

USAID/OTI Sri Lanka Field Report

January - March 2006

Program Description

USAID's Office of Transition Initiatives' (OTI) program in Sri Lanka aims to generate greater public support for a negotiated peace settlement to end the island nation's longstanding internal conflict. The program's short-term activities, implemented primarily through local partners, are designed to promote inclusive, collaborative decision-making and resource allocation at the local level; change attitudes sustaining the conflict through information dissemination, advocacy, dialogue and debate; and capitalize on windows of opportunity to mitigate conflict in targeted communities.

OTI's strategic field presence, flexibility and relentless pace have proven to be an invaluable tool for USAID, given the fluid political and security context of Sri Lanka coupled with the challenges of the tsunami relief and recovery process. In both conflict- and tsunami-affected communities, program activities aim to achieve one or both of the following two sub-objectives:

- Increase awareness of key transition issues;
- Increase collaboration among diverse groups to set and address priorities.

The OTI program is implemented by two organizations. Development Alternatives Inc. (DAI) implements the \$39 million small-grants program and manages OTI offices in Colombo, Trincomalee, Ampara and Matara. Since the program began in March 2003, OTI has cleared 485 small grants worth approximately \$14.1 million. Internews implements a \$1.3 million agreement to increase the quantity and quality of radio content on local issues available to, and emanating from, Sri Lankans at the district level. Under this project, which began in February 2006, Internews is establishing two regional media resource and production centers in the East and South of the island.

Country Situation

Increase in Violence in North and East – January saw the greatest escalation of violence since the signing of the Ceasefire Agreement in 2002. Remote-controlled claymore mines, believed to have been set by the LTTE, were used in three attacks on security force convoys in the Trincomalee town area as well as on a navy bus in the North Central part of the country. Additionally, a suspected LTTE suicide mission sunk a Navy fast-attack ship four nautical miles out of Trincomalee harbour. On January 2, five Tamil high school graduates were killed while on the beach in Trinco, sparking a series of violent incidents in the area and two major shut-down strikes. Special Task Force soldiers were detained for interrogation, and an investigation is ongoing. Reports indicate that as a result of the violence, some Tamils have left government-controlled areas for those under the control of the LTTE.

Geneva Ceasefire Talks – Although the announcement in late January of the first meeting in three years between the Government of Sri Lanka (GoSL) and the LTTE was followed by a reduction of tension and violence in the North and East, the talks themselves, which concluded on February 22 in Geneva, did not appear to build significant levels of trust. The focus of discussions was on the fragile ceasefire agreement, which both sides pledged to observe more strictly - including provisions related to ending child recruitment, aimed primarily at the LTTE, and the disarming of paramilitary groups in the North and East, for which the government is responsible. A second round of talks has been scheduled for April 19-21, 2006, again in Geneva.

Governing Party wins Local Elections – The President's Sri Lanka Freedom Party (SLFP) secured a landslide victory in the March 30 local elections, winning 222 of 264 local council elections. While such a lopsided result by the ruling party soon after a national election could have been expected, few analysts expected such a poor showing from the Janatha Vimukthi Peramuna (JVP). A significant junior partner in the SLFP's coalition government, the Sinhalese Nationalist Party contested on its own and emerged victorious in just one locality, its traditional stronghold of Tissamaharama in the southern Hambantota District. It fell far short of winning the 20 local councils it had expected. Polls in the Northern Province and eastern district of Batticaloa, which is mainly Tamil, were postponed due to security concerns. The LTTE proxy Tamil National Alliance (TNA) won seven local councils in the eastern

districts of Trincomalee and Ampara.

Changes for the Mediators and Monitors – After more than three years as special peace envoy, Norway's Erik Solheim, who brokered the ceasefire agreement, will hand over the reins to the veteran Norwegian diplomat, Jon Hanssen-Bauer. Hanssen-Bauer will visit Sri Lanka in early April to meet with both the government and the rebels. The Sri Lanka Monitoring Mission (SLMM) in charge of reporting and investigating violations of the ceasefire agreement has also appointed a new head, Mr. Ulf Henricsson, a former Swedish Brigadier.

USAID/OTI Highlights

A. Narrative Summary

The first quarter of 2006 marked an important transition for the OTI program. In late February, following a period of several months in which political instability and security incidents had greatly constrained programming, OTI held a meeting which brought together program development officers from all four offices in Colombo, Trincomalee, Ampara and Matara. Staff discussed practical ways to increase the number and scope of activities overall, with particular focus on areas affected by the tsunami, given that tsunami-earmarked monies comprises the bulk of OTI's program funding in Sri Lanka. The meeting marked the beginning of a new approach to tackling issues that have constrained OTI's tsunami recovery response, including security in the East, politics and bureaucracy, and a glut of implementing agencies and funding in the coastal districts.

Program staff were encouraged to consider new ways of doing business, including larger grants of longer duration and partnerships with international as well as local Non-governmental Organizations (NGOs). It was decided that for the short to medium term, the three coastal offices should focus almost exclusively on tsunami-recovery activities, while the Colombo office could access flexible funding for national-level initiatives - particularly those related to media and information dissemination and the landlocked, conflict-affected North Central Province.

Startup on the Internews regional radio initiative got underway in late February. Staff have been focused on identifying appropriate space and establishing an office/production center in Colombo, as well as two regional media resource and production centers in the East and South. These centers will provide access to equipment, knowledge, resources, and radio production opportunities for journalists and civil society organizations. The goal is to provide more news and information on issues of local importance for the regions as told and seen through the voices and eyes of the local population. At the close of the reporting period, OTI was in the final stages of recruiting a USAID Mission-based program manager to oversee the Internews agreement and ensure linkages with the small-grant program and other Mission strategic objectives.

B. Grant Activity Summary

Since the start of the OTI Sri Lanka program through March 31, 2006, OTI has signed 500 grants worth \$14.9 million. During the quarter under review, the Matara office approved 10 new grant activities for the three southern districts. Among these, are four infrastructure grants to help lay the foundation and preparation for the renovation of feeder roads and the rehabilitation of a man-made lake for irrigation purposes. Matara also funded a series of 22 community consultation workshops to identify locations for water storage tanks, as well as a series of trainings for community mediation board members on conflict resolution, peace and the cost of war.

In Trincomalee, OTI is working to promote community cohesion in diverse communities, where members of up to four ethnic groups live side by side - sometimes quite peacefully, but other times with significant levels of tension and suspicion. Three of the five grants signed in Trincomalee during this period improved relations through participation and collaboration in activities that benefit the community as a whole. Among the emerging activities are the rehabilitation of a canal, road and drainage system. The Trinco office is also working on two grants to celebrate the peaceful nature of the Sinhalese-Tamil New Year in mid-April, taking advantage of traditional fun activities to reinforce the values of community service and unity.

During the first three months of the year, the Colombo office signed seven new grants. Three activities amplified the cost of war theme to a national audience through various media. Included was a series of publications featuring regional voices on the ceasefire agreement, a training for journalists on the media's role in conflict-sensitive reporting, and a mobile float which traveled across the country. In Colombo, OTI is also working on several events linked to the Sinhalese-Tamil New Year message of peace. These events link peaceful coexistence during the holiday time to the need for peace in the country as a whole.

OTI Ampara signed six grants during this period. Two of these activities worked with people to discuss the fourth anniversary of the ceasefire agreement: one grant supported the Uva Community Radio to broadcast diverse views and thoughts of regular citizens on the ceasefire, while the other supported awareness-raising campaigns among key leaders and opinion shapers. A grant for youth from Ampara and Batticaloa supported young people to use art as an alternative means of expression. Art is being used to break down stereotypes and encourage participants to look at themselves and others in a different light while at the same time demonstrating how ethnicity, conflict and culture have influenced the island.

Focus Area	Grants Cleared January - March 2006	Estimated Budget for Cleared Grants January - March 2006	Total Grants Cleared Since March 2003	Total Estimated Budget for Cleared Grants Since March 2003
Civil Society Organization Support	3	\$73,281	13	\$ 425,338
Civil-Military Relations			1	\$ 216,980
Community Impact Activities	13	\$541,872	293	\$9,458,896
Conflict Management	8	\$277,526	78	\$1,950,819
Election Processes			4	\$ 74,166
Ex-Combatant Reintegration			1	\$ 72,226
Justice/Human Rights			5	\$ 147,181
Media	3	\$111,745	62	\$ 2,245,667
Mine Action			2	\$ 2,198
Transparency/Good Governance	1	\$26,436	41	\$273,599
TOTAL	28	\$1,030,860	500	\$14,867,070

C. Indicators of Success

JVP Joins Participatory Process in Tissamaharama – The Tissamaharama council is the only local authority in Sri Lanka controlled by the JVP, a hard-line Sinhalese nationalist party. The overwhelmingly Sinhalese area, with a relatively small Muslim minority, is a cradle for JVP-backed groups who are skeptical of the peace process and pursue a nationalist political agenda, often hostile to a negotiated settlement. OTI has implemented a number of programs within Tissamaharama to address community-identified issues and priority needs, hoping to soften attitudes in the process. During the reporting period, a grant from the Matara office supported a series of consultation workshops designed to identify water requirements of local communities, a key issue in the drought-prone region. Through strengthening the capacities of local citizens' groups and empowering people to be responsible for identifying and addressing their needs, OTI and others have demonstrated principles of peace-building, devolution of power, and respect for diversity. The OTI-funded water-management consultations were successful in engaging members of JVP village-level representative bodies in the type of participatory decision-making process for which they are not known.

In Muthur, Muslim Youth Defend and Protect New Tamil friends – Throughout the protracted conflict in Sri Lanka, the Muthur Division in southern Trincomalee District has been a flashpoint for tension and violence. Even

after the signing of the ceasefire agreement between the GoSL and LTTE in 2002, violent clashes between Tamil and Muslim communities continued in the region. For youth in particular, interaction is limited and relationships are fragile and vulnerable to disruption during times of unrest. Recognizing the susceptibility of youth to extremist influences, the Muthur Peace Committee (MPC), organized a series of seminars with OTI support to engage youth as peace activists. Due to an outburst of local violence, the program had to be curtailed when a group of Muslim civilians accosted participants in the training. To calm the situation, MPC staff ended the program, requesting that all Tamil students get into a vehicle parked outside. Muslim youth attending the program formed a protective circle around their Tamil colleagues and escorted them to their residences. Later, these youth reported that the unique opportunity to positively interact with Tamil youth at the seminar, where lasting friendships were formed, was directly responsible for their commendable behavior.

D. Program Appraisal

The OTI Sri Lanka program has never been content to support straightforward tsunami recovery activities. Instead program staff sought to design with local partners, initiatives that not only met disaster-related needs of affected communities but also delivered a peace-building impact through a process-oriented approach. While that goal remains unchanged, program staff have recognized that tsunami recovery in and of itself can have a positive, stabilizing effect on communities that might otherwise be prone to political manipulation or violence. Furthermore, Sri Lanka-based management staff, in consultation with Washington, have redefined ways of doing business, and reassigned roles and responsibilities within and between offices. The purpose of this rethinking is to bring OTI's resources to bear more effectively on the challenges at hand. The Internews initiative gives OTI yet another flexible tool in its kit, leveraging collaboration and creating links between various Mission-supported programs at a point where OTI begins a year-long handover process to the Mission, which will manage the small-grants contract from March 2007 through completion in March 2008. The next three months will be critical in solidifying new directions and adding additional capacity that may be required to meet medium-term program objectives.

NEXT STEPS/IMMEDIATE PRIORITIES

During the next quarter, OTI Sri Lanka will:

- Support OTI Washington staff in conducting a field assessment as part of the annual program performance review process;
- Fill several key positions within the small-grants program, including a Regional Program Manager slot in Colombo that will allow headquarters staff to spend more time supporting program development and implementation across all four field offices;
- Begin training of journalists and civil society groups, as well as spearhead content production from media resource production centers in the East and South;
- Identify creative approaches to utilize tsunami-earmarked funding to facilitate information dissemination and feedback between local authorities and tsunami-affected communities.