



ANNUAL REPORT

2006/07



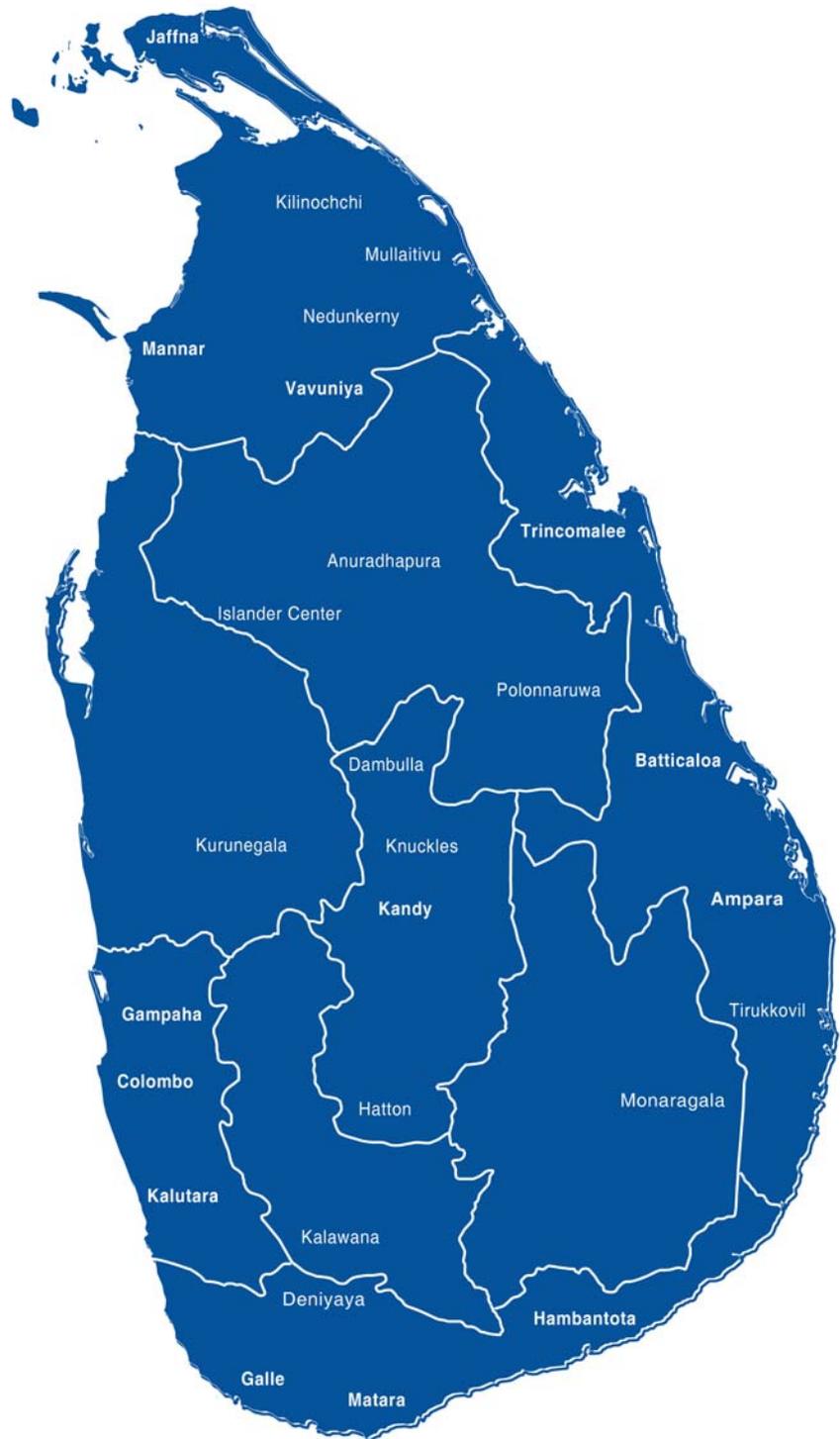
SEWALANKA
FOUNDATION

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

- To strengthen civil society by mobilising disadvantaged communities, building institutional capacities and linking community-based organisations with each other and with external resources.
- To ensure the psychological, social and economic well-being of conflict and disaster-affected communities and facilitate the shift from relief aid to self-reliance and sustainable development.
- To promote sustainable rural development by offering training, support and services in agriculture, fisheries, handicrafts, community based tourism, enterprise development, microfinance, marketing risk reduction, and environmental sustainability.



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Above > Community members from Windicorner Village constructing a storage tank as part of the Community Water Supply and Sanitation Project.

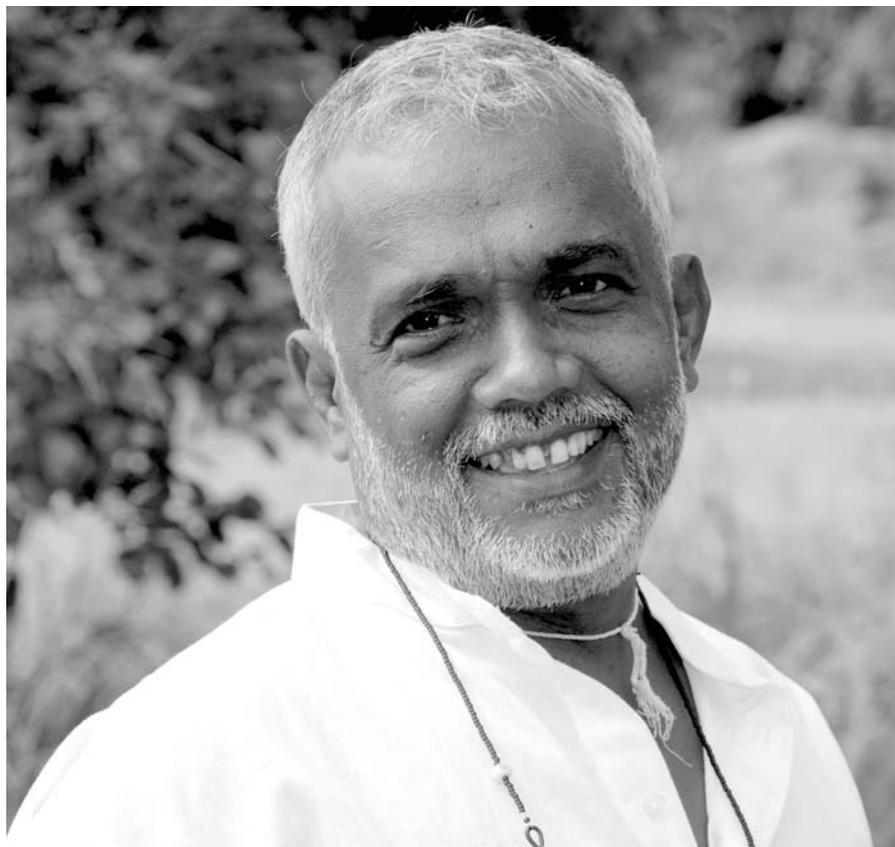
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Chairman's message

'What would you like your village to be like in 10 years?' This is a question many of our social mobilisers like to ask when they start working in a community. In the most disadvantaged parts of the island, the interests tend to be quite basic: we'll be able to travel freely and safely to town, we won't owe so much to the money lenders, we'll sell our fish directly to Colombo, we'll have good drinking water in every season, our children will have educational opportunities that prepare them for jobs, the bridge will be repaired so the bus will come all the way to the village, the trees will be replanted, we'll have a strong society and fewer conflicts in our village. As everyone talks, this vision of the future grows into something real, something worth working towards.

Talking about future goals and opportunities is inspiring, but reaching them is never an easy process. The path isn't smooth. There are twists and turns and unexpected obstacles. In some areas, we have seen strong community organisations pushed backwards, away from their goals, due to forces, like natural disaster and military movements, entirely out of their control. But we have also seen these same groups pick themselves up, reassess and move forward again. This vision of a better tomorrow has a powerful pull and talking about it keeps us focused and moving.

Of course, if we at Sewalanka are encouraging community organisations to develop a vision of the future, we have a responsibility to develop services that support them on this long and often challenging path. In 2005, Sewalanka started a process of self-assessment that has resulted in a number of internal changes. One of the greatest concerns raised by our staff was that there was a risk that we would lose sight of our own long-term vision. Development may be a long-term process, but funding tends to be project-based. The time frame for an intervention is usually three months to two years. There's a risk of getting trapped in these short-term cycles of proposal writing and reporting and



becoming so focused on Gantt charts, budget lines, and short-term outputs that the larger vision is lost.

With this risk in mind, we have made several additional changes over the past year. We formed a national level team to help us move beyond short-term project monitoring. The Research and Learning Unit works with the districts to monitor and improve the quality and impact of Sewalanka programs. We also brought all of our national-level sector specialists under a single umbrella called the Program Development Team. This has improved coordination and made it easier for the districts to access technical support services. The team includes sustainable livelihood services like agriculture, fisheries, tourism, handicrafts and enterprise development and cross-cutting program services like gender, youth and children, environment, psychosocial well-being, and peace-building.

Over the past year, the Research and Learning Unit and the Program

Development Team have been supporting the Field Directors and districts in a bottom-up planning process. The district strategic plans are based on the goals of the community organisations they work with and the guidance of local government officials. It is remarkable to see the diversity of interests between regions and even between neighbouring districts.

Our internal changes in 2006/07 are reflected in the new format of our annual report, and they have been met with a lot of enthusiasm. Talking about long-term programs and future goals keeps us focused and moving forward even when the path is rough. As a national organisation, we have a long-haul commitment to social change in this country and a responsibility to ensure that short-term projects move our community partners a step closer to their long-term goals.

Harsha Kumara Navaratne
Chairman
Sewalanka Foundation

Strategic programs and services



EMERGENCY RESPONSE AND REHABILITATION

Emergency Response

In 2006/07 escalating violence in Sri Lanka impacted the lives of thousands of innocent civilians and affected the work of both local and international non-governmental organisations (NGOs). The heightened security situation and the resulting large number of internally displaced persons (IDPs) changed the focus for Sewalanka Foundation's work.

In the north and the east, after four years of recovery and the provision of post-emergency assistance such as shelter, food security activities and agriculture activities, Sewalanka's energy was redirected into more urgent aid-related activities.

IDPs who had slowly been returning to their homes and rebuilding their lives were once again forced to flee their homes.

Displacement started first in and around Jaffna peninsula with around 80 000 people uprooted. These people were displaced to public places in the centre of Jaffna and became isolated with the closure of the A9, the only land supply route to the region. The closure of the road linking Jaffna and the Wannai to the south created a dire and severe food shortage in the area. Limited essential items were transported via sea route.

Throughout this period, Sewalanka was one of the few NGOs that continued working in the north. Upon resumption of the violence, we quickly procured food stocks and distributed these to IDPs.

To manage the aid related activities, the Jaffna district secretary allocated Sewalanka Foundation and long-term partner German Agro Action 6250 IDP families from 17 camps. With funding from the Federal Ministry for Economic Cooperation and Development (BMZ) and NOVIB (Dutch Oxfam), Sewalanka supported these families by providing food rations for a period of three months. Together with the World Health Organisation, Sewalanka also provided health programs in the allocated camps focusing on psychosocial support particularly for woman and children.

The hostility soon spread to the east of the country, starting in Trincomalee. Echalanpathai and Muthur communities saw the brunt of the violence which resulted in acute displacement. IDPs fled to northern Batticaloa, mainly in the Vakarai division. The people of Vakarai hosted the incoming IDPs but soon together with them were displaced to the centre of Batticaloa.

By March 2007, the Batticaloa district hosted over 180 000 IDPs in 90 welfare camps. Staff at Sewalanka's Batticaloa office, with financial support from Danish Church Aid provided emergency assistance for these fleeing families.

Between August 2006 and April 2007, Sewalanka addressed the emergency needs of 12 749 displaced families in the Batticaloa region. The IDPs were provided with tents by UNHCR while Sewalanka's main focus was on the provision of food. Emergency food relief comprised dry rations as well as cooked meals.

At the end of the reporting period, five camps in the Batticaloa region continued to be under the care of Sewalanka Foundation. Sewalanka is currently providing daily rations of rice, vegetables and various forms of protein to IDPs living in these camps. Sewalanka is also responsible for hygiene, sanitation and water facilities in the camps.

From December 2006 to February 2007 a short-term emergency relief project for refugees in the north and east of

the country was funded by the Nippon Foundation of Japan. In total 7500 displaced families from the districts of Kilinochchi, Mullathivu, Trincomalee and Jaffna were also provided with dry food rations including rice, flour, dhal, sugar, tinned fish, milk powder, tea, soya meat and noodles.

Disaster risk reduction

To reduce the impact of both natural and man-made disasters and to protect the lives, assets and livelihoods of those at risk, in 2006/07 Sewalanka implemented a disaster risk reduction program (DRR).

At the community level Sewalanka conducted community hazard, risk and vulnerability analysis and developed village disaster management committees to coordinate awareness and training programs, plan workshops and emergency practice runs. We also supported mitigation activities such as the development of early warning systems, integrated coastal management, building of bunds, income saving systems and alternative livelihoods.

At the organisational level, regional Sewalanka teams were trained to respond within the first 24 hours of an emergency. These teams devised plans for mobilisation, procuring supplies and equipment and reaching the affected as quickly as possible. We also trained staff on DRR best practices and appropriate action.

Below > Relief distribution in the north.



EMERGENCY RESPONSE AND REHABILITATION

Rehabilitation

In 2006/07 with the resumption of hostilities in many areas of the island, Sewalanka's rehabilitation work was scaled down, while relief aid activities were implemented to address the basic needs of newly displaced communities.

In Mannar and Vavuniya districts, areas not yet affected by current fighting, resettlement and rehabilitation programs for communities affected by previous conflicts continued.

In 2006/07 the European Commission Humanitarian Aid Office (ECHO) through Sewalanka's long-term partner, German Agro Action (GAA) provided funds to support 1888 displaced families from Mannar and Vavuniya districts to return home and rebuild their lives. Families received semi-permanent housing, upgrades to their current temporary huts, toilets, construction of drinking water wells and roads, minor irrigation tanks, agriculture inputs and tool sets as well as kitchen utensils.

ECHO funding also supported the resettlement of tsunami and conflict-affected families in Mullaitivu and Kilinochchi and in the Wannu. Sewalanka used this funding to provide semi-permanent houses, drinking water and basic household items. Approximately 1770 families, 25 per cent of whom were tsunami-affected, were relocated or resettled to Government donated land. Under the same project, 9425 families received food packages and sanitary items.

In the northern districts of Vavuniya, Mannar, Jaffna and Kilinochchi, the European Commission funded Aid for Uprooted People project, another initiative which bridged the gap between rehabilitation and development for resettled communities. Rural infrastructure including roads, community centres, toilets and drinking water wells were constructed and in selected villages, support was also rendered for agriculture related income generation activities. Approximately 2800 families benefited from these initiatives.

Germany's Federal Ministry for Economic Cooperation and Development (BMZ) through Sewalanka's long-term partner German Agro Action (GAA) funded livelihood rehabilitation for tsunami-affected communities in the Wannu. Livelihoods were recreated and supported for 1451 families (426 families from Jaffna, 690 families from Kilinochchi and 335 families from Mullaitivu). The project incorporated institutional capacity building of communities to support their fishing and agriculture livelihoods.

To improve the income of fishing related activities, cabins for fishermen were constructed, boat anchorages were renovated, coastal roads were rehabilitated and 225 sets of fishing nets and boats were distributed to fishermen. To rebuild agriculture livelihoods, 364 families were supported with seeds fertiliser and tools to start paddy cultivation, 89 families were supplied with poultry, 23

families with milking cows and 19 families with goats.

Business related training was also conducted for small and medium-sized enterprises. In total 226 beneficiaries were supported for small-scale investment in their businesses while 227 families were supported for medium-scale investments.

The project also improved infrastructure for income generation by supporting the construction of community halls, common halls and multi-purpose cooperative society outlets. Among other rehabilitation activities 18 kilometres of roads were rehabilitated and drinking water wells and toilets were constructed.

Rehabilitation activities for selected communities from Jaffna, Batticaloa, Trincomalee, Vavuniya, Mannar and Ampara were carried out by North East Community Restoration and Development project and the Conflict Affected Area Rehabilitation Project with funding by the Asian Development Bank. Coordinating closely with the Government, activities for supporting the recovery of resettled communities included social mobilisation, infrastructure development and rehabilitation, provision of drinking water facilities as well as rehabilitation of preschools.

Sewalanka in partnership with GAA supported community access to quality education by constructing new school buildings and making improvements to existing buildings in the tsunami-affected areas of Galle and Batticaloa. Ten schools were equipped with classrooms, an assembly hall, teacher's quarters and sanitation facilities. For more information on Sewalanka's Emergency Response and Rehabilitation efforts please contact Special Projects director Lakshi Abeyserkera at lakshi@sewalanka.org



Right > The Solid House Foundation Lanka resettlement scheme.

LIVELIHOOD SERVICES

Fisheries

Families dependent on small-scale coastal and lagoon fishing make up one of the poorest groups in Sri Lanka. Over the past few decades, coastal fish stocks have declined dramatically due to over-fishing, pollution, and the destruction of coral reefs and mangroves. Even when coastal fishers do have a successful catch, they face storage, transport, and market constraints that reduce their earnings. On top of these challenges, the tsunami that struck 70 percent of Sri Lanka's coastline at the end of 2004 further disrupted lives and livelihoods in the island's fishing communities.

In 2006/07 Sewalanka continued its rehabilitation and development work with fishing communities in all 14 of Sri Lanka's coastal districts. Sewalanka with the support of UNDP and Save the Children Sri Lanka helped tsunami-affected fishers repair and replace damaged outrigger canoes, fibreglass boats, engines, nets, equipment, and bicycles for fish transport. During the reporting period, the final distribution of equipment was completed and technical training programs were organized.

Sewalanka also partnered with the Norwegian Embassy to provide assistance to deep sea boat owners who lost their boats and equipment in the tsunami. The project supplied 52 one-day and multi-day boats, equipped with engines and net sets to individuals and Fisheries Cooperative Societies (FCSs) in Ampara and Batticaloa districts.

In the Kalmunai area of Ampara district, Sewalanka worked with three FCSs to construct a boatyard. Equipment was provided by Oxfam Novib and the facility has become a hub for area fishers to build, repair, and maintain boats. A microfinance program for tsunami-affected fishers initiated with funding from Oxfam Novib is now managed by Sewalanka's microfinance company, Sewa Finance.

A fish processing facility has also been developed at the Kalmunai site. Sewalanka's enterprise development company, SEDCO, is working with the



Above > Japanese NISVA volunteer, Mr. Murakami, demonstrates improved methods for drying fish.

FCSs to manage the facility. The fish is filleted, vacuum-packed, flash-frozen and sold directly to a major national supermarket chain and to smaller retailers in the Ampara area. Most of the processed fish is supplied by the 52 boats Sewalanka and the Norwegian Embassy distributed to tsunami-affected fishing families.

Sewalanka also worked with inland (freshwater) Fisheries Cooperative Societies in Anuradhapura, Hambantota, Ampara and Batticaloa districts during the 2006/07 reporting period. As the implementing agency for the community capacity building component of the Aquaculture Development and Quality Improvement Project (ADQIP), which is under the National Aquaculture Development Authority, Sewalanka conducted capacity assessments of the targeted FCSs and worked with the societies to strengthen their management and leadership capacity.

Most of the fishing communities that Sewalanka supports have limited access to ice or refrigeration facilities. Surplus or damaged fish are cleaned, salted, dried and sold to traders at

relatively low prices. This low-quality dried fish tends to have a high salt content, and since it is dried in the open, it can be contaminated by sand, insects, and animals. In 2006/07, Sewalanka invited a group of Japanese fishers through Nippon International Skilled Volunteers Association (NISVA) to introduce improved techniques for drying and preserving fish to fishing community women in Hambantota district. The training program has been very popular and will be expanded to other areas in the coming year.

With support from the FAO Livelihood Diversification and Enterprise Development program, Sewalanka conducted a participatory assessment of the dried fish value chain in Hambantota district. The outcomes of this study will be used to improve dried fish market linkages and establish a new market for the high quality dried fish produced with Japanese methods.

For more information on Sewalanka's Fisheries Program please contact fisheries@sewalanka.org.

LIVELIHOOD SERVICES

Sustainable Agriculture

The goal of Sewalanka's agriculture program is to help small-scale farmers make the transition to agricultural systems that are environmentally, socially and economically sustainable. In 2006/07, Sewalanka district teams worked with 80 farming organisations and with an additional 299 community-based organisations actively involved in agriculture.

The national sustainable agriculture team provides support services to districts, links farming groups to technical expertise and market information and helps encourage farming innovation and information exchange. The focus is on Low External Input Sustainable Agriculture (LEISA), diversification, household food security and direct marketing channels. In the 2006 fiscal year, the team started a resource database, an articles and newsletter series to share information between regions and a phone and email information hotline.

The Sewalanka agriculture team also coordinated a number of training programs and exchanges with international partners. In May 2006, Sewalanka hosted a Thai non-governmental organisation (NGO), GreenNet Organic and an Indian NGO, Kudumbam, for a training of trainers program on Agroecosystem Analysis, farm field schools and organic production techniques at the Islander Center. The farmer leaders and

Sewalanka staff who participated came from 12 districts and each established a field school on their own land when they returned home.

In July, 25 people traveled to the Kudumbam farm in Trichy in the Tamil Nadu district of India for two weeks to learn more about the farm's techniques and agricultural outreach program. In December, GreenNet Organic and People's Empowerment helped organise a study tour to Thailand for Sewalanka staff from Ampara and Batticaloa. They stayed in the homes of organic paddy and organic vegetable farmers, visited organic certification agencies and organic markets and learned about quality control, value addition and marketing.

Another highlight of 2006 came when Sewalanka was asked to join the American program; Multinational Exchange for Sustainable Agriculture, as a global partner. Each year, Sewalanka will work with MESA to place motivated, energetic young agricultural workers on organic farms in the USA for the eight-month growing season. The interns will learn first-hand about commercial farm management, organic production techniques and alternative marketing strategies. After months of interviews, screening and visa processing, the first five participants from Sri Lanka left for the USA in March 2007.



Above > Trinco farmer, Mr. Kandiah Gopalapuram, works in his fields

In addition to these national programs, the team oversaw many initiatives that focused on specific regional needs. The Department of Agriculture in Polonnaruwa provided support for a program on integrated pest management (IPM) in paddy. The University of Peradeniya held training on vegetable IPM in Hambantota. The Tea Research Institute of Talawakale assisted with several programs on organic tea production in the Sinharaja buffer zone.

Finally, 300 tsunami-affected families in Galle district benefited from a project sponsored by the Consortium of Humanitarian Agencies to establish diversified homegardens in new permanent shelter sites. These homegardens now provide shade, supplementary income and a nutritious, diversified food supply. For more information in Sewalanka's Sustainable Agriculture program please contact agriculture@sewalanka.org



Right > Training on Agroecosystem Analysis at the Islander Center.

LIVELIHOOD SERVICES

Community-Based Tourism

Despite the challenges faced by Sri Lanka's tourism industry over the past year, Sewalanka's Tourism Unit continued to promote and support community-based tourism (CBT) initiatives in Arugam Bay, Sinharaja Rainforest, Unawatuna and Galle. These projects served as a platform for cultural exchange, providing opportunities for visitors to learn about local cultures and traditions and to share experiences which would be difficult to find without local expertise. Locals benefited from this tourism in many different ways, but most importantly as an additional source of income.

Sinharaja Homestays

In Sinharaja, Sewalanka continued working with the international banking institution HSBC to arrange weekend trips to the rainforest for the bank's staff. The trips allowed the employees to stay with local families and experience both educational and recreational activities. Each trip included accommodation, food, guided tours and livelihood demonstrations on tea plucking and kithul collecting techniques, a visit to the home of a jaggery maker as well as a rubber production tour. These services were arranged by villagers that live in the forest's buffer zone and provided them with an environmentally sustainable alternative source of income. The participants, while enjoying a fascinating weekend, formed stronger relationships and got to interact in a setting outside of the office. Sewalanka hopes to continue the HSBC Sinharaja

program while also expanding its reach to include other corporations.

Responsible travel map

LOCALternative Sri Lanka, a responsible travel map financed and published by Sewalanka was launched in February 2007. The map is currently being sold in retail outlets throughout Sri Lanka and highlights tourism related businesses, which incorporate sustainable practices and that follow alternative pathways to beneficial ends. A result of six months of research, on-site inquiry and collaborative work between the writer, Mr Ethan Gelber and representatives from Sewalanka's Community-Based Tourism team, the map is drawing much-needed attention to Sri Lanka's community-based and nature-friendly small enterprises. On the front of the full-colour foldout map 170 numbered icons highlight places where nature and animals come first and people and organisations that act responsibly. These enterprises are then described on the back of the map.

East Coast activities

The Community-based Eco Guide Association (CEGA) of Arugam Bay is an initiative of a two-year project conducted by the Institute of Italian Economic Cooperation (ICEI) and Sewalanka, to develop sustainable tourism in the east of Sri Lanka. CEGA is a small-scale tour operation managed by its 13 members from local villages. Over the past two years, the 13 members have been trained as professional tour guides and have

started leading groups of local and international visitors. They also identified locations to develop as tourist destinations so that tours can be designed for visitors.

A tourism center has also been established for visitors to contact and book services provided by CEGA and other local community organisations involved in tourism activities, such as the Arugam Bay Tourism Association (ABTA), handicraft production groups and a small organic fruit and vegetable market. In early 2007 a website was also developed to promote the work with which CEGA is involved.

Community tourism guidelines

To increase the value of the sector in Sri Lanka, Sewalanka is also developing guidelines for community-based tourism in Sri Lanka. These guidelines will emphasise the use of environmental resources, the maintenance of ecological processes and the conservation of natural heritage and biodiversity. They will respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values and contribute to inter-cultural understanding and tolerance. They will also ensure viable, long-term economic operations that provide fairly distributed socio-economic benefits to all stakeholders. These include stable employment and income-earning opportunities and social services to host communities.

For more information on Sewalanka's Community Based tourism program please contact tourism@sewalanka.org

Below > Youth from the Arugam Bay area working as professional trained and certified eco-tour guides.



LIVELIHOOD SERVICES

Handicrafts and Community Products



Above > A mother's group at Deheyia Preschool in Galle recycling used office paper into greeting cards.

Certain villages or regions of Sri Lanka are famous for producing handicrafts or specialised village products from natural, locally available materials. Historically, these products were traded and used throughout the country, providing a stable livelihood for the traditional producers, but when the Sri Lankan economy was liberalised, cheaper factory-made imports quickly flooded the market replacing traditional products and leaving craft-producing communities among the poorest in the country. Young people feel there is no longer any future in these traditional livelihoods and skills and techniques that have been passed from generation to generation are being lost.

Sewalanka's handicrafts and community products program is intended to help community producer groups use their traditional skills and natural materials in a way that improves their access to viable markets, provides a sustainable livelihood and raises their quality of life.

Depending on the specific needs of producer groups, Sewalanka and SEDCO work with them to strengthen their management capacity, create improved, market-oriented designs, improve their production quality,

ensure environmental sustainability and develop forward and backward market linkages.

In 2006/07, Sewalanka helped a traditional pottery village in Gampaha District secure an order with IKEA, the international home products chain for 54,000 hand painted terracotta pots. Ms Ella Cameron, an Australian designer working with Sewalanka, assisted with the product and packaging design and SEDCO, Sewalanka's enterprise development subsidiary helped the producers establish a professional production facility and painting center that now employs more than 40 local youth. The first container will be sent in July 2007.

In Dickwella, Matara, Sewalanka helped a lace producer group establish a lace showroom to market finished products from a nearby training centre. Ms Nilanthi Gunasekara, the training centre facilitator, works with women who are already experienced in traditional lace making to improve the quality of their work and develop marketable end products for consumers, including bags, serviettes, table cloths, and bed linens.

Similarly, in Trincomalee, Sewalanka helped five leather producer groups establish a small retail outlet. The

communities are producing shoes and bags for the local market. SEDCO is now helping them develop systems to collectively purchase their raw materials and fill external orders.

Sewalanka also supported two handmade paper initiatives in 2006/07. A mother's group at Deheyia Preschool in Galle is recycling used office paper into greeting cards, note books, birthday cards, bags and photo frames. In October and November of 2006, Ms Cameron helped the women develop a range of modern, hand-printed holiday cards that quickly sold out in the Colombo boutique shops.

Also in 2006/07, Sewalanka brought trainers from Nepal to develop a new system of paper production using invasive vegetation. The trainers have been working with a community in the Knuckles region of Matale to test various grasses and leaves with a particular emphasis on invasive weed species and different natural dyeing techniques. By March 2007, the community had perfected their skills and developed a beautiful range of end products using sustainable local resources. For more information on Sewalanka's Handicrafts and Community Products program please contact handicrafts@sewalanka.org

LIVELIHOOD SERVICES

IT Centers and Vocational Training

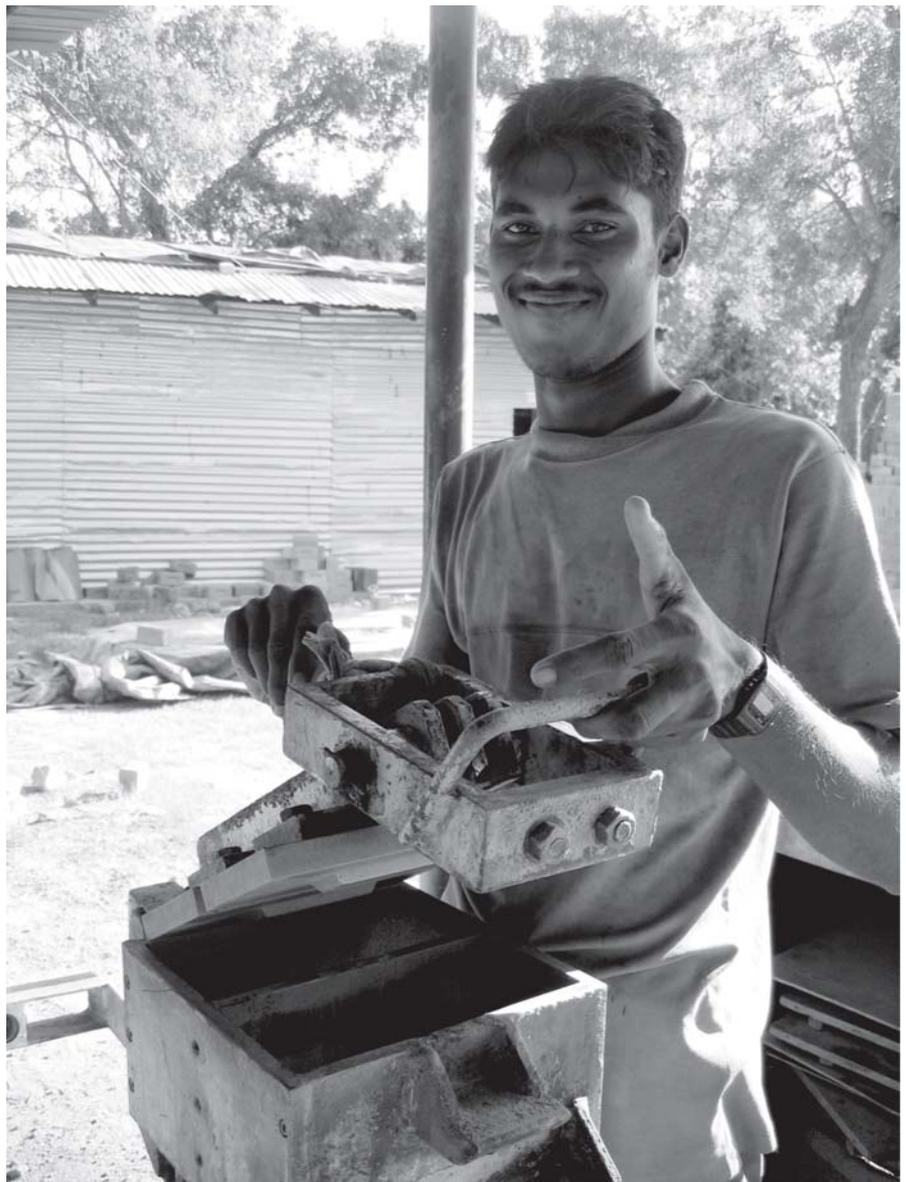
Most of Sewalanka Foundation's livelihood development services are targeted towards community-based organisations and producer groups, but if there is a strong interest or need in a particular geographical area, the organisation also helps coordinate vocational training programs to increase the employability of individual villagers.

Computer skills are in particularly high demand. Sewalanka Foundation opened its first IT Center in 2004 in partnership with ICTA, a World Bank-funded initiative. The center serves youth from tea plantations in the Hatton region of Nuwara Eliya district.

Since then, the computer training program has expanded to an additional five districts. A center was opened in Mangalagama, Ampara with the support of Save the Children, and PEACE Boat, a Japanese non-governmental organisation (NGO), helped establish five IT Centers in tsunami-affected communities in Hambantota, Matara, Galle and Kalutara. In 2006, an additional center was opened in Galle district in partnership with Singapore-based NGO, Microseed.

Over the past year, there has also been a strong emphasis on improving the computer training curriculum for all eight centers and expanding services so that the IT centers are fully self-financing. As of March 2007, 672 students have completed courses at the eight IT centers. Nearly half of this year's graduates from the Hatton center have been able to use their new computer skills to secure jobs outside of the tea estates.

The destruction caused by both the conflict and the tsunami has created a major need for skilled construction workers, particularly in the north and east of the country. In Ampara, Sewalanka has joined with Swisscontact to train unemployed school leavers as masons, carpenters, electricians and plumbers. The six-month course combines formal and on-the-job training and successful



completion results in National Vocational Qualification Level 1 certification under the Ministry of Skills Development, Vocational and Technical Education. As of March 2007, 420 unemployed youth in Ampara had received training in construction trades.

In Trincomalee, a Technical Training Center is being established with the support of German Agro Action. Although construction has been delayed by the renewed conflict in the region, the center opening is planned for 2007. The center will provide training in boat engine repair, masonry, carpentry, information technology and other employable skills.

Above > In Ampara, unemployed school leavers like Mr Satherv Sathesvalan are being trained as masons, carpenters, electricians and plumbers.

For more information on Sewalanka's IT program please contact steve@sewalanka.org

CROSS-CUTTING PROGRAMS

Gender, Youth and Children

Although Sewalanka is a community development that works primarily through Community-Based Organisations (CBOs), we recognize that a 'community' is not homogenous. Women and men face different challenges. Children and young people have special needs and require different types of interventions. The national-level Gender, Youth, and Children team works with the district offices to ensure that Sewalanka's programs consider the particular interests and needs of these different groups.

During the reporting period, Sewalanka conducted a comprehensive gender audit in eastern Sri Lanka with support from the Unitarian Universalist Service Committee (UUSC). A gender audit is an internal, organisational self-assessment which identifies how gender issues are addressed in programming and in organisational processes. The Gender, Youth, and Children team coordinated a gender audit training of trainers program for selected staff members in Batticaloa, Trincomalee and Moneragala districts. The program participants first conducted gender audits in their own district offices. They are now sharing their experiences with Sewalanka CBOs and staff members in other districts.

With the assistance of Sewalanka's

Communications Unit and SEDCO, the Gender, Youth, and Children team published and marketed a 'Women of Sri Lanka' calendar to raise funds for initiatives that focus on the empowerment of rural women. The calendar, now in its fourth year, features photographs of Sri Lankan girls and women donated by leading photographers. The 2007 edition raised Rs. 380,000 for on-going programs in eight tea estates in Nuwara Eliya.

In 2006/07, the Ampara district office opened a Safe Transit Home for abused children. The home was developed in conjunction with Ampara District Child Protection and with financial support from UNICEF. It provides a safe living environment, educational support, and play areas for neglected and abused children aged six to 19 years old while they are waiting for court decisions or for Child Protection officers to arrange long-term rehabilitation and alternative care.

In Batticaloa, Sewalanka continued its association with the Hari Children's Home. The Home was established in 2000 by a group of local social workers to provide educational welfare for orphaned, destitute and abandoned children from war-affected families. After the 2004 tsunami, the Hari Children's Home expanded to care for

children affected by the disaster. The Home was outgrowing its original facilities, and with the lease due to expire in December 2007, the Home's management committee began an urgent campaign to acquire funding for a permanent centre. A Batticaloa resident donated a suitable block of but there was still no funding for the building. In early 2007, a private donor from the USA responded to Sewalanka's appeal and provided the necessary funds. Sewalanka is currently assisting with the construction, and by the end of the year, the Hari children will have a safe new home.

In the Hatton area, Sewalanka is helping two well-established tea plantation CBOs organize activities for the estate children. Children's Societies have been formed, and with the financial support of a private American donor, the CBOs are now organizing interactive games, art projects, singing, drama, sports and community service programs and offering English and Sinhala classes. Sewalanka and the CBOs hope that by participating in these societies, the estate children will develop the necessary skills and confidence to build a brighter future and access opportunities unavailable to their parents.

For more information on Sewalanka's Gender, Youth and Children programs, please contact gender@sewalanka.org

Below > Boys from the Hari Children's Home in Batticaloa.



CROSS-CUTTING PROGRAMS

Psychosocial Well-beings

In 2006/07 Sewalanka's Psychosocial team coordinated psychosocial activities across the country. Throughout the year, a national strategy was established to ensure community participation in, and ownership of, psychosocial development activities through awareness and educational programs.

Our Home community centres

The *Our Home* project which is building psychosocial support centres in the tsunami-affected districts of Jaffna, Trincomalee, Batticaloa, Ampara, Hambantota and Galle commenced with great success. In 2006/07 construction of all six centres began.

The buildings are set to be completed by the end of 2007 with each centre to include a befriending room, library/study, play area, children's therapy room and training/conference rooms equipped with a computer, printer, television, books and furniture.

The support centres will mainstream psychosocial support systems and will provide a venue for trained psychosocial workers to provide rehabilitation services and special attention to surrounding communities, which have been identified as particularly vulnerable to psychosocial problems.

Our Home centres will also strengthen

the capacity of community-based organisations (CBO) by providing a meeting place for the organisations as well as through offsite visits by centre psychosocial workers who will conduct awareness programs for CBO members.

The three-year project has been funded by the Force of Nature Aid Foundation.

Awareness days

Sewalanka used a number of international awareness raising days as a basis for conducting psychosocial activities in districts across the island. Programs were conducted on World Mental Health Day, Children's Day, International Tobacco Day, International Women's Day, World Day for Water, World Environmental Day, World Refugee Day, International Day of Peace and International Youth Day. Initiatives included, volunteer training, poster and sticker campaigns as well as distribution of informational leaflets.

Programs with partner organisations

The psychosocial team also participated in programs conducted by other organisations. Sewalanka was involved in the health exhibition *Glimpse of a Healthier Tomorrow* run by the Faculty of Medicine at the University of Kelaniya. Sewalanka provided anti-smoking display boards, steel stands and models displaying the adverse

effects of smoking. Similar exhibition material on drugs and alcohol were supplied for the Alcohol and Drug Information Centre's *Mr Sri Lanka* event. A stand at the event provided educational material on drug and alcohol prevention.

Conflict afflicted areas

Working closely with the World Health Organisation (Jaffna and Colombo) and the Deputy Provincial Directorate Health Services of Jaffna, Sewalanka's Psychosocial team continued to provide emergency medical supplies and psychosocial services to families directly affected by the conflict, through a project designed for the Common Humanitarian Action Plan appeal (CHAP).

In 2006, a project mitigating the effects of conflict, encouraging peaceful coexistence and improving the psychosocial well-being of Tamil and Muslim communities in the north of Sri Lanka was successfully completed. The *Integrated Development and Psychosocial Support in Post Conflict Environment* project was funded by Helvetas and incorporated befriending home visits, awareness programs and community activities for 30 villages in Vavuniya and 10 villages in Mannar.

For more information on Sewalanka's Psychosocial program please contact psychosocial@sewalanka.org

Below > *Theatre in the street, a street drama in Hambantota performed to raise awareness of the our home project.*



CROSS-CUTTING PROGRAMS

Peace Building

Sewalanka Foundation reconfirmed its commitment to the peace process in 2006/2007 by investing resources to ensure the implementation of a comprehensive and coordinated peace-building program.

The Peace and Reconciliation team grew considerably in size and diversity and at the end of the reporting period consisted of six members; a Muslim from Arugam Bay, a Tamil from Trincomalee, a Hindu Priest from Jaffna, a Buddhist Monk from Balangoda, a Muslim religious teacher from Kandy and an advisor from partner organisation German Agro Action. The team works closely with field-based peace and reconciliation coordinators to promote peace at the community level.

Throughout the year, the work of the Peace and Reconciliation team was based on three main pillars of activity: peace-building activities, conflict sensitivity and capacity building.

Peace-building activities

The team encouraged and facilitated the implementation of peace-building activities developed by civic groups, both at the grassroots and national levels.

The peace program continued to support the activities of Religious Action Alliance (RAA), a religious clergy

committee formed in early 2006. The alliance was created to bring together influential Buddhist, Hindu, Muslim and Christian leaders and to encourage the formation of bonds between faiths. It is hoped that as a group, the leaders will play an active role in the peace building process. In 2006/07 RAA participated in workshops, training programs, conferences and an exposure visit to Thailand.

In the district of Trincomalee, the Peace and Reconciliation team strengthened the capacity of several multi-ethnic youth groups actively involved in peace-building related community work, such as exchange visits, sports and cultural events and language classes. This capacity building program increased the confidence, professionalism, technical expertise and networking skills of the young group members, ensuring efficiency and sustainability of their groups.

Conflict sensitivity

Integration of conflict sensitivity into new and ongoing Sewalanka projects was a major activity of the peace and reconciliation program in 2006/07. With the support of Sewalanka field staff, the Peace and Reconciliation team carried out conflict analyses in communities. The information gathered was used to adjust and design humanitarian aid and development measures relating to their effects on the peace and conflict context.

Capacity building

Skills development of Sewalanka staff forms an integral part of project implementation. In 2006/07, peace training for Sewalanka staff included sessions on facilitation, mediation, non-violent communication and participatory decision making.

Intensive workshops on conflict sensitivity taught regional peace and reconciliation coordinators to incorporate conflict sensitivity into their projects and to identify entry points for conflict transformation in their own districts.

Leadership programs were also conducted for young people from all regions of the country. The programs were designed to empower, train and encourage young leaders to take responsibility for, and get involved in, nonviolent social change. Programs were conducted in the temporary buildings of Sewalanka's Islander Center. Construction of the Center's permanent buildings is ongoing. When completed, Islander will form the heart of the peace and reconciliation program, linking Sewalanka's peace activities and creating a network for conflict transformation in Sri Lanka.

For more information on Sewalanka's Peace building program please contact peace@sewalanka.org

Below > Members of the religious clergy committee on an exposure visit to Thailand.



CROSS-CUTTING PROGRAMS

Environmental Sustainability

Environmental sustainability is a cross-cutting issue for Sewalanka Foundation; environmental principles are integrated into each and every program. Sewalanka recognises that no programs can truly be sustainable without environmental awareness and protection and therefore promotes ecologically sound technologies and practices, supports initiatives to expand the natural resource base, strengthens local capacities for environmental management and seeks to minimise and mitigate negative environmental impacts.

Beyond incorporating environmental principles into all programs, Sewalanka is also involved in several initiatives that directly support and protect Sri Lanka's natural environment. In fiscal year 2006, Sewalanka renewed its membership with IUCN - the World Conservation Union, and Sewalanka Chairman, Harsha Kumara Navaratne, was named Chairman of the IUCN National Committee. Sewalanka is assisting IUCN Sri Lanka with a forest governance and integrated conservation development pilot project in northern buffer zone villages of the Knuckles forest reserve.

In 2006/07, Sewalanka continued working with 19 community-based organisations in the buffer zone of the Sinharaja Rainforest World Heritage Site: seven on the northwest Kalawana side and 12 on the southeast Deniyaya side of the forest. In December, Sewalanka representatives were invited to the UNESCO International Conference on Humid Tropical Ecosystems to present on 'Facilitating Conservation and Development in the Buffer Zone of the Sinharaja Rainforest World Heritage Site.' In March, the HSBC-funded environmental education and biomonitoring program finished with a four school exhibition that drew more than 1000 villagers. Rainforest Rescue International assisted with the curriculum development for the 300 students in the program and the Forest Department provided constant advice and logistical support.

East coast mangrove restoration was another focal area this past year. In February, Sewalanka invited four international trainers from the Mangrove Action Project (MAP) to conduct a five-day workshop on ecological mangrove rehabilitation in Hambantota and a four-day workshop in Ampara. The training was supported by Diakonie Katastrophenhilfe and IUCN. Altogether, 55 university researchers and students, government officials, United Nations staff, international and local non-governmental organisation representatives and fisheries cooperative society members participated in the program. One particularly encouraging outcome was the formation of the Sri Lankan Mangrove Network, a forum which will enable workshop participants to stay in touch and to continue learning from one another. These Ecological Mangrove Restoration techniques have been incorporated into the ongoing Sewalanka-Diakonie community

mangrove rehabilitation program in Panama and Thirukovil lagoons.

At the end of 2006, Sewalanka started a new village tank ecosystem restoration initiative in Rajanganaya, Anuradhapura with the support of IUCN. This initial pilot focuses on replanting the tank catchment area, bunds, canal borders and traditional wildlife refugia for five village tanks. Sewalanka looks forward to expanding this program to other dry zone communities in the region.

For more information on Sewalanka's Environment program please contact Environmnet@sewalanka.org

Below > Youth groups participating in a community beach clean up



RESEARCH AND LEARNING

In early 2006, Sewalanka conducted a strategic self-assessment of the organisation's strengths and weaknesses that was facilitated by consultants from MDF South Asia. One of the outcomes of this process was the decision to form a new unit for monitoring and evaluation. Project-oriented monitoring and evaluation tends to be quantitative and focused on monitoring the delivery of short-term project outputs. Sewalanka staff members felt there needed to be an organisational-level system for monitoring the impact and quality of Sewalanka programs.

The Research and Learning Unit (RLU) was formed in 2006 to promote experiential learning, improve the quality and impact of Sewalanka programs and monitor poverty reduction and the institutional capacity building of community-based organisations (CBOs). The RLU Director, T.N. Newton, joined Sewalanka 14 years ago as a village-level social mobiliser. He and his team of researchers work closely with the regional Field Directors and provide support services to the districts through the Program Deputy District Directors.

In 2006/07, the RLU focused on developing a uniform internal monitoring system for CBO development. During a three-day retreat, senior regional and district staff developed a set of indicators to monitor five aspects of CBO development: capacity to plan and implement initiatives; financial management; administrative management; leadership, participation, and group dynamics; and linkages with external individuals and organisations. Each of these components is evaluated on a scale of one (weak) to five (strong). The indicators are based on Sewalanka's experience in the field and provide considerable flexibility to allow for the diverse structures, activities, and interests of CBOs in Sri Lanka

Since this workshop retreat, the RLU team has been going district to district to help social mobilisers do a more detailed assessment of the CBOs they directly support and assist the district teams with strategic planning. This has

led to the development of a national-level database to monitor the progress, needs and interests of 613 CBOs in 22 of Sri Lanka's 25 districts. The information will be updated quarterly by the district-level social mobilisers.

In its first year, the Research and Learning Unit also provided a number of other internal services. The team organised training in participatory monitoring and evaluation for new projects in the north, assisted with curriculum development for the Islander Center youth leadership program and internal social mobilisation training, and provided support for field studies conducted by Sewa Finance, the Peace and Reconciliation team, and district offices.

In the future, the RLU will also be responsible for impact assessments and helping the districts prepare case studies and document their initiatives. The unit is also expected to link Sewalanka's development practitioners with the academic community by establishing a sustainable development resource library, ensuring internal training materials are up-to-date and forming ties with universities and development research institutions both in Sri Lanka and internationally.

For more information on the Research and learning unit please contact the director, T.N. Newton at Newton@sewalanka.org

Below > Senior staff in a strategic planning workshop



SEWA FINANCE

Sewalanka Foundation founded a microfinance organisation in 2005 to meet the investment needs of micro-entrepreneurs from the low-income sector. In June 2006, Sewalanka Community Financial Services Ltd., trading as Sewa Finance Public Limited Company under the Companies Act No 17 commenced its operations. The company's vision is to eradicate poverty through sustainable delivery of micro finance.

The company makes financial capital accessible at affordable rates without collateral guarantees or complex application procedures. It operates efficiently and sustainably to generate a profit that can be used to support Sewalanka's social programs. The services provided by Sewa Finance complement the services provided by Sewalanka and SEDCO.

Initially, Sewa Finance focused on wholesale debt financing to larger community-based organisations (CBOs) to on-lend to their members, farmers, the fishing community and other micro-entrepreneurs. Over the past year, new products have been introduced to cater for individual entrepreneurs. The major focus remains on CBO bulk lending.

Sewa Finance currently has its lending operation in 11 districts of Sri Lanka: Mannar, Vavuniya, Trincomalee and Ampara in the northern and eastern provinces; in Kalutara, Galle, Matara and Hambantota in the southern province; in Anuradhapura and Polonnaruwa in the north central province; and in Nuwara Eliya in the central province. In 2006/07, Sewa Finance also opened its own branch in Ginigathena to cater to the up-county plantation sector.

In its first year of operation, Sewa Finance made a total disbursement of Rs. 175 Million to approximately 7000 people through CBOs. The repayment rate so far has been maintained at 100 per cent. These loans were provided in the form of wholesale loans to eligible CBOs as well as district loans to graduated CBO members for small and medium enterprises.

Throughout the reporting period, Sewa Finance launched a new unit called Entrepreneur Competency Development. The team was established to provide a 'credit plus' service to customers.

Sewa Finance saw the need to embrace new technology and as a result developed an automated Financial Accounting and MIS system tailored specifically for micro finance institutions. Accordingly, the organisation also invested considerable amounts in planning, research and development of policy procedures and installed the MBwin Micro Banker system, incurring an initial cost of Rs. 4.5 million.

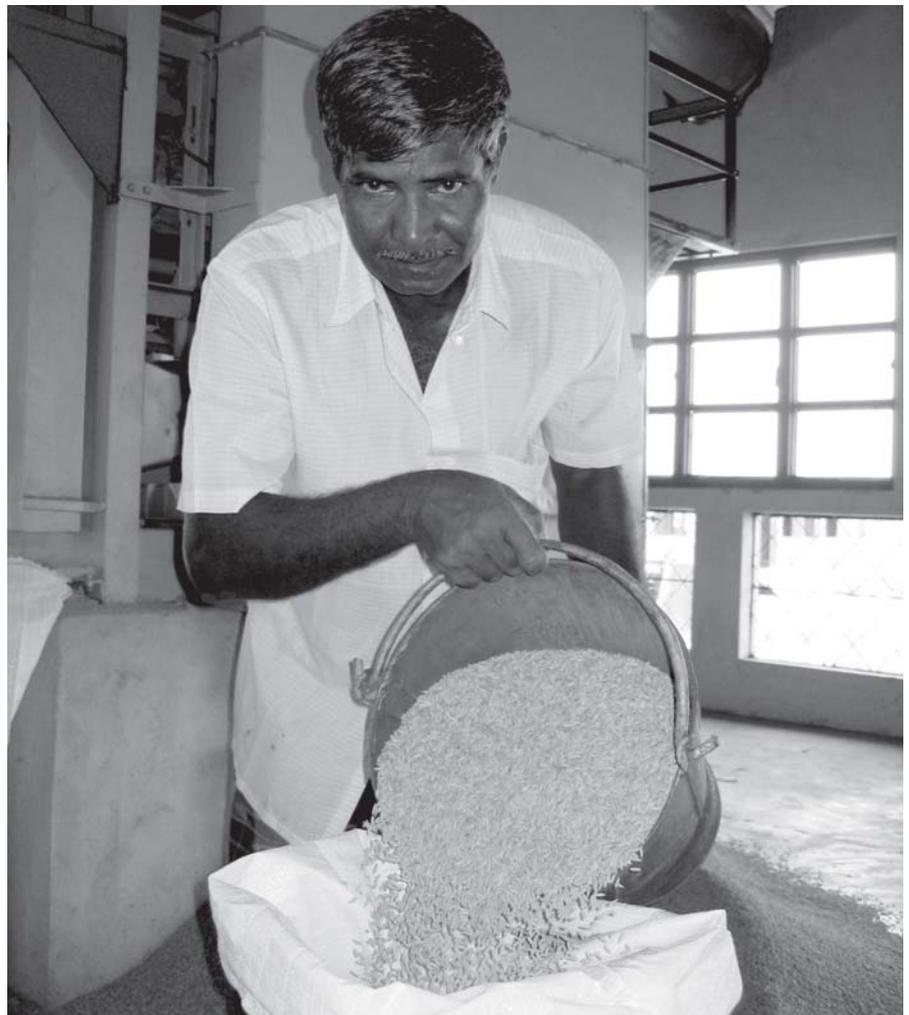
A highlight of Sewa Finance's first year in operation was being awarded the international ISO 9001:2000 accreditation for quality system procedures. The prestigious accreditation recognised the company's quality management in systems and

procedures while providing micro finance to poor Sri Lankans to reach economic and social empowerment. Sewa Finance is the first national level micro finance company to hold the certification and this was the first time a company only nine months into operation received the award.

In 2006/07 Sewa Finance became a member of the Lanka Micro Finance Network of Sri Lanka and the International Network of Alternative Financial Institutions Asia.

For more information on Sewa Finance please contact the chief executive officer, Thushari Hewapathirana at thushari@sewafinance.com

Below > Sewa Finance provides wholesale debt financing to advanced community-based organisations to on-lend to their members for livelihood development





Above > The terracotta production facility in Gampaha filling an order for IKEA.

Sewalanka Enterprise Development Company (SEDCO) was registered as a Private Guaranteed Limited Company in 2004. The company works with community-based organisations (CBOs) and producer groups to establish forward and backward market linkages, to invest in the facilities required to market collectively and to add value to their products. SEDCO's focus on fair trade and equity investment complements the social and institutional development services of Sewalanka Foundation and the lending services of Sewa Finance.

SEDCO activities are the responsibility of Sewalanka district offices, but are coordinated at a national level to ensure transparency, accountability and social impact. Profits are being reinvested to improve and expand SEDCO services.

In Ampara, SEDCO is working with a fisheries cooperative society to establish a fresh fish processing facility. The fish are cleaned, cut, vacuum packed and transported by cooler truck to the central and eastern branches of a major Sri Lankan retailer. To date, more than 13 000 kilograms of fresh fish has been sold. Value addition and direct marketing are increasing the

returns to 228 tsunami-affected fishermen.

In a similar initiative, SEDCO has helped coordinate forward contracts between Ampara Farmers Organisations and high quality rice mills and between these rice mills and the same Sri Lankan retailer. Five hundred paddy farmers are involved and more than 400 000 kilograms of quality rice has been sold through this direct marketing channel.

Several additional enterprises are currently being developed in Ampara. In Panama, SEDCO is helping a women's dairy group establish a yogurt and curd processing facility and to identify markets. The production center will open in August 2007. SEDCO is also working with approximately 1500 farmers from the Panama, Ninthavur, and Karathivu Farmers Organisations to establish three certified seed paddy processing facilities. These should be fully operational in the 2007/08 Maha season.

In Vavuniya, the security situation constrained long-distance marketing opportunities in 2006/07. The focus has shifted to improving local production and market links to reduce

consumer costs. SEDCO is currently operating from the Thavasikulam farm and providing services to nearby villages. They have opened a popular retail center for food and consumer goods, reducing the need for potentially dangerous trips into town and they are producing rice, poultry chicks, seedlings and mushrooms for the local market.

In 2006/07, SEDCO also worked with a pottery community in Gampaha district to establish a terracotta production and painting facility. The center is operating at full capacity to produce 18 000 sets of hand-painted terracotta pots for Swedish home products retail giant, IKEA. The sets of three pots was designed by Sewalanka's handicraft designer Ms Ella Cameron. The initiative is providing a new source of income for local youth and revitalising pottery production in the area.

For more information on Sedco please contact steve@sewalanka.org

THE ISLANDER CENTER

Situated on an organic farm near Wilpattu National Park in Anuradhapura the Islander Center is, in a sense, the heart of Sewalanka. It provides a neutral space for youth, community leaders, and Sewalanka staff from all over the island to meet, discuss new ideas, share experiences, work and learn together. It promotes an 'Islander culture' based on shared values, a commitment to non-violent social change and a recognition of the interdependence of all beings.

The development of the Islander Center has been a slow process. When Sewalanka was first granted the land in the early 1990s, it was stripped of trees, the soils were degraded, and the water ways were blocked. For the first 10 years, the focus was on reestablishing the native dry zone

vegetation, building up the soil fertility, clearing water ways and building ties with the neighboring communities.

In 2004 and 2005, a leading Sri Lankan architect, Muditha Jayakody, volunteered his time to research traditional buildings and develop plans for the Center. In July 2005, following both Hindu and Buddhist rituals, the Chairman of Sewalanka, Harsha Navaratne, laid the foundation stone for the Islander Center. In 2006/07, with the invaluable support of Sewalanka's long-time partner, German Agro Action, the first phase of construction was nearly completed. Under the watchful eye of Sewalanka Director Udeni Dias, trained craftspeople were brought in to complete the traditional stone, brick and wood work.

The Director of the Islander Center, Ms Jinadari Wedamulla did not wait for the construction to be completed.

Temporary palm thatch classrooms and hostels were quickly erected on another part of the land to house the Islander Center's first training programs and workshops. The first youth program began during the *maha* season of 2005. In May 2006, farmers and community workers came from 15 districts to learn about organic agriculture techniques being used in India and Thailand. The 10-day program was conducted in both Sinhala and Tamil and the participants spent the evenings discussing the common problems shared by farmers in different parts of the country and exchanging their innovations and experiences.

In *maha* 2006/07, a second program for young leaders was held in the temporary facilities. The participants were identified through their active involvement in civil society organisations in their own communities. Twenty-four Sinhala and Tamil-speaking youth from 11 districts spent three months at the Islander Center building relationships and gaining practical experience in peace-building, community organising, organic agriculture and rural development. Both the Center and the Sewalanka district offices are helping the Islander alumni maintain ties through regular reunion programs and exchange visits.

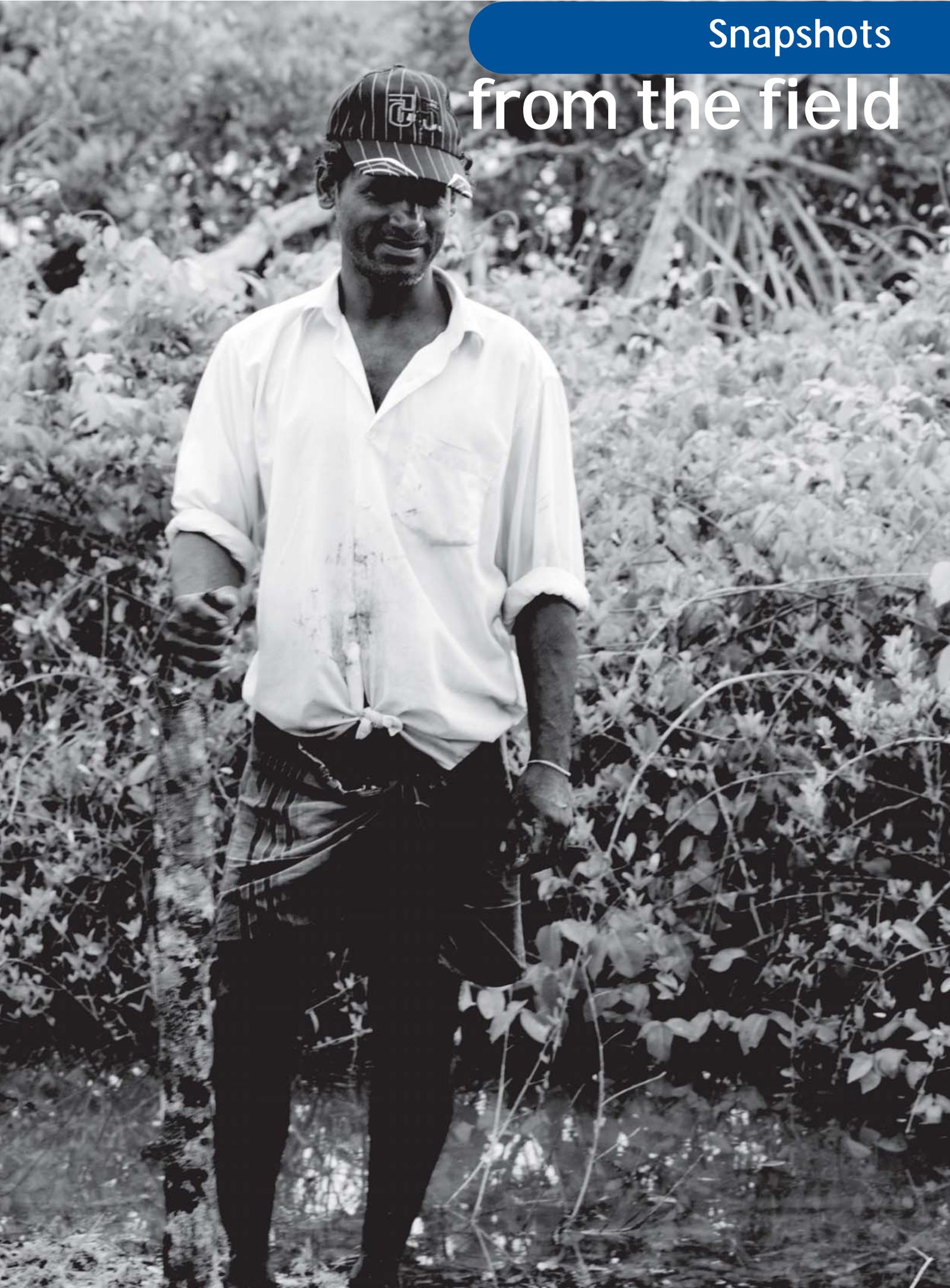
Sewalanka staff and partners are highly anticipating the official opening of the Center at the beginning of 2008. Once the facilities are fully operational, the Islander Center will be able to fill all of its three functions: developing a dynamic network of committed young leaders, promoting sustainable agriculture and environmental awareness and coordinating retreats for dialogue and experiential learning.

For more information on the island center please contact islander@sewalnka.org

Left > Participants in the three-month youth leadership program at the Islander Center.



from the field



Snapshots from the field

Sweet times ahead for Galle women's group

Over the past two years, forty-five-year-old mother of three Yasawathi has gone from being unemployed with limited business skills, to heading a successful community group that manufactures sweets. She now earns a healthy income.

Formed post-tsunami with the support of Sewalanka, Yasawathi's organisation, Koggala Diriyashakthi community-based organisation (CBO), is based in the southern district of Galle and was formed after the tsunami with the support of Sewalanka.

Six women from the CBO meet weekly at Yasawathi's house to discuss the confectionary business. They talk about sales, production and marketing ideas.

Below > *****.



At present the group's products are sold to local bakeries and shops and to organisations and factories in the nearby free trade zone who have discovered that the sweets are tasty and reasonably-priced.

Along with her fellow sweet makers, Yasawathi attended business training and skills development sessions on how to run a small business before the sweet enterprise was formed. Prior to attending this Sewalanka conducted training, she knew little about running a business or that a market even existed for sweet products.

"Since participating in the enterprise development training program I have gained business skills and an understanding of new business opportunities. I learned how to run a profitable company and the types of

products that people will buy," Yasawathi said.

"In my first few months working with the group I made Rs. 1000 a week, but now that we have become more confident with sweet making techniques we are earning much more. In festival season we can earn up to Rs. 4000 per week.

"In just one year of operation, Diriyashakthi has grown into one of the leading CBOs in the Galle district - we now have savings and run business programs with other CBOs. Our group has developed a reputation amongst local villages and the nearby factories, for our sweets, particularly the traditional Dodol," she said.

As well as confectionary, the community also produces coir-based items including mats, wall decorations, accessories and wall hangings.

"We originally started working with coir production but found that we were idle in the coir off season. The training got us thinking about various other products to make in our spare time and so we started the sweets business.

"Our aim is to expand and to find a permanent place to manufacture the sweets. Currently all of the cooking is done in a group member's house. We want a factory, as well as a trademark and logo so that we can cater for large events such as weddings," she said.

Fishing for a brighter future

Sewalanka offers business development, accounting and book keeping, and leadership and market training to small-scale entrepreneurs from poor, rural communities. On Sri Lanka's south coast, the programs are teaching community members who were affected by the tsunami how to improve their businesses and increase profits.

Mr A.H.Siril, a course graduate is from Hambantota a coastal town in the south. Since completing the course, his ornamental fish business has expanded dramatically.

Mr Siril lost all of his business stock and personal assets to the tsunami waves. As an active member of Kudawella, Nakulugamuwa, a Sewalanka established community-based organisation he came to know about Sewalanka's livelihoods re-establishment program.

"The business training taught me to plan my business properly, supply stock on time, find markets, link with different buyers in Colombo and how to manage financial matters to make a good profit," Mr Siril said.

"Previously I was making Rs.5000 or less per month. With the training I received from Sewalanka, I have doubled my income."

As testament to his success, Mr Siril was awarded the Hambantota Chamber of Commerce 'Entrepreneur of the Year' award for 2007, as well as an award for the 'Best Stall' at a marketing exhibition held by Sewalanka Foundation.

Sewalanka's Hambantota district office will continue to support entrepreneurs like Mr Siril to expand and develop their businesses by offering various credit and marketing programs.

Recovering from the tsunami in Batticaloa

Staff at Sewalanka's Batticaloa office have spent the past two-and-a-half years providing transitional housing and infrastructure, as well as ongoing support services and livelihood redevelopment opportunities to tsunami-affected communities as they gradually reestablish their lives.

Twenty-eight year old Ms Pereeda occupies a temporary shelter constructed by Sewalanka in Palmunai, a small coastal town in Sri Lanka's eastern Batticaloa District.

As the sudden surge of water hit her home on 26 December 2004, Ms Pereeda fled with her two children to a local mosque, where she waited to hear from her husband, a local fisherman who had left early that morning for the sea.

Reporting later that he had been struck down by the waves, Ms Pereeda's husband managed to make his way to the Mosque where he joined his family.

The family soon discovered that their home had been destroyed and all of their possessions had been washed away. The family spent the following two months living at the Mosque, after which time they moved into a transitional shelter constructed by Sewalanka.

In September 2006, Ms Pereeda and her family were still living in their temporary house. Since the tsunami, Ms Pereeda's husband has been plagued by stress related heart problems and has only recently been healthy enough to restart his fishing activities. In the meantime, Ms Pereeda has been generating a small income through the handloom machine provided to her by Sewalanka, as part of its USAID-funded livelihood program.

"I had a handloom before the tsunami, but it was washed away. Receiving a new handloom has meant that I am able to earn an income. This means that my children can attend school and that we will continue to have meals to eat each day," Ms Pereeda said.

The family is currently rebuilding their original home using money provided by the Government of Sri Lanka, however the grant provided falls short of the amount required to complete the work.

Ms Pereeda and her husband continue to save whatever they can to pay for the remaining construction and hope to move their family back into their home soon.

In the meantime, Sewalanka Foundation has replaced the roof on the family's temporary house - from cadjun to tin - with funds provided by DanChurchAid.

Concerned about the delays facing families moving into permanent homes, maintenance plans were developed for all temporary shelter sites to ensure a quality standard of living for those unable to return to their own or newly established permanent

homes. For Ms Pereeda and her family, the journey back to a 'normal' life continues.

Bricks and mortar rebuilds lives in Ampara

Mr Aravinthan was just 20-years-old when the tsunami destroyed his family's house in Thampaddai, Ampara. The devastating event saw his family living in Kanakipurani Refugee Camp for over six months and then in temporary housing. Now at 22, life for Aravinthan has once more changed, this time for the better.

Pre-tsunami, Aravinthan left school at 16 to work with his father, Mahalingem, as a casual labour. The Rs. 200 per day Aravinthan earned doing intermittent work in field cutting and bricklaying was barely enough to support his mother and sister, the latter having just started school. The family's difficult situation was further exacerbated by the fact that Mahalingem was getting older and suffering from illness and injury that prevented him from working.

As difficult as life was pre-tsunami, the terrible waves caused even further hardship for the family, leaving them without a home and suffering from trauma. Nevertheless through courage and strength of spirit, the family got through this tough time and after months of living in temporary housing constructed post-tsunami, were allocated land and semi-permanent housing. Employment, however, was difficult to obtain. Mahalingem was in no condition to work and the family's previous source of income - selling produce from their garden - had been torn away by the tsunami.

Around this time, Sewalanka staff through their relief and rehabilitation work with tsunami-affected communities, became concerned about employment opportunities for young adults in the area. Determining a need for skilled labourers to contribute to the rebuilding of village and town infrastructure, Sewalanka joined with Swiss Contact to develop a training program for young people. Entitled

Snapshots from the field

Vocational Training and Business Recovery, the program was aimed at restoring sustainable livelihoods for tsunami-affected people in the Ampara and Batticaloa districts. To do this, Sewalanka staff provided tools to skilled labourers, supported employment opportunities for affected youth, set up mobile vocational training units, introduced technology training in construction and provided business development services.

It was when the mobile vocational training unit visited Thampaddai, that young Aravinthan saw an opportunity to change his life. After registering with Sewalanka for the program in early 2006, he embarked upon a masonry course that included on-the-job training. Six months later, in June 2006, Aravinthan received his qualification in masonry.

Since then a lot has changed in Aravinthan's life. As his newly honed skills were in high demand, he was quickly able to secure permanent employment for around Rs.800 a day. This has now meant that he alone can provide for his family and allow his younger sister to focus on her studies. In addition, as a mason, he became eligible for a Government cash grant (for the construction of housing) and is currently building a family home.

Although the home is still under construction, the family can now see not only a return to life as it was before, but one with a better house, standard of living and income. While there is a long way to go for Aravinthan and his family, there is now at least a future to look forward to.

Hope in the face of adversity

Ranjini's story is one of both sadness and hope. At just 13 years of age she has faced more tragedy than most will experience in a lifetime. Ranjini is from Theethakarai, a small fishing village in the north of Sri Lanka. Fifteen years ago the entire village was destroyed during fighting between the Sri Lankan military and the LTTE, leaving her family without a home.

Upon the family's return to Theethakarai, Ranjini's parents worked hard alongside the rest of the community to rebuild the village. Her father, Mr John Parnanthu Sebastianpillai, returned to his trade as a fisherman and began earning a steady income for his wife and eight children.

Tragically, in 2001, Mr Sebastianpillai was severely injured by a sea mine explosion that left him with a lasting disability and making him unable to continue working.

Already struggling to survive, the family was again faced with tragedy when the tsunami destroyed their village. Thirty seven village members including Ranjini's mother were killed and 132 families left homeless. Ranjini's family was forced to live in a Sewalanka constructed temporary shelter camp, where they are still residing today.

With all this adversity, however, Ranjini feels there is hope. The foundation for her family's new permanent home is almost complete and along with her five unmarried siblings, she has returned to school. The family was also able to secure a bank loan with the help of a business plan prepared as part of Sewalanka's Small Business Development Program (CEFE). With this loan, the family has established a small grocery store which is providing a steady income.

From IDP to successful small-business owner

For decades now, in the north and east of Sri Lanka communities have been living a life on the move. The country's civil war and the tsunami have left thousands seeking refuge in camps. In the northern district of Mullaitivu, Sewalanka Foundation has been working with disaster-affected communities to help rebuild their lives.

Chandrasekhar Malarvili from Mayilvakanapuram in Mullaitivu is one of Sewalanka's beneficiaries. Originally displaced by the conflict in 1990, she fled with her husband and three

children to Sundikulam, in Kilinochchi, where she was based until the tsunami once more left her homeless.

Living in a transit camp again, Ms Malarvili suffered from extreme stress. She worried about taking care of her family and about obtaining the important official documents they had lost in the disaster. Sewalanka psychosocial volunteers offered her counselling through this difficult period and supported her in coordinating with government representatives to obtain lost documents.

Prior to the tsunami the Malarvilis were earning a satisfactory income. Mrs Malarvili produced packeted snack mix and her husband worked as a fisherman. However they lost all of their belongings to the waves and struggled to survive without the equipment they needed to support their livelihood activities.

The struggle came to an end when Sewalanka staff helped the family to resettle in their home village Mayilvakanapuram. They were provided with a temporary shelter and Ms Malarvili received Competency based Economies through Formation of Enterprise (CEFE) training, where she learnt how to run a profitable small-business.

After successfully completing the business training, she also received start-up support from Sewalanka, including tools and materials worth Rs.25 000 to help her produce the snacks.

Producing and selling packeted snacks in Mullaitivu and Kilinochchi, Mrs Malarvili is now earning a monthly income of Rs.17 000 and is looking forward to expanding her business to other districts. All three of her children are attending school and the business is so busy that her husband is helping with the operations.

For the first time in almost three decades, the Malarvilis feel settled and are planning for the future. They no longer need to worry about where their next meal will come from.

Villagers generate income for solar power

A new Sewalanka scheme is providing solar energy to Puwakpitiya, a remote village in the Knuckles Range.

The initiative, known as the Home Employment and Lighting Package (HELP), was designed in Nepal by the Himalayan Light Foundation to offer a sustainable method of disseminating solar home systems to rural communities. The main focus of the program is to develop poor and remote villages economically while also enhancing their infrastructure and improving their income generating skills.

Fifty villagers have been trained in the art of making paper from widely available natural resources including some invasive species - helping to control their spread. They plan to sell the paper and use the income to pay for their solar lighting systems. Sewalanka is developing a marketing strategy for the paper products and is linking the community with local and international markets.

While the villagers are building up stock to take to retailers, the solar power technology has been installed in the households.

Mr A.M. Jayaratne, one of the project beneficiaries, says that the quality of his life has dramatically increased with the installation of solar power that lights up his home.

"I have three school age children whose studies have greatly improved with the help of solar light, which is much cleaner and brighter than a kerosene lamp. The light also means that my wife can cook in the morning before the sun comes up and by day she has some free time which she is using to earn an additional income," Mr Jayaratne said.

"I'm now saving around Rs. 650 a month which I used to spend on kerosene for night illumination. I was only earning about Rs. 1500 from my work as a manual labourer, so this is a big saving.

"In addition to the power and the skills that I have gained, the initiative has really bonded our village together. Through learning new skills and working as a team we have become a very close, tight knit community.

"Learning how to make natural hand made paper has made my life comfortable. I now have a job which keeps me busy and power 24 hours a day," he said.

As proceeds from the sale of the paper have not yet started coming in, the technology was purchased using a revolving fund that is jointly managed

by the community-run Solar Development Committee and Sewalanka Foundation. Once the solar power systems have been paid for by the sales of the paper products, Puwakpitiya village members will continue to make and receive the income from the sales of their handicraft products, enhancing the community's earnings and self-reliance.

Upon successful implementation of the HELP project in Puwakpitiya, Sewalanka will expand the project to other poor, isolated villages in the hill country.

Below > Papermaking in Puwakpitiya, a remote village in the Knuckles Range.



2006/07

projects



Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Anuradhapura	Nochchiagama	Islander Centre	Jan-05	Ongoing	GAA	Construction of a training facility and implementation of training course for future staff members.
Anuradhapura	Kalawewa, Galenbindunuwa, Kekirawa and Palagala	Aquatic Resource Development and Quality Improvement Project	Oct-05	Sep-06	Ministry of Fisheries and Ocean Resources	CBO strengthening and inland fisheries management.
Anuradhapura	Nochchiagama	Restoration of Natural Habitat in Village Tank Ecosystem	Jan-07	Jun-08	IUCN	Collection of seedlings to be raised in plant propagators, awareness meetings, tree planting around traditional tanks
Badulla, Nuwara Eliya, Matale, Rathnapura, Monaragala and Kandy		Universal Birth Registration (UBR)	Jan-06	Jun-06	Plan Sri Lanka	Distribution of birth certificates to vulnerable groups.
Kandy	Laggala, Puwakpitiya	Solar PV and Hand Made Paper - HELP	Aug-06	Mar-07	RERED and UNDP/SGP	Training a community in the art of hand made paper so that they can pay for their solar power systems which have been installed.
Kandy	Welimad, Badulla	Water and Sanitation Project	Jul-06	Oct-07	World Bank	Construction of water supply schemes.
Kandy, Nuwara Eliya	Ambagamuwa	Water and Sanitation Project - Ambagamuwa I	May-05	Jun-06	World Bank	Construction of water supply schemes in six divisions.
Nuwara Eliya	Dickoya	Hatton Computer Project	Sep-04	Sep-07	CTA	Training children of plantation workers in Microsoft Word and graphic design packages and providing communication services to rural communities.

Central Region

Ampara	Coastal area	Vocational Training Program	Aug-06	Oct-06	World Vision	training of 20 youth
Ampara	Pottuvil, Thirukovil, Ninthavur, Kalmunai Tamil	Construction of toilets and temporary shelters	Jun-06	Aug-06	OM	Monitoring activities
Ampara	All divisions	Ampara District Credit Management Program	1994	Ongoing	District Credit Fund	Strengthen CBOs by creating credit management programs and by providing financial training. Distribute credit.
Ampara	Dehiattakandiya, coastal area	Beach Cleaning	Jul-05	Jun-06	Mercy Corps	Clean beaches affected by the tsunami to improve hygiene and safety. Local affected communities were employed thereby providing some emergency income.
Ampara	Uhana, Damana, Irakkamam	Aquatic Resource Development and Quality Improvement Project	Oct-06	Sep-06	NAQDA	CBO capacity building. Exchange visits and assisting to improve technical knowledge of fishermen.
Ampara	Kalmunai, Thirukovil, Pottuvil, Ninthavur, Karaitivu	Vocational Training and Business Recovery Project	Jun-05	Jun-07	Swiss Contact	Vocational training and tile bricks production
Ampara	Uhana, Damana	Development of Peace in Sri Lanka	Jan-06	Dec-07	Swiss Contact	Vocational training.
Ampara	Akkaraipattu, Thirukovil, Alayadivembu	Community-Based Post-Tsunami Livelihoods Projects	Jul-05	Dec-06	NOVIB	Project to improve livelihoods of fishermen and tertiary businesses. Activities included savings and credit and bookkeeping training sessions, road rehabilitation, fish market construction and the purchase of a cooler truck.
Ampara	Multi-divisional	Microfinancing	Oct-05	Dec-06	NOVIB	Micro credit for farmers and fisherman. Support includes saving and credit training for CBOs and technical training in agriculture.
Ampara	Coastal area	Distribution of Bikes and Fishing Nets	Mar-05	Jun-06	Sewalanka Emergency Fund	Distribute bikes and fishing nets to tsunami-affected families.
Ampara	Kalmunai	Livelihood Recovery for Tsunami-Affected Boat Owners and Fishermen	Oct-05	Oct-06	Royal Norwegian Embassy	Technical assessment and replacement of 3.5 ton boats and construction of onshore support facilities.
Ampara	Pottuvil	Village Rehabilitation - Inspector Eththam	Feb-06	Jan-09	Solid House Foundation Netherlands	Construction of permanent houses and community buildings and social mobilisation.
Ampara	Panama, Thirukovil	Disaster Mitigation and Prevention Through Restoration of Littorial Vegetation	Sep-06	Mar-08	Diakonia	Nursery building and seed collection.
Ampara	Pottuvil, Thirukovil, Ninthavur, Karaitivu, Sainthamaruthu	Delivery of Livelihood Recovery and Rehabilitation for Tsunami Affected Families in the Eastern Districts of Ampara	Jul-06	Jun-07	DCA/FCA DANIDA	CBO capacity building, draining wells, construction of a community center, children's' park and seed paddy processing unit.
Ampara	Panama	Livelihood Reconstruction Project	Jun-06	May-07	UUSC	Distribution of buffalos and cows, buildings, collars.
Ampara	Ampara Town	Transist House Project	Jun-06	Apr-08	UNICEF	Child protection.

East Region

Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Ampara	Kalmunai	Rebuild and Develop Livelihood Activities in the Coastal Areas of Ampara District Disrupted by the Tsunami	Oct-05	Aug-06	USAID/ Revive	CBO capacity building and distributed loom machine, raw materials and held CEFE training.
Ampara and Batticaloa	Coastal area	Delivery of Emergency Relief Items to 450 Tsunami-Affected Families and Emergency Assistance to Support the Temporary (or permanent) Resettlement (or relocation) of 5138 Tsunami-Affected Families in the Eastern Districts of Ampara and Batticaloa	Sep-05	Nov-06	DCA	74m LKR multi-functional project supporting livelihood reconstruction, housing and shelter, psychosocial, water and sanitation, health and hygiene, education and internal capacity building.
Batticaloa	Kaluwanchikudy, Vavunativu	Fisheries Economic Recovery and Capacity Building Program: 3 Inland Fisheries Cooperative Societies	May-05	May-06	UNDP New Inland	Village and FCS assessment, FCS management training and workshop, financial management I, FCS saving and formal credit, financial management II training, UNDP formal credit, micro credit revolving fund.
Batticaloa	Vavunativu, Vaharai, Paddipalai	Fisheries Economic Recovery and Capacity Building Program: 4 Inland Fisheries Cooperative Societies	Jul-05	Jul-06	UNDP New Inland	Village and FCS assessment, FCS management training and workshop, financial management I, FCS saving and formal credit, financial management II training, UNDP formal credit, micro credit revolving fund.
Batticaloa	Arayampathy, Manmunai North	Providing Assistance to 260 Internally Displaced Tamil and Muslim Families Whose Main Source of Income is Derived from Lagoon Fishing	May-05	May-06	DCA	Repaired three kilometers of road for benefit of 324 families and loan provision.
Batticaloa	Oddamavady	Conflict Affected Area Rehabilitation Project	Jul-05	Dec-06	ADB (NECORD)	Construction of a fisheries rest room for benefit of 625 families, a multi-purpose building, installation of drainage and well facilities and business training.
Batticaloa	Manmunai North, Oddamavady	Immediate Livelihood Recovery for Tsunami Affected 3.5 Ton Boat Owners and Fishermen	Aug-05	Aug-06	Royal Norwegian Embassy	Construction of three fisheries rest rooms, three store rooms and a union building for the benefit of 360 families.
Batticaloa	Paddipalai, Kaluwanchikudy, Manmunai North, Vaharai, Chenkalady, Kiran, Vellavelly	Community-Based Livelihood Rebuilding Project	Oct-05	Jan-07	NOVIB	Repair five beach roads, renovation of two fish markets, procurement of one cooler truck, procurement of one ice plant one ton/day capacity, 79 fisher youth nominated by six fisheries cooperative societies trained on boat engine repair and maintenance.
Batticaloa	Kaluwanchikudy, Vakara, Arayampathy, Manmunai North	Delivery of Emergency Relief Items to 2500 War Affected People	Aug-06	Sep-06	DCA	Social infrastructure: road construction (Meera Mosque Road, Hijra Road), culverts, replacement of boats and gear, FRP gill nets, FRP boats, FRP OBM.
Batticaloa	Koppaveli, Kondayankerni, Poolakkadu and Eravur	Construction of House Project (permanent houses in conflict-affected areas)	Jan-06	Dec-06	ADB (Necord)	Construction of 200 permanent houses.
Batticaloa	Chenkalady, Eravur, Pattu	Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (NECCDEP 2005)	Aug-05	Jul-08	ADB	Multi purpose building PRA, PNA training, construction of roads, fisheries building, hospital, drainage, common well, training centre, micro credit.
Batticaloa	Manmunai North, Vaharai, Eravurpattu	Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (TAARP 2005)	Aug-05	Jul-08	ADB	Multi purpose building PRA, PNA training, construction of roads, fisheries building, hospital, drainage, common well, training centre, micro credit.
Batticaloa	Koralaipattu Central, Kiran, Vaharai	Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (NECCDEP 2006)	Jan-06	Dec-08	ADB	Multi purpose building PRA, PNA training, construction of roads, fisheries building, hospital, drainage, common well, training centre, micro credit.

Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Batticaloa	Manmunai North, Kaluwanchikudy, Eravurpattu, Koralaipattu Central, Vaharai and Manmunai North	Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (TAARP 2006)	Jan-06	Dec -08	ADB	Multi purpose building PRA, PNA training, construction of roads, fisheries building, hospital, drainage, common well, training centre, micro credit.
Batticaloa	Eravurpattu	Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (NECCDEP 2007)	Nov-06	Oct-08	ADB	Multi purpose building PRA, PNA training, construction of roads, fisheries building, hospital, drainage, common well, training centre, micro credit.
Batticaloa	Manmunai North, Kaluwanchikudy, Chenkalady, Vaharai, Eravurpattu, Eruvil, Koralaipattu	Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (TAARP 2007)	Nov-06	Oct-08	ADB	Multi purpose building PRA, PNA training, construction of roads, fisheries building, hospital, drainage, common well, training centre, micro credit.
Batticaloa	Manmunai North, Araiampathy, Chenkalady, Vaharai	Delivery of Livelihood Recovery and Rehabilitation for Tsunami Affected Families in the Eastern Districts of Batticaloa	Jul-06	Jul-07	DCA / FCA	Emergency relief, temporary relocation (or transition), emergency rehabilitation-resettlement or permanent relocation, livelihood reconstruction.
Batticaloa	Manmunai North, Araiampathy, Valaichenai	Delivery of Emergency Relief Items to 3250 War Affected People	Jan-07	Mar-07	DCA	Providing emergency relief items.
Batticaloa	Ayithiyamalai, Vellaveli (Vavunativu)	Conflict Affected Area Rehabilitation Project	Jul-06	Feb-07	NECORD	Construction of 100 permanent houses.
Batticaloa	Vavunativu, Kiran	Livelihood, Rehabilitation and Development PHS 1971	Mar-07	Dec-08	Dan Church Aid/ Danida	Repair of Children's park, CBO strengthening, rearing poultry/country cock/hens, rearing fish fingerling, live-stock, upland cultivation, rearing bees for honey, land master mini tractor, common wells, new road construction, cooperative building constructed, cooperative shop supplies, supply of grocery items, sales centre building, agro chemical items provided.
Batticaloa/Galle	Kaluwanchikudy, Kaluthawalai, Galle, Hikkaduwa and Ambalangoda	Reconstruction of School Buildings	Jan-06	Dec-06	GAA	Reconstruction of 10 schools including construction of classroom buildings, assembly hall, teacher's quarters, toilets, parapet walls and gates, building rehabilitation
Trincomalee	Kuchchaveli, Muthur, Echchilampattai, Kinniya	Community-based livelihood project	Nov-05	Oct-06	GAA/ECHO	Livelihood assistance to 3275 families (fishing/farming, small business), and construction of market place.
Trincomalee	Town and Gravets	Housing project	Sep-05	Sep-06	Necord	Construction of permanent houses in Vilgamvihara
Trincomalee	Town and Gravets	Conflict-Affected Area Rehabilitation Project (CAARP)	Sep-04	Sep-07	Necord/ ADB	Training program, construction of a well and development of income generation activities.
Trincomalee	Kinniya, Town Gravets, Muttur, Kuchchaveli	Coastal Community Development Project	Jul-05	Jul-10	NECCDEP	Training program to support income generation activities and infrastructure.
Trincomalee	Kuchchaveli Division	Technical Training Centre	Sep-05	Dec-06	GAA	Construction of four block training centres for workshops and vocational training.
Trincomalee	Gomarankadawala	Community Development Project	Sep-05	Nov-06	Mercy Corps	Construction of agro wells, improvement to drinking water facilities, implementation of training programs to support income generation activities.
Trincomalee	Muthur and Kantale	Women's Empowerment Project	Oct-04	Oct-06	World Bank and JSDF	Provision of clean drinking water, construction of toilets and wells, training programs and income generation activities.
Trincomalee	Kantale, Town Gravets, Kinniya Thampalagam	Community-Based Livelihood Project	Nov-05	Dec-06	NOVIB	Livelihood support to 1990 beneficiaries (fishing arming, others).
Trincomalee	Kuchchaveli Division	Permanent Housing and Infrastructure	Jan-06	Mar-07	CESVI	Construction of 100 permanent houses.

Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Jaffna	Thenmaratchi	Conflict Affected Area Rehabilitation Project (CAARP) - Kuddiyapulam village	Apr-05	Mar-07	NECORD, ADB/NEPC	Social mobilisation activities, institutional strengthening of CBOs, financial assistance for income generation, construction of a playground/drinking water wells/ toilets/a preschool/community centre, supply of electricity, rehabilitation of roads and nutrition awareness.
Jaffna	Thenmarachci	Conflict Affected Area Rehabilitation Project (CAARP) - Koyilakkandy village	Aug-05	Feb-07	NECORD, ADB/NEPC	Vocational training program for youth, income generation activities (revolving loan scheme), CBO strengthening, rehabilitation of rural access roads, provisions to two preschools, repairs to community centre, furnishing health centre, sanitation facilities and drinking water facilities installed.
Jaffna	Karaveddy	Conflict Affected Area Rehabilitation Project (CAARP) - Kaddupulam village	Sep-05	Oct-06	NECORD, ADB/NEPC	Social mobilisation, awareness training, vocational training, building CBO capacity, providing electrical supply, construction of water and sanitation facilities, construction of village development secretariat office and provision of furniture, rehabilitation of rural access roads.
Jaffna	Point Pedro, Maruthankerny	CAARP - Point Pedro, Polikandy, Vallvettithurai North, Vallvettithurai North West, Uduthurai, Vathirayan and Aliyavalai	Oct-05	Jan-09	NECCDEP, ADB/NEPC	Construction of village infrastructure including multipurpose buildings, waste disposal facilities, drinking wells, toilets and a market. Provision of furniture for preschools and community centres.
Jaffna	Point Pedro Vadamarchi, Vadamarch East	Community-based post-tsunami livelihoods project - (II) - Polikandy West, Karrasseddy, Senthankulam, Valalai, Myliddy Thurai, Kankesanthurai, Puloly West, Alvai North West, Viyaparimoolai, Vadamardchy, Kerudavil, Chulipuram, Mathagal, Vettilaikerny, Kudathanai, Pokkarappu, Mullian, Chempiyanpattu, Nagarkovil	Jan-06	Dec-06	NOVIB	Direct grant to tsunami-affected families through RDS/WRDSs to operate revolving loan funds for members. Training on storage, processing and marketing provided. Income generation activities.
Jaffna	Point pedro, Vadamarchi	Women's Empowerment Project - Allarai, Thikam, Sinnamadu, Colombutharai, Koday, Supermadam	Jan-05	Dec-06	World Bank/ NDB	Training program, rolling loan fund, renovation and construction of drinking water and agro wells, renovation of market, supply of agriculture inputs and exposure trip.
Jaffna	Thenmaratchi	Construction of Pediatric Ward	Oct-05	Ongoing	FIDR	Construction of pediatric ward - 48 beds and provision of furniture (project has been put on hold due to the security situation).
Jaffna and Mullaithivu	Point Pedro, Maruthankerny and Karathurai pattu	Reconstruction of 140 Permanent Houses and Village Infrastructure	Apr-06	Aug-07	GAA	Reconstruction of 140 permanent houses and village infrastructure.
Jaffna, Kilinochchi, Mannar and Vavuniya	Thenmarachci	Aid for Uprooted People (AUP) - socio-economic rehabilitation of resettled communities in conflict-affected area in the north (four districts) of Sri Lanka	Aug-05	Aug-07	GAA/EU	Income generation activities, training program, rehabilitation of ponds, agro wells and drinking water wells, supply of paddy, fertiliser and cash crops and supply of water pumps.
Jaffna, Kilinochchi, Mullaithivu	Point pedro, Maruthankerny, karathurai pattu, Kandawalai and Karrassi	Rehabilitation of Community-Based Livelihoods in Tsunami Affected Sri Lanka.	Apr-06	Apr-08	GAA/BMZ	Livelihood support for tsunami-affected fisheries families, boats, nets, trainings, infrastructure and roads, CBO strengthening and functioning improved through training, support for agriculture and livestock farming and support for income possibilities in enterprise sector.
Jaffna, Kilinochchi, Mullaithivu	Vaddamarachchi, Valigamam, Thenmarachi, karathurai pattu, Oddusudan, Puthukudiyiruppu, Kandawalai, Poonagari and Karrassi	Food Aid for Internally Displaced Persons	Oct-06	Feb-07	GAA/BMZ	Food and hygiene items to support internally displaced families.

Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Jaffna	Thenmaratchi	Conflict Affected Area Rehabilitation Project (CAARP) - Kuddiyapulam village	Apr-05	Mar-07	NECORD, ADB/NEPC	Social mobilisation activities, institutional strengthening of CBOs, financial assistance for income generation, construction of a playground/drinking water wells/ toilets/a preschool/community centre, supply of electricity, rehabilitation of roads and nutrition awareness.
Jaffna	Thenmarachci	Conflict Affected Area Rehabilitation Project (CAARP) - Koyilakkandy village	Aug-05	Feb-07	NECORD, ADB/NEPC	Vocational training program for youth, income generation activities (revolving loan scheme), CBO strengthening, rehabilitation of rural access roads, provisions to two preschools, repairs to community centre, furnishing health centre, sanitation facilities and drinking water facilities installed.
Jaffna	Karaveddy	Conflict Affected Area Rehabilitation Project (CAARP) - Kaddupulam village	Sep-05	Oct-06	NECORD, ADB/NEPC	Social mobilisation, awareness training, vocational training, building CBO capacity, providing electrical supply, construction of water and sanitation facilities, construction of village development secretariat office and provision of furniture, rehabilitation of rural access roads.
Jaffna	Point Pedro, Maruthankerny	CAARP - Point Pedro, Polikandy, Vallvettithurai North, Vallvettithurai North West, Uduthurai, Vathirayan and Aliyavalai	Oct-05	Jan-09	NECCDEP, ADB/NEPC	Construction of village infrastructure including multipurpose buildings, waste disposal facilities, drinking wells, toilets and a market. Provision of furniture for preschools and community centres.
Jaffna	Point Pedro Vadamaratchi, Vadamaratch East	Community-based post-tsunami livelihoods project - (II) - Polikandy West, Karaveddy, Senthankulam, Valalai, Myliddy Thurai, Kankesanthurai, Puloly West, Alvai North West, Viyaparimoolai, Vadamarachy, Kerudavil, Chulipuram, Mathagal, Vettilaikerny, Kudathanai, Pokkarappu, Mulliyar, Chempiyanpattu, Nagarkovil	Jan-06	Dec-06	NOVIB	Direct grant to tsunami-affected families through RDS/WRDSs to operate revolving loan funds for members. Training on storage, processing and marketing provided. Income generation activities.
Jaffna	Point pedro, Vadamaratchi	Women's Empowerment Project - Allarai, Thikam, Sinnamadu, Colmbutharai, Koday, Supermadam	Jan-05	Dec-06	World Bank/ NDB	Training program, rolling loan fund, renovation and construction of drinking water and agro wells, renovation of market, supply of agriculture inputs and exposure trip.
Jaffna	Thenmaratchi	Construction of Pediatric Ward	Oct-05	Ongoing	FIDR	Construction of pediatric ward - 48 beds and provision of furniture (project has been put on hold due to the security situation).
Jaffna and Mullaitivu	Point Pedro, Maruthankerny and Karathurai pattu	Reconstruction of 140 Permanent Houses and Village Infrastructure	Apr-06	Aug-07	GAA	Reconstruction of 140 permanent houses and village infrastructure.
Jaffna, Kilinochchi, Mannar and Vavuniya	Thenmarachci	Aid for Uprooted People (AUP) - socio-economic rehabilitation of resettled communities in conflict-affected area in the north (four districts) of Sri Lanka	Aug-05	Aug-07	GAA/EU	Income generation activities, training program, rehabilitation of ponds, agro wells and drinking water wells, supply of paddy, fertiliser and cash crops and supply of water pumps.
Jaffna, Kilinochchi, Mullaitivu	Point pedro, Maruthankerny, karathurai pattu, Kandawalai and Karrachi	Rehabilitation of Community-Based Livelihoods in Tsunami Affected Sri Lanka.	Apr-06	Apr-08	GAA/BMZ	Livelihood support for tsunami-affected fisheries families, boats, nets, trainings, infrastructure and roads, CBO strengthening and functioning improved through training, support for agriculture and livestock farming and support for income possibilities in enterprise sector.
Jaffna, Kilinochchi, Mullaitivu	Vaddamarachchi, Valigamam, Thenmarachi, karathurai pattu, Oddusudan, Puthukudiyiruppu, Kandawalai, Poonagari and Karrachi	Food Aid for Internally Displaced Persons	Oct-06	Feb-07	GAA/BMZ	Food and hygiene items to support internally displaced families.

Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Jaffna, Trincomalee and Vavuniya	Vadamaratchi	Empowering the Poorest of the Poor Women and Girls	Jan-05	Sep-06	IDA	Training programs and construction of wells and toilets.
Kilinochchi, mullaithivu	Poonagari, Karathurai Pattu	Community-based post-tsunami livelihoods projects	Oct-05	Oct-06	NOVIB	Provided micro-credit for farmers and fishermen and small business, provided savings and credit training to CBOs, gave necessary technical training in agriculture and reconstructed infrastructure.
Kilinochchi, Mullaithivu	Karrachi, Poonagari, Kandawallai, Oddusuddan and Puthukudiyiruppu	Support for Resettlement of Internally Displaced people	Jun-06	Jun-07	GAA/ECHO	Provided semi-permanent shelters, temporary shelters, food rations and hygiene items for internally displaced people.
Mannar	Madhu, Mannar Town and Manthai West	Integrated Rehabilitation and Re-Integration Project	Jul-05	May-06	UNDP	Construction of a permanent multi-purpose complex, a community centre and open dug wells.
Mannar	Manthai West, Musali, Nanattan, Madhu, Mannar Town	Formation of Psychosocial Forum	Aug-05	Dec-06	UNICEF	Establishing a psychosocial forum consisting of representatives from psychosocial organisations working in Mannar. Awareness training for government officers, training for forum members and CBOs. Monthly meetings at district and divisional level.
Mannar	Mannar town, Musali, Nanattan, Madhu, Manthai West,	Formation of 50 Children Clubs in Five DS divisions	Jun-06	Dec-06	UNICEF	Training on the rights of the child and sexual abuse towards children. Provided sports equipment to sports clubs. Formed sports clubs and provided the clubs with temporary buildings. Provided leadership training for CBOs.
Mannar	Mannar	Integrated Child Development Project	Apr-05	Dec-06	Save the Children	Social mobilisation, awareness programs, counselling for psychosocial support, strengthening of children's clubs, support for children who have dropped out of school, capacity building for CBOs and advocacy.
Mannar	Musali	Integrated Community Development Project	Jan-05	Apr-06	NECORD/ ADB	Social mobilisation, institutional strengthening, micro credit/income generation activities, youth assistance, implementation of women's support services and construction of infrastructure.
Mannar	Musali Nanattan Mannar Town	Integrated Development and Psychosocial Support in Post-Conflict Environment	Jan-06	Dec-06	Helvetas	Training psychosocial staff in befriending and basic communication skills. Sensitise communities to psychosocial issues through awareness programs. Provide referral services for beneficiaries.
Mannar	Mannar	Integrated Rural Development Project - Housing Scheme (Thiruketheeswaram 2)	Mar-06	Sep-06	Necord/ ADB	Construction of permanent houses.
Mannar	Mannar	Integrated Rural Development Project - Housing Scheme (Thiruketheeswaram 1)	Apr-05	Dec-06	Necord/ ADB	Construction of permanent houses.
Mannar	Musali	Integrated Rural Development Project - Housing Scheme (Saveriayarapuram)	Jun-06	Dec-06	Necord/ ADB	Construction of permanent houses.
Mannar	Mannar, Madu	Women Development Project	Nov-05	May-06	UNDP	Income generation activities, RLF.
Mannar	Mannar	100 Individual Toilets and Renovation of Welfare Centers	Jun-06	Dec-06	UNHCR	Construction of 100 toilets, support seed production, processing paddy, capacity building of farmer organisation and paddy store.
Mannar	Nanattan	Sustainable Access of Marketing for Paddy Producers	Mar-06	Dec-06	Oxfam	Supporting seed production, processing paddy, capacity building farmer organisations, paddy stores.
Mannar	Siruthoppu	Resettlement Housing Project	Feb-07	Dec-07	UNHCR	50 temporary shelter
Mannar	Mannar town	Intencified Child Development through Personal and Social Linkages	Mar-07	Dec-07	Save the Children	Build safe house to provide accommodation and care for orphans until host families are found.

Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Vavuniya	Vavuniya North and Vavuniya Division	Integrated Food Security Program - Phase II	Oct-05	Oct-08	GAA/BMZ	Further CBO development and establishment of self-monitoring system, strengthening social mobilisation, developing existing farmer groups and CBOs and capacity building of project partners, project staff and field officers. Self-help mechanisms, CBO development, agriculture, home gardening, animal husbandry, food security, training, agricultural inputs, road construction, well renovation and construction, construction of market halls, construction of toilets, individual paddy store facilities, non-agricultural business opportunities, health and nutrition.
Vavuniya	Nedunkerny	Community Restoration Project - Senaipilavu	May-05	Feb-07	NECORD/ ADB	Construction of roads, establish revolving loan fund, distributing perennial crops and vocational training for youth.
Vavuniya	Vavuniya, Vavuniya South	Small Producer Development Project	Sep-05	Dec-07	Oxfam	Water sanitation, gender activities, capacity building programs.
Vavuniya	Vavuniya, Cheddikulam	Improving the Hygienic Habits - Indian Returnee and Neighbour Host Families	Jan-07	Apr-07	IOM	Training programs.
Vavuniya	Vavuniya	Sub Project Provision of Shelter Facilities to IDPs	Oct-06	Dec-06	UNHCR	Shelter retouching.
Vavuniya	Cheddikulam	Community Restoration Project - Kakkarakulam	Aug-04	Apr-06	NECORD/ ADB	Development of training opportunities and construction of wells, roads, multipurpose buildings, toilets, playground and support for perennial crops.
Vavuniya	Vavuniya DSD, Cheddikulam DSD	IES program	Mar-07	Aug-08	Department of Health Ministry, Sri Lanka	Tuberculosis awareness programs.
Vavuniya and Mannar	Mannar, Mannar Island, Manthai West, Cheddikulam, Vavuniya	Supporting the Resettlement of Former Internally Displaced People and Refugees in the North of Sri Lanka (Wanni area)	Jun-06	Aug-07	ECHO/GAA	Construction of 763 semi-permanent shelters, 150 shelters upgraded, rethatching of 300 shelters, construction of 763 toilets, rehabilitation of four drinking water wells, construction of 52 wells and eight kilometers of road, rehabilitation of two minor tanks, paddy inputs for 365 families, perennial crops for 713 families, maize seeds, agriculture tools for 688 families, utensils for 763 families.

North Region

Galle	Hikkaduwa Habaraduwa Galle, Balapitiya, Ambalangoda	Emergency Relief, Rehabilitation and Livelihood Redevelopment Project (ERR and LR)	38353	Dec-06	Concern	Provision of emergency relief (food, dry rations, medicine), transitional shelters (with house hold items and furniture), and reestablishment of livelihoods.
Galle	Habaraduwa, Ambalangoda	Sustainable Livelihood Approach	Aug-06	Apr-09	CHF	Livelihood assistance for 2000 families.
Galle	Habaraduwa	Women's Rural Development Society	Oct-05	May-06	USAID/ Revive	Livelihood support for women's society through entrepreneurship training for 414 individuals.
Galle	Hikkaduwa Habaraduwa	Rural IT training	Aug-06	Aug-07	Peace Boat	Established three IT training centres.
Galle	Hikkaduwa Habaraduwa Galle, Balapitiya, Ambalangoda, Habaraduwa	Legal Aid	Feb-05	Jan-07	Plan International	Recovery of legal documentation lost during tsunami.
Galle	Hikkaduwa Habaraduwa, Galle, Balapitiya, Ambalangoda	School Rehabilitation Project	Sep-06	Oct-06	GAA-german Agro-Action	Five new buildings in five schools (two story facilities in four schools and single story in one school) and rehabilitation of one school.
Galle	Habaraduwa	Pre-School Program	Jun-06	Sep-06	Refugee International	New single story building.
Hambantota	Tangalle	Emergency Relief Rehabilitation Livelihood Recovery	Jan-05	Dec-06	Concern	Provision of emergency relief (food, dry rations, medicine), transitional shelters (with household items and furniture) and re-establishment of livelihoods.

South Region

Location		Project name	Project period		Sources of funding	Activities
District	Divisional Sec. Area		Start date	End date		
Hambantota	Tangalle	Donation Program for Rehabilitation of Crop Cultivations Destroyed by the Tsunami	Oct-06	Dec-06	Concern	Providing plants, seed paddy and fertiliser to assist crop production.
Hambantota	Tangalle	Community-Based Post-Tsunami Livelihoods Projects	Oct-05	Dec-06	NOVIB	Development of community infrastructure. Loans and grants provided to restart livelihoods. Capacity building of community members.
Hambantota	Tangalle	NAQUA (ARDQIP)	Oct-05	Aug-06	Ministry of Fisheries	Inland fisheries. Capacity building of local fishing communities including tank management and organisational and institutional strengthening
Hambantota	Tangalle, Tissamaharama, Hambantota, Sooriyawawe	Legal Aid	Feb-05	Jan-07	Plan International	Recovery of legal documentation lost during tsunami.
Hambantota	Tissamaharama	Indian Ocean Tsunami Early Warning System	Aug-06	Aug-07	USAID	Identify area, PRA awareness to community, implement drill, set up early warning system.
Kalutara	Payagala	Indian Ocean Tsunami Early Warning System	Aug-06	Aug-07	USAID	Identify area, PRA awareness to community, implement drill, set up early warning system.
Kalutara Colombo	Beruwala, Kalutara, Payagala, Moratuwa, Dehiwala	Emergency Relief Rehabilitation Livelihood Recovery	Feb-05	Dec-06	Concern	Provision of emergency relief including food, dry rations, medicine.
Kalutara Colombo	Kalutara, Beruwala, Panadura, Moratuwa, Dehiwala	Legal Aid	Feb-05	Jan-07	Plan International	Recovery of legal documentation lost during tsunami.
Matara	Matara	Emergency Relief Rehabilitation Livelihood Recovery	Jan-05	Dec-06	Concern	Provision of emergency relief (food, dry rations, medicine), transitional shelters (with household items and furniture) and re-establishment of livelihoods.
Matara	Dickwella	Revive - Lace	Dec-05	Jun-06	USAID	Distribution of 1200 pillow lace machines.
Matara	Dickwella, Weligama, Dondara, Matara	Legal Aid	Feb-05	Jan-07	Plan International	Recovery of legal documentation lost in the tsunami.
Matara	Dickwella, Weligama, Dondara	Sustainable Livelihood Approach	Aug-06	Apr-09	CHF	Livelihood assistance for 2000 families.

South Region

Colombo	Jaffna, Trincomalee, Batticaloa, Ampara, Galle, Hambantota	Our Home Psychosocial Project	Feb-07	Jan-10	Force of Nature	Establishment of psychosocial support centers in six districts.
Colombo	Anuradhapura, Polonaruwa, Vavuniya, Mannar, Nuwaraeliya, Kurunegla, Kalutara, Galle, Matara, Hambantota	Awareness Creation on Tuberculosis	Aug-06	Aug-08	GFATM	Awareness programs.
Colombo	Kurunagala, Kandy, Vavuniya, Mannar, Jaffna, Anuradhapura, Trincomalee, Batticaloa	Peace and Reconciliation Project	Apr-06	Mar-07	Sasakawa Foundation	Awareness workshops for Buddhist, Muslim, Hindu and Christian priests.
Colombo	Jaffna	Food and Emergency Goods - Wanni	Dec-06	Jun-07	NOVIB	Distribution of food items.
Colombo	Kilinochchi, Mullaitivu, Trincomalee and Jaffna	Direct Food Assistance for Internally Displaced Populations	Jan-07	Mar-07	Nippon Foundation	Distribution of food items.
Colombo	Kalutara, Galle, Matara, Hambantota, Ampara, Trincomalee, Batticaloa, Jaffna (tsunami-affected areas)	Legal Education Training Program	Jan-07	Dec-07	International Development Law Organisation	Legal training for CBO leaders and members

West Region

financial statements



Auditor's report

K. S. KARUNADASA & COMPANY
CHARTERED ACCOUNTANTS

No. 6/A, Perera Mawatha,
Madakumbura, Panadura,
Sri Lanka.

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REPORT OF THE AUDITORS

TO THE MEMBERS OF

SEWA LANKA FOUNDATION

We have audited the Balance Sheet of Sewa Lanka Foundation as at 31st March 2007, and the related Statement of Financial Activities, Statement of Changes in Accumulated fund and Cash Flow Statement for the year then ended, together with the Accounting Policies and Notes as set out on pages 06 to 19.

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 and Sri Lanka Statement of Recommended practice for Not-for-profit organizations. 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 and Sri Lanka Statement of Recommended practice for Not-for-profit organizations. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Foundation maintained proper books of account for the year ended 31st March 2007, and to the best of our information and according to explanations given to us, the said Balance Sheet and related statement of Financial Activities, Statement of 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 and Sri Lanka Statement of Recommended practice for Not-for-profit organizations, provide the information required by the Companies Act, No. 17 of 1982 and give a true and fair view of the Foundation's state of affairs as at 31st March 2007 and of its Net Surplus 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 31st March 2007.



CHARTERED ACCOUNTANTS
PANADURA.

Date : 24th January 2008



Statement of Financial Activities

For the year ended 31st March	Note	2007 Rs.	2006 Rs.
Income Received			
Incoming Resources	3.1	1,863,824,688.74	2,495,519,620
Project Expenditure			
Staff	3.2	116,509,140.14	43,889,130
Direct Costs		1,468,257,335.63	2,296,052,389
Indirect Expenditure		<u>89,982,884.49</u>	<u>2,519,188</u>
Total Project Costs		<u>1,674,749,360.26</u>	<u>2,342,460,708</u>
Net Surplus on Projects	3.3	189,075,328.48	153,058,912
Revenue Earned	3.4	<u>2,022,221.14</u>	-
		191,097,549.62	153,058,912
Administrative Expenses		<u>82,129,407.23</u>	<u>42,253,262</u>
Net Surplus on Operating Activities	3.5	108,968,142.39	110,805,650
Finance Costs	3.6	<u>3,327,241.74</u>	<u>2,910,844</u>
Net Surplus Before Tax		105,640,900.65	107,894,806
Income Tax Expenses	3.7	1,139,357.12	559,650
Net Surplus After Tax		<u>104,501,543.53</u>	<u>107,335,157</u>

Balance sheet

As at 31st March

	Note	2007 Rs.	2006 Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	3.8	334,337,086.29	232,627,993
Intangible Assets			
E.D.P. System	3.9	-	141,377
		334,337,086.29	232,769,370
Current Assets			
Receivables, Deposits & Advances	3.10	40,874,832.45	55,675,825
Short Term Deposits	3.11	10,000,000.00	25,000,000
Cash at Bank and in Hand	3.12	171,334,056.71	233,041,179
		222,208,889.16	313,717,004
Current Liabilities			
Payables and Accrued Expenses	3.13	7,380,331.17	7,074,251
Short Term Borrowings	3.14	6,504,820.43	7,560,413
Bank Overdrafts	3.15	8,530,360.23	22,739,403
		22,415,511.83	37,374,067
Current Assets less Current Liabilities		199,793,377.33	276,342,938
Total Assets less Current Liabilities		534,130,463.62	509,112,308
FUNDING AND LIABILITIES			
Accumulated Fund			
Unrestricted Funds	3.16	313,229,665.63	208,728,122
Restricted Funds	3.17	203,386,274.21	286,118,227
Total Accumulated Fund		516,615,939.84	494,846,349
Non Current Liabilities			
Non Current Borrowings	3.18	6,388,790.49	9,443,846
Deferred Liabilities	3.19	11,125,733.29	4,822,113
Total Non Current Liabilities		17,514,523.78	14,265,959
Total Accumulated Fund and Liabilities		534,130,463.62	509,112,308



The financial statements as appear on pages 02 to 19 were approved by the Board of Directors on 23rd January 2008.

Signed on behalf of the Board by
Directors

Date : 23rd January 2008

Statement of changes in accumulated fund

During the year ended 31st March 2007

	Restricted Fund Rs.	Unrestricted Fund Rs.	Total Rs.
Balance as at 01st April 2005	286,118,226.55	101,392,965.03	387,511,191.58
Net Surplus for the year	-	107,335,157.07	107,335,157.07
Balance as at 31st March 2006	<u>286,118,226.55</u>	<u>208,728,122.10</u>	<u>494,846,348.65</u>
Balance as at 01st April 2006	286,118,226.55	208,728,122.10	494,846,348.65
Funds Transferred to Statement of Financial Activities	(82,731,952.34)	-	(82,731,952.34)
Net Surplus for the year	-	104,501,543.53	104,501,543.53
Balance as at 31st March 2007	<u>203,386,274.21</u>	<u>313,229,665.63</u>	<u>516,615,939.84</u>

Cash flow statement

for the year ended 31st March

	Note	2007 Rs.	2006 Rs.
Cash flow from project activities			
Incoming Resources		1,577,706,462.19	2,313,929,097
Interest Income Received		1,819,999.14	-
Cash paid out for project activities		(1,660,438,045.44)	(2,389,144,764)
Administrative expenses		(22,250,017.61)	(10,129,736)
Finance costs		(3,327,241.74)	(2,910,844)
Net cash flow from project activities		(106,488,843.46)	(88,256,247)
Cash flows from investing activities			
Acquisition of property, plant & equipment		(155,284,862.06)	(135,818,120)
Net cash flows used in investing activities		(155,284,862.06)	(135,818,120)
Cash flows from financing activities			
Cash received from donors not used for projects		203,386,274.21	286,118,227
Proceeds from interest bearing borrowings		3,299,728.00	18,211,426
Re-payment of interest bearing borrowings		(7,410,376.70)	(11,119,095)
Net cash flows used in financing activities		199,275,625.51	293,210,557
Net increase in cash and cash equivalents		(62,498,080.01)	69,136,189
Cash and cash equivalents at beginning of the year	(a)	235,301,776.49	166,165,587
Net change in cash and cash equivalents		172,803,696.48	235,301,776
Cash and cash equivalents at end of the year	(b)	172,803,696.48	235,301,776
Note (a)			
Cash in hand at beginning of the year		1,100,186.56	332,209
Balance at bank at beginning of the year		209,201,589.93	161,833,378
Short term deposits at beginning of the year		25,000,000.00	4,000,000
		235,301,776.49	166,165,587
Note (b)			
Cash in hand at end of the year		1,207,396.62	1,100,187
Balance at bank at end of the year		161,596,299.86	209,201,590
Short term deposits at end of the year		10,000,000.00	25,000,000
		172,803,696.48	235,301,776

Notes to the financial statements

01. General information

1.1 Sewalanka Foundation is a non governmental organization as per the definition provided in the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations (including Non Governmental Organisations).

The Foundation was incorporated on 19th February 1992 under the Companies Act No. 17 of 1982, with the name of Sewalanka Foundation (Guarantee) Limited as a development non-Government organization. In the event that the company is wound up the liability of members is limited to Rs. 50/= per members.

Among other sectors, Sewalanka 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.

Sewalanka has a decentralized structure, working in 19 districts in the country. At the end of the year there were 746 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.

The names of the Members of the Board of the Foundation are provided on page 51.

1.2 It is domiciled in Sri Lanka. The principle place of activity of the organization is located at No. 432 A, Colombo Road, Boralesgamuwa.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on a going concern basis.

1.3 The notes to the Financial Statements on Page 06 to 19 are an integral part of the financial statements.

1.4 All values presented in the financial statements are in Sri Lankan Rupees unless otherwise indicated.

02. Summary of significant accounting policies

2.1 General Policies

2.1.1 Basis of Preparation

The balance sheet, statement of financial activities, statement of changes in accumulated fund and the cash flow Statement, together with the Accounting Policies and Notes to the financial statements as at 31st March 2007 and for the year then ended comply with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (including Non Governmental Organizations) issued by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements have been prepared on a historical basis.

2.1.2 Comparative Information

The Accounting Policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years.

2.1.3 Translation of Foreign Currency

All foreign currency transaction have been converted in to Sri Lanka Rupees, which is the reporting currency, at the rates of exchange prevailing at the time that the transaction was effected.

2.1.4 Taxation

a. Current Taxes

Income tax is provided in accordance with the provisions of the Inland Revenue Act No. 38 of 2000, and is based on the elements of income and expenditure reflected in the statement of financial activities and on the elements of grants received, subject to exemptions.

2.2 Accounting for the receipt and utilization of Funds

2.2.1 Funds

a. Unrestricted funds

Unrestricted funds are those that are available for use by the organization at the discretion of the board, in furtherance of the general objectives of the organization and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor Agreements or with the subsequent approval of the Donor.

b. Restricted Funds

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the statement of financial activities account to match with expenses incurred in respect of that identified project. Unutilised funds are held in their respective fund

Notes to the financial statements

accounts and included under accumulated fund in the balance sheet until such time as they are required.

Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognized through receivable in the balance sheet.

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements.

c. Other Income

Investment income and other gains realized from funds available under each of the above categories are allocated to the appropriate funds, unless the relevant agreement or minute provides otherwise.

2.2.2 Grants

Grants are recognized in the financial statements at their fair value. When the grant relates to an expenses it is recognized as income over the period necessary to match it with the costs, which it is intended to compensate for on a systematic basis.

2.3 Valuation of assets and their bases of measurement

2.3.1 Receivables

Receivables are stated at the amounts they are estimate to realize net of provisions for bad and doubtful debts.

2.3.2 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, short term investments, readily convertible to identified amount of cash and which are not subject to any significant risk of change in value.

For purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and bank deposits, net of outstanding bank overdrafts.

2.3.3 Property, Plant and Equipment

a. Cost and Valuation

All items of property, plant and equipment are initially recorded at cost.

Building owned are used for purpose of the organization and is therefore do not fall under the definition of investment property.

b. Restoration costs

Expenditure incurred on repairs or maintenance of property, plant and equipment to restore or maintain the economic benefits to be obtained at original levels of performance is recognized as an expense as and when incurred.

c. Depreciation

Depreciation is provided for on all assets on the reducing balance method and is calculated on the cost or revalued amount of all property, plant and equipment other then land, in order to write off such amounts less any terminal value over the estimated useful lives of such assets. Depreciation is not provided in the year of purchase while a full year's depreciation is charged in the year of disposal.

The annual rates of depreciation currently being used by the organization are:

Assets	Rate pa.
Plant & Machinery	25%
Motor Vehicles	25%
Computer Equipment	20%
Office Equipment	25%
Furniture & Fittings	25%

2.2.2 Leases

a. Finance Leases

Property, plant and equipment on finance leases, which effectively transfer to the organization substantially all of the risk and benefit incidental to ownership of the lease items, are capitalized and disclosed as Finance Lease at their cash price and depreciated over the period the organization is expected to benefit from the use of the lease assets.

The corresponding principal amount that is payable to the lessor is shown as a liability. Lease payment are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest element of the rental obligation pertaining to each financial year is charged to the statement of financial activities over the period of the lease.

2.4 Liabilities and Provisions

2.4.1 Retirement Benefit Obligations

a. Defined Benefit Plan - Gratuity

Retirement Gratuity is a Defined Benefit Plan. The organization is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried in the balance sheet that is based on a half-month's salary as of the last month of the financial year for all employees for each completed year of service commencing from the first year of service. The difference between the provision that is brought forward at the beginning of the year and the provision that is required to be carried forward at the end of the year is adjusted through the statement of financial activities.

Notes to the financial statements

This provision is not externally funded. However, in accordance with the payment of Gratuities Act No. 12 of 1983, this liability arises only on the completion of five years of continued service of any employee.

b. Defined Contribution plans

All employees are eligible to contribute to the Employees' Provident Fund and the Employees' trust Fund in accordance with the relevant statute and regulations. The organization contributed a defined percentage of the gross emoluments of the employees to the Employee's Provident Fund and to the Employee's Trust Fund.

2.5 Statement of Financial Activities

2.5.1 Income Recognition

a. Incoming Resources

Income realized from restricted funds is recognized in the statements of financial activities only when there is certainty that all conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the statement of financial activities. Unutilised funds are carried forward as such in the balance sheet.

All other income is recognized when the organization is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through donations.

a. Revenue

Income earned including interest is recognized on an accrual basis.

2.5.2 Expenditure recognition

Expenses in carrying out the project and other activities of the organization are recognized in the statement of financial activities during the period in which they are incurred. Other expenses incurred in administering and running the organization and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the statement of financial activities.

The organization has adopted the "Function of expense" method to present fairly the element of Organisations activities in its statement of financial activities.

2.6 Segment Information

The organisation's internal management and reporting formats are structured and based on activities and services that are similar in nature and where the risk and obligations are similar. The primary segments represent this structure.

The secondary segments are determined on the organizations geographic spread of operations.

The activities of each of the reported activity based segments are reported on page 45 to 46

Notes to the financial statements

For the year ended 31st March

2007
Rs.

2006
Rs.

(03.1) INCOMING RESOURCES

Restricted Fundings		
Brought Forward funds	286,118,226.55	101,392,965
Donations	1,778,115,895.95	2,623,597,499
Unspent Funds	<u>(203,386,274.21)</u>	<u>(286,118,227)</u>
	1,860,847,848.29	2,438,872,238
Unrestricted Fundings		
Donations & Other Income	<u>2,976,840.45</u>	<u>56,647,382</u>
Funds used for Activities	<u><u>1,863,824,688.74</u></u>	<u><u>2,495,519,620</u></u>

(03.2) PROJECT EXPENDITURE

Staff	116,509,140.14	43,889,130
Direct Costs	1,468,257,335.63	2,296,052,389
Indirect Expenditure	<u>89,982,884.49</u>	<u>2,519,188</u>
	<u><u>1,674,749,360.26</u></u>	<u><u>2,342,460,708</u></u>

(03.3) Note given in next page

(03.4) REVENUE EARNED FROM OTHER ACTIVITIES

Interest Received on Unrestricted Funds	<u>2,022,221.14</u>	<u>-</u>
	<u><u>2,022,221.14</u></u>	<u><u>-</u></u>

(03.5) NET SURPLUS ON OPERATING ACTIVITIES is stated after charging

Auditors Fees	250,000.00	175,000
Defined Benefit Plan Cost - Gratuity	6,303,620.79	560,834
Defined Cotribution Cost - E.P.F. & E.T.F.	581,425.00	328,645
Staff Remuneration - Local	6,069,402.00	3,459,426
Depreciation	53,575,768.83	31,421,315
Rent, Electricity & Water	4,733,666.23	2,468,395

(03.6) FINANCE COST

Interest Expense on Short Term Borrwings	<u>3,327,241.74</u>	<u>2,910,844</u>
	<u><u>3,327,241.74</u></u>	<u><u>2,910,844</u></u>

Notes to the financial statements

For the year ended 31st March 2007

(03.3) PROJECT ACTIVITY SUMMARY

Identified Project	Transferred from Restricted Funds		Received during the year from unrestricted funds and other sources	Total amount expended			Net Surplus / Deficit on project
	Organisation	Amount		Direct project cost		Indirect project cost	
				Staff Cost	Rs.		
Fisheries, Anuradapura	NARA	109,673.88	-	64,626.00	-	43,057.24	1,990.64
Water Supply - Anuradapura	North Central Provincial Council	56,145.35	-	37,946.00	-	17,602.00	597.35
Agriculture, Panama, Ampara	U.U.S.C.	10,002,516.14	-	592,500.00	6,253,822.87	710,473.35	2,445,719.92
Agriculture - Ampara	N.A.Q.D.A.	1,181,807.93	3,562.00	665,375.00	338,000.00	177,067.75	4,927.18
Community Health - Ampara	I.O.M.	1,596,238.66	14,000.00	-	1,488,750.00	120,000.00	1,488.66
Agriculture - Ampara	DIAKONIE	4,767,315.86	-	492,625.00	3,632,298.25	154,711.20	487,681.41
Livelihood Development - Ampara	US AID	12,455,935.49	-	12,449,816.57	-	-	6,118.92
Skill Training - Ampara	SWISS CONTACT	918,028.73	-	309,032.00	605,689.00	-	3,307.73
Livelihood Development - Ampara	U.N.D.P.	1,612,450.30	-	1,302,980.50	1,302,980.50	-	302,969.80
Rehabilitation - Ampara	D.C.A.	29,525,423.65	-	2,250,000.00	5,539,588.67	339,505.75	21,396,329.23
Livelihood Development - Ampara	WORLD VISION	500,775.00	50,000.00	-	339,755.00	158,583.00	52,437.00
Housing - Ampara	SOLID HOUSE	22,139,442.90	23,723.49	2,624,712.00	13,163,489.74	1,770,404.48	4,604,560.17
Skill Training - Ampara	SWISS CONTACT	6,742,994.50	-	-	6,728,807.41	-	14,187.09
Livelihood Development - Ampara	ROYAL NORWIGIAN EMBASSY	-	324,000.00	-	42,971,303.08	1,442,646.00	11,340.46
Livelihood Development - Ampara	MERCY CORPS	1,614,657.06	-	-	253,750.00	14,000.00	56,250.00
Livelihood Development - Ampara	SAVE THE CHILDREN	1,146,560.89	-	-	1,089,106.35	509,393.65	16,157.06
Rehabilitation - Ampara	several Donors	945,000.00	-	349,000.00	191,000.00	603,026.00	3,534.89
Livelihood Development - Ampara	HILFSWERK AUSTRIA	45,282.00	-	-	44,417.20	-	945,000.00
Livelihood Development - Ampara	ASIAN SPINNING ASSOCIATION	777,052.64	-	-	339,862.57	-	864.80
Rehabilitation - Ampara	UNICEF	2,058,112.13	-	319,000.00	-	117,491.83	698.24
Agriculture - Ampara	UUSC	490,000.00	-	-	-	158,971.15	1,899,140.98
Community Health - Ampara	OXFAM	4,605,736.69	-	-	-	1,210.36	488,789.64
Infrastructure Development - Ampara	NECORD	33,074,484.63	-	-	3,030,529.60	1,568,000.00	7,207.09
Infrastructure Development - Batticaloa	NECCDEP	56,697,928.19	-	1,505,000.00	33,050,316.83	-	24,167.80
Infrastructure Development - Batticaloa	NET AID	2,894,570.68	-	75,000.00	53,563,079.00	1,568,000.00	61,849.19
Livelihood Development - Batticaloa	D.C.A.	44,687,180.03	-	681,617.39	2,689,170.00	126,943.84	3,456.84
Relief - Batticaloa	U.N.D.P.	1,327,855.15	-	161,000.00	43,933,914.24	171,848.40	(0.00)
Relief - Batticaloa	U.N.D.P.	332,048.63	-	-	1,131,000.00	85,188.04	(85,188.04)
Agriculture - Batticaloa	CAARP	14,264,667.97	-	-	147,442.00	30,958.00	4,897.15
Relief - Batticaloa	HILFSWERK AUSTRIA	2,345,737.00	-	-	13,167,955.30	184,336.00	270.63
Agriculture - Galle	C.H.A.	2,964,317.75	-	207,500.00	2,088,106.00	-	1,096,712.67
Skill Training - Galle	PEACE BOAT	165,000.00	-	634,545.00	1,871,042.00	536,563.00	41,848.00
Legal Assistance - Galle	CONCERN	538,278.83	-	-	538,278.83	-	(77,832.25)
Legal Assistance - Galle	ID.L.O.	141,822.94	-	-	37,720.00	-	165,000.00
Agriculture - Anuradhapura	I.U.C.N.	786,565.48	499,700.00	889,225.00	394,537.50	-	7,177.94
Relief - Hambantota	I.O.T.W.S.	5,794,135.21	441,234.74	3,738,818.50	1,189,441.26	285,610.89	2,502.98
Psychosocial - Vavunia	HELVITAS	-	-	-	-	-	1,021,499.30

Notes to the financial statements

Psychosocial - Vavunia	HELVITAS	4,055,860.14	-	851,170.00	1,721,708.94	587,795.57	895,185.63
School Rehabilitation - Galle & Batticaloa	GERMAN AGRO ACTION	64,976,338.76	-	823,325.00	63,084,842.00	550,041.66	518,130.10
Relief - Galle & Kalutara	NIPPON FUND	32,508,789.73	-	485,000.00	31,196,982.50	796,591.00	20,216.23
Legal Assistance - Kandy & Badulla	U.B.R.	12,564,864.89	-	2,165,000.00	10,584,121.46	152,257.06	(336,513.63)
Rehabilitation - Jaffna & Trincomalee	WORLD BANK	10,034,409.17	-	-	6,930,688.15	2,880,735.27	222,985.75
Training - Kalawana	H.S.B.C.	402,375.00	-	126,000.00	206,000.00	-	70,375.00
Peace Activities - Kandy	SASAKAWA FUND	10,592,784.56	-	9,246,914.35	-	1,058,682.30	287,187.91
Agriculture - Galle & Matara	C.H.F.	23,871,093.19	-	4,671,658.03	9,615,090.50	3,067,444.66	6,516,900.00
R & R Livelihood Dev;	CONCERN	352,729,365.73	-	19,048,926.00	251,424,236.25	26,163,520.98	56,092,682.50
Agriculture - Anuradhapura	Ourhome	345,061.13	-	165,600.00	-	28,586.83	150,874.30
Administration	GERMAN AGRO ACTION	1,526,730.55	-	-	-	1,422,251.55	104,479.00
Training Centre Construction - Anuradhapura	GERMAN AGRO ACTION	33,555,573.60	-	-	-	100,000.00	33,455,573.60
Training Centre Construction - Colombo	CONCERN	26,773,212.00	-	-	-	-	26,773,212.00
Legal Assistance - Matara	PLAN INTERNATIONAL	26,260,000.00	-	9,478,575.00	13,680,587.40	1,860,509.09	1,240,328.51
Relief - Ampara & Trincomalee	Several Donors	14,219,138.10	1,538,848.72	-	15,157,776.42	553,773.74	46,436.66
Livelihood Development - Jaffna, Trincomalee, Batticaloa & Hambantota	NOVIB	175,678,366.44	-	9,283,102.00	154,545,491.14	6,659,333.90	5,190,439.40
Infrastructure Development - Jaffna	NECORD	2,902,505.71	-	12,000.00	2,535,735.50	334,382.80	20,387.41
Infrastructure Development - Jaffna	NECCDEP	640,911.07	-	173,320.00	460,600.00	6,550.00	441.07
Legal Assistance - Jaffna	W.H.O.	2,375,000.00	-	430,000.00	1,940,428.00	-	4,572.00
Community Health - Jaffna	F.I.D.R.	3,373,006.71	-	1,022,625.00	1,642,886.35	592,471.40	115,023.96
Relief - Kilinochchi	GERMAN AGRO ACTION	52,259,875.43	-	3,988,140.00	46,036,755.75	2,234,979.68	-
Infrastructure Development - Kilinochchi	GERMAN AGRO ACTION	101,844,757.44	-	3,418,782.86	97,089,314.12	346,010.46	990,650.00
School Rehabilitation, Relief - Kilinochchi	GERMAN AGRO ACTION	32,231,915.00	-	1,073,750.00	28,551,434.10	558,215.27	2,048,515.63
School Rehabilitation, Relief - Kilinochchi	GERMAN AGRO ACTION	48,936,508.49	-	4,615,915.01	40,395,000.00	3,838,703.48	86,890.00
Relief - Kilinochchi	GERMAN AGRO ACTION	54,044.19	-	-	-	54,044.19	-
Relief - Kilinochchi	GERMAN AGRO ACTION	32,852,704.38	-	-	32,851,764.60	-	939.78
Water Supply - Nuwara Eliya & Badulla	Provincial council	2,760,528.50	-	2,143,680.00	466,216.82	74,564.95	76,066.73
Livelihood Development - Kandy	U.N.D.P.	5,062,319.97	-	-	3,964,151.00	1,098,168.97	-
Infrastructure Development - Mannar	NECORD	6,988,521.50	-	-	6,033,938.95	954,582.55	-
Infrastructure Development & Relief - Mannar	OXFAM	3,164,950.00	-	-	2,509,011.00	655,257.49	681.51
Agriculture - Mannar	SAVE THE CHILDREN	2,221,434.63	41,080.00	263,130.00	1,686,840.00	312,544.63	-
Agriculture - Mannar	UNDP	50,402.71	-	-	-	48,627.36	1,775.35
Livelihood Development - Matara	US AID	6,161,688.01	-	444,250.00	5,622,377.85	79,826.01	15,234.15
Livelihood Development - Matara	US AID	51,575.05	-	-	-	-	51,575.05
Infrastructure Development - Trincomalee	NECORD	10,321,855.85	39,691.50	-	10,348,860.51	-	12,686.84
Infrastructure Development - Trincomalee	NECCDEP	12,914,656.25	1,000.00	-	12,904,024.76	-	11,631.49
Infrastructure Development, Agriculture & Relief - Trincomalee	GERMAN AGRO ACTION	100,396,621.29	-	-	91,650,687.92	4,631,441.05	4,114,692.32
Housing - Trincomalee	CESVI	49,633,148.03	-	5,288,550.00	43,568,932.14	694,780.89	80,885.00
Training Centre Construction - Trincomalee	GERMAN AGRO ACTION	13,079,000.00	-	-	-	-	13,079,000.00
Community Health - Trincomalee	MERCY CORPS	801,038.66	-	-	-	800,100.00	938.66
Infrastructure Development - Vavunia	U.N.H.C.R.	13,375,683.37	-	1,307,870.00	11,296,806.00	445,714.66	325,292.71
Community Health - Vavunia	I.O.M.	104,354.05	-	23,600.00	68,350.00	13,004.05	(600.00)
Agriculture & Infrastructure Development - Vavunia	GERMAN AGRO ACTION	66,865,148.19	-	9,888,505.00	51,422,243.50	5,554,399.69	-
Infrastructure Development - Vavunia	NECORD	790,646.35	-	-	741,000.00	49,646.35	-
Infrastructure Development - Vavunia	NECORD	2,167,957.29	-	-	557,984.92	41,068.48	1,568,903.89
Community Health - Vavunia	OXFAM	3,472,784.52	-	353,625.00	2,622,428.00	411,826.52	84,905.00
Agriculture & School Rehabilitation - Vavunia	GERMAN AGRO ACTION	83,466,857.89	-	3,202,150.00	76,984,639.93	3,279,467.96	600.00
Agriculture & Infrastructure Development - Vavunia	GERMAN AGRO ACTION	94,233,069.38	-	6,803,030.00	81,330,780.39	6,000,879.06	98,379.93
Agriculture - Vavunia	GERMAN AGRO ACTION	1,467,183.56	-	-	1,361,648.99	86,428.00	19,106.57
		1,860,847,848.29	2,976,840.45	116,509,140.14	1,468,257,335.63	89,982,884.49	189,075,328.48

Notes to the financial statements

For the year ended 31st March 2007

Rs.

(03.7) INCOME TAX EXPENSES

Total Donation from Organisation	1,781,092,736.40
Deduct : Grants Received for Exempt Activities	1,688,201,186.64
Net funding received liable to Tax	<u>92,891,549.76</u>
3% thereof	<u>2,786,746.49</u>
Tax Payable thereof at 30%	<u>836,023.95</u>
Interest Received on Unrestricted Funds	2,022,221.14
Tax Payable thereof at 15%	<u>303,333.17</u>
Total Tax Payable	1,139,357.12
Withholding Tax Paid	202,222.00
Balance Tax payable	<u>937,135.12</u>

(03.8) PROPERTY , PLANT AND EQUIPMENT

Item	Balance as at 01.04.2006 Rs.	Additions during the year Rs.	Balance as at 31.03.2007 Rs.	Book Value as at 31.03.2007 Rs.
At Cost				
Land & Buildings	13,212,966.40	110,845,001.44	124,057,967.84	124,057,967.84
Plant & Machinery	9,860,296.50	15,646,370.00	25,506,666.50	18,535,752.54
Motor Vehicles	255,998,305.60	24,779,484.42	280,777,790.02	170,882,617.30
Furniture & Fittings	4,701,939.46	151,415.00	4,853,354.46	2,297,239.40
Office Equipment	17,166,086.33	2,318,058.70	19,484,145.03	13,037,720.05
Computer Equipment	5,786,921.25	1,390,082.50	7,177,003.75	5,219,850.50
Sundry Equipment	580,101.25	154,450.00	734,551.25	305,938.66
Total Rs.	<u>307,306,616.79</u>	<u>155,284,862.06</u>	<u>462,591,478.85</u>	<u>334,337,086.29</u>

Item	Balance as at 01.04.2006 Rs.	Charged during the year Rs.	Balance as at 31.03.2007 Rs.	Book Value as at 31.03.2006 Rs.
Depreciation on Written down value				
Land & Buildings	-	-	-	13,212,966.40
Plant & Machinery	6,005,870.61	965,043.35	6,970,913.96	3,854,425.89
Motor Vehicles	62,681,553.04	47,213,619.68	109,895,172.72	193,316,752.56
Furniture & Fittings	1,946,629.59	609,485.47	2,556,115.06	2,755,309.87
Office Equipment	2,674,372.82	3,772,052.16	6,446,424.98	14,491,713.51
Computer Equipment	979,457.25	977,696.00	1,957,153.25	4,807,464.00
Sundry Equipment	390,740.42	37,872.17	428,612.59	189,360.83
Total Rs.	<u>74,678,623.73</u>	<u>53,575,768.83</u>	<u>128,254,392.56</u>	<u>232,627,993.06</u>

Notes to the financial statements

For the year ended 31st March

2007
Rs.

2006
Rs.

(03.9) E.D.P. System used for accounting purposes is outdated and value written off is shown with Administrative Expenses.

(03.10) RECEIVABLES AND ADVAN

Projects Fund Receivable	5,016,565.68	3,971,994
Advances	33,402,091.77	48,584,504
Staff Loan	2,456,175.00	3,119,327
	<u>40,874,832.45</u>	<u>55,675,825</u>

(03.11) SHORT TERM DEPOSITS

Fixed Depoists	<u>10,000,000.00</u>	<u>25,000,000</u>
	<u>10,000,000.00</u>	<u>25,000,000</u>

(03.12) CASH AT BANK AND IN HAND

Cash at Bank - Restricted Funds	169,141,208.11	230,880,844
Cash at Bank - General Funds	985,451.98	1,060,148
Cash in Hand	1,207,396.62	1,100,187
	<u>171,334,056.71</u>	<u>233,041,179</u>

(03.13) PAYABLES & ACCRUED EXPENSES

Project Expenses Payable	5,063,609.53	5,613,416
Accrued Expenses	819,937.00	901,186
Income Tax Payable	1,496,784.64	559,650
	<u>7,380,331.17</u>	<u>7,074,251</u>

(03.14) SHORT TERM BORROWINGS

Central Finance PLC	Vehicle Leasing	3,049,377.13	4,778,155
HNB Leasing Co.	Vehicle Leasing	2,594,874.31	1,726,812
Orient Leasing	Vehicle Leasing	860,569.00	1,055,447
		<u>6,504,820.43</u>	<u>7,560,413</u>

(03.15) BANK OVERDRAF

Hatton National Bank	3,809,549.85	3,197,973
Nation Trust Bank	14,847.35	1,295
People's Bank	3,490,205.12	17,719,254
Sampath Bank	1,215,757.91	1,820,881
	<u>8,530,360.23</u>	<u>22,739,403</u>

Notes to the financial statements

For the year ended 31st March

2007
Rs.

2006
Rs.

(03.16) UNRESTRICTED FUNDS

Balance at beginning of the year	208,728,122.10	101,392,965
Unrestricted Surplus in Operating Activities	<u>104,501,543.53</u>	<u>107,335,157</u>
Balance as at year end	<u><u>313,229,665.63</u></u>	<u><u>208,728,122</u></u>

(03.17) RESTRICTED FUNDS

Balance at beginning of the year	286,118,226.55	181,546,435
Additional Funds Received during the year	203,386,274.21	286,118,227
Transfer to Statement of Financial Activities	<u>(286,118,226.55)</u>	<u>(181,546,435)</u>
Balance as at year end	<u><u>203,386,274.21</u></u>	<u><u>286,118,227</u></u>

(03.18) NON CURRENT BORROWINGS

Central Finance PLC Vehicle Leasing	3,733,505.30	6,713,704
HNB Leasing Co. Vehicle Leasing	2,239,380.18	1,401,497
Orient Leasing Vehicle Leasing	<u>415,905.00</u>	<u>1,328,645</u>
	<u><u>6,388,790.49</u></u>	<u><u>9,443,846</u></u>

(03.19) DEFERRED LIABILITIES

Retirement Benefit Obligation - Gratuity

Balance as at 01.04.2006	4,822,112.50	4,261,279
Add: Provision made during the Year	<u>6,303,620.79</u>	<u>560,834</u>
Balance as at 31.03.2007	<u><u>11,125,733.29</u></u>	<u><u>4,822,113</u></u>

(03.20) CAPITAL EXPENDITURE COMMITMENTS

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

(03.21) CONTINGENT LIABILITIES

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

(03.22) POST BALANCE SHEET EVENTS

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

(03.23) COMPARATIVE INFORMATION

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

Project partners

Asian Development Bank (ADB)
German Ministry for Economic Cooperation and Development (BMZ)
Cooperazione e Sviluppo (CESVI)
Canadian Hunger Foundation
Concern World Wide
DanChurchAid(DCA)
Danish International Development Agency
Diakonia
Earthwatch Institute
European Commission Humanitarian Aid Department
European Union
Foundation for International Development/Relief
Force of Nature
Fin Church Aid (FCA)
German Agro Action (GAA)
Global Fund to fight Aids, Tuberculosis and Malaria
Helvetas
HSBC Bank
Information and Communication Technology Agency of Sri Lanka
International Development Association (IDA)
International Development Law Organisation (IDLO)
International Organization for Migration (IOM)
Japan Social Development Fund (JSDF)
Mercy Corps
Ministry of Fisheries and Ocean Resources
National Aquaculture Development Association of Sri Lanka (NAQDA)
National Development Bank (NDB)
Nippon Foundation
North East Coastal Community Development Project (NECCDEP)
North East Community Restoration Development (NECORD)
North East Provincial Council (NEPC)
Oxfam Great Britain
Oxfam Netherlands (NOVIB)
Peace Boat
Plan International
Refugee International
Royal Norwegian Embassy
Sasakawa Peace Foundation
Save the Children
Solid House Foundation Netherlands
Swiss Contact
United Nations Development Program (UNDP)
UNHCR - The United Nations Refugee Agency
United Nations Children's Fund (UNICEF)
United States Agency for International Development (USAID)
Unitarian Universalist Service Committee (UUSC)
World Bank
World Conservation Union (IUCN)
World Vision

Management & team

Board of Directors

Harsha Kumara Navaratne
 Velupillai Revathan
 Wasantha P. Ramanayake
 Rev. G. Pamarathne
 Dr. Lionel Weerakoon
 Srimewan Weraduwa
 D.A. Kanthi Navaratne
 A.M.R.K. Adikarinayake
 S. Sivapackiyam
 Lakshi S. Abeyesekera
 Tapan K. Barman*
 Amanda J. Kiessel
 Kaushalya Navaratne
 M.I.M. Iqbal
 Deepal Chandrathilake
 T.Naresh Newton
 Ananda P. Kariyawasam
 B.A.Walter Amarasiri*
 T. Thamilagan

Senior management and operations

Harsha Kumara Navaratne Chairman
 Velupillai Revathan Vice Chairman Programs
 Wasantha P. Ramanayake Vice Chairman Operations
 B.A.Walter Amarasiri* Director Finance
 Sampath Wijesinghe Chief Accountant
 P.Srinivasan Regional Accountant, North
 R.M.Nimalsiri Accountant
 Bandula Ukwatte Internal Auditor
 Kumari Bandara Director HR and Administration
 S.V.R.Vethanayagam* Director Administration
 Aruna DeAlwis AD HR and Administration
 P.A.I.Udeni Dias Director External Affairs
 A.M.R.K.Adikarinayake Executive Secretary
 Lakshi Abeyesekera Director Special Projects
 Annet P.Royce Deputy Director Special Projects, North
 Tapan K.Barman* Director Special Projects, South
 M.I.M. Iqbal Special Projects Senior Advisor
 Aruna Samaranayake Special Project Manager, South
 Kaushalya Navaratne Program Director
 Amanda Kiessel Program Director
 T.N. Newton Research and Learning Unit Director
 Jinadari Wedamulla Islander Center Director
 T.Tamilalagan Field Director North 1
 S.Thavamohan Field Director North 2
 Deepal Chandrathilake Field Director East
 Ajith Tennakoon Field Director South
 Lal Fernando Regional Coordinator Central

Program Development Team

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 Dr.Lionel Weerakoon Agriculture and Environment Senior Advisor
 Chamari Lakmali Sustainable Agriculture
 Saranga Lakmuni Sustainable Agriculture
 Francis Binney* Fisheries
 Thomas Ramsson* Community Based Tourism
 Crista Foncea Community Based Tourism
 Hegodagamage Harshana Community Based Tourism
 Ella Cameron* Handicraft Designer
 Steve Francone Enterprise Development
 Kumarasiri Pothuwila Enterprise Development
 Ananda P.Kariyawasam Enterprise Development
 Chaminda Perera* Marketing and Sales
 Lal Fernando Rural Technologies
 Kate Hulbert-Powell* Disaster Risk Reduction, Plantation Sector
 Philippe Dresruesse Peace and Reconciliation
 A.G.Naushad Ahamed Peace and Reconciliation
 Ranjini Srikanthan Gender
 T.Amuthan Psychosocial
 Prasad Jayasinghe Psychosocial
 W.G. Ranasinghe CBO Development
 Nalaka Weerasooriya Research and Learning

District directors

AL Faleel Ampara
 KL Priyankara Anuradhapura
 G Nagarajah Batticaloa
 RAriyawansa Bandara Galle
 Jayantha Wijesinghe Hambantota
 V Kesavan Jaffna
 Sandeeka Rathnasena Kalutara/Colombo
 RAAnantharaja Kilinochi/Mullaitivu
 NMJB Nimbaliyadda Kurunegala/Puttalam
 T Thayaparan Mannar
 AMG Amarakoon Matara
 Dhammini M Rathnayaka Moneragala
 S Sivapackiyam Nuwara Eliya
 Bandula Rajapakse Polonnaruwa
 Samantha P Kalyanawansa Trincomalee
 A Ketheeswaran Vavuniya

Other consultants and advisors

Jacqui Pringle* Communications
 Jodi Rockman Communications
 Wendy van den Beld* Management, Eastern Region
 Simon Buller Management, Ampara
 Douglas Bablitch* Engineer and Management, Trincomalee
 Simon Wall* Project Advisor, South
 Beth Upton English Program Advisor

* Contract ended 2006/2007

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