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Interim Report
of
The Select Committee of Parliament for investigation of the
Operations of Non-Governmental Organizations and their Impact.

Presented by
Hon. Vijitha Herath
The Chairman of the Committee

Presented to Parliament on 08 December 2008

Setting up the Committee

According to a motion moved by Hon. Nandana Gunathilake on 30th August 2005, it was decided by the Parliament to set up a Select Committee to look into the Operations of foreign aid receiving Non-Governmental Organizations that operate in Sri Lanka, and inquire about the level of transparency of the financial activities of those non-governmental organizations, identify the manner in which the operations of the said non-governmental organizations have made an impact on the sovereignty and national security of Sri Lanka, identify the way the operations of those non-governmental organizations have made an impact on national and social well-being and inquire into the manner in which the Government of Sri Lanka should act with respect to these non-governmental organizations and make the necessary recommendations.

Subsequently, the Committee which consists of 19 members appointed to represent all political parties in Parliament was appointed on 17th January 2006, under the Chairmanship of Hon. Nandana Gunathilaka. This Committee met for the first time on 19th January 2006 and by the date on which this interim report was submitted, it had held 39 meetings. (Names of the members of the Committee are given in Annexure 1).

Further, on 4 May 2006, Hon Nandana Gunathilake resigned from the Chairmanship of your committee on personnel grounds and Hon. Vijitha Herath was appointed as Chairman in his stead. Similarly, since its inception, the number of members in the committee was increased on several occasions up to now and at present the total number of members in your committee stands at twenty six (26).

Your committee started its activities by publishing a notice in all three languages in all the national news papers calling for submissions from the public. It was also decided to provide opportunity for some selected individuals, out of those who make submissions, to make oral submission before the committee. In response to this, thirty four (34) people had made their submissions to the committee and out of the 11 who were invited to make submissions before the committee, 10 made use of the opportunity.

The assistance of Mrs. V. Jegarasasingham, the Secretary to the Ministry of Social Services and Social Welfare, Mr. Douglas Nanayakkara, the Registrar of the National Secretariat on Non-Governmental Organizations, Mrs. Yamuna Chitranganie, the Director of the Department of Social Services, Mr. Jayantha Jayasuriya, the Deputy Solicitor General, Mr. Raja Wanasundara, former Supreme Court Judge, Mrs. J. P. T. de Silva Munasinghe, the Director (Supervision) at the Central Bank of Sri Lanka, Mr. D. Wasantha, the Acting Controller of Exchange at the Central Bank of Sri Lanka, Mr. A. Abeygunasekara, the Additional Director General of the Department of Foreign Resources, Mr. D. K. Hettiarachchi, the Registrar of the Companies, Mrs. V. Wickramasinghe, The Secretary to the Ministry of Constitutional Affairs and National

Integration, District Secretaries and Government Agents was received for the activities of the Committee.

An advisory committee consisting of five officials was appointed with the objective of getting advice to assist the progress of the committee and five Research Assistants were recruited to get assistance for research work (their names are given in Annexure 2)

It was observed by your Committee that it is the general view of the people who made their written and oral submissions to the Committee that in general, no favorable service of considerable value is rendered to the society by non-governmental organizations. At the same time the fact that certain non-governmental organizations engage in their projects activities in fields that are unnecessarily threatening to defence and that they make unwanted interference in the field of education and also the instances where some other non-governmental organizations even avoided abiding by the orders of the Parliament making use of their diplomatic relations were observed by your committee.

The origin and evolution of non-governmental organizations

Non-Governmental Organizations have descended from the charitable and humanitarian work, which had a prominent place in the Industrial Countries prior to the 19th century and such work was behind the forming of organizations by the middle class and the rich to help the poor, underprivileged people to meet their material demands or to help them to become self-supportive or for relief and welfare work on their behalf. Although limited, this was a channel to transfer resources from the rich to the poor and such work called voluntary activities paved way for the inception of non-governmental organizations, which were called charities, charitable organizations, and welfare organizations.

During the feudal period, the requirement of agricultural and irrigation activities were met by people's co-operation and such work was called "Shramadana". The Temple was the centre of agricultural life style and "Dayaka Sabha" were formed to look after its needs. Other than that village councils, irrigation councils and community based organizations functioned in compliance with local customs and traditions. Likewise, village development societies, Gramodaya Mandala and Death Donation Societies which started as social service organizations were pioneer organizations that lead to the birth of present day non-governmental organizations. Such community based organizations functioned as pioneer institutions of village development, respecting local customs and traditions and with the revolutionary transition that occurred in Europe, the local grass root level community based organizations gradually debilitated and with further pressure from the west society economy and customs became westernized and organizations with western colonial elements began to spread, overpowering the local grass root level community based organizations. It is not known to many people that western colonial forces have invaded our country under the pseudonym 'voluntary organizations', using the poverty in Sri Lanka as their trump card.

Even though some non-governmental organizations have rendered a great service to our country, it should be mentioned that the Tsunami disaster which moved the whole world in 2004 has become a blessing for some non-governmental organizations. The non-governmental organizations that came to Sri Lanka in large numbers because of this disaster, have turned out to be the second best lucrative business in the present day world.

Defining “Non-governmental organizations”

Although various scholars have defined ‘non-governmental organizations’ in different ways, Act No. 31 of 1980, Voluntary Social Service Organization (Registration and Monitoring) Act has defined non-governmental organizations in the following manner.

Accordingly, any organization;

- that has been formed on voluntary basis by a group of individuals and of non-governmental in nature,
- that depend on public contribution, charity, governmental aid and local and foreign donations in performing its activities,
- that has as its main objective, providing aid and services for mentally handicapped or physically disabled persons, the poor, orphans and the destitute and providing relief in times of natural disaster can be called a non-governmental organization.

The Committee was of the view that the main objective of these non-governmental organizations come within the range of following areas.

1. Alleviation of poverty
2. Environmental conservation
3. Health and sanitation
4. Education and Training Activities
5. Rehabilitation and Reforms
6. Human Rights
7. Disaster Management
8. Rights of Children
9. Women’s Affairs
10. Organizing Credit and Services

The Committee held the view that the non-governmental organizations with these areas as their scope can be classified in the following manner.

- Local non-governmental organizations
- Local non-governmental organizations that receive funds from foreign countries
- Foreign non-governmental organizations

- Foreign non-governmental organizations that are agents of foreign non-governmental organizations

The term ‘Non-governmental organizations’ has been defined by prominent countries in the world like the United State of America and the United Kingdom as well as by world organization like the World Bank and the United Nations Organization.

Having paid special attention to the charities Act of 1993 which has defined any institution or organization that has registered itself for charity work as a non-governmental organization, your Committee observed that the said Charities Acts of the United Kingdom have defined non-governmental organizations and that the United Nations Organization has defined ‘any international organization other than those setup by a state agreement’ as a non-governmental organization.

That in the United Kingdom, in the Charities Act of 1993, any organization or institution that had been registered for charity work has been defined as a non-governmental organization and under that 13 sub sections have defined extensively the sectors that involve the activities for which a non-governmental organization could be directed and that opportunity is provided for some institution to escape being classified as a non-governmental organization as a result of certain loop holes that exist in the definition of non-governmental organizations that is found in Act No. 31 of 1980, voluntary Social Services Organization (Registration and Monitoring) Act of Sri Lanka constituted the basic view of all submission.

Similarly it was the unanimous decision of the Committee that the following specific factors derived from the definition of non-governmental organizations from other countries should be used in an official definition of non-governmental organizations.

Those specific factors being;

1. Built by a group of people of the civil society.
2. Voluntary participation of the people.
3. Aim of helping the affected people.
4. Having properly defined aims, policies, plans etc.
5. Legal recognition.
6. Having a constitution.
7. Proper system of Management.
8. Proper Internal Administrative system.
9. Accountability.
10. Non-sharing of profit among partners.
11. Operation within the legal and policy framework of the country.
12. Operating in compliance with the accepted values, customs etc. of the country.
13. Being free from the political interference.

Accordingly, the need to give an expensive definition for non-governmental organizations to suit the conditions of Sri Lanka, after observing the ways in which non-

governmental organizations have been defined in some prominent countries in the world like India, the United States and the United Kingdom, and taking those factors also as the basis was pointed out by the Committee.

Accordingly, it was the view of the committee that the following definition should be legalized.

“All organizations formed by an individual or a group of individuals with no state agreement, for the purpose of rendering volunteer service with local and foreign aid, with no expectation for profit but aiming at social security, welfare and development, with a constitution and a management system consistent with the domestic legal and policy framework and ethics are defined as voluntary social organizations or non governmental organizations”

Operations of Non-Governmental Organizations in Sri Lanka and the Registration of Non-Governmental Organizations.

Successive governments that came to power in Sri Lanka adopted a special free policy regarding the operations of non-governmental organizations because of the support received from non-governmental organizations and very often invaluable support was extended for non-governmental organizations without a thorough study. As the role of non-governmental organizations carries great variety, the duties and responsibilities of the government and non-governmental organizations on each occasion should differ from each other. Similarly mechanisms or legislation based on state policy should be provided to regulate non-governmental organizations. It was the decision of the Committee that taking such measures is important as it can not be said that all non-governmental organizations operate against national progress.

A key observation of the Committee was that the operations of non-governmental organizations at present have made negative impacts on certain fields. Based on the facts submitted to the Committee, it was decided that unnecessary interference has been made in the fields of the sovereignty of the country such as Defence, Religious Sector and Education. Based on the facts submitted to the committee it was decided that non-governmental organizations interfere unnecessarily with respect to highly sensitive issues of the country. Non-governmental organizations have interfered unnecessarily in this manner in highly sensitive fields of the country. A large number of international non-governmental organizations came to this country after the Tsunami disaster for relief and rehabilitation activities and they still operate within the country.

Some non-governmental organizations have interfered in various fields of the country by way of memoranda of understanding and it was obvious that it was the aim of non-governmental organizations to strategically approach various fields after entering one field. On various instances it was clearly seen that many international non-governmental organizations have exaggerated conditions prevalent in Sri Lanka with the aim of obtaining aid from their mother countries.

Similarly another important observation made by your Committee was that on any occasion where the government involvement happened to be minimum, non-governmental organizations come out and engage in their activities with added vigor. At the same time, it was seen very clearly that the poverty of Sri Lankans is used by many non-governmental organizations as the main channel to approach the public.

With the Tsunami disaster foreign non-governmental organizations came to this country in large numbers and a large numbers of non-governmental organizations were started locally as their partners. With these non-governmental organizations starting their operations, the number of employees, both local and foreign serving in the non-governmental organizations also became very large. Non-Governmental Organizations and the members of their staff who had no prior training for emergency situations of disaster engaged in relief and rehabilitation at that time. Many of the activities of non-governmental organizations which were carried out without any prior training or preparation failed to achieve the required goals.

Here, non-governmental organizations intervened to accomplish a huge amount of work in the manner of providing temporary shelter for those displaced by the Tsunami, providing psycho social assistance, providing aid for livelihood, constructing damaged school buildings etc. But, as a result of weaknesses in administration, proper service of non-governmental organizations was not received by the people. The durability of those houses built after the Tsunami disaster testify to this act. Most of the housing schemes have become uninhabitable. These houses with very poor sanitary facilities have not reached the required standard. One issue that emerged at the Committee meetings could be cited as an example here. Mrs. Shanthi Fernando, the Executive Director of RADA, who expressed her views stated, “even though 59 non-governmental organizations signed memoranda of understanding with RADA to build 65,782 houses for those affected by the Tsunami, only 3,270 houses have been completed so far.

Operations of foreign non-governmental organizations within Sri Lanka

Through the involvement of foreign non-governmental organizations in various fields in Sri Lanka, international interference into internal affairs of the country has increased immensely. One of the key objectives of the Committee was to pay special attention to the non-governmental organizations that depend on foreign aid. It was specially accentuated by the Committee that the government, public institutions and the public should be vigilant of the way foreign funds are handled as foreign exchange flows into the Sri Lanka greatly via foreign non-governmental organizations. A major proposal made by your Committee was that the non-governmental organizations that expect to operate in Sri Lanka should obtain a report from the Sri Lanka embassy in the mother country of the said institution and based on that report, the said non-governmental organizations should be referred to the National Secretariat for non-governmental organizations for registration in this country.

Ascertaining the transparency of non-governmental organizations through this was the basic intention. It was decided at the Committee that the institutions that provide aid for non-governmental organizations should not be allowed to prepare work plans for non-

governmental organization so that political, economic, social and religious motives of those institution could be achieved and that in planning such work current requirements of the country should be considered.

Various non-governmental organizations have attempted to intrude into various fields in the country by signing memoranda of understanding. There have been instances where the intervention of non-governmental organizations was very power full even in highly sensitive sectors operative in the country, as result of the weaknesses which were prevalent in those memoranda of understanding. The basic reason for that was the fact that the state sector had entered into memoranda of understanding through various Ministries without any inquiry. It was established that very often a thorough study of the content of those memoranda of understanding had not been done on the part of the government. Based on those factors, it was decided by the Committee that in signing memoranda of understanding with non-governmental organization, new criteria should be introduced so that interference by the said organizations in activities that concern state policy could be minimized and controlled and that such programmes should be implemented under strict supervision of government officials. Similarly, your Committee having observed that there are many non-governmental organizations who abandoned their incomplete projects after signing post-Tsunami memoranda of understanding with the government, decided that new rules and regulations should be introduced with respect of those non-governmental organizations.

Common weaknesses that existed in the field of Non-governmental organizations

Even though the operation of most of the non-governmental organizations that were summoned before the Committee were different from each other, the common weaknesses of those non-governmental organizations were observed as follows;

- Most of the non-governmental organizations that operate in Sri Lanka operate in contravention of the law and policies of the state.
- Many non-governmental organizations operate according to their own agenda.
- Minimum transparency in auditing.
- Lack of clear knowledge about the Act on non-governmental organizations, on the part of the officials of non-governmental organizations
- Non-governmental organizations do not act in compliance with the accepted standards in Sri Lanka in preparing accounts and audit reports.
- In many foreign countries operation of non-governmental organizations is regulated by the executive of the country. But in Sri Lanka no such mechanism is operative.
- In foreign countries all activities of non-governmental organizations are monitored by a Board which consists of officials from all government institutions and line ministries. In Sri Lanka, although this measure has been considered and proposed, it has not been implemented yet.
- In many countries action plans have been prepared in such a way that the responsibility of the operations and management of non-governmental organizations is assigned to responsible government officials. Similarly, registered non-governmental organizations receiving financial aid should engage

in transactions with only one branch of a bank that has been approved by the government. But in Sri Lanka no such clear methodology is discerned.

Even the Executive Director of the foundation for Co-existence who was summoned before the Committee for inquiry admitted without any argument that the non-governmental organizations sector in Sri Lanka does not follow a proper procedure and that there were many shortcomings in that sector.

Proposals made by the eminent persons for the progress of Non-governmental organizations.

Various persons with a thorough knowledge of the non-governmental organization sector made submissions before your Committee and out of them, their views on how non-governmental organizations should operate within Sri Lanka can be summarized as follows.

- The leaders/heads of non-governmental organizations should be persons elected by the membership of those organizations.
- Local non-governmental organizations should be given priority.
- New rules and regulations should be introduced to enable the local non-governmental organizations to carry out their work in collaboration with foreign non-governmental organizations.
- International non-governmental organizations that expect to carry out their activities in Sri Lanka should join hands with local non-governmental organizations and thereby should contribute to capacity development of local non-governmental organizations.
- Steps should be taken to prevent certain international non-governmental organizations using monetary aid proposed to be used in Sri Lanka for activities in other countries.
- In introducing new legislation with respect to the operations of non-governmental organizations in Sri Lanka, paying more attention to the rules, regulations and criteria contained in the Charities Act of Britain.
- Introducing rules and regulations to enable any international non-governmental organizations to operate as a local non-governmental organization for the purpose of capacity building of local non-governmental organizations.
- Employment of foreigners in the non-governmental organizations sector within Sri Lanka should be limited as per need.
- Introducing a proper mechanism with relevance to identifying the beneficiaries of project implemented by non-governmental organizations and measuring the social impact of those projects.
- A register containing names and qualifications of the employees of non-governmental organizations should be prepared and if an employee is found guilty of embezzlement, he or she should be expunged from the relevant service register.
- The Audit Reports of non-governmental organizations be prepared in compliance with the accepted audit standards of Sri Lanka and be subjected to direct supervision and investigation of the Auditor General.

Registration of non-governmental organizations in Sri Lanka.

It became evident to the Committee that there is opportunity for a certain institution to register as a non-governmental organization using one out of about 10 available methods such as under legal provisions of Social Service Organizations (Registration and Monitoring), Companies Act and Societies Act as well as by incorporation by an Act of Parliament.

Accepted Acts and methods for the registration of non-governmental organizations at present.

1. Voluntary Social Service Organizations (Registration and Monitoring) Act No. 31 of 1980 and Amendment Act No 08 of 1998.
2. Companies Act No. 17 of 1982.
3. Special Acts of Parliament
4. Societies Act of 1972
5. Companies Ordinance (Amendment) of 1891
6. Agrarian Development Act No. 46 of 2000.
7. Rural Development Act
8. Protection of the Rights of Elders Act No 09 of 2000
9. Consumer Affairs Authority Act
10. Trustee Ordinance

Nevertheless, your committee unanimously acknowledged the need for all non-governmental organizations to register under one authority.

Since a significant number of unregistered non-governmental organizations are operative in the country, your committee was of the view that registration non-governmental organizations within the country shall be made mandatory. As it takes at least six months for the registration of non-governmental organizations and as most organizations carry out their activities in the society during this period, the Committee opined that a temporary certificate of registration shall be granted for the said period.

Your Committee proposed that a report from the Embassy of Sri Lanka in the mother country of the non-governmental organizations which intend to function in the country shall be obtained and on the basis of the said report the non-governmental organizations shall be referred to the National Secretariat on the non-governmental organizations for the registration in the country.

One of the key decisions of your committee was that a report shall be obtained regarding the non-governmental organizations which have not registered in the National secretariat on non-governmental organizations up to now but registered under another Ministry or Department. It was also decided that a request shall be made from all the Secretaries of the Ministries to take action to register all the non-governmental organizations registered under their respective Ministries, in the National Secretariat on non-governmental organizations.

Your Committee also suggested that new regulations shall be introduced to monitor and regulate the aforesaid non-governmental organizations at the time of their registration itself. Your Committee also resolved that the non-governmental organizations which operate shall locally shall register themselves with the District Secretariat or Divisional Secretariat of the relevant area.

Your Committee having paid attention to the above matters observed that the legal provisions contained in the Voluntary Social Services Organizations (Registration and Monitoring)Act No 31 of 1980 and the Voluntary Social Services Organizations (Registration and Monitoring)Amendment Act No 08 of 1998 lacked teeth to regulate the activities of non-governmental organizations. Hence your committee emphasized the need for the introduction of a new Act for this purpose incorporating new legal provisions. Your Committee also discussed and resolved that a sufficient workforce and the other relevant facilities shall be made available in order to avoid such situations and to formally regulate the activities of non-governmental organizations.

The report that was compiled for the strengthening and reconsideration of the Voluntary Social Services Organizations (Registration and Monitoring)Amendment Act No 31 of 1980 has outlined its views on the regulations of non-governmental organizations as follows.

- Failure of the legal provisions in the existing Voluntary Social Services Organizations Act to create an adequate legal background

For instance, though the relevant provisions have been made to register all charities operating in foreign countries under the Charities Act, such a background had not been created in Sri Lanka. For example, Caritas - Sri Lanka operating in Sri Lanka claims that theirs is not a non-governmental organization but comes under the Catholic Bishops Conference.

- A problematic situation being created due to the prevailing mechanism to registration providing more than one opportunity for the registration of non-governmental organizations.

For example , the opportunity for a non-governmental organizations to register under the Voluntary Social Services Organisation Act as well as under the Companies Act.

- Clear determination of the validity period of the registration.
For example, in compliance with rules and regulations pertaining to non-governmental organizations in Kenya, the NGO shall renew their registration every year
- Preventing springing up of single issue of non-governmental organizations by employing rigorous registration process.
- The need for making people aware of the diverse procedures for the registration of non-governmental organizations by distributing leaflets.

- Devising a mechanism to identify non-governmental organizations that are engaged in various activities such as community service, capacity building and training through the registration process itself.
- Making it compulsory for all non-governmental organizations coming under the category of “Social Services” to register under the department of Social Services. During this inquiry, your committee paid attention to the lessons that Sri Lanka could learn by studying the registration process of non-governmental organizations in foreign countries.
- All non-governmental organizations which function or wish to function in foreign countries shall register in the Committee on foreign non-governmental organizations established under the state law. However in Sri Lanka such a formal process could not be witnessed.
- In countries like India, before the registration of foreign non-governmental organizations public notice is given through newspapers and specific time frame is offered for raising objections and the registration is done thereafter. Similarly many countries of the world register different organizations separately, i.e. foreign non-governmental organizations, trust fund, non-profit making associations and organizations that are registered as separate local and foreign entities.
- In many foreign countries, there is a separately compiled list of names for the registration of foreign non-governmental organizations and it has been compiled formally. When Sri Lanka is considered, the registration and administration of Voluntary Service Organizations in Sri Lanka shall be executed under the Voluntary Social Services Organization (Registration and Monitoring)Act No 31 of 1980 and under the Voluntary Social Services Organization (Registration and Monitoring)Amendment Act No 08 of 1998. The National Secretariat on non-governmental organizations has compiled a list of names pertaining to this but it is not a fully fledged document with essential information.
- Many foreign countries have included such important details as historic and current information, local and foreign activities, vision and objectives, staff, donor agencies future course of action and plans budget and operating areas with regard to the non-governmental organization when compiling the list of names of non-governmental organizations. However the list compiled by the National Secretariat on non-governmental organizations of Sri Lanka only includes the file number, type, registration number, name, address and telephone number of the relevant non-governmental organization. Similarly the preparation of a coherent document has failed due to the attempt made to include all voluntary organizations in a single document.

As mentioned in the Presidential Commission on non-governmental organizations, the specific proposal for registration are as follows ;

- Following one accepted methodology for the registration of international non governmental organizations.
- Taking action to obtain reports pertaining to non-governmental organizations by making all non-governmental organizations to register under one institution.
- Carrying out registration with the involvement of several Ministries.

The Impact of Non Governmental Organizations on National Security, Territorial Integrity, and Sovereignty.

One of the major issues that come under the purview of the Committee was to scrutinize the extent to which the non-governmental organizations operative in Sri Lanka influence national security, national integrity and sovereignty. It is important to briefly examine as to how non-governmental organizations gained access to these critically important subjects of the country.

The Emergence of Non Governmental Organizations

The civil administration of the North and East of the country was paralyzed due to the protraction of the Tamil separatist struggle in these areas. On account of the confused state in those areas and the migration of people living in these areas to India and European countries en masse as refugees for safety, a tendency of North and east becoming isolated was created. Non Governmental Organizations which defined this situation as conflict resolution started functioning in these areas and this created an opportunity for them to be involved in the policies of the government.

Non-governmental organizations which cleverly observed this situation started functioning in these angst ridden areas with the intention carrying out humanitarian services, development projects and welfare and rehabilitation programmes. It has been reported that 65 percent of these non-governmental organizations have come into being after 1977 with the intensification of the armed conflict in the North and the East around 1980, a handful of large in non-governmental organizations too launched their activities as institutions providing humanitarian assistance.

On account of these reasons an unusual mobilization of non-governmental organizations is witnessed in the Northern and Eastern Provinces. Of the non-governmental organizations 50% are established in Colombo and in the North Central Province in is 8%. The figure is 5% in the Central Province and in the Southern Province it is about 3%. However, despite the unstable and conflict situation in the north and the east number of non-governmental organizations established is around 20%.

Entry of Non-Governmental Organizations for Conflict Resolution and Peace

With the escalation of conflict in the north and the east, into an armed struggle, foreign funded non-governmental organizations have functioned under various topics in particular under the topic of conflict resolution and establishment of peace. The non-governmental organizations thus emerged have categorized their objectives as follows ;

1. Conflict study
2. Conflict resolution
3. Coexistence and national unity
4. Devolution of power
5. Introducing federalism and attitudinal change

6. Human rights and humanitarian development
7. Removing land mines (De-mining)

In addition, non-governmental organizations which stand for rehabilitation and development activities and human rights operate as a group. It seems that non-governmental organizations belonging both these categories operate through memoranda of Understanding signed with the State and State Sector institutions.

Non-governmental organizations giving priority to conflict resolution and peace

Non-governmental organizations which stand for conflict resolution peace and human rights are listed below ;

- National Peace Council
- Community Trust Fund
- Japan Centre for Conflict Prevention
- CHA
- Inter religious Peace Foundation
- National Christian Council
- Human Development Centre, Jaffna
- Sarvodaya Movement for International Justice and Equity
- Law and Society Trust
- Kolpin Society
- Foundation for Co-existence
- Burghof Foundation for conflict studies

Non-governmental Organization focusing on humanitarian services and rehabilitation and welfare

FORUT, SCF, OXFAM, Euker Peace Do Services, Care International, Sarvodaya, Friends' Foundation, Stromme Memorial Foundation, Save the Children, Redd Barna, World Vision, Medicine Sans Frontiers, TRO, ZOA.

Inspection of the accounts made it obvious that the above named non-governmental organizations receive massive donations from their mother organizations as well as relief organizations. Out of these organizations World Vision, Save the Children, TRO and Sarvodaya receive more funds and have received colossal amounts as Tsunami aid. It has become a striking feature at present for the non-governmental organizations operative in the country to receive huge amounts of aid from their mother countries rather than personal aid. The analyzing of account reports indicate that Norway, Australia, Canada and Germany have granted huge amounts of money.

Non-governmental organizations engaged in conflict resolution and conflict studies have gradually stepped into participate in the formulation of state policies in this regard. Non-governmental organizations which have got together to achieve these objectives have published a large number of books, publications, articles in local and foreign newspapers and journals under these objectives. Most of these documents which have been compiled

in English, seem to have been published with the primary aim of receiving foreign aid. It is also apparent that their front covers, inside photographs and illustration have been designed in such a way to highlight the situation in the North and East with a view to attract the attention of foreign donors. A number of such books and publications on conflict studies, conflict resolution, co-existence and peace were submitted to the committee for its inspection.

Role of Non-governmental organizations

Sri Lanka is a pluralistic, stable and independent country. As an independent democratic country, there is enough opportunities for civil society organizations to operate in the country. It is completely different in form to dictatorial or single party states within the existing system in the country, which is defined as participatory democracy by non-governmental organizations which expect to improve democracy and democratic framework, action should be taken to establish and operate democratic organizations, and to traverse that path of action for uplifting people's strength.

As a part of civil society, non-governmental organizations have the capability of playing an essential role in strengthening well ordered and decent democratic system and its gainful existence. They can perform a distinctive task to give a better voice to the people clamoring for social justice. They also have the ability to bring very important public opinions and critical problems of the people to the notice of the governments and to pave the way for action to have them resolved. When non-governmental organizations implement their activities they not only should respect the sovereignty of that country but should also ensure that they do not overstep the defence policies of that state and to act in a transparent and responsible manner.

In this regard, we would like to draw your special attention to the following fact noted in the handbook of guidelines for Bangladesh non-governmental organizations

“ Non-governmental organizations should be encouraged regarding development activities but it should be done in a manner that is not detrimental to the government policies or national security”.

Impact of NGO on State Policies

The Committee also looked into whether the non-governmental organizations which work with the aim of resolving the North-East conflict and ushering in peace have acted in a manner that could have posed problems for the territorial integrity of the country, was deleterious to national security and unsafe for democratic framework and would have undermined the concept of sovereignty of the state.

Recent activities of non-governmental organizations with regard to these policies have been subjected to severe criticism and debates in the society. Accordingly, the committee took action to examine the activities of institutions which drew criticism from society.

Most of the non-governmental organizations active in conflict resolution and peace building have embarked on this process by driving the fundamental attitude that “ public sector institutions are inefficient” into the minds of people. Sri Lankans have been compelled to extend their support to the activities of these non-governmental organizations which indulge in measures to promote this attitude. The influence made on the policies of the government by the Burghof Foundation which was invited to the island to resolve the conflict in Sri Lanka stands testimony to prove the above fact. The foundation was called before the parliamentary committee to probe its activities. The Committee examined how the Burghof Foundation, a German organization engaged in conflict studies embarked on conflict resolution in Sri Lanka and how they became involved in the internal state policies.

Memorandum of Understanding between the Ministry of Constitutional Affairs and Burghof Foundation on conflict studies and investigation regarding matters connected therewith.

1. Scope of the investigations

There have been two Memoranda of Understanding entered into by the Ministry of Constitutional Affairs and the Burghof Foundation in 2001 and 2006 (annex 03 – 2001 Memorandum of Understanding, Annex 04 – 2006 Memorandum of Understanding) on the basis of these two documents, we undertook an investigation into the two memoranda of understanding and important aspects of the Burghof Foundation arising from them.

2. Background and adverse outcome

Other than the fact that the first Memorandum of Understanding was entered into in 2001 during the reign of President Chandrika Kumaratunga between the Ministry of Constitutional Affairs and the Burghof Foundation without an agreement between the then Minister of Constitutional Affairs, Prof. G L Peiris and the Burghof Foundation, the sources of the Ministry failed to unearth any detailed information as to how this partnership was started.

The stand of Dr. Nobert Rophers who has been in Sri Lanka with the Burghof Foundation for six years was that they commenced operations in Sri Lanka on an invitation extended by Prof. G L Peiris. Though Prof. Peiris, as a Minister of the people’s Alliance government, had the authority to extend such an investigation, it appears that it has been done without a proper confirmation from the records of the Ministry or suitable inspection. According to the sources of the Burghof Foundation, the Memorandum of Understanding of 2001 has been prepared by Prof. G L Peiris with the Secretary of his Ministry and Dr. Nobert Rophers. As has happened in this instance, negligence could cause serious repercussions.

As per the declared policy of the previous People’s Alliance government, the Ministry of Constitutional Affairs of the People’s Alliance government which was under Prof. G L Peiris had issued instructions to the Burghof Foundation to support the process of (a) sharing of power and (b) transfer of power and in accordance with the policy of

state proclaimed in 2001, the Ministry or the Minister was vested with powers to launch such projects. As stated correctly by political science Professor of the Peradeniya University Prof. Ranjith Amarasinghe who was the signatory of the government of the 2006 Memorandum of Understanding, the two subject concepts which were under the purview of the Ministry, could have been incorporated in the two concepts of unitary and federal.

However, the Burghof Foundation had only promoted the process of devolving power within a federal structure. The best proof for this is the following statement made by Dr. Nobert Rophers. . “It would be imprudent to brief the country regarding a unitary state; it is what exists in the country.”

In fact this was an infantile and flimsy excuse for failing to raise awareness of the people regarding benefits and disadvantages of the unitary system as stipulated by clause 3.2 of the 2006 Memorandum of Understanding. Surprisingly the Burghof Foundation made use of the same provision for raising awareness on federal system which reveals the preferential system employed by the Burghof Foundation to propagate their agenda of promoting federal system, breaching even the Memorandum of Understanding. The regulations of the Memorandum of Understanding were not meant solely for the proliferation of a federal system.

Moreover, the contents of the report reveal that the Burghof Foundation had directed its entire attention on disseminating and promoting federal structures and it appears to be a biased and well planned exercise carried out under the Memorandum of Understanding to raise awareness of the people though Dr. Nobert Rophers spoke about “ imparting knowledge according to methodologies” and “ diversity of concepts” , in actual fact it was not so and it showed a heavy bias towards federalism while branding those supporting unitary system , according to Prof. Amarasinghe’s words, as extremists. The Memorandum of Understanding of 2006 was signed by Dr. Nobert ropers and Prof. Ranjith Amarasinghe. This vision is reflected on documents and reports compiled by the Burghof Foundation and in seminars conducted by them. As Dr. Rophers’ words did not match with his deeds, we entertain doubts about his credibility.

Through this course of action and attitude, the Burghof Foundation has violated its self proclaimed principles of “ impartiality” and transparency which they sought to promote and embodied in the memorandum of understanding of 2001. Instead of a wide range of opinions as required, the Burghof Foundation championed one single school of thought i.e. their preferred choice of federalism. Knowingly or unknowingly to the Ministry with the support of its officials the Burghof Foundation zealously pursued its agenda freely, taking cover behind the Ministry. Totally forsaking their pledge for “impartiality” and “transparency” in the Memorandum of Understanding of 2001, the Burghof Foundation launched its operations to change the people’s attitude to be in synch with their preferred choice of federalism. It is unfortunate to note that the Ministry had become a willing partner of this process by allowing it to be maneuvered and manipulated without due consideration and vigilance. The Ministry should blame itself for being slavish to the Burghof Foundation despite being fully aware that employees of the Ministry benefited from their dealings with the Burghof Foundation.

Through this course of action, the government conferred dignity on the Burghof Foundation giving them an opportunity to deal with the government as an acceptable equal partner. As a judicious measure, we recommend that any future agreement with a non-governmental organizations should be endorsed by the cabinet of Ministers to guarantee more transparency except on occasions where national interests demand non-compliance of this.

Dr. Norbert Rophers professed that “what we are doing in the country is only what we were invited to do” and “we are not working for ourselves, we are only working for the government”, it is apparent that the Burghof Foundation successfully infiltrated the state, sufficiently enough to act according to its agenda, after making the required covert entry.

Officials of the Ministry of too had participated in these activities. Our observation was that the Burghof Foundation had exceeded the powers mandated by the government by building relationship with well-connected people offering them a host of perks and privileges.

3. LTTE and Burghof Foundation and its relationship with Sri Lankan Armed Forces

In his submission, Dr. Norbert Rophers admitted that the Burghof Foundation made necessary arrangements to send a delegation of the LTTE to Europe on a study tour on federalism on the instructions of Prof. G L Peiris, who was the head of governmental delegation that held peace talks with the LTTE and a Cabinet Minister of the then United National Party Government. The Minister might have given such an instruction as the Oslo Declaration was brought forth by him and the attitude regarding an internationally designated terrorist group should be understood within this context. However, has Prof. G L Peiris functioned in compliance with the conditions of the Memorandum of Understanding of 2001.

As stated by Dr. Norbert Rophers, the most amazing fact is that Eric Solheim too had issued similar instructions to him and the compliance of Burghof Foundation with such instructions. The question arising from this are ;

- i) Whether Eric Solheim had the authority to issue such instructions to non-governmental organizations functioning in Sri Lanka according to the conditions laid down in the Memorandum of Understanding of 2001?
- ii) Whether Dr. Norbert Ropers and the Burghof Foundation had the authority to devise such plans and their own personal plans in collaboration with a foreign facilitator ?
- iii) Whether a non-governmental organization operating in Sri Lanka in accordance with the Memorandum of Understanding of 2001, had the right to enter into areas which had not been specified in the Memorandum of Understanding in collaboration with foreign delegates and an internationally listed terrorist organization ?

We express our serious concern over the permission granted to the two foreigners namely Eric Solheim and Dr. Nobert Ropers to issue instruction or accept them and to act upon them in Sri Lanka and organize or discuss modalities relating to an European trip for a terrorist organization.

Subsequently, Dr. Nobert Ropers, as expressed in his own words, has had “ Direct links” with Balasingham in London and Pulidevan in Killinochchi and made arrangements to send the LTTE to Europe on a study tour of federalism. In order to defend the Burghof Foundation it can be said that the Burghof foundation acted upon the said instructions since the Cabinet Minister was vested with the responsibility of creating the environment conducive to build bonds with the LTTE. However, the Burghof Foundation cannot clear themselves of the error committed by accepting and following the instructions of Mr. Solheim which would have been different to and had a wider scope than that of the suggestions of the Minister in relation to facilitating the LTTE for a tour in the Scandinavian Countries during the same period. This was a tour for me LTTE sponsored by Norway and the Burghof Foundation.

Dr. Nobert Ropers stated that the former chief of Defence staff Mr. Dennis Perera and the Defence Secretary invited him to build bonds with the security forces and the civil society in order to initiate a dialogue among the relevant parties to understand each other better. This was a feature of a project carried out by the Defence Ministry to strengthen the Disaster Structure of the Army and the Burghof Foundation while maintaining contacts with both the Army and the LTTE. It was noted that their objective was to gain access to sensitive military points by coming to Sri Lanka and that may be detrimental to National Security.

The Burghof Foundation which found its way into the public service through novice and biased officials using its massive financial strength are in the process of creeping into both the security forces and the LTTE.

A significant feature of the presentations made by both Dr. Nobert Ropers and Dr. Mario Gomez on behalf of the Burghof Foundation was that they tried to pass the responsibility of the project to the government officials in order to clear themselves of the accusations. They in a very unfair manner passed the responsibility of their surreptitious activities on the Defence Secretary, Prof. Amarasinghe and Dr. Jayampathi Wickramaratne. This can be cited as an example for the professional hazards the public officials have to face when they run in search of greener pastures. Public officials must take precautions not to fall preys to the traps of the likes of Ropers and Gomez who appear with massive funds from Norway in the guise of social workers.

Even though, Nobert Ropers made statements like the following we observed that they had clearly violated the limitations stipulated in the two MOUs;

“We only carry out what the government of Sri Lanka wants us to do. We operate within the mandate given to us. We don’t do what we want in this country”. Our special concern was that they had violated their limitations not in the fields with a national importance or national security.

Burghof Foundation had maintained contacts with the Kotalawala Defence Academy and had been made a member of the group consisting of 18 retired higher ranking police officers.

4. Is Burghof Foundation and INGO?

In the report submitted to the Ministry by the Burghof Foundation they had stated that Burghof Foundation is not an International Non-governmental Organization.

“Incorrect and Negative media coverage which project us as a non- governmental organization working on conflict resolution, cannot be averted”
(Page 10 – June 2006 report)

Burghof Foundation has been registered under the Companies Act of Sri Lanka which stipulates legal conditions and clauses relating to maintaining contacts. In addition to that, it is listed as a non governmental organization under subject No. 25 of the Central Bank of Sri Lanka. Our opinion is that the Burghof Foundation falls within the jurisdiction of this Select Committee.

5. Attitude of the Burgof Foundation

The initial hesitance of the Burghof Foundation to appear before the Select Committee is understood. As stated in its report the Burghof Foundation has attempted to exert international pressure on this Select Committee.

As stated in the previous reports the Parliamentary Select Committee to investigate into the activities of the non- governmental organizations is still functioning. In order to meet the emerging challenges, a meeting with the International Commission of Jurists commenced in early 2006 and this continued in the latter part of the year too in order to encourage the commission to visit Sri Lanka. The Commission subsequently issued a statement. (Page7, July – December 2006)

The Burghof Foundation sought international diplomatic intervention by making submission with a view to discrediting and removing this select committee and this is a grave intervention made to the carrying out of powers vested with the Members of Parliament who have been elected for the internal matters of the country. Burgof Foundation’s attempts to exceed the limits and expand the activities of it’s foundation clearly explains the folly of inviting these organizations without properly examining their credentials and it’s a lesson for the future too.

When the attitude of the Burghof Foundation is this, it is very unfortunate that the Ministry, in terms of the Memorandum of Understanding, has continued to have the Burghof foundation as a partner in a project to change the attitudes of the people and to vest the Burghof representatives with that responsibility.

6. The personnel of the Burghof Foundation and the Ministry

The Burghof Foundation in its report submitted to the Ministry has revealed the names of the lecturers who conducted lectures to the participants of the seminars it conducted in the year 2006 in terms of the duration of the MoU for the year 2006; from 01.01.2006 to 31.12.2006.

1. Dr. Ranjith Amarasinghe – (He gave evidence to the effect that it is the Ministry and not the Burghof Foundation that is responsible for drafting the Memorandum of Understanding of 2006. He signed the Memorandum of Understanding of 2006 on behalf of the Ministry in his capacity as the director of the Peace Building project)
2. Dr. Jayadewa Uyangoda
3. Dr. Rohan Edirisinghe
4. Dr. Jehan Perera
5. Dr. Mario Gomez
6. Dr. Jayampathi Wickramaratne (An advisor to the Ministry at present and during the period of professor G. L Peiris)
7. Dr. Sivakumaran (Dean of the Faculty of Law)
8. Dr. Pakyasoth Sarawanamuttu.
9. Dr. Srilal Lakthilaka (a Burghof Official and an advisor to the Ministry during Prof. Peiris's period)

We consider most of the personalities as eminent scholars who are qualified enough to talk about the subjects assigned to them. But when we consider their presentations it is obvious that they are biased towards a certain school of thought, federalism (in contrast to the unitary character spelt out by the Mahinda Chinthana for which the people gave their mandate to). The above speakers emphasized federalism through the publications and seminars of the foreign funded non governmental organizations. Their opinion was that their rights and the diversity of thought should not be discouraged. We, in this report, were particularly interested in the dubious role of the Burghof Foundation in carrying forward only the Federal Concept. Our concern was drawn towards the fact that the school of thought held by them, federalism is closely aligned with some of the foreign funded non governmental organizations which is contradictory to the mandate given by the people of the country in the year 2006.

This process of the Burghof Foundation deprived the people of their right to have access to other opinions and it is an organized trick of the Burghof Foundation of denying the people of their freedom of thought and equal opportunities. In short, this is a deliberate attempt to create a beneficial environment for them. In terms of the Memorandum of Understanding of 2006, the name of the above speakers and the topics on which they made their presentations are included in the report submitted to the Ministry by the Burghof Foundation.

It is necessary to remove the back covers of the two MoUs which is the subject of this investigation to ascertain whether there is a hidden agenda.

Was there an attempt by the Memorandum of Understanding of 2006, which is the climax of the Memorandum of Understanding of 2001 to instill in the society an opinion similar to the opinion of the opinion held by the foreign funded non governmental organizations? The Ministry has employed some of the aforesaid lecturers in their seminars in terms of the Memorandum of Understanding. The question whether a perfect and balanced presentation is reflected through the activities done under the Memorandum of Understanding as stated by the testifying prof. Ranjith Amarasinghe. If not, is it an attempt to change the mindset of the people to suit the mindset of the foreign funded non-governmental organizations? The report submitted by the Burghof foundation to the Ministry during the 2006 MoU period states the following;

“In addition to working continuously with the Ministry regarding federalism we assisted the Ministry’s Peace building project. A number of activities under this project was carried out with our assistance under the name “Towards a peaceful Sri Lanka” to promote federalism as a means to devolving powers to solve the problem is Sri Lanka” (Page 32 2006 July – December report)

This proves that the Ministry has worked with the Burghof Foundation to promote federalism which is against the official policy of the government in 2006.

Prof. Ranjith Amarasinghe attempted to mislead the Select Committee by testifying in a way to imply that their aim was to introduce power sharing through various media including the unitary system and that it was a balanced method being carried out in terms of the Memorandum of Understanding of 2006. But the hidden agenda was completely contradictory and according to the documents of the Burghof Foundation it was obvious that they were promoting federalism in the guise of sharing powers. The carriers used by the Burghof Foundation to hide their basic agenda of federalism was power sharing. All those persons were advocates of federalism and the reasons for choosing them as speakers are obvious.

7. Provisions of the Memorandum of Understanding

The Select Committee considered the provisions of the Memorandum of Understanding of 2006 which is seemingly inconsistent with the provisions relating to democratic principles and the freedom of thought and conscience (article 10) and the freedom of expression (Article 14) of the constitution.

We considered the following provisions,

1. To change the attitudes of the people regarding power sharing – Clause 3.2 (b)

“Assisting people to shun long standing pre conceptions regarding power sharing and developing capacities of the leaders who shape the mindset of the people at the grassroot level against the attempts to disseminate wrong information coming from extremist elements – clause 3.2 (e)

Prof. Amarasinghe's attempt as the representative of the Ministry was to acquit the Burghof Foundation and transfer the responsibility to the Ministry. He, in a very childish manner made an attempt to accuse the Ministry of the MoU of 2006 and acquit the Burghof Foundation. The Ministry according to the evidence of Prof. Amarasinghe, holds full responsibility regarding the contents of that document and that the Ministry has taken steps to expedite the activities of the MoU without paying adequate attention with a view to obtaining funds for projects. It is sad to note that an International non-governmental organizations has sacrificed the need to take security steps to change the opinions of the people in order to satisfy the greed of Prof. Amarasinghe and the Ministry. He has chosen to accuse the Ministry in order to save the Burghof Foundation. This is proved by some of the facts stated here and an opinion in that regard is not necessary.

Burghof foundation , in it's report has identified the promotion of federalism. Power sharing and state reforms as its objectives. In their attempt to transforming people into a federal system which is the objective of the Memorandum of Understanding of 2006, the Burghof Foundation was in terms of the articles 3.2 (b) and 3.2 (e) of the MoU of 2006, engaged in activities like "changing the attitudes of the people and shunning long held and wrong attitudes regarding power sharing".

Prof. Ranjith Amarasinghe the professor of political science in the University of Peradeniya in his testimony branded the Janatha Vimukthi Peramuna , Jathika Hela Urumaya, Bhikshu Peramuna and Mr. S L Gunasekara as extremists on the grounds that they supported the unitary character of the state instead of the federal system advocated by the professor. The professor of political science did not seem to understand the fact that the Janatha Vimukthi Peramuna and the Jathika Hela Urumaya too supported the Mahinda Chinthana which was endorsed by the people of this country at the 2005 November Presidential Election. Mahinda Chinthana clearly spelt out the unitary system.

The professor, having failed to understand the difference between a recognized political party and a terrorist organization placed the JVP, the JHU and the LTTE at equal level. Prof. Amarasinghe, through his evidence helped us reveal the true objectives of the MoU of 2006 which seemingly clashed with the "Mahinda Chinthana" the official policy of the government. Prof. Amarasinghe was more a follower of the policies of the Burghof Foundation than of the policies of the state. Even though he had been employed by the state, it was his preferred choice. Dr. Nobert Ropers who was well aware of the stand of Prof. Amarasinghe distanced the relationship between the ideas expressed by Prof. Amarasinghe and the Burghof Foundation in regard to the use of the word "extremists" in the MoU of 2006. According to him, that word had been used by the Ministry and he regretted that. We appreciate prof. Amarasinghe for honestly admitting facts unlike Dr. Nobert ropers who was not only a signatory to the MoU but also a person who contributed to use the word "extremist"

Dr. Ropers is not a fool to have signed an MoU with the word "extremist" without knowing its meaning and to place the blame for choosing that word on the ministry. We conclude that both parties that signed the agreement did it with a knowledge of it and that the excuses furnished were not satisfactory.

To be fair by former Minister Prof. G L Peiris the Memorandum of Understanding of 2001 would have been drafted according to the Oslo Declaration and in terms of the policies of the then government, with a special sense of commitment from Prof. Peiris towards federalism, but the portion which spells out the way this MoU could get violated according to the stated policies of the government and the mandate it received from the people does not come under the purview of the Ministry of Constitutional Affairs.

Prof. G L Peiris has served in two contradictory governments and he was the strongest person to advocate federalism in place of the unitary state during that period.

Everything has to be looked at in the proper angle, contemporary ideas and the Minister's ideas are irrelevant. But the crucial policies supported by the Minister of the ministry during 2001 and 2006 are relevant in this background the MoU of 2001 is special from the MoU of 2006 in that more responsibility should be attributed to the Ministry regarding matters arising from the MoU of 2006.

8. Ministry officials relating to Burghof Foundation

We were perplexed at the evidence given by Mrs. Malkanthi Wickremasinghe, the then Secretary to the Ministry. She seemed not to know the matters relating to the Ministry and tried to avoid. She did not come prepared to give evidence before the committee and was not able to answer the questions asked regarding the Memorandum of Understanding though it was a document signed during her period in office. If responsible officers behave in this manner, that would endanger the Ministry and also would enable non governmental organizations to operate freely.

Had the Secretary read the reports submitted by the Burghof Foundation she would have identified the priorities on which they operated and the priorities are ;

Major Activity 1 - Institutional capacities of the organizations which work towards federalism and Power Sharing would be strengthened (Page 17, July – December 2006 report)

Major Activity 2 – A pool of specialists who can act decisively are qualified in the fields of federalism and Power sharing (Page 19- July – December 2006 report)

Major Activity 3 – Matters such as Power sharing with a pluralistic vision, federalism and state reforms would be generated and disseminated (Page 21- July – December 2006 report)

The fact that the Burghof Foundation was trying to equalize power sharing with federalism was covered by both the secretary and Prof. Ranjith Amarasinghe. Prof. Ranjith Amarasinghe deliberately mislead the Select committee by presenting the concept of power sharing within a unitary structure, when the themes, topics and the evidence of the resource persons very well reveal that federalism was propagated in the guise of power sharing. Reports of the Burghof foundation further reinforce this. Power Sharing

was the trick employed by the Burghof foundation to hide the federal agenda they wanted to promote. This is stated in the January – June 2006 report as follows ;

“In addition to the continuous meetings we had with the Ministry relating to federalism and Power sharing” (January – June 2006 report Page 33)

“In addition to the continuous meetings with the Ministry of Federalism we assisted the Peace building project of the Ministry. A large number of activities under the them “a peaceful Sri Lanka” was organized with a view to promoting power sharing and federalism as a tool to resolving the crisis in Sri Lanka under this project with our assistance (Page 32- July December 2006 report). This proves that the Ministry was in the process of promoting federalism under the power sharing package quite surreptitiously against the policy of the government. The MoU of 2006 expected “changing the attitudes of the People”, “helping people to shun long held misconceptions” and “information from extremist forces” at this time. The Ministry is guilty of failing to furnish these information which the Select Committee voluntarily observed when examining to documents provided on it’s request. The Secretary in particular must be held responsible. Since the Secretary had not seemed to have studied the documents ordered to be produced. It can be concluded that she didn’t know the facts. However, as a public employee being unaware of what she should have known will affect her adversely. What was particularly distressing here was that both the Secretary and the professor tried to conceal the facts. These two officials tried to accuse the Ministry and clear the Burghof Foundation and their being partial to the Burghof foundation is questionable.

Since it has been revealed that she has distributed invitation cards to a panel of experts to attend a seminar organized by the Burghof Foundation and civil society, the question whether she was under some kind of obligation of the Burghof foundation arises. She admitted the fact that the panel of experts expressed its displeasure over her behaviour. A Secretary to a Ministry should not belittle her position by engaging in slavery for a non-governmental organization (Burghof Foundation). She has been sponsored by this organization (Burghof Foundation) to attend a seminar in Switzerland.

Advisor, Jayampathi Wickramaratne is in the records of the Burghof Foundation as having attended a seminar Burghof sponsored in Geneva as a representative and as a regular staff contributor to seminars. The records also reveal that the Burghof foundation too was to make its submissions before a panel of experts on constitutional reforms with other civil society organization, and a target of groups of the Burghof Foundation as observing that panel of experts. As reported by the newspapers when public proposals have not been submitted to the panel of experts. The proposals of the Burghof Foundation along with the submissions of the civil society had been directly produced to the panel of experts. This priority is a result of the Ministry’s influence on the panel on behalf of the Burghof Foundation. A book titled “seeking for new avenues for peace in Sri Lanka” of the Burghof Foundation was submitted to the panel of experts. “40 copies of this book had been specially ordered for the Ministry by Dr. Jayampathy Wickremaratne and they had subsequently been sent to the panel of experts” said Dr. Gomez voluntarily.

The statement “there was a discussion between the Secretary/Dr. Jayampathi Wickramaratne and myself as to what type of facts would be more useful to the members of the all party Representative Committee “ is very revealing. The report reveals that Mr. Ashoka Gunawardena, Chairman of the Finance Commission / Member of the panel of experts had been assigned with the task of carrying out a research project on the devolution of Power in Sri Lanka on the financial relations and Multi level control by the Burghof Foundation.

Main Activity 4 – a project under multiple perspectives for power sharing, federalism and state reforms (July – December 2006 report)

The Burghof Foundation has sponsored the Dean of the faculty of Law member of the panel of experts to attend a seminar held in the Institute of Federalism in the Freeburg University on Federalism and Constitutional government and democratic rule in the pluralistic society.

Dr. Jayampathi Wickramaratne was not only a member of the panel of experts but he has frequently been a resource person at the seminars conducted by the Burghof foundation in addition to being a contributor to the aforementioned book. He has participated in foreign seminars on the sponsorship of the Burghof Foundation. He had also been an advisor to the Ministry for a long time. Though we do not oppose these persons being recognized by the Burghof Foundation, by considering the background and through the cover provided to them we understand that the Burghof Foundation would have tried to use them to influence the Members of the panel of experts. We are particularly concerned about the strategies employed by the international non-governmental organization to surreptitiously creep into the basic layer of the state activities and the Burghof foundation in that regard was a very revealing experience.

Our special attention was drawn by the vital role played by the Secretary with regard to the special treatment offered to the Burghof foundation relating to the issue of the panel of experts. It was evident that Mr. Srilal Lakshilaka who served as an advisor to the Ministry when Prof. G L Peiris was the Minister who had contacts with the Burghof foundation. Most of the contacts the ministry officials had had with the Burghof foundation were interconnected.

This report had been compiled in terms of the MoU of 2006 and it should be stated here that irrespective of what the reports reveal the Ministry or its officials were unaware of the contents of the MoU which shows that they had not studied them.

We are of the opinion that other external sectors outside the Burghof foundation demand further investigation. Though the current process has been able to extract information, it is only a small portion of a large hall of information. The Burghof Foundation has spent a large amount of money to creep into the activities of the state and that they are in the process of expanding the activities detrimental to the National Security and the internal matters of the country.

Studies have revealed that some other non-governmental organization too in addition to this process of the Burghof foundation are engaged in activities detrimental to the territorial integrity and sovereignty of the country, having appeared in the guise of working for peace.

National Peace Council

It is reported that National Peace Council too is a non governmental Organization operating to propagate federalism. An Organizer of the National Peace Council had once attended a protest in Geneva and also had made a speech in a rally held later which ended with the singing of the song of emancipation of the LTTE together.

This organization which questions the need of sovereignty has mentioned about a sovereignty divided into two and of two very close countries. The National Peace Council had engaged in a movement to Brain wash the people of Sri Lanka which is very similar to the activities of the Burghof Foundation . They had acted very enthusiastically about federalism.

International Alert

International Alert which had been banned for working with rebels of Sierra Leon had carried out their activities here in a way that abetted separatism. They had cited the following, as reason for Tamils taking to arms; Declaration of ‘Sinhala’ as the official language in 1957, alienating land and creating Sinhala colonies in the North and East, redemarcating the areas where the majority of population is Tamils and the violation of the human rights of Tamils with state sponsorship following the LTTE assassinating 13 soldiers in 1983.

International Alert which cite these reasons have published a map showing half the country as belonging to Tamils. In this map they have marked a large area of land in the central hills and in the south as Tamil areas. This map is even larger than the map prepared by the LTTE.

Threats to National Security

Ministry of Defence had received credible intelligence reports with regard to the activities of the following non-governmental organizations. These organizations had dared to act in a way that threatened National Security and state policies.

M.S.F. – France (Medicine Sans frontiers)

M.S.F. – Spain (Medicine Sans frontiers) not registered

M.D.M. – France (Medicine du Monde)

Doctors of the world – (U.S.A.)

The non-governmental organization which had met at the office of MSF (France) located at Narahenpita had vehemently criticized the policies followed by the Department of Immigration and Emigration in issuing visas and had discussed a programme of getting

the LTTE to send threatening letters as a solution. The Ministry of Defence, having considered this as a very grave issue, even went to the extent of banning the issue of visas.

At a health education project in Sampur, Medico Del Munde, MDM (Spain) had issued a certificate one R.S. Seetha who participated at the event on voluntary basis, with the emblems of the government of Sri Lanka and the LTTE to which carried the signatures of Dr. Prop –Coll, the Chief of the project and Dr. Wannan, Medical Services Paddalipuram. These activities reveal how simply these non governmental organization have decided and acted regarding the sovereignty, unity and the territorial integrity of Sri Lanka.

Accessing the Main body on Security

The committee reported an entry of a non-governmental organization to the police, the main arm of security in Sri Lanka. In terms of a Memorandum of Understanding entered into by the Transparency International based in Germany with Norad, a Norwegian organization, a project had been carried out to look into the functioning of the Police Department of Sri Lanka with an aid of US \$ 79000 from Norad and a report titled “The Police of Sri Lanka” had been presented.

The report contains a chapter on the corruption and frauds in the police department. The committee concluded that carrying out such projects on the police which is directly connected to national security when there are so many institutions itself is a testimony to the fact that they are constantly on the watch to find an opportunity to intervene the sovereignty and integrity of the country. They also use these information collected to project the image that Sri Lanka is a failed state, through out the world.

The Committee was concerned that an opportunity to carry out a project of this type on a major institution responsible for the national security of the country would provide a non governmental organization with access to confidential and intelligence information with regard to national security.

The organization stated that their objective in carrying out this project was to develop the department of police and not to access intelligence information. High ranking police officers expressed different views in this regard and stated that this opportunity was not used to introduce reforms to the department or to minimize malpractices. The former Inspector General of Police had stated that he was not in agreement with all the findings of the project. A retired Deputy Inspector General of Police testifying before the Committee said the matters relating to the other institutions attached to police would have been investigated before the findings of this investigation was made public. The committee had to accuse the Transparency International of their integrity as they furnished incorrect information regarding how they obtained the approval to commence this project.

The committee also concluded that the procedure followed by the high ranking officials in the police department in giving permission to carry out this project was inappropriate.

The conclusion of your committee was that in granting approval to implement projects, the high officials of Sri Lanka Police should have been more vigilant.

Norad, which has a notoriety to be aiding the separatist activities of the country has launched this project through non-governmental organizations, spending large amounts of money. It has been the opinion of your Committee that while negative attitudes towards the organization by its exaggerating of information relating to the internal security of the country and weaknesses of the state agencies providing security to the state, the space created by the project for the flowing out of internal information of defence sections through the involvement in non-governmental organizations in activities of this nature could not be underestimated.

Influences caused on the State security and the Territorial integrity by the Non-governmental Organizations that provide humanitarian services

The effects on separatism and the security of the country by the activities conducted in the northern and eastern areas where conflicts exist, on the part of the non-governmental organizations that have gained access to those areas with the pretext of providing humanitarian aid and rehabilitation were subjected to the scrutiny of your committee.

ZOA Refugee Care Netherlands

Allegations were put forward to the effect that representatives of this organization have given support to the LTTE, which operates as a terrorist organization in the north east. The officer in charge of the Police Special Task Force in Ampara giving evidence before the Committee said that there was an LTTE military complex in the area called Kandikudichchi Aru in Ampara, that no one without cooperation with the LTTE could carry out humanitarian development activities in the area, and goods belonging to ZOA carrying its logo had been found from the area. He further stated that ZOA had provided latrines, wells and school bags and that a name board which carries the expression “constructed by ZOA” in Tamil language was available in front of the “Thilipan” Medical Centre. These facts were substantiated by presenting video clippings of temporary tents, electricity generators, food bags and water barrels containing logos of non governmental organizations such as the UNHCR, World Vision , UNICEF and the World Food Programme.

Although ZOA has stated that Thilipan Medical Centre was repaired with the approval from the government, the Divisional Secretary of Thirukkivil stated before the Committee that no record exists in his office to the effect that such an approval has been obtained.

A letter sent in May 2005 by a project Manager of ZOA addressed to an LTTE member named T Roshanthan inviting him to participate in a communication and leadership programme, which letter was found at Jeewananda camp and which showed that an office belonging to ZOA was situated in Thangavelayuthapuram was also submitted to the Committee. The evidence of the Senior Superintendent of Police revealed that 400 houses had been constructed by ZOA and World Vision and these houses have been distributed

among Mahaviru families. Accordingly ZOA was summoned before the Committee for examination and the committee decided that ZOA had maintained a direct link with the LTTE, a separatist organization and had provided support to it directly and indirectly.

Non-Governmental Organizations involved in De-mining and National Security

The demining activities underway in the island at present are also carried out by several non-governmental organizations. Most of the functions are carried out by several international non-governmental organizations and local non-governmental organizations. In addition, discussions and conferences in this connection are also conducted in foreign countries.

LTTE has also attended in most of these discussions and seminars. The government of Switzerland and other parties associated with the Anti-personal Mines Ban Treaty have motivated the LTTE to sign the Geneva Call Protocol rejecting anti-personal Mines. When the LTTE asked a member of Geneva Call what special benefits they could derive by committing themselves to the Anti-personal Mines Ban in the year 2005, the member has informed that they will be able to learn what extra financial facilities could be obtained from donor countries for demining if the LTTE undertook such a commitment. Evidence has been found that Tamil people throughout the world provide financial facilities necessary for LTTE's operations through various foreign Tamil organizations. Tamil representatives from Europe, Canada and other countries have made a request at a meeting organized by Geneva Call in Zurich for 10 April 2006 that attempts should be made by the LTTE to become a party to the Anti-personal Mines Ban treaty as a separate Tamil Elam State.

The government has raised suspicions about the activities carried out by the Tamil Rehabilitation Organization, which is engaged in demining activities especially in areas controlled by the LTTE. It has been proved that a large amount of money that they have earned as aid has been afforded for activities of the LTTE, which is a separatist organization. The Landmines Advisory Group of Norwegian Human Aid, Danish Demining Group and Swiss Foundation for Demining Activities support the humanitarian unexploded ordinance removal Unit, which is the de-mining section of the Tamil Rehabilitation Organization. It can also be surmised based on the uncertain nature of the spending of aid and recent conduct of the Tamil Rehabilitation Organization that part of the aid received thus is used for purposes of the separatist LTTE.

The aid provided to non-governmental organization for demining is also an immense amount. The European Union and 10 countries had provided approximately 1905 million rupees in 2005 while the estimated amount for the year 2006 is 2200 million rupees.

For these reasons, your committee decided that the non governmental organizations engaged in demining activities in cleared and uncleared areas should be confined to activities relating to demining and they should refrain from engaging themselves in other activities.

Acts conducive to Separatism

Instances of acting to fulfill tasks which foster separatism on the part of certain non-governmental organizations was also revealed during the inquiries of the committee.

Redd Barna

Matters have been reported to the effect that Redd Barna was carrying out a programme to resettle Tamil People from Vavuniya, Vanni and upcountry areas in 1985 with SARVODAYA operating in Sri Lanka with the objective of changing the ethnic composition in the Wanni area. Officers of Save the Children gave evidence before the committee and said they had no knowledge of the matter. Your committee decided that the change of name from Redd Barna to save the children and the submission on the part of the officers that they were unaware of the above matter were concluded to be an attempt to conceal the matter purposely.

Strengthening separatist organizations out of the funds of non-governmental organizations

Evidence was placed before your committee to the effect that non -governmental organizations receive massive funds, and there were instances where sections engaged in struggles that are illegal and that are detrimental to the national security and the territorial integrity of the country had received these funds and where separatist organizations had used these funds for their purposes, when programmes are conducted by non-governmental organizations.

Sri Lanka Kolpin Society

Information had been received to the effect that the non governmental organization called Sri Lanka Kolpin society had provided the LTTE with funds during 1996 to 1999. Although the time of taking legal action had expired when the information was received, it has been reported that the incidents reported were true.

Tamil Rehabilitation Organizations (TRO)

The Tamil Rehabilitation Organization, which operates as a non governmental organization in uncleared areas controlled by the LTTE, is an organization that receives massive funds from foreign countries and suspicions have surfaced that part of their funds are used for operations of the LTTE and purchasing weapons. Organizations that have signed Memoranda of Understanding with this organization such as ILO, Save the Children, Action Aid International Sri Lanka and UNICEF are the institutes that provide aid to this organization frequently.

TRO had received US \$ 10 million for post-Tsunami activities from the United States of America alone by 2006. The total amount of aid received during the period concerned has been estimated to be Rs. 2.2 billion. TRO USA is the organization that provides

funds largely to the TRO in Sri Lanka. It is reported that in the month of August this year alone, the organization and its affiliates in the north and east have received Rs. 60 million. Most of these funds have been from the state of Maryland of the USA and the American authorities have also investigated whether part of this money has been channeled to buy weapons for the LTTE. As a result, action was taken to ban the organization in the United States of America. It is reported that the TRO received aid amounting to Rs. 4 billion in the period 2005-2006 for post-Tsunami activities and with the aids from the United States of America, this amounted to around 10% of the total tsunami aids.

Since the Tamil Rehabilitation Organization carries out its functions in uncleared areas under the control of the LTTE there is no possibility of finding out the manner in which they spent funds on which projects and of conducting a financial and physical audit on their spending and construction. The nature of non-scrutiny in respect of the activities of non governmental organizations is such that on inquiry there have been occasions when the government of Sri Lanka and government agencies had assigned projects to the TRO and provided funds.

Recently it has been reported that the funds that had been in bank accounts in countries of the European Union have been channeled to the bank accounts of the TRO through various NGOs on the basis that their funds in those banks may be lost due to non acceptance of the TRO in those countries. Submissions have been made to the effect that part of these funds are used locally and overseas for purchasing weapons or for other operations by the LTTE , which is a terrorist and separatist organization. Save the Children Sri Lanka is an organization that has aided the LTTE immensely. This organization had given financial aid amounting Rs. 50 million to the TRO for 12 projects. Save the Children has given evidence before your committee and said that those projects had run as elementary school projects and even after spending Rs. 30 million, only one Pre School had been constructed, and the TRO had informed them that the remaining Rs. 30 million could not be returned. This fact explains the way that the TRO had been handling their finances. At the same time, when these facts are analyzed, one cannot exclude the allegation that following the non recognition of the TRO in countries belonging to the European Union, funds have been transferred to the TRO's account in Sri Lanka through Save the Children. The country Director of Save the Children in giving evidence before your committee said that he did not have any understanding about the system of laws governing the non-governmental organizations operating in Sri Lanka, or the Non-governmental organizations Registration Act No. 31 of 1980 or the provisions contained in it.

Many non-governmental organizations operate aiming at humanitarian activities in uncleared areas existing under the control of the LTTE. The attention of the Committee was also drawn the right of foreign NGOs to operate in illegal areas of illegal control as there is an illegal rule in the areas that are under the control of the LTTE, which is an organization engaged in terrorist activities against the government of Sri Lanka and which does not recognize the government of Sri Lanka.

The Norwegian organization for peace had provided funds during the year 2005 as follows;

LTTE's peace secretariat	US \$ 877,280
TRO	US \$ 2,318,393
Muslim Peace Secretariat	US \$ 245,750

These Norwegian funds have been accorded to the organization meant as groups operating to enhance the peace process basically. There is no supervision as to what projects these funds are utilized. Out of these funds, the funds channeled to both the LTTE and the TRO have ended up in the LTTE coffers. It became evident to your committee that most of the funds obtained by certain non governmental organizations in the name of peace are used for posing a threat to the security of the country by the funds being acquired by adversarial faction that are detrimental to the integrity and security of the country, instead of the funds being utilized for the integrity and development of the country.

The arrangements that foreign states have adopted to prevent non-governmental organizations from interfering with the security of the state

The access made available for international non-governmental organizations to enter and operate in the country without an in -depth study into their basic details and actual goals, have become of late causes of great embarrassment to states concerned. For this reason, Asian countries have allowed non-governmental organizations to operate remaining in not so light a stance. Several measures that have been adopted by these countries to ensure the security of the state and the national integrity have been included here for special attention.

For example, considering the necessity to take legal steps for the security of the state, the Indian government has introduced laws to limit the obtaining and utilizing of foreign grants by the non-governmental organizations by way of legislations enforced in 1984 and 1985. Similarly, the Kudal Commission, which was appointed to examine the Gandhi Foundation and other non governmental organizations has made recommendations pertaining to non-governmental organizations obtaining external aid. It was pointed out that some of the funds were utilized in irregular activities and suspected adversarial activities on certain occasions. The commission has made observations to the effect that a large portion of foreign funds has gone to unknown hands and these funds have been utilized for purposes aimed at causing instability, chaos and antagonisms in the state.

Submissions have also been made that certain voluntary organizations have collated information which is very important and sensational and supplied such information for various foreign agencies and organizations to analyze and utilize. The revelations of this commission will be of immense use to Sri Lanka too.

Bangladesh has presented a Code of Guidance on the operation of non-governmental organizations. Public policy and defence have been given more prominence overriding development activities.

At the same time non-governmental organizations should obtain approval from the Bureau on Non-governmental Affairs upon direction by the Ministry of Home Affairs in appointing foreign experts and consultants. Permission should also be obtained before implementing projects which receive foreign aid. This is an arrangement that has been put in place to ensure the security of state. In the Philippines, registration with the Security Exchange Commission has been made compulsory. Pakistan has established a registration authority under the Voluntary Social Welfare Agencies Act for the purpose of registering non-governmental organizations, who function under the said authority.

In Vietnam, the non-governmental organizations Registration Bureau functions under the regulations issued by the Prime Minister. The approval by the Prime Minister is necessary for projects which receive aid in view of the national security. The responsibility of directing national agencies and organizations has been assigned to the Ministry of Public Security so that receiving and utilizing of funds from foreign non-governmental organizations are done in accordance with defence regulations. In addition, providing the relevant Ministries with necessary recommendations pertaining to public policies, Law, religion and National Security has also been made a responsibility of the Ministry of Public Security.

As mentioned above all states have made arrangements necessary for non-governmental organizations to operate within a legal framework that ensures public policy and security.

By the above facts that were subjected to the examination, your committee noticed that some non-governmental organizations have gained access to public policies to an extent of threatening the defence and territorial integrity of the island while some are still doing so, and they are acting as support organizations to the institutes dedicated to terrorist and separatist acts.

The committee came to the conclusion that the security of the country may face adverse effects of merely taking into account the amount of funds brought in by such non-governmental organizations without carrying out an in depth scrutiny of their activities overseas, historical conditions and ulterior motives in admitting them into the country and in signing Memorandum of Understanding for so admitting into Sri Lanka.

Your committee also noted the need for the registration of non governmental organizations at their entry into the country with all their information documented in a manner that will ensure national security; for continuous monitoring for the duration of their operation and for a Code of Guidelines that will be formulated in a manner ensuring the national security.

As the government does not conduct an adequate study about non governmental organizations in signing agreements with them, the attention of the committee focused on the need for a formal procedure for it.

We further state that the recommendations pertaining to these facts have been presented in the final chapter.

The Impact of Non- Governmental Organizations on the aspects of Social Well-being, Education and Culture

Finding facts analytically about the manner in which the non-governmental organizations operating in Sri Lanka have impacted on the national and social well-being, education and cultural aspects of the country and taking steps to avoid the weaknesses that surface out of such analysis is an important point of reference with in the purview of your Committee.

As your Committee examines the facts in this regard it becomes clear that most of the various non-governmental organizations operating in the country receive foreign funds in massive amounts to the extent that they appear like another state within the country, on pretext of rendering a service to the society of this country, has embarked upon effecting changes in the fields of education, culture, wellbeing and public policy as well as social value systems; and their intention has been to enter into one field through memoranda of understanding and then very tactfully carry out manipulations in these various fields.

So far facts were submitted before your Committee pertaining to the above scope in respect of World Vision, Save the Children, the Christian Children's Fund (CCF), ZOA and Plan Sri Lanka. Facts were presented pertaining to the subject matter by Governmental Agencies such as the National Institute of Education and the Ministry of Education and individuals who gave evidence through public petitions and Committee considered all those factors in reaching their decisions. The Committee also subjected a report submitted by the President's Commission and the Buddha Sasana Commission to their perusal.

It was a unanimous decision was that through uncalled – for interferences to the field of education, Non-Governmental Organizations have acted in a manner detrimental to the education policies of the country. Recorded as evidence in this regard are the submissions made by the National Institute of Education and Save the Children which enabled the Committee to take these decisions.

Save the Children Sri Lanka

When taken into the limelight this organization ; is part of the World's biggest independent movement for Children, namely Save the Children Alliance; works with 500 local non-governmental organizations in 10 Districts;

- has worked along care, protection and education of children during the past two decades making their mission to achieve realization of children's rights in Sri Lanka, promotion of their dignity development of the child's well-being, care, improvement of participation and promotion of the acceptance of child's right to a high quality education and for more protection from abuse;
- has undertaken the construction of school buildings damaged by the Tsunami and provided financial aid for the subject "Life Skills and Citizen Education" for the School

Children from grade 6 to 9 under Memorandum of Understanding signed with the Ministry of Education and National Institute of Education;

- has engaged in introducing “Child Friendship School Systems” to children and teachers and training teachers on multi-grade teaching method and Christian learning;

And at the same time facts have been submitted to the Committee that it has:

- provided Rs. 60 million for the project titled “Re-joint Action Plan” aimed at children displaced by the war, in building school libraries, and pre-schools with TRO;
- established 200 Committees comprising parents, teachers and principals with the objective of recruiting child soldiers to the LTTE; and
- undertaken a survey on the distribution of resources by the Ministry of Education in 179 primary schools in three districts in the North and East and a study called “Nivahan Thathu” (Facts on Homes) regarding children in children’s homes.

The Committee was able to learn that the organization called “Plan Sri Lanka has;

- sponsored the process of educating the people on issuing of birth certificates in certain districts;
- contributed to the achieving of ulterior motives of those who published the book titled “Saamaya Soyaa Gath Ali Patiya” (The elephant Baby that found Peace) aiming at an attitudinal change in teachers and school students by holding a seminar for school teachers in Anuradhapura District about the particular book; and,
- obtained approval of only the provincial Ministry of Education in the North Central Provincial Council, without informing the Ministry of Education for the above purpose.

It was disclosed to the Committee that;

- a teacher’s hand book called “Children’s Mental Health” was sponsored by the non-governmental organization called GTZ and published after having approval directly from the Ministry of Education and Secretary to the Ministry had provided a foreword to the publication, but the approval of the Educational Affairs Board of the National Institute of Education ;
- it was published in Tamil in the year 2002 for Children in Vanni District and later it was translated into Sinhalese and printed and distributed among schools; and
- the person named V Illankumaran has written the Blessing of this book, he is the head of the education Wing of LTTE and LTTE’s support had to be sought for implementing it in Wanni area.

Christian Children's Fund (CCF)

It was disclosed that the operation of this NGO were commenced following a memorandum of understanding signed between the Secretary to the Ministry of Plan Implementation of the Government of Sri Lanka and the Christian Children's Fund in 1985 and currently the organization is operative in 14 administrative districts and in the case of Ampara, Batticaloa, Galle and Matara districts memoranda have been signed with the respective district Secretaries for its operation.

Evidence by a witness from among the public revealed that the organization has made an attempt to spread an opinion that Sri Lanka is a country famous for child prostitution, by way of video shows produced using female school students of several schools in Katarama Education Division.

Facts were also presented to effect that \$ 25 per child is obtained from the donors, but the money is not handed over to these children as intended.

The Director of the organization informed the committee that bust photographs of children are captured after obtaining the permission from the parents of the children concerned the proceeds from it has been deposited with the Bank of Ceylon Metropolitan Bank to be utilized for children from low-income families.

It was also revealed to the Committee through complaints and evidence that World Vision also carries out interventions in education. It has been disclosed that;

This organization has directly intervened in child welfare, children's education and pre-school governess training ;

Voluntary teacher who drew salaries from this organization have been assigned to government schools and they will be absorbed to the Teacher's Service in due course in view of that Pallama Divisional Education Office has been constructed by the organization; and,

- the organization has obtained a vast sum of money as aid by sending children's photographs to foreign countries.

When the organization was inquired of it, it was learned that after obtaining approval from the Zonal Education Offices World Vision assigns voluntary teachers to government schools in which vacancies exist; pre-school teachers are trained by resource persons sponsored by the organization; large amounts of aid grants are obtained by sending photographs to foreign countries under children's sponsorship programme; and the schools destroyed by the Tsunami disaster were constructed on request by the Ministry of Education.

The Observations, Recommendations and Decisions made by the Committee pertaining to the field of education after inquiring into affairs of the above Organisations.

Many books and other publications had been published without the knowledge of the Ministry of Education and the most prominent weakness of the Government Sector surfaced here. Based on that argument what the National Institute of Education said was that as the financial allocations necessary for printing and distributing books could not be obtained sufficiently from the government sector, they were published by obtaining financial provisions from non-governmental organizations. Although officers of both Ministry of Education and those of the National institute of Education leveled charges against each other, no specific person or institute accountable could be determined. Secretary to the Ministry of education Mr. Ariyaratne Hewage said that the Ministry of Education worked with non-governmental organizations with caution after the revelations and directions of the committee.

2 Your Committee considered the matter of teachers assigned to Government Schools paying salaries by Non-governmental Organizations and observed that although the teachers concerned had been recruited to service on voluntary basis, they would be absorbed to the Government Teacher's Service by the intervention of the non-governmental organizations itself.

3 Your Committee considered the activities of Non-governmental Organizations, including the book "Saamaya Soyagatha Alipatiya" (The elephant calf that found out Peace) and stressed that it is only the Ministry of Education that should take decisions pertaining to the education policy of the country and immediate steps should be taken to prevent the reoccurrence of such incidents and that the distribution of the books concerned should be stopped immediately.

4 Similarly it was agreed before the Consultative Committee on Education to send the circulars pertaining to policies on Education that include criteria which should be followed in signing memoranda of understanding with Non-governmental Organizations to all provincial Ministry of Education.

5 Based on the decisions recently reached by your Committee, your Committee observed that the impact of war on children has been exaggerated and an attempt has been made to inculcate in the minds of children a wrong attitude towards the armed forces in this country and prohibited further distribution of the publication that was instrumental in it called "Child Mental Health" (Lama Manasika Savukhya), which had been published without approval by the educational Publications Board.

6. Your committee drew the attention of the Secretary to the Minister of Education to ;

- issue a circular that contains all instructions for regulating of the activities of non-governmental organizations within the education sector;

- to follow up the operations of non-governmental organizations in the Education sector once in three months, with the participation of the officials of the relevant non-governmental organizations; and,
 - to have regular meetings with the participation of the Directors of Educations and teachers for the purpose of monitoring the activities of non-governmental organizations in schools.
7. The Secretary to the Ministry of Education said that in future any non-governmental organizations constructing school buildings should follow operational criteria contained in the annual action plan prepared by the Ministry of Education in terms of the Educational Policies of the country.
 8. Your committee observed that financial assistance had been offered to publish educational books only where this was in line with the aims of the non-governmental organizations and providing assistance for subjects such as mathematics has been denied since such aims could not be approached through subjects such as mathematics.
 9. The Committee observed that surveys such as “Nivahan Thathu” (state of houses) and “Distribution of Resources among primary schools” had been attempted to pretend that the government’s mechanism in that connection was weak and the non-governmental organizations worked more efficiently than the government, in an attempt to degrade the government’s administrative mechanism.
 10. Save the Children Sri Lanka was admonished to act more responsibly in their activities with regard to children of this country and to respect the laws and guidelines pertaining to the non-governmental organizations in this country.
 11. It was the observation of your committee that Save the Children Sri Lanka has not scrutinized for what purpose the funds provided to the Tamil Rehabilitation Organization pertaining to the “Rejoint Action Plan” aimed at children displaced by the war.
 12. It was the unanimous decision of the committee that any organizations should have in their possession all the relevant information pertaining to all the projects implemented or funded by them.
 13. Your committee was convinced that Save the children could not submit clear explanations with regard to their change of name from “Redd Barnna” to “Save the Children”, their annual audit reports, relations they had with the Tamil Rehabilitation Organization, and the various education programmes they have implemented .

In discussing the influence on the culture and social wellbeing, it was clear from the evidence submitted before your committee that most non-governmental organizations have been established with some religious basis.

The committee accepts the right of any person to pursue a religion of their choice under the constitution of Sri Lanka. However, the proposition that ‘it is not appropriate to

force-feed a concept or an allowance for the purpose of altering the will of a person' was subjected to the examination of the committee. Through the submissions in this regard as stated above your committee has been convinced that attempts have been made to change the will of persons by providing various material or financial aid for mitigating poverty and disaster etc and through education.

When World Vision Sri Lanka is taken as an example, according to its constitution, in developing a Christian lifestyle and a leadership of its kind, providing a Christian service through both spiritual and material means for needy persons and the elderly and sick persons who have lost homes is one of its missions. Similarly, it was established in the United States of America as a Christian humanitarian organization and it started operations in Sri Lanka in 1980. Under Memorandum of Understanding entered into between the Secretary to the Ministry of Plan Implementation and the Country Director of the organization, it has implemented regional development project for social development in rural and urban areas, disabled homes projects in Anuradhapura, relief and rehabilitation projects in Kilinochchi, and street children's projects in Colombo and Kandy.

It has been stated that this institution follows the idea of "bringing about a transformation of the poor and the suppressed as a gospel and as an equitable evidence for the Kingdom of God" and that they are responsible to the God as a Christian Organization.

In 1988 a person called "Noel Bermin" attached to this organization commenced the implementation of a "seed mustard" project with the objective of creating a set of followers worshipping and obedient to Jesus Christ. The statement made by the local director of this organization "our persuasion for serving the oppressed and the poor is clearly found within Christianity" and the statement made by Ted Engstrom who served as the chairman of this organization until 30th June 1987 to the effect that "we have guaranteed that evangelism is included as a very important factor in all projects that we undertake to implement. We just cannot lie idle allowing the ruination of people after fulfilling their needs", should be taken into consideration.

According to one of the submissions, it was stated that a person called "Thimorthy David" had remarked at a seminar that their aim was to convert every child born after 2020 from Buddhism to Christianity". The same witness further stated that pre schools and tuition classes for English and Computer studies were being constructed at the same time in areas where such activities were taking place and added that poverty had been exploited to convert the people and that people were being converted using such activities in major historical townships like Anuradhapura, Polonnaruwa, Mihintale and Tissamaharama.

Evidence was also presented before your committee that pre school teachers had been converted by offering financial incentives in areas like Kebithigollwea, Horowpothana, Wahalkada and Padavi Sri Pura and that they had in turn been used to drive ideas about other faiths into the minds of the Buddhist and Hindu children and that fundamental

religious literature had been distributed in the Anamaduwa area and that such books were found in the libraries of Anamaduwa Maha Vidyalaya and Poonapitiya Maha Vidyalaya. When inquiries were made about the staff of this organization, its Country Director admitted that the majority of staff members were Christians.

The non-governmental Organization called the CHA (Collective of Humanitarian Agencies) has been operating in Sri Lanka since 1996 and is operative in 13 districts in the island at present.

46 Non-governmental Organizations including Caritas, Care, CCF, CCF Canada, Forut, LEADS, World Vision, ZOA which have based their activities on poverty reduction, protection of children's rights hold the membership of this organization.

It has been reported to the committee that the two Consortium organizations in the districts of Puttalam and Trincomalee and the TRO hold associate membership.

It was reported to your committee that the CHA had lobbied against it when all Non-governmental Organizations were requested to make submissions before the committee.

It has been revealed before your committee that there have been attempts to convert people to other religious by distributing goods to alleviate poverty and conversions also take place when recruitments are made to these organizations. The report of the Buddhasasana Commission too reinforces the fact Buddhists and Hindus have been subjected to this influence.

The following statement testifies the fact that ZOA too is an organization with some religious roots.

“The aim is to create the sign of hope in accordance with the fundamental purpose of God, on the shattered world of the human who become increasingly frustrated by conflict poverty, injustice and disaster”.

Observations and Recommendations of your committee in relation to the above facts.

1. The Committee observed that Non-governmental Organizations, specially most of the International Non-governmental Organizations have demolished the society's self confidence and confidence on self strengths by providing goods and financial aid to poor marginalized and vulnerable communities with their focus being War and Children.
2. The Committee observed that the Organizations such as Word Vision, Save the Children and CCF have provided various loans and grants to families, with children being the focus and certain Non-governmental Organizations have made huge amounts of aid available without any limit standard or proper procedure following the Tsunami catastrophe.
3. The Committee emphasized to the Country Director of World Vision that there were so many allegations against it regarding converting children and persons to Christianity and that they should act with an understanding of the local conditions

- and in a manner that divisions would not be created among people when carrying out their work.
4. The Committee noted that aid had been distributed in an improper and non-transparent manner owing to lack of co-ordination or having no co-ordination at all among the Ministry and other responsible institutions of the government and that this has damaged the value system of working openly, confidently and collectively in the society.
 5. The committee also observed that the traditional village organizations such as Rural Development Societies which can boast of a long history have been made powerless and their backbones have been broken as a result of aid being granted without any administrative supervision, which has resulted in a dependent mentality among the people who think nothing can be done without aid. Intellectual capabilities and empowerment traits as well as mutual relationships among the people have begun to erode.

The Presidential Commission report also has pointed out that the Non-governmental Organizations bent on attacking the local culture and religious integrity have indirectly received special commission from organizations aiming at religious conversions.

The nature of financial policies, accounting and transparency of Non-governmental Organizations in Sri Lanka

Your committee which investigated the financial policies accounting and transparency of the Non-governmental Organizations operating in Sri Lanka identified transactions, financial policies and accounting standards which lacked transparency.

The committee which paid its attention to the provisions of the voluntary service organizations registration and monitoring Act No. 31 of 1980 and the Voluntary Service Organizations registration and monitoring (amendment) Act No. 08 of 1998 which provide for the monitoring activities of these Non-governmental Organizations considered whether financial activities and auditing of the Non-governmental Organizations do take place in terms of such provisions. Your committee also considered whether the auditing activities of the Non-governmental Organizations registered under the companies Act No. 17 of 1982 take place in terms of the provisions laid out in that Act. Further your committee investigated whether things were taking place in terms of the Accounting Standards of Sri Lanka compiled by the Sri Lanka Institute of Chartered Accounting and also paid attention to the Inland Revenue Act No. 38 of 2000, Inland Revenue (Amendment) Act No.08 of 2005 and the Inland Revenue Act No. 10 of 2006.

Your Committee further considered if the Non-governmental Organizations followed the orders published in the gazette extraordinary bearing No. 1101/14, dated 15.10.1999 issued by the Democratic Socialist Republic of Sri Lanka. In terms of item No. 03 of those provisions the committee considered whether all documents which a registered voluntary organizations should maintain such as cash book including bank accounts, petty cash book, main ledger, main journal, membership fee ledger, lenders and debtors ledger, duplicate books, receipts issuing ledger, assets list, committee reports,

membership list, letters of appointment and personal files of officers and other employees are maintained. Letters signed by the secretary to the committee were sent to all Non-governmental Organizations asking them to submit all their details to which about 70 Non-governmental Organizations responded positively by sending all reports and annual publications to your committee.

In examining all the documents sent in that manner, several organizations that had sent audit and financial reports, could be identified. The fact that became evident through these observations was that many Non-governmental organizations do not abide by the orders published in the gazette extraordinary bearing No. 1101/14, in their actions. Under the existing legal provisions, providing annual audit reports to the secretariat for the registration of Non-governmental Organizations is a compulsory requirement. But it is evident that this has not been fulfilled in practice. Similarly it was observed that even the received accounts reports are not subjected to proper evaluation due to the shortage of resources which currently prevails at the secretariat for the registration of Non-governmental Organizations. The best example for this is, as the Central Bank of Sri Lanka has mentioned, when the accounts reports of 30 Non-governmental Organizations were requested by the Central Bank of Sri Lanka in the recent past, the failure of the Secretariat to provide them or to submit observation reports on them.

Further, inability to subject the transparency of the accounts and the financial activities to a definite examination in terms of their objectives was a matter observed by Your Committee. Your Committee paid its attention to the manner in which auditing of Non-governmental Organizations was carried out and considered the auditing measures followed by the recognized audit companies within Sri Lanka such as Price Waterhouse Cooper, KMPG, Amarasekera & Company, Nagasingha & Company and Aiyar Company and observed the following through that. In many audit reports, what was stated was that the responsibility of preparing financial reports lay with the officials of the organization and that the duty of the auditors was to audit the prepared financial report which included the income and expenditure accounts and balance sheets and express their views. Through the auditors' views expressed, your committee understood certain matters. That is your committee was that the view expressed in every report was that the Non-governmental Organizations had maintained the accounts properly and that they had been maintained consistent with Sri Lanka Accounting Standards.

Even though the auditors had expressed their view, the manner in which audit certificates were issued in the years 2005 and 2006 without carrying out a physical audit of the financial activities of the Non-governmental Organizations which were operative in the North and Eastern area that were outside government control captured special attention of your committee.

Paying further attention to this matter, your committee investigated the manner in which the huge amount of aid which flowed into the country with the Tsunami tragedy that Sri Lanka faced on 26th of December 2004, was utilized. Although it was possible to reveal that nearly 40.1 billion rupees have been obtained by 256 Non-governmental Organizations for Tsunami relief work, whether such a huge amount of money had been properly utilized was problematic. According to Central Bank reports it was evident that

even though these funds had been received within the year 2005, the service rendered had been minimal. (Annexure 05) Further, this fact could be further clarified when considering the audit report sent to your committee by the Non-governmental Organizations (Annexure 05A)

It was observed by your committee that a huge monetary surplus of those Non-governmental Organizations had been carried forward from 01.01.2006 and as no physical audit had been done to see whether those cash balances had been utilized properly, a definite conclusion regarding this issue could not be reached. It was clear that the amount of money received by the Non-governmental Organizations within the year 2005-2006 was nearly 20150 million rupees (Annexure 05 A) while the expenditure was 1800 million rupees. Although it appeared as money had been spent on housing projects, sanitary facilities and child health and mental development, it became clear that the total amount of money allocated for constructions for the year 2006 was approximately 60 percent. It was revealed that 40 percent had been spent as administrative expenses.

Further, in examining the accounts reports sent by CCF Sri Lanka and Foundation for Co-existence, it became clear that a monthly salary up to one million rupees had been paid monthly for the domestic staff. Your committee understood that the salary paid annually to the Executive Director of Foundation for Co-existence was nearly rupees 150 lakhs and that the salary paid annually to the Executive Director of CCF Sri Lanka had exceeded rupees 30 lakhs. Further investigations caused the emergence of some specific matters and out of them, the manner in which income tax reserves had been allocated captured special attention.

Allocation of Income Tax Reserves

The committee observed the fact that the auditors had paid attention to the Inland Revenue Act No. 38 of 2000 and the Inland Revenue (Amendment) Act No. 38 of 2005 which state the provisions for tax payment by Non-governmental Organizations. According to Article 96/(a) of the aforesaid Acts, in the event of any Non-governmental Organizations receiving any amount of money in the form of grants, donations, subscriptions or any other within the assessment year starting on 01 April 2005, notwithstanding what is stated to the contrary in any other provision of the Act, an amount equal to 3% of that amount should be considered as the total profit and income of the Non-governmental Organizations for that assessment year and the profit and income should be considered as accrued in Sri Lanka. In considering the tax reserve allocations in the financial reports of Non-governmental Organizations, it became evident to your committee that the aforesaid provisions had not been followed properly. (Annexure 06) . Further as it has been difficult to arrive at a decision as to whether the tax monies reserved in this manner had been sent properly to the commissioner General of Inland Revenue, the committee held the view that measures should be taken to recover those tax monies by bringing this to the notice of the Department of Inland Revenue (Annexure 06). Having carried out further investigations, your committee was able to identify the following problems.

Non-indication of capital expenditure in the balance sheets. –

Even though the accounts of all Non-governmental Organizations operative in Sri Lanka should be maintained to comply with the accounting standards set out by the Chartered Accountancy Institution of Sri Lanka, having examined the audit reports, your committee detected that most of the Non-governmental Organizations had not acted in accordance with those accounting standards. According to the audit report issued by Price Waterhouse Cooper Auditing Company to Consortium of Humanitarian Agencies in 2005, even though a sum of Rs. 10,234,309 had been spent by Consortium of Humanitarian Agencies (CHA) for the purchase of vehicles and equipment, your Committee detected that this amount had been deducted as project cost without indicating it under fixed assets in the balance sheet. The auditors also have stated that the said procedure was in contravention of the provisions made under Sri Lanka Accounting Standards No.18 and the statement that the auditors also found it impossible to agree with that procedure was identified as significant. Therefore, it was clear to your committee that certain Non-governmental Organizations do not follow the Sri Lanka Accounting Standards.

Further, the audit report of Humedica International was examined it was confirmed that Rs. 72,275,812 had been spent on fixed assets as capital expenditure up to 31.03.2006 and that those also had been deducted under project cost. (Annexure 07)

Similarly, having examined the matters submitted by the Save the Children, Your Committee pointed out to the officials present the non-inclusion of fixed assets in the audit reports submitted for the year ending on 31.03.2006 and explained that indicting it as a project cost in the income/expenditure account was also not in accordance with Sri Lanka Accounting Standards. Instructions were given to prepare the financial reports in future in accordance with Sri Lanka accounting standards.

The Senior accountant of Save the Children who appeared before the Committee and made a submission according to the order issued by your committee, stated that financial statements were prepared giving the value in sterling pounds according to the instructions given by the mother society in London. It was made clear through that statement as well that Save the children does not act according to Sri Lanka Accounting Standards. Here, your committee advised the officials of that institution that financial report should be prepared giving the values in Sri Lankan rupees. Another significant matter that was clarified was the failure to carry out physical audit.

Your committee also paid special attention to the fact pointed out by the auditors that it was difficult to conduct a physical audit of the accounts and financial activities of the Non-governmental Organizations operative in the areas within the North and Eastern provinces which are outside government control. Accordingly as it was possible to confirm the fact that there were certain shortcomings in the audit reports received, your committee accepted that the transparency of those financial activities were not of an acceptable level and it was the conclusion of your committee that remedial measures should be taken in that respect. Further, in accounts on Tsunami activities submitted by the Jaffna office of Humedica international for the year 2005/2006, Rs. 549,505,012 had

been spent as project cost. Out of that, Rs. 85,038,942 had been spent on housing projects. But it was evident to the committee that no physical audit had been conducted to confirm whether these houses had been completed or not. The auditors who carried out the audit state that they used the financial reports prepared by that Jaffna office as a basis for preparing their audit report. Although it had been certified that books were maintained properly and that they were in accordance with Sri Lanka Accounting Standards, your committee could not be satisfied about their transparency.

Further, Tamil Rehabilitation Organization (TRO) was accused of transferring the funds in to the hands of terrorist groups. Audit reports of this institution had not been submitted to the Committee. The committee detected that an audit report had been prepared for the last time for 31.03.2005, in response to the communication made to the effect that audit reports on all transactions should be referred to your committee, Tamil Rehabilitation Organization has informed that all documents and information with relevance to auditing had been taken to the Kilinochchi office by the auditors and that steps would be taken to submit those reports and information after obtaining them back. Nevertheless, up to November 2007, measures have not been taken to submit those reports and information to your committee.

Further, another matter that was detected by your committee was that the operational staff of many Non-governmental Organizations consists of family members. It became obvious that as a result, in conducting financial activities no proper financial utilization or accounting is done due to the pressure from certain elements and your committee observed that some measures should be taken in this respect.

Your committee further ascertained that a colossal amount had been received as aid for carrying out Tsunami relief activities and paid your attention as to the fate of the balances of such excessive funds and was of the opinion that the transparency of the relevant transactions was far from satisfactory. Your committee which considered the audit reports of a number of Non-governmental Organizations including the Sarvodaya Sharmadana Association, realized that the donation received by the Tsunami Relief committee was Rs. 1,228,744,941.. Though a sum of Rs. 518,845,984 had been spent on special projects and Rs. 164,275,916 on public projects, there were no detailed reports with regard to this expenditure. The balance taken forward after such expenditure has been mentioned as Rs. 546,123,041. Even though it was evident that the greater portion of the money had been expended on the constructions of the North and East and on constructing playgrounds, the committee was unable to gain a thorough understanding of the transparency of the said financial activities as they had not been subjected to a physical audit.

Your Committee which further analyzed the facts, drew its attention to the audit reports submitted by the Society for Co-existence and became aware that several special projects had been launched in the Northern and Eastern Provinces utilizing financial provisions apportioned by the Royal Norwegian Embassy.

Your committee became cognizant that human safety of the North and East the policy program and research project on land settlement, the project on rehabilitating places of

worship in the Eastern Province damaged by the Tsunami and the project on civil society strengthening and local government capacity building had been implemented. Hence it was apparent that Non-governmental Organizations and a foreign embassy were involved in the process of formulating the land policies of Sri Lanka.

Your committee also inspected the audit report submitted by World Vision as at 30.09.2005 and made inquiries from its officials when they were called before the committee regarding the non inclusion of the property and machinery, land and buildings and vehicles, etc. in the balance sheet.

Though a sum of Rs. 4,364,068,733 has been spent as project costs and a sum of Rs. 346,118,666 has been spent as capital expenditure, the details of such expenses had not been included in the audit, hence the committee was of the opinion that the audit was not in compliance with the audit standards of Sri Lanka since the said capital expenditure had not been indicated under fixed assets in the balance sheet of capital expenditure. Therefore, it became clear to the committee that the real nature of the capital expenditure was not reflected in the balance sheet.

Since the committee was not satisfied with regard to transparency of the financial activities of Non-governmental Organizations in view of the above facts, the committee was of the opinion that attention should be focused on the following provisions.

1. Put in place an administrative mechanism to monitor whether account books are maintained in accordance with the existing legal provisions
2. Take measures to include the audit report of the relevant financial year when preparing the annual report of Non-governmental Organizations
3. Take steps to make the accounting process of Non-governmental Organizations more transparent by introducing pertaining to accounting and audit supervision when formulating an act to regularize the activities of Non-governmental Organizations

Proposals of the Committee with regard to above Facts

1. Regularize Non-governmental Organizations to enhance their transparency and accountability and introducing a proper legal framework for Non-governmental Organizations
For this purpose the social services organizations registration and supervision Act No. 31 of 1980 which was amended through the social Service organizations and supervision (Amendment) Act No. 8 of 1998 should be annulled and a new bill should be formulated incorporating provisions to regularize Non-governmental Organizations.
2. Establishing a high powered Commission to formulate legal provisions for the supervision of Non-governmental Organizations.
3. Since there is no formal definition on Non-governmental Organizations in Sri Lanka in that the definition given in the Act NO. 31 of 1980 is not sufficient, a formal definition suitable to Sri Lanka should be adopted and legalized. Measures should also be taken to compulsorily register all Non-governmental

Organizations operating in the country in this commission notwithstanding their registration under any other law.

4. Accordingly, the definition of Non governmental organizations should be as follows; “All organizations formed by an individual or a group of individuals with no state agreement, for the purpose of rendering volunteer service with local and foreign aid, with no expectation for profit but aiming at social security, welfare and development, with a constitution and a management system consistent with the domestic legal and policy framework and ethics are defined as voluntary social organizations or non governmental organizations”
5. This Commission, with the leadership of a Chairman, should consist of five (05) members including a retired Auditor General, a retired Supreme Court Judge, an official highly conversant in the administration field with relevance to social service activities, a female member engaged in social service activities and a person with in depth understanding of the functioning of non – governmental organizations. Members of this Commission should be appointed by the president of Sri Lanka, subject to the recommendation of the Parliamentary Committee on High Posts.
6. This commission when in operation should be responsible to the Parliament of Sri Lanka regarding its activities.
7. The role and the powers of the commission that will be established by the Act to be introduced, the policies relevant to the registration of Non-governmental Organizations, the policies needed for their management and monitoring and the legal provisions for audit and investigation should be included.
8. Until such time that the new bill to be introduced is drafted and implemented, a Presidential Task Force should immediately be established considering it as a matter of urgent importance
9. The commission should maintain a formal register including details pertaining to the registration of NGOs, issuing visas, cancellation, documentation of unbecoming acts, history of NGOs and other activities.
10. Since a significant number of unregistered NGOs are operative in Sri Lanka, their registration should be made compulsory and the registration process should be carried out in compliance with the fundamental law of the country and the rules and regulations imposed by the Commission
11. Without stopping at extraditing the heads of NGOs against whom allegations are leveled for irregularities/misconduct, legal provisions should be enacted to totally ban such NGOs. Action that should be taken against NGOs which do not implement the orders of the commission should also be legislated.

12. When a Sri Lankan or a certain organization collects funds and items in a foreign country for Sri Lanka and provides them to the country the said process should be carried out in accordance with the law of Sri Lanka.
13. In registration, the Commission should be prudent to act in close observation of the black-listed non – governmental organizations and measures should be taken to not register such organizations again and information about such organizations should be published for the knowledge of the public.
14. To address the need of acting with greater transparency and accountability, when public institutions enter into Memoranda of Understanding with non-governmental organizations the Secretary to the relevant Ministry should take measures to get the full approval of the Commission. On such occasions, it should be notified to the public through media and gazette notifications and the Commission should provide opportunity to submit objections if there are any.
15. NGOs should pay strict attention to national identity, national security, territorial integrity, customs and rituals, values and culture of the country and the commission should compile a set of guidelines restraining NGOs from taking action to destroy or distort them or to create a sense of dependant mentality in the people.
16. Measures should be taken to decentralize the powers of the Commission on non governmental organizations to district and divisional operation committees and implement those powers. In that, a programme be formulated to combine district and divisional level activities of the non governmental organizations with the state mechanism and according to that the activities should be subjected to the supervision of the district secretariat coordinating committee and divisional secretariat coordinating committee.
17. The Commission should introduce a course of action to bond the programs of the development oriented NGOs with action plans of Ministries and the programs of NGOs should be carried out in such a way to ensure development of areas lacking in resources and the final outcome of it should be the elimination of poverty.
18. The commission should implement programs that are required to carry out such activities under an integrated development process, after being discussed at other programmes by the heads of the Provincial Council of the relevant district, heads of public departments, heads of agencies, heads of central administration and towns and heads of civil society and people's organizations.
19. In order to provide more opportunities for Sri Lankans to work in non governmental organizations the number arriving to serve in non governmental organizations should be limited only to the essential expert posts. The Commission should examine the qualifications and experiences with relevance to those posts, of those are appointed to the said posts that manner.

20. In issuing visas for the foreigners who are called in for non governmental organizations, the Commission should take measures to obtain the recommendations from the relevant embassies.
21. The accounts of NGOs which are operative in Sri Lanka should be maintained in state approved banks and their accounts should be maintained consistent with the approved auditing standards of Sri Lanka. In submitting the said accounts in foreign currencies values, steps should be taken to submit the relevant values in currency valid in Sri Lanka as well. The proposed bill should include legal provisions relevant to this.
22. National NGO Fund should be set up to strengthen NGOs which render a service to the society. Under this, training workshops to build capacities of NGOs and training workshops on management, financial activities, good governance, strategic planning, fund developing, preparing plans for development of NGOs should be conducted along with skill development programmes and funds should also be provided to strengthen small NGO existing at the grass root level. Arrangements should be made to provide funds for this National Fund in following ways.
- i) Obtaining from the non governmental organizations, a certain percentage of money that is decided by the Commission.
 - ii) Any balance left at the end of a certain project.
 - iii) Any money left unused in the event of any project being suspended midway due to an illegal act.
 - iv) Money generated consequent to a court ruling or in abolishing an NGO
 - v) Any provisions made by the government and other donations and aid received during fund raising activities
- 23 All NGOs should submit their account reports to the audit unit of the Commission within three months of the end of the accounts year. After initiating legal action the commission should decide whether to continue the registration of such NGOs which fail to comply with the above requirement. A monitoring process regarding the audit reports received by the Commission and the utilization of funds should be implemented.
- 24 An evaluation report on the activities of foreign non governmental organizations and the success of various projects should be referred to the mother organizations of the relevant non governmental organization and to the government of the relevant country through the Commission. The active participation of the Commission should be made compulsory at the activities on Non –Governmental Organizations, organized by International Organizations, which are accepted by the Government of Sri Lanka.
- 25 Any Non-governmental Organizations should submit a conclusion report to the national or a regional council of the Commission at the conclusion of their projects.

- 26 Requests should be made from foreign governments and relevant institutions to provide to Sri Lanka, the funds and other aid collected for Sri Lanka after the Tsunami disaster, but not received so far.
- 27 If institutions that are incorporated by the Parliament receive foreign aid, those institutions also should get registered at the Commission and they should be subject to its rules and regulations.

The decision taken by the Committee according to the circumstances

- 1) Your committee proposed that a report, regarding the INGOs that intend to function in this country, should be obtained from the Sri Lankan embassy functioning in the motherland of those INGOs and based on that report, they should be directed to the National Secretariat on NGOs to register as NGOs in this country.
- 2) The Committee considered the activities of NGOs including the book by the name “Samaya Soyagath Alipatiya” and emphasized that only the Ministry of Education can take decisions regarding the education policy in this country and immediate action be taken to prevent the repetition of such incidents in future and to stop the distribution of the aforesaid book.
- 3) The committee proscribed the distribution of the book “Lama Manasika Saukya” published together by the GTZ and National Institute of Education, because the committee observed that the aforesaid book has analyzed in exaggeration the impact of war on children and has tried to build a wrong attitude towards the army in this country in the minds of children.
- 4) Your committee discussed the statement made by the Registrar General that “Plan Sri Lanka” was used to conduct awareness programmes in certain districts on the issuing of birth certificates and later it has been assigned to another NGO by the name of Seva Lanka for which the cabinet approval was not obtained to sign them OU. The committee then decided that the transferring of power to and NGO to perform the duties assigned to the government officers is a serious matter and advised to take steps to stop it immediately.
- 5) Your committee directed the attention of the secretary to the Ministry of Education
 - To issue a circular including all the instructions to regularize the activities of the NGOs.
 - To review quarterly the activities of the NGOs in the education sector with the participation of the officers in NGOs.
 - To conduct regular meetings with the Directors of Education and teachers to investigate the activities of the NGO’s in schools.
- 6) Your committee observed that the “Save the Children” has registered themselves in the list issued by the National Secretariat on NGOs as was instructed to rectify that error.

We the Members of the Select Committee of Parliament for the Investigation of the Operations of Non-Governmental Organizations and their Impact, do hereby approve the Interim Report of the Committee.

Hon. Vijitha Herath (Chairman)	Sgd.
Hon. D M Jayarathna	Sgd.
Hon. Sumedha G Jayasena	Sgd.
Hon. Dinesh Gunawardhana	Sgd.
Hon. Mahinda Samarasinghe
Hon. Kumara Welgama
Hon. Bandula Basnayake
Hon. Mahinda Amaraweera	Sgd.
Hon. M G Segu Isadeen
Hon. Mahindananda Aluthgamage	Sgd.
Hon. H R Mithrapala	Sgd.
Hon. M Joseph Michael Perera	Sgd.
Hon. John Amaratunga	Sgd.
Hon. Gamini Jayawickrama Perera	Sgd.
Hon. Vajira Abeywardhana	Sgd.
Hon. Muthusivalingam	Sgd.
Hon. Wijeyedasa Rajapaksa
Hon. Nandana Gunathilake	Sgd.
Hon. Bimal Rathnayaka	Sgd.
Hon. Sunil Handunnetti	Sgd.
Hon. GG Ponnambalam
Hon. (Ven) Athurlaiye Rathana Thero	Sgd.
Hon. (Ven) Akmeemana Dayarathana Thero	Sgd.

Secretary to the Committee

Committee Members

Hon. Vijitha Herath (Chairman)
Hon. D M Jayarathna
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Hon. M Joseph Micheal Perera
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Hon. Gamini Jayawickrama Perera
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Hon. Wijeyedasa Rajapaksa
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Hon. Bimal Rathnayaka
Hon. Sunil Handunnetti
Hon. GG Ponnambalam
Hon. (Ven) Athurlaiye Rathana Thero
Hon. (Ven) Akmeemana Dayarathana Thero

Board of Consultants

Mr. Gomin Dayasiri
Mr. S L Gunasekara
Mr. Susantha Gunathilaka
Mrs. Seetha Rajapaksha
Mrs. Chithra Wejeseekara

➤ Burghof Foundation for Conflict Studies

- To facilitate the work of the Burghof Foundation and its partner organizations through assistance in obtaining other permits and cooperation from relevant government departments and agencies as and when required
- to assist that all necessary steps are taken with a view to ensuring that the Burghof Foundation s international staff and their families receive full protection for their person and their property; the same shall apply to all persons forming part of their household except if they are nationals of Sri Lanka.
- To afford persons referred to above any assistance they may require for their repatriation in terms of crises
- To assist to assume liability for acts of the international staff directly arising out of the execution of their duties under this Agreement other than such acts as are criminal or fraudulent.

Article : 5

The Ministry shall obtain the necessary concurrence in respect of those matters mentioned in Article 4 of this Memorandum of Understanding that do come within the purview of the Ministry of Foreign Affairs, the Ministry of Finance and planning and the Ministry of Defence appropriately.

Article : 6 . General Clauses

This Memorandum of Understanding may be amended or altered at any time with the consent of both parties and shall be effective through exchange of notes between the two parties.

Article: 7

Both parties agree that the present Memorandum of Understanding is based on the existing laws and regulations in Sri Lanka. In the event of any changes of laws and regulations in Sri Lanka, necessary amendments to the Memorandum of Understanding shall be considered

Article : 8

This Memorandum of Understanding shall be considered to be in effect and binding on both parties from the date of the signature of the Ministry, and will remain in effect until termination by either party on the issuance of six months written notice or by mutual consent..

Signed on : 10 July 2001

Signatories

For the Democratic Socialist

For the Burghof Foundation

Republic of Sri Lanka

for Conflict Studies

Secretary
Ministry of Constitutional Affairs
And Industrial development
Sri Lanka

Head of the Sri Lanka Office
Burghof Foundation for
Conflict Studies

Witness

Witness

Memorandum of Understanding
Between
The Burghof Foundation for conflict Studies Sri Lanka Office
And
Peace Building Project of the
Ministry of Constitutional Affairs and National Integration
Regarding
Proposal for Campaign for Sustainable Peace Through Power sharing

1. PARTIES

This document constitutes an agreement between the Burghof Foundation for Conflict Studies Sri Lanka Office as the first party and the Peace Building Project of the Ministry of the Constitutional Affairs and National Integration as the second party.

2. PURPOSE

Pursuant to this agreement, the parties will cooperate to educate people merits of power sharing as a tool in achieving sustainable peace in Sri Lanka

3. MUTUAL INTERESTS OF THE PARTIES

- 3.1 The min objective of the Burghof Foundation for Conflict Studies Sri Lanka Office (the first party) is to facilitate the above stated program within the public sector
- 3.2 The objectives of the peace Building Project of the Ministry of Constitutional Affairs & National Integration (the second party) are;
 - a) to change the attitudes of people towards system of power sharing.
 - b) To educate people to understand power sharing as the most effective and rational solution to the ethnic conflict
 - c) To provoke a discourse to find the appropriate model that would satisfy the aspirations of the people in Sri Lanka
 - d) To create higher degree of awareness on power sharing solution and impress upon the people
 - e) To help people to abandon the long held prejudices against the sharing of power and equip at least the key opinion leaders at ground level to confront the misinformation efforts coming from the extremist elements.

4. RESPONSIBILITIES OF THE PARTIES

The Burghof Foundation for Conflict Studies Sri Lanka Office, agrees to perform the following activities and provide the following resources in support of the project.

- a) Provide an amount of up to LKR 2500,000 in January 2006 which is 50% of the budget forwarded and approved
- b) The remaining 50% of the budget shall be provided in June 2006 on completion of all obligations according to the attached financial agreement.
- c) Provide any assistance, advice and other support services for the program development of the Peace Building Project of the Ministry of Constitutional Affairs and National Integration, as requested and agreed upon by the two parties.

4.2 The Peace Building Project of the ministry of Constitutional Affairs & National Integration agrees to ;

- a) conduct awareness programmes (seminars, workshops & public meetings)
- b) Prepare & publish educational material
- c) Organize Poster Campaigns
- d) Arrange Bill Boards
- e) Produce Newspaper supplements & Radio and TV Programmes
- f) Brief, consult, inform and invite staff of the Foundation as necessary in order to strengthen the partnership and mutual learning from the programme
- g) To provide narrative reports and financial reports in a timely manner
- h)

5. APPORTIONMENT OF COSTS

The costs of this project are apportioned as follows ;

- 5.1 the Burghof Foundation for Conflict Studies Sri Lanka Office agrees to bear all financial costs pertaining to responsibilities of the parties, as pursuant under Section 4.
- 5.2 The Peace Building Project of the Ministry of Constitutional Affairs & National Integration agrees to bear all financial responsibilities pertaining to responsibilities of the parties, as pursuant under Section 4.

6. PERIOD OF AGREEMENT AND MODIFICATION/TERMINATION

This agreement will become effective 01st January 2006 upon signing of the Agreement by both parties and will terminate at the completion of the project or by mutual consent of the parties. In the event this agreement is terminated, each party shall be solely responsible for the payment of any expenses it has incurred. This agreement is subject to the availability of funds.

7. CONTACTS

The contacts of each party to this agreement are:

Ms. Kanaka Abeygunawardana
Senior Co-ordinator

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Sri Lanka Office
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Colombo 5, Sri Lanka
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E-mail : ranjith_am@hotmail.com

The following being duly authorized by their respective organizations, have signed this MOU.

For the Burghof Foundation for Conflict Studies
Project
Sri Lanka Office

for the Peace Building
Min. of Constitutional Affairs
& National Integration

.....
Dr. Norbert Ropers

.....
Prof. Ranjith Amarasinghe
Director
Peace Building Project
Ministry of Constitutional
Affairs and National
Integration

Date :

Date :

- Encl : 1. Agreement for Financial subsidies – Annex 1
2. Standard Terms related to the Management of Funds – Annex 2
3. Project Proposal
4. Format for Narrative Reports

Annexure 05 A

S No.	Institute	Income	Expenditure
1	Consortium of Humanitarian Agencies	268,180,187.00	257,118,137.00
2	Lanka Jathika Sarvodaya Shramadana Sangamaya	1,228,744,941.00	682,621,900.00
3	World Vision Lanka Institute	4,993,086,785.00	4,364,068,733.00
4	Forut Institute	844,175,991.00	777,086,737.00
			4,979,260.00
5	Humidica International	653,761,985.00	613,388,600.00
6	Red Cross Society	91,526,942.00	85,998,703.00
7	Sri Lanka Red Cross	31,552,909.00	14,166,749.00
8	Tarades Homes	362,551,148.00	513,188,646.00
9	Stromme Foundation	502,540,399.00	292,576,223.00
10	National Peace Council	69,614,073.00	63,066,054.00
11	Tamil Rehabilitation Organization	1,997,476,54.00	19,975,024,686.00
12	Seva Lanka Foundation	2,495,519,620.00	2,400,062,780.00
13	Foundation for Coexistence	142,532,089.00	102,856,173.00
14	Save the Children 2005	1,159,253,600.00	1,019,028,400.00
	Save the Children 2006	3,288,687,600.00	2,925,212,200.00
15	Christina Children's Fund 2005	105,331,814.00	37,205,012.00
	Christian Children's Fund 2006	70,803,908.00	66,138,739.00
16	Oxfam Institute 2006	1,804,175,357.00	1,765,139,360.00
17	Hammer the Forum 31.03.2006	31,552,910.00	14,166,749.00
		<u>20,141,068,812.00</u>	<u>17,974,093,841.00</u>

The allocation of taxes in certain selected NGOs has been derived from the Audit report of their organization.

Non-governmental Organizations	Allocated amount
World Vision Lanka (in terms of 30%)	5,774,525.00
World Vision Lanka (in terms of 3%)	19,248,918.00
Consortium of Humanitarian Agencies	17,520.00
Humidica International	735,532.95
National Peace Council	86,985.00
Seva Lanka Foundation	559,649.19

01. World Vision

As shown in the Audit Report, 12 Land Cruisers have been purchased at the expense of 38.2 million. That amount has been removed from the books as project expenses. It has not been included in the balance sheet. Though Rs. 134,118,666/= has been shown as capital expenditure, it was revealed that this capital expenditure has not been shown in detail. We cannot arrive into conclusions regarding the purchasing of those vehicles and equipment.

02. Humidica International

According to their Audit Report fixed assets to the value of Rs. 7227581.78 have been purchased during the period from 01.01.2005 to 31.03.2006. It has been deducted under the payment cost. This does not comply with the audit standards of Sri Lanka.

Land and buildings	Rs	43935000.00
Vehicles	Rs.	26671125.00
Colombo Office	Rs.	2669687.78

	Rs.	72275812.78
		=====

Vehicles

Motor Cycles	-	4 =	349980.00
Motor Coach	-	2 =	6485300.00
Tractor	-	1 =	1611420.00
Ambulance boat	-	1 =	14374425.00
Car	-	1 =	2850000.00

Total			26671125.00
			=====

Clear conclusions cannot be arrived regarding the purpose of using those vehicles and the places where these vehicles are kept at present.