

LB/DON/12/02

PRIVATE SECTOR PARTICIPATION IN
REHABILITATION OF IRRIGATION PROJECTS
IN SRI LANKA

By
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A Report submitted in partial fulfillment
of requirement for the degree of Master of Science



University of Moratuwa, Sri Lanka.
in
Electronic Theses & Dissertations
Construction Project Management (1998/99)
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Abstract

The functioning of irrigation schemes at optimum efficiency levels will contribute immensely towards the economic development of Sri Lanka. The efficiency of irrigation schemes can be improved by effective designing, planning and construction and equally important proper operation and maintenance (O & M). At present, the investments to build, operate and maintain irrigation schemes are borne by the public sector organizations in Sri Lanka. Since the Government of Sri Lanka (GOSL) faces financial difficulties for improving infrastructure facilities, even O & M works cannot be executed properly due to the lack of funds.

The main objectives of this study are to explore the viability of private sector participation (PSP) in rehabilitating irrigation schemes and to explore feasibility of recovery of O&M costs as Irrigation Service Fees (ISF) and the possibility of recovery of rehabilitation cost as Cost Recovery Fees (CRF) from the beneficiaries.

The study utilises two case studies to analyse rehabilitation of a major and a medium scale irrigation schemes in Badulla District through PSP. The case studies are analysed from the point of view of farmers, investors and national economy. The viability of implementation of project from the point of view of farmers and investors depend on the financial analysis and implementation of project by the GOSL is based on the economic analysis.

This study shows that viability of PSP and the possible recovery of ISF due to improved benefits in rehabilitating irrigation schemes. The national economy can benefit through PSP in the rehabilitation of existing irrigation projects in Sri Lanka.



Acknowledgements

The supports and facilities provided by the Department of Civil Engineering, University of Moratuwa and the Department of Irrigation to initiate postgraduate studies and during the period of study are duly acknowledged and appreciated.

Prof. M. Ranasinghe, Supervisor of the Project is gratefully acknowledged for his continuous support, guidance, knowledge, interest and more over his kindness and unwavering dedication that constituted a blessing for a successful project.

Dr. G. Kodikara, Research Coordinator whose efforts, dedication and providing facilities to complete the research programme in advance is thankfully appreciated.

Dr. N. Gunawardena, Course Coordinator and his academic staff are gratefully acknowledged for their efforts in organizing and coordinating academic activities and sharing their valuable knowledge with us.

Eng. R. Karunaratne, former Deputy Director of Irrigation, and Eng. Abdul Majeed, Deputy Director of Irrigation of Bandarawela Range are thankfully acknowledged for granting permission for duty leave and excellent support extended to the project.

The support of numerous personnel at the Department of Irrigation and Department of Agriculture though not mentioned by name are thankfully acknowledged.

Last but not least my parents for their continuous encouragement and moral support through out my academic activities are gratefully acknowledged.

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