

# Europe & Sri Lanka

## The Historical Background

**T**aprobane is the Arab name by which Sri Lanka was known to the Europe of antiquity. In "De Universo", an 8<sup>th</sup> century German scholarly work, Taprobane was an island of legend, elephants and gemstones, a dream of a world of plenty under the eternal sun for the people of wintry Europe.

Europe has had a long history of interaction with what is now known as Sri Lanka. Three powers in particular left a major impact on the island. The Portuguese, who first arrived in 1505, established control over most of the low country and remained until 1658. They were followed by the Dutch, represented by the United East India Company (VOC). In 1796 the Dutch ceded their interests (confined to the low country) to the British. Subsequently, in 1815, the British extended their control over the entire country by annexing the whole island.

All three of these colonial powers left lasting imprints on the social fabric of the country. The Portuguese military forces were followed by missionaries who converted large numbers of people to the Catholic faith. Today a significant Catholic population remains, especially on the western seaboard and in the north. The Dutch legacy is most felt in the form of the Roman Dutch law, which is part and parcel of the modern Sri Lankan legal system. The Dutch also established settlements and fortresses in the coastal areas. Galle Fort can be singled out as one of the finest preserved examples of this era.

Both the Portuguese and Dutch intermarried with the local population. The small Burgher community consists of descendents of these marriages.

But it is undoubtedly the British who most completely transformed the country, economically, politically and

socially. Sri Lanka became a major exporter of tea and rubber and until very recently these crops formed the bulk of her export earnings. The British also developed a good road and rail network and established some of the key legal and political institutions in the country. The country's legal system today is largely based on British common law principles. The political system in the country was initially based purely on a Westminster style parliamentary system and still retains much of that character.

Ceylon, as it was then known, achieved independence as a Dominion on 4<sup>th</sup> February 1948 under what was termed the Soulsbury Constitution of Parliament before it could become law. In 1972, some links were severed when Ceylon became an independent republic reverting to its ancient name of Sri Lanka.

But in addition to the three colonial powers, people of other European countries too have left indelible marks on Sri Lanka. The German, Wilhelm Geiger's translation of the great chronicle of Sri Lanka, the Mahavamsa, and his commentary on it, helped to sharpen the country's understanding of itself.

## Trade

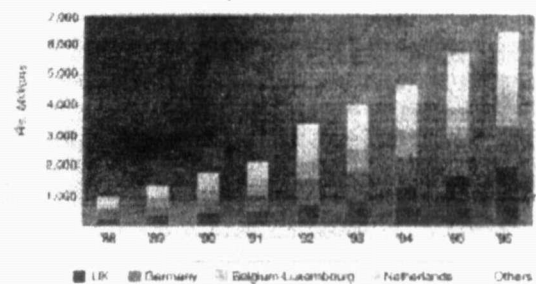
Trade and aid dominate economic relations between EU member countries and Sri Lanka. The structure of Sri Lankan exports to the EU has changed significantly in the last two decades. While traditional agricultural exports like tea, rubber and coconut products dominated the export scene until the late 1970s, today it is the garments industry that enjoys pride of place. Currently the EU accounts for about 30 per cent of Sri Lanka's exports.

It is the country's second largest market after the USA.

About half of Sri Lanka's total exports to the EU are sent to two member states, namely, the United Kingdom and Germany.

However, Belgium - Luxembourg (due to the export of cut diamonds) and the Netherlands are also important markets. Garments account for about half of Sri Lanka's total exports to the EU.

Graph 1



The EU currently accounts for little over 16 per cent of Sri Lanka's imports.

Again, nearly half these imports are from two member states, namely the United Kingdom and Germany, Belgium-Luxembourg, Italy and the Netherlands are also important suppliers.

Of the EU members, the United Kingdom plays a leading role in foreign trade. The UK is Sri Lanka's second largest export market and also the seventh largest exporter to Sri Lanka.

Power generation equipment, pharmaceuticals, non-metallic minerals and telecommunication equipment are amongst the major UK exports to Sri Lanka.

**1996 EXPORTS  
(by country)**

Country	Exports (Rs Million)	% Share
Austria	396	0.2
Belgium-Luxembourg	12,119	5.3
Denmark	612	0.3
Finland	167	0.1
France	5,983	2.6
Germany	13,229	5.8
Greece	534	0.2
Ireland	558	0.2
Italy	3,220	1.4
Netherlands	6,833	3.0
Portugal	244	0.1
Spain	1,356	0.6
Sweden	1,286	0.6
United Kingdom	21,477	10.0
All EU	68,014	30.0
All countries	226,801	100.0

UK imports from Sri Lanka are dominated by clothing followed by tea, spices and textiles.

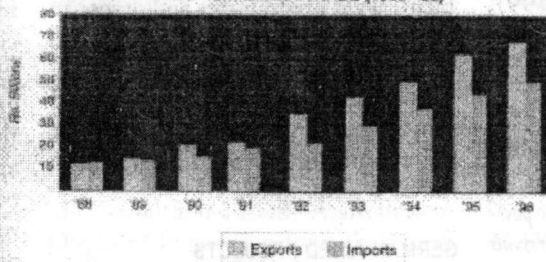
Germany is Sri Lanka's second largest EU trading partner. Amongst Sri Lanka's major exports to Germany are textiles and garments, tea and other food products as well as rubber and rubber products.

Key components of Sri Lanka's imports from Germany are textiles (particularly synthetic inputs into the local garment industry), machines, chemical products, cars and trucks as well as electro-technical commodities.

**INVESTMENT**

Of the EU member countries the UK has the largest investment in Sri Lanka in terms of asset value, output and employment generated. Amongst the leading British owned companies in Sri Lanka are: Coats Tootal, CIC and Ceylon Tobacco. Key British banks in Sri Lanka are Standard Chartered, and the Hong Kong and Shanghai Banking Corporation. Some of these companies have

**Graph 2  
EU - SRI LANKA TRADE (1988 - 96)**



been operating in Sri Lanka since the last century. Unilever and Shell are both British and Dutch owned.

There are also considerable British institutional share-holdings in several well established Sri Lankan companies such as Delmege Forsyth, Aitken Spence and John Keells. There is also a large British stake in the Sri Lankan garment industry. In addition to this direct investment there has been some British portfolio investment in the Colombo Stock Exchange since the early 1990s.

German direct investment in Sri Lanka was approximately 120 million-DM in 1996. It is estimated that about 30 German companies have invested in Sri Lanka, mainly in the form of joint ventures, creating about 18,000 jobs. German investment has chiefly been in garments, chemical and electronic products, bus production, tourism and wind surfing sails. The German Government owned development bank, DEG, also has holdings in the Bank of Ceylon, Development Finance Corporation of Ceylon and the Mercantile Shipping Company Ltd.

During recent years, two major Swedish companies in the field of telecommunications have established themselves in Sri Lanka. Suntel (75% owned by Telia) is one of the operators for domestic basic telecommunication services and has upto now invested approximately US\$ 100m. Ericsson is one of the main suppliers of telecommunication equipment in Sri Lanka.

Other Swedish companies like Trelleborg and Skanska have had operations in Sri Lanka for many years.

Investment by most other EU member states in Sri Lanka has been limited.

However, recently certain new investments have occurred with (the Anglo-Dutch) Unilever commissioning an ice-cream factory in Mirigama, Royal Dutch Shell's purchase of the Colombo Gas Company, the French Bank Societe Generale's

entry to Colombo and the French Ciment Lafarge who bought Marine Cement (Mahaweli Cement) with Swiss partner.

**TOURISM**

Sri Lanka is known for its golden beaches, lush vegetation, ancient cities and hospitable culture. It has tremendous potential to generate employment and income through its tourist industry. Especially tourists from the countries of the European Union seek areas of both natural and cultural attraction. Despite the ethnic strife that has given the country unfavourable publicity internationally in the past few years, tourism has maintained its position as one of the mainstays of the economy. There are also encouraging signs of an upturn in tourist figures from Europe.

**1996 IMPORTS  
(by country)**

Country	Imports (Rs Million)	% share
Austria	595	0.2
Belgium-Luxembourg	7,903	2.6
Denmark	1,074	0.4
Finland	1,064	0.4
France	2,730	0.9
Germany	8,497	2.8
Greece	205	0.1
Ireland	348	0.1
Italy	4,769	1.6
Netherlands	4,571	1.5
Portugal	98	-
Spain	459	0.2
Sweden	3,142	1.0
United Kingdom	13,913	4.6
All EU	49,368	16.5
All Countries	299,424	100.0

Analyzing the market performance of Western Europe in October 1997, the monthly Bulletin of the Ceylon Tourist Board (October 1997) records thus:

*"Western Europe recorded an increase of 38.2 per cent and it was the highest monthly percentage increase during this year. This position was due to the upward trend in arrivals from Germany and UK.*

*While France has maintained its growth, Italy has slowed down after the high increases of the previous three months. The Dutch market has continued to show strong growth, while all Scandinavian countries have performed well, admittedly from low bases".*

**AID: A GENERAL OVERVIEW**

A variety of aid programmes, which are supported for economic, political and humanitarian reasons contribute to Sri Lanka's development.

The EU and some of its member states have been important aid donors to Sri Lanka. Most of that aid has been in the form of grants. In recent years aggregate commitments have been in the range of around US\$30 to 50 million per year, when the major EU grantors to Sri Lanka have tended to be the Netherlands, the United Kingdom and Germany. Finland and Denmark were also important sources of grant aid to Sri Lanka until the early 1990s.

The European Community (EC), as a distinct entity; apart from the bilateral aid programmes of the member states, is also a significant donor to Sri Lanka. The term 'European Community aid', refers to that portion of European Aid that is managed by the European Commission. The main sources of EC aid are the EC budget providing over half of all EC aid and the European Development Fund (EDF) which provides over a third of commitments.

Up to the present time, grant disbursements by the European Commission itself have tended to be small. However, all member states are ex-

pected to gradually cut their individual bilateral aid programmes and devote an increasing share of these to the EU aid budget managed by the Commission. Thus, in the future the EU aid programme can be expected to grow at the expense of those of its member states.

**GERMAN AIDED PROJECTS**

Sri Lanka is an important German partner in Asia for development cooperation. Priority areas of bilateral cooperation are poverty alleviation, protection of the environment and management of natural resources, rural development, infrastructure improvements, education and vocational training. In recent years German aid has focused more on satisfying basic needs of the people than on high cost infrastructure projects.

Germany has helped to finance two large projects as part of the Accelerated Mahaweli Development Programme, namely the Randenigala and Rantembe dams. Both these projects (completed in 1989) contributed substantially to Sri Lanka's power supply and irrigation requirements.

These were very large projects with regard to both the size of the financial commitment and the technological achievement. Not only do they generate power, but also assist in flood control and as a buffer storage in irrigation. Germany has also contributed substantially to Sri Lanka's vocational training through the Apprenticeship Training Institute in Moratuwa, the Ceylon-German Technical Training Institute and the Railway Technical Training Centre at Ratmalana. The "German model" which combines theoretical school education with practical training on the job is employed at these institutions.

Another focal area of German developmental assistance lies in assisting the agricultural sector. The Sri Lanka-German Farm Mechanisation Training Centre in Anuradhapura, the Farm Mechanisation Research Centre and the Conservation Farming Project at Maha Illupallama and the Smallholder Integrated Livestock Development Project are some of the projects that have been undertaken.

Country	1989	1990	1991	1992	1993	1994	1995	1996	1997
Austria	4,962	7,790	6,318	8,418	9,087	8,736	6,927	5,145	5,823
Belgium	3,410	4,954	10,119	10,119	8,835	10,152	7,356	6,150	6,816
Denmark	1,112	1,088	1,917	1,971	3,375	3,126	2,967	1,629	1,851
Finland	558	770	34,770	1,563	1,917	4,146	3,261	522	564
France	19,744	33,044	95,541	40,206	34,770	30,510	31,008	21,453	23,392
Germany	30,180	59,086	18,210	85,365	95,541	93,756	79,869	45,123	59,814
Italy	14,774	19,212	15,387	25,539	18,210	18,066	18,378	11,976	14,424
Netherlands	5,772	8,698	978	17,529	15,387	12,222	14,307	11,004	15,957
Norway	600	766	2,334	966	978	1,254	1,068	882	1,242
Spain	822	1,550	6,426	2,643	2,334	2,811	2,952	1,788	2,406
Sweden	1,514	1,486	2,653	3,714	6,428	6,393	7,530	3,282	4,014
Switzerland	3,854	6,518	7,771	11,484	10,194	12,489	8,343	4,353	8,169
United Kingdom	26,540	40,476	31,585	41,238	44,226	50,313	64,491	53,163	62,997
Others	1,718	5,176	802	2,097	2,379	2,553	2,610	1,854	2,583
Western Europe	115,560	190,612	195,041	252,852	253,659	256,527	251,067	168,324	212,052
All Countries	184,732	297,888	317,703	393,669	392,250	407,511	403,101	302,265	366,165

Source: Annual Statistical Report 1997 of the Ceylon Tourist Board

The German Government has also committed commodity aid for shelter, food and medical assistance for refugees displaced by the conflict in the north and east. A new technical co-operation project has been initiated to assist in the rehabilitation of Jaffna. It seeks to improve the quality of water supply in Jaffna, rehabilitate private houses and repair damaged school buildings. A food security programme for the Trincomalee region is also under preparation. The German Agency for Technical Co-operation (GTZ) is playing an important role in providing humanitarian assistance in the North & East. GTZ has recently commenced a programme for reconstruction of houses in Jaffna.

#### FRENCH-AIDED PROJECTS

The French aid programme to Sri Lanka from mid-fifties on has taken the form of long term loans and grants (mainly in electricity, hydro-power, major irrigation schemes and training schools and telecommunications). After the decade of the seventies, the volume of regular French aid dropped. Nowadays, the projects assisted are in telecommunications, by providing switching centres in Colombo; in water supply, by providing water treatment plants in Ambatalle, Negombo, Trincomalee, Badulla and Kurunegala; in aviation, by providing navigational equipment for airports; and in health services, by providing a cardio-thoracic unit at the Kandy general hospital. A food aid programme has also been commenced recently with counterpart funds generated being allocated for agricultural projects in the north-east province.

#### ITALIAN-AIDED PROJECTS

Italian aid to Sri Lanka has focused on health and development. As part of its programme of assistance to Sri Lanka, the Italian Corporation, which is a part of the Italian foreign ministry, has supported the restructuring

and updating of the Trincomalee and Muttur-Hospitals. This included providing for specialised services such as surgical theatres, intensive care units, X-ray facilities, incubators and emergency units.

Italy has also supported a programme of "Social and Health Assistance to Displaced Population from the North and East" (1992-95). This project focused on the displaced population in the districts of Colombo, Anuradhapura, Puttalam and Trincomalee. Another programme of Health and Development for Displaced populations, which was implemented with the World Health Organisation (1993-96), promoted an integrated approach to the psychological, sanitary, social and economic problems of the displaced populations. The Italian Government has provided in 1997, humanitarian aid to the international Committee of the Red Cross of US\$ 600,000 and on February 1997, pledged a soft loan of US\$ 2,700,000. The two governments are determining the sectors where the co-operation projects shall be implemented, which in all probability, would be the fields of health and education.

#### NETHERLANDS-AIDED PROJECTS

The bilateral co-operation programme of the Netherlands focuses on three themes....

- Rural development
- Environment
- Reconstruction and rehabilitation

Rural development covers four main categories.

First, the Integrated Rural Development Programme (IRDPs) in Nuwara Eliya and Ratnapura. Scheduled for termination in 1999, it is expected however, that certain activities will continue to be implemented in those districts within the framework of the Regional Economic Advancement Programme (REAP).

Secondly, support to the Ministry of Mahaweli Development through

implementation of the Promotion of Multifunctional Household Environment Programme (PMHE) in the System "C" area.

The next area is support to the estate population (mainly tea and rubber) through implementation of the Social Welfare Programme (SWP) and technical assistance to the Plantation Housing and Social Welfare Trust (PHSWT). Scheduled to be terminated by end-1997, it was decided by the parties concerned to extend the SWP by another six months in order to facilitate the completion of on-going activities and prepare the start of the Plantation Development Support Programme.

Last is the support to the Strengthening SANASA Development Programme (SSDP) aimed at institutional support and training of the recently established SANASA Development Bank.

Activities in the environment sector fall into two broad categories.

Green environment - In January, the Integrated Resources Management Programme in Wetlands (IRMP) began as a sequel to the Wetland Conservation Programme (WCP). IMRP aims at preserving and developing the Muthurajawela area, including the Muthurajawela Conservation Zone and Negombo Lagoon, focusing on safeguarding the area's natural resources, optimal sustainable exploitation of suitable natural resources and strengthen the capabilities of local agencies and communities in resources management through Public-Private partnership.

Grey environment - The Central Environment Authority has received unit recently, assistance to formulate guidelines for pollution control rules and regulations. At present the Ceylon Chamber of Commerce collaborates with a Netherlands consultant in assisting companies to introduce environment friendly production techniques.

Activities under reconstruction and rehabilitation covers three areas. One, assistance to the government's programme in the Ampara district for housing and social infrastructure. A second programme has been identified in the Trincomalee district and will commence shortly. Regular discussions are being held with the RRAN for assistance to the Jaffna peninsula. In close co-operation with the RRAN and other donor agencies, support programmes are being identified which will lead to implementation in 1998.

The second covers assistance to local NGOs in the conflict areas of the North and North-East, through the Embassy's Direct Funding Programme.

Lastly, assistance to international organisations - UNHCR, UNICEF, ICRC and NGOs like MSF, ZOA, MEMISA and CARE International for their relief operations in the conflict areas. These emergency-relief funds are administered by the Ministry of Foreign Affairs at the Hague.

*Outside the main sectors, activities are being financed in the field of Human Rights and Research through a variety of organizations such as the Institute of Policy Studies (IPS), the Centre for Human Rights of the University of Colombo, the Bar Association, the Faculty of Economics of the University of Colombo, Central Cultural Fund, Universities of Kelaniya and Peradeniya. Furthermore, the Netherlands Embassy supports a wide array of activities through its Gender Fund, Cultural Fund and Small Embassy Funds.*

#### SWEDISH-AIDED PROJECTS

Since 1975, Sri Lanka has been one of the regular programme countries to receive Swedish Development Assistance. A Development Cooperation Office was opened in 1976 and became later a part of the Swedish Embassy established in 1980.

The first bilateral project started in 1959 in the field of family planning.

The Swedish development cooperation with Sri Lanka is administrated by SIDA (Swedish International Development Cooperation Agency).

According to the most recent strategy document, the objective of the Swedish Development Co-operation with Sri Lanka is to promote a development which is characterised by peace and democracy and which includes sustainable economic development benefiting the poor.

During the period 1978-87, Sweden co-financed the Kotmale Hydro Power Project, one of the three large scale power projects within the Mahaweli programme built with external assistance. The Kotmale power plant was commissioned in 1985. Kotmale is the second largest Swedish development project, with grants totalling SEK 1.5 billion.

Following the completion of the Kotmale project, education and integrated rural development and more recently, research co-operation, humanitarian assistance, gender equality, strengthening democratic institutions and private sector development have become chief areas of SIDA activity.

Integrated rural development programmes (IRDPs) in Matara, Badulla and Anuradhapura districts have been supported by SIDA with the objective of improving the living standard of poor people in rural areas. Social mobilisation has received great emphasis as a method for underprivileged rural people to work together for their own betterment.

The SIDA-support to the education sector has had the objective of improving quality in and access to primary schools for disadvantaged groups in society. A distance education programme has trained some 69,000 untrained teachers to be fully qualified. The Plantation Schools Education Development Programme (PSEDP) commenced in 1980 with the purpose of improving primary school facilities in this sector. A similar programme com-

menced in 1986 for disadvantaged areas in and around Colombo and the rural areas of Kegalle, Kandy, Nuwara Eliya, Ratnapura and Kurunegala.

The objective of the research cooperation programme is to build up research capacity in Sri Lanka in basic sciences and has mainly been channelled through NARESA (the Sri Lanka Research Council) and UGC (University Grants Commission). Various research projects have covered areas like water, buffaloes, molecular biology, marine coastal research, electrical engineering, etc.

The private sector programme includes support to export development in the garment and wood industries, development of a quality infrastructure, setting up an arbitration institute for setting commercial disputes and quality upgrading of the fish export industry.

Humanitarian assistance to war torn areas in the North and East is mainly channelled through international organizations like ICRC, UNICEF, UNHCR and MSF following specific requests.

Some 60 Sri Lankans participate yearly in the SIDA International training Programme, where advanced courses of normally 4-6 weeks are organised in areas where Sweden has special competence and resources.

#### UK-AIDED PROJECTS

The United Kingdom has been a major donor to Sri Lanka and been involved in a number of large capital intensive projects. In the recent past, these have included the construction of the Victoria Dam (1980-85), as part of the Accelerated Mahaweli Development Programme, and the improvement of road conditions in Colombo (1987).

Since 1989, the orientation of British aid to Sri Lanka has changed with a move away from large capital in-

tensive projects towards programme aid. The current UK-Sri Lanka country programme focuses on four major themes or areas. The first area of British aid has to do with the environment. Projects currently underway are a recently concluded Forestry Management Project (1991-97), a Participatory Forestry Management Project (due to continue until 1998) and another three year project to support certain activities of the Mahaweli Authority. Projects to improve the efficiency of the Colombo sewerage system has recently started

The second area of British aid is human resources development, and education in particular. Three projects are underway: (i) the Open University Distance Education Project, to improve management capacity (1996-98), (ii) the Primary English Language Project, to improve the quality of English language teaching skills (1996-99) and (iii) the Master Plan for Primary Education Project, to assist the Ministry of Education in developing and implementing a strategy for primary education needs (1997-2000). A Primary Mathematics Project (to establish a model for in-country maths training of primary school teachers) is currently being designed.

The third area of British aid to Sri Lanka concerns good government. In this context Sri Lankan Customs and Excise staff are being trained in basic investigative techniques to assist in doing law enforcement. The Colombo Municipal Council is also being supported through an institution building project-covering management information systems, financial accounting and skilled labour training schemes. Assistance with urban poverty in Colombo is also being considered. Potential areas for future co-operation in this field are also being explored. These include improving the performance of the police, raising the efficiency of court administration, civil service reform and privatisation.

The fourth area of intervention, namely poverty reduction, with a special focus on relief and rehabilitation assistance in the north and east, is implemented mainly through NGOs. However, in response to the Sri Lankan Government's 1996 appeal for assistance to Jaffna, Britain provided generators, cable and electricity meters to effect an interim power supply. Installation was partially achieved in May 1997. Britain has also agreed to fund a study to assess Sri Lanka's longer term power requirements.

#### EC-AIDED PROJECTS

The European Union (EU) as an entity channels aid to Sri Lanka through the European Commission (EC). The approach is an integrated one in which all aspects, from irrigation to commercial opportunities and social issues are addressed.

In the past, EC development aid concentrated mainly on food aid (mainly wheat) with packages of between 7-9 million ecus a year from 1976 onwards. Project aid was also provided for during the first five years, increasing from about 2 million ecus to 5 million ecus. In the 1980s project aid amounting to about 3.5 million ecus per year was disbursed to support the Accelerated Mahaweli Development Programme. Emphasis today is given to financial and technical assistance for poverty alleviation in rural areas.

Major projects currently supported are the National Irrigation Rehabilitation Project which aims to increase agricultural incomes and upgrade the skills of farmers through participatory methods; the Minor and Medium sized Irrigation Systems in the North West province which also gives special attention to women's empowerment; the Moneragala Irrigation and Community Development Project; and the Mahaweli Consolidation project which seeks to safeguard the gains already made and to create a more active commercial environment.

Other ongoing projects outside of the rural sector include assisting in the improvement of tourism and the Sri Lanka Standards Institute. Some recently concluded projects supported by the EC include providing assistance to the Maradana Jewellery School and exposing Sri Lankan jewellers to the European market, providing technical assistance to the printing industry and the ceramics industry, and undertaking studies on developing the tea and computer software industries. A European Business Information Centre which will provide commercially relevant information on economic, legal, technical, financial and market issues relevant to both the Sri Lankan and European markets is due to be implemented shortly with EC assistance.

#### NGOs AND INTERNATIONAL AGENCIES

Another important area of cooperation concerns aid to Non Governmental organisations (NGOs) and international agencies working in Sri Lanka. (See Annex 5). Sri Lanka's NGO sector has been in the forefront of many activities. Protection of the environment, human rights, family planning, women's empowerment, social welfare, savings and credit as well as training of trainers are some of the main areas in which NGOs have taken the lead. In this context, it is useful to briefly review some NGO programmes supported by EU member countries and the EC.

#### GERMAN-SUPPORTED PROJECTS

German NGOs are involved in the North and East. DESWOS a German NGO together with the Direct Help Organisation of Sri Lanka is involved in a resettlement project for three villages in the Southern part of the Vavuniya District. Key activities include the provision of equipment, meals and toys for pre-schools, the construction of agro-wells and the initiation of income generating activities. German Agro-Action in collaboration with a local NGO is conducting another project for families

displaced as a result of recent military operation in the uncleared areas of Vavuniya and Mannar districts. This involves the provision of shelter and kitchen utensils and the construction of sanitary facilities.

#### ITALIAN-SUPPORTED PROJECTS

The Italian Government made a contribution to the WHO's "Health and Development for the Displaced Population Programme" designed to promote an integrated form of relief to affected groups (1993-96).

#### NETHERLANDS-SUPPORTED PROJECTS

The Netherlands channels rehabilitation and relief assistance for the north and east through international NGOs such as MSF, CARE and ZOA. Dutch aid is also channelled through certain international agencies such as the UNHCR, ICRC and UNICEF. Financial and technical assistance is also provided to a variety of public policy and human rights-oriented local NGOs.

#### SWEDISH-SUPPORTED PROJECTS

The Swedish International Development Cooperation Agency (SIDA) supports NGOs in Sri Lanka through various channels. Amongst the key activities supported are human rights, peace and democracy and gender equity programmes. (See Annex-6). Projects supported have been in child rights awareness, eradication of exploitation of children, publications on the situation in the conflict zones of the North-east, mobilising public support for a peace settlement, providing legal aid services to victims of human rights violations and gender education.

#### UK-SUPPORTED PROJECTS

The High Commissioner has two discretionary funds; the Heads of Mission Gift Scheme and the British Partnership Scheme, which are dispensed through local NGOs and

Voluntary Service Overseas (VSO) staff. There are currently fifty volunteers from VSO recruited in Britain, working in Sri Lanka. They are mainly in the education and health sectors, also in the training of leather workers and carpenters and the development of small businesses.



Victoria Dam

Twelve young volunteers from Project Trust are also involved in the teaching of English.

The British Government also channels relief and rehabilitation assistance to families displaced by the civil conflict in the north and east through Oxfam and Save the Children Fund. Another project helps a local NGO to provide reproductive health and mother and child health care services in three districts.

#### FRENCH-SUPPORTED PROJECTS

Two French NGOs are involved in the North (Jaffna) and East (Trincomalee and Batticaloa) and Anuradhapura: MSF (France) and ACF. Their action is mainly directed towards displaced families.

#### EC-SUPPORTED PROJECTS

The European Commission has been funding a number of NGOs and international organisations both directly and indirectly. The projects cover a broad range of sectors including vocational training, income generating activities, small-scale business development and health (drug abuse, HIV/

AIDS) and assistance to disabled persons.

The EC also offers substantial humanitarian and emergency assistance, much of which is not acknowledged or recognised publicly as it is channelled through NGOs and international organisations. For instance during the period 1996/1997 there have been grants to the ICRC and to Oxfam and MERLIN, which are British NGOs working in the areas affected by the present conflict.

Currently the EC is funding a relief project for people, displaced as a result of military operations, two food security projects villages in the east, bordering the war zone, a resettlement project in Vavuniya, and rehabilitation of selected water works in Jaffna. Many other activities conducted by NGOs have involved the provision of relief for displaced families (including shelter, kitchen utensils, medical supplies and other non-food items) and assistance in the resettlement of refugees in their villages of origin in the north and east.

The EC also provided more than half the UNHCR Sri Lanka budget for 1996/97. Activities covered under this programme, include the rehabilitation and construction of houses and basic infrastructure (such as wells, village access roads and tanks). The initiation of income generating activities in order to enhance the financial independence of returnee families has also been encouraged.

Finally a large number of Sri Lankan NGOs receive help direct from European equivalents or other charities, without any direct governmental or official involvement.

*Courtesy:*

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