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CANADIAN CONTRIBUTION TO THE MADURU OYA RESERVOIR COMPLEX IN SRI LANKA

The Secretary of State for External Affairs, Flora MacDonald, and the Minister of State responsible for CIDA*, Martial Asselin, have announced approval of an expenditure of up to \$83 million for construction of the Maduru Oya Reservoir Complex in Sri Lanka. In the near future, officials of both countries will be negotiating terms and conditions of the Memorandum of Understanding and loan agreements that will govern Canada's involvement in this project.

The Maduru Oya Reservoir Complex, which is one of the highest priority projects in Sri Lanka's development programme, is designed to store sufficient water to irrigate more than 50,000 hectares of land and generate 7.2 MW of hydro-electric power. Irrigation of the downstream area will permit the settlement of an estimated 39,000 families and the introduction of intensive agricultural development on currently unproductive land. The Maduru Oya Project is an integral part of the Mahaweli irrigation and land settlement scheme to which other international donors, including Sweden, the United Kingdom, the USA, and the World Bank, have made significant contributions.

Canada's financial contribution will be used for the construction of a concrete or rock-filled dam, two equipped power houses, and a tunnel linking the Mahaweli and Maduru river basins. A Canadian civil works contractor will be responsible for construction of the Complex, with construction supervision being provided by Canadian consulting engineers. Project completion is scheduled for 1983.

*Canadian International Development Agency.