



UNITED STATES  
DEPARTMENT OF STATE



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## SRI LANKA

# U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

### FY 2009 FOREIGN ASSISTANCE GOALS

FY 2009 presented a unique and complex operating environment for the United States Government (USG) Mission in Sri Lanka. The 26-year secessionist war with the Liberation Tigers of Tamil Eelam ended in May 2009, which brought with it significant new humanitarian and development challenges. The changes in the country also brought tremendous opportunities for the future. The Mission successfully implemented its programs and made important achievements through the combined efforts of several USG agencies in eastern Sri Lanka. However, the issues in northern Sri Lanka demand a great deal of the Mission's attention and efforts. The status of the approximately 280,000 internally displaced persons, who were held in largely closed refugee camps, continues to engage the attention of the post.

The FY 2009 performance report for the Sri Lanka Mission includes programs supported by the Department of State, the Department of Defense, and the U.S. Agency for International Development. Close interagency collaboration has helped to achieve broader development objectives in eastern Sri Lanka. Collaboration with Transition Initiatives activities are designed to increase human and economic security, enhance public confidence in local and regional authorities, strengthen community-focused reintegration of ex-combatants, and restore civilian authority through capacity building of a more diverse police force.

The democracy and governance sector faces key challenges in the context of increasing concentration of executive power, and decreasing political space. USG assistance supports the establishment of a stable post-conflict society across Sri Lanka by developing the capacity to increase citizen engagement in civil society, strengthen local governance, empower and transform communities, and open dialogue. In the economic growth sector, the USG aims to assist the conflict-affected communities return to normalcy by increasing private sector-led growth in former conflict areas. These interventions will stimulate new private investment, create new jobs, increase productivity through private partnerships, improve management and production practices, and expand market access.

## HIGHLIGHTS BY PROGRAM OBJECTIVE

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### Peace and Security

USG bilateral security relations include programs with Sri Lanka's security forces supported through the Office of Defense Cooperation's International Military Education and Training program and the State Department's Nonproliferation, Antiterrorism, Demining, and Related Programs. These efforts have helped the Government of Sri Lanka (GSL) counter terrorism, improve port and border security, and further professionalize its military and police. Sanctions imposed in response to human rights concerns strained the United States-Sri Lankan military-to-military relationship, and hampered closer security cooperation this year. The USG continues to work with the GSL to help it address the human rights concerns that led to sanctions and create favorable conditions under which the United States can reestablish strong military-to-military relations. The programs aim to enhance the capacity of Sri Lanka to make it a stronger partner in ensuring regional security. In FY 2009, USG assistance:

- Enhanced GSL capabilities to manage crises caused by terrorist provocation and natural events, and manage civil aviation security at the airport level in accordance with International Civil Aviation Organization standards and recommended practices. Two counterterrorism-training programs were offered on Senior Crisis Management Seminar and Airport Security Management.
- Supported the GSL in instituting an international-standards export control system to combat weapons of mass destruction. Four activities were completed, including a training program in law enforcement, a regional UNSCR 1540 workshop co-hosted by the GSL, and GSL participation in two international export control workshops. Pending Sri Lankan Cabinet and Minister of Defense authorization, the Sri Lankan Ministry of Justice is prepared to draft into law a model legislation provided by Export Control and Related Border Security.
- Improved the military-to-military relationship between the United States and Sri Lanka through training programs for nine participants from the Sri Lankan military and Ministry of Defense officials
- Strengthened the technical capacity of four peace-building programs; developed regional Muslim Peace Assemblies and youth and women's forums in five districts which culminate in the formation of a National Muslim Assembly in FY 2010; launched a multi-political party dialogue that promoted political resolution of the conflict and an equitable approach to state building; built women's organizations as a platform for women to engage in gender, local development, and good governance issues; and provided training in conflict resolution and Tamil language for a network of Buddhist monks and Catholic nuns from the Eastern Province to help build connections among the Sinhalese, Tamil, and Muslim communities
- Provided technical assistance to two GSL institutions, including the Secretariat for the Coordination of the Peace Process and the Ministry of Constitutional Affairs and National Integration, which helped inform the conflict and political policy dialogue process
- Provided \$6.6 million in humanitarian demining assistance to four international non-governmental organizations (NGOs), facilitating the ability to support the safe return of internally displaced persons

## **Governing Justly and Democratically**

There are widespread and systemic weaknesses in the institutions mandated to uphold the rule of law in Sri Lanka. Three critical challenges are preserving the space to enable civil society organizations to operate; supporting indigenous, minority-led civil society organizations in the north and the east to engage with the government on issues of local concern; and building the capacity of journalists. USG assistance is facilitating post-conflict transformation in the Eastern Province through increasing citizen engagement in regional and local government, strengthening inter-community reconciliation, and promoting social equity. The multi-sector democracy and governance strategy promotes human security and reconciliation. In FY 2009, USG assistance:

- Supported domestic human rights NGOs in assisting victims of human rights violations, trained 24 organizations on a human rights education program, trained 25 lawyers in human rights litigation to provide assistance to victims of human rights violations, trained 52 human rights defenders to raise their personal awareness of security issues and implement strategies to mitigate risk, provided extensive analysis of the judicial system and its responses to writs of habeas corpus and the constitutional right to liberty that will form the basis for advocacy on a right to liberty program, and trained and deployed 136 election monitors at all 85 polling stations for the Jaffna and Vavuniya municipal elections
- Strengthened local mechanisms to support the engagement of citizens in their sub-national government, built capacity in fiscal management, and strengthened local government structures. Eleven municipalities were also trained in good governance. An upcoming \$90 million program from the World Bank to support municipal governments in the eastern and northern Provinces has triggered this USG technical assistance to be expanded to 38 municipalities in the east. Training was conducted on participatory planning and budgeting to enhance management capacity and encourage proactive partnerships with their communities.
- Partnered with the Ministry of Constitutional Affairs to train 21 teachers as certified instructors for the GSL's Official Languages Department Sinhala and Tamil language courses. These teachers were deployed in 11 municipalities in the east, and 207 elected officials and civil servants have enrolled in the Sinhala and Tamil language classes these teachers conduct.
- Supported participation and inclusion of traditionally marginalized ethnic minority and/or religious minority groups, including an indigenous minority and women-led NGO to support a women's society across four districts in Sri Lanka's conflict-affected region. Some 1,562 women from 60 women's societies participated in activities to promote engagement with regional and local government on community development, gender, and good governance issues.
- Provided scholarships to 16 students from the Eastern Province representing all districts and ethnic groups, to earn the 12-month diploma in journalism awarded by the Sri Lanka College of Journalism, which led to internships with electronic and print media outlets.

## **Economic Growth**

Creating economic opportunities and fostering business growth in conflict-affected areas in Sri Lanka is essential for reducing economic disparities and promoting sustainable peace. USG alliances with the private sector have created new jobs and expanded economic opportunities in

disadvantaged areas. Such best practice partnerships with leading Sri Lankan indigenous companies in the apparel, horticulture, aquaculture construction, information technology, and business process outsourcing have leveraged USG funds by generating private matching funds on a minimum 1-to-1 basis. The USG is expanding the number of public-private alliances (PPA) to create more jobs in both eastern and northern Sri Lanka. In FY 2009, USG assistance:

- Facilitated linkages between banks, financial institutions, private sector companies, and project beneficiaries through a variety of economic growth initiatives. Banks have agreed in principle to grant credit to farmer beneficiaries in a dairy program to build needed cattle sheds. The USG partnered with a bank to introduce the concept of mobile banking for the first time to a village, and facilitated training of the lead farmer and society president to operate a mobile banking service at the farmer society office. One hundred farmers have been linked to mobile banking solutions. Increased capacity to make payments, transfer money, and manage deposits for small farmers and entrepreneurs will accelerate the expansion of financial services by reducing transaction costs to the clients and administration costs for the financial institutions.
- Enhanced the income potential for 2,982 targeted beneficiaries by \$1 million through value chain development and training. More than 1,290 individuals have received training to date. Assessments were conducted in the tourism, fisheries, and horticulture sectors to refine the focus of USG assistance in these selected value chains.
- Trained 1,538 participants through 48 different training programs consisting of both technical and business skills. A draft workforce-development strategy was prepared based on information gathered from other stakeholders in workforce development and vocational training.
- Initiated large-scale partnerships with two private sector companies in the dairy and horticulture sectors under a new PPA program in the Eastern province. The PPA approach leverages private sector funding and core competencies, and is market demand-driven to ensure sustainability. USG assistance is mitigating the business viability risk of investing in post-conflict regions, and will serve to catalyze private sector investment in the East.
- Supported projects in various value chains, including dairy, papaya, turmeric, soya, vetiver, maize, black gram, sea weed, fishing, quality seeds, dry fish, and Maldives fish. These projects are implemented in partnership with private sector companies, including export companies, which provide an assured market for the participating farmers. So far, 4,769 farmers have enhanced their income through enhanced productivity, improved quality, and access to the higher-value end markets, both domestic and export.
- Promoted the development of a business-friendly environment for investment growth through a policy workshop on business climate with representatives from provincial and district government offices and the district chambers of commerce