



# 2003-04 annual **REPORT**

chairman's > report .....	3
projects > snapshots .....	4
strategic areas > focus .....	6
strategic areas > new directions .....	8
case-studies > sewalanka .....	10
projects 2003 - 04 > .....	12
social mobilisation > our approach .....	14
project partners 2003 - 04 > .....	16
human resources > .....	17
auditors report > 2004 .....	18
balance sheet > .....	19
profit and loss > .....	20
accounting practices > auditor's notes .....	22
sewalanka > national network .....	23

**Published by**  
 Sewalanka Foundation  
 Post Box 03  
 Boralesgamuwa, Sri Lanka  
 Telephone: +94 (0)11 2545 362-5  
 Fax: +94 (0)11 2545 166  
 Email: sewahq@sri.lanka.net

**Editing, Layout & Design**  
 Sewalanka Media Division  
 Penny Boddington

**Sub-editing**  
 Tamara Curtis, Gender Advisor

**Photographs and Articles**  
 Sewalanka Foundation staff/  
 volunteers

**Printing**  
 Printage

**Cover photo:** Children from an  
 orphanage in Vavuniya  
**Photo, this page:** Sewalanka Founda-  
 tion sign is painted in Unawatuna



Every year, at the height of the dry season, thousands of Sri Lankans make the pilgrimage from Jaffna, Trincomalee, and Batticaloa down the eastern coast of the island to the ancient Kataragama temple. Many of the pilgrims make the 60-day journey barefoot, carrying with them only a cooking pot, dry rations, and a water flask. They follow a route that has been travelled for centuries.

This year, for the first time, a group of us from Sewalanka Foundation joined the pilgrimage for the last 120-kilometre stretch through Yala National Park. We started walking each day before dawn, chanting to warn the wild buffaloes and elephants of our arrival, and slept each night under the stars. It was a powerful experience for everyone who participated, and plans are already being made for next year's journey.

Sewalanka has come a long way over the past 12 years, and as I look at the organisation today, I am often reminded of the pilgrimage. The path to Kataragama is walked by many generations. We watched the young people hurry ahead with the children, showing them the path. Together they would prepare tea and set up camp for the elderly who followed slowly behind. Years ago, it was these grandmothers and grandfathers who hurried ahead, showing the path to the young.

This is also the story of Sewalanka. Most of our District Directors joined the organisation years ago as social mobilisers or village level volunteers. Today, they are leading the way, making decisions, and making us proud. This process is not limited to the organisation's field staff. Nearly every Sewalanka family member - drivers, receptionists, accountants, administrators - has someone they are 'bringing up'. Traditions and values are passed along to energetic young leaders who can in turn show the path to the next generation.

The pilgrimage, not only reminded us of the connection between generations, it also reminded us of the connection between all humans. In our group, there were Sinhalese and

Tamils, Muslims, Christians, and Buddhists and we were touched by how we were treated by the other, predominantly Hindu, pilgrims. They shouted greetings, gave advice, and shared their food. Despite our differences, there was a recognition that we were all on the same journey together. This too, is something we have seen develop within Sewalanka over the years. Our district staff speak different languages, come from different regions, and practice different religions, but when a problem arises in one district, the others rush to provide support. We are walking along the same path toward a common goal.

The journey to Kataragama also connected us with nature. Walking through the heat of the Yala dry season we were reminded how vulnerable we human beings are and how much we depend on our environment. We sought out trees to shade us from the beating sun, appreciated each sip of water, and felt grateful when we came upon wild wood apple trees. We have taken these memories back with us to our daily work, and we aim to incorporate a greater appreciation of the environment into all of our activities.

Finally, this experience reminded us that a pilgrimage is a learning process. We made mistakes this first year. We brought too much of some supplies and not enough of others. We walked too quickly at times. We didn't know the best wells or the most comfortable campsites. So it is with Sewalanka. Looking back, we can see our weaknesses, but as a learning organisation, we know these weaknesses can become our greatest strengths if we recognise them, learn from them, and choose a better path in the future. Sewalanka, as an organisation, learned a lot in 2003/04 and we look forward to the journeys yet to come.

Harsha Kumara Navaratne  
**Chairman**  
 Sewalanka Foundation



## Development in Nedunkerny

Mr. Kathasamee returned to his home town near Nedunkerny town in the Wannu on the way from Ormanthai to Mullaitivu in 2002 just after the cease fire agreement was signed. He is a beneficiary of the Integrated Food Security Project (IFSP), a project coordinated by Sewalanka Foundation Special Projects Division in partnership with German Agro Action.

When Mr. Kathasamee returned to his home after being displaced for five years he had no other possessions than the clothes he was wearing. His home and agro-well were heavily damaged due to the conflict. However, as he explains “I was one of the lucky ones, I may have no possessions but my wife and daughter are still alive and I have five acres of land to start again.”

The IFSP project which started at the end of 2003 assisted Mr. Kathasamee to grow his own paddy; it provided agro-technical tools like sprayer pump and seed material, and repaired the agro-well. As this support was part of a larger community development programme, Mr. Kathasamee was also able to earn some money through the cash for work activities of clearing and constructing access roads.

“Working and building the roads was very important to me as I was able to earn some money which I could re-invest in my agricultural activities and my 12-year-old daughter can also benefit from my work as she now has much easier access to the nearby school.”

In addition, Mr. Kathasamee, as part of the IFSP programme, has participated in agricultural training. He is now a useful resource for the neighbouring farmers as they can utilise him as an agricultural resource person.

IFSP is a German Agro Action and Sewalanka Foundation Programme funded by the German Federal Ministry for Economic Cooperation and Development.

>> To find out more, contact:

Ms. Lakshi Abeyasekara, Director - Special Projects



## Fishermen taking control of their environment

Palakuda Lagoon Fishermen are working together with Sewalanka Foundation Ampara and government to replant mangroves; the beginning of a long journey towards restoring their lagoon’s natural ecosystem and their livelihoods, which depend upon it. Mr. Gulasingham, a local fisherman, explains that 90% of the mangroves that in his childhood fringed Palakuda Lagoon were cleared in the mid 1980’s when the civil conflict was at its most intense. The impact was felt immediately by local fishermen and in the years that followed. The amount of fish, crabs and prawns caught from the lagoon declined steadily throughout the 1990’s; reducing the average daily income of lagoon fishermen now to less than Rs.150 per day.

“If we replant the mangroves, we’ll catch more fish” said Raju Gulasingham. When asked how that was so, he patiently explained, “mangroves, by growing in and at the edge of the lagoon, provide both somewhere for young fish, prawns and crabs to hide (from predators) and food, in the form of the leaves that fall into the water and decompose”. Mr. Gulasingham is now the society’s Mangrove Nursery Manager. He was personally responsible for overseeing the collection, propagation and replanting of over 10,000 mangrove seedlings in 2003/04 from his nursery.

The reforestation of the mangrove forest in Palakuda Lagoon is part of a natural resource co-management and community development project being implemented by Sewalanka Foundation Ampara with financial assistance from the UNDP Global Environment Fund (GEF) Small Grants Programme (SGP). The project provides technical and financial support to three Fishermen’s Cooperative Societies to establish community-based mangrove nurseries, strengthen the institutional and management capability of their societies and establish a formal micro-credit fund in each society.

>> To find out more, contact:

Mr. D. Chandrathilake, District Director - Ampara





### Female-headed family trying to survive

Ms. Kannan\* and her large family were displaced twice during the ethnic conflict. They left their original home of Kokkuthoduvai in Kilinochchi for fear of their lives due to the heavy fighting between security forces and LTTE. In June 1990 Ms. Kannan came on foot to Nedunkerny with all six children. When heavy fighting started in Nedunkerny, they were displaced once again to Murrippu village. Since Ms. Kannan's husband had deserted the family before they left their original home, the sole responsibility of feeding and maintaining the family fell on this woman.

Ms. Kannan was selected as a beneficiary of Sewalanka's integrated coexistence project for paddy cultivation. She was provided with seed paddy, fertilizer, weedicide and pesticide. Ms. Kannan has worked hard, persevered and through dedication has emerged as a successful cultivator with a good yield.

Now her family's future looks brighter. Ms. Kannan told us that due to the assistance provided to her for paddy cultivation she has been able to generate enough income to buy a goat calf and she is blessed with two offspring. She said "this will assist in providing nutritional goat milk for my school-going children". Her eldest daughter has married a young lad who is also helping to ease the family's burdens.

Surely, Ms. Kannan, a bold and brave woman with a little assistance from Sewalanka Foundation will head and lead her family to great success. (\*Please note her name has been changed)

>> To find out more, contact:

**Ms. L. Abeyasekara, Director - Special Projects**



### Vavuniya farmers cultivating red onions

When communities return to their lands after fleeing, they experience extreme hardships as buildings, homes and possessions have been destroyed, irrigation facilities rendered dysfunctional, roads have become impassable and large-scale unemployment is prevalent. Sewalanka Foundation Vavuniya is working with Mr. Chandralingam, a farmer and returnee to Erukalkal village, to help him restart his life.

Mr. Chandralingam is 50 years old. He and his family fled Erukalkal in 1990 and took shelter in the Madu Refugee Camp when the fighting intensified. They remained in the camp for three years, when the situation returned to normal only then could they return home. Since then the family have struggled to resume their agricultural cultivation due to a lack of tools, infrastructure and skill.

Sewalanka Foundation started working in Mr. Chandralingam's village in 2000, supported by German Agro Action/ European Union (GAA/EU), to establish a farmer's community-based-organisation (CBO) and to support village entrepreneurs. Mr. Chandralingam became an active society member and was selected for a loan under the micro-credit program to begin to cultivate onions. After receiving training, as well as much needed fertiliser and pesticides, Mr. Chandralingam cultivated 100kg seed red onion in his half acre plot.

Sewalanka Foundation Vavuniya field staff attribute Mr. Chandralingam and his family's success to their hard work and dedication. This year they made a profit of more than Rs.18,000 (US\$180) from onion cultivation, which Mr. Chandralingam hopes to use to expand his farm and support his children's education.

>> To find out more, contact:

**Mr. N. Newton, District Director Vavuniya**

## Special Projects

As the cease-fire agreement between the Government of Sri Lanka (GoSL) and the Liberation Tamil Tigers of Eelam (LTTE) continued through 2003/04, Sewalanka Foundation was committed to support the resettlement of internally displaced persons (IDPs). As a result, the Special Projects Division maintained its focus on assisting the resettlement of the spontaneous returnee communities to the North.

In undertaking this work, the division drew upon nine years of experience in serving the internally displaced communities in the North. The division spearheaded the assessment of needs for spontaneous returnees and sourced international partners to assist with projects addressing these needs.

Of note, the work of the Special Projects Division mirrored an overall organisational shift from emergency relief and rehabilitation work to sustainable development of communities in the social and physical reconstruction of the villages. The Special Projects Division provides basic assistance - shelter, water and agricultural support - reinitiating village groups and societies and developing their institutional capacities.

A significant project undertaken during 2003/04 was to support the resettlement of 3,200 families in the Districts of Vavuniya, Kilinochchi and Mannar. The project was implemented by the Special Projects Division, in collaboration with other Sewalanka divisions and supported by European Commission for Humanitarian Office (ECHO) and the German Government. The emergency return support provided the 3,200 families with temporary shelters and inputs for paddy to assist the initiation of agricultural activities; ensuring food security and an income. The provision of clean drinking water through the rehabilitation of 122 drinking wells and the rehabilitation of two schools were two important interventions.

As a priority the division places emphasis on addressing the needs of women and vulnerable groups and building their capacities in the resettlement process.

>> *To find out more, contact:*

**Ms. L. Abeyasekara, Director - Special Projects**

## Social Development

The Social Development Division comprises three sections: Community Empowerment; Development Research; and Community Health Enhancement.

The Community Empowerment Section provides support to ensure that all Sewalanka Foundation projects adopt and practice participatory approaches in planning, implementation, monitoring and evaluation. The section has developed comprehensive training modules for the benefit of programme staff, CBOs and other development agencies. The areas covered in these modules include: social mobilisation; participatory development techniques like PRAs, PNAs, community action planning, and participatory monitoring and evaluation; application of logical framework approach; CBO management (leadership development, networking, documentation, contracting, financial management, revolving loans funds management); and conflict resolution.

The Development Research Section undertakes baseline studies, nutritional surveys, community health, socio-economic assessment, poverty assessments, marketing surveys, project impact monitoring, and evaluation. It works with internal staff but also utilises a team of experts from six Sri Lankan universities.

The Community Health Enhancement Section coordinates all community health related projects. This unit works with selected medical professionals and has a strong working relationship with the Ministry of Health. The unit designs training programmes based on the outcomes of needs assessments, for example in 2003/04 the unit conducted the following:

- Hygiene education for children and mothers
- Training of family health workers, pre-school teachers and mothers on nutrition, sexually-transmitted diseases and water-borne diseases
- Awareness creation workshops for community members on malaria and typhoid
- Prevention of HIV/AIDS and behavioural changes activities.

>> *To find out more, contact:*

**Mr. T. Barman - Director, Social Development Division**

## Fisheries Development

2003/04 was a positive year for the mangrove replanting projects in Ampara. Three mangrove nurseries were successfully set up in Palakuda, Vinayapuram, Umithi and Pottuvil Lagoons, managed and funded by local Fishermen's Cooperative Societies. A total of 32,344 mangroves were replanted. This massive achievement was well beyond the expectation of fishermen and Sewalanka staff. The focus on mangrove reforestation led to the formation of the Palakuda Co-management Committee to address issues such as cattle grazing, which is a major cause of damage to replanted mangrove seedlings.

Also fishermen in Pottuvil Lagoon successfully took action to stop the illegal shooting of birds in Pottuvil Lagoon. The Pottuvil Lagoon Ecotour, a community-based ecotour which is run exclusively by the Hidayapuram Fishermen's Cooperative Society conducted 96 ecotours; generating an income of Rs.105,600 for the society and its members.

It has been a mixed year for the seasonal tank aquaculture project in Hambantota, which was implemented in collaboration with the Department of Agrarian Services (DAD) and supported by the UN World Food Programme (WFP).

During the first stage of the project a total of 45,205 carp fingerlings were stocked in four seasonal tanks costing Rs.90,410; 10.5 tons of fish were harvested from the four tanks stocked and an income of Rs.486,000 was generated for the participating members of the four Farmers' Organisations. Unfortunately Sewalanka was unable to implement the second round of stocking activities in a further eight tanks due to a shortage of carp fingerling in January 2004.

Reviewing the project's achievements in April 2004, Sewalanka Foundation concluded that although seasonal tank aquaculture has the potential to create a new source of income for Farmer's Organisations, the risk of failure due to technical, social and climatic factors is too great for Sewalanka Foundation to continue to encourage farmers to personally invest in this activity. This conclusion was addressed to DAD and WFP, and as a result Sewalanka has decided not to support further attempts to promote carp aquaculture in seasonal minor irrigation tanks.

>> *To find out more, contact:*

**Dr. Steve Creech - Fisheries Advisor**



- Top:** A young boy is rebuilding his family home as part of the Special Projects Division's work
- >> Community meetings are essential as part of sustainable social mobilisation
  - >> Fishermen from the East after their morning catch

## Livelihood Redevelopment Division

For over a decade, Sewalanka Foundation has developed effective strategies for working with the displaced facilitating a transition from relief aid dependency to long-term sustainable development. Sewalanka's experience indicates that whilst investment is required for basic infrastructure - like credit funds, boats and farming inputs - successful and sustainable livelihood redevelopment also requires investment in social and human capital.

During 2003/04, Sewalanka Foundation formalised a livelihood development strategy that integrates social and economic development activities. This integration ensures that (1) groups see an economic benefit to collective action and (2) enterprise development occurs in the context of a broader social network. Enterprise development provides economic support for the social network, and the social network provides a safety network in the event of market fluctuations or other external shocks.

The strategy includes the following basic services, which can be adjusted according to the particular needs of a community:

- Savings and credit programmes initiated as part of the social mobilisation and institutional capacity building process
- Detailed participatory livelihood assessment to identify opportunities and constraints
- Sector-specific research on best practices and identification of alternative livelihood development strategies
- Feasibility studies (e.g. financial viability, implementation time frame, pricing assessments, and market analyses)
- Training programmes and implementation support (e.g. business plan development, accessing capital, company registration, shareholder and management structures, book keeping, pricing, packaging, distribution logistics, and marketing strategies)

The Livelihood Redevelopment Division will continue to work with small-scale fishermen, farmers, and entrepreneurs who have organised themselves, established a microcredit repayment record, and are discussing innovative strategies for long-term development.

Presently, Sewalanka Foundation is carefully studying the potential of expanding its ongoing micro-finance activities. A group of micro-finance practitioners based in the global south and the north are assisting Sewalanka in this exercise that aims at filling gaps of the existing micro-finance programme.

>> *To find out more, contact:*

**Mr. M. de Silva, Senior Consultant**

## Women's Empowerment Unit

Sewalanka Foundation works to assist Sri Lankan women and girls in improving their social and economic status in society through the provision of targeted programmes. Sewalanka's overarching mission is to improve conditions of the poorest of the poor, and the economic and social empowerment of women and girls at the grassroots level is essential.

Therefore in 2003/04, Sewalanka Foundation demonstrated this commitment by establishing the Women's Empowerment Unit (WEU). The WEU functions are to:

- Initiate women focussed projects and create a central organisational focal point for these projects/programs
- Empower women beneficiaries and staff capacities by improving leadership qualities
- Undertake coordinated networking with other Sri Lankan women groups and organisations.

As the first step, the WEU established a National Women's Steering Committee consisting of female staff members from each Sewalanka district office. This committee is initially engaged in identifying and selecting female-based CBOs and collecting information about their problems and needs, and their strengths and weaknesses.

Secondly, the division focussed on designing more women targeted projects in order to improve or rebuild the lives of those vulnerable groups of women in the country. The Social and Economic Empowerment of Women in the North and East of Sri Lanka Project is an outcome of this effort. This is a World Bank initiative through the Japanese Social Development Fund, executed by the National Development Bank and implemented by Sewalanka Foundation. The project operates in nine villages in Jaffna, Vavuniya, and Trincomalee over a three-year period and aims to enhance woman's sustainable participation in social and economic activities both at the domestic and community levels. Amongst other things, this project supports women in starting their own businesses.

The WEU also assumed responsibility in 2003/04 for the Helvetas-funded Psychosocial Programme in Vavuniya and Mannar. Specially trained officers meet villagers individually and informally through "befriending", they conduct awareness workshops and seminars on issues including women, children and alcohol, and host also special events.

>> *To find out more, contact:*

**Ms. K. Navaratne, Director - Women's Empowerment**



## Sustainable Agriculture Development

In 2003/04, Sewalanka Foundation decided that its Sustainable Agriculture Development Division would draw on its extensive expertise and experience with social development and participatory approaches to support and facilitate sustainable agriculture initiatives rather than build its own team of agricultural technicians.

The sustainable agriculture programme focuses on participatory problem-solving, institutional capacity building, on-farm experimentation, farmer networking, and linkage formation with researchers, technicians, government officials, and private sector representatives. Through consultation, a handbook of Sewalanka's sustainable agriculture principles and policies was prepared in Sinhala and Tamil and distributed to Sewalanka participating staff, farmers and partner organisations.

Therefore in 2003/04, the sustainable agriculture programme focused on institutional capacity building of farmers' organisations in Anuradhapura, Vavuniya, Ampara, and Moneragala. Through field days and study visits, farmers analysed problems, shared ideas, and developed action plans. According to the needs identified by these farmers' organisations, Sewalanka helped form linkages with research institutions, commercial banks, input suppliers, and markets.

In Vavuniya North and the Wannu, the Integrated Food Security Project held training programmes to familiarise Sewalanka field officers and Department of Agricultural Extension officers with agroecological practices for village tank ecosystems and leaflets were prepared on soil and water conservation, integrated pest management, organic matter management, and polyculture. Sewalanka continued providing micro-irrigation services to improve water management in this dry zone region.

Sewalanka also continued to work with approximately 150 tea smallholders in the buffer zone of the Sinharaja Rainforest Reserve. This agroforestry programme is focused on reducing dependence on agrochemical inputs, introducing soil conservation measures, and increasing crop diversity through intercropping. Farmers have established nurseries to produce seedlings for intercropping, homegardens and community reforestation. The Sinharaja Conservation Committee, with Sewalanka's help, is exploring new ways to combine livelihood sustainability and biodiversity conservation in this important region.

>> *To find out more, contact:*

**Dr. Lionel Weerakoon and Ms. Amanda Kiessel,**  
Sustainable Agriculture Advisors



**Top:** Livelihood Development Division partners with PRIMA to refine and market Kurakkan Flour

- >> A women working with the Women's Empowerment Unit in Jaffna producing coir
- >> Sewalanka works with returnee families to re-start their agricultural plots



### Befriending: a listening ear

When Ms. Punithalogini, a Sewalanka Foundation Vavuniya Psychosocial Worker, first met her client, she described him as “sad, inactive and unmotivated... huddling towards the corner of a room in his home.”

It has taken time and patience but slowly Ms. Punithalogini during 2003/04 has befriended her client and built a solid relationship based on trust. Through his family she learnt that a lot of his problems stemmed from broken love affairs and being “...arrested by an armed group, detained in their camp and tortured over a 3 month period; a few days after his release he was affected by brainfever.”

Sewalanka Foundation trained staff to work within villages to identify people who are socially marginalised or in poor mental health; they befriend their clients and discuss the issues with them, their families and the wider community. However, if a case requires specialised attention (such as legal support or counselling) then Sewalanka staff will refer the client to professionals. Which is exactly what happened, as Ms. Punithalogini explains “I took all the necessary action to admit my client to Vavuniya Base Hospital ... and later I made arrangements to send him to a specialised mental hospital in Colombo.”

The transformation in Ms. Punithalogini’s client was amazing. She states that, “...he now spends his leisure hours talking with relatives, admiring nature and watching movies. Whatever he does, he is so careful to visit the clinic regularly and to take his prescribed medicine.” Now, after six months and much gradual coaching, this man is engaged in paddy cultivation like other men in his village.”

Sewalanka Foundation’s Psychosocial Programme is supported by Helvetas. In 2003/04, in addition to the twenty villages in Vavuniya District, the project was expanded to an additional ten villages in Mannar District.

>> *To find out more, contact:*

Ms. K. Navaratne, Director - Women’s Empowerment



### Empowering community-based eco-tourism

Sewalanka Foundation knows through experience that sustainable community-based eco-tourism is dependant on benefits being generated for the environment, the community and visiting tourists.

During 2003/04, Sewalanka Foundation continued to support the regeneration of mangroves in Pottuvil Lagoon; north of the popular East Coast tourist resort of Arugam Bay. Fishermen from the Hidayapuram Fishermen’s Cooperative Society, are working to regenerate mangroves destroyed during the conflict and thereby restore the lagoon’s ecosystem. The mangrove replanting costs are funded through ecotours provided by fishermen to visiting foreign and local tourists. In 2003/04, 96 ecotours were conducted, generating an income of Rs.105,600 for the society and its members; these funds enabled the fishermen to plant 32,344 mangroves in Pottuvil Lagoon.

Increasingly local and foreign tourists are recognising the natural beauty of the last remnant of virgin tropical rainforest in Sri Lanka; Sinharaja Forest Reserve. In 2003/04 Sewalanka conducted training and awareness programmes and facilitated 25 Sinharaja community members to visit Unawatuna in Galle to see how home-based tourism operates. Now some villagers have renovated rooms, registered with the Tourist Board and have begun to host tourists. This project is part of Sewalanka Foundation’s environmental conservation project that started in 2001 and aims to introduce alternative income generation activities for the rainforest-border communities.

A third project was also started by Sewalanka Foundation in 2003/04, working with the Unawatuna Women Beach Vendors. Project activities included sewing training and art classes for youth, aimed at producing craft items and clothes for tourists.

>> *To find out more, contact:*

Mr. S. Francone - Coordinator, Community-based eco-tourism



## Working with villages to build infrastructure

When fifty displaced families returned in January 2002 to Vilgamvihara Village in Trincomalee to reestablish their lives they received little help. For twelve months, they were living in temporary shelters, the land was barren and food rations were only available for the first five months after their return. The main source of income was breaking metal in the village quarry run by an outside contractor; working eight to ten hours a day they would earn between Rs.75 - 100.

Fortunately for the community, in December 2003 the NECORD (North East Community Reconstruction and Development Project) started. NECORD implements social development work along with infrastructure development activities. The community is empowered and strengthened to decide and prioritise their needs through developing a Village Rehabilitation Plan.

Sewalanka reorganised the Women's Rural Development Society (WRDS) and provided savings and credit training. WRDS members started saving Rs.10 monthly, now the society is revolving Rs75,000 in emergency loans. In addition, a loan of Rs.20,000 was given to thirteen selected WRDS members to start alternative income generation activities. At the same time, a community-owned multipurpose building was constructed and electricity was provided to two-thirds of families. The metal quarry was re-claimed from the outside contractors and is now run by the Rural Development Society with upgraded equipment provided by the project which will increase income for the society. A water supply scheme to provide eleven tanks each holding one thousand litres of water will also be completed. Sewalanka staff will continue to provide support through village volunteers for another year.

NECORD is funded through the Provincial Council of North and East by a loan from Asian Development Bank. Sewalanka Foundation in Trincomalee will develop two more villages under NECORD assistance.

>> *To find out more, contact:*

**Mr. S. Rajanathan, Director - Trincomalee**



## Preserving the last of the rainforests

"Normally I collect a lot of wood and foliage from the forest, this takes a lot of time and I know that I'm not meant to, but it takes a lot [of fuel] to cook," explains a woman before she attends the Sewalanka Foundation fuel efficient stoves workshop during 2003/04. Two three-day programmes involved general training on the improved stoves and cooking installation demonstrations.

The community identified that traditional stoves produce too much smoke and heat, uncontrollable flames, and require large amounts of fuel. To address these problems Sewalanka Foundation sourced two different types of stoves for the community. The first stove is ready-made and appropriate for domestic use. The second one is a new design that can easily be made by local craftsmen using readily available materials and is ideal for home-based kithul and jaggery producers.

The first training course was attended by local craftsmen, local kithul producers and selected community representatives from three villages in the Kudawa in Kalawana area. The second course focused on the ready-made stove for domestic use. Fifty fuel-efficient ready-made stoves were supplied at a subsidised rate and profits will contribute to the committee's ongoing conservation activities.

"It is incredible a new stove creates a difference but it needs one-third less firewood and it cuts cooking time in half from 60 to 30 minutes for cooking rice," explains the same participant after the workshop.

Sinharaja Rainforest, an UNESCO World Heritage Site and the communities living in the border zone walk a fine line between conservation concerns and survival. These programmes aimed to reduce the negative environmental and health impacts caused by the use of traditional stoves. They are part of a larger conservation project being undertaken by Sewalanka Foundation with the buffer-zone community.

>> *To find out more, contact:*

**Mr. A. Tennakoon, Coordinator Sinharaja Rainforest**



Project Description	Donor/ Partner	District	Villages	Activities	Target Group (Families)	Period	Amount (Millions)
<b>Emergency Rehabilitation</b>							
Humanitarian assistance to returnee/ resettling families in the Wannu (AS 1204/ LKA 1023 -03)	<b>ECHO / GAA</b>	Kilinochchi, Vavuniya	<b>29</b>	Provision temporary shelter, well rehabilitation, ponds renovation, Nos. Highland crops ( Chillie & Perennial crops - 703 Fam. Vegetable seeds - 703 Fam. Tool sets - 703 Fam. Kitchen Utensil - 703 Fam	1700	Jun 03 - Jan 04	72,589,250
Start support for returnees/ resettling families in the	BMZ / GAA	Vavuniya	<b>14</b>	Temporary Shelter - 150 Food packages - 1000 Kitchen utensils - 1500 Paddy inputs - 1500 Vegetable seed - 1500 Tool set - 1500 Rehabilitation of school - 2 Nos. Rehabilitation of well - 35 Nos.	2,000	Jun 03 - Dec 03	51,500,000
Integrated Food Security Programme Vavuniya North, Phase I (IFSP)		Vavuniya	<b>13</b>	& Base line data 6 Nos. of strengthening & Training of CBOs Agricultural inputs for 1250 families Cattle farming for 100 families Promoting goat farming for 20 Fam. Poultry rearing for 50 families Distribution of perennial crop for 900 families. Training in	3,000	Aug 03 - Mar 04	70,000,000
National Protection and immediate humanitarian assistance for IDPs and returnees	UNHCR	Vavuniya	<b>10</b>	Construction of 74 nos. of individual toilets Renovation of 14 Tube wells & 1 new tube well Construction of 3 common open dug wells Assistance for high land crop cultivation Supply inputs for paddy cultivation Supply of shelter materials Environmental awa	2392 Families/8905 persons	Mar - Dec 03	8,069,000
		Mannar	<b>28</b>	Assistance for fishing activities for returnees Construction of individual toilets for vulnerable group. Construction of 8 common wells & renovation of 20 wells Construction of common huts Assistance for income generation activities	715 (2466 Persons)	Mar - Dec 03	7,724,600
Poverty reduction and socio economic development of rural communities in former conflict areas.	EU/ GAA	Vavuniya, Mannar, Anuradhapura	<b>62</b>	Conduct general, financial & financial management training for CBO's Conduct saving & credit training for CBO's Organize link programmes that help CBO's to develop effective relationships with relevant extension institutions Pr	1835	Mar 03 - Mar 04	15.9 Mil.
Socio Economic Empowerment of women in the North & East of Sri Lanka.	World Bank	Vavuniya, Jaffna, Trincomalee	<b>9</b>	Training in PNA, Leadership skill, Book Keeping, revolving fund management & Exchange exposure Self employment & Micro Enterprise Training & Training on improved technologies. Counselling for CEFET trainers & Training for farmers. Construction of Agro we	Kaushi will give you the families	Jan 03 - Mar 04	from Kaushi
Integrated co-existence project in Nachchikuda in Kilinochchi district and four villages in the district of Mullaitivu	UNHCR	Kilinochchi, Mullaitivu	<b>5</b>	* Mobilize community and conduct conflict Mgt. training in Mullaitivu and Kilinochchi* Construction of two wells for drinking purposes* Construction of two common toilets* construction of 75 Shelters * Construction of 02 Community centers * Cons. Of 1C	300	Mar - Dec 03	4.2 Mil.
Peaceful co-existence workshops	UNHCR	Vavuniya, Ampara, Kurunegala, Colombo		to Community Leaders and SLF staff	5 workshops	Mar - Dec 03	1Mil.
Integrated Rehabilitation	Danish	Mannar	<b>1</b>	To revitalize and strengthen community		Jul 03 - Jul	4.80.000



Project Description	Donor/ Partner	District	Villages	Activities	Target Group (Families)	Period	Amount (Millions)
Psycho social Projects	HELVETAS	Vavuniya	19		2,000	Jan 03 - Dec 03	
		Mannar	10	Access to psychosocial support for the target group. Capacity of implementing agency to provide. community based psycho social care increased. Capacity of district psycho social service providers increased		Jun 03 - Dec 03	1,775,088
Meeting the housing, water and income generation needs in four conflict affected villagers in Batticaloa district.	Aus AID	Batticaloa	4	Common drinking water wellsAccess to credit for agricultural inputs. Rehabilitation of village roadsAccess to credit for self employment Rice mill, Ferry service, Kitchen utensils Fencing for agricultural plots, Access to creditor widows. Access to credit	360	Jun 02 - Jun 03	4,735,250
North East Irrigated Agricultural Projects	World Bank	Trincomalee, Mannar, Vavuniya, Batticaloa	37	Social Mobilization	9,786	Sep 03 - Dec 03	4,032,000
North East Irrigated Agricultural Project 2002	World Bank	Ampara	???	By-law adopation, tank rehabilitation, road construction, livelihood support activity	????	2002 - Sep 03	1,200,000
Improving access to safe drinking water and sanitation	Terre des Homes (TDH)	Ampara	11	Construction of toilets Construction of house Construction of drinking water well Provision of tin sheet Income generation activity Construction of bridge Provision of pre- school equipment Construction of multi - purpose	1,693	Jan 03 - Dec 03	298,000
Integrated community Development project	OXFAM Great Britain	Ampara	11	Sustainable livelihood, shelter assistance, water and sanitation		June 03 -May 04	2,048,025
Mangrove re-forestration and lagoon co-management project	UNDP	Ampara	4	Reforestration and enhancement of mangrove biodiversity, Co - Management of Palakuda lagoon, Education and raising awareness, lagoon, credit and savings program		June 03 May 04	1,825,725
Mangrove re-forestration and lagoon co-management project	IUCN	Ampara	5	Reforestration and enhancement of mangrove biodiversity, Co - Management of Palakuda lagoon, Education and raising awareness, lagoon		May 03 - Apr 04	1,021,375.00
Micro Project	OXFAM	Ampara	12	Credit fund, CBO strentherring, Const. Of drinking water wells, Provision of latrines, Improved housing, pre school and enterpreneur development	750	Jan 02 - Dec 03	5,079,800
Credit Programme	National Development Trust fund (NDTF)	Ampara, Trincomalee, Anuradhapura	53	Loan distribution, agricultural inputs, income generation activities		1996 to Dec 03	9,400,000
Humanitarian assistance - Emergency Relief for flood affected areas in SL	Royal Danish Embassy in New Delhi	Matara Hambantota	113	Distribution of food ration for 2390 families. in the Hambantota & Matara districts. Distribution of Kitchen utensils to 500 Families in the Hambantota districts	2,390	May 2003 - Jun 03	3,995,750
Increasing fish production & generating additional household income	WFP	Hambantota / Monaragala	?	Income generation for farmers and fisherman	300	Oct 02 - Sep 03	500,000
Polit VGK Computer Centre	ICTA	Hatton	12	Establish a polit computer/ communication centre in Hatton		Nov 03 - Apr 07	penny to check



## Intervention strategy for community empowerment and social capital building

Empowering of target communities is an essential element in all development interventions of Sewalanka Foundation. Strengthening of social and economic bonds within communities and augmenting the capacity of community based organisations (CBO) are two important steps towards empowerment. Social bonding and institutional strengthening improve their collective decision making capacity within communities, which in turn allow them to wield greater influence on external stakeholders when planning and implementing development interventions targeting them. Then obviously they become active participants and stakeholders of such development activities and also ensure the sustainability of those interventions.

Sewalanka Foundation adopts a four-phase social mobilization approach to pull together the strengths of individuals and families, including the poorest and the vulnerable groups that were hitherto marginalised in target communities. This initial social capital formation begins with the formation of small self help groups (SSHG). Therefore the social mobilisation approach could be adopted even in post emergency/conflict situations when displaced families are beginning to resettle. By encouraging and facilitating participatory interaction among SSHGs social capital creation could be further enhanced. This would lead to the formation of CBOs.

Participatory practices such as Participatory Rural Appraisal (PRA) and Participatory Need Assessments (PNA) are helpful not only to improve interaction within communities but also to facilitate micro-planning processes at village level. Village Development Plans (VDP) developed through participatory interaction of villagers and SSHGs will inevitably accommodate their exact needs.

Communities will also assess the strengths and weaknesses of their SSHGs and CBOs related to implementing of VDPs. Based on such assessments Sewalanka facilitates to provide necessary training and exposure to SSHGs and CBOs to improve their capacity required in implementing the VDPs.

Participatory community planning process will always include the vital regulatory and extension agencies of the government for several reasons. Firstly it ensures that VDPs are in agreement with Divisional, District, Provincial or National development plans. Secondly, it helps government agencies in the allocation of resources such as extension services and irrigation water to VDPs.

Experienced social mobilisers or community facilitators will facilitate the community action planning and implementation process. Usually one social mobiliser can facilitate about 250 families in a village community. Social mobilisers are supported by Participatory Rural Appraisal (PRA) teams in facilitating community meetings and focal group (fishermen, farmers, youth, women etc.) discussions. Participatory tools such as: wealth ranking, livelihood analysis, transect walks etc. are useful to identify the exact number of farmers, fishermen, entrepreneurs, and even to identify and quantify the exact type of intervention needed by them.

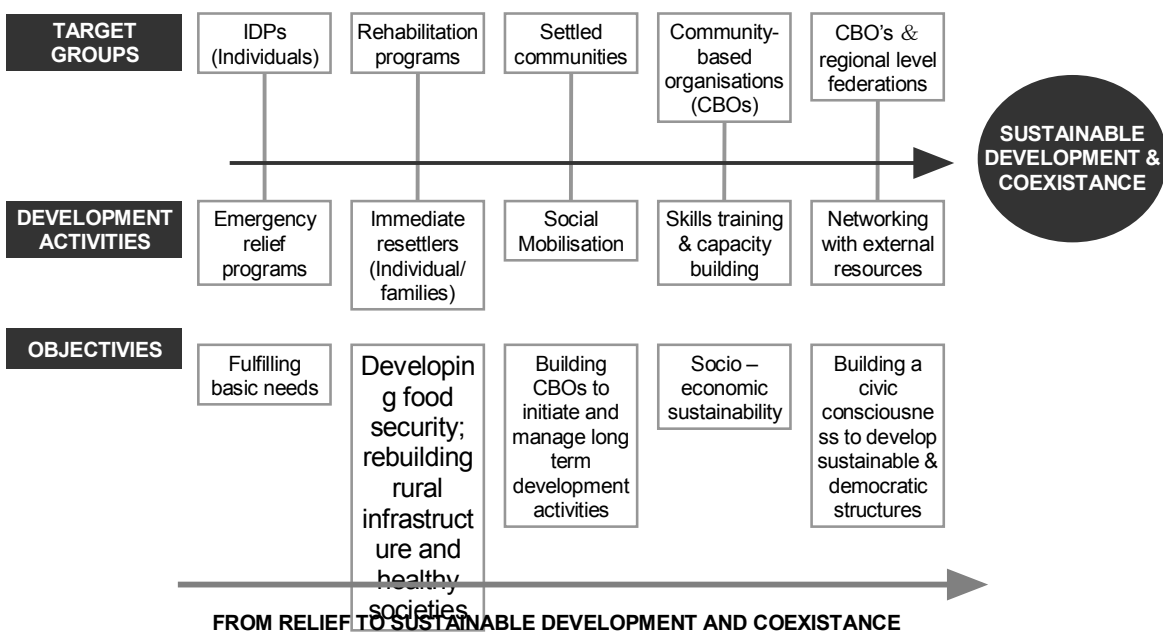
In GN divisions where Sewalanka is already present and implementing community development activities, affiliated village organisations (named as Sewa Societies) will play an important role in the community mobilisation and village planning process. In newly selected or allocated GN divisions where Sewalanka has no institutional presence, social mobilisers will be placed to initiate the community mobilisation process.

intervention strategy > our approach



The social mobilisation and the institutional development process will not always end up in the formation of new SSHGs and new CBOs. Whenever CBOs such as Farmers Organisations, Fisheries Cooperatives and Rural Development Societies exist, village development planning process could be facilitated in a flexible manner involving all such community organisations. In such situations a village development committee (VDC) will emerge through the interaction and representation of all CBOs, which will take over the responsibility of implementing the VDP in a given time frame.

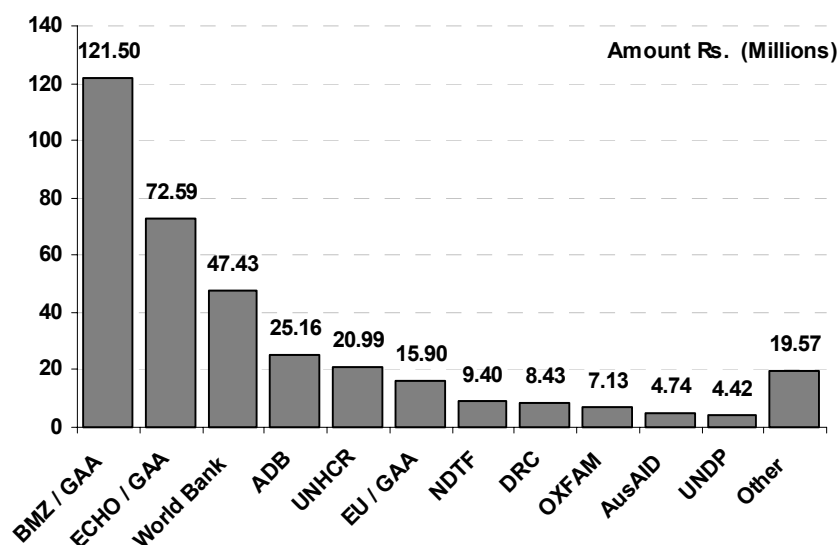
Community empowerment process does not stop at VDP implementation. Beyond the VDP planning and implementation process, participatory interaction among CBOs in different GN divisions within and outside the district is facilitated. Inter CBO interaction is based mostly on sharing experiences. Inter CBO federation is also facilitated in two key areas: micro-finance and marketing. Sewalanka is also taking initiatives to bring inter CBO dialogue and cooperation on several national issues such as peace building, environmental conservation and sustainable agriculture.



## Project Partners 2002-03

- Deutsche Welthungerhilfe/ German Agro Action (GAA)
- European Commission Humanitarian Aid Office (ECHO)
- German Ministry for Economic Cooperation and Development (BMZ)
- German Ministry of Foreign Office (AA)
- World Bank (WB)
- Asian Development Bank (ADB)
- European Union (EU)
- United Nations High Commissioner for Refugees (UNHCR)
- OXFAM
- National Development Trust Fund (NDTF)
- The Japan Centre for Conflict Prevention (JCCP)
- Embassy of Japan (GAGP)
- Helvetas Sri Lanka
- Danish Refugee Council (DRC)
- United Nations Children's Education Fund (UNICEF)
- United Nations Development Program (UNDP)
- CARE International
- Ministry of Environment and Natural Resources
- International Union for Conservation Nature (IUCN)
- Integrated Rural Development Project (IRDP)
- Global Environmental Facilities (GEF)
- Terre des Hommes (TDH)
- Australian High Commission (AusAID)
- National Water Supply and Drainage Board (NWSDB)
- World Food Programme (WFP)
- German Ministry of Foreign Office (AA)

## Funding received in 2003/04 by Donors



project partners 2003 - 04 >





### senior staff >

Ms. Kaushalya Nawaratne	.....	Director, Women Empowerment
Mr. S.V.R. Vethanayagam	.....	Director, Administration
Mr. P.A.I. Udeni Dias	.....	Director, Promotions & Technical Advisor
Mr. Ananda P. Kariyawasam	....	Director, Enterprise Development
Mr. Bisowela Gunasekara	.....	Director, Savings and Credit
Mr. Bandula Ukwatte	.....	Internal Auditor
Mr. A. Aruna de Alwis	.....	Assistant Director, Administration
Ms. A.M.R.K. Adikarinayake	....	Coordinating Secretary
Mr. R.M. Nimalsiri	.....	Accountant
Mr. Ajith Tennakoon	.....	Coordinator, Sinharaja Village Trust
Mr. Lal Fernando	.....	Engineer
Mr. Anura Rajapaksa	.....	Marketing

### consultants and advisors >

Mr. Mahinda de Silva	.....	Strategic Planning and Development
Mr. Tapan Kumar Barman	.....	Social Mobilisation
Dr. Steve Creech	.....	Fisheries Development
Ms. Amanda J. Kiessel	.....	Sustainable Development
Ms. Penny Boddington	.....	Communication Advisor
Ms. Kate Waldo	.....	Psychosocial Project Manager
Prof. A. Nawaratnarajah	.....	Advisor, Northern Districts
Rev. G. Pamarathana	.....	Advisor, North Western and North Central
Rev. E. Kalyanatissa	.....	Advisor, Vavuniya
Ms. Asano Usi	.....	Advisor, Ampara
Mr. Steve Francone	.....	Advisor, Enterprise Development

### special assignments >

Mr. T. Thamilaham	.....	Asst. Project Manager, IFSP Wann
Mr. S.Thavamohan	.....	Social Mobilization Coordinator, Wann
Mr. S. Yogarajah	.....	Coordinator, Mannar and Wann
Mr. Bandula Rajapaksa	.....	Coordinator, Kalawana
Mr. A. Amarakoon	.....	Coordinator, Deniyaya

Representatives from *Deutsche Welthungerhilfe* (German Agro Action) are based in Sewalanka Foundation offices: Mr. Dirk Altweck is based at Head Office; and Ms. Claudia Balkhausen is based at our Vavuniya Regional Office.

### board of directors >

Mr. Harsha Kumara Nawaratne Weraduwa		<i>Chairman</i>
Mr. V. Revathan		<i>Vice-Chairman, Regional Director - North</i>
Mr. Wasantha Priya Ramanayake		<i>Vice-Chairman</i>
Rev. Homagama Kondanna		
Dr. W. Lionel Weerakoon		<i>Director, Sustainable Agriculture</i>
Mrs. Lakshi S. Abeysekera		<i>Director, Special Projects</i>
Mr. D.M.S.B. Dissanayake		<i>Director, Finance</i>
Mr. Sirimewan Weraduwa		<i>Director, Micro Irrigation</i>
Mrs. D.A. Kanthi Nawaratne		<i>Director, SEDCO</i>
Mr. Shahul Hameed Lebbe Aliyar		<i>Deputy National Training Advisor</i>
Ms. Subramaniam Sivapakiyam		<i>Coordinator, Plantation Development Centre</i>
Mr. Ganeshamoorthi Krishnamoorthi		

### district directors >

Mr. Deepal Chandrathilake	.....	Ampara
Mr. T.N. Newton	.....	Vavuniya
Mrs. Annet Premalatha	.....	Mannar
Mr. A. Anandarajah	.....	Jaffna
Mr. S. Rajanathan	.....	Trincomalee
Mr. Jayantha Wijesinghe	.....	Hambantota
Mr. D. Somaratne Perera	.....	Galle
Mr. G. Nagarajan	.....	Batticaloa

### deputy district directors >

Mr. K. Lalith Priyankara	.....	Anuradhapura
Mr. A.T. Bandara	.....	Polonnaruwa
Ms. Jinadari Wedamulla	.....	Vavuniya
Ms. W.A.D.P.S. Wickramasinghe	...	Monaragala
Mr. AL. Hallaj	.....	Puttalam
Mr. Indralal Jayasinghe	.....	Trincomalee
Mr. V. Kesawan	.....	Jaffna
Mr. Thirusethkavalar	.....	Wanni

Sewalanka has 380 staff members whom mostly come from the same geographical location and background as the communities with whom they work. Sewalanka's senior management offers expertise in agriculture, fisheries, law, education, media, business and management.

## human resources >

**K. S. KARUNADASA & COMPANY**  
**CHARTERED ACCOUNTANTS**

No. 578, Galle Road, Panadura,  
 Sri Lanka.

Phone : (094) 038 - 2240708

Fax : (094) 038 - 2232184

**REPORT OF THE AUDITORS**  
**TO THE MEMBERS OF SEWA LANKA FOUNDATION**

We have examined the Balance Sheet of Sewa Lanka Foundation as at 31<sup>st</sup> March 2004 and the related Statement of Income and Expenditure Account for the year then ended together with Notes to the Accounts.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The Management is responsible for preparing and presenting these financial statements in accordance with the Sri Lanka Accounting Standards. Our responsibility is to express an opinion on these financial statements, based on our audit.

**BASIS OF OPINION**

We conducted our audit in accordance with the Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatements. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the Management, evaluating the overall presentation of the financial statements and determining whether the said financial statements are prepared in accordance with the Sri Lanka Accounting Standards. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

**OPINION**

In our opinion, so far as appears from our examination, the Foundation maintained proper books of account for the year ended 31<sup>st</sup> March 2004, and to the best of our information and according to explanations given to us, the said Balance Sheet and related statement of Income and Expenditure Account and notes thereto, which are in agreement with the said books and have been prepared and presented in accordance with the Sri Lanka Accounting Standards, provide the information required by the Companies Act No. 17 of 1982 and give a true and fair view of the Foundation's state of affairs as at 31<sup>st</sup> March 2004 and of its Income Over Expenditure for the year then ended.

**DIRECTORS' INTEREST IN CONTRACT WITH THE COMPANY**

According to the information made available to us, the Directors of the Foundation were not directly or indirectly interested in contracts with the Foundation during the year ended 31<sup>st</sup> March 2004.



CHARTERED ACCOUNTANTS  
 PANADURA.

01<sup>st</sup> February 2005



SEWA LANKA FOUNDATION  
NO : 432/A, 2ND FLOOR, COLOMBO ROAD, BORALESGAMUWA.BALANCE SHEET AS AT 31ST MARCH 2004

		<u>31.03.2003</u>	
	<u>NOTE</u>	<u>Rs.</u>	<u>Rs.</u>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property, Plant & Equipment	02	36,344,096.20	20,923,985.24
<b><u>INTANGIBLE ASSETS</u></b>			
E. D. B. System - Accounting Programme		565,508.02	565,508.02
<b><u>CURRENT ASSETS</u></b>			
Receivables	03	21,191,282.36	10,597,714.51
Advances	04	427,445.18	8,405,457.10
Call Deposits	05	4,250,000.00	8,250,000.00
Cash and Cash Equivalents	06	30,350,316.59	4,871,689.09
		<u>56,219,044.13</u>	<u>32,124,860.70</u>
<b>TOTAL ASSETS</b>		<u><u>93,128,648.35</u></u>	<u><u>53,614,353.96</u></u>
<b><u>RESERVES, FUNDS &amp; LIABILITIES</u></b>			
<b><u>RESERVES &amp; FUNDS</u></b>			
Accumulated Fund		9,824,144.85	(5,773,476.66)
Unutilized Project Funds	07	32,629,703.41	18,988,190.96
Left Over Funds	08	230,661.64	607,433.59
<b><u>NON CURRENT LIABILITIES</u></b>			
Long Term Loan	09	7,183,824.31	4,993,086.16
<b><u>CURRENT LIABILITIES</u></b>			
Amount Payable & Accrued Expenses	10	33,296,840.68	27,434,509.66
Gratuity Provision	11	3,011,150.00	2,624,650.00
Bank Overdrafts	12	6,952,323.46	4,739,960.25
		<u>43,260,314.14</u>	<u>34,799,119.91</u>
<b>TOTAL RESERVES, FUNDS &amp; LIABILITIES</b>		<u><u>93,128,648.35</u></u>	<u><u>53,614,353.96</u></u>

Signed on behalf of the Board of Directors.

Directors

1. 2. 



## SEWA LANKA FOUNDATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR  
ENDED 31ST MARCH 2004

			<u>2002/2003</u>
<u>INCOME</u>	<u>NOTE</u>	<u>Rs.</u>	<u>Rs.</u>
Donations	13	381,244,880.17	226,705,579.20
<u>LESS: EXPENSES</u>			
General Overheads	14	11,774,523.99	14,575,134.90
UNHCR - Micro	15	26,120,924.99	17,745,073.15
NDTF Programmes	16	726,733.65	1,194,752.75
OXFAM - Ampara	17	2,121,417.97	2,569,322.98
OXFAM - Vavuniya	18	3,319,499.48	1,162,075.24
ADB Water Project - Hambantota	19	1,769,407.40	1,122,069.78
ADB Water Project - Anuradhapura	20	159,503.04	236,145.91
ADB Water Project - Nuwara Eliya	21	49,982.27	-
The Japan Centre for Preventive Diplomacy		-	2,488,521.50
Australian Community Re-settlement Programme - Ampara	22	642,009.81	66,489.38
North - East Irrigated Agriculture Project - NEIAP	23	19,690,678.16	30,272,559.83
Micro Irrigation Project	24	1,976,008.99	5,133,628.80
DRC Project - Anuradhapura	25	1,478.03	516,611.97
DRC Rehabilitation & Re-location Programme - Vavuniya	26	2,757,475.47	1,604,062.47
DRC Rehabilitation & Re-location Programme - Mannar	27	3,318,790.39	
Psychosocial Project - Helvitas - Phase 1	28	12,800.00	3,134,668.40
Psychosocial Project - Helvitas - Phase 11	29	3,195,836.01	392,281.00
Psychosocial Support in a Post Conflict Environment - Mannar	30	1,168,309.40	
Sinharaja Village Trust	31	983,176.32	577,157.33
ADB - CEFE Project - Anuradhapura	32	4,882,000.46	4,840,126.62
CEFE Programme	33	150,000.00	1,851,464.79
UNDP Project - Ampara	34	1,001,420.48	469,017.44
UNDP Project - Deniyaya	35	955,803.46	
Improving Access to Safe Drinking Water & Sanitation Terre Des Hommes (TDH) - Ampara	36	3,407,633.56	78,507.20
Improving Access to Safe Drinking Water & Sanitation Terre Des Hommes (TDH) - Mahaoya	37	599,602.50	
Enviormental Project - Anuradhapura		-	896,273.00
Revitalise Rural Economy Using Locally Available Resources (Japan) - Trincomalee	38	136,147.98	5,225,280.40
Agricultural Development Programme - Hambantota	39	436,583.05	183,652.11
Rehabilitation Project - German Agro Action Phase 111	40	106,856.36	182,520.31
Rehabilitation Project - German Agro Action Phase 1V	41	61,669.27	1,257,405.88
Emergency Relief for Victims of the Drought - LKA 1014		-	66,492.21
Emergency Relief for Victims of the Foods - LKA 1016		-	9,456,328.31
Humanitarian Aid for IDPS in North - AS 1171 / LKA 1017 - 02	42	37,168.21	13,342,487.18
Start Support for Re-settled and Re-located Families in North - AS 1175 / LKA 1018 - 02		-	58,799,009.27
Humanitatrian Assistance to Re-settled Families in Mannar - AS 1177 / LKA 1019 - 02	43	54,514.20	44,129,643.53
Rehabilitation Project - German Agro Action - AS 657 / LKA 1020-02		-	4,633,557.39
Poverty Reduction and Socio-Economic D.R.C.R. in North - AS 657 / LKA 1021-03	44	20,149,307.49	285,750.00
Integrated Food Secury Programme As 1201/ LKA 1022 - 03	45	75,439,817.79	-
Humanitarian Assistance to Re-settled Families in the Wann - AS 1204 / LKA 1023 - 03	46	77,503,158.06	
Start Support for Re-settles and Re-located Families in Mannar and Vavuniya - AS 1205 / LKA 1024 - 03	47	55,755,381.79	





2002/2003

Contd. from page 3

	<u>NOTE</u>	<u>Rs.</u>	<u>Rs.</u>
Micro Irrigation Through Credit for Farmers in a Water Scarce Village in Pottuvil Division	48	129,356.46	-
Save the Children Fund (SCISL) - Ampara	49	857,836.90	-
Baseline and CBO Survey for JBIC Pilot Study on Agricultural & Rural Rehabilitation in North - East & North Central Region	50	20,880,261.17	-
Mangrove Re-forestation in Pottuvil and Urani Lagoons	51	847,343.93	-
International Union for Conservation of Nature Sri Lanka Meeting the Housing Water & Income Generation Needs in Tour Conflicts Affected Village in Batticaloa - AUSAID	52	3,499,110.88	-
North - East Community Re-storation and Development Project - Vavuniya - NECORD 1	53	2,806,040.72	-
North - East Community Re-storation and Development Project - Vavuniya - NECORD 11	54	616,458.43	-
North - East Community Re-storation and Development Project - Trincomalee	55	912,675.71	-
The Grant Assistance for Grass Root Human Security Fund - Batticaloa	56	220.00	-
Marketing - SEDCO	57	614,293.18	-
Empowering the Poorest of the Poor Women & Young Girls in South, North & East	58	753,300.75	-
Increase / (Decrease) of Unutilized Project Fund		<u>13,264,740.50</u>	<u>620,383.15</u>
		<u>365,647,258.66</u>	<u>229,108,454.18</u>
Excess of Income Over Expenditure for the Year		<u>15,597,621.51</u>	<u>(2,402,874.98)</u>
<u>Statement of Accumulated Fund</u>			
Accumulated Fund at the beginning of the year		(5,773,476.66)	(3,370,601.68)
Excess of Income Over Expenditure for the Year		<u>15,597,621.51</u>	<u>(2,402,874.98)</u>
Accumulated Fund as at 31.03.2004		<u>9,824,144.85</u>	<u>(5,773,476.66)</u>



## principal accounting practices >

### 1. General

#### 1.1 Basic of Accounting

The Financial statements are prepared in accordance with generally accepted accounting principals and accounting standards laid down by the Institute of Chartered Accountants of Srilanka. These statements are prepared on a historical cost basis.

### 2. Property, Plant & equipment

#### a) Cost

Property, Plant and equipment are recorded at cost less accumulated depreciation.

#### b) Cost and valuation

All items of property, Plant & Equipment are initially recorded at cost.

#### c) Restoration cost

Expenditure incurred on repairs or maintenance of

property, Plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standards of performance is recognize as expense when incurred.

#### d) Depreciation

Depreciation is calculated on written down value so as to write off the cost of Fixed Assets over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are as follows.

Motor Vehicles	25%
Machinery	25%
Office Equipment	20%
Furniture & Fittings	20%
Sundry Equipment	20%

Full provision is made in the year of sale and none in the year of purchase.

SEWA LANKA FOUNDATION  
NO : 432/A, 2ND FLOOR, COLOMBO ROAD, BORALESGAMUWA.

**CASH FLOW STATEMENT FOR THE YEAR**  
**ENDED 31ST MARCH 2004**

	<u>Rs.</u>
Excess of Income Over Expenditure for the Year	15,597,621.51
<u>Adjustment for</u>	
Depreciation	<u>4,196,828.79</u>
Operating Income before Working Capital Changes	19,794,450.30
(Increase) / Decrease in Receivables & Advances	(2,615,555.93)
Increase / (Decrease) in Amount Payable & Other Accrued Expenses	<u>21,704,309.67</u>
Net Cash Flow from Operating Activities	38,883,204.04
Acquisition of Property, Plant & Equipment	<u>19,616,939.75</u>
	19,266,264.29
Cash & Cash Equivalent at beginning year	<u>8,381,728.84</u>
Cash & Cash Equivalent at end year	<u><u>27,647,993.13</u></u>

Cash & Cash Equivalent Consist of

Call Deposits	4,250,000.00
Cash at Bank and Cash in Hand	30,350,316.59
Bank Overdrafts	<u>(6,952,323.46)</u>
	<u><u>27,647,993.13</u></u>



3. **Advances and Receivables**

Advances and Receivables are stated at their estimated realizable values.

4. **Liabilities and Provisions**

4.1 All known liabilities have been accounted for in preparing financial statements.

4.2 Retirement Benefit obligations

Gratuity

In order to meet the gratuity liability, a provision has been made in the accounts, based on half month salary of the last month of the financial year of all employees for each completed year of service commencing from the first year of service.

4.3 Defined contribution plans - Employees Provident Fund and Employees Trust Fund.

Employees are eligible for Employees Provident Fund Contribution and Employees Trust Fund Contribution in line with respective Statues and Regulations.

5. **Income and Expenditure Account**

5.1 Income

Donations and all other receipts are recognized as income in the accounts in the year in which such income is received.

5.2 Expenditure

All expenditure incurred in the running of the organization and maintaining the capital assets in a state of efficiency has been charged to income in arriving at the excess of expenditure over income for the year.

cash flow statement >

**head office >****Colombo**

Sewalanka Foundation  
No. 432 A, 2nd Floor  
Colombo Road  
Boralesgamuwa  
t: 011 - 254 5362-5  
f: 011 - 254 5166  
e: sewahq@sri.lanka.net  
w: www.sewalanka.org

**district offices >****Ampara**

Kalmunai Road  
Ampara  
t: 063 - 222 4757  
f: 063 - 222 4757  
e: sewaamp@slt.net.lk

**Anuradhapura**

No. 623/22F, Godage Mawatha  
2<sup>nd</sup> Stage  
Anuradhapura  
t: 025 - 222 3448  
f: 025 - 222 3448  
e: sewaanu@slt.net.lk

**Batticaloa**

No. 185, New Kalmunai Road  
Kallady, Batticaloa  
t: 065 - 222 4778  
e: sewabatt@slt.net.lk

**Galle**

New Address  
Galle

**Hambantota**

New Address

t: 047 - 222 1065  
f: 047 - 222 1065  
e: sewahb@slt.lk

**Jaffna**

No. 250, Temple Road  
Nallur, Jaffna  
t: 021 - 222 5086  
f: 021 - 222 5086  
e: slfjaffna@yahoo.com

**Katutara**

New Address  
Killinochchi  
t: 071 237 3368

**Killinochchi**

New Address  
Killinochchi  
t: 071 237 3368

**Mannar**

No.64, Esplanade Road  
Moor Street, Mannar  
t: 023 - 223 2702  
f: 023 - 225 0132  
e: slfman@slt.net.lk

**Matara**

New address

**Monaragala**

65/1 Wellawaya Road  
Monaragala  
t: 055 - 227 6274  
e: sewamon@slt.net.lk

**Polonnaruwa**

New Town Road  
Polonnaruwa  
t: 027 - 222 5795  
f: 027 - 222 5795

**Trincomalee**

No. 268/1, Central Road  
Trincomalee  
t: 026 - 222 2817  
026 - 222 7058-9  
f: 026 - 222 3228  
e: sewat@slt.net.lk

**Vavuniya**

No. 51, Vairavakovil Road  
Vairavarpuliyankulam  
Vavuniya  
t: 024 - 222 0490  
f: 024 - 222 0490  
e: slfvav24@slt.net.lk

**project offices >****Sewalanka Directors Field Office**

No. 51, Vairavakovil Road  
Vairavapuliyankulam, Vavuniya  
t: 024 - 222 4469  
f: 024 - 4588254  
e: sewavav@slt.net.lk

**Integrated Food Security Project**

No. 51, Vairavakovil Road,  
Vairavapuliyankulam, Vavuniya  
t: 024 - 222 1354  
f: 024 - 222 4322  
e: sewa\_ifsp@slt.net.lk

**Sewalanka Enterprise Development Company (SEDCO)**

No.46/5, Dehiwala Road  
Boralesgamuwa  
t: 011 - 254 5688-9  
011 - 251 8318  
e: sedco@sri.lanka.net

**Sewalanka Plantation Workers Development Centre**

No.10, Barthford Bazaar  
Dickoya, Hatton  
t: 051 - 222 3243

**Sinharaja Conservation Project**

Electricity Board Road  
51st Mile Post  
Deniyaya, Matara  
t: 041 - 227 3821  
f: 041 - 227 3821

**Sewalanka Agricultural Centre**

Rajanganaya Yaya - 18  
Kalaoya, Anuradhapura  
t: 025 - 225 7446

**Sewalanka Agriculture Centre**

Thavasikulam, Vavuniya  
t: 024 - 222 3947

**district sub-offices >****Ampara**

1. Main Road, Thambiluwil  
Thirukkivil, Ampara
2. Kandy Road  
Mahaoya, Ampara
3. Main Street  
Panama, Ampara

**Kurunegala**

Miugunarama Rajamaha Viharaya  
Colombogama, Kanaththewewa  
Kurunegala  
t: 037 - 229 3676

**Ratnapura**

Waddagala, Kalawana  
t: 045 - 225 5643

**Vavuniya**

1. Off Jaffna / Kandy Road  
Kanakarayankulam  
Vavuniya North - Vavuniya
2. Oddusudan Road,  
Nedunkerny, Vavuniya

**media unit >**

Media unit is based at Head Office and produces the Sewalanka Foundation bi-monthly newsletter, organisational profile and annual report. If you want previous hard-copies or would like to subscribe please contact the Media Coordinator or download from:  
[www.sewalanka.org](http://www.sewalanka.org)

## approach > 2003/04

**relief > development > 11 years' field experience:** Among other sectors, Sewalanka Foundation works in social mobilization, institutional capacity building, micro-enterprise development, sustainable agriculture and environment conservation, inland fisheries, psychosocial support, peace-building activities, participatory needs assessments, project planning, monitoring and evaluation.

## our mission >

The mission of Sewalanka Foundation is to enhance the capacity of rural communities to democratically identify and address their own development needs and to provide services that contribute to the economically viable, socially just and ecologically sustainable development of Sri Lanka.

## our objectives >

1. To strengthen civil society by mobilising disadvantaged communities, building institutional capacities and linking community-based organisations with each other and with external resources.
2. To ensure the psychological, social and economic well-being of conflict-affected communities and facilitate the shift from relief aid to self-reliance and sustainable development.
3. To promote sustainable rural development by offering training, support and services in micro-finance, enterprise formation and management, agricultural production and marketing, sustainable technology development and community-based natural resource management.



## sewalanka foundation headoffice >

2nd floor 432A Colombo Road | Boralesgamuwa | Sri Lanka  
Email: [sewahq@sri.lanka.net](mailto:sewahq@sri.lanka.net) | Website: [www.sewalanka.org](http://www.sewalanka.org)  
Telephone: +94 01 2545362-5 | Fax: +94 01 545166