



INSTITUTE OF POLICY STUDIES OF SRI LANKA

Annual Report 2009

National Strategies for Global Challenges



Cover Pictures...



Asha Gunawardena, Research Officer and Upekha Karunatunge, Project Intern, IPS, obtaining information from a dried fish maker at the Negombo beach for a study on Trade Poverty Nexus of the Sri Lankan Fishery Sector.



Deshal de Mel, Research Economist and Suwendrani Jayaratne, Research Assistant, IPS, at the Friedrich-Ebert-Stiftung (FES) New York Fall Academy for Young International Policy Analysts on "Understanding the United Nations", 09-13 November 2009, New York.



Tilani Jayawardhana Research Economist and Ruwan Jayathilaka, Research Officer, IPS, Co-Authors of the Publication "International Migration Outlook - 2008" at the Book Launch, 16 October 2009, Galadari Hotel, Colombo.

Contents

Institute of Policy Studies of Sri Lanka	2
Mission & Vision	3
Chairman's Message	4
Executive Director's Report	5
IPS Research	8
Research Programme	
IPS Research Themes	
Macroeconomic Policy	9
International Economic Policy	12
Labour, Employment and Human Resources Development Policy	17
Industry, Public Enterprise Reform and Regulatory Policy	20
Poverty and Social Welfare Policy	22
Agricultural Economic Policy	26
Environmental Economic Policy	33
Health Economic Policy	38
Links	42
IPS Support Services	44
Finance and Administration Unit	44
Library	44
Publications and Communications Unit	47
Information Systems Unit	50
Human Resources Training and Development	54
IPS Staff	58
Research Staff	58
Administrative and Support Staff	60
IPS Events	61
Seminars, Conferences and Workshops	61
Monthly In-House Seminars	68
IPS Publications	69
Publications of 2009	69
Forthcoming Publications	71
Financial	72

Institute of Policy Studies of Sri Lanka

Established by an Act of Parliament in December 1988 and formally set up as a legal entity by gazette notification in April 1990, the Institute of Policy Studies of Sri Lanka (IPS) was designed to promote policy-oriented economic research and to strengthen the capacity for medium-term policy analysis in Sri Lanka. Today, the IPS has established itself as the foremost economic research institute in the country and has gained recognition in the South Asian region for its independence and excellence in economic policy research.

Since its inception, the IPS has had considerable autonomy in setting and implementing its research programme. The Institute is managed by a Board of Governors and the Executive Director. Its institutional structure has allowed the IPS to acquire a unique position as an authoritative and independent voice in economic policy analysis enabling it to work closely with a cross section of stakeholders including the government, private sector, academia and civil society.

Board of Governors (as at end 2009)

B. Hewavitharana

Chairman and Founder Member

P. B. Jayasundara (Ex-officio)

Secretary, Ministry of Finance & Planning

A. N. L. Cabraal (Ex-officio)

Governor, Central Bank of Sri Lanka

H. M. Gunasekera (Ex-officio)

Director-General, Department of National Planning

G. Gunatilleke

Chairman, Marga Institute and Founder Member

W. D. Lakshman

Chairman, Presidential Taxation Commission and
Founder Member

S. T. Hettige

Professor of Sociology, University of Colombo

Mission & Vision

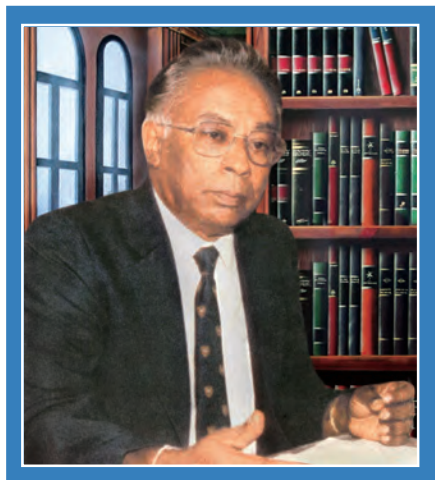
Mission

The Institute's mission is to contribute to the economic development of a democratic Sri Lanka and enhance the quality of life of its people by providing research based analysis of socio-economic policy making.

Vision

The Institute's vision is to be a leader in conducting timely, independent, high quality research-based analysis of national economic policy issues that inform and influence public policy debates on economic development of a democratic Sri Lanka.

Chairman's Message



Sri Lanka achieved a historical milestone in 2009 by bringing a divisive military conflict to an end, and paving the way towards long-term peace and stability. As the country gears itself to a phase of reconciliation and reconstruction, economic development is expected to take centre stage. Reducing the major risk factors of conflict recurrence by formulating economic policies that are sensitive to issues of inequities among groups will be a critical component of the post-conflict development thrust.

The IPS has a legacy of contributing to national economic policy debates through timely and high quality research. The success of the Institute can be attributed to our ability to continually identify and respond to the changing demands across the economic policy spectrum. In 2009, the Institute devoted its annual flagship publication on the 'State of the Economy' to take a critical cross-sectoral assessment on the fallout of the global economic crisis on the Sri Lankan economy. This was preceded by a national policy dialogue on the 'Global Economic Crisis and Sri Lanka' that brought together policy makers, academia, private sector and donor agencies.

The scope of IPS research on climate change was a timely response to the Copenhagen Climate Conference of 2009. The Institute convened a cross-section of stakeholders at a conference on

"Mainstreaming Climate Change for Sustainable Development in Sri Lanka". A subsequent report published by the IPS on "Climate Change: Towards a National Agenda for Action" provided important policy inputs to the Ministry of Environment and Natural Resources prior to Sri Lanka's participation at the Copenhagen summit.

The above are only a few examples of the scope of our work in 2009. A fuller account of our research projects and other activities are set out in the rest of the report. Looking ahead, as the premier socio-economic research institution in the country, the IPS looks forward to contributing fully to the economic development of Sri Lanka at this important and historical juncture. The initiation of a work programme addressing 'Post-Conflict Development Challenges in Sri Lanka' is already under way. With our team of committed and experienced staff, the scope and outreach of the Institute's research activities is expected to be strengthened in the coming years. An important feature will be the long awaited occupancy of our own premises in 2010. We expect it to foster an environment in which the IPS will buttress its position as a centre of regional research excellence.

I take this opportunity to thank the Board of Governors for their continued support to the IPS and the Executive Director for the initiatives, perseverance and diligence which he put forth to make possible the above and many more achievements during the year. I look forward with confidence to the Institute's growing contribution to economic policy formulation in Sri Lanka.

A handwritten signature in dark ink, which appears to read "B. Hewavitharana".

Professor Buddhadasa Hewavitharana
Chairman

July 2010

Executive Director's Report



Sri Lanka came out of nearly three decades of war in mid-2009. This put the country's economy - which had suffered from war-related uncertainties and expenditures – as the key area of focus. IPS was prepared for the task to assist both the government and the private sector by providing well-researched policy alternatives in the rebuilding of the economy and gearing it to face the challenges in the coming years. To this effect, 'Post-Conflict Development Challenges' was selected as a major research theme of the Institute for the period 2009-12.

The ongoing research programme of the IPS continued in 2009, with project-related work progressing in parallel to the Institute's core research. In addition, several dissemination-related activities were carried out regularly through a series of conferences, workshops, and book launches. In terms of project work, the IPS successfully completed 18 ongoing projects, and attracted 14 new projects over the course of the year. The overall income from projects amounted to Rs. 34 million during 2009, enabling the Institute to make an overall profit of Rs. 26.4 million. The focus of core research in 2009 was on the global economic crisis and its implications for the Sri Lankan economy. This became the central theme of the Institute's main publication: the 'State of the Economy 2009' report. A noteworthy feature in 2009 was the launch of the IPS blog, 'Talking Economics'. It now occupies a significant part of the IPS website which commanded approximately 170,000 hits per month in 2009. A number of media institutions have already approached the IPS

requesting permission to reproduce the blog entries, indicating the popularity that the blog post already commands.

IPS work in areas of economic policy research crossed new milestones in 2009. The IPS inputs to the government was seen in many areas during the year, and among them the following were noteworthy: (a) a report on 'Policy Aspects of Formulation of the National Policy on Ports and Aviation of Sri Lanka' submitted to the Ministry of Ports and Aviation; (b) preparation of the background paper on the 'Economic Reintegration of Ex-Combatants' for the 'National Framework Proposal on Reintegration of Ex-Combatants into Civilian Life in Sri Lanka' of the Ministry of Disaster Management and Human Rights; (c) preparation of a chapter and contributing to the discussions and formatting the report of the Committee established to make recommendations on the 'Development and Management of Estates Leased Out to Regional Plantations' for the Ministry of Plantation Industries, and (d) a report on 'Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Towards a National Agenda for Action' for the Ministry of Environment. The latter was an outcome of climate change work on Sri Lanka undertaken by the IPS during the year, which included the launching of a special website on the subject matter.

The much awaited Presidential Taxation Commission was appointed in May 2009 by His Excellency the President. The IPS was pleased at this outcome due to two reasons: (a) the idea of a need for such a Commission was first mooted by the IPS in June 2006 and a continuous dialogue was maintained with the Presidential Secretariat on the subject; and (b) the appointment of an IPS Governing Board member as the Chairman and its Executive Director as a member meant that the Institute was able to make a major contribution to the Commission's deliberations. The institute appointed a full time researcher to work with the Commission so that the report could be brought out by the scheduled date in October 2010.

Executive Director's Report (Contd)

In addition to these involvements, the IPS worked closely with the National Council for Economic Development (NCED) of the Ministry of Finance and Planning in preparing the MDG Country Report 2008/2009, the National Enterprise Development Authority (NEDA) in SME promotion, and the Ministry of Foreign Affairs on preparing the Concept Paper and other documents for the 8th Summit meeting of the Asian Cooperation Dialogue in Colombo.

The Institute's involvement and policy contribution to the private sector was significant during the year. The IPS research staff served as resource persons in a number of seminars/workshops organized by the Chambers on implications of the global economic crisis on Sri Lanka, implications of the IMF package on Sri Lanka's economy, etc; served on the Panel of Judges for the Annual Export Awards under the National Chamber of Exporters of Sri Lanka and selection of the Best Corporate Citizens under the Ceylon Chamber of Commerce; served in various Governing Boards of private banks/corporate entities, etc. IPS was selected by Dialog Telecom to prepare a summary of the state of the Sri Lankan economy for its 2008 Annual Report.

IPS had a healthy interaction with multilateral funding institutions and donor agencies. Three conferences were organized with the financial support of the World Bank, two with Fredrich Ebert Stiftung, one each with UNDP-Regional Centre, Colombo, and the International Organization for Migration. Two IPS project proposals were selected for funding by ADB-RETA and another by IDRC-PEP.

IPS brought out nine publications during 2009. A noteworthy publication was the 'International Migration Outlook: Sri Lanka – 2008' which was done jointly with the International Organization for Migration – the first comprehensive volume on migration related aspects in Sri Lanka to be published in the country. The sales of IPS publications were lower than in 2008, but the increased volumes of sale seen after 2007 was maintained.

IPS made a concerted effort to mobilize long-term research grants to support its core research activities. In this context, the Institute took the initiative to actively participate in the inauguration of the IDRC Think Tank Initiative (TTI) in Galle in January 2009. A senior researcher of the Institute acted as the coordinator and moderator of the 'Roundtable on Social Science Policy Research Environment' that preceded the meeting of the IDRC Governing Board. The Deputy Director of the IPS took the lead in submitting the IPS proposal, that included a proposed re-orientation of the Institute's core research on a central research theme of 'Post-Conflict Development Challenges' when applications were called under the TTI in September 2009. At the time of writing this report in July 2010, it is with great delight that I announce that the Institute was successful in securing a 4 year grant to support its core research programme and some related advocacy work.

The IPS continued to invest heavily on human resources development in 2009. This is done to match the investments that we have already made in upgrading our equipment and work environment in the new building in line with the type of activities that we intend to embark in the near future as elaborated in my report last year. As a first step, the Institute will embark on advocacy work. This is also a part of our work with the TTI. In issues of advocacy, there is bound to be criticisms by those who do not agree with what is advocated. Where such criticisms are made in regard to advocacy work of the IPS relevant to what the government is attempting to do, it is essential that the policy establishment and leadership stand by the IPS without attempting to distance itself from such policy in order to appease the critiquing lobbies. This is an area where the Institute will have a closer look in its advocacy work.

The shifting to the new IPS building complex encountered unforeseen delays due to technical and administrative procedures that had to be followed for both IT and audio installation. Delays by certain contractors in meeting their contractual obligations also contributed to the holdups in installing IT and

Executive Director's Report (Contd)

audio equipment. I am, however, confident that before the end of 2010 we will be able to shift to the new premises.

In 2010, the IPS intends to structure its Project Internship programme where the number of applicants has more than doubled in the recent years. The Institute will also take a stock of the costs and adjustment issues related to the new building premises before formulating a new Corporate Plan. The support services will be strengthened to meet the growing needs of the IPS related to its expanding research work.

The support I have been receiving from the Governing Board under the guidance of the Chairman, research and support staff has gone a long way in carrying out IPS activities successfully in 2009. I would like to record my sincere appreciation to all of them.



Saman Kelegama
Executive Director

July 2010



Executive Director made a presentation on 'Economic Development and Reconstruction of the North-East: Problems and Prospects' at a two day seminar on "From Winning the War to Winning Peace: Post War Rebuilding of the Society of Sri Lanka" jointly organized by the Regional Centre for Strategic Studies and Centre for Security Analysis- Chennai during 28-29 August 2009. The seminar took place at the Taj Samudra Hotel, Colombo.

Executive Director made a presentation on "Deepening South Asian Integration in an Era of Crisis: Role of SAARC" at the High-Level Conference on "Financial Crisis, Global Economic Governance and Development: Response of Asia and Global South" organized to mark the 25th Year Anniversary of the RIS, New Delhi, India, 6-7 February, 2009.



Research Programme

The core aim of IPS research programme is to contribute constructively to the discussions and debates on medium-term economic policy priorities for Sri Lanka. The Institute's research output over time has addressed many of the development issues that are relevant to the country such as unemployment, regional disparities, and rural poverty. The aim of the current programme of research is to build on the substantive work that has already been carried out, identify gaps in the existing body of research, and formulate an integrated medium-term work programme. This programme addresses strategies to achieve more durable and equitable growth to meet the country's development priorities.

The IPS research programme is carried out by Research Units, each headed by a senior staff member. Each Unit works within the medium-term research agenda developed to ensure coherence to the overall direction of the Institute's work. Currently, the IPS research programme carries out key topics of study

under thematically selected areas of research as follows:

- Macroeconomic Policy
- International Economic Policy
- Labour, Employment and Human Resource Development Policy
- Industry, Public Enterprise Reform and Regulatory Policy
- Poverty and Social Welfare Policy
- Agricultural Economic Policy
- Environmental Economic Policy
- Health Economic Policy

In addition to the above research areas, other specialized areas of research such as governance, gender, political economy, etc., are mainstreamed into the overall work programme of the Institute. The IPS research programme is financially supported by the Institute's funds as well as externally funded collaborative projects with both domestic and international partners.

Macroeconomic Policy



Dushni Weerakoon, BSc (Queen's University of Belfast), MA, PhD (Manchester)
Deputy Director and Fellow and Head of the Macroeconomic Policy Unit

Introduction

As Sri Lanka enters into a post-conflict phase of development, a coherent medium-term macroeconomic framework to guide the first years of an intensive reconstruction programme is critical for longer term economic recovery. For a low middle-income economy such as Sri Lanka, it calls for establishing policies that are necessary for the return of private investment in conflict affected regions, and inflows of overseas development assistance (ODA) in the reconstruction process. Prudent monetary and exchange rate management regimes and an appropriate fiscal policy that prioritizes expenditure requirements are critical elements. Keeping such policy concerns in mind, the macroeconomic policy research programme of the IPS is focused on addressing key areas relevant to generating and sustaining macroeconomic stability of the Sri Lankan economy with a view to contributing to topical policy discussions and debates.

Highlights

The IPS offers a continuous review and analysis of Sri Lanka's efforts to generate a conducive macroeconomic environment through prudent fiscal and monetary policy management through its publications, participation of staff at seminars and media events.

Sri Lanka: State of the Economy 2009

The "Sri Lanka: State of the Economy" is the flagship annual publication of the IPS devoted to a rigorous analysis of Sri Lanka's economic outlook and emerging key areas of policy concern. The 2009 report focuses on the "Global Economic Crisis: Issues, Impacts and Outlook". The report recognizes that for developing countries like Sri Lanka, the socio-economic costs of an economic downturn can be high. The adverse impacts are felt through channels with direct linkages to the poor – migrant workers, estate labour, etc., – where loss of livelihoods in the presence of low levels of social protection can push people into poverty. The IPS report examines the path of the current global economic crisis, the impacts that have been visible in Sri Lanka, and discusses policy concerns that need to be addressed to mitigate downside effects through a series of analytical chapters and policy briefs.

Migration and Development: Trends, Impacts and Challenges

Over the years, Sri Lanka has facilitated labour migration to ease employment and foreign exchange shortfalls in the country with the relaxation of regulations on travel and foreign exchange convertibility to facilitate overseas work and

Macroeconomic Policy (Contd)

remittances. These efforts have resulted in increasing the remittance flows and number of migrants over time. However, migration for employment can have high social costs.

IPS has initiated a thematic research agenda to study the impacts of migration and migrant remittances on the economy. The IPS was awarded a grant under the 10th round of the South Asia Network of Economic Research Institutes (SANEI) call for proposals to undertake a study on “Different Approaches to Migration and its Impacts: A Sri Lankan Perspective”. The IPS was also commissioned to develop the “Sri Lanka: Migration Report 2008” for the National Centre for Migration Statistics, Department of Census and Statistics, with funding from the International Organization for Migration (IOM). This report was launched on 16 October at the Hotel Galadari, Colombo.

In addition, the IPS held two workshops on issues related to migration and development. An international conference on “Migration, Remittances and Development Nexus in South Asia” was organized by the IPS in collaboration with the Friedrich-Ebert-Stiftung (FES), Colombo, during 4-5 May. A follow up regional “Brainstorming Session on the South Asian Migration Commission” was hosted in collaboration with the South Asia Centre for Policy Studies (SACEPS), Bangladesh, in Colombo on 27 November.

As part of the Institute’s efforts to engage in public discussions, disseminate research findings and network with both local and international audiences, research staff engaged in presentations at public events and seminars. These include the following:

- A presentation on “Sri Lanka’s Response to the Global Economic Crisis” at a conference on the

“Global Economic Crisis and Sri Lanka” organized by the IPS, at Hotel Taj Samudra, Colombo, 18 February.

- Presentation for the Ministry of Ports and Aviation on “The Policy Aspects of the Formulation of the National Policy on Ports and Aviation of Sri Lanka” for the Stakeholders in the ports, shipping and aviation sectors and to the Hon. Ministers Chamal Rajapaksa, Minister of Ports and Aviation, Dilan Perera, Minister of Ports Development and Justice and Hon. Deputy Minister, Sarath Kumara Gunaratne, Deputy Minister of Aviation, 17 March.
- Launch of “Economic and Social Survey of Asia and the Pacific 2009” report on invitation by the Economic and Social Commission of Asia and the Pacific (UN-ESCAP), Sri Lanka Foundation Institute (SLFI), 26 March.
- A presentation on “Economic Reforms in Sri Lanka: Progress and Constraints” at a Roundtable on “Efficiency of Economic Policy Formation, Development and Implementation in Key South Asian Economies” organized by the East Asia Bureau of Economic Research (EABER) of the Australian National University in collaboration with ICRIER, New Delhi, India, 29-30 June.
- Media interview to Lanka Business Report (LBR) on Sri Lanka’s current economic environment (25 February); interview to Lanka Monthly Digest (LMD) on Sri Lanka’s economy and future challenges (13 March); interview to MTV Biz First on Sri Lanka’s economic challenges (25 March); and interview to *Sunday Lakbima* on the IMF loan and implications for the economy (31 July).

Macroeconomic Policy (Contd)

IPS also worked in collaboration with the government to support the policy making process. IPS research staff was invited to serve on the Working Group on Economic Re-integration of Ex-combatants convened by the Ministry of Disaster Management and Human Rights. The Institute prepared the background paper on the “Economic Re-Integration of Ex-combatants” that fed in to the “National Framework Proposal on Re-integration of Ex-Combatants into Civilian Life in Sri Lanka” put out by the Ministry of Disaster Management and Human Rights.

IPS Executive Director was appointed to the Presidential Taxation Commission in May. IPS Board Member, Prof. W. D. Lakshman was appointed as the Chairman of the said Commission.

IPS Executive Director was invited to deliver the 14th Annual Taxation Oration by the Faculty of Taxation, Institute of Chartered Accountants of Sri Lanka, in October.

Publications

IPS, “Sri Lanka: State of the Economy 2009”.

Kelegama, S., 2009, “Development Patterns in Sri Lanka and Challenges posed by Globalization” in NATURE ed. *Labour Issues & Development*, Colombo.

Kelegama, S., 2009, “Economic Wisdom for Babies”, (by W.A. Wijewardena, Sanghida Publisher, 2009) *Sunday Island*, 07 June 2009.

Weerakoon, D., and J. Thennakoon, 2009, “Country Investment Study: Sri Lanka” in *Intraregional Trade and Investment in South Asia*, Manila: Asian Development Bank.

International Organization for Migration, “International Migration Outlook – Sri Lanka 2008”.

Research Personnel: Dushni Weerakoon and Tilani Jayawardhana.



Dushni Weerakoon, Deputy Director and Suwendrani Jayaratne, Research Assistant, represented the IPS at the 2nd South Asia Economic Summit hosted by the Research and Information System (RIS), New Delhi, India. The theme of this year's summit was: “South Asia in the Context of the Global Financial Meltdown”.



Dushni Weerakoon, Deputy Director, making a presentation at the seminar on “Global Economic Crisis and Sri Lanka” on 18 February, at the Taj Samudra Hotel, Colombo.

International Economic Policy



Deshal de Mel, BA (Oxon), MSc (LSE)
Research Economist and Head of the
International Economic Policy Unit

The year 2009 has been dubbed “The Great Recession” as global output contracted by 0.8 per cent, led by significant economic downturns in the United States, Europe and Japan. Given the turbulent nature of the global economy, this year was of particular significance to the International Economic Policy Unit. Sri Lanka’s intricate inter-linkages with the global economy ensured that there would be significant implications of the global economic downturn on the Sri Lankan economy. It was therefore important for policy research to promptly and clearly identify Sri Lanka’s channels of exposure to the global economic downturn. This would facilitate an effective policy based response to support the relevant sectors that faced distress along with an overall macroeconomic strategy to best counter the adverse impacts of the economic crisis.

Global Economic Crisis

The IPS International Economic Policy Unit took the lead in research and advocacy efforts relating to the impacts of the global economic crisis on Sri Lanka. The “State of the Economy 2009” report highlighted the potential dangers emanating from the financial crisis, emphasizing the potential impacts on exports and macroeconomic stability. In February 2009 the IPS organized an international conference on the “Global

Economic Crisis and Sri Lanka”, dealing with the implications of the global economic crisis on the Sri Lankan economy, connecting via live video conference speakers from India and Pakistan to share international experiences in mitigating the adverse effects of the crisis. Throughout the year, researchers from the IPS made presentations at numerous seminars and public forums providing insights on how Sri Lanka should best overcome the crisis and contributing to the public debate on the subject. The theme of the “State of the Economy 2009” report was Sri Lanka’s response to the global economic crisis and the International Economic Policy Unit prepared the theme chapter for the report. The chapter provided an in-depth analysis of the evolution of the global economic crisis and the various impact channels that affected Sri Lanka followed by short, medium and long-term policy responses that should be adopted by the country in response to the crisis.

Research Highlights

The International Economic Policy Unit endeavours to strike a balance between core research functions whilst maintaining the flexibility to deal with topical economic issues. Accordingly, whilst substantial

International Economic Policy (Contd)

resources were devoted to research on the implications of the global economic crisis, the core research programme of the Unit continued to progress.

Vertical Integration of Industries in South Asia

As part of continuing research on regionalism and bilateralism in South Asia, the International Economic Policy Unit completed a research study into the trade – investment nexus in South Asia. The study assessed the extent of intra-industry trade in South Asia by constructing a Grubel-Lloyd index for industrial products traded within the region. Based on the existing intra-industry trade the study examines the sectors where there has been some intra-industry trade in more detail, in the form of case studies. The sectors that were analysed in detail were the garments and textiles, and the automobiles sectors. The study then draws lessons from other regional bodies that have seen greater success in invigorating the trade-investment nexus, with particular reference to ASEAN. Based on the factors that contributed to the growth of production fragmentation in ASEAN, South Asia's performance in these areas are also analyzed. Finally, the lessons from international experiences and experiences within South Asia are combined to draw clear policy prescriptions that could be engaged in to enhance the trade-investment nexus in South Asia. The project was funded by the South Asia Centre for Policy Studies (SACEPS) through the Asian Development Bank RETA 6417.

Aid for Trade in Agriculture in Sri Lanka

The IPS provides a conducive environment for the cross-fertilization of economic research amongst various economic disciplines. In 2009, the International Economic Policy Unit collaborated with the Agricultural Economic Policy Unit in a study on “Articulating and Mainstreaming Appropriate Agricultural Trade Policies.” The International Economic Policy

Unit was responsible for the component of the study on the role of Aid for Trade in agriculture in Sri Lanka. The study evaluated the policy processes in defining Aid for Trade priorities in Sri Lanka and suggested improvements to the system. The existing institutional processes in defining constraints and potential interventions in two value chains – fruits and vegetables and coconut kernel products – were analyzed. The study provided possible improvements to the existing system that would be more conducive to an effective mechanism for attracting Aid for Trade to the agricultural export sector in Sri Lanka, that would have benefits in terms of overall export enhancement, development of the export agricultural sector and improving the livelihoods of farmers engaged in these sectors in Sri Lanka. Interviews with key stakeholders in the government and exporters engaged in fruit and vegetable and coconut kernel exports were conducted to assess an accurate position of the current constraints to exports in these sectors. This process informed the assessment of the two relevant value chains in the forward looking section of the paper. The study concluded with suggestions of priority areas for Aid for Trade intervention in Sri Lanka's export agriculture sector.

Trade and Investment Opportunities in Sri Lanka for the Thai Business Community

The International Economic Policy Unit endeavours to reach out to an increasingly broad group of stakeholders. In line with this objective, the Unit prepared a report on “Trade and Investment Opportunities in Sri Lanka for the Thai Business Community” on behalf of the Royal Thai Embassy in Colombo. The end of the three-decade long North/East war in Sri Lanka has opened up investment opportunities across the country and there is a renewed interest among foreign investors/businessmen to invest and trade in Sri Lanka. This report provides a comprehensive guide to Thai investors on

International Economic Policy (Contd)

trading and investing in Sri Lanka. An introduction to the Sri Lankan economy is followed by detailed analyses of trade in Sri Lanka looking at the trading patterns, trade procedures, tariffs, trade agreements, and potential areas of trade for Thai businessmen. The report also provides detailed information on the special regulatory requirements of trading in agricultural products. Similarly, the report provides investment related information such as procedures for starting a business, regulations, taxation, intellectual property law, and potential areas of investment particularly for Thai investors. Information on finance and banking, costs of operating in Sri Lanka and other related areas are also specified in the report. This information will be used to facilitate trade and investment between the two countries.

Impact Evaluation of the UNIDO Integrated Industrial Development Support Programme for Sri Lanka

Along with diversifying the range of stakeholders the Unit works with, 2009 also saw the Unit engage in new applications of research, specifically in impact evaluation of external aid projects. IPS was commissioned by UNIDO to conduct research on the macroeconomic impact evaluation of UNIDO capacity building support to government testing laboratories – ITI, SLSI and TTSC – to enhance Sri Lanka’s capacity for meeting product standards, testing and accreditation. The International Economic Policy Unit undertook research on the impacts of the interventions by UNIDO on the export performance of the firms (and sectors) that utilized the services provided by the laboratories that received UNIDO support. The results of the research will contribute to enhancing the quality of UNIDO’s future technical support to Sri Lanka and other developing countries by providing feedback on the impact and efficacy of earlier interventions.

Conference on Broadening Economic Integration in South Asia: Incorporating Services Liberalisation

In March, the International Economic Policy Unit of the IPS and the UNDP Regional Centre in Colombo (UNDP-RCC), jointly organized an international conference on: “Broadening Economic Integration in South Asia: Incorporating Services Liberalization at a Time of Global Economic Crisis”. The key objective of the conference was to facilitate informed discussion and consultations on the way forward for the SAARC countries’ engagement in trade in services negotiations. Whilst the South Asia Framework Agreement on Services (SAFAS) was mooted in 2007, the negotiations have not made much progress. In this context, the conference sought to develop broad contours of a plausible negotiating agenda for liberalizing trade in services which can have beneficial employment and human development impacts in the region. The papers prepared by eminent resource persons drawn from across the region and outside the region shed light on the challenges ahead, and could serve as key inputs for negotiators. Furthermore, the conference served as a forum for other stakeholders in civil society, government, academia and the private sector to debate contending views on this topical issue.

Other Activities

IPS research staff continued to be involved in government committees such as the Trade and Tariff Cluster of the National Council for Economic Development (NCED) convened by the Ministry of Finance and private sector committees such as the National Chamber of Exporters Awards judging panel.

International Economic Policy (Contd)

Publications

Kelegama, S., 2009, *Trade in Services in South Asia*, Sage, New Delhi, India.

Kelegama, S., 2009, “Ready-Made Garment Exports from Sri Lanka”, *Journal of Contemporary Asia*, Vol. 39, No. 4.

Kelegama, S., 2009, “Global Economic Crisis and Sri Lanka”, *Journal of the Institute of Certified Professional Managers*, Inaugural Issue, April 2009.

Weerakoon, D., “The Political Economy of Trade Integration in South Asia: The Role of India”, accepted for publication by *The World Economy*, (forthcoming).

Weerakoon, D., 2009, “Sri Lanka”, in J. Francois, P. Rana and G. Wignaraja (ed.), *National Strategies for Regional Integration: South and East Asian Case Studies*, Manila: Asian Development Bank.

Weerakoon, D., 2009, “Bilateral FTAs in South Asia: Recasting the Regionalism Debate”, *The Lahore Journal of Economics*, Vol. 14, pp. 155-170.



Deshal de Mel represented the IPS at the “5th Meeting of RETA 6417 - Supporting Networks of Research Institutes and Think Tanks in South Asia”, organized by the Asian Development Bank in Dhaka, Bangladesh, 3 - 4 December.

Wijayasiri, J., and S. Jayaratne, 2009, “Impact of Information Technology in Trade Facilitation on Small and Medium Enterprises in Sri Lanka”, *ARTNeT Working Paper Series*, No.65, May 2009.

De Mel, D., 2009, “Trade in Services in SAFTA” *Trade Insight*, SAWTEE, Volume 5, Number 1.

De Mel, D., 2009, “Trade in Services in Sri Lanka” in Kelegama, S. (ed.), *Trade in Services in South Asia*, Sage Publications, New Delhi.

De Mel, D. 2009, “The Trade Poverty Nexus in Sri Lanka”, *GITAM Review of International Business*, Vol. 1, Issue 2.

De Mel, D., 2009, “Tourism in Sri Lanka”, *Trade Insight*, SAWTEE, Vol. 5, No. 2.

De Mel, D., 2009, “Indo-Lanka Trade Agreements: Performance and Prospects”, *Economic Review*, August/September 2009, People’s Bank, Sri Lanka.

Jayaratne, S., 2009, “Generalized System of Preferences (GSP+) and its Impacts on the Sri Lankan Economy”, *Economic Review*, Vol. 35 (3&4) June/July 2009, People’s Bank, Sri Lanka.

Jayaratne, S., 2009, “Enhancing Export Competitiveness through Trade Facilitation: The Experience of Sri Lanka”, in *Studies in Trade and Investment 66: Impact of Trade Facilitation on Export Competitiveness: A Regional Perspective*, UNESCAP.

Research Personnel: Dushni Weerakoon, Deshal De Mel, Janaka Wijayasiri, Tilani Jayawardhana, Suwendrani Jayaratne and Dharshani Premaratne.

International Economic Policy (Contd)

Deshal de Mel represented the IPS at the Asian Development Bank's (ADB) Fourth Meeting on "Supporting Network of Research Institutes and Think Tanks in South Asia Phase II" held at the Institute for South East Asian Studies (ISEAS), National University of Singapore, 26 - 27 October.



A four member IPS team participated at the 5th Anniversary of the ARTNET at the UNESCAP, Bangkok, 2 - 3 November. Executive Director of IPS was a discussant at the Plenary Session on the second day and in a parallel session organized by the UNDP-RCC, while Deshal De Mel and Parakrama Samaratunge were presenters at two parallel sessions.

Seminar on 'Trade Facilitation: Issues and Constraints in South Asia', organized by the SAARC Chamber of Commerce and Industry and the Federation of Chambers of Commerce and Industry of Sri Lanka and sponsored by Friedrich Naumann Foundation, where Suwendrani Jayaratne, Research Assistant, IPS, made a presentation on 'Challenges Faced by Trade Facilitation Mechanisms in South Asia', Executive Director, IPS, chaired the session which had panelists from the private sector and the academia in South Asia, 19 August.



Labour, Employment and Human Resources Development Policy



Nisha Arunatilake, BSc (University of South U.S.A.), MA, PhD (Duke)
Research Fellow and Head of the Labour, Employment and Human Resources Development Policy Unit

The Education Sector Development Framework and Programme (ESDFP) is the main framework governing the education sector in Sri Lanka at present. Unlike before, where project based development took priority, this approach prepares plans and strategies to develop education taking the sector as a whole. Further, this approach gives attention to strengthening schools and getting their participation in the development process. The main aims of this programme are to increase equitable access to basic and secondary education in the country, improve quality of basic and secondary education, enhance economic efficiency and equity of resource allocation, and strengthen education governance and service delivery. The Labour, Employment and Human Resources Development Unit focuses on better understanding the issues concerning improving the delivery of education services to reach the above goals of ESDFP. At the same time, the Unit continued research along its research theme on the current trends in the labour market and future needs. Within this theme, the research emphasis this year was on labour migration and social protection.

Highlights

Education Service Delivery

IPS played a lead role and conducted the analysis for the education sector in the Sri Lankan component of an ADB Regional Technical Assistance study on equity in health and education services. The objectives of the study were to provide an overview of the issues concerning equity in access to quality education in the country. The study finds that access to education at the primary level is high compared to analogous statistics in other countries; however, to achieve the government policy objectives of full access to primary and secondary education, more needs to be done to improve service delivery to the most vulnerable groups and to remote areas. The study finds that access to education has improved over time but remains inequitable at all levels. The study further finds that the opportunity for education participation and the access to education decreases across class for higher levels of education. The government expenditure on general education is strongly progressive at the primary level, but needs to improve at other levels. For main out-of-pocket expenditure items on education, such as tuition, boarding fees, transport and stationery, the poor pay a higher percentage of their incomes.

Labour, Employment and Human Resources...(Contd)

Although the government has a policy of establishing schools in close proximity to households, the results of the study revealed that time to school is an issue in education participation at the junior and senior secondary levels of education. According to the results, school non-participation is mainly due to individual and household level factors such as non-enrolment in school at appropriate age, health issues and the ethnicity and education of the head of household. School non-participation is also affected by community level factors such as community level school non-participation rates. Similar reasons affect school completion and success in national level exams. IPS collaborated with the University of Colombo and the ADB regional office in Manila for this study.



Students of the “Basic Literacy class” at Angulana, conducted by the Ministry of Education.



Nisha Arunatilake, Research Fellow, IPS, making a presentation at the conference on “Protecting the Poor in Sri Lanka: The role of Safety Nets during Crisis and Beyond” organized by IPS and World Bank, Sri Lanka, Ceylon Continental Hotel, 24 June.

Labour Migration

At present, close to two million Sri Lankan citizens are estimated to have migrated for foreign employment. The bulk of such migrants are to be found in Middle Eastern countries. Female migrants make up about 62 per cent of total migrants. Lack of adequate livelihood and employment opportunities at home is the prime driver for most such out-migration. At macro level, the economy benefits from remittances which amounted to US\$2.5 billion, nearly 8 per cent of GDP, in 2007. However, the benefits of temporary migration for workers and their families are not clear. A recent IPS study, funded by SANEI, aims to assess the impacts of migration

at the household level, using quasi-experimental methods. These results show that a large proportion of households (11 per cent) in the country receive remittances. The level of remittances received by migrant households appears to be significant being equivalent to 48 per cent of mean household income in the country. Households receiving remittances have higher levels of total expenditure, reflecting higher spending on food, non-food, health and education. These households also receive a higher level of income from other sources such as from properties, financial and physical assets. There is some evidence that remittances can help households move to higher income deciles. Remittances also increase the number of sources of incomes of households, thereby

Labour, Employment and Human Resources...(Contd)

improving their ability to cope with adverse shocks. However, education and health outcomes (measured by school enrolment and morbidity) did not show significant differences between migrant and non-migrant households, indicating despite higher expenditure levels on education and health other factors, such as absence of parents may be affecting the education and health outcomes.

The results of this study was presented at a regional conference on “Migration, Remittances and Development in South Asia” organized by the IPS with Friedrich Ebert Stiftung (FES) in Colombo in May. The means of cooperation in finding solutions to issues raised at this conference were further discussed at a “Dialogue on South Asia Migration Commission” in November.

Issues concerning migration and the Sri Lankan labour market were also discussed at a seminar organized by the Chartered Financial Analyst (CFA) on “The Demographic Changes and the Sri Lankan Labour Market” in July.

Issues concerning the safety nets available for migrant workers were discussed at a conference on “Protecting the Poor in Sri Lanka: The Role of Safety Nets during Crisis and Beyond” organized by the IPS and the World Bank in June.

As a first step towards preventing the risks faced by the informal sector workers, determinants of informal sector participation in Sri Lanka were discussed at the international conference on “The Informal Sector in South Asia: Organizational Dynamics, Institutional Determinants, Inter-linkages and Development” organised by the Institute of Economic Growth, Delhi, at the IEG - University of Delhi Enclave, Delhi, July 27-28.

Publications

Arunatilake, N., 2009, “Employment Creation – Are Productive Work Opportunities Available for All?”, *LMI Bulletin*, Labour Market Information Unit, Colombo, Sri Lanka,

Arunatilake, N., 2009, “Demographic Changes and the Need to Improve Labour Supply and Productivity”, *Sri Lanka Labour Gazette*, Vol. 60, Ministry of Labour Relations and Manpower.

Arunatilake, N., 2009, “Challenges to the Sri Lankan Labour Market”, in *Labour Issues in Development*, National Association for Trade Union Research and Education.

Arunatilake, N., and P. Jayawardena (forthcoming), “Formula Funding and Decentralized Management of Schools – Has it Improved Resource Allocation in Schools in Sri Lanka?”, *International Journal of Educational Development*.

Arunatilake, N., and P. Jayawardena (forthcoming), “Why People Choose to Participate in the Informal Sector in Sri Lanka?”, *Indian Journal of Labour Economics*.

Jayawardena, P., 2009, Book Review, “Distant Neighbours at Workplace: A Study of Sri Lankan Migrant Workers in Japan” (by Prof. H. D. Karunaratne), *South Asia Economic Journal*, Vol.10, No. 2.

Links

- UNICEF <http://www.unicef.org/srilanka/>
- Ministry of Education (MoE) <http://www.moe.gov.lk/>
- University of Colombo <http://www.cmb.ac.lk/>
- ADB <http://www.adb.org>
- South Asia Network of Economic Research Institutes (SANEI) <http://www.saneinetwork.net/>

Research Personnel: Nisha Arunatilake and Priyanka Jayawardena.

Industry, Public Enterprise Reform and Regulatory Policy



Malathy Knight, BA (Swarthmore), MA (Colombo), PhD Candidate (Manchester)
Research Fellow and Head of the Industry, Public Enterprise Reform and Regulatory Policy Unit

The challenges associated with aligning the reform process with the objectives of sustainable and equitable growth are heightened in what is now perceived as the post-conflict phase of development in Sri Lanka. Much of the research carried out by IPS in the areas of Industry, Public Enterprise Reform and Regulatory Policy in recent years - such as the role of the state, of the private sector and of other actors in the public policy space in the reform and development process; the pivotal role of industrial policy and practice in stimulating and sustaining balanced growth; and, the need to place more emphasis on governance in general and on regulatory governance in particular –continue to be of topical relevance in this new phase of development. As such, the research programme in 2009 continued to focus on these crucial policy issues.

Highlights

IPS research staff participated in the following events and activities in 2009 in order to provide policy input, build up stronger linkages with other stakeholders in the policy space such as the government, private sector, donors and other research organizations and facilitate

capacity building through networking and mutual learning processes.

- Malathy Knight was a Coordinator and Moderator at the “Roundtable on the Social Science Policy Research Environment” sessions organized by the IDRC, Canada, at the Light House Hotel, Galle, January 20-21. This event, which brought together Governors of the IDRC and representatives from key research institutions in Sri Lanka, inaugurated the IDRC “Think Tank Initiative” in the country. Consequent to the discussions initiated at this Roundtable and following an extremely competitive selection process, IPS recently secured programme funding from the IDRC for a period of four years.
- Malathy Knight made a presentation on “ICT Solutions to Delivery of Services” at a conference on ‘Protecting the Poor in Sri Lanka: The Role of Safety Nets During Crises and Beyond’, organized by the World Bank and IPS, 24 June at the Ceylon Continental Hotel, Colombo.

Industry, Public Enterprise Reform...(Contd)

Malathy Knight was a discussant at a Conference on “Protecting the Poor in Sri Lanka”



Malathy Knight,

- Was interviewed by the Lanka Market Digest (LMD) magazine team on the status and future policy direction of public enterprise reform and regulation for the Professional Tenets Column of the August edition of LMD.
- Wrote a chapter on “The Evolving Role of the State in the Post-1977 Era: Moving from an Interventionist State to a Regulatory State” for a book edited by the Executive Director to felicitate Prof. Buddhadasa Hewavitharana.

- Was appointed to the Board of Directors of *Infoshare*, an ICT company, working on issues relating to ICT for Development.

Research Personnel: Malathy Knight and Anushka Wijesinha

Human Resource Development & Training

- Malathy Knight was in the final writing up stage of her PhD on the subject of “Privatization, Competition and Regulatory Governance: A Case Study of Sri Lanka’s Telecommunications Sector” at the University of Manchester, UK.



Anushka Wijesinha at a conference on “Trade Opportunities for SMEs among SAARC and ASEAN Countries”, Chennai, India, 11 December.

Poverty and Social Welfare Policy



Ganga Tilakaratna, BA (Manchester), MPhil (Cantab), PhD Candidate (Manchester)
Research Economist and Head of the Poverty and Social Welfare Unit

The Poverty and Social Welfare Unit of IPS seeks to improve knowledge on poverty dynamics of vulnerable groups in order to emphasize the need to balance economic and social issues in policy making and implementation, which would eventually lead to improved status of the poor. Despite continued efforts by the state to reduce poverty through a dual approach of growth generating policy reforms and continued assistance to the deprived via social welfare programmes and poverty alleviating initiatives, poverty reduction in Sri Lanka has been much less than anticipated. Given the continued dominance of the macro-adjustment based development strategy in Sri Lanka, there is a strong need to understand the mechanisms and processes that translate macroeconomic policy reform to increased welfare, and also the reasons why certain population segments remain deprived. The Poverty and Social Welfare Unit of IPS recognizes the need to furnish policy makers with up-to-date evaluations on poverty alleviation efforts and provide medium-term analysis of the relevant issues. The research in the area of Poverty and Social Welfare at IPS, focuses on

understanding the causes and dynamics of poverty and evaluating the effectiveness of various poverty alleviation initiatives by the government, co-operatives and the non-governmental organizations.

Highlights

Poverty Alleviation through Financial Services to the Poor

The Poverty and Social Welfare Policy Unit of IPS carried out a number of research studies in the areas of Microfinance and Micro-insurance, to understand the importance of providing the low income households with financial services such as credit, savings and insurance, to help them combat poverty and reduce risk and vulnerability. In Sri Lanka, currently a wide range of financial institutions varying from banks to community based organizations are involved in the provision of financial services to lower income households. Micro-insurance is also an important tool used by the poor to protect themselves against various risk and vulnerabilities. In recent years, many microfinance institutions in Sri Lanka have expanded their services to provide micro-insurance along with credit and savings

Poverty and Social Welfare Policy (Contd)

facilities. In this context, IPS carried out two research studies in the areas of microfinance and micro-insurance during the year 2009.

(a) Combating Multiple and Overlapping Vulnerabilities: Microinsurance for the Poor in Sri Lanka

Compared to microfinance, microinsurance is still at a relatively infant stage. Microinsurance is also often linked to microfinance. The number of microfinance institutions (MFIs) providing micro insurance has increased over the last decade and many of them seek to cover a large array of risks. The study of IPS attempted to evaluate the current provision of microinsurance products in Sri Lanka, offered by private companies and MFIs to the poor in different ways. It examined the differences of the products and also the extent they reflect the needs and preferences of the poor households. The approach of examining the demand side constraints along with supply side limitations enhanced the understanding of the nature of the service provision in microinsurance. A household survey of 330 households was carried out for the study. The information gathered through this study provide a critical insight into the behaviours and needs of segments of the microinsurance market in Sri Lanka and hence establish the basis for the design and development of demand-driven risk managing financial products.

As a part of the study, IPS also organized a one-day workshop on “Microfinance Services in Sri Lanka” in collaboration with the Centre for Banking Studies (CBS) of the Central Bank of Sri Lanka and the University of Manchester held at the CBS on 29 June. Ayodya Galappattige and Roshini Jayaweera made a presentation on “Micro-insurance for the Poor in Sri Lanka” at this workshop.

(b) Impact and Use of Microfinance Services Offered by the Promotion of Microfinance Sector (ProMiS) Programme

IPS has been working with several partners on microfinance related issues in the past few years and one is the Promotion of Microfinance Sector (ProMiS) programme of the German Development Cooperation (GTZ). The ProMiS is a bilateral development cooperation programme implemented in Sri Lanka by the Ministry of Finance and Planning in collaboration with GTZ on behalf of the German Ministry for Cooperation and Development (BMZ). The programme goals were to be achieved at three different intervention levels - Macro, Meso and Micro. The ultimate objective of the programme is to enhance and improve the services offered by selected microfinance institutions to the poorer sections of society and micro and small enterprises in order to ensure the long-term sustainability of these microfinance institutions (MFIs). With the completion of the first phase of the programme, a set of indicators have been agreed between GTZ and BMZ to evaluate the success. IPS was involved in evaluating one of the indicators which assessed the provision of innovative, demand driven financial products by the participating MFIs in the ProMiS programme. The study also explored the effect and use of microfinance services offered by the partners of the ProMiS programme. A client survey of 477 clients of 12 partner MFIs was carried out for the study.

In addition, Ayodya Galappattige and Roshini Jayaweera completed “Certificate in Microfinance Training of Trainers Blended Learning Course” offered through the Global Development Learning Network, jointly organized by the Asian Development Bank Institute (ADBI), African Development Bank and the Tokyo Development Learning Center (TDLC) and the World Bank,

Poverty and Social Welfare Policy (Contd)

July-October, at the Distance Learning Centre, Colombo and became Certified Trainers of the Microfinance Distance Learning Course offered through the Global Development Learning Network. The training was funded by IPS.

Convergence of Poverty Alleviation Programmes

Successive governments of Sri Lanka have followed numerous policies and programmes aimed at reducing poverty and improving the living standards of its people. To supplement these policies, they have implemented a number of welfare programmes as well. In the recent history, a widely discussed welfare programme is the Samurdhi programme. In addition, the government implemented two other rural development and livelihood improvement projects, namely Gama Neguma and Gemidiriya Community Development and Livelihood Improvement Projects. In 2009, all three programmes were implemented under the Ministry of Nation Building and Estate Infrastructure Development. All the three programmes have common objectives to be achieved. Bringing these three major programmes under one roof is an initialization of a convergence process. In this backdrop, IPS provided consultancy services for the analysis of “Convergence of Three Poverty Alleviation Programmes Implemented by the Ministry of Nation Building and Estate Infrastructure Development” for the Gemidiriya Foundation, funded by the World Bank. The study reviews the three programmes, Gemidiriya, Samurdhi and Gama Neguma, to find out how each one is being operationalized on the ground; effective use of funds; strengths and weaknesses of each programme; assess sustainability and replicability of these programmes; what should be the strategy and road-map for converging these three programmes to achieve the maximum benefits for the rural poor. A combination of desk reviews, focus group discussions, key informant interviews and structured interviews were used for the study and information was

gathered both at the grass-root level and at the each implementing level including the political leaders involved to ensure the inclusion of insights at both ends. Ratnapura, Moneragala and Hambantota were selected for the grass-root level study.

Child Poverty and Disparities in Sri Lanka

Despite the international commitment towards reduction of child poverty, still many children are left behind and are in poverty. The compilation of the country studies by UNICEF on child poverty will be used for The Global Study, which is one output of UNICEF’s global commitment to place children at the heart of the poverty reduction agenda. The objective of the Sri Lankan study is to strengthen the profile of children at the national policy level. In particular, the study aims to influence the economic and social policies that affect resource allocations, and to make children a priority in national programmes that impact on the poverty levels of families raising children; and the health, education and protection needs of children living in poor, vulnerable households, unsafe circumstances, and/or disadvantaged communities. The IPS UNICEF study will be a part of the initial analysis for the government of Sri Lanka to identify both information and policy gaps with a view to improve or redirect policy and programmes towards alleviation of child poverty.

Ruwan Jayathilaka made a presentation on “Status of Child Poverty in Sri Lanka”, and Wimal Nanayakkara made a presentation on “Policies Towards Poverty Reduction in Sri Lanka” at the Ministry of Child Development and Women’s Empowerment, Colombo, 23 December. Ruwan Jayathilaka made a presentation on “Child Poverty in Sri Lanka: An Econometric Analysis” at the “Achieving Child Well-Being and Equity in South Asia conference” held in Dhaka, Bangladesh, 1-3, November.

Poverty and Social Welfare Policy (Contd)

Millennium Development Goals (MDGs): Second Report for Sri Lanka

The preparation of the ‘The Second Report on Millennium Development Goals – Sri Lanka (SRMDG-SL) – 2008/2009’ was entrusted to the IPS, by the National Council for Economic Development (NCED) and the United Nations Development Programme (UNDP). The SRMDG-SL primarily addresses a national audience: parliamentarians, planners and policy makers, representatives from Civil Society Organizations (CSO), professional associations, the media and the general public. The report could be used as a tool to monitor the MDG progress, raising awareness, advocacy, alliance building and renewal of political commitments. The report provides MDG indicators not only at national level, but also at regional and sector levels. IPS finalized the report in late 2009.

Wimal Nanayakkara made a presentation on ‘Status of MDGs in Sri Lanka’ at the seminar on “Status of Millennium Development Goals (MDGs)” organized by the National Council for Economic Development (NCED), held in July and a follow-up presentation on ‘MDG Strategy for Sri Lanka’ at the workshop on “MDG Strategy Consultations for Sri Lanka”, organized by NCED, on 28th November at the Hilton Hotel, Colombo.

Other Activities

The research staff of the Poverty and Social Welfare Policy Unit served as resource personnel at various conferences and workshops and discussions. At the conference on “World Development Report 2009 - Reshaping Economic Geography: Implications for Sri Lanka” jointly organized by the IPS and the World Bank, held at Galadari Hotel, Colombo on the 18th March, Ganga Tilakaratna made a presentation on “Education Opportunities for the Poor: Assessing

Spatial Disparities” while Wimal Nanayakkara delivered a presentation on “Spatial Issues in Sri Lanka”. Furthermore, Ganga Tilakaratna and Wimal Nanayakkara participated in the “Rupees and Sense” television programme on “Spatial Disparities in Sri Lanka” aired on Independent Television Network (ITN) on the 25th of March. Roshini Jayaweera made a presentation on “Migration, Remittances and Development Nexus in Afghanistan” at the conference on “Migration, Remittances and Development Nexus in South Asia”, organized by IPS and Friedrich-Ebert-Stiftung (FES), Taj Samudra Hotel, Colombo, 4-5 May with Tilani Jayawardhana of IPS.

Publications

Tilakaratna, G., P.A. Samararatunga, R. Jayathilaka, D. Marawila, A. Galappattige, and R. Perera, 2009, “Economic and Political Empowerment of the Poor-Sri Lanka”, CPD - *SACEPS Monograph Series 3*, Centre for Policy Dialogue (CPD) and South Asia Centre for Policy Studies (SACEPS).

Jayathilaka, R., 2009, ‘Status of Poverty in Sri Lanka: In a Perspective of Headship’, in Bandara, R., (ed.), *Development Issues, Contradiction and Policy Options*, Social Scientist’ Association of Sri Lanka, pp 371-399 (Published in Sinhala).

Jayathilaka, R., 2009, ‘Status of Poverty in Sri Lanka: In a Perspective of Headship’, *Sri Lanka Journal of Population Studies*, Vol. 11(1).

Research Personnel: Ganga Tilakaratne, Wimal Nanayakkara, Ruwan Jayathilaka, Ayodya Galappattige and Roshini Jayaweera.

Agricultural Economic Policy



Parakrama Samaratunga, BSc (Peradeniya),
MSc (Univ. of Philippines), PhD (La Trobe)
*Research Fellow and Head of the Agricultural
Economic Policy Unit*

Agriculture still assumes a central role in the process of economic development in Sri Lanka as the sector is employing over 30 per cent of the labour force and contributing 13.4 per cent of GDP. Challenges facing the agriculture sector today are emanating from social and political climates, both global and domestic economic. The local scenario is characterized by the present development goals of maintaining an 8 per cent rate of economic growth, alleviation of poverty, improving both macro and micro level food security and improving the rural sector. These topical issues do not remain static and they change over time due to changing composition of the product mix, the urgencies of different times, changing development paradigms and political priorities determined by both endogenous and exogenous forces. The problem is compounded by the fact that these ambitious development targets have to be achieved in a post-conflict scenario where restoring normalcy in the North and East is a major political exigency.

The global economic downturn which emerged in the latter part of 2008 and continued in 2009, on the other hand imposes additional demands as well as constraints on the agricultural development efforts of the country. While continuing with the pressure to comply with a trade liberalization agenda, the WTO persists with its institutional reforms in such areas as intellectual property rights of genetic resources that

are crucial to the food production system of the country. Rising petroleum prices force the existing Green Revolution technology to be transformed into a less petroleum dependent one. Possible reductions in food production due to climate change and diversion of resources into bio-energy production are also placing additional demands on the system. These factors collectively pose a serious challenge to the agricultural development policy in Sri Lanka for the coming years and the research focus of the Agricultural Policy Unit presented below was drawn up bearing this in mind.

In the above context, the primary research focus of the Agricultural Economic Policy Unit was concentrated on measuring the impacts of global scenarios such as global economic crisis (GEC), world trade scenarios, trade related intellectual property rights, etc., on the Sri Lankan agricultural sector in general, and on food security of the country in particular. Some of the research was mainly policy/advocacy related studies that attempted to articulate and mainstream appropriate agricultural trade policies in the country and to inquire into the possibility of adapting trade policies to promote food security and sustainable agriculture.

Involvement of the Unit in burning environmental issues was further continued too, with the study on

Agricultural Economic Policy (Contd)

the trade-off between land development and urban nature based recreation. Food security issues will be the major focus of the Unit in the coming year especially issues related to welfare programmes and food security. Further, the impact of climate change on the agricultural sector will be investigated giving much focus on rice production instabilities.

Highlights

Impact of Global Economic Crisis and Agriculture Sector of Sri Lanka

The Unit contributed to the IPS “State of the Economy 2009” report on the above. Poor integration of the agricultural sector with the more formal sectors of the economy raises doubts whether there is a significant impact of the GEC on it, except through the related commodity price changes. What is important to note is that the prices that declined in 2009 have stabilized above the 2008 levels on the long run food price trend that has been on the rise since 2000. The spike in 2007-08 was a “bubble” that appeared on this trend. The world responded more to this temporary bubble than to the more serious long run trend resulting from a growing demand-supply gap. Settling of the prices in 2009 above the 2008 long run trend only means that the growing food security and resulting price inflation is continuing, with or without the GEC of 2009.

In reaching conclusions on and finding policy solutions to mitigate the impact of GEC, therefore, it is imperative that its relationships to the proceeding crises should be closely examined. In view of adverse impacts arising from the current global economic crisis, state support may be considered favourably in the short and medium term only. The essential policy implication of this is that short run price fluctuations/bubbles are not the correct signals for agricultural policy making and the long run developments have to be given more serious

thought. Short run fluctuations are normally taken care of by the market and short run state regulatory measures are needed only in extreme cases where the social and political order are at risk. Regulated food prices and distribution during the food crisis and the stimulus packages during the GEC are examples.

Nevertheless, responses to such bubbles do not constitute an agricultural policy, which should essentially embody a long run focus. Accordingly, addressing only short-term causal factors – that have reduced food prices to some extent in recent time – is not sufficient. Long-term causal factors too need to be addressed. Short-term solutions like price controls should be viewed only as temporary measures to provide relief to consumers. Price controls are unattractive options in the long-term as there is a tendency for them to become a permanent feature as has happened in the rice retail market. However, many underlying longer term factors have been looming in the market for some time. These include the long standing problem of stagnating productivity in domestic crops, a decline in real investment in the sector, low value addition, and inadequate technological development.

As such, what is most important is a long run policy that leads to structural change in the agricultural sector. Improving productivity and efficiency through technological progress through research and extension which is more or less absent in Sri Lanka at present, appears to be the most viable solution for the agriculture sector which would not only foster long run growth of the sector but also help cope with future shocks or “bubbles”. Needless to say, infrastructure and institutional innovations are also mandatory in order to reap the full benefits of such technological advances. Thus, without limiting measures to only increase production, more attention is also needed on marketing, extension, and research and

Agricultural Economic Policy (Contd)

development aspects as well. Such measures will improve competitiveness and mitigate future downside risks.

Articulating and Mainstreaming Appropriate Agricultural Trade Policies in Sri Lanka

There is a process under way in developing countries of articulating appropriate trade policies and support measures on the one hand, and mainstreaming them in national development and poverty reduction frameworks such as Poverty Reduction Strategy Papers (PRSP), on the other. This process is considered important for maximizing the contribution of trade to development and poverty reduction, as well as for channelling additional investment resources that the global initiative on Aid-for-Trade promises.

Recent evaluations of the PRSP and similar papers have recommended that these frameworks need to give much more attention and focus to agriculture in view of the sector's crucial role in economic growth and poverty reduction, greater sensitivity to trade liberalization, and the relative weaknesses in infrastructures and supply-side capability which the sector faces.

These are three main factors – or challenges – around which this project is designed. The overall objectives are to: i) contribute innovative approaches to articulate appropriate trade policies; ii) formulate approaches to identify necessary support measures (institutions, markets, infrastructures etc.); and iii) determine best ways to mainstream these policies and measures into national development policy papers.

The ultimate substantive contribution of the project would be enhanced capability of relevant government ministries and national stakeholders in agricultural trade to identify appropriate trade policies and support measures, mainstream policies and measures in national development frameworks, and

mobilize resources through investment and technical assistance projects.

Adapting Trade Policies to Promote Food Security and Sustainable Agriculture

Neither the economic liberalization that started in 1977 nor agricultural trade liberalization drive in 1990s did not bring about significant improvements in sustainable agricultural development or food security in Sri Lanka. However, lower productivity and competitiveness and import surge that followed speedy liberalization resulted in higher import diversification and export concentration. In addition to this unbalanced trade liberalization, there are several other factors contributory to this state of affairs, in the domestic policy and regulatory environment as well. Increased support to farmers in small countries like Sri Lanka would have negligible effects on distortions in the world agricultural markets and the benefits of food security and improved living standards of the poor acquired are likely to offset the cost of such distortions.

However, a sustainable increase in agricultural production over a period of time is an effective strategy for poverty alleviation, reduction in unemployment, improvement in rural income and improving income distribution all of which have the capacity to enhance food security. It was expected that trade liberalization would set such a process in motion by shifting resources to production activities generating high returns and thereby increase factor and personal income and employment. Gains expected from the societal point of view are increased food supply, reduction in prices, enhanced export earnings and food security. However, there remains a controversy whether the realized impact of liberalization has met these prior expectations. Hence, this study attempts to examine the actual impact of trade liberalization on Sri Lanka's agriculture

Agricultural Economic Policy (Contd)

and the possible ways of achieving sustainable growth in the sector and thereby improve the country's food security situation.

Findings of the study are in favour of using various provisions provided by WTO and regional lobbying for more market access and reduced domestic supports and subsidies in industrialized countries to enhance gains within the present context. Moreover at the domestic level, removing policy and regulatory restrictions on resource use, increased access to new technology and improved private sector participation and investments are deemed necessary at this point. Further, institutional and technical support for modernizing the agricultural sector should be granted. Adapting a "self reliance model", i.e., production of food commodities domestically to the extent that can be produced economically or in the case of political commodities, to a strategically desired level, and diverting the resources so released for high value commodities with comparative advantage should be the focus in the present context.

This study emphasizes the importance of designing of agricultural trade policies in conjunction with the overall development and poverty reduction policy of the country. Articulating appropriate trade policies together with essential domestic policies and support measures and mainstreaming those in national development strategies and plans are suggested to be persuasive in order to make the policy process more inclusive and participatory.

Trade-off between Urban Land Development and Nature Based Recreation in Sri Lanka: Case of Diyawanna Oya

In the face of a growing demand for recreational amenities from the urban residents, Diyawanna Oya wetland eco system has already proven to be an important recreational site in the greater Colombo area. It provides a wide

spectrum of use and non-use values including production, hydrological, ecological and rich bio diversity. However, none of these values have been adequately recognized and the wetland is poorly represented in the national protected area network. Moreover, it has been prone to severe threats from reclamation and constructions for urban development purposes. Apparently, the burgeoning demand for land and inadequacy of resources to manage urban wetlands effectively as a public good has led the transfer of management of the wetlands to private agents over the past years. The ad hoc conversion of Diyawanna Oya wetlands into other uses has been subjected to much debate during the recent past.

This study focuses on the recreational use value and evaluates the social welfare that visitors derive by enjoying the recreational benefits provided by Diyawanna Oya wetlands. This study employs a basic non-market valuation technique, Individual Travel Cost method in estimating the welfare gains and change in consumer surplus due to the implementation of development projects. Moreover, the study examines the possible distributional impacts and assesses the present value of non-market benefits of preserving the site. Findings revealed that the Diyawanna Oya wet lands generate an annual consumer surplus of Rs.12,968 million while the welfare loss per loss of acre of natural wetland area to development projects is Rs.26 million. The comparatively high present value of benefits of preserving the recreational site justifies the importance of preserving the recreational grounds. This implies that there is a dire need for conservation of the wetland through strict enforcement of existing legislation and imposition of new legislation and appropriate penalties for violation of those laws.

Agricultural Economic Policy (Contd)

TRIPS Agreement and its Impacts on Sri Lankan Agriculture

The export agriculture sub-sector is an important source of foreign exchange in Sri Lanka. However, there are a number of issues that need to be addressed in order to encourage export agriculture. With the liberalization and globalization process, Sri Lanka had to face several hurdles such as meeting sufficient Sanitary and Phytosanitary (SPS) standards. However, Sri Lanka is unable to effectively participate in the international standard-setting process due to several reasons viz., lack of technological support, insufficient modern facilities to test and certify agricultural commodities according to Mutual Recognition Agreements (MRAs), and lack of Research and Development (R&D) in the agricultural sector and the resulting inability to implement rules and regulations in compliance with international agreements, etc.

Although Sri Lanka is a founder member of the World Trade Organization (WTO), it has not been able to date to provide due protection via rules and regulations for new plant varieties and farmers' traditional knowledge in improving plant varieties in line with the WTO's Trade Related Intellectual Property Rights (TRIPS) agreement. Where agro biodiversity is concerned, Sri Lanka has plant varieties with special traits which suits different uses and different agro climatic conditions. The farming practised over thousands of years has developed a rich array of cultivated plants. Continuous selection of these varieties by the Sri Lankan farmers over centuries and the availability of a wide range of agro- ecological conditions have led to the creation of a wealth of agro bio-diversity.

Issues concerning plant genetic resources in Sri Lanka are multifaceted. The resources may be amongst endangered flora, or agricultural resources such as vegetables, fruits or grains. The genetic resources of horticulture and medicinal plants too fall into this category. The exploitation and over-exploitation of plant genetic resources takes place mainly in the form of bio-theft and bio- piracy. There are several bio-piracy cases recorded in Sri Lanka due to lack of

proper rules and regulations, and a strong and powerful institutional system in order to comply with international agreements. New plant varieties, farmer's traditional knowledge and the rich bio-diversity are at the heart of its agricultural development process. Inadequacy of protection in these areas reduces the keenness to develop new plant varieties essential for the future development of this sector. Thus, the Agricultural Economic Policy Unit undertook a research study on the TRIPS agreement and its impact on agriculture in Sri Lanka that would help to propose policy recommendations especially to protect new plant varieties and farmers' rights in Sri Lanka filling the existing policy void in this regard.

Publications

Samaratunga, P., 2009, "Adapting Trade Policies to Promote Food Security and Sustainable Agriculture", a paper presented at the Asia-Pacific Trade Economists' Conference: Trade-Led Growth in Times of Crisis, Bangkok, 2-3 November.

Samaratunga P., and M. Thibbotuwawa, 2009, "Food Security Situation in Sri Lanka", Indian Council for Research on International Economic Relations (ICRIER), New Delhi, India, Mimeo.

Marawila D., 2009, "Revitalizing Small Scale Agriculture: Need to Revise Rental Policies of Alienated State Lands of Sri Lanka", *Sri Lanka Journal of Agricultural Economics*, Vol. 1 Issue 1.

Other

Parakrama Samaratunga made a presentation at the conference on "Food Security in South Asia" at ICRIER, New Delhi, India from 22 -24 March.

Agricultural Economic Policy Unit organized an Expert Consultation on "Articulating and Mainstreaming Appropriate Agricultural Trade Policies", Hotel Holiday Inn, 18 June.

Agricultural Economic Policy (Contd)

Parakrama Samaratunga and Manoj Thibbotuwawa served as members of the judging panel of the Agri-Business Management Technical Sessions of the 9th Agricultural Research Symposium (AGRES) organized by the Faculty of Agriculture and Plantation Management, Wayamba University of Sri Lanka, 11th -12th August at the Makandura premises of the Faculty.

Parakrama Samaratunga made a presentation on “The Impact of Global Economic Crisis on Sri Lankan Agriculture” at the International Symposium on “Impact of Financial Crisis on Agricultural and Rural Development in Asia” at Beijing, China on 26 October.

Parakrama Samaratunga made a presentation on “Sri Lanka: Adapting Trade Policies to Promote Food Security and Sustainable Agriculture” at the “Asia-Pacific Trade Economists’ Conference on Trade-Led Growth in Times of Crisis” at UNESCAP, Bangkok, Thailand, on 3 November.

Manoj Thibbotuwawa made a presentation on “Economic Valuation of Urban Nature Based Recreation in Sri Lanka”, Third Annual Research Forum, Sri Lanka Agricultural Economics Association, 2 October.

Research Personnel: Parakrama Samaratunga, Dilhani Marawila, Manoj Thibbotuwawa and Dilani Hirimuthugoda.



Parakrama Samaratunga made a presentation on “Sri Lanka: Adapting Trade Policies to Promote Food Security and Sustainable Agriculture” at the “Asia-Pacific Trade Economists’ Conference on Trade-Led Growth in Times of Crisis” at UNESCAP, Bangkok, Thailand, on 3 November.

Agricultural Economic Policy (Contd)



Parakrama Samaratunga made a presentation on “The Impact of Global Economic Crisis on Sri Lankan Agriculture” at the international symposium on “Impact of Financial Crisis on Agricultural and Rural Development in Asia” at Beijing, China on 26 October.

The “Report of the Committee to make Recommendation on Development and Management of Estates Leased Out to Regional Plantation Companies” was handed over by the Chairman of the Committee to the Minister of Plantation Industries, Hon. D.M. Jayaratne on 7 January at the Ministry of Plantation Industries. The Committee was appointed by H.E. the President as per Cabinet decision of August 2007. Executive Director (at extreme left) represented the IPS in the Committee.



Environmental Economic Policy



**Athula Senaratne, BSc, MPhil (Peradeniya),
PhD Candidate (Deakin)
Research Fellow and Head of the
Environmental Economic Policy Unit**

Natural resources and environment play a key role in Sri Lanka's economy and sustainable development has become a focal point of ongoing policy discussions. It implies that sustainable utilization of natural resources and minimizing the harmful impacts of economic activities on the natural environment are essential preconditions for economic development. Ensuring the sustainability of post-conflict development initiatives of the country is the immediate challenge. In addition, global climate change is expected to pose a greater threat over all spheres of activity. Hence, mainstreaming climate change into national development policy is another challenge. The Environmental Economic Policy Unit of the IPS addresses these and other priority issues of sustainable development with the emphasis on policies at national and regional levels.

Highlights

Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Towards a National Agenda for Action

Climate change poses a great economic, social and environmental threat to the whole world. Developing nations are at more risk than the developed countries. Sri Lanka being a tropical island located in a disaster prone region with a significant poor population depending on

weather-reliant livelihoods is extremely vulnerable to the effects of climate change. This calls for immediate measures to confront the climate change at national level while being in harmony with the evolving global agenda too. In this backdrop, the study attempts to identify a framework for a 'national agenda' to mainstream climate change into the national development. Information was gathered mainly through a national workshop with the participation of experts from relevant government agencies and academia. Additional information was collected from discussions with different stakeholders and a variety of secondary sources. The study identifies that four major gaps, namely lack of agenda and priorities, information gap, coordination gap and resource mobilization gap are acting as major barriers against formulating and implementing effective actions against climate change at the national, local, and sectoral levels. It proposes a framework for a national agenda to set out the conditions necessary to overcome the above gaps. The findings of the study were published as an IPS Working Paper titled "Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Towards a National Agenda for Action", which was presented to the Hon. Minister of Environment and Natural Resources. Moreover, the project initiated an online virtual network to facilitate its implementation through sharing and free

Environmental Economic Policy (Contd)

flow of information to public/decision makers.

- Athula Senaratne made a presentation on “Mainstreaming Climate Change for Sustainable Development” at the “National Workshop on *Mainstreaming Climate Change for Sustainable Development*” organized by the IPS in collaboration with the Ministry of Environment and Natural Resources and UNESCO, Sri Lanka Commission on 19-21 August, Dambulla.
- Kanchana Wickramasinghe made a presentation on “Adaptation to Impacts of Climate Change on Agriculture, Forestry and Water: Major Gaps and Key Policy Challenges” at a conference on “Global Climate Change and its Impacts on Agriculture”, Forestry and Water in the Tropics, held in Hotel Topaz, Kandy, 10 – 11 September.
- Kanchana Wickramasinghe made a presentation on “Climate Impacts on Performance of Agricultural Exports of Sri Lanka: Analysis Based on the Tea Sector” at the “Third Annual Research Forum” of the Sri Lanka Agricultural Economics Association, on the 2 October, at HARTI, Colombo.

The project was funded by the UNESCO Participation Programme.

Commons vs. Commons: Managing Scarce Water Resources in Dry Zone Village Tank Systems in Sri Lanka

Rising water scarcity has become a major challenge for dry zone farmers where a significant share of the population find their livelihoods under village tank systems. They represent one of the most vulnerable community groups in the country. This study

attempts to identify institutional and policy solutions that can provide sustainable answers for the problems faced by the village tank farming community due to rising scarcity of water in the face of pending uncertainties relating to climate change. The study was conducted in the Anuradhapura district of the North Central Province in Sri Lanka, using participatory methods of focus group discussions and key informant interviews and secondary sources. The study reveals that physical scarcity is only one aspect of the problem and it is closely involved with the more contentious issue of institutional limitations. Findings of the study suggest that temporal scarcity of water and associated problems of managing local resources have been the major challenge that shaped the evolution of local farming systems and water management strategies. Traditional systems that evolved to overcome this challenge had a strong arrangement of common property resources which was governed by the local institutions and social customs. Recent changes of population growth, government policies, commercialization of local economies and modernization of agriculture technology radically altered the traditional system favouring a privately oriented, resource intensive commercial farming system. The collapse of governance over local resources, especially upland component of the farming system led to major environmental problems affecting local water resources. This situation demands strategies that include technical, institutional and policy interventions applied over the integrated system of local resources. Implementation of technical solutions has to be facilitated by the modified system of local institutional arrangements spearheaded by farmer organizations, which need to be strengthened by appropriate policy measures.

- Athula Senaratne presented the findings of the study at the 31st Bi-annual Research Workshop organized by Economy and Environment

Environmental Economic Policy (Contd)

Programme for South East Asia (EEPSEA) at Ngoc Lan Hotel, Dalat, Vietnam on 25-29 May.

- Based on the findings of the study, he made a presentation on 'Climate Change, Local Institutions and Adaptation Experience: The Village Tank Farming Community in Dry Zone Sri Lanka' at the Water and Food Conference of International Water Management Institute (IWMI), 9-11 June.

The project was funded by the EEPSEA/IDRC.

Green Accounting System for Sri Lanka: An Assessment of the Current Situation and Proposal for the Establishment of Green Accounting System for Sri Lanka

Despite the fact that natural environment plays a number of important roles in the economy, the conventional System of National Accounts (SNA), which plays a key role in formulating economic policies, has a tendency to underestimate the contribution of the environment as well as the damages/losses inflicted by economic activities on the environment. The Ministry of Environment and Natural Resources, in the process of initiating a green accounting framework for Sri Lanka, commissioned the IPS to undertake an assessment of the current situation and draft a proposal for establishing a green accounting system in Sri Lanka. The objectives include a review of the available literature, a preliminary assessment of existing data systems in agencies that are responsible for the management of environment and natural resources, developing a suitable green accounting framework for Sri Lanka and drafting a proposal for implementation. The final report of the study presents a green accounting framework for Sri Lanka based on three criteria, namely; priorities of the environmental sector from a macro perspective, situation of the existing SNA and the feasibility

of green accounting subject to data availability. Athula Senaratne served as a panelist in the "National Symposium on Green Economy - the Way Forward" organized by the Ministry of Environment and Natural Resource at the Central Environmental Authority, 27 March.

He also made a presentation on "Green Accounting System for Sri Lanka" at the "Water and Food Conference" of the International Water Management Institute (IWMI), 9-11 June.

Ecotourism for Sustainable Forest Management in Sri Lanka

Forest-based ecotourism can be used as a vital tool for sustainable management of forest resources. Sri Lanka possesses an enormous potential for the development of forest-based ecotourism. This study examined the main problems and issues that need policy attention in developing forest-based ecotourism in Sri Lanka. It makes an attempt to identify the existing management approaches of forest-based ecotourism, their strengths and weaknesses and to review relevant policies and legislations with the view of recognizing existing policy gaps. Based on the findings, it presents key policy implications and recommendations for promoting ecotourism as a sustainable tool for forest management in Sri Lanka. The study recommends establishing a mechanism for coordination among tourism agencies and environmental agencies, assignment of clear roles for relevant stakeholders, elimination of gaps in the present policy and legal framework, enhancing private sector participation in forest-based ecotourism, preparation of a database on potential forest sites and other natural sites which can be developed as ecotourism sites, and establishment of a certification programme of ecotourism businesses.

Environmental Economic Policy (Contd)

Kanchana Wickramasinghe presented the findings of the study at the “Asia-Pacific Regional Ecotourism Conference 2009”, held at Galle Face Hotel, Colombo, 7- 8 May.

Economy and Environment Profile in Sri Lanka: An Overview of Physical Resource Situation, Policy and Institutions

Economic systems are usually portrayed by inter-relationship between economic agents, factors of production, transfers/exchange among economic agents and overall productive outcome of these interactions. However, economic systems do not operate in isolation. Among others ‘life support services’ are crucial for the survival of economic agents and environmental resources are necessary for production process as inputs. Moreover, it is the environment which absorbs the waste material created in the production process. Thus, the environment performs the ‘source’ and ‘sink’ functions to the economic system, thereby establishing a close and mutual input-output linkage between the economy and the environment.

The “Economy and Environment Profile in Sri Lanka” is a macro level analysis that attempts to identify the linkage between the economic system and the environment in Sri Lanka. It is based on available secondary data from various sources on economic parameters and environmental resources. Initially the work will focus on identifying the existing resource and energy base and its use by way of its distribution among different sectors in the economy. Alternatively, the disposal of waste to the environment by the respective sectors will also be analyzed. This work eventually aims at constructing a model which relates the macro economy to environment in Sri Lanka, thereby trying to make predictions as to the sensitivity of the economy to environmental changes and vice versa.

Other Activities

Athula Senaratne served in the Working Group on National Standard for Forest Stewardship Council (FSC) Certification at the Sri Lanka Standard Institute (SLSI) for developing a national standard for forests certification.

In addition to the above, the Unit staff has also participated and made presentations at a number of events, including the following:

Asha Gunawardena,

- Made a presentation on “Post tsunami livelihood interventions on Sri Lanka’s fishery sector: impacts on distribution and environment” at the regional workshop on “Disaster risk management: Sharing experiences and lessons learned” held at Cinnamon Lodge, Habarana, 26-29 April.
- Made a presentation on the fourth progress of the research project on “Post Tsunami Coastal Fishery Issues in Sri Lanka” at the “Eighteenth Biannual Research and Training Workshop” held at Dolphin Hotel, Negombo, 29-3 July.
- Presented the draft manuscript of the research project on “Targeting and allocation of Post Tsunami Aid in Fishery Sector in Sri Lanka” at the “19th Biannual Research & Training Workshop” Pokhara, Nepal, 7-12 December.

Kanchana Wickramasinghe,

- Made a presentation on “Economics of Managing Invasive Alien Species” at the “National Symposium on Invasive Alien Species”, held at Browns Beach Hotel, Negombo, 21-22 May.
- Made a presentation on “Community Forestry under Conditions of Low Forest Dependence: Experience from Dry and Intermediate Zones of Sri Lanka”, at the “Community Forestry International Workshop” held in Pokhara, Nepal, 15-18 September.

Environmental Economic Policy (Contd)

- Nethmini Perera made a presentation on “Financing Sustainable Development in Sri Lanka” at the “Third Annual Research Forum of the Sri Lanka Agricultural Economics Association”, at HARTI, Colombo, 2 October.

Publications

- Gunawardena A. and K. Wickramasinghe (2009) **Social and Economic Impacts of Resettlement on Tsunami Affected Coastal Fishery Households in Sri Lanka**. In Fernando P., Fernando K. and M. Kumarasir (ed). *Forced to move -Involuntary Displacement and Resettlement: Policy and Practice*, 8th Annual Symposium, Centre for Poverty Analysis (CEPA), Sri Lanka.
- Piumi B.A. I, A. Gunawardena and S.N.

Dissanayake (2009). **Impact of prohibition of polythene products which is less than 20 microns in thickness, in supermarkets in Sri Lanka**, Abstracts of Final Year Research-2008, Vol 3, Faculty of Agriculture, Rajarata University of Sri Lanka.

- Wickramasinghe, K., P. Steele, A. Dawson D. Dharmaratne, A. Gunawardena, L. Senarathna, D. de Silva, K. Wijayaweera, M. Eddleston, F. Konradsen, 2009, “Cost to Government Health-Care Services of Treating Acute Self-Poisonings in a Rural District in Sri Lanka”, *Bulletin of the World Health Organization*, 2009; Vol. 87, No.3, 180-185.

Research Personnel: Athula Seneratne, Asha Gunawardena, Kanchana Wickramasinghe and Nethmini Perera.

The IPS in collaboration with the Ministry of Environment and Natural Resources, and Sri Lanka National Commission for UNESCO organized a workshop on ‘Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Drafting a Strategic Plan to Coordinate National Action’, at Hotel Amaya Lake, Dambulla, 19 – 21 August.



IPS launched a new publication on climate change titled ‘Mainstreaming Climate Change for Sustainable Development: Towards a National Agenda for Action’, the Ministry of Environment and Natural Resources, 14 December. The report was handed over to the Hon. Patali Champika Ranawaka.

Health Economic Policy



G. D. Dayaratne, BA (Peradeniya)
Manager of the Health Economic Policy Unit

IPS Health Economic Policy advocates that health system research need to give more thought to how the success of health systems strengthening can be accessed. The challenge is to hold health systems accountable for performance, but without resorting to narrow targets that can distort behavior. Drawing on the frame work proposed in Health Master Plan, IPS Health Economic Policy views that strengthening as being directed towards the ability of the entire system to collect, pool, and spend the necessary finances to become sustainable and equitable, to deliver effective, appropriate and equitable care. In this context IPS Health Economic Policy Unit is focusing towards to improve national health policy through relevant, timely, independent, and quality research base analysis and policy advice to policy makers in the areas of national health policy within the frame work of the institute's overall mission.

Highlights

Sri Lanka National Health Account

IPS completed and published the National Health Accounts for the 2005-2008 which was the fourth series of National Health Account exercise. Preliminary estimates for 2008

health expenditure indicates that Rs.178.9 billion has been spent in providing health care in 2008 with public spending of 43 per cent and balance 57 per cent by private sources. IPS continues to function as the hub for compiling Sri Lanka National Health Account which provides data for WHO and Ministry of Health Care and Nutrition and other agencies. The result of the study contained the estimate of total health expenditure by source, functions and by provider, and also disaggregated by public and private sources.

IPS Health Economics Policy Unit is involved in the revision of System of Health Account (SHA 1.0) as a member of the regional expert group on the initiative of OECD and WHO. Revised SHA 2.0 answers basic questions about the size and structure of flows of health care services and goods and the corresponding financial flows between individuals, providers, and financial agents. The proposed expanded system adds additional aspects by including capital formation, exports, financing sources, human resources, intermediate consumption, research, cost of illness accounts and non-monetary health data.

Health Economic Policy (Contd)

As a supplement to SLNHA, IPS routinely carried out Private Hospital, Nursing Homes, Estate Hospital and Co-operative hospital surveys annually.

Sri Lanka Millennium Development Goals Second Report

With the initiative of the National Council for Economic Development (NCED), the Health Economics Policy Unit together with the Poverty and Social Welfare Unit completed the Second Millennium Development Goals Report for Sri Lanka. The study revealed that Sri Lanka has already attained or is on track to attain the MDGs related to education and health - universal primary enrolment, low infant and under-five mortality rates and gender parity.

The global strategies that each programme proposed to address MDG challenges have several elements in common; for example, the strong dependency on human resources; the need for strong surveillance and monitoring systems; the requirement of accessible and affordable drug supply; the focus on prevention; and the need for programmes for particular target groups. From a Sri Lanka context, the actual implementation of these strategies faces several constraints spanning a range from financial constraints, through to managerial and organizational weaknesses.

Sri Lanka's MDGs main Human Resources in Health constraints to deliver priority health interventions are:

- Inadequate number of health staff at primary level;
- Uneven distribution of health workers at different level;
- High attrition and low replacement rate;
- Poor policies and practices for human resource development;
- Weak supportive supervision;

- Lack of integration with the private sector;
- Poor access to information and knowledge resources.

A Review of State of the Sri Lanka Alcohol Industry and Governing Policies

When studying the present status of the alcohol industry in recent years, there have been a number of developments relevant to the alcohol policy arena. It could be seen that greatest public support is typically granted to policy measures that are not seen as intrusive to the moderate or occasional drinkers and do not penalize the alcohol industry.

General public are less supportive of restrictive policies where access measures are more intrusive and more supportive of such policies where the level of access controls are relatively lower.

In this study we discuss that the successive government's attitudes towards alcohol, and its religious sensitivities, together with the ambivalent position experiencing, which created a disjointed national approach to the survival of the legitimate industry while government continues to have a strong interest in alcohol tax revenues. In 2007, alcohol excise duties contributed around Rs. 24 billion. Under this background the study aimed at formulating of a set of guiding principles for future policy formulation. This would perhaps take the form of finding answers to the question of what principle should guide policies directed at anti-competitiveness, nature and effectiveness of taxation measures to curb illicit alcohol use, measures to influence drinking habit to shift from more harmful to less harmful, liquor advertising, location and liquor sale outlet, existence of illegal alcohol and law enforcement etc.

Alcohol misuse is now second only to tobacco

Health Economic Policy (Contd)

as a preventable cause of death and hospitalization in most countries. Some sub-populations in Sri Lanka too are at particular risk of alcohol-related harm. These include the low income, unemployed or partially employed rural and urban working population who are mainly addicted to consuming of illicitly brewed alcohol. In Sri Lanka there had been no national alcohol policy except for ad hoc strategies introduced with the idea of long-term prudent objectives. In this regard, it is very much relevant to quote here the view of a stakeholder interviewed; “The successive Governments of Sri Lanka had been following a duplicitous policy with respect to alcohol. While the Government has made it a major source of revenue and has been raising the excise duty rates on alcohol to prohibitively high levels and continues to depend on it to finance its expenditure, it is treated as a sin industry placing all kinds of obstacles and restrictions affecting its smooth functioning. Also, whilst decrying it in public, alcohol is being consumed at the highest levels and is being served at official functions”.

It is in this context, his study will discuss a range of options, and analyze their effectiveness in relation to reducing the misconception on legal alcohol while envisaging a vigorous and concerted effort to eradicate illegal and illicit alcohol making.

WHO Foodborne Diseases Stakeholder Meeting 2009 - Bridging the Research-Policy Gap in Food Safety - Geneva, Switzerland, 29-30 October Stakeholders representing the countries with food borne diseases and issues of food safety, gathered in WHO, Geneva during a two day meeting from 29 -30 October to discuss “Bridging the gap” between research and policy making on WHO initiative to estimate the “Global Burden of Foodborne Diseases”. It was the highlight of the 3rd annual meeting of the “Foodborne Diseases Burden Epidemiology Reference Group (FERG)” and

IPS actively participated and contributed to the discussion.

Objectives of this two-day high-level meeting included:

- 1 Updating the stakeholders on the initiative and its progress to date.
- 2 Presenting the first preliminary foodborne disease burden results generated by the Initiative.
- 3 Sharing knowledge and innovative ideas on how to bridge the research-policy gap.

The discussion was more focused on:

- diarrhoeal disease mortality in persons older than 5 years which may have been underestimated by almost 1 million people a year in two regions of the world alone,
- approximately 30,000 deaths a year from dog tapeworm, and
- a rate of 1-2% of peanut allergens in industrialized countries.

At the Stakeholders’ workshop, the IPS highlighted that Sri Lanka’s food safety and hygiene activities through the Food Control Administration Unit of Ministry of Health are aimed at ensuring the availability of safe food to the consumers. The main Food law is the Food Act no 26 of 1980 as amended by the food (Amendment) Act no 21 of 1991. Action has been initiated to further amend this act to suit the current requirement and to rectify shortcomings experienced during implementation. After reviewing the draft regulation, the following regulation has been published. i.e., Bottled or Packaged Water Regulation, Iodized of Salt Regulation, Irradiation Regulations, Control of Import, Sale and Labeling of GM Food regulations.

Health Economic Policy (Contd)

Publications

- Millennium Development Goals Country Report 2008/2009 - IPS Publication.
- Madurawala S., 2009, "Labour Force Participation of Women in Child Bearing Ages", *Sri Lanka Journal of Population Studies*, Volume 11(1).

Highlight from the "Foodborne Disease Stakeholder Event", in WHO, Geneva, Switzerland, 29-30 October.



- The State of the Sri Lankan Alcohol Industry and Government Policies - IPS Publication (*forthcoming*).

Research Personnel: G.D.Dayaratne, Sunimalee Madurawela and Nethmini Perera.



Participants at the "2nd Regional Consultation on Revision of Health Account Manual", Seoul, Korea, 10-12 May.

Links

The IPS has placed considerable value in developing research linkages both locally and internationally. In this respect, the Institute has established formal links with a number of

research organizations from around the world and developed working relationships with researchers, and research organizations through its collaborative work.

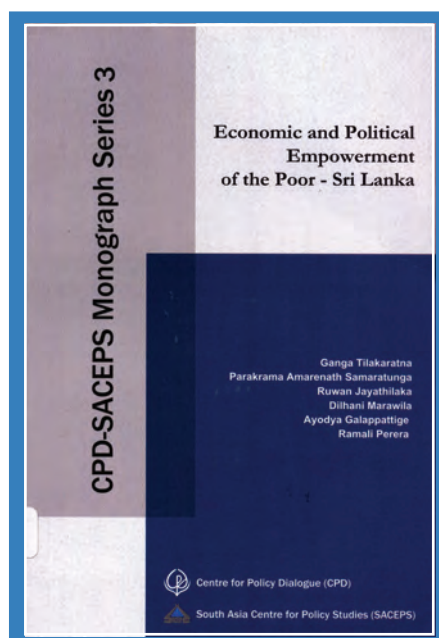
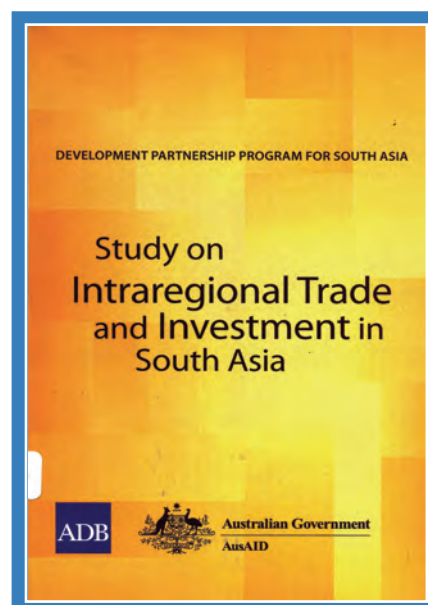
Collaborative Partnerships

The IPS has developed collaborative partnerships with many regional and international partners. Following are some of the institutions that IPS has been and is currently working closely during the years.

- South Asia Network of Economic Research Institutes (SANEI), India
- Research and Information System for Developing Countries (RIS), India
- Indian Council for Research in International Economic Relations (ICRIER), India
- South Asia Watch on Trade, Economics, and Environment (SAWTEE), Nepal
- International Development Research Centre (IDRC), Canada
- Centre on Regulation and Competition (CRC), University of Manchester, U.K.
- Consumer Unity & Trust Society, Jaipur, India
- Coalition for Action on South Asian Cooperation (CASAC), India
- Indian Council for South Asian Cooperation (ICCSAC), India
- Centre for Policy Dialog (CPD), Bangladesh
- Institute of South Asian Studies (ISAS), National University of Singapore

Formal Links

- South Asia Centre for Policy Studies (SACEPS), Nepal
- SAARC Network on Global Financial and Economic Issues, Nepal
- The Indian Rim Association for Regional Cooperation (IOR-ARC), India
- The Poverty and Economic Policy (PEP) Research Network, Canada
- Asia-Pacific Research and Training Network on Trade (ARTNeT), Thailand



IPS Support Services

Finance and Administration Unit

The Department of Administration and Finance comprising of five units, Administration, Financial Operations, Human Resources, Maintenance Operations and Procurement Services, provide essential internal services to each of the Research Units in IPS.

The year 2009 has been extremely challenging for the Administration and Finance team. The support services required for the construction of the new building continued to be a priority. The timeline as per the original agreement between the Government of The Netherlands and the IPS, dated 30 May 2006, was extended on a budget neutral basis to 30 June 2009, by way of an amendment to the agreement. All attempts were made to expedite the completion of the building. The Unit successfully met the demands required during the final stages of construction. The Administration Officer designated the Project Manager for the new building project worked full-time on the project. The Maintenance Officer was also fully involved in the project during the latter part of the year. Increased support was required by the finance team with the increased volume in payments and reporting.

The Institute recorded a 33 per cent increase in project income compared to the previous year. With the government relaxing monetary policy, the year 2009 saw a drop in the interest rates offered for government securities, with the 1 year Treasury bill rate dropping from 19 per cent to 9 per cent over a period of 12 months in the year 2009. As a result of the cautious but active and dynamic investment management strategy adopted, backed by timely reaction to market changes, and negotiations with financial institutions, the Institute was able to achieve a healthy growth of 9 per cent and 17 per cent for the IPS Reserves and the Endowment Fund, respectively. The fact that the Institute was able to achieve very healthy yields during 2009 is noteworthy as it was done in the midst of a time in which both short-term and long-term interest rates came down drastically from the month of

January onwards. The Institute thereby managed to show a healthy financial surplus in year 2009.

Staff:

Dhanuja David who served in the capacity of Accountant for over seven years left the Institute in November 2009 to migrate overseas. Whilst wishing her the best the Unit welcomes her replacement Inoshi Jayathilake who took over the duties as Accountant during the latter part of the year.

Personnel: Iloka Wickremasinghe, G. L. B. Pooliyadda, Inoshi Jayathilake, K. A. R. T. Wijekoon, Nirmala Meegama, Sharmini De Silva, Deepika Nawawickrama and Urmila Jayasekera.

Library

Mission

“To identify, investigate, define and meet the information needs of the Institute’s research staff in support of the research and administrative functions of the Institute and efficiently provide access to quality information resources, irrespective of format and location, and facilitate information transfer using the best of traditional and innovative technologies”.

Introduction

This is an exciting and challenging era for information professionals because it is an era in which new knowledge is being generated at a tremendous rate. The rapid development of technology and convergence has allowed information to flow more freely than ever before. Within this environment, the library plans its operations and enhances its capability to respond to the information needs of researchers. Over the years, the library has made significant progress in improving its processes, services and facilities. The library is committed to achieving the highest standards in the provision of information resources and services that advance the Institute’s research.

IPS Support Services (Contd)

Despite the economic recession, in 2009 the library managed to continue with its existing subscriptions, increase its acquisitions, maintain other infrastructure facilities and provide staff training. Upgrading the library's physical facilities was one of our highest priorities. At the end of 2009, the library was able to finalise this upgrading process at the newly constructed IPS headquarters. Therefore, 2009 has been a year of achievement for the library.

Collection Development

The continuing growth of the 'information explosion' has increased the need to acquire new resources both in electronic and traditional formats. Currently, the collection consists of about 10,822 volumes of books, 5,467 pamphlets and 69 titles of Sri Lankan and international journals which are relevant to the Institute's research programme. A considerable amount of publications and documents were also added to the repository, which the library maintains on Sri Lankan economic and sectoral policy. Over the years, the library has developed an excellent exchange programme with various national, regional and international organizations. Thanks to this programme, the library obtained a large number of publications as exchanges and gifts.

Electronic Databases

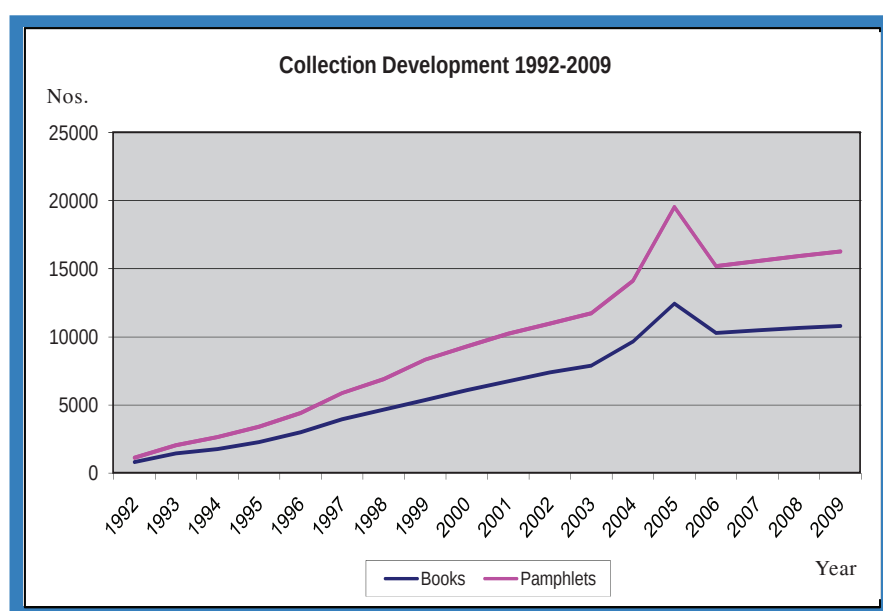
Although the costs of databases have exceeded the general inflation rate, the library continued its subscription to the JSTOR database. In addition to this, since 2002 the library provided access to several on-line full-text journal databases with the generous support of International Network for the Availability of Scientific Publications (INASP) and Programme for the Enhancement of Research Information (PERI) which is a programme funded by SAREC. This programme came to an end in December 2009, presenting a great challenge to Sri Lankan libraries which participated in the INASP/PERI programme. The library with all the other participating libraries is currently engaged in accessing the possibilities of formulating a national level consortium to address this issue.

Enhancing Services

The library staff continues to work hard to provide researchers with the right information whenever they need it in the format they require. The web-based services introduced through the library's Intranet are functioning smoothly with continuous updates. The Intranet

provides not only quick and easy access to the library catalogue, electronic databases, and full-text newspaper clippings but also to reference material such as indexes and bibliographies.

The demand from outsiders to use the library is increasing annually. In 2009, more than 150 local and foreign researchers and university students personally



IPS Support Services (Contd)

visited the library. Besides, the library handled a great number of document delivery and inter-library loan services and responded to an enormous number of queries via telephone, fax, and e-mail.

Library Committee

The Library Committee which plays an advisory role assists the Librarian in setting overall library policy and in defining broad guidelines for the further development of the IPS library. The Committee provides an efficient avenue to channel requests for acquisition of new materials, informs the Librarian of the priority needs of the researchers, and sets the direction for the IPS library within the context of the Institute's overall goals.

Achievements

Premila Gamage, Librarian, was awarded the Fellowship by the Sri Lanka Library Association. Ms. Gamage continued to serve in the Advisory Committee of Access to Learning Award, Bill and Melinda Gates

Foundation, Governing Board of International Federation of Library Associations and Institutions (IFLA), Division for Regional Activities of IFLA and Regional Standing Committee of Asia and Oceania Section of IFLA. She was also appointed to the Editorial Advisory Board of the "Journal of Information Development" which is published by Sage Publications, UK.

In an advisory capacity, she participated in a number of national and international groupings and meetings during 2009.

- Advisory Committee Meeting, Access to Learning Award, Bill and Melinda Gates Foundation, 26-27 January, Seattle, USA
- Regional Workshop on Library Advocacy and Policy Development, 12-13 February, Colombo, Sri Lanka



Librarian, Premila Gamage, with the other participants at the IFLA Pilot Workshop on Building Strong Library Associations, November, Singapore.

IPS Support Services (*Contd*)

- Mid-term Meeting of Regional Standing Committee of Asia and Oceania, IFLA, 16-17 February, Bangkok, Thailand
- Governing Board Meeting, IFLA, 20-25 April, The Hague, The Netherlands
- World Library and Information Congress and the 75th IFLA General Conference and Council, 23-27 August, Milan, Italy
- IFLA Pilot Workshop on Building Strong Library Associations, 9-13 November, Singapore.

Chamari Yapa, Assistant Librarian was awarded a scholarship by the Action for Development through Libraries Programme (ALP) to follow one month's training on 'digital collections' at Victoria University of Wellington, New Zealand.

Priorities for the Coming Year

Since the library has finalized the upgrading of the physical facilities at the new IPS premises, planning and extending library services to meet the high demand from outsiders will be key priorities for the coming year.

Although IPS researchers have access to a substantial amount of scholarly resources on-line, digital library development is still in its early stages. Developing and maintaining the infrastructure necessary to keep up with the increasing digitization of information is extremely costly. The library will continue to deal with challenges such as technological inadequacy, helping staff develop the knowledge and skills they require to keep up with rapidly changing technology, and addressing issues of intellectual property and copyright.

Personnel: Premila Gamage, Dilrukshi Ariyaratna, Chamari Yapa and Gayani Bentotage.

Publications and Communications Unit

The Publications and Communications Unit (PCU) of IPS is the centre of its information dissemination. The responsibilities of the PCU include the dissemination of IPS research by:

- Producing and disseminating IPS publications
- Organizing local and international conferences, seminars, and workshops
- Implementing corporate communication and promotional activities
- Designing and development of content for the Institute's public website.

The PCU also provides promotional assistance to the research staff to exploit their capabilities and research work in the electronic and print media. PCU focuses on effective marketing of the Institute's research publications. Marketing activities are carried out mainly at the IPS premises and through selected dealers island-wide. Overall monitoring of the publications at dealers, necessary follow-ups are also carried out by the PCU staff. The Unit continues to enhance its services to ensure wider accessibility and acceptance of IPS publications, both locally and internationally.

As the local publishing market becomes more competitive, it is important that the Institute constantly improves its publishing and marketing strategy. With this in mind, an overall marketing strategy will be developed to enhance the image of the Institute. In addition, the IPS PCU mission and goals will be introduced by the Publications team and steps will be taken to ensure the effective implementation in order to achieve the objectives set out.

IPS Publications

During 2009, the PCU brought out a range of publications on topical issues ranging from

IPS Support Services (Contd)

trade facilitation issues to climate change.

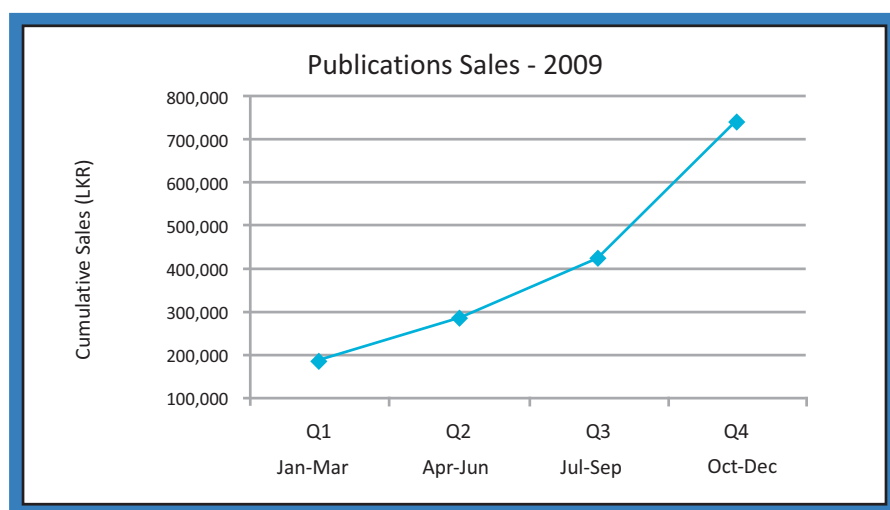
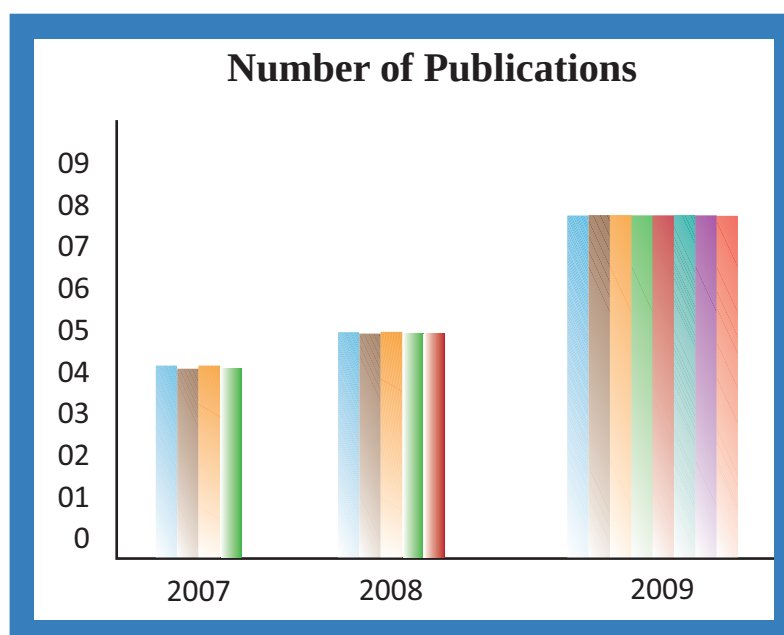
Trade in Services in South Asia: Opportunities and Risks of Liberalization, Two issues of South Asia Economic Journal (Vol-10 No-01), Gaining Competitive Advantage through the Protection of Geographical Indications: An Analysis of the Tea, Sapphires and Cinnamon Industries of Sri Lanka, The Impact of Information Technology (IT) in Trade Facilitation on Small and Medium Enterprises (SMEs) in Sri Lanka, International Migration Outlook 2008, IPS Annual Report 2008, Sri Lanka State of the Economy – 2009,

Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Towards a National Agenda for Action and Ecotourism for Sustainable Forest Management in Sri Lanka.

Publications Sales

Despite the prevailing economic conditions, 2009 had a total sales turnover of Rs.740, 797.00.

More active outlets were identified which made a significant contribution to sales. The PCU continues to seek wider outreach of IPS publications through various channels.



IPS Support Services (*Contd*)

Conferences, Workshops and Book Launches

IPS organized five major international conferences of which two conferences saw the utilization of Video Conferencing facilities to enable participation from across the world. In addition to this, national level workshops and two Book Launches were also organized.

Seminar on “Global Economic Crisis and Sri Lanka”, Taj Samudra Hotel, Colombo, 18 February.

World Development Report 2009 - Reshaping Economic Geography: Conference on “Implications for Sri Lanka”, Galadari Hotel, Colombo, 18 March.

International Conference on “Broadening Economic Integration in South Asia: Incorporating Services Liberalization at a Time of Global Economic Crisis”, Taj Samudra Hotel, Colombo, 30-31 March.

International Conference on “Migration, Remittances and Development Nexus in South Asia”, Taj Samudra Hotel, Colombo, 4-5 May.

Conference on “Protecting the Poor in Sri Lanka: The Role of Safety Nets during Crises and Beyond”, Ceylon Continental Hotel, Colombo, 24 June.

Workshop on “Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Drafting a Strategic Plan to Coordinate National Action”, Hotel Amaya Lake, Dambulla, 19-21 August.

Workshop on “Brainstorming Session on the proposed South Asia Migration Commission (SAMC)”, Cinnamon Lakeside, Colombo, 27 November.

“International Migration Outlook 2008” at Hotel Galadari, Colombo, 16 October.

“Mainstreaming Climate Change for Sustainable Development: Towards a National Agenda for Action” at the Ministry of Environment and National Resources, Battaramulla, 14 December.

Web

The PCU continued to provide content management services for the IPS public web, www.ips.lk. The year 2009 also saw the introduction of the IPS blog. ‘Talking Economics’ - <http://ipslk.blogspot.com>

Moving Forward

The primary medium term goal of the Publications and Communications Unit is to enhance the dissemination of IPS research by engaging a broader audience through;

- i) Re-packaging IPS academic research into more accessible forms
- ii) Utilizing alternative forms of media

The objective of these measures is to enhance the public image of the Institute and to help the Institute contribute more effectively to public debate on contemporary economic issues.

At present, the primary avenues of communicating IPS research is through the regular publications, conferences, website, newspaper reports, and TV interviews.

It is important to engage audio visual media to a greater extent, and the PCU will explore options such as TV documentaries and regular panel discussions. In order to reach a wider audience, it is essential to engage the media in local languages, and this avenue will also be explored to a greater extent in the medium term.

At present, IPS communications utilize the internet through the formal website with the blog. However, the Internet and other IT tools can also be used to a greater extent to project the Institute’s public image by the dissemination of e-brochures and audio-visual guides to the Institute and its work. The PCU in conjunction with the research staff will explore such options in the short-term and medium term.

IPS Support Services (Contd)

Through such activities, the PCU endeavours to more effectively engage the general public, students, international networks and the diaspora.

The PCU will also explore new ways of engaging the key stakeholders of IPS, including the government, private sector and international development agencies. Regular review meetings to discuss and obtain feedback on contemporary IPS work and more informal round table discussions with key stakeholders are among the measures that will be looked into by the PCU in consultation with research staff.

Personnel: Charmaine Wijesinghe, Amesh Thennakoon, D.D.M. Waidyasekera, Asuntha Paul, Veronica Jacob and Sharmini De Silva.

Information Systems Unit

The Information Systems Unit (ISU) of the IPS concentrates its activities on the core areas of:

- a) Software, hardware, networking and IT infrastructure management;
- b) Web development, maintenance and information dissemination; and
- c) Database development, maintenance and management, in supporting the Institute to remain competitive as a regional centre of excellence.

Computing Facilities and Resources

All the IPS staff members are provided with personal computers operating on a Windows environment along with relevant software. The two buildings occupied by the IPS are networked and interlinked via an underground optic fiber cable. The IPS local area network (LAN) plays a key role in the Institutions' IT infrastructure, over which a host of facilities are made available to the staff members. They include Secure Broadband Internet access, individual emails accounts, network printing, information sharing and dissemination within the Institute, etc.

IPS users also have access to institutional lap-tops, USB drives, digital voice re-corders, and other related equipment for conference use, field visits, overseas travel, and other project related work.

All centralized IT services are facilitated through an array of servers located in a dedicated server room powered by an independent online Uninterrupted Power Supply system. These servers run all centralized applications and services such as the IPS e-mail system, file sharing and Microsoft Active Directory Services, IPS databases, finNGO, the IPS accounting system, and IPS corporate web. The back end facilities for the IPS public web: www.ips.lk and a host of other applications are available round the clock. Data Backup facilities are made available to the staff. The

IPS Support Services (Contd)

ISU maintains the above facilities and the IT infrastructure and also carry out hardware, software and network trouble shooting and application software support to the staff.

In early 2009, an Anti-Spam solution was implemented on the perimeter of the IPS LAN, in order to provide better and improved email security to the IPS users.



CLIMATEnet : The web site developed by the IPS – ISU for the Climate change

IPS Support Services (Contd)

IPS Public Web

IPS public web (www.ips.lk) now consists of around 600 plus web pages and many other downloadable files including around 500 plus PDF downloads, and is the focal point for the latest details of IPS research and findings, its latest (and archived) publications as well as IPS news and other related information. The web site is designed, developed and maintained by the IPS ISU.

IPS web site has seen a significant improvement in its access rate since its inception in 2003, where the IPS commenced developing its web site in-house. During 2009, the IPS showed an increased hit rate, where the web attracted around 170,000 hits per month and also disseminated closer to 5 Gigabytes of data/information every month.

CLIMATEnet : The web solution for the Climate Change Policy Network

The ISU also possess the ability to provide web development/information dissemination services and solutions customized to the requirements of various research projects undertaken and other related activities.

The ISU web team developed the complete web solution for the Climate Change Policy Network, conducted by the Environmental Economics Unit of IPS. The solution was developed in August. The launch of the web was planned for 2010.

Talking Economics: The Blog of IPS

2009 saw the launch of the IPS Blog (Web Log), titled Talking Economics [www.talkingeconomics.ips.lk]. The blog was aimed at creating awareness and fostering an online virtual community to discuss issues related to current affairs related to economic policy research with academic rigour.

Talking Economics
A blog by the Institute of Policy Studies of Sri Lanka on contemporary national and international economic issues

THURSDAY, DECEMBER 31, 2009

Regulation of Microfinance Institutions: Is Sri Lanka Ready?
By Ayedya Galappattige, Research Officer - IPS

Regulation of microfinance has become a hot topic internationally in recent years, particularly NGO microfinance. In Sri Lanka too regulation of microfinance institutions (MFIs) has become a significant policy issue. A Microfinance Institutions Act was drafted by the Central Bank of Sri Lanka (CBSL) with the consultation of different stakeholders, but is yet to become law. There is no questioning the importance of regulation and supervision for a healthy microfinance sector, which supports the delivery of financial services to the poor in a sustainable manner. But the question is whether the country is prepared to implement the desired level of regulation of microfinance.

Read more »
Posted by nuan_k at 10:00 PM 5 comments

TUESDAY, DECEMBER 29, 2009

Third Quarter GDP Performance: The Return of Growth in Services
By Deshal De Mel - Research Economist - IPS

The department of Census and Statistics recently released the breakdown of Sri Lanka's GDP performance for the third quarter of 2009. Having endured sluggish growth in the first half of the year, (1.5% in Q1 and 2.1% in Q2), it was expected that with the end of the military conflict and gradual recovery of the global economy, economic growth would pick up in Sri Lanka. This has indeed been the case and Sri Lanka's GDP grew by 4.2% in the third quarter of 2009, compared to the third quarter of 2008. It is increasingly looking like Sri Lanka is experiencing a V-shaped economic recovery.

GDP Growth

Blog Archive

- ▼ 2010 (10)
- ▼ May (1)
Conference on Ten Years of the Independent State of Ceylon
- ▼ April (2)
Fourth Quarter GDP, Recovery of Industry and Domestic Demand: A Road for Future Growth? (Abstract...)
- ▼ March (2)
Robust Recovery and Risk: A Road for Future Growth? (Abstract...)
- ▼ February (2)
The Sri Lankan Economy in the New Decade: What are the Risks? (Abstract...)
- ▼ January (2)
Challenges to the Sri Lankan Economy: A Road for Future Growth? (Abstract...)
- ▼ 2009 (9)
- ▼ December (4)
Regulation of Microfinance Institutions: Is Sri Lanka Ready? (Abstract...)
- ▼ Third Quarter GDP Performance: The Return of Growth (Abstract...)
- ▼ Sri Lanka must adopt better migration management to... (Abstract...)
- ▼ As a result, Sri Lanka's GDP growth is... (Abstract...)
- ▼ November (4)
Private enterprise growth in the region: What is the role of the state? (Abstract...)
- ▼ The impact of the... (Abstract...)
- ▼ The impact of the... (Abstract...)
- ▼ The impact of the... (Abstract...)

www.talkingeconomics.ips.lk

The Blog of IPS

IPS Support Services (*Contd*)

The content was developed by the IPS research staff and the technical support was provided by the IPS – ISU in developing and maintaining the blog.

IPS Corporate Web

The IPS corporate web, accessible only within the IPS LAN, is the Institute's key knowledge management platform, integrating existing online facilities such as the Library catalogue and the newly developed Economic Research Data and Databases section and providing a platform to host research information, etc., online and updated. The Data section of this corporate web has a vast collection of economic research data and databases accessible to staff members round the clock in a comprehensive, user friendly, and a secure manner.

Data and Databases

The vast range of economic research data bases and data sets maintained by the ISU (such as macroeconomic data, trade data and agriculture data obtained from various government departments, NGOs and other relevant organizations as well as primary data collected by the IPS) that are necessary for the Institute's research activities, is continuously updated. Most of these data sets were updated by the database team during 2009. Data base analysis and development, data entry and processing as well as questionnaire/survey designing based on the needs of research projects were also handled by the ISU.

Software

A range of econometric, statistical, mathematical and related software packages are made available to the researchers along with installation, usage and maintenance support by the ISU. Several training sessions were conducted by the ISU to various staff members in this regard. A collection of operating systems, desktop publication applications

as well as financial accounting packages are also a part of the IPS software collection.

Conferencing Facilities

ISU maintains audio visual equipment including multimedia projectors, teleconferencing facilities and other related equipment and facilitated all workshops, seminars and conferences organized by the IPS in 2009, including facilitating video conferencing for several conferences held.

Personnel: Haren Kodagoda, Nandaka Pothuwewa, Nuwan Kahandawala Arachchi, Nalaka Liyanapathirana.

Human Resources Training and Development

In order to strengthen the knowledge and skills of research staff, participation at important training programmes/seminars are actively encouraged. In 2008, IPS research staff attended the following programmes:

- Public lecture on “Financial Crisis and the Historical Experience of the German Central Bank” organized by the Central Bank of Sri Lanka, Centre for Banking Studies Auditorium, 14 February.
- Seminar on “The Economy: Opportunities and Challenges and Outlook for 2008 and Beyond” organized by the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL), Trans Asia Hotel, Colombo, 28 February.
- Public lecture on “State of the Economy as Reflected in the Central Bank Annual Report” organized by the Central Bank of Sri Lanka (CBSL), CBSL Auditorium, 08 April.
- International conference on “Central Banking and Financial Markets in South Asia” organized by the Central Bank of Sri Lanka, Central Bank Building, 22 August.

The Institute at the same time encourages research staff and support staff to participate in important external training programmes and seminars to acquire and strengthen their knowledge and skills. During the year, IPS staff members undertook/attended the following training programmes.

Research Staff

Priyanka Jayawardena

- Following Masters Degree in Economics at the University of Colombo.

Asha Gunawardana

- Attended Training on “**Data Analysis**”, University of Namur, Belgium, 5 February - 8 March.
- Participated at the “**Eighteenth Biannual Research and Training Workshop**”, organized by (SANDEE), Negombo, 29 June - 3 July.
- Participated at the “**Nineteenth Biannual Research and Training Workshop**”, Pokhara, Nepal, 7-12 December.
- Attended a Training course on “**Limited Dependent Variables**”, organized by SANDEE, Kathmandu, Nepal, 13 -14 December.

Suwendrani Jayaratne

- Attended the FES Fall Academy on, “**Understanding the United Nations**”, New York, USA, 9 -13 November (with Deshal de Mel).
- Attended the “**National Level Capacity Building in Trade and Gender: Training of Trainers**” organized by RIS, Department of Commerce, United Nations - India, the Commonwealth Secretariat and the IIFT, New Delhi, India, 28-30 April.
- Suwendrani Jayaratne and Kanchana Wickremesinghe Attended the “**UNESCAP/WTO ARTNeT Capacity Building Workshop for Trade Research**”, Bangkok, Thailand, 22 - 26 June.

Human Resources Training and Development (*Contd*)



Deshal de Mel and Suwendrani Jayaratne attended the FES Fall Academy on, “Understanding the United Nations”, New York, USA, 9-13 November.

Kanchana Wickremasinghe and Suwendrani Jayaratne participated in the “UNESCAP/WTO ARTNeT Capacity Building Workshop for Trade Research”, Bangkok, Thailand, 22-26 June.



G. D. Dayaratne

- Participated at the “**Second Regional Expert Consultation on Revision of System Health Account**” sponsored by OECD/WHO and Euro Stat, Seoul, Seoul, Korea, 6 - 8 May.
- Participated at the “**Foodborne Disease Stakeholders Event (FERG 3) WHO**” organized by WHO, Geneva, 29 -30 October.

Sunimalee Madurawela

- “**Cost Analysis and Health Finance Seminar for the NCD Prevention**

Project” organized by the Project on Health Promotion and Preventive Care Measures of Chronic NCDs of the Ministry of Health Care and Nutrition, at the Health Education Bureau, Colombo, 7 July.

- ARTNeT/RIS Follow-up Workshop on “**Gravity Modelling of Trade Facilitation and ‘Behind the Border’ Measures Affecting Trade**”, organized by the Economic and Social Commission for Asia and the Pacific (ESCAP), at the Indian Habitat Centre (IHC), New Delhi, India, 21 - 25 September.

Human Resources Training and Development (Contd)

- Seminar on “**Child Activity Survey 2008/09**”, organized by the Department of Census and Statistics, Colombo, 22 October.

Manoj Thibbotuwawa

- Manoj Thibbotuwawa and Asha Gunewardana attended the Tenth Annual Global Development Conference on “Natural Resources and Development” organized jointly by the Global Development Network (GDN) and Arab Fund for Economic and Social Development (AFESD) in Kuwait City, Kuwait, February 3-5.
- Manoj Thibbotuwawa and Dilhani Marawila attended the “**Eighteenth Biannual Research and Training Workshop**” organized by SANDEE, Waikhal, Sri Lanka from 28 June - 3 July.

Athula Senaratne

- Attended in the Training Workshop on “**Science, Economics and Institutions of Managing and Paying for Eco-System Services**” jointly organized by the South Asian Network for Development

and Environmental Economists (SANDEE) and the Economy and Environment Programme for Southeast Asia (EEPSEA), Chiang Mai, Thailand, 21-29 April.

- Participated in the “**Thirty-first Bi-annual Research Workshop**” organized by Economy and Environment Programme for South East Asia (EEPSEA), Dalat, Vietnam, 25-29 May.

Kanchana Wickramasinghe

- Participated in the “**Community Forestry International Workshop**” held in Pokhara, Nepal, 15 – 18 September.
- Participated in the “**Bazaar of Ideas**”, a side event of the first session of the Committee on Environment and Development of UNESCAP, at the United Nations Conference Centre, Bangkok, Thailand, 3 -4 December.

Nethmini Perera

- Commenced Master of Arts in Financial Economics at the University of Colombo.



Manoj Thibbotuwawa and Asha Gunewardana attended the Tenth Annual Global Development Conference on “Natural Resources and Development” organized jointly by the Global Development Network (GDN) and Arab Fund for Economic and Social Development (AFESD) in Kuwait City, Kuwait, February 3-5.

Human Resources Training and Development (*Contd*)

Support Staff

Chamari Yapa

- Followed a one month training programme on “Digital Collections” at Victoria University of Wellington, New Zealand, organized by the Action for Development through Libraries Programme (ALP), June.



Executive Director was a Key Resource Person in training Government Officials on WTO Rules and Regulations at a workshop organized by the WTO and National University of Singapore, Singapore from 22-23 July.

IPS Staff

Research Staff

Dushni Weerakoon, *BSc (QUB), MA, PhD (Manchester)*

Deputy Director and Fellow/Head,
Macroeconomic Policy Unit

Nisha Arunatilake, *BSc (Univ. of South USA), MA, PhD (Duke)*

Research Fellow/Head, Labour, Employment and
Human Resources Development Policy Unit

Malathy Knight, *BA (Swarthmore), MA (Colombo), PhD Candidate, (Manchester)*

Research Fellow/Head, Industry, Public
Enterprise Reform, and Regulatory Policy Unit

Parakrama Samaratunga, *BSc (Peradeniya), MSc (Univ. of Philippines), PhD (La Trobe)*

Research Fellow/Head, Agricultural
Economic Policy Unit

Athula Senaratne, *BSc (Peradeniya), MPhil (Peradeniya)*

Research Fellow/ Head, Environmental
Economic Policy Unit

Janaka Wijayasiri, *BA (Sussex), MA (The Hague), PhD Candidate (Monash)*
Research Fellow

Ganga Tilakaratna, *BA (Manchester), MPhil (Cantab), (PhD Candidate, Manchester)*

Research Economist/Head, Poverty and
Social Welfare Unit

Deshal de Mel, *BA (Oxon), MSc (LSE)*

Research Economist/Head, International
Economic Policy Unit

G.D. Dayaratne, *BA (Peradeniya)*

Manager, Health Policy Programme

Tilani Jayawardhana, *BA (Peradeniya), MA (Colombo), CIM (UK), (PhD Candidate, Colombo)*

Research Economist

Asha Gunawardena, *BSc (Peradeniya), MBA (Moratuwa)*

Research Officer

Ruwan Jayathilaka, *BA, MEd (Colombo) MSc (NUS)*

Research Officer

Dilhani Marawila, *BSc (Peradeniya), MSc (Peradeniya), PhD Candidate (Sydney)*

Research Officer

Priyanka Jayawardena, *BSc (Colombo)*

Research Officer

Ayodya Galappattige, *BSc (Peradeniya), MSc (Peradeniya)*

Research Officer

Manoj Thibbotuwawa, *BSc (Peradeniya)*

Research Officer

Anushka Wijesinha, *BSc (Hons) (University College London), MA (Leeds)*

Research Officer

Kanchana Wickremasinghe, *BSc (Peradeniya), MEd (Colombo)*

Research Officer

Roshini Jayaweera, *BA (Peradeniya), MSc (NUS)*

Research Officer

Sunimalee Madurawela, *BA (Colombo)*

Research Officer

Dilani Hirimuthugodage, *BA (Colombo)*

Research Assistant

IPS Staff (Contd)

Suwendrani Jayaratne, BA (Peradeniya)
Research Assistant

Nethmini Perera, BA (Colombo)
Research Assistant

Dharshani Premeratne, BA (Peradeniya)
Research Assistant

S.A. Karunaratne, BA (Cey.),
MA (Boston), MA (Warwick)
Senior Visiting Fellow

Wimal Nanayakkara, BA (Cey.),
PG.Dip (Reading, UK)
Senior Visiting Fellow

Visiting Research Staff

Shelton Wanasinghe, BA (Cey.),
Hon. D. Litt (J'pura)
Senior Visiting Fellow

Wimal Hettiarachchi, BA (Cey.),
DPhil (Oxon)
Senior Visiting Fellow

Project Interns:

Minuri Amarasuriya, Dinusha Wijesekera,
Yolanthika Ellapola, Anouk Obeyesekera,
Sanura C. Wimalasundera, Eshini Ekenayake,
Thareef Marzook, Madubashini Fernando,
Ashani Abeyesekera, Nihara Gunesekera,
Harshi Hettige, Nishika Fonseka.



G.L.B. Pooliyadda was appreciated for his dedicated services to the IPS and coordinating the building project, at the IPS Annual Get-together, Flag and Whistle Restaurant, Colombo, 18 December.

IPS Staff (Contd)

Administrative and Support Staff

**Iloka Wickremasinghe, FCMA (UK),
FCPA (Australia)**
Director Finance & Administration

**Premila Gamage, BA (Peradeniya), MLS
(Colombo), Dip. Lib. & Doc. Sci. (Kelaniya), Dip.
Writership and Comm. (Sri J'pura), PhD Candidate
(Leeds Metropolitan)**
Librarian

Charmaine Wijesinghe,
Head of Publications and Communications

**Haren H. Kodagoda, BSc
(Colombo), MBA (Moratuwa)**
Head of Information Systems

**Inoshi Jayathilaka, BSc.BAd(Sri J'pura),
FCA, MBA(Sri J'pura), CPA (Australia)**
Accountant

**Nandaka Pothuwewa, BSc
(Kelaniya), Dip. Comp. Sys. Design
(NIBM), CCNA**
Manager Information Technology

G.L.B. Pooliyadda
Administrative Officer

K.A.R.T. Wijekoon
Maintenance Officer

D.D.M. Waidyasekera, BA (Ceylon)
Editor

Dilrukshi Ariyaratne, BA (Kelaniya)
Assistant Librarian

Chamari Yapa, BA (Kelaniya)
Assistant Librarian

Deepika Nawawickrama
Administrative Assistant

Gayani Bentotage
Library Assistant

Amesh Thennakoon
Publication Officer

Nirmala Meegama
Secretary

Asuntha Paul
Secretary

Sharmini De Silva
Secretary

Veronica Jacob
Secretary

Urmila Jayasekera
Receptionist

Nuwan Kahadawala Arachchi
Associate Web Manager

Nalaka Liyanapathirana
Web Developer/ Network Assistant

Other Support Staff

G. Dharmasiri
Driver

A. G. Amarasena
Driver/Office Aide

P. U. K. Rajasiri
Driver/Office Aide

G. R. Wickremasena
Driver/Office Aide

Ravindra Perera
Office Aide

IPS Events

Seminars, Conferences,
Workshops, and Book Launches

Seminar on “Global Economic Crisis and Sri Lanka” *Hotel Taj Samudra, Colombo, 18 February*



Highlight from the event “The Global Economic Crisis and Sri Lanka”.

The IPS organized a one day seminar entitled, “The Global Economic Crisis and Sri Lanka” on 18 February, 2009 at the Taj Samudra Hotel, Colombo. Hon. Dr. Sarath Amunugama, Minister of Public Administration and Home Affairs, and Deputy Minister of Finance attended as the Chief Guest. Executive Director, IPS, made the welcome and introductory remarks, while Ms. Naoko Ishii, Country Director, World Bank, made the opening remarks.

Despite the optimism that has been expressed with regard to Sri Lanka’s limited exposure to the crisis, it was made clear that such optimism is misplaced given the continued evolution of the crisis and the uncertain economic climate that prevails. In this context, it is essential that all countries take stock of the

realized and potential impacts that may manifest. The importance of tailoring solutions to each country’s specific conditions was highlighted, emphasizing the inapplicability of “cookie cutter” solutions based on the response of other countries. The crisis has also shed light on windows of opportunity and positives; for instance, the reduction in commodity prices, the opportunity and rationale for reform in key sectors such as fiscal and monetary policy, factor markets and reforms to safety nets. It was emphasized that any policy response to the crisis must distinguish between long-term, short-term and medium term measures - all within a framework of a long-term vision for the country’s economic direction.

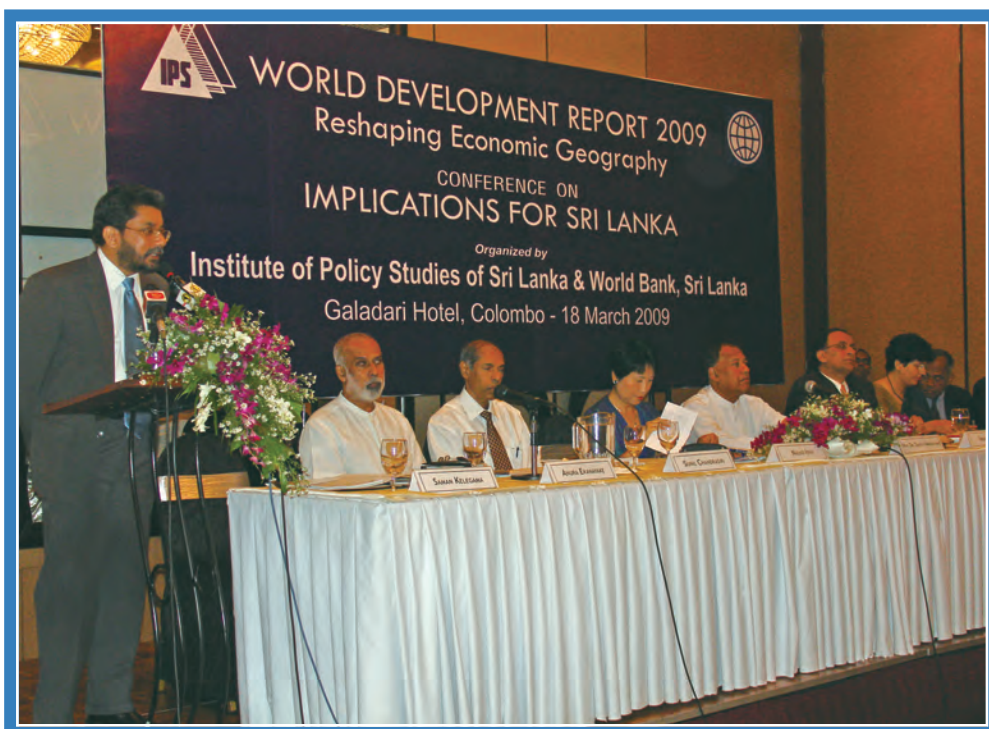
IPS Events (Contd)

Conference on “World Development Report 2009-Reshaping Economic Geography: Implications for Sri Lanka”, *Galadari Hotel, Colombo, 18 March*

IPS and the World Bank Country Office in Sri Lanka, organized a one day conference on, “World Development Report 2009 - Reshaping Economic Geography: Implications for Sri Lanka” on the 18 March, 2009 at the Galadari Hotel, Colombo. Hon. Sarath Amunugama, Minister of Public Administration and Home Affairs, and Deputy Minister of Finance was the Chief Guest. Executive Director, IPS, made the welcome and introductory remarks, and Ms. Naoko Ishii, Country Director, World Bank, made the opening remarks. The World Development Report (WDR) 2009 was introduced by Indermit Gill, Team Leader, WDR 2009, followed by analyses of the report by experts.

The Conference examined Economic Geography issues from a Sri Lankan perspective. Regional disparities in economic development are a critical development issue in Sri Lanka. The country has long seen economic growth and prosperity concentrated in the Western Province whilst other provinces have failed to live up to their potential.

Overall, the sessions examined why production becomes more concentrated spatially as economies grow, how economic integration can be used to promote spatial transformation, re-visit the debates on urbanization, territorial development, and regional development. Sessions I and II in particular mapped and examined in detail the extent, causes and solutions to regional disparities in development in Sri Lanka, followed by a discussion on the education sector, as a case study on this subject.



Saman Kelegama, Executive Director, IPS, delivering the welcome and introductory speech at the Conference on “World Development Report 2009 — Reshaping Economic Geography: Implications for Sri Lanka”.

IPS Events (Contd)

International Conference on “Broadening Economic Integration in South Asia: Incorporating Services Liberalization at a Time of Global Economic Crisis”,

Taj Samudra Hotel, Colombo, 30-31 March



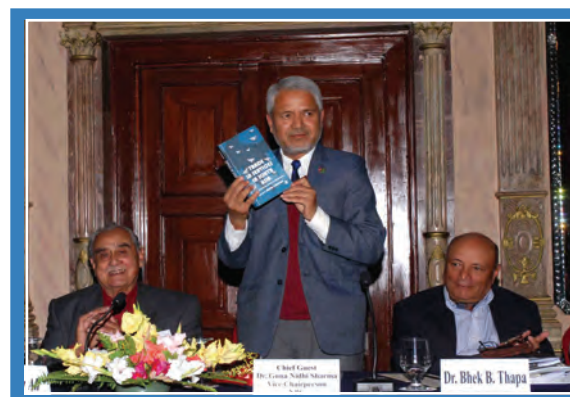
Hon. G.L. Peiris, Minister of Export Development and International Trade, launching the book on Trade in Services in South Asia at the International Conference on “Broadening Economic Integration in South Asia: Incorporating Services Liberalization at a Time of Global Economic Crisis”.

The IPS and the UNDP Regional Centre in Colombo (UNDP-RCC), jointly organized an international conference on: “Broadening Economic Integration in South Asia: Incorporating Services Liberalization at a Time of Global Economic Crisis” at the Taj Samudra Hotel during 30 - 31 March, 2009. Hon. Prof. G.L. Peiris, Minister of Export Development and International Trade, graced the occasion as the Chief Guest, and Mr. Nihal Rodrigo, Advisor to H.E. the President on Foreign Affairs and former Secretary General – SAARC, attended as the Guest of Honour.

The key objective of the conference was to facilitate informed discussion and consultations on

the way forward for the SAARC countries’ engagement in trade in services negotiations. The conference was the first of its kind and sought to develop broad contours of a plausible negotiating agenda for liberalizing trade in services which can have beneficial employment and human development impacts in the region. The papers prepared by eminent resource persons drawn from across the region and outside the region shed light on the challenges ahead, and served as key inputs for negotiators. Furthermore, the conference served as a forum for other stakeholders in civil society, government, academia and the private sector to debate contending views on this topical issue.

The book launched in Nepal by Dr. Guna Nidhi Sharma, Vice Chairman, Nepal National Planning Commission at a Conference organized by SACEPS, March.



IPS Events (Contd)

International Conference on “Migration, Remittances and Development Nexus in South Asia”, *Taj Samudra Hotel, Colombo, 4-5 May*

The IPS and Friedrich-Ebert-Stiftung (FES), Colombo, jointly organized an international conference on “Migration, Remittances and Development Nexus in South Asia” at the Taj Samudra Hotel during 4-5 May, 2009. Hon. Prof. G.L. Peiris, Minister of Export Development and International Trade, graced the occasion as the Chief Guest, and Ambassador Farooq Sobhan, President, Bangladesh Enterprise Institute (BEI), Bangladesh, attended as the Guest of Honour.

An increasing number of institutions are involved in evaluating the migration and development linkage.

Even though many conferences are held and more papers are written on the subject, focusing on the effects of migration on destination countries, the links between migration and development issues in the sending countries have been somewhat neglected, particularly as far as empirical research is concerned. On the other hand, development impact of migration depends on the economic policies in home countries and destination countries. Economic policies need to be developed to maximize the impact of migration and remittances. Detailed information on the relationship between development and migration is therefore important in designing such policies in home and destination countries.

*Roshini Jayaweera
presenting a paper at
the International
Conference on “Migra-
tion, Remittances and
Development Nexus in
South Asia”.*



Conference on “Protecting the Poor in Sri Lanka: The Role of Safety Nets During Crises and Beyond”, *Ceylon Continental Hotel, Colombo, 24 June*

The IPS in collaboration with the World Bank Resident Mission, organized a one day conference on “**Protecting the Poor in Sri Lanka: The Role of Safety Nets During Crises And Beyond**”.

The conference created a forum for discussion of various options available for the Government of Sri Lanka and other development practitioners to support poor households in Sri Lanka to cope with the unfolding impacts of crises. It was essentially an attempt to collate global experiences in using safety nets to fight the impacts of crises and to facilitate a discussion on what options make sense for Sri Lanka in its efforts to protect its poor. Resource persons drawn from the public

IPS Events (Contd)

sector, international organizations, and academia and international experts connected via video conference, highlighted strategies and policies to overcome challenges faced by Sri Lanka. The Chief Guest at the occasion was Dr. Sarath Amunugama, Minister of Public Administration and Home Affairs and the Deputy Minister of Finance.



Workshop on “Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Drafting a Strategic Plan to Coordinate National Action”, *Hotel Amaya Lake, Dambulla, 19-21 August*

The IPS in collaboration with the Ministry of Environment & Natural Resources, and Sri Lanka National Commission for UNESCO organized a workshop on ‘Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Drafting a Strategic Plan to Coordinate National Action’, at

Hotel Amaya Lake, Dambulla, during 19–21 August, 2009. Dr. Nimal Sanderatne, former Senior Visiting Fellow, Postgraduate Institute of Agriculture, University of Peradeniya was the Chief Guest. Athula Senaratne, Head, Environmental Economic Policy Unit, IPS, made a presentation on the introduction to the workshop. W.L. Sumathipala, Director, Climate Change Division & National Ozone Unit, Climate Change Secretariat, Ministry of Environment and Natural Resources made a presentation on ‘Science of Climate Change Adaptation’.



IPS Events (Contd)

Workshop on “Brainstorming Session on the proposed South Asia Migration Commission (SAMC)”, Cinnamon Lakeside, Colombo, November 27

IPS and Friedrich-Ebert-Stiftung (FES) with the collaboration of the South Asia Centre for Policy Studies (SACEPS) held a Brainstorming Session on the proposed South Asia Migration Commission (SAMC). The objective of the Brainstorming Session was to revise the Draft Concept Paper on the SAMC and finalize it for submission for the 16th SAARC Summit in Thimphu, Bhutan in 2010.



Book Launch on “International Migration Outlook 2008”, at Hotel Galadari, Colombo, October 16

The IPS together with the International Organization for Migration (IOM) launched the first edition of the “International Migration Outlook- Sri Lanka 2008”. The report which is based on a study conducted by IPS (by Tilani Jayawardena and

Ruwan Jayathilaka), and commissioned by IOM, outlines a comprehensive analysis of the trends, patterns and changes in migration from Sri Lanka in recent years. The report also addresses a longstanding need of streamlining Sri Lanka’s international migration data for better planning and decision making in migration management activities in the country. Chief Guest at the

occasion was Hon. Athauda Seneviratne, Minister of Labour Relations & Manpower. Sunil S. Sirisena, Secretary, Ministry of Foreign Employment Promotion and Welfare was the Guest of Honour.



IPS Events (Contd)

Launching of “Mainstreaming Climate Change for Sustainable Development: Towards a National Agenda for Action”,
Ministry of Environment and Natural Resources,
December 14

The publication presents findings of a policy analysis based on information



IPS launched a new publication on climate change titled ‘Mainstreaming Climate Change for Sustainable Development: Towards a National Agenda for Action’, a **Report on Climate Change based on a Sri Lanka Country Study before the Copenhagen Summit** at the Ministry of Environment and Natural Resources. The report was handed over to the Hon. Patali Champika Ranawaka, Minister of Environment and Natural Resources, before his departure to the Copenhagen Summit on Climate Change. The Chairman of the IPS, Prof. Buddhadasa Hewavitharana, handed over the report to the Minister. The publication was authored by Athula Senaratne, Nethmini Perera and Kanchana Wickramasinghe, researchers attached to the Environmental Economics Policy Unit of the IPS.

from a recently held national workshop, discussions with experts and review of various sources of secondary information. Study highlights that Sri Lanka, being a tropical island with a significant poor population located in a disaster prone region, is highly vulnerable to climate change in terms of physical as well as socio-economic impacts. It presents a review of existing information on climate change in Sri Lanka and effects of global warming on local climate. Accordingly, changes in air temperature, rainfall patterns, extreme events, sea level rise and increased concentration of CO₂ in the atmosphere are among the major climate effects that can create impacts over different economic sectors and regions.

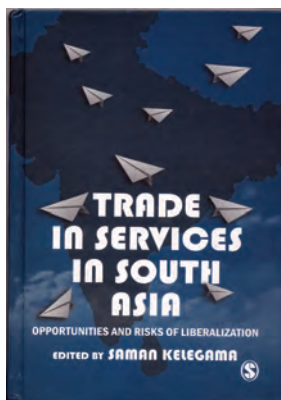
In-House Seminars

In-House Seminars -2009

Topic	Presenter	Date
Green Accounting and Its Importance	Athula Seneratne, Research Fellow, IPS	29 January
The Present Status of Millennium Development Goals (MDG) in Sri Lanka and Regional Disparities	Wimal Nanayakkara, Senior Visiting Fellow, IPS	25 February
The Global Recession and the Fallout on Sri Lanka	Deshal De Mel, Research Economist, IPS	27 March
How to Devise a Procedure for Evaluating Programme Impacts?	Priyanka Jayawardena, Research Officer, IPS	24 April
Sri Lanka National Health Accounts	Sunimalee Madurawala, Research Officer, IPS	28 May
International Migration Outlook: Sri Lanka	Tilani Jayawardhana, Research Economist, IPS and Ruwan Jayathilaka, Research Officer, IPS	26 June
Political and Economic Policy Priorities to Support Post-Conflict Development	Deshal de Mel, Research Economist, IPS and Shakya Pathmalal, Consultant, IPS	30 July
Targeting and Distribution of Post - Tsunami Aid in Sri Lanka	Asha Gunawardena, Research Officer, IPS	16 September
Sri Lanka: Connecting People to Prosperity	Claus Astrup, Senior Country Economist, The World Bank	23 September
Adapting Trade Policies to Promote Food Security and Sustainable Agriculture	Manoj Thibbotuwawa, Research Officer, IPS	28 October
Anomalies of Sri Lanka's Tax system: Some Issues and Recommendations	Anushka Wijesinha, Research Officer, IPS	30 November
Global Food and Economic Crises and Sri Lankan Agriculture	Parakrama Samaratunga, Research Fellow, IPS	30 December

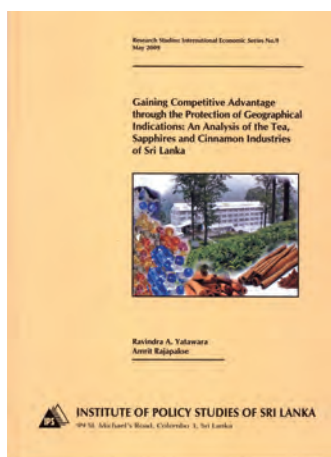
IPS Publications

Publications 2009



Trade in Services in South Asia edited by Saman Kelegama, Sage Publications, India, February 2009.

This book explores the opportunities and risks of the liberalization of trade in services in South Asia. It offers an overview of the entire region on market access and regulatory issues as defined by the GATS framework of the WTO and exposes areas for regional and bilateral liberalization. It provides policy makers and other stakeholders in the region with better comprehension of the problems pertaining to these, and consequently, shows them a clearer vision of how to overcome them.



Gaining Competitive Advantage through the Protection of Geographical Indications: An Analysis of the Tea, Sapphires and Cinnamon Industries of Sri Lanka by Ravindra A. Yatawara and Amrit Rajapakse, *International Economic Series, No.9*, May 2009

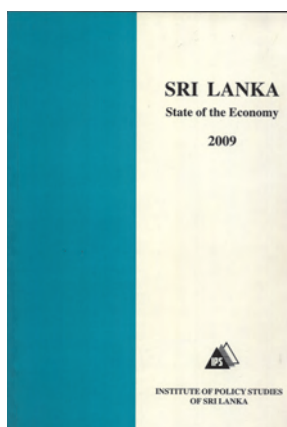
Based on a study done by the IPS for the National Intellectual Property Office, financed by the World Intellectual Property Organization this publication gives a comprehensive study on Sri Lanka's tea, sapphire and cinnamon industry. A legal-economic analysis of Geographical Indications (GI) in relation to the tea, blue sapphires, and cinnamon sectors in Sri Lanka suggest that GI strategy would be beneficial for all three sectors. Further, the importance of niche marketing in the global context and the variety and variations in national systems of GI protection suggest the need to base the international protection of each GI on separate legal-economic cost-benefit analyses carried out for each individual key overseas market.



Impact of Information Technology (IT) in Trade Facilitation on Small and Medium Enterprises (SMEs) in Sri Lanka by Janaka Wijayaratne and Suwendrani Jayaratne, *IPS Working Paper Series, No.13*, July 2009

The use of Information Technology (IT) in trade facilitation has received considerable attention in policy circles given its potential to reduce costs involved in trading goods across borders. Sri Lanka too has automated its import/export processes, albeit partially. With special focus on automation of the customs clearance process, the study examines the extent to which automation of trade facilitation has taken place in Sri Lanka and the impact it has had on SME exporters of the country.

Publications (Contd)



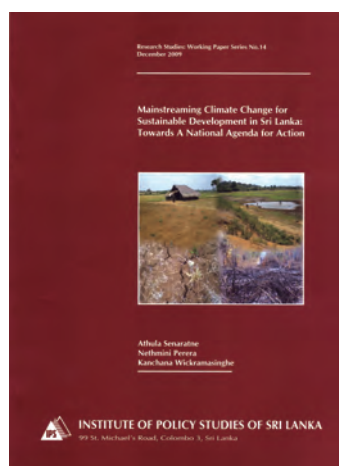
Sri Lanka: State of the Economy 2009, September 2009

The “State of the Economy” report is an annual publication of the IPS. The report provides an assessment of Sri Lanka’s economic performance in 2008/09 and comments on the outlook in the context of developments in the global economy. The report also highlights topical issues of medium-term policy relevance for the Sri Lankan economy. The theme for 2009 in the report is the impact of the global economic crisis on various sectors of the Sri Lankan economy.



Ecotourism for Sustainable Forest Management in Sri Lanka by *Kanchana Wickramasinghe, Environmental Economic Policy Series No.12, November 2009*

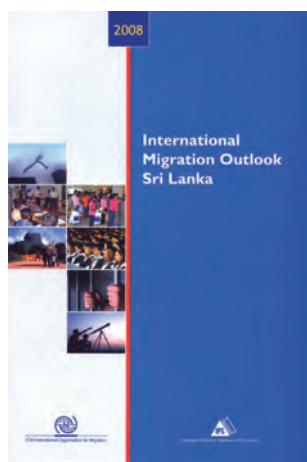
The study recommends the need for establishing a well-coordinated mechanism among the tourist agencies and environment agencies, assignment of clear roles for relevant stakeholders, eliminating the gaps in the present policy and legal framework to support development of ecotourism, enhancing private sector participation in forest-based ecotourism, preparation of a database on potential forest sites and other natural sites which can be developed as ecotourism sites and establishment of a certification programme of ecotourism businesses.



Mainstreaming Climate Change for Sustainable Development in Sri Lanka: Towards a National Agenda for Action by *Athula Senaratne, Nethmini Perera and Kanchana Wickramasinghe, Working Paper Series No. 14, December 2009*

Scientific evidence from numerous sources indicates that global climate change is actually taking place. This implies that the present generation and many to come will have to face impacts of climate change. Scientists are unanimous that pending changes in climate patterns would be global in scope and scale. It is widely agreed that developing countries would face greater hardships and within them also, poorer communities are more vulnerable. Various studies have underscored the importance of effective mitigation measures ‘to avoid the unmanageable’ and the necessity of appropriate adaptation ‘to manage the unavoidable’.

Publications (Contd)



International Migration Outlook – Sri Lanka, 2008 *by Tilani Jayawardhana and Ruwan Jayathilaka, September, 2009*

Having recognized the importance of international migration for Sri Lanka, this report was initiated with the objective of preparing a comprehensive analysis of the current trends, patterns and changes in migration related sectors such as labour migration, permanent migration, student migration, irregular migration and tourism for the recent years. This report attempts to provide Sri Lanka's international migration dynamics using the available data. The report acknowledges that there are many gaps in the collection of migration data in Sri Lanka despite recent efforts by the Government for a coordinated approach to data collection. The report by no means provides a total migration picture in Sri Lanka. However, it is a progressive step in the right direction for collection and dissemination of migration data for the benefit of policy development and subsequent program intervention for managing migration for the benefit of Sri Lanka.

The 2008 edition of the International Migration Outlook in Sri Lanka will shed more light on the challenges and opportunities ahead of Sri Lanka toward enhancing migration management approaches that uphold the principle "human and orderly migration benefits migrants and society".



South Asia Economic Journal, Vol.10, Nos. 1 & 2

The *South Asia Economic Journal* is designed as a forum for informed debate on issues which are of vital importance to the people of South Asia who comprise more than one-sixth of the world's population. The journal is devoted to the economic analysis and policy options aimed at promoting cooperation amongst the countries comprising South Asia. It discusses South Asia's position on global developments. A refereed journal, it carries articles by scholars, economic commentators, policy-makers and officials, and from both the private and public sectors.

Forthcoming Publications

- Sri Lanka National Health Accounts 2005-2006.
- Census of Private Hospital, Nursing Homes, Estate Hospitals and Co-operative Hospitals, Issue No 4.
- Beyond Microfinance: Linking Finance with Business Development Services: Evidence from Sri Lanka" by G. Tilakaratna, A. Galappattige, and R. Perera, Poverty and Social Welfare Series, IPS.
- "Review of the State of the Sri Lankan Alcohol Industry and Governing Policies".
- Targeting and Distribution of Post-Disaster Aid: A Case of the Fishery Sector in Post-Tsunami Sri Lanka.



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல
My No

} CE/B/IPS/FA/09

ඔබේ අංකය
உமது இல
Your No.

}

දිනය
நிகதி
Date

} 27 March 2010

The Chairman
Institute of Policy Studies of Sri Lanka

Report of the Auditor General on the Financial Statements of the Institute of Policy Studies of Sri Lanka for the year ended 31 December 2009

The audit of financial statements of the Institute of Policy Studies of Sri Lanka for the year ended 31 December 2009 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 18 of the Institute of Policy Studies of Sri Lanka Act No. 53 of 1988 as amended by Act No. 09 of 1999. My comments and observations on these financial statements appear in this report.

1:2. Responsibility of the Management for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1:3. Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and finding in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit. I therefore believe that my audit provides a reasonable basis for my opinion.

විද්‍යාල පිහිටීම,
කොළඹ 07, ශ්‍රී ලංකාව
දුරකථනය
தொலைபேசி
Telephone

2691151

සම්ප්‍රතිපත්ති
கொழுவது
07 இலங்கை
දුරකථන අංකය
உமது இல
Fax No.

2697451

INDEPENDENCE SQUARE,
COLOMBO 07, SRI LANKA

ඉලෙක්ට්‍රොනික් තැපෑල
இ-மேயில்
E-mail

oaggov@sltnet.lk

2. Financial Statements

2.1. Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Institute of Policy Studies of Sri Lanka had maintained proper accounting records for the year ended 31 December 2009 and except for the effects on the financial statements of the matters referred to in paragraph 2:2 of this report, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles, give a true and fair view of the state of affairs of the Institute of Policy Studies of Sri Lanka as at 31 December 2009 and the financial results of its operation and cash flows for the year then ended.

2.2. Comments on Financial Statements

2:2:1. Accounting Deficiencies

The stock of publications valued at Rs.197,436 which were categorized as slow moving and non-moving stock for over 10 years had been included in the total stock of publications valued at Rs.1,767,875 shown in the Balance Sheet.

2:2:2. Non compliance with Laws, Rules Regulations and Management Discussions.

Instances of non-compliance observed in audit are given below.

Reference to Laws, Rules, Regulations etc.	Non compliance
-----	-----
(a) Public Enterprises Circular No. PED/12 of 02 June 2003	
(i). Section 9:14:2	The approval from the General Treasury had not been obtained for the Operating Manual of the Institute.
(ii). Sections 7:4:1 and 7:4:2	An Audit Committee had not been established.

(iii). Section 6:5:1

The Draft Annual Report for the year under review had not been presented to the Auditor General along with the financial statements.

(b) State Accounts Circular No.30/94 of 20 April 1994

Even though all the transactions in connection with the foreign grants should be made through the External Resources Department of the General Treasury, foreign grants amounting to Rs.265,422,253 for building funds had been received to the Institute directly.

(c) Public Finance Circular No.PF/437 of 18 September 2009

Eventhough all the government and semi government institutes should obtain their insurance coverage from the National Insurance Trust Fund or Sri Lanka Insurance Corporation Ltd, the Institute had obtained an insurance coverage for a vehicle from a private firm by spending Rs.186,313.

(d) Financial Regulations
No. 756

The annual Board of Survey for the year under review had not been carried out.

3. Financial and Operating Review

3:1 Financial Results

According to the financial Statements presented, the operation of the Institute for the year under review had resulted on a net surplus of Rs.26,423,254 as compared with the corresponding net surplus of Rs.4,412,640 for the preceding year, thus indicating further improvement in net surplus by Rs.22,010,614. Increases in research income by Rs.8,368,277 and charges on liquidated damages for the construction of building by Rs.16,633,028 had caused mainly for such improvement in the financial results.

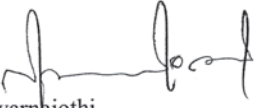
3:2 Performance

Though the main objective of the Institute is carrying out research projects, it was observed 28 projects had been completed out of 42 projects and 14 projects had remained as ongoing at the end of the year under review.

4. Systems and Controls

Special attention is needed in respect of the following areas of control.

- (a) Inventory Control
- (b) Compliance with Laws, Rules and Regulations.
- (c) Contract Administration
- (d) Verification of Fixed Assets
- (e) Certification of vouchers.


S. Swarnajothi
AUDITOR GENERAL

Report of the Auditor General on the Financial Statements of The Institute of Policy Studies of Sri Lanka for the year ended 31st December 2009

2.2.1 Accounting Deficiencies

Steps are being taken by the Publications Committee to recommend methods of disposing slow moving and very old publications. Universities and Embassies have been identified. Such publications may also be given on a complimentary basis when a newer publication is purchased. However, this process has to be carefully analyzed before implementation as publications are funded by project funds, and the value of the publication and the reputation of the institute will also have to be considered.

2.2.2 Non Compliance with Laws, Rules, Regulations and Management Discussions.

a) Public Enterprise circular no.PED/12 of 02 June 2003

- i. **Statement 9:14:2: Approval for the Manual of Operations:** The IPS does not come under the Government of Sri Lanka Administrative Regulations (ARS) and Financial Regulations (FRS). The IPS Act No: 53 of 1988, Section 6 (a) provides full powers to the IPS Governing Board & management to formulate its own rules and regulations. Accordingly, the Manual of Operations has been designed to govern the code of conduct in the IPS. This does not need any approval from the Treasury. It should be noted that the Secretary to the Treasury is a Governing Board member of the Institute.
- ii. **Statement 7.4.1 and 7.4.2: Audit Committee not established:** Discussions have been made at the Board meetings held in 2009, to appoint an Audit Committee. The Audit Committee has now been established. The first meeting will be held shortly.
- iii. **Statement 6.5.1: Submission of Draft Annual Report:** The draft Annual Report has not been submitted with the financial statements as the report is in its compilation stage and not in a position to be forwarded. However, the compiled draft report can be submitted by mid April 2010.

b) State Accounts Circular No. 30/94 of 20th April 1994:

Foreign currency transactions: The foreign currency received from the Netherlands Government for the new building construction amounted to Rs 265,422,253. The IPS was created as an autonomous research institute, by an Act of Parliament. The IPS was envisaged as a policy “think tank” that would have the operational freedom and resources to engage in socio-economic research requiring long term commitment. Although closely linked to the policy making process its financial and administrative

independence enables it to be both constructive and critical. As such funds have always been transmitted directly to the Institute.

c) **Public Finance Circular no. PF/437 of 18th September 2009:**

Insurance of Government and Semi Government Institutions to be insured through National Insurance Trust Fund or The Sri Lanka Insurance Corporation: The Insurance of the said vehicle at a premium of Rs 186,313 was renewed in the first half of October 2009. The circular issued in September 2009 was not received by the Institute at that time. If the policy was cancelled, the Institute would have incurred a loss, as the premium is not refunded; only a credit note is issued. However, all future insurance will be done with the SLIC when renewal takes place.

c) **Finance Regulations No 756:**

A Board of Survey was not carried out in the year 2009 due to the fact that a comprehensive analysis of all assets would need to be carried out prior to moving into the new building. The assets are very old and would not be suitable to the design and concept of the new building.

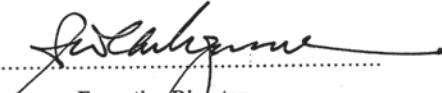
3.3.2 Financial and Operating Review: Performance

The number of projects completed for a year does not reflect the Institute's efficiency or inefficiency. It should be noted that Project Income is 33% higher than the previous year. The projects are completed as per the timelines of the respective contracts and do not correspond with the financial year.

INSTITUTE OF POLICY STUDIES BALANCE SHEET AS AT 31ST DECEMBER 2009

	Notes	31.12.2009 Rs.	31.12.2008 Rs.
Represented By :			
Non-current Assets			
Property , Plant & Equipment	(2)	31,369,647	30,903,251
Fixed Deposits	(3)	278,813,876	296,860,801
Building Construction in Progress		221,331,284	111,394,403
Current Assets			
Stock of Publications		1,767,875	1,742,957
Staff Debtors		1,675,428	2,337,172
Other Debtors	(4)	16,318,722	55,724,698
Deposits	(5)	646,000	646,000
Interest Receivable		8,903,369	1,542,533
Pre-Payments	(6)	948,768	4,225,701
Cash/Bank	(7)	8,577,926	37,298,080
		<u>260,169,371</u>	<u>214,911,543</u>
Current Liabilities			
Accruals	(8)	2,105,771	808,769
Other Creditors	(9)	1,578,778	1,411,373
Deferred Income			
- IPS		12,151,689	13,456,250
NBT Payable		455,053	
		<u>16,291,290</u>	<u>15,676,392</u>
Net Current Assets		243,878,080	199,235,152
Long term Liabilities			
Retirement Benefits		9,318,230	8,077,811
Staff Welfare Fund		902,684	723,958
Long-term Lease (Land)	(10)	19,500,000	20,280,000
Deferred Income - Building Fund	(11)	265,422,253	265,422,253
		<u>258,918,436</u>	<u>232,495,182</u>
Financed By :			
Assets Transferred		2,144,144	2,144,144
Revenue Reserves		230,351,039	225,938,399
Surplus / (Deficit) for the year		26,423,253	4,412,640
		<u>258,918,436</u>	<u>232,495,183</u>

The notes to these accounts are annexed,
signed for and on behalf of the Board


.....
Executive Director

17th February 2010

Financial (Contd)

INSTITUTE OF POLICY STUDIES INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2009

	Notes	2009 Rs.	2008 Rs.
Income			
Contribution from the Ministry of Finance and Planning		14,080,000	13,790,000
Income on Research Projects		33,981,953	25,613,676
Investment Income	(12)	33,924,934	39,304,352
Sales of Publications		823,200	888,883
Miscellaneous Income	(13)	21,114,095	5,030,689
Net Profit on Disposal of Assets		-	950,000
Net Gain on Fluctuation of Exchange rates	(14)	115,373	-
		<u>104,039,555</u>	<u>85,577,600</u>
Less: Expenditure			
Local staff Salaries	(15)	38,772,998	39,355,961
Research Costs	(16)	13,880,693	13,583,338
Net Loss on Fluctuation of Exchange rates		-	6,142,314
Operational Costs	(17)	<u>24,962,610</u>	<u>22,083,347</u>
		77,616,302	81,164,960
Income/(Loss) before Tax	(18)	26,423,253	4,412,640
Taxation		-	-
Income/(Loss) after Tax		<u>26,423,253</u>	<u>4,412,640</u>
Surplus / (Deficit) Brought Forward		<u>230,351,040</u>	<u>225,938,400</u>
Surplus / (Deficit) Carried Out		<u>256,774,293</u>	<u>230,351,040</u>

INSTITUTE OF POLICY STUDIES
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER 2009

	Notes	2009 Rs.	2008 Rs.
Income			
Contribution from the Ministry of Finance and Planning		14,080,000	13,790,000
Income on Research Projects		33,981,953	25,613,676
Investment Income	(12)	33,924,934	39,304,352
Sales of Publications		823,200	888,883
Miscellaneous Income	(13)	21,114,095	5,030,689
Net Profit on Disposal of Assets		-	950,000
Net Gain on Fluctuation of Exchange rates	(14)	115,373	-
		<u>104,039,555</u>	<u>85,577,600</u>
Less: Expenditure			
Local staff Salaries	(15)	38,772,998	39,355,961
Research Costs	(16)	13,880,693	13,583,338
Net Loss on Fluctuation of Exchange rates		-	6,142,314
Operational Costs	(17)	24,962,610	22,083,347
		<u>77,616,302</u>	<u>81,164,960</u>
Income/(Loss) before Tax	(18)	26,423,253	4,412,640
Taxation		-	-
Income/(Loss) after Tax		<u>26,423,253</u>	<u>4,412,640</u>
Surplus / (Deficit) Brought Forward		230,351,040	225,938,400
Surplus / (Deficit) Carried Out		<u>256,774,293</u>	<u>230,351,040</u>

INSTITUTE OF POLICY STUDIES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST DECEMBER 2009

	Notes	Assets Transferred Rs.	Revenue Reserves Rs.	Total Rs.
Balance as at 31st December 2008		2,144,144	230,351,039	232,495,183
<u>Changes in Equity for 2009</u>				
Income for the period		-	26,423,253	26,423,253
Balance as at 31st December 2009		<u>2,144,144</u>	<u>256,774,292</u>	<u>258,918,436</u>

Financial (Contd)

INSTITUTE OF POLICY STUDIES CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2009

	31.12.2009 Rs.	31.12.2008 Rs.
Income /(Expenditure) before tax	26,423,253	4,412,640
Adjustments for		
Depreciation	2,313,648	2,630,765
Provision for Gratuity	1,240,419	2,164,296
Profit on Disposal of Plant ,Equipment & Motor vehicles	-	(950,000)
Operating Profit before Working Capital Charges	29,977,320	8,257,701
Changes in Working Capital		
(Increase)/Decrease in Publication Stocks	(24,917)	511,906
(Increase)/Decrease in Staff Receivables	661,744	294,503
(Increase)/Decrease in Other Receivables	32,045,141	(45,189,876)
(Increase)/Decrease in Pre Payments	3,276,933	314,635
Increase/(Decrease) in Other Payables	(682,103)	1,619,222
Increase/(Decrease) in Accruals	1,297,002	(1,641,995)
Cash Flow from Operations	36,573,799	(44,091,604)
Income Tax Paid	-	-
Net Cash Flow after Operating Activities	66,551,119	(35,833,902)
Long-term Land lease Payable	(780,000)	(780,000)
Building Fund	-	152,471,620
Staff Welfare Fund	178,726	723,958
Purchase of Property, Plant & Equipment	(2,780,044)	(1,092,924)
Building Construction in Progress	(109,936,881)	(62,137,877)
Sales proceeds from Disposal of Property, Plant & Equipment	-	950,000
Net Cash Flow from Investing Activities	(112,538,199)	90,914,777
Net Increase/(Decrease) in Cash & Cash Equivalents (Note)	(46,767,079)	54,300,874
Cash & Cash Equivalents at the beginning of the Period	334,158,881	279,858,007
Cash & Cash Equivalents at the end of the Period	287,391,802	334,158,881

NOTE

	31.12.2009 Rs.	31.12.2008 Rs.	Changes in the period Rs.
Cash at Bank and in Hand	8,577,926	37,298,080	(28,720,154)
Fixed Deposits	278,813,876	296,860,801	(18,046,925)
	<u>287,391,802</u>	<u>334,158,881</u>	<u>(46,767,079)</u>

Financial (Contd)

INSTITUTE OF POLICY STUDIES NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 2009

1. Accounting Policies

1.1 The financial statements have been prepared in accordance with generally accepted accounting principles and no adjustments have been made for the inflationary factors affecting the accounts.

1.2 Property, Plant & Equipment

Property, Plant & Equipments are stated at cost less accumulated depreciation.

Property, Plant & Equipments are depreciated on the Straight-line method using the following rates per annum:

Computer Equipment	-	33%
Web Page Design	-	33%
Motor Cycle	-	20%
Furniture	-	20%
Office Equipment/Generator	-	20%
Motor Vehicles	-	20%
Lease-hold Improvements	-	50%
Library Books	-	25%

They are not depreciated in the year of purchase.

1.3 Debtors are stated at the amount estimated to be realised.

Taxation

The profits and the income of the Institute of Policy Studies are exempt from tax as per section 19 (4) of the Institute of Policy Studies of Sri Lanka Act No.53 of 1988 and section 2 (3) (LIX) of the Inland Revenue (Amendment) Act No. 42 of 1990.

1.5 Recognition of Revenue

Income is recognised only when realised. Therefore revenue is recorded at the end of a particular phase and/or at the end of the project when research work is fully completed.

2. Property, Plant & Equipment

	Land	Computer Equipment	Motor Vehicles	Furniture & Fittings	Office Equipment	Library Books	Lease-hold Improvements	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost								
Opening Balance as at 01st January 2009	23,400,000	21,142,437	10,604,125	3,544,613	7,005,139	1,223,639	820,091	67,740,043
Add: Additions	-	2,446,544	-	-	333,500	-	-	2,780,044
Less: Disposals	-	-	-	-	-	-	-	-
Closing Balance as at 31st December 2009	23,400,000	23,588,981	10,604,125	3,544,613	7,338,639	1,223,639	820,091	70,520,088
Accumulated Depreciation								
Opening Balance as at 01st January 2009	-	19,543,262	5,324,124	3,480,023	6,852,608	816,673	820,102	36,836,792
Add: Depreciation charge as at December 2009	-	674,340	1,320,000	47,524	71,518	200,266	-	2,313,648
Less: Depreciation on Disposal	-	-	-	-	-	-	-	-
Closing Balance as at 31st December 2009	-	20,217,602	6,644,124	3,527,547	6,924,127	1,016,939	820,102	39,150,441
Written down value 31st December 2009	23,400,000	3,371,379	3,960,001	17,066	414,512	206,700	(11)	31,369,647
Written down value 31st December 2008	23,400,000	1,599,175	5,280,001	64,590	152,530	406,966	(11)	30,903,251

Financial (Contd)

INSTITUTE OF POLICY STUDIES NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 2009

3. <u>Fixed Deposits</u>	2009 Rs.	2008 Rs.
Fixed deposits	82,444,818	97,249,936
Treasury bills	4,265,213	-
Treasury bond	109,974,210	45,940,760
Treasury bills - Staff Welfare Fund	913,477	723,958
Treasury Bills - Gratuity Fund Investment	9,472,480	8,459,565
Repurchase Agreements	71,743,678	144,486,582
	<u>278,813,876</u>	<u>296,860,801</u>

4. <u>Other Debtors</u>	2009 Rs.	2008 Rs.
Debtors	5,028,758	12,016,547
VAT Receivable/(Payable)	3,358,895	19,204,072
Cheque return control Account	-	13,744
Other Advances	-	23,235
Advances to new building contractor	-	19,283,090
Advances to new building sub-contractors	6,431,595	-
Receivable from new building contractor	-	4,639,294
Other Receivables	1,499,474	2,881,889
	<u>16,318,722</u>	<u>58,061,870</u>

Decrease in Debtors is due to Rs 23,922,384 receivable from new building recovered in full.
VAT amounts relating to new building was coded to New building Constructions in 2009.

<u>Deposits</u>	2009 Rs.	2008 Rs.
Deposit on IPS Annex	200,000	200,000
Deposit on IPS HO	200,000	200,000
Deposit for Fuel	180,000	180,000
Mobile phone - Roaming facility	60,000	60,000
Deposit - American Premium Water	6,000	6,000
	<u>646,000</u>	<u>646,000</u>

6. <u>Pre-Payments</u>	2009 Rs.	2008 Rs.
Rent	-	3,032,838
Vehicle Insurance	113,571	114,867
Medical Insurance	767,436	815,901
IT maintenance & Insurance	65,361	230,373
Other Pre-Payments	2,400	31,722
	<u>948,768</u>	<u>4,225,701</u>

7. <u>Cash/Bank</u>	2009 Rs.	2008 Rs.
HSBC	663,725	4,043,859
Commercial Bank	1,290,225	753,733
Peoples Bank	57,889	77,889
Citibank USD	2,255,078	2,147,187
Citibank GBP	2,385,793	2,734,592
Commercial Debit Tax	122,881	122,881
Petty cash IPS	37,000	36,998
HSBC Building Construction Account	1,765,335	27,380,941
	<u>8,577,926</u>	<u>37,298,080</u>

Decrease in Cash/Bank is due to expenditure incurred for new building.

8. <u>Accruals</u>	2009 Rs.	2008 Rs.
Audit fees	405,000	315,000
Electricity	348,585	-
Fuel	110,000	-
Telephone/Internet Charges	358,429	249,575
Research project expenses	874,756	244,193.79
Other Office Costs	9,000	-
	<u>2,105,771</u>	<u>808,769</u>

Financial (Contd)

INSTITUTE OF POLICY STUDIES NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 2009

9. <u>Other Creditors</u>	2009 Rs.	2008 Rs.
Creditors	351,858	42,508
EPF/ETF Payable	519,966	544,943
Withholding Tax Payable	706,955	823,923
	<u>1,578,778</u>	<u>1,411,373</u>

10. Long-term Lease on Land

An extent of land was given to the IPS by the Land Commissioner in year 2006, on a 30 year long term lease agreement to construct the IPS Head Office building. The Institute pays the Divisional Secretariat in Thimbrigasyaya, Rs. 780,000 per annum towards the lease payment.

11. Commitments

The Institute has committed to construct its own Head Office building valuing Rs. 268 M, over a period of 3 years. (June 2006 to March 2010), A substantial part of the funds, Rs 280M approximately (Euros 1.8M) required for this project is provided by the State of Netherlands. The balance is to be met by IPS reserves.

The following instalments have been received as at 31.12.2009

- First instalment of Rs. 47.5M (Eur. 360,000) in June 2006
- Second instalment of Rs. 65.4M (Eur. 416,000) in December 2007
- Third instalment of Rs. 121M (Eur. 720,000) in June 2008
- Fourth instalment of Rs. 31.4M (Eur. 214,000) in October 2008

In the event that this project is not carried out as per contract specifications between the State of Netherlands & the IPS, the IPS would be required to pay back the grant in full or part thereof.

12. <u>Investment Income</u>	2009 Rs.	2008 Rs.
Savings account interest	218,105	129,486
Savings & FD interest - New Building Fund	1,612,356	3,448,560
Investment Income	<u>32,094,474</u>	<u>35,726,306</u>
	<u>33,924,934</u>	<u>39,304,352</u>

13. Miscellaneous Income

Miscellaneous income includes Rs. 4,441,257.68 of interest and admin charges recoverable from K D Ebert & Sons (contractor for New Building Project) on funds advanced to them and a further Rs. 16,633,028.98 as liquidation damages (due from 13th December 2008 as per the new building completion date on contract) as at 31.12.09.

14. Net Gain on Fluctuation of Exchange rates

Exchange gain is as a result of the appreciation of Euro against the Rupee. The building fund deposits have been revalued as at 31.12.2009.

15. <u>Local Staff Salaries</u>	2009 Rs.	2008 Rs.
Salary	35,787,318	35,561,396
Medical	999,341	711,168
Retirement benefits	1,815,759	2,434,913
Other	170,579	648,483
	<u>38,772,998</u>	<u>39,355,961</u>

16. Research Costs

	2009 Rs.	2008 Rs.
Research Papers	14,850	126,539
Printing & Publication Cost	1,234,979	1,298,639
Consultancy fees	6,831,931	4,986,291
Doc: data retr&Libr:	449,710	302,153
Seminars/Workshops	1,204,490	225,433
Networking	142,940	184,379
Travelling, Field Visits & Accom. - Foreign	563,490	295,423
Travelling, Field Visits & Accom. - Local	411,908	526,392
Data & Survey Cost	1,737,250	3,190,718
Internet Costs/Website costs	<u>1,289,144</u>	<u>2,447,370</u>
	<u>13,880,693</u>	<u>13,583,338</u>

**INSTITUTE OF POLICY STUDIES
NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 2009**

17. Operational Cost

	2009	2008
	Rs.	Rs.
Depreciation	2,313,648	2,630,765
IT expenses - Consumables & other	435,562	565,108
Office Costs	6,582,365	4,692,834
Rent & Office Maintenance	15,631,035	14,194,641
	<u>24,962,610</u>	<u>22,083,347</u>

18. Operating Income

Total income for the year 2009 shows an increase of 22% compared to year 2008. Project income has increased by 25%. The Miscellaneous income increase of 76% is due to liquidation damages, interest and administration charges recovered from the main contractor of the new building project. However investment income has decreased by 16% due to fall in interest rates in 2009.

Expenses for the year 2009 has decreased by 4% in contrast to year 2008. This is mainly due to the exchange gain recorded compared to the exchange loss of 2008.

Glossary of Financial Terms

Accounting Policies

Specific principles, bases, conventions, rules & practices adopted by an enterprise in preparing & presenting Financial Statements.

Deferred Income

The income on incomplete projects deferred in the Balance Sheet to be recognised as income over the period of projects.

Revenue Reserves

Reserves considered as being available for distribution & investments.

[Sunday Observer - 04.10.2009 - tp]

APTA strengthens trade with China

By Ganimi Warushantana

Most of the Sri Lanka exporters are not aware about the Asia Pacific Trade Arrangement (APTA) which China is a member and offering Margin of Preference (MOP) over the general tariff, said the Executive Director of IPS Dr. Saman Kelegama.



Dr. Saman Kelegama.

He was addressing the Sri Lanka - China Business Forum organized by the Sri Lanka-China Solidarity Movement and the Chamber of Commerce.

Under the APTA China already provides concessions for over 1700 products imports from Sri Lanka at MOP of 27% which comes around 50% of our total exports to China. These concessions will be increased to

revert over 2000 export items within the next 1 1/2 years.

However the usage of tariff concessions by Sri Lanka exporters is very low and only less than 5% of preferential tariff items granted by China has been used.

Out of APTA eligible make the exporters aware of APTA. The fourth round of the APTA negotiations to be completed in October which aims to widen the coverage of preference to at least 50% of the number of tariff lines and provide tariff concessions of at least 50%.

Dr. Kelegama pointed out trade relations between Sri Lanka and China are growing rapidly. He said, "It is important to strike a compromise between the medium term benefits of increased unemployment as well as the longer term benefits of increased competitiveness."

"Domestic regulation is another critical issue for developing countries. South Asia has been historically plagued with over-regulation. However, effective regulation is particularly important in the service

sector. Regulation is very important in services such as health and education. There is an important social impact on services such as telecommunication and finance", he said.

"Liberalization of services has a profound impact - both positive and negative. A country would be successful if it is able to reap the benefits of liberalization while controlling and minimizing the harmful effects. This is not an easy task and a great deal of research through dialogue and debate needs to go into

Govt. needs a re-look at education

Get real or get out. According to the Minister of Public Administration and Home Affairs Sarath Amunugama, it is time for the government of Sri Lanka to take a realistic look at the massive investments it is making in areas such as education and find out if the investment is worth it.

A panel discussion on the state of education in Sri Lanka was held at the Sri Lanka Chamber of Commerce and Industry (SLCCI) on Sunday.

The panel was moderated by Dr. Saman Kelegama, Executive Director of IPS. He said, "The government needs to take a realistic look at the massive investments it is making in areas such as education and find out if the investment is worth it."

He was addressing the Sri Lanka - China Business Forum organized by the Sri Lanka-China Solidarity Movement and the Chamber of Commerce.

Under the APTA China already provides concessions for over 1700 products imports from Sri Lanka at MOP of 27% which comes around 50% of our total exports to China. These concessions will be increased to

revert over 2000 export items within the next 1 1/2 years.

However the usage of tariff concessions by Sri Lanka exporters is very low and only less than 5% of preferential tariff items granted by China has been used.

IOM-IPS study migration pattern

[Island - 20.10.2009 - lvp]

The International Organization for Migration (IOM) together with the Institute of Policy Studies of Sri Lanka (IPS) launches the first edition of the "International Migration Outlook - Sri Lanka 2009".

The report, which is based on a study conducted by IOM, outlines a comprehensive analysis of the trends, patterns and changes in migration from Sri Lanka in recent years. The report also addresses a longstanding need of international migration data for better planning and decision making in

the past decade, the number of migrants from Sri Lanka - be it economic, educational, social or political reasons - have increased. So has the importance of challenges brought about by international migration including social change, cultural adaptation, threats to national security and identity and resource allocation.

"Migration must be managed to maximize its benefits and it is the formulation of effective regulatory, management policies that will help determine this," says Mohamed

hope, the statistical information and the analysis of key migration issues in this report will become useful," adds Abdulla.

different types of migration including labour, student, irregular and various purposes along with key indicators, facts and figures. The

Executive Director, IPS Dr. Saman Kelegama and Head, UNDP-ICC and Chief of Policies and Programs, UNDP Regional Centre for Asia and Pacific, Omar Numan at the conference. Picture by Sanyas Haseem.

that the primary poor in Accra to authorities have to submit when they are sent to the labour camps. The report also addresses a longstanding need of international migration data for better planning and decision making in

the past decade, the number of migrants from Sri Lanka - be it economic, educational, social or political reasons - have increased. So has the importance of challenges brought about by international migration including social change, cultural adaptation, threats to national security and identity and resource allocation.

Economic Wisdom For Babies

By W.A. Wijewardena

Reviewed by Dr Saman Kelegama

This book consists of 10 essays with two more in a special section for the 'Young Ones'. The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.

The book is a collection of essays by W.A. Wijewardena, a well-known economist and author of several books on economic issues.



MESSAGE FROM THE CHAIRMAN OF EVALUATORS PANEL: DR. SAM. DIRECTOR, INSTITUTE OF POLICY STUDIES OF SRI LANKA

Increased number of applicant positive sign of growth

The Best Corporate Citizen Award is in its 10th year of functioning under the supervision and organization of the Ceylon Chamber of Commerce. The number of application forms for the Award has increased over the years and this is a positive sign of growth and development of the private sector during a turbulent period in Sri Lanka.

The Evaluation Panel plays a key role in analyzing the application forms, company reports and other submissions for the purpose of giving marks. Each and every application is marked with care and diligence in five areas, viz., Environment, Community Relations and Society, Employee Relations, Customer/Supplier Relations, and Economic Performance.

The following sub-areas were examined in each of these five areas:

Environment: environmental policy of the business, environmental certifications obtained, compliance with environmental standards and environmental conservation initiatives (implementation of eco-friendly projects and projects to reduce adverse impacts on the environment). Pollution, emissions, lawsuits and fines, regulatory problems and other environmental

Community Relations and Society: philanthropic, foundation or trust that the company has set up, social activities of the company, community service projects, educational projects, educational awards, scholarships, employee volunteerism, child and other care programmes, etc.

Employee Relations: human resources policy, employment and employee turnover, terms and conditions of employment, labour relations, industrial disputes and work place accidents, wage relation to industry benefits paid, profit sharing, team management, employee empowerment, employee share option or ownership schemes, employment of women, employment of disabled persons, human rights and child labour, training expenditure, workforce reductions, increase, employee injury statistics, etc. Human rights violations, non-payment of statutory payments, labour disputes, etc. revealed negative

marks.

Customer/Supplier Relations: quality management program, quality awards or customer satisfaction measures, supply chain including fair trading practices, assisting small businesses and suppliers, direct purchasing from farmers, avoiding the middlemen, etc.

Lawsuits against company products and providing harmful products revealed negative marks.

Economic Performance: declaration of a dividend, bonus issues, rights issues, growth and turnover, retained earnings, payment of taxes, value addition, compliance with corporate governance practices, etc.

According to the marking, the 'Ten Best Corporate Citizens' were selected and the first two runners-up and the winner were identified. The best performers in each of the five areas of evaluation, three best performers under the 'Best 10 in turnover' category, three 'Best Overall Special Projects', and

three 'Best Overall Special Projects', and

three 'Best Overall Special Projects', and

three 'Best Overall Special Projects', and

three 'Best Overall Special Projects', and

Prompt, coherent policy act

prompt statement was issued) announcing this seminar.

"Much of the world economy has been in recession since the evolution of the financial markets crisis into a fully fledged economic crisis in the fourth quarter of 2008.

Large global financial institutions have collapsed, stock markets around the world have crashed, large numbers of workers have been laid off and governments in the wealthiest countries have bailed out together rescue packages to bail out their financial systems and are now gearing up large Keynesian style stimulus packages in a fervent attempt to prevent a full blown depression.

The Institute of Policy Studies (IPS) will hold a seminar on the global economic crisis and its impact on Sri Lanka this Wednesday February 10 at Sri Samadhi Hotel, Colombo. The

seminar will be moderated by Dr. Saman Kelegama, Executive Director of IPS. He will be joined by Dr. Anura Kumara Dissanayake, Minister of Finance, and Dr. Anura Kumara Dissanayake, Minister of Finance.

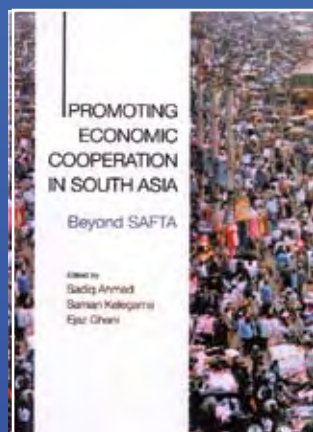
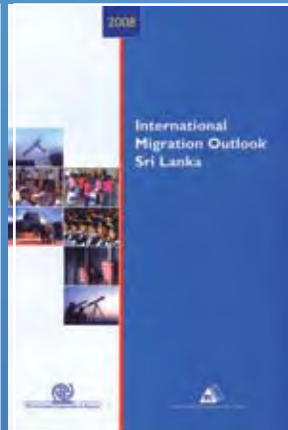
The seminar will be moderated by Dr. Saman Kelegama, Executive Director of IPS. He will be joined by Dr. Anura Kumara Dissanayake, Minister of Finance, and Dr. Anura Kumara Dissanayake, Minister of Finance.

The seminar will be moderated by Dr. Saman Kelegama, Executive Director of IPS. He will be joined by Dr. Anura Kumara Dissanayake, Minister of Finance, and Dr. Anura Kumara Dissanayake, Minister of Finance.

The seminar will be moderated by Dr. Saman Kelegama, Executive Director of IPS. He will be joined by Dr. Anura Kumara Dissanayake, Minister of Finance, and Dr. Anura Kumara Dissanayake, Minister of Finance.

The seminar will be moderated by Dr. Saman Kelegama, Executive Director of IPS. He will be joined by Dr. Anura Kumara Dissanayake, Minister of Finance, and Dr. Anura Kumara Dissanayake, Minister of Finance.

IPS Latest Releases



INSTITUTE OF POLICY STUDIES OF SRI LANKA

100/20, Independence Avenue, Colombo 7, Sri Lanka

Telephone: 94 11 2665067, Facsimile: 94 11 2665065, Email: ips@ips.lk, Website: www.ips.lk