



Countries in Violent Conflict and Aid Strategies: The Case of Sri Lanka

ARVE OFSTAD *

Chr Michelsen Institute, Bergen, Norway

Summary. — In countries with an ongoing violent conflict, aid donors are confronted by four sets of issues: how the volume as well as the orientation of the program can influence a peace process; whether development efforts can be undertaken in rebel-controlled territories; and how an early rehabilitation program can affect the long-term process. This paper analyzes the strategies applied in Sri Lanka by donors undertaking a traditional development approach and those following a more comprehensive approach. Dilemmas are generated *vis-à-vis* both the government's and the rebels' policies and interests. Four general conclusions underline the political nature of development aid programs during a violent conflict. © 2002 Elsevier Science Ltd. All rights reserved.

Key words — aid policies, conflict-affected areas, internal war, Asia, Sri Lanka

1. INTRODUCTION

Most aid donors increasingly wish to see their programs to countries in violent conflict as positive contributions supporting a peaceful solution. But, despite the long ongoing debate in the international aid community and a growing academic discourse, many questions remain on the relationship between aid policies and factors that may promote or obstruct peace.¹

This paper outlines four major issues confronting aid agencies in a country with a long-lasting internal war, and analyzes the actual policies of the major agencies in respect to these four issues. In countries with a high level of conflict, aid programs become even more political—and politicized—than under normal circumstances. This is well illustrated in the Sri Lanka case. Of particular interest are the dilemmas in relation to the government and the militant groups when considering support to recovery and rehabilitation in war-affected areas.

These issues are also relevant in a number of similar cases such as Sudan, Angola, Afghanistan, and Colombia, where an armed movement has control over parts of the country, and where opportunities for recovery and rehabilitation may be present in disputed territory while the war is ongoing. The concepts of *incentives* and *disincentives* for a peace-promoting environment, as developed in the OECD/

Development Assistance Committee research program (Uvin, 1999), are quite useful in this analysis. It is important, however, to keep in mind the limited influence that aid policies have in influencing the overall conflict dynamics.

2. THE SRI LANKA CASE: TYPICAL AS WELL AS UNIQUE FEATURES

In Sri Lanka an armed conflict has been ongoing since 1983 between the secessionist *Liberation Tigers of Tamil Eelam* (LTTE) and the government forces. The war has incurred heavy human and economic costs with more than 70,000 lives lost, mostly combatants, and

* The author was the UN Resident Coordinator in Sri Lanka during 1995–98 and therefore was personally involved in formulating UN policies during this period. Hopefully, the insight gained will more than compensate for any bias in presentation and analysis. The views expressed are the full responsibility of the author, and are not necessarily shared by the UN in Sri Lanka. The paper has been produced as part of the research program “Between relief and development: The role and experiences of the multilateral aid system” funded by the Norwegian Research Council. A previous version of this paper was presented at the Asia2000 Seminar at Sundvollen, June 5–7, 2000. Thanks to Astri Suhrke, Bruce Jones, Arne Wiig, and an anonymous referee for helpful comments. Final revision accepted: 1 October 2001.

more than one million people displaced at various times, some of these many times over. There have been several periods of cease-fire and peace negotiations, but each time the fragile process has been broken by the LTTE. In the meanwhile, several other militant Tamil groups, who were engaged in armed struggle, accepted a peace agreement brokered by India in 1987 and are now collaborating militarily with the government forces against the LTTE.

In 1990, the LTTE took physical control over the Jaffna peninsula and town, which is the traditional and cultural "capital" of the Tamil community in Sri Lanka. The LTTE had also established control over most of the northern districts on the "mainland" known as the Vanni, and exercised control over large areas in the Eastern province. In the first half of 1996 the government forces regained control over Jaffna peninsula, and even though the LTTE again recaptured part of the peninsula in early 2000, there has been continuous fighting.

This paper deals primarily with the period after the elections (1994–99) that brought the People's Alliance and president Chandrika Kumaratunga to power, based on an election campaign for peace. During this period it is useful to distinguish between the following conflict-affected areas:

- areas under LTTE control, primarily in the Vanni and parts of the east;
- areas previously under LTTE control but recaptured by government forces, primarily the Jaffna peninsula since 1996;
- the so-called border areas with high security risks in parts of the east, the Vanni and neighboring districts; and
- the rest of the country (85% of the population) which was indirectly affected by the war.

The policy options for the aid donors were necessarily shaped by government policies and strategies. The government's strategy for solving the conflict was—and still is—primarily built on three main elements: (a) to isolate the LTTE from the Tamil population and use the military to reduce the fighting capability of the LTTE sufficiently to make them willing to negotiate a peace settlement, (b) to design and negotiate a political solution based on greater devolution of power to the regions (provinces) and other reforms that provide for equal opportunities and respect for human rights, and (c) to provide for economic rehabilitation and reconstruction in conflict-affected areas after peace has been restored.

In relation to international assistance, however, government policy has also been shaped by some additional concerns, such as the wish to avoid—or at least reduce—the "internationalization" of the conflict and thus limit the presence of international aid agencies in the conflict zones. Since their support was still required, a number of restrictions were put on aid agency presence and activities on these areas. Second, it has been paramount for the government to ostracize the LTTE, and reduce the level of international contacts that could be interpreted as a form of recognition. Third, the government has displayed a double policy in dealing with development and reconstruction in Jaffna and the east. While expressing the government's interest in reconstruction in order to win the "hearts and minds" of the population, at the same time, the strict military controls and sanctions have reduced such opportunities. Fourth, all development and humanitarian activities in the north and the east, in LTTE- as well as government-controlled areas, have thus been restricted by the primary emphasis that has always been accorded to the military and security concerns.

As a quite unique feature in Sri Lanka, however, the government has maintained its presence in the LTTE areas. This includes government-appointed—and -funded—district and divisional administrations headed by a Government Agent (GA) and basic services such as schools and health centers, local road and water engineers. These government employees receive their salaries and their pensions are transferred. Perhaps even more important, the government supplies food for the internally displaced and others without a livelihood due to the war. The internally displaced persons (IDPs) are often temporarily housed in schools, temples or other public buildings and provided food in the form of dry rations. The annual cost of this food supplied by the government was around US\$60 million in 1998, which was around the double of the international humanitarian assistance that year.

The LTTE on the other side have been fighting a war with the primary aim of establishing a separate state for the Tamil-speaking community in the north and east. They have done their utmost to eliminate other Tamil political opponents, and undertaken virtually an ethnic cleansing in areas under their control. At the same time, they wish to portray themselves as an internationally acceptable political/military force, representing—and protecting—

the Tamil community and respecting international norms to the extent possible in times of war. Their strategy is to establish military control over these territories, establish a *de facto* civil administration in the areas and eventually declare an independent “Tamil Eelam.” They have also declared themselves willing to negotiate politically with the government of Sri Lanka preferably through a third-party intermediary, as exemplified by the Norwegian efforts since early 2000 to facilitate negotiations. It is so far unclear whether the LTTE eventually will accept a political solution within a united Sri Lanka, but various proposals have been made toward strong devolution of powers to regional units, or some form of federalism or con-federalism.

While the government has been elected in multiparty parliamentary and presidential elections, the LTTE have never participated in elections and do not allow any alternative parties and movements in their areas. Both the government security forces and the LTTE have committed serious human rights abuses including disappearances, torture and extra-judicial killings (UN/CHR, 1998). It is generally agreed, however, that the government human rights record improved in the second part of the 1990s as compared with the late 1980s and early 1990s. The LTTE are held responsible for assassinating a number of political leaders (including presidents, ministers and members of parliament) and for placing bombs against civilian targets in Colombo and elsewhere. Both sides are accused of nonadherence to the Geneva Conventions on the protection of civilians during war.

3. AID POLICY ISSUES AND STRATEGIC APPROACHES

Given the above situation, the aid donors were confronted with a number of policy issues. The most typical issue raised in any country at war is whether and to what extent the total aid provided direct or indirect support to the government’s war efforts. However, and in line with the international discourse on aid to countries in conflict, many aid donors were equally concerned about whether and to what extent the actual contents of the aid programs could positively influence and support efforts toward a peace process. Third, the aid donors were requested to support a rehabilitation and reconstruction program in Jaffna while the war

was still ongoing. This raised the issue of whether and how donor support to such a program in conflict-affected (disputed) areas might contribute to a peace process. Finally, while there was no question about the need for humanitarian support to IDPs and other conflict-affected populations, the question was raised whether any measure of development efforts could and should be undertaken in rebel-controlled areas.

These four sets of issues are not unique to the Sri Lanka case, and the purpose of this paper is to analyze in some depth the donor reactions and responses. The donors did not, however, all follow the same policy responses, and it is useful to distinguish between four strategic patterns:²

The traditional development agency approach: This line was followed primarily by the largest donors Japan, the Asian Development Bank (ADB)—and the World Bank until 1998. Their approach was to practically disregard the war and provide development assistance as if the war did not exist, except to avoid all conflict-affected areas in the north and east for security and political reasons. This approach was presented as being neutral in relation to the conflict issues, but it disregarded the need for balanced development and extraordinary measures in the conflict-affected areas. In this way, the approach was clearly government-friendly, with indirect and passive support to the government’s overall strategy.³

The human rights approach: The clearest opposite to the traditionalist approach was exemplified by Canada (CIDA) which decided not to provide direct development support through the government. CIDA channeled support primarily to nongovernmental organizations (NGOs) and institutions, and only to governance and human rights institutions within the government sector. The Canadian decision to wind down its regular development program was a reaction to the previous Premadasa regime’s extreme human rights abuses and not primarily a reflection of the ongoing war. Canada funded a number of human rights and other activist NGOs, as well as community-oriented development organizations, including those active in the east and the north, both in government- and LTTE-controlled areas.

The comprehensive approach: This line was followed by the UN agencies (taken together as a group) and increasingly by most bilateral donors exemplified by the medium-sized donors

such as the Netherlands, Germany and the United Kingdom. These donors maintained a regular aid program in collaboration with the government, but they also provided a substantial humanitarian program with an expressed concern for IDPs and other civilians affected by the war on all sides. They were willing to provide special resources for an early rehabilitation in Jaffna and elsewhere where possible, and they would consider support to special needs due to the conflict such as a mine action project and training of police on human rights issues. The main approach was to be balanced and comprehensive, with a focus on opportunities to integrate all sides into a long-term sustainable development. This approach, which tried not to antagonize either side of the conflict, sometimes caused negative reactions by the most narrow-minded on both sides.

The *pro-active approach* in promoting a peace process: While all donor countries claimed to promote a peaceful solution to the war in Sri Lanka, it was primarily Sweden and subsequently Norway that most clearly expressed that they were aiming to reorient their whole aid program as support to a movement toward peace. This approach provided active support to the government's efforts to create a national consensus for its political proposals. It also included pro-active support for other programs and policies that were seen as positive contributions, such as education and language reforms, human rights and peace organizations, judicial reforms, and rehabilitation and development in conflict-affected areas. These donors also balanced their support for peace promotion with other programs for poverty reduction and employment generation similar to the "comprehensive approach." They would argue more strongly, however, that these programs were integral parts of a peace promotion effort.

How then did these four strategic approaches result in different answers to the four major policy issues presented above, and what dilemmas were created *vis-à-vis* the government's and the LTTE's policies and interests?

4. AID POLICY ISSUE 1: OVERALL AID VOLUME AND THE GOVERNMENT'S WAR EFFORTS

The first question raised above is the classical issue of aid conditionality, whether the aid

agencies adjusted the overall aid volumes to influence the government—and other actors—in their approach toward a peace process during the period under study. The easy answer to this is no, they did not, because all donor countries supported or accepted the government's policy line—with some differences in emphasis and speed of implementation—and saw no reason to adjust the volume of their aid for political reasons during this period.⁴ All donor countries nevertheless expressed their concern over the continued armed conflict and its human and economic costs. They argued that the war was hampering development efforts, that the defense budget was very high, and that all efforts must be made to accelerate a political solution.⁵ The government totally agreed with these sentiments while blaming the LTTE for having forced upon them a war, which the government did not want, and blaming the main opposition party UNP for frustrating the efforts to obtain approval for the political proposals in parliament. To a large extent the donor countries accepted this and continued their general political support to the government. They were also aware of the difficult political balancing of the government between the search for a political solution accommodating some of the Tamil demands against a Sinhala chauvinist backlash which had previously (1987–89) contributed to a violent uprising in the south.

The main events in the comprehensive dialogue between the government and the aid donors are the Consultative Group (CG) meetings hosted by the World Bank in Paris. During the first period (1994–99) of the Kumaratunga government, Paris meetings were organized in April 1995 just after the resumption of the war, in November 1996 and May 1998 when the meeting changed its name to the Sri Lanka Development Forum (DF). The next was due in December 1999, but was postponed due to elections and the increased war intensity, and was finally organized in December 2000.

As Kumaratunga's PA government included both "hawks" and "doves" with respect to the peace process, some donors saw maintaining a high aid level as a support to the more moderate "doves" as represented by the Deputy Minister of Finance G.L. Peiris. Peiris was also the Minister for Justice and Constitutional Reforms and the main author of the proposals for political solutions, and as Deputy Minister of Finance he represented the government in all major aid negotiations.⁶ This idea of a positive

incentive to support one faction within the ruling government was muted, particularly ahead of the Development Forum meeting in May 1998, when impatience among donors over the slow progress in the peace process was growing.

Given the high level of agreement between the donors and the government, and the low political pressure in the direction of policy change with respect to the armed conflict, the “traditionalist” could dominate the overall aid dialogue with Sri Lanka. Most of the aid dialogue would thus focus on other issues, such as the slow implementation of aid-funded projects, privatization of public utilities, the budget deficit and reforms in the public sector, and poverty alleviation policies.

The donors favoring more “comprehensive” or “pro-active” approaches expressed stronger concern over the peace process and related issues. This included concern over the slow internal political process, continued display of Buddhist/Sinhala chauvinism by some elements of the government, slow integration, and unequal treatment of all communities. They also expressed concern over human rights issues such as the major disappearances in Jaffna in 1996, the harassment felt by the Tamil minority, instances of torture against LTTE suspects, and the impunity provided to human rights violators in the security forces. They did react to secure humanitarian access and continuous humanitarian supplies to the internally displaced and civilians in LTTE territories. After 1998, these donors also started to express their dissatisfaction over the slow implementation of rehabilitation projects in Jaffna. These issues of concern were nevertheless not viewed by the donors as significant enough to alter their overall political support to the government, and did not influence their level of aid to the country.

At all CG/DF meetings, “resettlement and reconstruction” was on the agenda in a session introduced by the UNDP. But the meetings never provided much opportunity for a substantial discussion about conflict-related aid issues. At the 1995 CG meeting in Paris the President participated and made a presentation of the government’s plans for a major reconstruction and development of Trincomalee. But since the war resumed, these plans have been shelved. At the 1996 meeting the government gave a very optimistic presentation of prospects for a political solution in the coming year (1997). At the suggestion of the

World Bank, the meeting agreed to call an extraordinary donor conference for reconstruction and rehabilitation if, at that time, there were sufficient progress in creating peaceful and secure conditions for such a program. By the 1998 meeting, however, only limited progress had been achieved, and more donors including the World Bank expressed great concern about lack of progress toward a political solution. The UNDP and others also expressed concern about what they saw as inadequate support and contributions by the government side in promoting rehabilitation in Jaffna and the east.

The careful attitude of the donors to apply aid conditionality in Sri Lanka to promote a peaceful solution to the war reflects several considerations. The main one was, of course, the support by the donor countries to the government’s struggle against the LTTE and general confidence in the government’s peace strategy. But there was also a strong memory of the negative relationship between the previous government and the bilateral donors when human rights sanctions were discussed and applied. Both the previous and present governments reacted strongly against political conditionality in the aid debate. They always insisted that the war was an internal political matter, and defended their human rights record in dealing with armed insurrection and separatism. Anyway, they maintained that human rights issues should be discussed in other fora, such as the UN Human Rights Commission, and not linked to development aid. Experiences elsewhere as well as donors’ analysis of the Sri Lanka situation therefore indicated that attempts at applying aid conditionality would not be successful, or might lead to the opposite result.

It is often argued by critical voices that international aid to Sri Lanka constitutes an implicit subsidy of the government’s security forces and their military activities. The total volume of aid in terms of actual disbursements fell from around US\$850 million in the early 1990s to around US\$550 million in 1996 and 1997 (UNDP, 1998). Some of this, possibly as much as US\$100 million, was allocated to humanitarian and other measures intended to directly promote a peaceful development, or otherwise channeled to organizations outside of the government, while the rest—around US\$400–450 million—was for more regular development purposes. This has been compared with the defense budget, which was

around US\$880 million in 1998 and US\$740 million in 1999 (Central Bank, 2000). According to Kelagama (1999) and comparative assessments, this is at least US\$400 million higher than what the defense budget might have been under normal and peaceful circumstances.

International assistance always carries an element of “subsidy” to the overall government budget, and it is usually impossible to avoid the “fungibility” of aid, whereby aid funding of some activities enables the government to re-direct their own resources to other priorities. In Sri Lanka, however, there were no indications that the defense budget has been, or might be, influenced by the size of the aid inflows. First, no donor aid was allocated directly for military or security purposes. Second, the defense budget increased substantially through the 1990s, while the aid budget stagnated and was even reduced. The increased defense budget has been funded internally by a special defense levy, cuts in other government expenditures and a higher budget deficit. The Sri Lankan economy was growing reasonably well and was not in crisis as in many other countries with internal conflicts. There were many other sources of export and government revenues, which so far have generated sufficient resources to fund the war. As an example, remittances from migrant labor generate approximately twice as much foreign exchange as official development aid. But most important, as implied also by Kelagama (1999), it is reasonable to assume that the defense forces and the military efforts have such a high priority that it would have been allocated more-or-less the same funds regardless of the volume of international aid.

Without aid, or with less aid, investments in infrastructure might suffer, other government expenditures including welfare programs and education might be reduced, and the government might have to take larger international loans on a commercial basis and thereby increase its debt burden. Taxation might be higher, possibly also with a higher budget deficit and higher inflation rate as a result. These measures might cause negative political reactions by large parts of the population, but this is difficult to predict. If the government gives defense such a high priority even in the face of decreasing development aid, it may also be able to tackle the political consequences or manage to secure sufficient political support for its policies.

5. AID POLICY ISSUE 2: THE CONTENTS AND ORIENTATION OF THE AID PROGRAM

The second aid policy issue raised above is whether the donors were trying to orient the contents of the aid programs more directly to promote and encourage a peace process. This was an issue in particular for the medium and smaller bilateral aid donors that wished to apply a more “comprehensive” or “pro-active” approach, since the major aid donors (Japan, ADB and the World Bank) all belonged to the “traditionalist” group which did not wish to become involved in these more politicized issues. The World Bank started to reorient its approach after 1998, however. Among the UN agencies both the UNDP and the UNICEF contributed to the “comprehensive” approach in collaboration with the humanitarian programs of the UNHCR and the WFP.

Did these donor agencies actually have a policy and strategy for what they perceived would promote a peaceful solution? With the exception of the explicitly new country assistance strategies of Sweden and Norway, it is doubtful that any donor agency produced a sophisticated analysis of how different aid programs and activities might actually influence the prospects for a peace process.⁷ These are basically technical aid agencies staffed by general practitioners, even when integrated with the respective embassies and related to the political sections of their respective foreign ministries. For most countries, the Sri Lanka aid program was not seen as sufficiently important to justify the introduction of more sophisticated political analysis. For the UN system, there was no systemic link between the political departments of the UN and the funds and programs present in Sri Lanka. The direction and content of the aid programs were therefore probably more influenced by the experiences from elsewhere as reflected *inter alia* in the OECD, and the ability of the representatives and their respective headquarters to apply this knowledge in Sri Lanka.

What emerged as “peace promotion” strategies by the donors during this period can be summarized under four main headings: (a) addressing what was considered as the “root causes” of the conflict; (b) improving human rights and promoting mutual trust damaged by the ongoing conflict; (c) contributing to an overall balanced economic development; and

(d) planning for a postwar rehabilitation and reconstruction program.

Three sectors were seen as addressing the “root” causes of the conflict: reforms in the education sector, language reforms, and decentralization with support to economic activities in the north and east on a nondiscriminatory basis. The education system is crucial in forming attitudes and creating the basis for better understanding, or lack of understanding. Many Tamils felt that the quota system in place since the 1960s for entrance to universities was discriminatory in favor of Sinhala speakers. It became increasingly clear to everybody that the whole education system needed reforms to modernize and reflect the needs of the 21st century, and several donors supported these reforms, including in particular Sweden, the United Kingdom and the World Bank. From 1999 the World Bank initiated a dialogue on support to curriculum reforms in order to create better understanding among the different communities. As for language reforms, Norway has in particular supported the government’s new language policies within the larger framework of national integration. The aim is now to teach both official languages to all students, as well as English as a “link language.”

Decentralization and devolution of power were also considered crucial to address the “root” cause, and seen as steps to rectify the Sinhala-dominated policy-making in the center, to allow for greater autonomy and control over local resources to the regions, not only to the Tamil-dominated ones. Most donors had supported district development programs since the 1980s, but did not link this with the political proposals for devolution. The UNDP provided support to the Finance Commission, which would eventually play a central role in allocating resources among the regions, and the World Bank produced a study which warned against potential slack budget discipline unless sufficient financial control systems were integrated in the devolution program. Though the donors were in favor of greater decentralization for development purposes as well as to promote a peaceful solution, they were mostly hesitant to push this until the government and the opposition parties has agreed on the political framework for devolution.

No donor, however, became involved in addressing other “root” causes such as discriminatory recruitment and employment opportunities in the public sector and state-owned

enterprises; the special position given to Buddhism in the Constitution; what was regarded by Tamils as Sinhala “colonization” of noninhabited areas in the east considered parts of the traditional Tamil “homelands”; or the Sinhala dominance in the police and military forces.

Many donors consider their support for promotion of human rights as part of their contribution to a sustainable peaceful solution. While human rights issues were rather contentious in the relations between donors and the government previously, especially during the Premadasa regime (1988–93), the Kumaratunga government emphasized human rights as part of its political platform. Despite continuous human rights problems after 1994 from all sides of the conflict, including major disappearances in Jaffna in 1996 and several massacres by the LTTE forces,⁸ human rights became a low-profile issue and most donors preferred a constructive rather than a negative approach. Canada, in particular, channeled the major part of its aid to nongovernmental institutions, and gave strong support to various human rights organizations. Most bilateral donors except for the main one, Japan, have provided similar support. The United States has been prominent in support to the government’s newly established human rights commission, and the United Kingdom has *inter alia* supported training in human rights and general behavior to the police forces.⁹

Along with human rights programs, some donors initiated support for the government’s “national integration” program, other measures intended to rebuild trust and confidence between communities, and strengthening of peaceful mechanisms for conflict resolution at national as well as local levels. Several donors funded programs to expose central policymakers including Members of Parliament to experiences in other conflict-affected countries such as South Africa, Northern Ireland, Cambodia, Malaysia, and the Philippines. Some of these programs were regarded as very sensitive politically and caused a commotion from the more chauvinistic elements in Sri Lanka, especially from the fundamentalist on the Sinhala side. Since 1997 Norway has supported the government’s campaign for national integration. The UNICEF has for many years collaborated with the teacher training centers on an education for conflict resolution program, and the UNESCO supported a small program of cultural and educational exchange between youth in Jaffna and “mainland” Sri Lanka

under its "education for peace" program.¹⁰ Since 1998 the UNICEF initiated a "children as a zone of peace" program, launched during the visit by the UN Secretary-General's Special Representative on Children Affected by Violent Conflict.

Donors following the comprehensive and the pro-active approaches were also concerned that development assistance should contribute to an overall balanced economic development in Sri Lanka, to avoid accusations that "too much" assistance was channeled to the Sinhala-dominated south, or to the Tamil areas in the north and east. While providing humanitarian assistance and some rehabilitation support to the north and east, these donors were therefore equally concerned about poor areas and groups in the rest of the country. This included rural and district development programs in poor Sinhala districts such as the Southern province, as well as social welfare for the Tamil plantation workers in the central highlands, and special development in the few Moslem-dominated districts. While these programs were fully justified by standard development criteria, they were also important for maintenance of a balanced development approach in the context of the conflict.

Finally, donors have been planning for a post-war recovery program with promises of additional funding as an incentive for peace. Rehabilitation and reconstruction has been an on-and-off issue for more than a decade. In 1987 the World Bank funded the preparation of the first Emergency Rehabilitation and Reconstruction Program (ERRP I). At a Special Aid Group Meeting in December 1987 the donors pledged as much as US\$490 million for the three-year program. But as the armed conflict broke out again, no project was implemented in the north, and only some were implemented in the east.¹¹ Subsequently the UNDP initiated support to government institutions responsible for planning and implementation of a reconstruction program. During the next cease-fire period (late 1994–April 1995) the ERRP was revised, and an ERRP II for the north was prepared. But because of the resumption of hostilities, this program was never fully approved.

Since 1995, donors have continued to indicate that additional resources will become available when "sufficient" peaceful conditions are obtained, preferably after the achievement of a full peace accord. No new revision of the ERRP has been undertaken, however, and the

government has been continuously changing the institutional setup for reconstruction. As a consequence, the UNDP shifted its support to the new Rehabilitation and Reconstruction Authority for the North. In 1999 the World Bank took the lead role in support to a government-initiated process, to develop a new "framework" for relief, rehabilitation and reconciliation.¹²

In conclusion, the donors applying the comprehensive and pro-active approaches reoriented their aid programs, in relatively careful and modest ways, to provide incentives for a peace process in Sri Lanka. The impact of these incentives on the slow peace process has not been evaluated, but was probably rather limited. The experience also shows that even a modest reorientation of the aid program was easily considered a political act in the very sensitive and politicized conflict environment.

6. AID POLICY ISSUE 3: EARLY REHABILITATION ON THE GOVERNMENT SIDE IN CONTESTED AREAS?

The third aid policy issue facing donors is whether an early rehabilitation and reconstruction program in conflict-affected areas might contribute positively to a peace process, or whether reconstruction should be undertaken only after a more comprehensive peace settlement. The funding and implementation of rehabilitation, reconstruction and development programs in the government-controlled parts of the north and east of Sri Lanka raised several questions. For the traditionalist donors, the issue was primarily one of security. They would not consider funding project activities in these areas if the security situation was too risky for the embassy and agency personnel, or if they believed that their investments might become a target for sabotage and attacks. Clearly, this could represent a dilemma. The government wanted aid projects in areas they controlled and sometimes underplayed the security risks. At the same time, the LTTE were negative to projects that supported the government's position, and attacked economic targets from time to time.

For the nontraditionalist donors, the assessment was more complicated. They were willing to accept a greater risk if the activity was politically important. The primary purpose was to improve the economic and social conditions for the people affected, replace and reconstruct

damaged and looted properties, and restart economic activities. The underlying political assessment was to give incentives to improve conditions by nonviolent means. For some donors, this was seen also as a contribution toward reconciliation among communities and thus strengthening a peace process. Certainly this approach was contrary to the violent struggle by the LTTE. Politically, the rehabilitation program might serve other (non-LTTE) Tamil forces as much as the government, even though donors professed a strictly neutral political position. But in reality, the position of all political forces turned out to be more complicated.

After the government forces resumed control over the Jaffna peninsula in the first half of 1996, the government presented the Jaffna Resettlement and Rehabilitation Programme (RRAN, 1996) to the donors in mid-1996. The donors found this program poorly prepared and implementation was delayed by the government for security reasons until 1997. The donors nevertheless expressed their willingness to contribute, but only through UN agencies and NGOs. Since 1997, several UN agencies, the German GTZ, and several international NGOs have been implementing rehabilitation projects in Jaffna, with additional funding from Australia, Canada, the Netherlands, Norway, Sweden, the United Kingdom, and the United States. Since mid-1999, the UNDP has also implemented a Mine Action Programme in Jaffna. The total level of funding and activities has been relatively low, however. This is partly due to the problematic logistics¹³ and the continued uncertain security situation. It seems clear, however, that neither the donors nor the government really wishes to implement a major reconstruction program in Jaffna until there is a final settlement of the larger conflict, or the threat of new violence in Jaffna has been practically eliminated. In April 2000, all rehabilitation activities were suspended due to the renewed intensive fighting on the peninsula.

Similar small-scale programs of resettlement and rehabilitation were also initiated in the government-controlled parts of Vavuniya and Mannar districts. The UNHCR and several NGOs have for many years been active, while the WFP also extended its small irrigation program into Vavuniya. Recently Norway started implementation of a special reconstruction program in Vavuniya, which will also cover the LTTE-controlled parts of the district. These programs were also relatively modest in size, and were affected by similar uncertainties

and security considerations as those on the Jaffna peninsula.

Meanwhile, limited development activities in the east have continued, mostly in the government-controlled areas. Amparai district has been relatively calm and an active Minister of Reconstruction and Resettlement, coming from this district, managed to attract donors including the Netherlands and the UNICEF, together with a number of NGOs.¹⁴ Batticaloa has been more affected by the war, with large areas under LTTE control. Norway was the main donor through the Batticaloa Integrated Rehabilitation and Reconstruction Programme but never succeeded in extending this program into the LTTE-controlled areas. Several national and international NGOs are also active here in relief-to-development programs.

Trincomalee has been badly affected by the conflict during the 1990s, with fighting and terrorist actions. Relief and small-scale development activities have nevertheless been undertaken, with Germany as an important donor in recent years. Several of the NGOs are active, as well as the UNHCR through its micro-projects. In addition to those mentioned, Canada, the United Kingdom and the EC are important donors to relief and development activities in the east, mostly through NGOs (CHA, 1999).

These experiences illustrate a number of political dilemmas. First, the government professed the desire for a rapid and comprehensive rehabilitation program to win the "hearts and minds" of the Tamil population now living in government-controlled areas. They were also aware of the security threats, and the pressure by the LTTE from behind the scenes on the local government officials. More importantly, however, these areas were under emergency laws and the military concerns were decisive in defining what rehabilitation activities should be undertaken. In the capital Colombo, both in the government and in the military establishment, many were very negative toward any rehabilitation. They regarded most Tamils as potential LTTE supporters, or felt that these areas did not "deserve" any economic support. Most ministry officials had practically no knowledge about conditions in the north and east, and wanted to avoid decisions because these areas were under military authority. It was considered "safest" to avoid contact. As a result of all these factors, many actions were frustrated or delayed in spite of the official policy. For the donors it was frustrating to respond to such conflicting signals.

Second, the LTTE did not control these areas militarily, but were clearly present with their cadres and informants among the population. Most inhabitants and local officials were afraid of acting contrary to LTTE wishes, and some were outright supporters of the LTTE. The LTTE were therefore in a position to frustrate or sabotage activities not approved by them. At the same time, the LTTE were not a legitimate force and donors could not negotiate any rehabilitation programs with them, especially not for activities in the government-controlled areas. This was a clear dilemma as the LTTE were a force to be reckoned with, but no donor or the government would accept LTTE influence over their rehabilitation program. After their 1996 loss of Jaffna, the LTTE were initially absolutely against any international assistance to the peninsula, claiming that it was now government responsibility. At the same time, the LTTE claimed to be fighting for improved conditions for the Tamil population. They were also interested in portraying themselves internationally as a responsible organization, and therefore soon accepted international humanitarian assistance. Subsequently they also accepted some rehabilitation activities, sometimes arguing that rehabilitation could re-establish what had been damaged, sometimes saying that activities could be at the same level as before when they were in charge of Jaffna, and sometimes demanding that the same type of activities should be undertaken in areas still under their control. The donors rather pragmatically found that initially there was substantial need for rehabilitation and repair of damaged facilities, but that any larger reconstruction would nevertheless have to wait. Therefore it was quite possible to undertake "rehabilitation" while avoiding "reconstruction" in the initial period.

Communicating these issues with the LTTE was not easy or straightforward. Humanitarian agencies primarily the UNHCR, the ICRC and some international NGOs (Oxfam, CARE International, Save the Children, MSF) were nonetheless operating programs in LTTE-controlled areas, and had regular meetings with LTTE representatives on operational and security issues. The other UN agencies therefore made use of these meetings to inform the LTTE about other plans and activities in Jaffna and elsewhere and listened to their reactions, without entering any negotiations about these plans. It was obvious, however, that the LTTE were often already informed

by their own sources about ongoing activities. The second line of communication was more indirect: all donors and operating agencies in Jaffna and the east needed approvals from the local government officials. Since these officials were under surveillance by the LTTE and often under threat, they would not approve programs that the LTTE disliked. When a project was approved by the local authorities, therefore, the donors would be relatively "safe." Donors nevertheless had to use their own judgement, and did not accept the LTTE's restrictions unless there were security risks.

The local government officials were under multiple pressure and had to act carefully. They were the government's representatives, but during 1995-99 two Government Agents in Jaffna were dismissed. The districts were ruled under military emergency powers, but the army was regarded by large parts of the population as an "occupying force"—even by non-LTTE sympathizers. The local officials therefore tried to keep some "distance" from the army. Besides the hidden pressure from the LTTE, the other Tamil parties also struggled for influence, especially ex-militant parties such as the EPDP, and the moderate TULF. Some local officials nevertheless showed remarkable integrity, and donors found them to be the most reliable local partners.

The bilateral donors were not, however, willing to fund any rehabilitation project directly through the government. They did not provide budget support elsewhere in Sri Lanka, and wished to be seen as neutral in these conflict-affected areas. While the German GTZ opened a separate project office in Jaffna, the other donors preferred to channel their aid through the UN agencies and the international NGOs. All were keen to support local NGOs and CBOs as an alternative to government agencies. In the east a number of active local NGOs were found and supported. This was more difficult in Jaffna, however, where the LTTE had been in full control for five years. Most surviving local NGOs were therefore heavily dominated by the LTTE and had a clear political agenda, while others were initially afraid to come forward. For the donors, even support of civil society thus became politicized. Skills and local knowledge were required for donor agencies wishing to promote local participation and civil society as a medium for development and mechanism for a more peaceful development process.

Two additional dilemmas had to be considered: the first is the classical issue of whether to link development programs to human rights conditions. During 1996, before most rehabilitation programs in Jaffna had started, several hundred persons—the actual figure is disputed—were arrested by the security forces in Jaffna and subsequently disappeared. The more complete picture of these disappearances gradually emerged later in 1997, but hardly any action was taken by the government to investigate and identify those responsible. This did not, however, influence the donors' programs for rehabilitation, but was brought up through other diplomatic channels and at the UN Commission for Human Rights meetings in Geneva. Second, the question was how much rehabilitation should be undertaken while the war was still ongoing, rather than focusing on a major rehabilitation and reconstruction program as an incentive for a final peace accord. The donors implicitly decided on a combined strategy by undertaking a more limited rehabilitation program, and indicating a will to fund a larger program when a full peaceful settlement has been achieved.

In conclusion, initiating development projects—even on a relatively small scale for rehabilitation purposes—in a disputed area while the war is still ongoing is clearly more politicized than ordinary development programs. In the case of Sri Lanka the nontraditionalist donors decided to support rehabilitation projects with the primary objective of benefiting the population, while being aware of the risks involved. While preliminary evaluations have shown a positive impact on the beneficiaries, it is not possible to measure the impact on attitudes toward peaceful solutions and reconciliation. The dilemmas and the logistic, security, and political frustrations were formidable, however.

7. AID POLICY ISSUE 4: BEYOND HUMANITARIAN ASSISTANCE IN REBEL-CONTROLLED AREAS?

The fourth aid policy issue was whether any development efforts could and should be undertaken in the LTTE-controlled areas. Most bilateral donors contributed humanitarian assistance to the internally displaced and other victims of the conflict. This aid was mostly channeled through the UN agencies (UNHCR, WFP and UNICEF), the ICRC, and the major

international NGOs. The international assistance was supplementary, since the government provided substantial assistance to these victims in terms of food rations and temporary shelter in public buildings. The regular basic health and education services were at least partly functional, even in the areas controlled by the LTTE.

There have always been many controversies surrounding this assistance, particularly that which was provided to the LTTE-controlled areas. The government strictly controlled access and banned a number of items that might have potential military use, including all metal items, most machinery, cement, nitrogen fertilizers, batteries and petrol, making implementation of many projects practically impossible. Food, other building material and clothing were generally allowed, but subject to thorough scrutiny and sometimes limited in volume. Medicines and medical equipment were allowed on a quota basis. Protection and continued supplies became issues when intensified fighting erupted. Many government and military officials remained thoroughly suspicious that all support, even that funded by government, was siphoned off, taxed, and/or misused by the LTTE. In spite of these problems, humanitarian assistance has been maintained throughout the war, and there has never been a major outbreak of starvation or epidemic diseases with catastrophic results so common in other war-affected countries.

The war has been ongoing for 18 years, however, and has created one of those "protracted" emergencies, where the question arises when to wind down the basic humanitarian life-saving actions, and whether to implement more activities to support a livelihood for those affected. While programs for resettlement and reintegration take place in the government-controlled areas, the issue is whether more could be done in the LTTE-controlled areas as well. These districts have a population varying between 500,000 and one million, most of whom live under the poverty line, and include some 200,000–300,000 internally displaced.¹⁵ Under normal conditions, a number of development programs would have been undertaken in these areas, in addition to resettlement programs for the displaced. But what could the donors support in the areas controlled by the LTTE?

Most NGOs argued in favor of a more "developmentalist" approach, and small-scale activities such as the UNHCR-supported

micro-projects actually did take place. The LTTE wanted more development projects with donor support, but the donors would not negotiate any programs directly with the LTTE.

Interestingly, the government position was not totally negative. The political position of the government has been that these areas are integral parts of Sri Lanka, and the civilian population in these areas has the same rights and should have the same access to services as those living elsewhere, despite LTTE military control over the area. This is a unique feature in Sri Lanka, not seen in most other countries where a rebel group controls parts of the territory. Local government and services continued to function, albeit at a drastically reduced level, and movement of people and goods between the LTTE-controlled and the government-controlled areas was allowed. This nevertheless became a dilemma for the government: how to maintain basic services while avoiding strengthening of the LTTE military capacity. At the same time the government clearly aimed to encourage people to leave the LTTE areas, by keeping basic services and supplies at a minimum level, without stating this policy publicly. In conclusion, the government was willing to accept and undertake small-scale development projects for the civilian population in these areas, such as water supply, irrigation and agriculture, as well as repair and maintenance of schools and health centers. But the military sanctions on banned items were maintained and severely restricted possible activities.

Some donors were therefore willing to let some of their development assistance be used for activities in the LTTE-controlled areas, at the request of the government and in close collaboration with the local government officials. Norway negotiated such assistance in Batticaloa in the east, and in Vavuniya in the north (Vanni). The WFP was willing to support upgrading of small-scale irrigation schemes, and the World Bank more recently entered into a similar agreement, to be monitored by the UNHCR. The UNHCR continued funding micro-projects initiated in the late 1980s when refugees returned from India and resettled in their place of origin in the Vanni.

As long as this support was aimed at returning refugees and the permanent civilian population in these areas, this was generally acceptable to all, including the government. But as more than 200,000 internally displaced people moved into the Vanni in late 1995 and

early 1996 from Jaffna after being encouraged—and pushed—by the LTTE, the question has been raised whether to support permanent resettlement for these families in the LTTE areas. While the LTTE have encouraged and supported new resettlement schemes, the government has been strongly opposed to any resettlement and wanted the displaced to return to Jaffna. For the UN and the donors this represents an unsolved dilemma, partly because the LTTE have used various forms of coercion to keep the families there, and it has been practically impossible to establish the free choice of the displaced families, whether they wish to resettle or return.

This illustrates another question of increasing importance in countries with long-lasting internal wars: how to communicate with violent nonstate actors such as the LTTE, not only on humanitarian issues, but also on human rights and broader development issues. Increasingly, the international community sees the need for entering into a dialogue with such actors to make them responsible for adherence to international norms and standards and for protecting civilians in areas they control. This can be done without giving these actors any recognized international status, and without accepting any political demands or claims these may have. In the case of Sri Lanka, the ICRC acted in accordance with their mandate to promote respect for international humanitarian law by all sides to the conflict. The NGOs and local government representatives have discussed implementation of the principles of “Do No Harm,” but this discussion did not involve any LTTE representative. In May 1998, the Special Representative of the UN Secretary-General on Children under Armed Conflict Mr. Olara Otunnu discussed the fate of children with the LTTE leadership. But few other agencies—if any—have had any form of “dialogue” with the LTTE on basic humanitarian and developmental issues, including democratization and human rights, or promoted a “civil society” in the LTTE-controlled areas.

It seems reasonable to argue that if any rehabilitation, recovery, resettlement or small-scale development programs are to be undertaken in areas militarily controlled by the LTTE or similar violent nonstate actors, they need to be accompanied by a development dialogue and conditions at least similar to those now demanded by donors from regular governments. Human rights should be respected, people should be able to move and settle freely,

and civil society and democratic institutions should be encouraged. All of these are severely lacking in LTTE-controlled areas, and it would therefore be difficult for most donors to justify support beyond basic humanitarian assistance. But what policies would provide a better incentive for a peace process?

8. CONCLUSIONS

The above case illustrates some of the shortcomings in the policy debate among donors and scholars dealing with the role of aid in conflict-affected countries. In 1997, the OECD Development Assistance Committee (DAC) published a policy statement and a set of "Guidelines on conflict, peace and development co-operation" (OECD, 1997). These guidelines focused on the role of aid before violent conflict erupts mainly in terms of "early warning" and the early "post-conflict" period, and recommended donor support to activities relating to human rights, reconciliation between contesting groups, (re)building of democratic institutions and demobilization of ex-combatants. Donors were clearly advised to take a "comprehensive" approach similar to what has been described in this case study, but the total emphasis has been on how to reorient and redirect the contents of the regular assistance. This means that only one of the aid policy issues (no. 2) discussed above was included in these OECD guidelines. Most important, the guidelines do not provide any guide to donors on how to respond to policy issues no. 3 and 4 above on how to make use of development assistance for recovery, rehabilitation and reconstruction in areas still affected by conflict and possibly disputed politically. Moreover, the guidelines are completely silent on how development agencies should deal with rebel groups for the purpose of recovery projects for affected populations, while not providing the rebels with any political recognition.

After four more years of studies and discussions organized around a special Informal Task Force on Conflict, Peace and Development Co-operation, the OECD DAC adopted a supplement to the above guidelines (OECD, 2001). This supplement underlines further the need for donors to analyze and understand the various dimensions of the conflict, and integrate a conflict prevention "lens" when designing aid programs in conflict-affected countries. This is fully in line with the above Sri Lanka case,

which illustrates the political nature of aid in these situations. But, the main emphasis of the supplement is to justify donor support to security systems, "for helping countries build legitimate and accountable systems of security in defense, police, judicial and penal systems." The supplement discusses the potentially problematic relationship for donors engaging with oppressive regimes, and concludes that the extent and types of partnership must be gauged by the country situation. This is relevant for aid policy issue no. 1 above, where the donors concluded that the Sri Lankan regime during the period under study could not be considered oppressive. But, the supplement guidelines are as silent on policy issues no. 3 and 4 as the original guidelines.

The reports of the Humanitarian Policy Group (HPG) at the Overseas Development Institute (ODI) reflecting the state of the art of the discourse between humanitarian agencies and academics on humanitarian practice and policies in response to conflict and instability take a humanitarian-based approach to the above issues. Their treatment of "policy coherence" (Macrae & Leader, 2000) focuses solely on the relationship between political and humanitarian actors, with a view to protect "humanitarianism" from being misused for political purposes. They do not discuss the broader issues including coherence with developmental actors, or the gray zone between life-saving humanitarian assistance and recovery programs. Likewise, when discussing "terms of engagement" with all parties including rebel groups (e.g., in Leader & Macrae, 2000), the main focus is on negotiating "humanitarian space" for the humanitarian agencies for these to implement their programs without interference or threats. They do not discuss the aid policy issues raised above, concerning negotiation of terms for recovery programs, or about formulation of development and human rights conditionalities before implementing activities that go beyond humanitarian life-saving.

Typical of many policy studies is that their understanding of conflict-reducing and peace-promoting activities focuses mostly on issues relating most directly to facilitating reconciliation, rehabilitation and reintegration, often with a small-scale local focus. There is also often a tendency to overfocus the role of NGOs, whether international professional NGOs or local civil society organizations. The contribution of Bush (1999) to the OECD DAC

Informal Task Force on lessons learned from Sri Lanka has a similar bias. His study furthermore focuses on 1983–90, and is more concerned with the east than the north of the country. It does not therefore capture the issues discussed in this paper, which shows that donors are at least to some extent able and willing to address some of the “root causes” of a conflict. In contrast to the Bush study, this paper further underlines the crucial importance of relations with the government and other political forces.

This paper has found important differences in donor policies between a traditionalist approach and a more comprehensive approach to adjusting development aid programs to the context of an ongoing violent conflict. A few donors followed a more narrowly focused human rights approach or a more pro-active approach, but these were in practice rather similar to the comprehensive approach. After 1998, the World Bank, as a latecomer, switched from a traditionalist to a comprehensive approach. The comprehensive approach implies adjusting the contents of the aid program, supporting rehabilitation in contested areas, and considering moving beyond humanitarian support in rebel-controlled areas. At the same time, these donors maintained a balanced program throughout the country. All aspects of the aid program required a deeper political assessment than for normal development programs, and thus represented a major challenge for aid actors.

Second, this case has illustrated that countries with protracted emergencies require a more specific policy, distinct from short-term emergency aid as well as different from regular development programs. Because of the fluidity of the situation in the north and east, and the general nature of protracted emergencies, it was not possible to maintain a sharp dividing line between humanitarian assistance and support to resettlement, rehabilitation and reconstruction. Combined with the more complex politi-

cal context, this would underline the need for bilateral donors as well as the UN system and the World Bank to think in terms of these “in-between” situations as a special category of development.¹⁶

Third, the case suggests that one option for donors in the conflict-affected areas such as those in the north and east in Sri Lanka may be to apply mechanisms similar to the “principled common programming” under the Strategic Framework for Afghanistan (UN, 1998). The main idea in Afghanistan is that all donors agree to a “principled approach” which is intended to promote the peace process, human rights, and humanitarian concerns simultaneously. This implies *inter alia* that rehabilitation and development assistance should not give any direct political or military advantage to any of the warring parties and no capacity-building activities should support “any presumptive state authority” unless this “authority” subscribes fully to all human rights principles. Meanwhile, life-sustaining humanitarian assistance is provided in accordance with the principles of humanity, universality and neutrality. Although these principles will have to be adjusted to the real situation in each country, they might be useful in dealing with rebel groups.

Finally, the impact of these various donor approaches on the actual peace process has been very difficult to assess, but is probably very limited. It was not to be expected that development aid policies in Sri Lanka—or in other conflict-affected countries—would make or break a peace process. Other political, economic and social forces will decide whether this destructive war can be ended peacefully in the near future, or whether it will continue for another 18 years. Strong international actors may influence this process, but the basic solution and the will to find it must come from inside the country. At best, aid donors may create more incentives than disincentives toward such a process.

NOTES

1. In 1997, the OECD Development Assistance Committee (DAC) issued a policy statement and a set of “Guidelines on conflict, peace and development cooperation” (OECD, 1997). Since 1999 the OECD/DAC Informal Task Force on Conflict, Peace and Development Co-operation has worked on a supplement to these Guidelines, finalized in 2001 (OECD, 2001).

2. This categorization is based on the author’s numerous formal and informal interactions with aid donor representatives in Colombo during his assignment there for the UN. Additional sources are policy papers and statements made during the Consultative Group/Development Forum meetings in Paris, donor meetings in Colombo, and individual country assistance strategies.

3. World Bank (1998) describes the Bank's policies in previous years during the 1980s and the careful approach in the mid-1990s when the Bank expressed its concerns over the economic cost of the conflict, but did little more to integrate the conflict perspective into its regular programming.
4. This is in contrast to donor reactions to human rights abuses during the previous Premadasa regime 1989–93, which resulted in a heated debate at the 1990 Consultative Group meeting in Paris. Overall aid volumes were reduced, several donors withdrew completely, and aid was re-channeled from government institutions to civil society organizations.
5. See, e.g., statements at the Sri Lanka Consultative Group meeting in November 1996, and at the Development Forum in May 1998.
6. Since President Kumaratunga held the portfolio of Minister of Finance, Peiris as the Deputy Minister was in reality filling the functions of the full Minister of Finance.
7. Recommendations for donor agencies to prepare conflict analysis and impact assessments have come later, and they are now included in the supplement to the OECD DAC guidelines on conflict, peace and development cooperation (OECD, 2001).
8. There are numerous national and international reports on the present human rights situation in Sri Lanka.
9. The United States has gone one step further than other donors, providing direct support to the government's security forces, primarily for training in "non-combat" activities. In their opinion, this is seen as a contribution to security and peace in the country. Sri Lanka does not receive any regular military assistance from any donor country, but purchases arms from a number of sources.
10. Another illustration of the political sensitivity against international involvement in peace- and reconciliation-related issues is the strong reaction by the Minister of Foreign Affairs against the UN Secretary-General's Annual Report 1995–96. The Minister claimed that Sri Lanka never requested any UN agency for assistance in "reconciliation," despite the fact that the government's own program for rehabilitation and reconstruction in 1995, before the breakdown of the peace process, had exactly that objective. The President had in a separate letter to UNESCO requested support for reconciliation under its "education for peace" program.
11. In subsequent years into the mid-1990s, the government kept referring to this original pledge of US\$490 million. It expected the donors to "owe" Sri Lanka the unspent amount of this pledge, and seemed to believe that the amount would automatically be reinstated for reconstruction purposes as soon as the conditions made this possible.
12. A progress report was presented by the government at the Sri Lanka Development Forum in Paris, December 2000 (GOSL, 2000).
13. Jaffna was not accessible by road, and for long periods the only safe transport available for the donors was the weekly ICRC vessel sailing from Trincomalee.
14. Minister M.H.M. Ashraff, who later died in a helicopter accident in September 2000.
15. There are no reliable official figures, and numbers vary as the war situation changes and people are moved and displaced.
16. See also Chr. Michelsen Institute (1999) (concluding chapter) making the same argument.

REFERENCES

- Bush, K. (1999). *The limits and scope for the use of development assistance incentives and disincentives for influencing conflict situations. Case study: Sri Lanka*. Paris: OECD Development Assistance Committee Informal Task Force on Conflict, Peace and Development Co-operation.
- Central Bank (2000). *Sri Lanka economy in 1999 and medium-term prospects*. Colombo, Sri Lanka: Central Bank of Sri Lanka.
- Chr. Michelsen Institute (1999). Evaluation of Danish humanitarian assistance through the UN and international organisations 1992–98. Major policy issues. Evaluation Report 1999/9, Vol. 8. Copenhagen, Denmark: Ministry of Foreign Affairs Danida.
- CHA (1999). *Yearbook 1998*. Colombo, Sri Lanka: Consortium of Humanitarian Agencies.
- Government of Sri Lanka (GOSL) (2000). The framework for relief, rehabilitation and reconciliation: A progress report. Colombo, Sri Lanka: Government of Sri Lanka, December (presented at the Sri Lanka Development Forum, Paris).

- Kelagama, S. (1999). Economic costs of conflict in Sri Lanka. In R. Rotberg (Ed.), *Creating peace in Sri Lanka: Civil war and reconciliation*. Washington, DC: The Brookings Institution.
- Leader, N., & Macrae, J. (Eds.) (2000). Terms of engagement: Conditions and conditionality in humanitarian action. HPG Report 6. London: Overseas Development Institute, Humanitarian Policy Group.
- Macrae, J., & Leader, N. (2000). Shifting sands: The search for 'coherence' between political and humanitarian responses to complex emergencies. HPG Report 8. London: Overseas Development Institute, Humanitarian Policy Group.
- OECD (1997). *Conflict, peace and development co-operation on the threshold of the 21st century*. Development co-operation guidelines series. Paris: OECD Development Assistance Committee.
- OECD (2001). *Helping prevent violent conflict: Orientations for external partners*. Supplement to the DAC guidelines on conflict, peace and development co-operation on the threshold of the 21st century. Paris: OECD Development Assistance Committee (note by the Secretariat, DCD/DAC (2001) 7, February 20, 2001).
- RRAN (1996). *Resettlement and rehabilitation programme for the Jaffna Peninsula*. Colombo, Sri Lanka: Resettlement and Rehabilitation Authority for the North.
- UN (1998). *Strategic framework for Afghanistan. Towards a principled approach to peace and reconstruction*. Islamabad, Pakistan: Office of the UN Coordinator for Afghanistan, September 15.
- UN/CHR (1998). Report of the Special Rapporteur on Extrajudicial, Summary and Arbitrary Executions, Mr. Bacre Waly Ndiaye, on visit to Sri Lanka. E/CN.4/68/Add.2. Geneva: United Nations Economic and Social Council, Commission on Human Rights, March 12.
- UNDP (1998). *Development co-operation Sri Lanka: 1996/1997 report*. Colombo, Sri Lanka: United Nations Development Programme.
- Uvin, P. (1999). *The influence of aid in situations of violent conflict: A synthesis and a commentary on the lessons learned from case studies on the limits and scope for the use of development assistance incentives and disincentives for influencing conflict situations*. Paris: OECD Development Assistance Committee Informal Task Force on Conflict, Peace and Development Co-operation.
- World Bank (1998). Desk reviews of Cambodia, Eritrea, Haiti, Lebanon, Rwanda, and Sri Lanka: Vol. V. The World Bank's experience with post-conflict reconstruction. Report No. 17769. Washington, DC: The World Bank Operations Evaluations Department, May 4.