



ANNUAL
REPORT

2017-2018



SAPSRI

South Asia Partnership
Sri Lanka



SAPSRI

Annual Report 2017-2018

South Asia Partnership Sri Lanka

VISION

Inclusive and vibrant communities for sustainable development.

MISSION

To enhance the capacities of target communities by providing an enabling environment and mainstreaming them into sustainable development process.

VALUES

- Acknowledge and protect SAPSRI identity.
- Acknowledge stakeholders' self respect, rights, views and gender equality concerns
- Ensure accountability and transparency in governance
- Demonstrate integrity, openness and honesty in stewardship of management
- Foster innovative ways in responding positively to challenges

CONTENTS

	Pg. No.
Chairman's Message	04
Executive Director's Message	05
SAPSRI Profile	07
Board of Governors	08
SAPSRI Staff	11
SAPSRI Service Districts	12
SAPSRI Donors to date	13
Small and Medium Enterprise Development (SMED) Programme	14
Current status of SMED Programme	16
Success Story 1	17
Success Story 2	19
Credit line with RDB	20
Climate Resilient Integrated Water Management Project (CRIWMP)	21
Reaching Sustainable Development Goals through Participatory Community Development	28
Guide Book	32
General	33
Auditorium Facilities	35
Financial Reports	
Independent Auditor's Report	36
Statement of Financial Activities	38
Statement of Financial Position	39
SAPSRI Corporate Details	40

Chairman's Message

2017-18 was a challenging year having been awarded the responsibilities as an implementation partner in the "Climate Resilient Integrated Water Management Project", (CRIWMP), which is of national significance executed by the Ministry of Mahaweli Development and Environment, with UNDP technical assistance - funded by the Green Climate Fund. We are grateful to our Governing Council Member Mrs. Manel Jayamanne who took leadership of our team in our bid for this award.

We continued our drive to collect the outstanding loans granted under our Small and Medium Enterprises Development (SMED) scheme and having collected a substantial proportion of the outstanding sums, the loan scheme, was reactivated under revised grant and follow up procedures, designed to prevent recurrence of defaults.

The main source for funds was the interest income from savings and fixed deposit accounts. Following a new arrangement to service a larger geographical area, we entered into an agreement with the Rural Development Bank (RDB) to accept an interest bearing deposit from us, which will be used to issue loans to Community Based Organizations, under the SMED scheme, taking on the responsibility for loan administration and collection. The geographical areas allocated to RDB were areas not served by our team of Field coordinators.

The financial performance of the year was a surplus of Rs 18,285,388 achieved through prudent investments and stringent cost management.

I take this opportunity to express my appreciation to the members of the Governing Council, the Executive Director, the staff and all other stakeholders, who contributed towards our successes in a difficult year.

Thank You.

Lakshman J K Hettiaratchi
Chairman
South Asia Partnership
Sri Lanka

25th September 2018

Executive Director's Message

Milestones achieved on the path to reaching the cherished vision of SAP

In keeping with the vision of “Inclusive and vibrant communities for Sustainable Development”, SAPSRI has forged ahead overcoming obstacles.

In the year under review, I have witnessed how we have endeavoured and committed to achieve our Vision via a combination of activities. In particular, the Small and Medium Enterprises Development (SMED) Programme, has been an ongoing Programme which provides loan assistance to target groups identified as disadvantaged families, and it is being implemented very effectively and efficiently at present. This year we have expanded our SMED Programme to Badulla, Monaragala, Ampara, Batticaloa and Kilinochchi districts through opening a credit line with the Regional Development Bank of Sri Lanka.

Secondly, a greater focus on Participatory and Holistic Development Approach by SAPSRI has been noteworthy. In the sustainable development arena, micro credit alone will not meet the due expectations as there are social maladies embedded in the family nucleus, which it cannot address. It therefore demands a holistic and participatory approach to meet the needs and wants of the disadvantaged. The approach is being piloted in Therunnansegama of the Ratnapura District successfully.

Additionally, the preparation of a Guidebook on accessing Government services, is a timely endeavour undertaken by us. The general public is still unaware of the services available for them and how to access these services. The contents in the form of a printed Guidance Book is planned to be distributed to the general public and/or through an on- line Platform.

This project carries no cost to SAP and it is also being implemented efficaciously.

The Introduction of an updated credit policy was yet another milestone. Having identified the root cause for the failure of recovering loans, using Fish-Bone Analysis introduced by Dr. K. Ishkava in Japan, we developed an updated credit policy which is now being implemented with successful outcomes, to maintain the recovery rate at 100%.

The Climate Resilient Integrated Water Management Project, (CRIWMP) which SAPSRI is one of the implementing partner's is a very timely project of Sri Lanka. SAPSRI is privileged to be part of this national project executed by the Ministry of Mahaweli Development and Environment with the technical

Executive Director's Message Cont.

assistance of the United Nations Development Programme (UNDP). This project is funded by the Green Climate Fund(GCF).

The operational highlight of the year is the financial surplus for the period under review made by SAPSRI in a sum of Rs. 18.2 million, such has never been achieved during last decade by SAPSRI.

We continue to grow as an NGO addressing Sri Lankan economically disadvantaged communities where the service component is most needed.

I wish to express my sincere appreciation and gratitude to the Staff including Field Coordinators of SAPSRI, and the CBOs. Last but not the least my sincere and heartfelt appreciation is bestowed upon Mr. Lakshman Hettiaratchi, Chairman and the Council members for their unstinted support in the execution of my duties.

Wijaya Wickramaratne
Executive Director
South Asia Partnership
Sri Lanka

25th September 2018

SAPSRI Profile

SAPSRI commenced its operations as a project under the MARGA Institute in 1981, with the support of the Canadian International Development Agency (CIDA). In 1985, SAPSRI became a separate entity and subsequently became a partner of the South Asia Partnership – International (SAP-I) chain along with other partner organisations in Bangladesh, Canada, Nepal and Pakistan. In 1986, SAPSRI was registered with the Registrar of Companies under Section 21 of the Companies Act No. 17 of 1982, as a company limited by guarantee and under Voluntary Social Services Organisations Act No. 31 of 1980 and amended by Act No. 8 of 1998 as a non-profit and non-governmental voluntary organisation. SAPSRI was also incorporated as an independent organisation on 1st January 1986 under the amended Companies Act No. 7 of 2007.

SAPSRI was funded by many foreign donors in the past and with their support implemented a large number of community and economic development projects. In the field of community development, SAPSRI has made concerted efforts to empower the marginalized and disadvantaged rural poor women and youth in particular, by way of identifying their hidden talents, sharpening their skills in capacity building with the provision of requisite training and guidance. SAPSRI also extended its support to improve the community needs, such as, safe drinking water, health and sanitation of the disadvantaged groups, in addition to the support extended to resettle the families displaced by the devastating tsunami that lashed the island in 2004.

In the field of economic upliftment of the rural poor in particular, SAPSRI has made relentless

efforts to support income generating activities (IGAs) in areas of agriculture, animal husbandry, small scale business activities and revival of traditional crafts, such as lace (beeralu) making, pottery etc. often with financial support extended under SAPSRI Small and Medium Enterprise Development (SMED) credit line provided with concessional rates of interests.

As a result of the successful operation of the SMED Credit Programme over the past several years, SAPSRI has been able to expand its credit horizon into new areas for financing such as organic vegetable/fruit cultivation and dairy farming development.

In response to the world crisis of climatic change, biodiversity enhancement and protection has been taken up by SAPSRI as a main area. During early 2014, SAPSRI won a 2-year project under Small Grant Programme at Global Environment Facility (SGP/GEF) under the aegis of UNDP, Sri Lanka, to implement a tank-based biodiversity enrichment and protection project, which is progressing steadily in the Anuradhapura District. In 2017 SAPSRI became a implementing partner of The Climate Resilient Integrated Water Management Project, which is being implemented in Puttalam District.

With the emergence of the 2030 global agenda, SAPSRI's focus is to work with rural communities, partner organizations, INGO's, NGO's and Government organizations to achieve Sustainable Development, particularly focusing on climate change adaptation & mitigation, disaster risk reduction, biodiversity & environment conservation.

Board of Governors



L.J.K. HETTIARATCHI

LLB, FCMA, MBCS, CITP,
Attorney-at-Law
Chairman, SAPSRI

Mr. Hettiaratchi is a Multi Disciplinary Management Consultant, and of several companies. He has served as a Member of the Council of University of Moratuwa, Member of the National Education Commission and as a Director of Sampath Bank PLC. He has also been the Past President of the Organization of Professional Associations of Sri Lanka, the Chartered Institute of Management Accountants, Sri Lanka Branch and also been a former Country Manager of IBM World Trade Corporation, Sri Lanka.



HENRY DE MEL

M.Sc. (Town & Country Planning)
Board Secretary

Mr. Henry de Mel has more than 32 years of experience as a development consultant. He has worked with SIDA and NORAD. His expertise is in the field of community development, particularly in project planning, monitoring and evaluation. He has undertaken these tasks in respect of many NGOs, INGOs and donor agencies over a long period of time.



PRASANNA PREMARATNE

MSc (Agri) PGD in Bank Mgmt, PGD in International Relations (BCIS)
Board Member

Mr. Premaratne joined DFCC Bank in 1991 as a Development Banker, involved in financing Small and Medium Enterprises (SMEs) for nearly 24 years. Commenced his professional career as a Planter at Pelwatte Sugar Industries in 1984. He was one of the pioneer members of the management team of PSI. He is also a life member of the Association of Professional Bankers of Sri Lanka. He retired as the Chairman of the Regional Development Bank in April 2018, having served the bank for over 3 years. Subsequently he was appointed to the Board of Sanasa Development bank as an Independent Director.

Board of Governors Cont.



SWARNA JAYAWEERA

Ph.D.(London), Hon.D.Litt.(OUSL), Hon. D.Litt. (Colombo)
Joint Coordinator of CENWOR

Board Member

Professor Swarna Jayaweera was a former Professor of Education, University of Colombo, and one of the founders of the Centre for Women's Research (CENWOR), Colombo. She has also been a consultant to UNESCO, UNICEF and to various other bilateral agencies. She has an array of contributions made to development literature in Sri Lanka which are published both here and abroad.



KUMARI BALASURIYA

Board Member

Ms. Kumari Balasuriya was the Governor of the Southern Province in Sri Lanka. She was educated at St Bridget's Convent and Musaeus College in Colombo and got involved in active politics in 1971. She hails from a family associated with local politics for many generations. She is an active well-wisher of the SAPSRI movement.



C.M.S. JAYAMANNA

B.Com (Sri Lanka), M.A. Dev. Econ. (U.K)

Board Member

Ms. Jayamanna obtained Bachelor of Commerce degree from the University of Ceylon, Peradeniya and M.A. in Development Economics from the School of Development Studies of the University of East Anglia, U.K. She has served in the Ministry of Planning and Economic Affairs of the Government of Sri Lanka since 1970 prior to joining the UNDP as an Assistant Resident Representative (Programmes) and then as the Director General of the Central Environment Authority of Sri Lanka. She presently serves as a free-lance consultant in environment and disaster management.

Board of Governors Cont.



SHAFINAZ HASSENDEEN

BA Hon. (Sri Lanka), M. Phil. in Dev. Stud. (UK)

Board Member

Ms. Shafinaz Hassendeen was Senior Program Officer, International Labour Organisation (1998 – 2014) and served in Sri Lanka, Vietnam, Cambodia, Thailand. Prior to joining the ILO she was Senior Advisor at the Royal Norwegian Embassy (1979 – 1998), Programme Director at Worldview International (1995) and Research Officer at Marga Institute (1977- 1979). She has a BA Hon. degree in Sociology from the University of Peradeniya, Sri Lanka and M.Phil. in Development Studies (from the Institute of Development Studies, University of Sussex, UK.



W.M. LEELASENA

MPhil in Dev.Economics (UK), Dip. In Dev. Economics (UK), BA Hons (Economics) (Sri Lanka)

Board Member

Mr. Leelasena is an Economist and has wide experiences in the field of Rural Development, Project Planning and Management and training. He worked in the public sector holding different positions including the posts of Project Directors in Hambantota Integrated Rural Development Project and Rural Economic Advancement Project in Southern Province. He has served as one of the senior advisors of the Royal Norwegian Embassy Colombo and Consultant to many international and local organizations.



AIR COMMODORE R.K. DEHIDENIYA (RTD)

Attorney-at-Law & Notary Public, Commissioner for Oaths, Company Secretary.

Board Member

Ms. R.K. Dehideniya has 40 years of experience in the legal sphere, out of which almost 30 years in the Public service and in the Sri Lanka Air Force serving as the Chief Legal Officer. Prior to which she was the Deputy Commissioner Legal of the Agrarian Services Department, and Assistant Commissioner Legal in the Land Commissioner's Department. With her wide experience and knowledge she is presently serving as a Member of the Board of Review of the Agrarian Development Department.



M. K. WIJAYA WICKRAMARATNE

B.Com (Sri Lanka), PG.Dip.Mgt. (OUSL), SLAS

Executive Director

Mr. Wijaya Wickramaratne has obtained his first Degree from the University of Ceylon, Peradeniya and PGDM from the Open University of Sri Lanka. He joined the Sri Lanka Administrative Service, as an Assistant Government Agent and retired as the Chief Secretary Sabaragamuwa Province. After the retirement he has served in the semi government sector in SLBC, SLTB, NAITA, NIFNI, NHRDC and as a convener to the Presidential Task Force on Productivity. His expertise is in the field of Productivity improvement winning many awards. His capability in delivering lectures on Management and Productivity is highly acknowledged by many public sector institutions.

SAPSRI Staff



Seated L to R : Mr. Sasika Konara (Programme Officer-Development), Mr. Sujith Puwakkandawa (Chief Accountant), Mr. M.K.W. Wickramaratne (Executive Director), Mr. Mahinda Jayasiri Wanninayake (Programme Officer-SMED), Mr. Tharanga Mananduwa (Administrative and Communication Officer)

Standing L to R : Ms. Parame Suraweera (Programme Assistant), Mrs. D P Thushara Madushani (Finance Assistant), Mr. K A G Wimalasiri (Office Assistant), Mr. M I Jurangpathy (Driver), Mr. A H Pathe Khan (Office Assistant), Mr. Amal Dissanayake (Field Coordinator), Mr. I D Nandasiri (Driver), Mr. Aruna Weerasinghe (Field Coordinator), Mr. P K Ranatunga (Field Coordinator), Mr. I D Nandana (Field Coordinator), Mr. Cyril Wijesuriya (Field Coordinator), Mr. G A Wasana Sudesh (Field Coordinator)

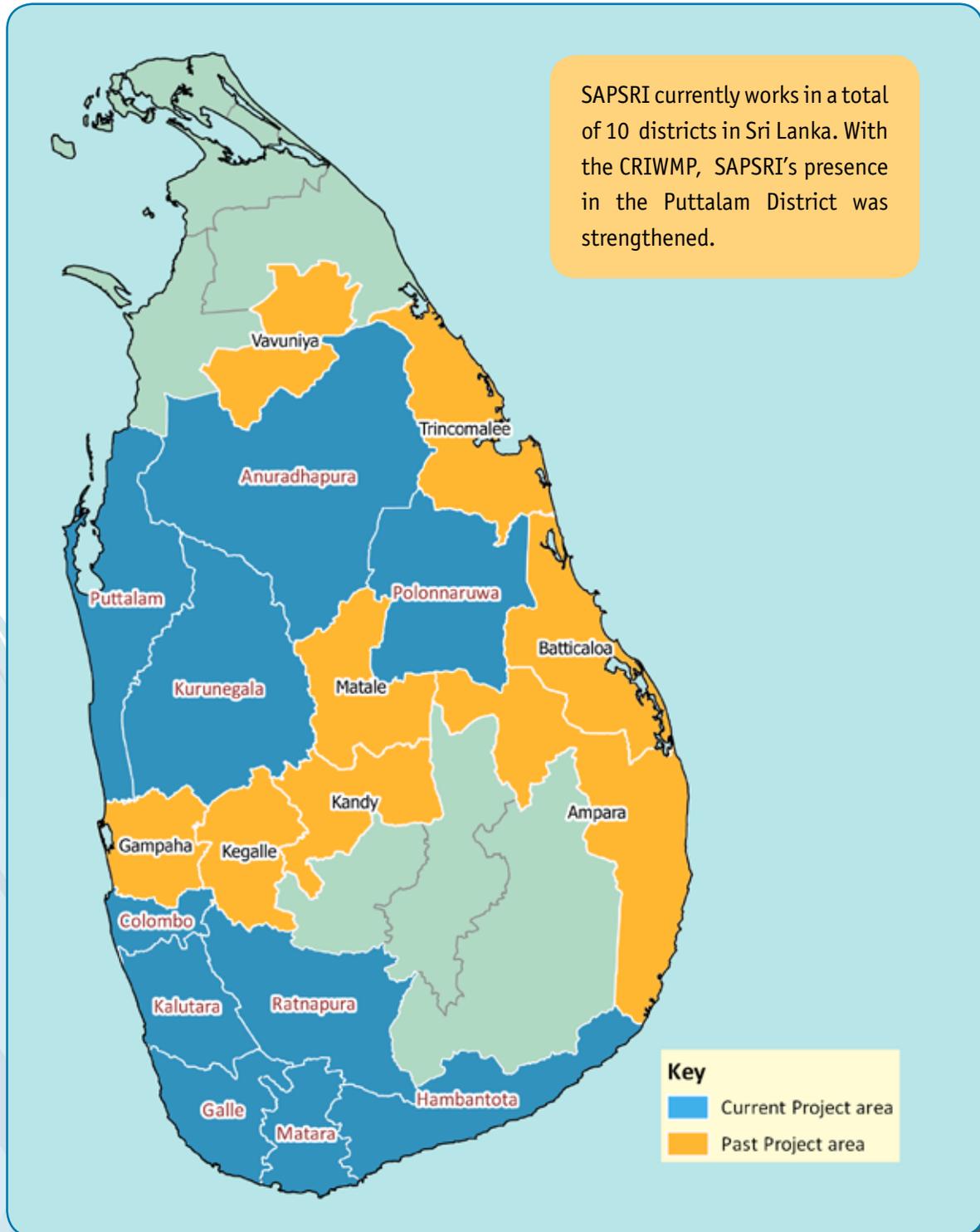
Absent : Mr. Chandana Wedagedara (Field Coordinator), Ms. Vayoma Ranmali (PA to ED)

Mrs. Amitha Silva

We record our thanks and deep appreciation of the service rendered by Mrs. Amitha Silva (Administrative Officer) who made an outstanding contribution to SAPSRI for over 25 years. You enriched our lives, as well as SAPSRI with a unique blend of ability and experience.

We Thank You !

SAPSRI Service Districts



SAPSRI Donors to date

1	Agro Action – German Agro Action	21	Help the Aged – Canada Help the Aged
2	American Center for International Labor Solidarity AFLAC	22	Hatton National Bank PLC – HNB
3	Australian Agency of International Agency - Australia AusAID	23	Hope International Development Agency – Canada HIDA
4	British High Commission	24	Hongkong And Shanghai Banking Corporation – HSBC
5	Camrose International Institute – Canada CII	25	International Development Relief Fund – Canada IDRF
6	Canadian Hunger Foundation CHF	26	International Technology Development Group - German ITGD
7	Canadian International Development Agency – Canada CIDA	27	Microsoft Corporation
8	Canadian Lutheran World Relief CLWR	28	NORAD - Norway NORAD
9	Cardinal Leger Foundation – Canada CLO	29	Safer World – United Kingdom Small Arms
10	Centre for Women’s Research - CENWOR	30	SIDA – Diakonia - Sweden Diakonia
11	Charities Aid Foundation – America	31	South Asia Partnership – Canada SAP Canada
12	Christian Children’s Fund of Canada CCFC	32	South Asia Partnership International SAP I
13	CITI BANK	33	South Asian Regional Initiative Equity - AED
14	Commonwealth Foundation	34	Terres Des Homes - German Trafficking
15	Dan Church Aid – Netherlands DCA	35	The International Development Refugees Foundation – Canada
16	Development & Peace – Canada D & P	36	UNESCO
17	European Union - through VSO	37	UNICEF
18	Fredric Ebert Sifting - German FES	38	World Bank – AFLAC
19	GEF/ SGP – UNDP – Sri Lanka	39	World Accord of Canada World Accord
20	Green Climate Fund	40	World Literacy of Canada & Feed the Children – Canada

Small and Medium Enterprise Development (SMED) Programme

Over a period of two decades SAPSRI has been concerned with the provision of micro credit to low-income earners who were unable to obtain bank credit subject to the cumbersome bank lending procedures. These communities, in their struggle for upward economic movement, are economically and socially marginalized without resources to foster income generating activities (IGAs). It also frustrates a family, when inadequately meeting its basic human needs – food, shelter, clothing and family health. These result in family disharmony and further poverty. To overcome the short term financial needs they seek credit in the informal market where the main actors are the usurious money lenders. Once fallen into the money - lenders debt trap with exorbitant interest rates charged, it is very hard to escape the credit nooses in which the poor borrowers are trapped.

SAPSRI commenced its SMED Programme in the 1990s to provide micro credit to the poor on easy terms and conditions and low interest rates charged on borrowed capital. Community Based Organizations (CBOs) of the borrowers are empowered to determine the quanta of the wholesale credit of the CBOs, based on the calculated individual credit needs put together and approved collectively by the CBO. In addition to the provision of credit needs, SAPSRI has encouraged the borrowers to: (a) identify on their own the suitable small business opportunities; (b) determine the capital requirement of such business; and (c) find markets for their goods and services.

Several thousands of families have received SMED credit, out of which more than 10,000 families have been able to uplift their livelihoods during the past several years. These livelihood supporting finances, include loans for agriculture, animal husbandry, trade, services and manufacturing.



Encouragement and growth of the SMED sector, where small entrepreneurs are encouraged to be a part of the national economy is one of the main aims of the programme. However the programme was suspended temporarily in 2016 due to unsatisfactory paying back of loans. The issue was analyzed, and after wide consultations, remedial measures were taken in 2017 to reinstate the scheme.

Loan Disbursement DS Divisions wise:

District	DS Divisions	No of CBOs
Anuradhapura	Madyama Nuwara Gampalatha, Rambewa, Mihintale, Galenbindunuwewa and Tirappane.	08
Galle	Balapitiya, Hikkaduwa	02
Ratnapura	Embilipitiya	01

Loan Disbursement Sector wise:



Current status of SMED Programme

Table 1 : Loans Disbursement District-wise

District	2017/2018	2016/2017
Anuradhapura	11,355,000	3,800,000
Galle	2,330,000	
Ratnapura	1,720,000	
Monaragala		800,000
Total	15,405,000	4,600,000

Note: SAPSRI disbursed Rs.4.6 Mn as micro credit in the Financial Year 2016/17 and Rs. 15.4 Mn in the reporting period of 2017/18

Chart 1 : Loans Disbursement District-wise

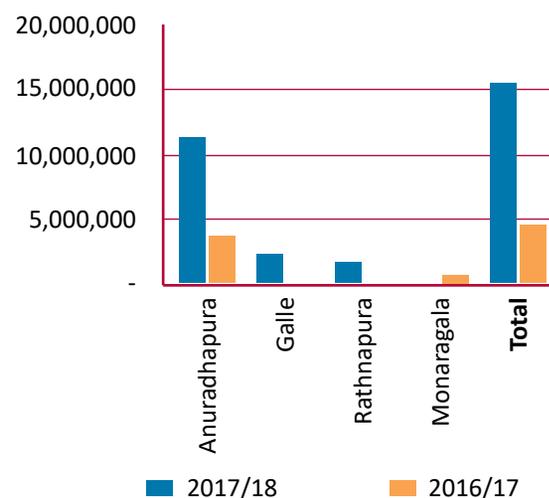


Table 2 : Credit recoveries in district wise

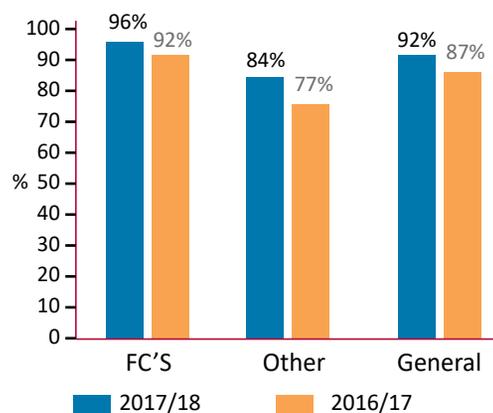
District	2017/2018	2016/2017
Anuradhapura	100%	100%
Galle	100%	
Ratnapura	100%	
Monaragala		100%
Total	100%	100%

Note: Recovery percentage as at end of July 2018 was 100% against loan disbursed in 2016/17 & 2017/18.

Table 3 : Performance Indicators

Performance Indicators	2017/18	2016/17
Beneficiaries	143	90
CBO's	11	4
No of Loans disbursed	143	90
No of Loans disbursed (Rs.)	15,405,000	4,600,000
Loan Portfolio (Rs.)	32,863,303	46,761,662
Default Loan Recoveries	12,144,235	6,008,827

Chart 2 : Accumulated Recovery Percentage



SUCCESS STORY 1

A CBO ON ITS PATH TO SUCCESS !

The Story of SAPSRI at Mahawilachchiya (1997 – 2018)

MAHAWILACHCHIYA IS A FARMING SETTLEMENT INITIATED BY THE GOVERNMENT IN THE 1950s WITH THE REPAIR OF MAHAWILACHCHIYA RESERVOIR SAID TO BE CONSTRUCTED AROUND 140 BC. THERE ARE TWO LARGE RESERVOIRS CALLED MAHAWILACHCHIYA AND KUDAWILACHCHIYA. THE VILLAGE OF MAHAWILACHCHIYA, WAS RECREATED AROUND THE MAHAWILACHCHIYA RESERVOIR.



SAPSRI, started its operations in Mahawilachchiya DS Division as far back as 1991. From 1991 to 1995, there were programmes in 18 villages. Some of the activities included village empowerment through small group formation, support to rural CBOs, and community training programmes.

The SAPSRI training programmes included, book keeping, leadership training, agriculture and animal husbandry. In addition to these, activities such as children's club formation, support for community halls, interest free loans for female headed households were also supported.

The Mahawilachchiya programmes were vibrant until 1995, and was revamped and re started in 1997 with the support of the Field Coordinator, after a brief set back in 1996.

The CBO of this story, is in the village of ' Meda Oyamaduwa' . The CBO had started with the aim of launching a fund for helping each other and helping the society in general. The organization which started in September 1997 had nine founder members.



In 1998, an emergency loan scheme was introduced for a maximum sum of Rs 500.00. By year 2000, there were 22 members which grew to 35 members in 2005. Currently, there are 48 members.

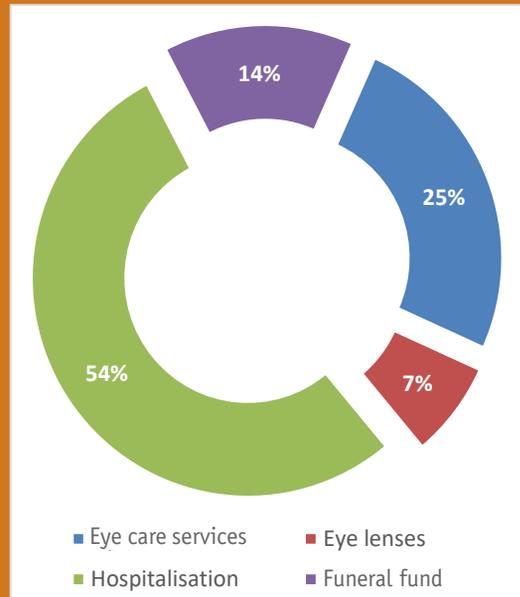
Loans for economic activities such as poultry and dairy farming, spice packeting, retail shop management, open markets (weekly pola), and loans for agricultural purpose have been popular. As the organization found it difficult to keep up with the demand for small loans, in 1998, a loan sum of Rs 100,000 was obtained from SAPSRI

to be given to 10 members. Later, bigger loans were given for usual socio economic upliftment requirements of the group.

A welfare fund was formed in 2009 for the benefit of the community. Most of the needs include expenditure for grave illnesses, hospitalization, eye care and funerals. In order to gain these benefits, the members have to pay an annual membership fee. The welfare fund also receives 25% of the interest income received from loans.

The members are happy to note that the organization is registered, it has a constitution, regular meetings are held monthly and small group discussions continues. They also have the opportunity to request for larger loan sums up to Rs 400,000 now through the SAPSRI SMED program.

• SAPSRI Mahavilachchiya welfare fund



Success stories of CBO members in Mahavilachchiya



SUCCESS STORY 2

CREATIVITY THE ROAD TO ECONOMIC SUCCESS!

The Story of a member of the SAPSRI Seedeve Rural Society

IN KEEPING WITH THE ORGANISATION'S MANDATE TO ASSIST LOWER INCOME GROUPS AND THE VULNERABLE, SAP HAS BEEN WORKING WITH THE SAPSRI SEEDEVI, RURAL SOCIETY BELONGING TO GALAGODA GRAMA NILADHARI DIVISION OF THE HIKKADUWA DIVISIONAL SECRETARIAT. THIS RURAL SOCIETY HAS HAD MANY ILLUSTRIOUS FEMALE ENTREPRENEURS.

Vijayani Thakshila Dharmaratne, is a lady with a special talent. She is an asset to her husband, whose creative talent is their livelihood. They together run a business of wedding and event decor.

Their specialty is the usage of natural materials found in the environment. Speaking on their work Thkshila said "earlier, we used to do some wedding decors for our friends. With the appreciative comments from our friends, we thought of doing it as a business, so we started small" she said.

"It is during this time that a neighbour told me about the programmes done by SAPSRI Seedeve CBO. I too joined this community group and received entrepreneurial training which helped me to develop our small business. I also applied for a loan of Rs 15,000 to invest in our business venture. We were thereafter able to apply for higher loan sums, because we settled our loan on time and showed progress. With the advise received from SAPSRI, we invested monies in buying necessary equipment and materials to upgrade our business. We continued to make tailor made products according to the choice of



our customers; the Poruwa, the settee back decor flower arrangements etc." she further stated.

"We have introduced other services such as jayamangala gatha (marriage blessing chanting), singing groups etc. We also want to diversify to other occasions such as birthday celebrations and buddhist ceremonial structure making such as 'pirith mandapas'."

"Currently our business is registered, providing direct as well as indirect employment for many. We are grateful to SAPSRI for the support received, without which we would not have reached our goals. One of the challenges we face is the inability supply the growing demand for services, and we hope that we will be able to overcome this in the future" she concluded.

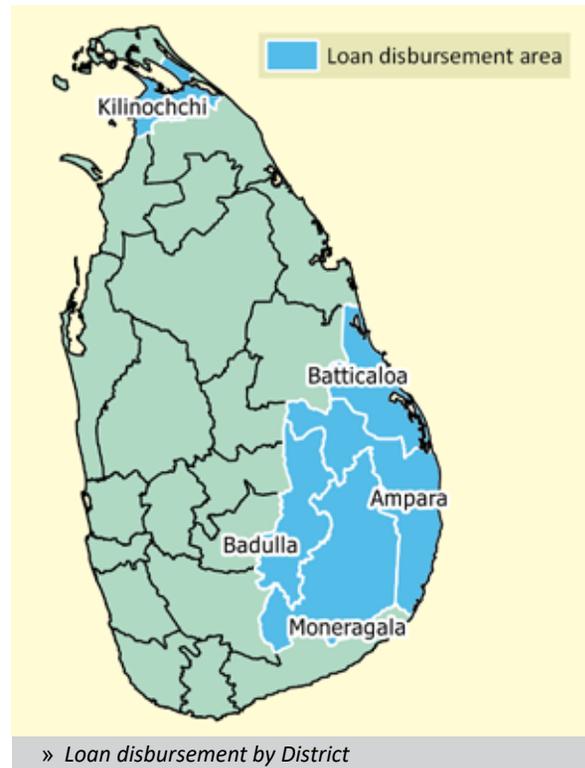
Credit line with RDB

SAPSRI signed an agreement with the Regional Development Bank (RDB) to expand its Micro Credit Scheme.

SAPSRI - approached this new project of introducing a credit line with Regional Development Bank in November 2017. This project aims to target small and medium scale entrepreneurs residing in Badulla, Monaragala, Ampara, Batticaloa and Kilinochchi districts. The main goal is to offer them credit facilities from SAPSRI funds through the RDB.

This project will enable the beneficiaries to establish their self employment ventures. Developing existing self employment projects by providing loan facilities in a concessionary manner is also in the agenda. Further, this will help to increase employment in these regions.

During the financial year Rs. 11.5 Mn. was disbursed at Thanamalwila and Siyabalanduwa in Monaragala District.



» Mr. Sujith Puwakdandawa (Chief Accountant, SAPSRI), Mr. Wijaya Wickramaratne (Executive Director, SAPSRI)
Mr. Lakshman Hettiaratchi (Chairman, SAPSRI) Mr. T. A. Ariyapala (General Manager / CEO, RDB),
Mr. L. B. Upali (Assistant General Manager – Credit, RDB), Ms. P. S. Weerawarna (Manager - Credit, RDB)

Climate Resilient Integrated Water Management Project (CRIWMP)

SAPSRI was selected as one of the implementing partners for the Climate Resilient Integrated Water Management Project (CRIWMP).

CRIWMP is a seven year programme and the involvement of SAPSRI in implementing CRIWMP denotes a significant milestone of its strategic direction. It has enabled the Organization to focus constructively on the global environmental issues that have impacts and ramifications in the national context, particularly on the poor and marginalized communities in Sri Lanka. The main project focuses in three river basins in the Dry Zone of Sri Lanka.

The total project is expected to serve 750,000 people living in Kurunegala, Puttalam, Anuradhapura, Vavuniya, Polonnaruwa, Mannar and Trincomalee Districts directly through investments in irrigation, drinking water and disaster risk management. Around 770,000 people

The main objective of this project is to **strengthen the resilience of smallholder farmers, particularly women, in the Dry Zone through improved water management to enhance lives and livelihoods.**



“SAPSRI prides itself to be in the forefront of building resilience of most marginalized and vulnerable communities across Sri Lanka.”

living in these districts will indirectly benefit from the project interventions in capacities and early warning systems.

The project, is being implemented from 2017 to 2024, engaging multiple stakeholders at national and local level. This includes relevant government agencies, provincial agencies, divisional secretariats, agrarian service centers, farmer organizations, community based organizations, private sector organizations and civil society organizations which will implement and monitor project impact. The project specifically targets women and youth groups.

The Funding for this project is from the Green Climate Fund, co funded by the Sri Lankan government. The project is executed by the Ministry of Mahaweli Development and Environment with the assistance of the United Nations Development Programme (UNDP). The total funding worth of this project is USD 38.1 million.

SAPSRI is responsible for implementing the project component in Puttalam District of the North Western Province, in the Mee Oya river basin of Sri Lanka.

Revival of destruct tank Ecosystems will lead to ecological balance of the entire cascade.

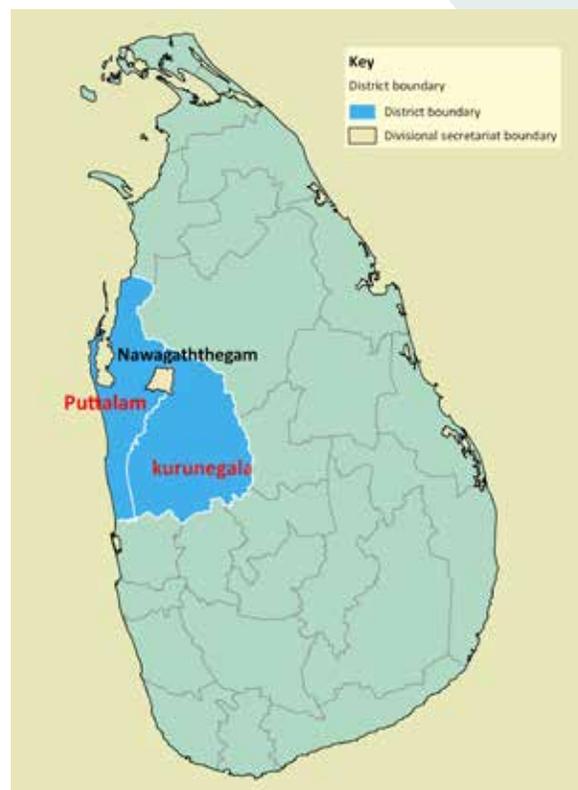
Main Components

- 1 **Upgrading village irrigation systems and promoting climate resilient farming practices in three river basins of the Dry Zone,**
- 2 **Enhancing decentralized water supply and management solutions to provide access to safe drinking water to vulnerable communities,**
- 3 **Strengthening climate/weather and hydrological forecasting and water management systems to enhance adaptive capacity of smallholder farmers to droughts and floods**

The coverage of CRIWMP in Puttlam District is presently confined to a cascade system named, Meddarambawewa that consists of 26 Village Irrigation Systems (VIS) within two Grama Nildhari (GN) divisions (Lowest unit of the government administration). SAPSRI is entrusted with the mobilizing and strengthening of the Community Based Organisations (CBO's) such as Farmer Organizations (FO's), Women's Societies and Women's Water Groups.

The project will facilitate to promote Climate Resilient Farming Practices in the cascade with upgrading and rehabilitation of the village irrigation systems, in close participation with the public-sector agencies and stakeholders.

Further, three drinking water schemes will be implemented outside the operational area of the cascade, i.e Mahawewa, Chilaw, Naththandiya, Karuwalgaswewa and Vanathavilluwa, Divisional Secretariat Divisions.

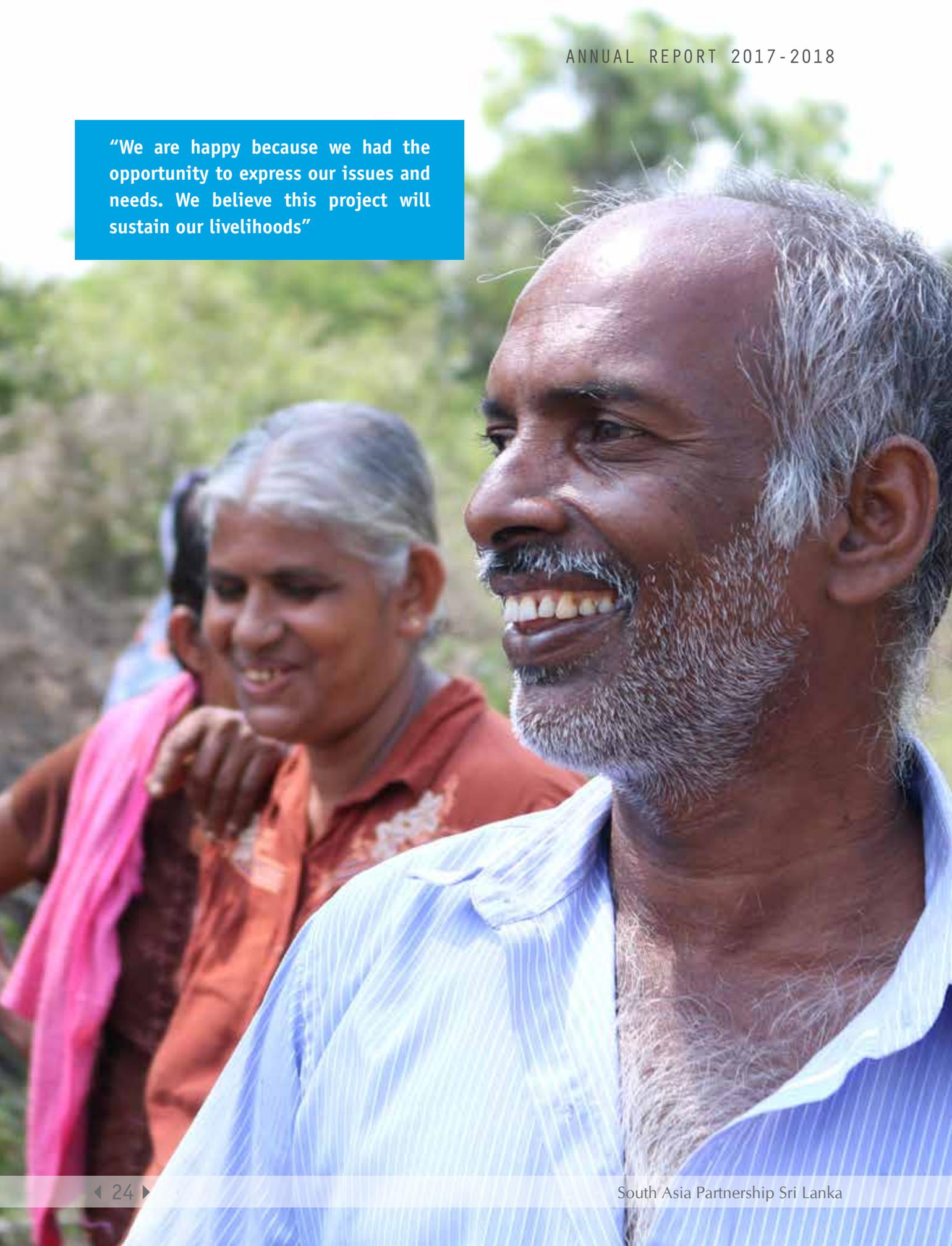


» Project Location Nawagaththegama, Puttlam District



» Completely dried Mahamaddawe Tank, Nawagaththegama

“We are happy because we had the opportunity to express our issues and needs. We believe this project will sustain our livelihoods”



Project Team - based on Nawagaththegama project office



Mr. R. P. G. Podineris
District Coordinator

Mr. Podineris has a wide experience in public administration. He joined the Sri Lanka Administrative Service as an Assistant Divisional Secretary and retired as an Assistant Government Agent. He also served as Assistant Commissioner of the Department of Agrarian Development in Puttlam District. He has a wide knowledge and experience regarding the obstacles faced by farmer communities.



Mr. Hemantha Abheywaradhana
Agriculture Expert

Mr. Abheywaradhana is an Agronomist who is passionate about climate smart agriculture practices. He has wide experience in building resilience of farmers in facing climate change impacts. He has undertaken many international trainings such as Biointensive Farming, (USA), Rice Chain Development Training, (Thailand). He is also a Diploma holder in Professional Social Work from the Sri Lanka School of Social Work



Mr. M.U Peiries
Social Development Expert

Mr. Peiries was the Additional Director General (Academic), National Institute of Social Development (2010-2014). Prior to that he served as the Deputy Director of Sri Lanka School of Social work (2000-2010). He obtained his first degree from University of Peradeniya and M. A in Social Work from University of Delhi, India. He has wide knowledge and experience in the field of social mobilization and community development



Mr. Thusitha S. Dissanayake
Social Mobilizing Officer

Mr. Dissanayaka has over 15 years of experience in the field of social mobilizing. He started his career as a social mobilizer joining World Vision Lanka. Prior to joining SAPSRI he served as a Library Coach in Room to Read Sri Lanka.



Miss. W.M.N. Kumari Weerasekara
Social Mobilizing Officer

Ms. Weerasekara is a young social worker who is passionate about working with diverse communities. She obtained her bachelor's degree in Social Work from Sri Lanka School of Social Work. She holds a diploma in Counseling Psychology from the University of Kelaniya.



» District Orientation programme

Progress

By establishing field level operations at Nawagaththegama in December 2017, SAPSRI embarked on a full scale implementation of the project activities at the beginning of the first quarter of 2018.

SAPSRI was able to achieve satisfactory physical progress of the planned activities by timely delivering of crucial inputs. The expected performance targets so far have been achieved by; (a) setting up a district project office with a competent team in field operations, (b) establishing strong rapport with provincial, district, division and cascade level government officers and ensuring their support for smooth implementation of the project, (c) carrying out cascade and divisional level orientation meetings and discussions (d) initiating base line surveys and (e) enlightening all the cascade level community organizations on the project concepts and its activities facilitating the project implementation and monitoring.

These achievements were possible due to the following facts;

- A competent team with diverse expertise that include project management, social development, disaster risk reduction, smart agriculture, environment management, monitoring & evaluation.
- A fully equipped Project Office established in Nawagaththegama at the location of the Project.



» Project Office, Nawagaththegama

- Strong rapport has been established with provincial, district, divisional and cascade level government officers and ensured their support for smooth implementation of the project
- Participatory Village mapping using Google Maps.



» *Divisional Project Orientation Programme*



» *Village Mapping*



» *Project Orientation for Farmer Organisation Officials*

“The Project Team effectively solicited active community participation at the very commencement phase, to ensure a community driven project implementation and monitoring”





Reaching Sustainable Development Goals (SDGs) through Participatory Community Development

Mobilizing people and empowering them is required to facilitate the implementation of the SDGs.

Subsequent to a series of discussions in November and December 2017, SAPSRI decided to align its development activities with the 17 Sustainable Development Goals.

A two-day programme was held in Colombo to discuss the importance of aligning and localizing the SDG indicators. This was attended by all staff members of SAPSRI including field personnel, resource persons with experience from specified fields such as; health, education, housing and environment.

Those present, discussed the 17 goals and its targets and indicators to see what was applicable to the villages and communities that SAPSRI serves. Village level indicators were identified and a plan was formulated. Six teams discussed the chosen targets and went on to discuss the relevant indicators within the Sri Lankan village context.

Subsequent to this SDG Workshop, SAPSRI selected 'Therunansegama', a village in the Hagala GN division of the Embilipitiya DS division in Ratnapura District.



» *Workshop on localizing the SDG indicators*

In Choosing of Village, these were the pre requisites

- The presence of a registered CBO
- Being in need of external support
- A village that has the ability to collect 100 families
- Presence of dedicated and passionate community leaders
- An active community originally established by SAPSRI

After selecting the village, in order to gain consensus of all stakeholders, the Divisional Secretary as well as the Assistant Director Planning of the Embilipitiya Divisional Secretariat were met by SAPSRI and community representatives.

» *The opening ceremony of the Workshop on localizing the SDG indicators*



In early March 2018, the villagers of Therunansegama met and ground level discussions were held. This was supported by the Chief Secretary of the Sabaragamuwa Provincial Council and other government officers.

Participatory Rural Appraisal(PRA)

100 family members participated in a three day program to identify the problems and the resources available for their development. The PRA identified the following 11 major issues.

1. Lack of pure drinking water for all families. There is a single water supply scheme in the village. Since the water is directly taken from the river Walawe without purifying, it is not safe for drinking.
2. Lack of educational facilities including teachers to the school in the village.
3. Lack of sufficient water for cultivations.
4. Lack of sufficient income for some families.
5. Lack of access to proper health facilities.
6. Unemployment among the youth.

7. Poor condition of agricultural roads and access road to the village.
8. Lack of proper transport facilities.
9. Usage of alcohol by some family members.
10. Non-renewal of land deeds and permits after the death of owner
11. Lack of proper housing facilities

Having considered the above issues SAPSRI developed a Village Development Plan based on the PRA, complimenting the Participatory Holistic Development Strategy. It also targeted the 17 SDGs to work out the issues. Five committees were formed of community leaders to get their involvement in finding solutions for these problems with the assistance of the respective public organizations.

SAPSRI project staff personally met National and Provincial Heads of respective agencies and guided the community leaders to meet Divisional Heads. It should become the responsibility of community leaders to continue these services. So far the project has seen successful results.

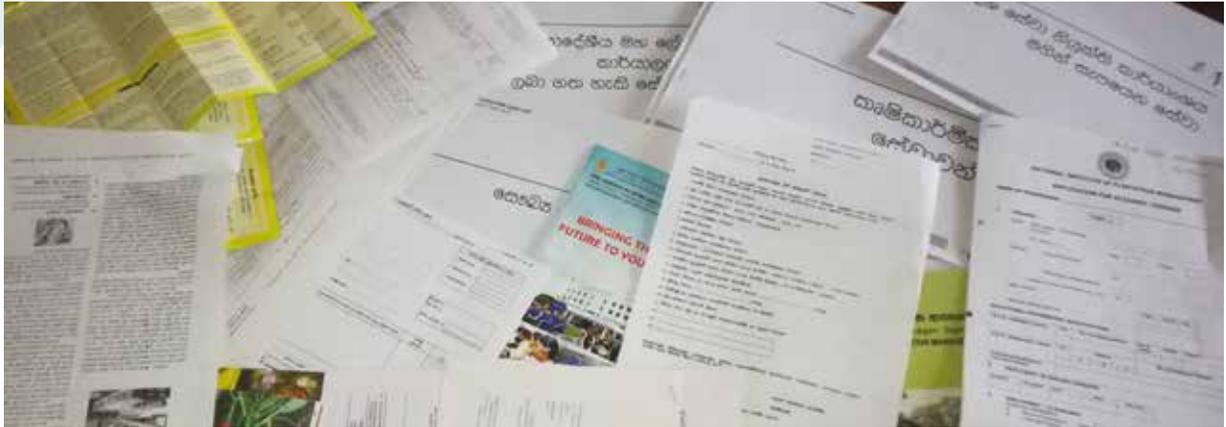
» PRA, Workshop at Therunansegama



PRA workshop at Therunnasegama



Guide Book



Having realized that the lack of awareness is a root cause of being entrapped in poverty, SAPSRI has a new project aimed at empowering the poor and disadvantaged. It is an endeavour to create awareness and knowledge! The project will work towards providing information on key services available to the public, through the government agencies. Although most of the services of the public sector organizations are available in their respective web sites, most target families do not have access to this information.

Thus, SAPSRI as an organization that is interested in developing the capacity of the poor public have embarked on publishing a book including all such services. The publication once completed will be distributed among the public freely. The project is in its initial stages, having collected more than 95% of the information.

What we have come up is that although there are many sources for the general public to get

assistance for their day to day activities and to get uplifted their lives in the public sector it-self the poor public are not aware of them. They do not have enough capacity to reach the available resources targeted for them as they do not have the awareness not only of the resources and the services available for them but also the way they should get ready for reaching these resources.

The input in the form of a book guiding the general public will be disseminated via printed copy distribution and/or through an on-line platform. This exercise carries no cost to the SAP and it is also being implemented efficaciously.

The project has progressed well and many government agencies have provided information. SAPSRI is thankful to the all the agencies that have provided informations so far.



PARTNERSHIP BUILDING
“SAPSRI urges national, regional and international partnerships to reach the un-reached, following - Global Agenda 2030”

Conferences & Workshops

Actioning Evaluation – Key to Sustainable Development

Program Officer- Development, Mr. Sasika Konara participated for the 6th Biennial International Conference - Actioning Evaluation – Key to Sustainable Development along with professional development workshops organized by Sri Lanka Evaluation Association with the Collaboration of Department of Project Management & Monitoring. It was held in Colombo, from 19-22 September 2017.

Building Regional and International Alliances

SAPSRI was able to foster relationships with the Global Network of Civil Society Organizations for Disaster Reduction (GNDR), the largest international network of organizations committed to working together to improve the lives of people affected by disasters world-wide.

Memberships held by SAPSRI

- Secretariat for Non-Governmental Organizations under the Ministry of Defense
- Lanka Microfinance Practitioners’ Association

Board of Governors

We extend a warm welcome to Mr. W.M. Leelasena and Ms. R.K. Dehideniya our new board members whose positive contributions will strengthen SAPSRI in its many future endeavours.

Friends from Canada

Mr. Richard Harmston, SAP Canada Executive Director visited the SAPSRI secretariat. The visit symbolized the enduring relationship between SAP Sri Lanka and SAP Canada. Mr. Harmston was a founder member of South Asia Partnership and served as a board member in South Asia Partnership International. His meeting with the SAP SL Chairman, Executive Director and SAP SL team was conducive where SAP SL team got the opportunity to learn about the early era of SAPSRI, and future possibilities with Canadian partnerships.

We would like to express our grateful thanks and warm regards to Mr. Richard for his remarkable contribution towards the SAP network. We hope that he will remain with SAP network to give his guidance and support for the betterment of SAPSRI and its beneficiaries.



Remembrance of Dr. (Mrs) Padma Ratnayake

To commemorate the 5th Death Anniversary of late Dr. (Mrs) Padma Ratnayake, Former Executive Director of SAPSRI, alms giving of a day's meal and clothes and some needy items were donated to "METHSEWANA" State House of Detention at Gangodawila, Boralasgamuwa, on 7th February, 2017.



AUDITORIUM FACILITIES

Architecturally beautifully designed by one of the best Architects of Sri Lanka SAPSRI Office Building is situated in a calm and quiet environment in Rajagiriya, within easy access from Colombo and Surrounding areas, complete with parking facilities.

SAPSRI offers this State of the Art facility that includes a well-equipped Conference Hall, Discussion Rooms for conducting seminars, meetings, workshops and conferences. Given the increasing high demand, those who intend of using these facilities are advised to make their reservations well in advance.

The main conference hall has a seating capacity for 50 people and is equipped with the latest technological facilities including a plasma large screen television and overhead projector. Dr. (Mrs) Padma Ratnayake Memorial Hall has a seating capacity for 25 persons. There are two meeting rooms with required facilities, to accommodate small groups.



■ *SAPSRI Auditorium*



■ *A Bunker-Bed Hostel-room*

Facilities

A/c, Multi Media Projectors /Audio facilities, Laptop/ Desktop Computer with ADSL facilities at nominal charge and ceremonial Oil Lamp, Overhead Projector, Magi boards and flip chart boards are provided free of charge.

Facilities for Residential Programmes

We have A/C and Non-A/C rooms with common wash rooms complete with bunk beds and linen for hire, for Companies, NGOs and any other Organizations for conducting residential programmes which can accommodate up to 16 persons.

FINANCIAL STATEMENTS

Independent Auditor's Report



Ernst & Young
Chartered Accountants
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Sri Lanka

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Tax : +94 11 5578180
eys@key.com
ey.com

MPDC/MTP/TW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH ASIA PARTNERSHIP

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of South Asia Partnership Sri Lanka, which comprise the statement of financial position as at 31 March 2018, and the statement of Financial Activities, Statement of Accumulated Fund and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

9

(Contd...2/)

Partners: Mr R H Fernando FCA FCMA, Mr P D Cooray FCA FCMA, Mr S de Saram ACA FCMA, Mr N A De Silva FCA, Mr Y A De Silva FCA, Mr B S P Fernando FCA FCMA, Mr M R M Fernando FCA FCMA, Ms L N H L Fernando FCA, Mr P A Gunawardena FCA FCMA, Mr A Herath FCA, Mr D H Jayasinghe FCA FCMA (L1), Mr M A Jayasinghe FCA FCMA, Ms A A Lathanya FCA FCMA, Mr D G S Marasingha FCA, Mr P V N N Saramani FCA, Mr M Suman ACA ACMA, Mr B S Wijetunge FCA FCMA

Principal: Mr P M Ruben FCA FCMA

A member firm of Ernst & Young Global Limited



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

10 September 2018
Colombo



Statement of Financial Activities

South Asia Partnership
STATEMENT OF FINANCIAL ACTIVITIES
 Year ended 31 March 2018

	Note	2018 Rs.	2017 Rs.
Project Remittances	3.1	5,222,875	1,932,401
Project Expenditure	3.2	(2,864,211)	(2,002,798)
Net Surplus/ (Deficit) on Projects		<u>2,358,664</u>	<u>(70,397)</u>
Revenue Earned from Other Activities	3.3	43,946,125	36,202,613
Administration and Establishment Expenses	I	(24,321,499)	(26,146,976)
Project Support Unit Expenses	II	<u>(1,054,714)</u>	<u>(2,608,935)</u>
Net Surplus/ (Deficit) on Other Activities		18,569,912	7,446,702
Net Surplus/ (Deficit) before Tax		20,928,576	7,376,305
Income Tax Expense	4	(2,643,188)	(2,168,525)
Net Surplus/ (Deficit) for the year		<u>18,285,388</u>	<u>5,207,780</u>

The Accounting Policies and Notes on pages 7 through 18 form an integral part of the Financial Statements.



Statement of Financial Position

South Asia Partnership

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018 Rs.	2017 Rs.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	5	40,230,279	42,140,532
Loan Receivable	6	4,482,262	496,775
		<u>44,712,541</u>	<u>42,637,307</u>
Current Assets			
Loan Receivable	6	22,021,069	16,702,314
Interest Receivable	7	3,559,087	4,676,940
Other Receivable	8	3,286,118	2,600,803
Short Term Investment	9	182,708,292	172,704,448
Cash and Bank Balances	10	85,560,924	84,480,142
		<u>297,135,490</u>	<u>281,164,647</u>
Total Assets		<u>341,848,031</u>	<u>323,801,954</u>
FUNDS AND LIABILITIES			
Accumulated Funds			
Discretionary Fund	11	143,207,428	167,352,761
Administration (Deficit)/ Surplus	12	31,380,551	(6,540,409)
Consolidated Fund	13	117,407,243	117,390,243
Capital Fund	15	1,942,070	1,942,070
Project Support Unit Surplus	16	41,749,555	39,598,459
		<u>335,686,847</u>	<u>319,743,124</u>
Restricted Fund	14	2,358,664	-
		<u>338,045,511</u>	<u>319,743,124</u>
Non-Current Liabilities			
Deferred Liabilities	17	2,009,438	1,699,758
		<u>2,009,438</u>	<u>1,699,758</u>
Current Liabilities			
Accrued Charges and Other Payables		1,749,210	1,037,055
Income Tax Liabilities		43,872	16,232
Unfavourable Cash Balances		-	1,305,785
		<u>1,793,082</u>	<u>2,359,072</u>
Total Funds and Liabilities		<u>341,848,031</u>	<u>323,801,954</u>

The Financial Statements are in compliance with the requirements of the Companies' Act No.7 of 2007.


.....
Chief Accountant

The Governing Council is responsible for these Financial Statements. Signed for and on behalf of the Council.


.....
Director


.....
Director

The Accounting Policies and Notes on pages 7 through 18 form an integral part of the Financial Statements.



CORPORATE DETAILS

BANKERS

Hatton National Bank
Regional Development Bank
Seylan Bank

AUDITORS

Ernst & Young

COMPANY SECRETARY

Mr Rajiv Walpita
Reg. No. Sec/852/93

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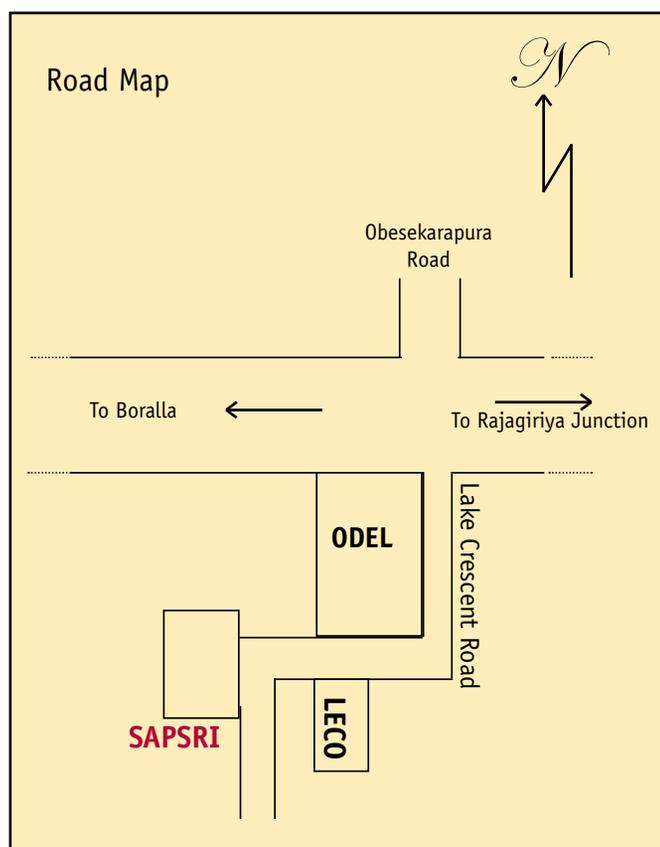
sapsri@slt.lk

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Photography by:

Tharanga Mananduwa
Sasika Konara





South Asia Partnership Sri Lanka

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2018 October