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Result Analysis 1998–2001

Sri Lanka

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Introduction and Summary

Because of the reduced character of the country strategy process for Sri Lanka, this result analysis does not treat all projects that have been carried out between 1998–2001. It contains the large and most important projects but leaves out several smaller ones. Considering the low percentage of GDP that Swedish development co-operation represent, 0.0005%, it is important to analyse the results in relation to their catalytic effect and their ability to support processes that can contribute to the objectives of the strategy. It is also important to analyse how donors effectively pull resources together as well as the ownership and leadership of the Sri Lankan government in such processes.

With the adoption of the 1998 country strategy for the development co-operation with Sri Lanka, Sida shifted its focus from primary education and rural development. The new objectives were to promote peace and democracy as well as pro poor economic growth. The aim of this analysis is to respond to what extent these objectives have been reached and what lessons have been learnt. Before looking into the results, it should be added, however, that the build up of new project portfolios took some time not least due to an unstable political and economic situation in Sri Lanka. Therefore it is premature to draw conclusions about some of the projects.

Regarding peace and democracy, it is clear that the peace process has moved forward. The Norwegian Government is reengaged in the peace process, a permanent cease-fire between the Government and the LTTE was signed in February 2002. Nordic observers, including Swedish, monitor the implementation of the cease-fire and negotiations started in September 2002. The development is positive but the process is fragile and there are many threats to the peace process. During the strategy period the democratic space and respect for Human Rights have improved.

It is of course difficult to measure to what extent Sida support has contributed to these developments. Projects within the area of peace and democracy took time to build up and only a few projects have started. It is therefore too early to draw conclusions of their effects. In the area of support to Democracy and Human Rights, the strategy period was mainly planning an appraisal of proposed support. Only in late 2001 and 2002 agreements were made for projects including

support to the Human Rights Commission for review of legislation in relation to Human Rights treaties ratified by Sri Lanka, the Child Protection Authority and its work with capacity building of other ministries at national and district level and Sri Lanka Foundation Institute for support to democratic leadership among youth leaders. Initial steps have been taken for proposed assistance to the police and a media institute, while the proposed support to promotion of intercultural democracy in the education system has had an appraisal and an agreement will be made late 2002. The support to the civil society has generally been successful. It has i.e. contributed to increased dialogue, better understanding and awareness about political rights and support for the establishment of governmental structures to protect Human Rights. Colombo based organisations have high capacity in implementation but tend to lack networks in rural areas. Another problem is the sustainability of funding. In the future, it is necessary to improve the monitoring of the organisations and also to constantly review the support, as some activities become irrelevant with time. The programme now needs to be adapted with a view to strengthen the peace-process. Some of the projects are dealing with issues that will be even more important if the peace-process moves forward. Violence against women, work with ex-combatants and strengthening of democracy in the LTTE-dominated areas are such examples. For future support it might be possible to develop stronger synergy effects of the support to civil society and the government.

Sri Lanka has achieved an economic growth of around five percent per year during the last decade. Growth has, however, been concentrated to the area around Colombo and not been broad based enough to improve the situation of the poor. In 2001 the global slowdown, internal political uncertainty, drought, shortfall in power generation, the attack on the International Airport of Sri Lanka and the attacks on the USA in September resulted in a negative growth.

The Sida supported projects for the promotion of *pro poor economic development* have been concentrated on the private sector, infrastructure and the financial sector. The effects of the projects on pro poor economic development are indirect and long-term. The objectives have been i.e. to contribute to an improved environment for the development of the private sector by reforming institutions and regulations, regional development including development of small businesses, strengthening the financial sector, improving the infrastructure etc. Most of the projects have been successful and have contributed to improve the condition for economic development. The lessons learnt are mentioned below.

- Concerning the *private sector*, support could be geared to facilitate the expansion of the sector by for example strengthening the Chambers, improving the regulatory environment, supporting quality assurance infrastructure, training in entrepreneurship and expansion of growth oriented small and medium scale business.
- Regarding *infrastructure*, continued and deepened support to the development of improved access, particularly in poorer regions, could be considered. Such support could primarily involve road investments, reforms, road safety and transport services.

- Concerning the *financial sector*, continued support to the financial markets such as the Central Bank of Sri Lanka and the Insurance Board of Sri Lanka are highly relevant in the future.
- Financing of important investment projects with concessionary credits and guarantees can be considered on *ad hoc* basis not limited to the infrastructure sector mentioned above.

Research co-operation has been successful. The amount and quality of student graduates and research reports are satisfactory in all the projects.

In the future, priority should be given to capacity building at universities.

Continuing development of ICT-infrastructure is important for the entire university system but preference should be given to the rather isolated University of Jaffna.

Humanitarian assistance has been a prerequisite for survival (food and health care), schooling and minimum living standards for the people in the conflict-affected areas. Child rights have been given special attention in this support. The presence of the humanitarian organisations has contributed to improved security and to ease conflict tensions. The following conclusions and recommendations have been made:

- There is a need to coordinate interventions with other humanitarian actors (not least the UN system).
- Important to analyse complex conflict situations.
- In order to be successful in complex conflict situations there is a need of extended field presence for monitoring.
- Chances for sustainability and durable solutions are promoted by local participatory planning approach while external consultancies might jeopardise it.
- Information on exit strategy should be given in Sida decisions for humanitarian assistance with a view either to terminate the project after completion or to phasing into long term development assistance.

During the period six Swedish NGOs with frame agreements with Sida, have received funds for programmes. The planned outputs are reported to have been achieved in most of the projects. Certain difficulties have been encountered in the implementation of some projects in the Jaffna peninsula due to the security situation. Many Swedish NGOs express the need for flexibility in their long-term planning, due to the security situation in the country. Once peace prevails, the organisations foresee work being extended to the northern and eastern parts of the country.

1. Sweden's Development Co-operation with Sri Lanka 1998–2001

With the adoption of a new country strategy in 1998, Sida shifted its focus from primary education and rural development to promotion of peace and democracy, along with sustainable and economic growth for the benefit of the poor. The strategy also prepared the ground for the launching of reconstruction- and rehabilitation projects, once the situation allowed, and increased research co-operation between Sri Lanka and Sweden.

During the country strategy process there had been positive signs for peace in the war struck country, but when the strategy finally was in place, the conflict gradually escalated and it culminated into a security, economic and political crises in 2001. Therefore the 1998 country strategy was being implemented under difficult conditions. The Government was absorbed by solving critical emergencies but weak in implementation. The political will for reforms and donor support in sensitive areas such as promotion of peace, democracy and Human Rights varied during the strategy period. The low capacity within the public sector negatively affected development co-operation efforts.

Most of the likeminded donors in Sri Lanka, however, have adopted strategies with a similar content and direction.

The Swedish development assistance amounted to 550.4 million SEK during the period 1998–2001 and was mainly concentrated to areas such as improvement of the infrastructure and private sector, research co-operation, humanitarian assistance and conflict prevention/peace building, and the social sector. During this period, the support given to the social sector was phased out in favour of projects working with the promotion of development for peace and democracy, and creating opportunities for sustainable economic growth.

In 2000, the total international development assistance given to Sri Lanka represented 1.7 percent of GDP, compared to 3.6 percent in 1998. During the period of 1999–2000, the Swedish development assistance represented 1 percent of all the international assistance given; which in turn constituted 0.0005 percent of Sri Lanka's GDP.

Swedish development assistance to Sri Lanka 1998–2001 (MSEK)

Sector	1998	1999	2000	2001	TOTAL
Democracy & Human Rights	3.5	12	14.7	17.3	47.5
Social Sectors	33.2	30.2	7.8	1.6	72.8
Infrastructure and private sector	13.3	11.1	19.3	122.1	165.8
Agriculture, fisheries and environment	9.4	6.2	34.2	0.2	50
ResearchCo-operation	16.7	30.8	34.8	22	104.3
Humanitarian aid and conflict prevention	22.4	18.8	20	16.8	78
NGO	6.6	5.1	8.1	7.7	27.5
Consultant fond	0.6	1.3	1	1.6	4.5
TOTAL	105.1	114.2	138.9	187.7	550.4

2. Democracy and Peace

The development of a project portfolio in this area has taken time due to the circumstances mentioned in the summary, and the fact that Sida was slow in providing human resources, both at the Embassy and at the Headquarter, for the work. The achievement is that a handful of projects have started. In 1999, however, the staff capacity for working with support to peace, democracy and Human Rights was strengthened at the Embassy and in early 2000 the Division for Democratic Governance at headquarters increased staff allotment for this type of support.

Several of the projects and programs that Sida is supporting or is about to start supporting has a clear focus on the rights of children and youth, particularly their right to participation. Sida is trying to strengthen the capacity of the local mechanisms for Human Rights, including child rights. The role of media and the training of journalists is another area deemed vital for Sri Lanka.

Most of the work is of a pioneering kind from a Sida perspective, which has meant long periods of preparation and can hopefully serve as a learning experience. Some consultants have been used for the first time, which has resulted in an expansion of the Swedish resource-base. Three of the projects are facilitated or implemented by UN-agencies and one by Save the Children, Norway.

2.1 Peace and Conflict Impact Assessment

A Peace and Conflict Impact Assessment of Sida's total current involvement in Sri Lanka has been made by an independent consultant. The study underlines that projects with peace building objectives not necessarily are peace building in impact. They can be positive, neutral or negative. Equally traditional development assistance does not necessarily mean working around the conflict. Bush is stressing that "donors should not ghetto—ize or compartmentalise their peace-building initiatives from their considerable accumulated experience and expertise in traditional development assistance. To do so risks lessening rather than increasing the likelihood of having an overall positive impact on the structures and processes of peace."

According to Bush, the 1998 Country Strategy rejects past Sida supported successes (education and rural development) and narrows programming to rather two-dimensional conflict resolution/prevention "type" projects. Both programming directions are unnecessary and possibly counter productive. The recommendation of the study is not to change the two pillars of the country strategy but that they are understood in their broadest sense. Sida could for example build on its achievements in the education sector by linking it more explicitly to the conflict management focus of the country strategy. This could be a useful way of building on Sida's achievements in the education sector in ways that amplify positive peace and educational impacts. The interventions should

not be determined administratively on a sector basis, but in relation to addressing conflict management in the most effective manner.¹

The study serves as a tool for developing the methodology in Sida. Since the adoption of the 1998 country strategy, the conflict perspective has gained increased attention. The conflict is in focus and conflict impact assessments are made on all projects, including the ones within the area of pro poor economic development. The recommendations in the study are in line with the ongoing dialogue and assessment on a project proposal for education for peace and democracy. Moreover, this study was carried out in early 2001 when the conflict situation was intense and negotiations were distant. The ongoing peace process has opened up windows of opportunity for projects in the area for peace and democracy (such as demining and possibly reintegration of former soldiers). Within Sida knowledge and understanding of the conflict perspective have increased during the strategy period. The focus on the conflict perspective requires competence in the area at the embassy as well as the HQ. Such training has been provided by the division for Humanitarian Assistance and conflict management (SEKA/HUM) for the embassy and all programme officers working with Sri Lanka at Sida, Stockholm.

2.2 Education for Peace and Democracy

Background

There are two projects with regard to democracy, tolerance and conflict resolution.

1. A fairly large project for the Development of Education for Human Values, Peace and Inter Cultural Democracy with the Ministry of Education, is still in the pipeline.² The assessment has so far involved two consultants, workshops and meetings. An agreement is expected to be finalised during 2002.

2. Training of young leaders in democratic leadership. The project just started for an initial period of 2002–2004. Sri Lanka Foundation runs the programme in collaboration with LSU (the National Council for Swedish Youth Organisations).

Relevance

The two projects are likely to contribute to a less violent culture. The lack of capacity to deal with frustrations and conflicts in a non-violent way is seen as one of the main obstacles for a less violent future in Sri Lanka. It is partly grounded in an authoritarian model, where obedience coupled with reward is the main pedagogical and societal pattern for behaviour. This model is under pressure because of the modernisation of society. To foster and enhance children's and young people's ability to make their own choices and to take responsibility in an atmosphere of tolerance can be one way to deal with the situation.

Analysis of Results, Effects and Conclusions for Future Co-operation

Too early to comment on anything except for the period of preparation.

1. One of the lessons learned from earlier support by Sida to primary education was the need to move away from a project approach to a

¹ Bush (2000) p. 46.

² Currently called the Ministry of Human Resources Management, Education and Cultural Affairs.

programme approach and this is reflected in the final proposal. The project for the Development of Education for Human Values, Peace and Inter Cultural Democracy is complex, but the fact that the final project proposal clearly identify future actions within the framework of the Education Reform 1997, and underlines the importance of co-ordination of various actors within the national and provincial organisation are achievements of the planning period. Other issues for dialogue has been child participation, recognition of intervention, mechanisms sharing of experiences, action research for teacher trainers and effective leadership. The co-operation with the Ministry of Education has been difficult during the preparation of the project. The weak capacity at the Ministry of Education and National Institute of Education remain a challenge for support. Other donors are much interested in the effort as well as in the first Constancy Report that was produced. At this stage, however, basket funding is not to recommend since a prolonged period of preparation would jeopardise the start of the programme.

2. While the project for training of young leaders in democratic leadership just has began, one result is the linking between a Sri Lankan institute and a Swedish umbrella youth organisation.

2.3 Media

Background

On the initiative of the former government, a few editors have been sent to Sweden on a programme organised by the Swedish Institute in co-operation with the Embassy. This was followed by a three weeks course, organised by the Institute for Further Education of Journalists (FOJO) and the Embassy, on Journalism and Democracy. 19 journalists participated. This course will in turn be followed by a programme with FOJO in collaboration with Sri Lanka Foundation Institute.

As the Government of Sri Lanka has been trying to control media and it has been operating under censorship during most of the period 1998–2001, the majority of the professionals in media were highly critical to any government initiative and it was difficult to start to work on a major scale.

Media-initiatives and training has also been supported by funds for the civil society (ASMR-funding).

Relevance

Sri Lanka is a country with a fairly developed media. The journalistic quality and the understanding of the role of the media and media-ethics in a democratic system need improvement. There is particularly a need for training and research. It would also be relevant to help create a critical mass, through FOJO-linked courses, of journalists with sufficient clout to make a difference on the overall climate.

Analysis of Results and Effects

The course with 19 participants that was held is deemed to be a successful try, but, of course, with lessons learned. The most positive sign was that a few of the younger journalists continued to meet and discuss under the name "Media Ethics Forum".

Lessons for Future Co-operation

A request for support to the set up of a media institute was received in 2001 and is being considered. Sri Lanka sees Sweden as a prioritised partner for the development of the media as a result of earlier efforts. However, reforms of the legislation related to the media are important in order to create sustainable impact. Continued work in this area will take time, since the local dynamics will determine when and how an institution can be set up. Sida has little experience in the area, which also slows the process down. Locally several journalists with experience feel that India has the know-how to be used. A possibility of supporting smaller initiatives in the area exists, and can be looked closer into with the help of local consultants as English is not a main language, not even at university-level.

2.4 Governmental Human Rights-Institutions

Background

The government that took over in 1994 and ruled the country until late 2001, took several initiatives to build governmental Human Rights institutions. Presidential task forces were set up in a number of areas and some of those became Commissions or Authorities through Acts of Parliament.

1. One is the Sri Lankan Human Rights Commission, instituted in 1996, but with a weak leadership during the first years. It has now a dynamic set-up of commissioners and the work is improving. Sida is since late 2001 supporting a project to revise legislation to see how it conforms to International Human Rights Law and the fundamental rights clause of the Sri Lankan Constitution. The project also includes training for the personnel of the Commission that has 10 offices around the country. It is a multi-bi project with UNDP.

2. The other project is with the National Child Protection Authority, set-up in 1999, to combat the abuse of children. The Sida-supported project, a multi-bi project with UNICEF, aim to strengthen the work of the National Child Protection Authority and assist it strengthening the capacity of relevant line-ministries in the area of child protection. The project was launched in March 2002.

Relevance

Both projects aim at supporting commendable efforts by the Government to strengthen Human Rights, peace and democracy. The National Child Protection Authority underlines the need for children to be heard and respected, which means building democracy for the future.

Analysis of Results and Effects

Too early to comment.

Lessons for Future Co-operation

Due to weak planning and reporting capacity in the government sector, channelling the support via multilateral donors such as UNDP and UNICEF can save efforts and time. The government, is nevertheless, hesitant to this.

2.5 Support to Civil Society for Peace, Democracy and Human Rights

Background

During the period 1998–2001 the support to local organisations and initiatives directly from the Embassy amounts to about MSEK 28. The number of organisations that receives support has varied between 25 to 40 a year.

The Embassy has worked with peace- and Human Rights organisations of a big variety. Some are Colombo-based think tanks and advocacy-organisations with solid expertise and academic reputation, others are local groups that couple development work with Human Rights awareness and activism. Some are focused on a particular problem, i.e. sexual exploitation of children or violence against women, while others are more general. Human Rights education has been supported as well as election-observation and voter-education.

Some organisations are focused on promotion of peace using different methods such as high-level dialogues, campaigns, theatre, intensive work with politicians, exposure and information etc. The work for a change of the constitution has been important in relation to the armed conflict.

Women's rights and child rights have been two prominent areas of support. The work against sexual abuse of children was supported by Sweden, through NGOs and later the newly set up National Child Protection Authority. Women's rights have been supported through advocacy and studies of various aspects of rights and violations. There is now a focus on violence against women, an area that is increasingly important and where capacity has to be built in the civil society and within the government.

Relevance

The work with Civil Society has been highly relevant since tangible achievements could be made even when it was difficult to work with the Government. The support has in many ways been complementary to the co-operation with the Government or has constituted efforts to push the Government towards compliance with Human Rights standards, has influenced the Government work with freedom of expression, the constitution, the peace process etc. The Embassy has benefited substantially through the contacts with Sri Lankan Civil Society that has given it a good exposure to the developments in the country. This support can also be adapted to the actual political situation, which means for instance that Sida has been able to approve crucial activities quickly, for example the monitoring of elections, the need to strengthen the work for Human Rights in a specific area during a limited period, etc.

Analysis of Results and Effects

Due to increased democratic space during the strategy period, the civil society has been able to increase its impact. The Swedish support is catalytic and a high capacity in implementation has been observed in Colombo based organisations. One weakness, however, is that Colombo based organisations tend to lack networks in rural areas.

Peace – With the engagement of Norway, the peace-process has moved forward since the arrival of the new government in December 2001. Organisations are reaping fruits of longstanding work to build popular support for peace. Even in the South, the peace-process is widely (but not fully) supported and the media is playing a more constructive role than before. The highly conflicting political culture of Sri Lanka has been tackled in several ways with Swedish support. Tangible results are opposing parties speaking from a joint platform during election-campaigns, conciliatory attitudes being more accepted as seen in opinion polls, growing awareness of the complexity of politics and the need for compromise. Sida-supported projects have created space for various political actors to dialogue on negotiations, constitutional change etc. Civil society has taken initiative in mine-action, as dealing with the mines is one prerequisite for a peace dividend to be experienced.

Democracy – The many elections and the work of the election-monitoring organisations around elections, the work on media, etc., has all contributed to a better understanding and awareness about political rights and how formal democracy functions. Vulnerable groups have been able to defend their right to vote. There is still much work to do on the understanding of a democratic culture in places of work, within education etc. Sida is looking for ways to strengthen a democratic culture in the LTTE-dominated areas.

Human Rights – The peace-process itself has lessened the amount of serious Human Rights violations. The general awareness and knowledge of Human Rights has grown as can be seen in reactions to violations. But it needs to be measured more professionally. The establishment of governmental structures to protect Human Rights has taken a big step forward during the last four years, and has been supported by Sida civil society funds (and other funding as well). The major weak points are now the institutions to uphold law and order and protect Human Rights, i.e. the police, the courts, the prisons and other similar institutions. The civil society is constantly putting pressure on these institutions to function. There have been visible results of one organisation's efforts to put the rights of HIV/AIDS infected people and consumer rights on the agenda. Child Rights have during this period gained more importance in the public debate while the rights of women and violence against women, are still met with silence.

Conclusions for Future Co-operation

The handling of the projects has not taken an unreasonable amount of time due to routine and skilful work by local programme officers. In fact, in relation to the effects, it is an efficient form of development co-operation.

It is necessary, however, to improve the monitoring of the organisations and also to constantly review the support as some activities become irrelevant with time. To build capacity and to develop more self-reliance are other areas of importance, although it is difficult with projects on Peace, Democracy and Human Rights. Civil society in Sri Lanka is in a process of change. Several well-known organisations in the area of peace and Human Rights are closing down or facing difficulties. New, more specialised ones are created.

The Embassy is preparing for a major evaluation of the programme, something that will be easier to do in the current political climate, compared to the earlier situation. The possibility to have further synergy effects of support to the government and civil society will be looked into as well as ways to focus the support. The conditions for complementary support to the government and civil society might change in the new political context.

Topically the programme now needs to be adapted with a view to strengthen the peace-process. Some of the projects are dealing with issues that will be even more important if the peace-process moves forward. Violence against women, work with ex-combatants and strengthening of democracy in the LTTE-dominated areas are examples.

3. Economic Development

Swedish assistance to promote pro poor economic growth has mainly been focussing on the private, infrastructure and financial Sectors. The objectives have been to contribute to an improved environment for the development of the private sector by reforming institutions and regulations, regional development including development of small businesses, strengthening the financial sector and improving the infrastructure. The effects of the projects on pro poor economic development are indirect and long-term.

3.1 The Private Sector

Background

Sweden supports numerous projects for the development of the private sector in Sri Lanka. The programmes are directed towards diversifying Sri Lankan export markets and products, capacity building of Chambers of Commerce and Industry, developing entrepreneurship, improving environmental management by the private sector, improving institutions involved in quality management and facilitating dispute resolution through arbitration.

Relevance of the Swedish Support

While the government of Sri Lanka considers the private sector as the engine of growth, its performance is yet poor due to various impediments.

The dependency on a few export goods and few buyers makes the economy vulnerable to external shocks. The Export Development Programme and the Quality improvement in fishery infrastructure provide a start in expanding the export market for Sri Lankan products.

Most Sri Lankan trade chambers are passive and have not been able to effectively lobby for the concerns of their members (especially at the regional level). Swedish support will address this through capacity and competence building for selected regional chambers.

The Sri Lankan private sector consists mostly of small and medium enterprises (SMEs) operating on traditional business practices not conducive for their development or for job creation. Thus, provision of training in entrepreneurship development for the existing businesses and potential start-ups is an absolute need. The SIYB has been able to provide these entrepreneurs with relevant skills for the development of their businesses.

Due to the high costs of mitigation and the lack of financial returns, environmental protection receives inadequate attention in Sri Lanka. The Swedish funded training programme on Environmental Management Systems for the Industrial Sector introduced cost-effective techniques of managing the environmental issues.

Analysis of Results and Effects

The Export Development Program was unsuccessful in diversifying the export market. The program was able to develop linkages in the garment sector between three Swedish and six Sri Lankan companies. The security concerns and the need for improvement in timeliness and quality of the produce, have contributed to the low performance. The consultancy firm created is yet to make a profit, but it has a good demand within the garment firms for in-house operational improvement. If sustained, the consultancy firm may improve the situation for the Sri Lankan garment companies in the long run.

The SIYB program trained 11 partner organisations that have provided training for approximately 1100 business people, over 50 percent women, on entrepreneurship development. Self-employment might prove an alternative route for the economic development of women, and the SIYB-program has paid special attention to the participation of women, as clients but also increasingly as trainers. During the pilot phase the partner organisations managed to recover on average 36 percent of total training costs directly from the clients, and the balance was put in by donors and other sources of funding. Two organisations managed on various occasions to recover 100 percent of the costs from clients. The material produced by the project has been well adapted to the local environment and has been very well received by its purchasers. Even though the number of entrepreneurs trained by the SIYB program exceeded initial expectations, it is too early to comment on the impact on employment and growth.

Subsequent to the EMS training program, nine of the participating firms have introduced EMS programs and found it useful in managing their environmental problems. Concerning the development of Strategic Alliances in the field of Environmental Technology, the Sri Lankan and Swedish parties have been identified, but work is yet to commence.

The fisheries sector has benefited from the adoption of relevant quality laws, establishment of an inspection mechanism, improvement of three fishery harbour sites, upgrading laboratories and training of trainers and fishermen. This has enabled Sri Lanka to be placed in List II for fisheries and aquatic resources product import of the European Union. A model hygienic fish handling system is being constructed at the Beruwala Fishery Harbour to improve the hygienic handling of fish. A model that is being presented to 13 other harbours around the island.

Other projects such as Development of Chambers of Commerce & Industry in Sri Lanka and ADB Private Sector Programme, are at various stages of commencement/completion and hence are too early to comment upon.

Conclusions for Future Co-operation

The private sector in Sri Lanka is yet to perform to its expectations, due to various impediments. The Swedish support should be geared to

facilitate for the private sector to gain its dynamism in order for it to become the growth engine so much desired by the Government, growth being a necessary condition for the reduction of poverty.

A number of policy, procedural and regulations restrict the flexibility of the private sector. Assistance to the private sector representative bodies, such as the Chambers, would provide the means for the private sector to lobby for desired policies.

A dynamic and competitive environment for economic growth must be underpinned by effective enforcement of competition and consumer protection policies. It is proposed that support is extended to the strengthening of a new authority dealing with these areas.

Support to the government needs to be extended to improve the regulatory environment in other sectors too, which would, while providing the necessary safeguards, create a level playing field with greater flexibility for the private sector.

Quality is a pre-requisite for a country's produce to be competitive in the international market. Sri Lanka desires Swedish assistance to improve quality assurance infrastructure. Support could be extended in this regard.

Given the slow growth of the economy and the poor performance of the private sector, support needs to be extended to training in entrepreneurship and expansion of growth oriented small and medium scale businesses.

3.2 Infrastructure

3.2.1 Road Sector

Background

The Swedish support to the road sector consists of two projects, namely the feasibility study of the Colombo-Kandy Highway and the road safety component of the Southern Transport Development Project.

Relevance of the Swedish Support

Since some of the reasons for poverty are isolation and stifled economic development due to lack of road networks, the current road policy seeks to build an integrated national highway network. The feasibility study is the first stage of developing an alternative Colombo-Kandy Highway to improve access in the areas it would pass through.

A substantial increase in road traffic and a deteriorating road standard has resulted in congested roads and contributed to steep increases in accidents. The development of highways would also increase high-speed accidents. As the vehicle population is increasing rapidly, it is necessary to address this by developing an action plan for road safety. The road safety project would develop systems and structures for road safety and create awareness amongst the road users on safety issues.

Analysis of Results and Effects

The feasibility study on the Colombo-Kandy Highway was completed in December 2001. The survey of two sections had to be abandoned due to protests from residents and will be completed after an agreement has

been reached with the relevant parties. Alternative traces have to be developed for two other sections due to the environmental and social unsuitability of the original alignment. The RDA, has not, in a satisfactory way, involved and informed the public on the new projects. It has furthermore not operated a market rate compensation system for the people who would be affected due to land acquisitions for the project. The co-ordination with other relevant organisations such as the Urban Development Authority was also poor. The study has put these issues on the table and demonstrated how they can be resolved.

The feasibility study has demonstrated the viability of the Colombo–Kandy Highway and RDA is preparing for the procurement of the detailed design. The design process has enabled the people who would be affected to express their views and has facilitated better co-ordination with agencies such as the Urban Development Authority.

The Road Safety project has just commenced and the results are yet to be seen. A strengthening of the weak Road Safety Secretariat will benefit general road safety situation.

Conclusions for Future Co-operation

Increased road infrastructure capacity is a key means of enhancing economic development as well as developing poorer regions of Sri Lanka. The sector's increased efficiency will require restructured organisations, institutional reforms, private sector participation and appropriate funding arrangements. The government of Sri Lanka, together with the Asian Development Bank, is preparing for a long term and broad Road Sector Development Project, including restructuring of the road sector (and bus services) as well as Community Access. Sweden has been requested to participate in this process by both parties.

In light of the importance of the development of the road infrastructure capacity in poorer regions, and Sri Lanka's explicit wish for Swedish support to the transport sector, Sweden should consider a continued and deepened support to the sector. However, such a support should involve, not merely road investments, but be geared towards the much-needed reform process, as well as road safety and transport services. These issues are all inter-related and relevant to address under one programme. Particular attention should be given to components which have a relatively direct pro-poor effect.

3.2.2 Power Sector

Background

The Swedish support to the power sector in Sri Lanka is concentrated to the rehabilitation of the Laxapana and Polpitiya Hydro power plants. Sweden also supports a 500-village rural electrification program and the second phase of institutional reforms of the government power sector institutions.

Relevance of the Swedish Support

At present Sri Lanka is experiencing power crises and utilises relatively expensive thermal power for the generation of power. The generators in the Laxapana hydro complex are over 40 years old, worn out and need to be rehabilitated in order to safeguard their economic efficiency and

environmental safety. To make the sector more dynamic, environmentally sustainable and responsive to emerging needs and develop specialisation to improve the quality and reliability of the service, reforms are needed. These are needed also to reduce the ongoing deforestation, which is driven, among others, by a widespread lack of adequate energy sources. The increased reliability of the supply of electricity in the villages contributes to an improved standard of living for the villagers through better access to health care, education, information and increased service level in for example schools.

A reliable power supply is a precondition for an expanding private sector and the engine to economic growth and development in the long term in rural areas. In rural areas in Sri Lanka many families are dependent of the army as employer. It is important to promote alternative initiatives that employ rural inhabitants.

Analysis of Results and Effects

Sida assisted projects are yet to complete or commence implementation and hence it is too early to assess the results of the support.

Conclusions for Future Co-operation

The WB, ADB and JBIC are the main actors in the power sector in Sri Lanka and are playing an active role in the development of the power infrastructure and in the reform of the power sector institutions in the country. The major focus of these donors in terms of power infrastructure are assisting the government of Sri Lanka in its endeavours of complete electrification of the country through grid connected and off-grid systems in the rural areas and the improvement of the transmission and distribution network. In terms of generation, the government of Sri Lanka has placed greater reliance on the private sector to augment the generation capacity.

Therefore, a possible role for Sweden in the power sector in the future could be limited to technical support via the ADB to strengthen the reformed organisational structure to enhance the effectiveness of the reform process. Support to financing of investments in the power sector can be considered on ad hoc basis with the concessionary credits and Sida-guarantees.

3.2.3 Financial System

Background

The Swedish support to the financial system has been mainly directed towards its regulators, the Central Bank of Sri Lanka (CBSL) and the Insurance Board of Sri Lanka (IBSL). The assistance to the CBSL and IBSL seeks to improve their technical competence through a twinning agreement with Riksbanken and the Finansinspektionen. The CBSL is also assisted through a High-level Training Program to conduct training programs and seminars to improve the knowledge of Central Bankers and the financial/banking community. Sweden is also co-financing the restructuring of the CBSL together with the World Bank and providing credit to the National Development Bank to enable Sri Lankan industrialists to obtain Swedish machinery and equipment at a lower cost.

Relevance of the Swedish Support

The Banking Supervision Department of the CBSL has to have qualified bank supervisors that meet international standards of supervision. The twinning program between CBSL and Riksbanken has provided CBSL with assistance in this regard.

The banking sector in Sri Lanka has been undergoing substantial reforms since 1990. While such measures were being taken it was also considered prudent for the CBSL to divest of its non-core activities such as exchange control, public debt management and the management of the Employees Provident Fund and to concentrate on core activities of the Central Bank such as price stability and financial system stability. Sweden will co-finance with the World Bank the Central Bank Strengthening Project, and will assist in the retraining of the staff in the core activities of the CBSL.

The IBSL is a year old agency overseen by the Securities and Exchange Commission and is responsible for the regulation of the industry. It does not yet possess specialised staff for insurance supervision except for hired actuaries. Thus, it needs to be strengthened in terms of off-site and on-site supervision to be able to maintain the confidence of the public in the insurance sector. The twinning arrangement between IBSL and the Finansinspektionen would provide the IBSL with the experience of how to develop a suitable supervision and management system.

The cost of borrowing in Sri Lanka is very high due to high interest rates. This is mainly caused by the persistent high budget deficits run by the government and the need for it to borrow from the market, pre-empting funds available for the private sector and thus further increasing the cost of borrowing. In addition, most credit offered by the banking sector is short-term in nature, making it difficult for borrowers to match their asset's revenue payback and repayment periods. Taking this into consideration Sweden has provided a loan to the National Development Bank, which would enable business concerns to import Swedish machinery at a lower cost of capital with relatively longer repayment period.

Analysis of Results and Effects

The twinning program between the CBSL and the Riksbanken, facilitated the exchange of officers between the two institutions and has enabled the CBSL to develop its Banking Supervision section considerably. Due to usefulness of the program to CBSL and the Riksbanken's appreciation of the professional approach of CBSL, both parties have agreed to continue implementing the program during 2002.

Under the High-level Training Program, five seminars/workshops have been held, the last one being a workshop on financial sector reforms held together with the IMF and the stakeholders in the financial sector. It is too early to comment on the effects of the seminar series.

The World Bank led restructuring program, the twinning program for IBSL and the credit program with the NDB are at the initial stages and it is therefore premature to analyse their results.

Conclusions for Future Co-operation

The financial sector in Sri Lanka operates in a highly regulated environment constraining it from performing with greater flexibility. Thus, the regulators of the financial markets such as CBSL and IBSL need to be

supported to enable them to create an environment of greater flexibility, while ensuring stability. The twinning programs with regulators have been successful in transferring knowledge and thus need to be continued.

Reforms are necessary in the financial sector to improve the dynamism of the sector. These measures would include policy development support, facilitating a larger role for the private sector financial institutions.

3.2.4 Concessionary Credit Projects

Sweden has assisted in the modernisation and upgrading to recommended international standard of six lighthouses in the Southern coastal area and the base station at Colombo. In addition, Sweden also assisted in the expansion of the telecommunication network in the Galle area.

Relevance of the Swedish Support

The increased traffic along the sea routes off Southern coast of Sri Lanka by for example oil tankers necessitated ensuring the safety of ship navigation in order to avoid oil disasters and other accidents. The lighthouses are also important for the local fishermen. Thus, the modernisation of the lighthouses along the South and Western coastal areas of Sri Lanka were supported with the installation of modern marine aids such as light beacons, radar beacons and DGPS systems.

Telecommunication is an integral requirement in today's world and it contributes immensely to economic development by bringing the world closer. As the Galle area was deficient in sufficient telecommunication infrastructure, Sweden supported the provision of this important facility, as the area is also in need of employment possibilities for unemployed rather well educated young men. Access to telephones increase the possibilities to communication and information exchange with other areas of the country and with for example relatives abroad.

Analysis of Results and Effects

The installation of the items was completed as planned and the lighthouses are functioning well. The transfer of knowledge in respect of light beacons and control systems were satisfactorily carried out. The transfer of knowledge concerning the DGPS system and the monitoring system needs improvement.

The telecommunication network in the Galle area was expanded by 1800 subscribers through the Swedish support and is functioning well.

Conclusions for Future Co-operation

Financing of important investment projects with concessionary credits and guarantees can be considered on ad hoc basis, examples of possible projects to be scrutinised are:

The northern and eastern parts of the country also have a number of lighthouses which have not been operational due to the security situation in these areas. These lighthouses will become essential with the dawning of peace as the sea area is used for fishing and commercial purposes.

Communication with the northern parts of the country has been greatly constrained due to the poor state of the telecommunication infrastructure. It would be desirable to develop the telecom infrastructure in this region based on wireless local loop technology, due to the flat terrain and the relative speed with which the facility can be brought into operation.

4. Education

Background

Sweden assisted Sri Lanka in developing disadvantaged primary schools in selected districts under the Primary Schools Development Program. The program was expected to lead to an increased knowledge in the mother tongue and mathematics for grade 1–5 students, increased participation amongst the age group of 5–14 and remove inter-school disparities.

Relevance of the Swedish Support

The project targeted schools in remote areas lacking basic physical facilities and with poor motivation amongst teachers and a high dropout rate amongst children. The project served to improve educational attainment. Children from the most socially and economically disadvantaged families benefited from the project.

Analysis of Results and Effects

Through the project, 616 schools were either founded or rehabilitated and training was provided to teachers since less than one-third of them had any formal training in primary education. Schools principals were also trained to improve the effectiveness of the program. As the negative attitude amongst parents had to be overcome, the active participation of the community was sought in the implementation of the program.

The program has led to several improvements, especially in the plantation areas. These have been: a reduction in the dropout rate, decrease in the repetition rate, a lower student-teacher ratio and a higher pupil attendance. Although some improvements have also been made concerning performance in both mathematics and mother tongue, along with reduced teacher absenteeism, they are not significant.

The enrolment rate has decreased over the years. This, however, seems to be an island wide phenomena due to improved family planning measures. One of the biggest concerns is the lack of adequate funds allocated by the Government of Sri Lanka to maintain the upgraded infrastructure. Sri Lanka has, however, recently addressed this problem by creating a separate budgetary provision for this specific issue.

Conclusions for Future Co-operation

In the plantation areas students who have reached the highest classes in their schools (grade 5), find that they are unable to continue their studies

due to lack of schools that go beyond grade five. The government has requested an upgrading of the previously Sida assisted schools in the plantation areas up to grade 9, which is also in line with the present education policy of ensuring an increased participation rate amongst the 5 –14 age group. This request could be considered.

5. Research Co-operation

Background

Sida's support to Sri Lankan research started 1976 with main contributions to natural sciences and technology. Preparation of the current agreement period (2000–2002) included development of social sciences and ICT to be further encouraged by Sida. This led to support to two new social science projects, and the introduction of Sri Jayewardenapura and Kelaniya universities to the research co-operation program. An ICT project was designed to improve network infrastructure at the universities of Colombo, Ruhuna and Peradeniya, National Science Foundation, and research institute NARA.

Policy decisions proceeding the current agreement period included a shift towards emphasis on universities, as supposed to earlier supported research institutes. The prioritisation is mainly based on Sida's ambition to assist development of research and higher education, where the two are a coherent system with mutual benefits. The shift in prioritisation was also caused by projects at universities to have been more successful in Sri Lanka (Sida Evaluation 96/39). As a consequence, twelve university projects get support during the current agreement period. Administration is done by, and funds are channelled through the University Grants Commission. Support is also given to the National Science Foundation and the aquatic research institute NARA.

Relevance

Capacity for research and higher education is by Sida regarded as essential for the long-term provision of qualified manpower. The ambition does also include strengthening the role of universities as a centre of culture and intellectual exchange of opinions. This is because universities have an exceptional and very important function in a country like Sri Lanka where the peace-process and structuring of society are serious considerations.

Analysis of Results and Effects

Results within research co-operation are on several levels. Student graduates and research reports are produced in satisfactory amount and quality in all the projects. Some of the projects are highly productive even by an international comparison. Advantages from the co-operation with a Swedish research institution are in most cases obvious. Support to

University Grants Commission is important not just for UGC as an organisation. UGC is also important for Sida and the Embassy in Colombo, functioning as a link for information.

Conclusions for Future Co-operation

In light of the above stated relevance, support to research capacity building at universities is a correct prioritisation by Sida. Continuing development of ICT-infrastructure is important for the entire university system, but preference should be given to the rather isolated University Jaffna.

6. Humanitarian Assistance

Background

The objective of Sida's humanitarian assistance is to save and protect human lives and to alleviate the consequences of armed conflicts and natural disasters in such a way as to reduce vulnerability, strengthen the local coping capacity and enhance durable solutions including the prevention of armed conflict.

Sida has contributed to humanitarian assistance in Sri Lanka during 1998–2001 with a total amount of 80,386 MSEK through the UN system, the International Red Cross Committee (ICRC), Swedish NGOs and the Government of Sri Lanka (GOSL) as below.

Organisation	1998	1999	2000	2001	Total
ICRC	5,000	6,000	6,000	7,000	24,000
UNHCR	8,000				8,000
UNICEF	7,500	7,375	10,000	6,500	31,375
UNDP	1,900	1,900			3,800
FAO			1,500		1,500
MSF	2,700	1,031	2,000	2,800	8,531
LPI/IPF			0,500	0,200	0,700
OPC				0,650	0,650
PMU-Interlife				0,450	0,450
SRK				0,700	0,700
Total	25,100	16,306	20,000	18,300	79,706

UNICEF (United Nations Children's Fund)

Background

A consequence of the armed conflict is that entire generations of children grow up in an environment of war, violence, stress and trauma. In the north and east alone there are approximately one million under the age of 18.

As from 1997 UNICEF entered into a programme for Children Affected by Armed Conflict (CAAC) in support of special protection and psychosocial support and capacity building of implementing counterparts. The programme has focused on activities within the sectors of education, child protection and promotion of psychosocial rehabilitation,

health, nutrition, water and sanitation, early childhood care and development/social rehabilitation, special protection, relief assistance and advocacy for children's rights.

Outcomes, Results and Effects

In the education sector catch-up education has been provided in the north and east to several thousand children every year, thousands of teachers have been trained and a great number of temporary schools been constructed or renovated. Mine risk and mine awareness education has been given to government, NGO staff, student and community members. Several thousand health volunteers, public health staff and midwives have been trained in maternal and primary care, HIV/AIDS prevention and malaria control, and health equipment and supplies has been provided. Nutrition surveys have been conducted and supplementary feeding been given to mal- or undernourished children. Wells and latrines have been constructed and repaired in villages, refugee camps and schools and for displaced families and resettlement villages. Special psychosocial support has been given through schools and community. Displaced families in hundreds of thousands (175 000 during 2001 only) have been provided with essential supplies including school uniform materials and school kits and construction of temporary shelters, latrines and wells. Through a special agreement with the LTTE monitoring of child soldier recruitment and back-to-school activities of child recruits have been conducted. In 2001 more than one million people were reached with the message of "children as zones of peace" and child rights through media campaigns, information materials and workshops.

Relevance

The UNICEF assistance has in part resulted in the breaking of isolation, promotion of normalisation in continued schooling and support to maintenance of water and sanitation, health relief and improved health status for women, and special protection for particularly war affected children. Mine awareness education is relevant for improved income generation as well as for improved community security.

Conclusions and Lessons Learned

The outcome of the UNICEF CAAC programme has been relevant for the target group in a setting related to protection and security of the target group, humanitarian needs based on a children's rights and mitigation of conflict tensions in Jaffna and the north and east. Through the training of government staff, staff of schools, school children, health workers and voluntary social workers the local capacity to cope have been strengthened and sustainability of durable solutions for the future been enhanced. DFID (UK) with participation of Sida is carrying out an evaluation of UNICEF CAAC. The results of the evaluation will be known towards mid-end 2002.

FAO

Background

Sida decided in 1998 to support the resettlement of conflict affected farmers in the Jaffna peninsula through FAO. Lengthy planning and

preparation from the FAO side and administrative hindrances from GOSL resulted in substantial delays for implementation. As the project took off by 2000, access in Jaffna was not possible any more. Redirection of project activities to farmers resettlement in the north proved untimely and difficult. Sida decided therefore to discontinue the project as from mid 2001.

Outcomes, Results and Effects

Sida funds have been utilised for the purchase and distribution of vegetable seeds and fruit seedlings to 4 000 vulnerable farm families in Vavuniya and Mannar districts and training in horticultural production techniques. Sida's monitoring of project implementation has focussed on FAO capacity and project management.

Conclusions and Lessons Learned

Sufficient monitoring capacity and high quality project management is needed in order to be successful in implementation of projects in complex conflict situations. Relevant analysis of the situation, actors involved on different levels and active coordination with the international community and other humanitarian actors will also be decisive factors. Sida has entered into dialogue with FAO in order to pursue these issues and draw lessons for the future.

UNDP

Background

Social and building infrastructure in the peninsula of Jaffna has been severely damaged by armed conflict. Lack of health facilities for the population of Jaffna has led to increased mortality and morbidity rates, primarily in the rural areas. At the request of the GOSL, UNDP undertook a project to rehabilitate rural health in Jaffna with Sida assistance, in the years 1998–2000. The project included emergency transport service, training of health and administrative staff, improvement of sanitary conditions, water and electrical systems and provision of basic equipment.

Outcomes, Results and Effects

Through the project five ambulances and 12 electric-kerosene refrigerators were delivered to district hospitals and the hospital in Point Pedro. Small-scale support operation services were given, like provision of generators to rural hospitals and rehabilitation of rural water and electricity schemes. Small-scale premise rehabilitation was done in damaged or non-maintained rural hospitals and health institutions. Prioritised medical equipment was provided and refresher training for health staff and public health administration staff was conducted. A number of rural planning workshops were run during the planning and implementation phases of the project in order to secure local ownership and identification of problems and solution with the participation of local stakeholders. Direct target beneficiaries were appr. 50 000 and indirect beneficiaries 450 000, i.e. the majority of Jaffna inhabitants at the time.

Relevance

The inputs delivered by the project have contributed to improved access to health services in Jaffna and to build institutional and local community level capacity for development through participatory approaches.

Conclusions and Lessons Learned

Positive fulfilment of delivery existed in all project areas. It is believed that the project might have encouraged a community-based bottom-up development, built a sense of ownership and stimulated local people to plan and implement development programmes by themselves. In addition, access to improved health services is believed to have a positive impact on conflict mitigation in the area. A strong project management and monitoring from a permanent UNDP health coordinator stationed in Jaffna during the project implementation certainly has added to the success of the project.

UNHCR

Background

The conflict has caused refugee-movement, primarily to India, but also large-scale internal displacement. While UNHCR's operation in Sri Lanka started by the assistance to refugees returning from India in 1987, its' work has increasingly been focused on the protection and assistance to the about 800.000 internally displaced.

Outcomes, Results and Effects

UNHCR has worked with protection and assistance to the affected populations and host communities. Its field-presence and capacity to monitor the movements of IDPs and refugees is good. UNHCR has worked with concerned authorities, the Government as well as the LTTE, to promote solutions to the problems of the IDPs. It has run Open Relief Centres (that is a form of organised refugee camps) in areas with a large displaced population. In 1998 a special effort was made in Jaffna, together with FAO, to assist people returning from displacement. UNHCR has had the ambition to provide durable solutions and has started a number of micro-credit projects among IDPs and returnees.

Relevance, Conclusions and Lessons Learned

UNHCR has the capacity to swiftly address immediate needs of newly displaced and to provide a certain level of protection. UNHCR has been highly involved in advocacy on issues such as access to populations, the transport of relief-items and security, with some success because of the field-presence.

In a conflict situation the leadership of an Agency such as the UNHCR must be able to play an advocacy role. From 2000 to 2002 the post as Resident Representative in Sri Lanka was vacant.

The coordination and division of labour between ICRC and UNHCR is also important.

ICRC

Background

The ICRC in Sri Lanka has focussed its activities on conflict affected areas, particularly in the Vanni, the Jaffna peninsula and the Eastern Province.

Outcomes, Results and Effects

ICRC has assisted the internally displaced civilians and resident populations whose lives have been disrupted by fighting. It has escorted convoys of food, supplied residents and displaced populations with shelter and basic necessities, restored contact between dispersed family members, operated a shuttle service by sea to create a link between the Jaffna peninsula and Trincomalee, taken measures to protect civilians in the fighting areas from violations of international humanitarian law (IHL), secured access to basic and specialised health care for populations in conflict areas, protected persons in detention in connection with the conflict from abuse in accordance with IHL and trained army and police force in IHL principles. It has also transported dead combatants across the defence-lines.

Relevance

The neutrality and impartiality of the ICRC has enabled it to build trust with both fighting sides and to reach out with extensive field presence. This has enhanced its effectiveness of its protection and relief activities for civilians in conflict areas.

Conclusions and Lessons Learned

Through its position of trust from both sides the presence of ICRC contributes to improved community security and to protection of civilians affected by armed conflict, conflict mitigation and access to affected civilians that would otherwise not have been reached. The parties to the conflict have increasingly taken note of, and respected IHL.

MSF-F

Background

The objective of the MSF projects in Madhu, Murunkan and Jaffna have been to ensure access to health care for internally displaced persons and other conflict affected populations, by strengthening existing health care systems and substitute for it where it has not existed.

Relevance, Outcome, Results and Effects

Through surgical and paediatric services the mortality of populations has decreased. Vaccination of children and supplementary feeding of undernourished refugee children has contributed to higher health status of the beneficiaries. MSF presence in the areas has meant improved security for the civil population.

Conclusions and Lessons Learned

Sida has positive experience from MSF-F operations in Sri Lanka. In case of an enduring peace agreement between GOSL and LTTE, the responsibility of the services upheld by MSF should be taken over by GOSL.

Background

Life and Peace Institute (LPI) in Uppsala has in co-operation with Inter religious Peace Foundation (IPF) in Colombo given support to a confidence building project with the objective of providing a forum for inter-ethnic and inter-religious consultations to find new ways to transform the conflict into peace building.

Outcomes, Results and Effects

Three consultation seminars have been held, one in Kandy (50 participants) and two in Uppsala, with some 20–25 participants present at each seminar. Participants have been inter-ethnic and inter-religious leadership, grass root groups and representatives from the Tamil diaspora.

Relevance

Confidence building measures and dialogue promotion initiatives are most needed to promote the peace process in Sri Lanka. The LPI initiative has been complementary as well as additional to other initiatives.

Conclusions and Lessons Learned

Information from the Swedish Embassy in Colombo of the situation on the ground has been important and necessary for the understanding of Sida regarding timeliness and potentials for the project to have a positive impact on peace building.

PMU-Interlife and the Swedish Red Cross (SRK)

Sida has supported PMU Interlife assistance for victims of flooding (2001) through PMU co-operation partner in central Sri Lanka and SRK for drought victims in the south (2001) through the Federation of Red Cross Societies.

Relevance of the humanitarian assistance, conclusions and lessons learned

The humanitarian assistance in Sri Lanka has been a prerequisite for survival for many internally displaced persons (IDPs) in conflict areas, particularly in the north. GOSL food rations to these groups have at times not been sufficient in number, nor acceptable nutrition wise. The restrictions imposed by the army of access and transport of food and commodities into the areas has left the thousands of IDPs and residents in the north and east dependent on international humanitarian assistance for subsistence, health care, schooling and minimum living standards. The presence of humanitarian organisations in the area has also contributed to improved security and to ease the conflict tensions. Efforts to uphold schooling (UNICEF) in spite of ongoing armed conflict will have mitigated the loss of education for a generation of children. The ICRC vessel shuttle for acute cases and patients with chronic diseases in Jaffna for care in Colombo have saved lives and have given example of humanitarian action.

The Swedish humanitarian assistance has been given either as part of large programmes where Sweden has been one of several donors (ICRC, UNICEF) or as bilateral donor (UNDP/Jaffna health, FAO, MSF). In both cases the importance has been noted of the need to coordinate

interventions with other humanitarian actors, not the least with the UN system, and within existing national frameworks. Certain unwillingness among the UN organisations to coordinate, over and above information sharing, has been noted, while ICRC and MSF have been active in taking coordination lead within their sectors.

The importance of collecting information and sensitivity in analysing gathered information in complex situations is another lesson drawn. The need of having extended field presence for monitoring in order to be successful in complex conflict situations has been demonstrated. FAO failed to meet both these needs.

Chances for sustainability and durable solutions are promoted by local participatory planning approach (UNICEF, UNDP Jaffna health) while external consultancy dominance might jeopardise it.

The assistance has been relevant with respect to the Sida strategy for co-operation with Sri Lanka.

Future humanitarian assistance

Work within the National Framework for Relief, Rehabilitation and Reconciliation in Sri Lanka (RRR).

Priority areas for Sida support in view of Sida strategies and Sida humanitarian policy:

- Return and rehabilitation of IDPS (e.g. income generation/fishery and agriculture, employment, improvement of houses and infrastructure, access and strengthening of schooling and social services in host communities for returnees)
- Humanitarian demining
- Demobilisation, Disarmament and Reintegration (DD&R)
- Continue humanitarian relief assistance in areas not yet accessible for normal food and goods provision.
- Preparedness to support local windows of opportunities for peace building

In principle, information on exit strategy for humanitarian assistance should be given in Sida decisions for humanitarian assistance with a view either to terminate the project/input after completion or to propose phasing in into long term development assistance funded by Sida, GOSL or other sources.

7. Co-operation with Swedish NGOs

Background

Six Swedish NGOs with frame agreements with Sida, have received funds for programmes carried out during 1998-2001. (Minor contribution to Save the Children and Swedish Mission Council included only in the financial report). The programmes are partly financed by Sida, up to 80 %, and partly by the Swedish NGOs, a minimum of 20 %. The total amount utilised for the related period is 30,554 MSEK, divided as follows:

Organisation	1998	1999	2000	2001	Total
Diakonia	1,061	2,007	2,306	1,894	7,268
Swedish Cooperative Centre	1,000	0,750	0,700	0,596	3,046
SHIA	2,322	1,764	1,569	1,424	7,079
PMU Interlife	1,761	1,209	1,281	1,062	5,313
LO/TCO	-	0,106	0,704	-	0,810
ForumSydLOGT/NTO	1,309	1,711	1,627	1,981	6,628
Save the Children	0,240	-	-	-	0,240
Swedish MissionCouncil	0,048	-	0,122	-	0,170
Total	6,564	5,889	6,682	6,957	30,554

The main sectors receiving support through these NGOs are Human Rights promotion and democracy building (30%), and education (20%), other sectors receiving support include health, social infrastructure and agricultural. The support to democracy development and Human Rights promotion has increased during the four year period, with a 50 percent increase only in 2000. Support to health projects have varied during the period, with a substantial peak in 2001.

Mobilising, empowering and strengthening the capacity of vulnerable groups to address their problems and needs, as well as improving the competence of community organisations, have been the main goals of the Swedish NGO-support. The effected groups include women, minorities, estate workers, disabled persons and destitute rural and slum population. Projects working with environmental issues have also been emphasised.

Analysis of Results and Effects at Sector Level

The planned outputs are reported to have been achieved in most of the projects. Certain difficulties have been encountered in the implementation of some projects in the Jaffna peninsula, due to problems with monitoring and visiting the area.

Mobilising communities to establish and strengthen saving and credit systems, as well as skill training and training in how to start income generating projects, have led to higher economic standards amongst vulnerable groups. It has also allowed them to have a more balanced income, spread over the entire year.

Programmes aiming at promoting equal access to information, education, employment and social life for disabled persons are reported to have raised awareness among policy makers, implementers, the general public and the disabled. A notably more positive attitude towards organisations among young disabled is presumed to be the result of the Sri Lanka Sweden Youth Exchange Programme started in 2001. The programme is also considered to have led to the creation of three women's organisations and the re-activation of two parents' organisations.

In the Estates where health training has been conducted there has been a considerable improvement in health conditions and a decrease in common diseases. The rural development and environmental awareness SCC-project, in the Nuwara Eliya and Badulla District is now managed by a local organisation, without Swedish funding.

One program, for child protection and sexual abuse, was forced to close down, due to internal problems in a partner organisation. Despite this, it is reported that there has been an increased awareness about children at risk amongst actors working with children's issues.

There have also been efforts to support and found networks between different organisations. As a result of this co-operation, many organisations have improved capacity and ability in terms of lobbying and responding to the needs of their target group. This is considered as having had a favourable impact on the strengthening of civil society.

Analysis of Results and Effects at NGO Level

IOGT has carried out evaluations on all programmes between 1997-2000. The evaluations concluded that the save- and credit systems needed more monitoring. Since then more emphasis has been put on the technical part as well as on sustainability. It also indicated the need for more capacity building of the CBOs, closer contact with authorities, as well as strengthening partner organisations to better channel other funds.

PMU has evaluated its Human Rights projects. The evaluations indicated that there has been an impact on society, but stressed the need for beneficiaries to form their own organisations, as well as introducing income generating activities for target groups.

SCC (Koooperation Utan Gränser) has evaluated two of their three programmes. The evaluation of the largest programme highlighted the need of establishing a steering committee and further training of the project staff. Both recommendations are reported to have been fulfilled.

Diakonia has carried out evaluations of activities on the east coast. These indicate the importance of involving and engaging participants from all ethnic communities, in order for them to come to the realisation that they share the same problems.

SHIA is planning to carry out an evaluation during 2002.

Conclusions for Future Co-operation

The assessments made by Swedish NGOs, reflect the difficulties encountered in Sri Lanka due to the ongoing conflict. Carrying out development work has in many cases even been dangerous. Many Swedish NGOs express the need for flexibility in their long-term planning, due to the security situation in the country. Once peace prevails, the organisations foresee work being extended to the northern and eastern parts of the country. With the establishment of a lasting peace, SHIA is proposing the creation of a national network, where it has offered its expertise on disability matters. SCC, on the other hand, is phasing out its commitments in the country. Finally, Forum Syd is noticing an increased interest from organisations wanting to re-start or commence co-operation in Sri Lanka.

It is also necessary to underline the importance of supporting programmes aiming at mobilising and linking the village people (Sinhalese) with the estate villagers (Tamil). Such work will promote contact and co-operation over ethnic, social and economic boundaries, and create a mutual understanding once peace arrives.

The role of an enlightened, educated and organised civil society, which has the ability to demand a more just and fair treatment, is also emphasised.

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Democracy and Peace							
Project, Decision	Sector Objectives	Project Objectives	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure	Comments
National Peace Council (NPC) 98 – 0 48/99 – 800,000 38/00 – 682,000 51/01 – <u>1,125,000</u> <u>2,607,000</u>	Peace/democracy See a negotiated political settlement give birth to a peaceful and politically structured Sri Lanka in which the LTTE is an integral part of the solution and the national aspirations of all sections of the people are met.	To create the environment, political will and capacity for a negotiated settlement to the conflict, to address post conflict issues to enable sustainable peace through raising awareness, advocacy, training of local politicians, research and initiating dialogue, and strengthening the capacity of NPC to carry out the above.	An evaluation of the NPC work funded by Sida has not been done.	* To commence and continue with the programme the cost of war and finalise a publication on it. * Institutional support to the core programme. * Peace and conflict resolution education programme. * Conflict resolution and good governance capacity building in local government bodies. * Local level peace initiatives. * Institutional support	* The publication on the Cost of War was researched and published which is used as a tool for advocacy by many. * Seminars and workshops held on peace, conflict resolution, human rights etc... conducted in Deraniyagala, Trincomalee, Wellawaya, Colombo, Matara, -Support given to the People's Peace Front. -Institutional costs borne.	* '99: SEK 725,000 (46.2%) * '00: SEK 682,000/= (27.3%). * '01: 1,125,000 Expenditure 935,870/=. Deficit carried over to 2002. In 2001 Sida's allocation was 66.6%.	There was a change in the structure of NPC due to key personnel leaving the organisation in mid 2001. Sida will continue to partner them in 2002 and see how the organisation stabilises and the role it will play in the future.
Women In Need (WIN) 1998 – 50/99 – 292,240 52/00 – 250,000 41/01 – <u>318,000</u> <u>860,240</u>	Gender * The overall improvement in the social position of the women. * Eliminating domestic violence and all forms of violence against women and children. * Empower women to be their own decision makers * To provide a supportive environment to facilitate women's growth towards self-reliance.	* Provision of basic legal assistance, emotional, financial support, counselling and temporary accommodation to women and children.	* The number of women seeking assistance has been on the increase. * Those seeking redress only amount to a tip of the iceberg in relation to the actual incidents of violence and abuse of women and children according to reports on abuse of children and women. * The number of women from wealthy socio-economic backgrounds seeking assistance is on the increase according to WIN	* Running drop-in centres and shelter for women and children needing assistance in Kandy, Colombo and Matara. * Providing emotional (counselling) and legal support to women and children referred to by the police and hospitals	* These shelters and drop-in centres have been functioning successfully.	* '98: 0 * '99: 278,131 (95%) spent of the total disbursed. balance carried forward. * '00: of the balance brought over and the disbursement, entire amount spent. * '01: entire disbursement spent.	* WIN has some of the few drop-in centres and shelters available for women and children in Sri Lanka. * Oxfam part funded the Matara crisis centre from 1999 – 2000. * Sida supports WIN in 2002 as well.

Democracy and Peace							
Project, Decision	Sector Objectives	Project Objectives	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure	Comments
People's Action for Free and Fair Elections (PAFFREL) 1998 – 61/99 – 88,000 37/00 – 244,000 162/01 – 346,000 <u>678,000</u>	Human Rights/ Democracy Ensuring a free and fair election in Sri Lanka.	Monitoring of elections and develop capacity among the citizens on critical issues of the elections.	* An evaluation has not been done of PAFFREL's work funded by Sida.	* Organise public hearings and invite representation from citizens on critical issues concerning elections * Training monitors and monitoring of elections in 2000. * Developing of civil society at the grass roots to organise a citizen's watch in their respective areas to ensure free and fair elections. * Monitoring of elections by International team, in 2001, and presenting observations to Elections Commissioner.	* The public meetings were held and the monitoring done in 2000 inclusive of international monitors. * Developing civil society to organise citizen's watch is continuing in 2002 as well. * Observations of international monitors at the elections were presented to the Elections Commissioner.	* '98: 0 * '99 total Sida disbursement of 88,000 has been spent (99%). * '00 251,153/= been spent, of Sida disbursement of 244,000/=. The deficit has been borne by PAFFREL. * '01: 346,756/= has been spent, of Sida's disbursement of 346,000/=. The balance has been borne by PAFFREL.	The funders to PAFFREL include Asia Foundation, German Embassy, National Democratic Institute, NORAD, INFORM, British High Commission, National Conference on Religion and Peace, Embassy of Japan.
Kundasale Community Development Foundation (KCDF) 1998 – 51/99 – 324,000 46/00 – 286,000 42/01 – <u>317,370</u> <u>927,370</u>	Helping to upgrade the human rights of women and their families in the estate sector.	Protecting human rights of women including middle east returnees in 20 selected tea estates in the Kandy District.	* Some women have not gone to the Middle East as a result of the awareness of how women are treated there. * Families (especially women) are aware of their rights and are gradually standing up for them in practical ways such as lobbying for schools that have closed due to less number of children attending - to be reopened, insisting that children can go to school despite not having identity cards etc.	* Awareness building programmes on human rights for over 1000 women. * Awareness building programmes for more than 300 estate authorities, trade union leaders, law enforcement officers, administrative officers, and local politicians. * Awareness workshops for Middle East returnees.	* These programmes have been conducted in all planned areas reaching approximately the desired number of women. * The programme with some estate authorities was not successful although most of them were conducted. The local politicians and law enforcement authorities have given their support having been empowered. * Workshops for Middle East returnees too conducted.	* '98: 0 * '99 and '00: Sida's disbursement 610,000/=. Total of which has been spent. * '01: Sida's disbursement 317,370/=. Expenditure 317,125/=(99.92%).	Many of the estates that KCDF works in are not functioning anymore. KCDF remain the only if not one of the few organisations working with the people in these estates. The work consists of social mobilising and assistance with revolving loans as well (loans funded by other donors)

Democracy and Peace							
Project, Decision	Sector Objectives	Project Objectives	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure	Comments
Law and Society Trust (LST) 1998 – 59/99 – 380,000 32/00 – 410,000 39/01 – 510,000 <u>1,308,000</u>	Human Rights * Reflect on the Country's own human rights standard and examine how the community should respond to new challenges and problems that are faced presently and in the future.	* Disseminating information on the status of human rights in the country.	* How well the documents are distributed and have an active readership has not been clearly established through an evaluation of the work by Sida.	* Printing of the annual Sri Lanka: State of Human Rights report * Printing and distribution of monthly issues of the Law and Society Trust Review in Sinhala, Tamil and English.	All documents were+F67+F56 published and distributed * Sri Lanka : State of Human Rights * Law and Society Trust Review.	* '98: 0 * '99: 380,000 disbursed and spent in full. * '00: 410,000 disbursed and spent in full. * '01: 510,000 disbursed and spent in full.	State of Human Rights are reportedly well received and sought after by researchers, scholars and activists in the field of human rights both in Sri Lanka and abroad. It is also a document though which they lobby to influence policy changes.
Centre for Policy Alternatives (CPA) 1998 – 73/99 – 317,400 35/00 – 276,000 53/01 – 384,310 <u>977,710</u>	Human Rights/ Democracy/ Peace * Advocating Legal and constitutional reform and a transparent, viable constitutional change that effectively ends the protracted ethnic conflict in the country.	* Promote imaginative and creative constitutional mechanisms to deal with sensitive issues such as the unit of devolution, Tamil homeland, nationality, local government etc. * Legal and constitutional reforms through studies, seminars, conferences and publications and advocacy of constructive public policy alternatives, lobbying with key decision makers	* Some key legal reforms have been achieved – the clout of the National Child Protection Authority, Human Rights Commission etc. being reformed as a result of the seminars, research and advocacy.	Some of the workshops on constitutional and legal reform that were planned: * Role of the Ombudsman * Regional Meeting of Consumer Societies * Workshop on decriminalising of homosexuality. * Child labour * 20 years of the Prevention of Terrorism Act * HIV/ AIDS and Human Rights * Seminars on the conflict and peace analysis programme - Responsibility of the minority parties - Responsibilities of civil society - Structural process of negotiations	* All mentioned workshops and seminars were conducted to divers members of civil society, parliamentarians etc. * Publications were produced on the papers presented of some of them. * The publications include - Role of the Ombudsman - Law and Human Rights - HIV/ AIDS, A Guide.	* '99: 317,400 disbursed and 171,237/= (53.8%) spent. Balance carried forward to '00. * '00: 393,313/= disbursed. Of this and the balance brought forward 411,611 (77%) spent. * '01: 284,310/= disbursed. of this and the balance brought forward 332,762/= (84%) spent. Balance carried forward	

Democracy and Peace							
Project, Decision	Sector Objectives	Project Objectives	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure	Comments
Survivors Associated (SA) 98 – 0 70/99 – 182,000 41/00 – 182,000 60/01 – <u>271,550</u> <u>635,550</u>	Human Rights * Community based rehabilitation and psychosocial programmes for survivors in war torn communities of the Ampara, Mannar, Trincomalee and Vavuniya Districts.	* To provide services needed in conflict areas utilising personnel from within afflicted communities. * To provide training to persons from within communities to act independently in emergency situations. * To gather representatives from all ethnic communities at training and awareness building programmes to promote understanding and ethnic harmony	* The briefender methodology used by SA is effective at grassroots according to ETC Lanka who conducted an evaluation for Helvetas, Netherlands and Oxfam in 1998. * Sida has not done an evaluation of the SA programme and the effects of the support cannot be isolated since many donors contribute towards the project.	* Training staff and selected befriended as counsellors, locally and overseas, and improving organisational management * Conducting empowerment programs for peer groups within communities (widows, youth, and parents with disabled or distressed children) so that they function as support groups. * Promoting ethnic harmony and eradication of fear through exposure to other ethnic groups at training programs.	* In-depth, regular training for staff and community level workers conducted. * Many school leavers with good academic and social activity records trained in first aid and befriending from 1999-2001. * They conduct home visits for befriending, play groups for children and support groups for widows. * Children who engaged in play groups organised by the befrienders benefit from the weekly art and play activities by interacting with their children. Children under stress identifies and followed-up.	Funds disbursed from '99 have been totally expended. * From '99-'01 all disbursed funds were utilised by SA. * '99: 23% of total budget contributed by Sida. * '00: 23.73% of total budget contributed by Sida. * '01: 50.4% of total budget contributed by Sida	* A consortium of funders including Helvetas, AusAid, the Netherlands Embassy, Oxfam, UNICEF and Swiss Contact has funded SA. * Sida funds SA in 2002 as well. * High staff turnover due to trained staff being lured to other organisations that pay better allowances mentioned in project proposal of 2002.

Economic Development						
Project, Decision	Sector Objectives	Project Objectives	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure
Infrastructure Feasibility Study for Colombo-Kandy Highway Decisions INEC 958/99, INEC 674/01, LKA 183/01 Project Period 2000-03 to 2002-04	* To promote economic development by linking poor regions to dynamic areas. * To facilitate greater access and mobility with improved safety. * To meet the transport needs for both passengers and freight. * To improve the quality of roads by using cost-effective and innovative techniques.	To develop an economically optimum road line network between Colombo and Kandy, that will handle the traffic by year 2025 at an adequate level of service and will meet the needs of expected industry development and demographic growth in the corridor.	* Immediate effect - the Roads Development Authority (RDA) is preparing for the procurement of the design study and is seeking a financial partner for the road construction * Inhabitants along the selected road corridor have had the opportunity to make their voices heard in the planning process through meetings. * The road corridor is linking up to the existing railway line, to make use of available transport modes. * RDA has initiated co-operation with the Urban Development Authority to avoid that congestion is built into the network. * Long-term effects can not be seen until the road is built.	* To identify an optimum road corridor between Colombo and Kandy for the construction of a new highway. The study should encompass: - identification of areas with special needs to be served by the road, as well as major constraints for the construction of a new road. - assessment of alternative road corridors and selection of one for further investigation. - based on technical surveys, financial and economic analyses, as well as environmental and social impact assessment, recommend an optimum route for the new highway to be built.	The output was achieved to 90%. An optimum road corridor was selected, but due to threats and demonstrations by the general public, two sections had to be abandoned without sufficient investigation. The intention is to return to these sections this year and complete the study when agreement has been reached with the concerned parties. A further two sections have been found unsuitable from an environmental and social point of view and alternative routes will be sought for these sections.	100% of the budget has been disbursed

Economic Development

Project, Decision	Sector Objectives	Project Objective	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure	Komment
Road Safety Component of the Southern Transport Development Project	* To promote the economic development by linking poor regions to dynamic areas. *To facilitate greater access and mobility with improved safety.	To substantially and sustainably reduce the present national level of accidents, by strengthening government initiatives and organizations, in accordance with the National Road Safety Action Plan II.		*Development of: -a self-sufficient National Road Safety Secretariat. -procedures for the implementation of a nationwide vehicle inspection program. * and implementation of new driver training- and licensing procedures. * and implementation of a nationwide plan for emergency and rescue services. * a modern traffic and highway police. * a black-spot improvement program. * and implementation of public information and awareness programs. *Implementation of road safety audits during the construction of the Colombo - Matara road.		No disbursements made.	As the project only recently commenced, there are at this moment no indications of achieved outputs or effects.
Decisions ASIEN 144/00, INEC 123/02, INEC 155/02	*To meet the transport needs for both passengers and freight. *To improve the quality of roads by using cost-effective and innovative techniques.						
Project Period 2002-01 to 2005-12							

Economic Development							
Project, Decision	Sector Objectives	Project Objectives	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure	Comments
The Private Sector							
Export Development Programme, Sri Lanka INEC/NÄR/78 8/ 97 INEC/NÄR/54 0/ 98 INEC/NÄR/54 1/ 98 Jul 98 - Mar 02	Increased exports of manufactured goods from Sri Lanka	Adequate supportive ex-firm competence & institutional framework established on a sustainable basis to support exports	* Partial success in garment sector with repeat orders from at least 3 Swedish importers from about six Sri Lankan exporters * Hard toys export initially constrained due to lack of awareness of the Sri Lankan producers, picked-up slightly during end 2001 * Soft toy export promotion was not successful. * In-firm capacity development services by CCC-Swedegroup - Consultants highly demanded especially by garment industry	* 30 trained and 15 commercially active local consultants/ trainers * 2-3 commercially viable consulting/ training services established	* CCC and the consultants Swedegroup formed a consulting/ training company * Of the trained personnel commercially active at present are 4 attached to the CCC-Swedegroup consultants. * Yet to run as a fully profitable operation	Budget: SEK 22,433,000 Utilised : SEK 20,802,000	* Swedish importers reluctant to come to Sri Lanka due to security situation. * Sri Lankan exporters need to improve quality and timelines in executing their orders to be attractive to Swedish companies
Strengthening the Quality Infrastructure for the Fisheries Industry in Sri Lanka INEC/ NÄR 992/97 Feb 98 – Jan 2000	Sri Lanka established as a well reputed exporter of high quality fish products	Requirement of export markets fulfilled regarding legal framework, enforcement activities, conformity assessment and production facilities	The European Union placed Sri Lanka in List II allowing export to the EU until a definitive decision is made after physical inspection * National Legislation based on EU Directive 91/493/ EEC * Establish inspection mechanism * Changes made to 3 landing sites to improve quality * 10 exporting establishments improved to EU and USA requirement * Improve quality systems of selected laboratories * Training programme at the National Institute for Fisheries Training	* Legislation on Fish Products (exports) and Aquaculture adopted * Fishery product quality control unit established and nine inspectors trained * Colombo, Beruwala and Puranawella Harbours improved * 13 improved and given licences by competent authority * 3 laboratories upgraded * 10 lab staff trained * Training incorporated in to general curriculum of NIFT * 10 trainers and 250 fisherment trained	* Project followed with the Phase II with quality fish handling infrastructure being established as a pilot at Beruwala fisheries harbour * The phase II would also focus on ensuring the maintenance of quality of local sold/ distributed fish too.	Budget: SEK 6,500,000 Utilised : SEK 6,500,000	

Economic Development						
Project, Decision	Sector Objectives	Project Objectives	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure
Improvement of Quality infrastructure for the Fishery Industry in Sri Lanka, Phase II INEC/NÄR-466/00 June 00 – Nov 02	* Ensure fish available to local consumers in Sri Lanka is safe for human consumption * Facilitating access to EC market by ensuring quality of Sri Lankan fish and aquaculture products	* Improve national fish distribution system to ensure safety of fish for human consumption and minimise post harvest losses * Fishery Harbours provide an environment for fish handling at international standards	Project infrastructure is being completed. The system has to come into operation for an assessment of achievements.	* Beruwala fishery harbour developed as a model with fish handling system conforming to EU requirements * Trained manpower at Beruwala fishery harbour * Develop system for fish handling * Stakeholders in the fishery industry are aware of good fish handling methods * Regulations updated based on EU requirements	* Work ongoing on the physical facilities * CFHC officers have been trained * Training of the stakeholders ongoing * Regulation on food additives gazetted Regulation on Monitoring of residuals in aquaculture yet to be published	Budget: SEK 4,200,000 Utilised : SEK 2,234,000 The physical structures are being completed and facility is to be officially opened in mid May.
Research Cooperation						
Bio-technology, University of Colombo	To build research capacity and a well-functioning basis for higher education.	Investigations of tropical diseases, with focus on filarial parasite-host interaction.	* The project has developed a method to detect the filarial parasite in human blood. * The student program has been successful, with 15 PhDs and 38 MScs graduating.			8,4 MSEK A minimum of 120 million people are currently infected by human lymphatic filariasis (elephantiasis), which makes it one of the major health problems of the tropics.
Development of IT capability and internet connectivity	Ibid.	Development of an electronic infrastructure for universities in Sri Lanka.	Campus-wide networks have been created at three universities, one research institute, and at the National Science Foundation.			16 MSEK Sida has the ambition to provide the Sri Lankan universities, enrolled in the research support program, with computer networks and internet connectivity.

Economic Development							
Project, Decision	Sector Objectives	Project Objective	Achieved Effects, positive or negative	Planned Activities	Achieved Outputs	Expenditure	Komment
Regional Development, University of Kelaniya	Ibid.	Investigate how poverty and marginalization affects different regions of the country.	* The project has successfully produced publications and established international connections. * PhD-students are delayed in completing their degrees.			7,8 MSEK	The project is one of several which started after Sida decided to give emphasis to social sciences at Sri Lankans universities.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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