

ECONOMIC AND SOCIAL OVERHEADS

Energy

With the increased generation of hydro electricity, 1985 saw a greater utilization of domestic resources in the energy sector. The increased installed capacity and sufficient water levels in reservoirs were the main factors contributing to the expansion in the hydro-power sector. The increased supply of hydro electricity not only enhanced the energy supply but also reduced significantly oil based thermal power generation and reduced petroleum consumption in the household and industrial sectors. As a result, the share of petroleum in the total supply of commercial energy declined from 60 per cent in 1984 to 54 per cent in 1985. These developments, together with low international prices for petroleum, resulted in a drop in net outlay on petroleum by 9 per cent in SDR terms thereby reducing the pressure on the balance of payments.

The commissioning of the final stage of the Victoria hydro-power project with a capacity of 70 mW in April, 1985 and the first stage of Kotmale hydro-power project with a capacity of 2×67 mW further augmented the hydro-power capacity from 542.25 mW to 746.25 mW. Together with 270 mW of thermal power the installed capacity of the Ceylon Electricity Board (CEB) was 1016.25 mW.

The enhancement of hydro-power capacity and the greater utilization of installed hydro-power plants were complemented by reduced losses in the process of generation and transmission of electricity from 17 per cent in 1984 to 16 per cent in 1985 due to the improvement of the energy transmission network. The increased hydro-power supply not only reduced the consumption of petroleum products by minimizing costly thermal power generation, but also absorbed the increasing demand for energy. Consequently, the hydro-power share in commercial energy supply increased from 31 per cent in 1984 to 37 per cent in 1985.

Total power generated by the CEB at 2,464 million kWh was 9 per cent higher than its level of 2,261 million kWh in 1984. With the increase in hydro-power supply in 1985 the share of thermal power in the total supply dropped substantially by 59 per cent to constitute 3 per cent of the total generation. Of this, 87 per cent was generated by the diesel plant at Sapugaskanda at relatively low cost, using residual oil. These economies and low fuel prices reduced CEB's fuel cost of electricity generation in 1985 to only 39 per cent of the cost in 1984 (from Rs.444.5 million in 1984 to Rs. 175.0 million in 1985). The benefit of this favourable development was passed on to the consumer by the withdrawal of the Fuel Adjustment Charge levied on the consumer on consumption of 150 units or more per month with effect from 1st March, 1985. Moreover, the CEB revised its tariff structure with effect from 1st March, 1985. Despite the upward revision of tariffs, total sales of electricity in 1985 at 2,063 million kWh indicated an increase of 10 per cent over 1984.

Electricity consumption by the industrial sector at 846 million kWh was 41 per cent of the total electricity sales during the year. Bulk purchases by local authorities amounted to 500 million kWh or 24 per cent of the total electricity consumption in 1985. The domestic and commercial sectors consumed 17 per cent each of the total consumption while the balance was used for street lighting and other purposes.

TABLE 1.17
Salient Features of the Energy Sector 1984—1985

Item	Unit	1984	% Change over 1983	1985	% Change over 1984
1. Petroleum Products					
1.1 Exports	Rs. Mn.	3,287.8	22.6	3,876.5	17.9
1.2 Imports	SDR Mn.	126.1	18.3	140.3	11.3
1.3 Quantity imported	Rs. Mn.	10,681.1	- 3.1	10,986.4	2.9
1.3.1 Crude oil	SDR Mn.	409.6	- 6.6	397.7	- 2.9
1.3.2 Refined products	Mt. tons	1,733,257	16.2	1,657,469	- 4.4
1.3.3 Other products		129,443	- 73.5	181,818	40.5
1.4 Average price of crude oil		23,894	22.1	20,482	- 14.3
1.5 Local price	Rs./Barrel	754.25	5.6	775.30	2.8
1.5.1 Super petrol	Rs./litre	13.50	—	13.50	—
1.5.2 Kerosene		6.58	—	6.58	—
1.5.3 Auto diesel		8.13	—	8.13	—
1.5.4 Heavy diesel		7.83	—	7.83	—
1.5.5 Super diesel		9.28	—	9.28	—
1.5.6 Furnace oil—					
500 seconds		5.22	6.8	5.22	—
800 "		4.87	0.6	4.87	—
1000 "		4.72	—	4.72	—
1.5.7 Bitumen	Rs./Kg.	7.06	—	7.06	—
Local sales	Mt. tons.				
1.6.1 Super petrol		118,831	1.1	121,649*	2.4
1.6.2 Kerosene		150,926	- 6.8	153,111*	1.4
1.6.3 Auto diesel		481,174	3.7	488,519*	1.5
1.6.4 Heavy diesel		64,188	- 77.0	23,523*	- 63.3
1.6.5 Super diesel		14,464	38.4	13,509*	- 6.6
1.6.6 Furnace oil		218,913	- 21.6	140,378*	- 35.9
Electricity					
2.1 Installed capacity	mW.	812.25	37.1	1,016.25	25.1
2.1.1 Hydro		542.25	34.8	746.25	37.6
2.1.2 Thermal		270.00	42.1	270.00	—
2.2 Units generated	Mn. kWh	2,260.5	6.9	2,464.0	9.0
2.2.1 Hydro		2,090.6	71.8	2,395.0	14.6
2.2.2 Thermal		169.9	- 81.1	69.0	- 59.4
2.3 Total sales	Mn. kWh	1,876.5	4.7	2,063.0*	9.9
2.3.1 Domestic		316.9	4.0	350.0*	10.4
2.3.2 Industrial		790.9	5.2	846.0*	6.9
2.3.3 Commercial		299.6	2.6	355.0*	18.5
2.3.4 Local authorities		457.7	5.6	500.0*	9.2
2.3.5 Street lighting		11.4	10.7	12.0*	5.3

* Provisional

Sources : Ceylon Petroleum Corporation,
Ceylon Electricity Board.

The reduced demand for petroleum products in the local market, as well as downward price movements observed in the world oil market during most part of the year, helped to contain the outflow of foreign exchange on energy to slightly less than the previous year's level. The import outlays on oil which accounted for 22 per cent of total imports in 1984 declined to 21 per cent in 1985. Nevertheless,

the share of oil imports of non-petroleum export earnings increased from 31 per cent in 1984 to 34 per cent in 1985 mainly due to the drop in earnings from other exports. The value of oil imports declined by 3 per cent in SDR terms but increased by 3 per cent in Sri Lanka Rupee terms from Rs. 10,681 million (SDR 409.6 million) in 1984 to Rs. 10,986 million (SDR 397.7 million) in 1985. The reduced bill on oil imports mainly reflected the reduced volume of crude oil imports from 1,733,257 metric tons in 1984 to 1,657,469 metric tons in 1985, due to the closure of the petroleum refinery for maintenance purpose for four weeks in the first half of 1985.

The reduction of crude oil imports compelled the Ceylon Petroleum Corporation (CPC) to import a higher quantum of refined products in 1985 (181,818 metric tons in 1985 compared to 129,443 metric tons in 1984) in order to maintain a balance between demand for, and supply of, petroleum products.

In conformity with the pattern observed in 1984 earnings from exports of petroleum products increased by 11 per cent in SDR terms (18 per cent in SL Rupee terms) in 1985. A higher quantity of petroleum products was available for export (mainly from foreign bunkering and aviation and export of naphtha and fuel oil) during the year due to the decline in domestic consumption of certain exportable oil products such as naphtha, fuel oil and furnace oil.

The prices of the main petroleum products in the local market remained unchanged throughout the year. However, the demand for certain products dropped further in 1985, conforming to the trend observed in 1984. An important factor was the decline in use of heavy diesel by the CEB by 92 per cent in 1985. Also the demand for furnace oil and heavy diesel from the other sectors too dropped by 35 per cent and 15 per cent, respectively. The consumption of auto diesel however, increased by 2 per cent as a result of the expansion in the private sector operations in passenger transport.

Transportation

Despite interruption to traffic in certain parts of the country throughout the year, transport activities in the public and private sectors taken together expanded moderately during 1985. This expansion was due to increased private sector operations in both passenger and freight sectors which off-set the considerable reduction in some operations of both the Regional Transport Boards (RTBs) and the Sri Lanka Railways (SLR) during 1985. Despite the low level of activities of these two institutions they continued to play a significant role in the country's transport and the Sri Lanka Transport Board's fleet of buses was increased.

In 1985, the operated kilometerage of nine RTBs of the Sri Lanka Transport Board (SLTB) dropped marginally by 4 per cent; while passenger kilometerage remained more or less at the previous year's level. The total operated kilometerage during the year was 402 million while the passenger kilometerage amounted to 14,720 million. The decline in transportation by SLTB was mainly due to the curtailment and suspension of services in the Northern, Eastern and North Central regions due to civil disturbances. Accordingly, the RTB's were able to operate only 25

per cent of their scheduled kilometrage in the North ; lost 43 per cent of their scheduled kilometrage in the Eastern region; and 29 per cent in the North Central Regions.

TABLE 1.18
Salient Features of the Transport Sector 1984—1985

Item	Unit	1984	% Change over 1983	1985*	% Change over 1984
1. New Registration of Motor Vehicles	Nos.				
1.1 SLTB buses	..	325	- 37.6	95	- 70.8
1.2 Private coaches	..	3,926	4.7	3,564	- 9.2
1.3 Private cars	..	5,115	- 6.5	7,003	36.9
1.4 Motor cycles	..	16,873	16.9	18,117	7.4
1.5 Lorries and other vehicles for goods transport	..	8,227	0.4	7,221	- 12.2
2. S.L.T.B. Operations					
2.1 Operated kilometers	Mn.	416.8	- 8.9	401.8	- 3.6
2.2 Passenger kilometers	..	14,722.4	- 8.7	14,720.0	- 0.02
2.3 Total revenue	Rs. mn.	2,452.7	8.2	2,218.3	- 9.6
2.4 Total cost	..	2,893.4	8.7	2,391.7	- 17.3
2.5 Total loss	..	440.6	11.6	173.4	- 60.6
3. S.L.R. Operations					
3.1 Operated kilometers	Mn.	8.5	1.2	8.3	- 2.3
3.2 Passenger kilometers	..	2,280.2	- 6.8	2,111.3	- 7.4
3.3 Freight ton kilometers	..	262.6	17.3	247.1	- 5.9
3.4 Total revenue	Rs. mn.	503.1	15.7	560.0	11.3
3.5 Total cost	..	1,125.0	26.8	984.4	- 12.5
3.6 Operating loss	..	621.9	37.4	424.4	- 31.7

* Provisional

Sources : Department of Motor Traffic,
Sri Lanka Transport Board,
Sri Lanka Railways.

The vehicle fleet of the SLTB was augmented by 95 new buses and 397 overhauled buses during the year. Meanwhile, 236 buses were to be discarded from the SLTB vehicle stock in 1985.

The total revenue of the SLTB fell by 10 per cent in 1985 : Rs. 2,218 million in 1985 compared with Rs. 2,453 million in 1984. Total expenditure of the SLTB declined from Rs. 2,893 million in 1984 to Rs. 2,392 million in 1985. Heavy losses were recorded by the Northern, Eastern and North Central RTBs. Losses incurred by the Northern and Eastern RTBs accounted for 47 and 39 per cent, respectively, of the budgeted revenue.

The financial support of Rs. 287 million received by the SLTB from the Treasury in terms of various subsidies such as recoupment of losses on uneconomic routes, police warrants and season tickets was approximately 12 per cent of its total operating cost.

To provide better services to passengers and encourage operators, certain sections of the Private Omnibus Services Act was amended by Act No. 38 of 1985. Private sector participation in transport services which increased gradually since 1979

accounted for over 50 per cent of the total transport services in 1985. This dramatic expansion enabled it to meet the shortfall in public sector activities and cater to the increased demand for both, passenger and freight transport.

The improved performance of private sector transport services resulted in an increased income from the issue of permits from Rs. 13.8 million in 1984 to Rs. 14.5 million in 1985. According to the Department of Motor Traffic, this improvement was further evident by new registrations of 3,564 private coaches in 1985. Together with the new registrations during the year the number of private buses operated at end 1985 increased by 13 per cent over the previous year. Hence, the seating capacity of private sector transport increased from 218,225 in 1984 to 246,700 in 1985.

Meanwhile, 7,221 goods transport vehicles were added to the vehicle fleet in 1985 indicating an improvement in freight transport activity of the private sector.

The operations of the Sri Lanka Railways (SLR) too declined in 1985. The operated kilometrage at 8 million and the passenger kilometrage at 2,111 million were decreases of 2 per cent and 7 per cent, respectively. Freight ton kilometrage at 247 million also declined by 6 per cent in 1985. The decline in the activities of the SLR was partly due to the restricted train services in North, East and North Central provinces.

The Inter-Ministerial Committee on Co-ordination and Planning of Transport (IMC-CPT) continued to function as the co-ordinating body for the transport planning study under way with funding from the World Bank. This study which includes a sectoral plan for the Greater Colombo Area will be used for the formulation of the future national transport policy.

Housing

The emphasis on housing in 1985 was on the "One Million Housing Programme" (MHP) under the Public Sector Housing Programme (PSHP). The One Hundred Thousand Housing Programme, which was to be completed in 1983, was continued with an extended programme since financial resources were available.

The major theme in public sector housing was "minimum intervention of the state and maximum support by the user". The objectives of the one million housing programme were therefore two-fold ; first, to channel personal savings of lower income families to investment on housing and the second, to improve the quality of existing houses with essential amenities. The MHP consists of 2 sub programmes, *i. e.* the Rural Housing Sub-Programme (RHSP) and the Urban Housing Sub-Programme (UHSP). Under the RHSP, houses were built with financial support through specialised long-term housing institutions and commercial banks. The Urban Housing Sub-Programme commenced in 1985.

Under the extended housing programme, high priority was given for self-help programmes such as the Rural Housing Programme. The electoral housing programme was given lower priority while other schemes such as the building of public servants' quarters were not continued during the year.

During 1985 35,329 houses were completed while 9,068 houses were under construction. The comparative figures for 1984 were 20,209 and 32,497 houses, respectively. Of the total housing units completed in 1985, 29,876 housing units (nearly 84 per cent) were constructed under the RHSP.

The total expenditure on public sector housing declined from Rs. 496 million in 1984 to Rs. 436 million in 1985. This decline in the level of expenditure reflects the shift from direct construction towards low cost housing and self help programme under MHP. Expenditure on direct construction declined substantially from Rs. 232 million in 1984 to Rs. 130 million in 1985 while expenditure on the rural housing programme mainly focussed on low cost housing, which increased from Rs. 188 million in 1984 to Rs. 219 million in 1985. With this enhancement in provision for RHSP the Government helped to build up 29,876 housing units compared to 16,092 housing units, under MHP in 1984. Under the UHSP, 2,314 housing units were completed with an expenditure of Rs. 39 million during the year under review.

TABLE 1.19
Public Sector Housing Programme - Progress 1984 - 1985

Programme	No. of units completed			No. of units under construction		Expenditure (Rs. mn.)		
	1984	1985	1978-1985	1984	1985	1984	1985	1978-1985
1. Hundred Thousand Housing Programme								
1.1 Direct Construction	715	307	12,008	884	690	232.1	130.2	3,327.0
1.2 Rural Housing (a)	3,202	2,592	32,439	4,282	2,988	62.5	44.2	737.3
1.3 Electoral Housing (b)	200	240	10,750	210	120	12.8	3.2	610.8
1.4 Public Servant Quarters	—	—	—	—	—	—	—	88.2
2. One Million Housing Programme								
2.1 Rural Housing Sub Programme	16,092	29,876	45,968	27,121	—	188.1	219.4	407.5
2.2 Urban Housing Sub Programme (c)	—	2,314	2,314	—	5,270	—	39.3	39.3
3. National Housing Loan Fund	—	—	28,000	—	—	—	—	275.0
Total	20,209	35,329	131,479	32,497	9,068	495.5	436.3	5,485.1

(a) Includes ASH Houses, Model Villages and Fisheries Houses.

(b) On modified ASH basis.

(c) UHS Programme commenced in 1985 under One Million Housing Programme.

Sources: National Housing Development Authority; Ministry of Local Government, Housing and Construction.

The State Mortgage and Investment Bank's (SMIB) activities were expanded since 1984, and its loan approvals increased to Rs. 475 million in 1985 from Rs. 367 million in 1984. In addition, Rs. 78 million was approved under the bridging finance programme compared with Rs. 29 million allocated for the same purpose in 1984. The Bank financed a group housing scheme at Balangoda for 64 dwelling units and sanctioned Rs. 7 million for construction purposes under the SMIB — REPIA Scheme.

The SMIB is empowered to accept loan deposits, savings deposits and contractual deposits. It is expected to reduce its dependence on debentures and increase its resource base.

The Housing Development Finance Corporation (HDFC) incorporated under the National Housing Act No. 37 of 1954 continued to raise funds from its members and grant loans to its members for the purpose of construction of houses, flats and other buildings with effect from August, 1984. In 1985 HDFC increased its loan disbursement to Rs. 34 million compared with Rs. 1.2 million in 1984. The number of loans approved for the above purpose increased from 5 to 362 and the value of loans approved by the HDFC increased from Rs. 2 million in 1984 to Rs. 54 million in 1985.

The total subscription paid by Corporate bodies and individuals amounted to Rs. 26 million at end 1985. The interest charged by the HDFC ranged from 9.5 per cent to 20 per cent per annum.

TABLE 1.20

Approval of Building Plans by Colombo Municipality 1984—1985*

Item	1984	% Change over 1983	1985	% Change Over 1984
1. New residential buildings	559	5.1	521	- 6.8
1.1 Houses	362	4.3	332	- 8.3
1.2 Flats	197	6.5	189	- 4.1
2. Commercial buildings	—	—	41	—
3. Industrial buildings	—	—	2	—
4. School buildings	—	—	2	—
5. Additions and alterations	179	56.4	129	- 27.9
6. Other buildings	47	20.5	59	25.5
Total	785	20.4	754	- 4.0

Source: Colombo Municipality.

* Excludes Government and Corporation building plans.

Information on private sector housing activities is limited. Nevertheless, it appears that private sector housing activities slowed down during 1985. Apart from credit granted by commercial banks and long-term credit institutions for private sector housing finance, the applications for building approvals of the Colombo Municipal Council (CMC) declined by 4 per cent. Out of the total building approvals, 521 were for residential houses and flats.

Urban Development

In 1985, the Urban Development Authority (UDA) took measures to improve integrated projects, slums and shanty upgrading programmes and the reconstruction and redevelopment of urban and commercial areas but its activities slowed down due to the curtailment of capital expenditure by the Government coupled with the high cost of construction. The total expenditure of UDA projects in 1985 was Rs. 317 million compared with Rs. 403 million in 1984.

Out of UDA total expenditure, Rs. 173 million was spent on the Colombo road rehabilitation work, construction of the Bambalapitiya housing complex, Ratnapura Secretariat and Court complex, Parade grounds for Parliament and Orugodawatta Food Stores. The Rs. 66 million allocated for the Land Bank was spent for acquiring commercially viable lands which are under-utilized and unutilized for major development projects, such as offices, hotels, shopping complexes, banking and industrial complexes.

The Peliyagoda Integrated Development Project was estimated to cost Rs. 32 million, while slum and shanty upgrading in Colombo and other major towns cost Rs. 21 million.

Roads and Railtracks

The extent of the road network maintaining by the Ministry of Highways increased marginally from 25,466 kilometers in 1984 to 25,476 kilometers in 1985, while 43,455 kilometers of roads maintained by local authorities remained more or less at the previous year's level. The number of road bridges increased from 5,197 in 1984 to 5,284 in 1985. The Rs. 612 million spent on road construction and on road maintenance in 1985 was higher than the Rs. 541.5 million spent in 1984. Road maintenance costs at Rs. 308 million in 1985 was more than two-fold the 1984 expenditure of Rs. 142.5 million.

Approximately 15,000 kilometers of road have been earmarked for improvement and rehabilitation under the Five Year Road Maintenance Programme at an estimated total cost of approximately Rs. 5 billion. During 1985 the Ministry of Highways obtained loans to the tune of Rs. 1,130 million from the World Bank, Rs. 600 million from the Asian Development Bank and a Grant Aid of Rs. 45 million from the Japanese Government to partially fulfil the financial commitment of the Five Year Road Maintenance Programme. The implementation of this programme will be the responsibility of the newly set up Road Development Authority which will work in collaboration with foreign consultancy firms.

There was no addition to the existing network of railway tracks but 1,944 kilometers were maintained. The Railway's main concerns are the Medium Term Track Rehabilitation Programme, acquisition and rehabilitation of the rolling stock and complete reorganization of workshops and maintenance of depots. The transport sector study which is now in progress is expected to focus attention on these.

Telecommunications

After 1983 increased resources have been allocated for telecommunications. Several projects are underway for expansion and improvement of telecommunication capacities. One of the major improvements observed in 1985 was the installation of a computerized digital electronic Subscriber Dialling System (STD) for the Kegalle District with an initial capacity of 800 lines.

The underground cable work in Nuwara Eliya and Bandarawela was also completed in 1985. The International Development Association (IDA) assisted STD and installation of international direct dialling facilities to Bandarawela, Haputale, Welimada, Diyatalawa, Ella, Malwatte, Moneragala, Hali-Ela and Haldummulla. New Radio Repeaters at Kuliyapitiya were completed at a cost of Rs. 203 million.

Work on Stage II of the Outer Colombo Area Development Scheme (OCADS) for which Rs. 20.8 million was allocated for 1985, the transfer of subscribers from the old to the new network at Ratnapura and cable works at Kurunegala and Anuradhapura commenced. Meanwhile, work on the Biyagama Free Trade Zone Project was completed during the year.

Under the Colombo Area Development Scheme (CADS), 91 additional distribution points were opened providing a total of 959 loops, for that area.

During the year under review, the progress of the Overseas Telecommunication System resulted in the improved capacity of the International Switching Centre Telephone. Moreover, installation tests of South East - Middle East - Western Europe (SE-ME-WE) Submarine Cable System was also completed and is expected to be commissioned in early 1986.

The Accelerated Mahaweli Programme

The Accelerated Mahaweli Programme comprises of several components: the headwork projects of Victoria, Kotmale, Maduru Oya, Randenigala and Rantembe; downstream engineering and irrigation works; and settlement and agricultural production. The work on all these three components progressed steadily during 1985. The total amount spent on this programme up to the end of 1985 was Rs. 34,160 million, of which Rs. 5,504 million or 16 per cent was spent during 1985.

The total capital expenditure incurred on the Victoria Project upto the end of 1985 was Rs. 7,563 million. Of this only Rs. 591 million or 8 per cent was spent during the year since most of the major work of this project had been completed earlier. The Victoria Project, which was formally inaugurated in 1985, released about 10⁹ million cubic meters of water and generated 670 gwh. of energy by the end of December, 1985. Development works of the Victoria peripheral area were also in progress during 1985. Bridge works and structures were completed and all roads were opened to traffic. Several government offices and new shops were opened in the new townships of Karaliyadde, Kundasale and Rajawella.

TABLE 1.21

Accelerated Mahaweli Programme - Cost Estimates

Rs. Million

Project	Budgeted Expenditure for 1985			Actual Expenditure for 1985(a)	Cumulative Expenditure up to end-1985 (a)
	Provisions	Supplementaries	Total		
1. Victoria Reservoir ..	484	—	484	591	7,563
2. Kotmale Reservoir ..	749	—	749	628	8,204
3. Randenigala Reservoir ..	1,430	—	1,430	1,506	3,922
4. Maduru Oya and Canal ..	—	—	—	1	2,637
5. Minipe Transbasin Canal ..	15	—	15	22	1,194
6. Irrigation System 'B' ..	1,477	—	1,477	1,486	4,007
7. Irrigation System 'C' ..	827	—	827	758	2,591
8. Stage I ..	—	—	—	—	1,322
9. Stage II ..	34	—	34	68	514
10. Others ..	476	—	476	444	2,206
Total	5,492	—	5,492	5,504	34,160

(a) Provisional.

Source : Mahaweli Authority of Sri Lanka.

The Kotmale Project, was officially commissioned on the 24th August, 1985. Kotmale, which is primarily a power generation project, has an initial installed capacity of 134 megawatts (MW) of power. There is also provision for further 67 MW of power generation later on. The total expenditure incurred on this project up to the end of 1985 was Rs. 8,204 million, of which only Rs. 628 million or 8 per cent was spent during 1985 as most of the work on this project too had been completed earlier. Development works of the Kotmale peripheral area were in progress in 1985. Construction work on new bridges and roads and on the new townships of Sangilipalama were underway.

The Maduru Oya Reservoir Project, which is primarily an irrigation and settlement project, was completed earlier. The total amount spent on this project by the end of 1985 was Rs. 2,637 million. Only Rs. 1 million was spent on this project during 1985.

The work on the Randenigala Project, which is the last and the largest reservoir project under the Accelerated Mahaweli Programme, was in progress during the year. The project is expected to generate 122 MW of power. The construction works of the rock fill dam were completed in November, 1985. The rock excavation in the spillway chute area was completed and concrete placement was in progress. Some preliminary work in the power house area such as the power intake and penstock tunnel excavation and erection of electrical equipment in the Control Building and in the Switchyard was completed. The remaining work such as turbine erection and generator erection was underway. A total amount of Rs. 3,922 million was spent on the Randenigala Project up to end of 1985. Of this Rs. 1,506 million or 38 per cent was spent during 1985.

The downstream irrigation projects, which include the Minipe Anicut, the Minipe Right Bank Transbasin Canal, the level crossings at Diyabana Oya, Loggal Oya and Heppola Oya, the Badulu Oya aqueduct and Tunnel and the twin service reservoirs at Uthitiya and Ratkinda, have all been completed.

According to provisional data, the total extent cultivated in the Mahaweli Command Area during Maha 1984/85 was 37,810 hectares, a marginal decrease of 2 per cent over the same season last year. This was largely due to a reduction in the extent cultivated in the "H" area during this season. The total area cultivated in Yala 1985 too fell by 11 per cent when compared with that of the same season last year. Following the pattern last year, the extent under paddy cultivation accounted for about 82 per cent or 51,356 hectares of the total extent cultivated during both Maha and Yala seasons. Other food crops accounted for the remaining 18 per cent (11,273 hectares). System "H" area where most of the land development and settlement work has been completed, accounted for about 62 per cent of the total extent cultivated with paddy and 69 per cent of the extent under subsidiary food crops in the Mahaweli command area. System "C" which accounted for about 21 per cent of the extent under paddy and 15 per cent of the extent under subsidiary food crops ranked next in importance. Paddy production in the system "H" area estimated at 122,653 metric tons constituted about 5 per cent of the total paddy production in the country.

At the end of 1985, the total number of families settled in system "H" area was 26,637 while that in the system "C" area was 10,261. The total number of families settled in the system "B" and "G" areas was 8,709 and 1,671 respectively. Thus, the total number of families settled in the Mahaweli Command Area by the end of 1985 was 47,278.

The irrigation levy of Rs. 100 per acre from the farmer beneficiaries introduced by the Mahaweli Economic Agency last year was expected to recover about 50 per cent of the operational and maintenance (O&M) cost of the irrigation schemes. However, the total collection of the levy in 1985, excluding Uda Walawe, amounted to Rs. 8.3 million which was sufficient to cover only 4 per cent of the estimated O & M charges.

The Accelerated Mahaweli Programme, which is the largest ever irrigation and hydro-electric power project undertaken in Sri Lanka was nearing completion in 1985. Except the Randenigala and Rantembe projects, most of the major works in the other projects of the scheme were successfully completed. The country is now beginning to reap the direct benefits of these projects through better irrigation and increased power generation.

Irrigation Development

Irrigation development has been an important contributory factor in increased agricultural productivity. The main areas of irrigation development have been the

TABLE 1.22

New Land Cultivated under Mahaweli Development Programme

Hectares

Item	Maha 1981/82	Yala 1982	Total 1982	Maha 1982/83	Yala 1983	Total 1983	Maha 1983/84	Yala 1984	Total 1984	Maha 1984/85 (a)	Yala 1985(a)	Total 1985(a)
System 'H'	22,568	5,919	28,487	25,261	6,546	31,807	25,284	18,676	43,960	23,973	15,449	39,422
Paddy	20,680	2,673	23,353	22,400	3,917	26,317	23,135	14,213	37,348	22,681	9,083	31,764
Other Crops	1,888	3,246	5,134	2,861	2,629	5,490	2,149	4,463	6,612	1,292	6,366	7,658
System 'B'	—	640	640	2,682	1,400	4,082	2,495	1,732	4,227	2,993	2,246	5,239
Paddy	—	640	640	2,200	1,400	3,600	1,771	1,715	3,486	2,472	2,061	4,533
Other Corps	—	—	—	482	—	482	724	17	741	521	185	706
System 'C'	—	—	—	—	1,503	1,503	7,166	5,304	12,470	7,713	4,861	12,574
Paddy	—	—	—	—	1,503	1,503	5,353	4,726	10,079	6,086	4,827	10,913
Other Crops	—	—	—	—	—	—	1,813	578	2,391	1,627	34	1,661
System 'G'	—	2,221	2,221	3,202	1,810	5,012	3,517	2,014	5,531	3,131	2,097	5,228
Paddy	—	1,588	1,588	2,958	1,321	4,279	3,292	1,408	4,700	2,941	1,198	4,139
Other Crops	—	633	633	244	489	733	225	606	831	190	899	1,089
Total	22,568	8,780	31,348	31,145	11,259	42,404	38,462	27,726	66,188	37,810	24,653	62,463

(a) Provisional.

Source : Mahaweli Authority of Sri Lanka.

construction of new irrigation projects, rehabilitation and improved management of existing major irrigation schemes and restoration and renovation of minor irrigation schemes including small tanks.

In addition to irrigation development carried out under the Accelerated Mahaweli Scheme, the Irrigation Department is involved in the construction of the irrigation works of the Integrated Rural Development Programmes (IRDPs), construction under the Anuradhapura Dry Zone Project (ADZP) funded by the Asian Development Bank (ADB) and the construction of minor irrigation works in the districts funded by the decentralized budget. The Irrigation Department is also involved in the construction of infrastructure and irrigation works for the development of system 'G' of the Accelerated Mahaweli Scheme.

The Inginiyitiya Reservoir Project in the Puttalam district, which has the capacity to provide irrigation facilities to about 4,300 hectares of new land and about 4,000 hectares of existing land, was commissioned on 25th March, 1985. The major construction work in progress during the year under review, other than the Mahaweli Development Programme, were the Kirindi Oya Irrigation and Settlement Project, Nilwala Ganga Flood Protection Scheme, and the Nelu Oya diversion scheme. Improvements to major projects during the year included the modernization of major projects and Gal Oya Water Management Project.

Under the Village Irrigation Rehabilitation Project (VIRP), 42 minor irrigation schemes were completed during 1985. These operations were carried on mostly in the dry zone districts with the exception of a few wet zone districts such as Galle and Colombo. As a part of the IRDPs, 14 irrigation schemes in the Hambantota district, 53 in the Puttalam district and 67 in the Kurunegala district were completed during 1985.

During the year, 26 irrigation schemes were completed under the ADZP and three projects were completed under medium scale projects in the Ampara, Anuradhapura and Puttalam districts.

The total expenditure on all these projects excluding the IRDPs and ADZP for which data are not yet available, has been estimated at Rs. 806.4 million. The foreign aid component is estimated at Rs. 263.8 million. These projects excluding the major schemes are expected to benefit a total land extent of about 9,850 hectares.

Integrated Rural Development Programme

The Integrated Rural Development Programme (IRDP) continued to cover eleven districts in 1985. No new districts were brought under it. The total expenditure spent on these eleven IRD programmes in 1985 was Rs. 431 million. The cumulative expenditure on all projects up to the end of 1985 together with the expenditure during 1985 are shown in the table 1.23

The activities in nine districts progressed satisfactorily. The operations in the Mannar and Vavuniya district IRDPs, which commenced last year with funds from the World Bank, were hampered by the unsettled conditions prevailing in these areas. In contrast, the Ratnapura district IRDP and the Moneragala district IRDP, which commenced their operations last year undertook a significant amount of work during 1985. The IRDPs in the Kurunegala and Hambantota districts, which were scheduled to be completed in 1983, continued in 1985 as well due to implementation lags.

TABLE 1.23

**District-wise Expenditure on the District Integrated Rural
Development Programme — 1984 and 1985**

Rs. Million

District (a)	Estimated Cost			Expenditure to Date Cumulative		Expenditure during 1984	Expenditure during 1985 (b)
	Foreign	Local	Total	as at end 1984	as at end 1985 (b)		
1. Kurunegala (1979)	344	172	516	421	491	78	70
2. Matara (1979)	85	9	94	5	17	7	12
3. Hambantota (1979)	345	—	345	205	255	47	50
4. Nuwara Eliya (1980)	150	—	150	115	157	40	42
5. Matale (1981)	170	80	250	163	213	33	50
6. Puttalam (1981)	273	129	402	246	319	60	73
7. Badulla (1982)	297	67	364	81	131	52	50
8. Vavuniya (1984)	241	121	362	40	60	35	20
9. Mannar (1984)	214	107	321	27	48	23	21
10. Ratnapura (1984)	75	—	75	3	23	3	20
11. Moneragala (1984)	170	5	175	6	29	6	23

(a) Indicates year of Implementation.

Source : Ministry of Plan Implementation.

(b) Provisional.