



# annual REPORT 2004-05



SEWALANKA  
FOUNDATION

# contents

Message from chairman .....	3
Tsunami - immediate response.....	4-6
Project snapshots .....	7-10
Strategic areas.....	11-17
Project partners .....	18-19
Projects 2004/05.....	20-23
Financial Statements 2004/2005.....	24-33
The Sewalanka management team .....	34
How to contact us .....	35



# Message from chairman

[www.sewalanka.org](http://www.sewalanka.org)

In traditional Sri Lankan villages, community members would come together at the beginning of every cultivation season to share experiences and make decisions. They would gather in a Buddhist temple or Hindu kovil or meet in the shade of a large tree to discuss the merits of different crop varieties and combinations, compare notes on the environmental signs that predicted rainfall, evaluate decisions from the last season, and develop a plan for the next. This process of sharing and reflection enabled our ancestors to learn from their mistakes, adapt to change, respond to local conditions, and sustain their way of life over hundreds of generations.

Our society has changed dramatically in recent years, but this process of group discussion and learning remains as relevant to today's challenges as it was in a traditional agricultural village. At Sewalanka, we not only try to incorporate this principle into our community development programs, but also into our own organisation. This is not always easy. Sewalanka's workload has increased dramatically since the tsunami, making it is easy to become caught up in the details of day-to-day work. We have had to make a special effort to take the time to sit together, share and discuss experiences, and learn from our successes, as well as our mistakes, however we see how important this process is if we hope to adapt to change and respond to local conditions.

We have seen a lot of changes in the past year— in the country, in the communities within which we work, and within Sewalanka Foundation. Internally, we have spent the past several months responding to two challenges.

First, we have had to strengthen our capacity considerably in order to continue serving the disadvantaged communities where we were already working, while simultaneously reaching out to those who were impacted by the tsunami disaster. We have had multiple organisational workshops to ensure that we maintain our core organisational principles and culture, our accountability, and our effectiveness through this period of rapid change.

Second, we have recognized that we need to complement our achievements in social mobilisation with a stronger economic development component. A number of community-based organisations (CBOs) that Sewalanka has been supporting have reached a level where they require specialized economic services to access credit, investment capital, technical and market information, advisory services, and marketing linkages. To meet these needs, Sewalanka has formed an internal Livelihood Development Unit and has registered a separate micro-finance institution; Sewa Finance, and a social enterprise, Sewa Enterprise Development Company (SEDCO). We feel this is an important step towards the sustainability of our development initiatives.

The organisational learning process has also helped us adapt our services to local conditions. For a small island, Sri Lanka is culturally and biologically diverse. Sewalanka staff work with farmers' organisations in remote dry zone villages; women's savings groups in the upcountry tea plantations; community conservation groups around the Sinharaja rainforest; micro-enterprises in the densely populated south inland; coastal fisheries cooperative societies; and thousands of families who have lost everything to the conflict or natural disaster and are now attempting to rebuild their lives and livelihoods. Since there is no single blueprint development model or package of services that would apply to all of these communities, we have focused on developing a strong organisational culture, a shared set of principles and strategies, and a local staff with the capacity to respond to change and diversity.

This past cultivation season has been extremely challenging. I would like to thank everyone who joined us 'in the fields' for their cooperation, coordination and support; for sitting together and sharing their experiences. We look forward to a new season of growth.

**Harsha Kumara Navaratne**  
Chairman  
Sewalanka Foundation



# Tsunami – immediate response

**Within minutes of the tsunami striking the coastline of Sri Lanka, Sewalanka Foundation staff in 11 coastal districts began responding to the immediate emergency needs of affected communities.**

**Sewalanka staff in Ampara, Batticaloa, Trincomalee, Kilinochchi, Jaffna, Mullaitivu, Galle, Matara and Hambantota, as well as those at head office, worked around the clock in collaboration with national and local government agencies, international NGOs, bilateral agencies and the LTTE; to assist bereaving and displaced families.**

**With basic necessities such as food, water and medical support quickly mobilised by field staff in affected areas, senior staff at head office began re-structuring management processes to ensure more efficient and effective response systems. Decision-making processes, financial systems, and communication and coordination facilities were all addressed and improvements quickly implemented.**

**Within a week of the disaster, Sewalanka Foundation had established a National Emergency Relief and Rehabilitation Committee, drawing on experienced senior staff members located across the country.**

**The Committee was quick to develop a disaster response strategy with activities divided into three phases; emergency relief and temporary relocation (or transition), emergency rehabilitation (relocation or resettlement) and livelihood redevelopment.**

**Each phase has distinct characteristics, requires specific inputs and draws upon the resources of different sources of external support. The three phases will not be implemented one after another, but will instead overlap.**

**The following pages provide a brief overview of the tsunami-related activities undertaken by Sewalanka and partner organisations in each district as of 31 March 2005.**

## North

With many individuals rebuilding homes and livelihoods as a result of years of conflict in the region, December's tsunami posed a new threat to settled and resettling communities in Jaffna, Kilinochchi and Mullaitivu.

Responding to the disaster, Sewalanka and longtime partner German Agro Action (GAA) quickly began distributing emergency relief and provisions to affected families and individuals. Sewalanka staff worked closely with a district taskforce comprising of representatives from the Government, the LTTE and NGO sector to ensure that urgent provisions were reaching affected communities without obstacle. Through a coordinated approach, the task force implemented an extension to checkpoints throughout the area to allow for unheeded distribution of provisions and necessary materials.

Temporary shelter was quickly established as a priority for displaced communities. Spending time with beneficiaries in tents provided for shelter, Sewalanka staff identified a need for improved standards and initiated the construction of solid structures in line with National Housing Development Authority standards. These shelters were made using local materials including cadjan, clay and brick.

By March 2005, construction of Sewalanka's allocated 1500 transitional shelters had neared completion. Dry rations had been distributed to over 10,000 families and kitchen utensils to over 8000 families. The construction of toilets and public infrastructure, including internal roads and community centres, was also in progress. 100 public wells had been cleaned and 350 water tanks (capacity 1000 litres) provided.

Future construction will include permanent houses, public wells, toilets and drainage facilities, shops, preschools and primary health care centres.

An additional component of this proposed reconstruction will be a focus on the strengthening of community-based organisations (CBOs) to ensure capacity building and long-term sustainable development beyond assistance. For example 12 CBOs in Jaffna will be strengthened through



# Tsunami – immediate response

[www.sewalanka.org](http://www.sewalanka.org)

member training in financial management, leadership skills and conflict resolution. These activities will ensure that communities do not become dependant upon aid and can continue to determine and implement their own development needs long after external assistance has ceased.

At March 2005, Sewalanka and GAA were in the process of securing approval to begin the planning and construction of seven permanent villages that will house 6000 individuals.

Despite an altered focus for national and international NGOs as a result of the tsunami, Sewalanka staff in the north are committed to ensuring post-conflict resettlement projects retain an equal priority to post-tsunami rehabilitation.

## South

The coastal villages located on Sri Lanka's southern and western coastline were heavily impacted by the tsunami. With large communities of fishermen and tourist industry operators living in simple houses and shelters close to the shore, large numbers of homes, lives, infrastructure, and livelihood activities were lost.

In the days immediately following the tsunami, Sewalanka staff provided initial support and basic necessities to affected communities and cleared debris to prevent the spread of disease.

By the first week of January, Concern Worldwide initiated a partnership with Sewalanka Foundation, and together with Government officials, undertook an initial assessment to determine future requirements. Based on the results of this assessment, Concern Worldwide and Sewalanka Foundation established a comprehensive post-tsunami recovery program entitled Emergency Relief, Rehabilitation and Livelihood Re-establishment (ERR&LR).

Initially focusing on emergency relief; provisions including water, food, medical aid, clothing and toiletries were distributed to affected families. In addition to emergency provisions, staff quickly identified the lack of adequate temporary shelter as an urgent priority. Approximately 40,000

homes had been partially or totally damaged from the tsunami, leaving large numbers of families left living without shelter or security.

Following a series of discussions with key government stakeholders and other agencies, Sewalanka and Concern identified 6000 highly vulnerable families as needing immediate assistance. These at-risk families included women-headed households, families with physically challenged persons, families who had lost everything, families with a higher number of small children and families who had not received any assistance from other sources.

By March 2005, Sewalanka Foundation and Concern had established a target of 5479 transitional shelters across Hambantota, Matara, Galle, Kalutara and Colombo. Important infrastructure re-building was also underway with the construction of roads, railways, power and communications, water supply and sanitation facilities, and fishing ports. Public buildings such as schools and community centres were also being re-built.

Ongoing training and education programs are currently underway across the region, with Sewalanka staff working closely with CBOs to implement public health awareness seminars, skills training for livelihood re-establishment and psychosocial programs to assist affected families to cope with their immense losses.

Intent on social mobilisation, Community Action Planning (CAP) exercises have also been established to allow individuals and families to identify their own livelihood needs and to ensure dependence upon external assistance does not occur.

The process of strengthening or establishing CBOs within each project site has also been implemented through the ERR&LR. These CBOs will ultimately be responsible for steering and managing all livelihood re-establishment activities supported by the project.

**East report next page.**



# Tsunami – immediate response

## East

Within days of the tsunami, DanChurchAid (DCA) had released and mobilised funds to support the emergency activities of Sewalanka's Ampara and Batticaloa offices. Such an immediate response meant that both offices were able to straight away begin the urgent task of providing cooked food, emergency water and non food items such as clothes and toiletries, to affected communities.

As the needs of affected families changed over the following weeks, Sewalanka Foundation was able, with DCA support, to adapt its assistance to allow an effective continued effort.

From centralized emergency transitional shelters (i.e. schools and temples), affected families were moved to decentralised temporary camps (tents) and from there families have been slowly moved to semi permanent shelters in either their own compounds, in temporary relocation camps or to permanent relocation centres.

By March 2005 Sewalanka Foundation had been allocated three villages for semi-permanent shelter construction in Batticaloa and seven in Ampara district. Initial estimates suggest that Sewalanka Foundation will construct over 3000 semi permanent shelters in these locations, supported by DCA.

Each family relocated in a semi permanent shelter will receive a relocation pack comprising kitchen equipment, household

equipment and continue to be provided with dry rations and access to safe drinking water.

Pre-tsunami partner organisations such as OXFAM GB and Swiss Contact, were quick to offer assistance to Sewalanka Foundation Ampara, to provide emergency relief to affected families. Terre des Homme have approached Sewalanka Foundation in each district and will assist Sewalanka Foundation to construct temporary toilet facilities for each semi-permanent shelter constructed. Work will begin in April 2005.

Sewalanka Foundation also received immediate support from Hilfswerk Austria, to meet the emergency needs of tsunami-affected communities in both Batticaloa and Ampara. A longer-term livelihood recovery project was finalised by March 2005, to assist fishermen in Batticaloa and farmers in Ampara to recover their livelihood activities. This project will include immediate assistance for families in semi permanent shelters and support for local hospitals. Discussions with Save the Children Sri Lanka were ongoing in March 2005 to develop a project intervention to support livelihood recovery for fishermen in Ampara.

**To find out more about tsunami activities across the country, contact Sewalanka's head office or log onto the Sewalanka website at [www.sewalanka.org](http://www.sewalanka.org).**



# Project snapshots

[www.sewalanka.org](http://www.sewalanka.org)

## An environmentally-friendly Unawatuna

Sewalanka Foundation began working in Unawatuna, a small coastal town in the south of Sri Lanka, over one year ago. Implementing a skills development program, staff worked with female garment producers and sellers in an attempt to improve sewing and fabric designs to better reflect the tourist market.

Over the course of the program, it became apparent that participants were concerned about the rubbish being left on the beaches and the effect it was having on business.

As a result of their discussions, when Sewalanka hosted two short-term American volunteers, their roles were targeted toward working with the community to develop an Eco-Fund. Contributions to the fund would be gathered through various means from both tourists and local enterprises and used to develop environmentally-friendly projects in the area.

To gather support, Sewalanka Foundation facilitated a meeting with 12 local guest house owners. Within one week, attendees had gained support from 45 businesses in the area. Following a second meeting, the Unawatuna Tourism Development Association (UTDA) was formed, with over 40 members from local businesses and a pledge of Rs.70,000 for the Eco-Fund.

The UTDA has used the Eco-Fund to purchase 30 concrete cylinders to be placed along the beach as garbage bins. The association has also employed four garbage collectors and have plans for the purchase of a tractor for large-scale removals.

The newly formed association also organised a successful Clean up the Beach Day involving local schools and community members.

UTDA President Mr. Prishantha Dissanayake said he was pleased with the enthusiasm shown by the local community.

“This is our community and we must work with it to maintain Unawatuna as a popular tourism destination,” he said.

**For more information contact Sewalanka Enterprise Development Company (SEDCO).**

## Psycho-social: Sharing grief

Mrs Abeysinghe, a 41 year old woman living with her husband and two sons, was shocked to discover that she was two months pregnant almost ten years after the birth of her last child.

Hiding her pregnancy from her family for fear of ridicule and humiliation, Mrs Abeysinghe began to consider an abortion.

A distraught Mrs Abeysinghe met with a trained Sewalanka officer to discuss her situation. Listening to Mrs Abeysinghe explain her fears, the officer suggested that she share her feelings with her husband, who remained unaware of the pregnancy.

When Mrs Abeysinghe's husband was informed, he was overjoyed, saying that he hoped it would be a girl. Mrs Abeysinghe was both surprised and delighted at his response and started planning for the arrival of their new baby.

Following complications, Mrs Abeysinghe gave birth to a girl nine months later, however the infant died immediately following the birth. Not given the opportunity to spend time with the baby and having lost a child during birth many years earlier, Mrs Abeysinghe fell into a severe depression; she lost interest in herself, her husband and her children.

The Sewalanka officer began meeting with Mrs Abeysinghe regularly. Initially tearful during the sessions, Mrs Abeysinghe gradually began to understand that what she was feeling was part of an important grieving process. After three months of frequent counseling, she reported that her family life was improving and that she had a renewed interest in her husband and children. She also began to engage in various household and social activities. Mrs Abeysinghe says that she feels much more positive about her future.

Although no longer undergoing regular counseling sessions, Sewalanka staff will continue to monitor Mrs Abeysinghe's progress.

**For more information, contact the Social Development Unit.**



## Project snapshots

### Bikes for Batticaloa

The Hari Children's Home is located in Kallady in the Batticaloa region. Established as an orphanage in 1985, the Home provides shelter and security to Tamil boys who lost one or both of their parents during the civil conflict. When the tsunami hit Kallady, it destroyed the homes and livelihoods of many of the boys' friends and family members and left many injured.

With infrastructure in the town badly damaged, Sewalanka staff quickly identified the need for provisions to be provided to the Home, and listed Hari Children's Home as requiring support through the Sewalanka Foundation Appeals Fund.

Launched one day after the tsunami hit the coastline of Sri Lanka, the Appeals Fund was established in response to international friends, partners and colleagues wanting to donate directly to Sewalanka Foundation's relief efforts. The focus of the Fund is to establish direct links between international communities and local projects in need of support.

A web-based initiative, district directors identify small local projects that require support and enlist the assistance of external donors for each project through the Sewalanka Foundation website.

In the case of Hari Children's Home, this support was provided by Withinfield's Primary School in England. Using funds raised by the school, Sewalanka staff supplied bicycles, school books and other essential items to the children.

"When you handed over those bicycles to the children, it made a big change in their lives and we are very thankful to you for it," Mr S. Chandrakumar, President of the Hari Children's Home wrote in a letter to Sewalanka staff.

"Sewalanka has not only given hope but also concrete contribution to the tsunami recovery efforts of the people of Batticaloa and its future generations," he stated.

**For more information, contact Mr G Nagarajah, District Director, Batticaloa.**

### A new beginning

Mr Anthony and his family have spent 20 years living as refugees in camps located in the north of Sri Lanka. They were first displaced in the early 1970s when a bomb ripped through a nearby police station and again in 1977 when fighting drove the family out of the shelter in which they were living.

Sewalanka Foundation began working with Mr Anthony and his family in 2004, following the Government's decision to allocate land for the resettlement of refugees in conflict-affected areas. In 2003 Mr Anthony received a small plot of land in Manik Farm Unit 2 village, a village located in Cheddikulam in Vavuniya district.

With funding from German Agro Action (GAA), Sewalanka has provided Mr Anthony and his family with a temporary home and has assisted the community to re-establish their lives through the construction of public infrastructure such as roads, water and sanitation facilities and a school.

With the Government providing monthly food rations to the community, Sewalanka continues to provide livelihood support that includes agricultural inputs such as paddy, fertilizer and vegetable seeds and skills training to enable families to generate and maintain a secure income.

Mr Anthony's daughter is excited about the prospect of a new life outside the confines of a camp.

"I feel happy now in receiving our own piece of land, as since birth I have continuously experienced life in refugee camps," she said.

Mr Anthony agrees; "Now I am engaged cultivating a small garden. For our resettlement, a temporary hut, road facilities and school are being provided. We wish to live here continuously with permanent peace in the country."

**For more information contact Ms Lakshi Abeysekara, Director Special Projects Division.**



# Project snapshots

[www.sewalanka.org](http://www.sewalanka.org)

## Supporting the development of children

Sewalanka Foundation and Save the Children (UK) staff in conflict-affected Mangalagama in Ampara district, have been working with young people and their mothers through the Children's Participation Project since May 2003.

The program gives children the opportunity to get together at weekly meetings where they are given access to Tamil and English language resources and each weekend, art and music lessons are held. An established Children's Club encourages a sense of community through regular contact between participants and organised activities have been designed to develop skills in leadership, first aid and communication.

As part of the project, Sewalanka constructed a library and computer centre and now conducts weekly computing courses. A youth club focuses on the needs of unemployed youth by offering vocational training in carpentry, masonry, electrical wiring, tailoring and self-employment activities.

The Mother's Sewa Society, with about 40 members, started a saving and credit program which, with support from Sewalanka, has helped to foster the habit of regular savings. Skills in writing business plans and scheduling credit payments have been developed through training.

"After the bad situation with the conflict, people in the village had stopped thinking about the future. Some were not even rebuilding their houses, thinking that the war would break out again. Because of the interest Sewalanka Foundation has shown towards the community, people are now more confident to build the community up. The new buildings and the computer centre have made us feel proud of the village," a participant of the Mother's Sewa Society said.

Sewalanka staff will continue to work with the community until December 2005, after which time responsibility for the project will be handed over to local community groups.

**For more information contact Mr Deepal Chandrathilake, District Director Ampara.**

## Women in business

Indrani Seneratne is the owner of a recently established bakery in the village of Peramaduwa, Trincomalee.

Each morning she and her mother bake bread and biscuits and deliver them to the village community. Initially taught by her husband, previously a baker, Mrs Seneratne hopes to begin extra lessons soon so she can extend into cake baking and decorating and in doing so, expand her business.

The idea for the bakery came to Mrs Seneratne during a women's empowerment training/business program. Utilising a grant provided by Sewalanka Foundation, she was able to buy the necessary tools required to begin the small business. Working together, she and her family then built the bakery in a small area to the side of her parent's home, where Mrs Seneratne and her family have been living since their own home was destroyed during the conflict.

The bakery was built using bricks made by Mrs Seneratne's mother, who has since begun a successful small business in homemade bricks. To assist her business she has received a small loan for a block and tray to make the bricks and is in the process of digging a well in her back garden. As brick making is a seasonal activity, she will assist Mrs Seneratne in the bakery during the periods when work is not possible.

In the short-term, Mrs Seneratne's profits will go towards buying a motorcycle so she can extend her delivery route. Once acquired, she will then use the money she makes through the bakery to rebuild their family's home.

In the meantime, Mrs Seneratne is working towards increasing her productivity so that she can apply for an additional loan. She hopes that with additional funds she will be able to increase her supply to five other villages and in the not too distant future, employ two people from the village to assist her thriving business.

**For more information, contact Ms Kaushalya Nawaratne, Director Women's Empowerment.**



# Project snapshots

## Re-building coastal bunds

When the tsunami hit the Jaffna coastline, it destroyed thousands of boats, as well as the coastal bund system and ancient anchoring points that formed the region's fishing infrastructure.

Working closely with both local and state fishing bodies, Sewalanka Jaffna staff quickly identified the importance of clearing and restoring the bunds to allow for the re-establishment of the area's vital livelihood activity.

With assistance from German Agro Action (GAA) and with local fisherman keen to participate, Sewalanka staff established work crews of up to 60 manual labourers, and the rebuilding process began in February this year.

"We are grateful that this project has started; whilst we are waiting for new boats or our old ones to be repaired, it gives us an opportunity to work for some income," a local fisherman explained.

With much of the work requiring heavy machinery, a specialized bulldozer was transported from Colombo through LTTE controlled areas. Sewalanka staff worked with LTTE representatives to gain support for this access.

One unique component of this project is that most of the work is being undertaken in the High Security Zone of the Sri Lankan Armed Forces. This means that a major task for Sewalanka staff was to ensure that many different bodies were both aware of and agreed to the work being undertaken. To ensure this, Sewalanka staff established a regular forum where community members, local Government Agents and representatives of the Security Forces could come together and discuss the work being undertaken.

With the bulldozer and the work crews working each day, one entry point takes between seven and 14 days to complete. The project is expected to be completed by September 2005.

**For more information, contact Ms. Lakshi Abeyasekara, Director Special Projects.**

## Moving forward post-conflict

Since the 2002 ceasefire, Sewalanka Foundation has been working closely with a number of different donors to provide support to resettling families through both infrastructure and human development.

Thiruketheswaram village in the high security zone of the Manthai Division is an example of this long-term approach. When 12 families were granted permission by the Sri Lankan army to return to the village in 2004, Sewalanka Foundation immediately identified challenges facing returning families.

These challenges included destroyed buildings and homes, redundant irrigation facilities, impassable roads, large-scale unemployment and inadequate healthcare facilities.

In mid-2004, the German Government's Ministry for Economic Cooperation and Development (BMZ) provided temporary shelter, cooking utensils, agricultural tools, and seeds to assist with the development of initial infrastructure.

Sewalanka staff, with funding from the Danish Refugee Government, then worked with the community to develop training programs, income generation activities and community-based organisation (CBO) strengthening. Sewalanka also began the construction of pre-school buildings, roads, toilets and a constant water supply.

Having moved beyond emergency rehabilitation into a more independent development stage, the community of Thiruketheswaram is becoming more confident and positive about its own future.

When asked, most families say that they are happy to have returned to their original lands as they spent most of the conflict living with relatives or friends in Mannar Town.

Sewalanka staff will continue to work to empower the community, to ensure a sustainable future for its members.

**For more information, contact Ms Annet Royce, District Director - Mannar.**



Strategic areas:

## Social Development

[www.sewalanka.org](http://www.sewalanka.org)

Sewalanka's Social Development Division (SDD) operates with a development philosophy designed to include, empower and mobilise all communities to contribute actively to their own development and future planning.

The SDD is comprised of four units; research, community health and education enhancement, psychosocial and community empowerment.

Throughout 2004/05, the SDD has continued its work in providing strategic direction and developing training modules, psychosocial programs and research activities that best complement Sewalanka's program-related divisions; namely the Women's Empowerment Division, Livelihood Development Division and Special Projects Division.

The SSD has a cross-organisational function, working both at a national level and at a district level to develop strategies that will improve Sewalanka's ability to best serve the communities in which it works.

A key tool of empowerment used by the SDD is education. Through extensive research the division has been able to identify the need for health-based education and training. As a result, throughout the previous year Sewalanka staff members have conducted a variety of education workshops covering topics including:

- Good nutrition and health for expecting mothers
- HIV/AIDS prevention and sexual reproductive health
- Water borne disease avoidance and prevention

From the beginning of 2005 the Division played a major role in the design and implementation of a comprehensive range of projects to assist 5700 tsunami-affected families throughout the southern and western districts of Sri Lanka.

Projects have included emergency relief, housing construction, livelihood development, psychosocial support and legal aid services.

To insure the practical implementation of its theoretical principles, the Division focused on programs that would develop and strengthen community-based organisations (CBOs) by incorporating key participatory activities into each phase of the development process.

These activities included:

- Participatory development techniques (Participatory Rural Appraisals [PRAs] and Participatory Needs Assessments [PNAs])
- CBO management training and support
- Conflict resolution training
- Community Action Planning (CAP)
- Participatory Monitoring and Evaluation

A focus for the coming year will be the continued implementation of livelihood programs in the south and the west and a strengthening of psychosocial support services provided to tsunami-affected families through counselling, training and participatory activities.

**For more information, contact Mr Tapan Kumara Barman, Social Development Division.**



Strategic areas:

## Livelihood Development

For the majority of 2004/05, Sewalanka staff have continued working alongside communities in the conflict-affected northeast and in poverty stricken dry zone areas to implement specialised livelihood projects.

Remaining committed to the integration of social and economic development activities, rehabilitation programs - support with inputs and extension services, training, and assistance in identifying and establishing market opportunities - were developed and implemented at the community-based organisation (CBO) and small self-help group (SSHG) level.

Whilst helping communities to become institutionally strong, Sewalanka also promoted SSHG- and CBO-based savings and credit activities in order to receive loan capital in the form of revolving funds. These revolving loan funds directly supplemented the investment needs of beneficiaries, who included small scale agricultural and crop farmers, fishermen and individuals engaged in non-farm production and trading activities.

### A new approach post-tsunami

December's tsunami destroyed the livelihood activities of hundreds of thousands of individuals throughout the country; with the loss of lives, homes, businesses, stock and equipment.

Facing the overwhelming task of providing support to affected communities, Sewalanka quickly realized the importance of developing a broader, more combined approach to reestablishing livelihood activities. This approach is aimed at bringing SSHG- and CBO-based livelihood support activities together into sectoral groups for rehabilitation intervention.

Plans are already underway or completed to rebuild

economic sectors and sub-sectors such as:

- Coir (in the south)
- Handloom (in the east)
- Palmyra (in the north)
- Fishing (all tsunami-affected areas)
- Tourism (south and east).

To do this, Sewalanka is working on the following interventions:

- Providing access to formal micro-finance in addition to informal revolving loan funds
- Developing infrastructure (ice plants, boat anchorages)
- Accessing business development services including marketing and information access
- Promotion of value addition to primary products (processing and packaging)
- Promoting networking among entrepreneurs.

As at March 2005, Sewalanka has received commitment for support of livelihood development activities from several donor organisations including German Agro Action, Concern Worldwide, DanishChurchAid, Oxfam Netherlands (NOVIB) and USAID.

A Livelihood Development Unit (LDU) has been established by Sewalanka, to coordinate ongoing and future livelihood development interventions.

**For more information, contact Mr Kumarasiri Pothuwila, Enterprise Development Specialist.**



[www.sewalanka.org](http://www.sewalanka.org)

## Strategic areas: Special Projects

With the overall atmosphere of peace continuing in the north of Sri Lanka throughout 2004, Sewalanka Foundation's Special Projects Division continued to provide support and development opportunities to returning communities.

Working closely with long time partner, German Agro Action (GAA), the focus during 2004/05 remained on social and physical development; rebuilding and improving infrastructure and actively engaging beneficiaries through newly formed and strengthened small self-help groups (SSHGs).

Sewalanka's Special Projects Division supported 2990 families in the districts of Vavuniya, Mannar and Kilinochchi in the 2004/05 period. A significant portion of these were individuals and families forced into welfare centres from rural villages during the years of conflict in the area.

To assist beneficiaries in the initial periods of resettlement, the basic needs of food security and water were addressed through the renovation of seven water tanks and 14 ponds, and the supply of agricultural inputs to initiate the regeneration of agricultural economies in particular areas.

Housing was also addressed through GAA/BMZ, European Commission Humanitarian Aid Office (ECHO) and Aid to Uprooted People (AUP)-funded projects, with 1150 temporary shelters renovated and 1240 semi-permanent homes and a school building constructed. Seventy-four wells were also renovated or constructed along with 150 toilets.

Progress on resettlement activities within the region was temporarily interrupted when the tsunami hit a number of areas on the northern coastline in December, resulting in a shift in focus to emergency relief that would immediately assist communities in these areas. An immediate emergency assistance program was launched in the following days, with

Sewalanka's Vavuniya team working closely with GAA to provide the necessary emergency relief items to affected communities.

With staff working around the clock and additional funding and resources made available by GAA, temporary shelter camps were quickly erected in Kilinochchi, Jaffna and Mullaitivu and emergency toiletries, food and water provided.

Carefully balancing tsunami relief and continued commitment to conflict-affected communities will remain a priority for the Special Projects Division throughout 2005.

With the shift from emergency relief into rehabilitation and redevelopment beginning to occur in tsunami-affected areas, Sewalanka will continue to work closely with community members to ensure ongoing support and assistance in re-establishing lives and livelihoods.

At the same time, the Division's staff remain committed to ensuring continued support for the resettlement of conflict-affected internally displaced persons (IDPs) through current work and the identification and implementation of additional projects that will directly benefit resettling communities.

Sewalanka's Special Projects Division is deeply appreciative of the unconditional and ongoing support received from GAA.

**For more information, contact Ms Lakshi Abeyasekera, Director Special Projects Division.**



## Strategic areas: Fisheries

Sewalanka Foundation's Fisheries Program has continued to develop during 2004/05, with the first part of the year devoted to ongoing work with lagoon fishing communities in Ampara and Batticaloa.

Based upon the results of a SWOT analysis undertaken in 2003, the focus for staff was the institutional strengthening and capacity building of eight Fishermen's Cooperative Societies (FCS) in Batticaloa and four societies in Ampara.

Attempts to promote co-management of two coastal lagoons in Ampara District also continued under the Program. Rules and regulations regarding fishing activities, including gear restrictions, rights of access, and fishing grounds were developed by participating FCS in each lagoon, and lagoon co-management committee meetings were successfully initiated under the supervision of the Grama Sevaka (Government appointed representative for a given community).

These meetings were used to address issues such as the illegal use of fusing gears, encroachment into the lagoon for housing construction and the dumping of hospital waste into lagoons. The success of this forum has ensured that Sewalanka will continue to work with and develop this approach during 2005.

A key component of the co-management discussions was the continued reforestation of degraded mangroves. Four mangrove nurseries produced more than 20,000 mangrove seedlings. Replanting activities took place in May 2004, in collaboration with the Forest Department in Ampara.

Following the tsunami, the United Nations Development Program's Transition Program (UNDP/TP) approached Sewalanka, seeking assistance for the implementation of livelihood development projects in Batticaloa and Ampara

fishing communities. A total of nine fishing communities were selected by UNDP/TP for assistance in Batticaloa and seven in Ampara. The program aims to strengthen the institutional capacity and management capability of FCS, which is then complimented by micro-finance assistance to allow fishing communities to purchase boats, nets and engines.

Sewalanka Foundation staff provide regular management assistance to each society and help monitor the recovery and re-disbursement of each loan.

The Pottuvil Ecotour continued to flourish in 2004. As a result of successful 'word of mouth' promotion in Arugam Bay, more than 226 ecotours were conducted up to December 2004.

Based on this success, Sewalanka Foundation began discussions with fishermen in Arugam Bay to design and develop a Sea Safari. Routes were planned and tested with local fishermen, an information centre was erected and display material was produced by Sewalanka Foundation. The first Sea Safaris were conducted at the beginning of December 2004, however the tsunami forced a temporary cease in activities.

By March 2005, discussions with fishing communities and national and international donors were underway,

**For more information, contact Dr Steve Crech, Fisheries Advisor.**



## Strategic areas:

# Women's Empowerment

[www.sewalanka.org](http://www.sewalanka.org)

Sewalanka's commitment to gender and the empowerment of women in disadvantaged communities across Sri Lanka has continued throughout 2004/05, through its Women's Empowerment Unit (WEU).

Projects and activities of the Women's Unit during 2004/05 included:

### Social and Economic Empowerment of Women in the North and East

The aims of the project are to enhance women's participation in social and economic activities both at the domestic and community level. The project assists women post-conflict and post-tsunami with the difficult task of rebuilding their own lives and the lives of their families.

Activities in 2004/05 included improvements to infrastructure such as wells and toilets; strengthening of women-based organisations; and support to beneficiaries participating in income generation activities through the provision of loans.

The project is a World Bank initiative through the Japanese Social Development Fund, executed by the National Development Bank and implemented by Sewalanka Foundation.

### Supporting Widows in Kinniya

Responsive to women's increasing vulnerabilities as a result of the tsunami, Sewalanka Foundation Trincomalee initiated a project in Kinniya, targeting 45 Muslim women who lost their husbands, family members, possessions and personal assets in the disaster. In accordance with their religious custom, all widows were required to stay secluded within the local mosque for four months and ten days from the date of their husband's death.

Recognising the need for special assistance, Sewalanka Foundation, with funding from Unitarian Universalist Service Committee (UUSC), provided immediate support to family members and continues to provide assistance in the re-establishment of livelihood opportunities.

### Training, gender-audit and policy development in the east

A UUSC funded Train-the-Trainer (TOT) program was conducted where qualified staff provided training to senior management, administration staff and field officers in four districts; Trincomalee, Batticaloa, Ampara and Monaragala.

The training focused on mainstreaming gender concerns by recognising existing practices of gender sensitivity and training staff in new issues or unrecognised issues related to gender.

### Support to plantation workers in Hatton district

Sewalanka released a 'Women of Sri Lanka' calendar at the end of 2004. The calendar was designed to promote both the diversity and the important role of women in Sri Lanka, as well as to raise funds for Sewalanka's women's empowerment projects.

Funded by German Agro Action, DanChurchAid and Concern Worldwide, the Rs.250,000 raised from the sales will be committed to the Sewalanka Plantation Workers Development Centre in Hatton. The centre is run by a small dedicated team of women whose mission is to improve the lives of estate workers through water and sanitation initiatives and training.

**For more information, contact Ms Kaushalya Navaratne, Director Women's Empowerment.**



# Strategic areas:

## Sustainable Agriculture

Over the past year, Sewalanka's Sustainable Agriculture Program has continued to focus on institutional capacity building of farmers' organisations in Ampara, Vavuniya, Hambantota and Monaragala.

Through field days and study visits, farmers analyzed problems, shared ideas, and developed action plans. According to the needs identified by these farmers' organisations, Sewalanka has helped form linkages with research institutions, commercial banks, input suppliers, and markets.

In the Wannu region, the second phase of the Integrated Food Security Project (IFSP) was approved as the first phase neared completion. Many resettled households have established nutritional homegardens and have diversified their production through intercropping techniques. With Government extension services limited due to the project's location in an LTTE-controlled area, Sewalanka field staff are playing an important advisory role.

Sewalanka has also coordinated exchanges and field visits with Sinhalese farmers in Vavuniya South, and continues to provide micro-irrigation services to improve water management in this dry zone region.

Sewalanka staff in the south continue to work with tea smallholders in the buffer zone of the Sinharaja rainforest reserve. On the Kalawana side of the forest, activities have focused on soil conservation, composting and homegarden development. On the Deniyaya side, the Sinharaja Conservation Committee has improved market access by bringing tea smallholders together to transport their tea directly to the factories. In both areas, farmers have established nurseries to produce seedlings for tea

intercropping, homegarden regeneration and reforestation initiatives.

In the country's plantation region, Sewalanka's Hatton Plantation Workers Development Centre continues to expand and improve. Run by a small dedicated team of women since 1994, the project aims to improve the lives of estate workers through credit and savings programs to support farming and homegardening ventures, as well as by providing IT development for the plantation's youth, and a water supply and sanitation program.

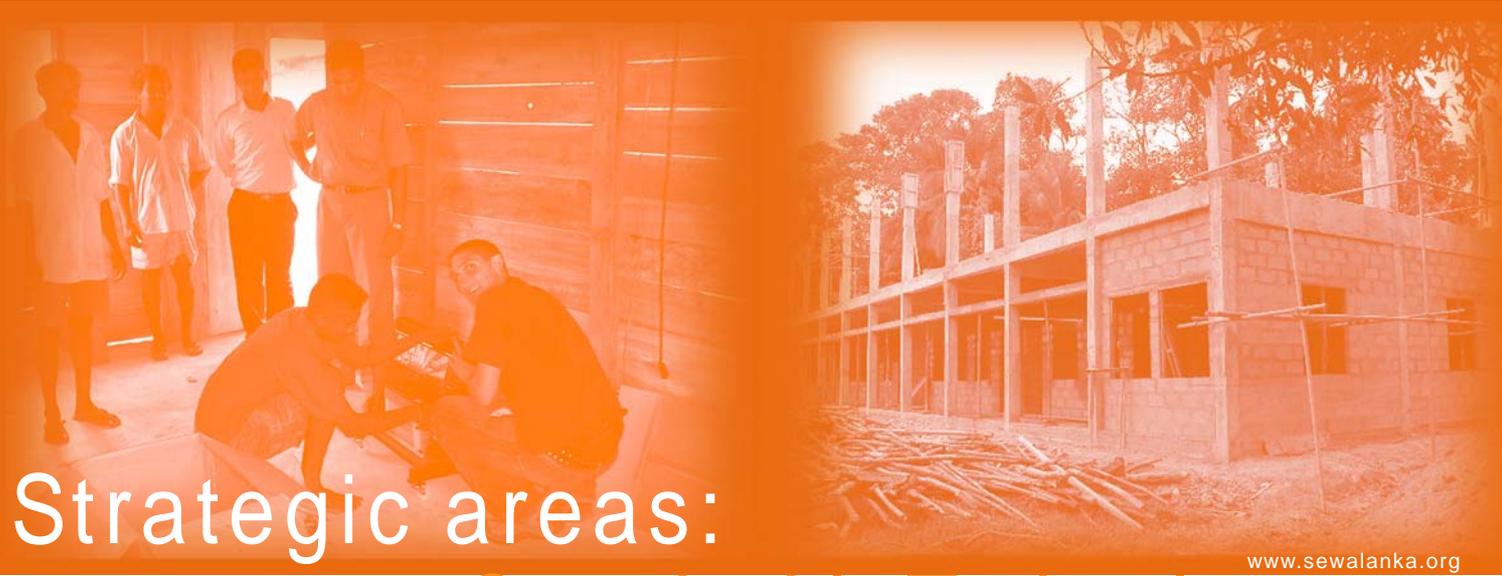
### Environmental Conservation

In 2004, senior Sewalanka staff formed an Environmental Committee to integrate environmental components into all programs, share best practices across regions, and promote new conservation initiatives.

The following initiatives have focused specifically on environmental conservation:

- Solar power and mini-hydro installations
- Sinharaja youth art program and field guide
- Mangrove reforestation in Ampara
- Unawatuna eco-development fund and waste management program
- Reforestation and medicinal garden development in the Sinharaja buffer zone.

**For more information, contact Dr Lionel Weerakoon or Ms Amanda Kiessel, Sustainable Agriculture Advisors.**



# Strategic areas:

[www.sewalanka.org](http://www.sewalanka.org)

## Sustainable Technology

Sewalanka Foundation's Sustainable Technology Division has continued to implement affordable, environmentally-friendly technologies that will assist the development of livelihood activities in rural communities.

Alternative energy and water supply and sanitation were the main priorities for Sustainable Technology Division staff in 2004, with reconstruction and renovation of schools becoming a major project post-tsunami in 2005.

### Community Water and Sanitation Program

Work continues on water supply and sanitation programs in Nuwara Eliya and Kurunegala districts. Funded by the World Bank, program priorities remain on community-based organisational (CBO) strengthening, the completion of feasibility studies for drinking water potential and the design and construction of supply systems based on study results.

### Rural Energy Travel (RET) for Rural Poverty Alleviation Regional Consortium

Sewalanka was officially established as the Sri Lankan member of the RET for Rural Poverty Alleviation Regional Consortium, in 2004. Established to share regional experiences about innovative development initiatives, the first workshop for the SARI-funded Consortium was held in Sri Lanka in April 2004. Attending the workshop was partner organisation Himalayan Light Foundation (HLF), as well as representatives from Solar PV organizations from across the country.

### Rural Energy Travel Education Centre (RETEC)

Sewalanka has adapted the TEC established by its Nepalese partner, HLF; a portable solar-powered multi-media unit designed and developed to educate, entertain and increase awareness of sustainable energy practices. Consisting of

portable solar PV panels, and a multimedia projector staffed by a field officer, the Centre was taken to six locations in 2004/05.

### Solar Sisters Program

Through its partnership with HLF, Sewalanka Foundation has established Sri Lanka's first Solar Sisters program; an initiative developed by HLF, which sees the installation of subsidised solar electric systems into community-owned buildings in remote areas. Developing a tailored program for Sri Lankan communities, Sewalanka Foundation hosted its first international volunteer in 2004.

### Home Employment and Lighting Package (HELP)

Another initiative of HLF, the HELP program has been tailored by Sewalanka Foundation for Sri Lankan communities, with funding provided by UNDP in August 2004. The aims of the program are to provide environmentally sound electricity to rural communities via solar PV systems. Further development of the project for Sri Lankan communities will include skills training for sustainable livelihood activities.

### Post-tsunami schools reconstruction and renovations

As part of the Schools Project under GAA/Stern, construction is underway on six schools, with work on an additional two schools to begin soon. The completion date for the project is January 2007.

**For more information, contact Mr Lal Fernando, Director Sustainable Technologies.**



# Project Partners 2004/05

Asian Development Bank (ADB)

AUS AID

Australian High Commission

Austrian Hilfswerk

British High Commission

Care International

Cooperazione e Sviluppo (CESVI)

Concern Worldwide

Danish Church Aid

Danish Refugee Council (DRC)

Deutsche Welthungerhilfe/German Agro Action (GAA)

District Credit Fund

Embassy of Japan

European Commission Humanitarian Aid Office (ECHO)

European Union (EU)

German cities

German Ministry for Economic Cooperation and Development (BMZ)

Gesellschaft für Technische Zusammenarbeit (GTZ)

Helvetas

Himalayan Light Foundation, Nepal

Information and Communication Technology Agency of Sri Lanka (ICTA)

The Japan Centre for Conflict Prevention (JCCP)

Japan Social Development Fund (JSDF)

Mercy Corps

Ministry of Urban Development & Water Supply

National Peace Council

Norwegian Church Aid

Oxfam Great Britain (Oxfam GB)

People in Need (PIN)

South Asia Regional Initiative for Energy (SARI/Energy)

Save the Children, Sri Lanka

Save the Children, UK

Swiss Contact

Terre des Hommes

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations High Commissioner for Refugees (UNHCR)

Unitarian Universalist Service Committee (UUSC)

United States Agency for International Development (USAID)

World Bank (WB)

World Conservation Union (IUCN)

World Food Programme (WFP)



[www.sewalanka.org](http://www.sewalanka.org)

#### Deutsche Welthungerhilfe/German Agro Action (GAA)

“German Agro Action has been working with Sewalanka Foundation for over ten years. A long period filled with many challenges, our partnership continues to intensify over time and we remain impressed by Sewalanka’s local approach.

We continue to believe that it is through a mutual commitment to this intercultural working partnership, that services can be successfully undertaken and solutions created for the direct benefit of the conflict-affected and now tsunami-affected communities with whom we work.”

**Heinz Seidler, Country Director**  
**Deutsche Welthungerhilfe/German Agro Action**

#### Concern Worldwide

“Working through a Sri Lankan organisation has meant that we have had much more of an impact right from the beginning. Sewalanka Foundation staff have been able to use their knowledge and experience to generate a more effective tsunami response, whether it is access to land for building temporary housing or identifying the needs of affected people.

People lost so much in terms of lives and destruction of their houses and belongings, as a result of the tsunami. The transitional shelters provide families with privacy, a sense of security and ownership. It is a stabilizing asset so that they can start living their lives again.”

**Sheena McCann, Country Director**  
**Concern Worldwide**

#### DanishChurchAid (DCA)

“DCA’s partnership with Sewalanka Foundation is built on the trust that Sewalanka, as an established local non-government organisation, has the community-based knowledge and networks to make humanitarian and development assessments.

Once the tsunami hit the Sri Lankan coastline, DCA offered immediate and flexible assistance to Sewalanka’s eastern offices. This was utilised within days to meet tsunami victims’ needs for cooked food, emergency water and non food items such as clothes, and toiletries. Our relationship quickly expanded with the construction of transitional shelters in three Batticaloa villages and seven villages in Ampara district, and we continue to work together to provide livelihood development programs.”

**Cecilie Winther, Country representative**  
**DanishChurchAid**

# Sewalanka Projects 2004/05

## contents

Sewalanka projects pre-tsunami .....	21-22
Sewalanka projects post-tsunami .....	23

Project Description	Donor/Partner	Activities	District	Target (families)	Period
Community-based drinking water quality assessment and education programme - Samahturai DS	Australian High Commission	Provide training to local community in basic water quality assessment and develop awareness of how their activities can affect drinking water quality. Develop a community research centre for the assessment of drinking water quality. Create information pamphlet on drinking water quality and assess its use for Ampara District coastal zone.	Ampara	750	Mar 05 - Mar 06
Ampara District Credit Management Program	District credit fund	Strengthen CBO's by creating credit management programs and strengthen them by giving financial training	Ampara	1775	1994 - ongoing
Village rehabilitation plan - Bedirekka	NECORD/ADB	Improve water and sanitation facilities by constructing 5 wells and 82 toilets. Improve 175 km road, renovate village school, strengthen village CBO.	Ampara	381	Jan 05 - Jun 06
Village rehabilitation plan - Rajagalatanna	NECORD/ADB	Strengthen village CBO, provide training to local youth, rehabilitate village infrastructure, providing crops, constructing bridge and 3.5 km road, create 135 toilets and 5 wells.	Ampara	236	Jan 05 - Jun 06
Integrated Village development	OXFAM GB	Provide shelter assistance by building low cost housing. Construct and renovate water wells and toilets and give hygiene training. Give gender training to village community. Create gender awareness amongst the community and Sewalanka staff. Provide livelihood assistance.	Ampara	408	Aug 04 - Mar 05
Community development through children's participation at Mangalagama	Save the Children UK	Develop and strengthen children's and mothers club. Give leadership training, art and music lessons, create computer centre, create library, awareness of child rights to children and parents, savings programme for mothers club.	Ampara	193	May 03 - Dec 05
Development Peace for Sri Lanka	Swiss Contact	Peace building by bringing youth from all ethnical backgrounds together and let them talk about their future. They get vocational training and do community projects whereby Tamils go to Sinhalese areas and vice versa.	Ampara	48	Dec 04 - Dec 05
Water & sanitation	Terre des hommes	Construction of toilets, wells and implementation of awareness programs.	Ampara	400	Jan 04 - Dec 04
Create toilet facilities for tsunami affected people	Terre des hommes	Constructing 144 semi-permanent toilets for Sewalanka shelters.	Ampara	1200	Jan 05 - Jun 05
Micro-irrigation	UNDP	Providing micro-credit for farmers on a water-scarce village in Pottuvil DS Division	Ampara	15	Dec 03 - Dec 04
Development of safe transit houses for abused children in Ampara District	UNICEF	Construct and manage a safe transit house for abused children in Ampara DS division. Establish relationships between the magistrate, probation and local community counterparts.	Ampara	12 per 3 months	Sep 04 - Jan 06
Poverty reduction and socio-economic development of rural communities resettled in former conflict areas in northern Sri Lanka	GAA/EU	Agriculture development, support with marketing, income generation, CBO strengthening, environment conservation, women's development and gender awareness	Anuradhapura, Mannar, Vavuniya	6300	Jan 03 - Dec 05
Resettlement project for conflict-affected communities	AUS AID	Improve quality of life of up to 360 families and improve shelter and access to safe drinking water for over 200 families in four villages.	Batticaloa	561	2004 - 2005
Gender equality assessment and institutional capacity building	UUSC	Four workshops (gender awareness training of trainers) in each division.	Batticaloa	59 senior staff	Jul 05 - Mar 06
Renovation of basic facilities for families affected by flood/landslides	Embassy of Japan	Construction of public bridges and a community centre.	Deniyaya	1500	Jul 04 - Jul 05
Community water tank project	USAID OTI	Construction of five water tanks in three villages.	Deniyaya	750	Aug 04 - Oct 04
Rural water supply & sanitation project	ADB/Water Board	Improving water and sanitation facilities within rural communities.	Hambantota	455	Aug 02 - Aug 05
Community-based inland fisheries program.	British High Commission	Promoting inland fisheries as livelihood activity through awareness and training programs.	Hambantota	426	Jan 99 - May 02
Business Development Program	Care International	Conducting awareness and training programs	Hambantota	147	Apr 02 - Nov 04
Aquatic farming and development program	World Food Program	Promoting inland fisheries as livelihood activity through awareness and training programs.	Hambantota	75	Jan 03 - Dec 03
Integrated Food Security Program (IFSP) Vavuniya North, phase I	GAA/BMZ	Development of self-help groups, improving agro potential, improvements to rural infrastructure, identification of income generation opportunities, improvements to drinking water and hygiene conditions and awareness development re nutrition health and hygiene, support of peace and reconciliation process in project area	Vavuniya North and Vavuniya Division	2500 - 3000	Aug 03 - Sept 05
Start support for resettling IDPs in the Wannai, North Sri Lanka	GAA/ECHO	Identification of target groups, distribution of shelter materials and household utensils, dist of agricultural inputs, rehab of five tanks and nine ponds for irrigation, rehabilitation/construction of drinking water wells	Vavuniya and Kilinochchi	1340	Jun 04 - Mar 05
Resettlement of internally displaced families in the north of Sri Lanka	GAA/BMZ	Formation of community groups, distribution of shelter materials, household utensils, agricultural inputs, and reconstruction of water tanks, irrigation ponds, water wells, schools and roads	Vavuniya & Mannar	1650	Jun 04 - Dec 04

## Sewalanka projects: pre-tsunami

Project Description	Donor/Partner	Activities	District	Target (families)	Period
Computer project	ICTA (WGK)	Training plantation workers (youth) in Microsoft Word and Graphic design packages, as well as providing communication services to rural community	Hatton	54	Sept 04 - Sept 07
Water supply and sanitation project	World Bank	Construction of a common well with hand pump and improvements to sanitation facilities.	Hatton	1454	May 04 - Mar 06
Strengthening of villages affected by conflict.	World Bank/NDB	Training program, revolving loan fund, renovation and construction of drinking water & agro wells, renovation of market, supply of agriculture inputs, construction of pre-school, nutrition.	Jaffna	1554	Sep 03 - Dec 05
Preparation of regional renewable energy consortium	SARI	Formation of regional consortium for rural energy technologies for poverty alleviation made up of representatives from Nepal, Bhutan and Sri Lanka.	Kandy	N/A	Aug 03 - Aug 04
RETEC technology transfer	SARI	Creating awareness of the benefits of solar power through demonstrations within villages.	Kandy	N/A	Jan 05 - Dec 05
Information dissemination - Raththota PS	World Bank	Survey of village households regarding water and sanitation facilities.	Kandy	10,000	Mar 05 - Jun 05
Information dissemination - Nuwara Eliya PS	World Bank	Survey of village households regarding water and sanitation facilities.	Kandy	5200	Mar 05 - Jun 05
Water & sanitation project - Nuwara Eliya I	World Bank	Construction of water supply schemes	Kandy/Nuwara Eliya	1570	May 04 - Feb 06
Water & sanitation project - Ambagamuwa I	World Bank	Construction of water supply schemes	Kandy/Nuwara Eliya	1220	May 04 - TBC
Integrated community development project	NECORD/ADB	Social mobilization, institutional strengthening, micro-credit/income generation activities, youth assistance, implementation of women's support services and construction of infrastructure.	Mannar	120	Jan 05 - Apr 06
Credit program	SLF Emergency Fund	Micro-finance training program to support for income generation activities.	Trincomalee	210	Oct 04 - Feb 06
Community Development Project	NECORD/ADB	Training program, construction of a well and development of income generation activities.	Trincomalee	465	Sep 04 - Sept 07
Women's empowerment project	World Bank & JSDF	Providing clean drinking water, training programs and support with income generation activities.	Trincomalee	404	Oct 04 - Oct 06
Trust project	GTZ	Construction of trust building	Trincomalee	57	Jul 04 - Jan 05
Community restoration project - Sundrapuram	NECORD/ADB	Development of training opportunities and construction of wells, roads, multi purpose buildings, toilets, playground and support for perennial crops	Vavuniya	44	Jan 03 - Jun 04
Community restoration project - Kakkarakulam	NECORD/ADB	Development of training opportunities and construction of wells, roads, multi purpose buildings, toilets, playground and support for perennial crops	Vavuniya	117	Aug 04 - Apr 06
Community restoration project - Avaranthulawa	NECORD/ADB	Vocational training for youth, income generation activities, construction of wells and toilets, renovation of roads, supply of perennial plant, establishment of children's play garden.	Vavuniya	80	Jun 05 - Dec 06
Avaranthulawa Phase I	DRC	Construction of toilets, wells, multi purpose buildings and roads	Vavuniya	41	Jan 02 - Jan 05
Arasamurippu Phases I & II	DRC	Construction of toilets, wells and roads, development of training opportunities, establishment of a revolving loan fund and bund clearance	Vavuniya	33	Jan 04 - Dec 04
Veppankulam Phases I & II	DRC	Construction of toilets, wells and roads and development of training opportunities and establishment of a revolving loan fund	Vavuniya	33	Jan 04 - Dec 04
Psychosocial support programme	Helvetas	Train psychosocial staff in befriending and basic communication skills. Sensitise communities to psychosocial issues through awareness programs. Provide referral services for beneficiaries.	Vavuniya	10100	Jan 04 - Dec 04
Psychosocial support program	Helvetas	Train psychosocial staff in befriending and basic communication skills. Sensitise communities to psychosocial issues through awareness programs. Provide referral services for beneficiaries.	Vavuniya	12000	Jan 05 - Dec 05
Prabothini	National Peace Council	Training programs for villages regarding peace, women's rights and the law.	Vavuniya	N/A	Mar 03 - Dec 05
Livelihood and Water sanitation	OXFAM GB	Construction of wells and toilets, establishment of a revolving loan fund and development of training opportunities	Vavuniya	40	Jun 03 - May 04
Livelihood and Water sanitation	OXFAM GB	Construction of wells and toilets, establishment of a revolving loan fund and development of training opportunities	Vavuniya	53	Sep 04 - May 05
Livelihood and Water sanitation	OXFAM GB	Construction of wells and toilets, establishment of a revolving loan fund and development of training opportunities	Vavuniya	100	Set 05 - Aug 06
Psychosocial support program	Helvetas	Train psychosocial staff in befriending and basic communication skills. Sensitise communities to psychosocial issues through awareness programs. Provide referral services for beneficiaries.	Vavuniya	1300	Jan 05 - Dec 05

Project Description	Donor/Partner	Activities	District	Target (families)	Period
Delivery of emergency rehabilitation and livelihood reconstruction assistance for tsunami affected communities in Ampara and Batticaloa district	Austrian Hilfswerk	Provide agricultural tools and inputs, sewing machines, plastic tables and chairs and medical supplies.	Ampara	300	Dec 04 - Jun 07
Emergency intervention and resettlement programme for tsunami-affected communities	Danish Church Aid	Provide emergency supplies; water, dry rations, clothing; to 5000 families and transitional shelter to 1500 families. Support livelihoods.	Ampara	1210	Dec 04 - Dec 05
Beach Cleaning	Mercy Corps	Clean the beach and provide income for tsunami-affected people.	Ampara	600	Feb 05 - Jun 05
Emergency and long term sustainable livelihood recovery for tsunami-affected fishing communities	Save the Children	Beach cleaning; provide boats, engines & nets; strengthening of fisheries communities by support for marketing and capacity building activities.	Ampara	600	Mar 05 - Apr 06
Distribution of bikes and fishing nets	SLF Emergency Fund	Distribute bikes and fishing nets to tsunami affected families.	Ampara	600	Mar 05 - Jun 06
Rehabilitate the lahugalla irrigation scheme to deliver water to 20,000 acres of rice fields farmed in both monsoon and dry season	SLF Emergency Fund	Create an irrigation system that provides sufficient water for year round production benefiting a total of 40,000 to 50,000 people	Ampara	325	Mar 05 - Jul 06
Emergency intervention & rehabilitation	Terre des Hommes	Construction of temporary toilets	Ampara	503	Jan 05 - Jun 05
Fisheries economic recovery project	UNDP	Strengthen 7 Fisheries Cooperative Societies across Ampara district. Provide boats, nets and engines	Ampara	325	Oct 04 - Dec 05
Tsunami relief	Danish Church Aid	Delivery of emergency relief items to tsunami-affected families	Batticaloa	2750	Jan 05 - Sep 05
Livelihood enhancement of poor farmers	Embassy of Japan	Institutional strengthening of 5 CBOs, rehabilitation and development of agricultural infrastructure, supply of agricultural and livestock inputs through micro-credit.	Batticaloa	400	Mar 04 - Apr 05
Water and Sanitation	Norwegian Church Aid	Providing permanent sanitation facilities and access to drinking water in 3 DS Divisions.	Batticaloa	100	Sep 04 - Dec 04
Fisheries economic recovery & capacity building program	UNDP	Four programs across the district providing resources, training and micro-finance opportunities to fishing societies.	Batticaloa	2339	Aug 04 - Jul 05
Sustainable livelihood improvement & resource management for 180 Tamil and 60 Muslim full-time fishermen	USAID	Community mobilization, Fisheries Cooperative Societies institutional strengthening and capacity building, FCS saving and credit, training for improved fishery management.	Batticaloa	240	Jun 04 - Dec 04
Emergency Relief, Rehabilitation and Livelihood Redevelopment Project (ERR&LR)	CONCERN	Emergency Rehabilitation - transitional shelter, livelihood re-establishment, infrastructure re-establishment, health, nutrition & sanitation, psychosocial activities, social mobilization, STI,HIV/AIDS education, gender training.	Galle	2000	Jan 05- Dec 06
Legal aid	CONCERN	Providing free basic legal aid to tsunam-affected families. Assisting with documentation recovery.	Galle/Matara/Hambantota	1167	Mar 05 - Mar 06
Emergency Relief Rehabilitation & Livelihood Re-establishment (ERR&LR)	CONCERN	Emergency Rehabilitation - transitional shelter, livelihood re-establishment, infrastructure re-establishment, health, nutrition & sanitation, psychosocial activities, social mobilization, STI,HIV/AIDS education, gender training.	Hambantota	1147	Jan 05 -Dec 05
Community water supply & sanitation project	Ministry of Urban Development & Water Supply	Providing sanitation facilities and supplying water for communities	Hambantota	3897	Dec 04 - Dec 05
Rehabilitation of coastal bunds and channels on the northern coast of Sri Lanka	GAA	Clearing of debris - damaged building materials, boulders etc along the coastline and cleaning the existing 25 channels	Jaffna	3200	Feb 05 - Aug 05
Temporary shelter and community infrastructure for tsunam victims in the north of Sri Lanka	GAA/German Cities	Construction of 600 temporary shelters, 10 washing/bathing places, one pre-school, one community hall and an administration office	Jaffna, Kilinochchi, Mullaitivu	600	Feb 05 - Aug 05
ERR&LR	CONCERN	Emergency Rehabilitation - transitional shelter, livelihood re-establishment, infrastructure re-establishment, health, nutrition & sanitation, psychosocial activities, social mobilization, STI,HIV/AIDS education, gender training.	Kalutara & Colombo	2000	Feb 05 - Feb 07
ERR&LR	CONCERN	Emergency Rehabilitation - transitional shelter, livelihood re-establishment, infrastructure re-establishment, health, nutrition & sanitation, psychosocial activities, social mobilization, STI,HIV/AIDS education, gender training.	Matara	1570	Jan 05 - Jan 07
Emergency relief	GAA	Temporary shelter, cash for work, household kits, tool kits, water & sanitation	Trincomalee	3230	Jan 05 - Dec 05
Emergency relief for Tsunami victims in the north of Sri Lanka	GAA/ECHO	Distribution of food and non-food items and rehabilitation of drinking wells	Jaffna, Kilinochchi and Mannar	6842	Dec 04 - Jun 05
Emergency relief for Tsunami victims in the northeast of Sri Lanka	GAA/German Foreign Office	Distribution of food and non-food items	Jaffna and Mullaitivu	4000	Jan 05 - Mar 05
Emergency relief for Tsunami victims along the northern and southern coast of Sri Lanka	GAA/PIN	Distribution of food, non-food items and water tanks	Jaffna, Mullaitivu, Kilinochchi, Trincomalee and Galle	8273	Dec 04 - Jun 05
Emergency relief	GAA/PIN/JCCP	Providing toolkits, household kits, cash-for-work, construction of semi-permanent housing and the construction of toilets and wells.	Trincomalee	2000	Jan 05 - Mar 06

## Sewalanka projects: post-tsunami

# Financial Statements 2004/05

## contents

Auditor's Report .....	25
Balance Sheet .....	26
Income Statement .....	27
Statement of Changes in Accumulated Fund .....	27
Cash Flow Statement .....	28
Notes to the Financial Statements .....	28-33

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

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

Phone : (094) 038 - 2240708

Fax : (094) 038 - 2232184

e-Mail : k.karunadasa@gmail.com

**REPORT OF THE AUDITORS**

**TO THE MEMBERS OF**

**SEWA LANKA FOUNDATION**

We have audited the Balance Sheet of Sewa Lanka Foundation as at 31<sup>st</sup> March 2005, and the related Statement of Income, Changes in Equity and Cash Flows for the year then ended, together with the Accounting Policies and Notes as set out on pages 07 to 15.

**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 2005, 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, Cash Flows, Changes in Accumulated Fund and the Accounting Policies 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 2005 and of its excess Income Over Expenditure and Cash Flows for the year then ended.

**Directors' Interest in Contracts with the Foundation**

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 2005.



CHARTERED ACCOUNTANTS  
 Panadura.



Date: ..... 04/04/2006 .....

# BALANCE SHEET

For the year ended 31 March

	Note	2005 Rs.	2004 Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment	3	128,231,187.78	36,344,096.00
Intangible assets	4	282,754.01	565,508.00
		128,513,941.79	36,909,604.00
<b>Current assets</b>			
Receivables, Debtors & Advances	5	24,439,821.43	21,618,728.00
Cash in Hand and at Banks	6	176,632,066.80	34,600,317.00
		201,071,888.23	56,219,044.00
<b>TOTAL ASSETS</b>		329,585,830.02	93,128,648.00
<b>RESERVES, FUNDS AND LIABILITIES</b>			
<b>Reserves and funds</b>			
Accumulated Fund		101,392,965.51	9,824,145.00
Unutilized Project Funds	7	181,546,434.69	32,629,703.00
Left Over Funds		43,788.03	230,662.00
		282,983,188.23	42,684,510.00
<b>Non-current liabilities</b>			
Interest Bearing Borrowings	8	6,037,721.40	4,627,773.00
Retirement Benefit Obligation	9	4,261,279.00	3,011,150.00
		10,299,000.40	7,638,923.00
<b>Current liabilities</b>			
Amount Payable & Accrued Expenses	10	21,934,237.77	33,428,047.00
Current Portion of Interest Bearing Borrowings	11	3,874,207.95	2,556,051.00
Income Tax Payable		28,716.00	-
Bank Overdrafts		10,466,479.67	6,821,117.00
		36,303,641.39	42,805,215.00
<b>TOTAL RESERVES, FUNDS AND LIABILITIES</b>		329,585,830.02	93,128,648.00

The annexed notes form an integral part of these statements.

Signed on behalf of the Board of Directors.

Directors

*[Signature]*

*[Signature]*

Date : 03/04/2006.



# INCOME STATEMENT

For the year ended 31 March

	Note	2005 Rs.	2004 Rs.
<b>INCOME</b>			
Donations	12.00	981,574,054.09	381,244,880.00
<b>LESS: EXPENSES</b>			
UNHCR – Micro		39,142.67	27,161,603.00
OXFAM		3,624,976.39	5,440,917.00
ADB Water Project		157,587.89	1,978,893.00
Australian Community Re-settlement Programme		37,180.89	642,010.00
North – East Irrigated Agriculture Project		5,916,385.16	20,475,170.00
Micro Irrigation Project		2,682,946.87	1,976,009.00
DRC Projects		32,934,259.93	6,077,744.00
Psychosocial Project – Helvetas		5,328,059.73	4,376,945.00
Sinharaja Village Trust		43,561.75	983,176.00
ADB – CEFE Project		388,641.42	5,032,000.00
UNDP Projects		967,054.95	1,957,224.00
Improving Access to Safe Drinking Water & Sanitation		8,966,287.40	4,007,236.00
Agricultural Development Programme		21,292.94	436,583.00
Rehabilitation Project – German Agro Action Phase III		80,143.00	106,856.00
Rehabilitation Project – German Agro Action Phase IV		47,724.33	61,669.00
Poverty Reduction and Security Programme		24,044,031.76	20,952,072.00
Integrated Food Security Programme		107,127,379.49	78,445,399.00
Micro Irrigation in Water Scarce Villages		893,506.14	129,356.00
Save the Children Fund		2,319,758.27	857,837.00
Meeting the Housing, Water & Income Generation Needs		1,449,055.00	3,499,111.00
Restoration and Development Project		10,495,151.79	4,335,175.00
Grant Assistance for Grass Root Human Security Fund		5,195,447.01	220.00
Empowering the Poorest of the Poor – Women & Young Girls		1,613,508.35	753,301.00
SRF – Westainer Project		6,326,875.98	-
Start Support for Re-settling IDPs in Vavuniya		68,904,633.97	-
Re-settlements of Internally Displaced Families		78,219,720.92	-
Emergency Relief for Tsunami Victims		107,703,350.30	-
German Agro Action Project – Trincomalee		44,221,639.88	-
Emergency Relief Project		9,913,090.38	-
DCA Projects		40,488,666.22	-
HILFWERK Austria Project		342,291.30	-
Deniyaya Project		7,143,513.36	-
Mercy Corps Project		1,959,000.00	-
Special Needs of Tsunami Affected Communities		376,330.00	-
FAO Project		663,990.08	-
Swiss Contact Project		195,805.55	-
UNICEF Projects		957,823.00	-
Water Project		1,365,214.59	-
Muthur Construction Project		2,542,868.58	-
Concern Project		155,548,762.52	-
Baseline Survey for Agricultural and Rural Rehabilitation		-	21,712,147.00
Mangrove Re-forestation in Pottuvil and Urani Lagoons		-	847,344.00
Humanitarian Assistance to Re-settled Families		-	80,590,944.00
Start Support for Re-settled and Re-located Families		-	57,976,719.00
Miscellaneous Projects		-	1,568,857.00
Increase/(Decrease) of Unutilized Project Fund		148,729,857.67	13,264,741.00
Total Expenses		889,976,517.43	365,647,259.00
Surplus of Income Over Expenditure before Taxation		91,597,536.66	15,597,622.00
Less: Taxation		28,716.00	-
Net Surplus for the year		91,568,820.66	15,597,622.00

## STATEMENT OF CHANGES IN ACCUMULATED FUND

	Rs.
Balance at 01.04.2003	(5,773,476.66)
Net Surplus for the year	15,597,621.51
Balance at 31.03.2004	9,824,144.85
Balance at 01.04.2004	9,824,144.85
Net Surplus for the year	91,568,820.66
Balance at 31.03.2005	101,392,965.51

## CASH FLOW STATEMENT

For the year ended 31 March

	2005 Rs.	2004 Rs.
<b>Cash flows from operating activities:</b>		
Surplus of Income Over Expenditure before Taxation	91,597,536.66	15,597,622.00
<b>Adjustments for:</b>		
Depreciation	9,033,438.99	3,792,141.00
Gratuity	1,250,129.00	386,500.00
	10,283,567.99	4,178,641.00
<b>Operating Income before Working Capital Changes</b>	101,881,104.65	19,776,263.00
(Increase)/Decrease in Receivables, Debtors & Advances	(2,821,093.89)	(2,615,556.00)
Increase/(Decrease) in Amount Payable & Other Accrued Expenses	(11,493,809.35)	5,993,537.00
	(14,314,903.24)	(3,377,982.00)
<b>Cash Generated from Operations</b>	87,566,201.41	23,154,244.00
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(100,637,776.56)	(19,212,252.00)
<b>Net Cash Flows used in Investing Activities</b>	(100,637,776.56)	(19,212,252.00)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Interest Bearing Borrowings	6,025,000.00	4,139,600.00
Re-payments of Interest Bearing Borrowings	(3,296,894.96)	(1,948,862.00)
Unutilized Project Funds	148,729,857.67	13,264,741.00
<b>Net Cash Flows used in Financing Activities</b>	151,457,962.71	15,455,479.00
<b>Net Increase in Cash and Cash Equivalents</b>	138,386,387.56	19,397,471.00
<b>Cash &amp; Cash Equivalents at Beginning of the Year</b>	27,779,199.57	8,381,729.00
Cash & Cash Equivalents at End of the Year	166,165,587.13	27,779,200.00
<b>Cash &amp; Cash equivalent consist of:</b>		
Cash in Hand and at Banks	176,632,066.80	34,600,317.00
Bank Overdrafts	(10,466,479.67)	(6,821,117.00)
	166,165,587.13	27,779,200.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March

## 1. Corporate Information

Sewa Lanka Foundation was incorporated on 19<sup>th</sup> February 1992 under the Companies Act No. 17 of 1982, with the name of Sewa Lanka Foundation (Guarantee) Limited as a development non-government organization.

Although it was set up as a development organization it had to fulfil the functions of the relief agency while focusing on strengthening civil society organizations in order to build the environment for future development. Among other sectors, Sewa Lanka presently works in social mobilization, institutional capacity building, micro enterprise development, sustainable agriculture and environment conservation, inland fisheries, psychosocial support, peace building, micro finance, health, vocational training and providing shelter and sanitary facilities for the poor.

Sewa Lanka has a decentralized structure working in 19 districts in the country. At the end of the years there were 955 staff members including volunteers. While district offices are responsible for coordinating with community based organizations and engaging in other internal activities of districts, Colombo-based Head office provides coordination with Donors and administrative and financial supervision of the entire organization.

## 2. Significant Accounting Policies

### 2.1 Basis of Preparation

These financial statements are prepared in accordance with the Accounting standards laid down by the Institute of Chartered Accountants of Sri Lanka, using historical cost convention.

Sewa Lanka generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items.

Sewa Lanka maintains its books of account and records on a programme or project-basis according to its decentralised accounting system. Funds received to Head office are transferred to programmes as required. Balances between head office and projects are eliminated upon combination for the purposes of presentation of financial statements.

### 2.2 Assets and bases of their valuation

Assets classified as current assets on Balance Sheet are cash and bank balances and those which are expected to be realized in cash during the normal operating cycle within one year from the Balance Sheet date. Assets other than current assets are those which the foundation intends to hold beyond one year period from the Balance Sheet date.

### 2.3 Property, Plant & Equipment

The cost of property, plant and equipment is the cost of purchase or construction together with any expenses incurred in bringing the assets to their working condition for the intended use.

### 2.4 Subsequent Expenditure

Any subsequent expenditure incurred is capitalized only when it increases the future economic benefit of the property, plant and equipment. All other expenditure is charged to the Income & Expenditure Account.

Property, plant and equipment is stated at cost less accumulated depreciation.

### 2.5 Depreciation

Depreciation is calculated on written down value basis 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%

No depreciation is provided for fixed assets purchased during the year while full years depreciation is provided in the year of disposal.

### 2.6 Receivables

All the receivables are stated at the amounts estimated to be realized.

### 2.7 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprise cash and bank balances and call deposits, against which bank overdrafts, if any, are deducted. Included in cash and bank balances are donations which are received through donor grants. By virtue of donor agreements, the manner in which such donations are to be applied may be restricted to specific project and/or assets.

### 2.8 Liabilities and provisions

Liabilities stated under current liabilities in the Balance Sheet are those expected to fall due within one year from the Balance Sheet date. Items stated as non current liabilities are those expected to fall due at a point of time after one year from the Balance Sheet date. All known liabilities have been accounted for in preparing financial statements.

Provisions and liabilities are recognized, whether foundation has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligations.

## 2.9 Retirement Benefit obligations

### 2.9.1 Gratuity

In order to meet the gratuity Liability, a provision has been made in the accounts under the Gratuity Act No 12 of 1983, based on a 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. The provision has not been externally invested.

### 2.9.2 Defined contribution plans

Employees are eligible for Employees Provident Fund Contribution and Employees Trust Fund Contribution in line with respective Statutes and Regulations. Organization contributes 12% and 3% of gross emoluments to Employees Provident fund and Employees Trust Fund respectively.

## 2.10 Finance Leases

All of the risk and benefits incidental to ownership of the leased item are capitalized at their cash price and disclosed as property, plant & equipment and depreciated over the period of the foundation expected to benefit from the use of leased assets.

The corresponding principle amount payable to the lesser or shown as a liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve constant rate of interest on the remaining balance of the liability. The interest element of the rental obligations applicable to each financial year is charged to the income statements over the period of the lease using actuarial method.

The cost of improvements to or on leasehold property is capitalized, disclosed as leasehold improvements, and depreciated over unexpired period of the lease or the estimated useful lives of the improvement, whichever is shorter.

## 2.11 Donor Grants

Income from Donor grants is recognized when conditions on which they depend have been met. Sewa Lanka donor grants are for the funding of projects and programs, and for these grants, income is recognized to equate to expenditure incurred on projects and programs.

For ongoing projects and programs, any expenditure yet to be funded for which funding has been agreed at the end of the reporting period is recognized as grant receivable. For completed or phased out projects and programmes, any unutilized amounts dealt with in accordance with consequent donor and management agreements.

Grant received but not utilized to programs and projects at the end of the accounting year has been treated as unutilized project funds.

## 2.12 Interest Income

Interest on Bank deposits are recognized on cash basis and included in donor grants as agreed with Donors.

## 2.13 Expenses

Programme related expenses has been accounted in accordance with the programme objectives and activities. Sewa Lanka's head office overhead expenses are allocated to various projects and programmes at their cost, based on agreement with donors or management judgment.

Interest on bank overdrafts is recognized on a cash basis and all other expenses are accounted for in books of accounts on accrual basis.

## 2.14 Foreign currency translation

All grants received in foreign currency have been converted to Sri Lanka Rupees at the rates of exchange ruling at the date of transaction.

## 2.15 Taxation

The provision of income tax is made in accordance with the provisions contained in the Inland Revenue Act, No.38 of 2000.

## (3) Property, plant and equipment

See chart on page 31 for details.

## Notes (4-12)

See pages 32 and 33 for details

## (13) Capital expenditure commitments

There were no material capital expenditure commitments as at the Balance Sheet date.

## (14) Contingent liabilities

There were no known contingent liabilities as at the Balance Sheet date.

## (15) Directors' interest in contracts

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 March 2005.

## (16) Post Balance Sheet Events

No material events have taken place after the Balance Sheet date which requires an adjustment to or disclosure in the Financial Statements.

## (17) Comparative Information

Comparative figures have been reclassified where necessary in line with the presentation requirements for the current year.

### (3) Property, plant and equipment

Type of Assets	Opening Balance		Additions during the year		Closing Balance		Opening Balance		Charged during the year		Closing Balance	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Building	775,000.00	-	-	775,000.00	-	-	-	-	-	-	-	-
Plant & Machinery	6,202,596.50	-	-	6,202,596.50	5,852,861.57	87,433.75	5,940,295.32	5,852,861.57	87,433.75	5,940,295.32	5,940,295.32	5,940,295.32
Furniture & Fittings	2,134,190.98	897,830.00	897,830.00	3,032,020.98	1,560,554.93	114,726.82	1,675,281.75	1,560,554.93	114,726.82	1,675,281.75	1,675,281.75	1,675,281.75
Office Equipment	2,983,045.56	2,834,660.00	2,834,660.00	5,817,705.56	1,606,162.85	275,376.79	1,881,539.64	1,606,162.85	275,376.79	1,881,539.64	1,881,539.64	1,881,539.64
Computers & Accessories	902,081.25	2,856,720.00	2,856,720.00	3,758,801.25	139,006.25	152,615.00	291,621.25	139,006.25	152,615.00	291,621.25	291,621.25	291,621.25
Sundry Equipment	466,388.25	-	-	466,388.25	348,188.51	23,639.95	371,828.46	348,188.51	23,639.95	371,828.46	371,828.46	371,828.46
Bicycles	242,298.75	-	-	242,298.75	238,430.28	967.12	239,397.40	238,430.28	967.12	239,397.40	239,397.40	239,397.40
Motor Cycles	9,503,584.10	4,963,449.60	4,963,449.60	14,467,033.70	2,777,611.99	1,681,493.30	4,459,105.29	2,777,611.99	1,681,493.30	4,459,105.29	4,459,105.29	4,459,105.29
Motor Vehicles	47,641,534.83	78,086,564.96	78,086,564.96	125,728,099.79	21,983,807.64	6,414,432.25	28,398,239.89	21,983,807.64	6,414,432.25	28,398,239.89	28,398,239.89	28,398,239.89
Trailer with Bowser	-	5,406,200.00	5,406,200.00	5,406,200.00	-	-	-	-	-	-	-	-
Tractor, Truck & Lorry	-	5,592,352.00	5,592,352.00	5,592,352.00	-	-	-	-	-	-	-	-
<b>Total as at 31.03.2005</b>	<b>70,850,720.22</b>	<b>100,637,776.56</b>	<b>100,637,776.56</b>	<b>171,488,496.78</b>	<b>34,506,624.02</b>	<b>8,750,684.98</b>	<b>43,257,309.00</b>	<b>34,506,624.02</b>	<b>8,750,684.98</b>	<b>43,257,309.00</b>	<b>43,257,309.00</b>	<b>43,257,309.00</b>
<b>Total as at 31.03.2004</b>	<b>51,638,467.97</b>	<b>19,212,252.25</b>	<b>19,212,252.25</b>	<b>70,850,720.22</b>	<b>30,714,482.73</b>	<b>3,792,141.29</b>	<b>34,506,624.02</b>	<b>30,714,482.73</b>	<b>3,792,141.29</b>	<b>34,506,624.02</b>	<b>34,506,624.02</b>	<b>34,506,624.02</b>

Type of Assets	Net Book Value As at 31.03.2005		Net Book Value As at 31.03.2004	
	Rs.	Rs.	Rs.	Rs.
Land & Building	775,000.00	775,000.00	775,000.00	775,000.00
Plant & Machinery	262,301.18	349,734.93	262,301.18	349,734.93
Furniture & Fittings	1,356,739.23	573,636.05	1,356,739.23	573,636.05
Office Equipment	3,936,165.92	1,376,882.71	3,936,165.92	1,376,882.71
Computers & Accessories	3,467,180.00	763,075.00	3,467,180.00	763,075.00
Sundry Equipment	94,559.79	118,199.74	94,559.79	118,199.74
Bicycles	2,901.35	3,868.47	2,901.35	3,868.47
Motor Cycles	10,007,928.41	6,725,972.11	10,007,928.41	6,725,972.11
Motor Vehicles	97,329,859.90	25,657,727.19	97,329,859.90	25,657,727.19
Trailer with Bowser	5,406,200.00	-	5,406,200.00	-
Tractor, Truck & Lorry	5,592,352.00	-	5,592,352.00	-
<b>Total as at 31.03.2005</b>	<b>128,231,187.78</b>	<b>36,344,096.20</b>	<b>128,231,187.78</b>	<b>36,344,096.20</b>
<b>Total as at 31.03.2004</b>	<b>36,344,096.20</b>	<b>-</b>	<b>36,344,096.20</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March

	2005 Rs.	2004 Rs.
<b>(04) Intangible assets</b>		
Notes E.D.B. System - Accounting Programme	565,508.02	565,508.02
Depreciation (50% on Cost)	(282,754.01)	-
	282,754.01	565,508.02
<b>(05) Receivables, Debtors &amp; Advances</b>		
Receivable from Donors	6,387,054.59	15,261,777.00
Debtors & Staff Loan	1,745,389.22	4,929,506.00
Payments in Advance	16,307,377.62	1,427,445.00
	24,439,821.43	1,427,445.00
<b>(06) Cash in Hand and at Banks</b>		
Cash at Bank	172,299,857.32	30,322,391.00
Call Deposits	4,000,000.00	4,250,000.00
Cash in Hand	332,209.48	27,926.00
	176,632,066.80	34,600,317.00
<b>(07) Unutilized Project Funds</b>		
NDTF – Community	1,012,529.84	1,012,530.00
OXFAM – Ampara	247,599.92	90,494.00
OXFAM – Vavuniya	50,677.52	502,942.00
Psychosocial Project – Vavuniya – Helvetas – Phase I & II	509,326.26	32,783.00
Improving Access to Safe Drinking Water & Sanitation Terres des Hommes – Ampara – Phase I & II	259,416.34	929,907.00
Poverty Reduction and Socio-Economic D.R.C.R. in North AS 657/LKA 1201-03	1,611,028.25	843,575.00
Integrated Food Security Programme AS 1201/LKA 1022-03	9,218,753.44	16,191,147.00
North-East Community Restoration and Development Project – Sundarapuram – NECORD 11	5,051.81	461,940.00
North-East community Restoration and Development Project – Trincomalee	1,392,994.72	176,934.00
The Grant Assistance for Grass Root Human Security Fund – Batticaloa	2,144,950.11	7,176,245.00
UNDP – Marine Fisheries Project – Ampara	6,077,897.19	-
UNDP Project – Batticaloa	3,805,049.64	-
UNDP 4 FCS Project – Batticaloa	583,852.26	-
Resettlements of Internally Displaced Families – AS 1227/LKA 1028-04	326,148.86	-
Emergency Relief for Tsunami Victims in the Northern & Southern Coast – AS 1262/LKA 1029-04	5,164,737.80	-
Emergency Relief for Tsunami Victims in the Northern – AS 1265/LKA 1031-05	8,735,494.70	-
German Agro Action Project – Trincomalee	27,738,466.03	-
Save the Children Fund – Tsunami Project – Ampara	11,660,558.00	-
North-East Community Restoration and Development Project – Avaranthulawa – NECORD I	1,925.49	-
North-East Community Restoration and Development Project – Kakkarakulam – NECORD III	493,566.00	-
North-East Community Restoration – Ampara	1,224,859.64	-
Empowering the Poorest of the Poor Women & Young Girls – in the South, North and East	1,408,306.65	-
DCA Project – Ampara	44,797,198.22	-
DCA Project – Batticaloa	37,510,370.02	-
HILFWERK Austria Project – Batticaloa	348,755.04	-
Deniyaya Project – Japanese	389,639.03	-
FAO Project	63,643.79	-
Swiss Contact Project – Ampara	239,458.95	-
UNICEF Project – Ampara	369,130.00	-
Concern Project	14,155,049.17	-
DRC Rehabilitation & Relocation Programme – Vavuniya	-	1,638,462.00
DRC Rehabilitation & Relocation Programme – Mannar	-	1,181,210.00
Psychosocial Project – Mannar – Helvetas	-	208,631.00
UNDP Project – Deniyaya	-	146,697.00
Micro Irrigation through Credit for Farmers in a Water Scarce Village in Pottuvil Division	-	383,644.00
Save the Children Fund – Ampara	-	263,796.00
Meeting the housing Water & Income Generation Needs in Four Conflicts Affected Village in Batticaloa - AUSAID	-	1,388,769.00
	181,546,434.69	32,629,703.00

## NOTES TO THE FINANCIAL STATEMENTS...cont

For the year ended 31 March

	2005 Rs.	2004 Rs.
<b>(08) Long term loan</b>		
Lease Creditor	6,037,721.40	4,627,773
	6,037,721.40	4,627,773
<b>(09) Retirement benefit obligation</b>		
Provision for Retiring Gratuity		
Provisions as at 01.04.2004	3,011,150.00	2,624,650
Provision for the Year	1,250,129.00	386,500
Balance as at 31.03.2005	4,261, 279.00	3,011,150
<b>(10) Amount payable and accrued expenses</b>		
Expenses Payable	17,376,046.24	28,219,212
Other Loan Payable	4,558,191.53	5,208,836
	21,934,237.77	33,428,047
<b>(11) Short term loan</b>		
Lease Creditor	3,874,207.95	2,556,051
	3,874,207.95	2,556,051
<b>(12) Donations</b>		2005
OXFAM – Ampara		2,563,938.00
OXFAM – Vavuniya		1,000,000.00
NDTF Programmes		96,752.15
ADB Water Project – Anuradhapura		63,474.09
North East Irrigated Agriculture Project – NEIAP		666,352.41
Micro Drip Irrigation Project		3,943,391.95
DRC Rehabilitation & Relocation Programme – Vavuniya		5,908,810.00
DRC Rehabilitation & Relocation Programme – Mannar		27,868,786.68
Psychosocial Project – Helvetas – Vavuniya – Phase I & II		4,470,905.00
Psychosocial Project – Helvetas – Mannar		1,551,888.18
UNDP – Marine Fisheries Project – Ampara		6,405,305.00
Community Base Conservation – UNDP – Deniyaya		122,500.00
UNDP Project – Batticaloa		4,151,875.00
UNDP 4 FCS Project – Batticaloa		652,000.00
Improving Access to Safe Drinking Water & Sanitation – Ampara – Phase I & II		8,101,870.00
Poverty Reduction and Socio-Economic DRCR in North		24,536,450.00
Integrated Food Security Programme		97,510,953.00
SRF – Westainer Project		6,246,125.80
Start Support for Resettling IDPs in Vavuniya		70,078,976.50
Resettlement of Internally Displaced Families		77,613,963.02
Emergency Relief for Tsunami Victims in the Northern & Southern Coast		28,420,000.00
Emergency Relief for Tsunami Victims in the North		17,016,595.20
Emergency Relief for Tsunami Victims in the Northern		88,981,200.00
German Agro Action Project – Trincomalee		85,944,954.00
Emergency Relief Project – Head Office		13,339,950.90
Micro Irrigation in a Water Scarce Village in Pottuvil Division		455,500.00
Save the Children Fund – Ampara		2,355,908.47
Save the Children Fund – Tsunami Project – Ampara		16,651,408.00
North-East Community Restoration and Development Project – NECORD I		491,625.00
North-East Community Restoration and Development Project – NECORD II		2,333,249.22
North-East Community Restoration and Development Project – NECORD III		1,291,100.00
North-East Community Restoration and Development Project – Trincomalee		7,079,567.80
North-East Community Restoration – Ampara		1,731,497.50
The Grant Assistance for Grass Root Human Security Fund – Batticaloa		80,630.13
Empowering the Poorest of the Poor Women & Young Girls in the South, North & East		2,992,940.00
DCA Project – Ampara		83,875,701.00
DCA Project – Batticaloa		53,062,861.00
HILFWERK Austria Project – Batticaloa		691,046.34
Deniyaya Project – Japanese		7,418,313.30
Mercy Corps Project – Head Office		1,959,000.00
Special Needs of Tsunami Affected Communities		376,330.00
FAO Project		727,633.87
Swiss Contact Project – Ampara		467,034.50
UNICEF Project – Ampara		1,050,155.50
UNICEF Project – Mannar		305,450.00
Water Project – Monaragala		1,372,217.00
Muthur Construction Project Trincomalee		2,542,868.58
Concern Project		215,005,000.00
		981,574,054.09

# The Sewalanka management team

## Board of Directors

Harsha Kumara Navaratne .....	Chairman
Velupillai Revathan .....	Vice Chairman
Wasantha P. Ramanayake .....	Vice Chairman
Rev.H. Kondanna .....	Director
Rev.G. Permarathne .....	Director
Dr. Lionel Weerakoon .....	Director
Lakshi S.Abeyesekera .....	Director
Srimewan Weraduwa .....	Director
D.A.Kanthi Navaratne .....	Director
Tapan K. Barman .....	Director
Amanda J.Kiessel .....	Director
A.M.R.K.Adikarinayake .....	Director
Kaushalya Navaratne .....	Director
S. Sivapackiyam .....	Director
G. Krishnamoorthy .....	Director
M.I.M.Iqbal .....	Director
Deepal Chandrathilake .....	Director
T.N.Newton .....	Director

## Senior Staff

B.A.Walter Amarasiri .....	Chief Accountant
Sarath Kothalawala .....	Senior Accountant
Sarath Wijethunga .....	Accountant
R.M. Nimalsiri .....	Accountant
Bandula Ukwatta .....	Internal Auditor
S.V.R.Vethanayagam .....	Director Administration
A.Aruna de Alwis .....	Asst. Director Administration
A.M.R.K.Adikarinayake .....	Executive Secretary
Lakshi Abeyesekera .....	Director Special Projects
P.A.I.Udeni Dias .....	Director External Affairs/Technical Advisor
Tapan K. Barman .....	Director Social Development
Kaushalya Navaratne .....	Director Women Empowerment
Lal Fernando .....	Director Rural Technology

## Consultants and Advisors

Mahinda de Silva .....	Livelihoods and Micro Finance
Dr. Lionel Weerakoon .....	Agriculture
Dr.Steve Creech .....	Fisheries
Amanda J.Kiessel .....	Sustainable Development
Ajith Tennakoon .....	Environment/Southern Region
M.I.M.Iqbal .....	Social Development
W.G.Ranasinghe .....	Social Development
Bisowela Gunasekara .....	Savings and Credit
Steve Francone .....	Enterprise Development
Kumarasiri Pothuwila .....	Enterprise Development
H.Mahen de Alwis .....	Livelihoods
S.K.Ponkalan .....	Livelihoods
C.S.Ramanayake .....	Training

Penny Boddington .....	Communications
Tamara Curtis .....	Gender & Psychosocial
Olivia Walton .....	HIV/AIDS Education
Wendy van den Beld .....	Management

## Regional Advisors

Prof.A.Nawaratnarajah
Mr.V.K.Illanko
Rev.E.Kalyanatissa

## District Directors and Acting District Directors

A.Anandarajah .....	Jaffna
S.F.Jeganathan .....	Mullativu
Annet P.Royce .....	Mannar
Mr.T.N.Newton .....	Vavuniya
S.Rajanathan .....	Trincomalee
G.Nagarajah .....	Batticaloa
Deepal Chandrathilake .....	Ampara
W.A.D.P.S.Wickramasinghe .....	Moneragala
K.Lalith Priyankara .....	Anuradhapura
A.T.Bandara .....	Polonnaruwa
N.M.J.B.Nimbuliyadda .....	Kurunegala
Subramaniam Sivapackiyam .....	Nuwara Eliya
Jayantha Wijesinghe .....	Hambantota
Ananda P.Kariyawasam .....	Matara
N.M.Ariyaratne .....	Galle
W.K.Aruna P.Samaranayake .....	Kalutara

## Deputy District Directors

Jinadari Wedamulla .....	Batticaloa
V.Kesavan .....	Jaffna
A.G.Mohamed Sameem .....	Trincomalee

## Special Assignment

T.Tamilalagan .....	Project Director, Tsunami Wann
S.Thavamohan .....	Project Manager, IFSP Wann
T.Uthayakumar ....	Project Manager, ECHO DFO Vavuniya
Bandula Rajapaksa .....	Coordinator, Kalawana
A.Amarakoon .....	Coordinator, Deniyaya

## Head office

No 432A, 2nd Floor  
Colombo Road  
Boralesgamuwa  
t: 011 – 2545362-5  
f: 011 – 2545166  
e: sewahq@sri.lanka.net

## Accounts Department

60A Dehiwala Road  
Boralesgamuwa  
t: 011 - 254 5933  
f: 011 - 254 5936  
e: slfaccdv@sltnet.lk

## District Offices

Ampara  
Kalmunai Road  
Ampara  
t: 063 - 222 4757  
f: 063 - 48 90009  
e: sewaamp@sltnet.lk

Anuradhapura  
206/1 Godage Mawatha  
Anaradhapura  
t: 025 - 222 1451  
f: 025 - 222 1451  
e: sewaanu@sltnet.lk

Batticaloa  
185 New Kalmunai Road  
Kallady, Batticaloa  
t: 065 - 222 4778  
f: 065 - 222 4778  
e: sewabatt@sltnet.lk

Galle  
70/A Kaluwella Road  
Galle  
t: 091 - 223 4654  
f: 091 - 223 3441  
e: slfgalle@sltnet.lk

Hambantota  
190/4 Tissa Road  
Tangalle  
t: 047 - 224 2052  
f: 047 - 224 1332  
e: jayadhawi@sltnet.lk

Jaffna  
250 Temple Road  
Nallur, Jaffna  
t: 021 222 5086  
f: 021 - 222 5086  
e: slfjaffna@yahoo.com

Kalutara  
380D Galle Road  
Kalutara North, Kalutara  
t: 034 - 222 0909  
f: 034 - 222 7247  
e: slfkalu@sltnet.lk

Kandy  
433, 2nd Floor  
Colombo Road  
Kiribathkumbura, Kandy  
t: 081 - 492 1924  
e: sewaky@yahoo.com

Kilinochchi  
Kandy Road  
Paranthan, Kilinochchi  
t: 021 - 228 5071

Kurunegala  
Miugunarama Rajamaha Viharaya  
Colombogama, Kanaththewewa,  
Kurunegala  
t: 037 - 229 3676  
f: 037 - 567 4372

Mannar  
64 Esplanade Road  
Moor Street  
Mannar  
t: 023 - 223 2702  
f: 023 - 225 0132  
e: slfman@sltnet.lk

Matara  
341 Gunawardhane Mawatha  
Pallimulla, Matara  
t: 041 - 222 6477  
f: 041 - 222 6477  
e: slfmatara@sltnet.lk

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

Nuwara Eliya,  
46 Piyathissapura, Under Bank  
Nuwara Eliya  
t: 052 - 22 34416

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

Trincomalee  
268/1 Central Road  
Trincomalee  
t: 026 - 222 2817  
f: 026 - 222 3228  
e: sewat@sltnet.lk

Vavuniya  
51 Vairavakovil Road  
Vairavapuliyankulam  
Vavuniya  
t: 024 - 222 0490  
f: 024 - 222 0490  
e: sewavav@sltnet.lk

## District sub-offices

Deniyaya  
Sinharaja Conservation Project  
Electricity Board Road  
51st Mile Post  
Deniyaya  
t: 041 - 227 3821  
f: 041 - 227 3821

Kalawana  
Sinharaja Conservation Project  
Waddagala  
Kalawana  
t: 045 - 225 5643

## Project offices

Anuradhapura  
Islander Centre  
Rajangaya, Yaya – 18 Kalaoya  
Anuradhapura  
t: 025 - 225 7446  
f: 025 - 225 7446  
e: sewafarm@sltnet.lk

Hatton  
Plantation Workers  
Development Centre  
10 Barthford Bazaar  
Dickoya  
t: 051 - 222 3243  
e: vgkhatton@sltnet.lk

Kilinochchi  
Tsunami Office  
72 Thirunager Road  
Kilinochchi  
t: 021 - 228 5082  
f: 021 - 228 3957  
e: tsunamislf@yahoo.com

Vavuniya  
Agriculture Centre  
51 Vairavakovil Road  
Vairavapuliyankulam  
Vavuniya  
t: 024 - 222 3947

Vavuniya  
IFSP Project Office  
51 Vairavakovil Road  
Vairavapuliyankulam  
Vavuniya  
t: 024 - 222 1354  
f: 024 - 222 4322  
e: slf\_ifsp@sltnet.lk

Vavuniya  
Directors Field Office  
51 Vairavakovil Road  
Vairavapuliyankulam  
Vavuniya  
t: 024 - 222 4469  
f: 024 - 222 4469  
e: sewavav@sltnet.lk

## 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