

Enabling Environment Snapshot

Sri Lanka 17 January 2025



Context

Over the past few years, Sri Lanka has endured severe <u>economic and political turmoil</u>, resulting in the <u>ousting of its former president</u>, driven by public discontent over inflation, shortages, and economic mismanagement. These crises have <u>eroded public trust</u> and exacerbated challenges for recovery and reform, leaving the country in a precarious state. The National People's Power, which made <u>promises of reform</u> such as in the area of <u>media freedom</u>, was elected into power in late 2024. This comes at a time when the environment for civil society continues to be highly constrained, with a <u>series of legislative measures</u> which enhance excessive state control over the public under the pretext of maintaining security and public order.

1. Respect and protection of fundamental freedoms

Sri Lanka's <u>Constitution</u> guarantees freedoms of speech, peaceful assembly, and association (Article 14), but these rights are restricted by several laws. Acts like the <u>Prevention of Terrorism Act</u>, <u>Online Safety Act</u>, <u>International Convention of Civil and Political law</u> and the <u>Police Ordinance</u> have been used to limit fundamental freedoms of civil society actors. For instance, police have sought <u>orders from the courts</u> to ban peaceful protests, which are usually granted by the courts on short notice (after court hours, the evening before a protest) and without the other party presenting its case – as <u>noted</u> by the Special Rapporteur on the rights to freedom of peaceful assembly and of association <u>in 2020</u>. Police have also employed <u>excessive force</u>, including use of tear gas, water cannon and batons, as documented by <u>Amnesty International</u>. Sri Lanka journalists generally engage in self-censorship because the country has a history of <u>impunity for crimes against journalists</u>. OHCHR has <u>highlighted</u> a persistent trend of surveillance, intimidation and harassment of journalists.

In 2024, Cabinet Minister Vijitha Herath <u>stated</u> that no trade union actions causing public inconvenience for political reasons would be allowed. The government also prohibited <u>memorialisation</u> events for the Tamil Tigers, such as <u>Maaveerar Naal</u>. However, the government allowed <u>remembrance by relatives</u>. A <u>Gazette</u> notification was also issued to call up Armed Forces members to maintain public order ahead of the 2024 presidential elections.

New proposed laws, such as the <u>Electronic Media Broadcasting Authority Bill</u>, <u>the proposed Non-Governmental Organisations (Registration and Supervision) Bill (NGO Act)</u>, and the <u>Anti Terrorism Act</u>, are expected to further restrict fundamental freedoms, limiting civil rights and increasing government control over public expression and activism.

2. Supportive legal framework for the work of civil society actors



Sri Lanka's NGOs have to register under six legal frameworks, including the Voluntary Social Service Organisations (VSSO) Act and the Companies Act, both of which grant significant control to the Minister in charge and the Registrar. The VSSO Act, amended in 1998, allows the Minister to appoint interim committees in cases of fraud or mismanagement. Although the NGO Secretariat, established in 1997, monitors NGOs, the VSSO Act does not formally recognise it.

The proposed 2024 NGO Act would make registration with the NGO Secretariat mandatory. The proposed Act also requires registration of an NGO to be cleared by multiple government ministries, including Defense and Foreign Affairs under the pretext of national security. It expands the definition of NGOs to include small community-based organisations and enables the Secretariat to conduct searches and suspend or cancel the registrations of NGOs. This creates significant administrative hurdles and increases surveillance, making it challenging for NGOs – particularly smaller ones – to operate effectively.

The proposed law introduces vague and subjective restrictions on NGO activities, and it has been warned that when interpreted by a political appointee, the law "will restrict dissent, alternate political views and activities perceived as opposing government." The competent authority is empowered to suspend or cancel registrations on loosely defined grounds, such as "prejudicial to national security," with appeals handled by the same authority, raising concerns over fairness and increased government surveillance.

3. Accessible and sustainable resources

There are no specific restrictions on domestic civil society actors receiving foreign funds in Sri Lanka. Rule 51 of the Financial Institutions (Customer Due Diligence) Rules, No. 1 of 2016, mandates that financial institutions conduct enhanced due diligence when engaging with NGOs, Not-for-Profit Organisations or Charities to ensure that accounts are used for legitimate purposes and transactions align with the declared objectives. Additionally, banks are required to monitor and report any NGO not registered with the NGO Secretariat or other relevant institutions. New NGOs must register with the NGO Secretariat to access banking services.

The <u>draft 2024 NGO law</u> if enacted in its current form would restrict the access of funding of NGOs that are not registered, as non-registered NGOs cannot transfer funds or receive funds. Furthermore NGOs are not allowed to "engage in any crowdfunding activity exceeding Rs.10 million (approximately 32,000 EUR) in one fundraising drive without the approval of the competent authority.

4. State openness and responsiveness



The relationship between government and civil society is turbulent, which has limited the environment for meaningful civil society participation in decision making processes. Use of Legal tools and non-legal tactics such as harassment, intimidation and violence against critics have worsened the relationship between civil society and the government. In 2024, civil society actors withdrew from the co-creation of Sri Lanka's Third National Action Plan and collectively decided to exit the Open Government Partnership (OGP). They cited, as grounds for their withdrawal, the Sri Lankan Government's recent restrictions such as in the Online Safety Act and a proposed anti-terrorism law which they argued as undermining civic space and freedoms, violating OGP principles.

Public participation is also limited in the passage of key legislation, such as the Online Safety Act, which was formulated and passed without sufficient <u>stakeholder consultation</u>. Between <u>2022 and 2024</u>, nearly 130 new laws were enacted by Parliament, averaging almost 43 pieces of legislation per year. This rapid legislative process makes it challenging to ensure meaningful consultation within such a compressed timeframe. Furthermore, the existence of laws that undermine fundamental freedoms creates an environment that is not conducive to healthy, open dialogue during the legislative process, effectively hindering civil society's engagement in shaping policy.

Political Culture and Public Discourses on Civil Society

Public perception of civil society has improved since the post-war period (1983 to 2009), the COVID-19 pandemic and the country's economic collapse in 2022. CSOs have provided training for state officials on non-discriminatory customer service, community policing service, and strengthening collaboration between civil society and police to resolve community level issues. As the economic crisis led to government budget cuts for training, civil society played a key role in anti-corruption reforms and restructuring state owned enterprises through reports and diagnostics. Civil society also received more positive media coverage, unlike the post-war era when state control and journalist intimidation were prevalent.

However, tensions remain. The passage of the Online Safety Act, proposed legislation such as the NGO Act, and the use of the ICCPR and Prevention of Terrorism Act have strained relations between the state and civil society. Additionally, the NGO Secretariat has raised concerns about civil society, citing allegations of fund mismanagement and complaints regarding the lack of transparency in NGOs' activities.

Civil society has played a pivotal role in elevating the visibility of marginalised groups such <u>as women</u>, <u>ethnic minorities</u>, and <u>individuals with disabilities</u> in the governance process. The introduction of a women's quota in local elections has significantly boosted female political participation.



Challenges and Opportunities

In the next four months, local government elections will be held, and the current government has promised to amend or abolish the Prevention of Terrorism Act and Online Safety Act. The president's manifesto (August 2024) promises to strengthen democracy, ensure a corruption-free administration, and maintain public security and national peace. The decriminalisation of same-sex relationships may also be considered, supported by the National Peoples Power (NPP), which may create a more enabling environment for civil society actors working on LGBTQI+ rights. However, challenges persist in relation to freedom of expression. Minister of Health and Mass Media and Chief Government Whip warned a local newspaper for attacking the President's Clean Sri Lanka Campaign with false information and in the process exposed the residence of the newspaper owner publicly. President Anura Kumara Dissanayake says that the military will be deployed to rice mills that are not operating according to the government's plan

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