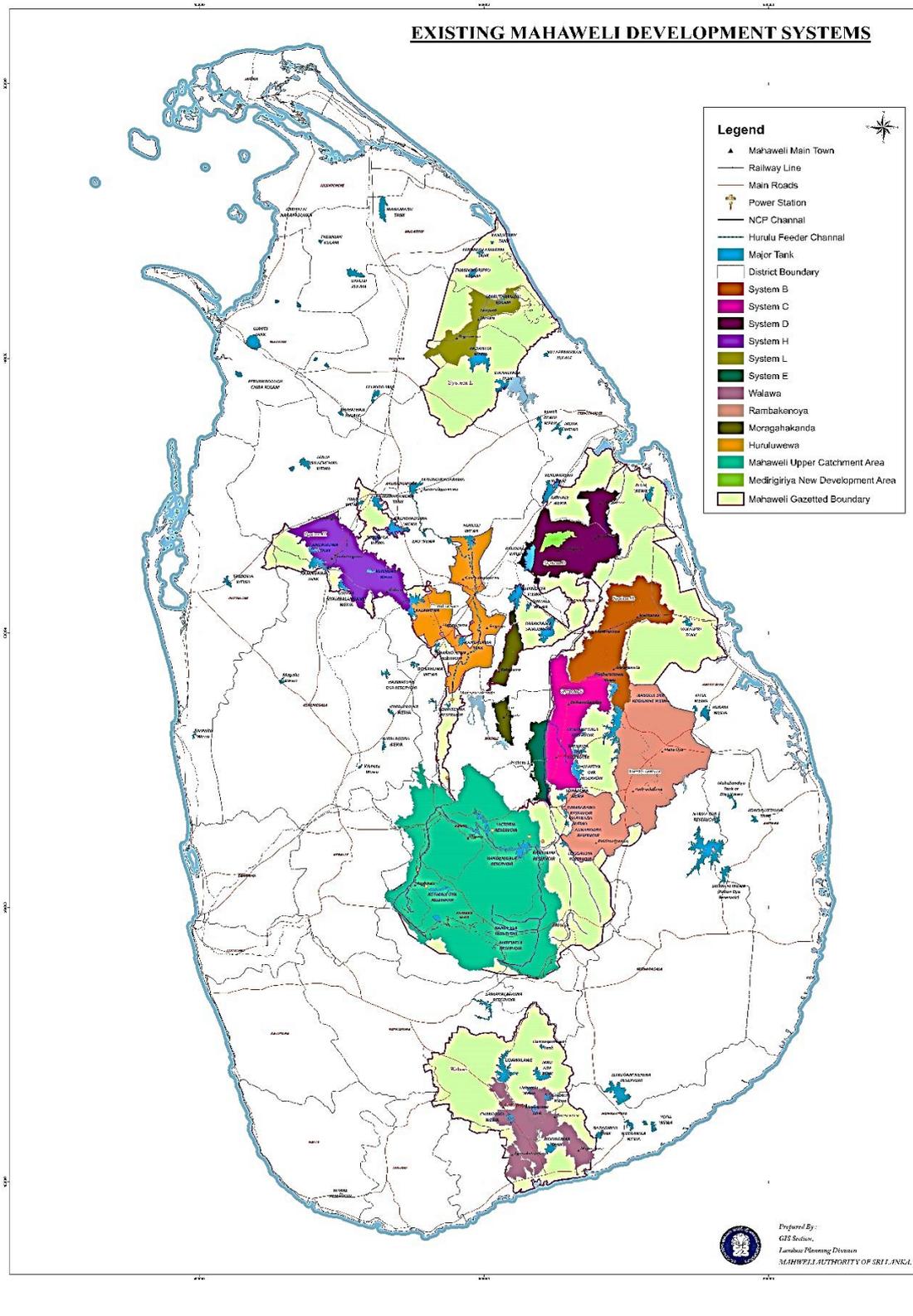
The development and management functions of the Mahaweli Systems and the Special Areas have been delegated to the Resident Project Managers. The Resident Project Managers are required to report directly to the Director General and Additional Director General. They are supported by Directors appointed 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.

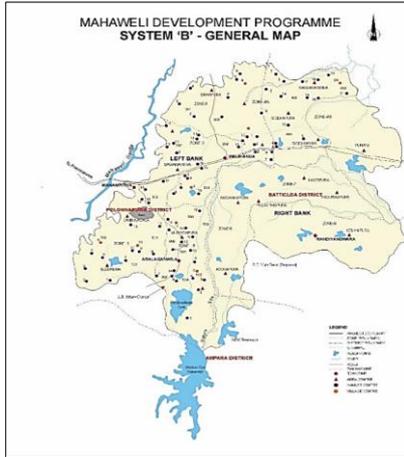
The Resident Project Manager functions as the Chief Executive Officer in respect of each System and Deputy Resident Project Managers are attached as the supervisory officers looking after the technical, land, agricultural and development functions. The Block Office, which comprises a few Units, functions under the purview of the Block Managers and an Irrigation Engineer, Institutional Development Officer, Agriculture Officer and a Land Officer are attached to each Block Office. 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 allotments 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 alienation 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

Mahaweli B Zone could be called as the largest project in the administration districts of Polonnaruwa and Batticaloa and it covers a total land area of approximately 75,441.5 hectares in the lower valley under the Maduru Oya Reservoir. With the objective of irrigation management, the project area is divided into 08 administrative divisions.

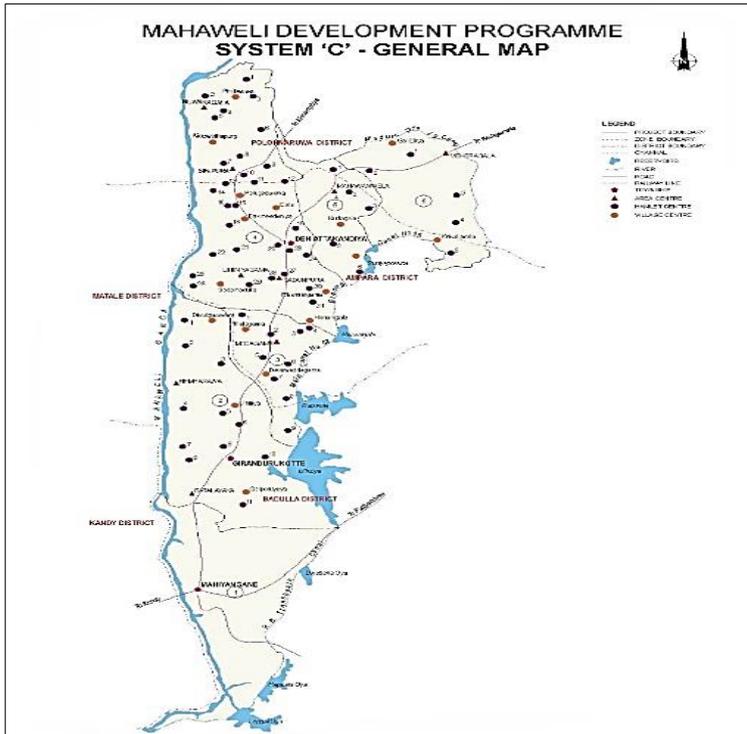
Mahaweli System B is the largest Mahaweli system in the Mahaweli Development Scheme. It covers an area of 94225 hectares. Mahaweli system B is a Mahaweli development zone that started in the period of 1982-1983. This region consists of 08 blocks and has 48 units.

Paddy is the main crop cultivated and other crops are grown to a lesser

extent. 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 zone 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 22 km long. And 77,605km of branch channels are also located. Also, distributary channel is 474.137 km. Also, the field canal in the region is 1117.78 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.

Serial No	Division	Allocation for 2021	Progress as at 31 st December 2021	Progress as at 31 st December 2021 as a percentage (%)
		(Rs. Million)	(Rs. Million)	
1	Technical Services	82.60	79.25	96%
2	Land Division	19.90	19.82	100%
3	Land Use Planning Division	0.66	0.64	98%
4	Institutional Development	53.92	53.22	99%
5	Business Development Division	6.55	6.38	97%
6	Cultural and Sports Division	1.00	0.99	99%
7	Environment and Forest Conservation	6.23	6.23	100%
8	Administration	8.65	8.39	97%
9	Transport Division	11.71	11.71	100%
10	Agriculture Division (Institutional Capital)	40.71	37.51	92%
11	Livestock (ID)	18.44	17.59	95%
	Total	250.37	241.75	97%
1	Agriculture Division (Projects)	50.00	50.00	100%
2	Livestock I Division (Projects)	51.00	50.99	100%
	Total	101.00	100.99	100%
	MCP (Project)	217.00	194.00	89%
	Grand Total	568.37	536.73	94%



System C

Introduction to the System

System “C” which started as a new development zone under the Mahaweli Development Program is bordered by Mahaweli River to the west, Ulhitiya Reservoir and Maduruoya National Park to the east, Mahaweli System B to the north and Mahiyangana area to the south and located within Badulla, Ampara and Polonnaruwa administrative districts. It consist of 31 units under 7 block offices (Giradurukotte, Sandunpura, Siripura, Mahawanawela, Nuwaragala, Weheragala, NawaMedagama) The approximate land area of this region is 30,760 hectares. 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.

Serial No	Block	No of Units	
1	Giradurukotte	7	Giradurukotte, Rotalawela, Millaththewa, Galporuyaya, Hobariyawa, Ginnoruwa, Ulhitiya
2	Medagama	3	Diyawiddagala, Nawamedagama, Henanigala
3	Sandunpura	6	Lihiniyagama, Muwagammana, Sandamadulla, Lathpandura, Bakmeedeniya, Sandunpura
4	Siripura	4	Paludeniya, Mudungama, Paragaaswewa, Vandanaganama
5	Nuwaragala	3	Nuwaragala, Pallegama, Pihitiwewa
6	Weheragala	5	Kajuwatta, Weheragala, Veeralanda, Ulpathwewa, Maldeniya
7	Mahawanawela	3	Mahawanawela, Suriyapokuna, Kudagala
Total		31	

Basic Information about the system:

- Agro – Climatic Zones - DL₁/DL₂/IL₂
- Extent of land cultivated ha. - 22,406
- Home gardens developed - 35,640
- Population of the region - 185,356
- Main crop cultivated - paddy

Serial No	Division	Allocation for 2021 (Rs. Millions)	Progress as at 31 st December 2021 (Rs. Millions)	Financial Progress %	Physical Progress %
1	Technical Services	130.51	130.52	100%	100%
2	Land Division	20.00	20.00	100%	100%
3	Land Use Planning Division	2.11	2.11	100%	75%
4	Institutional Development Division	27.37	27.36	100%	100%
5	Cultural Division	0.48	0.47	98%	100%
6	Business Development Division	4.38	4.38	100%	100%
7	Environment and Forest Conservation	3.45	3.46	100%	100%
8	Administration	5.60	5.60	100%	100%
9	Transport Division	8.05	8.05	100%	100%
10	Agriculture Division	82.00	82.00	100%	100%
11	Livestock (Institutional Capital)	14.99	14.99	100%	100%
	Subtotal - Institutional Capital	298.94	298.94	100%	98%
12	Livestock Division	21.34	21.34	100%	100%
	Subtotal- Projects	21.34	21.34	100%	100%
	Total	320.28	320.28	100%	98%

System D

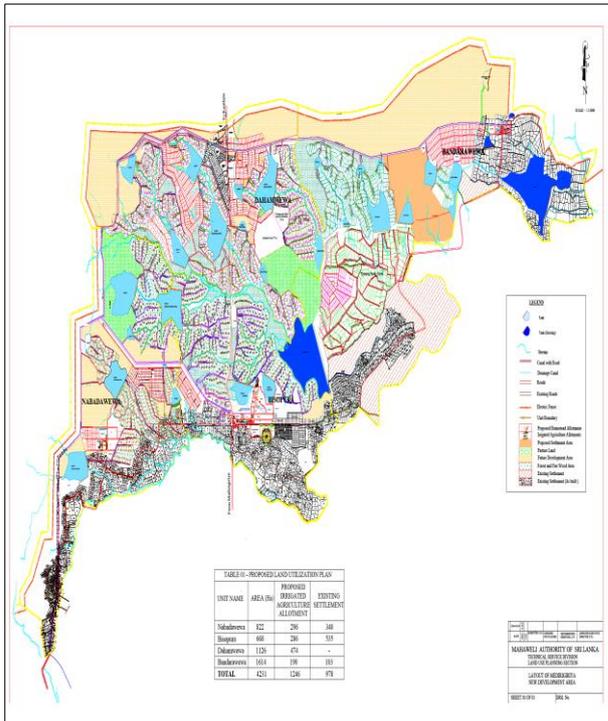
Introduction to the system

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 two Blocks. They are Bisopura and Suriyapura. Bisopura Block was the first Town Center to be built under the Moragahakanda Kalu Ganga Development Project. Bisopura Block consists of 04 units. 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.

Special Projects

There are eleven (11) different divisions administrated by the Residential Project Management Office, Medirigiriya, System D, Mahaweli Authority of Sri Lanka. Namely Technical Services Division, Agriculture

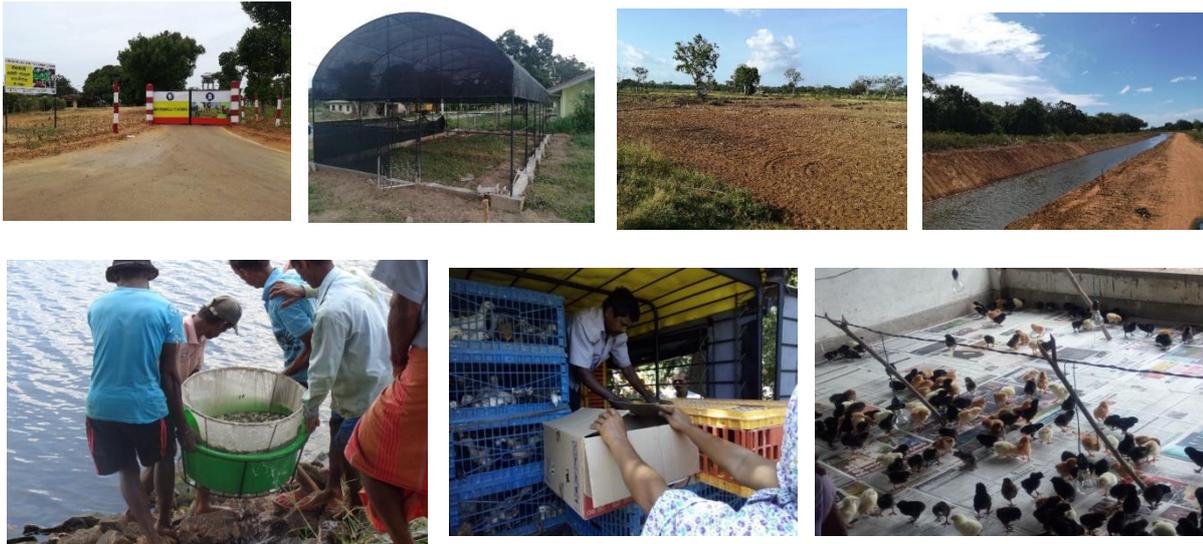


Development Division, Fisheries and Livestock Development Division, Institutional Development Division, Culture and Sports Division, Land Division, Environment and Forestry Division, Business Development Division, Transport Division, Accounts Division and Administration Division contributes to the development of the region



The Technical Service Division contributes to all construction activities related to the region. As the funds for the construction of Midirigiriya New Development Zone is earmarked through Moragahakanda-Kaluganga Development Project, all the capital funds of the Technical Division for the year 2021 had been used to uplift the living conditions of the farmers living in the villages belonging to Bisopura, Suriyapura and Megaswewa blocks. In particular, those allocations were used for improvement of road systems, improvement of the irrigation system, improvement of sports grounds, etc.

The Agricultural Division has focused on all the agricultural needs of the farmers encompassing all the grama niladhari divisions. In particular, a strong commitment is being made to improve the living conditions of the farming community by providing them with training, seed requirement, providing different types of plants and technical knowledge. In addition, the farm in the office premises earns income from the production of fruits and vegetables using organic fertilizers as well as from animal husbandry. Also, the plants produced in the nursery are made available to the farmers at a concessional price. Also, the Agriculture Division has focused on areas that can generate income for farmers such as beekeeping. Currently, there are farmers in the region who are earning a lot of income in this regard, and there is also the possibility of farmers in other regions studying this as a model.



The Fisheries and Livestock Division also provides services for fisheries and livestock development activities covering all grama niladhari divisions. In particular, the division is working to impart extensive knowledge about dairy farming, poultry farming, goat keeping, freshwater fish and ornamental fish farming to those who are engaged in related activities. The fish breeding center which is currently being prepared near the farm site of the office will conduct training programs and produce the required fish fingerlings (larvae, fingerlings) to the farmers at a concessional price. Also, this division has been able to conduct a large number of programs such as training programs related to fisheries and livestock activities, providing necessary equipment after training, and has been able to engender a successful group of farmers in the region.

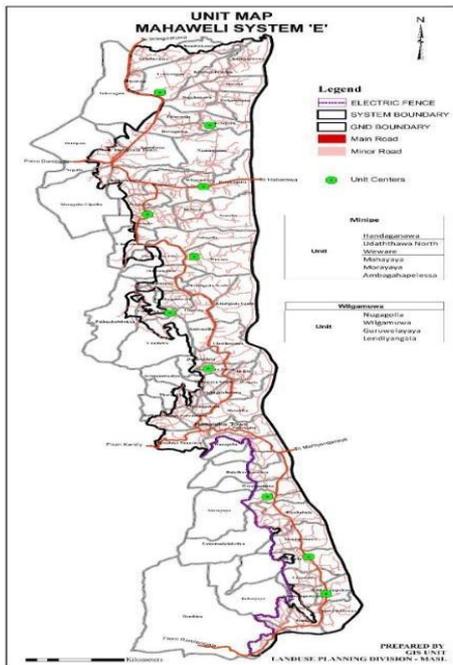
The Institutional Development division is the department that has the potential to foster a closer rapport between the settlers and the Mahaweli Authority. This section fulfills many needs. Medirigiriya System D has also organized many programs for the settlers of the region. Following are some of the programs under the guidance of this divisions

- Strengthening of farmer organizations and fostering of new farmer organizations.
- Conducting various training programs for settlers.
- Women and Youth Development Programs.
- Community development programs.
- Programs such as cultural programs and Mahaweli sports.

Also, the regional land division carries out land administration, land development and ensuring its inheritance to the settlers. The regional environmental division has carried out necessary activities for the conservation of the environment and ensure protection of biodiversity. The role played by the business development division to encourage small and medium scale entrepreneurs and to promote tourism is vast.



Serial No	Division	Allocation for 2021 (Rs. Millions)	Progress as at 31 st December 2021 (Rs. Millions)	Financial Progress %	Physical Progress %
01.	Technical Services Division	31.07	24.20	78%	100%
02.	Institutional Development Division	40.97	40.97	100%	100%
03.	Land Division	19.50	19.40	100%	100%
04.	Business Development Division	2.85	2.74	96%	100%
05.	Environment Division	2.80	2.72	97%	100%
06.	Mahaweli Center	0.58	0.58	96%	100%
07.	Agricultural Division	25.19	23.48	93%	95%
08.	Fisheries and Livestock Development Division	12.45	10.50	84%	95%
09.	Transport Division	1.4	1.40	100%	100%
10.	Administration Division	2.00	2.00	100%	100%
	Sub Total -Institutional Capital	142.71	131.89	92%	95%
Allocation by Projects					
11.	Fisheries and Livestock Development Division	17.9	17.00	95%	95%
	Subtotal - Project	17.90	17.00	95%	95%
	Total	160.61	148.89	93%	90%



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 secretariat divisions were named as Mahaweli System “E” by a special gazette notification. Accordingly, at present 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.

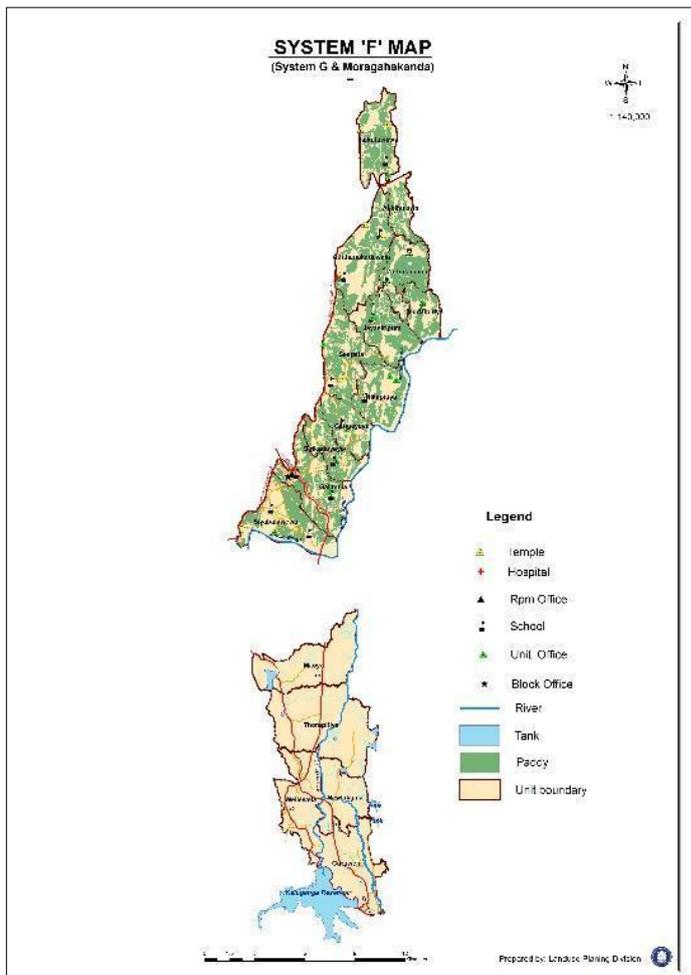
The administrative districts belonging to the System "E" are Matale, Kandy, Nuwara Eliya districts, and land administration activities are carried out only in the areas acquired by the Mahaweli Authority, i.e., Victoria and Kothmale areas. Minipe and Wilgamuwa Blocks that are called Mahaweli System E consist of 10 units (Handaganawa, Morayahasalaka, Ulpathagama, Kolongoda Nugagolla, Wilgamuwa, Hettipoladevagiri Naminigama). A population of 94,108 consisting of 28059 families covering 75 Grama Niladhari divisions live in System “E”. Regarding the agricultural background, the agro-climatic zone belongs to IL2 and the soil group is Reddish brown latasolic soil. The annual total rainfall is about 1500-1,800 mm.

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.

Serial No	Division	Allocation for 2021	Progress as at 31 st December 2021	Progress as at 31 st December 2021 as a percentage (%)
		(Rs. Million)	(Rs Million)	
1	Technical Services Division	56.27	56.27	100%
2	Land Division	20.07	20.07	100%
3	Land Use Planning Division	0.13	0.01	10%
4	Institutional Development Division	10.29	10.29	100%
5	Business Development Division	2.60	2.60	100%
6	Cultural and Media Division	0.01	0.01	100%
7	Forest and Environment Division	1.00	1.00	100%
8	Administration Division	2.15	2.15	100%
9	Transport Division	5.00	5.00	100%
10	Agriculture Division (Institutional Capital)	10.00	10.00	100%
11	Livestock Division (Institutional Capital)	6.99	6.99	100%
	Grand Total (Institutional Capital)	114.51	114.39	100%
1	Livestock (Projects)	6.85	6.00	88%
	Total (Projects)	6.85	6.00	88%
	Grand Total	121.36	120.39	99%



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 Kaluganga 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 Vallengela block was created for the administration of the left bank of the Kaluganga and Guruwela for the administration of the south bank in 2012.

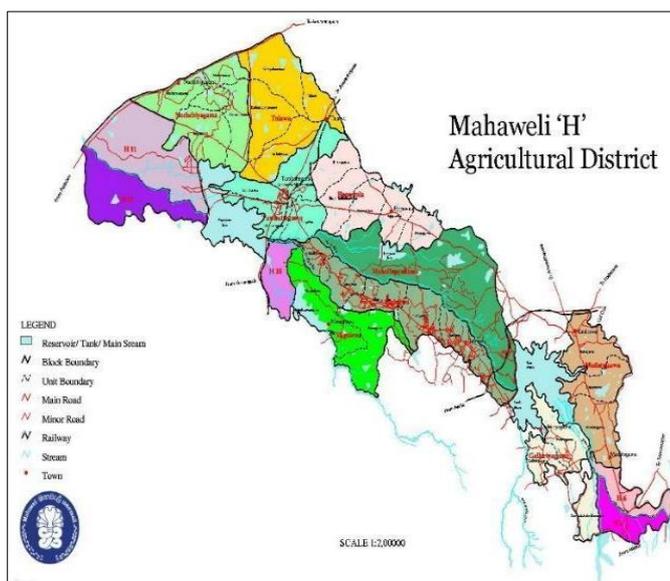
The Moragahakanda system extends over 15,058.41 hectares and is bordered by Diyabeduma - Katukaliawat in the north, Kalugaganga - Vasmamuwa in the east, Knuckles range in the south and Giritale – Minneriya Forest Reserve in the west. Moragahakanda region belongs to Polonnaruwa District in North Central Province and Matale District in Central Province.

● Districts in which System is located	-	Polonnaruwa and Matale
● Total Land area	-	30,889 ha
● Developed area	-	19,670 ha
● Blocks	-	04
● Unit Offices	-	17
● No of families	-	13,462
● Population	-	55,885
● No of farmer organizations	-	62
● No of women's small groupings	-	73

Activities

- By transferring the ownership of the irrigation system, turning farmer organizations into community based legal entities that optimally ensures safety, securing, operation and maintenance of the system and works to increase productivity by managing the limited water available.
- Transforming farmer organizations to be the entities beholden to environmentally friendly farming community 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.
- Transforming farmers' organizations to be the highest economic unit at the ground level for agricultural entrepreneurs who cater their products according to domestic and foreign market requirements, introduce new agricultural products as finished goods that can add value and maximize profits, and work towards this goal.
- Along with Packaging, warehousing of agricultural products, develop farmers' organizations to become a market promoter that can compete for higher prices along with various marketing chains and work towards achieving it.
- Harnessing strengths of farmer organizations to be the grassroots organization that engenders a farming community full of knowledge, virtue and gratitude and patriotism that gives priority to the rights as well as the duties with affinity for the canals, dams, tanks that make up our heritage and conserve water
- Making farmers' organizations as an entity dedicated to create a serene, civilized society that acts according to Buddhist practices that secures and maintains the social values and value systems that safeguard our traditional cultural heritage and work towards achieving it.
- To engender a group of energetic young people with physical and mental health who have the wherewithal to bear victory and defeat equally and raising them up to the national and international level through sports and to act towards achieving it.

Serial No	Division	Allocation for 2021	Progress as at 31 st December 2021	Progress as at 31 st December 2021 as a percentage (%)
		(Rs Millions)	(Rs Millions)	
1	Technical Services Division	29.20	29.20	100%
2	Land Division	15.80	15.80	100%
3	Land Use Planning Division	10.00	10.00	100%
4	Institutional Development Division	26.50	26.50	100%
5	Business Development Division	5.50	5.50	100%
6	Cultural and Media Division	0.50	0.50	100%
7	Forest and Environment Division	5.00	5.00	100%
8	Administration Division	10.13	10.10	100%
9	Transport Division	6.00	6.00	100%
10	Agriculture Division (Institutional Capital)	24.93	24.63	99%
11	Livestock Division (Institutional Capital)	8.99	8.99	100%
	Grand Total (Institutional Capital)	142.55	142.22	100%
1	Agriculture (Projects)	50.00	48.70	97%
2	Livestock (Projects)	10.10	10.10	100%
	Grand Total	202.65	201.02	99%



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.

Districts	02	No of Tanks	127
GN Divisions	144	No. of Farmers' Organizations	225
Villages	576	Area of the System	57,225.49 ha
Divisional Secretariats	10	No. of Families	74,096
Block Offices	07	Population	229542
Unit Management Offices	22	Representation of System H in the total population of Sri Lanka	1%
Average temperature	28 C ⁰	Representation of System H in the total population of Anuradhapura	23%
Average Rainfall	900-1,100mm	Total length of channel for management of irrigation water	2,481 Km
Agro-ecological zone	DL1b		
Main Soil Group	Red brown soil		
Capacity of main water source	Kalawewa 100,000acft		
Diversion water source	Kothmale		
Area of irrigated land in the region	25,390 ha		

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.

To support the food security of the country, the area of 25,390 hectares of irrigated land is mainly cultivated by the agriculture division to suit the national needs as much as possible and to increase the productivity of home gardens.

For the year 2021, the annual capital allocation under the project expenditure head is Rs. 100.00 million, and the annual financial allocation under the project expenditure head is Rs. 70 million.



The progress of crop production in System H in 2021 and the contribution of Mahaweli System H to the national production

Crop	2021 Yala Season			2021/22 Maha Season		
	Cultivation Target (ha)	Cultivation Progress (ha)	Yield (MT)	Cultivation Target (ha)	Cultivation Progress (ha)	Yield (MT)
Paddy	10156	16910	87932	21755	11719	60938.8
Corn	454	287.9	2303.2	564	64	512
Finger Millet	55	19.4	34.92	25	6	10.8
Soya	4500	2252	4504	254	21.6	43.2
Green Grams	250	186.5	242.45	32	5	6.5
Black grams	200	82.7	124.05	73	2	3
Cowpea	268	124	161.2	57	3	3.9
gingelly	35	49.1	34.37	7	1	0.7
Peanuts	250	91.1	182.2	0	0	0
Big onions	250	206.7	5167.5	2	1.5	37.5
red onions	0	1.5	22.5	0	0	0
Chilli	125	102.2	1022	107	18	180
fruits	1769	1536.5	15365	1479	1376.6	13766
Vegetables	1412	1380.3	20704.5	881	328.5	4927.5
Potato crops	166	102.3	1023	121	207	2070
other crops	258	287.7	2301.6	33	416.9	3335.2

2021 Mahaweli System H contribution of major crops to national production and the expansion programs carried out in that regard -2021

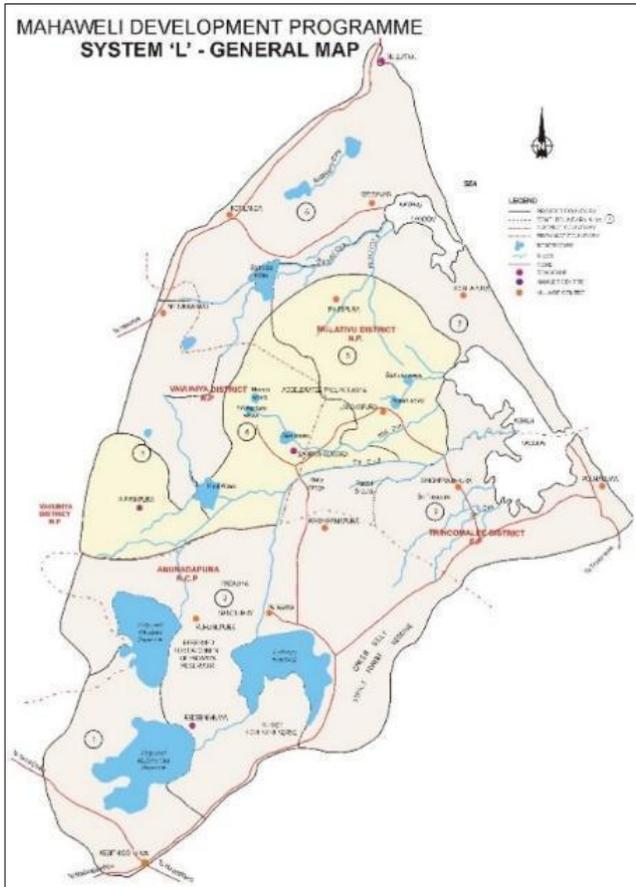
Promotion of paddy cultivation



22 field programs were carried at the unit level, under which the following programs were implemented.

Serial No	Program	Number	Number of Beneficiaries
01	Integrated Pest Management Programs	24	605
02	Crop Clinics	19	210
03	Field Day Programmes	7	295
04	Delivering parachute discs	50000	125
05	Farmer training programs	28	827
06	Crop surveys	66	66
07	Training programs for enhancement of crop yield	32	976

Serial No	Division	Allocation for 2021	Progress as at 31 st December 2021	Progress as at 31 st December 2021 as a percentage (%)
		(Rs Millions)	(Rs Millions)	
1	Technical Services Division	169.03	169.03	100%
1	Land Division	26.10	26.10	100%
3	Land Use Planning Division	0.20	0.20	100%
4	Institutional Development Division	56.65	56.65	100%
5	Business Development Division	8.00	8.00	100%
6	Cultural and Media Division	1.35	1.35	100%
7	Forest and Environment Division	4.63	4.63	100%
8	Administration Division	7.50	7.50	100%
9	Transport Division	13.00	13.00	100%
10	Agriculture Division (Institutional Capital)	70.00	70.00	100%
11	Livestock Division (Institutional Capital)	23.94	23.94	100%
	Grand Total (Institutional Capital)	380.40	380.40	100%
1	Agriculture (Projects)	100.00	100.00	100%
2	Livestock (Projects)	31.41	31.41	100%
	Total (Projects)	131.41	131.41	100%
	Grand Total	511.81	511.81	100%

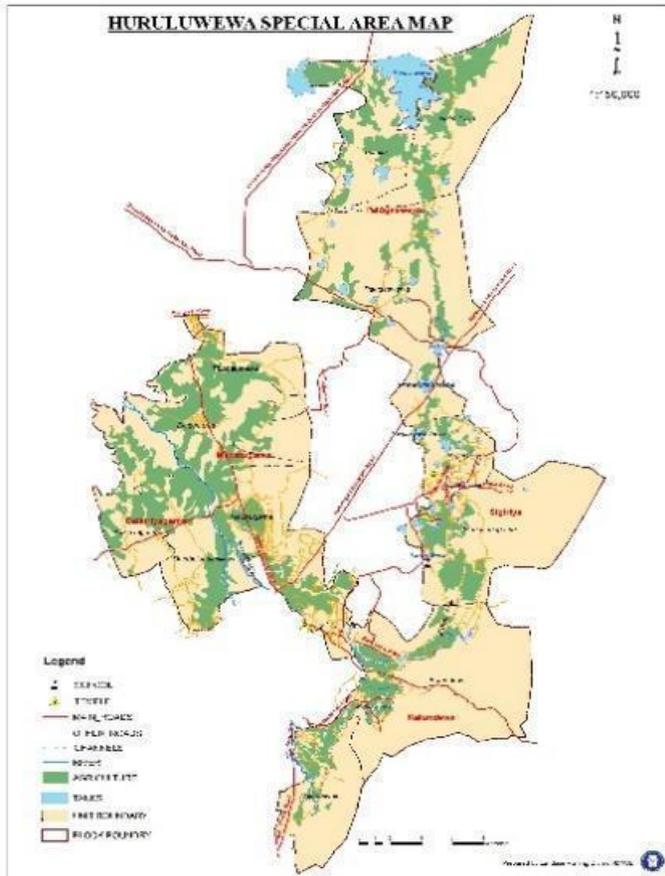


System L

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 7711 families had been settled. 24 small tanks have been constructed to irrigate 2359 acres 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.

Serial No	Division	Allocation for 2021	Progress as at 31 st December 2021	Progress as at 31 st December 2021 as a percentage (%)
		(Rs Millions)	(Rs Millions)	
1	Land Use Planning Division	1.00	0.34	34%
2	Forest and Environment Division	7.56	0.38	97%
3	Agriculture Division (Institutional Capital)	67.75	52.84	78%
4	Livestock Division (Institutional Capital)	10.12	5.00	49%
	Grand Total (Institutional Capital)	86.43	58.56	68%
1	Livestock (Projects)	13.75	5.38	39%
	Grand Total	100.18	63.94	64%



Huruluwewa Special Area

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. Accordingly, there are 49 Grama Niladhari Divisions in the Kekirawa, Palagala 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.

Main Objectives of the Project

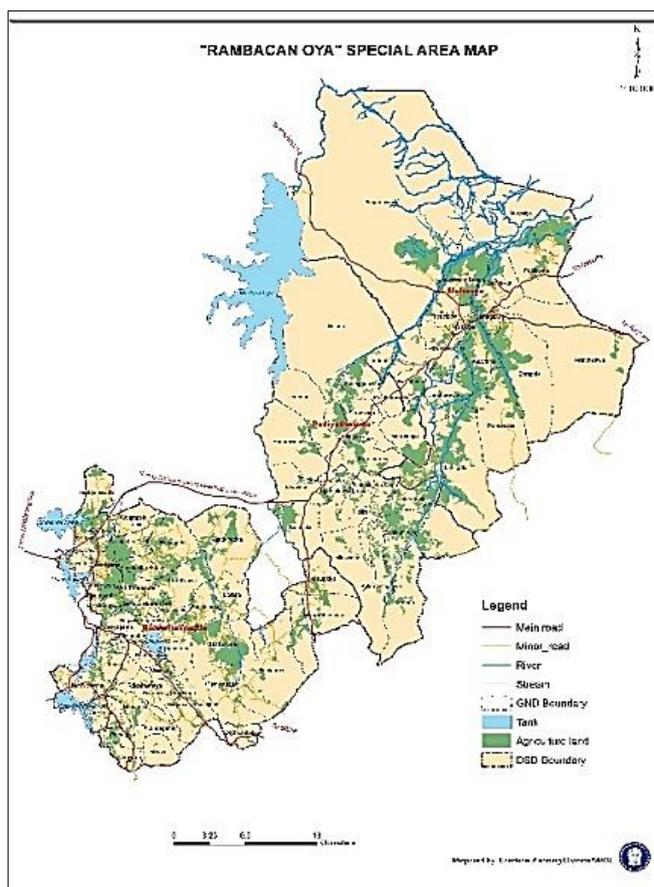
Making the Mahaweli water diverted from Polgolla to Bowatenna to flow to Huruluwewa without any hindrance through 33 km long Huruluwewa feeder canal and Yan Oya from the Lenadora tunnel outlet

- Carrying out agricultural and community development activities in such a manner that the systemic cultivations carried out in the banks of

Huruluwewa feeder canal area may get maximum productivity

- Contribute to irrigation, land, agriculture, and community development as well as environmental activities and persuading farmers to maximize productivity from the water supplied to Madatugama and Galkiriyagama blocks from Kandalama reservoir and Dambuluoya reservoir to enhance their economy.

Serial No	Division	Allocation for 2021	Progress as at 31 st December 2021	Progress as at 31 st December 2021 as a percentage (%)
		(Rs Millions)	(Rs Millions)	
1	Technical Services Division	63.15	48.23	76%
2	Land Division	10.00	9.18	92%
3	Institutional Development Division	15.43	13.82	90%
4	Business Development Division	1.40	1.40	100%
5	Cultural and Media Division	0.62	0.61	99%
6	Forest and Environment Division	3.00	2.96	99%
7	Administration Division	2.12	2.09	99%
8	Transport Division	4.00	3.43	86%
9	Agriculture Division (Institutional Capital)	35.73	35.73	100%
10	Livestock Division (Institutional Capital)	6.87	6.87	100%
	Grand Total (Institutional Capital)	142.32	124.31	87%
1	Agriculture (Projects)	20.00	19.04	95%
2	Livestock (Projects)	12.95	11.66	90%
	Total (Projects)	32.95	30.70	93%
	Total	175.27	155.02	88%



Rambakan Oya Special Area

Introduction to the System

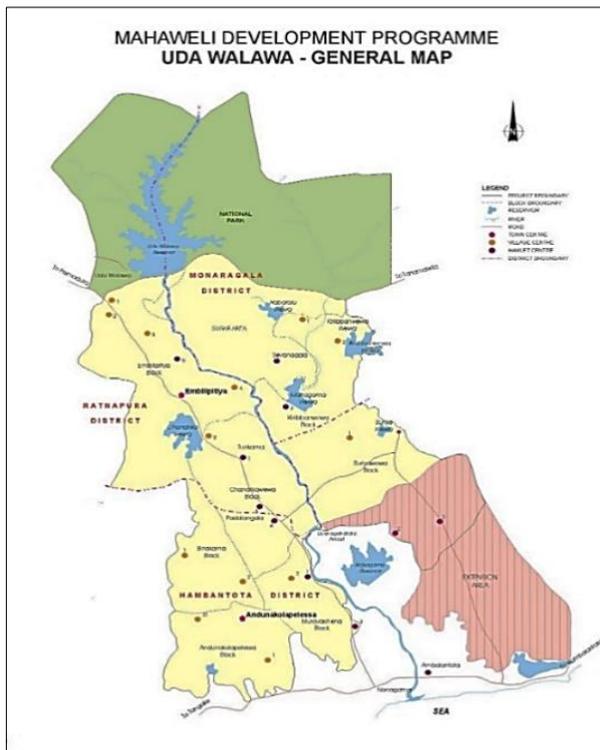
This area has been declared as a Special Project Area under Section 3/1 of the Mahaweli Authority Act No. 23 of 1979 by the Extraordinary Gazette Notification of the Democratic Socialist People's Government of Sri Lanka No. 1130 (13) dated 07-05-2000. Accordingly, it was declared that the Mahaweli Authority 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 Rambakan Oya Reservoir Project is carried out by the Mahaweli Authority of Sri Lanka.

Rambakanoya 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. In 2021 total population of the area is 110,502 and total number of families are 35,102.

Mahaweli Authority of Sri Lanka established a Resident Project Office in Mahaoya area. 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 archeological ruins and ancient Buddhist temples as well.

Serial No	Division	Allocation for 2021	Progress as at 31 st December 2021	Progress as at 31 st December 2021 as a percentage (%)
		(Rs Millions)	(Rs Millions)	
1	Agriculture Division (Institutional Capital)	17.60	15.40	88%
2	Livestock Division (Institutional Capital)	6.69	6.65	99%
	Grand Total (Institutional Capital)	24.29	22.06	91%
1	Livestock (Projects)	15.50	12.00	77%
	Grand Total	39.79	34.05	86%



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

Serial No	Division	Allocation for 2021(Rs Millions)	Progress as at 31 st December 2021(Rs Millions)	Progress as at 31 st December 2021 as a percentage (%)
1	Technical Services Division	74.05	73.71	100%
2	Mechanical Workshop	10.45	10.39	99%
3	Lands Division	18.80	18.56	99%
4	Land Use Planning Division	64.00	62.63	98%
5	Institutional Development Division	27.52	27.17	99%
6	Cultural and Media Division	0.43	0.43	100%
7	Business Development Division	4.50	4.50	100%
8	Forest and Environment Division	6.35	6.23	98%
9	Administration Division	4.80	4.66	97%
10	Agriculture Division (Institutional Capital)	26.27	14.22	54%
11	Livestock Division (Institutional Capital)	14.10	12.43	88%
	Grand Total (Institutional Capital)	251.3	234.9	93%
1	Agriculture (Projects)	80.00	57.04	71%
2	Livestock (Projects)	19.20	11.41	59%
	Total (Projects)	99.20	68.45	69%
	Grand Total	350.50	303.32	87%

Financial Progress as at 31-12-2021 – By System

Serial No	System	Allocation for 2021(Rs Millions)	Progress as at 31 st December 2021(Rs Millions)	Financial Progress (%)
1	B	568.37	521.58	91 %
2	C	320.28	320.18	99%
3	D	160.61	149.29	92%
4	E	121.37	120.46	99%
5	G	202.65	201.02	99%
6	H	511.81	501.68	98%
7	Huruluwewa	175.27	146.88	83%
8	Udawalawa	350.47	303.38	86%
9	Rambacanoya	396.79	344.10	86%
10	L	333.18	282.09	84%
	Total	3,140.78	2,890.67	92%

Divisions managed under the direct supervision of the Director General

1. Planning and Operations Division
- 2 Internal Audit Division
3. Water Management Secretariat
4. Procurement Division

01.Planning and Operations 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

Internal Audit Division

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.

- The number of audit reports prepared as per internal audit plan are 28
- The number of investigation reports issued are 15
- Number of audit and management meetings held
 - Audit Management Committee Meetings at Ministry Level 03
 - Audit Management Meetings at Authority Level 03
- Follow up on responses to internal audit queries and implementation of recommendations made by queries.
- To implement the guidelines and recommendations provided by the Audit and Management Committees, by providing advice through obtaining progress reports.

03. Water Management Secretariat

Water Management Secretariat

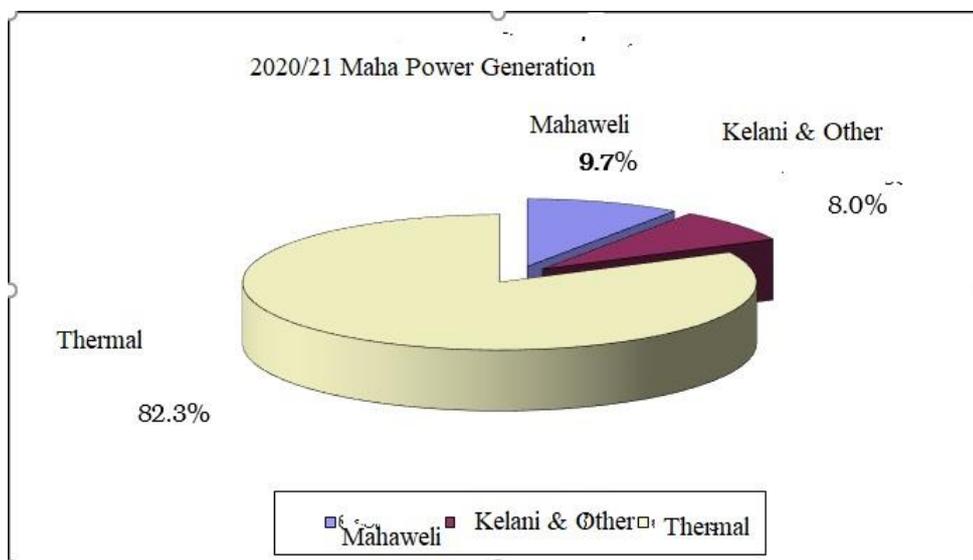
The Water Management Secretariat recommends operating policies for the annual Yala and Maha seasons and prepares operational plans for the Mahaweli system, which is a national program that contributes extensively to the production of paddy and intercropping of crops primarily on the basis of irrigation 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.

Maha Season 2020/21 (Jan 01 2021 – March 31 2021)

The Mahaweli Water Management Committee for the 2020/21 season was held on October 05, 2020 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 77.3% in Kothmale, 77.0% in Victoria, 52.8% in Moragahakanda, . Huruluwewa belonging to MH zone 35.0% as of January 01, 2021, Maduruoya belonging to zone B 42.7%, and Walawa zone 41.1%.

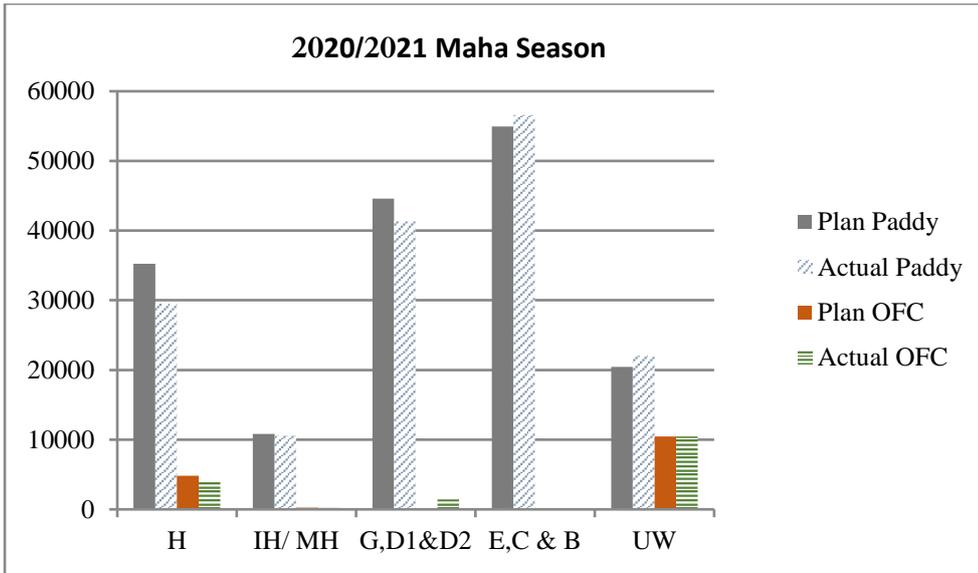
Accordingly, the total cultivated area in the 2020/21 season was 191,561 hectares, which was about 98% of the total. Due to the fact that the second inter-monsoon and north-east monsoon rains had not arrived in the expected areas, it was informed to delay the release of water and accordingly the release of water had to be delayed until the middle of November for B,C, Walawa regions.

During this season, 380.9 gigawatt hours were generated from the Mahaweli system and 313.0 gigawatt hours from the Kelani system. The first diagram shows how the power generation was during the 2020/21 Maha season.



First Diagram

The second diagram shows the 2020/21 maha season sowing plan and its progress in the zones under the Water Management Committee.



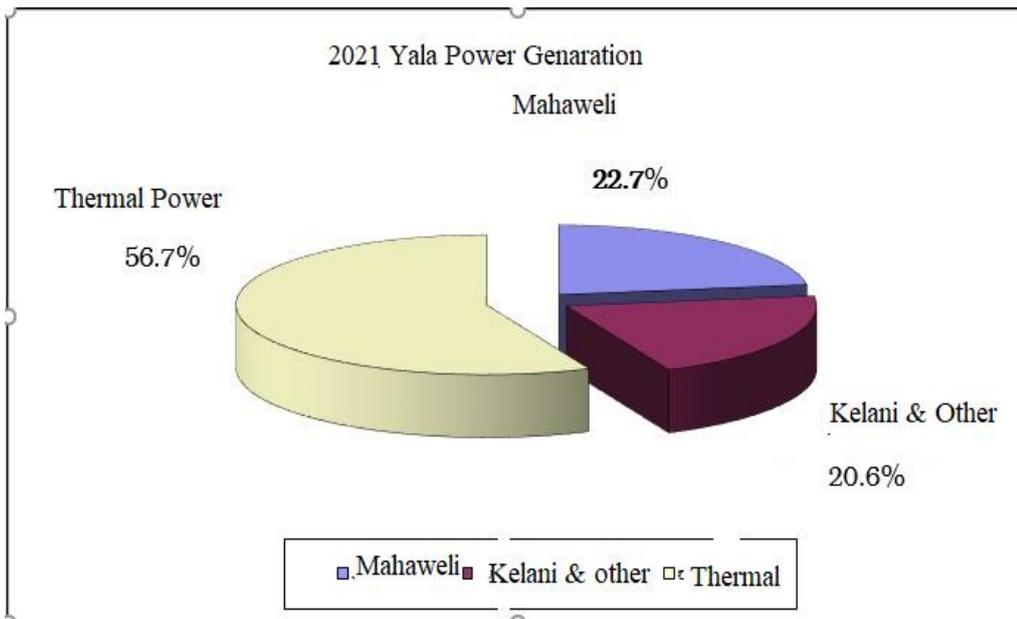
Second Diagram

2021 Yala Season (April 01 2021 – 30 September 2021)

The Mahaweli Water Management Committee meeting for the 2021 yala season was held on March 05, 2021 at the Plant and Genetic Resource Center, Gannoruwa, Peradeniya. At that time, the active water level of Kothmale reservoir was 62.9%, Maduru Oya 93.2%, Kalawewa 56.1%, Huruluwewa 71.3% and Parakrama Samudra water level was close to the maximum water level of 98.1%.

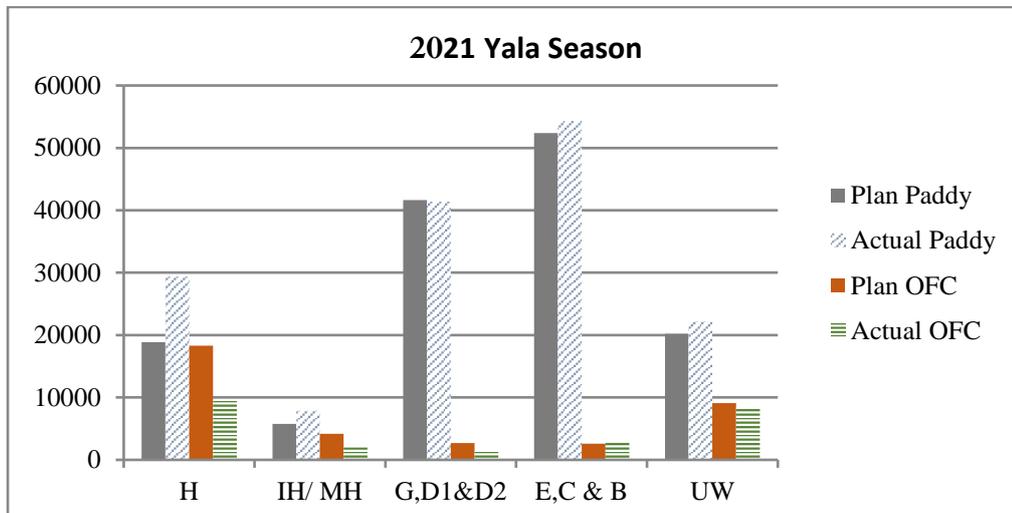
Therefore, a maximum cultivation of about 96% was expected as a whole and 100% was suggested for Parakrama Samudra, D01 system and Allai. Accordingly, the total cultivated area in the 2021 yala season was 184,419 ha which was approximately 96% of the total cultivation level.

During this season, 1567.1 gigawatt hours of electricity was generated from the Mahaweli system. The third diagram shows how the electricity generation was during the 2021 yala season



Third Diagram

The fourth diagram shows the planning of the 2021 yala season in the regions under the water management committee and the progress achieved.



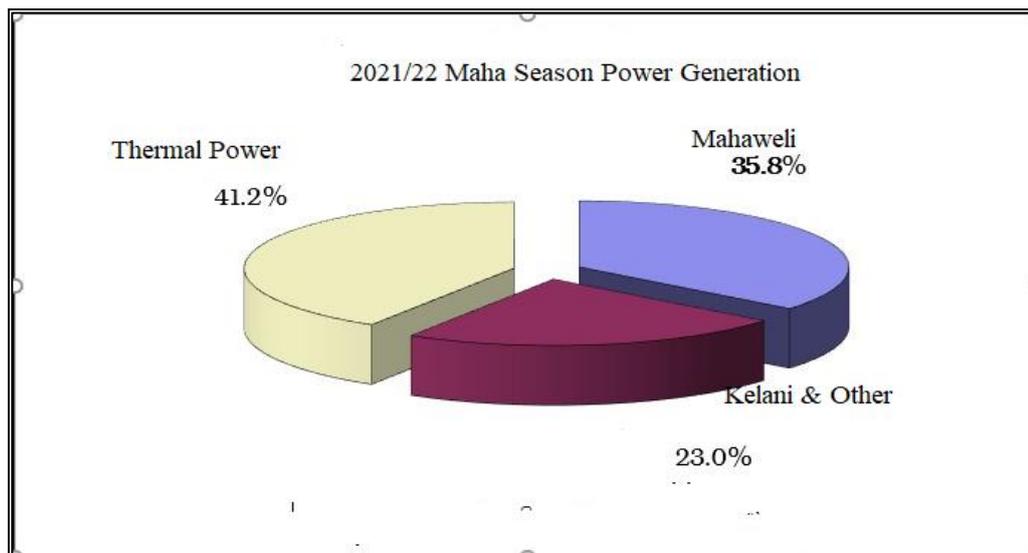
Fourth Diagram

Maha Season 2021/2022 (from October 1st 2021 to 31st December 2021)

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 by that time the active water levels were at 72.1% in Kothmala, 78.9% in Victoria, 73.1% in Walawa, and 19.3% in Huruluweva. Maduru Oya was 49.5%.

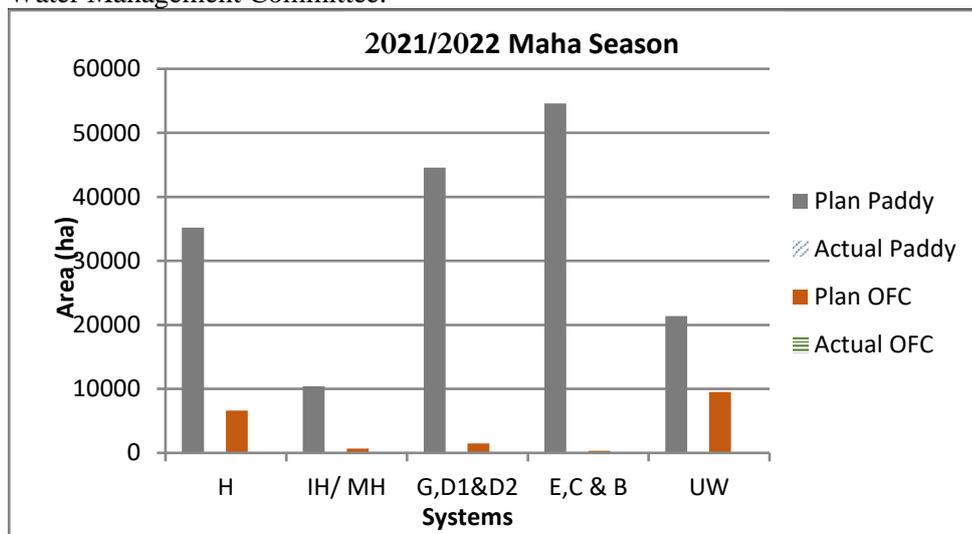
Due to the fact that the second inter-monsoon and north-east monsoon rains had arrived in the expected areas, it was possible to prompt the release of water in Zones H, D 02, and Walawa by the 1st week of November 2021. Accordingly, the total cultivated area in the 2021/22 season was 194,639 ha. which was about 100 % overall.

During this season, 1194.1 gigawatt hours were generated from the Mahaweli system and 767.8 gigawatt hours from the Kelani system. The fifth diagram shows how the power generation was during the 2021/22 maha season.



Fifth Diagram

The sixth diagram shows the 2021/22 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

2.1 Technical 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 2021

- Integrated Development Project (System B)
- Rideemaliyadda Development Project
- Rambakenoya Development Project
- Welioya Integrated Development Project
- Establishing solar power plant projects on dry cultivation lands and Tanks Providing Guidance for setting up small hydropower plants

Furthermore, efforts were made to improve the sources of income of the Mahaweli Authority of Sri Lanka through the following measures,

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

For the year 2021, the budget allocated by the Treasury for each System is as follows

Serial No	Projects/ System/ Division	Allocation to T.S.Division for the Year 2021(Rs.Mn).	Financial Progress year 2021 (Rs. Mn)	Financial Progress %	Physical Progress %
1	Project	807.00	712.01	88.23%	93.81%
2	Systems	638.88	611.88	95.77%	98.30%
	Sub Total (1+ 2) (Downstream Development Division)	1,445.88	1323.39	91.52%	95.79%
3	River Basin Management Division	3.15	3.15	100.00%	97.00%
4	Major Dams and Reservoir Operations Division	360.00	360.00	100.00%	100.00%
	Subtotal (3+ 4)	363.15	363.15	100.00%	99.97%
	Grand Total Sub Total (Technical Services Division)	1,809.03	1,686.54	93.22%	96.63%

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 2020, the budget allocated by the Treasury for each System and project is as follow.

Serial No	Project	Total Estimated Investment Amount (Rs. Mn)	Cumulative Expenditure till 31 st December 2021 (Rs. Mn)	Allocation for 2021 (Rs Mn)	Expenditure for 2021 (Rs. Mn)	Financial Progress for 2021 %	Physical Progress for 2021 %
1	Integrated Development Project (System B)	4,910.00	4749.55	217.00	194.00	89.40%	90.00%
2	Rideemaliyadda Development Project	1,100.00	836.58	165.00	137.45	83.30%	92.00%
3	Rambakenoya Development Project	1086.00	660.01	192.00	172.60	89.90%	92.00%
4	Welioya Integrated Development Project	3,957.00	2496.72	233.00	207.96	89.25%	93.00%
	Total (Projects)	11,053.86	8,742.86	807.00	712.01	88.23%	93.81%

(2) Institutional Capital

Serial No	System	Allocation to T.S. Division for the Year 2021 (Rs. Mn)	Financial Progress year 2021 (Rs Mn)	Financial Progress %	Physical Progress %
1	System B	82.60	79.25	96.00%	100.00%
2	System C	130.51	130.52	100.00%	100.00%
3	System D	31.07	24.20	78.00%	85.00%
4	System G	29.20	29.20	100.00%	100.00%
5	System H	169.03	169.03	100.00%	100.00%
6	Walawa System	74.05	73.21	100.00%	100.00%
7	Huruluwewa Special Area	63.15	48.23	76.00%	92.00%
8	Victoria Area	56.27	56.27	100.00%	100.00%
9	Head Office (Tech Services)	3.00	1.47	49.00%	60.00%
	Sub-Total 2 (Systems)	638.88	611.38	96.00%	98.30%
	Subtotal (1+2)	1445.88	1323.89	91.56%	95.80%

(3) Special functions and contribution to the national economy

- Uplifting living conditions of farmers by rehabilitating rural tanks through Waari Saubhagya (prosperity through irrigation) Program
- Facilitating education by providing school buildings etc.
- Providing better infrastructure by repairing roads.

2.1.2 Engineering Design and Planning Division

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.

Maduru Oya Right Bank Development Project

Measuring Weir

Type drawings required for a measuring weir were presented in relation to the right canal which carries water from the Madurumbaya Reservoir along the main canal system.

structures in underground sewer channel

Designs and plans were submitted for 2 structures in the following locations of the underground sewer channel in relation to the Right Canal.

- ❖ 6+728 KM
- ❖ 7+525 KM

Walawa Special Area

- New amendments related to all the necessary processes for the construction of the Agunakola Palassa Bus Stand was provided with plans and designs to carry forward the work.
- Prepared landscape design plans and relevant engineering estimates related to Agunakola Palassa market complex.
- The designs related to the 15th distribution canal under the left bank of Walawa were reviewed and submitted.

System L – Welioya

- Basic engineering design in relation to the outer spill/ Embankment of the Kivuloya project
- The necessary engineering designs and plans were provided for the development activities through the System L Residential Project Management Office.
- Under the Prosperity through Irrigation (Vaari *Saubhagya*) Project, 23 tanks were studied and engineering designs and plans were submitted for 7 tanks. They are as follows.

(i) Bogaswewa

- ✓ Designs of structures related to the development of Distribution Channel
- ✓ Designs (BOP) for structures and field canals related to paddy land area

(ii) Ruwan Maduwa Tank

- ✓ Designs (BOP) for structures and field canals related to paddy land area
- ✓ (BOP)
- ✓ outer spill
- ✓ sluice

(iii) Kohombalagaswewa

- ✓ outer spill
- ✓ sluice
- ✓ Designs (BOP) for structures and field canals related to paddy land area

(iv) Salalihinigama No 01

- ✓ outer spill
- ✓ sluice

(v) Salalihinigama No 0 2

- ✓ outer spill
- ✓ sluice
- ✓ Embankment

(vi) Namalgama No 03

- ✓ outer spill
- ✓ sluice
- ✓ Embankment

(vii) Kudadikwewa

- ✓ outer spill
- ✓ sluice
- ✓ Embankment

Along with necessary rehabilitation works

Engineering designs and plans for the remaining 16 tanks are to be submitted in 2022.

Data required for preparation of Environmental Impact Reports (EIA) for the following tanks were provided.

- ✓ Kudadikwewa
- ✓ Dikwewa
- ✓ Namalgama 02
- ✓ Dunkuduneruwa
- ✓ Ruwanmaduwa
- ✓ Mahakambiliyawa
- ✓ Puranamaya

System Moragahakanda

All the architectural and structural engineering designs and plans related to the landscape design of the land adjacent to Bakamuna bus stand and bus stand itself were submitted.

Moragahakanda Kaluganga Project

For Measuring Weir

The necessary engineering designs and plans were prepared for the construction of a measuring weir for the Right Canal leading from the Kaluganga Reservoir to the paddy fields.

Outer Spill for Lower channel

Designs and plans were submitted for the proposed structure at 0+000 Km to drain the water into outer spill for level crossing 01

Ambana Water Purification Project

Prepared and submitted engineering designs and plans.

Polgolla Diversion - (Designing of Retaining wall)

The designs and plans related to the retaining wall to be built in the Polgolla diversion area to prevent erosion of the bank were completed.

contribution to Mini Hydro Power Schemes

The requests made by the relevant institutions for the Morana and Kiwula power projects were reviewed and the necessary technical proposals and ideas were submitted.

Proposed Kandakaduwa and Muthuwalla – System B

Sinhapura division of Mahaweli B region had been selected for investment projects in agriculture, animal husbandry and allied industries. Therefore, preliminary engineering designs and plans were prepared for the proposed projects of Kandakaduwa (1825 hectares) and Muthuwella (146 hectares).

System E

Development of Malbowatta Canal

The emergency flood situation in the Malbowatta Canal, a tributary of the Mahaweli River, belonging to the Malbowatta Estate, near Hatton Dikoya, was studied and a report was prepared including short-term and long-term solutions.

Other Activities

- ✓ Preparation of plans for the driver's dormitory in front of Mahaweli head office
- ✓ Designing and making estimates for the toilet systems for schools in Mahaweli zones
- ✓ Submitting the necessary estimates for building toilet systems for low-income Mahaweli colonists

Training

Five amateur engineers were trained for the chartered engineering entrance for the year.

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

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 up



- 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 2021 **by charging fees** is Rs. 1,148,307.00. Out of which in the year 2021, an amount of Rs. 880,802.00 was received and the remaining amount of Rs. 267,505.00 is to be received.
- In addition, an amount of Rs 155,320.00 has been received in 2021 as an advance for the tests to be carried out in 2022.
- Furthermore, the value of the sample tests carried out on behalf of the Mahaweli Authority for gratis is Rs 2,864,485.15. The value is Rs 4,012,792.15.
- The quality control laboratory undertakes necessary measures to maintain the quality of the constructions carried out by the Mahaweli Authority at a high standard. In order to do so laboratory tests are carried out to check the suitability of the construction materials used for construction in Mahaweli systems and field tests are carried out to check the quality of the constructions as requested by the regional offices. If the construction is carried out by contractors or farmer organizations, fees would be charged for inspection.
- In addition to this, soil samples were brought from within the project area and laboratory tests were conducted to identify areas with types of soil suitable for use in the construction work of the Maduru Oya Right Bank Development Project,

- In the year 2021, the value of the tests carried out **by charging fees** is Rs 647,673.23. Out of which, an amount of Rs. 113,090.00 had been received in the year 2021 itself and an amount of Rs. 534,583.23 is to be received.
- In addition, an amount of Rs 6435.00 had been received in 2021 as an advance for the tests to be carried out in 2022.
 - Also, an amount of Rs. 110,200.00 due for the tests conducted in the year 2020 has been received in the year 2021.
 - Accordingly, an amount of Rs 229,725.00 has been received for testing soil samples in the year 2021.
- 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. Accordingly, the value of quality inspections carried out for **gratis in 2021** is Rs. 117,000.00
- Accordingly, during the year 2021, the value of total sample inspections conducted **either by charging fees or for gratis** is Rs. 764,673.23.



1. The progress in the year 2021 regarding above duties is as follows.
Financial Progress

Serial No	Description	Allocation (Rs. Mn)	Progress (Rs. Mn)
1	Capital Expenditure	3.150	3.150
2	Recurrent Expenditure	22.425	21.944

2.2 Contribution to the national economy and society

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

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.

1. Small Scale Hydropower Projects in operation:

S. N	Project	Project Investor	Date of Commencement of Power Generation	Royalty %	Channelized / Natural	Capacity / MW	Income 2021/ Rs.
1	Lenadora	Kent Hydro (Pvt.) Company, No. D/1, Guildford Crescent, Colombo 07.	May 2013	13.0	Channelized	1.40	5,355,347.57
2	Palapatwala (Lenadora)	Energy Generators (Pvt.) Company, No. 69, President Mawatha, Colombo 01.	May 2013	6.0	Channelized	6.00	19,572,394.39
3	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	45,673,497.73
4	Maduru Oya left bank 24+140 km Drainage structure	Eagle Power (Pvt.) Company, No. 09, Modara Lake Industrial Area, Panadura.	November 2013	27.0	Channelized	2.00	20,543,845.82
5	Branford	Branford Hydropower (Pvt.) Company, No. 315, Vauxhall Street, Colombo 02.	April 2013	13.1	Channelized	2.50	5,126,107.83
6	Ross Estate	Ross Hydro Power (Pvt.) Company, No. 11, Joseph Street, Colombo 04.	September 2014	10.0	Channelized	3.80	38,153,624.23
7	Koladeniya	Koladenia Hydropower (Pvt.) Company, No. 344, Sirimangalawatta, Mampe, Piliyandala.	April 2012	6.0	Natural	1.20	1,382,914.37
8	Owala	Escas (Owala) Power (Pvt.) Company, No. 276, Mabima, Heiantuduwa	April 2015	10.0	Channelized	2.80	27,408,230.32

9	Lower Kothmale	Lower Kothmale Oya Hydropower (Pvt.) Company, No. 9/1-5, Royal Mawatha, Colombo 07	June 2014	6.0	Natural	4.80	539,729.00
10	Left bank of Maduru Oya 28+450 km drainage structure (Maduru Oya III)	Eagle Power (Pvt.) Company, No. 09, Modara Lake Industrial Area, Panadura.	August 2015	3.4	Channelized	0.60	966,356.09
11	Dambulu Oya	HPD Power (Ed.) Co., No. 334, T.B. Jaya Mawatha, Colombo 10.	August 2016	10.0	Channelized	3.25	11,076,646.21
12	Ankanda	Escas (Ankanda) Power (Pvt.) Company, No. 276, Mabima, Heiantuduwa	September 2018	10.0	Channelized	6.50	47,623,968.38
Total						39.85	223,422,661.94

2. Small scale hydropower projects to be implemented:

Serial No.	Project	Project Investor	Capacity / MW	Channelized / Natural	Progress
1	Ukuwela	Onyx Hydro Power Company (Pvt.) Co	2.2	Channelized	Generation license should be obtained. The Ceylon Electricity Board has temporarily suspended entering into a Power Purchasing Agreement.
2	Diggala	Escas Diggala Power (Pvt.) Co	4.4	Channelized	Construction work is in progress.
3	Kiwula	Escas Kiwula Power (Pvt.) Co	2.8	Channelized	A new environmental impact assessment report (EIA) must be provided because of the change in design.
4	Nayakkumbura	Ralick Hydro Power Generation (Pvt.) Co	0.5	Channelized	The Environmental Impact Assessment Report has been completed. The Provisional Approval from the Sri Lanka Solar Energy Authority should be extended.

5	Chandrika Lake	Mahaweli Consulting Bureau (Ed.) Co	0.63	Channelized	The Environmental Impact Assessment Report has been completed. The approval of Mahaweli Authority ශ්‍රී Lanka has been requested for further activities.
6	Kumbaloluva I	Norwood Hydropower (Pvt.) Co	2.4	Natural	A land survey is planned 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	Environmental impact assessment report is in progress. Awaiting letter of intent from Ceylon Electricity Board. The issuance of this letter has been temporarily suspended by the Ceylon Electricity Board.
9	Moragolla Small Scale Hydropower Project	Xijian yung Energy Company (Pvt.) Co	2.1	Channelized	Environmental impact assessment report is in progress. Awaiting letter of intent from Ceylon Electricity Board. The issuance of this letter has been temporarily suspended by the Ceylon Electricity Board.
Total			26.18		

Progress of Solar Power Plants

3. Ongoing Solar Power Projects:

Serial No.	Investor	Location	Capacity / MW	Area / hectares	Annual Lease Amt / Rs.
1	Saga Solar Power	Walawa / Mayurapura Block	10	18.2109	2,880,000.00
2	Iris Eco Power (Pvt.) Ltd.	Walawa / Mayurapura Block	10	18.5	3,240,000.00
3	Anarchy Lanka	Walawa / Mayurapura Block	10	18.5	3,240,000.00
4	Solar One Ceylon (Pvt.) Ltd.	System "B", Senapura Block	10	19.5	297,600.00

4. Current Status of the Other Solar Power Projects :

S. N	Investor	Location	Capacity / MW	Area / hectares	Annual Lease Amt / Rs.	Description	Current Status
1	Sol Navitas (Pvt.) Ltd.	Walawa / Mayurapura Block	18.2109	10	3,600,000.00	The land was handed over. Board approval was given in 2015. Lease had been paid. Not yet operational.	The relevant letter has been sent.
2	EleXsys Power (Pvt) Ltd.	Walawa / Mayurapura Block	12.14	10	3,874,000.00	The land was handed over. Board approval was given in 2015. Lease is being paid. Not yet operational.	The relevant letter has been sent.
3	Xijiang Yang (Pvt.) Ltd.	Walawa / Mayurapura Block	20.2343	10		It has been submitted for the Minister's approval. The letter of transfer of tenure is addressed to the relevant System	The relevant letter has not been sent as the address is not available.
4	Sri Lanka Sustainable Energy Authority	Walawa / Mayurapura Block	19.6	10		Land will be handed over after payment of lease. Board of Directors approval has been given in the year 2017.	The relevant letter has been sent.
5	Sri Lanka Sustainable Energy Authority	Walawa / Mayurapura Block	20.21	10		Land handed over.	The relevant letter has been sent.
6	Synergy Consolidator	Walawa / Mayurapura Block	9.0639			It has been referred to the Land Division. Not submitted for approval. The documents are not prepared properly.	The letter was returned due to incorrect address.

7	Asian Sun Edition, Asian Sun Power, Asian Active Solar	Walawa / Mayurapura Block	24.281			It has been handed over to the Land Division.	The relevant letter has been sent.
8	McEnergy (Pvt.) Ltd.	Walawa / Mayurapura Block	10.1	5		It has been handed over to the Land Use Planning Division.	The relevant letter has not been sent as the address is not available.
9	Power Consult	Walawa / Mayurapura Block	8.0	5		It has been handed over to the Land Use Planning Division.	The relevant letter has not been sent as the address is not available.
10	Asian Wind Power (Pvt.) Ltd.	Walawa / Mayurapura Block	10	5		It has been handed over to the Land Use Planning Division.	The relevant letter has been sent.
11	Lake Leisure Holdings (Pvt.) Ltd.	Walawa / Mayurapura Block	10	5		It has been handed over to the Land Use Planning Division.	The relevant letter has been sent.
12	Rank Holdings (Pvt.) Ltd.	Walawa / Mayurapura Block	10	5		It has been handed over to the Land Use Planning Division.	The relevant letter has been sent.
13	Green Resource Management (Pvt.) Ltd.	Walawa / Mayurapura Block	10	5		It has been handed over to the Land Use Planning Division.	The relevant letter has been sent.
14	Colombo Logistics (Pvt.) Ltd.	Walawa / Mayurapura Block	20.23	10		Board approval has been received recently.	The relevant letter has been sent.
15	Dudu International (Pvt.) Ltd.	Walawa / Mayurapura Block	10.72	4.9		Board approval has been received recently.	The relevant letter has been sent.

16	Orion Solar (Pvt.) Ltd.	Walawa / Mayurapura Block	10.72	4.9		Board approval has been received recently.	The relevant letter has been sent.
17	Tanish International (Pvt.) Ltd.	Walawa / Mayurapura Block	10.72	4.9		Board approval has been received recently.	The relevant letter has been sent.
18	Tanoo International (Pvt.) Ltd.	Walawa / Mayurapura Block	10.72	4.9		Board approval has been received recently.	The relevant letter has been sent.
19	Nidhanya International (Pvt.) Ltd.	Walawa / Mayurapura Block	10.72	4.9		Board approval has been received recently.	The relevant letter has been sent.
20	Lakmini Gems	Walawa / Mayurapura Block	8.09371	5		Board approval has been received recently.	The relevant letter has been sent.
21	TransGlobe Consolidated (Pvt.) Ltd.	System "B", Aselapura Block	19.8296	9.8		It has been submitted for the Minister's approval. The land has not been handed over.	The relevant letter has been sent.
22	Polonnaruwa Solar (Pvt.) Ltd.	System "B", Aselapura Block	12	5		The process of handing over the land is underway. Instructions had been received to hand over after environmental clearance. Board of Directors approval had been received in 2017.	The relevant letter has been sent.
23	Midland Nature (Pvt.) Ltd.	System "B", Sevanapitiya Block	141.7	100		It has been referred to the Director General to hand over the land. Board of Directors approval had	The relevant letter has been sent.

						been received in 2017.	
24	Awami Solar (Pvt.) Ltd.	System "B", Sevanapitiya Block	10.12	5		Approval for lease has been obtained. Fieldwork has not commenced. Board of Directors approval had been received in 2017. The approval of the Minister had been received. Development work has not commenced. The land was handed back. The land is to be handed over after the payment of lease.	The relevant letter has been sent.
25	Castle A Solar (Pvt.) Ltd.	System "B", Aselapura Block	12	5		The process of handing over the land is underway. Instructions have been received to hand over after environmental clearance. Board of Directors approval had been received in 2017. The approval of the Minister had been received. Development activities have not commenced yet.	The relevant letter has been sent.
26	Fine Energy Solar (Pvt.) Ltd.	System "B", Aselapura Block	10.1171	5		It has been referred to the Director	The letter was returned

						General to hand over the land. Board of Directors approval had been received in 2018. It had been submitted for the Minister's approval. The land has not been handed over.	due to incorrect address.
27	Sun Rise Energy Solar (Pvt.) Ltd.	System "B", Aselapura Block	10.1171	5		It has been referred to the Director General to hand over the land. Board of Directors approval had been received in 2018. It had been submitted for the Minister's approval. The land has not been handed over.	The relevant letter has not been sent as the address is not available.
28	Wesix International	Ransarathanna	70.8			This land is cultivable and hence cannot be recommended. This land is set aside as an agricultural land. If the Deputy Resident Project Manager (T/S) recommends that water is not available for agricultural purposes, the recommendation for this	The relevant letter has not been sent as the address is not available.

						project may be considered.	
29	Neoma Solar (Pvt.) Ltd.	System B	20.2	10		should be referred to the Land Use Planning Division. Approval not received.	The relevant letter has not been sent as the address is not available.
30	Panswick (Pvt.) Ltd.	System B	18.2	10		Board approval had recently been received.	The relevant letter has been sent.
31	Dalton Street Power (Pvt.) Ltd.	System B	20	10		should be referred to the Land Use Planning Division. Approval not received.	The relevant letter has not been sent as the address is not available.
32	Valican Solar	System B, Sinhapura	18.2			Approval not received.	The relevant letter has been sent.
33	Bio Conservation Centre	System B	A distance of 10 km on the ZE canal	4.9		Board approval has been received recently.	The relevant letter has not been sent as the address is not available.
34	J. S. Team (Pvt.) Ltd.	System B	10.72	5		Board approval has been received recently.	The relevant letter has been sent.
35	Ranseth (Pvt.) Ltd.	System B	10.72	5		Board approval has been received recently.	The relevant letter has not been sent as the address is not available.
36	J. M. T. B. Jayasingha	System B	The relevant letter has	The relevant letter has been sent.	The relevant letter has been sent.	The relevant letter has been sent.	The relevant letter has been sent.

			been sent.				
37	Eco Solar One (Pvt.) Ltd.	Need to check if this company belongs to Wesix International.					The relevant letter has been sent.
38	Binthanna Solar (Pvt.) Ltd.	System "C", Girandurukotte Block	2.6305	1	1,200,000.00	The valuation has been sought from the Valuation Department. The lease amount will be notified after the valuation would be received. The approval of the Minister had been received. Long term lease has been issued. After receiving the plan, the land will be handed over.	The relevant letter has been sent.
39	Mapakada Solar (Pvt.) Ltd.	System "C", Girandurukotte Block	2.6305	1	128,000.00	The valuation has been sought from the Valuation Department. The lease amount will be notified after the valuation would be received. The approval of the Minister had been received. Long term lease has been issued. After receiving the plan, the land will be handed over.	The relevant letter has been sent.

40	Uva Solar (Pvt.) Ltd.	System "C", Girandurukotte Block	2.8328	1	148,000.00	The valuation has been sought from the Valuation Department. The lease amount will be notified after the valuation would be received. The approval of the Minister had been received. Long term lease has been issued. After receiving the plan, the land will be handed over.	The relevant letter has been sent.
41	Solis Energy (Pvt.) Ltd.		6.0	1		After receiving the plan, the land will be handed over.	The relevant letter has not been sent as the address is not available.

5. Current Status of other solar energy projects:

The Mahaweli Authority of Sri Lanka has decided to cancel the license/permission given for the project if the investors fail to submit the Letter of Intent (LOI) signed with the Sri Lanka Electricity Board. Relevant letters have been sent to the investors.

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 in 1985 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 protection 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).

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 Dihakana 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	

Reservoir related environmental conservation activities during the year 2021

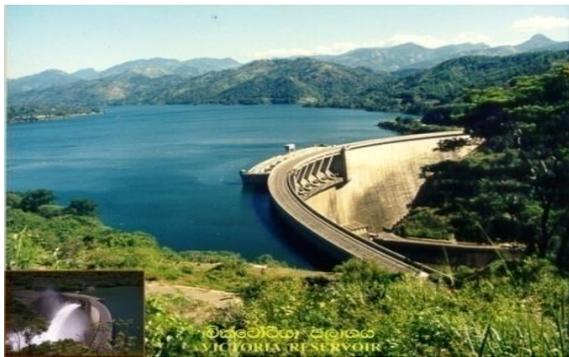
S. No	Description	Physical Progress (%)	Financial Progress Rupees
01	Dengue Control Shramadana Programs Digana, Nilagama and Office Premises	90	270,000.00
02	Plastic and Polythene Removal Shramadana Programs in reservations of Victoria and Polgolla Reservoir	85	0.00
03	Monthly plastic and polythene removal programs in reservoir reservations.	80	306,432.00
04	planting of bamboo saplings/ afforestation the reservation of the reservoir	90	131,432.00
05	Home gardening in office premises	70	75,000.00
06	Field inspections of establishments and sites belonging to industrial and environmental polluters	60	0.00
07	Programs that actively contributed to Dengue Committees, Environment Committees and Coordinating Committees	90	147,437.25
08	Wastewater analysis reports and environmental license fees	100	0.00
Total			930,301.25



Kothmale Reservoir
Capacity: 173 million cubic meters



Polgolla Reservoir
Capacity: 4.1 million cubic meters



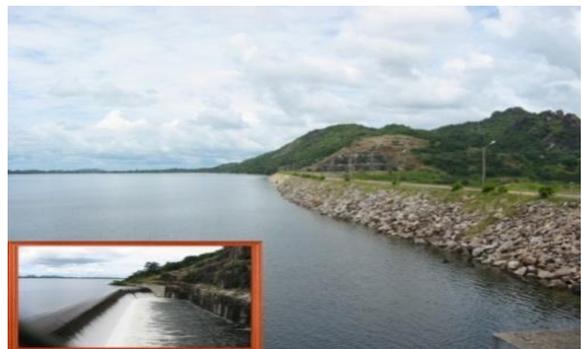
Victoria Reservoir
Capacity: 721 million cubic meters



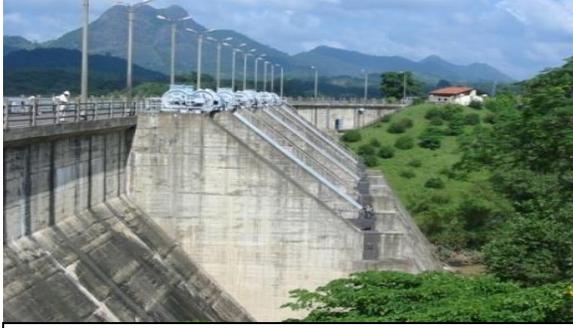
Randenigala Reservoir
Capacity: 801 million cubic meters



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



Moragahakanda Reservoir
Capacity: 558 million cubic meters



Kandalama Reservoir
Capacity: 33 million cubic meters



Puhulpola Reservoir
Capacity: 0.634 million cubic meters



Dayaraba Reservoir
Capacity: 0.970 million cubic meters

Special progress made in the year 2021 and its contribution to the national economy

S/S	Reservoir	Water supplied for power Generation (MCM)	Power generation capacity (KWH)	National Income (Rs. Mn)
01	Victoria Rs. 18.50 per kwh	2,392.470	977.053 X 10 ⁶	16,248.39
02	Randenigala Rs. 18.50 per kwh	2,168.640	426.162 X 10 ⁶	7,304.42
03	Rantambe Rs. 18.50 per kwh	2,539.750	195.793 X 10 ⁶	3,355.89
04	Kothmale Rs. 18.50 per kwh	1,056.640	569.333 X 10 ⁶	10,532.66
05	Bowathanna Rs. 18.50 per kwh	916.846	94.566 X 10 ⁶	1,749.47
06	Maduru Oya Rs. 11.99 per kwh	448.730	16.654 X 10 ⁶	199.681
07	Polgolla Rs. 18.50 per kwh	1,203.718	212.647 X 10 ⁶	3,604.37
08	Moragahakanda Rs. 18.50 per kwh	951.780	85.134 X 10 ⁶	1,504.33
09	Udawalawe Rs. 18.50 per kwh	832.952	14.122 X 10 ⁶	240.07
Total		12,511.526	2,591.464 X 10⁶	44,735.613

2.5 Land Use Planning Division

Introduction

The role of the Land Use Planning Division is to integrate planning into physical, economic, social development and environmental management goals aimed at sustainable development in the Mahaweli areas. According to the Mahaweli Master Plan, the nature of development areas is studied and forecasts for future development goals are made to formulate structural plans, regional plans, resettlement plans, urban and rural center plans.

Vision of the Division

“A Perfect Lifestyle Through Sustainable 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.

Progress of the Land Use Planning Division in the year 2021

S.S	System	Activities	Allocation		Progress %	
					Fin	Physical
1	E	GPS land use planning	0.13	0.13	100	100
2	H	Surveying Oluwewa and Nelum Wewa tank reservations	0.2	0.2	100	100
3	UW	Construction of a new weekly market in Agunakolapalassa town	64	62.62	98	95
		Construction of new bus depot in Agunakolapalassa city				
		Construction of DUC drainage system in Suriyawewa city				
		Establishing the boundary stone of the Katupila Wewa Reserve				
		Construction of gabion walls in Morakatiya branch canal in Embilipitiya town				
4	D	Construction of public lavatories	3.9	3.09	79	75
		Rehabilitation of Madrigiri drainage system				
		Construction of new market				
		Bisopura Town Development				
5	C	Rehabilitation of existing drainage network in Girandurukotte town	2.107	1.46	69	75
		Demarcation of Ratmalkadura Wewa, Weeralanda Wewa Reserves				
6	L	Bogaswewa Public Toilet Project	1	0.34	34	50
7	G	Upgrading and development of Bakumuna Bus Stand	10	10	100	20
8	B	Managerial Expenditure	0.66	0.54	83	
9	H/O	Gathering of Information and basic land survey for mapping and planning.	0.2	0.09	50	
Total			82.197	78.3	95.3	73.5

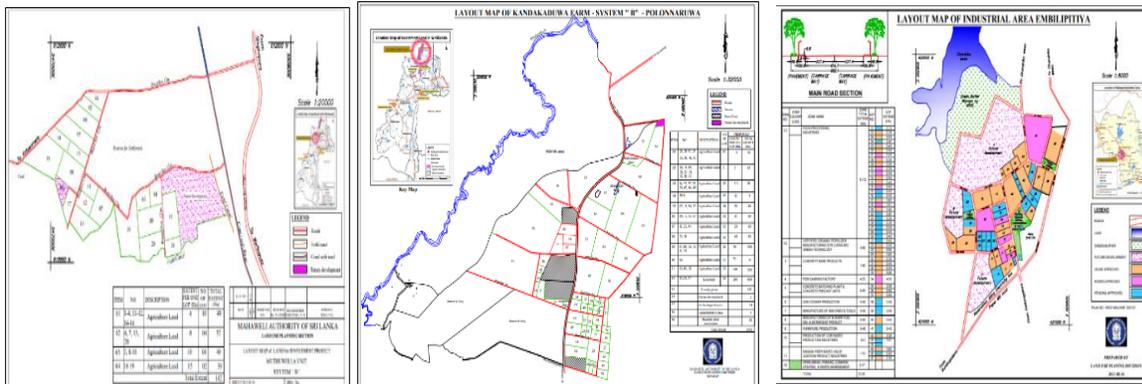
Accordingly, in the year 2021, the Land Use Planning Division has achieved 95.3% financial progress and 73.5% physical progress, and the work expected to be completed in the year 2021 in the projects currently under construction, has been indeed completed.

Summary of the work carried out by the Land Use Planning Division in the year 2021

1. Carrying out activities for the development of facilities identified by the strategic plans prepared with the aim of providing quality service by formulating regularized land usage within the Mahaweli areas. (Agunakolapalassa market and new bus stand in Walava region, Bakamuna bus stand in Moragahakanda region, Mee gas wewa weekly fair in System D , Bogaswewa public lavatory in System L and the rehabilitating the existing drainage system in Girandurukotte in System C)



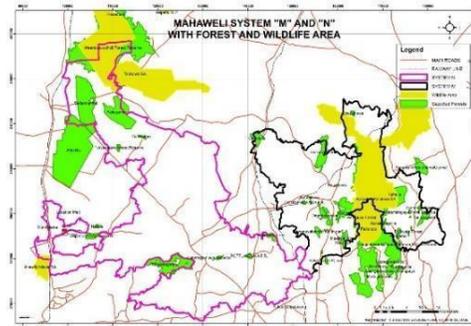
2. Preparation of Plans to provide land for on the basis of 30 years lease term in the proposed Mahaweli B, C, D and Walava zones to investors after evaluating their suitability for investment projects with the aim of contributing towards an export and import substitution oriented national economy and for setting up manufacturing industries.



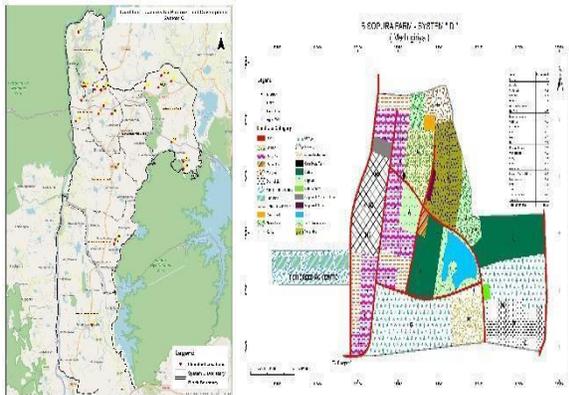
3. Under the program for submitting common criteria and planning regulations to be followed in the development of home garden as a self-sufficient homestead unit in Mahaweli regions, formulation of common criteria for the development of ½ acre home garden with the aim of obtaining a higher quality harvest utilizing a small area, with low production cost, using advanced technological methods.



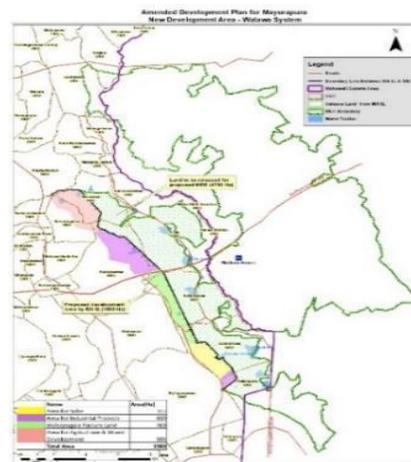
4. In accordance with an integrated rural economic revitalization plan, identifying the proposed geographical boundaries covering the systems M and N under the plans and operations to develop the areas developed under the North Western Grand Canal and Deduru Oya irrigation development projects, collecting socio-economic data and preparation of maps.



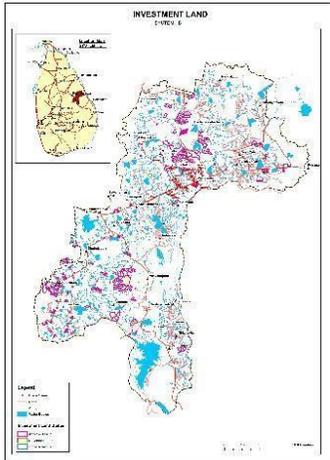
5. Identifying suitable lands for grasslands in Mahaweli regions and making necessary arrangements for the development of farm lands. (Systems B , C , L and Walawa region)



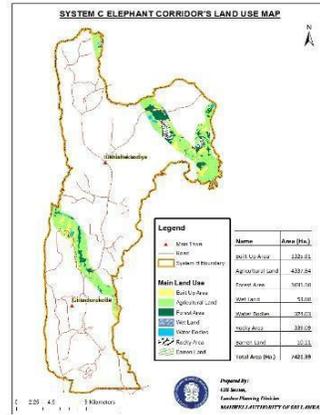
6. Conducting socio-economic survey for development of proposals for the development of 4700 hectares of land under Mahaweli Authority of Sri Lanka for elephant management area under the proclamation of Hambantota Management Elephant Reserve (MER) in Walawa region.



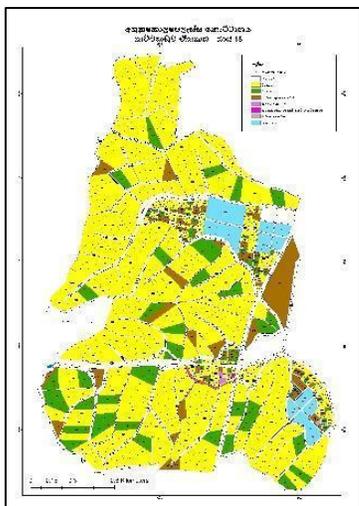
7. As a special program to identify the underutilized land provided for investment projects, inspecting, surveying and mapping of the underutilized lands in each region through GPS technology for the efficient utilization of Mahaweli lands,



8. Making necessary arrangements to identify the lands that would be affected by the proposed elephant migration corridor connecting Maduru Oya and Wasgamuwa National Parks and measures that can be taken in this regard.

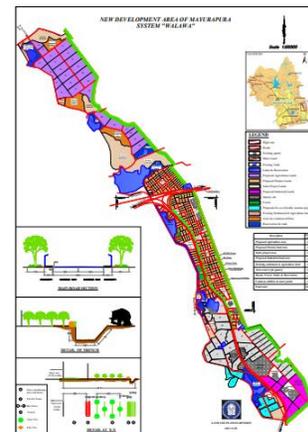


9 Digitization of colored maps under the map colorization program implemented to clearly identify lands granted by annual permits, grants, licenses, and free grants in Mahaweli regions. (Walawa Region)

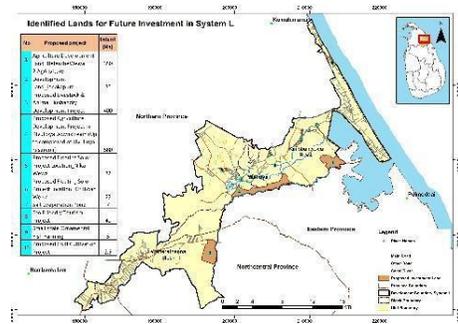


10. Taking into account the ongoing development projects and future development opportunities in the Hambantota Economic Zone, preparing a strategic development plan under the following 04 main zones for the land allocated for development activities by the Mahaweli Authority within the Mayurapura block management area, for which no structural plans have yet been prepared for development.

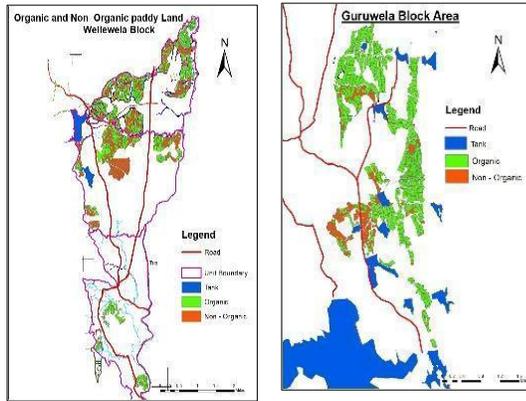
1. Walsapugala grassland development zone
2. Agricultural Development Zone
3. Solar Energy Development Zone
4. Industrial Development Zone



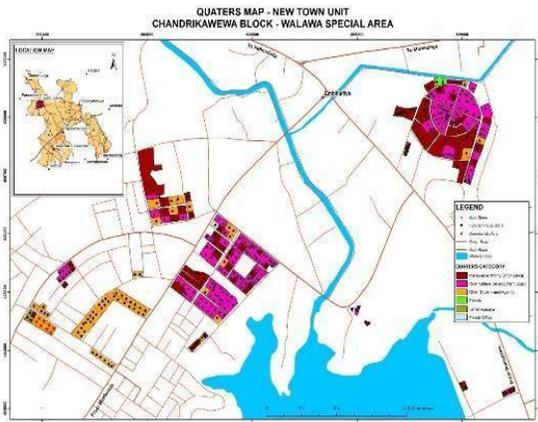
11. Identifying potential land for investment projects in the Mahaweli System L by examining the field and identifying future development opportunities, and proposing suitable investment projects.



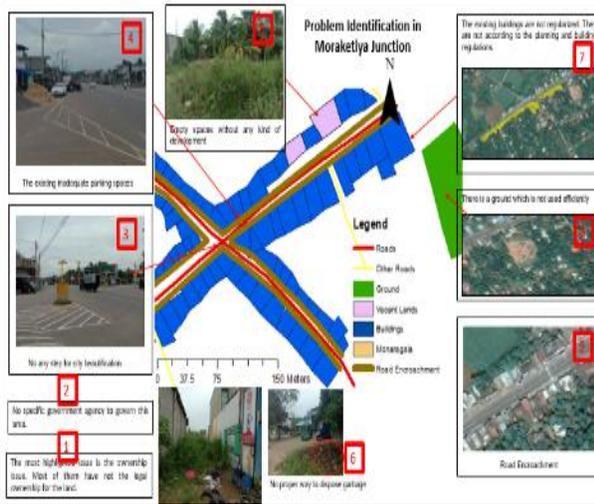
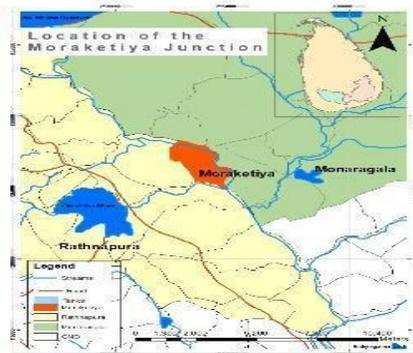
12.. Making digital copies of the maps of each block to present the progress of organic model cultivation as per the land use pattern of Moragahakanda organic zone.



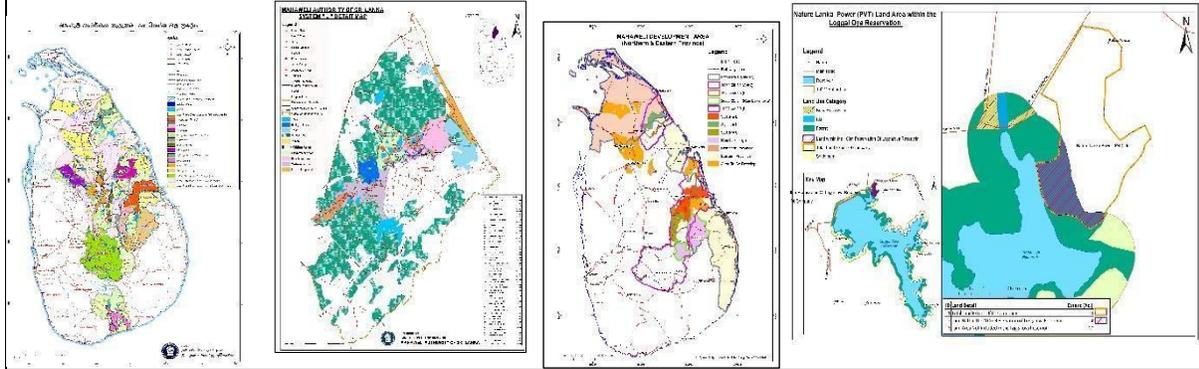
13. To identify and map camp sites in the Walawa region by the way of a field inspection with the objective of optimal and effective utilization of Mahaweli circuit bungalow sites.



14.. Preparing the Moraketiya City Development Plan in the Walawa region by conducting field survey, identifying development potentials in the city through stakeholder meetings.



15. Preparation of maps as per requirements of Head Office and Systems Offices.



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 794 sites that have been referred since January 2021 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,.

541 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 and 328.83 million rupees in land use charges have been collected in the year 2021

2.7 Environment and Forest Conservation Division

Introduction

The Mahaweli Master Plan, which was implemented bringing several socio-economic benefits to Sri Lanka, was primarily designed to proceed under a sustainable environmental conservation program with the objective of minimizing the environmental impact and change that could occur at every step of the proposed development process.

Accordingly, the Environment and Forest Conservation Division was entrusted with the primary role of planning, managing and maintaining the natural resources for the conservation and enhancement of the Lower Mahaweli Basin areas as well as the Upper Catchment area.

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. 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.
4. . Carrying out the administration and follow up of the Environmental Impact Assessment process as a project approval body under the National Environmental Act.
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.

Total Financial Allocations for 2021 and the Progress:

No.	Division/ System	Financial Allocation (Rs. Mn)	Financial Progress (Rs. Mn.)	Percentage
01	Financial Allocation (Rs. Mn)	35.50	25.78	73%
02	Mahaweli Systems (B,C,D,G,H,Walawe, Huruluwewa,Victoria, Rambakan Oya,)	34.26	32.84	96%
03	Integrated Development Project (Rambaken Oya)	1.55	1.55	100%
04	Integrated Development Project Rideemaliyadda	0.76	0.70	92%
	Total	72.07	60.87	85%

S.S	Planned Program	Unit of Measurement	Annual Target		Progress		Summary of Progress
			Financial (Rs. Mn)	Physical	Financial (Rs. Mn)	Physical	
1	Removal of invasive aquatic plants from tanks and production of compost using them	MT	1.305	160	1.2690	148.5	Systems B (120 MT) C (10 MT) G, Walawe, H (1 MT each) and Kothmale (8.5 MT) was produced
2	Promotion of Green Aisles concept	Km	1.75	14	0.833	9	D (4km), E (1Km), Walawa (1Km) and Huruluwewa (3Km) regions have implemented the program and undertaken planting new plants and maintenance work.

3	Horticulture (through Mahaweli Nurseries, School children and farmers)	Plants	13.14	819,284	14.144	508,124	Funds were made use of the horticulture in 07 Mahaweli nurseries and plants produced by school children and farmers had been purchased.
4	Tree planting in upper catchment and lower basin areas	Plants	6.99	431,450	5.69	390,720	Trees have been planted in B, C, E, G, H, Walawa, Huruluwewa zones and Upper Mahaweli catchment area for on World Water Day, Forest Day and at auspicious time of Sinhala Tamil New Year.
5	Establishing green gardens	Gardens	1.18	5	1.223	3	Preliminary work has been completed in relation to the establishment of gardens in Huruluwewa, D, Udawalawa systems.
6	Environmental Education and Promotion	Programs	1.29	80	1.29	75	Programs have been conducted for the E, Moragakatda, Walawa, Rambakanoya systems and upper Mahaweli area and the environment division conducts a weekly radio program called Mahaweli and Environment (<i>Mahawaliyayi Parasisrayayi</i>) to educate the people.

7	Maintenance of electric fence to dispel elephants	Km	3.455	Open	3.1407	116	Maintenance of electric fences was undertaken in Madirigiriya (36km), Rambakenoya (10km) Moragahakanda (70km), B (255 km) Zones and purchase and maintenance of batteries, energizers, elephant shots to mitigate elephant-human conflict was carried out. Ground has been prepared for 4 km for the 8 km electric fence to be built around the Agriculture Training Center in System C.
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Table 2 :

2021 Total Physical Progress: Planned Program for 2021

1.0 Activities for the conservation of the Upper Mahaweli Catchment Area

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 programmes.
- 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

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.

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

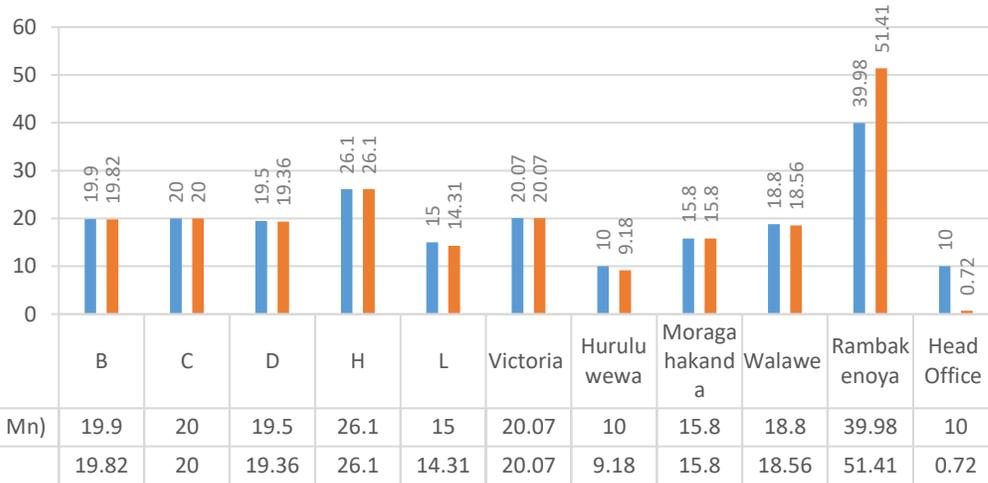
02. Allocation of lands to persons and institutions under the Government Land Ordinance and subsequent activities

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 - 2021

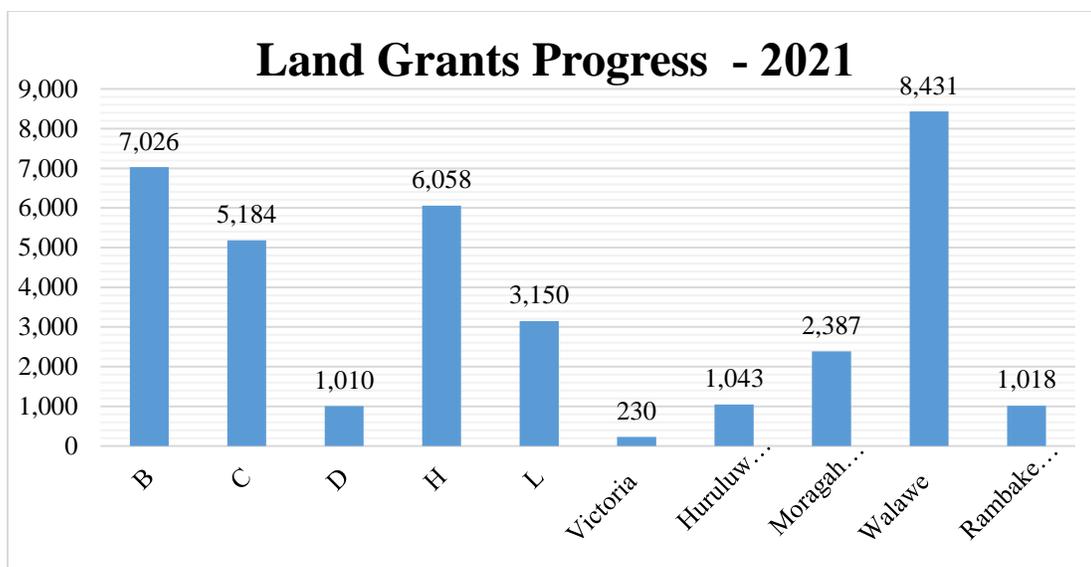
System	Financial Target (Rs Mn)	Progress
B	19.90	19.82
C	20.00	20.00
D	19.50	19.36
H	26.10	26.10
L	15.00	14.31
Victoria	20.07	20.07
Huruluwewa	10.00	9.18
Moragahakanda	15.80	15.80
Walawa	18.80	18.56
Rambakenoya	39.98	51.41
Head Office	10.00	0.72
Total	215.55	215.33

FINANCIAL PROGRESS 2021



Issuing of Land Grants Land Development Ordinance 2021

System	Target	Progress
B	13,000	7,026
C	13,000	5,184
D	1,500	1,010
H	11,500	6,058
L	9,000	3,150
Victoria	1,200	230
Hurulu Wewa	2,300	1,043
Moragahakanda	3,000	2,387
Walawe	43,000	8,431
Rambakan Oya	2,500	1,018
Total	100,000	35,537



Issuing Land Grants and long-term leases

State Land Ordinance - 2021

System	Target	Grants/ Leases Progress
B	19	16
C	370	16
D	-	05
H	-	122
L	-	01
Victoria	-	-
Huruluwewa	-	01
Moragahakanda	140	16
Walawa	-	69
Rambakenoya	-	-
Total	529	246

Land Grants to Temples under State Lands Ordinance - 2021

System	Target	Progress
B	-	06
C	28	01
D	04	-
H	-	01
L	-	-
Victoria	--	--
Hurulu Wewa	-	-
Moragahakanda	06	02
Walawe	-	03
Rambakan Oya	-	-
Total	38	13

Lands to Government Agencies - 2021

System	Transfer Orders		Transfer of lands	
	Target	Progress	Target	Progress
B	-	-	-	-
C	81	03	71	01
D	05			
H	-	10	-	-
L	-	01	-	-
Victoria	--	--	--	--
Hurulu Wewa	-	01	-	-
Moragahakanda	15	02	-	-
Walawe	-	-	-	10
Rambakan Oya	-	23	-	-
Total	101	40	71	11

3.2 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.

Providing financial allocation to the agricultural productivity program from the Budget 2021

For the year 2021, the MASL has approved Rs 821.22 million for the agricultural productivity program and was allocated to Mahaweli zones as shown below.

System	Approved Funds Rs. Mn
B	84.5
C	82
D	25.196
E	10
G	76.434
H	170
Huruluwewa	72
L	67
Rambakenoya	99.14
Udawalawa	106.152
Head Office	28.802
Total	821.224

Providing financial allocation to the agricultural productivity program 2021

As mentioned above, the allocations made for each region in the agricultural productivity program were planned to be spent in accordance with the preliminary plans of the program

Following progress has been achieved as per the approved action plans under the Agricultural Productivity Program 2021

Activity	Target (Rs Mn)	Progress (Rs. Mn)
Cultivation of import-restricted crops (except paddy)	44.110	40.2
Select and develop model gardens and choose the best garden	76.49	75.5
Construction of selected agri wells at regional level	63.000	47.25
Improvement of selected agri wells at regional level	28.325	14.5
Installation of solar powered micro-water supply systems at regional level	24.625	30.5
Installation of 1/2 acre micro irrigation systems at regional level	37.250	26.08
Installation of greenhouses / rain shelters at regional level	51.555	40.75
Providing paddy and supplementary crop seeds for quality seed production	38.321	34.42
Model fields programs	33.299	32.4
Farmer/Officer Training and Agricultural Extension Programmes	24.075	24.64
Farm/Nursery Development Programmes	204.854	146.76
Other programs/activities	195.32	191
Total	821.224	704

The staff has worked diligently to achieve this physical progress in order to successfully carry out the physical activities according to the allocations provided in the year 2021 in all regions.

Activity	Unit	Target	Progress
Selecting Model Home gardens and developing them bad choosing the best home garden	Home Gardens	214,970	201,154
Construction of selected agri wells at regional level	Wells	372	315
Improvement of selected Agri wells at regional level	Wells	1,714	857
Installation of solar powered micro-water supply systems at regional level	Systems	122	122
Installation of 1/2 acre micro irrigation systems at regional level	Systems	874	504
Installation of greenhouses / rain shelters at regional level	Homesteads	257	210
Providing paddy and supplementary crop seeds for quality seed production	Kg	161,707	144,070
Model fields programs	Fields	80	78
Farmer/Officer Training and Agricultural Extension Programmes	Programs	1,082	1,223

Farm/Nursery Development Programmes	Programs/ Activities	1,706	1,671
Production of organic fertilizers	MT	355,092	158,060
Promotion of Gliricidia Cultivation	Plants	5,000,000	369,025
Providing guidance for gardening	Leaflets	214,970	194,049
Providing seed sets for gardening	Seed sets	214,970	195,164
Providing planting materials for gardening	Plant material	107,485	101,618

- In the season of 2021/22, under the green agriculture policy, a compost fertilizer production program was implemented for farmers in Mahaweli areas and the farmers' production target was MT. 190,448 and the progress achieved was 131,094 MT. The overall percentage of compost production in Mahaweli systems was 69%.
- In the year 2021, 8 out of 17 Mahaweli farms managed to make a profit.
- 6,767 hectares of green grams cultivation in the third season in Mahaweli areas was a special achievement. It increased crop intensity by 150%.

Crop	2020/21 Maha		2021 Yala		2021 Total	
	Area (Hec)	Output (M.T)	Area (Hec)	Output (M.T)	Area (Hec)	Output (M.T)
Paddy	96,026	556,951	86,979	504,480	183,005	1,061,431
Maize	6,628	33,141	1,431	7,155	8,059	40,296
Chillie	308	2,775	525	4,728	834	7,503
Soya	23	53	2,582	5,939	2,605	5,992
Big onions			915	18,294	915	18,294
Green Grams	1,257	1,886	6767	10150	8024	12,036
Cowpea	213	277	623	810	837	1,088
Peanuts	416	1,041	591	1,478	1,008	2,519
Black grams	278	416	2034	3052	2,229	3,343
Finger millet	347	834	226	543	574	1,377
Sesame	95	81	788	670	883	750
Tubers	898	13,463	1,104	16,560	2,002	30,023
Vegetables	3,688	55,323	4,484	67,255	8,172	122,579
Fruits			12,882	193,234	12,882	193,234

Progress and Contribution of Crop Production - 2020/21 Maha and 2021 Yala Season

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 Programmes



Farmer Training and Awareness Programs



Production of seeds and planting material in the Mahaweli Farms

33 Fisheries and Livestock Development Division

Introduction

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 the food security. Also, considering the risks of crop cultivation under adverse weather conditions and relatively high production costs, fresh water fisheries and dairy sectors can be considered as the most suitable alternative sources of income to boost the rural economy, and currently among Mahaweli farmers these fields are widely espoused.

Considering the potential and suitability for livestock and fisheries in the Mahaweli areas, there is a large animal population including cattle, sheep, goats and poultry, there are sufficient inland reservoirs suitable for fresh water fishing, and a large group of farmers engaged in the field. Presence and technical assistance provided jointly by Mahaweli and other line agencies can be taken to account as well

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.

Objectives for 2021

- Increasing the annual dairy production to 40 million liters and increasing the contribution to meet the national dairy requirement (National contribution 8%).
- Increasing the annual freshwater fish output to 11,000 mt and increasing contribution to the GDP to 11% .
- Increasing annual egg production to 60 million eggs.
- Increasing the annual ornamental fish production to 37 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.

- Dairy Cattle Development Program.
- Poultry farming Program.
- Freshwater fish farming.
- Ornamental fish farming.

1. Dairy Cattle Development Program

active dairy farms in the Mahaweli areas are mainly small-scale units with 2 to 5 animals. According to census and statistical data, the largest cattle and buffalo population in the country is recorded from the dry zone and the intermediate zone. Therefore, the Mahaweli region has great potential for the development of the dairy industry. Depending on the availability of resources, farmers adopt intensive, semi-intensive and loose cattle management methods. Cattle populations consist of Jersey and Jersey-Sahiwal crossbreeds as well as indigenous breeds, with a large percentage being native and Sahiwal breeds

Thus, farmers use both grass and concentrates to meet the animal's food needs. Cultivated grass varieties include CO3, guinea and brachiaria. Other food preservation methods used for the dry season when green grass is limited, are the production of dry grass and silage. Companies such as Milco, Nestle, Kotmale and Pelawatta are the major contributors to milk collection in the Mahaweli region. Other groups, such as Dairy Collectors' Cooperatives, Rich Life, Kaduwela, CIC, CELO and Mahaweli Farms and Private Collectors, are also involved in strengthening the milk collection network.

At present, there are about 12,749 small-scale and business-oriented dairy farmers engaged in the dairy industry. By the end of 2021 liquid milk production is 42 million liters. It produces about 100,000 liters of liquid milk daily and the main objective is to sell to the above companies. In addition, a small amount of liquid milk is used for consumption. The average price of a liter of milk is Rs. 80 and the income earned by Mahaweli farmers from milk production in 2021 is Rs. 3360.00 million. In order to fortify the dairy supply and distribution network, 471 milk collecting centers exist

From the end of 2019, Mahaweli Authority of Sri Lanka and DAPH (Department of Animal Production and Health) jointly implemented the Sri Lanka Dairy Excellence Training Initiative Project (SLDETIP) which provided necessary technical knowledge to dairy farmers. Accordingly, based on the concept of "integrated farm development", farmers were trained for a more profitable and sustainable farm development, focusing on all the technical, environmental and economic aspects of the entire dairy farm.

Strategies to improve dairy production

1. Promotion of semi-intensive and intensive cattle rearing practice through sustainable utilization of resources and Infrastructure development.
2. Improving the genetic potential of cattle / buffaloes by introducing improved animals and improving animal breeding.
3. Improving animal nutrition and managing livestock through coordination of proper nutrition plans, food conservation methods, establishment of pastures and efficient veterinary services.
4. Strengthening the Dairy Societies and Marketing Network by empowering Dairy Societies and Small Entrepreneurs.
5. Improving dairy processing and post-harvest technology.
6. Compost production and waste management and introduction of biogas units as a sustainable energy source.
7. Facilitate the use of innovative technologies in production and use systematic approaches to data collection, monitoring and reporting.



Introducing AI Programs and Technical knowledge sharing programs



Developing programs for the nutrition of dairy products



Providing grass shredding machines for aid in animal nutrition

Sale of value-added products



Establishment of Model Dairy Cattle Breeding



Establishment of Grassland and Assolla Cultivation Demonstration Units

2. Promotion of Poultry Farming

Poultry farming in the Mahaweli region is divided into two main parts, commercial and domestic. Poultry farmers are primarily engaged in domestic and commercial egg and broiler production and thereby help to meet nutritional needs of families of Mahaweli farming community. The industry is also a source of income for the development of the rural economy. Of these, domestic poultry farming mainly helps in reducing malnutrition, strengthening the rural economy and providing self-employment opportunities especially to housewives. Domestic poultry farming is one solution to reduce the malnutrition rate in the country by 35% while meeting the protein needs of the rural community.

In the year 2021, the Mahaweli Authority has provided 691 medium-scale poultry housing and 95 large-scale poultry housing to farmers on the basis of 50% contribution. It contributes to the promotion of domestic and commercial poultry management in the region. The project

2021 Mahaweli Authority's contribution to local egg production is 62 million eggs, which is 1.3% of the national production. The average price of a village fowl egg is Rs. 19.00. Accordingly, in the year 2021, the total amount obtained from egg production will be Rs. 1122 million.

Strategies for improving Poultry Farming

1. Promoting the existing poultry industry for meat and eggs by constructing poultry housing.
2. Distribution of one month and one day old chicks for promotion of domestic poultry farming
- 3 Maintaining parental generation to ensure the supply of high-quality chicks
4. To make the production efficient and productive by meeting the nutritional requirement of the poultry
- 5.Ensuring poultry health through vaccination and proper sanitation program.



Poultry Housing under 50% contribution Conducting Farmer Training



Poultry farming for production of eggs



Providing chicks under 50% contribution



Domestic Poultry Farming



Making chicks inside incubators



Maintaining chicks inside Brooder

3. Enhancement of freshwater fish production

591 medium and small-scale reservoirs including 10 major reservoirs in the Mahaweli region are used for the inland fisheries industry. The total extent of water sources is about 49,419 hectares. There are about 3252 fishermen belonging to the fishing community. Through this, the fishing industry helps to meet the nutritional needs of farming families and the food security of the country. Tilapia, catla and mrigal are the leading freshwater fish species, contributing 90 percent to the total production. In addition, freshwater prawn farming is carried out targeting the export market. Continuous placement of fish fingerlings in reservoirs contributes greatly to the increase in fish production in the fishing industry. In addition, fish fry farmed in nets in a large number of tanks. This is expected to reduce production costs and increase profits in the sector.

By the end of 2021, this project has made it possible to place 20.39 million fingerlings in 181 selected Mahaweli reservoirs. At present, the National Aquaculture Development Authority (NAQDA) provides the requirement of fingerlings, but the quantity is not enough to meet the annual requirement. As a remedy, the Mahaweli Authority has established 11 fish eggs production units in B, D, H, L and Udawalawa zones. Freshwater fish production in 2021 was 11,700 metric tons, an increase of 6188 metric tons compared to 5512 metric tons in 2020. It is 12% as a percentage. Similarly, Mahaweli Authority contributes 8% to the national freshwater fish production. If the value of 1 kg of fish is taken as 350 rupees, the total value obtained from fish production is 4095 million rupees. Furthermore, in the year 2021, the production of fresh water shrimp has been recorded as 1956 metric tons and considering the farm price of 1Kg of shrimp as 1500 rupees, the total value shared among the farmers is Rs. 29.34 million.

Strategies to increase production of freshwater fish

1. Placing fingerlings in reservoirs and increasing production capacity.
2. Maintaining 11 fish breeding centers to ensure the supply for fish fingerlings in the area.
3. Empowerment of Fisheries Societies by providing fishing equipment such as fishing gear, nets and boats.
4. Production of value-added products and strengthening of fish production marketing network.
5. Conducting capacity building programs to impart technical knowledge to fishing community.



Breeding fingerlings in ponds and floating net cages



Placing fish fingerlings in reservoirs

4. Promotion of ornamental fish farming

Ornamental fish farming is prevalent in the Mahaweli B, C, D, H and Udawalawe Systems and at present there are about 1150 settlers engaged in this industry and extant number of ponds are 2655. Ornamental fish farming has become popular as a lucrative industry on a small plot of land due to limited land available for cultivation among the second and third generation children of the land-owning settler community. In this sector a production process can be seen where a large number of ornamental fish farmers, breeders engaged in production of fry, those engaged in collecting fish products for markets and wholesalers and retailers have joined together as a network. It can be also be considered as a manufacturing sector on which more than 900 families depend for their livelihood. At the local level, buyers are turning to quality products overseas, with more and more products now being marketed locally. The product is exported primarily to the United States, China, Japan and European countries. In addition, the brooders which are in high demand in foreign markets are imported from Thailand, Singapore and Malaysia and supplied to the farmers who are organized on a contract basis for the production work. The Goldfish variety is in high demand in the local market while the Guppy, Swordtail, Platy and Molly varieties are in high demand in overseas markets.

By the year 2021, 40 million pairs of ornamental fish have been supplied to the local and foreign markets, valued at Rs. 1200 million.

Strategies to promote ornamental fish farming

1. Construction of mud ponds for ornamental fish farming
2. Installation of quarantine tanks to ensure color development and quality of fish species.
- 3.. Maintenance of breeding centers to supply fingerlings to farmers.
4. Strengthening Farmers' Associations by providing technical assistance.
5. Strengthening and promoting the activities of small-scale entrepreneurs.
6. Improving the marketing network and maintaining product quality with a focus on the export market



Building quarantine tanks under 50% contribution scheme



Providing net cover on 50% contribution



Fish harvesting



4. Mahaweli Farm Development Program

Farm development activities are being carried out under the management of the Mahaweli Authority of Sri Lanka and at present there are 13 farms spread over the Mahaweli Zones. Although there are primarily agro-production units, steps have been taken to develop them as integrated farms that include livestock and fisheries in addition to agro-crops as a solution to the risk of crop failure under adverse and unpredictable weather conditions

The main objectives of the farm development Program are,

- Maintaining of farms as training and demonstration units imparting technical knowledge on agriculture and livestock to farmers in the area.
- Being units in which various research is carried out to increase productivity in the field of agriculture and livestock.
- Providing high quality high bred dairy calves required by the region as a cattle breeding center; providing chickens to farmers using hatching machines and making dairy and by-products and being a marketing unit

Thus, the Mahaweli Farm Development Program provides a comprehensive service to local farmers.

4. Capacity Development Programme

Capacity development programs are implemented with the aim of providing technical and practical knowledge in the field of fisheries and livestock resources and creating attitude development for the use of modern applications. This can improve the quality of fisheries and livestock products, and by increasing the performance, it would lead to a more efficient and profitable business for the output.

Primary objectives of the programme

- Providing new technical knowledge, introducing methods and developing attitudes.
- Improving practical knowledge and skills.
- Providing the necessary knowledge for the sustainable use of existing resources.
- Increasing productivity and efficiency.

5. Grass Cultivation Project

It has been recognized that more priority should be given to animal nutrition in order to increase milk production and productivity in Mahaweli regions. For that purpose, a special project was implemented to develop the cultivated lands that are currently abandoned into large-scale pastures as animal feed. By doing so, it is possible to get quality animal feed that meets the food requirement of animals and has more nutrients.

Most of these areas are located in the dry zone and are inefficiently used for dairy cattle management under free-range cattle management. Therefore, with the aim of developing these activities more efficiently and effectively, this large-scale grass cultivation project is proposed to be developed in the identified lands of Mahaweli B, C, D, L, Walawa and Rambakanoya. Under that project, it is proposed to cultivate improved grasses belonging to more suitable and nutritious species of CO3, CO4, Sorghum and Pachon which are more suitable for dry land.

Under this project, 700 acres of land in System B, 20 acres in System C, 50 acres in System D, 200 acres of land in Walawa special area, 100 acres in System L and 100 acres of land in Rambakanbaya system, totaling 1180 acres of land are to be developed in to pastures.

Land preparation for lands in System B and System D have already been started, while IEA and EIA reports have been forwarded to the Ministry of Environment for approval in Walawa and Rambaken Oya Systems.

Table 1.2 summarizes the progress of the physical activities carried out at the regional level as model units of the planned project program to achieve the production targets in the fisheries and livestock sectors.

1.2 Physical Progress of the Development Activities

	Activity	Unit	Year 2021	
			Target	Progress
1	Freshwater Fisheries Development Programme			
	Production Target (Metric Tons)	MT	11000	11700
	Number of target reservoirs/tanks	No	260	181
	Production of fingerlings			
	Floating net cages	No	100	120
	fish ponds	No	17	11
1.1	stocking fish fingerlings in reservoirs	Mn	35	20.39
1.2	growing fingerlings inside floating net cages	Mn	21	15.5
1.3	stocking post larvae of freshwater shrimp	Mn	17	10.15
2	Ornamental Fish Production			
	Production Target	Mn.Pairs	37	40
2.1	Establishment of fish hatcheries	No	51	48
2.2	Construction of quarantine tanks (size of 10'*10' tanks 02- (Rs75000/=Masl cont)	No	135	258
2.3	Construction of mud ponds (size of 60'*40' tanks 02=(75000/=Masl cont)	No	172	167
2.4	Provision of Infrastructure (Bird Nets/ Shade Nets)	No	500	457
3	Dairy Cattle Development			
	Milk production target	L Mn	40	42
3.1	Integrated farm development program	No	1000	900
3.2	Developing pastures (minimum 1/4 Ac land MASL cont'n Rs10000/=)	No.of plots	279	152
3.5	Provision of mineral mixtures on 50% contribution basis.	kg	2400	1400
3.6	Providing silage barrels. (Minimum 5 barrels/farm, MASL Con'n 50%)	No.	1770	1213
3.7	Establishment of Silage and Grass Conservation Units. (MASL Con'n Rs. 50000/=)	No	18	5
3.8	Providing high bred dairy cattle. (100% MASL Con'n)	No	98	30
3.9	Providing high bred dairy cows and calves (75% MASL Con'n)	No	113	42
3.10	Artificial Insemination programs (Successful AI female Calf born from farm) (MASL Con'n Rs5000/=/ calf)	No.prog	429	269
3.11	Establishment of breeding farms. (MASL Con'n Rs. 125000/=/ farm)	No.	15	12
3.12	construction of cattle housing (Rs. 100,000/= MASL Contribution)	No	151	135

3.13	Providing grass cutting and shredding machines. (50% MASL Con'n.Demonstrated Farm)	No	345	352
3.15	Providing milking instruments (Milk cane, buckets, filters) (MASL con'n 75% for Demonstrated Farm)	No	470	400
3.16	Provision of mobile milking machines (Bucket milkers) (50% Contribution)	No	48	47
3.17	Bio gas units (Rs. 100000/= MASL Contribution)	No	13	8
3.18	Production of organic fertilizer (Rs. 10000/= / farm MASL con'n)	No	688	586
3.19	cattle Insurance Program (Rs.3000/= / Animal MASL Con'n)	No	397	117
3.20	cattle Clinic and Vaccination Program	No	49	18
3.21	Farming field schools	No	74	44
4	Poultry Farming			
	egg production target (Egg million)	Mn	60	62
4.1	Construction of small scale/ medium scale and large-scale poultry units (MASL Con. 50%) - 20,000/=	No	994	958
4.2	Providing of chicks on 50% contribution basis (day old, 7 days old and one-month chicks)	No	107700	119816
4.3	Poultry Villages	No	260	260
4.4	Distribution of incubators for Mahaweli farms	No	22	19
5	Goat Keeping			
5.1	Building goat sheds for model farms (MASL Con'n Rs.100000/=01shed)	No	50	41
5.2	Breeding farm (male & female) (MASL Con'n Rs.30000/=)	No	25	22

1.3. Contribution of Fisheries and Livestock Division to the national economy

Production	Number of units produced	Revenue (Rs, million)
Milk	42 Liter Millions	3360
Eggs	62 million	1122
Fresh Water Fish	5512 MT	4095
Fresh water shrimp	1956 MT	29.34
Ornamental Fish	40 pairs million	1200
Total Income		9806.34

3.4 Institutional Development Division

Vision of the Institutional Development Division

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

Mission of the Institutional Development Division

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 2021 is 3263. Of these, progress has been made in 3198 programs and the financial target is 255 million rupees and the financial progress is 250 million rupees. In the year 2021, under the community development programs, provision of drinking water facilities to underprivileged schools as well as providing toilet facilities and provision of sanitary facilities to families without sanitary facilities were carried out at the system level. An amount of 108.25 million rupees had been spent for 137 schools under the provision of sanitary facilities for schools without such. It is shown by table number one.

System	Number of schools provided with toilet facilities	
	Target	Progress
Moragahakanda	11	11
Medirigiriya Area	6	6
System H	39	39
Walawe Special Area	16	16
System B	31	31
Huruluwewa Area	8	8
System C	11	11
System L	6	6
System E	4	4
Rambakan Oya	5	5
Total	137	137

(Table number-01, Provision of toilet facilities for schools without sanitary facilities)

An amount of 11.94 million rupees has been spent for providing drinking water to 103 underprivileged schools under community development programs. It is illustrated by Table No. 02.

System	Provision of drinking water facilities for schools without drinking water facilities.	
	Target	Progress
System C	54	54
System B	29	29
Moragahakanda	9	9
System H	3	3
Rambaken Oya Area	8	8
total	103	103

(Table No -02 provision of drinking water facilities for schools without drinking water facilities.)

In addition, 1793 toilets for low-income families without sanitary facilities have been provided in Mahaweli Systems E, B, Medirigiriya and RambakenOya at a cost of 72.15 million rupees. 186 families without drinking water facilities were provided with water tanks at a cost of 10.351 million rupees, and 12.5 million rupees were paid for the construction of houses for 156 low-income families in Medirigiriya and Rambakan Oya regions.

In addition to this, providing books for libraries for 33 underprivileged schools under community development programs at a cost of 6.3 million rupees, Mahaweli Foundation providing scholarships for 71 students from across the ten systems of Mahaweli at a cost of 1.68 million rupees, providing essential goods by conducting nutrition and awareness programs for the selected pregnant mothers from low-income families were main activities implemented under community development programs.



(Photos - Providing toilet facilities for families without sanitation)

(Photos - Settler Training Programs)

Improving Skills of Settlers and Vocational Training

- 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 2021, there was a target of 155 programs, out of which progress was achieved in 154 programs and a financial target of 16.58 million rupees and a financial progress of 15.35 million rupees was made. Also, under the poverty eradication program, 821 people were provided with employment with monthly earnings over 30,000.00 rupees in the year 2021.



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 2021 is 69 programs and the progress is made in 70 . The financial expenditure is 3.532 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 farmer under the management committees.

Community Participatory Irrigation Management

- Community Participatory Management Program aims to streamline the maintenance and operation of canal systems by revamping the field canals.
- Where the field canals are in a state of disrepair, they would be repaired with the participation and labor contribution of the community, bearing only the cost of raw materials needed.

(It practically changes the attitudes of farmers towards efficient water usage and water management, and enables them to carry out a costly task more effectively with the labor of the community itself.)

Funds are provided for canal rehabilitation subject to a maximum of 0.5 million rupees and its output value is estimated to be around 1.5 million rupees.

System	Number of rehabilitated canals	distance (Km)	Estimated amount (Rs. Mn)	Labour Value (Rs. Mn)	Total Value (Rs. Mn)
System B	2	0.155	0.99931	0.311	1.310911
System C	17	7.652	7.86	12.9	20.76
Moragahakanda area	6	0.506	2.968	0.903	3.9726
System H	12	21.9	5.833	2.4	8.233
System L	1	0.15	0.519	0.125	0.394
Walawe Special Area	9	1.354	4.2	0.3	4.11
Huruluwewa Area	6	4.85	0.998343	0.723287	1.742175
RambakenOya	2	1	0.97		0.97
Total	55	37.567	24.347653	17.662287	41.492686

(Table No-03, Community Participatory Irrigation System Management Programme)

(Community Participatory Irrigation System Management Programme)



Situation Earlier



Situation Afterwards

Accordingly, an irrigation system with 35567 meters of length has been completed with a saving of 17.66 million rupees

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 in the year 2021.

- 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 11,860 athletes have participated in them. The amount spent for sports activities in the year 2021 was 11.197 million rupees.



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 providing 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 let 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.

Circuit Bungalow Project

Due to the fact that circuit bungalows could not be opened continuously for customers due to the covid epidemic situation that lasted for almost a year and tourists could not arrive due to travel restrictions and various restrictions

that were imposed under health protection measures, all circuit bungalow reservations suffered a setback. By the latter half of the year 2021, Kalawewa Circuit Bungalow was opened in October 2021 as an exclusive circuit bungalow owned by the Mahaweli Authority with all the sectors being reinvigorated.

And simultaneously, from November 2021, all circuit bungalow bookings were opened again and new circulars for circuit bungalows and a new food menu for tourists were prepared.

But by the end of 2021, circuit bungalow income could reach 5.4 million rupees.

The target for the year 2021 was Rs 5.7 million and the financial progress was 94%.

Hela Bojun Hala Project

The new Hela Bojunhala was opened to public on January 14, 2021, in Giradurukotte town in Mahaweli System C, as latest addition to Helabojun chain initiated by the Mahaweli Authority. Also, the construction work for the new Helabojunhala in Tammananawa area in System H has started. Helabojunhals are operating at Laggala, Dehiattakandiya, Giradurukotte, Manampitiya, Medirigiriya, Huruluwewa and Embilipitiya. Employment opportunities have been provided for 62 farmerettes.

However, due to the Covid epidemic situation, trading activities had to be temporarily restricted at different times in January, April, May, June and October 2021 and the income of the farmerettes as a whole decreased rapidly.



The role of the division is to work towards contributing to the national economy by raising the living standards of the settlers by effectively utilizing the physical and human resources available in the Mahaweli regions for the development of entrepreneurship.

Accordingly, in the year 2021, the necessary activities to provide lands for investment project for entrepreneurs and the necessary guidance and follow-up activities for the effective use of the investment land already provided had been carried out under the business development division. The board approval was received for 30 investors for industrial investment projects in the Walawa region. Arrangements have been made to obtain the approval of the board of directors for the provision of land for agricultural and animal husbandry projects in System B and survey work was carried out for underutilized land in

conjunction with Land and Land Use divisions. 17 investment promotion and regulation programs have been arranged to increase the productivity of investment lands.

Despite the crises faced under the post-Covid epidemic situation, Mahaweli Authority has been operating several Mahaweli Hella bojunhala from time to time by following health recommendations and the construction of the new Hela Bojun Hala in Mahaweli System H had begun with the financial allocation from Department of Agriculture. Also, training programs were organized for women entrepreneurs to improve the quality of their Hela Bojun products.

Board of Directors approval has been obtained for 4 new projects under the implementation of eco-friendly canoes and boats in the tanks and reservoirs of the Mahaweli region. Contracts were signed for 2 projects to begin.

Arrangements were made to organize GYB and IYB training programs for the upliftment of small and medium scale enterprises, and market introduction programs and to conduct 15 programs following proper health guidelines in spite of the Covid epidemic. Under a 50% financial contribution scheme, distribution of goods and equipment to 383 entrepreneurs has been arranged in order to initiate new enterprises as well as to uplift the existing enterprises.

Furthermore, under the "*Mahaveli Saviya*" loan scheme, which was jointly implemented with the Regional Development Bank, targeting small and medium-sized entrepreneurs with financial difficulties, 54 entrepreneurs were provided with loans in all regions, and similarly "*Moraghakanda Athwala*" had provided loans to 09 entrepreneurs targeting the new development zone at Moraghakanda.

3.6 Research, Development and Special Projects Division

Vision

Achieving multi sectoral development in the Mahaweli Systems through modern technology and strategic methods

Objective

Implementation of local and foreign special projects in accordance with the Mahaweli Master Plan to uplift the livelihood of the Mahaweli Settlers

Functions of the Division

- In order to promote multi-sectoral development activities to uplift the living conditions of Mahaweli settlers, prepare special projects implemented under local and foreign financial allocations for the Mahaweli Authority divisions in accordance with government policies, corporate policies and the Mahaweli Master Plan, prepare strategies for enforcement, Implementation, direction, supervision, coordination and progress review across relevant departments and Implementation of development projects by preparing strategic plans for popularizing and promoting tourism in Mahaweli areas
- Implementation of projects related to increasing product quality by introducing new technology methods for agricultural and other products of Mahaweli settlers targeted at the market and coordinating research activities with local/foreign research institutes/universities/higher education institutes etc. on the nature of resources, economic variables and existing potentials etc., increasing

the income generation of settlers by conducting model research activities in the field and adapting the research results to Mahaweli regions.

Programs proposed to be carried out during the year as per Action Plan 2021

- 40.15 million in financial allocation
- A special pilot project to reduce human-elephant conflict
- Basic Training Program for transformation of Second and Third Generation Mahaweli Youth and Aralagangwila Seed Farm Officers to become commercial farmers using Information Technology
- Kothmale Greenhouse - land preparation, water, transportation facilities, building the fence, land preparation, consultancy
- Mahaweli Organic Farming Project
- Mahaweli Trade Centre
- Establishment of Agricultural Innovation Communication and Research Center - Medirigiriya (Information Village)
- Establishment of Information Technology Villages

The progress achieved according to the action plan and the activities carried out in addition to the action plan, during the year 2021,

- **A special pilot project to mitigate human-elephant conflict**

Estimating for 20 Km electric fence in Mahaweli System L region was initiated.

Completion of construction of 10 Km electric fence around Toda farm in Mahaweli C zone.

The estimated amount is 4.3 million. Construction of 7.5 Km electric fence around Aralagangwiga seed farm is also completed and Kandakadu has 15% physical progress. In the relevant area, clearing of forests, preparation of the roadway and digging of pits for setting the poles etc. are already completed.

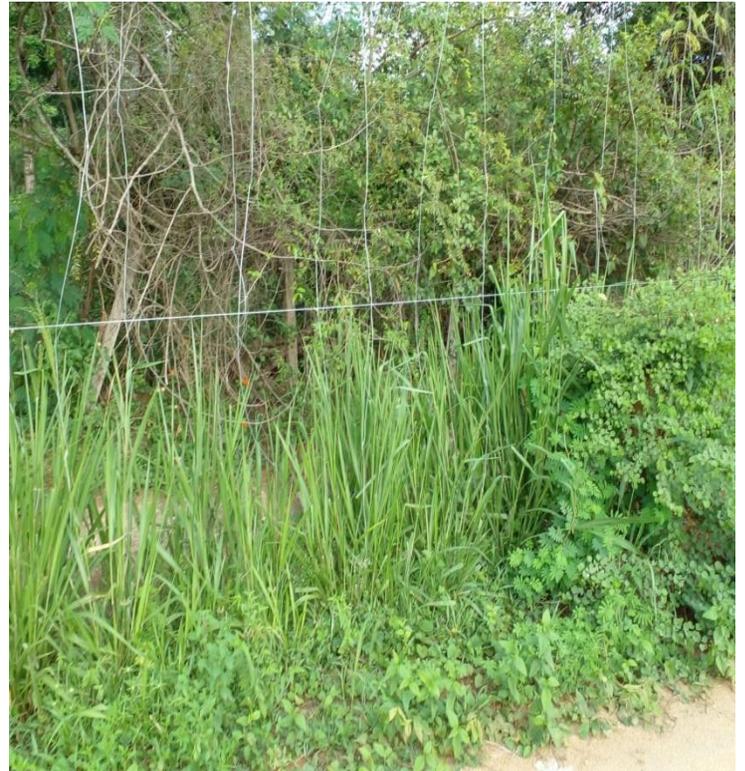
Apart from this, 4 Km of the 14 Km long electric fence has been completed in Kardapola Kandakadu Sinhapura.

Installation of a 525 m electric fence around Pimburratthewa circuit bungalow has been completed.

Approval has been received for the construction of a 300 m electric fence around the sub-office of the Maduru Oya Right Bank Development Project, for which estimates have been requested from the Inventors Commission.

- **Pilot Hi-Tech Greenhouse Farm Project to Reduce Climate Impacts Ground Preparation, Water, Transport Facility, Fencing, Land Preparation, Consultancy (SMART Green House Project)**

The delay in the construction of the greenhouse is due to the fact that the engineering staff who are to arrive from Korea were held up due to Covid disease, which is a global epidemic. But in the month of October this year, the engineering staff who came from Korea had carried out the relevant work here. Ground preparation has now been completed and the construction of the high-tech greenhouse has been completed.



Mahaweli Organic cultivation project

So far, money has been paid to the Department of Agriculture for soil testing. The preliminary work has started. The construction of the compost yard has already been completed by CECB.

Also, compost fertilizer production is being carried on. Its current production progress is About 570 tons.

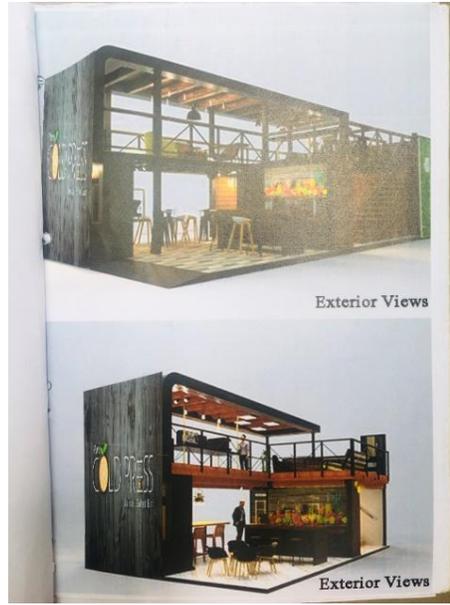
A field test was conducted with a member of the expert committee in order to conduct an experiment on making organic granular fertilizer and a discussion was held with the resident project manager regarding the future activities. After the random soil survey conducted by the Mahaweli Authority, crop identification has been done at the block level and unit level through soil maps. Training programs have been conducted with the officials related to organic project in Moragahakanda region along with members of Mahaweli organic expert committee.

The preliminary activities for building a laboratory and an office using cargo containers are being carried out at the organic yard premises.



Mahaweli Trade Center

The initial design plans for this have been handed over to a lady-chartered architect and completed.



Establishment of Agricultural Innovation Communication and Research Centers - Medirigiriya

(Information Village)

So far, 20 computers had been provided to Medirigiriya Area, and other office equipment needed for the center were provided and deficiencies in the proposed building were fixed and the computer center was opened.



The program for establishment of eco-friendly fish breeding centers and mud ponds in the System H under the special project.

The amount spent for this purpose was approved by the Director General from the relevant allocations in accordance with the approved action plan of the year 2021 under the Research, Development and Special Projects Division.



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)

- 2. 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 sections

The progress Personnel and Administration Section in achieving the objectives of 2021

1. Identifying vacancies in all sectors and calling for applications for vacancies
2. Implementation of Annual Transfer Policy in all sectors of MASL
3. Identifying the training needs of all sectors and organizing the relevant training program

Staff numbers information as on 31.12.2021

New recruitment in the year 2021

Serial No	Category of service	Designation	Number
1	MM 1-1	Engineer (Civil)	18
2	MM 1-1	Engineer (Electrical)	3
3	MM 1-1	Engineer (Mechanical)	5
4	MA 2-2	Sports assistant	1
5	MA 2-2	Bookkeeper	2
6	MA 2-2	Livestock Development Asst	9
7	MA 2-2	Hydrology Asst	2
8	MA 1-2	Field Asst	16
9	MA 1-2	Management Assistant	54
10	-	Total	110

Internal Promotions in the year 2021

Serial No	Category of service	Designation	Number
1	HM 1-1	Director (Lower Basin Development)	1
2	HM 1-1	Director (Water Management Secretariat)	1
3	HM 1-1	Director (Internal Auditor)	1
4	MM 1-1	Assistant Director (Fisheries and Livestock)	2
5	MM 1-1	Assistant Director (Administration)	1
6	MM 1-1	Accountant	1
7	MM 1-1	Deputy Resident Business Manager (Control)	1
8	MM1-1	Assistant Director (Finance)	1
9	MM 1-1	Assistant Director (Procurement)	1
10	MM 1-1	Engineer (Mechanical)	1
11	MM1-1	Assistant Director (Environment)	1
12	MM 1-1	Botanist	8
13	MM 1-1	Divisional Manager	15

14	MM 1-1	Assistant Director (Legal)	1
15	JM 1-1	Institutional Development Officer	6
16	JM 1-1	Fisheries and Livestock Development Officer	1
17	JM 1-1	Farm Manager	2
18	JM 1-1	Internal Audit Officer	1
19	JM 1-1	Technical Engineer (Civil)	9
20	JM 1-1	Transport Officer	1
21	JM 1-1	Agriculture Officer	2
22	JM 1-1	Business Development Officer	2
23	JM 1-1	Technical Engineer (Electrical)	1
24	JM 1-1	Librarian	3
25	MA -3	Development Asst	2
26	MA 3	Unit Manager	21
27	MA 3	Assistant Farm Manager	1
28	MA 2-2	Bookkeeper	1
29	MA 1-2	Management Assistant	11
30	-	Total	100

Trainings in the Year 2021

Serial No	Program	Expenditure (Rs)
01	Training program for block managers	537956.00
02	Training Program for the Management Assistants	262250.00
03	Training Program on Corporate Management (Officers of Walawa Region)	42000.00
04	Training Workshop on Warehouse Management, Inventory Control, Annual Inventory Inspection and Asset Disposal	7000.00
	Total	849,206.00

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 carrying 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 2021 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.

Special functions carried out in the year 2021 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 the justice done in cases filed against the government by various parties, and to provide necessary assistance to preserve the reputation of the government.
- Contribute to providing 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 attributed to the Finance Division are preparing estimates according to the Corporate Plan and Annual Plan of the institution, preparation of budget proposals to obtain allocations for the Mahaweli Authority under the National Budget, forecasting the monthly imprest amounts and obtaining funds from the treasury, preparing annual estimates of local and foreign projects, payments of staff salaries and other payments, physical resource management, audit inquiries and , furnishing information to the Audit Queries, and queries sent by the Parliamentary Committee on Public Enterprises (COPE).

Details regarding Financial Allocations and Expenditure

	Capital Source	Allocations (Rs.'000)	Expenditure (Rs.'000)
Recurring expenditure		2,161,937	2,161,937
Capital expenditure		2,421,621	2,421,621
Mahaweli Projects			
Mahaweli Integrated Development Project 'B'	Local	194,000	194,000
Rideemaliyadda Development Project	Local	137,450	137,450
Rambaken Oya Project	Local	172,602	172,602
Welioya Integrated Project	Local	207,969	207,969
Agriculture and Livestock Development Project	Local	418,953	418,953
Agriculture Department AMTC		<u>45,029</u>	<u>45,029</u>
Total		3,597,624	3,597,624

Property, Plant and Equipment

Description	Cost as at 01.01.2021	Purchases	Sales, Disposals, Transfers	Cost as at 31.12.2021	Depreciation	Rs. '000 After Deduction of Depreciation 31.12.2021
Lands	296,000	-	-	296,000	-	296,000
Buildings and Offices	2,732,276	56,979	-	2,789,256	729,433	2,059,823
Building – Others	3,090,195	43,248	355	3,133,088	1,840,477	1,292,611
Main Canal	74,989,140	-	-	74,989,140	2,200,978	72,788,162
Vehicles	1,378,861	362,684	23,598	1,717,946	917,843	800,103
Office Equipment and Welfare Items	165,719	28,867	2,489	192,097	116,084	76,013
Generators	6,568,922	1,664	162	6,570,424	1,004,879	5,565,546
Machinery and Equipment - Workshop Services	21,220	6,941	25	28,135	15,169	12,966
Machinery and Equipment – Construction	489,940	47,798	41	537,696	369,020	168,676
Machinery and Equipment – General	221,225	75,940	2,412	294,753	121,491	173,262
Furniture and Fittings	316,847	24,536	983	340,400	95,064	245,336
Computers and Accessories	148,337	73,394	10,520	211,211	63,289	147,922
Defense Equipment	-	4,410	-	4,410	-	4,410
Books and Manuals	5,306	1,225	-	6,532	94	6,437
Dams	31,764,287	-	-	31,764,287	317,643	31,446,644
Total	122,188,275	727,685	40,586	122,875,374	7,791,463	115,083,911

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 it was replaced by 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 2021

Further in an atmosphere in which the civilian staff of the MASL did not report to work regularly due to the spread of the deadly Covi 19 epidemic since March 18, 2020, let us remember with pride that despite the risk to their lives and in some cases, using their personal means of transportation, many security officers reported to duty and 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, 150 ESCORT AIMGUARD type repeater firearms were purchased on March 02, 2021 for the security activities of this corps.

Also, in order to provide formal training and up-to-date knowledge about the operation of the new weapon, as well as to develop the personality and organizational vitality of the security officers of this corps, the approval of the Director General (MASL) was provided to conduct a two-day special training program for two groups each per region. Owned

Accordingly, the first phase was held from August 15, 2021 to August 20, 2021 for the security officers of the Walawa region, and the second phase was held from November 7, 2021 to November 12, 2021 for the officers engaged in security duties in the Moragahakanda Kalugaga region and the third phase, from December 4, 2021 to December 9, 2021, for the security officers engaged in security duties in Randenigala and System C. Further it is a great achievement for our corps to be able to successfully conduct and complete this training program for a large number of officers in a very short period of time.

Financial and Physical Progress achieved in 2021

<u>Account No.</u>		
2003	Loan Interest Income	1.02
2005	Penalty interest income	0.04
2008	Unpaid Tender Deposits	-
2010	Various Income	-
	Total	<u>1.06</u>
		Millions
2021	Allocation for the year	28.0
2005	Target for the year	28.0
2008	Funds received from Head Office for the year	28.0
2010	Expenditure for the year	<u>11.80</u>
		<u>42.00 %</u>

Financial Progress

Account No		Allocation (Millions)	Expenditure (Millions)
2385	Buildings	10.0	4.25
2383	Vehicle Maintenance	2.7.	2.19
2386	Office Equipment	0.1	0.049
2112	Defense Equipment	13.554.41	
2706	Furniture and Fittings	<u>1.250.91</u>	
		<u>28.111.80</u>	

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.

innovative technologies. 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

3.0 Progress and Outlook

Mahaweli Authority of Sri Lanka has a pool of 895 vehicles. It consists of 552 motor vehicles, 214 heavy vehicles and 129 machineries (loader, JCB etc.). (A summary of motor vehicles is shown in the table below.

Type of Vehicle	No of Vehicles 2021.12.31					Total
	0 - 5 Years	5 - 10 Years	10 -15 Years	15 - 20 Years	<20 Years	
	(2021-2015)	(2014-2010)	(2009-2005)	(2004-2000)	(1999 <)	
Motor Bicycle		5	09	5	5	24
Three Wheelers					3	3
Motor Car			1		9	10
Jeep	1	3	2	13	198	218
Double Cab	38	33	33	78	86	268
Bus Van	3	3	5	4	14	29
Total	42	44	50	100	315	552

413 drivers, 71 machine operators, 13 tractor drivers and 39 assistants/helpers are employed to drive and operate the above motor vehicles, machines and tractors respectively.

Financial Progress

In 2021, 71.31 million rupees were allocated under the capital allocation for the transport sector. The capital amount is allocated to the regional offices including the head office in the following manner

Head Office	System B	System C	System D	System E	System G	System H	Huruluwewa Area	Rambakan Oya	Walawa Area
10.0	11.71	9.75	1.4	5.0	5.0	3.0	4.0	6.90	10.45

This capital amount was used for vehicle engine, suspension system, tinkering and painting and improvement of vehicles (inside and outside), and its progress is 100%. Due to the restrictions imposed on the import of new vehicles, necessary arrangements were made to repair the existing vehicles and put them into operation.

A lot of money had to be spent on fuel, driver remuneration, overtime, subsistence, minor repairs and maintenance of vehicles and operations, and the total recurrent expenditure of the Authority in 2021 is Rs. 154,542,000.00

Annual Recurrent Expenditure 2021	
Cost of fuel	රු. 81,518,000.00
Expenditure on vehicle repair and maintenance	රු. 66,539,000.00
Expenses for payment of insurance and revenue license fees	රු. 4,326,000.00
Cost of obtaining vehicle on rental basis	රු. 2,159,000.00
Sum of recurrent expenditure	රු. 151,542,000.00

Below is a summary of recurring expenses. Priority has been given to manage them in a timely manner.

Based on the above situation, attention should be paid to increasing the allocation for the next year for the maintenance and repairs of the vehicles that are becoming depleted.

3.2 Solving issues regarding the ownership of motor vehicles belonging to the Authority

Necessary actions to transfer back to the Authority 30 vehicles registered under The Director General, Mahaweli Authority of Sri Lanka which had been released to other institutions and departments, was initiated last year. Also, 5 vehicles which were temporarily released to other institutions and departments for a long period of time were formally arranged to be given to those institutions permanently.

4.3 Disposal of motor vehicle that are not in running condition

According to the instructions given by the Ministry of Finance, 145 items of vehicles and machinery proposed for disposal and scrap materials were identified in Mahaweli Authority of Sri Lanka, of which 37 vehicles were removed for repairs. The disposal committee designated 45 vehicles as motor vehicles and 63 vehicles for disposal as scrap metal after canceling the registration. Another 15 vehicles were removed for repairs. It is planned to complete the further work of the disposal by tendering in 2022.

4.4 Managing vehicles owned by the authority and updating information

- The Mahaweli Authority of Sri Lanka has taken a step in the right direction in managing the fleet of vehicles under the advice and guidance given by the top management of the Authority in accordance with the circulars issued regarding the provision of transport facilities to public officers, public corporations, statutory boards, and government owned companies. This process is implemented in the head office and the implementation of those policies at the zonal office level contributes to an effective service.
- All vehicles at the head office except for the vehicles reserved for the use of management (for those entitled for official vehicles) are managed within the motor pool. There are about 150 - 175 daily vehicle requests per month to cover day to day duties and about 70 field trips per month. The Transport Division had been able to fulfill all these requests by utilizing the limited pool of drivers (18 drivers)
- Thus, managing vehicles within one pool enables proper transport management, while gaining the ability to control the fuel and other costs incurred by the Authority for transport facilities. In addition, it has the potential to prevent vehicle misuse and to save limited labor and time, as well as to reap economic benefits.
- Preparing daily running charts and monthly summary reports for pool vehicles and receiving them from the zonal offices on the scheduled date and providing information to the required parties.
- In accordance with the provisions mentioned in paragraph 3.1 of the Public Administration Circular No. 2016/30 dated 29.12.2016, to initiate the activities for the re-inspection of fuel consumption in the Authority's vehicles.

In the current year, all the vehicles except for those reserved (for the officers entitled for official vehicles) are managed through a single motor pool and allocation of vehicles and drivers for the official needs of the Authority was done only through the Transport Division.

As a result, the vehicle misuse, fuel consumption compared to previous years had been minimized, and maximum use has been made of existing pool and the opportunity arose to move towards proper management of transport service as per the government guidelines

3.5 Vehicle accidents

In the year 2021, the total number of vehicle accidents (including regional offices) has been reported as 21, which is low compared to previous years.

4.0 Challenges and Future Goals

- Vacancies of transport officers for the transport division in the head office and zonal offices is one of the main challenges for streamlining the management of affairs. Hence the vacancies should be filled.
- The above functions were implemented in the division with the aim of managing effective and efficient transport pools under the theme of Efficient Administration bereft of Corruption in line with Government Policies (Vistas of Prosperity), for which special attention is paid to the adoption of modern / timely Communication Technology (ICT), Global Positioning System (GPS) and Fleet Management Software (FMS) and plans are afoot to focus on the planning for the implementation of these technologies in the near future.
- Limitless (months and years) delay in vehicle repairs can be considered as a major impediment faced in management of the pool. Vehicle repairs can be mainly classified as internal and external. Although tenders or quotations should be called for external repairs, it is not possible to do so for internal repairs.

- However, due to these conditions not being elucidated and the procurement practices being complicated and unplanned, we have had to face such situations. It is very important to inform the relevant officials about and the regulations and circulars issued by the government via regular and correct training courses.
- Minimizing the impact that has to be faced when performing the duties assigned to the transport division in the independent manner. In this case an effective and efficient transport service can be obtained by managing mechanical workshops (motor vehicle repair) under one roof instead of separately

Many government institutions, including the Mahaweli Authority of Sri Lanka, are implementing the transport pool management activities through traditional methods that have been maintained since the 1970s. It can be pointed out timely that these old methods should be carried forward in parallel with the modern methods (technologies) in today's world.

Therefore, in the Mahaweli Authority of Sri Lanka, preliminary work necessary to adopt the new methods was completed, but due to the difficulties in getting allocations for the same, it had to be deferred

However, we always strive to provide accurate, fast and efficient transportation services by introducing new technological methods. I would like to mention that we have focused our special attention on ways to get quick and efficient effective services to reduce social, economic and environmental problems.

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 2021

S.S	Company	Work performed during the year / Status
01	Mahaweli Livestock & Agro Enterprises (Pvt) Ltd	<ul style="list-style-type: none"> ▪ 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 Giradukotte 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 31.12.2021

		GROUP		AUTHORITY	
		Rs'000	Rs'000	Rs'000	Rs'000
		2021	2020	2021	2020
	<u>Notes</u>				
<u>ASSETS</u>					
<u>Non-Current Assets</u>					
Property Plant and Equipment	(1)	115,083,911	118,854,645	115,030,068	118,798,415
Investments (LT)	(2)	23,104	164,555	437,085	530,787
Intangible Assets		6	785	6	785
Capital Working Progress -		28,496	36,0333	28,496	36,033
Total Non-Current Assets		115,135,517	119,056,017	115,495,656	119,366,020
Biological Assets - Capital	(3)	286,717	259,342	278,294	250,156
<u>Current Assets</u>					
Inventories / Stocks	(4)	278,716	155,905	275,535	151,895
Biological Assets - Trading	(3)	41,118	42,721	40,242	42,363
Trade and Other Receivables	(5)	3,432,901	2,383,580	3,424,119	2,362,374
Bank Guarantees		-	377	-	-
Cash and Cash Equivalents	(6)	1,177,597	667,498	1,175,376	662,746
Total Current Assets		4,930,332	3,250,081	4,915,272	3,219,378
Total Assets		120,352,566	122,565,441	120,689,222	122,835,554
<u>LIABILITIES</u>					
<u>Current Liabilities</u>					
Payables	(7)	39,894,796	39,747,952	39,892,577	39,735,335
Accrued Expenses	(8)	104,067	94,563	67,279	54,804
Total Current Liabilities		39,998,864	39,842,515	39,959,856	39,790,139
<u>Non-Current Liabilities</u>					
Provision for Gratuity	(9)	1,343,221	1,424,246	1,332,168	1,410,245
Deferred Tax		-	612	-	-
Total Non-Current Liabilities		1,343,221	1,424,858	1,332,168	1,410,245
Total Liabilities		41,342,085	41,267,373	41,292,025	41,200,384
Total Net Assets		79,010,681	81,298,068	79,397,197	81,635,70
<u>NET ASSETS / EQUITY</u>					
Accumulated Fund	(10)	73,874,272	76,779,867	73,874,727	76,779,867
Reserves - B/F Balance of Income and Expenditure A/C		(490,550)	(1,156,391)	(96,412)	(763,578)
Revenue Reserve - Companies		-	48,288	-	-
Revaluation Reserves		5,626,304	5,626,304	5,618,881	5,618,881
Total Net Assets / Equity		79,010,841	81,298,068	79,397,197	81,635,170

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2021

GROUP	AUTHORITY			GROUP	AUTHORITY
Rs'000	Rs'000			Rs'000	Rs'000
2020	2020			2021	2021
			<u>SCHEDULE</u>		
		<u>Income</u>	<u>E</u>		
			(01)		
296,298	296,298	Rent		304,110	304,110
452,903	452,903	Royalty		653,583	653,583
4,911	-	Farm Produce Sale		8,859	-
10,403	6,319	Investment Income (Companies)		6,478	6,478
192,489	192,489	Other Income		3,336,532	3,336,532
957,005	948,010	Generated Income		4,309,562	4,300,703
		Treasury Grant -			
1,810,000	1,810,000	Recurrent	(02)	2,161,937	2,161,937
823,258	823,258	- Capital		3,314,843	3,314,843
112,977	112,977	- Agriculture and Livestock		-	-
43,243	43,243	Large and Medium Irrigation Rehabilitation		-	-
3,746,483	3,737,489			9,786,341	9,777,483
		<u>Less: Expenses</u>	(03)		
3,118,130	3,103,674	Personal Emoluments		2,817,807	2,815,516
80,705	80,250	Travelling & Subsistence		86,400	86,343
132,591	132,326	Supplies / Transportation		154,543	154,543
68,195	68,149	Maintenance Expenditure		440,492	440,492
111,575	110,486	Contractual Services		134,151	134,100
1,815	1,815	Insurance		1,950	1,950
92,125	83,795	Other Expenses		97,007	91,633
657,078	653,007	Depreciation		3,242,826	3,240,416
1,231,123	1,231,123	Rehabilitation, Improvement, Other Maintenance,	(04)	2,495,308	2,495,308

		Community Development & Settler Service			
16,295	16,295	Loss on Circuit Bungalow	(05)	36,400	36,400
1,471	1,471	Profit on Development center		6,806	6,806
4,008	4,008	loss on Water Project Management		5,950	5,950
(1,183)	(1,183)	loss /profit on work shop		632	632
24,423	24,423	loss on Nursery	(06)	34,430	34,430
(18,389)	(18,389)	Farm Loss/profit	(07)	25,748	25,748
877	877	loss/profit on Hela Bojunhala		293	293
(1,185,952)	(1,185,952)	loss/profit on Power Station Moragahakanda			(459,736)
4,334,886	4,306,175	Total Operating Expenses		9,121,007	9,110,823
(588,403)	(568,686)	Surplus/(Deficit) from Operating Activities			666,660
(375)	(375)	Add. Profit/Loss on Disposal of Fixed Assets	(08)	506	506
(588,778)	(569,061)	Profit After Tax		665,841	667,166
	-				
(589,250)	(245,703)	Balance B/F as at 01.01.2021		(1,156,391)	(763,578)
(1,178,028)	(8,14,764)	Net Surplus (Deficit) Brought Forward		(490,550)	(96,412)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

		GROUP	AUTHORITY
		(Rs'000)	(Rs'000)
Cash Flows from Operating Activities		665,841	667,166
Non - Cash Movements			
	Depreciation	4,245,462	4,243,052
	Provision for Gratuity	(81,025)	(78,077)
	Increase in Biological Assets Gain	(27,375)	(28,138)
	Assets Transfers	(193,156)	(193,156)
	Assets sales	(507)	(507)
Operating Activities			
	Increase/Decrease in Stocks	(122,811)	(123,640)
	Increase/Decrease in Biological Assets - Trading	1,604	2,121
	Increase /Decrease in other Receivables	(1,049,321)	(1,061,745)
	Increase /Decrease in Bank Guarantee	377	-
	Increase/Decrease in Payables	146,844	157,242
	Increase / Decrease in Accrued Expenses	9,504	12,475
Net Cash Flows from Operating Activities		3,595,438	3,596,794
Investing Activities			
	Purchase of property plant and Equipment	(282,805)	(282,781)
	Increase Intangible Assets	778	778
	Proceed from Sale of Assets	1,739	1,739
	Increase/Decrease in Investment	141,451	93,702
	Increase/Decrease in working Progress	7,537	7,537
Net Cash Flows from Investing Activities		(131,299)	(179,024)
Financing Activities			
	Increase/Decrease in Accumulated Fund and Reserve	(612)	-
Net Cash Flows from Financing Activities		(2,954,039)	(2,905,140)
Net Increase / (Decrease) in Cash and Cash Equivalents		510,099	512,630
Cash and Cash Equivalents as at 01.01.2021		667,498	662,746
Cash and Cash Equivalents as at 31.12.2021		1,177,597	1,175,376

STATEMENT OF CHANGES IN EQUITY – GROUP

	Rs.'000	Rs.'000	Rs.'000	Rs.'000
DESCRIPTION	CONSOLIDATED FUND	RESERVES	INCOME & EXPENDITURE	TOTAL
Balance as at 01.01.2020	76,826,891	5,077,151	(585,814)	81,318,228
During the year	145,774	547,305	(588,778)	104,301
Differed Income	(42,740)			(42,740)
Balance as at 31.12.2020	76,926,922	5,624,456	(1,178,028)	81,373,350
Balance as at 01.01.2021	76,779,867	5,626,304	(1,156,391)	81,249,780
During the year	282,781			
Differed Income	(3,187,920)			(3,187,920)
NRMS	(3,003)		(3,436)	(6,439)
Balance as at 31.12.2021	73,874,727	5,626,304	(490,550)	79,010,481

STATEMENT OF CHANGES IN EQUITY - MAHAWELI AUTHORITY

	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Consolidated Fund	Reserves	Income and Expenditure	Total
Balance as at 01.01.2020	76,823,887	5,069,728	(245,703)	81,647,912
During the year	145,774	547,305	(569,061)	124,018
Differed Income	(42,740)	-	-	(42,740)
Balance as at 31.12.2020	76,926,921	5,617,033	(814,764)	81,729,190
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
Differed Income	(3,187,920)			(3,187,920)
Balance as at 31.12.2021	73,874,727	5,618,881	(96,412)	79,397,197

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 affairs 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 four 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, Mahaweli Consultancy Bureau (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	Price of a Share	No of shares Issued	No of shares issued to Mahaweli Authority
1	Mahaweli Consultancy Bureau (Pvt) Ltd.	Rs. 10	6385	6384
2	Natural Resources Management Services (Pvt) Ltd	Rs. 10	1502	1500
3	Mahaweli Venture Capital (Pvt) Ltd.	Rs. 10	1,039,803	1,039,800
4	Mahaweli Livestock & Agro Enterprises (Pvt) Ltd	Rs. 10	3	-

Principle Activities of Mahaweli Companies

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 it is disclosed as a note in Assets and Liabilities.

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 Adjustments 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.

2.5.3 The revaluation surplus has been increased by Rs.547, 347 million due to revaluation of Computer and Accessories during the current financial year.

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 Computer and Accessories are revalued and taken in to the account with effect from 01.01.2020.

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.

3.2.3

1	Buildings – Offices	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 Office Equipment – Generators	15% per Annum
5	Plant Machinery and Equipment Office Equipment – Construction	15% per Annum
6	Plant Machinery and Equipment Office 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 is classified as a long-term investment in the balance sheet. 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 balance sheet 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 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 balance sheet are those obligation payable 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 Retirement Benefits 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.

3.11 Income Statement

3.11.1 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 royalties and income from investment and interest.

3.11.2 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, royalties, interest income is recognized on an accrual basis.

3.11.3 Government Grants are recognized as 'Capital Grant and Recurrent Grant.'

Recurrent Grant is recognized in profit or loss on systematic basis 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 setting up the grants as differed income. That is recognized in Financial Performance on systematic basis over the useful life of the Assets.

3.12 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 profit / loss for the year, provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property plant and equipment.

3.13 Post Balance Sheet Events

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

3.14 Contingencies

A contingent liability as at 31.12.2021 on various litigations filed against Mahaweli Authority of Sri Lanka was Rs.62,631 millions

3.15. Winding –up

Natural Resources Management Services (Pvt) Ltd is under Creditors voluntary winding -up

MAHAWELI VENTURE CAPITAL (PVT) LIMITED

ASSETS AND LIABILITES AS AT 31.12.2020

(Under Creditors voluntary Winding – Up)

Note

Assets		2021 Rs.	2020 Rs.
<u>Non-Current Assets</u>			
Property, Plant and Equipment	07	3	3
Assets	08	<u>2,794,671</u>	<u>2,749,671</u>
		<u>2,794,671</u>	<u>2,749,671</u>
<u>Current Assets</u>			
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 Receivables	11	25,000	25,000
Treasury Bills		9,455,896	9,455,896
Cash at Bank	12	4,466,061	4,068,828
Cash at hand		<u>2,521</u>	<u>2,521</u>
		<u>14,450,028</u>	<u>14,052,795</u>
		<u>17,244,702</u>	<u>16,847,469</u>
Total Assets			
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY AND RESERVES</u>			
Stated Capital	06	10,398,000	10,398,000
Funds Received ATI		150,325	150,325

Funds Received EEC		10,000,000	10,000,000
Contribution from MASL		432,000	432,000
Retained Profits/ (Losses)		<u>(4,196,788)</u>	<u>(4,594,021)</u>
Total Equity		<u>16,783,537</u>	<u>16,386,304</u>
<u>Current Liabilities</u>			
Accrues Expenses	13	71,183	71,183
Sundry Creditors		310,025	310,025
Early Received Interest on T/B		<u>79,957</u>	<u>79,957</u>
Total Liabilities		<u>461,165</u>	<u>461,165</u>
Total Equity and Liabilities		<u>17,244,702</u>	<u>16,847,469</u>

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 as at 31.12.2021
Given below

3.15.1 Number of Tanks

System	No of Tanks	Tank Capacity (AC, FT)	Height of the Bund (m)	Length of the Bund (m)	Area (Hectares)
System B	76	10,204	-	-	18,214
System C	52	20,461	132	-	399
System D	52	28,110	-	-	-
System G	17	708	277	6,567	-
System H	127	23,031	253.	11,682	2,888
System L	31	30,426	-	-	-
Walawe	22	54,948	-	-	-
Rambakanoya	73	48,270	-	-	-
Huruluwewa	13	6,511	31	-	1,090
Total	463	222,669	693	18,249	22,591

3.15.2 Roads

System	Walawa (Km)	System L (Km)	System B (Km)
Main Roads	100.00	51.0	549.0
Hamlet Roads	250.00	-	-
Market Roads	12.5	-	-
Agri Roads	25.0	-	-
Bridges	5.0	-	-
Culverts	125.0	-	-
Causeways	10.0	-	-
Total	527.5	51.0	549.0

3.15.3 Water Supply and Wells

Wells	System L (number)	Huruluwewa (Number)
Drinking Water wells	350	-
Agriculture Wells	150	297
Bore Holes	100	-
Overhead Tanks	100	-
Aero Plants	-	1
Tube Wells	-	48
Total	700	346

3.15.4 Number of Dams

Dams	(Cost Rs Billions)
Kotmale	13.0
Victoria	9.8
Randenigala	5.8
Rantambe	3.2
Polgolla	0.09
Bowatenna	0.05
Minipe	0.65
Rathkinda	1.9
Maduru Oya	2.6
Udawalawe	0.14
Chandrika Wewa	0.08
Total	37.31

3.15.6 Lands of Mahaweli Authority of Sri Lanka

Sytem	Total Lands (Hectares)	Sold Lands (Hec)	Remaning Lands (hec)
System B	95,687.0	28,448.0	67,239.0
System C	52,564.0	41,024.0	11,540.0
System D	16,396.0	1,597.0	14,799.0
System H	80,803.0	33,191.0	47,612.0
System G	11,940.0	9,560.0	2,350.0
System L	37,338.0	4,762.0	32,576.0
Victoria	311,118.0	3,384.0	307,734
Walawa	57,775.0	34,506.0	23,269.0
Huruluwewa	9,704.0	6,904.0	2,800.0
Rambakenoya	134,002.0	6,111.0	127,891
Total	807,327.0	169,517.0	637,810.0

Auditor General's Report

Part 111

**Director General
Mahaweli Authority of Sri Lanka**

Report of the Auditor General on the Financial Statements of the Mahaweli Authority of Sri Lanka and other legal and regulatory requirements for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of Mahaweli Authority of Sri Lanka for the year ended 31 December 2021 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, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- a) 9,237.9 km long canals in 6 zones administered and maintained by the Authority were valued at 74,989 million in the financial statements but had not been assessed by a recognized professional valuer or a valuation board. Therefore, the valuation could not be accepted in the audit.
- b) (b) Although details of 463 tanks and 11 dams were disclosed in the financial statements as assets under the Authority's control, the relevant documents were not submitted to the audit to confirm whether those tanks and dams are indeed belonging to the Mahaweli Authority. Further steps were not taken to include these assets in the financial statements after confirming that they belong to the Authority and valuing them.
- c) (c) According to the information submitted to the audit, although assets of Rs. 325,457,540 from the Dam Protection and Water Resource Planning Project, Rs. 671,503,748 from the Moragahakanda Project, and Rs. 430,418,733 from the Climate Resilience Improvement Project were received by the Authority as of the year under review, only assets of Rs. 537,950,118, 225,822,896 and Rs.186,391,238 respectively were accounted for. And according to the reports obtained from the Moragahakanda project, the value of the assets transferred to the authority was Rs.586,015,546. However, these changes were not checked and adjusted in the financial statements.
- d) (d) The assets and liabilities of the Mahaweli Consultancy Bureau (Private) Limited were not taken in to account in the consolidated financial statements for the year 2021 due to the fact that the

Mahaweli Consultancy Bureau had been assigned to Ministry of Irrigation from 30 December 2020. However, due to the fact that the details of the account adjustments made in relation to this transfer were not submitted to the audit, the correctness of the adjustment for the related transfer in the financial statements could not be verified during the audit.

- e) (e) Profit for the year was understated due to the fact that Rs.2,688,000, which was income from leasing commercial land in Embilipitiya zone, was not recorded as income and shown as trade creditors.
- f) (f) VAT of Rs.478,496 in relation to the contract for the construction of the proposed office at Muravasihena and raw material advances of Rs. 1,446,980 amounting to a total of Rs. 1,925,476 were debited to those accounts instead of being debited to work in progress account overstating Work in progress account by Rs.1,925,476.
- g) (g) According to the accounts of the Moragahakanda project, although the debtor and creditor values were Rs.108,452,464 and Rs.907,550 respectively, in the accounts of the Authority, the values were shown as Rs.11,645,087 and Rs.38,388,969,995 respectively. Hence debtor balance was understated by Rs.10,737,537 and the creditor balance was understated by Rs.38,280,517,531 in the financial statements. However, these disparities were not checked and adjusted in the financial statements.
- h) (h) During the period of 2015 - 2018. thirty water treatment plants were built in Welikanda and Welioya areas at a cost of Rs. 80,000,000 but were not accounted for in the financial statements as fixed assets and instead written off as expenditure without the approval of the Board. Also, their operations were transferred to the relevant farmer organizations without entering into an agreement
- i. In accordance with paragraph 47 of Public Sector Accounting Standards of Sri Lanka No. 07 assets that experience significant and volatile changes in fair value shall be revalued and accounted for at fair value. But such accounting treatment was not adopted for two plots of land purchased by the Authority during the period of 1984-1989 costing Rs. 64,320,853 and even their cost had not been accounted for. Also, the Authority had not identified and accounted for the lands where its Block Offices, divisions, quarters and circuit bungalows are located.
- ii. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Authority's 2021 Annual Report

Other information means the information included in the Authority's 2021 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.

On reading the 2021 Annual Report of the Authority, 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 management determine is 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

As per sub-Section 16(1) of the National Audit Act No. 19 of 2018, the Authority 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 Authority’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 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 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 Subject to the observations made in section 1.2 of this report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Authority as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018 except for the impact from the details given in Basis for Qualified Opinion in my report.

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, except for audit observations in paragraphs 1.2 (b), (c) and (i) Basis for Qualified Opinion in my report, as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

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	Description
(a) Financial Regulation No. 1646 of the Democratic Socialist Republic of Sri Lanka	Although the daily running charts of the vehicles should be sent to the Auditor General before 15th of the following month after the relevant month, the daily running charts of 57 vehicles at the authority's head office were requested for audit on November 26, 2021, but were not submitted to the audit until the date of the report.
(b) Treasury and Public Administration Circular dated the 18th October, 1970	Although the government logo and the name of the institution should be mentioned on all government vehicles, none of the vehicles of the Authority had done so.

(c) Section 6.5.1 of the Public Enterprises Circular No. PED/ 12 dated 02 June 2003	The Financial Statements accompanying with the Draft Annual Reports should be submitted to the audit within 60 days of the end of the financial year. The Draft Annual Report was not submitted along with Financial Statements for the year under review
(d) Public Enterprises Circular No. 1/2015 dated 25 th May 2015	
(i) Section 3.1	The head office paid an excess amount of Rs.1,173,213 in the years 2018, 2019, 2020 and 2021 due to the fact that the directors who own official vehicles under the VM 1-1 category were paid for 140 liters of fuel in contravention of approved monthly fuel allowance of 120 liters
(ii) Section 3.2	In special cases where the monthly fuel allowance is not sufficient for the performance of duties, the actual fuel expenses incurred may be reimbursed subject to the approval of the Board of Directors, but additional fuel was given to official vehicles without the approval of the Board for off-site duties. Accordingly, in the year under review, additional amount of Rs.1,262,050 had been paid for fuel to the officials entitled to official vehicles of the head office without the approval of the Board of Directors.
(iii) Section 3.6	Although group transport facilities can be provided officials to participate in groups for special duty activities at a distance of more than 40 km, the Authority has not adopted such a system.
(e) Section 12 of Public Circular No. 02/2015 dated 10 July 2015	Although the vehicle disposal process should be carried out once every year, the Authority had not carried out any vehicle disposal after the year 2016.
(f) Public Administration Circular No. 30/2016 dated 29 December 2016	
(i) Section 3.1	For State owned vehicles, a fuel inspection should be carried out 12 months after every fuel inspection or after 25,000 km mileage or after a major overhaul of the engine, whichever is the earlier. But the Authority had not carried out such fuel inspections for its vehicles.
(ii) Section 3.3.	A chart related to monthly fuel consumption and repair of vehicles should be maintained in the applicable format and vehicles with severe adverse changes should be inspected immediately, but the Authority had not implemented such a system of control for its vehicles
(iii) Sections 4.2 and 4.3	Although quotations should be called for external repairs of vehicles, it is not possible to do the same for internal repairs and the prices quoted by garage where disassembling took place have to be accepted and a report of a qualified mechanical engineer of a corporation or a board or department of public sector should be obtained regarding those prices, but the Authority had not adopted such a method
(g) Section 02 (a) of Ministry of Finance Asset Management Circular No. 05/2020 dated 02 October 2020	

2.2.3 That the powers, duties and functions of the Authority (as applicable) have not been acted upon as required by Section 12(g) of the National Audit Act No. 19 of 2018.

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 In accordance with the requirement of Section 12 (h) of the National Audit Act No. 19 of 2018, except for the following observations, resources of the Authority had procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws

According to the authority's procurement plan for the year 2021, the head office had planned to purchase 25 Intel-3, Intel-5, Intel-7 computers under an allocation of Rs 5,160,000, but 54 computers were purchased at a cost of Rs 7,719,450. Furthermore, 45 Intel-5, Intel-7 laptop computers were planned to be purchased under an allocation of Rs 7,390,000, but 61 laptops were purchased for Rs 14,690,658. Accordingly, Rs. 9,800,000 had been spent beyond the allocation included in the procurement plan

2.3 Other Observations

(a) Rs. 48 million had been deposited in the Regional Development Bank in 2002 to set up a revolving fund to provide loans to Mahaweli settlers. But after the year 2010, the fund was kept in the bank at a low interest rate of 4 percent without implementing the program. As of December 31, 2020, the fund with interest was Rs. 93,783,845, and as of April 2021, an amount of Rs. 81,162,538 had been recovered, and an amount of Rs. 12,621,307 and the related interest had not been recovered yet.

(b) Decision was taken to liquidate two subsidiary companies belonging to the Authority, Mahaweli Venture Capital (Pvt) Company and Natural Resources Management Private Company in the years 2012 2019 respectively, but the liquidation proceedings had not been completed even by year under review.

(c) It was approved by a Cabinet decision on 18th September 2018 for the reorganization of the Mahaweli Livestock and Agro Enterprises (Private) Limited as a public private joint venture with an external investor selected by the project committee. Accordingly, the Board of Directors had approved on February 28, 2022 to invite prospects to implement as a joint venture with public private shares, in the land of 1,154 acres belonging to Girandarukotte in System C and Damminna Farm in System B managed by the company including all properties. More than three years have passed since the approval of the Cabinet of Ministers, but the related work has not yet been completed.

(d) Under the “Waari Saubhagya” (Prosperity through Irrigation) program it was planned to rehabilitate 37 tanks and to desilt 66 tanks by charging fees on priority basis within the national program to rehabilitate tanks, anicuts and agricultural channels. In order to protect the tank system, the experts are of the opinion that it is more appropriate to carry out the rehabilitation work of the tanks as cascade systems instead of selecting individual tanks in the implementation of the projects through this program. Although 11 tanks belonging to Systems E and B belong to cascade systems, those tanks were eventually not selected for final rehabilitation. In the year under review, the physical progress of 18 selected tanks was less than 50 percent and only 05 tanks were desilted by charging fees. Also, although an income of 598.7 million rupees was expected to be earned through the desilting, only 9.45 million rupees had been earned.

(e) About 1/3 of the total land area of Sri Lanka has been declared as Mahaweli areas, and the management of state lands in those area is carried out the by the Authority. With the aim of providing optimal service to the settlers and investors by making it more efficient, in 2016 and 2018, the Authority had paid an amount of Rs. 6,973,405 to 03 private institutions on three occasions for the introduction of Information and communication technology in land management. Further action was taken to train 60 officers to implement the system. But even as of now, the land information management system is not functioning, so that expenditure has become futile.

(f) Although there is a debtor balance of Rs.242,525,00 and a creditor balance of Rs. 85,844,000 both aged more than 05 years according to the debtor creditor age analysis, arrangements had not been made to settle those balances.

(g) According to the information provided to the audit, the authority had given a total of 6,879 hectares of land to 695 investors for investment projects. The area of fully developed land plots was 3,284 hectares and the area of underdeveloped land plots was 2,023 hectares, and the area of undeveloped plots of land was 1,572 hectares. Thus, 52% of the land given was underdeveloped and undeveloped lands and such lands had not been reclaimed and given to other investors.

(h) In the five-year plan for the period 2019-2023 to produce the fish fingerlings required for freshwater fish farming in the region, although it was targeted to stock 2,164,000 fingerlings in 10 reservoirs of the System L in the year 2021, in the revised action plan, Rs.1,300,000 was allocated for the stocking of 400,000 fingerlings for a target of 500 metric tonnes of fish harvest. Furthermore, although an advance of Rs.1,300,000 had been paid to the National Aquaculture Development Authority for the purchase of fingerlings and larval shrimp, the advance of Rs.300,000 had not been settled by June 20, 2022, and the construction work of the breeding center that was planned to be established at the Ahatugaswewa had also not commenced. Hence, while the expected fish harvest in 2021 was 500 tonnes , the actual fish harvest at the end of the year under review was only 99.3 million tonnes.

(i) At the end of the year under review, there were 34 positions at the senior management level of the Authority, of which 15 positions were vacant. 14 positions are being performed on work visit, duty cover, contract basis and secondary basis, and those positions have not been filled permanently. Furthermore, there were 79 vacancies at the middle management level and 730 vacancies at the operational management level. There were 102 redundant officers including 68 officers who were recruited permanently beyond the approved cadre, 33 coordinator positions and one position of media adviser who were recruited on contract basis which were not included in the approved cadre. During the year under review, Rs.2,469,641 and Rs.832,792 respectively were paid as wages and allowances to 33 coordinator positions and media consultant recruited on contract basis which were not included in the approved work force.

(j) A vehicle received by the Authority from the Dam Protection and Water Resource Planning Project in 2017 and attached to the Dehiattakandiya Residential Project Management Office was given to a driver in Madirigiriya region for the work of the advisor to the State Minister of Mahaweli Development and on December 22, 2019, the vehicle was involved in an accident. According to Financial Regulations 104(4), a full report regarding the damages should be submitted within 03 months from the date of the loss, but a full report regarding the accident was not submitted as per the format provided under F.R 104(4). Only Rs. 250,000 from the loss due to the damage to vehicle of Rs.

6,915,484 was recovered from the Insurance company and remaining damage was not recovered from the relevant responsible officials.

(k) 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. Chairman of the Paddy Marketing Board had requested the Director General of the Mahaweli Authority to transfer the ownership of the warehouses to the Paddy Marketing Board as there was a need for standard repairs to be done to the warehouses in order to store paddy. It was informed to the Audit last year, that action is being taken to obtain valuation of the said buildings from the Department of Valuation in order to carry out the transfer. However, according to the information provided to the audit on June 20, 2022, it was informed that the issue related to rent collection or transfer could not be resolved so far as there is no provision to transfer a land owned by the authority to a board for gratis according to the State Land Ordinance.

(l) The number of circuit bungalows owned by the authority is 27, and all those 27 circuit bungalows incurred a loss of Rs.36,385,684 during the year under review due to expenses exceeding the income. Even though the income of circuit bungalows was decreasing, it was observed that from the year 2021 until now all the 05 circuit bungalows under the office of the Director (Major Dams and Reservoir Operations) had been suspended being allocated or issued to outsiders through the online facility, and the audit was informed that disposal to tourists for service purposes had also been temporarily suspended.

(m) Out of 11 plant nurseries owned by the authority, 08 had incurred losses, and the loss in the year under review was Rs.35,077,470.

(n) A complaint was submitted to the Colombo Fraud Investigation Bureau on July 01, 2021 stating that a vehicle attached to the Walawa Residential Project Management Office belonging to Mahaweli Authority of Sri Lanka was missing. Although an audit inquiry on January 09, 2018 informed that the said vehicle was given to an external party without approval and the existence of the vehicle was not confirmed in the annual board of surveys, due attention was not paid to the matter and no investigation was conducted at the institutional level.



W.P.C Wickramaratne
Auditor General.

Director General's Comments Regarding the Auditor General's Report

Part IV

Mahaweli Authority of Sri Lanka

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My Number - - IWR/B/MASL/01/21/19

15.11.2022

Auditor General,

National Audit Office, No. 306/72, Polduwa Road, Battaramulla.

Report of the Auditor General on the Financial Statements of the Mahaweli Authority of Sri Lanka and other legal and regulatory requirements of for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act No. 19 of 2018

My responses with regard to the Report of the Auditor General referred to me under IWR/B/MASL/01/21/19 and dated 06 .09.2022 in terms of Section 12 of the National Audit Act No. 19 of 2018 are as follows.

1.2

(a). These values have been estimated using accepted technical methods with the participation of Deputy Resident Project Managers (Technical Services) (Chartered Engineers) of all Systems /Divisions headed by the Deputy Director General (Technical Services).

(b). Although the 11 major dams and 463 tanks maintained by the Mahaweli Authority have been physically identified and indicated in a note to the consolidated financial statements, it was not possible to assess those assets due to the Covid epidemic situation in the country. Hence in the year 2022, action is taken carry out formal valuation of those assets and adjustments in the financial statements will be made.

(c). A register detailing Rs.325.5 million worth of assets was submitted as assets received from the Climate Resilience Improvement Project (CRIP) from 2015 to 2021/12/31 and a register of Rs.113 million had been submitted as assets received in the year 2021 from the Moragahakanda project. In the asset register of the Mahaweli Authority of Sri Lanka in the year 2021, the assets of the two projects have been accounted for as follows. (Annexure 01)

The difference of value between the assets provided by the projects and the assets accounted for is due to the following reasons.

1. Projects provide assets directly to Regional/Divisional Offices and are not following a uniform procedure.
2. Details to account for the assets directly handed over to the offices of the offices of systems/ sections from the Climate Resilience Improvement Project (CRIP) and the Dam Safety and Water Resources Planning Project (DSWRP) was submitted/discovered in the year 2021. The items included in the asset registers so submitted have not been accounted for in the year 2021 due to issues in physical identification of assets.

However, ascertaining veracity of the information regarding the assets provided by the projects and the computerization of that information is currently underway and I will correct the accounts for the year 2022 based on that information. Also, due to the late submission of the documents regarding the transfer of these assets from the relevant projects (since the relevant documents were submitted by the CRIP project in November 2021), there was not enough time to revalue and account for these assets.

The assets received by the Authority from the 3 projects namely Dam Safety and Water Resource Planning Project, Moragahakanda Project and Climate Resilience Improvement Project are currently identified and accounted for as a “grant” in the accounting statements and adjustments are made in the statement of financial performance as “deferred income” for the value calculated according to the depreciation rates of those assets annually .Also, I will correct the creditor balances in the financial statements of the year 2022.

(d). Accepted. I am working to correct this in financial statements for the year 2022.

(e). Accepted I am working to correct in the financial statements for the year 2022 through journal entries.

(f) The value of the total work carried out for the renovation of the Muravasihena office is Rs. 7,314,810.80 But due to oversights in the preparation of the 2021 final accounts, an amount of 9,240,287.00 has been accounted for in the “Work in Progress” account. Accordingly, the over-credited Rs. 1,925,476.20 has been corrected and accounted for by means of a journal entry.

(g) While Moragahakanda project has confirmed the debtor balance as Rs 108,452,464.09, an amount of Rs 38,564,344,510.86 which is the debtor balance of the head office as of 31.12.2021 has not been included in that balance. The reason for the difference between the current account of the Moragahakanda project and the current accounts of the Authority is that when the project physically transferred assets to the System / block offices, the assets were not transferred through the current accounts of the respective System / block but only through the

current account of the head office. The asset values given physically in relation to Systems B, C, H, Walawa, L Huruluwewa and Mahaweli Security Corps, Mechanical Workshop - (Tambuttegama) and River Basin Management Office sectors have been correctly adjusted by now Accordingly, Rs. 690,000 of the Creditor balance and Rs. 27,545,052.26 of the debtor balance has been identified and rectified. Reconciliations are being carried out for other systems and sectors and all necessary adjustments will be made in the final accounts of the year 2022.

(h). It is true that in transferring these over to farmer organizations, it must be handed over legally through an agreement. But Farmers' Organizations are a legal entity legalized by the Agricultural Development Act No. 46 of 2000 and established in the areas of the Mahaweli Authority of Sri Lanka.

Therefore, it is the normal practice for officials of Mahaweli Authority of Sri Lanka to carry out welfare activities in Mahaweli areas in coordination with farmer organizations. The assistance of farmers' organizations was also obtained in the installation of above machines in Mahaweli Systems "B" and "L". Because of the acute shortage of drinking water and severe kidney disease in the Mahaweli systems "B" and "L", reverse osmosis water treatment plants were established to provide a quick remedy.

During the operation and maintenance of these machines, water should be distributed to the people of the area with proper management and for that it was necessary to retain a person to operate the machine and distribute water and collect money for it. Since it is not possible to keep an official of the Mahaweli Authority at that place constantly in order to carry out these tasks, a person contracted through farmers' organization was given training on the operation of the machine and arranged to be retained in consultation with the farmers' organization,.

Accordingly, under the constant supervision of the Mahaweli Authority of Sri Lanka, the farmers' organization carries out the maintenance and operation of the machine, and also provides a salary for the person retained from the money collected from the sale of water.

Hence these activities are being done in exemplary manner and although it is legal, all arrangements are being made to hand over these machines to the farmer organizations through a formal agreement.

(i). Department was asked in the year 2016 to estimate the current market value of these two plots of land but the relevant valuation reports have not been received so far. Reminders sent to the Government Valuation Department in this regard were not answered, and hence inquiries were also made verbally over the phone. Subsequently, some information related to land valuation has been requested, through a letter sent by the Valuation Department dated 08.06.2022. I will provide that information at the earliest and make arrangements to include valuation in the accounts as soon as received.

Further Lands used for development activities are disposed to Mahaweli settlers and entrepreneurs.

Dry cultivation lands, Irrigated, Agriculture and Rainfed lands are provided free of charge to the

farming community under the Land Development Ordinance, while entrepreneurs and persons belonging high income group are given commercial and investment Lands under the State Land Ordinance subject to lease rent based on government valuation and also homestead lands are alienated after recovering the Government valuation.

The lands where the authority's block offices, sectors, quarters and circuit bungalows are located are government lands and MASL does not have the absolute right to them with only the administration of lands turned over to the Authority and hence these are not disclosed in financial statements.

Reference to the laws, rules and regulations, or orders

(a) I have been informed by the Deputy Director (Transport) that as per the instructions given earlier by the Audit Supervisor, to temporarily halt the submission of daily running charts of the Head Office and Zones/Divisions to the Government Audit Division as these kept piling up in the Audit Division, the Deputy Director (Transport) had taken action to file these running charts in the relevant folder belonging to each vehicle.

Also, when resubmitting it was informed to file relevant running chart in the folder related to the vehicle in a way that it would be easier retrieve it in case of emergency, so it has been done accordingly. In the future, I will proceed according to the instructions given in the report and submit the requested running charts.

(b). Noted to take action to paint the state emblem and the name of the Authority in all the vehicles of the authority

(c). The statutory consolidated financial statements for the year ending 31 December 2021 had been submitted on 25.02.2022 with relevant information. Due to the prevailing situation in the country during that period (Covid epidemic situation), there was a delay in providing the information to be included in the draft annual report from the Systems /blocks, so it was not possible to submit the draft annual report along with the financial statements by the due date. I would like to inform you that in the future, the draft annual report will also be provided on the scheduled date

(d)

(i)When considering a Resident Project Management office of Mahaweli Authority of Sri Lanka, the area belonging to division and block offices within it has spread encompassing 2-3 provinces or 2-3 districts in most cases, in case of Resident Project Managers, legal provisions are in place for them to act as additional District Secretary. In that case, since this officer is performing his duties as the Chief Operating Officer, the respective subject matters in all

systems are handled through the respective subject directors, and since these officers are performing the role of the "Chief Operating Officer" as specified in the circular, all Resident Project Managers and Directors of the Mahaweli Authority of Sri Lanka are considered as Chief Operating Officers and given 140 liters of fuel each as stated in Public Enterprise Circular 2015/01. However, according to the Public Enterprise Circular No. 2015/01 (ii) all the senior management level 1-1 officers are entitled 115 liters of fuel per month and hence it was rectified accordingly.

(ii) According to the decision of the 37th Executive Management Committee meeting of MASL Payments are made for additional fuel on approval. However, according to Public Enterprise Circular No. 2015/01, the Deputy Director (Transport) has been informed to take action to get the approval of the Board of Directors for the payments for additional fuel.

(iii) There are several divisions within the Authority. Efforts have been made to provide Group transport facilities as far as possible for the officers of those divisions. Although the number of limited available vehicles are managed and group transportation facilities are provided in the cases of various field duties in each sector, practical problems have arisen. Therefore, priority has been given to field duties when providing group transport facilities in such instances and arrangements have been made to provide group transport facilities whenever possible.

(e) Accepted. Due to the epidemic situation prevailed in the country and according to the instructions given by the government regarding the disposal of vehicles (that vehicle importation has been halted, vehicles should be repaired and used whenever possible), this work could not be carried out continuously. But I would take action to have this completed in the year 2022.

(f) (i) After every service, a report of the vehicle is issued by the respective agencies. After that, an affirmation of the repair is made by physically inspecting the repair. Also, when the driver reports that there is a difference in fuel consumption, an inspection is also carried out. However, vide my letter No. MASL/HO/TR/ADM/106 dated 09.02.2022 all Systems/Divisions including Head Office have been advised to conduct the inspection of fuel consumption

(ii) agency, or the company to which the vehicle referred for the term service inspects the vehicle and provides a report and, if any repair or rectification should be done, the necessary measures would be taken according to the report. Most of the vehicles belonging to Mahaweli Authority of Sri Lanka belong to category 32, meaning year of manufacture is between 1986 and 1989. Hence, I kindly inform that these 36 years old vehicles have to be sent for frequent repairs.

(iii) In the event of an accident in the course of duty, the defects that have occurred are properly repaired given the circumstances and covering approval would be obtained. But I will send a report that would include the

observations of a mechanical engineer to the effect that all vehicle repairs were carried out in accordance with the existing procurement practices of the Authority.

(g). Accepted. Due to the epidemic situation prevailed in the country and according to the instructions given by the government regarding the disposal of vehicles (that vehicle importation has been halted, vehicles should be repaired and used whenever possible), this work could not be carried out continuously. But I would take action to have this completed in the year 2022.

2.2.4. According to the procurement plan of the year 2021, an allocation of 17 million rupees was made at the beginning of the year for the purchase of fixed assets of the head office. But with the revision of the annual plan from time to time, a financial allocation of 33 million rupees was allocated for the purchase of desktop computers and laptop computers and office equipment requested for the head office and regional offices.

Hence while the allocation plan for the year has been approved to the extent of 17 million rupees, I inform that the above purchases have been made according to the revised plan.

Due to the Covid epidemic situation in the year 2021, it was arranged to purchase more laptop computers as per the requests submitted with the need to carry out duties from home.

Allocations for the purchase of fixed assets for the procurement department are not only for the purchase of computer equipment in the head office but also for the offices in systems/blocks for which allocations are not made.

Purchases in Systems E, B and Huruluwewa regional offices have been made by revising the revised work plan.

2.3 Other Observations

(a). The Chairman, Regional Development Bank was informed on many occasions with copies of letters to the Chairman, the Parliamentary Committee on Public Enterprises, the Secretary, the Ministry of Finance, the Central Bank of Sri Lanka, the Director General, National Budget Department to release this deposit money immediately to the Mahaweli Authority of Sri Lanka. In some cases, our officials went to the respective bank and informed the relevant authorities to release this money. As a result of those interventions, a part of the said deposit amount was released to the Mahaweli Authority of Sri Lanka on 06.04.2021 and 27.04.2021, but as there was still an outstanding amount, Director (Finance) informed Assistant General Manager (Credit Supply and Administration), Regional Development Bank by his letter No. MASL/FIN/03/02/RDB dated 07.12.2021 to release this outstanding amount immediately, but no response has been received thus far. Therefore, a discussion was also held with the Assistant General Manager (Loans) of the Regional Development Bank on 25.05.2022 at the Mahaweli Authority of Sri Lanka and he stated that he will settle this amount promptly and further a reminder letter was also sent on 26.05.2022 in this regard to the General Manager (Loans) of the Regional Development Bank informing to

release the amount to Sri Lanka Mahaweli Authority immediately

(b). A letter was sent (by the Secretary of the Ministry of Irrigation on 15.03.2021) requesting that the further actions related to the liquidation of the subsidiary companies Mahaweli Venture Capital (Private) Company and Natural Resource Management (Private) Company be carried out through the Treasury. Hence, according to the letter dated 23.12.2021 of the Additional Director General of the Department of Legal Affairs of the Treasury, the liquidator has been named and the process is being carried out.

(c). Approval to select an investor by the way of newspaper advertisements was received from Board of Directors on 28.02.2022 as per my note on 01.02.2022 according to the Cabinet decision C.D.P/21/2229/317/025-1 dated 25.01.2022 to invite prospects to select an external investor to implement as a joint venture with public private shares, in the land of 1,154 acres including all properties belonging to Girandarukotte in System C and Damminna Farm in System B managed by the Mahaweli Livestock and Agro Enterprises (Private) Limited

Accordingly, the formal procurement process required for preparing newspaper advertisements and publishing them in Dinamina, Thinakaran, Dailynews, newspapers is currently being followed, and the request for the same has been forwarded to the Secretary, Ministry of Irrigation.

(d) (i) Selection of tanks by giving priority according to the amount of allocation for repairing the tanks was done by the resident project managers of the respective systems. Due to the intermittent lockdowns of the country due to the covid epidemic situation and the offices being closed from time to time, the renovation work could not be continued properly.

Under the Prosperity through Irrigation (Waari Saubhagya) Program, 11 tanks in System B were renovated in the year 2021 with an allocation of 39.5 million rupees. The work on 07 tanks was completed and the financial progress of 11 tanks was 46 million rupees and a physical progress of 71% had been achieved in the year 2021.

Under the Waari Saubhagya Program, 12 tanks in System E were renovated in the year 2021 and 26.4 million rupees had been allocated for it. The work of one tank was completed and the financial progress of 12 tanks was 27.9 million rupees and a physical progress of 68% had been achieved in the year 2021.

For the purpose of removing the silt, approval should be obtained from Central Environment Authority, Department of Archeology and Geological Survey and Mines Bureau etc. As the country was locked down intermittently due to the covid epidemic situation, it took a long time to get the approval from those institutions, so this expected progress could not be achieved.

Also, the silt removal should be done in such manner that it does not hinder the release of water for the paddy fields served by the tanks. Therefore, since this process of removing silt can be done only in the

months of March, August and September, it was not possible to achieve the expected financial progress or physical progress

(e) The Government Land Management System (E-Slims) introduced by the Information and Communication Technology Agency of Sri Lanka was started with the aim of using information and communication technology to manage government land located in Mahaweli areas. This is expected to efficiently manage the distribution of land to the settlers under the Crown Land Ordinance and Land Development Ordinance. Accordingly, under the guidance and supervision of the Information and Communication Technology Agency of Sri Lanka (ICTA), a service agreement was entered into with a private company for the development, operation and maintenance of the management system.

In the Mahaweli areas, entering of the information of 23,210 plots of land distributed under the Crown Land Ordinance (Commercial / Housing / Investment Projects / Other) launched as a preliminary step, and along with that, information relating to lands for which Land Development Ordinance Grant Forms / Permission Form was issued is also included in this system. Accordingly, the basic information related to 5416 long-term leases/annual permits/grant papers/permits has already been entered into the system.

Providing grants for all dry cultivation lands, Irrigated, Agriculture and Rainfed lands distributed to Mahaweli settlers under the Land Development Ordinance have been implemented as a major activity in the action plan of the Land Division so a larger percentage of the allocation for this sector was used for it. Hence, I would like to inform you that the financial allocation for the implementation of this project is not sufficient due to the current financial situation.

(f) Accepted. I made a note to settle these balances in the following year.

(g). A special survey was carried out from 23.06.2021 to 08.07.2021 in order to physically identify the development status of the alienated lands at the regional level on the efficient use of these lands for investment projects and to expedite implementation of formal procedures for the cancellation of underutilized land. According to the discussion held on 13.08.2021 on the survey data, the summary of the project lands is as follows.

Description	Area (hectares)
Total area of lands provided	6879
No of investors	695
No. of Fully developed plots of lands	305
Area of Fully developed plots of lands	3284
No. of under developed plots of lands	188
Area of under developed plots of lands	2023
No of undeveloped plots of lands	202
Area of undeveloped plots of lands	1572

This information is given in my letter No. MASL/HO/BD/60 dated 31.01.2022 where it was informed that land alienated for investment projects provided to the investors in which less than 75% of the total land area has been developed, shall be promptly canceled as per the formal procedure and progress should be informed by 20.02.2022.

Accordingly, the land cancellation process was initiated and 128 land plots of 1285 hectares have been canceled in the Mahaweli System B where the highest number of investment projects exist.

Out of this, about 500 acres of land in Ridhithenna block has been allocated to the Ministry of Youth Affairs for setting up a "Youth Agricultural Investment Village", and it was proposed to carry out further actions regarding the said land according to the development plans of the Ministry and line agencies.

With the aim of achieving national food security expeditiously, 180 hectares of canceled land in Muthuwella unit has been alienated to 18 investors for a period of one year for short-term crop cultivation, as per the approval of the meeting of Board of Directors held on 28.02.2022 and 28.03.2022.

Further work is being done to ascertain the feasibility of formal investors for other canceled lands.

The lands alienated for investment projects in the System L region are lands that could not be developed because the investors did not adhere to the proper procedure in obtaining environmental recommendations for these lands. According to the application for the environmental approval submitted by our Authority to the Central Environment Authority dated 27.03.2019 in accordance with the instructions given by the meeting of the Committee on Public Enterprises held on 21.02.2019 to develop those lands, relevant guidelines had been provided by the letter No. 08/EIA/AGR/06 /2021 dated 22.03.2022 of the Director General of the Environment Authority and the resident project manager has been informed to start the development activities according to those guidelines.

The provisional recommendation for the cancellation of the undeveloped and lease defrauded lands of about 72 hectares alienated for 06 investment projects in the Rambakanoya region was submitted to the head office on 26.11.2021, and due to the covid pandemic situation, I have provided a grace period until 30.07.2022 for settlement

of lease and development.

Information about lands given for long-term investment projects from Moragahakanda and Victoria systems is submitted herewith. I would like to inform you that the information related to D, and Walava systems will be submitted in the near future.

(h).A development plan was prepared from 2019-2023 for the fresh water fisheries development program in Mahaweli System L and it was planned to implement fisheries development programs in 13 reservoirs. Accordingly, when the water capacity of the reservoirs is at its maximum, it was proposed to calculate and release the amount of fish fingerlings required for the implementation of culture-based fisheries in those reservoirs, and it was estimated that 2,164,000 fish fingerlings are required for the reservoirs of the System L for the year 2021 and a plan had been submitted to the effect that an estimated 1490 metric tons of fish can be harvested if above number of fish fingerlings could be released following proper management procedures to the reservoirs.

1. But when preparing the action plan of the Mahaweli Authority for the year 2021, a fish harvest target of 500 MT was given. Also, 400 000 fish fingerlings were planned to be released to the region's reservoirs in the 2021 action plan. A financial allocation of 1.3 million rupees had been made in this regard.

2. Accordingly, formal procurement activities were carried out to procure these fries from the National Aquaculture Development Authority of Sri Lanka. An order has been placed for the purchase of fry

3. 60, 000 fingerlings were released in 2021

4. But the remaining 360,000 fingerlings could not be released in 2021 due to region's reservoirs drying up and the inability of the National Aquaculture Development Authority to supply fingerlings at the time. But with the reservoirs filling up with the monsoon rains, the fry had been deposited in the first month of 2022. Accordingly, for the relevant cheque for 1.3 million rupees was issued by the Mahaweli Authority, for the invoice issued by the National Aquaculture Development Authority on 17.01.2022 and that advance amount was settled on 28.02.2022.

5. Also, since the relevant institutions do not have enough stocks of larval shrimps, the respective institutes have informed that they will provide the relevant stocks of larval shrimps for 300,000 rupees by the next two weeks. And in the year 2021, a fish harvest of 9.3 metric tons was achieved.

6. Due to the dearth in production of fish fingerlings required for Sri Lanka's reservoirs, it has been difficult to procure the full number of fish fingerlings required for the reservoirs in the Mahaweli region. Therefore, special attention has been paid to produce fish fingers for reservoirs in Mahaweli regions. Accordingly, it has been

identified that it is appropriate to construct two breeding pond systems for the production of fish fingerlings for the Mahaweli System L. Hence this was informed by the Fisheries and Aquatic Resources Development section of the head office to the Resident Project Manager, System L via letter no. MASL/LD/21 dated 19.03.2021. According to the letter No RPM/L/AG/67 dated 19.03.2021 sent by Resident Project Manager, System L to Director General, due to the difficulty in procuring machinery and other necessary materials for the construction of the Ehetuwewa pond system it would be constructed in the year 2022.

(i). As informed by the Cabinet decision “ Review of Public Expenditure” issued by letter No 21/1596/304/134 dated 31.08.2021 of the Cabinet Secretary and Cabinet paper submitted by the Minister of Finance on 28.08.2021 in this regard, the recruitment was postponed and hence there is no possibility of filling the vacancies at senior management level, middle management level and operational management level of the Authority, so in order to continue to fulfill the duties of the vacant positions, the arrangements have been made to appoint officers on deputation, duty cover, contractual assignment basis and secondary basis.

- I. With the approval of the new recruitment procedure on 12.06.2013, a number of existing posts in the authority were contracted. Accordingly, as per the new recruitment procedure, the officers serving in the posts which are not included in the sanctioned cadre are shown as permanent surplus officers. Those serving in these non-absorbed posts are kept in these same posts as personal to them only until they retire.

Also, as per the Public Administrative Circular No. 25/2014 and 25/2014 (I) the employees belonging to Management Assistant (Non-Technical) Service Category (MA 1-2) to Primary Non-Technical Service Category (PL 1) of Mahaweli Authority of Sri Lanka were given permanent appointments after completing 180 consecutive days of satisfactory service.

Hence, it was informed to get the relevant number of employees to be approved by the Management Services Department, and as the number of employees has not been revised accordingly, they remain redundant. Also, there were surpluses in some posts as more cadre was approved for posts than the permanent number of employees at that time. Thus, in future the sanctioned number will be same as those assigned for posts with their retirement.

Also, in order to improve the technical knowledge related to agriculture and animal husbandry of the Mahaweli farmers, recruitment had been done with the approval of the board of directors for the position of coordinator on contract basis to carry out the coordination activities at the block level while transferring the knowledge of the university directly to the farmers.

Due to the fact that the community is not properly informed about the development work carried out by the Mahaweli Authority and wrong information has been disseminated, and a negative media effect has been created about the institutions at present. Therefore, we recognize that it is a very essential task at this time to efficiently

present updated information to the public and the media about the economic, social and environmental development programs carried out by the Mahaweli Authority of Sri Lanka and its progress. An officer with experience in the field of media has been recruited for the post of "Media Adviser" on contract basis with Board approval.

(K) If the damage to the vehicle is such amount not covered by the insurance company, the relevant responsible officer has expressed his willingness to pay that amount in writing, so further taken in this regard accordingly.

(l) The Paddy Marketing Board has been using the warehouse buildings belonging to the Mahaweli Authority of Sri Lanka for a long time now and it has been notified to pay the rent for it, but it was informed that they are unable do so. Also, it is requested that the relevant warehouses be handed over to the Board as they are in a state of disrepair and they do not have the ownership while there are issues pertaining to allocations

But according to the State Land Ordinance, there is no provision for transfer of land owned by Mahaweli Authority of Sri Lanka to a board for gratis. Therefore, after charging the full value of all the warehouse buildings applied for, the land can be provided on a long-term lease basis by charging a value equal to 4% of the government valuation or only on rent basis as per internal circulars.

Due to the above facts, the problem related to rent basis or transfer cannot be resolved, so it has been decided to convene a discussion under the patronage of the secretaries of the line ministries to which these two institutions belong, to discuss the actions to be taken in this regard.

Also, as per the instructions issued by the circular, that in view of the current situation in the country, given it is not appropriate to take legal action regarding gaining of possession of the warehouse buildings used by the Paddy Marketing Board, which provide an essential service to the public, and these issues between this two government agencies are to be resolved through the secretaries of the ministries without resorting to legal channels, I would like to further kindly inform that no legal action has been taken in this regard.

Also, a regional valuer of the Government Valuation Department had informed to send the survey plan if the buildings are to given on lease hold basis after submitting the information to the Valuation Department to get the valuation of the warehouse buildings. Since, it is useless to assess the value to be given on lease hold basis in view of the existing problematic situation (the valuation is given only to be used for the activity intended for and cannot be transferred based on that valuation.) the relevant information was not submitted to the Valuation Department.

Plant nurseries for which audit information is requested	The Capital Amount allocated for plant nurseries from Environment Division (Rs. Mn)	The plant production targeted
System B (Central Plant Nursery and Welikanda Nursery)	3.98	100,000
System C	1.467	52,000
System Moragahakanda	1.15	45,632
System H	NA	NA
System Walawa	4.404	118,000
Environment and Forest Conservation Division - Kothmale (Nawadevitala) and Pallekale Nurseries	1.783	116,000

(m) Before the year 2017, circuit bungalows belonging to the Mahaweli Authority were earning an average annual income of Rs. 1.5 million. In the year 2017, with the transfer to the Business Development Division, it was possible to exceed an average income of 10 million rupees by modernizing the Mahaweli circuit bungalows and making them available for online bookings. Also, given the global pandemic situation from 2020 until now, the domestic and foreign tourism suffered a significant setback hence reach the desired goal could not be reached.

As a whole, even if this project shows an annual loss, it is aimed to maintain it as a special project within the Mahaweli Authority by reducing the loss in the long term and making a profit as well as providing a better-quality service.

Also, there are 05 circuit bungalows under the Director (Major Dams and Reservoir Operations) of Mahaweli Authority. As these circuit bungalows are located near the dams, booking the bungalows for tourists has been temporarily suspended for the sake of the service requirement in relation to the request made by the Director (Major Dams and Reservoir Operations).

(n) There is a need to maintain plant nurseries in Mahaweli Systems in order to sustainably implement the Mahaweli development process and to maintain its economic effectiveness. The following two methods help to achieve the desired objectives in this case.

1. Providing agricultural crop plants to Mahaweli farmers. These plants are provided for 50% contribution (subsidized) amount or free of charge. This is done according to the plan made in the project for the relevant year.
2. In order to restore the forest cover removed due to the Mahaweli development activities and to increase the forest cover in the upper Mahaweli catchment areas, to produce the afforestation plants needed and to provide the plants as required by these afforestation programs.

The Environment and Forest Conservation Division allocates funds under the annual implementation plan for the

production of forestry plants and the planting of trees to increase the forest cover in these areas with the aim of conserving the upper Mahaweli catchment area and protecting the environment in the lower Mahaweli areas.

Accordingly, for the production of forestry plants, fruit plants, medicinal plants, agro-economic crops, capital money has been allocated as follows in the year 2021 for plant nurseries in Mahaweli regions and for plant nurseries in the upper Mahaweli catchment area.

In addition to this, apart from production of plants related to environmental conservation in the nurseries, the production of agricultural crops is carried out for the programs of the Agriculture Division and for this purpose, the agriculture sector also allocates provisions (for plant nurseries in System H).

Also, the allocations are used for the related agricultural products by the Environment Division.

The capital funds allocated by the Environment Division were used to procure the raw materials required for plant production (seeds, bags, soil, fertilizers, transportation and other maintenance activities) and for new constructions of plant nurseries and to purchase goods for the same.

Most of the forestry, fruit, medicinal plants and agricultural crops so produced would be provided to the line institutions, the relevant requesting parties and the farmers either free of charge or offered at subsidized rates at 50% contribution subject to the approval of the head office to plant in forests of each System and in the relevant buffer zones. In this way, it is expected to increase the productivity of environmental protection and agricultural products and to achieve the desired objectives and it has been possible to reduce the huge expenditure that the Authority has to bear alone for tree planting and maintenance. Accordingly, the relevant information of each region is shown below

Reasons observed in relation to the decrease in profits: -

- In the calculation of profit, in the year 2021, the cost related to the provision of labor units in the production of agricultural and forestry plants and the maintenance of plant nurseries (including security), salary costs of permanent staff and officials and recurrent costs were included. These values have also been applied in the cost calculation. In particular, due to the inclusion of permanent staff and officer salaries as indirect costs has given rise to a significant increase in expenditure. In addition to the 8 plant nurseries, the expenses of the tissue culture laboratory and Walawa shop had also been included in the profit calculation, giving rise to a loss related to the eight plant nurseries of Rs. 35,077,470.00. It is appropriate to calculate that figure separately for the eight plant nurseries.
- To produce a forestry plant in Mahaweli regions, an amount between 50-60 rupees has been spent in the past years (2019) to maintain it for a period of time until the point of sale. Based on the current economic situation, according to raw material prices, this value would be more than Rs. 100. Also, a unit of labor has increased to Rs. 1,300.00, and along with it, other costs have also increased by a large amount leading to a significant increase in production costs, However the prices of plants had not been revised concurrently in the relevant years (from 2019 onwards). This has also led to a decrease in profits.
- Currently, the selling price of an average plant in Mahaweli plant nurseries is in the Rs. 30 – 60 range.

Especially related to environmental conservation, forestry plants have to be provided at a minimum price and thus it is hoped that it would act as an incentive to people to conserve the environment. If not, the sale of forestry plants may decrease and the costs of keeping and maintaining plants may increase. Accordingly, in the calculation of profits, the selling price of an average plant in plant nurseries should be kept in the

System	Targeted tree planting (plants)
System B	100,000
System C	25,000
System D	50,000
System Moragahakanda	100,000
Huruluwewa Area	10,200
System H	20,000
System L	10,000
System E	6000
Rambaken Oya Area	10,250
System Walawa	50,000
Environment & Forest Conservation Division - Kothmale (Nawadevita and Pallekale Nurseries)	50,000

- range of 110 - 125 in keeping with the current market prices.
- Also, the selling price of the high-grade plants is in the Rs. 450 – 750 range. These plants are also observed to be given free of charge and at subsidized prices and this has also been a reason for the decrease in profits.
- Also, 96,160 plants (17,661 agricultural and 78,499 forestry plants) have been given free of charge from these plant nurseries to achieve the desired goals in the relevant year. (Its gross value is Rs 5,769,600) (The selling price of a plant is considered to be Rs 60.00). Along with the expected increase of the plant selling price of those plants, the equity value has not been added to the profit calculation and it is appropriate to calculate and add it as well. (Management has given instructions regarding this)
- **Due** to the crisis in the country in the year 2021, tree planting and purchasing has decreased. As a result, plant sales revenues have decreased and maintenance costs have shot up accordingly.
- A plant produced by Mahaweli Authority costs about 1300.00 rupees for planting and maintaining for 12 months and it is difficult for the Authority to spend a large portion of the allocation annually as per the plant production target of each System. (Table 3) It was hoped to reach the desired goals of the Authority without this external cost by providing the plants for free and at the lowest production cost.

While the production of forestry plants in Mahaweli plant nurseries in order to increase the forest cover in Mahaweli areas for environmental conservation, is could be observed as a costly action economically when considering purely in terms of supply and demand alone, it is observed that the environmental services provided by grown plants (as natural capital) have a high economic return when adjusted to the production economy.

However, it is observed that a lot of money has been spent as labor wages in plant nurseries which are said to have suffered losses hence, I expect to provide advice to resident project managers to reduce future costs by planning plant production activities in regional plant nurseries with a low number of labor units. I also hope to update the plan regarding the production and sale of agricultural crops.

(o) Investigations in this regard are being carried out by the Police Fraud Investigation Bureau and a request has been made to provide a report on the current status of the investigations.



Keerthi B. Kotagama

Director General,

Mahaweli Authority of Sri Lanka

Copies:

1. The Secretary, Ministry of Irrigation
2. The Secretary, Ministry Finance, Economic Stabilization and national

Climate Resilience Improvement Project -Annexure 1

(Assets Transferred from 2015 to 31.12.2021)

System /Division	Expenditure (Rs.)
Head Office	118,591,059.15
Huruluwewa	1,506,955.38
Major Dams Division	1,547,275.38
River Basin Management Division	20,813,584.31
Ministry	1,333,999.00
System B	71,998,487.93
System C	2,102,528.95
System H	88,395,028.71
System L	15,600,000.00
Walawe	3,568,621.64
Total	325,457,540.45

Moragahakanda Project (Assets Transferred from 2015 to 31.12.2021)

System /Division	Expenditure (Rs)	Depreciation (Rs)	Net Value (Rs)
Head Office	117,774,623.40	84,512,684.31	33,261,939.13
Major Dams Division	93,455,494.83	52,472,317.16	40,983,177.69
Irrigation	44,721,741.81	41,397,312.88	3,324,428.94
River Basin Management Division	5,577,214.00	5,014,992.98	562,221.02
Moragahakanda	64,467,759.29	48,352,703.22	16,115,056.12
M S A	17,698,381.50	13,085,126.01	4,613,255.49
Rambaken Oya	4,600,000.00	4,140,000.00	460,000.00
System B	4,500,001.00	4,050,000.00	450,001.00
System D	23,181,591.24	16,224,819.25	6,956,772.04
System H	11,065,000.00	9,958,500.00	1,106,500.00
System L	10,084,608.00	8,826,140.00	1,258,468.00
Victoria	16,593,601.00	14,924,440.00	1,669,161.00
Walawa	16,698,717.03	14,398,520.52	2,300,196.51
Total	430,418,733.10	317,357,556.33	113,061,176.94

Climate Resilience Improvement Project

The assets accounted for in the Asset Register of the MASL in the year 2021

System /Division	Expenditure (Rs.)	Depreciation (Rs.)	Net Value (Rs.)
Head Office	104,326,819.31	50,996,073.44	53,330,745.87
Major Dams Division	3,494,440.95		3,494,440.95
River Basin Mgmt Division	955,638.03		955,638.03
System B	48,041,569.48	18,388,463.05	29,653,106.43
System H	26,192,609.35		26,192,609.35
Mechanical Worksop Moragahakanda	1,797,165.85		1,797,165.85
Walawa	1,582,994.57	1,452,232.01	130,762.56
Total	186,391,237.54	70,836,768.50	115,554,469.04

Moragahakanda Project

The assets accounted for in the Asset Register of the MASL in the year 2021

System /Division	Expenditure (Rs)	Depreciation (Rs)	Net Value (Rs)
Major Dams Division	46,120,053.80	21,965,969.81	24,154,083.99
River Basin Mgmt Division	277,221.44	49,899,086.00	227,321.58
Moragahakanda	65,274,920.54	56,959,254.85	8,315,665.69
Rambaken Oya	37,600,002.00	6,300,000.00	31,300,002.00
System B	7,329,000.00	6,596,100.00	732,900.00
System D	31,104,781.24		31,104,781.24
System L	4,484,600.00	4,036,140.00	448,460.00
Victoria	16,593,600.00	14,924,440.00	1,669,160.00
Mechanical Worksop	340,000.00		340,000.00
Walawa	16,698,717.03	14,398,520.52	2,300,196.51
Total	225,822,896.05	125,230,325.04	100,592,571.01

Annual Performance Report-2021

Part - V

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1.1. Progress of Project Implemented by Mahaweli Authority of Sri Lanka

1. Mahaweli Consolidation Project

- **Objectives:** Increasing income levels of rural communities settled in the Maduru Oya Left Bank area assuring irrigation water supply for their agriculture
- **Project Period:** 2007-2021
- **Benefitted districts and no. of families:** 20,000 families in Polonnaruwa and Batticaloa Districts
- **Total Estimated Investment:** Rs 4,910 Mn
- **Cumulative expenditure (December 2021):** Rs 4749.55 Mn
- **Financial Progress as at 31 December 2021**

Allocation (Rs.Mn)	Imprest Received (Rs.Mn)	Expenditure (Rs.Mn)
217 .00	194.00	194.00

- **Physical Progress as at 31.12.2021**

Description of completed works	Physical Progresses
Construction/ Rehabilitation of D Canal	17.7 Km
Construction/ Rehabilitation of field canal	24.3 Km
Renovation of 18 building	16
Maintained and rehabilitated 40 km of roads	36 Km
Rehabilitation of 05 small tanks	5 Tanks

2. Redeemaliyadda Integrated Development Project

- **Objectives:** Developing infrastructure facilities and to open up agriculture-based production and sustainable income avenues for the families in the areas under Mahaweli zones
- **Project Period:** 2012-2022
- **Benefitted districts and No. of families:** 14,782 families in Rideemaliyadda in Badulla District
- **Total Estimated Investment:** Rs 1,100 Mn
- **Cumulative expenditure:** Rs 836.58Mn
- **Financial Progress as at 31 December 2021**

Allocation (Rs.Mn)	Imprest Received (Rs.Mn)	Expenditure (Rs.Mn)
165.00	152.5	137.45

- **Physical progress as at 31.12.2021:**

Description of works	Target	Physical Progresses
Rehabilitation of tanks	16 Tanks	11 tanks rehabilitated.
Rehabilitation of anicut	1 anicut	1 anicut rehabilitated.
Rehabilitation of road	50.4 Km	50.4 km completed.
Construction & maintenance of common buildings	13 Building	12 buildings completed
Cultivation of imported restricted crops	1000 hec	1014 hec
Homestead development	240 gardens	240 gardens
Farmers / officers training programmes	30 programs	28 prog.
Installation of Micro Water Supply Systems	20 units	20 units
Conduct institutional and community development programs	97 Programme	94 Programme
Environmental education programmes	05 Programme	4 program conducted.
Tree planting programme	06 Programme	4 programmes were conducted



3. Rambakenoya Integrated Development Project

- **Objectives:** Completing the balance downstream development of the Rambaken Oya reservoir project through the development of land, agriculture and settlement activities
- **Project Period:** 2012-2023
- **Benefitted districts and No. of families:** 3,550 families in Mahaoya and Padiyathalawa in Ampara Districts
- **Total Estimated Investment** : Rs 1,086 Mn
- **Cumulative expenditure (December 2020):** Rs 660.01 Mn
- **Financial Progress as at 31 December 2021**

Allocation (Rs.Mn)	Imprest Received (Rs.Mn)	Expenditure (Rs.Mn)
192.00	191.5	172.602

- **Physical progress as at 31.12.2021:**

Description of works	Target	Physical Progresses
Cultivation of imported restricted crops	1000 hec	Cultivation of imported restricted crops 986 hec
Homestead development	360 gardens	Homestead development 360 gardens
Farmers / officers training programmes	40 prog.	Farmers / officers training programmes 38 prog.
Livestock development	13 programme	Livestock development 12 programme
Rehabilitation of road	100 km	95 km completed.
Rehabilitation of tanks	9 tanks	2 tanks completed.
Construction of common buildings	08 Buildings	6 building completed.
Land surveys & blocking out	2,900 lots	1455 lots completed.
Pay compensation	77 lots	Paid compensation for 73 lots.
Institutional & community development programmes	54	50 completed.
Facilitate the marketing of products in small groups of women.	11 beneficiaries	11 beneficiaries
Providing machinery under the 50% Contribution	13 beneficiaries	13 beneficiaries received
Construction of wells		43 wells constructed
Provide Sanitary facilities		558 improved
Maintain of electric fence	10 km	maintained of 10 km electric fence
plant production	5000 plants	5000 plants were produced
Tree planting programme	6	4 programme conducted



4. Welioya Integrated Development Project -System L

- **Objectives:** Providing homestead, irrigated lands and necessary physical, socio- economic infrastructure for displaced families
- **Project Period:** 2012-2023
- **Benefitted districts and No. of families:** 6,788 families in Anuradhapura, Vavuniya, Mullative Districts
- **Total Estimated Investment:** Rs 3,957.10 Mn
- **Cumulative expenditure (December 2020):** Rs 2496.72Mn
- **Financial Progress as at 31 December 2021**

Allocation (Rs.Mn)	Imprest Received (Rs.Mn)	Expenditure (Rs.Mn)
233.00	216.00	207.96

- **Physical Progress as at 31.12.2021**

Description of works	Target	Physical Progresses
Construction & rehabilitation of roads	100 km	90 km of road completed.
Construction & rehabilitation of structures		13 structures completed.
Rehabilitation of canal network	2.9 km	2.6 km completed.
Construction & rehabilitation of buildings	10	9 building completed.
Survey lots	5200	2,000 lots surveyed.
Deed granting	4 programme	Issued 850 grants
Conduct Institutional Development	451 programmes	275 completed.



5. Agriculture & Livestock development Project

Agriculture & Livestock development Project

- **Objectives:** Enhancement of local food crop cultivation and livestock production to reduce agricultural imports to the country and to enhance the local food security
- **Project Period:** January to December 2021
- **Benefitted districts and No. of families:** All farmer families in Mahaweli systems
- **Total Estimated Investment** : Rs 500.00 Mn
- **Cumulative expenditure (December 2021):** Rs 418.95 Mn
- **Financial Progress as at 31 December 2021**

Allocation (Rs.Mn)	Imprest Received (Rs.Mn)	Expenditure (Rs.Mn)
500.00	500.00	418.95

Agricultural Crop Cultivation

- Extent of paddy cultivation in Mahaweli areas recorded 96,027.0 ha with production of 556,954.0 mt of paddy production were recorded in 2021/2022 Maha season. The extent of paddy cultivation in 2022 Yala season were 86,979.0 ha with the production of paddy were recorded as 521,874 Mt. The total paddy production for 2021/2022 Maha and 2022 Yala were 1,078,828 Mt.
- The production of Other Crop Cultivation were 93,906 Mt, 218,960 Mt were record as Fruit production and vegetable production were 171,805.2 Mt.
- According to the Department of Agriculture data, MASL plays an active role in local agriculture production and development of the country while it accounts to 20 % of Paddy, 90 % of Soya bean, 24 % of Green gram production and 21 % of Big onion during this period (According to Crop forecast 2021/22 Maha & 2022 Yala).

1.2. Progress of Activities carried out by each sector

1.2.1 Progress of Agriculture and Livestock Sector

No	Activity	Target (Mt)	Progress (Mt)	%
1	Agriculture Production (2020/21 maha + 2021 yala+ 3rd season)			
1.1	Seed – Mahaweli Farm			
	Seed Paddy	1,805	1,353	75%
	OFC Seed	108	15.71	15%

		Target (Mt)	Progress (Mt)	%
1.2	Seed – Mahaweli Farmers			
	Seed Paddy	6,503.7	6,972.7	107%
	OFC Seed	851.0	981.8	115%

		Target (Mt)	Progress (Mt)	%
1.3	Crop Production Programme			
	Paddy	980,653	1,078,828	110%
	OFC			
	Big Onion	31,640	18,880	60%
	Soya	13,361.9	7,501	56%
	Black Gram	3,276.3	3,221.4	98%
	Cowpea	1,345.6	1,141.5	85%
	Finger Millet	1,193.3	1,395.8	117%
	Green Gram	8,804	7,535	86%
	Maize	46,556	36,981	79%
	Ground Nut	4,392	3,022	69%
	Chilli	11,349	10,529	93%
	Gingerly(sesamy)	312	755	242%
	Turmeric	876	1,478	169%
	Ginger	1,100	1,466	133%

		Target (Mt) Annual	Progress (Mt)	%
1.4	Fruit Production			
	Banana	149,592	166,733.7	111%
	Papaya	28,710.6	28,929.3	101%
	Guava	9,967.8	10,155.5	102%
	Other fruits (Mango, Dragon Fruit, Pineapple, Passion, orange)	11,598.9	13,141.3	113%
1.5	Vegetable	157,449.9	171,805.2	109%

No		Target (Mt)	Progress (Mt)	%
2	Organic Zone development	9,275.0	9,740.0	105%
2.1	Organic Fertilizer Production program	244,300	153,240	63%

		Target (Mt) Annual	Progress (Mt)	%
3.	Livestock			
	Inland Fishery (Mt)	11,000	12052.1	110%
	Fresh Milk (Liter million)	40	42.02	105%
	Egg (Mn)	60	62.35	104%
	Ornament Fish (Couples Mn)	37	39.98	108%



1.2.2 Business Development

Activity	Unit	Target 2021	Progress 2021
Investment promotion			
Selection of Investors for Land Allocation for Investment Projects *			
Investment promotion and regulatory programs to improve productivity	Programme	11	17
One Stop Shop			
New construction projects	Project	2	1
Regular supervision and marketing of entrepreneurs to improve product quality	Programme	13	13
Tourism Promotion Program			
Eco-friendly boat operation project on Mahaweli tanks and reservoirs	Project	8	4
Sea Plane Project	Project	1	1
Entrepreneurship Development Programs			
Conducting GYB and Entrepreneurship Programs to Uplift Small and Medium Enterprises	Programme	20	15
Distribution of goods and equipment under 50% financial contribution for the promotion of small and medium scale entrepreneurs	Entrepreneurs	200	383
Small and Medium Scale Loan Scheme			
("Mahaweli Sawiya") Loan Scheme	Entrepreneurs	55	54
("Moragahakanda Athwela") Loan Scheme	Entrepreneurs	60	9

* 46 investors have been selected for industrial investment projects in the system Walawa (56 ha). Board approval has been obtained for 30

* Board of Directors approval has been obtained for 74 agricultural and animal husbandry projects in system B. Evaluation work has been completed for 50.6 hectares of land in system C * 46 Selected Industrial Process Enterprises on 58 hectares in Embilipitiya

1.2.3 Distribution of Lands

Land Development	Target Annual	Progress	%
Deed granting program	100,000	35,485	35%

1.2.4 Environment Conservation

Activity	Unit	Target 2021	Progress 2021
Production of compost by cleaning tanks rich in aquatic plants	Ton	160	148.5
Promoting the Green Road concept	Km	14	9
Plant Production (by Mahaweli Nurseries, School Children and Farmers)	Plants	819,284	508,124
Planting in upper catchment areas and lower rivers	Plants	431,450	385,720
Establishment of green gardens	Garden	5	3
Environmental education and promotion	Programme	80	71
Maintain of Electrical fence	Km	Open	116
Production of tissue culture plants	Plants	200,000	66,285