

# USAID/OTI Sri Lanka Field Report

April - June 2006

---

## Program Description

USAID's Office of Transition Initiatives (OTI) program in Sri Lanka aims to generate greater support for a negotiated peace settlement to end the island nation's longstanding internal conflict. To accomplish this, OTI seeks to:

- Increase awareness and understanding on transition issues, and change attitudes sustaining the conflict, through information dissemination, advocacy, dialogue and debate;
- Mobilize and link peace constituencies through activities promoting inclusive, collaborative decision-making and resource allocation at the local level;
- Stabilize tsunami-affected communities through small-scale infrastructure rehabilitation, livelihoods restoration and activities fostering two-way communication between citizens and local government authorities.

The OTI program takes a bottom-up approach to peace building by working predominantly with community-based civil society groups, media entities and government officials, complementing USAID's democracy program that supports the peace process through greater focus on national-level stakeholders and more formal institutions. Now in its fourth year, the OTI program is implemented by two primary partners – Development Alternatives Inc. (DAI) and Internews Networks Inc.

DAI oversees the \$51 million small-grants program and manages OTI offices in the capital of Colombo, the eastern towns of Trincomalee and Ampara, and Matara along the southern coast. From February 25, 2003 through June 2006, the OTI Sri Lanka program has signed 550 grants worth \$16.9 million. DAI's contract runs through March 2008.

Internews, under a \$1.3 million agreement signed in February 2006, manages media resource centers in the South and East. They provide access to knowledge, skills, equipment and radio production opportunities for journalists and civil society organizations seeking to use media as a tool for advocacy or development. Programs developed within these centers will be broadcast over existing state and private networks, increasing the quantity and quality of news and information on issues of local importance from the regions, as told through the voices of people who live there. The 18-month agreement runs through August 2007.

## Country Situation

**Civilians Targeted in the North and East** – On a number of recent occasions, the Sri Lankan Armed Forces and the Liberation Tigers of Tamil Eelam (LTTE) have been accused of killing civilians. In late May, twelve Sinhalese construction workers were found shot in Batticaloa in Eastern Sri Lanka. A few weeks later, a civilian passenger bus packed with mostly Sinhalese villagers was blasted by two remote-controlled claymore mines, killing at least 64 people including 13 children, and injuring many. In mid-June, a Catholic bishop accused government troops of killing seven civilians in an attack by the SL Navy near and on civilians huddled for safety in a church in Mannar. Additionally, many other cases of disappearances and execution-style killings have been reported mainly in the North and East.

Thousands of refugees are reportedly paying to make the hazardous small boat crossing to India in an effort to flee the escalating violence. Finally, in an unusual incident, three international NGO offices were attacked with grenades, wounding three individuals.

**Attacks against Military Targets Proliferate** – Despite claims from both sides of adherence to the Ceasefire Agreement, there has been a marked expansion of combat operations between the Government of Sri Lanka military

forces and the LTTE. The LTTE has conducted two suicide bombings in Colombo, targeting the Army Commander and a ranking general, who was killed in the attack. The Sri Lanka Air Force responded with shelling and aerial bombardment of key LTTE areas in Trinco, Kilinochchi, Mullaitivu and Batticaloa districts. The Sri Lanka Army has also killed several high ranking officers of the LTTE. Additionally, skirmishes between naval vessels have been reported with conflicting reports of losses of vessels and crew. Mortar exchanges and small-arms fights also occurred.

**International Actions** – On May 29, the European Union (EU) added the LTTE to its list of banned terrorist organizations, freezing LTTE assets in the EU member states and prohibiting all LTTE activities within the EU. The LTTE had previously been banned by the United States, Britain, Canada and India. In response, the LTTE has demanded that all EU nationals working for the Sri Lanka Monitoring Mission – the body monitoring ceasefire violations – be removed. The Government and LTTE were to hold two meetings in Oslo to discuss the ceasefire agreement. The first meeting occurred, albeit with very little progress. However, at the second scheduled meeting, the LTTE refused to meet with the GoSL, citing the absence of a minister-level negotiator on the government's side.

**President Mahinda Rajapakse's Government under Pressure** – Amid mounting political pressure to do something about the rising cost of living, largely a result of sharp increases in fuel prices, there are rumors of a snap parliamentary election being called. Views as to the logic behind a snap election abound and range from an attempt by Rajapakse to divest himself of his coalition partner, to an attempt to show his strength and support during tough times.

## USAID/OTI Highlights

### A. Narrative Summary

During the past quarter, OTI Sri Lanka has taken a number of steps to improve its program. In May, a three-person team from OTI Washington came for a field review to offer an outside perspective. This, coupled with the visit of an engineer and a security analyst, gave OTI some additional tools to improve the quality and quantity of its grants.

Additionally, since early April, OTI program staff has been using work plans which they developed to prepare for upcoming grants. The development of the work plans has enabled staff to better see all that their field office is working on, and how their grants fit into this bigger picture. It has also improved allocation of staff resources, as grants can be clustered in certain geographic areas.

Since the tsunami, OTI has increased the number of its small and medium scale infrastructure reconstruction projects to rebuild a number of structures that were either damaged directly by the tsunami, or are a key resource used by many people who felt the impact of the disaster. These projects include road repair, school and community center reconstruction, water reservoir clean up and repair, and rehabilitation of schools that housed displaced people.

In an effort to streamline the construction process as well as to ensure that construction and safety standards are being met, OTI has brought on an engineering firm as a subcontractor. This subcontractor has engineers with a wide range of specialties who will follow the grant from start to finish, including drawing up the initial plans for the project, monitoring its implementation, and evaluating the final product.

The security specialist checked the general precautions and contingency plans that OTI has in place, given the worsening security environment. The goal of his visit was to see what further measures need to be taken to allow staff to remain secure while continuing to program and implement grants. He paid particular attention to the situation in Trincomalee, one of OTI's key programming areas, but one where much of the recent violence has occurred. His final report confirmed some of our strengths - the knowledge and experience of our office managers who have years of experience in the country; the communication networks in which they participate, and their contacts with local authorities. He also suggested changes that should be made to our offices and ways to better categorize the security situation.

### B. Grant Activity Summary

This quarter OTI signed 36 new grants worth \$2.4 million. Approximately 65% of these grants funded tsunami infrastructure and livelihoods projects, while 35% funded peace support projects and national initiatives.

Among the tsunami grants funded are several that support the rehabilitation of roads in the south and east, providing better access for the people living in those areas. OTI also funded a number of grants to strengthen English language and computer training centers in communities affected by the tsunami. These skills will increase the opportunity for residents to acquire higher level and better paid positions.

Peace support activities included a series of grants, such as a musical drama telecast to a Sri Lanka-wide populace and to the Sri Lankan diaspora in over 47 countries. It's programming reflected on the historical process of Emperor Asóka's shift from violence and war, to coexistence and peacemaking as commemorated in the Buddhist holiday of Poson. OTI also funded, among others, a project to bring pipe-borne drinking water to a multi-ethnic community in the east which suffered greatly during the 1983 ethnic riots, and where tension still exists.

During the quarter, OTI also funded a number of grants aimed at increasing people's knowledge of the issues relevant to a transition from war to peace. Among these grants was one to train grassroots activists on the concept of power sharing. Also funded was a three-day residential training of university students using research, discussion and debate to learn about democracy, good governance, conflict analysis, conflict-sensitive journalism, and power sharing.

Project Type	Grants Cleared April - June 2006	Estimated Budget for Cleared Grants April - June 2006	Total Grants Cleared Since March 2003	Total Estimated Budget for Cleared Grants Since March 2003
Peace Support	15	\$865,532	401	\$11,804,862
Tsunami Infrastructure	14	\$918,515	34	\$ 1,649,095
Tsunami Livelihoods	7	\$639,634	21	\$ 1,181,270
Tsunami Information			5	\$ 148,011
Tsunami Relief			73	\$ 2,004,823
<b>TOTAL</b>	<b>36</b>	<b>\$2,423,681</b>	<b>534</b>	<b>\$16,788,061</b>

### C. Indicators of Success

**Celebrating Seasonal Rhythms Across Barriers** – Sixty-two leading Sri Lankan artists recently came together for a seven-day, six-city tour across the tsunami - and conflict-affected districts of the South and East to ring in the Sinhalese-Hindu New Year. Promoting peaceful coexistence, the two-hour program included Sinhalese, Tamil, and Muslim folk dance, music, and traditional rhythms, highlighting the underlying unity of local New Year celebrations.

The road show began in Colombo and proceeded to the southern city of Galle, where over 4,000 people gathered at the historic Galle Fort for a day of celebrations. From Galle, the caravan made its way up the southern and eastern coast, stopping for performances in Ampara and Batticaloa.



There was a tremendous outpouring of respect for these artists, many famous, for traveling during such tumultuous times.

Although most of the artists were seasoned performers, they had never been on the stage together. The artists and audiences, as well, demonstrated a willingness to come together, irrespective of their differences, with the compliments and praise of key people from the local communities.

Sri Lankan artists recently came together for a seven-day, six-city tour across the tsunami to promote peaceful coexistence.

One of the program's greatest successes was in building new and powerful relationships between youth, community-based organizations, and key figures from the village level, including religious leaders. "It was a new experience, heartfelt performances all the way," Kalasoori Arunththy Sriranganathan, Artistic Director for the performances, said. "The willingness to contribute talent, renew relationships and develop mutual understanding was the greatest outcome of all."

### **Mediation board members trained to reduce conflict in tsunami-affected areas**

– The abundance of relief and recovery assistance to the Southern Province district of Hambantota – one of those most severely affected by the tsunami – has created tension between those who have received aid and those who have received little or nothing.

Understanding these increasing tensions, OTI has supported the National Foundation of Peace, Prosperity and Social Development (NFPPSD) to conduct a series of training workshops for the members of existing mediation boards in seven divisions. The workshops have provided additional focused training to board members to intervene in tsunami aid-related problems and other disputes. This training process has allowed mediators to gain specific, necessary skills to put into practice.



Mediators who participated in the training program expressed increased confidence that they now feel capable to address tsunami disputes that arise in their areas.

The National Foundation of Peace, Prosperity and Social Development (NFPPSD) conducted a series of training workshops for the members of existing mediation boards in seven divisions.

"After the tsunami, I felt that there were misunderstandings between tsunami-affected and non-tsunami-affected people in my area, but I was unable to contribute to the reduction of these misunderstandings," said one participant, whose experience was typical. "The formal training, provided with assistance from OTI, has given me the confidence to be able to actively take part to reduce tense situations that may arise."

By training key leaders in tsunami-affected areas in Hambantota District to engage in different roles as mediators, OTI is easing community-level tensions and promoting peaceful coexistence.

## **D. Program Appraisal**

The OTI Sri Lanka country program achieved several key objectives during the April-June 2006 quarter. The team bolstered capacity to ramp up implementation of small-scale infrastructure rehabilitation activities - the tsunami-recovery priority in the East and South. At the same time, they fine-tuned its strategic approach, based on the country program's core peace support mandate, through the annual Program Performance Review (PPR) process. Perhaps most importantly, given the deteriorating political-security environment in the North and East, the team developed a plan and provided training for staff to allow program continuity while minimizing exposure to security risks. Together, these activities allowed OTI to continue its incremental climb during the last quarter to its target monthly burn rate of \$1 million. The program achieved its stated goal in June.

In addition, as part of the regional radio project that began in March, Internews established training and production centers in Colombo and Matara, and held training for journalists and community-based organization staff in both places. Opportunities for collaboration between the OTI small-grants program and the Internews media project were cited in the draft report written by the three-member field review team.

## **NEXT STEPS/IMMEDIATE PRIORITIES**

During the next quarter, OTI Sri Lanka will:

- Provide security training for OTI project and USAID Mission drivers.
- Set up a second regional radio resource center in Ampara (similar to the Matara center), linking with Uva Community Radio for broadcast of content produced by district-based journalists and community based organizations.
- Fill remaining vacancies on the small-grants program, hire a project management specialist at USAID, and operationalize the new infrastructure engineering support plan to make sustainable the \$1 million target burn rate.
- Capitalize on opportunities for confidence-building activities in Trincomalee, and support returning to areas - security situation allowing – to which access was restricted during the previous quarter.