Report of the Public Expenditure Review Committee on Rationalization of Government Expenditure Relating to the Ministry of Irrigation

Public Expenditure Review Committee

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1. Introduction

1.1 Composition of Public Expenditure Review Committee Relating to the Ministry of Irrigation

As per the Cabinet decision No. 23/0256/604/030 dated 06.02.2023, ten (10) Public Expenditure Review Committees (PERC) have been established to rationalize the expenditure of ten Ministries and to make recommendations to the Cabinet of Ministers in terms of Terms of Reference given in Annexure - 1.

Among the ten committees, the following members have been appointed to the Committee Relating to the Ministry of Irrigation.

Chairman appointed by the Secretary to the Treasury:

Mr. Ajith Abeysekera, Director General, Department of External Resources

Two nominees from the Ministry of Irrigation appointed by the Secretary to the relevant Line Ministry:

Eng. Mrs. Priyani Jayadeera, Additional Secretary

Eng. Mr. E.A.C.K. Edirisooriya, Director (Technical Audit)

Three Experts in the field nominated by the Secretary to the President:

Mr. D. Widanagamachchi, Former Deputy Secretary to the Treasury

Prof. S.B. Weerakoon, Senior Professor, Department of Civil Engineering, University of Peradeniya

Prof. Lalith Rajapakse, Professor in Civil Engineering, Hydraulic and Water Resource Engineering Department, Department of Civil Engineering, University of Moratuwa

Convener Appointed by the Secretary to the Treasury:

Ms. Chandrika Senanayake, Additional Director General (CUD), Department of National Budget

1.2Background

The irrigation sector makes a substantial contribution to the national economy through sustaining agricultural production by way of paddy and other food crops. The irrigation sector claims the major share of the island's surface water use among the water sectors. In addition to supplying irrigation demand, irrigation water infrastructure are often used for domestic and industrial supply, livestock development, inland fisheries, eco-tourism, hydropower generation and ecosystem services, and enrichment of the environment in general.

Being traditionally a predominantly agricultural economy with about 75% of the population in the rural sector, investment in irrigation has received high priority in the Public Investment Programme in the country since independence. At its peak, it was 40% of public investment during the Accelerated Mahaweli Programme in the 1980s. Since 2000, irrigation sector investments are directed towards mixed developments - rehabilitation and modernization of ageing irrigation systems, water productivity improvements, water management, and construction of a few major multi-purpose projects to name a few. Annual investment for the water sector in the last five (5) years ranges from 6%-9% of the public investments. The promotion of efficient water use in the irrigation sector was a major objective in a number of these initiatives in order to enhance the availability of water for the development of other sectors which brings comparatively higher returns required for economic development.

The Government of Sri Lanka (GOSL) makes investments in the irrigation sector through the Ministry of Irrigation mainly under three (3) government institutions: Ministry of Irrigation (MI) itself, Irrigation Department (ID) and Mahaweli Authority of Sri Lanka (MASL). In addition, the Central Engineering Consultancy Bureau (CECB), Central Engineering Services Ltd (CESL), and Mahaweli Consultancy Bureau (MCB) which operate as self-financing entities, and a few training institutes also operate under the purview of the ministry.

The Committee is entrusted to rationalize the expenditure under the Ministry of Irrigation in the year 2023. Total allocations for capital and recurrent expenditures for the year 2023 under MI, ID and MASL are Rs. 75.8 bn and Rs. 8.9 bn (Annexure - 2) out of which 63% of capital expenditure is incurred from foreign financial sources and the balance 37% is from GoSL funds. All foreign funded projects and major capital projects are implemented through the Ministry of Irrigation itself. **Out of total investments under the foreign funded projects, 84% of funding (equivalent to Rs. 40 bn) has been allocated for Mahaweli Water Security Investment Program** funded by Asian Development Bank (ADB). Out of the total capital investments of the irrigation sector, 56% of funds have been allocated for this project (Rs. 40 bn by ADB, Rs.3 bn by GOSL) (Annexure - 2).

2. Water Resources Development and Ministry of Irrigation

Though Sri Lanka is blessed with rich water resources compared to many countries in the region, spatial and temporal disparities of rainfall are significant. These variations could be further prominent in the future with direct and indirect impacts of climate change which are already being experienced. Integrated water resources management in the island, in an equitable manner, while meeting sectoral demands and reducing flood and drought induced risks under a limited budget is an uphill task vested in the Ministry of Irrigation.

Irrigation development carried out by the Ministry of Irrigation has played a pivotal role in increasing rice production in the country and realizing a foremost national policy objective of self-sufficiency in rice with a huge public investment since independence. Investment in irrigation development has been also a mode of employment generation for the rural population with new land developments and settlements. Rice being the staple food, rice production through irrigated agriculture not only still provides the livelihood of the rural population but also saves foreign exchange through import substitution to satisfy the food needs (food security) of the population today. Thus, it is important to maintain the present level of rice production without distracting people from irrigated agriculture despite, a) the actual production cost can be higher compared to imported, and b) there is a public cost incurred on irrigation water supply, subsidies and other services. **While emphasizing the importance of maintaining the current extent of irrigated agriculture, expanding irrigation extents by investing public funds in new, high capital-intensive irrigation schemes is not defensible unless there is a surplus in the national budget. What is prudent at present would be to manage the land and water resources of existing irrigation areas effectively to increase cropping intensity, water and land productivity with the adoption of appropriate water management, fertilizer management, crop management and farming practices to make farming more economically and environmentally sustainable. It is also imperative that other programmes are implemented to create alternate livelihood pathways for the increasing rural population to ease the demand for expansion of irrigation areas - it is also the wish of the younger generation.**

On the other hand, climate resilience in food production by irrigated or rain-fed agriculture is vital for food security as well as reducing economic impact on people of developing economies like ours due to prolonged droughts that might occur. For improved resilience in food production, increased attention in water resources planning under changing climate is to be given for, a) water conservation and water use efficiency in irrigation and other water sectors, b) increasing/maintaining distributed storage capacities in the basins as well as increasing - large storages in the upper basins, c) encouraging the development of local storages and sources thereby reducing the increased dependency further on the major diversions from the rivers (for example if the upper Mahaweli catchment rainfall is affected in a year due to climate variability what will happen to its irrigated cultivation areas), and d) re-evaluation of water resources availability under accepted climate change scenarios, etc.

The above factors coupled with the growing competition for water and land among different sectors make it imperative to increase the productivity of water and land in agriculture. Sharing of water among different water sectors focusing on national production growth is also important. As for the new developments of, at least, the medium scale irrigation projects, encouraging the private sector investment for multipurpose projects where feasible, through partnerships or otherwise would be a strategy for sustainable productivity growth in the medium term under the prevailing economic situation in the country.

2.1 Vision, Mission and Objectives of the Ministry

Vision: "Contribute towards prosperous Sri Lanka through sustainable water resources development and management."

Mission: "Providing well-being of community and environment by fulfilling multiple water users through Water Resources Development and Management."

Objectives:

- Formulate policies and legislations related to the allocation and regulation of water resources.
- Provide guidance and direction to develop and regulate groundwater resources.
- Execute programs and projects related to water resources development, modernization, and rehabilitation.
- Provide guidance and direction to mitigate flood and drought impacts on irrigation ecosystems.
- Provide guidance and direction for saltwater extrusion in coastal areas.
- Provide guidance and direction to control pollution and conservation of water sources.
- Provide guidance and direction to transfer irrigation system management to water user association (FOOs).

3. Development Projects Proposed for Implementation in 2023

The Ministry of Irrigation has obtained requested budgetary provisions for 39 development projects for the fiscal year 2023 out of which 35 ongoing projects were considered to review by the committee. These development projects are funded through domestic funds or foreign funds (through loans or grants) with co-financing components from the GoSL. The present economic crisis in the country has made it necessary to re-evaluate the projects in the pipeline for modifying the scope to cut down the costs, optimize the returns, and then prioritization of their implementation utilizing scarce resources. Accordingly, the Committee on "Re-strategizing and Acceleration of Mega Projects" (RAMP) instructed to wind-up 13 projects (Annexure - 5) out of the above 39 projects during the year 2023.

3.1 Methodology Adopted for Systematic Review

3.1.1. Review Methodology

The review methodology of the public expenditure by the Ministries given in the TOR of the PERC (Annexure - 1) is based on the 12 tasks specified therein. The Committee requested the respective Project Directors and Ministry representatives in charge of the 26 projects to provide descriptions of their projects. Then, the Committee reviewed each of the projects based on tasks 2- 12 of the review methodology, as much as possible, with the limited information, expertise, and time available. The projects were scrutinized in respect of their objectives encompassing national contribution (food production, national growth, employment generation, limited water and land resource utilization, sustainable development), regional needs including the reliability of water availability under climate change, risk of disaster and failure of infrastructure and more importantly, the investment capability under budgetary restriction. The following focus areas together with the directives of RAMP were used to align the projects into the review tasks above.

a) Focus on the outcomes of the project (or each component of the project) :
   i. Disaster risk reduction: prevention of high risk of a disaster (e.g. dam repair/ maintenance, flood bund)
   ii. Improvement of cropping intensity by improving water availability/distribution (e.g. repair/augmentation of existing tank/canal improvement/water productivity improvement)
   iii. Development of new irrigation areas
   iv. Avoiding undesirable outcomes – low economic viability, Creating new water stresses - diversions that have an adverse effect on downstream users who are currently using water for existing schemes/ other water sectors, resilience under climate change, issues with lands and other conflicts (wild life, social, water conflicts)

v. Contribution to national growth, other sectors including hydro & solar energy generation, water supply, industry, other employment generation

b) Focus on the mode of financing and time required for economic return

i. Committed foreign grant, foreign loan funded with local co-financing, Local financing
ii. Total estimated cost, cumulative expenditure up to the end of 2022, funds required to complete balance works, Budget estimates – 2023
iii. Degree of completion, physical progress and project duration
iv. Project components and their correlations and phasing out the possibility
v. The extent of linkages between resources allocated and macroeconomic policy frameworks
vi. Possible areas for Public Private Partnerships

3.1.2. **Project Prioritization**

Out of 35 projects, 26 projects were analyzed based on judgment by the committee considering the above factors to assign **High (H), Medium(M), and Low (L)** priority levels to each project and to identify three core projects. The detailed analysis of each projects is documented in Annexure - 3. Each of the 26 projects was further classified into five categories given below in recommending their implementation.

Five Categories:

i. Projects identified to be completed with reduced scope
ii. Projects identified to be temporarily suspended after completion of project activities that are in progress
iii. Projects identified to be completed phase by phase, prioritizing project components on the basis of the macroeconomic impact
iv. Core projects identified for expeditious completion in a cost effective manner
v. Projects Identified to be withheld with a view to resolving financing and policy issues

4. Findings and Observations

4.1 Recurrent and Capital Expenditures

4.1.1. Four years' (2020 - 2023) comparative figures relating to recurrent and capital expenditures for which provisions were made in Programme 2 – Development Activities under Head 198 and 282, are illustrated in the following Table 1.

Table 1. Four years' comparative figures relating to recurrent and capital expenditures

Head	Category of expenditure	2020 Actual	2021 Actual	2022 Actual	2023 Estimated
198	Recurrent	3,001	3,205	3,580	4,676
	Capital	30,044	37,546	45,798	64,541
	Ratio	1:9	1:9	1:9	1:9
282	Recurrent	3,130	3,214	3,554	4,224
	Capital	8,466	8,524	5,137	11,209
	Ratio	3:7	3:7	4:6	3:7

Source: Department of National Budget

4.1.2. The combination of recurrent and capital expenditures is shown as a ratio in the above table. Recurrent expenditure in absolute terms has increased annually despite the ratios in 4 consecutive years being almost alike. Unlike recurrent expenditures, the utilization of resources allocated for capital expenditure depends on the complexity of the project activities and managerial efficiency. Capital projects are generally classified into a number of categories. Irrigation development projects mostly come under either category of safety and environment projects or expansion projects. Hence, completion of these will cause to increase in maintenance related recurrent expenditures.

4.1.2. Thirty five (35) projects of which expenditures are expected to be reviewed by the PERC , have been broadly classified into two categories as shown in Table 2 below, based on the project objectives. The behavioural pattern of recurrent expenditures incurred during the past Three years as shown in Table – 1, has been influenced by the outcomes of the projects which differ from one category to another shown in Table -2, owing to the impact of maintenance related expenditures.

Table 2: Categorization of Irrigation Projects

Rehabilitation	New Development
1. IWWRMP – Integrated Watershed and Water Resource Development Project	**1.** Thalpitigala Reservoir Project
2. CRIWMP - Wewgam Pubuduwa	**2.** Ellewewa Reservoir Project
3. Wellassa Nawodaya	**3.** Uma Oya Downstream Development Project
4. Lower Uva Project (LUMP)	**4.** Yan Oya Reservoir Project
5. Welioya Integrated Development Project	**5.** Gin - Nilwala Diversion Project - Stage 1 (Feasibility Study and Design)
6. Rambakenoya Integrated Development Project	**6.** Maduru Oya Right Bank Development Project
7. Rural Tank Development Project under Wari Saubhagya Programme	**7.** Kivul Oya Reservoir Project
8. Flood Mitigation project in Gin, Nilwala, Kalu & Kelani ganga	**8.** Mundeni Aru River Basin Development Project
9. Barrack Plane Lake Development Project	**9.** MWSIP - Mahaweli Water Security Investment Project
10. Polonnaruwa Irrigation Development project	**10.** CResMPA - Climate Resilience Multi-Phase Programmatic Approach
11. Redeemaliyadda Integrated Development Project.	**11.** Moragahakanda - Kaluganga Development Project
12. Kelani River Bund Protection Project	**12.** Establishment of a Groundwater Monitoring Network
	13. Uma Oya Multipurpose Development Project
	14. Kumbukkan Oya Reservoir Project
	15. Rehabilitation of Dematagala Tank
	16. Lower Malwatu Oya Multisector Development Project
	17. Himbiliyakada Irrigation Infrastructure Improvement Project
	18. Kudavilachchiya Reservoir Project
	19. Irrigation Development Plan for peripheral areas of settlers in Pelwatta sugarcane plantation area
	20. Morana Reservoir Project
	21. Development and improvement of Godigamuwa tank
	22. Wilakandiya reservoir
	23. Augmentation of Mahagalgamuwa tank

4.2 Practice of Irrigation Project Planning and Implementation

Different irrigation development projects are formed with the aim of creating new services or improving the functional efficiency of the existing ones. Origination of these public funded projects has been promoted by the Ministry and also by various foreign agencies in the past, some of them are unsolicited proposals. Whether all these are based on sound analysis of long term benefits including resource optimization, food self-sufficiency and food security, equitable development, economic development, social harmony, sustainable

development, etc. is not clear. There must be a greater focus on the efficient utilization of water and land for higher water and land productivity in existing irrigation systems at the field level. **Implementing water-efficient measures can lead to substantial savings in operational costs. Introduction of water conservation practices, reduction of excess water utilization in our paddy cultivation practice. Inefficiency leads to waste of land and water, environmental degradation, limit availability of water for other sectors to create economic loss, energy loss, and production loss to the nation.**

The projects are implemented by specially established project offices in the ministry or by the Irrigation Department, Mahaweli Authority, and other line agencies. **It is observed that the establishment of separate project offices for foreign funded projects has been the practice, understandably to bypass various bureucraectic processes to expedite project execution. What should happen is the development and modernization of the departmental system embracing modern management and fiscal practices to facilitate the fast execution of the activities. No doubt that the projects require appropriate skills and techniques not only in the technical expertise of project planning, design and execution, but also in managing limited budgets for their success.** The line agencies (Irrigation Department, CECB, CESL, MASL, MCB) implemented mega projects of water resources development a few decades ago and their capacities need to be restored and strengthened. **As per TOR task 4, the committee finds that a considerable overhead can be reduced by eliminating special project offices by the Ministry itself and by arranging to implement the projects through line agencies making necessary changes in the administration procedures if necessary, to avoid delays.**

The high dependency on external expertise in irrigation project development and execution while neglecting the available local manpower and institutional capacity building has already created dependency syndrome (an attitude and belief that a group cannot solve its own problems without outside help). Some of the erroneously planned projects promoted by external sources have become extremely costly or uncertain about their success due to water resources availability with changing climate despite huge costs. It is necessary to end this dependency syndrome not only to save foreign exchange but also to enhance technological development and employment opportunities, especially local engineers who perform extremely well in foreign countries upon migration.

4.3 Priority Order of the Projects and Recommendation on Project Implementation

4.3.1 - The committee emphasizes that each and every project is required to be carried out in a cost effective manner and without compromising the specified quality standards applicable. The priority order of 26 projects for funding in 2023 based on a systematic review is given in Table 3 with the category for recommendation on project implementation. As per Task 5 prescribed in TOR, the Committee has identified the following projects of national importance as three core projects for implementation through the line agencies, details of them are given in Annexure - 4.

i. Uma Oya Downstream Development Project
ii. Lower Malwathu Oya Multipurpose Reservoir Project
iii. Ellewewa Reservoir Project.

Table 3. Priority order of the projects and recommendation on project implementation

Project in priority order (Please see Annexure - 3 for a detailed analysis)	Category	Vote (Approved Budget Estimate - 2023)	Funding in 2023 (Rs Mn)	Foreign component/ Local component/ Source of funds
A. High priority projects				
Uma Oya Multipurpose Development Project	iv	198-2-3-32	3,600	GoSL - 3,600
Climate Resilience Multi-Phase Programmatic Approach (CRESMPA)	iii	198-2-3-50	2,025	WB - 2,000 GoSL- 25
Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events through an Integrated Approach to Water Management Project (Wewgam Pubuduwa)	iv	198-2-3-42	2,930	GCF/UNDP -1,700 GoSL-1,230
Integrated Watershed and Water Resource Development Project (IWWRMP)	iv	198-2-3-47	3,000	WB - 3,000
Mahaweli Water Security Investment Project (Phase I)	ii	198-2-3-38	43,000	ADB - 40,000 GoSL - 3,000
Uma Oya Downstream Development Project	iv	282-2-3-32	2,320	GoSL - 2,320
Thalpitigala Reservoir Project	iii	198-2-3-5	500	GoSL – 500
Kelani River Bund Protection Project	i	282-2-3-23	1,000	GoSL - 1,000
Flood Mitigation Project in Gin, Nilwala, Kelani and Kalu River Basins.	i	282-2-3-26		-
Polonnaruwa Irrigation Development Project	i	282-2-3-21	200	GoSL - 200
Yan Oya Reservoir Project	ii	282-2-3-5	3,500	GoSL - 3,500
Development of Irrigation System of Pelawatta Sugar Plantation	ii	198-2-3-43	30	GoSL - 30
Development and Improvement of Godigamuwa Tank	i	282-2-3-25	35	GoSL - 35
Wilakandiya Reservoir Project	i	282-2-4-44		-

Lower Malwathu Oya Multipurpose Reservoir Project	iii	198-2-3-13	550	GoSL - 550
Augmentation of Mahagalgamuwa Tank	i	282-2-4-47	100	GoSL – 100
B. Medium priority projects				
Maduru Oya Right Bank Development Project	iii	198-2-3-41	650	GoSL - 650
Strengthening climate resilience of subsistence farmers and agricultural plantation communities residing in the vulnerable river basins, watershed areas and downstream of the Knuckles mountain range catchment of Sri Lanka.	i	198-2-3-51	1,250	IUCN-1,000 GoSL- 250
Ellewewa Reservoir Project	ii	282-2-3-14	100	GoSL - 100
Kivul Oya Reservoir Project	ii	198-2-3-44	100	GoSL - 100
Mundeni Aru River Basin Development Project(AFD)	ii	282-2-3-19	160	AFD - 150 GoSL - 10
C. Low priority projects				
Himbiliyakada Irrigation Infrastructure Development Project	ii	282-2-3-34	300	GoSL - 300
Improvements to Barack Plane Tank and modification of surrounding area.	ii	198-2-3-45	30	GoSL - 30
Rehabilitation of Kudawilachchiya Reservoir	v	282-2-3-30	300	GoSL - 300
Kumbukkan Oya Reservoir Development Project	v	282-2-3-17	300	GoSL – 300
Reconstruction of Dematagala Reservoir Project	v	282-2-3-31	5	GoSL - 5

5. Recommendations

In view of the findings and observations in Paragraph 4, the PERC wishes to make the following recommendations to the Cabinet of Ministers for consideration.

5.1 Implementation of Ongoing Projects

i. To complete 12 projects listed in Annexure – 5 (except Lower Malwathu oya Multi sector Development Project which has been selected as a core Project by the committee) ensuring that all the commitments are discharged before the end of the

year 2023 in compliance with ZBB principles (though the RAMP decision was to complete the projects by the fiscal year 2022).

ii. To implement the projects in compliance with the priority order and specific modifications to projects given in Table 3.

iii. Three core projects as mentioned in Para 4.3.1 to be implemented in view of national importance.

iv. The probable savings in development projects listed in Annexure - 3 be utilized for the projects which need additional funds, by way of reallocating in terms of the virulent procedure.

v. The possibility to be explored to include all the projects in next year's Budget Estimates under a Single Head of Expenditure for the adoption of an Effective Expenditure Control System.

vi. Mega projects are to be implemented in a phased-out manner independent from other components enabling them to obtain favorable outcomes from each component in a cost effective manner.

Mahaweli Water Security Investment Project - With the availability of actual flow data for a few years by now after impounding the Moragahakanda reservoir, it is possible to estimate more realistic volumes available for diversion from the Moragahakanda reservoir to NCP under changing climate.

vii. To re-analyze the actual water availability at present considering downstream demands for increasing cropping intensity in existing cultivation areas, a) under diversions at existing Elahera Yoda Ela to Minneriya, Kaudulla, Kanthale tanks, and at Angamedilla to Parakara Samudra, etc, b) under diversions at Boawatenne and Minipe, and, c) New Wayamba Ela, to determine the available volume to be transferred through Upper Elahera Canal. Phase I of the Mahaweli Water Security Investment Project has to be further phased out so that constructing of the canals after Yakalla is carried out one by one, first transferring water to Huruluwewa at this stage.

viii. To provide a significant amount of allocation in the budget under a special rehabilitation vote in order to carry out rehabilitation works and in the existing irrigation schemes annually.

5.2 Policies on Irrigation Development

i. In view of observations in Paragraph 4.1, the allocation of resources to incur recurrent expenditures is recommended to be based on scientific estimation associated with the impact assessment of the project outcomes.

ii. The practice of project planning and implementation through special project offices in the Ministry of Irrigation itself has to be discouraged if not abandoned. Instead, the capacity of the line agencies (Irrigation Department, CECB, CESL, MASL, MCB) is recommended to be strengthened through necessary changes and enhancing expertise to the world-class.

iii. In order to avoid unnecessary investments, an integrated road map with relevant agencies (National Water Supply & Drainage Board, Ceylon Electricity Board, Ministry of Urban Development, Ministry of Industrial Development, Ministry of Agriculture, etc.) needs to be developed (Horizontal Integration). Prioritization of projects based on the road map is recommended to be developed with relevant agencies without loading a large number of projects on the budget.

iv. Within the limited fiscal space of the annual budget, expanding irrigation extents by investing public funds in new, high capital-intensive irrigation projects is not defensible. What is prudent at present would be to manage the land and water resources of existing irrigation areas effectively to increase cropping intensity, and water and land use efficiency (productivity) by the adoption of appropriate water and fertilizer management, crop management and farming practices to make farming more economical and environmentally sustainable.

v. As for the new developments, encouraging the private sector investments through partnerships or otherwise for feasible multipurpose projects would be a strategy for the sustainable productivity growth in the medium term under the prevailing limited fiscal space of the annual budget. A few projects for the PPP model for multipurpose projects that includes eco-tourism, inland fish cultivation, solar/hydropower generation projects, etc, for economic returns have been identified in Annexure - 3.

vi. The dependency syndrome on foreign assistance both in technical and financial terms, for water resources management in the island is recommended to be avoided while facilitating local capacity development and strengthening the institutions not only to save foreign exchange but also to enhance technological development and employment opportunities, and to make a change of the attitude of younger generation.

vii. Sri Lanka needs an overarching water sector policy that addresses the re-assessment of fresh water availability both surface and groundwater under changing climate and land use, protection and conservation of quality and quantity of water, sharing water with increasing uses in different sectors for national production growth, water use efficiency improvement in every sector, in line with Sustainable Development Goals (SDGs). There have to be master plans in each sector for water productivity improvements enforcing necessary rules and regulations for water governance and public awareness programmes promoting a water - smart society.

As for the irrigation sector, the irrigation water management master plan is recommended to be updated/developed under the current status of water resources availability and uses, while priority is given to improvement in irrigation water and land productivity in the existing systems and with due attention to development trends, crop

diversification, soil fertility management, demography, and ecosystem services, etc, for sustainable development in line with the vision of the Ministry.

Ajith Abeysekera (Chairman) .....

D. Widanagamachchi (Committee Member) .....

Prof. S.B. Weerakoon (Committee Member) .....

Prof. Lalith Rajapaksa (Committee Member) .....

Eng. Priyani Mutumala Jayadeera (Committee Member) .....

Eng. Chandana Edirisooriya (Committee Member) .....

Public Expenditure Review Committees (PERC)

Terms of Reference

Role

Rationalize government expenditure through a Systematic Review and **Zero Based Budgeting** approach for strengthening the economic recovery process in Sri Lanka.

Responsibilities

PERC is responsible to

- ascertain whether the core activities are in accordance with the mandate of the Ministry
- identify duplications, wastages and insignificant projects or spending in current expenditure programmes of the National Budget Estimates
- identify efficient and effective procedures to utilize already allocated provisions
- ensure that the Ministry fulfill its responsibilities in a cost effective manner

Powers

As per the Cabinet decision no 23/0256/604/030 dated 06.02.2023, ten committees have been established to rationalize the expenditure of the following Ministries and make recommendations to the Cabinet of Ministers.

i. Ministry of Transport and Highways
ii. Ministry of Urban Development and Housing
iii. Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government
iv. Ministry of Defense
v. Ministry of Public Security
vi. Ministry of Education
vii. Ministry of Health
viii. Ministry of Agriculture
ix. Ministry of Plantation Industries
x. Ministry of Irrigation

Composition of a Committee

Chairman	A Deputy Secretary to the Treasury or a Senior officer of the General Treasury nominated by the Secretary to the Treasury
Members	Secretary to the relevant line Ministry or his nominee Three Experts in the field nominated by the Secretary to the President
Convener	A Senior officer nominated by the Secretary to the Treasury

Review Methodology

1. Review the mission and vision of the entity and redefine those if necessary.
2. Review all programmes/projects/sub-projects/activities of the line Ministry and identify how each contributes to achieving the objectives, mission, and vision of the Ministry.
3. Identify duplications, wastages and insignificant projects or expenditure in the existing Budget Estimates.
4. Prioritize all programmes/projects/sub-projects as per their potential for achieving the objectives of the Ministry as well as the national policies.
5. Identify at least three (3) core projects currently being implemented under the Ministry/ Departments.
6. Find justifications for providing such projects to them.
7. Recognize staff requirements and other facilities for continuing core activities.
8. Identify cost drivers/ unit costs if possible and cost reduction methodologies.
9. Recognize minimum resource requirements for each activity based on the cost-benefit analysis.
10. Identify key performance indicators (KPIs) to evaluate the achievement of the targets.
11. Identify possible reforms (Short/Medium/Long term) to be implemented for economic recovery.

    Examples

    - Possible areas for Public Private Partnerships
    - Business process reengineering
    - User pay mechanisms to minimize the cost

12. Any other matters.

Time Frame

Submit Committee recommendations to the Cabinet of Ministers for their consideration within a month from the month of March 2023.

Distribution of Budget Allocation 2023

Table 1: Distribution of Budget Allocation under Institutions (LKR Million)

Allocations 2023	Ministry of Irrigation	Department of Irrigation	Sri Lanka Mahaweli Authority	Total
Recurrent	829	4,224	3,847	**8,900**
Capital	62,916	11,209	1,625	**75,750**
Total Allocation 2023	**63,745**	**15,433**	**5472**	**84,650**

Source: Department of National Budget

Figure 1: Distribution of Budget Allocation under Institutions (LKR Million)

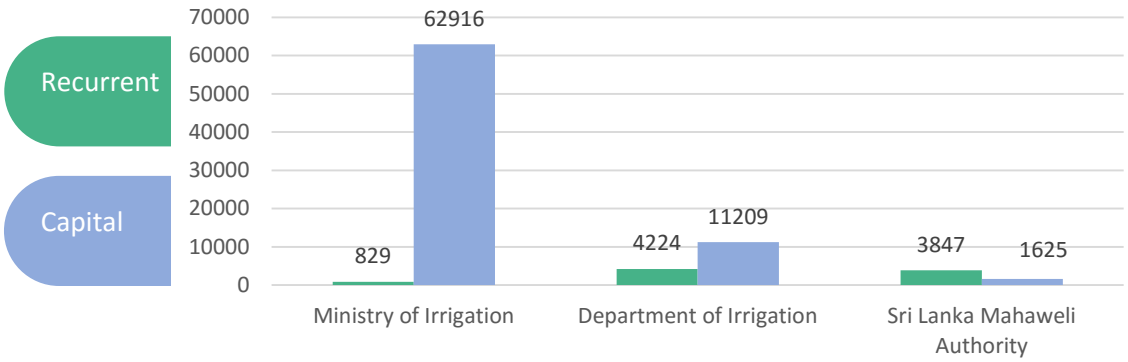
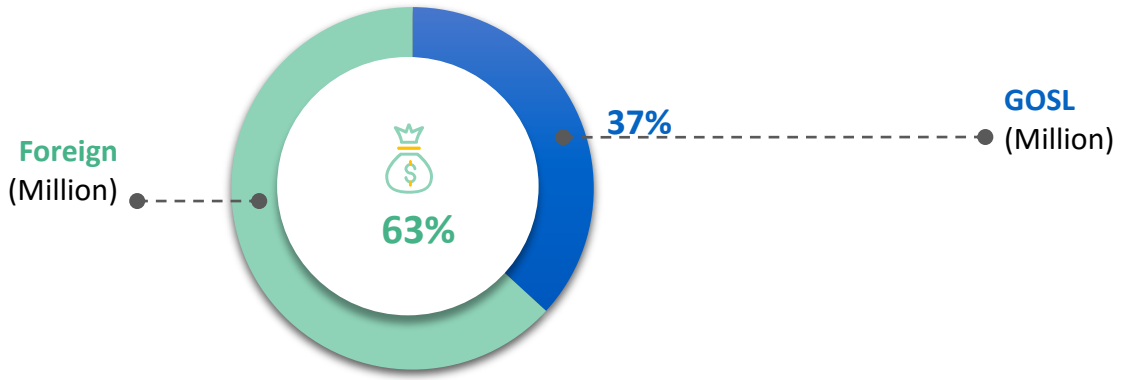


Figure 2: Distribution of Budget Allocation under Source of Funds



LKR 47,850 Million
are foreign funds allocations

Table 2: Distribution of Budget Allocation under Source of Funds

GOSL (LKR Mn)	Foreign (LKR Mn)	Total (LKR Mn)
27,900	47,850	75,750

Table 3: Details of Foreign Funded Projects (LKR Million)

projects	Donor	Foreign Loans	Foreign Grants	GOSL Fund	Total Allocations
Mahaweli Water Security Investment Programme	ADB	40,000	-	3,000	43,000
Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events through an Integrated Approach to Water Management Project	GCF/UNDP	-	1,700	1,230	2,930
Integrated Watershed and Water Resources Management Project	WB	3,000	-	-	3,000
Climate Resilience Multi-phase Programmatic Approach (CResMIPA) - Flood Early Warning and Kelani Climate Resilience	WB	2,000	-	25	2,025
Strengthening Climate Resilience of Subsistence Frame and Agriculture Plantation Communities in vulnerable river basins, watershed areas and downstream of the knuckles mountain Range Catchment of Sri Lanka	IUCN	-	1,000	250	1,250

Source: Department of National Budget

Table 4: Distribution of Foreign Funds (LKR Million)

Donor	Loans	Grants
ADB	40,000	-
GCF/UNDP	-	1,700
WB	5,000	-
IUCN	-	1,000
AFD	150	-
Total	45,150	2,700

Source: Department of National Budget

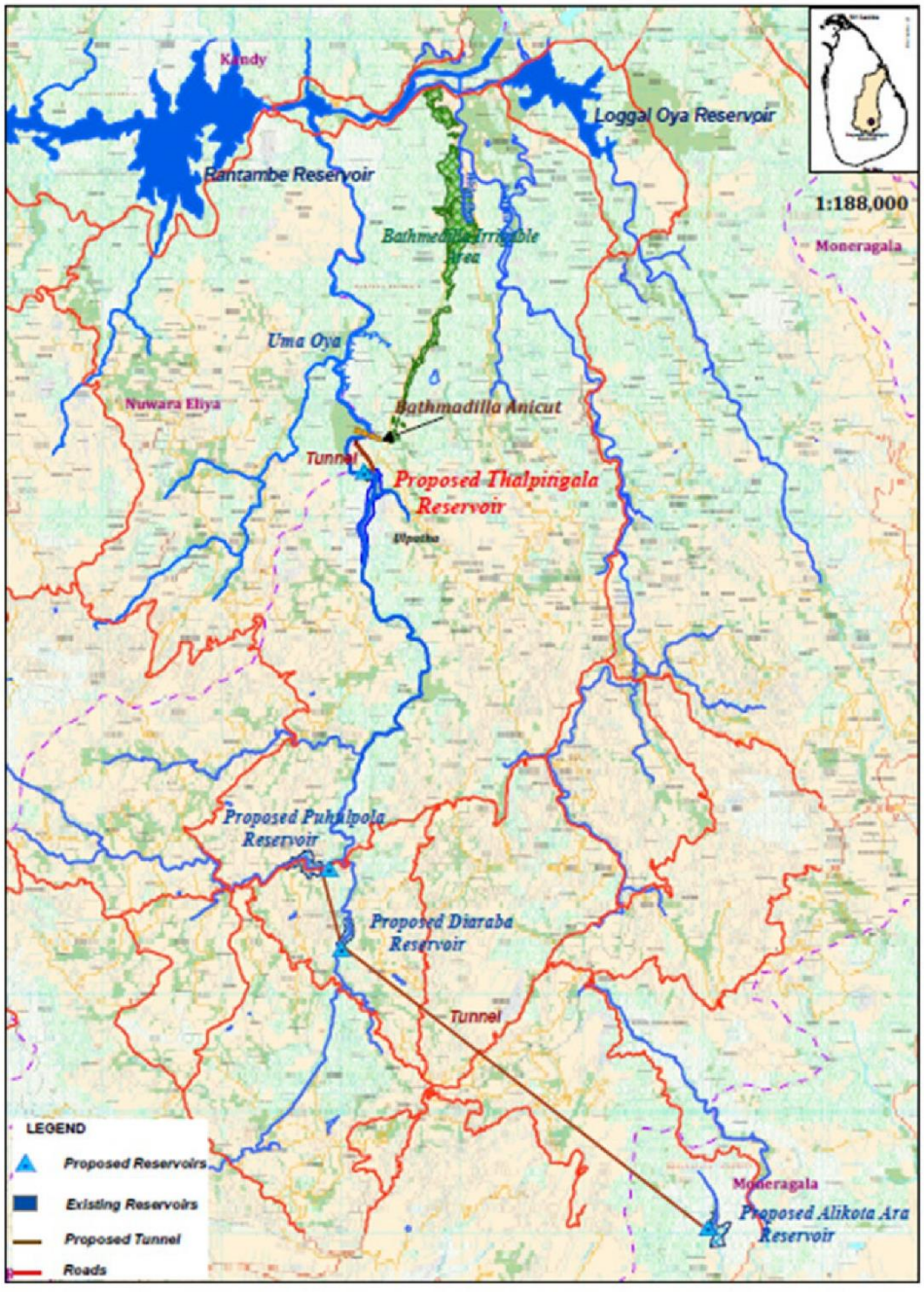
Review of the Projects

SR No.1. Thalpitigala Reservoir Project

2. Contribution to achieve objectives, vision and mission	Regulate flow by a reservoir to ● Improve cropping intensity to provide irrigation water to Bathmadilla Irrigation Scheme and to around 1,210 ha. of forestry area under the Department of Forest Conservations. ● Meet the 6,000 m^3 of drinking water requirement of the area ● 49.66 GWh generation of electricity ● Silt management of Rantembe Reservoir of the Mahaweli Multipurpose Development Project, as a lot of silt is generated from the Upper Uma Oya catchment
3. Duplications/ wastage/ significance	Not applicable
4. Prioritisation within the projects	High This project needs to be continued to avoid water deficit to the Bathmedilla scheme after the Uma Oya diversion project is commissioned in the near future.
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Relief to people affected by the Uma Oya diversion
7. Minimum Staff Requirement	Staff required is reviewed as per the directives given by the Cabinet appointed PMU Committee
8. Cost drivers/ unit costs/ cost reduction	Labour, machineries, materials required for construction of roads, design work by CECB Phase out the project Uma Oya is soon commissioned, then observe the actual flow patterns to review the feasibility - reliability of water availability for sizing the reservoir
9. Minimum Resources Requirement/ cost-benefit analysis	Allocation of Rs. 500 Mn for Budget 2023
10 KPIs	Design report by CECB Easy transportation between Uva Paranagama and Kandekatiya villages.
11, Reforms/ suggestions/ recommendation	● The road construction and the design will be completed in 2023. ● Decisions are to be taken based on the detailed design of CECB and observing the actual impact of the Uma Oya diversion.

	• This project can be identified as one of the priority projects under the Ministry of Irrigation. • Delayed implementation
12.Other: RAMP decision	To immediately complete the construction of the remaining 7km of the road including the installation of the pre-fabricated bridge which has already been transported and to temporarily suspend the project for the later implementation of the remaining activities.
Evaluation result:	Category: **iii** — Priority among the category: **High**

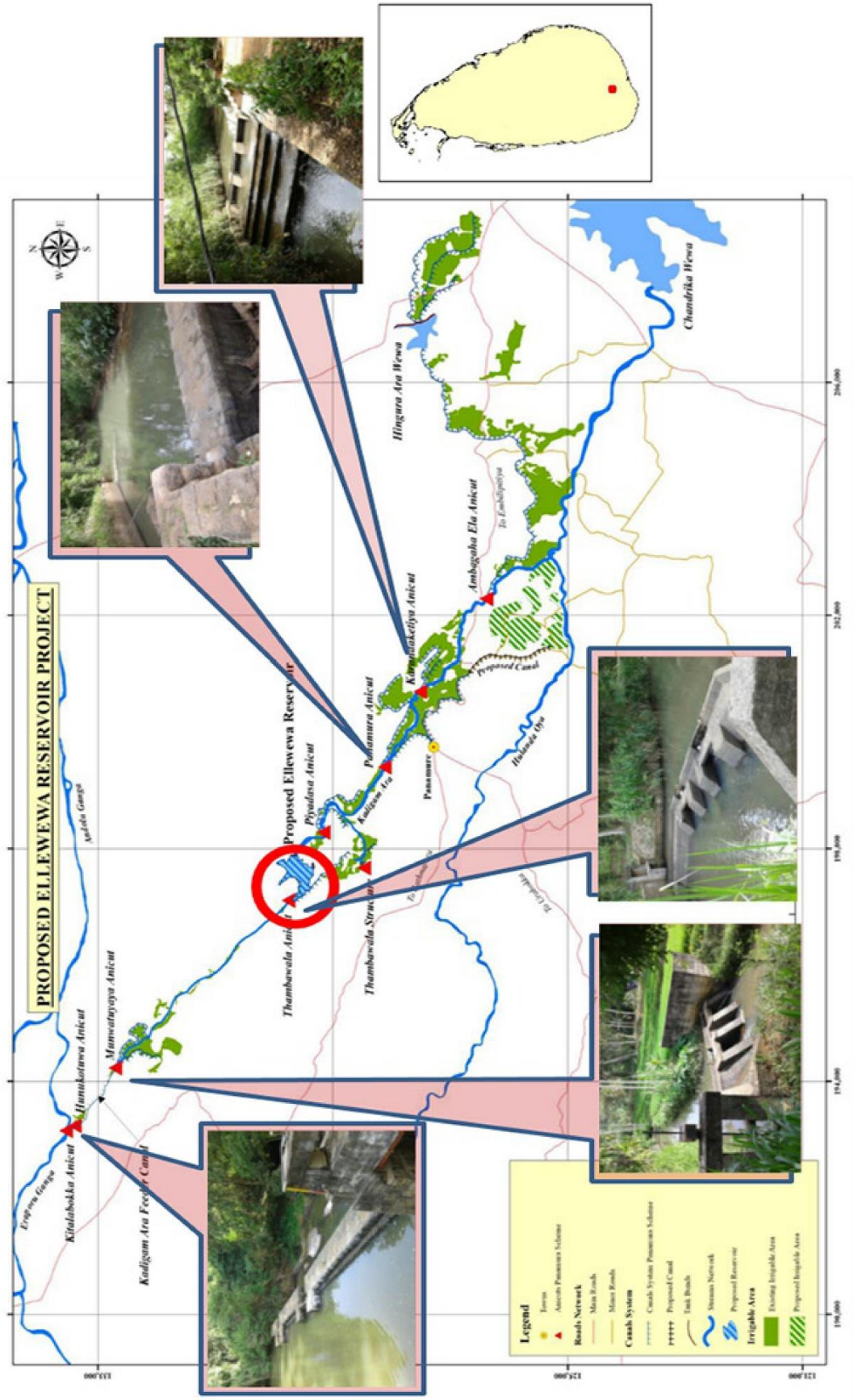
Thalpitigala Reservoir Project



SR No.2. Name of the Project: Ellewewa Reservoir Project

2. Contribution to achieve objectives, vision and mission	The project aims to regulate the flow by a new tank with the objectives to: • Improve the paddy yield up to 115 bushels per acre in Panamure and Hulanda Oya Schemes in 1,447 acres. • Supply of irrigation water to 350 acres of new lands for Other Field Crops (OFC). • Improve the water extraction quantity at Kolonne Water Supply Project by 7,000 m^3 per day.
3. Duplications/ wastage/ significance	Not applicable
4. Prioritisation within the projects	Medium priority for irrigation [Project is of high priority for water supply] The Committee identified this as a flagged project.
5. Suitability to include among the 3 flagged projects	Yes. Multipurpose project with water supply to Kolonne and Embilipitiya DS divisions.
6. Justification for providing the project to them	Improve the cropping intensity and drinking water facility for 40,000 people living in Embilipitiya and Kolonna DS divisions.
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost-benefit analysis	Allocation of Rs. 100 Mn for the budget 2023
10. KPIs	Completion of the sluice and protect the excavation
11. Reforms/ suggestions/ recommendation	• It is recommended to partially complete the work using the given budget, Rs. 100 Mn • Temporary stop the work
12. Other RAMP decision	Since the partially completed construction of the sluice and dam cannot be halted with the existing risks, the project should be temporarily stopped giving priority to the completion of only those 02 work items while commencing the other activities later.
Evaluation result:	Category: **ii** Priority among the category: **Medium and flaged**

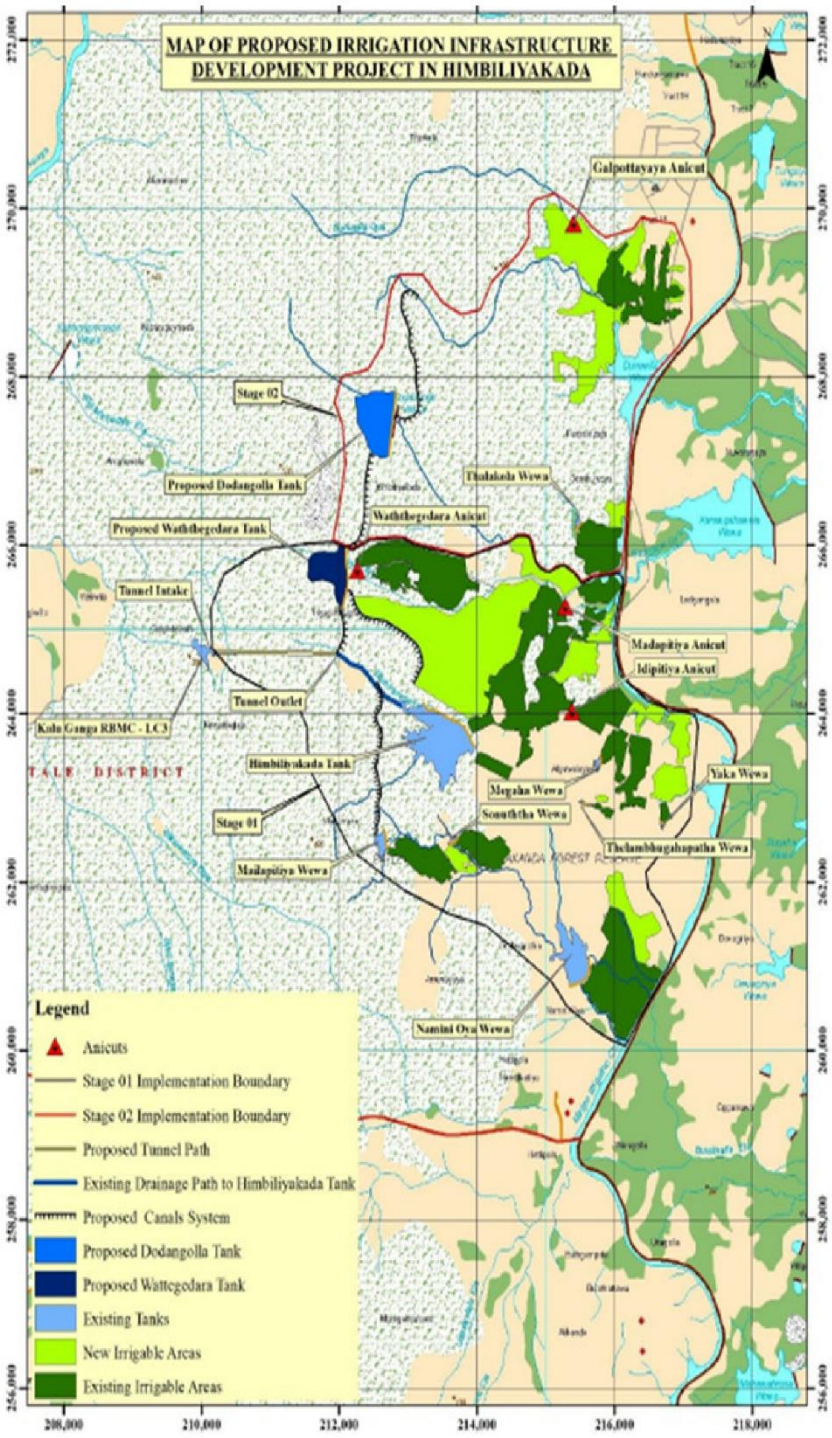
Ellewewa Reservoir Project



SR No.3. Himbiliyakada Irrigation Infrastructure Development Project

2. Contribution to achieve objectives, vision and mission	• Providing irrigation facilities to 1,300 acres of existing lands and 1,010 acres of new lands. • The present cropping intensity (1.0) of existing lands expected to be increased up to 2.0 (cultivating in both seasons) • Provide 1 MCM of water from each new tank for the domestic requirements of the farming community.
3. Duplications/ wastage/ significance	The Project has been undertaken without proper studies and the expansion of the cultivation area is located at the boundary of the forest Economic return on investment is uncertain
4. Prioritisation within the projects	Low Partly constructed at present
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Improve the yield
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost- benefit analysis	Allocation of Rs. 250 Mn for the budget 2023
10. KPIs	
11. Reforms/ suggestions/ recommendation	Complete the riprap which had been removed and complete the measures taken for the washed-off section in Himbiliyakada tank. Backfill the section of core trench where grouting has been completed in the proposed Wattegedara Tank and terminated the project.
12. Other RAMP decision	Completion of construction of sluice and Wattegedara Dam and temporary suspension of other activities of the project
Evaluation result:	Category: **ii** — Priority among the category: **Low**

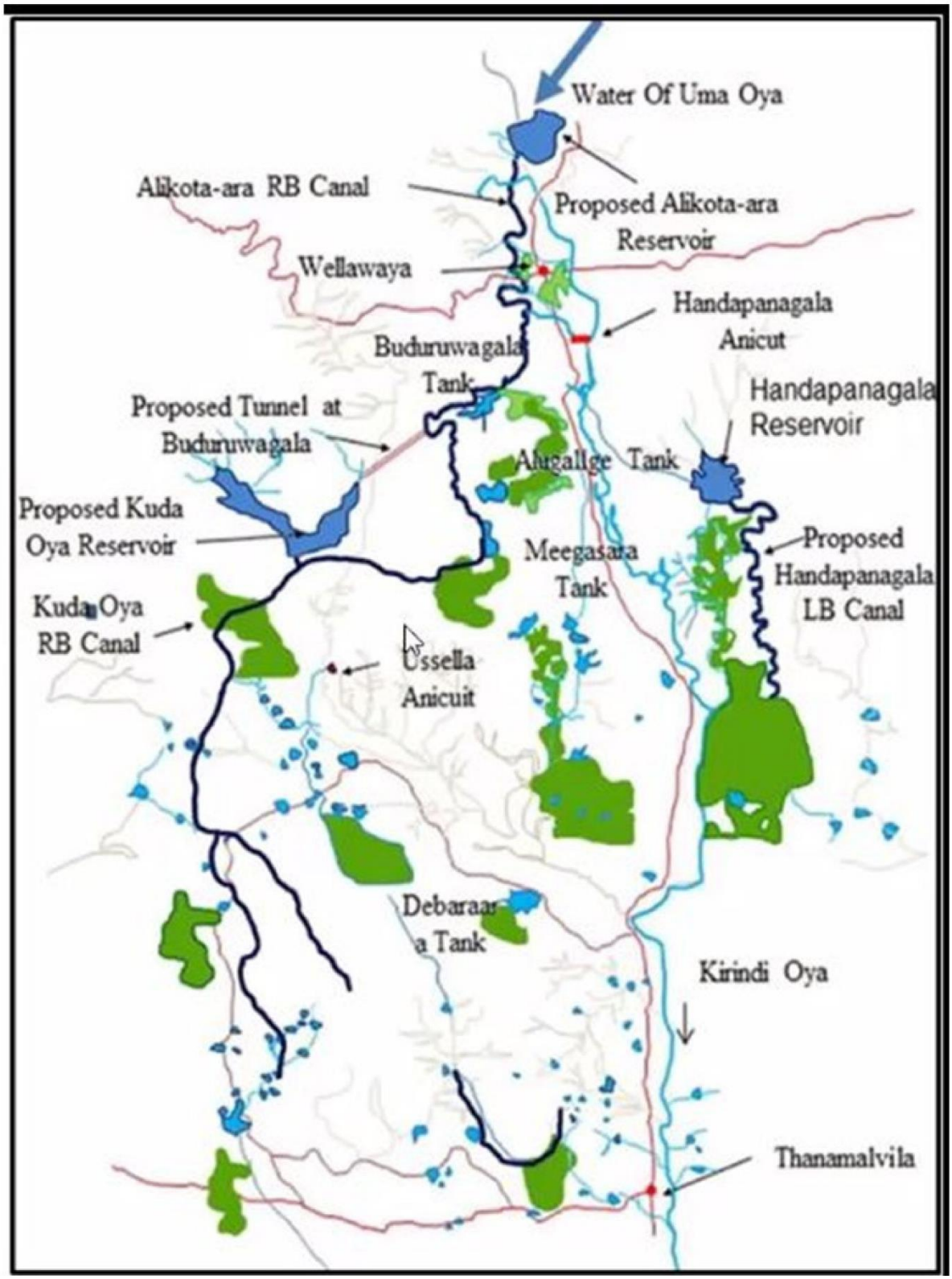
Himbiliyakada Irrigation Infrastructure Development Project



SR No.4. Uma Oya Downstream Development Project

2. Contribution to achieve objectives, vision and mission	• Delivery of 150 MCM water received annually from the upper watershed of Uma Oya, throughout the cultivation area of 10,000 acres and newly identified cultivation area of 11,000 acres in Kirindi Oya basin through main tanks and rural tanks. • Provide 5MCM for domestic use
3. Duplications/ wastage/ significance	Not Applicable
4. Prioritisation within the projects	High Utilization of the diverted water from the Uma Oya with the commissioning of the diversion under the Uma Oya Project
5. Suitability to include among the 3 flagged projects	Core project
6. Justification for providing the project to them	Improve the cropping intensity of existing area and new developments
7. Minimum Staff Requirement	No PMU (1- DPD approved under Uma Oya Diversion Project
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost benefit analysis	Rs. 3,320 Mn (Rs.2,320 Mn from budget 2023 + additional Rs.1,000 Mn) for completing the essential work Efficient water utilization in cultivation areas under new developments in order to increase benefits.
10. KPIs	• Increase in irrigable area by 500 acres under Alikotara Canal • Increase in irrigable area by 1,500 acres under Sinhalayagama Canal Increase in irrigable area of 2,500 acres under Handapanagala LBMC
11. Reforms/ suggestions/ recommendation	• Provide financial allocation of Rs. 1,000 Mn under the 2024 budget for essential activities to get the maximum benefit and complete the project within the same year. Alikota Ara, Sinhalayagama, Handapanagal canals
12. Other RAMP decision	As the resettlement work is already being carried out, priority should be given to the construction of only the inter-reservoir canal from Alikota Ara reservoir to Kuda Oya, and items such as small irrigation development should be implemented later.
Evaluation result:	Category: **iv** Priority among the category: **High & flagged project**

Uma Oya Downstream Development Project

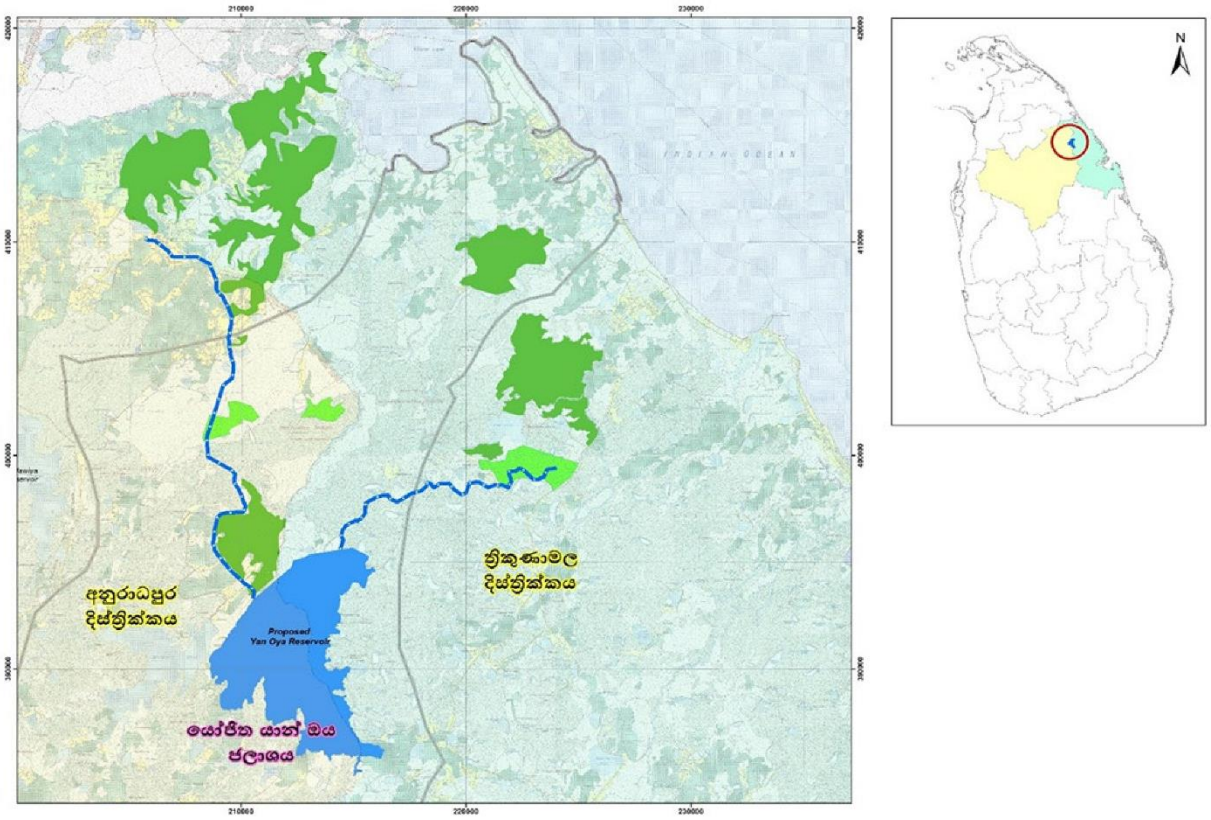


SR No.5. Yan Oya Reservoir Project

2. Contribution to achieve objectives, vision and mission	• Augmenting existing irrigation to provide deficit water • Increasing cropping intensity • Development of new irrigable area(1,515 ha) • Meeting 24 MCM of drinking water demand in parts of Anuradhapura and Trincomalee Districts
3. Duplications/ wastage/ significance	Not Applicable
4. Prioritisation within the projects	High Payment of retention money for the EPC Contractor • Compensation payment under Yan Oya Reservoir and Yan Oya Left Bank Main Canal • Completion of settlement of the displaced community under Issanwewa
5. Suitability to include among fthe 3 flagged projects	-
6. Justification for providing the project to them	Improve the cropping intensity of existing area and new developments Settlement of displaced community due to Yan Oya project
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials required for the construction of roads.
9. Minimum Resources Requirement/ cost- benefit analysis	Rs 5,500 Mn (Rs. 3,500 Mn from budget 2023 + Rs. 2,000 Mn for completion of essential activities) Introduce efficient water utilization in cultivation areas under new developments in order to increase benefits
10. KPIs	• New paddy lands of 600 acres under Issan Wewa are being developed. • Cropping intensity of 6,500 of existing paddy land under Jayanthi Wewa is increased. • Cropping intensity of 1,000 acres of the existing irrigable area under 7 tanks in RB main canal is increased.
11. Reforms/ suggestions/ recommendation	Completion of Issan Wewa development, payment of compensation, payment of retention, Wildlife conservation and replanting activities and temporarily suspend the project

12. Other RAMP decision	Completing the construction of Issan Wewa by giving priority only to the development activities thereof and immediate resettlement of the concerned families while temporarily suspending other activities.	
Evaluation result:	Category **ii**	Priority among the category **High**

Yan Oya Reservoir Project



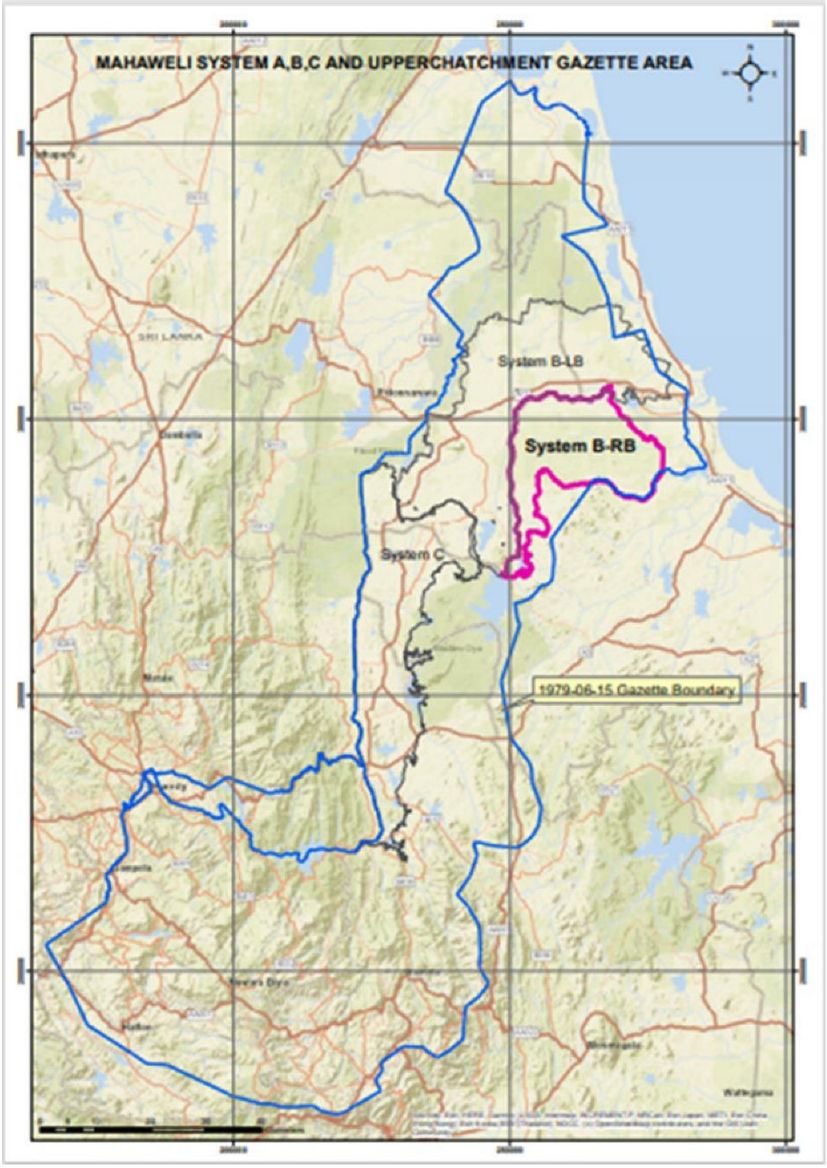
SR No.6. Flood Mitigation Project in Gin, Nilwala, Kelani and Kalu River Basins.

2. Contribution to achieve objectives, vision and mission	Mitigating the threat of flooding and protecting and enhancing canals, dams and structures along the Gin, Nilwala, Kalu and Kelani River Basins
3. Duplications/ wastage/ significance	Not Applicable
4. Prioritisation within the projects	High Completion of the already commenced activities while giving priority to the constructions relating to Kelani River Basin for disaster risk reduction.
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Reduce the disaster risk of the vulnerable communities
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials Maintain flood reservations without settlements
9. Minimum Resources Requirement/ cost-benefit analysis	Rs. 100 Mn (Necessary works can be completed within existing budgetary provisions.)
10 KPIs	● Reducing the risk of natural floods in Gin, Nilwala, Kalu and Kelani River basins.
11. Reforms/ suggestions/ recommendation	● Terminate the project after completion of already commenced development works giving priority to the works related to Kelani River Basin ● Seek funds from the emergency disaster reduction vote
12. Other RAMP decision	The project should be completed in the coming year by giving priority only to the constructions around the Kelani River. Furthermore, on necessary occasions, arrangements should be made to obtain provisions from the emergency disaster vote available under the Ministry of Irrigation.
Evaluation result:	Category: **i** — Priority among the category: **High**

SR No.7: Maduru Oya Right Bank Development Project

2. Contribution to achieve objectives, vision and mission	• Increasing cultivation area under the Maduru Oya right bank • Supply of 10,000 litres of Drinking water per day. • Settlement of 5,500 families.
3. Duplications/ wastage/ significance	NDK reservoir is already present awaiting downstream development under it. However, extension of the canal is planned beyond NDK.
4. Prioritisation within the projects	Medium Consider introducing public-private partnership
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Effective utilization of water in the Maduru Oya Reservoir
7. Minimum Staff Requirement	Staff required is reviewed as per the directives given by the Cabinet appointed PMU Committee
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials required
9. Minimum Resources Requirement/ cost- benefit analysis	Rs. 950 Mn (Rs 650 Mn from budget 2023 + additional Rs. 300 Mn). • Only for main canal construction - Cost effectiveness of this project is very low unless there is downstream development
10 KPIs	• Newly cultivate 237 acres with the introduction of public-private partnerships
11. Reforms/ suggestions/ recommendation	• Construction of Maduru Oya Right bank main canal up to Keenani Level Crossing (from 6+500 km. 9+173 km • Recommends implementing this project under PPP (under an investment model).
12. Other RAMP decision	A program that can be implemented in phases should be submitted to the committee immediately, including the costs required to complete the partially completed activities so as to minimize the inconvenience caused to the public.
Evaluation result:	Category: **iii** Priority among the category: **Medium**

Maduru Oya Right Bank Development Project



SR No.8. Kivul Oya Reservoir Project

2. Contribution to achieve objectives, vision and mission	• Construction of a 45,000 acre feet reservoir in Weli Oya area and providing irrigation water to 2,400 ha.
3. Duplications/ wastage/ significance	Uncertain on water availability especially under changing climate for the project to be successful
4. Prioritisation within the projects	- Medium Satisfactory return from the investment is uncertain.
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	To support the livelihood of settled families due to displacement during the war
7. Minimum Staff Requirement	No PMU. Staff from MASL.
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost- benefit analysis	Necessary works can be completed within existing budgetary provisions (Rs. 100 Mn). • Only for completion of Weliela Anicut to Kiriibban wewa Canal
10. KPIs	• Increase cropping intensity of Kiriibban Wewa
11. Reforms/ suggestions/ recommendation	• Re-analyse the feasibility of a reservoir and the economic returns of huge investment, • Suspend the project after canal construction • Committee recommended implementing this project under PPP (under an investment model) • Resettling people in water available area (e.g. Maduru Oya RB) to be investigated
12. Other RAMP decision	The scope of this project is to reduce the staff required only to complete the feeder canal (Moda Ela) up to Kiriibban Ara and immediately submit the revised plan for the approval of the committee.
Evaluation result:	Category: **ii** — Priority among the category: **Medium**

Kivul Oya Reservoir Project

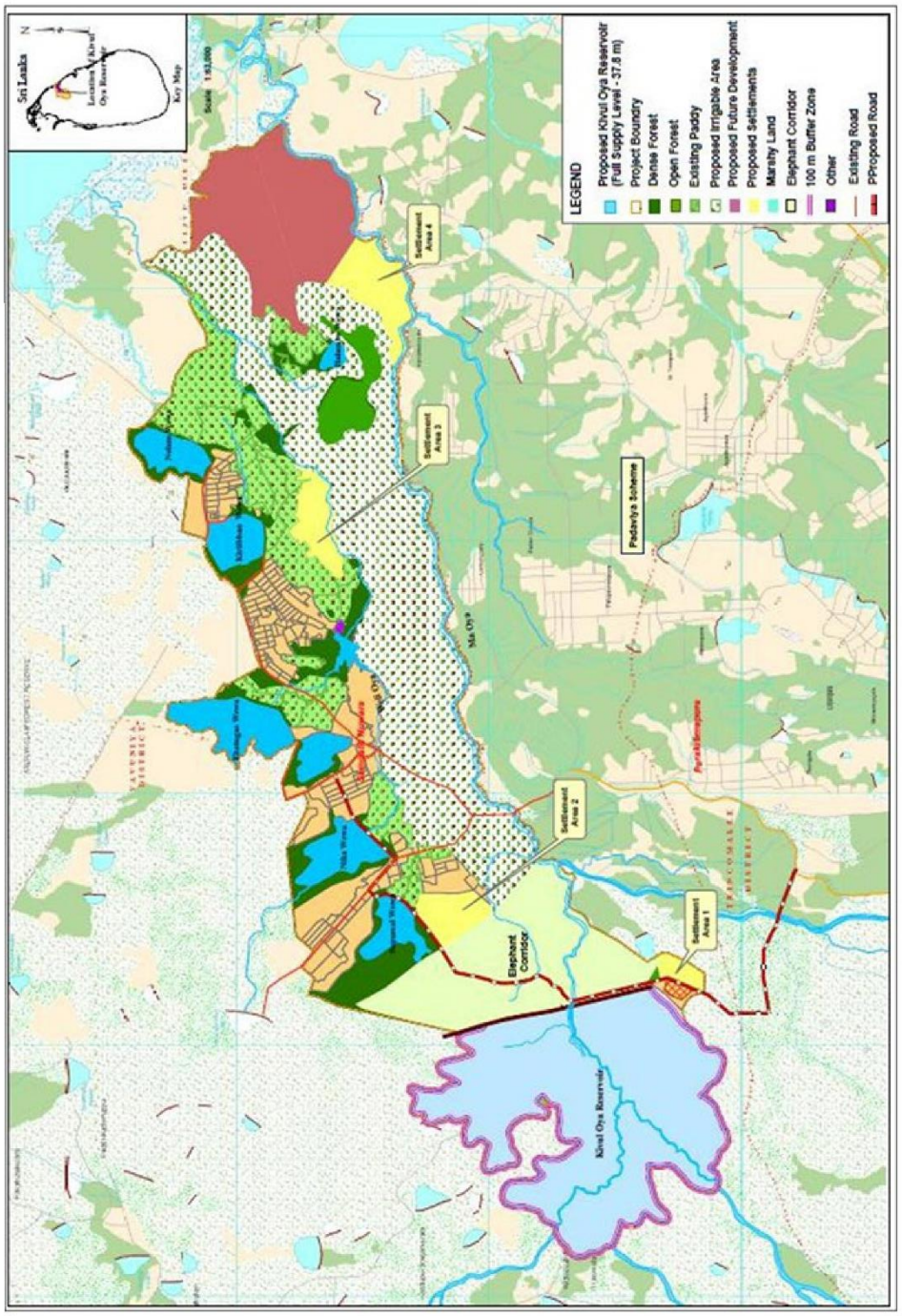


Fig 6.1: Project Map of Kivul Oya Reservoir Project

SR No.9: Integrated Watershed and Water Resource Management Project (IWWRMP)

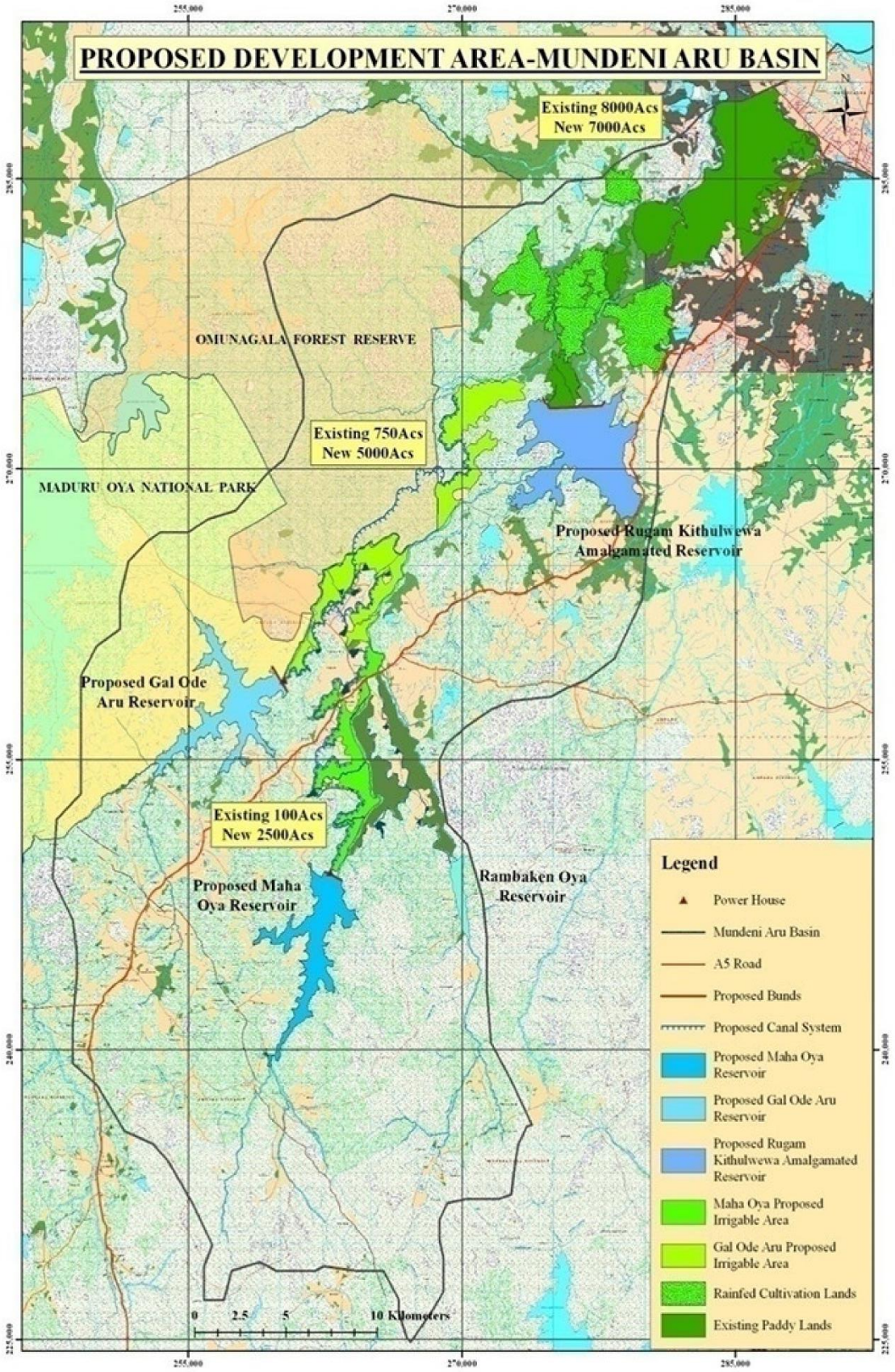
2. Contribution to achieve objectives, vision and mission	• Improving catchment and water resources planning and improving the performance of water resources infrastructure (dams, safety and distribution networks)
3. Duplications/ wastage/ significance	Maintaining of HMIS stations after the project is to be looked at. Delays in the implementation of planned activities leads to higher cost
4. Prioritisation within the projects	High WB loan project in progress
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Actions for dam and structural safety , integrated water management in basins, development of distributed storage
7. Minimum Staff Requirement	Approval for the revised cadre has been obtained.
8. Cost drivers/ unit costs/ cost reduction	Labour, machineries, materials
9. Minimum Resources Requirement/ cost- benefit analysis	• Rs 3,000 Mn. this year + Rs. 4,000 Mn. is required under the 2024 budget. • As per the RAMP decision, a revised proposal identifying only priority activities has been submitted.
10. KPIs	• Watershed management committees with at least 50% female members and two women in leadership and decision making roles: 20 out of a total of l 50. • Annual reports on groundwater management, disseminated annually : 2 out of 5 • Number of families directly benefiting from improved infrastructure: (411 out of 204,276). • Number of dams rehabilitated: 1 out of 18. • Number of irrigation canals rehabilitated: 1 out of 15. • O&M manuals developed, in use: 0 out of 6 • Emergency preparedness plans developed for dams: 0 out of 7 • Farmer organisations with at least 50% female members and two women in leadership and decision making roles: 20 out of 50 • Guideline for dam safety, inspection and monitoring prepared. (yes/no) No.
11. Reforms/ suggestions/ recommendation	• Committee suggested to see the possibility of obtaining a government component from the World Bank.in water available area (Maduru Oya RB), Leak protection works of Parakrama Samudra and Girithale Dams to be investigated • Reduce the scope and expedite the completion
12. Other/ RAMP decision	Revise the scope and implement the project further by identifying only the essential and priority activities, and inform the Committee about the

	new proposals by revising the project staff accordingly to match the revised scope.	
Evaluation result:	Category **iv**	Priority among the category **High**

SR No.10. Mundeni Aru River Basin Development Project

2. Contribution to achieve objectives, vision and mission	● Construction of a new reservoir in Mundeni Aru river basin ● Construction of a new reservoir in Maha Oya and amalgamation of Rugam and Kithul reservoirs and canal system to 16,000 acre new irrigable area
3. Duplications/ wastage/ significance	No updated studies carried out on technical, environmental and socio-economic feasibility.
4. Prioritisation within the projects	Medium
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Improve the cultivation area
7. Minimum Staff Requirement	PMU: PD- 1, Social Officer -1, Land Officer-1, Env. Officer - 1, Engineering Assistant- 1
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost benefit analysis	● Rs 150 Mn from AFD + Rs. 10 Mn from GoSL +Rs. 300 Mn additional amount required
10 KPIs	N/A
11. Reforms/ suggestions/ recommendation	● Land acquisition works, Preliminary design works to be curtailed ● ERD expects that AFD will agree to provide funding for this project ● Updated feasibility study has to be carried out
12. Other/ RAMP decision	If the AFD agrees to settle the costs of the on-going land acquisition and compensation under foreign loans, the Department of External Resources should inform the Ministry of Irrigation of such a decision.
Evaluation result:	Category **ii** Priority among the category **Medium**

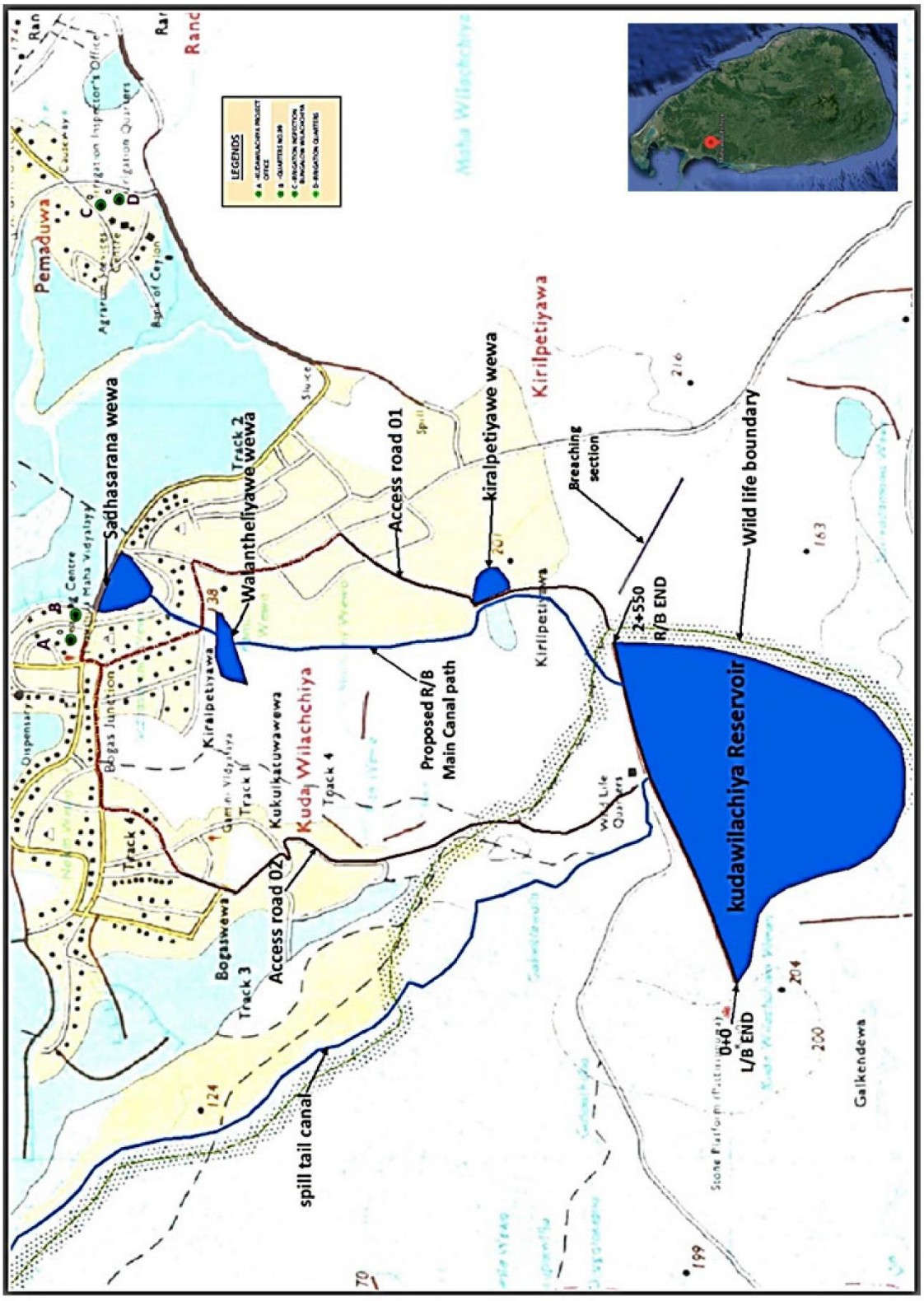
Mundeni Aru River Basin Development Project



SR No.11. Rehabilitation of Kudawilachchiya Reservoir

2. Contribution to achieve objectives, vision and mission	● Supply water to the Proposed Pharmaceutical Manufacturing Zone in Oyamaduwa area Secondary benefits: ● Increasing Cropping Intensity of Mahawilachchiya Scheme from 1.57 to 2.0. ● Supply Drinking water to 25,000 people in Mahawichchya DS Division ● Providing water to wildlife in Wilpaththu National Park. ● Ensuring environmental flow to Modaragam Aru River.
3. Duplications/ wastage/ significance	No updated studies carried out on technical, environmental and socio-economic feasibility.
4. Prioritisation within the projects	Low-
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Not justified as no investment zone has been realized.
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost - benefit analysis	None
10 KPIs	N/A
11, Reforms/ suggestions/ recommendation	● As per the RAMP decision temporarily stop the project as the Oyamaduwa Pharmaceutical Manufacturing Zone project is not implemented ● Project has to be implemented as a PPP project with industrialists
12. Other/ RAMP decision	As a policy decision has been taken that only the existing industrial colonies should be implemented instead of the construction of new industrial colonies, accordingly, the committee decided to obtain a confirmation from the Ministry of Health that the Oyamaduwa pharmaceutical manufacturing industrial colony will be operational within the next 02 years, and if not, to stop the project.
Evaluation result:	Category: **v** — Priority among the category: **Low**

Rehabilitation of Kudawilachchiya Reservoir



SR No.12. Climate Resilient Integrated Water Resource Management Project (Wewgam Pubuduwa)

2. Contribution to achieve objectives, vision and mission	● Strengthening the resilience of smallholder farmers in dry zone to climate variability and extreme events through an integrated approach to water management.
3. Duplications/ wastage/ significance	No
4. Prioritisation within the projects	High Implemented under the Contract Agreements with GCF
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	
7. Minimum Staff Requirement	Staff required is reviewed as per the directives given by the Cabinet appointed PMU Committee
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost- benefit analysis	Allocation of Rs. 2,930 Mn. for 2023, This is a GCF/UNDP funded Project.
10. KPIs	• Number of Agrarian service centers received Information Communication Technological equipment : 48 out of 77 (to improve them as local knowledge hubs) • Number of trained farmers /farmer leaders 840 out of 975 (to improve their knowledge for climate risk informed water management) • Number of rehabilitated Village Irrigation Systems (92 Out of 325) • Level of Increment in tank Cropping Intensity from 0.8 to 1.6 in Rehabilitated tank command areas in 454 Village Irrigation Tanks - including all rehabilitated tanks • Number of Installed advance filtration units 12 Out of 16 • Number of Installed community level water supply extensions - 12 out of 12 Number of Installed small advance filtration units 29 Out of 70 • Number of Installation completed Rain water harvesting tank systems 873 Out of 4,000

	• Number of Agrarian service centers received Agriculture and water management advisory (69 ASCs out of 69 ASCs)
11, Reforms/ suggestions/ recommendation	• Recommended to continue the project activities as it is a GCF funded Project, funds have been transferred. • Attention on the RAMP decision on co-financing • Identify the KPIs and expedite the completion
12.Other/ RAMP decision	Explore whether there is a possibility of covering the cost of foreign financing (Co-financing) by GCF."
Evaluation result:	Category: **iv** — Priority among the category: **High**

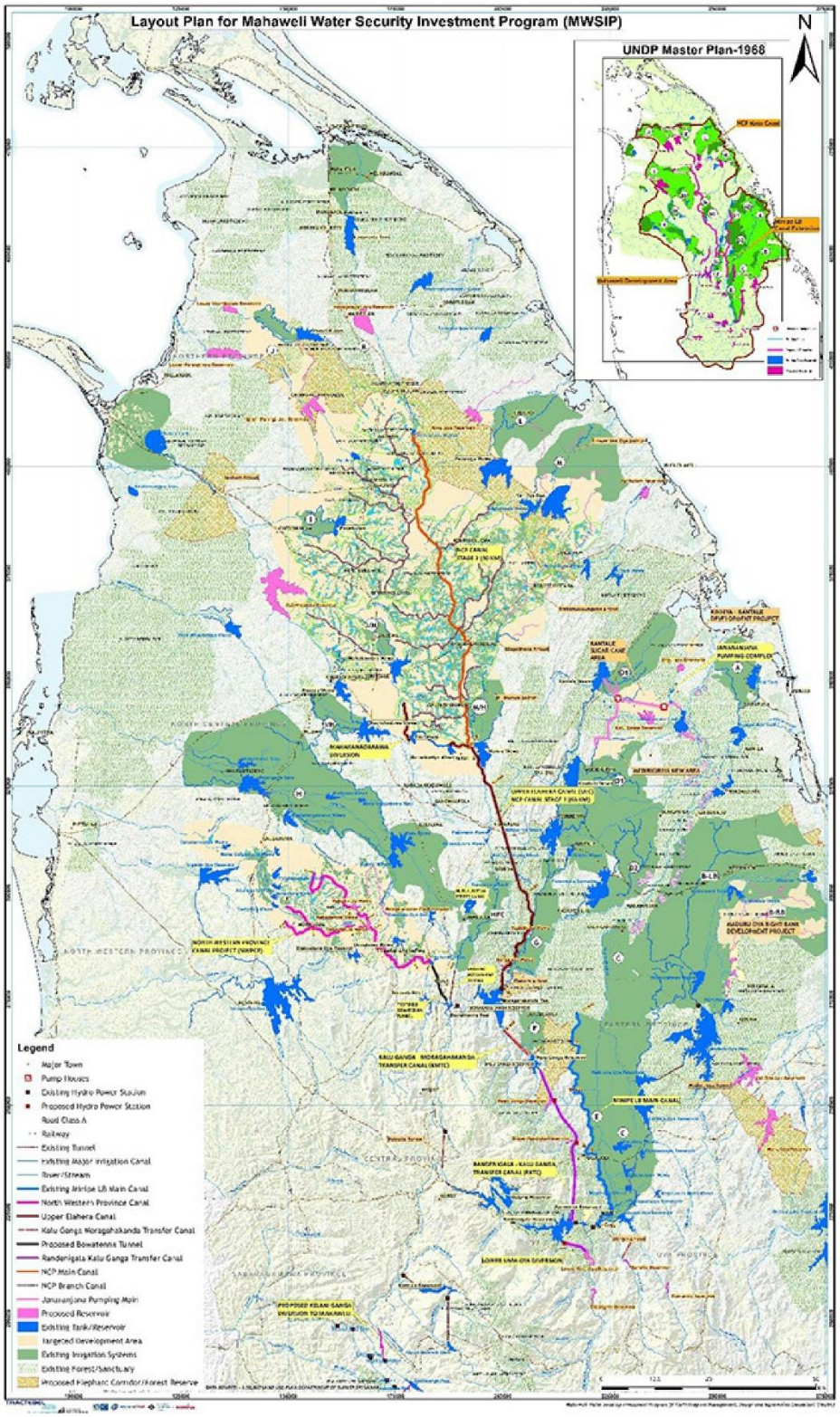
SR No.13. Mahaweli Water Security Investment Project (Phase I)

2. Contribution to achieve objectives, vision and mission	● Uplifting the living condition of the people living in North Central and North Western provinces through providing them with irrigation water and drinking water from surplus water of Mahaweli river basin. ● Construction of Kalu Ganga - Moragahakanda transfer canal (KMTC), Upper Elahera canal with tunnel, Minipe anicut raising and LB main canal and North Western Province Canal NWPCP are going on under Phase 1.
3. Duplications/ wastage/ significance	Number of components have commenced simultaneously and connections between those components are yet to be done. As these components depend on each other, the benefit against cost has become minimal. Further this project involves a very high cost and so delaying due payments becomes further cost variations due to interest payments etc. It is further observed that some amount of project cost could have been reduced, if the project had been planned in a phased-out manner, considering the time span of the project. (Project commenced in 2015 and is still ongoing) Committee is also of the view that some technical aspects of the project design such as the construction of a tunnel instead of a canal could have been further assessed in terms of social, economic, environmental and financial aspects at the initial stage. The unsound financial planning in project implementation as observed by the PERC, may have led to cost over runs as a result of contractors' claims on delayed payments and to wastages due to the suspension of works which involves highly valued heavy machines.
4. Prioritisation within the projects	High at present due to Already made commitments to international consultants and contractors ● ADB loan + GOSL funded Project
5. Suitability to include among the 3 flagged projects	No
6. Justification for providing the project to them	Already committed project although project objectives are uncertain with the uncertainty of funding
7. Minimum Staff Requirement	Attached separately

8. Cost drivers/ unit costs/ cost reduction	Payment for foreign consultants and contractors and local staff. It is recommended to temporarily curtail the project scope by constructing only the shorter canal to transfer water to Huruluwewa after Yakalla at this stage. Observe actual water availability at present with downstream demands for increasing cropping intensity in existing cultivation areas; a) under diversions at existing Elahera Yoda ELa to Minneriya, Kaudulla, Kanthale tanks, and at Angamedilla to Parakara Samudra etc., b) under diversions at Boawatenne and Minipe, and, c) new Wayamba ela, before transfer to Mahakandarawa tank by another longer canal construction from Yakalla.
9. Minimum Resources Requirement/ cos-benefit analysis	Estimated Cost of Rs. 160,356 Mn (USD 976 Mn) (Guaranteed Financial Amount ADB loan: USD 561 Mn), Allocation of budget for 2023, Rs. 43,000 Mn.
10. KPIs	Expansion of production of other field crops (chilli, soybean, maize, onion) and egg production in B,C,D & G Zones of Mahaweli areas (To produce 400 kg hybrid chilli seeds under 50 poly-tunnels, 200 tons of dry chillies under high technical conditions, 2,000 tons of big onion in the 2023 season, 9,000 kg of large onion seeds in the 2023/24 season, 9,360 metric tons of maize by planting 300 Acres in 2023 Yala and 4,380 in 2023/24 high season, 9 Mn chicken eggs in the year 2023)
11. Reforms/ suggestions/ recommendation	• Temporary stop other packages yet to start • Reassess the water availability for transfer from Moragahakande through Upper Elahera canal (UEC). Moragahakanda is operating for a few years by now, before continuation with yet to start components in Phase I • Consider the construction of only the canal to transfer water to Huruluwewa at this stage and observe reliable water availability for other diversions • Regulated water by Moragahkanda reservoir is currently effectively utilised for existing downstream schemes under Minneriya, Kantale, Kaudulla, Parakrama Samudra etc.
12. Other/ RAMP decision	Before awarding the rest of the contracts, the Department of External Resources should immediately negotiate with the Asian Development Bank to secure the necessary funding. A follow-up discussion based on the decisions of the discussion should be called again before 15th October in order to announce the decision of this committee. The Project Management and Monitoring Department should take action to submit a memorandum for the approval of the Cabinet of Ministers in order to fulfil the requirement for fuel and explosives for future activities.

Evaluation result:	Category	Priority among the category
	ii	**High**

Mahaweli Water Security Investment Project (Phase I)



SR No.14. Climate Resilience Multi-Phase Programmatic Approach (CRESMPA)

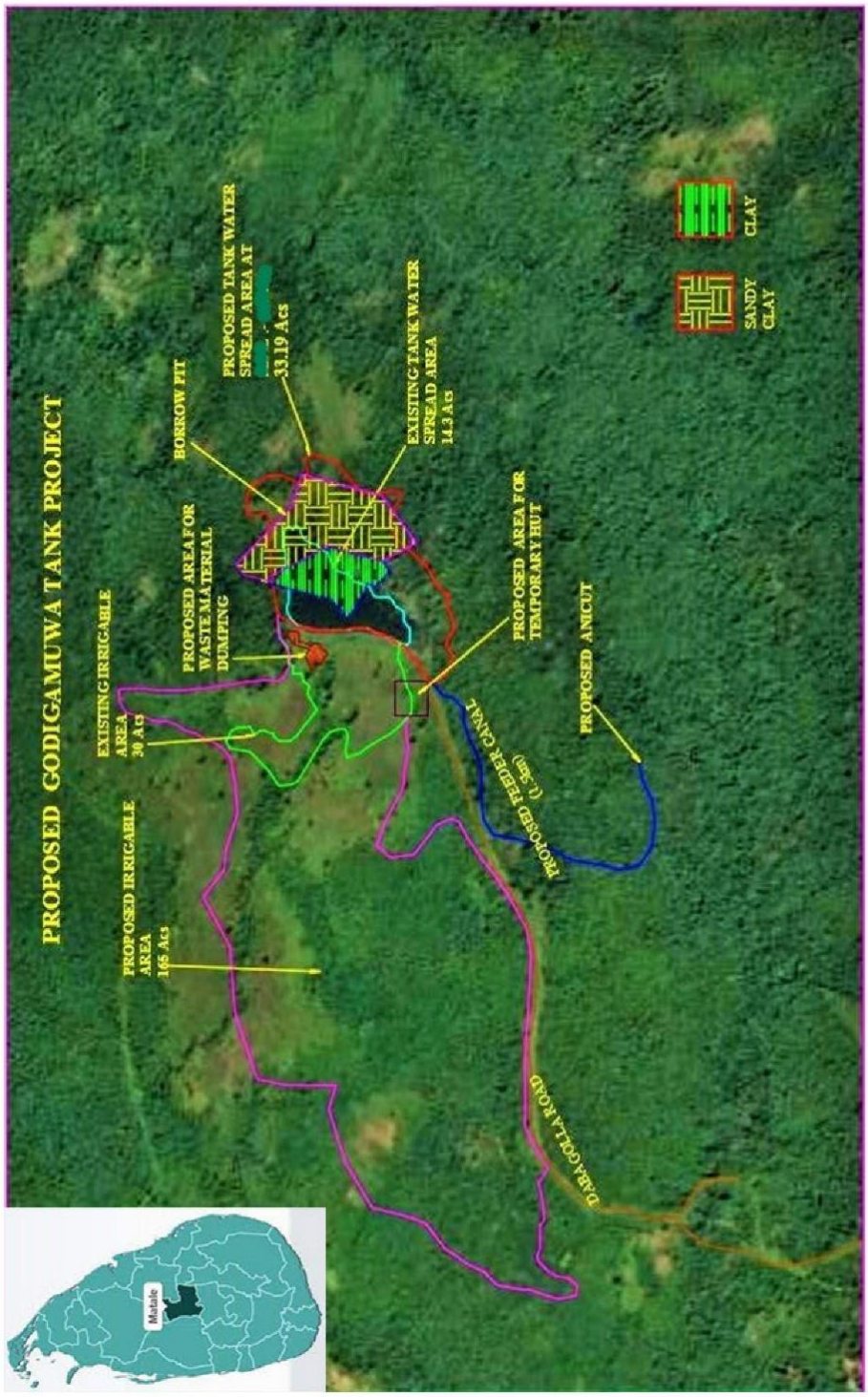
2. Contribution to achieve objectives, vision and mission	● Increase the resilience against climate change Increase the number of people benefiting from strengthening weather, flood and landslide hazard forecasting and awareness mechanisms and improving water-related multi-purpose infrastructure to cope with climate change.
3. Duplications/ wastage/ significance	Attention on: Integration of data acquisition by different agencies to avoid duplication, Maintaining the meteorological data acquisition and weather forecasting systems
4. Prioritisation within the projects	High - World Bank loan funded Project, followed by a previous project
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Follow up actions of CRIP to improve CC resilience in the Kelani basin
7. Minimum Staff Requirement	Staff required is reviewed as per the directives given by the Cabinet appointed PMU Committee
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost benefit analysis	Allocation of Rs. 2,025 Mn for Budget 2023 + World Bank loan funds
10 KPIs	● Establishing a common electronic system for data management and forecasting of weather, floods, and landslides ● Improve forecasting capability with weather data, Improve training and infrastructure in climate change related data analysis, forecasting and utilisation – to reduce the risk of flooding in irrigation systems, reducing the risk of sudden landslides. ● Modernization and repairs of the existing systems and buildings of the Meteorological Department, Irrigation Department, National Building Research Institute and Disaster Management Centre which are necessary and urgent. ● Salinity barrier at Amabthale in Kelani Ganga, Wee Oya reservoir designed to reduce water scarcity in the Greater Colombo region
11, Reforms/ suggestions/ recommendation	Recommended to implement and expedite the project As per RAMP decision, curtail the scope to reduce the cost - only essential building infrastructure development to be carried out

12.Other/ RAMP decision	Restructuring the project activities by reducing the scope of the project and determining priorities in the current crisis context.	
Evaluation result:	Category **iii**	Priority among the category **High**

SR No.15. Development and improvement of Godigamuwa tank

2. Contribution to achieve objectives, vision and mission	• Increasing cropping intensity by providing water to 105 Ac of new and 60 Ac of existing agricultural area. • Improve aesthetic beauty and recreational activities by providing easy access to wild animals for a water source
3. Duplications/ wastage/ significance	-
4. Prioritisation within the projects	High Project is already nearing the completion
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	• Improve cropping intensity
7. Minimum Staff Requirement	• No PMU
8. Cost drivers/ unit costs/ cost reduction	• Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost-benefit analysis	• Budgetary provisions for year 2023, Rs. 35 Mn. Additional allocation of Rs. 130 Mn is required to complete the project in 2023.
10 KPIs	• Completion of balance part of spillway and anicut. • Construction of feeder canal and field canals.
11. Reforms/ suggestions/ recommendation	• Recommended to implement the essential components and expedite the completion of the project by the end of 2023
12. Other/ RAMP decision	-
Evaluation result:	Category: **i** — Priority among the category: **High**

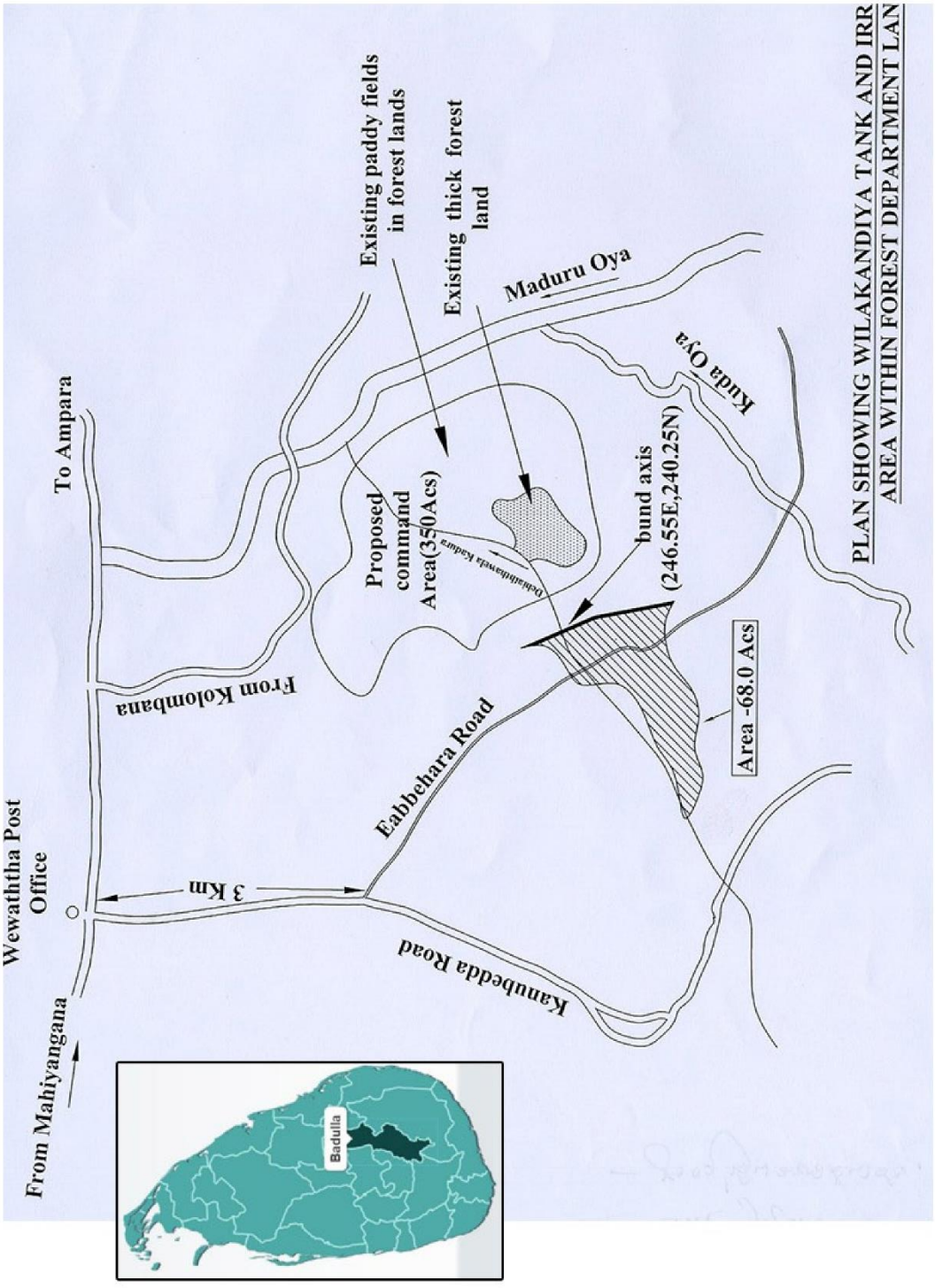
Development and improvement of Godigamuwa tank



SR No.16. Wilakandiya reservoir project

2. Contribution to achieve objectives, vision and mission	Improve irrigation facilities to 68 ha of existing paddy lands
3. Duplications/ wastage/ significance	-
4. Prioritisation within the projects	High Project is already nearing the completion
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Improve cropping intensity
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	• Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost-benefit analysis	Allocation required for balanced works Rs. 105 Mn for 2024. Estimated Cost is Rs. 377 Mn. Budgetary provisions have not been provided for this project under the 2023 annual budget. Hence, the funding requirement of around Rs.20 Mn. Is to be managed within the existing budget of the Ministry of Irrigation.
10 KPIs	Wilakandiya scheme cropping intensity increased by 1 to 1.5.
11. Reforms/ suggestions/ recommendation	• Recommended to implement the essential components and expedite the completion of the project by the end of 2024
12. Other/ RAMP decision	-
Evaluation result:	Category: **i** — Priority among the category: **High**

Wilakandiya reservoir project

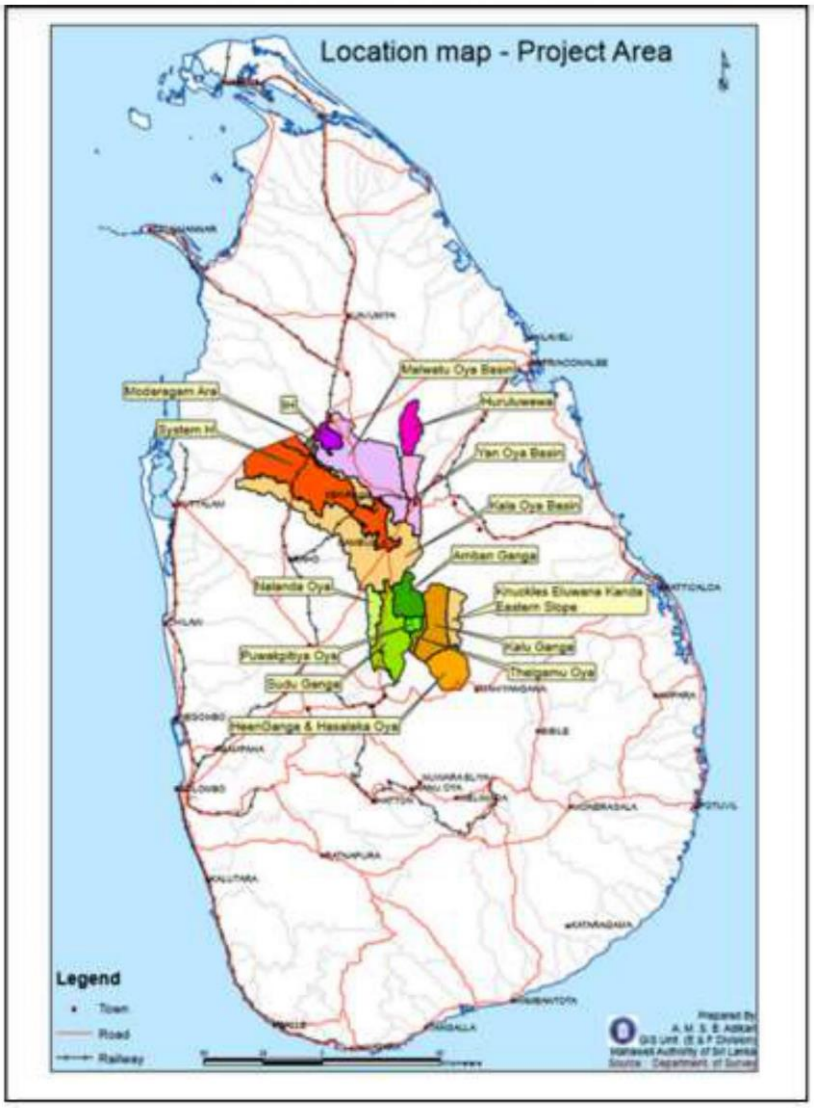


SR No.17. Strengthening climate resilience of subsistence farmers and agricultural plantation communities residing in the vulnerable river basins, watershed areas and downstream of the Knuckles mountain range catchment of Sri Lanka.

2. Contribution to achieve objectives, vision and mission	Strengthening climate resilience of subsistence farmers and agricultural plantation communities at the Knuckles mountain range.
3. Duplications/ wastage/ significance	-
4. Prioritisation within the projects	Low Awaiting GCF funded Project USD 39.7 Mn from Green Climate Fund and USD 9.2 Mn from GoSL
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Enhance the livelihood of the people by introducing economical crops instead of Chena cultivation to cultivate without damaging to the ecological environment
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	• Labour, machineries, materials and work with a number of line agencies
9. Minimum Resources Requirement/ cost-benefit analysis	Rs 1,250 Mn , Project is not started, GCF funds are not available
10 KPIs	Strengthening climate resilience of subsistence farmers
11. Reforms/ suggestions/ recommendation	• Recommended to implement after receipt of GCF fund
12. Other/ RAMP decision	
Evaluation result:	Category: **ii** — Priority among the category: **Low**

1. **Target area**

The project mainly targets five districts of Sri Lanka. There are: Kurunegala, Puttalam, Anuradhapura, Matale, Kandy.

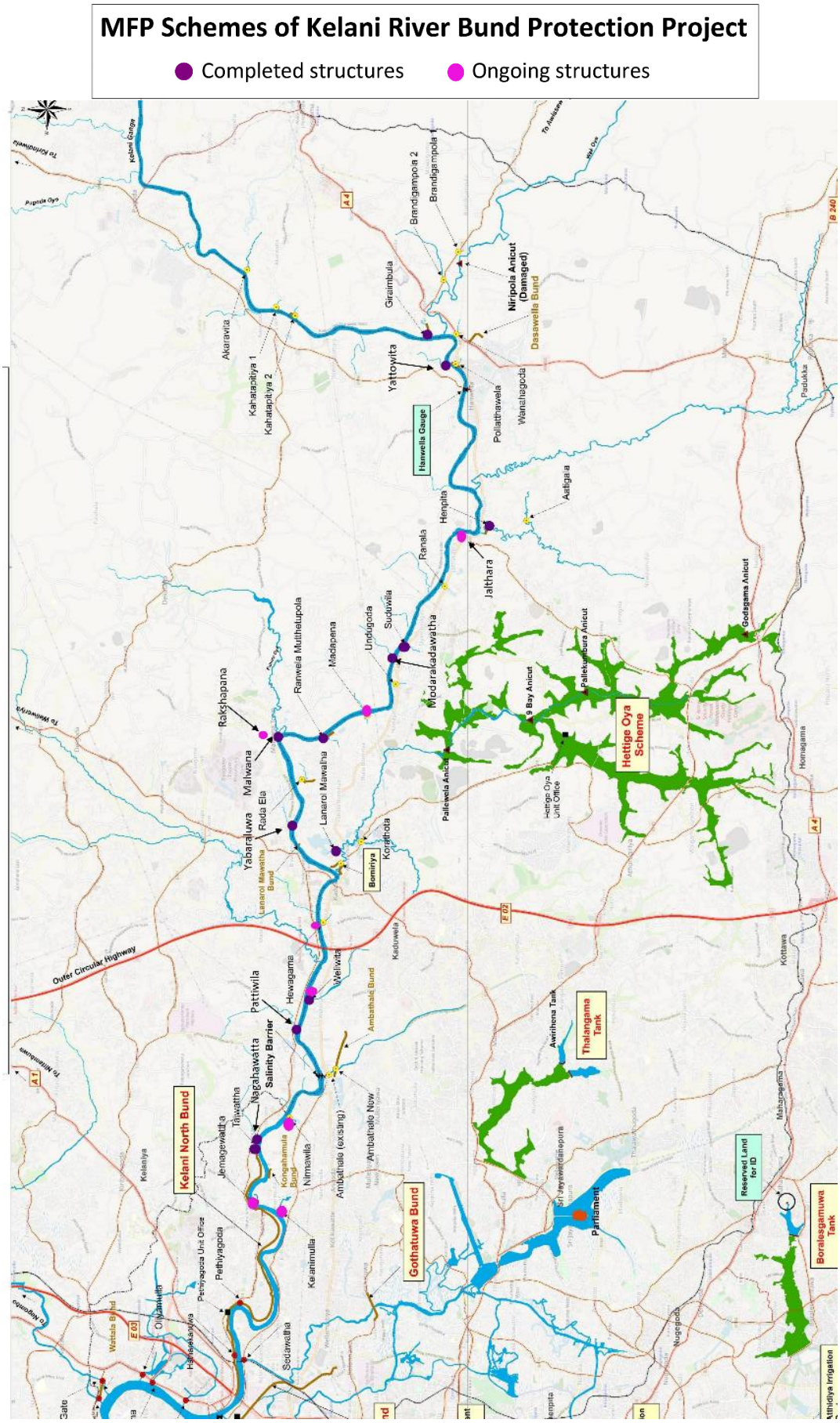


SR No.18. Polonnaruwa irrigation development project

2. Contribution to achieve objectives, vision and mission	Development and improvement of various irrigation infrastructure in Polonnaruwa District providing irrigation water to 85,000 Ac.
3. Duplications/ wastage/ significance	-
4. Prioritisation within the projects	High Rehabilitation of irrigation canal system and flood mitigation
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Enhance the livelihood of the people by introducing economical crops instead of Chena cultivation to cultivate without damaging to the ecological environment.
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	• Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost- benefit analysis	Rs. 200 Mn. allocated for the 2023 Budget.
10 KPIs	Strengthening of tank bund and reducing disaster risk. Strengthening the anicut bund section and confirming the water security of 94,500 Acs. In Polonnaruwa and Trincomalee districts. Strengthening the filled bund section and securing the water management of 12,000 Acs. In D1 canal in PSS Irrigate 1,000 Acs of new land in Damsopura area
11. Reforms/ suggestions/ recommendation	• Reduce the scope and to continue only essential works. New development to be suspended temporarily • Explore tank bund repairs under the ongoing World Bank project? • A block grant needs to be allocated from the annual budget to rehabilitate and maintain the irrigation system island wide under the Department of Irrigation.
12. Other/ RAMP decision	
Evaluation result:	Category: **i** — Priority among the category: **High**

SR No.19. Kelani river bund protection project

2. Contribution to achieve objectives, vision and mission	Flood disaster risk reduction of 15,000 families, properties, industries, services other industries in the Kelaniya area.
3. Duplications/ wastage/ significance	-
4. Prioritisation within the projects	High Rehabilitation of irrigation canal system and flood mitigation
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Mitigate flood inundation risk in the Kelani river basin
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	• Labour, machineries, materials
9. Minimum Resources Requirement/ cost benefit analysis	Allocation required for essential balance works Rs. 170 Mn. Budget allocated for 2023 is Rs. 1,000 Mn.
10. KPIs	• Bund improvement – flood mitigation in Pethiyagoda, Sinharamulle, Kelaniya temple area. • Minor flood protection, flood mitigation in lower Kelani basin. • River Basin Protection flood mitigation of Halmulla and Akaravita areas.
11. Reforms/ suggestions/ recommendation	• Reduce the scope and to continue only the essential works.
12. Other/ RAMP decision	-
Evaluation result:	Category: **i** — Priority among the category: **High**


MFP Schemes of Kelani River Bund Protection Project
Completed structures
Ongoing structures
Kelani Ganga
Kehelpola Oya
Niripola Anicut (Damaged)
Dasaweliia Bund
Hanwella Gauge
Hettige Oya Scheme
Thalangama Tank
Kelani North Bund
Salinity Barrier
Gothatuwa Bund
Outer Circular Highway
Boralesgamuwa Tank
Parliament
Bomiriya
Ambathale (existing)
Ambathale New
Lanaroi Mawatha Bund
Kongahamula Bund
Waltala Bund
Pattiwila
Nagahawatta
Yabaraluwa
Malwana
Rakshapana
Modarakadawatha
Jalthara
Henpita
Ranala
Suduwila
Undugoda
Madapena
Ranweia Muthetupola
Yattowita
Giraimbula
Brandigampola 2
Brandigampola 1
Akaravita
Kahatapitiya 1
Kahatapitiya 2
Pollatthawela
Wanathegoda
Asitigala
Godagama Anicut
Palleketumbura Anicut
Palleweia Anicut
Hettige Oya Unit Office
Awrihena Tank
Reserved Land for ID
Kaduwela
Kotthawa
Homagama
Mahagama
Nugegoda
Pethiyagoda
Pethiyagoda Unit Office
Kelaniya
Kelanimulla
Nimawila
Jemagewatta
Talwatta
Sedawatta
Weliwita
Hewagama
Padukka
A4
A1
E01

SR No.20. Augmentation of Mahagalgamuwa Tank

2. Contribution to achieve objectives, vision and mission	Increase cropping intensity Palukadawala scheme of 800 Acs, 400Acs of Mahagalgamuwa scheme and supply irrigated water to minor irrigation schemes along the canal.
3. Duplications/ wastage/ significance	-
4. Prioritisation within the projects	High Project is already nearing the completion
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Improve cropping intensity
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	● Hard rock excavation), Earth excavations, Earth fillings ● Labour, machineries, materials
9. Minimum Resources Requirement/ cost-benefit analysis	Estimated cost for balance works Rs. 500 Mn. Allocation for 2023 Budget Rs. 100 Mn.
10. KPIs	Increase cropping intensity in more than 1,200 Acs
11. Reforms/ suggestions/ recommendation	● Recommended to implement the essential components and expedite the completion of the project by the end of 2024
12. Other/ RAMP decision	-
Evaluation result:	Category: **i** — Priority among the category: **High**

Augmentation of Mahagalgamuwa Tank

SR No. 21. Improvements to Barack Plane Tank and modification of surrounding area.

2. Contribution to achieve objectives, vision and mission	Increase cropping intensity Ensure supplementary irrigation water facilities under Bomboruella schemes irrigation to cultivate an area of 2005 Acs Ensure uninterrupted daily water supply of 3,000m2 through the domestic water supply scheme in Uva-Paranagama area for domestic and drinking purposes
3. Duplications/ wastage/ significance	This project is not feasible. Feasibility study not available to show Barack Plane stream has sufficient flow
4. Prioritisation within the projects	Low
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Not justifiable
7. Minimum Staff Requirement	No PMU
8. Cost drivers/ unit costs/ cost reduction	• Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost-benefit analysis	Allocation required for essential balance works is Rs. 150 Mn. (Allocation for Budget 2023 is Rs. 30 Mn)
10 KPIs	Construction of approach road around the tank, drainage inlets, Removal of silt in tank
11. Reforms/ suggestions/ recommendation	Committee recommends to terminate the project after the completion of the already started essential activities.
12. Other/ RAMP decision	-
Evaluation result:	Category: **ii** Priority among the category: **Low**

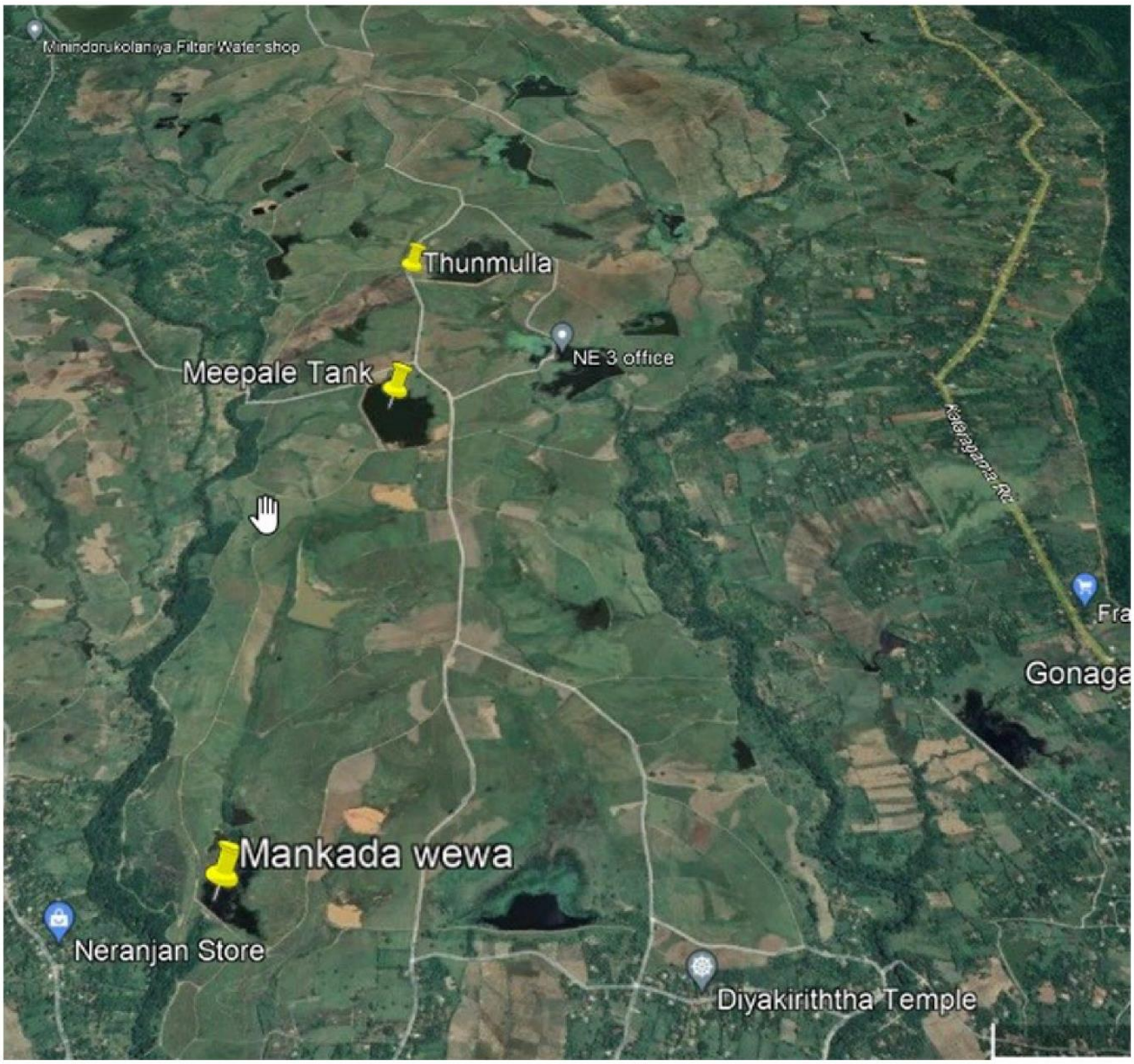
Improvements to Barack Plane Tank and modification of surrounding area.

SR No.22. Development of Irrigation System of Pelawatta sugar plantation

2. Contribution to achieve objectives, vision and mission	Providing irrigation water to increase sugarcane production. Providing irrigation water to nearby paddy lands in the periphery of the canal
3. Duplications/ wastage/ significance	Mankada Tank and Meepale Tank are completed. Main beneficiary is Pelawatte sugar industries
4. Prioritisation within the projects	High Project is already nearing the completion
5. Suitability to include among the 3 flagged projects	
6. Justification for providing the project to them	Improve irrigation to sugar came and a few paddy lands
7. Minimum Staff Requirement	No PMU

8. Cost drivers/ unit costs/ cost reduction	• Labour, Machineries, Materials
9. Minimum Resources Requirement/ cost benefit analysis	Allocation of Rs. 30 Mn. from the Budget 2023 (Estimated Cost of Rs. 143.45 Mn GOSL to complete balance works.)
10. KPIs	Ensure irrigation water security in Pelawatta sugarcane plantation
11. Reforms/ suggestions/ recommendation	Fund only for the balance work of spill and sluice of Thunmulla tank benefitting the community Balance work by the Pelawatte sugar industry.
12.Other/ RAMP decision	-
Evaluation result:	Category: **ii** Priority among the category: **High**

Development of Irrigation System of Pelawatta sugar plantation

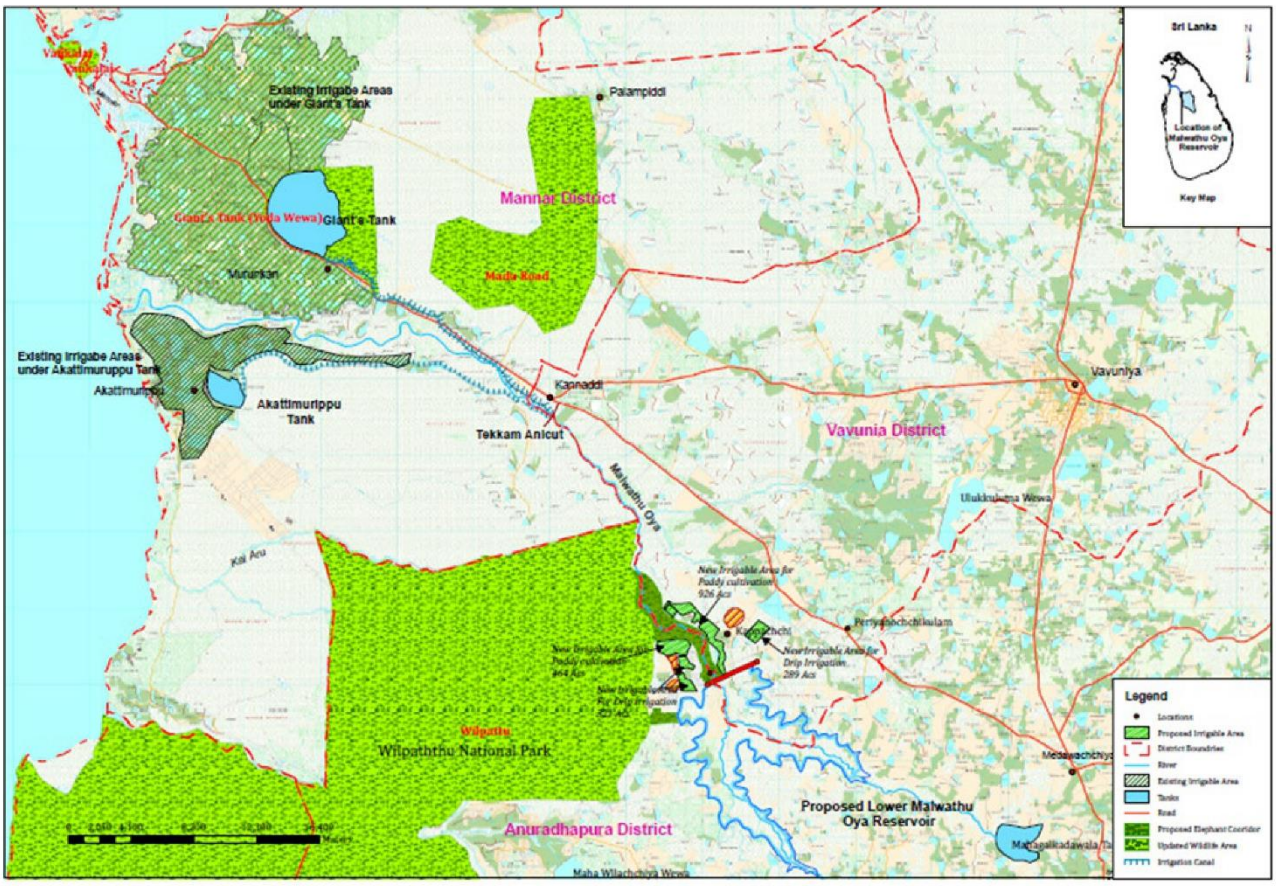


SR No.23. Lower Malwathu Oya Multipurpose Reservoir Project

2. Contribution to achieve objectives, vision and mission	Cropping Intensity will be increased from 1 to 2 in the existing 32,000 acres of paddy under Yodha Wewa and by the initiation of Yala cultivation in the Akitamuruppu Scheme Providing irrigation facilities to nearly 2,000 acres of new land under the Right and Left bank development. Introduction of commercial and export agricultural crops through modern water saving irrigation technologies (micro irrigation) Provision of 27 million cubic metres of water to meet the domestic water demand of Anuradhapura, Vavuniya and Mannar districts. Generation of 4.68 GWh of hydropower annually through a 1 MW plant Development of freshwater fisheries in the Lower Malwatuoya Reservoir Eco/Agritourism Development New Town Development Plan in Thanthirimale area Installation of solar energy systems
3. Duplications/ wastage/ significance	Not applicable
4. Prioritisation within the projects	High The project is in an area very much suitable for paddy cultivation
5. Suitability to include among the 3 flagged projects	This project can be identified as one of the flagged projects under the Ministry of Irrigation
6. Justification for providing the project to them	Major project in the dry zone development where land productivity for rice is high
7. Minimum Staff Requirement	Project Director- 1, Accountant-1
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials required
9. Minimum Resources Requirement/ cost-benefit analysis	Allocation of Rs.550 Mn for Budget 2023 Steps are being taken by MOI for obtaining grant funds from the Green Climate Fund (GCF) Phase out activities
10 KPIs	• Core trench of the bund is to be filled up to the existing ground level and then the project activities have been suspended at present
11. Reforms/ suggestions/ recommendation	• Implement the project by Phase out of the project activities • Local construction to develop the institutional capacity of the Irrigation Department • Explore implementation as a PP project
12. Other RAMP decision	To submit to the committee on 25.01.2023 requesting approval to carry out the essential construction of the main embankment, outlet, south

	bank sluice, etc. utilizing the allocation of Rs. 550 Mn allocated under the 2023 budget.	
Evaluation result:	Category	Priority among the category
	iii	**High & flagged project**

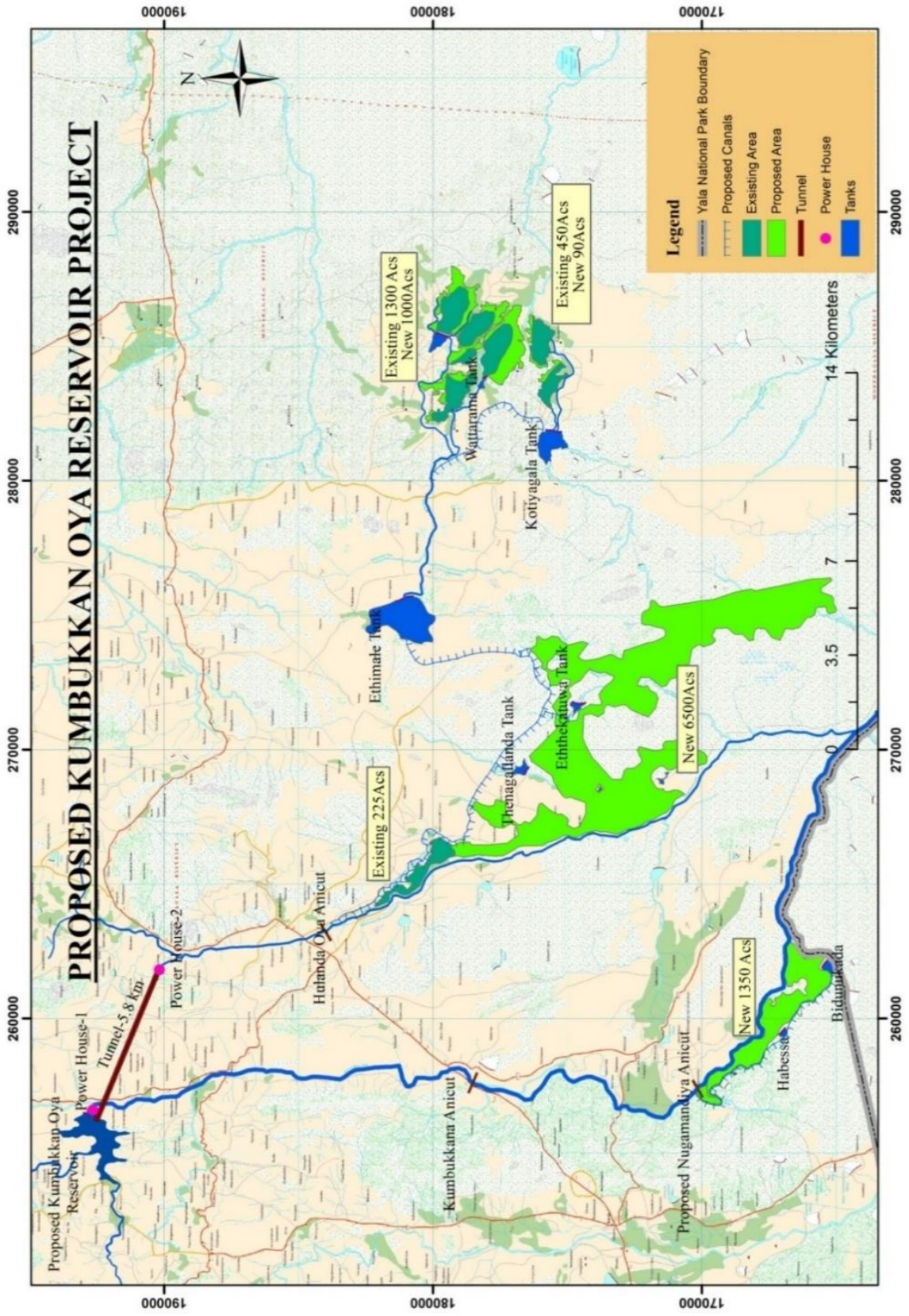
Lower Malwathu Oya Multipurpose Reservoir Project



SR No. 24 Kumbukkan Oya Reservoir Development Project

2. Contribution to achieve objectives, vision and mission	Main objectives: • increasing the irrigable area • Domestic water supply Other secondary benefits: • Flood control • Hydroelectricity generation (16.1GWh per year) • Enhancement of ground-water level in the area
3. Duplications/ wastage/ significance	Project feasibility to be re-assessed to encourage this as a pp project
4. Prioritisation within the projects	Low
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Regulation of water by a reservoir to develop irrigation area
7. Minimum Staff Requirement	PD- 1, Engineers- 2, EA-1, Draughtsman -1
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials required
9. Minimum Resources Requirement/ cost- benefit analysis	Allocation of Rs. 300 Mn under Budget for 2023 Project is not initiated yet. Plan for phased-out activities
10 KPIs	Land acquisition
11. Reforms/ suggestions/ recommendation	• Explore implementation of the project as a pp project after obtaining the necessary approvals • Stop the project temporarily
12. Other RAMP decision	A provision of 300 million rupees has been allocated to the irrigation department for this project under the budget 2023. Accordingly, the Irrigation Department has planned to carry out the activities related to the land acquisition and resettlement, the initial work required for the main activities, and the development of the lower valleys. To be referred on 25.01.2023 to obtain the committee recommendation in that regard.
Evaluation result:	Category: **v** — Priority among the category: **Low**

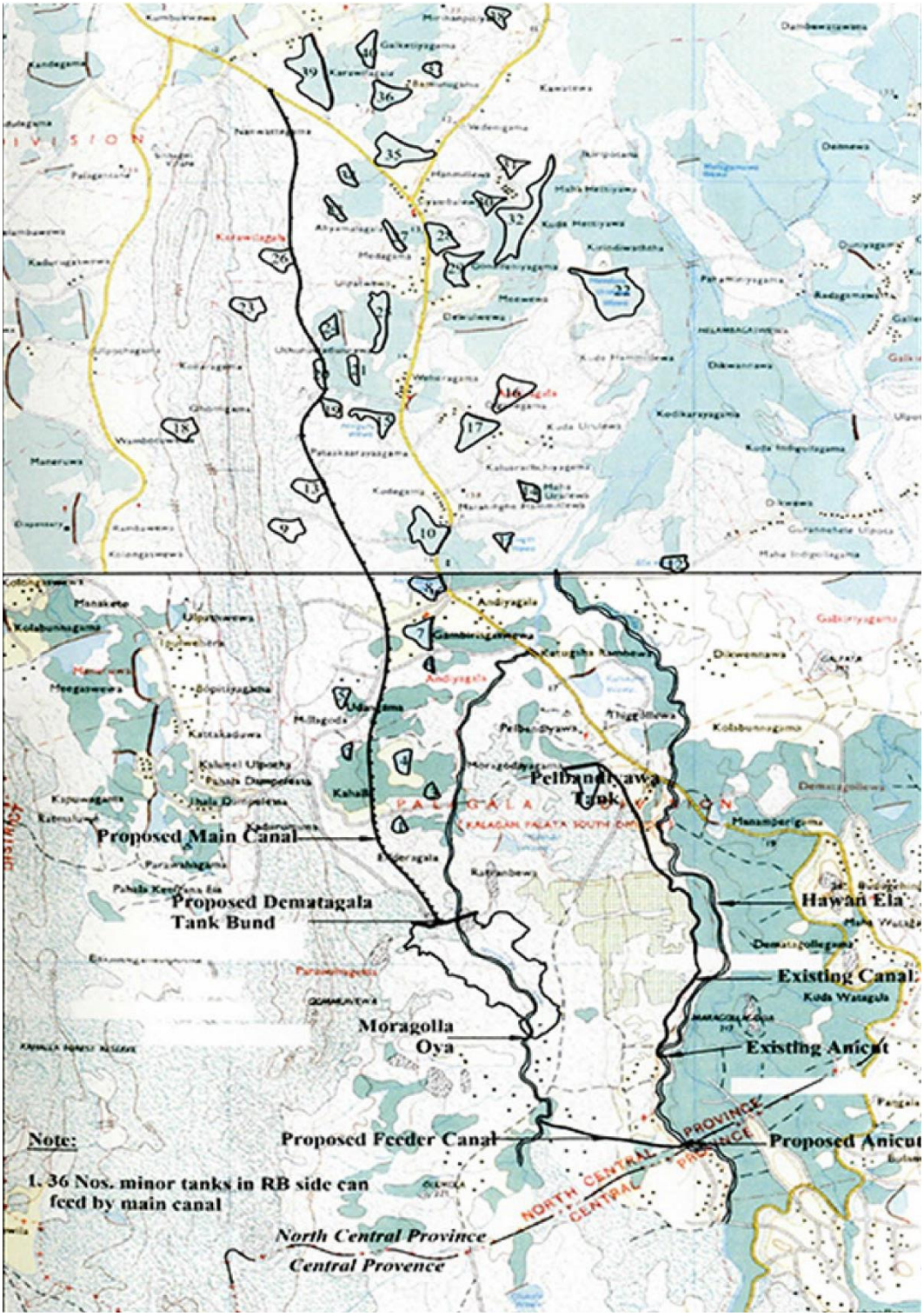
Kumbukkan Oya Reservoir Development Project



SR No.25. Reconstruction of Dematagala Reservoir Project

2. Contribution to achieve objectives, vision and mission	• Increasing cropping intensity from 0.6 to 1.5 • Overall development of the project area (agricultural roads, access to market, etc.) through project interventions and thereby uplift the socio-economic conditions of the farmers.
3. Duplications/ wastage/ significance	Not applicable
4. Prioritisation within the projects	Low No proper study carried out on feasibility As this project is in the initial stages, further work can be stopped
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	Socio-economic conditions of the farmers in the area
7. Minimum Staff Requirement	
8. Cost drivers/ unit costs/ cost reduction	Labour, Machineries, Materials required
9. Minimum Resources Requirement/ cost- benefit analysis	Rs. 5 Mn
10 KPIs	Land acquisition
11. Reforms/ suggestions/ recommendation	• Explore implementation of the project as a pp project after obtaining the necessary approvals • Stop the project temporarily
12. Other RAMP decision	Not to commence the construction work
Evaluation result:	Category: **v** — Priority among the category: **Low**

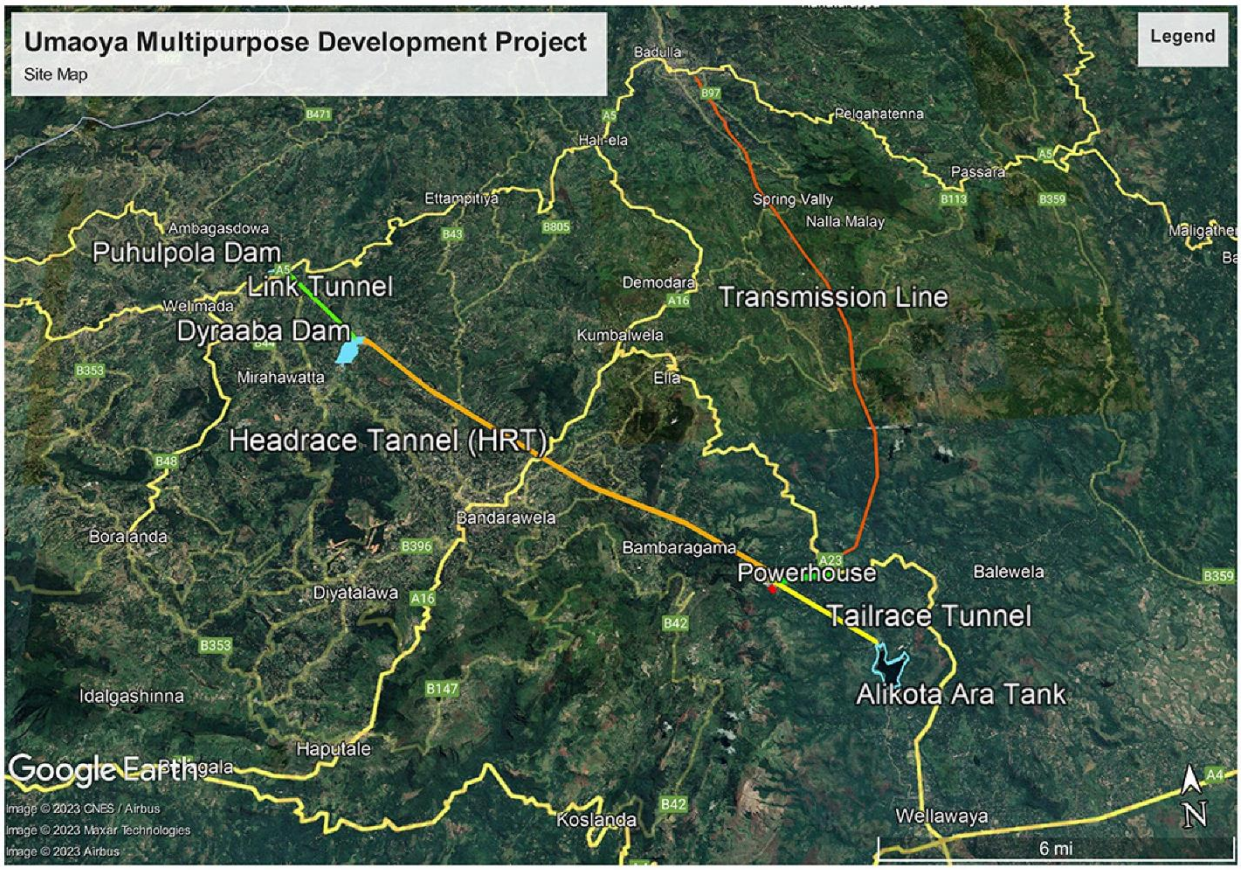
Reconstruction of Dematagala Reservoir Project



SR No. 26. Uma Oya Multipurpose Development Project

2. Contribution to achieve objectives, vision and mission	Provide 39 MCM of drinking and industrial water requirements in Monaragala, Badulla and Hambantota districts while generating and adding 290 GWh of electrical energy annually to the National Grid. New infrastructure to develop new areas for irrigation or increase of command area Expand existing infrastructure (storage increase) to increase cropping intensity in an existing command area [increase reliability of irrigation supply]
3. Duplications/ wastage/ significance	-
4. Prioritisation within the projects	High Nearing completion
5. Suitability to include among the 3 flagged projects	-
6. Justification for providing the project to them	
7. Minimum Staff Requirement	PD- 1, Engineers- 2, EA-1, Draughtsman -1
8. Cost drivers/ unit costs/ cost reduction	Foreign consultant, contractors, and local staff costs
9. Minimum Resources Requirement/ cost- benefit analysis	Allocation of Rs. 3,600 Mn under budget for 2023 Export Development Bank of Iran USD 50Mn, GoSL USD 464 Mn
10 KPIs	
11. Reforms/ suggestions/ recommendation	• Expedite the completion as the project completion time already increased • Minimize additional cost items
12. Other RAMP decision	To continue to provide financial provisions and funds for the remaining activities of this project which has achieved 98% of the progress and to complete the project within this year and to add a grid electricity capacity of 120 megawatt to the national grid.
Evaluation result:	Category: **iv** — Priority among the category: **High**

Uma Oya Multipurpose Development Project



I. Uma Oya Downstream Development Project

a) Introduction

As per the design of the Uma Oya Multipurpose Development Project, after power generation, 145 MCM of water will be diverted to the Kirindi Oya basin. This water will be stored in the proposed Alikota Ara Reservoir and transferred to other proposed Kuda Oya Reservoir through a transfer canal (23.5 km long) and on the other side, divert water to the existing Handapanagala Reservoir which is proposed to augment. It is proposed to develop the canal system and minor tank system downstream of Kuda Oya Reservoir to Sinhalayagama.

It is expected to provide water to 14,181 acres and improve paddy yield by up to 115 bushels per acre, to ensure the irrigated water supply to safeguard the crops Yala and Maha seasons and if possible third season with OFC. In addition, it is expected to provide water for drinking, commercial, industrial, Environmental and wildlife water requirements in Monaragala and Hambantota districts leading to improvements to the living standards of the people.

b) Current Status

Alikota Ara Reservoir and augmentation of Handapanagala Reservoir are completed and Kuda Oya Reservoir is 80% completed. Around 50% of the construction works of Alikota Ara to Kuda Oya transfer canal are completed. Three structures at the feeder canal are completed and water issues is being done. The First 5 km section of Kuda Oya to Sinhalayagama Canal (38 km long) is completed. The Main canal of Handapanagala is completed and D canals are being done.

The Physical progress of the project is 77% and the financial progress is 71%. The project is expected to be completed by the end of 2024.

According to the RAMP, it was decided to complete Alikota Ara to Kuda Oya feeder canal and not to start minor tanks. The Available budgetary provision for 2023 is Rs. 2320 Mn.

c) Justification

The project is in its final stages and will receive its partial benefits by the mid of next year. The remaining construction works should be completed as soon **as possibl**e to be able to reap the benefits of the investments made so far for the project from next year.

The constructions in the downstream should be completed simultaneously with the upstream, otherwise there will be a huge wastage of water diverted after power generation from UOMDP. Construction of canals has been completed and water is being provided to nearly 500 acres even now. Therefore, the remaining works need to be completed soon. Construction of Kuda Oya Reservoir needs to be completed as there will be a risk of damaging the partially constructed dam with rain.

a) Recommendations

In order to utilize the diverted water from Uma Oya after the commissioning of the UOMDP most probably in the mid of this year, it is highly recommended to continue this project and complete it to get the maximum benefit of the project.

II. Ellewewa Reservoir Project

b) Introduction

Panamure Irrigation Scheme was built by constructing Kithalabokka Weir across Eraporu Gaga and Ambagaha Ela Weir across Kadigam Ara during the period of Maduwanwela Disawa in 1849. The scheme was rehabilitated during 1941 to the present status by constructing a series of anicuts to improve the irrigation facilities to 1,127 acres.

Kadigam Ara flow goes dry during the dry spells resulting the shortage of irrigation water for the end of each Yala and Maha season and shortage of drinking water for the people living in Viralagala and Panamure areas. To address the issue, it is proposed to construct a reservoir across the Kadigam Aru which is named as Ellewewa Reservoir. This Reservoir is constructed upstream of the Thambalawela Anicut and in the middle section of the anicut series.

Under the project, a reservoir of 2.25 MCM is to be constructed across Kadigam Ara. One of the main objectives of the project is to

- Regularize the flow to the existing Panamure anicut series, which faces water shortages especially in Yala seasons to facilitate 1,127 Acs of existing lands
- Supply irrigation water to 350 acres of new lands for OFC.
- Fulfil the water extraction requirement of the Kolonna Water Supply Scheme having a capacity of 7,000 m3/day (a treatment plant has already been constructed for 7,000 m3/day) to provide drinking water facilities to 40,000 people within the area of Kolonna and Embilipitiya DS divisions.

The inundation area of the proposed reservoir is 25.59 Acs (21.28 ha). The length of the bund is 200 m and the maximum height is 24 m. Cabinet approved cost estimate is Rs.1,532 Mn. Due to prevailing condition and the fuel crisis, the price estimate will be changed up to 1,850 Mn. The entire cost is to be allocated by the treasury as GOSL funds. Construction was started in March 2021 and is planned to complete in four years.

c) Current Status

Construction of the project started in March 2021 under the Chief Resident Engineer office at Embilipitiya, which is newly established in the Hulanda Oya Unit office under Irrigation

Department. The staff headed by Chief Resident Engineer was appointed for the project who are working in the irrigation department to carry out the works on fulltime basis. Under these facilities following main components were started and progress is as follows:-

- Construction of the Sluice structure has been completed up to 90% and remaining only the sluice tower and U/S transition.
- Construction of Dam 02 has been completed up to 10%, Excavation work, rock drilling work, and blasting work finished. Mass concrete work of retaining wall completed up to 172.6 m MSL
- Considering the main dam construction works, RB Excavation, Grouting Work of the RB side have been finished and LB Side excavation ongoing (because weathered rock needs to be blasted & removed till reaching the impermeable layer)
- All tank bed area has been acquired and 11 No. of families have already been resettled after full payment of compensation
- Kolonna Water Supply Project and the treatment plant were completed by NWS&DB and at present only 2,000 m3/day of water is allowed by the ID to extract. The total requirement is 7,000m3/day to supply water for Kolonna and Embilipitiya DS divisions. As per the MOU with ID & NWS&DB, only after the construction of the proposed Ellewewa Reservoir, NWS&DB is allowed to get the total requirement.

However due to the sudden economic crisis that occurred in mid-2022, the committee on Re-Strategizing of Accelerated Mega Scale Projects (RAMP) decided only to construct the Main dam and Sluice structure and to suspend the work until further notice. Hence CRE Office took the following actions to safely shut down the project in 2023.

- Complete the Sluice as it was completed more than 80% of the work and to avoid corrosion of the reinforcement.
- Backfilling around the Sluice structure is necessary to avoid the trees growing nearby.
- Filling of the core trench in RB side of the sluice.
- Grouting work on the LB side need to complete.
- Backfilling work in Dam No. 02 is necessary to avoid the unsafe condition to the public and animals.

However, ID was informed to carry out the constructions of infrastructures and other activities for the given budget of Rs. 100 Mn for 2023 by employing only ID staff.

d) Justification for the Continuation of the Project

The water distribution system, treatment plant and water intake have been constructed already by the Water Supply And Drainage Board, for the capacity of 7,000 m3/day to provide drinking water facilities to 40,000 people (nearly 12,000 families) within the area of Kolonna and & Embilipitiya DS divisions. But still, only 2,000m3/day of water is being extracted and a lot of people are suffering without having safe drinking water.

In this project, there will not be a canal system to be constructed and water will be stored and released downstream of the river (Kadigam Ara) on demand for the existing Panamure Anicut scheme. Therefore, only reservoir headworks have to be constructed.

Up to now nearly 18% of the project is finished in the project by expending Rs. 220 Mn and stopping in this stage is not beneficial for anyone. Therefore, it is better to continue the project and complete it since this is a very small project and it brings benefits to many people in rural areas in the country.

e) Recommendations

This project can be identified as one of the top priority projects under the Ministry of Irrigation and is recommended to be implemented to get the full benefit for the Panamura and Hulanda Oya Scheme by supplying of drinking water for 40,000 people in Kolonna and Embilipitiya DS divisions where people are facing a lot of hardships due to scarcity of water.

III. Lower Malwathuoya Multi Sector Development Project

a) Introduction

The Malwathu Oya, extent wise the second largest river basin in Sri Lanka called Aruvi Aru in the lower reaches, is flowing through the Anuradhapura City which is the ancient capital. Giant's Tank and Akathimurupppu Tank have irrigable areas of 24,450 acres (9,895 ha) and 6,230 acres (2,521 ha) and operate with cropping intensities of 1.08 and 1.00, respectively.

The Mannar district is highly vulnerable to both floods and droughts and therefore, the community has to undergo severe hardships such as property losses, agricultural losses, livestock losses and the unavailability of safe and reliable source of water to meet the drinking and domestic water needs. By establishing the proposed reservoir, the storage capacity in the upper reaches of the Malwathu Oya can be enhanced and thereby the magnitude of floods could be reduced to a great extent. Similarly, during droughts, a regular water supply could be provided from the reservoir for irrigation purposes as well as for drinking and domestic use.

Establishing this reservoir will increase the cropping intensity up to 2.0 in 30,680 acres of paddy lands under Giants Tank and Akathimuruppu Tank in Mannar District. Another major benefit of this project is providing 21 MCM water to meet the domestic water demand of Anuradhapura, Vavuniya and Mannar districts (100,000 Families) and generating 4.68 GWh of hydropower annually through a 1 MW power plant. Similarly, new township development planning, developing Tourism and ornamental Fish Farming are proposed to establish under this project.

b) Current Status

The length of the proposed earthen dam is 3.65 km and the core trench has been excavated up to 85% of the length. Geological treatments (concrete grouting) and filling with clay material have been done in 60% of the excavated core trench up to the existing ground level. Spill foundation excavation is completed. Approximately 90% of the construction work of Right Bank Sluice was completed. Sluice gate is being fabricated by the Rambewa Mechanical Workshop of the ID. Land levelling and 80% of the road network in the resettlement site have been completed. Land acquisition of the tank bed area is in progress. Section 38(a) has been gazetted for a total of 3,484 lots and out of which, possession has been taken for 1,705 lots.

The RAMP committee has been decided to stop construction at this stage and find GCF or any funding facility to continue the project. Initial steps are being taken with UNDP to get GCF funds.

Rs. 550 Mn was allocated under the 2023 Budget. It is planned to complete the filling of the core trench which has already been excavated in order to avoid risk.

c) Justification

If the works is stopped or postponed, the following adverse effects shall occur.

Headworks:

- Excavated core trench having steep slopes may be collapsed during the rainy season. Also, when the bund filling with SC material is not continued and the clay core is stopped halfway, the clay material is exposed and will be cracked due to heat. This will create seepages once the bund is filled after a long time and the dam will be at risk.
- Wild animals may fall in to the excavated core trench

Resettlement area:

- Though most of the lands are acquired, they cannot be given to people due to non - availability of funds for paying compensation.
- People living in an inundated area cannot do any development in the current land because it has already been taken possession. Simultaneously, they cannot use the resettlement area as well.

Model farm

- Plants will be destroyed.

This proposed reservoir is of utmost importance in mitigating both floods and drought situation in Mannar district with an increase in cropping intensity of existing irrigation schemes.

d) Recommendations

This is one of the top priority projects of the Ministry of Irrigation.

It is recommended to continue the project, as this will give solutions for the water deficit for about 30,680 acres of paddy lands and it gives safe drinking water to about 100,000 people in Mannar, Vauniya and Anuradhapura districts which are vulnerable areas in terms of climate change aspects.

List of Projects recommended to complete within the year 2022 by the RAMP

	Project Name	Vote
1.	Moragahakanda Kaluganga Development Project **(GOSL - China, Kuwait & Saudi)**	198-2-3-30
2.	Implement a pilot project to monitor ground water in Polonnaruwa, Mannar, Vavuniya, Monaragala, Ampara, Hambantota, Anuradhapura and Batticaloa Districts **(Netherland)**	198-2-3-23
3.	Gin- Nilwala Diversion Project	198-2-3-18
4.	Accelerated Irrigation Development Project in Monaragala District (Wellassa Navodaya)	282-2-3-22
5.	Lower Uva Project	282-2-3-07
6.	Welioya Integrated Project	198-2-3-35
7.	Redeemaliyadda Integrated Development Project	Completed
8.	Rambakanoya Integrated Development Project	198-2-3-40
9.	Uma Oya Multipurpose Development Project	198-2-3-32
10.	Projects implementeds under " Wari Saubhagya Programme"	198-2-3-52
11.	Lower Malwathu Oya Multisector Development Project	198-2-3-13
12.	Rehabilitation of Dematagalla Tank	282-2-3-31
13.	Kumbukkan Oya Reservoir	282-2-3-17