



annual **REPORT** 2002-2003



**SEWALANKA
FOUNDATION**

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Sewalanka Mission Statement

The mission of Sewalanka 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.

Published by

Sewalanka Foundation
Post Box 02
Boralessgamuwa
Sri Lanka
Telephone: 94 1 2545 362-5
Fax: 94 1 2545 166
Email: sewahq@sri.lanka.net

Editing, Layout & Design

Sewalanka Media Division
Tanya Notley
Penny Boddington

Photographs

Tanya Notley
Lakshi Abeysekera

Printing

Printage

Cover photo: Families bathe in the tank at Kokpetiyawa, in the Anuradhapura District, where the NEIAP project rehabilitated the damaged tank and the CEIF project is promoting the conservation of the tank ecosystem.

Photo, this page: A woman in Vavuniya prepares to make flour from the rice she has cultivated.

Photo, preface page: A family in Anuradhapura prepare to plant seedlings as part of a Sewalanka food security and environment project.



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A few months back, I went to visit a farmer that I lived with when I was nineteen years old. He was a paddy farmer, and I remembered him as a strong, proud man with broad shoulders and a straight back. Thirty years later, he's stooped and half blind, but when I asked him how he has been, his reply went far beyond his individual health or well-being.

He pointed with a wavering hand to two hills in the distance. "Between those hills we had three tanks and a beautiful thick jungle. When Maha rains came, all of us in the village started cultivating together and the crops were good. When Yala season finished, our tanks still had water, not only for the people in the village, but for all the trees and birds and animals. Everything lived together."

"Today, half our jungle is gone. The animals have left. Immediately after Maha, the tanks are dry and there is no water for Yala cultivation. Our children thought that the trees, the land, the animals belonged to people. They didn't understand that we are all connected together. They didn't think about tomorrow, and now this is what has happened. Our grandchildren are suffering."

His story continued on, but these words stayed with me and shook me. It is not only his children that have looked at the world this way. In the rush to 'develop' our country many of us, policy makers and practitioners alike, have forgotten our responsibility to future generations. Shortsighted projects and policies can exacerbate poverty, destroy natural capital, fuel social tensions, and threaten future well-being. Too often, long-term environmental and social concerns are forgotten in the drive for quick profits and quantifiable outputs.

2002-2003 has brought many exciting changes to Sri Lanka. The ongoing peace process has set the stage for a wave of new development policies, programs, and projects. It is particularly important now, when things are changing so quickly, that we take the time to ensure that the development path we are choosing is equitable and sustainable. As a national development NGO, Sewalanka Foundation has an important role to play in this process.

When Sewalanka Foundation was founded ten years ago, it faced an enormous challenge. Conflict was raging in the North and East and the immediate needs of the internally displaced required an urgent response. As the country's socio-political situation is changing, so is our role. Over the past year, we have been working to reconceptualise, re-strategise, and restructure Sewalanka in order to face the challenges of the coming decade and ensure that social well-being and environmental sustainability are not sacrificed in the name of development.

When I was nineteen years old, that village farmer taught me how to grow rice. Thirty years later he gave me an equally valuable lesson, one that we can't afford to ignore. Focusing only on immediate needs can have dangerous long-term consequences. This is a small island. Sustainable development will only be possible if we "think about tomorrow" and "understand that we are all connected." As I left the village that day, I assured him that his words would not be forgotten.

Harsha Kumara Navaratne
Chairman
Sewalanka Foundation



Preface



Social Development Division

The Social Development Division (SDD) was established in response to extensive research and field work undertaken by Sewalanka. SDD division provides backbone support to ensure all projects adopt and practice community participation approaches in planning, implementation, monitoring and evaluation. Also, SDD collaborates with all projects at the district and field level to ensure gender equity in the selection of beneficiaries and in the planning and implementation of project activities.

The recent development trends and evolving social development needs in the country, especially in the war affected areas, has strongly motivated Sewalanka to strengthen this division further during 2002-2003. It has extended its professional services during this reporting period to the following programmes:



Above A community in the Trinco district undertake a Participatory Needs Assessment (PNA). The Social Development Division provides PNA training and planning advice to Sewalanka staff.

- Opp page (from top)** Sewalanka volunteer, Vijay Kumari, discusses loan repayments with a young entrepreneur on a Hatton tea estate who with her loan opened a small shop.
- >> Releasing fish fingerlings into Dambeara Wewa (tank) in DS Division of Siyambalanduwa.
 - >> Sewalanka volunteer, Vijay Kumari, discusses loan repayments with a young entrepreneur on a tea estate in Hatton who opened a small shop with her loan.

Sewalanka 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.

1. Undertaking Socio-Economic Surveys for World Bank and Asian Development Bank's supported projects.
2. Assisting *North-East Irrigated Agriculture Project (NEIAP)*, a World Bank supported project, to successfully implement an output based social mobilization strategy throughout the north-east and boarder districts.
3. Assisting *North-East Community Restoration and Development Project*, an Asian Development Bank supported project, to implement an innovative model of community development in the north-east.

SDD has also developed comprehensive training modules for the benefit of project staff, community based organisations (CBOs) and other development agencies. The areas covered in these modules include:

- Social Mobilization
- Participatory Rural Appraisal (PRA)/ Participatory Needs Assessment (PNA)
- Community Action Planning (CAP)/ Application of the Logical Framework Approach
- Participatory Monitoring and Evaluation
- CBO Management (Leadership Development, Documentation, Networking, Contracting, Financial Management, Management of Revolving Funds, etc).

Agriculture and Fisheries Development Division

Two of Sewalanka Foundation's key target groups are 'dry zone farming' and 'fishing' communities. Projects and activities with these communities are supported by the Agriculture and Fisheries Development Division. This unit is coordinated by qualified agricultural and fisheries staff, including two senior aquaculturalists and a senior fisheries extension expert.

Sewalanka owns and manages two agricultural farms in Anuradhapura (50 acres) and in Vavuniya (25 acres) to support farmer training, research and development activities. Three of the focus areas for agricultural development are:

- **Conservation farming:** by promoting soil, water and natural vegetation conservation methods and by adopting environment friendly and low cost farming practices. Sewalanka pioneered the use of drip irrigation to Northern farmers in a bid to promote water management.
- **Productivity improvement:** by using better quality seeds and practising improved post harvest-handling techniques.
- **Commercialisation:** by shifting to collective and group based action, converting primary products to value added goods (agro-processing), cultivating entrepreneurship, adopting better collective marketing practices and linking with district and national level economic centres.

Through its fisheries development activities Sewalanka Foundation has worked extensively with farmers in the dry zone, to incorporate 'carp aquaculture in minor irrigation systems' into local livelihood strategies. Working with lagoon fishing communities, Sewalanka Foundation staff are encouraging fishermen to develop 'fisheries management plans' to regulate their fishing activities. A key part of these plans has been the design and implementation of 'mangrove replanting programs' with Fishermen's Cooperative Societies, who recognise the important link between good environmental management and increasing incomes for lagoon fishermen. An unexpected spin-off from these activities has been the promotion of ecotourism in Pottuvil Lagoon - see www.agrugambay.lk - run by the local Fisheries Cooperative Society, supported by Sewalanka Foundation staff.



Micro-finance and Enterprise Development Division

The main function of this division is to provide a complete package of micro and small enterprise development services to individual entrepreneurs and organised groups – CBOs, farmer organisations, farmer companies, fisheries cooperative societies etc. This Division has established district level Enterprise Development Service units. These units identify potential entrepreneurs and their needs. The units then coordinates necessary training and services such as the preparation of business plans, facilitation of bank loans, technical training, regular business counseling and marketing support. To provide enterprise development services, Sewalanka has an in-house team of 20 GTZ/CEFE (Competency Based Economies through formation of Enterprises) and four ILO/SIYB (Start and Improve Your Business) trainers. The division also directly operates a credit program at the district level, catering mainly to the revolving fund needs of CBOs.

Special Projects Division

The Special Project Division (SPD) has two main responsibilities within Sewalanka Foundation;

1. The conceptualisation and development of projects and programs based on the innovative ideas that respond to crucial needs evident in the field.
2. Develop and maintain the organisational networks with international development partners, multi- and bi-lateral donor agencies, and Sri Lankan government and non-government bodies.

During 2002-03 and as a result on the continued peace process, the SPD continued to focus on assisting the resettlements of the spontaneous returnee communities to the North and East. In undertaking this work, SPD drew upon eight years of experience in serving the Internally Displaced communities in the North. As a result, Sewalanka has been able to quickly shift from earlier relief support to linking >> the communities with the rehabilitation phases in the rebuilding of the villages.

Sewalanka has supported at least 15,228 families during 2002-03 in their return and resettlement in the North. In addition to basic assistance – shelter, water and agricultural support – SPD reinitiated village groups and societies and develop their institutional capacity. As a priority, SPD places emphasis on addressing the needs of women and vulnerable groups and building their capacities in the resettlement process.

A significant project undertaken during 2002-03 by SPD, in collaboration with other Sewalanka divisions is the *Integrated Food Security Project (Phase I) for Wannii* that was supported by Deutsche Welthungerhilfe.

This project aims to help resettled communities in 50 villages situated in two of the badly affected DS divisions in Vavuniya. The project will enable these communities to move towards sustainable social and economic development and a long awaited stability. Emphasis will be made on sustainable agriculture, inland fisheries, and micro-entrepreneurship development.

All SPD's work in communities is possible through the strong partnership with Deutsche Welthungerhilfe (German Agro Action).



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)



>> A Muslim community returns to the North after 13 years.

Opp page (from top) Returnee families in Kanakarayankalan provided with temporary roofing and utensils by UNHCR

<< Reinitiated home garden by a returnee family in Nedinkerny (BMZ/GAA)



CASE-STUDY: Shivangee is now building her shattered life

Shivangee, a 56 year old widow, relates her story with uncontrollable tears. She can not reconcile her once spacious home, large stocks of livestock and acres of productive paddy and highland, with the shell of an old house she now stands beside. Before the conflict, Shivangee belonged to a successful farming family in Olumadu village in Vavuniya North Division.

The ravaging conflict in the North has brought nothing but misery to Shivangee and her family. In 1987, after her husband died from an Indian Peace Keeping Force mortar attack, Shivangee faced the unexpected responsibilities of being the sole carer and breadwinner. However, she survived and supported her four children for the next ten years with the agricultural produce from their lands.

That is until May 1997, when the GOSL initiated military operations to gain control of the A9 road to Jaffna. Shivangee will always remember the day the army came. There were strong winds, rain and night was falling when villagers were suddenly running and



screaming that the army was advancing. Shivangee had no time to think what possessions to bring. She simply gathered what she could, coordinated her family and they left her home and

>> Shivangee

village. They ran and walked for hours until they reached another village in Mannakulam, where they took temporary shelter in a school for the evening. The days blurred as her family moved to Mallawi and later into the district of Mullaittivu.

In Mullaittivu, they lived a very poor existence struggling each day to find food. Her older son did some labour work to provide for the family and whenever Shivangee could manage she also undertook labour work.

In 2000, Shivangee son's was killed from a mortar attack while collecting fire food for the home – this was too much in over a decade of misery.

In 2001, the Army withdraw and Shivangee and her now grown-up family could return to their village. Eventhough the family had barely survived the conflict - their home, possessions and fields had been destroyed.

Shivangee started to rebuild their lives with the support and assistance of Sewalanka and Welthungerhilfe (German Agro Action) through the emergency rehabilitation projects.

A little hut was built beside their shattered house. Shivangee re-cultivated her paddy lands and with the reasonable income derived she has started a small poultry business. Water and sanitary facilities were also provided. Shivangee's daughter takes an active part in the village development work.

Shivangee and her family now look forward to rebuild their lives with the forthcoming Food Security Project which will bring stability to these conflict affected families.

Sewalanka Projects 2002-03



Project Description	Donor, Partner *	District	Activities	Villages	Target Group	Period	Amount
Emergency Rehabilitation							
Humanitarian assistance to resettled families	ECHO, GAA	Vavuniya, Mannar	Agricultural assistance, Well and tank rehabilitation, Shelter	23	1147	Aug 02 - Feb 03	43,884,012
Support for returnees and relocated families in North	BMZ, GAA	Kilinochchi, Mannar, Vavuniya	Rehabilitation, Agro Wells, Agricultural assistance, Food rations	6	4939	Aug - Dec 02	36,342,360
Humanitarian assistance for IDPs in the North	AA, GAA	Mannar	Food rations, Roofing materials, Kitchen utensils	18	1980	May – Sep 02	13,787,689
Emergency relief for victims of the flood in the North	AA, GAA	Kilinochchi, Mannar, Mullaitivu, Vavuniya,	Food rations, Roofing materials, Kitchen utensils	11	2325	Jan - Apr 02	16,152,532
Rehabilitation							
National Protection and immediate humanitarian assistance for IDPs and returnees	UNHCR	Vavuniya, Mannar, Trincomalee	Livestock assistance, Water and sanitation, Agricultural assistance, Tank rehabilitation, Roofing materials, Fisheries, Common shelter, School and multi-purpose building construction, Training	32	2714	Jan 02 - Dec 02	15,519,850
Sustainable Development							
Rehabilitation project (including bridging support)	GAA	Vavuniya, Mannar	Training, CBOs development, Micro-entrepreneur training, Agricultural assistance	81	2150	Jul 02 – Dec 02	4,649,975
Poverty reduction and socio-economic development of rural communities in former conflict areas (2003-05)	EU, GAA	Vavuniya, Mannar, Anuradhapura	CBOs development, New Technologies training, Income generation, Environmental training	67	165	Jan 03 - Mar 03	650,000
Sustainable rural economy development	Embassy of Japan	Trincomalee	Tanks and irrigation channel rehabilitation	7	407	Mar 02 - Feb 03	5,000,000
Livelihood Development Phase I	OXFAM	Vavuniya, Mannar	Revolving Fund Loan, Micro-projects, Water and sanitation	7	125	Jun 01 - May 02	3,076,000
Livelihood Development Phase II	OXFAM	Vavuniya, Mannar	Water and sanitation, Revolving Fund Loan, Micro-entrepreneur training, CBOs development	12	612	Jun 02 - May 03	4,765,550
Pilot Project in Avanam Village	Danish Refugee Council	Mannar	Water and sanitation, Preschool equipment, Income generation	1	35	Oct 01 - Mar 02	1,244,875
Pilot project to extend psychosocial care to conflict communities	Helvetas Sri Lanka	Vavuniya, Mannar	Training	60	2000	Nov 01 - Nov 02	4,000,000
North East Irrigated Agricultural Project (NEIAP)	World Bank	Vavuniya, Mullaitivu, Kilinochchi, Polonnaruwa, Monaragala, Puttalam, Jaffna, Mannar, Ampara, Trincomalee, Anuradhapura	Social mobilisation	52	9786	Apr 02 - Aug 03	22,500,000

Photo this page: The NEAIP project in Trincomalee assisted Ms Vanitha in establishing a poultry business by providing her with a Rs10,000 loan

Photo opposite page: An Asian Development Bank funded water and sanitation project in the Hambantota District benefiting 1,200 families

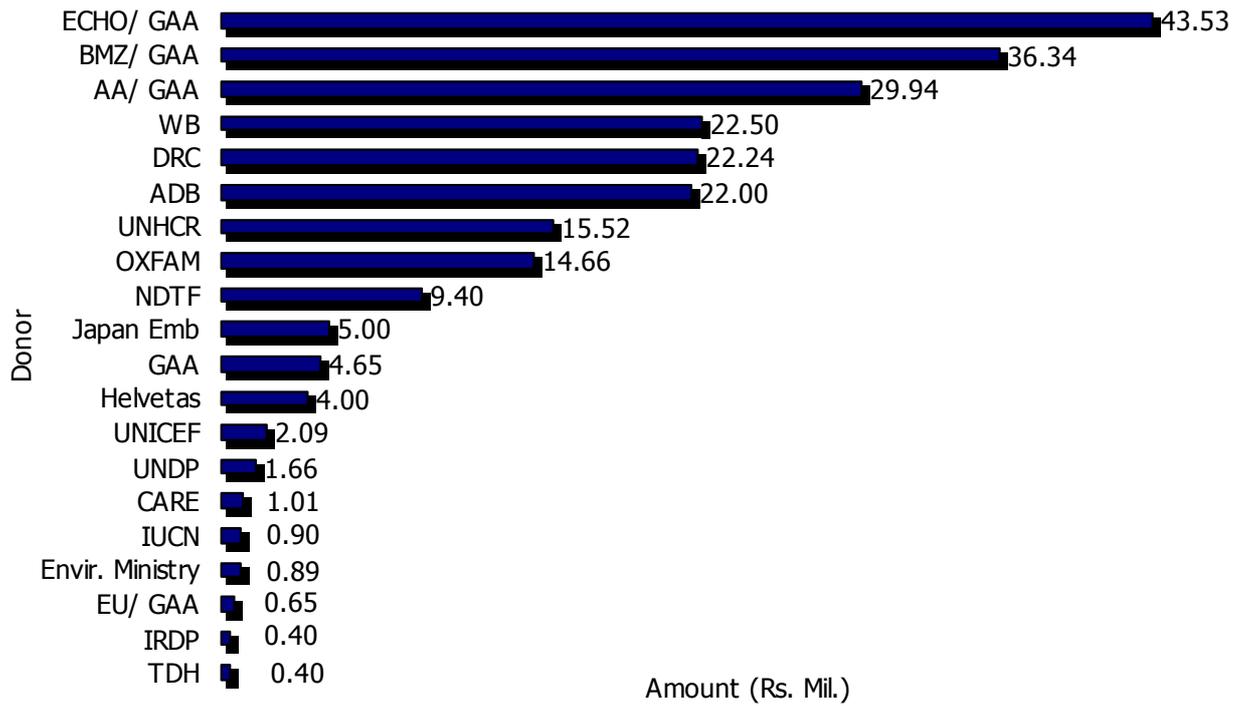


Project Description	Donor, Partner *	District	Activities	Villages	Target Group	Period	Amount
Enhancing the quality of Children's live	UNICEF	Vavuniya	Preschool Development	9	649 Children	Oct 01 - Jun 02	2,091,315
Water and Sanitation project	ADB, NWSDB	Hambantota	Training, CBOs development, Pumphouse construction, Water and sanitation	6	1407	Dec 99 - Dec 02	1,500,000
Inland Fisheries	CARE International	Hambantota	Training, Fisheries	4	350	Jan 02 - Feb 03	214,000
Singaraja Village Trust Project	GEF / UNDP	Galle, Matara	Reforestation, Kitul harness and business development	6	890	Oct 01 - Oct 03	
CEFE training	CEFE, ADB	Anuradhapura	Micro-entrepreneur training	6		Mar 02 - Dec 03	20,000,000
DRC Project	Danish Refugee Council	Anuradhapura	Farmer company credit fund established, Micro-entrepreneur training	1	650	Aug 02 - Jul 03	21,000,000
CEFE training	CARE International	Anuradhapura	Micro-entrepreneur training	2	1200	Jan 02 - Aug 02	798,000
Water & Sanitation	ADB, NWSDB	Anuradhapura	Water and sanitation	5	2419	Jan 01 - Sep 02	498,000
Environment Protection	Ministry of Environment & Natural Resources	Anuradhapura	Conservation of Tank Eco-system	4	191	Jan 01- Oct 02	890,000
Credit Programme	NDTF	Ampara, Trincomalee, Anuradhapura	Income generation, Loan distribution, Agricultural assistance	53		from 1996	9,400,000
Micro Project	OXFAM	Ampara	Credit fund, CBOs development, Water and sanitation, Housing improved, Preschool construction, Entrepreneur development	12	750	Jan 02 - Dec 03	5,079,800
Village tank fisheries project	OXFAM	Ampara	Social mobilisation, Savings and credit promotion	2	56	Mar - Oct 02	1,736,600
Integrated inland fisheries and aquaculture development project	IRDP	Ampara	Social mobilization, Savings and credit promotion, Development of agriculture based village infrastructure	4	1585	Jun 02 - Mar 03	400,000
Mangrove Reforestation and Lagoon complex Co-management	UNDP	Ampara	Reforestration and enhancement of mangrove biodiversity, Co-management of Palakuda lagoon, Environmental education and raising awareness	4	350	Jun - May 03	1,659,750
Mangrove Reforestation and Lagoon complex Co-management	IUCN	Ampara	Reforestration and enhancement of mangrove biodiversity, Co-management of Palakuda lagoon, Environmental education and raising awareness	5	150	Jun - May 03	899,570
Improving access to safe drinking water and sanitation	Terre des hommes	Ampara	Water and Sanitation, Shelter construction, Income generation, Bridge construction, Preschool development, Multipurpose building construction	11	1693	Jan 03 - Mar 03	398,000
TOTAL				455	40,238		238,137,878

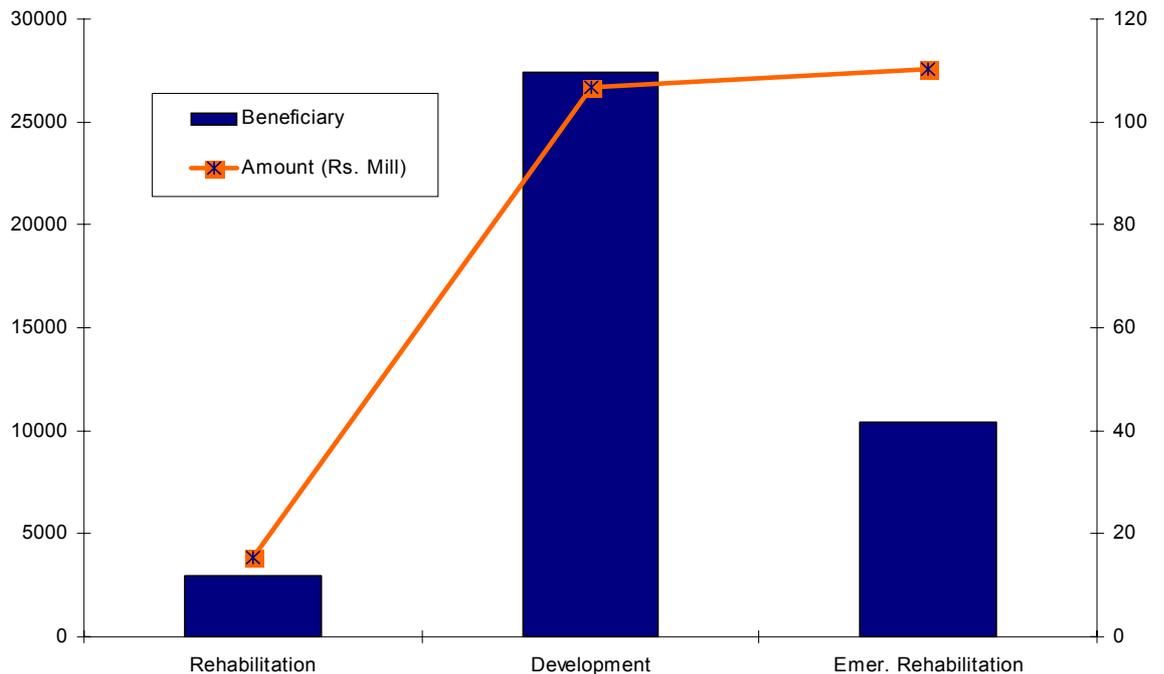
* Please note, abbreviations and more information concerning Donor Partners is on page 7.



Donor Funding 2002/03



Project breakdown by funding and area of activity



Sewalanka has established its own Training Institute with competent professionals to conduct localised and project specific training courses in social mobilisation, human resource development, micro-enterprise development, sustainable agriculture and environmental conservation, inland fisheries, institutional capacity building , psychosocial methodologies, peace-building, need assessments, project planning and participatory monitoring and evaluation of projects and programs.

Aside the many external workshops Sewalanka staff participated in during 2002-03, Sewalanka's Training Institute coordinated the following workshops to enhance the capacity of staff , community leaders and project partners in planning, implementing and evaluating projects.

– **Peace and Trust Building workshop**

9th to 11th February 2002, Kandy

Workshop conducted by Prof. Hizkias Assefa and Dr. Cynthia Cohen of Brandeis University, Boston.

14 Religious Leaders participated representing all three ethnic groups

– **Peace and Coexistence workshop**

13th to 15th February 2002, Wattala

Conducted by Prof. Hizkias Assefa and Dr. Cynthia Cohen of Brandeis University, Boston.

43 Community Leaders, CBOs and Sewalanka field staff participated

– **Do-No-Harm and Food Security workshop**

24th October to 2nd November 2002, Anuradhapura

Workshop conducted by Mr. Greg Hansan, Dr. Heinz Peters, Ms. Korinna Kreidler and Ms. Barbara Chambers for German Agro Action

40 Sewalanka staff participated

– **Participatory Monitoring & Evaluation Training**

16th to 18th December 2002, Anuradhapura

Coordinated with the collaboration of M.Siddarthan and Tissa Atukorala of the University of Peradeniya

30 Sewalanka staff participated

– **The Role of Civil Society in the Peace Building and reconciliation Process**

7th March to 9th March 2003, Vavuniya

Coordinated with the collaboration of the National Peace Council (NPC) and Japan Center for Conflict Prevention (JCCP)

130 people participated from various NGOs and government departments as well as Sewalanka staff



Training Activities



TOP Peace and Trust Building Workshop
Participatory Monitoring and Evaluation Workshop
Do-No-Harm Workshop



Institutional Development

Institutional development is a key component to Sewalanka Foundation's approach in implementing projects to ensure that projects have a sustainable impact on the communities they are designed to benefit. Sewalanka established or strengthened 455 community-based-organisations (CBOs) during 2002-03, empowering over 40,000 families.

Institutional capacity development is especially important in dry zone farming communities, who comprise one of the largest beneficiaries of Sewalanka's work. These communities are often handicapped due to lack of community-based institutions representing them or weak institutions that do not have the capacity to effectively interrelate with government institutions, the private sector and other civil society organisations. This institutional weakness keeps these communities socially and economically marginalized whilst it makes them dependant on external organisations to provide assistance.

So how does Sewalanka work with communities to build their institutional capacity? The first step is to understand and evaluate existing strengths and weaknesses by undertaking an institutional analysis and a stakeholder analysis. At the same time, Sewalanka begins community mobilisation with the formation of small groups. In some communities this may lead either to the establishment of new CBOs or to strengthening the institutional capacity of existing CBOs.

For example, in several resettling communities in Vavuniya, years of displacement meant there was no opportunity to form or operate any associations, institutions or CBOs. As a result, the communities working with Sewalanka are assisted to establish new CBOs in order to guide the implementation of infrastructure rehabilitation and income generation projects. Secondly, through the North East Irrigated Agriculture Project (NEIAP), the capacity of existing CBOs was

enhanced as a core component of the project. This included developing the capacity of existing:

- Farmer Organizations for the purpose of irrigation development;
- Rural Development Societies for other community infrastructure development; and
- Women's Rural Development Societies for savings and credit based livelihood support activities.

Sewalanka provides training to communities at a small group level. This practical training includes topics like leadership development, bookkeeping, record keeping and managing savings and credit activities. In situations when small groups need to federate to form a CBO, Sewalanka will also facilitate the formulation of a suitable constitution and the CBO registration.

A key strategy of Sewalanka is to involve the entire membership of CBOs in its development, by forming



Sewalanka Social Mobilisation Process

1. Sensitise Community to factors underlying poverty
2. Motivate the community to form groups with 5-10 families
3. Use of Participatory Rural Appraisal techniques to enable the community to define their own situation, problems and priorities
4. Build Capacity of groups so they are able to conduct efficient meetings, mobilise savings, manage small loans, manage book keeping of their groups finances
5. Formation of a CBO brings together small groups to form one consolidated village society. Capacity of the CBO is built so they are able to manage loans, network with other groups, approach NGO's and government organisations, define and manage development projects.



'action groups' during the social mobilisation process. These action groups later evolve into Village Development Committees (VDC) entrusted with specific tasks. Group leaders, VDC members and the executive officials of CBOs receive training in fields such as: motivation and leadership development, group dynamics and team building, problem/conflict solving, meeting protocols, participatory project planning and budgeting, bookkeeping, financial management, monitoring and evaluation. This training is especially designed to address some of the common weaknesses encountered by CBOs. These weaknesses include the perceived lack of member participation in decision making processes and management, individual and group conflicts, poor communication and information dissemination, non-motivated leadership, lapses in financial management and poor planning.

Another key component of Sewalanka's work with existing or new CBOs is the development of relationships with immediate stakeholders including government institutions, NGOs, Banks, religious institutions and local government institutions. This networking helps to identify resource persons and institutions that could be utilised for future CBO capacity building and it often leads to wider institutional networks – an important requirement for sustainable CBOs. In addition, networking through CBO experience-sharing exchange programs is also an important institutional strengthening activity provided by Sewalanka.

Finally, considering sustainable institutional development is a key aim of the Sewalanka approach, advanced training and follow-up support is provided to assist in the establishment

and management of more commercial CBOs such as Farmer Companies and entrepreneur associations. Training and services to such organisations comprise of contract negotiation, budgeting, alternate financing, marketing and financial management.

From top The community at Eachananga, in Trincomalee, engage in a Participatory Rural Assessment (PRA). A PRA takes three days and involves the participation of the entire village. The final result is that the village needs are identified and prioritised in a consensus building process.

+ Sewalanka field Officer, P.Kanagayagaam, provides training assistance to the Ales Gardens CBO Treasurer, Ms. Thevaneswary. Sewalanka CBO training includes: leadership development, group dynamics and team building bookkeeping, record keeping participatory project planning and budgeting and monitoring and evaluation.

+ A Sewalanka CEFE trainer, provides feedback to the business plan developed by Mr Vijay, a coconut oil producer in Anurahapura district. CEFE training programs consist of: New Business Creation; Agriculture & Fisheries Training; and Business Expansion. In 2002-3 Sewalanka conducted 34 CEFE training programs for 850 new and existing entrepreneurs.

Opp page Women at Chandrapuram formed a Womens Society that plays an integral role in planning the village CBO activities. Here, they vote on development priorities for women. Sewalanka's Social Development Division collaborates with all projects at the field level to ensure a gender focus in the selection of beneficiaries and in the planning and implementation of project activities.



<< Sewalanka's Chairman, Harsha Kumara Navaratna (center) and Mannar District Director, Annet Premalatha, talk with a fisherman in the Mannar District

Board of Directors

Mr. Harsha Kumara Navaratne
Chairman

Mr. V. Revathan
Vice Chairman, Regional Director - North

Mr. Wasantha Priya Ramanayake
Vice Chairman

Rev. Homagama Kondanna

Dr. W. Lionel Weerakoon

Ms. Lakshi S. Abeyasekara
Director - Special Projects

Mr. D.M.S.B. Dissanayake
Director - Finance

Mr. Sirimevan Weraduwa
Deputy - Micro Igration

Ms. Kanthi A. Navaratne

Mr. Shahul Hameed Lebbe Aliyar
Deputy National Advisor - Training

Ms. Subramariyam Sivapackiyamm
Coordinator, Hatton Plantation Project

Mr. Ganeshmoorthy Kriushnamurthiy

Senior Staff

Mr. P. A.I. Udeni Dias	Director, Promotions
Mr. Ananda P. Kariyawasam	Director, Credit and Micro-Enterprise Development
Ms. Kaushalya Nawaratne	Director, Womens Empowerment Assistant Director, Special Projects
Mr. V.K. Ilanko	Deputy Regional Director, North
Mr. Bandula Ukwatte	Internal Auditor
Mr. A. Aruna de Alwis	Assistant Director, Administration
Ms. A.M.R.K. Adikarinyake	Coordinating Secretary to Chairman
Mr. S. Thavamohan	Coordinator, Social Mobilisation Wann
Mr. S. Yogarajah	Coordinator, Mannar and Wann

Consultants/ Advisors

Mr. Mahinda de Silva	Planning and Development
Mr. Tapan Kumar Barman	Social Development Division
Dr. Steve Creech	Fisheries Development
Ms. Amanda Kiessel	Sustainable Development
Ms. Tanya Notley	Monitoring and Media
Mr. Kumarasiri Pothuwila	Enterprise Development
Ms. Kate Waldock	Psychosocial
Prof. Alagaiah Navaratnarajah	Adviser, Northern Districts
Mr. K. Thiyagarajah	Adviser, Batticaloa
Rev. Kalyanatissa	Adviser, Vavuniya

Special Assignments

Mr. J.A. Indralal Jayasinghe	Deputy Program Manager, NPCU Trincomalee
Mr. Lionel Dassanayake	Zonal Director
Ms. Lenka Koblizkova	Agriculture Resource Center, Vavuniya
Ms. Asano Usui	Coordinator, Women and Children Program, Ampara
Mr. Ajith Tennakoon	Coordinator, Sinharaja Village Trust
Mr. Lal Fernando	Engineering
Mr. Aruna Rajpaksa	Marketing
Ms. Kellie Watson	AVI Volunteer, Eco Tourism
Mr. Lee Ward	AVI Volunteer, Eco Tourism
Mr. Nobutaka Ando	UN Volunteer, Peace Programs
Mr. Richard Walker	Development Projects, Vavuniya

Mr. Dirk Altweck, Deutsche Welthungerhilfe (German Agro Action) is based at Head Office

District Directors

Mr. Deepal Chandrathilaka	Ampara
Mr. S.F. Jeganathan	Batticaloa (Acting)
Mr. D. Somaratna Perera	Galle
Mr. Jayantha D. Wijesinghe	Hambantota
Mr. R. A. Anandarasa	Jaffna
Ms. R. Annet Premalatha	Mannar
Mr. A.L. Hallaj	Puttalam (Acting)
Mr. T. N. Newton	Vavuniya

Deputy District Directors

Mr. K. Lalith Priyankara	Anuradhapura
Ms. Jinadari Wedamulla	Vavuniya
Mr. V. Kesavan	Jaffna
Mr. S. Thirusethukavalar	Vanni
Mr. S. Rajanathan	Trincomalee
Mr. Ariyawansa Bandara	Polonnaruwa
Mr. G. Nagarajah	Coastal Areas, Ampara
Mr. N.M.J.B. Nibuliyadda	Kurunegala
Ms. W.A.D.P. Shiromala Kumari	Monaragala

Sewalanka has 380 staff members. Most of these members come from the same geographical area and background as the communities with whom they are working.

Sewalanka's senior management offers expertise in agriculture, fisheries, education, law, media, business and management.



K. S. KARUNADASA & COMPANY
CHARTERED ACCOUNTANTS

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

Phone : (094) 038 - 40708

Fax : (094) 038 - 40708

REPORT OF THE AUDITORS
TO THE MEMBERS OF SEWA LANKA FOUNDATION

We have examined the Balance Sheet of Sewa Lanka Foundation as at 31st March 2003 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 31st March 2003, 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 31st March 2003 and of its Expenditure over Income 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 31st March 2003.





CHARTERED ACCOUNTANTS
PANADURA.
22nd September 2003



Auditors Report

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

BALANCE SHEET AS AT 31ST MARCH 2003

31.03.2002

	NOTE	Rs.	Rs.
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	02	20,923,985.24	11,594,013.00
INTANGIBLE ASSETS			
E. D. B. System - Accounting Programme		565,508.02	-
CURRENT ASSETS			
Receivables	03	10,597,714.51	18,890,735.07
Advances	04	8,405,457.10	8,155,370.20
Call Deposits	05	8,250,000.00	13,530,000.00
Cash and Cash Equivalents	06	4,871,689.09	2,110,445.35
		<u>32,124,860.70</u>	<u>42,686,550.62</u>
Total Assets		<u>53,614,353.96</u>	<u>54,280,563.62</u>

RESERVES, FUNDS & LIABILITIES

RESERVES & FUNDS

Accumulated Fund		(5,773,476.66)	(3,370,601.68)
Unutilized Project Funds	07	18,988,190.96	18,975,241.40
Left Over Funds	08	607,433.59	-

NON CURRENT LIABILITIES

Long Term Loan	09	4,993,086.16	2,316,414.49
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CURRENT LIABILITIES

Amount Payable & Accrued Expenses	10	27,434,509.66	30,789,508.52
Gratuity Provision	11	2,624,650.00	1,736,650.00
Bank Overdrafts	12	4,739,960.25	6,011,550.89
		<u>34,799,119.91</u>	<u>38,537,709.41</u>

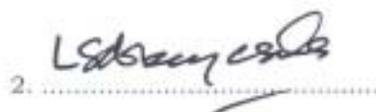
Total Reserves, Funds & Liabilities		<u>53,614,353.96</u>	<u>56,458,763.62</u>
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Signed on behalf of the Board of Directors.

Directors





2. 



SEWA LANKA FOUNDATION

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDED 31ST MARCH 2003**

2001/2002

	<u>NOTE</u>	<u>Rs.</u>	<u>Rs.</u>
<u>INCOME</u>			
Donations	13	226,705,579.20	158,820,091.88
<u>LESS: EXPENSES</u>			
General Overheads	14	14,575,134.90	15,604,789.73
GAA Child Development		-	26,696.78
UNHCR - Micro	15	17,745,073.15	25,575,264.56
FRG Project		-	571,691.67
NDTF Programmes	16	1,194,752.75	1,731,300.76
Mahagalwewa Project		-	520,135.15
OXFAM - Ampara	17	2,569,322.98	2,639,664.00
ADB Water Project - Hambantota	18	1,122,069.78	920,768.74
Unicef Project		-	1,953,434.19
The Japan Centre for Preventive Diplomacy	19	2,488,521.50	2,270,603.75
REPAID Project II - Anuradhapura		-	565,650.00
Australian Community Re-settlement Programme - Ampara	20	66,489.38	5,439,272.36
ADB Water Project - Anuradhapura	21	236,145.91	478,570.05
North - East Irrigated Agriculture Project - NEIAP	22	30,272,559.83	16,921,182.65
Micro Drip Irrigation Project	23	5,133,628.80	6,609,260.01
Food for Internally Displaced and Re-settlers in the Vanni - LKA 1012		-	26,087,859.23
Agricultural Inputs for Settlers and Re-settlers in the Vanni - LKA 1013		-	18,963,020.46
Emergency Relief for Victims of the Drought - LKA 1014	24	66,492.21	11,568,717.34
Emergency Relief for Victims of the Floods - LKA 1016	25	9,456,328.31	4,537,916.30
DRC Project - Anuradhapura	26	516,611.97	788,310.00
Psychosocial Project - Helvitas - Phase 1	27	3,134,668.40	288,458.35
Cadjan Roofing Project		-	1,347,967.25
Sinharaja Village Trust	28	577,157.33	547,925.65
ADB - CEFE Project - Anuradhapura	29	4,840,126.62	245,107.48
CEFE Programme	30	1,851,464.79	-
OXFAM - Vavuniya	31	1,162,075.24	-
DRC Rehabilitation & Re-location Programme - Vavuniya	32	1,604,062.47	-
Psychosocial Project - Helvitas - Phase 11	33	392,281.00	-
UNDP Project - Ampara	34	469,017.44	-
Improving Access to Safe Drinking Water & Sanitation Terre Des Hommes (TDH) - Ampara	35	78,507.20	-
Environmental Project - Anuradhapura	36	896,273.00	-
Revitalise Rural Economy Using Locally Available Resources (Japan) - Trincomalee	37	5,225,280.40	-
World Food Programme - Hambantota	38	183,652.11	-
Humanitarian Aid for IDPS in North - AS 1171 / LKA 101	39	13,342,487.18	-
Start Support for Re-settled and Re-located Families in North - AS 1175 / LKA 1018 - 02	40	58,799,009.27	-



Count.



Profit and Loss

Count.

Humanitarian Assistance to Re-settled Families in Mannar			
- AS 1177 / LKA 1019 - 02	41	44,129,643.53	-
Rehabilitation Project - German Agro Action Phase 111	42	182,520.31	243,360.41
Rehabilitation Project - German Agro Action Phase 1V	43	1,257,405.88	8,030,701.10
Rehabilitation Project - German Agro Action			
- AS 657 / LKA 1020-02	44	4,633,557.39	-
Rehabilitation Project - German Agro Action			
- AS 657 / LKA 1021-03	45	285,750.00	-
Increase / (Decrease) of Unutilized Project Fund		620,383.15	10,325,759.34
		<u>229,108,454.18</u>	<u>164,803,387.31</u>
Excess of Expenditure Over Income for the Year		<u>(2,402,874.98)</u>	<u>(5,983,295.43)</u>
 <u>Statement of Accumulated Fund</u>			
Accumulated Fund at the beginning of the year		(3,370,601.68)	2,612,693.75
Excess of Expenditure Over Income for the Year		(2,402,874.98)	(5,983,295.43)
Accumulated Fund as at 31.03.2003		<u>(5,773,476.66)</u>	<u>(3,370,601.68)</u>



Head Office

Colombo

Sewalanka Foundation
No. 432/ A, 2nd Floor
Colombo Road
Boralesgamuwa
t: 012 - 2545362 - 5
f: 012 - 2545166
e: sewahq@sri.lanka.net
w: www.sewalanka.org

District Offices

Ampara

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

Anuradhapura

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

Batticaloa

No. 185, New Kalmunai Road
Kallady, Batticaloa
t: 065 - 222 4778

Hambantota

Udamalala
Tissamaharama Road
Hambantota
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: slfjaff@dialogsl.net

Killinochchi

Wanni Zonal Office
Kandy Road
Killinochchi
t: 021 222 3943

Mannar

No.64, Esplanade Road
Moor Street, Mannar
t: 023 - 2232702
f: 023 - 2232127

Monaragala

Main Street
Monaragala
t: 055 - 227 6274

Polonnaruwa

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

Puttalam District

No. 22, 3rd Lane
Spill Road, Puttalam
t: 032 - 226 5012

Trincomalee

National Programme
Coordination Office (NEIAP)
No. 268, Central Road
Trincomalee
t: 026 - 222 2817/ 026 - 222
7059/ 026 - 222 7058
f: 026 - 222 3228
e: sewat@sltnet.lk

Vavuniya

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

Sub - Offices

Ampara

Main Road
Thirukkivil, Ampara

Mannar

Vidathalthivu
Manthai West, Mannar

Matara

Sinharaja Village Trust Project
Kalugalhena
Deniyaya, Matara
t: 041 - 73821
f: 041 - 73821
e: sewadn@sri.lanka.net

Ratnapura

Kalawana
Davugalagawa, Ratnapura
t: 045 - 225 5643

Vavuniya

Off Jaffna/ Kandy Road
Kanakarayankulam
Vavuniya North - Vavuniya

Special Offices

Anuradhapura

Sewalanka Agricultural Centre
Yaya - 18
Rajanganaya, Anuradhapura
t: 025 - 225 7446

Nuwara Eliya

Plantation Workers Dev. Centre
No. 10, Barthford Bazaar
Dickoya, Hatton
t: 051 - 23243

Vavuniya

Sewalanka Agricultural Centre
Thavasikulam, Vavuniya
t: 024 - 222 3947

Sewalanka Media Unit

Sewalanka Foundation
established its media unit in
January 2003. The unit
produces the Sewalanka
Foundation bi-monthly
newsletter and the
Organisational Profile.

Newsletters are available at
www.sewalanka.org

If you want previous hard-
copies or would like to
subscribe please contact the
Media Coordinator at the Head
Office address provided. A
donation to cover postage and
printing costs would be
appreciated.





2nd floor 432A Colombo Road | Boraesgamuwa | Sri Lanka
Email: sewahq@sri.lanka.net | Website: www.sewalanka.org
Telephone: +94 01 2545362-5 | Fax: +94 01 545166