



# **Study of the impact of the work of FORUT in Sri Lanka: Building Civil Society**



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# **Study of the impact of the work of FORUT in Sri Lanka: Building Civil Society**

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## Abbreviations

ADIC	Alcohol and Drug Information Centre
CBO	Community based organisation
CSF	Community Services Forum
CIDA	Canadian International Development Agency
FOSDO	Federation of Organisations for Social Development
INGOs	International Non-Governmental Organisations
IOGT	International Organisation of Good Templars
JVP	Janatha Vimiukthi Peramuna
LTTE	Liberation Tigers of Tamil Eelam
NGO	Non-Governmental Organisation
Norad	Norwegian Agency for Development Cooperation
PS	Pradeshiya Sabha (locally elected body)
Rs.	Sri Lankan rupees, Rs. 100 = NOK 6.5, Rs. 100=\$US 1
SIDA	Swedish International Development Cooperation Agency
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNP	United National Party



## Executive Summary

This report is one in a series of four reports resulting from a study commissioned by Evaluation Section of the Norwegian Ministry of Foreign Affairs<sup>1</sup> in December 2002 to assess the impact of the work of Norwegian non-governmental organisations (NGOs).

The study focuses on the work of two Norwegian NGOs in two selected countries; FORUT in Sri Lanka and Save the Children Norway in Ethiopia. The inception report examines methodological issues related to impact assessment. The second report discusses the findings from the Sri Lanka country study. The third report, also published in October 2004, discusses the findings from the Ethiopia country study. The final report, to be published by the end of 2004, is a synthesis report drawing on the findings from the two country studies and the inception report. The reports are available on [www.norad.no](http://www.norad.no) (Evaluation).

This report examines the impact of the work of FORUT in Sri Lanka in relation to some of the objectives in the Norwegian guidelines for strengthening civil society.

FORUT's interventions in Sri Lanka have been studied in two different, but equally challenging contexts, namely in the war affected Vavuniya district in the North, and in the politically turbulent Hambantota district in the South. War and political interference have limited the operational space of civil society organisations in both contexts. Nevertheless, the situation is rapidly changing in both areas, thus offering new opportunities for civil society organisations.

### Strengthening civil society

FORUT's approach and activities represent an effort to strengthen civil society in rural areas from a "grassroots" perspective by initiating, empowering and strengthening local organisations through a community development approach. FORUT works with three categories of organisations:

- self-help groups of 5-10 members
- community based organisations at the village level
- partner organisations federations of several community based organisations from different villages.

Self-help groups have reinforced bonds between people in the villages who already knew each other as neighbours, relatives or friends. They have contributed to increased interaction and trust and a feeling of unity among the members. These relationships are also strategically useful for the effective management of savings and credit programmes in the villages.

FORUT's interventions have led to a strengthening of village or community based organisations. FORUT supported community based organisations (CBOs) offer an additional arena for collective action in the village, which in turn contributes to increased social cohesion.

In conflict-affected areas, CBOs provide arenas for people to come together, rebuild lost relationships and regain mutual trust and confidence. There are fewer organisations in the conflict affected areas, hence, the potential for foreign based NGOs to make a contribution towards rebuilding lives and organisations is significant. Yet, the space for civil society organisations to operate has become more restricted because traditions of independent organisations have become weakened as a result of the war.

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1 The Evaluation Section was transferred from the Ministry of Foreign Affairs to Norad in February 2004.

CBO members have a strong allegiance to their self-help groups and CBOs. This strong sense of belonging and ownership does not apply to the federations formed to represent several CBOs. The federations operate more as conduits for channelling funds and other resources from donors to the individual CBOs than as advocates for their members.

### **Capacity building**

NGOs are expected to perform well in terms of capacity-building or strengthening human resources. In line with this, FORUT's interventions in both Vavuniya and Hambantota have laid the foundation for building civil society organisations in local communities. FORUT has also provided training to build awareness and the capacities of CBO members and their leaders. Yet, the current approach is inadequate in terms of achieving FORUT's ambitious policy objectives, which are also in line with the Norwegian guidelines for support to civil society regarding affecting changes in power structures and relationships. The study finds that:

- the resources spent on capacity building have not been adequate
- capacity building efforts are not aligned with FORUT's overall objectives
- a series of organisational practices are in place that counteract the objectives of capacity building.

### **Poverty reduction**

FORUT's interventions in the area of poverty reduction are threefold:

- savings and credit programmes implemented either through self-help groups or CBOs
- agricultural loans to farmers
- provision of services such as health, education, infrastructure delivered to both poor and conflict affected communities.

The combined impact of these interventions has been to reduce poverty among members of FORUT's partner organisations as the interventions have increased family incomes and served as safety nets in times of crises.

Through its community development and social mobilisation work in poor areas, FORUT and its partners have been able to reach poor, remote and marginalised communities. However, in terms of enabling people to access skills, education, loans, services and resources from a range of institutions outside the FORUT network, hence increasing people's freedom of choice and action, the impact has been more modest. Members of the FORUT network see FORUT's contribution primarily in terms of providing them with access to resources that are provided by FORUT.

### **Democratisation and good governance**

While poverty reduction is a stated policy objective, democratisation is not explicitly operationalised as part of FORUT's objectives or activities. Overall the findings indicate that FORUT's most successful partner organisations have procedures in place that reflect democratic values.

The CBOs have not contributed to fundamental changes in the relationship between village communities and local governance institutions. Interactions between FORUT's partners and institutions of administrative and political power are within traditional modes of interaction. The types of requests made by the CBOs are for resources for the villages, typically small infrastructure projects. Nevertheless, the hand of some village communities has been strengthened by highly successful CBOs.

By working closely with state institutions, FORUT and its partners have contributed to the improved coverage in the provision of services and the adoption of new practices by state institutions. In this three-way relationship, under-funded government agencies provide technical expertise, FORUT provides the funding, and FORUT's partners conduct needs assessments and mobilise people for participation in community development projects.

In terms of national policy advocacy, FORUT has played a role through its participation in the Consortium for Humanitarian Agencies and has been a party to advocacy processes on behalf of the war-affected populations. FORUT was active in the London-based NGO forum on Sri Lanka that was involved in advocacy on human rights issues. Through its support to the Alcohol and Drug Information Centre (ADIC), FORUT has contributed to the public debate on alcohol and drug related issues.

### **Challenges for the partners of Norwegian NGOs**

*Financial sustainability.* In response to the challenge of encouraging its partners' financial sustainability, FORUT has developed two strategies: diversification of their donor base and diversification of their income base. With respect to the first, FORUT's partners have been relatively successful in developing relationships with a range of donor agencies. Diversifying income has been a trickier task; non-donor income has only contributed marginally to FORUT's partners' finances.

*Pull towards service delivery.* There is a demand for service delivery from both the local communities as well as the government. The almost self-evident implication of the pull towards service delivery is that less attention, focus and resources are provided for the benefit of strengthening the social mobilisation and advocacy roles of civil society organisations. Hence, FORUT and its partners are sandwiched between their own objectives and the guidelines of the Norwegian donor, on the one hand, and demands from the local contexts in which they are working, on the other. The specific challenges that are inherent in combining different roles, such as service delivery with advocacy or social mobilisation, need to be comprehensively addressed, and priorities explicitly set.

*Long implementation chains.* Norwegian development policies are implemented through a long chain of actors after funding has been allocated to a Norwegian NGO. For FORUT this chain starts at the Gjøvik head office, it continues to Colombo, then to FORUT field offices, to local partner organisations, to CBOs that make up the local partner organisations, and in some cases to small savings and credit groups in the villages that are made up of 5-8 people. With this set up, a great deal of effort is needed to ensure compatibility between FORUT's objectives and the objectives of local organisations if the vision of FORUT, let alone the policy makers in Oslo, is to be achieved.



# 1 Introduction

This report is one in a series of four reports resulting from a study commissioned by the Evaluation Section of the Norwegian Ministry of Foreign Affairs<sup>2</sup> in December 2002 to assess the impact of the work of Norwegian non-governmental organisations (NGOs). The study focuses on the work of two Norwegian NGOs in two selected countries; FORUT in Sri Lanka and Save the Children Norway in Ethiopia. The inception report examines methodological issues related to impact assessment. This report discusses the findings from the Sri Lanka country study. The third report, also published in October 2004, discusses the findings from the Ethiopia country study. The final report, to be published by the end of 2004, is a synthesis report drawing on the findings from the two country studies and the inception report. The reports are available on [www.norad.no](http://www.norad.no) (Evaluation).

## 1.1 Purpose and scope of study

The Terms of Reference (appendix 6) require that this study assess the impact of the activities of FORUT in Sri Lanka, including:

- an assessment of the capacity building of FORUT in relation to its Sri Lankan partners, and of how FORUT and its partners contribute towards building civil society in Sri Lanka
- an assessment of the impact of the work of FORUT and its partners particularly in relation to poverty reduction, democratisation and human rights, which are referred to in the Norwegian guidelines for financial support to NGOs.

Impact assessment has been defined as “the systematic analysis of the lasting or significant changes – positive or negative, intended or not – in people’s lives brought about by a given action or series of actions” (Roche 1999:21). According to the above definition, change is measured at an individual level; in people’s lives. However, in addition to focusing on the individual level, the terms of reference for this study is concerned with changes and impact related to civil society. We therefore need to broaden the focus and look at changes not only in people’s lives, or at the individual level, but also in organisations and institutions.

FORUT’s vision and mission statements as they were formulated in the policy documents of 1998 and 2003 are in line with the objective of building civil society. In FORUT’s policy document of 1998 it is stated that FORUT’s vision is to “enhance the quality of life of the people by *empowering* them through their participation”. Further, FORUT’s mission is “to improve the living conditions of the people by acting as *a catalyst in building and strengthening local groups/organisations* in order to improve the socio-economic situation of the marginalised, fight alcohol and drug problems, promote peace and harmony among communities while providing humanitarian assistance in times of need.”<sup>3</sup> According to the policy document, FORUT’s approach to achieving the vision and mission is integrated community development based on social mobilisation, participation and empowerment.

In the 2003 policy document, the basic approach remains the same, yet there is somewhat more emphasis on advocacy and political awareness, as well as on peace and human rights. FORUT’s mission statement affirms “We want to enhance the quality of life of the people through their participation in development processes, advocacy and political awareness” (FORUT 2003: 3). Further, in its 2003 policy document FORUT emphasises a partnership model built on mutual respect in which the partner and FORUT should strive to work towards common goals in a democratic, transparent and participatory manner (FORUT 2003).

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2 The Evaluation Section was transferred from the Ministry of Foreign Affairs to Norad in February 2004.

3 Policy Document, FORUT Sri Lanka 1998.

In relation to the impact assessment areas specified in the Terms of Reference, FORUT's focus has been on poverty reduction, although human rights and peace are also stressed in FORUT's latest policy document. In addition to examining FORUT's impact on poverty reduction, we will discuss democratisation and good governance, areas in which civil society organisations supported by FORUT could make an impact, especially because empowerment has been a long-standing objective and advocacy has become a prominent component in FORUT's 2003 policy document. Further, with respect to human rights, clearly much of FORUT's work falls into the category of advancing social and economic rights, but FORUT does not portray itself as a human rights NGO and does not work within a human rights paradigm. Therefore we will be discussing this aspect of FORUT's contribution from a poverty reduction perspective, rather than a human rights perspective.

## **1.2 Approach and methodology**

Since FORUT intends to follow a grass roots based, bottom-up model we selected two districts for an in-depth study of the impact of FORUT's work, in order to assess the impact on individuals and villages, organisations and institutions locally. However, we also examine how the partners and FORUT draw on the interventions that are implemented locally in their work at the national level<sup>4</sup>.

Following discussions with the research team and based on the Terms of Reference, FORUT staff selected two geographical areas in Sri Lanka for the study, one in the North (Vavuniya) and one in the South (Hambantota). Since this is not an evaluation of FORUT as such, but rather a study, or an assessment, which aims to describe the type of impact that NGOs may have and suggest ways in which impact can be reported, the interventions that we have studied are "best practice" examples of interventions. In other words, the interventions have been chosen because they are likely to illustrate intended impacts of FORUT's interventions. Together the two selected intervention sites constitute between 10-15% of FORUT's total budget in Sri Lanka. They are in the middle range in terms of project size. The total budget for Hambantota in 2003 was Rs. 19 million (NOK 1.3 million/US\$ 185 000) and for Vavuniya Rs. 26 million (NOK 1.7 million/US\$ 255 000). Appendix 1 provides a geographically based listing of FORUT's project activities in Sri Lanka.

Subsequently, fieldwork was carried out in the districts of Hambantota and Vavuniya. The two districts represent two different socio-economic contexts. Hambantota is a rural, remote, comparatively less developed area in the South, while war-torn Vavuniya is situated on the frontlines of inter-ethnic conflict. A number of initiatives for rehabilitation and resettlement are ongoing in the Vavuniya district.

A mix of methodologies was used for the field work.<sup>5</sup> The same methodological process was followed in both districts. First, participatory workshops were conducted with key stakeholders of the project interventions. These stakeholders included beneficiaries of different interventions, representatives of partner organisations, CBO leaders, collaborating agencies such as government departments, volunteer workers and FORUT staff in the two districts. The purpose of these consultation workshops was to elicit the perceptions of the stakeholders with regard to development interventions introduced and conducted by FORUT and its partners, their perceived outcomes and impacts as well as future expectations of the stakeholders.

Secondly, a survey of FORUT's partner organisations was carried out to identify and assess how FORUT interventions have contributed to partnership building, empowerment and increased participation in community-based organisations (CBOs). Altogether 47 CBOs were surveyed, including 36 CBOs affiliated with FORUT's partner organisation in the Hambantota district and 11 CBOs affiliated with FORUT's partner organisation in the Vavuniya district.

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4 The research team consisted of the authors of this report as well as graduate students from the University of Colombo who were given basic training in survey methodologies and workshop documentation.

5 See the inception report: "Study of the Impact of Norwegian NGOs on civil society: FORUT (Sri Lanka) and Save the Children (Ethiopia): Some methodological issues" for a more in-depth discussion of the methodology ([www.norad.no](http://www.norad.no)).

Finally, the CBO survey was followed by case studies of a selected number of CBOs. These qualitative case studies aimed at understanding village level processes and the dynamics influencing CBOs in terms of how they perform in relation to the potential for and challenge of realising their goals and objectives.

### **1.3 FORUT**

FORUT<sup>6</sup> is based in the small town of Gjøvik, Norway. Its popular base in Norway is with the Norwegian temperance organisation, IOGT, and its youth organisation Juvente. As the development arm of these organisations FORUT runs development programmes in India, Nepal, Sierra Leone, Gambia and Senegal in addition to its Sri Lanka programme. FORUT's Sri Lanka programme is by far its largest programme anywhere in the world. FORUT also operates five centres for asylum seekers in Norway, commissioned by the Norwegian Directorate for Immigration. The other important component of FORUT's Norwegian programme is its information work with the Norwegian public, in particular in pre-schools and schools.

FORUT has been working in Sri Lanka since 1982 when the organisation was established as a joint venture between the Swedish and Norwegian IOGTs to continue the work that had been carried out since 1967 by NGU<sup>7</sup>, through CEYNOR, with industrial development in the fisheries sector in Jaffna being the prime concern. FORUT's entry on the scene marked a clear shift towards rural development. Later on social mobilisation and organisation became the centrepiece of FORUT's engagement in Sri Lanka.

FORUT started out with a modest programme of Rs. 1.5 million (NOK 98 400/ US\$ 14 500) in 1982, which had increased to almost Rs. 375 million in 2003<sup>8</sup> (NOK 24.6 million/US\$ 3.6 million). The main funders were the Norwegian Ministry of Foreign Affairs, Norad, UNHCR, the World Bank and SIDA. In 2003, 84% of FORUT's funds were spent on rehabilitation and relief, 10% on community development programmes and 6% on support for FORUT's partner ADIC for its work on alcohol and drug related issues.

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6 FORUT's full name in Norwegian is "Solidaritetsaksjon for utvikling" (Solidarity and Action for Development)

7 Norsk Godtemplar Ungdom (the name of IOGT's youth organisation until 1992 when the name was changed to Juvente).

8 Figures from FORUT's annual reports

## 2 Context

### 2.1 The role of civil society organisations

The Norwegian guidelines for support to civil society organisations define civil society broadly as “formal and informal networks that are active in the sphere between state and family.” In the guidelines it is further suggested that civil society should be strengthened through efforts at strengthening civil society actors and by encouraging arenas for interaction between them and other actors.

From a development aid perspective, the interest in civil society has coincided with the dominance of neo-liberal economic policies as a development strategy, and the scaling down of the role of the state as a development actor. The rationale for providing support to civil society has been that civil society organisations can contribute to a broadening and deepening of democratic processes, improvements in human rights, as well as reconciliation and poverty alleviation. Furthermore, in the Norwegian guidelines for support to civil society organisations it is suggested that civil society organisations should act as change agents in these areas. Support to civil society is based on the assumption that civil society organisations are *value based* and help strengthen institutions that promote values such as popular participation, respect for human rights and poverty reduction.

Since the impact of FORUT’s work will be assessed more specifically in relation to poverty reduction and democratisation or good governance, a brief introduction to the role of civil society organisations in these areas will be given below.

A basic premise in much of the discussion about support to civil society organisations is that they can contribute to democratic politics and to the development of democratic institutions and good governance (Hadenius and Ugglå 1996). During what Samuel Huntington has called the third wave of democracy, beginning in Southern Europe in the late 1970s, spreading to Latin-America in the 1980s and to Eastern Europe in the 1990s, the idea of civil society became central, especially in opposition to communist or dictatorial rule. The potentially important role that civil society groups could play in transitions to democracy caught the attention of donors, and particularly the Americans funded large programmes in order to support civil society in such transitional states.

In the Scandinavian experience, civil society organisations have contributed “to a political culture of dialogue and compromise, rather than one of confrontation and violence” (Vedeld 2003:33). Civil society organisations played a critical role in forming democratically oriented political parties. The political parties in return pressed for democratic reform, the establishment of local government institutions and the dismantling of the bureaucratic state (Vedeld 2003).

As for the role of civil society organisations in poverty reduction, the Tvedt report on Norwegian NGOs questions whether voluntary organisations have a comparative advantage in this area (Tvedt 1995). A Danish impact study is more positive, but argues that the poor need to be defined more clearly as a target group by the NGOs (Udenrigsministeriet/Danida). Outreach and flexibility in targeting poor, marginalised and socially excluded groups so that they become included, both in terms of service-delivery and political processes, are assumed to be the strengths of the NGO approach. Hence, NGOs should include the poorest and most vulnerable people in their work as well as provide support for organisational structures that enable the poor and vulnerable to acquire resources. According to Sen, positive changes in these areas contribute to improvements in a person’s well-being and reduced poverty (Sen 1985).

When discussing poverty in relation to the concepts of participation, empowerment, civil society and organisation, it is useful to see the objective of poverty reduction in terms of increased freedom of choice and action: “it means the power to avoid the exploitation, the rudeness and otherwise

humiliating treatment so often meted out towards the poor by the rich or the more powerful in society. It also includes the ability to acquire skills, education, loans, information, services and resources...” (Laderchi 2001). In other words, has the range of courses of action available to people increased and has the ability of people to establish entitlements to resources improved? Are people in a better position to acquire skills, loans, information, services and resources? The important point here is that this does not primarily mean being able to access resources from yet another NGO, it refers to being able to access resources from governance institutions and private institutions.

## 2.2 Civil society in Sri Lanka<sup>9</sup>

### *Historical background*

Before the 16<sup>th</sup> century, which marks the beginning of Sri Lanka’s colonial history, informal groups functioned on a mutual aid and self-help basis in the areas of agriculture, irrigation, water management, education and cultural activities. Some of these organisational forms still remain, for example irrigation councils and temple trust societies.

With the advent of British colonial power in 1815 and the deep and wide ranging political and socio-economic changes that consequently took place in Sri Lanka, the forms of civil society organisation also changed, most notably with the formation of social movements such as the Labour Movement (first strike in 1893), the Temperance Movement (1912) and the Cooperative Movement (1911). In the same period, a range of education, health and social welfare organisations were set up.

In the 1930s and 1940s a new wave of organisations focusing on rural development as a response to rural poverty emerged. In the post-independence period, with the centralisation of political powers and comprehensive provision of social services, there was little room for new civil society organisations to emerge and for old ones to grow. Hence, in this period “no significant trends towards forming new NGOs or expanding the existing ones can be observed” (Fernando 2003: 10).

When the United National Party (UNP) assumed power in 1977 it embarked on a comprehensive economic liberalisation programme, coupled with measures to cut back the welfare state. These policies were complemented by a new role for NGOs in service delivery. Statistics testify to the ensuing growth of Sri Lankan NGOs as over 65% of them have been established since 1977. The majority of the new organisations were development NGOs engaged in rural or community development.

In 1991 the Government of Sri Lanka established the Janasaviya Trust Fund designed to assist poor communities through a programme implemented by NGOs rather than by the Government administrative structures. The sheer size of the fund led to a mushrooming of NGOs set up to implement projects as subcontractors under the Trust.

As a result of the war that started in 1983 and debates among donors about aid conditionality, several donors changed the profile of their aid (Sweden and Norway), cut back (Canada) or discontinued support (Denmark) to the Sri Lankan government and channelled more funds through NGOs. Further, new NGOs appeared as a result of the deteriorating human rights situation and the weakening of democratic institutions that followed the start of the war and the uprising among disadvantaged Sinhalese in the South in the late 1980s (the latter affected “our” study district of Hambantota). These human rights and democracy NGOs were as a rule based in Colombo and engaged in policy advocacy.

### *A weak civil society? Fragmentation, politicisation and the rural-urban gap*

The estimated number of CBOs and NGOs in Sri Lanka varies widely. The government appointed NGO Commission estimated the number at 25 000-30 000 in 1993. Others have also put the number in the range of 20 000-30 000. USAID in a 1997 report placed the number at 50 000 (Fernando 2003), while according to Wickremasinghe the number registered with the Ministry of Social Services is 4000 (Wickremasinghe 2001: 82).

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9 The account below is based on IRED 1991, Fernando 2003 and Wickremasinghe (2001).

The wide variation in estimates reflects, among other factors, the small and informal character of the majority of NGOs and CBOs in Sri Lanka. “Their budgets are small and hard to measure for they largely depend on internally mobilised resources that are difficult to quantify: the time and energy of their members, the labour of volunteers, the financial contributions of villagers, the small savings of women and the materials of artisans” (Wickremasinghe 2001: 82). There are exceptions to this pattern with organisations such as Sarvodaya, Sewa Lanka and the Federation of Thrift and Credit Cooperative Societies operating throughout the island.

It has been noted that there is a disjuncture between the numerous, mainly small, rural based organisations, that work on socio-economic issues, often referred to as CBOs, and middle class, advocacy NGOs in the capital Colombo engaged in work on human rights, democracy and conflict resolution. Effective links between rural-based CBOs and Colombo-based NGOs have not been formed. Further, advocacy on socio-economic issues has remained absent from the national agenda (Fernando 2003, Cleary 1997). One of the reasons is that mobilisation around socio-economic issues in Sri Lanka has been in the form of violent, mass uprisings that have been directed at challenging the legitimacy of the state and the system of governance. This was the case with the JVP<sup>10</sup> insurgencies in 1971 and 1988/89 among disadvantaged Sinhalese in the South, as well as with the long war from 1983 to 2002 between the Liberation Tigers of Tamil Eelam (LTTE) and the government. Further, civil society is fragmented and disconnected along geographical (rural-urban), ethnic (Tamil and Sinhalese) and religious lines (Christian versus Buddhist) (Fonseka and Haug 2004).

NGO-government relations were marked by relative indifference until the 1970s, ambivalence in the 1980s and open confrontation in the 1990s when the NGO Commission was established to enquire into the conduct of NGOs, an act that was widely seen as an attack by the government on one of the largest NGOs in Sri Lanka and its leader (Wickremasinghe 2001). The relationship between the government and foreign NGOs was also marked by ambivalence; the government acknowledged the need for assistance, particularly in the war affected areas, while it at the same time expected the NGOs to refrain from advocacy and interventions that questioned government policies or that could be seen to strengthen the LTTE (Haug 2001). Yet, since the 1980s, the government and NGOs have collaborated on several development and welfare programmes, most notably in the implementation of the Janasaviya programme, which was introduced with World Bank funding in 1991 to work in the areas of savings- and credit and nutrition.

Important contextual factors that impact FORUT’s work are:

- the existence of a plethora of NGOs and CBOs that have as their mandate to improve the situation of the poor and marginalised
- deep politicisation and a violent history of mobilisation around socio-economic issues
- the gap between rural-based NGOs working on socio-economic issues and Colombo-based NGOs engaged in advocacy issues
- a government-NGO relationship that has been marked by a combination of collaboration and conflict

### **2.3 Socio-economic context: poverty is regional and rural**

Between 25% and 39% of the population in Sri Lanka is classified as poor, depending on the indicators that are used (Government of Sri Lanka 2002). Yet, compared to similar countries Sri Lanka scores high on social indicators, displaying low infant and maternal mortality rates, high average life expectancy, and most encouragingly primary education completion rates of close to 100%. According to the World Bank Sri Lanka’s literacy rates are on par with the more developed countries of the world

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10 JVP stands for Janatha Vimiukthi Peramuna. JVP is a formerly revolutionary movement with a support base in the South. Hambantota district was, and continues to be, one of JVP’s strongholds.

(World Bank 2004)<sup>11</sup>. Nevertheless, unemployment remains high. According to Sri Lanka's poverty reduction strategy paper, unemployment ranks as Sri Lanka's foremost challenge.<sup>12</sup>

Poverty in Sri Lanka is spatial, or regional, and rural. According to the government's poverty reduction strategy document, 90% of the poor live in rural areas, with development concentrated in the Western Province, around the capital Colombo<sup>13</sup>. Among the poorest households, 38 percent have electricity, 55 percent sanitation, and 61 percent have access to safe drinking water (World Bank 2004). These statistics indicate that there are still significant gaps in the delivery of basic services in Sri Lanka. As mentioned in the section on civil society, over the last decade service delivery has largely been sub-contracted to NGOs, a policy adopted by both the government and donors in the early 1990s.

Once known for its comprehensive welfare state, nearly 20% of the government's recurrent expenditures are used for transfers to households.<sup>14</sup> The current Samurdhi programme, an income transfer programme, reached 2 million families before it was cut back by 25% between 2001 and 2002. Yet the programme does not reach 40% of the poorest people according to the government's own estimates (Government of Sri Lanka 2002). Similarly, the government implements an assistance scheme for war victims. This so called Unified Assistance Scheme provides support in the form of cash grants, loans and materials to displaced people who are in the process of resettling.

Poverty as a regional and rural phenomenon is largely an issue of social exclusion. Key factors are unemployment or underemployment and gaps in service delivery despite a relatively comprehensive welfare net. The implications for NGOs are that they may have a role both in reaching poor and remote communities and in service provision.

## 2.4 The governance context: no effective democratic institutions at the local level

While democratic contestation in democracies tends to be over policies, in Sri Lanka, the legitimacy of the state itself has been contested. Although Sri Lanka is a democratic state, with elected representatives at all levels, the legitimacy of the state has been seriously challenged, leading to two large-scale uprisings among the Sinhalese in the South and to a twenty-year war between the state and the Tamils in the North. The root causes of the conflicts both in the South and the North are closely connected to national policies that have excluded both Tamils and disadvantaged Sinhalese from accessing state resources (notably employment and education) and to the inability of the highly centralised state to effectively devolve powers and respond to the concerns and demands of the people.

In the 1980's, negotiations took place between the Government of Sri Lanka and Tamil groups, with the objective of devolving powers from the centre to the periphery. Finally, in 1987, the 13th Amendment to Sri Lanka's Constitution, and the Provincial Council's Act No. 42 of 1987, made provisions for the devolution of power to eight popularly elected Provincial Councils (which included one temporarily merged Provincial Council for the North and East). In addition to decentralisation to the provincial level, elected bodies based on proportional representation at the local level, Municipal and Urban Councils and *Pradeshiya Sabhas* in the rural areas, were introduced in 1987. In addition to these elected bodies, there is a state administrative structure at the district and divisional level.

The Pradeshiya Sabha (PS) were vested with powers to handle three main areas 1) local roads 2) public health and 3) public utility services, and were authorised to assume responsibilities for

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11 Between 1970 and 2001, Sri Lanka reduced its infant mortality rates from 48 to 17 deaths per 1000 live births, and average life expectancy at birth climbed from 67 to 73 years. From 1980 to 1996, maternal mortality rates dropped from 90 to 60 deaths per 100 000 live births, while fertility rates declined from 3.5 births per woman to a near replacement level of 2.1 births. Educational achievements include primary education completion rates of around 100 percent. Sri Lanka's literacy rates, for both adults and children, are on par with the more developed countries of the world (World Bank 2004).

12 The poverty reduction strategy paper estimates the number of unemployed to be 528 000 out of a total workforce of 6.7 million (the figure does not include unemployment in the war affected Northeast). In addition, the number of underemployed is estimated to be around 20% of the total workforce, or 1.3 million people. Moreover, Sri Lanka has relied heavily on the public sector for creating employment.

13 Government of Sri Lanka (2002). *Regaining Sri Lanka*.

14 Government of Sri Lanka 2002: 80

development in the areas of integrated village development, construction, improvement and maintenance of village works, employment generation, community development, as well as maternity and child welfare services (Bigdon 2003). However, the performance of the PSs has fallen far short of expectations due to a lack of financial resources, political interference from Colombo and a variety of other reasons. Consequently, “many development and service delivery activities are organised and carried out with almost no involvement of the PS and its members” (Hettige 2003: 33). The provincial councils have been in a similar situation and are unable to play an effective political role.

A salient feature of the Sri Lankan political system is the *dominant position of political parties*, Members of Parliament, and, in particular, Government Ministers, as well as at the local level. For a number of reasons the influence of Members of Parliament and Ministers is pervasive and reaches down to each and every village in Sri Lanka.

In the absence of effective local governance institutions, there is no institutional counterpart at the local level that could serve as an arena for action and a focal point for demands from civil society organisations. Participation, consultation and advocacy can only work effectively if local governance institutions are responsive. Local governance institutions will only be responsive if there is effective pressure from civil society organisations. Further, the influence of political parties means that there is little space for effective civil society action.

## 2.5 Ethnic composition and the conflict

The Sri Lankan conflict is often called an “ethnic conflict” as the main protagonists claim to represent their respective ethnic communities. In the last island wide census, conducted in 1981, Sri Lanka had a population of 17 million people. Estimates indicate that the current population stands at 19 million. 74% of the population were Sinhalese, 18% Tamils, 7% Muslims and 1% others<sup>15</sup>. Tamils were divided into two distinct groups, the “Indian” Tamils who came from India to work in the plantation sector in the 19<sup>th</sup> century and the Tamils who had lived in Sri Lanka for millennia, mainly in the north and east of the country.<sup>16</sup>

The first decades after independence in 1948 were marked by the centralisation of state powers and a process of exclusion. Public policies were based on the notion of a strong state and Sinhalese nationalism, and were expressed in language policies, admission policies to schools and universities, employment policies and economic policies that made ethnicity a factor in determining access to resources. State-building or nation-building reflecting the multi-ethnic and multi-religious character of Sri Lanka did not take place in earnest; exclusionary politics was the order of the day in post-independence years.

In 1977 the major Tamil political party adopted a resolution that declared the creation of an independent state as their objective. Since July 1983, successive Sri Lankan governments and the Liberation Tamils of Tamil Eelam, the LTTE, have fought for control over the northern and eastern areas of Sri Lanka. Since February 2002 a Norwegian brokered ceasefire has been observed by the parties. Peace talks between the two parties broke down as the LTTE pulled out of talks in April 2003.

As a result of the ethnic conflict, civil society has also been divided along ethnic lines, and there are Muslim, Tamil and Sinhalese NGOs. With very few, but some notable exceptions, the Sinhalese NGOs address development issues in the South; Tamil NGOs, and to some extent Muslim, address rehabilitation issues in the North-east. Foreign NGOs are involved in development work in the South and in rehabilitation and relief in the North and the East.

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15 The category others includes people of European descent.

16 The latest census of 2001 provides only estimates for the districts that were either fully or partially under the control of the LTTE.

## 2.6 FORUT intervention sites: Vavuniya and Hambantota

Hambantota district is located on the southern tip of Sri Lanka, far from areas affected by ethnic conflict in the North-east, but deeply affected by uprisings of disadvantaged youth that were brutally put down in 1971 and 1988-1989, resulting in the deaths of tens of thousands of young people. 43% of the families in Hambantota district live below the national poverty line and Hambantota ranks below the national average on poverty indicators. Yet, a rising standard of living has resulted in improvements in key social indicators over the last 20 years. Despite the improvements in general living conditions, the district was severely affected by droughts in 2001 and 2002.

FORUT has worked in the poorest division of the Hambantota district, Angunakolapelessa DS Division, since 1993. Angunakolapelessa is situated north in Hambantota while the district's administrative and commercial centre is located in the south. Angunakolapelessa is characterised by relatively stable village communities that make their living from paddy (rice) and/or highland crops. Most of the village communities where FORUT works were formed as settler-communities under government led irrigation schemes in the 1950s, at which time each settler family was given three acres of land. Casual labour constitutes a supplementary or main source of income for the majority of people in Angunakolapelessa. A few people engage in labour migration abroad, while others have found employment in garment factories or in tea or sugar factories nearby.

Vavuniya district is located in northern Sri Lanka, and unlike Hambantota, which is the heartland of the Sinhalese, Vavuniya's inhabitants are predominantly Tamil. The southern part of Vavuniya district is controlled by the government while the northern part is under LTTE control. During the 1990s, the Forward Defence Line, demarcating areas under the control of the Sri Lankan Army from LTTE-controlled areas, was located just north of Vavuniya town. The administrative and trade centre of the district, Vavuniya town, is growing rapidly and is the most populous town on the main road between the capital Colombo in the South and the Tamil town of Jaffna in the North. While Vavuniya district is predominantly Tamil, it borders on majority Sinhalese districts in the South. As a border district, Vavuniya has been a transit point for internally displaced people. The town also housed a large population of internally displaced people during the war. By the end of 2003, out of a total district population of 124 741, 32% were internally displaced persons.<sup>17</sup>

Although urbanisation has been rapid in Vavuniya, the resettlement and relocation villages in which FORUT works rely on agriculture, paddy (rice) and/or highland crops for income. The proximity to Vavuniya town means that markets are available nearby and thus relatively easily accessible. Employment opportunities are also available in the town.

With respect to poverty data, no comparative data is available for Vavuniya since the last census was conducted in 1981, but frequent population displacements over the years suggest that poverty is widespread as displacement is known to lead to a depletion of assets. The CBO leaders in Vavuniya interviewed for the present study perceived the level of poverty in their villages as high. For example, 60% viewed poverty levels in their villages as *extremely high*. Only 30% ranked poverty levels in their villages as *average*. In contrast, among CBO leaders in Hambantota 66% classified poverty levels as *average* and only 11% reported that poverty levels in their villages were *extremely high*.

Despite comparative differences in poverty levels in the two districts, their vulnerability to violent conflict remains. In both districts, people complain about poor access to resources, such as employment and education, and a national political system that excludes them. This grievance-based discourse suggests that people view their exclusion from access to resources and political power as a key explanatory factor for their predicament.

In Vavuniya, there are feelings of insecurity and uncertainty, but also optimism, after 20 years of war. Most of the displaced people in the district have experienced multiple displacements as a result of Government and LTTE offensives. Livelihoods have been disrupted and social bonds have been severed. Some of the people that have been displaced have settled on land provided by the Government

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17 Kachcheri, Vavuniya (2003): Situation report Vavuniya district. October 2003.

in new settlement schemes (called relocation by the Government), while others have resettled in their original villages (resettlement).

Another factor that FORUT staff in particular expressed concern about was the role of middlemen, or as they are called in Sri Lanka, *mudalalis*. Middlemen are a feature of all villages in Sri Lanka. They are traders and belong to the relatively well off category of village inhabitants; often they are small shop owners. Their activities are not confined to trading, but also include buying up produce, money lending and social patronage.

The two districts selected for this study are different in that one represents a development context with elements of conflict, while the other exemplifies a setting in which the population is emerging from conflict. This also means that FORUT's approach in the two districts is different. In Vavuniya there is more emphasis on service delivery than in Hambantota, where social mobilisation is a relatively more important element.

### 3 FORUT's Development Policy: Approach and Activities

The next section examines how FORUT's objectives are translated into an intervention methodology at the field level through a description of the problems and issues addressed by FORUT in Vavuniya and Hambantota, the approach adopted by FORUT in addressing these problems, and the activities conducted towards this end.

#### 3.1 Development problems and issues addressed by FORUT

Is there a good match between the problems and issues observed in Hambantota and Vavuniya, the development objectives expressed by FORUT (in the field and in policy documents) and the activities implemented?

**Figure 3.1 The relationship between problems and issues, development objectives and activities implemented**



The development problems and objectives listed by FORUT staff and members of CBOs in Vavuniya and Angunakolapelessa fall into three groups:

- Socio-economic issues, such as youth unemployment, land fragmentation and landlessness, exploitative social structures and dependence on middlemen and government aid. More current concerns were increases in the cost of living and the low price paid for rice.
- Poor quality and coverage of service delivery in health and education and the poor state of infrastructure.
- War-related problems in Vavuniya including a shattered economy, war traumas and the prevalence of households headed by women.

The information provided in the table below suggests that there is a good match between the objectives of FORUT as perceived by FORUT staff in the field and FORUT's policy statements as they appear in FORUT's policy documents. The development objectives outlined in the table below also indicate that FORUT staff are concerned about addressing the problems in Hambantota and Vavuniya. Social mobilisation through building sustainable organisations, changing attitudes and building awareness, as well as making people self-reliant, are all objectives that are intended to improve people's socio-economic conditions and address dependencies and structural inequalities. One element that may be lacking is the need to more explicitly address the conflict related problems experienced by people in Vavuniya.

**Table 3.1 Development objectives pursued by FORUT staff in the Hambantota and Vavuniya districts**

Hambantota	Vavuniya
<ul style="list-style-type: none"> <li>• Build sustainable people’s organisations</li> <li>• Minimise negative effects of modernisation</li> <li>• Change people’s attitudes and increase awareness</li> <li>• Self-reliance, capacity to deal with governance institutions and middlemen</li> </ul>	<ul style="list-style-type: none"> <li>• Improve people’s standard of living</li> <li>• Improvements in health and welfare</li> <li>• Make people self-reliant</li> <li>• Change people’s attitudes and increase awareness</li> </ul>

The table below presents an account of the various development activities carried out by FORUT and its partners in the Hambantota and Vavuniya districts. These wide ranging activities are consistent with FORUT’s community development approach, which is characterised by a broad-based, rather than a sector-based approach to development. The activities listed include all activities, not only the ones that can be more specifically seen to be linked to civil society strengthening.

**Table 3.2 Activities implemented by FORUT by district and category**

	Hambantota	Vavuniya
Community infrastructure	Wells, sanitation, roads, community centres, libraries, tank rehabilitation, pre-schools, cooperative sales centres, storage facilities	Wells, roads, sanitation, temporary schools, temporary hospitals, pre-schools, library buildings, community centres, tank rehabilitation, cooperative sales centres, storage
Service delivery	Agro-inputs: tools, seeds, fertilisers, inputs for fishery, savings and credit programmes	Agro-inputs: tools, seeds, fertilisers, savings and credit programmes, maternity clinics, pre-schools, purification of wells
Mobilisation	Group formation, linkages to governance and private institutions, health awareness, leadership training, alcohol and drug prevention	Group formation, linkages to governance and private institutions, health awareness, leadership training, alcohol and drug prevention
Voluntary activities	Youth and children’s clubs	Youth and children’s clubs

There is therefore relatively good congruence between the problems and issues identified in the two districts, FORUT’s development objectives and the activities carried out. The critical question is *how activities are prioritised and whether the activities are carried out in such a manner that they do in fact contribute towards these objectives*. The following sections discuss FORUT’s activities in more detail.

### 3.2 Activities

*Self-help groups and CBOs - mobilisation of village communities:* In Hambantota, FORUT promotes the formation of self-help groups of 5-8 members as the basic building block in its organisational structure. The self-help groups were established to enable members to save and borrow from a common pot. Most of the groups consist of women who are involved in small-scale income generating activities.

FORUT has been successful in establishing self-help groups that are stable, consistent and cohesive and work for the interests of their members. The small savings and credit groups in Hambantota have

been formed by neighbours, people with kinship ties or like-minded persons who live in proximity to each other. In other words, people know each other before forming the groups. The next step in the organisational formation is for these small savings and credit groups to come together to form CBOs.

In Vavuniya, small groups do not exist and CBOs have been formed directly; hence savings are conducted directly through the CBOs. CBOs in turn are mobilised for collective action in the village, primarily to support the delivery of services by FORUT or its partner organisations.

The CBOs conduct monthly meetings, which mainly concern decisions on who should receive loans from the CBOs. Further two members from each CBO are invited to participate in annual planning sessions. Annual plans developed in collaboration between the CBOs and FORUT are subsequently sent to Colombo for approval.

*Savings and credit:* The following example describes how savings and credit schemes run by self-help groups operate. This example is taken from a village in Hambantota where five savings and credit groups make up a CBO. This particular small savings group has existed since 1997.

**Table 3.3 Assets saved and number of members in the group**

<b>Assets accumulated by the members</b>	<b>Number of members</b>
Rs. 4 300 (US\$ 42)	6
Rs. 3 900 (US\$ 38)	5
Rs. 3 800 (US\$ 37)	6
Rs. 4 000 (US\$ 39)	4
Rs. 4 200 (US\$ 40)	7

After six years of operation, each group has been able to save approximately Rs. 4000 (US\$ 39), the equivalent of roughly Rs. 700 (US\$ 7) pr year. Members of this particular CBO may take out loans of Rs. 2500 (US\$ 24) at an interest rate of 5% per month from the group. In addition, the CBO to which the small credit and saving groups belong have assets totalling Rs. 113 846 (US\$ 1100).

*Agricultural loan scheme:* CBO members can access larger loans from the CBO primarily for agricultural purposes. These agricultural loans are in addition to the loans provided by the small groups. The loans are given in the form of material inputs required for cultivation. FORUT matches loans provided by the CBOs. If, for example, the CBO provides a loan of Rs. 2 000 – 3 000 (US\$ 19-29), FORUT will provide a loan of Rs.7 000-8 000 (US\$ 68-78), making the total amount Rs.10 000 (US\$ 97). In Vavuniya, the maximum loan amount is restricted to Rs.10 000. As a rule, loans have to be repaid before new loans can be given to other members. However, these rules are not always strictly observed. The interest charged to the borrower is 2%, of which 1% is paid back to FORUT and 1% is accumulated in the CBO's savings.

*Infrastructure and service delivery:* Large scale infrastructure and service delivery takes place in the war affected areas in Vavuniya through FORUT's work with formerly displaced people who are either resettling back in their old villages or in new villages on land that has been allocated to them by the government. There is less emphasis on service delivery in Hambantota, where service delivery is mainly seen as a means of accessing the villages by FORUT. The importance of service delivery as an element of FORUT's interventions is expected to decline over time.

The table below lists the inputs from FORUT that were received in one village over the years during which FORUT was present in the village. The idea is that FORUT and its partners collaborate with respect to the implementation of each of the interventions. The partner organisation contributes labour, while FORUT contributes material inputs. The table demonstrates that the main emphasis of service delivery is on infrastructure.

**Table 3.4 FORUT's contributions in one Hambantota village**

*FORUT's contributions in one Hambantota village, where the organisation has been active since 1997*

1 house	English classes for one year
15 toilets	Library and pre-school in a neighbouring village
2 common wells	Chemicals and fertilisers for approx. 25. families
Cement, lime, bricks, desks, chairs	Account books
Two cupboards for the community hall	Rs. 20 000 (US\$ 195) towards loans for income generation
Banana plantation	Rs. 10 000 (US\$ 97) for a spice mill
Tractors and machinery to widen roads	

Another interesting feature that should be noted is that there are huge differences in terms of what FORUT provides the villages. For example, assistance provided by FORUT to different Hambantota CBOs for community development programmes ranged between a minimum of Rs. 11,200 (US\$109) and a maximum of Rs. 352 918 (US\$3432) over a three-year period. The question arises as to the equity of FORUT's service delivery coverage. This discussion, however, is outside the scope of this study. See appendix 2 for a complete table of resource distribution.

*Working with partners:* FORUT works through two types of partner organisations:

- organisations established and wholly or partially sustained by FORUT
- organisations established and partially funded by others.

The first model, based on FORUT's policy documents, represents the way in which FORUT aspires to work. The basic building block of this model is small savings and credit groups in the villages, which join together into larger savings and credit CBOs. The CBOs are federated into organisations, or federations, that become FORUT's partner organisations. FORUT's role is to strengthen both the CBOs and the partner organisations. The idea is that after a period of time, 5-10 years, the organisations should achieve sustainability and operate independent of FORUT funding.

The financial support that FORUT provides to CBOs and their federations covers: federation staff salaries, overheads, health, education, other social development related activities, village infrastructure development such as storage facilities, public wells, community centres, sanitary facilities, as well as revolving CBO funds. Equipment has also been provided for pre-schools, libraries and youth clubs. Further, CBO members may apply for agricultural loans.

In addition to material and financial support, FORUT also provides capacity building training for leaders in the areas of leadership development, negotiation skills, conducting needs assessments and technical training such as accounts and book keeping, health and sanitation, pre-school teaching, intensive agriculture, integrated pest management, animal husbandry, sewing etc.

In Vavuniya, FORUT operates through six diverse partner organisations, while in Hambantota FORUT has two partner organisations. As noted earlier, for the purposes of this study only two partner organisations were selected for an in-depth analysis, namely the *Federation of Organisations for Social Development* (FOSDO) in Vavuniya, and *Community Services Forum* (CSF) in Hambantota. Both are creations of FORUT. More information about the other FORUT partners are provided in appendix 3.

FOSDO is a Federation of 11 CBOs. All of the CBOs are located in resettled villages. The total membership of this federation is estimated at 540 families. FOSDO is managed by an eleven-member Board constituted by representatives from each participant CBO. In addition there are a manager and five development workers at the field level.

In Hambantota, FORUT interventions are implemented through CSF, founded in 1994. CSF is a federation of 37 CBOs spread over 43 villages. CBO membership varies between 25-75. CSF is managed by a nine-member committee with four full-time employees. The remaining four committee

members are elected at annual general meetings by the member CBOs. The ninth member is FORUT's Field Coordinator in Hambantota. CSF prepares an annual integrated development plan for funding by FORUT.

*Working with local government institutions:* FORUT has a clear policy commitment to work closely with national and local government structures in the planning and implementation of its work. The best example of government-NGO collaboration at the district level is found in Vavuniya. International NGOs work closely with the District Secretary<sup>18</sup>, in Vavuniya and FORUT's partners are also represented in district level coordination bodies.

The District Secretary assigns resettlement villages to NGOs through regular meetings in the Vavuniya NGO consortium in order to ensure equity in the distribution of resources. The active role of the Government in co-ordination in Vavuniya has evolved partly as a result of the district's particular circumstances resulting from a relief and conflict situation, but there is also agreement among the agencies that the personal strengths of the District Secretary in Vavuniya have been a key factor. In Hambantota, on the other hand, the relationship between government institutions and NGOs is much less formalised and less coordinated. Unlike in Vavuniya, the coordination is at a lower administrative level, through the Divisional Secretariats. FORUT's partner, CSF, is represented at the Divisional Coordinating Committee.

FORUT also collaborates with several Provincial Ministries, in particular the Ministries of Agriculture, Health and Education. FORUT works with the Department of Agriculture through joint training programmes. The same pattern can be found in relation to the Ministry of Health for which FORUT funds the training of health volunteers. Similarly, for the Department of Education, FORUT has been running "catch up" classes in Vavuniya for children who have not been able to attend school due to displacement.

### **3.3 Summary: a range of interventions**

FORUT has adopted a range of intervention methodologies to achieve its objectives:

- mobilisation of people through the formation of community based organisations and the creation of federations designed to join these community based organisations together;
- service delivery activities, including the provision of loans and infrastructure, and
- collaboration with local governance institutions. Such collaboration has been particularly fruitful in Vavuniya.

The next sections examine in more detail the particular role played by the community based organisations, or CBOs, as they are seen to be the key building block in FORUT's approach to civil society strengthening.

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18 The District Secretary, also often referred to by his prior title, Government Agent, or GA, is the representative of the central government at the district level. Sri Lanka is constituted by 25 districts, each headed by a District Secretary.

## 4 The Building Block for Rural-Based Civil Society: Strengthening the CBO

The building block of FORUT's approach to village based strengthening of civil society is the Community Based Organisations. Thus, a closer examination of CBO membership, operations and characteristics are a prerequisite for understanding FORUT's interventions. The CBOs referred to below are partner organisations of CSF in Hambantota and FOSDO in Vavuniya.

### 4.1 Overlapping membership and collaboration between CBOs working in the same village

Contrary to our expectation that there would be one or two CBOs in each village, we found a range of CBOs, in particular in Hambantota villages. Poor villagers frequently hold membership in several CBOs. This reflects a pattern pointed out by local government officials; CBOs and international NGOs tend to form cluster patterns in certain areas as the presence of one draws in others.

*Multiple memberships:* Our survey results point to dissimilar patterns in the two districts. 97% of the CBO leaders in Hambantota responded that their members belong to other CBOs, compared to 40% of the CBO leaders in Vavuniya. The difference may be accounted for by a lower density of community-based organisations in Vavuniya than in Hambantota. The number of CBOs in Hambantota range from 5-7 in each village, while in Vavuniya the number is 1-2. Overlapping memberships put people in a position to access loans from several CBOs. Sometimes loans are taken from one CBO to repay loans from another CBO.

*Joint community action:* A FORUT village in Hambantota provides an illustration of joint community action. In addition to FORUT there are 10 other CBOs operating in the same village, including both nationwide and local organisations such as: Sarvodaya, Rural Development Societies, Funeral Aid Societies, CBOs associated with the water and sanitation programmes of the Asian Development Bank, Farmers' organisations linked to the Chandrikaweve tank, as well as a women's group started by Canadian CIDA and Swedish SIDA. Members from several CBOs would come together in *shramadanas*<sup>19</sup> and on other joint community development activities such as constructing community centres, obtaining resources for the library, road construction etc.

*Structure, composition and membership of FORUT supported CBOs:* Membership in CBOs generally ranges between 30 to 40 families. The number of families in the villages where the CBOs are located is in the range of 150 to 250. This means that roughly 10-25% of families in a village are members of the FORUT supported CBO. Membership in a CBO is determined by a variety of factors such as the aims and objectives of the CBO, the CBO target group, e.g. farmers, women, children, youth etc., the number of resources the CBO can deliver, the affordability of the membership fees, the attractiveness of the "package" it delivers, etc. The following table shows the membership composition of one CBO supported by FORUT.

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19 *Shramadana* is central to the mobilisation of resources by these CBOs. *Shramadana* means donation or gift of labour which historically has "facilitated the mobilisation of labour for accomplishing tasks of community benefit" (Uphoff 2000: 1878). *Shramadana* is based on the participation of everyone in the community and is practiced by Hindus and Buddhists throughout South Asia. Those who do not participate with contributions of labour are expected to provide money or refreshments. In traditional villages in Sri Lanka, *shramadana* has been widely practiced for mobilising voluntary labour in order to provide or maintain small scale infrastructure, such as roads, canals, schools and temples.

**Table 4.1 Membership composition in one CBO**

Range	Percentage
Less than 10 members	2
11-20	9
21-30	18
31-40	29
41-50	15
51-60	7
61-70	16
91-100	2
More than 100	2
Total	100

N=45

In terms of gender, approximately 50% of the CBOs have a majority of female members while men make up the majority in the other half.

*Socio-economic status of members:* In wealth ranking exercises conducted in the villages, most villagers group themselves into one of three categories: “average”, “poor” and “very poor”. The majority of CBO members place themselves into the “poor” category, while a few categorized themselves as “very poor”. CBO members from the poor category, or as some would prefer to call it, the “emerging” category, aspire to do better in life and see CBO membership as one avenue toward improvement. According to the members of this category there is a chronic gap between their monthly income from agriculture, averaging around Rs. 5 000 – 6 000 (US\$ 50-58), and their monthly expenses, averaging around Rs. 8 000 (US\$ 78). The gap may be filled by seasonal labour, labour migration, loans from CBOs, as well as loans from more well off members in the community.

**Table 4.2 Socio-economic stratification in the Hambantota and Vavuniya villages and characteristics of the different categories** <sup>20</sup>

Average/those who have developed	Poor/those who are emerging <sup>21</sup>	Very poor
<ul style="list-style-type: none"> <li>• Live in permanent houses</li> <li>• Own tractors, lorries, vans, three wheelers, rice mills</li> <li>• Own 3 acres or more of paddy land and 2 acres of highland</li> <li>• Cattle owners</li> <li>• Employed in government sector</li> <li>• Provide small loans in emergencies</li> <li>• Do not take part in shramadanas by way of labour, but provide materials and hired labourers</li> <li>• Do not receive Samurdhi benefits</li> <li>• Do not become CBO members</li> <li>• Children attend schools in town</li> </ul>	<ul style="list-style-type: none"> <li>• Live in semi-permanent houses</li> <li>• Land fragmented among children</li> <li>• Live on leased land, ¼ to ½ acre of paddy land</li> <li>• Engage in animal husbandry</li> <li>• Engage in casual labour work</li> <li>• Underemployed during off season</li> <li>• Obtain loans from the average group in emergencies</li> <li>• Take part in shramadanas</li> <li>• Receive Samurdhi benefits</li> <li>• Hold membership in CBOs</li> </ul>	<ul style="list-style-type: none"> <li>• Live in temporary huts</li> <li>• No ownership to land</li> <li>• Engage in casual labour work</li> <li>• Often heavy alcohol use</li> <li>• A few hold membership in CBOs</li> </ul>

<sup>20</sup> The tables are based on people's own assessments, which emerged during participatory village workshops in several villages.

<sup>21</sup> This is the largest category making up around 2/3 of families in the villages

*CBO officers:* Despite villager's perceptions that "average", or the relatively well-off, families do not participate in the CBOs, the results of the survey conducted among CBO leaders indicate that a majority of CBO officers come from "average" families in the village (64%); they remain in their positions for a number of years (41%), and; they justify their continued leadership with reasons such as "members want me to remain", "others have not come forward or are not interested", "members trust me", etc. Only 2.5 % of CBO leaders were elected to their respective positions because they held other important positions in the villages.

#### 4.2 The priority of the CBOs: attracting resources to the village

How do the CBOs relate to governance institutions? CBOs approach politicians and service providing organisations to request materials and/or financial support for infrastructure development activities in the villages. The purpose and means of accessing local governance institutions are conventional and put forward in the form of requests or pleas, e.g. using petitions signed by the villagers. Members of Parliament are approached much more frequently than locally elected politicians.

Overall, neither the CBO survey nor the qualitative studies conducted in Hambantota and Vavuniya point to any planned and regular interactions between the CBOs and external agencies, other than for the purpose of attracting resources to the villages. Interactions that CBOs have with external agencies are confined to situations described as "when the need arises" and are ad hoc in nature. Examples of these situations are provided in the table below.

**Table 4.3 Examples of efforts at linking up with local governance institutions in Hambantota**

- CBO members from three villages got together and contacted their local MP; in return for their votes they received Rs. 100 000 (US\$ 970) worth of books for their village library.
- CBOs successfully negotiated with a government authority, the Maheweli Authority, to get land for their CBO. According to the members, their requests for employment never materialised.
- One successful savings and credit group mobilised resources totalling Rs. 130 000 (US\$ 1 264) from a Southern Provincial Council Minister and their local MP. The group itself perceived this as a clear result of its own newly won strength and its ability to trade votes for services. This had been achieved through a relatively formal process involving the exchange of letters and face-to-face meetings.
- A CBO negotiated an access road to the village.

These findings indicate that people see themselves as recipients of aid rather than change agents, advocates, innovators or monitors, which are roles identified by donors. In a comparison of civil society in Kerala and Sri Lanka, Mayer argues that "people [in Sri Lanka] have developed a passive "receiving mentality" rather than the awareness to actively demand the fulfilment of certain needs from the respective authorities' (Mayer 2000: 167).

On the other hand, a recent publication on Norwegian civil society points out that there is a growing tendency for people to become members of civil society organisations for economic reasons, rather than idealistic reasons. Civil society organisations provide a range of benefits in order to attract members (Lorentzen 2004). Is it reasonable to expect and demand that members of Sri Lankan civil society organisations see membership as anything other than an instrument for furthering their own interests and their own access to resources?

How do CBO leaders assess the effectiveness of different channels to reach local governance institutions? The table below demonstrates that multiple strategies are used by CBO members, such as influential intermediaries, political parties, the CBO/NGO system and village level officials.

**Table 4.4 What is your assessment of the following channels to reach local governance institutions?**

Channel	Very effective %	Effective %	Ineffective %	Total %
1. Individually	3	36	61	100
2. Through an influential intermediary	13	50	37	100
3. Through political parties	15	52	33	100
4. Through CBOs	56	36	8	100
5. Through village level officials	30	55	15	100
6. Through FORUT or other NGOs	32	53	15	100
7. Through petitions and letters	3	35	62	100

N=45

At the village level CBOs and village officials emerge as important channels for approaching and influencing local governance institutions. CBOs are used *often* to advance the interests of their members. Members of CBOs point out that membership in CBOs provide them with a certain bargaining power in relation to local governance institutions. More in depth discussions with successful CBOs reveal that their power is based on promising votes in return for favours from the locally elected Member of Parliament.

*Joint action between CBOs:* Village CBOs join together in shramadanas organised for the purpose of accomplishing community development activities. There is little collaboration to influence decision-making bodies, for example to mobilise external resources. In Vavuniya, 80% of the CBOs reported that they did not collaborate with other CBOs in this respect. This may be partly due to the fact that CBOs in the Vavuniya villages are still in their formative stages after recovering from the conflict, and partly due to priorities; the main priority of the CBOs is to respond to the immediate basic needs of displaced persons returning to their villages, rather than direct their energies towards building mutual cooperation and collective action. There are, however, exceptions to this pattern; Federations in Vavuniya successfully lobbied the Government Agent to acquire land and land rights for resettlement and relocation from camps for internally displaced people to the villages of Manipuram and Asikulam.

*Alliances with other civil society organisations:* In Hambantota, CSF has been involved in campaigns against the unplanned distribution of relief assistance, lobbying for landownership for landless poor families in Koragahawela, as well as campaigning for free and fair elections in 2004. Similar alliances to influence external agencies demonstrate how FORUT can work to strengthen civil society at the local level by addressing issues that are of concern to local communities.

A slightly different form of collaboration is found in Vavuniya, where FORUT supported CBOs are active in the NGO consortium in the district, in health development committees, and with farmers' associations.

By offering an alternative way of accessing resources, membership in FORUT supported CBOs allows members to bypass exploitative middlemen structures, as we will return to in the chapter on poverty reduction. Yet, the relative lack of collaboration between CBOs confirms the commonly held view that CBOs compete for resources in a highly competitive market; FORUT supported CBOs are one of several channels in the villages for accessing resources. Other noteworthy channels are other CBOs, NGOs and political parties.

#### **4.3 The Federations: “grassroots bureaucracies” or “people’s organisations”?**

In the preceding section, we point to the basic structure and characteristics of the self-help groups and CBOs. These groups develop strong in-group bonds and have an inward orientation. The ability to build alliances beyond these relationships based on family, kinship and neighbourhood ties, and towards more outward-oriented relationships of equality and trust are considered a key test of the ability of civil society organisations to build networks, along the lines laid out in the guidelines.

Using the CBOs as a building block, FORUT is working towards creating what it refers to as federal, or apex, bodies aimed at joining together these smaller organisations. As explained above, FOSDO and CSF are two such federations constituted by a collection of CBOs (11 in FOSDO and 37 in CSF).

The observations of the present study, however, contrast with FORUT's intentions. Collaboration and mutual interaction between CBOs supported by FORUT are weak. Inter-linkages between CBOs are limited to a few exchange visits and occasional participation in workshops organised by FORUT. CBOs have played a limited role in aggregating village needs to the partner/FORUT.

A deeper analysis into the isolated nature of the CBOs reveals that they lack a sense of belonging and ownership of the institutional structures beyond the village. As discussed above CBO members feel a strong sense of allegiance to their self-help groups and CBOs. They interact effectively with each other and engage in savings and credit programmes at the self-help group or CBO level. This strong allegiance, does not move into higher levels, namely to the level of the Federations. Federations, i.e. FOSDO or CSF, are perceived as *conduits or intermediary organisations* established by FORUT to channel funds and other resources to the individual CBOs. For example, in our interviews with CBO leaders many of them could not distinguish their Federations from FORUT. For them the two are identical.

In the contexts of Hambantota and Vavuniya, there are specific reasons why the boundaries between the CBOs, Federations and FORUT were seen by both the CBOs and the Federations as unclear:

- There is no evidence to show that the Federations evolved in response to the felt needs of the CBOs and at their own request. The evolution of these institutional structures was top down, despite grassroots representation at the management level.
- There were hardly any planned efforts to inculcate a sense of belonging among CBOs to the Federations, either through awareness creation programmes or through management practices.
- The Federations' understanding of their purpose and role is at odds with FORUT's. FORUT staff describe Federations as groups of CBOs created for the purpose of strengthening the individual CBOs. However, the Federations describe themselves as intermediary organisations designed to channel and monitor resources from FORUT and other donor agencies and to develop the capacities of the CBOs. They could not come to grips with the idea that they too are part of the CBOs.
- The existence of two competing models for the role of the Federations, as the collective voice of the CBOs or as a conduit for the transfer of resources from FORUT, suggest that the role of the Federations has not been sufficiently clarified. Are they people's organisations that represent the CBOs or are they bureaucratic bodies primarily designed to distribute and monitor resources provided by FORUT?

#### **4.4 Summary**

In Hambantota FORUT supported CBOs constitute one element in an organisational landscape that is made up of at least a handful of CBOs in each village, while in the war affected context of Vavuniya, the number of CBOs is considerably less. In contexts where the density of CBOs is high, people are often members of several CBOs, and collaboration between CBOs is commonly found around traditional labour sharing activities in the villages. Roughly 10-25% of the families in the villages in which FORUT is present are members of a FORUT supported CBO. Members see themselves as belonging to an emerging class in the villages, between the more well to do and the poorest layers of society.

CBOs are seen by members as an effective and useful channel for attracting resources to the village. In general, the types of requests made by the CBOs, the ways in which they are made and the arenas used do not represent significant or systematic breaks with traditional ways of accessing resources from external institutions. Engagement with local power holders takes place within a traditional framework of patron-client politics. There are some exceptions to this pattern in cases where CBOs have entered into alliances and taken part in campaigns at the local level. While organisational structures have been created and strengthened in the villages, it has proved more difficult to establish federations that effectively represent the interests of the village-based CBOs, other than as facilitators of aid implementation. The Federations see themselves as conduits for resource transfers.

## 5 Impact at the Village Level: Increase in Social Cohesion

### 5.1 Solidarity within self-help groups and CBOs

In conflict-affected areas many villagers are concerned about being cut off from the social networks that once secured them mutual help and support in times of need. The inhabitants in the resettlement villages in Vavuniya district have been displaced several times over the past 20 years, and have lost not only their material assets but also social ties with kinsmen, friends and neighbours due to displacement, external migration or killings. Having spent a considerable time away from their original villages, people under the present resettlement programmes of the government are now in the process of moving into a social context where social systems have been totally transformed.

Dynamic village level organisations like CBOs, which function to rebuild lost relationships and break patterns of isolation, are only beginning to emerge in the Vavuniya district. In the present circumstances, CBOs have the potential to provide a forum for people to come together, rebuild lost relationships and strengthen mutual trust and confidence. In other words, even the few CBOs that exist in conflict-affected communities, where displaced people are struggling to regain their lost livelihoods and networks, have the potential to perform a catalytic role in forming new social capital among their members. Furthermore, the norms of reciprocity that govern such mutual relationships facilitate solidarity and mutual cooperation within social groups and is strategically useful for the effective operation of savings and credit programmes as well as other development projects.

CBO leaders in Hambantota and Vavuniya confirm the finding from the stakeholder workshops that CBOs have contributed to increased unity in the village. Many CBO leaders report that social cohesion in their villages has improved and has been strengthened significantly, and this impact has not confined itself to CBO members. 90% of the respondents strongly agree or agree that interest in collective action has increased in their village. Another 89% strongly agree or agree that villagers are more united than before. 73% disagree with the statement that conflicts within and between families have increased in the village. Many of our respondents observe that CBOs have offered an additional arena for interaction in their village based around traditional activities such as *shramadana* (free sharing of labour for community work), which in turn has contributed to strengthening social cohesion in the village in general. The prevalence of overlapping memberships and collaboration among CBOs also suggests that FORUT CBOs are intrinsically linked to other organisational structures in the villages. These findings suggest collaboration, rather than division.

The data drawn from the village workshops also point in the direction of a collaborative, rather than conflict-ridden atmosphere in the villages. The finding that participation in self-help groups and CBOs strengthen solidarity is not specific to FORUT partners, but also in line with findings from an evaluation of the Change Agent programme in Sri Lanka; “the programme had greater success in building a group process within which women from poor rural households found a convenient social space for pursuing collective interests, typically in a manner that did not challenge the status quo” (SIDA 2002: 3). Studies conducted in Hambantota on the role of savings and credit organisations also observe a positive effect on social cohesion and unity within the villages (Dale 2002).

The notion of *social capital* is useful in understanding these processes. The idea of social networks, both formal and informal, is central to the idea of social capital as developed by three of its most well-known theoreticians. Bourdieu, Coleman and Putnam refer to social capital as networks that facilitate certain types of action on behalf of the members (Bourdieu 1997: 51, Coleman 1990: 334, Putnam 1996: 56).

Social capital in its simplest sense refers to the social relationships that people cultivate with each other and the mutual trust and confidence that develops between people through such relationships and

networks. Thus, one can contend that the social capital accumulated and appreciated in a given community has the potential to reduce the level of social exclusion in that community and glue the community with a common bond. Meanwhile, a community that fails to contribute to the formation of social capital and allows it to depreciate enhances a process of social exclusion. This kind of social capital could be referred to as bonding capital that facilitates the formation or strengthening of norms, values, attitudes and beliefs within social groups and generates collective action.

However, the role of CBOs in the promotion of social cohesion and unity in the villages is a subject of debate. Researchers and critics familiar with the CBO/NGO scene in Sri Lanka claim that CBOs have a *divisive* impact in the villages. Some of the evidence from this study lends support to this claim.

Firstly, although self-help groups and CBOs tend to foster mutual interaction and understanding among community members, when things go wrong they have a potentially divisive effect. For example, when people are unable to repay their loans due to crop failures or other reasons, serious conflicts have arisen among the members, leading to a depreciation of social capital and, on occasion, the disintegration of the CBO itself.

Secondly, self-help groups are heavily guarded against intrusion by outsiders. Access to the groups is strictly regulated by screening processes that are performed informally by members. In most instances, membership in self-help groups remains static, and when members for different reasons leave the group, vacancies are rarely filled with new members. The justification for not filling vacancies or opening membership to others is that the old membership does not want to share the limited financial resources that they have accumulated over time with new members. Membership at a later stage also requires initial capital that is beyond the reach of most potential members. As a result people who wish to join savings- and credit schemes tend to start new groups rather than joining already existing groups.

CBOs have characteristics similar to self-help groups. Access to CBOs is controlled by various selection criteria; the most important being the ability to pay membership fees. 73% of the CBO leaders interviewed for this study affirm that the ability to pay membership fees is the most important membership criteria. Only 16% of the respondents claim that coming from a poor family makes one eligible for membership. This indicates that people who are seen as unable to pay the membership fees or who are not seen as reliable in terms of making repayments are likely to be excluded from the group, unless special measures are designed to ensure their inclusion.

Thirdly, earlier in the report it was shown that CBOs do not represent entire communities. CBO membership varies between 30-40 families on average, or between 10-25% of the total population of the village, depending on the size of the village. If a given CBO only caters to a faction in the village, the question arises as to what extent the CBOs impact significantly on communities as a whole?

Fourthly, some CBOs have a tendency to give preferential treatment to CBO leaders when they allocate resources. Benefits accrued to the general membership are comparatively less. While many members are excluded from the process of sharing benefits, strong bonds are formed among the relatively powerful office holders and a few comparatively privileged CBO members.

## **5.2 Summary: social cohesion and social capital**

The formation of self-help groups and CBOs has increased interaction and trust and strengthened social cohesion in the villages. Such processes have been particularly important in conflict-affected areas, where social bonds and norms have been deeply affected by 20 years of armed conflict. On the other hand the groups may have a divisive impact on the villages when:

- conflicts arise when people renege on their loans
- peer-based screening processes restrict people's access to the groups
- CBOs only represent a minority of village inhabitants
- group leaders are given preferential treatment.

## 6 Impact: Poverty Reduction

### 6.1 Increased income and improved community infrastructure

FORUT's interventions in the area of poverty reduction are threefold, and include:

- savings and credit programmes implemented through self-help groups or CBOs
- agricultural loans to farmers
- other services such as health, education, infrastructure etc. delivered to both poor and conflict-affected communities.

*Savings and credit programmes* as practised by FORUT are more of a coping strategy to alleviate symptoms of poverty than a development strategy to eradicate the root causes of poverty. The main reason is that loans lent through savings and credit schemes are relatively small, averaging Rs.5000 (NOK 330/US\$ 50), which does not permit rural populations to invest in business ventures that would generate substantial profits. Loans obtained from savings and credit schemes are either invested in activities with marginal economic returns, or used exclusively for consumption purposes or to cope with sudden crises.

In both Hambantota and Vavuniya, savings and credit schemes serve several purposes as they provide complementary family incomes, serve as safety nets in times of crises and provide an alternative to much more expensive credit provided by middlemen.

Although the loans have a marginal effect on income, they are sometimes critical in order to achieve important family objectives, i.e. meeting emergency needs, paying for medical treatment, sending children to school, etc. Credit is also used to fill deficits in the family budgets or repay loans from other CBOs.

Many studies have pointed to the positive impact of savings and credit programmes on household incomes in poor communities (Sear and Simon 1999, Dale 2003, Silva 2002, Todd 1996). Although, well-run savings and credit programmes contribute to poverty reduction, questions have been raised as to whether the poorest are involved in the programmes (Hulme 2000). The performance of many donor-funded savings and credit programmes is measured against accumulated savings and loan repayment rates. If repayment rates remain high, more external patronage to such programmes is ensured. In such a scenario, *existing* CBOs cannot be expected to open up their membership to the poorest sections of a poor community and risk a "rate of default" situation which is suicidal for both the programme as well as the CBO. In an earlier section we explain how membership recruiting criteria used by self-help groups and CBOs tend to exclude families who cannot afford to pay the membership fees or who are not seen as reliable borrowers. However, when new CBOs are established in an area the poorest could possibly be targeted.<sup>22</sup>

*Agricultural loans* are also provided to CBO members. This loan scheme has many positive aspects:

- it facilitates loans at low interest rates i.e. 2 percent per month compared to the 15-20% interest rate charged by private moneylenders
- because of the low interest rates, loans have a direct bearing on the incomes and profit margins of the farmers

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22 When the CBOs were originally established a decade ago, the poorest and most vulnerable were specifically targeted. We have not had the opportunity to examine in detail the procedures used at that time.

- farmers are able to cultivate more of their land; earlier land was abandoned or leased out to others due to lack of money for investment
- loans are provided at the correct time and when the need arises.

Agricultural loan schemes have helped farmers to increase incomes, ensure food security and enhance the stability of household economies.

The severe droughts that struck Hambantota in 2001 and 2002 drastically affected the recovery of loans from the farmers. The loan recovery situation is detailed in appendix 4. It demonstrates the vulnerability of the majority of CBOs to severe shocks, but also highlights the need for preparedness on behalf of the lender to manage such situations so that unnecessary strain on the borrowers can be avoided. CBOs that are not able to repay loans may become marginalised and prevented from participating actively in FORUT programmes.

Meanwhile, farmers expect FORUT to continue the loan scheme while FORUT is taking steps to increase the financial assets base of the CBOs to help them to sustain loan schemes on their own. As a step in the right direction, FORUT reports that the proportion of loans taken out by individual CBOs from FORUT is decreasing gradually and being replaced by counterpart funding accumulated in the CBOs through loan interest incomes.

Further, with regard to the distribution of these agricultural loans, there are issues of equitable distribution, as some of the leaders in CBOs tend to benefit more than ordinary members. For example in one relatively well-off village in Vavuniya, it was observed that the CBO leaders had repeatedly accessed agricultural input loans. While most of the members had accessed loans only two to three times, leaders had accessed loans up to 5 times. In another CBO the Chairperson of the CBO had received four loans for the purchase of four cows with each loan amounting to Rs.10 000 (US\$97).

As mentioned earlier, other than credit programmes, FORUT through its partner organisations has provided varied services in the areas of healthcare, education, infrastructure, etc. In a context where the State has failed to provide adequate and satisfactory services, particularly in the rural areas, services provided by FORUT have no doubt filled gaps in service delivery and improved the social well being of the poor families. For example, financial support extended to CBOs for constructing drinking water wells and toilets has improved the water and sanitation conditions in the villages. Children's libraries have improved access to information for children who otherwise would have had to travel long distances to reach urban centres to access books, which many families could not afford on a regular basis.

## **6.2 Implications for social inclusion**

Through their community development and social mobilisation work in poor areas, FORUT and its partners have reached poor, remote and marginalised communities. Particularly in a war-torn areas, such as Vavuniya, where few organisations exist, membership in village-based organisations has given people the opportunity to rebuild social networks, and to overcome a sense of alienation and vulnerability through an inclusive process. In other words, in terms of reaching the marginalised, involving them as members of FORUT supported organisations and in providing them with access to services, FORUT has to a large extent achieved its objectives.

This achievement is also in line with the expectation that NGOs should provide services that are different from services provided by the government or business in one or more of these aspects: quality, equity, cost or specialisation (Chinnock and Anheier 2003). With regard to NGOs working in developing countries, the criteria of specialisation relates to the assumed ability of NGOs to target the vulnerable, the marginalised and the poor, who for a variety of reasons are unable to access state provided or private services. This is exactly the task that FORUT has set itself and that it has implemented successfully.

It is also clear that FORUT and its partners have provided resources and services that together with people's own efforts have improved the situation of members of FORUT supported organisations in

terms of income and food security in particular. Yet, the critical question with regard to impact is: are the members of the CBOs in a position to sustain their improved living conditions in the event that FORUT leaves? Have people's freedom of choice and action improved and has their ability to acquire skills, education, jobs, loans, services and resources improved? Clearly, this is a more complex question than the issue of increased household income, but it is at the heart of the discussion on how membership in civil society organisations can make a difference. In addition to service delivery, these organisations are meant to build capacities and facilitate poor people's access to resources, in a broad sense.

In terms of facilitating access for members to resources *outside* the FORUT organisational networks, this has only happened on an ad hoc or needs basis. There are no indications that people now have systematically improved access to, or influence on, local governance institutions, let alone market institutions or national governance institutions. Further, it has been difficult to break the influence of middlemen, although FORUT has succeeded to some extent. Members of the FORUT network have improved their situation mainly as a result of access to resources that have been disbursed through FORUT and through their own efforts as members of self-help groups.

FORUT's interventions have improved people's abilities to cope with their daily struggle to make ends meet essentially by providing critical support and input towards the establishment of self-help groups within the traditional rural economy. This model makes use of already existing bonds of reciprocity and trust in the villages, and hence is part of what has been called the "moral" economy, as opposed to the "market" economy.

While FORUT's work has had important positive impacts, it was repeatedly emphasised by villagers that the real economic development issues in Hambantota are youth unemployment, lack of food processing industries and markets, lack of a fair price for rice due to the government's rice import policies, etc. Similarly, in Vavuniya villagers pointed to a need for storage facilities and small production units, such as rice mills, seed production farms etc. People's concerns indicate that they are well aware that in order to get out of poverty traps, their areas need to become better linked with the market economy. These efforts would require investments outside the scope of FORUT's low cost intervention model.

If we return to the notion of social capital, it could be argued that bonding capital, under certain conditions, has been strengthened through the introduction of CBOs. Bridging capital which facilitates linkages in relation to other CBOs or civil society organisations has not been strengthened significantly through FORUT's interventions. Similarly, linking social capital, a third type of social capital that allows civil society organisations to link up with external organisations and institutions both in the government and private sector, and which facilitates partnerships in accessing and mobilising resources, has only been marginally strengthened through these interventions<sup>23</sup>.

### **6.3 Summary: poverty reduction based on FORUT's network**

FORUT's interventions have contributed to poverty reduction through a range of mechanisms: savings and credit schemes, loan schemes, and the provision of infrastructure and health and educational services. FORUT has also facilitated the inclusion of poor and marginalised groups through its interventions. Nevertheless, FORUT's presence in Sri Lanka has not significantly increased the choices open to people, or their ability to access services and resources outside FORUT's network, which has only occurred on an ad hoc basis

## 7 Democratisation and Good Governance

Democratisation is not explicitly operationalised as part of FORUT's objectives or activities. However, the centrality of empowerment as an objective in FORUT's work opens up for a discussion on the relationship between empowerment and democratisation, and the role that civil society organisations may play in a process of deepening the democratic character of governance institutions. Empowerment within the context of democratisation means mobilising the poor, marginalised and socially excluded to encourage them to exercise their rights effectively. How do FORUT and its partners contribute towards this end?

There are essentially four ways in which FORUT and its partner organisations can promote democratisation and good governance:

- the way projects are implemented in the communities and the practice of FORUT's partner organisations in terms of internal democratic procedures
- the role that FORUT's partners play in relation to local governance institutions in terms of influencing policy and holding them accountable
- collaborating with government institutions
- the way in which FORUT and its partners influence policy at the national level in areas that are of importance to poor and marginalised communities.

### 7.1 Community development and improvements in democratic practice

The issue of internal democracy within NGOs has been hotly debated in Western NGOs. Should values that an organisation subscribes to, for example democracy and equality, be practiced internally in the organisation? Should there, for example, be full and equal access with regard to decision-making (Billis and MacKeith 1992)? These issues are as relevant to Sri Lankan NGOs and CBOs as they are to Norwegian NGOs. The ideas that govern donor policies towards NGOs and CBOs tend to reflect such notions of internal democracy, as reflected in the idea that NGOs and CBOs should be "training grounds for democratic practice."

CBO members maintain that they have learnt to listen to each other, to consult with each other with regard to decision-making, and to practice transparency in decision-making processes. They point to fairness and equality as important values in their work. Data from the CBO survey confirms these observations, as the majority of CBOs hold monthly meetings that are regularly attended by more than half of their members. In a majority of the CBOs more than 50% of the members attend the monthly meetings, while in the remaining CBOs 25-50% attend the monthly meetings.

Data on decision-making processes within the CBOs suggest that decisions are not forced upon people, but reached by consensus. A majority of the CBO leaders say that they strive to reach consensus in decision-making and that unilateral decision-making is unacceptable. In cases of disagreement they attempt to persuade members about the merits of a certain course of action and thereby obtain their consent. Many CBO leaders would consider reformulating a proposal until a sound consensus is reached. As such, the CBOs preferred governance practices, winning the trust and confidence of the members and mobilising their active participation, indicate the potential within the CBOs for consensual decision-making.

**Table 7.1 If members disagree with a proposal made by a CBO leader, how does the CBO leader respond?**

	Agree %	Disagree %	Total %
Reviews/reconsiders a proposal with members	97	3	100
Reformulates a proposal	63	37	100
Explains the proposal and its benefits to the villagers	96	4	100
Waits until the situation blows over	45	55	100
Completely abandons the proposal	11	89	100
Implements the activities	17	83	100

N=45

Overall these findings indicate that the partner organisations that perform best have procedures in place that are used to arrive at a consensus, and that they espouse participatory values. Such a model could be seen as reflecting democratic procedures, although the question could be raised as to whether the CBO members are people from the villages who already have a network of social capital that they draw on as they establish the CBO. Further, what is described as consensual practice could also be used to cover up the dominance of certain groups over others.

Another expression of the idea of internal democratic practices is the notion of rotating leadership, which is also reflected in FORUT's policies. One of the assumptions governing this idea is that the number of people exposed to "on the job" leadership training should be broadened. Yet, CBOs themselves seem to resent this idea and find it impractical. They stress the need to have competent people as leaders. Once leaders with acceptable qualities have been identified, members are not keen to let go of them, and tend to re-elect them. This pattern is consistent with findings from the literature on civil society in Europe and the United States, which points to the importance of local resource persons as civil society leaders. The implications of this practice among CBOs is that if donors want to take the idea of rotating leadership seriously, a lot more effort will have to go into leadership training. Donors will also have to contend with an inbuilt resistance towards rotating leadership.

Although turn-over among leaders is low, this does not imply that the people who assume leadership roles in the CBOs already occupy elite positions in the village, and that old power structures are perpetuated. To the contrary, as a rule CBO leaders have not held leadership positions before. They are elected because people trust them. CBO membership is not attractive to the rich or the village elites. Consequently CBO membership is a way for people in the village to achieve upward mobility and to establish themselves as leaders in the village.

## **7.2 CBOs and local governance institutions: traditional modes of interaction**

The changes discussed above are *localised* and apply at the individual level to the members of FORUT supported CBOs. As for changes in the *relationship* between village communities and local governance institutions, as discussed earlier, CBOs have not contributed to fundamental changes in this area. The interactions that take place between FORUT's partners and institutions of administrative and political power are largely within traditional modes of interaction. Engagement with local power holders takes place within a framework of patron-client politics, whereby resources are allocated to the village in return for votes.

Nevertheless, the hand of the village communities has been strengthened by successful CBOs in some villages. Further, through membership in FORUT's partner organisations, groups that were previously marginal to such interactions have been able to enter into such exchange relationships because their CBOs are seen as attractive vote banks. As for the more challenging notion that civil society organisations should enable voters to keep politicians accountable, for example with respect to election promises that are routinely given and not kept, this is not happening. Although several CBOs claim that they raise the issue of broken promises with politicians, we found scant evidence of such complaints having actually been launched.

While FORUT's focus for intervention is local communities, it has been argued that:

“...effective political action on the part of the poor usually depends on their establishing large scale organisations that represent them in terms of their socio-economic status (e.g. wage workers, tenants, small farmers) or their socio-cultural identities (caste, ethnic affiliation etc.) – not in terms of their residence in a particular locality. In sum, there is no basis in knowledge or logic for assuming any special connection between empowerment of the poor and community organisation” (Moore 2001: 322).

Along the same lines, Migdal argues that “rarely can any social force achieve its goals without finding allies, creating coalitions, and accepting accommodations” (Migdal 1994:21). The creation of *alliances* and social movements require a different way of working that is not project based and community based, but which is based on the construction of common frameworks for action that appeal to people's deep felt aspirations. Work on social movements and advocacy draws attention to the need to focus on framing and frames that are developed to capture aspirations and widely held beliefs as the basis for collective action beyond the constraints of the village (Healey et al 1999, Keck and Sikkink 1998).

### **7.3 Improving state performance: co-production of services at the district level**

The pattern found in the field is one of close collaboration between FORUT, its partners and government institutions, both in planning and implementing community development projects. Interestingly, in this three-way relationship, under-funded government agencies provide *technical* expertise, FORUT provides funding, and FORUT's partners conduct needs assessments and mobilise people for participation in community development projects. This is an example of what has been termed co-production in service delivery. Co-production is a model in which several agencies contribute towards service delivery (Evans 1997). This is not new, but what is intriguing is that an NGO plays the role of donor in relation to the government, while one would expect to find that the government sub-contracts INGOs to undertake specific tasks.

By working closely with state institutions, FORUT and its partners contribute towards improved coverage in the provision of public services and also to the adoption of new practices by state institutions. Interestingly, institutional innovations such as the District Consortia, which coordinates the work of NGOs with the work of the government has emerged in the conflict-affected areas in the North East. In the areas in which they operate effectively, they have contributed towards more effective and comprehensive service delivery, and both FORUT and its partners have been a part of this process, together with other local, national and international NGOs. Yet, although service delivery and coverage have improved, there are unanswered questions with respect to the effectiveness and quality of service-delivery, particularly in the war affected areas. A further examination of these issues is outside the scope of this report. In this context, the point to be made is that doubts with respect to quality and effectiveness of service delivery contribute to a general and pervasive feeling of scepticism towards NGOs in Sri Lanka.

Another institutional innovation is the adoption of more participatory approaches by the district administration as a result of interaction and a mutual learning process between the district administration and NGOs. Although the dominant feature of the relationship is that the NGOs operate under the direction of the District Secretary, there are also indications that NGOs influence the administration towards a more participatory approach. It was pointed out that government officials had requested to meet the villagers in the field, thus adopting a participatory approach that is commonly used by NGOs, and that NGOs had been asked to assist the government in mobilising women for government interventions. At the same time, the District Secretary is seen to be helpful to FORUT and its partners, for example in assisting in transporting materials from government-controlled to LTTE-controlled areas, and in facilitating access to government resources. One example that was frequently mentioned was that the government provides land, for example, for office buildings for CBOs or NGOs.

### **7.4 Influence on national policy**

Has FORUT or its partner organisations taken part in public policy dialogue processes or has FORUT assisted and supported poor, marginalised and socially excluded groups to do so?

With regard to the first notion, FORUT has played a role through its participation in the Consortium for Humanitarian agencies that is an association of humanitarian and development agencies that are operational in relief and development activities in the conflict affected areas of Sri Lanka. Through its membership FORUT has been a party to advocacy processes in relation to the government on behalf of the war affected population. FORUT also played a role in the London based NGO forum on Sri Lanka that was involved in advocacy on human rights issues in Sri Lanka. As the government began to exercise pressure on NGOs in the mid 1990s, FORUT found it increasingly difficult to balance an operational role with an advocacy role and as priority was given to an operational role in the North East, FORUT played down its human rights and peace advocacy role.

Through its support for ADIC, FORUT has contributed to the public debate on alcohol and drug related issues. Through ADIC, FORUT has effectively supported a process of influencing policy at the national level as the objective of ADIC is to “Lobby for strict implementation of the national policy on alcohol, tobacco and illicit drugs”.<sup>23</sup> Another illustration of FORUT’s intention to play an advocacy role in this area is the publication of a report in December 2003 that details the causes and consequences of alcohol use in Sri Lanka.

As for the second issue, how FORUT has enabled marginalised groups to access the policy debate, there have not been any significant developments in the direction of establishing new spaces or mechanisms for the participation or representation of local, marginalised and poor communities in the national policy process. Yet, FORUT aspires to do so through its organisational model, which is intended to provide space, at least at the district level, for marginalised groups to be represented, and as we have seen to some extent such representation is taking place. Nevertheless there are shortcomings in FORUT’s efforts at building organisations that could represent the interests of such communities both at the local, regional and national levels. Without an effective strategy for the aggregation of community interests, the overall objective of empowerment, in the sense of political empowerment, continues to be a distant dream. Clearly, this is no easy task; how can the “grassroots” influence public policy? This is, however, a task that many international NGOs are struggling with, and only a few have adopted effective approaches and methodologies towards this end.

One argument for not engaging in advocacy in a more strategic manner is that such issues are sensitive or highly political. A recent study from Uganda pointed out that NGOs in that country draw a distinction between political issues and “party politics” and that they stay away from the latter as a way of avoiding sensitive issues (Kruse et al 2003).

NGOs have not been able to bridge the gap between ad hoc lobbying at the community level, vis-à-vis local governance institutions, and raising common concerns at the national level designed to influence policy. The issue at hand is whether there is an inherent contradiction between social mobilisation for poverty alleviation at the grassroots level and mobilisation at the national level, in Colombo. As we have demonstrated, the small self-help groups are inward-oriented, self-centred, characterised by strong social capital and mostly concerned with strengthening the private realm. On the other hand, elite, urban-based civil society organisations working for democratisation and human rights are outward-oriented and work for the public good. Hence, there seems to be a tension between the two logics in that people who are in a highly competitive environment, struggling to escape from poverty traps, are not easily mobilised for public action.<sup>24</sup> In this respect, the experience of FORUT reflects the gap between rural NGOs working on socio-economic issues at the local level and urban-based NGOs that address human rights and governance issues.

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23 [www.lanka.net/adic/](http://www.lanka.net/adic/)

24 This analysis builds on discussions that we have had in the Sri Lankan resource group for this study.

## 7.5 Summary

The table below summarises the discussion on democratisation and governance.

**Table 7.2 Democratisation and governance**

	<b>Individuals</b>	<b>Organisations</b>	<b>Institutions</b>
<b>micro</b>	<ul style="list-style-type: none"> <li>• awareness building</li> <li>• participation of remote/poor communities</li> </ul>	<ul style="list-style-type: none"> <li>• regular meetings</li> <li>• decisions by consensus (CBOs)</li> </ul>	traditional exchanges/ patron-client: recourse to the village in return for votes
<b>meso</b>		<ul style="list-style-type: none"> <li>• some links between CBOs</li> <li>• links to external organisations and institutions on a “need basis”</li> </ul>	increased government-civil society interaction: <ul style="list-style-type: none"> <li>• co-production</li> <li>• NGO consortium</li> </ul>
<b>macro</b>	knowledge about and access to policy processes?	alliances with likeminded groups? CHA	issues <ul style="list-style-type: none"> <li>• unemployment</li> <li>• agricultural policies</li> </ul>

At the micro level, we have found awareness building and participation of remote, marginalised and poor communities. Further, FORUT supported organisations display democratic features such as regular meetings and decision-making by consensus. Yet, at the institutional level, traditional relationships prevail between local communities and governance institutions.

At the meso level, networks and links between CBOs have not been significantly strengthened, but there is frequent collaboration between FORUT, its partners and local administrative structures, both through NGO consortia and in the form of direct collaboration.

At the macro, or national level, FORUT has been an active member of the Consortium of Humanitarian Agencies. One of the activities of the consortium has been advocacy on humanitarian issues. In contrast to what FORUT and its partners have been able to do in terms of advocacy on humanitarian issues and temperance issues, FORUT and its partners have not translated its experiences and knowledge on socio-economic issues into advocacy by mobilising grassroots communities to work at the national level. We also question how realistic and achievable such a strategy would be.

## 8 Challenges for Strengthening Civil Society

This section examines four challenges for strengthening civil society:

- financial sustainability
- capacity building
- service delivery
- long implementation chains and identity crises.

### 8.1 Financial sustainability

The question of wider societal impact is closely associated with the issue of sustainability because impact is defined as long-lasting changes. Regarding what makes *organisations sustainable*, funding comes across as the key factor without which organisations are unable to survive.

The financial sustainability of partner organisations has become an increasingly prominent concern among donors, and many of them have embraced the idea of an exit strategy. In practice this means that donors will work with communities for a limited time and then leave. From a donor perspective the task consequently becomes one of encouraging the financial independence of their partners. One common way of reducing dependencies in the NGO world is to diversify the funding structure, and as Billis and MacKeith have observed, civil society organisations usually rely on multiple funding sources (Billis and MacKeith 1992). Large comparative studies also suggest that most civil society organisations receive government funding; this is even the case in the United States where the idea of a civil society sector as autonomous from and independent of the state is particularly prominent. Research-based evidence also suggests that the best performers, in all areas, are also the largest recipients of government funding (Chinnock and Salamon 2003). Since government funding is often not an option in developing countries, donors replace governments as funders of civil society organisations. In such an environment, with limited access to funding from their own national governments, what are the options that are available to NGOs with respect to funding sources?

FORUT has adopted two strategies to support their partner organisations in achieving financial sustainability: diversifying partners' donor bases and setting up a wide range of income generating activities. These are two very different strategies with hugely different implications for the organisations.

In terms of financial sustainability we can therefore draw a distinction between three types of situations that are characterised by varying degrees of vulnerability and dependency:

- dependence on one foreign donor - vulnerable
- dependence on multiple foreign donors – less vulnerable, but still not sustainable
- accessing resources and services from local or national sources – sustainable?

#### *Diversification of donor base*

In order to achieve sustainability for the partner organisations, FORUT facilitates links between its partner organisations and other donors, both international NGOs and UN agencies. As a result, all of FORUT's partners have established such links with other donors. FORUT's partner organisations in Vavuniya receive support from between one to five other donors in addition to the support that they receive from FORUT. Donors include multilateral agencies, for example UNDP and UNHCR, as well as international and Sri Lankan NGOs. However, FORUT's partner organisations still point to financial constraints as a major limitation in their work.

In Hambantota, the international NGO Care is coming in as an additional partner for CSF. Through its work with the CBOs and CSF, FORUT has created an organisational infrastructure that makes it attractive for other international NGOs to set up operations by using this organisational structure. FORUT also works with CSF on an organisational model that is intended to ensure the sustainability of CSF. This work includes elements such as providing supplementary funding for CSF's revolving fund, and discussing inputs from FORUT in terms of capacity building and technical support.

#### *Diversification of income sources*

The partner organisations also strive to diversify their income in a variety of ways through:

- productive enterprises, for example the cultivation of rice, running rice mills, production of furniture
- hiring schemes, for example of tractors
- service fees, for example for attending nursery schools
- interest on loans to members
- revolving loans from FORUT
- cooperative shops.

Such strategies contribute in a marginal way towards covering the expenses of the partner organisations, but they still rely on FORUT and other donors to supply substantial funding.

Partners involved in productive enterprises find themselves at a disadvantage because they are unable to compete fully under market conditions as part of their surplus is required to subsidise technical training programmes. It was also reported that parents have been withdrawing their children from pre-schools as a result of their inability to pay even nominal fees. Interest on loans to members remains the most reliable strategy for income generation, and successful CBOs have managed to amass relatively substantial funds through this mechanism.

However, even for micro credit programmes, prospects for sustainability are not particularly encouraging. The basic premise of the micro credit programmes is that they work with people who are seen by formal financial institutions to be "unbankable", and who therefore have to turn to moneylenders and informal networks to meet their more immediate financial needs. Although loan schemes are sustainable at the level of self-help groups, such groups are only able to mobilise a relatively small amount of resources. When intermediary organisations, such as CSF and FOSDO become involved in order to provide larger loans, the interest paid by members is not sufficient to meet overhead costs, even though the interest rates are higher than in commercial banks. However, they are still lower than what the local middlemen (mudalali) charge. Subsequently, these intermediary structures become dependent on donor funding.

These concerns are also reflected in the international literature in the field. A recent review of micro credit programmes concludes that there is an inbuilt tension between the two targets that donors aim to achieve through micro credit programmes, financial sustainability and outreach to the poor, and that the tension results in stresses and pressure on the micro finance institutions and their clients in the field (Nissanke 2002). In the same review it is estimated that it typically takes seven years for such programmes to become financially sustainable, if they ever do, and it was suggested that at the end of the 1990s, only 1% of all NGO micro credit programmes worldwide were sustainable. A major reason for the lack of sustainability is the high administrative costs involved in the provision of loans through intermediary organisations. Even such high profile successes as the Grameen Bank remain highly donor dependent, but steps are being taken to raise funds through conventional market mechanisms (Nissanke 2002).

The tension that was suggested above between outreach to the poor and sustainability is inherent not only in micro credit programmes, but also in other social service and welfare programmes. FORUT has adopted a low cost model based on social mobilisation and volunteering for its social services programmes, such as the running of libraries, pre-schools, youth clubs etc. The model relies on highly motivated resource people or young people in the communities who can take up leadership roles. Their motivation may be that they are working for their own village and that they see a demand for their services, or that they see the work as a stepping stone to other jobs within a highly competitive job market.

## 8.2 Capacity-building

Capacity-building has for a long time been flagged as an answer to almost any developmental problem. In the discussion below we draw on a distinction that has been made between three categories of capacity, namely, mobilisation capacity, relational capacity and knowledge capacity.

Firstly, *mobilisation capacity* refers to “the processes through which attempts are made to challenge and change established ways of doing things, or the practices of governance regimes” (Healey et al. 1999: 20). This change agent notion is inherent to the vision of many NGOs and figures in the guidelines for support to Norwegian NGOs. It has also been an explicit part of FORUT’s agenda as expressed in its 2003 policy document: “An important task is organising against unjust, repressive and exploitative structures” (FORUT 2003: 3). This is truly a challenging task.

Secondly, *relational capacity* is “the heartland of the concept of social capital” (Healey et al. 1999). It is concerned with *patterns of interactions* and relationships, and the ways in which individuals and organisations are embedded in networks of social relationships. In the case of FORUT, if new patterns of interaction have emerged as a result of FORUT’s interventions, such patterns could be sustained even in the event that an organisation leaves the area, or for other reasons is unable to sustain its work. As demonstrated in the previous chapter, little has happened in this area in terms of the emergence of *new* patterns of interaction and relationships as a result of FORUT’s interventions. An exception to this pattern is found in funding relationships. In addition to providing financial allocations to the CBOs and their Federations, FORUT has also facilitated linkages with other donor agencies with a view to strengthening their financial sustainability.

Thirdly, *knowledge capacity* can be divided into three components: 1) facts and “how to go about things” 2) analytical or moral assumptions 3) deeply embedded frames of reference (Healey et al. 1999: 14). Even if organisations disappear from the scene, *individuals* who worked for or were members of an organisation will continue to apply their knowledge within other organisations or contexts, and so, individual knowledge, skills and capacity will continuously be put to use.

FORUT’s interventions in both Vavuniya and Hambantota have laid the foundation for building civil society organisations. It has mobilised community members to come together to form self-help groups and community-based organisations and facilitated their networking through Federations such as FOSDO and CSF. FORUT has also provided training to build awareness and the capacities of these CBO members and their leaders and has responded to their material needs by providing financial resources. Nevertheless, we would argue that:

- resources that have been spent on capacity building have not been adequate
- capacity building efforts fall in the category of knowledge capacity (and not relational and mobilisation capacity)
- FORUT’s practices in terms of its relationships to partners works against the objective of capacity building

First of all, resources allocated for capacity building are limited, see appendix 5. Although the table in appendix 5 provides figures for Hambantota, the situation is similar in Vavuniya.

Secondly, there has been a lack of relational and mobilisation capacity building. The capacities of leaders have not yet reached a level at which they can sustain the organisations in terms of providing the necessary leadership to their respective organisations, managing the affairs of the organisations independently, mobilising and managing resources and working out plans for the long-term sustenance of these community based organisations. Almost all the CBO leaders interviewed for this study say they do not foresee a way forward for their respective organisations independent of FORUT. They depend heavily on FORUT not only for material assistance, but also to direct their future destinies. The implications of this are not necessarily that they would be unable to manage without FORUT, but it demonstrates that the partners still consider FORUT their “patron.”

Many of the training programmes are primarily confined to “technical” subjects, such as imparting knowledge and skills in book-keeping, accounts, integrated pest management, intensive farming practices, etc. It is not clear to what extent FORUT decides on the content of the training programmes,

but according to FORUT staff the communities express little interest in other types of training. We do not contend that such training should be denied to the rural communities. What we highlight here is that capacity building for civil society strengthening requires much more than technical training, or transfer of factual knowledge, or “how to go about things”.

Thirdly, some of the management practices adopted by FORUT contribute to restricting opportunities for CBOs and their Federations to build up their management capacities. For example, apart from the little savings circulated among members in the form of emergency loans, none of the CBOs in the FOSDO network have a bank account of their own. Instead monies accumulated in the CBOs either through savings or from the grants provided by FORUT via FOSDO are collected or deposited in the FOSDO account. The reasons given for adopting such practices included the insecurity that still prevails in conflict-affected areas and the physical distance between the CBOs in remote villages and banks located in urban centres, which constrains easy access of the CBOs to the banks. Hence, the partners decided on this policy. A similar situation was observed in the Hambantota CSF as well. The loan monies provided by FORUT via CSF to facilitate agricultural loans to CBO members in the CSF network do not reach the CBOs in the form of cash. Instead CBOs receive material inputs such as seeds, fertilisers, and chemicals to the value of loan amounts requested by each CBO. The justification provided was the need to ensure that loans were used for the purposes for which they were given and, secondly, that bulk purchases of agro-inputs enable farmers to buy at discounted prices. Justifications in both cases are valid and reasonable. However, in both situations opportunities for CBOs to manage funds, experience risks involved in financial transactions, interact and negotiate with external agencies such as banks and markets, etc. are lost to the CBOs through such management practices.

Intervention methodologies that mobilise community participation in identifying their development needs and problems, prioritising them, making decisions and planning are not systematically applied at the CBO level. Though representatives of CBOs are invited to participate in an annual planning session, whether this practice has led to true consultation and participation of the CBO members is not clear.

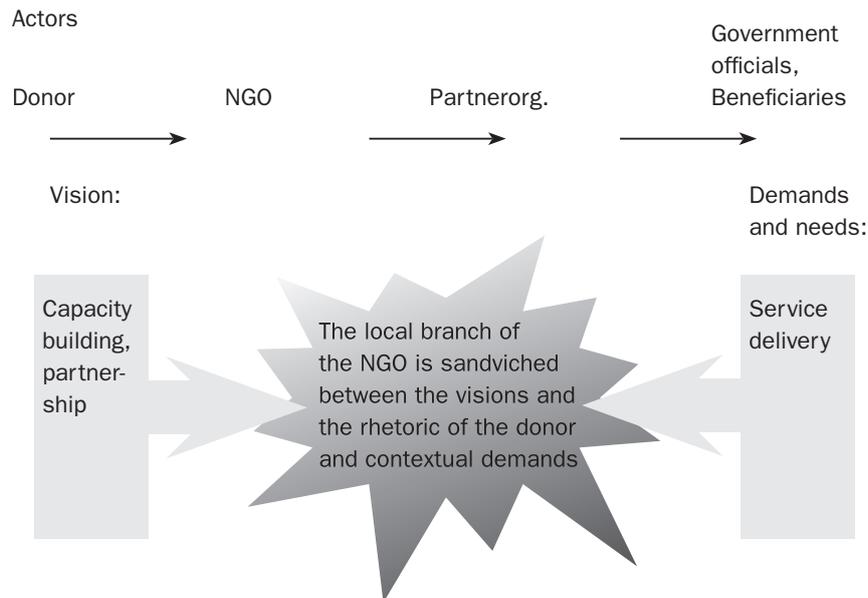
### **8.3 Service delivery**

Is building linkages with external agencies and influencing their policies and practices a viable objective in the socio-political context in which the CBOs and their partners are found? Hambantota district has comparatively high levels of poverty combined with limited access to services. Service delivery in Angunakolapalessa Divisional Secretariat, one of the poorest areas in the district, is as yet inadequate to respond to the needs and aspirations of the people. The situation is not better in war-torn Vavuniya district, which can still be described as a relief and rehabilitation context. Available state resources are hardly sufficient to provide even the basic needs of the displaced population, who are now in the process of returning to their original villages. As such, there are huge gaps in service delivery that have not been met by the state machinery.

CBOs and their members perceive FORUT and its partner organisations as instruments of service delivery and continue to expect resources to fill gaps in service delivery. CBOs and their members tend to place low priority on capacity building programmes and limit their participation in such programmes. At the same time, external agencies such as local politicians and government service delivery organisations expect FORUT to fill gaps in service delivery. In order to respond to these pragmatic demands from the community and other external actors, FORUT has been induced to increase its investments in service delivery, while reducing its investments in capacity building programmes.

Consequently, when the guidelines for strengthening civil society meet the reality at the grassroots, the pull from the local context overrides the guidelines. FORUT and its partners are sandwiched between its own objectives and the guidelines of the Norwegian policy makers, on the one hand, and demands from the local contexts in which they are working on the other.

**Figure 8.1 Sandwiched between the vision of donors and contextual demands**



The almost self-evident implication of the pull towards service-delivery is that less attention, focus and resources are provided for the benefit of strengthening the social mobilisation and advocacy roles of civil society organisations.

Service delivery is also indirectly prompted by the *competitive environment* in which FORUT operates. In an environment in which there are a multitude of NGOs and where clients or beneficiaries “shop around”, FORUT has to deliver a product that is attractive to local communities. As communities expect cheap or free services, FORUT must deliver accordingly or be sidelined by INGOs that deliver better benefits. FORUT staff were particularly concerned about this factor and indicated that in order to survive in a context that is becoming increasingly crowded by NGOs, FORUT must deliver a competitive package.

Another factor pulling towards service-delivery is *funding needs*. Not only FORUT’s partners, but also FORUT feels the pressure to attract funding from other donors. Service-delivery is an area in which FORUT has competence and is acknowledged for its capacity to deliver, and hence to rapidly spend funds. It could be hypothesised that the ability to deliver is the “de facto” measure of effectiveness used by donors in their assessment of INGOs. This is particularly true in the relief and rehabilitation context in the North East of Sri Lanka. Another factor may be that service-delivery gives FORUT legitimacy in relation to fundraising among the Norwegian public as services are seen as more tangible and easier to explain than advocacy and mobilisation.

FORUT has grown rapidly over the last 10 years, increasing its budget six fold, from Rs. 59.9 million (NOK 3.9 million/US\$ 0.6 million) in 1994 to almost Rs. 375 million (NOK 24.5 million/US\$ 3.6 million) in 2003. FORUT’s ability to spend rapidly increasing amounts of money on service delivery demonstrates FORUT’s success as a service delivery organisation. This is commendable and absolutely unproblematic in itself. Yet, if FORUT’s core activity is service delivery, this is likely to have implications for FORUT’s capacity to support and strengthen other aspects of the work of civil society organisations.

The potential tension that exists between service delivery on the one side and social mobilisation on the other is not an issue that is limited to FORUT’s activities or to Sri Lanka. Although it is often assumed that NGOs are heavily involved in advocacy and social mobilisation, research shows that service delivery is the most widely performed NGO activity (Taylor 1999, Chinnock and Salamon 2003). Further, organisations that are primarily involved in advocacy and lobbying are also involved in service delivery, which contradicts the notion that organisations are either involved in service delivery or advocacy.

By responding to the needs and demands from the government and from local communities, FORUT is not only responding to and satisfying its key constituencies, but also ensuring the success and survival of itself. According to new research findings from a large cross country survey of NGOs, the relationships that NGOs have with two important stakeholder groups, the government and local communities, are key factors in explaining the performance of NGOs. Firstly, a co-operative and positive relationship with the government was the most important factor in influencing success. Secondly, recognition, credibility or legitimacy in the communities was a precondition for playing an effective role (Chinnock and Salamon 2003). In this context, service delivery is a way in which organisations are seen to establish credibility and legitimacy. Service delivery is tangible and in most instances results can be quantified within a short period, unlike advocacy, which is a long-term process with less tangible results.

FORUT's way of working has ensured that it is responsive to the government as well as local communities. FORUT is seen by local government officials and other INGOs as deeply rooted in the communities in which it works. FORUT is one actor in a wide range of interventions carried out by people themselves, local government institutions and groups and partner organisations of FORUT. Through collaborative efforts between all these actors resources are being pooled towards meeting needs in the local communities. On this scene, FORUT is perceived as a competent actor and is often given the role to facilitate such coordinated efforts. Stakeholders in the field repeatedly pointed out that the long term presence of FORUT in the local communities is a strength, compared with other NGOs that are dismissed as "coming and going at will". People also appreciate FORUT's approach which is seen as holistic, rather than sector based, enabling FORUT to respond to a wide range of needs in the communities by delivering a variety of services.

FORUT's success as a service-delivery organisation leads to the questions of whether CBOs and their members have become dependent on FORUT's services? This is a topic that is frequently raised by and is a concern to academics in Sri Lanka. Does participation in NGO programmes lead to empowerment, as stipulated in policy documents, or does it only shift dependencies from middlemen and government welfare programmes to NGO programmes? Dependence on middlemen has decreased as a result of people's participation in micro credit programmes. Although these programmes are currently dependent on FORUT, FORUT policy is to see this dependency as temporary, and to see service delivery as an entry point into the communities. The challenge for FORUT is to design programmes in such a way as to build organisational and individual capacities that enable poor people to acquire resources and services without the support of FORUT. This study has identified some changes in this direction, primarily expressed by people as an increase in their own awareness. People feel a strong sense of increased awareness about a range of issues as a result of their participation in FORUT-supported organisations.

#### **8.4 Long implementation chains and identity crises**

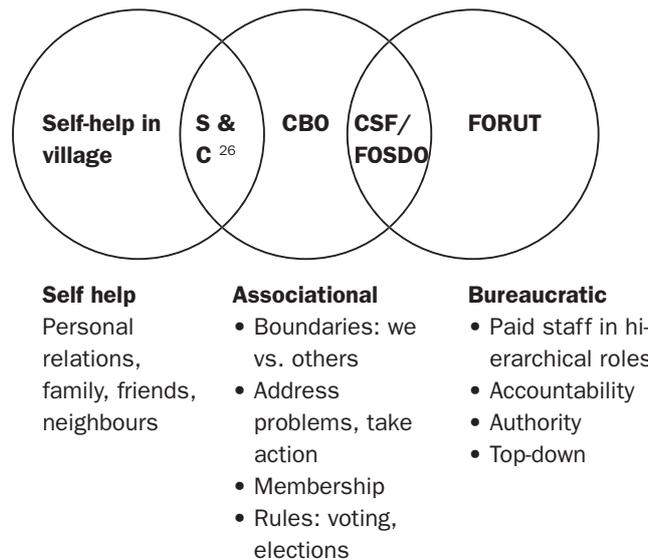
Norwegian development policies are implemented through a long chain of actors after funding allocations are made. In the case of FORUT, the chain starts in Gjøvik where FORUT's head office is located. It continues to Colombo, then to FORUT field offices, local partner organisations, CBOs that make up the local partner organisation and in some cases to small savings and credit groups made up of 5-8 people in the villages.

In addition to being partner organisations of FORUT, the organisations in Sri Lanka are also embedded within their own local contexts, their own relationships and networks. Within this set up, it can be argued that there is no strong sense of ownership of the FORUT vision and mission beyond FORUT's own staff and beyond FORUT as an organisation.

As intermediaries between FORUT and the villages, the CBOs and the Federations are caught up in an interface between different organisational cultures as well as different national cultures. They have to adapt in the space between the bureaucratic culture of FORUT and village traditions. The self-help groups are deeply embedded in village traditions and draw strength from existing networks and social capital in the villages, mainly based on personal relationships between friends, family and neighbours.

On the other hand, FORUT's culture is based on the notions and practices of paid staff in hierarchical roles, accountability to management and Norwegian donors, and relationships of authority between staff members. Compared to the self-help groups it is also relatively top-down. The CBOs are caught in the middle, somewhere between the culture of the village on the one hand and the culture of FORUT, and to some extent the partner which they see as an extension agent of FORUT. In a civil society context, the CBOs could be called "associations", in that they have clear boundaries between members and non-members, and address problems in their communities. Although they operate informally in many ways, they have a membership as well as rules for elections and voting.

**Figure 8.2 Interface between organisational cultures** <sup>25</sup>



FORUT is pushing both the CBOs and their partners, the Federations, towards becoming more formal and bureaucratic, in response to the need for accountability and as step towards establishing the partners as independent NGOs.

The implication of the discussion above is that the CBOs and partner organisations are drawn between multiple roles in responding to their own constituencies as well as to FORUT:

- CBOs have a long tradition of organising members of local communities to undertake *collective work* to benefit the village
- many development agencies make use of already existing village organisations, or create new ones, as FORUT does, in order to *facilitate participatory service delivery and participatory planning* of their own programmes
- the perspective of the CBO members themselves is that they are members of the CBO in order to *access resources* from partner organisations/FORUT for themselves and for the village
- finally, from a civil society perspective, the role of CBOs is to represent the *voice of the village to the outside world*, mainly in relation to local political, economic and administrative institutions, but also in respect of building networks with other civil society organisations.

As we have demonstrated in previous sections, the first three roles dominate the ways in which CBOs work and function in the villages, while the "voice", or advocacy, role is less well developed.

<sup>25</sup> The model is developed from Billis 1992.

<sup>26</sup> Savings- and credit groups.

The same confusion over roles arises with regard to FORUT's partner organisations. Various stakeholders in the FORUT network have their own views as to the role of the federations. From FORUT's point of view, partners should be *membership organisations* for the CBOs that they represent. As we have seen in the previous discussion there are weaknesses with regard to the mechanisms of representation. Another role for the partners is as *technical and financial support organisations* for the CBOs. Although this is not an explicit role, the partner organisations are also *bureaucratic monitoring bodies* for FORUT as critical financial and management functions are retained by the partner organisations. Lastly, the partners are *service delivery organisations* in their own right, providing a range of services in a timely manner.

## 8.5 Summary

In response to the challenge of financial sustainability, FORUT has developed two strategies that have been adopted by its partners: diversification of its donor base and diversification of its income base. With respect to the first, FORUT's partners have been relatively successful in developing relationships to a range of donor agencies. Diversification of income has been a trickier task; non-donor income has only made a marginal contribution to the partners' finances.

NGOs are expected to perform well in terms of capacity building. FORUT's interventions in both Vavuniya and Hambantota have laid the foundation for building civil society organisations in local communities. FORUT has provided training to build the awareness and capacities of these CBO members and their leaders. However, we argue that:

- the resources that have been spent on capacity building have not been adequate
- capacity building efforts fall within the category of knowledge capacity, and to a lesser extent relational and mobilisation capacity
- more tasks and responsibilities could be devolved to the partners to enable them to build capacities.

Despite policy objectives that include social mobilisation and advocacy, FORUT is pulled strongly towards service delivery. Firstly, demands from both the government and local communities are for service delivery. Secondly, funders have stood ready to fund a range of service delivery interventions and FORUT's budgets have grown rapidly. Thirdly, organisational survival and legitimacy is ensured through service delivery.

When Norwegian policy objectives are implemented through CBOs based in villages in Sri Lanka, questions arise as to whether they represent the same visions as Norwegian policy makers. We have argued that both the CBOs and the Federations suffer from an "identity crisis", resulting from multiple demands from stakeholders.

What are the implications of these factors for the notion of partnership? All the challenges are also challenges in terms of building real and effective partnerships between Northern and Southern NGOs. A high level of financial dependency, limited capacity, as well as a lack of clarification of the role of Southern partners are hindrances to the development of partnerships.

## 9 How can Norwegian NGOs contribute?

The guidelines for support to civil society organisations propose that Norwegian NGOs are in a position to contribute to civil society development in other countries because of their contributions to Norwegian civil society. Clearly, there are a range of other reasons why channelling support through Norwegian NGOs may be a desirable policy option. Yet, in the context of this report, the question is: what is the specific contribution that FORUT makes? Do Norwegian NGOs offer local communities anything different than indigenous NGOs can offer? If so, what are the particular competencies, approaches etc. based on Norwegian expertise and knowledge that FORUT applies in the local context?

One reason for supporting civil society in the first place, as stated in the guidelines, is that civil society organisations function as change agents; they play an innovative role. This is a role that is widely seen as one that NGOs should play. Is there evidence that FORUT, rooted in Norwegian as well as Sri Lankan civil society, has played such a role?

Through its support of ADIC, FORUT brought to bear its experience from the temperance movement in Norway. The temperance movement is involved in various types of preventive activities and information work carried out with public funding. ADIC was organised as an information office and collaborates with local temperance organisations.

One aspect that distinguished FORUT from other international NGOs was its explicit inclusion of peace as a policy objective long before any of the other development NGOs included reconciliation and conflict sensitivity on their agendas, a process that has only taken place over the last few years. FORUT's focus on peace was a result of the vision of the Organisation of Good Templars Norway. However, under heavy pressure from the Sri Lankan Government in the 1990s, FORUT toned down its international advocacy activities on peace-related issues.

In other respects, FORUT's approach in the field is similar to that of other international NGOs and Sri Lankan NGOs involved in micro-credit programmes and other community development projects. However, in contrast to other organisations FORUT is seen to make a more long term commitment to the communities. In addition FORUT has a temperance component in its work, an issue closely correlated to poverty and violence against women (Baklien and Samarasinghe 2003).

In some of its more policy-oriented work at the head office, FORUT has worked to document the negative impact of small arms, alcohol consumption and violence against women in Sri Lanka. These are issues that NGOs working in Sri Lanka are just beginning to raise. Yet, it is not clear what the implications of this work are for FORUT's field operations in Sri Lanka. Previously peace and temperance were the two issues that distinguished FORUT from other NGOs. Today peace and reconciliation are addressed by many development NGOs. Hence, temperance is the only issue that differentiates FORUT from other international non-governmental organisations.

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## Appendix 1 Overview of FORUT's activities in Sri Lanka

(geographical areas for in-depth study are displayed in bold)

	West coast	<b>Hambantota</b>	Colombo slums	Matale	Medawachchiya	<b>Vavuniya</b>	Puttalam	Vanni	Jaffna	Ruwanwella
Project villages, number and target families	28/2142	<b>119/6000</b>	5/1720	13/4335	36/2880	<b>43/3284</b>	32/1540	22/1986	72/5082	
Early childhood development, pre-schools/ children in pre-schools	15/276	<b>47/802</b>	8/245	83/1188	16/234	<b>29/626</b>	28/729	12/444	62/1376	
Primary education, schools assisted/ children who benefited	1/18	<b>12/540</b>	2/750	1/60	5/835	<b>17/897</b>	5/1600	10/3767	15/3450	
Rural communication, library units/members	15/4078	<b>47/5136</b>	12/871	9/725	32/1643	<b>17/560</b>	8/830		51/3398	
Vocational skills, training, training centres/beneficiaries	1/53	<b>2/426</b>	3/56	3/58	2/91	<b>3/146</b>	/441	/294		
Preventive health, health clubs/ health volunteers	1/10	<b>16/12</b>	5/27	105/175	26/25	<b>6/21</b>	5/153	/108	27/98	
Housing, houses, temporary shelters	15/12	<b>12/</b>	38/	10/141	/101	<b>/36</b>		/1360	340/	
Water and water resource management, wells constructed/ irrigation tanks	1/	<b>19/1</b>	/5	3/	4/8	<b>18/1</b>	33/4	30/1	195/	

Toilets, numbers/ beneficiaries	20/116	8/79	187/1122	75/299	<b>55/523</b>	121/645	24/5608	360/1563	
Community infra- structure, com- munity buildings/ length of roads	1	1 75 mtrs	1	2 6 km	<b>3</b> <b>500 mtrs</b>	3 5 km	5	3	
Temperance, campaigns/ participants	54/3400	17/2431	13/5600	7/575	<b>12/652</b>	4/2000	1/137	13/780	
Environment, awareness programmes/ trees planted	4/650	5/	2/2000	2/3500	<b>/2910</b>	275/			
Youth activities, youth sports- clubs/youths benefited	9/320	5/287	24/1925	8/262	<b>16/487</b>	9/365			9/825
Organisational development, small groups in project villages/ members	52/498	114/887	13/5200		<b>55/552</b>	406/2059	116/790	263/2785	
Banking development, local banks/ beneficiaries	14/1687	18/1054	13/6200	29/1680	<b>1/1476</b>	21/910		68/4591	

**Appendix 2**  
**Financial assistance received by CSF's CBOs from FORUT**  
**during 2000-2002 (Hambatota)**

<b>CBO</b>	<b>Financial assistance received in 2000 (Rs)</b>	<b>Financial assistance received in 2001(Rs)</b>	<b>Financial assistance received in 2002 (Rs)</b>	<b>Total financial assistance (Rs)</b>
1	275	14 700	51 600	66 575
2	-	14 560	52 185	66 745
3	18 889	18 835	70 550	108 274
4	-	11 600	4 600	16 200
5	-	20 905	40 600	61 505
6	10 275	55 950	23 600	89 775
7	20 919	47 969	64 320	133 208
8 (A+B)*	28 751	46 184	96 638	171 573
9	-	39 450	-	39 450
10	43 050	27 840	42 900	113 790
11	24 933	18 985	48 300	92 218
12 (A+B)*	46 365	6 440	4 600	57 405
13 (A+B)*	86 210	129 348	137 360	352 918
14	92 160	20 198	17 800	130 158
15	11 596	3 639	67 800	83 035
16	47 342	52 748	63 100	163 190
17	26 625	37 600	34 200	98 425
18	17 600	68 960	66 820	153 320
19	13 832	1 000	-	14 832
20	33 500	50 510	43 800	127 800
21	24 610	5 600	9 500	39 710
22	16 775	41 450	62 700	120 925
23	-	-	-	-
24	50 150	26 400	49 200	125 750
25	8 000	67 595	26 400	101 995
26	44 729	34 495	9 400	88 625
27	-	-	-	-
28	-	6 700	4 500	11 200
29	41 375	31 520	-	72 895
30	-	8450	17 300	25 750
31	24 885	-	-	24 885
32	60 569	73 160	59 800	193 529
33	42 442	12 160	47 900	102 502
34	61 188	42 652	7 200	111 040

All figures in Sri Lankan rupees.

\* When a number in column one is followed by A+B, this means that FORUT supports two CBOs in the same village.

### Appendix 3

#### Key information about FORUT's partner organisations in the two districts of Hambantota and Vavuniya

	<b>Name</b>	<b>Main activities</b>	<b>Relationship to FORUT</b>
VAVUNIYA (government controlled areas)	FIRM	Community development, savings and credit	FORUT partner since 1993, initiated by FORUT
	FOSDO	Community development, savings and credit	FORUT partner since 1994, initiated by FORUT
	COMTECH	Vocational training and production centre	FORUT partner since 1990, initiated by FORUT
	ORHAN	Service delivery and advocacy for handicapped	FORUT partner since 2002, FORUT is small funder of ORHAN, not initiated by FORUT
(LTTE controlled area)	NDRO	Community development, farming	FORUT partner since 2002, not initiated by FORUT
	WDRO	Gender sensitive activities	FORUT partner since 2002, not initiated by FORUT
HAMBANTOTA	SMF	Micro credit	Partner since 1998, FORUT supports only one of many SMF branches, not initiated by FORUT
	CSF	Micro credit, community development	Partner since 1994, initiated by FORUT

## Appendix 4

### Loan recovery from CSF's CBOs during 2000-2002 (Hambantota)

CBO	Loan releases (Rs)			Loan repayments (Rs)			Balance outstanding as of 31.12.2002
	2000	2001	2002	2000	2001	2002	
1	99 460	82 440	-	55 454	84 940	-	41 192
2	295 800	135 467	218 070	266 034	128 832	252 690	1 781
3	116 097	68 922	78 545	101 652	61 097	79 047	21 767
4	171 267	105 539	235 197	167 717	69 619	140 842	133 825
5	370 098	119 667	332 587	187 621	276 792	182 389	175 550
6	242 560	129 062	269 588	176 898	161 149	185 416	117 746
7	236 661	121 300	314 265	165 960	167 870	207 715	130 681
8 A	144 960	-	-	-	-	-	144 960
8 B	-	108 650	256 952	-	61 530	-	304 072
9	7 538	-	-	894	-	-	6 643
10	52 606	-	-	-	-	-	52 606
11	85 162	87 232	46 552	75 597	31 731	106 722	4 895
12 A	336 075	-	-	-	-	-	336 075
12 B	-	83 322	183 975	-	43 267	151 910	72 120
13 A	24 881	-	-	-	-	-	24 881
13 B	-	-	20 000	-	-	7 541	12 458
14	31 231	-	-	-	-	-	31 231
15	82 832	-	-	10 040	-	-	72 792
16	45 505	-	-	-	-	-	45 505
17	66 015	-	-	357	-	-	65 657
18	70 559	-	-	-	-	-	70 559
19	69 480	-	-	-	-	-	69 480
20	95 558	-	-	53 703	-	15 590	26 264
21	38 088	-	-	-	-	-	38 088
22	225 002	-	-	-	-	-	225 002
23	22 399	-	-	-	-	-	22 399
24	66 717	-	-	-	-	-	66 717
25	13 053	-	-	-	-	-	13 053
26	179 264	-	-	80 395	-	-	98 868
27	3608	-	-	-	-	-	3 608
28	98 921	-	-	-	-	-	98 921
29	37 539	-	-	-	-	-	37 539

30	294 758	-	-	-	-	-	294 758
31	224 036	-	-	-	-	-	224 036
32	119 242	-	-	-	-	-	119 242
33	223 221	-	-	-	-	-	223 221
34	256 919	-	-	-	500	-	256 419
<b>Total</b>	<b>3 328 638</b>	<b>1 041 603</b>	<b>1 955 733</b>	<b>1 342 327</b>	<b>1 087 329</b>	<b>1 329 864</b>	<b>3 684 629</b>

All figures in Sri Lankan rupees.

**Appendix 5**  
**FORUT's assistance to Hambantota CBOs by sector and activity**  
**2000-2002 – capacity building**

<b>Sector/Activity</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Total</b>
Stationery	53 950	-	-	53,900
<b>Training</b>	<b>46 000</b>	<b>106 896</b>	<b>107 650</b>	<b>260 546</b>
Toilets	223 930	139 525	12 500	375 958
Community halls	32 408	37 827	162 702	232 937
Wells/tanks	35 675	59 489	175 455	270 619
Drinking water	8 325	-	-	8 325
Pre-schools	233 548	285 307	378 920	897 775
Bicycles	9 480	3 540	-	13 020
Children's clubs	143 673	-	-	143 673
Inland fishing	4 000	20 467	19 000	43 467
Vocational training	18 000	125 310	30 400	173 710
Health	34 000	-	-	34 000
Agriculture	-	117 280	16 500	133 780
Libraries	-	144 185	231 600	375 785
Youth	-	-	57 400	57 400

All figures in Sri Lankan rupees

## **Appendix 6**

### **Terms of Reference**

#### **Study of the impact of Norwegian voluntary organisations based on the case studies of FORUT in Sri Lanka and Save the Children Norway in Ethiopia.**

##### **1. Background**

The Storting has on several occasions expressed interest in the activities of the Norwegian organisations working in developing countries and asked for more information about the impact of their work. The Minister for International Development has informed the Storting that a study will be conducted in order to assess to what extent the organisations affect and support the building of civil society. The study should also evaluate the wider impact and the “value added” of the work of the Norwegian voluntary organisations funded by public means.

Since 1987 the Ministry of Foreign Affairs (MFA) has published 100 evaluation reports of which 25 wholly or partly deals with Norwegian NGOs. Much knowledge exists about the activities and outputs of the work of Norwegian organisations, but less is known about the impact of their work.

In order to address the impact of the organisations’ work, it will be necessary to conduct a more thorough and long-lasting study than usually undertaken in evaluations. This study will be carried out over a period of two years. The study will concentrate on two case studies: the work of FORUT and Redd Barna with their partners in Sri Lanka and Ethiopia respectively.

The issues to be studied will refer to the objectives for governmental support to NGOs, as stated in the guidelines for financial support to organisations for humanitarian assistance and development cooperation made by Norwegian Ministry of Foreign Affairs and the Norwegian Agency for Development Cooperation (Norad).

The understanding generated about the impact of the work of FORUT and Redd Barna will be used as a basis for generalising, and it will be part of the study to present an outline of an impact reporting system.

##### **2. Purposes**

The purpose of the study is to:

- 1) assess the impact in a broad perspective of the activities of FORUT in Sri Lanka and Redd Barna in Ethiopia, and
- 2) present an outline of an impact reporting system for NGOs.

The study will include:

- an assessment of the capacity building of the Norwegian organisations with their Sri Lankan and Ethiopian partners, and of how the Norwegian organisations and their partners contribute towards building civil society in Sri Lanka and Ethiopia
- an assessment of the impact of the work of the Norwegian organisations and their partners particularly in relation to poverty reduction, democratisation and human rights, which are referred to in the guidelines for financial support
- a presentation of an outline for a reporting system for NGOs on impact of their work.

### 3. Major Issues

#### **Capacity building: strengthening local partner organisations and civil society**

The emphasis on capacity building reflects a shift away from a model where Norwegian voluntary organisations were operational organisations that themselves implemented development projects. The current trend is a *partnership* model in which local partner organisations, non-governmental as well as governmental organisations, become responsible for the actual implementation of the projects and programmes that none the less have been influenced and funded by the Norwegian NGOs. The study will assess the ways in which Redd Barna and FORUT contribute to:

- technical and administrative capacity building in relation to their partner organisations
- strengthening, building, or institutionalising, civil society and/or
- improved public management and governance
- economic sustainability through capacity building.

The roles of the organisations can generally be divided into three main types: service provision, advocacy and mobilisation. These three roles require different ways of working and different relationships, for example towards the authorities. This study will be concerned with and discuss all three roles of the Norwegian organisations and their partners in Sri Lanka and Ethiopia.

#### **Impact Assessment**

The guidelines for financial support to the Norwegian NGOs defines a range of areas where the organisations could make a contribution; poverty reduction, democratisation, human rights, conflict prevention and resolution, as well as in the humanitarian area. Based on the guidelines, and the objectives of FORUT and Redd Barna, three broad areas will be selected for an impact assessment: democracy, human rights and poverty reduction. The study will also include reconciliation where there is a post-conflict context.

##### *Democratisation*

An underlying assumption in much of the discussion about support to civil society organisations is that they can contribute to democratic politics and to the development of democratic institutions. The study will assess if this is the case and to what degree they:

- contribute to good governance by playing the role of watchdogs and encourage accountability and transparency between government and civil society, both nationally and locally,
- influence policies as part of an advocacy strategy on behalf of beneficiaries or members,
- contribute to the creation of spaces for democratic politics as stressed in the Guidelines,
- function as “training grounds” for democratic politics and train people in the importance of following certain “rules of the game”,
- engage local government officials in bargaining in order to protect themselves and their livelihoods and to improve their socio-economic position.

The democratising role is particularly important and difficult, under authoritarian regimes and in conflict or post-conflict situations.

##### *Human rights*

Human rights organisations contribute to improvements of human rights mainly through service delivery, as training, and through advocacy. The study will assess how the organisations and their partners work to influence national and local government, the police and the judiciary with regard to establishing and changing:

- the political issues on the agenda,
- the actors positions,
- the procedures, for example allowing access to new organisations, groups
- the behaviour of target groups.

As in the case with democracy, advocacy processes are harder to establish in contexts of authoritarian regimes and in post-conflict situations.

#### *Poverty reduction*

The study will assess whether the organisations target the poorest people/children in their work and whether they have created organisational structures which enable the poor and vulnerable to access necessary resources. The study will assess to what extent the activities of FORUT and Redd Barna has increased the ability of people to establish entitlements to resources. In Ethiopia the focus will be on the situation among the poorest children both in urban and rural contexts. The study will focus on:

- have the partner organisations included the poor, as members, board members, beneficiaries or employees,
- ways in which the partner organisations are connected to local economic institutions, such as markets, banks, other businesses, centres of education/training,
- whether the work of the partner organisations has resulted in improved access of the poor to services and capital from the authorities, and capital from the private sector.

#### **Impact reporting system**

The study will contribute to the development of an impact reporting system and suggest criteria for reporting on impact from the organisations. It will be based on a brief description of the current reporting system practised by NGOs and on relevant models for result based reporting, as from the environmental and social capital field, used by EU and UN. The presentation will refer to the requirements of the Norwegian authorities for financial support. The needs of other stakeholders for the reporting will be identified and the presentation will include:

- recommendations on suitable indicators for reporting within the areas of:
  - strengthening civil society
  - human rights
  - democracy and good governance
  - poverty alleviation
- recommendations on relevant levels of generalisation that may allow comparative analysis between countries and regions”
- systematising indicators at different level of detail and aggregation, and along dimensions of comparability and universality
- assess the feasibility of using the different indicators for reporting bearing in mind that reporting should be simple and user friendly.

#### **4. Methods**

This study is intended to be a learning process for Redd Barna and FORUT and partner organisations, and should be undertaken in collaboration between the organisations and stakeholders at different levels throughout the study period. The study should provide information and better understanding of the impact of their work.

The major focus of this study is at the level of groups, organisations and institutions, but the study will also indicate impacts for individuals of beneficiaries and at the national level.

The study will use a case study approach and select illustrative activities of the Norwegian organisations and partner organisations. The study will also look into the context in which the activities are carried out.

The approach would involve a description and assessment of:

- the objectives of the activities, including the perceptions of different actors, (for example an end to the recruitment of child soldiers)
- the activities; the input and the means, (for example an advocacy strategy)
- the results of the activities, (for example the knowledge building and sharing, alliance building, political pressure)
- the areas of change where impact can be traced, including changes of civil society organisations, changes of policies and activities of the authorities, and changes of behaviour of other actors targeted by the organisations,
- the external factors, such as the enabling environment for civil society (for example space for civil society allowed by the government)

## **5. Organisation and local research partners**

The consultant shall establish a dialogue with collaborating research institutions in Ethiopia and Sri Lanka and involve them in the assessment of the issues. The study will also contribute to local research competence.

A reference group will be established for the study consisting of representatives from the MFA, Norad, NIBR, CMI and Redd Barna and FORUT. The role of the reference group will be advisory. The study team will report to the reference group, which will meet regularly through the study period and in connection with the presentation of draft reports and preparing for the seminars.

## **6. Expected products of the study**

### *Written reports*

Four reports will be produced:

1. An initial report discussing the approach and methodology of the study will be presented by May 2003.
2. A separate report on Redd Barna's work in Ethiopia will be submitted by June 2004.
3. A separate report on FORUT's work in Sri Lanka will be submitted by June 2004.
4. The synthesis report on the study, summarising the results of the study and presenting an outline for an impact reporting system. The draft final report will be submitted to MFA by October 1, 2004.

### *Seminars*

A study seminar should be organised by the end of each study year in Sri Lanka, Ethiopia and Norway, where the participating organisations and other relevant organisations are invited to share the experiences gained by the study. In addition opening meetings and seminars should be organised among the stakeholders in Sri Lanka and Ethiopia.







**Norad**

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