



PAFFREL

ANNUAL REPORT

2018

www.paffrel.lk

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS

CELEBRATING 31 YEARS OF CONTINUES SEVICE TO THE SOCIETY

CONTENTS

PAFFREL	01
Board of Directors	02
Chairperson’s Message	03
General Secretary’s Message	04
Executive Director’s Message	05
Overview:	
1. Observing and Monitoring the Conduct of Elections	07
1.1. Observing and Monitoring the Conduct of Local Authorities Elections 2018	07
1.1.1 Managing the Complaints Receiving and Intervention Unit (CRI).....	11
1.1.2. Training and Deployment of Observers	12
1.1.3. Vote Counting Observation Process of PAFFREL.....	13
1.1.5. Media Advocacy on Voter Education.....	13
1.1.5.1. Print and distribute Score Cards to guide voters in casting their votes to suitable parties or candidates with values and integrity.....	13
1.1.5.2. Conducting an island wide leaflet campaign.....	13
1.1.6. Press Briefing for Election Monitoring.....	13
1.2. Postponement of the Provincial Council Elections	15
Overview:	
2. Advocacy and Awareness creations	16
2.1. Strengthen & Support the Revision of Electoral Register 2018	16
Overview:	
3. Citizen’s Activation for Transforming the Existing Political Culture in Sri Lanka	17
3.1. March 12 Movement	
3.2. Collaborative Initiatives of March 12 Movement and PAFFREL	17
3.2.1. “We are the Community, We are the Democracy,, All Island Art Competition.	17
3.2.2. Youth Animators and Happy Village Events	18
3.2.3. Consultative Services to M12 collective of Parliamentarians	19
3.3. Developing a strategic Plan for March 12 Movement	20
3.4. Campaign to Promote the March 12 Declaration and Educate the Voters at the Local Authorities Elections in 2018	20
3.4.1. Press Conferences	20
3.4.2. Score Card campaign.....	20

CONTENTS

Overview:

4. Legal Intervention	21
4.1. Public interest litigation filed in the Uva Provincial High court, Monaragala on violations of electorallaws.....	21

Overview:

5. Outcomes And Highlights Of Paffrel Initiatives Of 2018	22
--	----

Overview:

6. Participation Of Staff Members In International Meetings	24
--	----

Overview:

7. International Partnerships	27
--	----

Overview:

8. Staff Outing	29
------------------------------	----

Overview:

9. Publications Of Paffrel During The Period Of 2018	31
9.1. In the year 2018, PAFFREL published three books on following subjects.....	31
9.1.1. An Introduction on New Local Government Elections Law.....	31
9.1.2. Strengthening Democracy through Youth Action (youth Parliament Manual).....	31
9.1.3. “We are the Community, We are the Democracy” All Island Art Competition.....	32

Overview:

10. Paffrel Intervention On Some News Papers Articles	33
--	----

Overview:

11. Financial Statements For Year Ending 31st December 2018	35
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PAFFREL

PAFFREL was established by the representatives of several national-level civil society organizations in 1987. It has been incorporated registered as a companies limited by guarantees under the Company Act No. 07 of 2007 and registered as a voluntary service organization with the Ministry of Social Services and Social Welfare.

It was formed at a time when the need arose for civil society to intervene to ensure democratic elections as the contests were marred by violence and violation of election laws. One of the main aims of setting up Paffrel was to promote a people's effort to prevent violence and malpractices before, during and after elections.

Since, its formation, Paffrel has observed and monitored all the elections held in the country- local authority, Provincial Council, Parliamentary and Presidential - in collaboration with a large number of civil society organizations. It has, throughout the years, conducted advocacy and awareness programmes in different parts of the country covering issues such as voters' rights, democracy, human rights, good governance and co-existence In all its activities Paffrel has maintained absolute neutrality.

The Vision

A democratic Society with an empowered citizenry who ensure accountability and transparency in governance.

The Mission

Implementation of a citizen-based and non-partisan programme of action for awareness creation, advocacy and observing and monitoring the elections in all parts of the country.

The prime objectives of Paffrel are;

- To motivate and encourage voters to exercise their basic democratic right to vote and cast their vote at all elections at which they are entitled to vote.
- To promote a community effort that would prevent violence and malpractices before, during and after elections.
- To undertake an election watch to observe the conduct of the poll throughout the country in as many areas as possible and record and document the abuse and violations of the election law.
- To make recommendations for the improvement of the existing processes and institution pertaining to elections.
- To educate the voters in order to promote civic consciousness that helps in establishing and main taining standards of good governance in the country.
- To propagate values and criteria for selection of candidates and voting that would help in electing a political leadership and representatives who are free of corruption and truly accountable to the people.

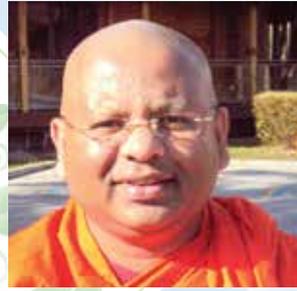
BOARD OF DIRECTORS



Deshabandu
Mrs. Jezima Ismail
Chairperson



Dr. Jehan Perera
SECRETARY GENERAL
Dec 1999 - Aug 2017



Ven. E. Saddhajeewa thero



Mrs. C. M. Saverimuthu
TREASURER
Apr 2016 - to-date



Mr. Chaminda Rajakaruna
SECRETARY GENERAL
Aug 2017 - to-date



Mrs. Saroja Sivachandran



Mrs. Visaka Dharmadasa



Mr. K. N. Deen



Mr. V. Sooriyabandara



Prof. M.S. Mookiah



Prof. K. Karunathilake



Mrs. Seela Ebert



Dr. Mr. Gehan Gunatilleke

CHAIRPERSON'S MESSAGE

"If we were to enunciate PAFFREL's motto it would read as mentioned in 2014 Annual Report"

"Promoting citizen's contribution towards consolidating democracy resulting in the creation of institutional facilities to participate in the election process and together score the responsibility for providing constant voter education"

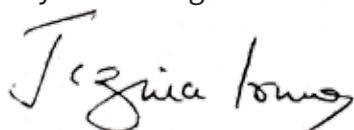
2018 has been a year of creative activity with significant events in the area of increased motivation of women to participate in local governance. 2018 saw the extension of voter education. The March 12th movement was further strengthened, internationally PAFFREL involved itself actively in all the significant events.

Whilst surveying the present context it is felt that the focus of PAFFREL should be continued in the usual themes but what is most important for Sri Lanka at the moment is a leader who should be able to fulfil the onerous task of taking the country forward in its goals of unity and peace and give reconciliation a sound base for the foundation of being a pluralistic nation with citizens bearing a strong Sri Lankan identity. PAFFREL should now concentrate on the task of planning a sound training and educational programme to promote positively the awareness of citizens in the choice of such a leader. While giving part of the time to continuing the other subjects this programme to promote positive education to identify good leaders should be the main focus. I am reminded of Diogenes, the founder of Cynic philosophy who around 2600 went around Athens with a lighted lamp in 'search of an honest face'. This reference could be further extended into a practiced positive programme by PAFFREL.

PAFFREL has always shown a record of hard work, commitment and the Executive Director as the team leader has spared no effort to give of his time totally to the cause of Free and Fair Elections. It is going to be a difficult task to motivate awareness amongst the citizens in all avenues. A well thought out, carefully analyzed and planned out schedule for easy understanding has to be worked out. I have no doubt that the team at PAFFREL with its wide and long experience has the expertise to produce this programme based on needs of Sri Lanka. The country is urgently in need of political leaders who are honest, who do not indulge in corruption and strive to create a just society where all the citizens are vested equally with the rights of citizenship and where Human Rights prevail. In short we need a strong political leader who is a statesman and who puts country before self and eschews totally self-aggrandizement and governs society to create a peaceful united Sri Lanka.

I know that PAFFREL can accomplish this mission with the members who collectively co-operate to fulfill its time honored goals. My appreciation goes out to the staff at all levels for their collective work. My thanks go out to the numbers of citizens who always rally to our call. To the partner organizations who always work with us and vote of appreciation to the members of the board and staff for their solid support. Our gratitude to the donors is expressed for continually sponsoring us with resources to foster the values and practices of good governance and democracy in our country. Rohana the Executive Director has always given of his best to the organization and I am confident he will with his colleagues work out a fulfilling programme.

May All Blessings be with us.



Deshabandu Mrs. Jezima Ismail
Chairperson



GENERAL SECRETARY'S MESSAGE

On behalf of the Board of Directors and as a conscious citizen of Sri Lanka, I wish to extend my best wishes to the PAFFREL for successful accomplishment of its mission during the year 2018 amidst unprecedented challenges encountered in the history of democracy and the electoral system in Sri Lanka.



At a time when serious doubts are being cast on the reality of the achievement of the “CHANGE” expected of the regime of Good Governance by the people of Sri Lanka in 2015, it is evident that the protection of the Right to Vote of the people, the main object of the PAFFREL too, has assumed a new dimension. Also, we are doubtful as to what extent the Constitutional Council and the Independent Election Commission instituted keeping to the provisions of the 19th amendment to the Constitution of the People’s Republic of Sri Lanka, have been able to safeguard the people’s Right to Vote. The political culture that prevailed in the past in which the defeated political parties and the leaders were harassed during the pre and post election times by those held the political power has now changed. Instead a new sordid culture is seen to be unfolding in which all political parties and leaders join together in close alliance, irrespective of whether they are in power or not and harass the entire population of people to achieve their parochial political ambitions.

No doubt, the service rendered by the PAFEREL, as a civil society organization, guiding the people who were stranded in the face of indefinite postponement of Provincial Council Elections in the absence of the delimitation report, conflict between the Executive and the Legislature and the unconstitutional decisions of the Executive which were eventually turned down by the judiciary, providing leadership and raising voice against the above unconstitutional practices - will be appreciated by all the people of Sri Lanka.

At this moment we must particularly remember the service, the PAFEREL has rendered, in addition to its role as an election monitoring organization, for the progress of democracy in Sri Lanka by mobilizing Civil Society Organizations and People’s Organizations that yearned for a change in the Sri Lankan political culture and also providing leadership to the March 12 Movement under the theme of “a Clean Political Culture” In addition, I wish to remember with a deep sense of gratitude, the Board of Directors and the staff for their commitment to a broader social mission through partnerships and enhancement of corporate administration and financial discipline.

Chaminda Rajakaruna, Attorney at Law
The General Secretary

EXECUTIVE DIRECTOR'S MESSAGE

The year 2018 begins with a new Local Government Electoral System, allocating 25% space for women's representation, which we have been anticipating for several decades. The PAFFREL was compelled to appeal to the Supreme Court to get a ruling on holding of the Local Government Election which had been delayed for several years. With the concurrence of the judiciary and the conclusion of the delimitation process, we were able to observe the local government elections and also to initiate a new change in the political culture by introducing the concept of "Common Platform" through the March 12 campaign.



During this period, working in close collaboration with the women's organizations, a massive awareness program was conducted all over the country to secure a reasonable women's representation in electoral process and also to ensure its effective implementation. Further, based on information obtained through the Right to Information Act, for the first time in the history of Local Government and the Judiciary in Sri Lanka, we were able to file a lawsuit demanding the removal of a candidate who had won the Local Government Election, bribing the voters.

Introduction of a "Candidates Assessment System" enabling the voters to think and assess the eligibility of the candidates was another significant achievement made during the period under review. Signing of a Memorandum of Understanding (MoU) with the University of Sri Jayewardenepura to provide research assistance to the "Parliamentary Collective" of the March 12 Campaign for "Clean Politics" and enlightening the MPs on various timely issues were among the salient activities of the year. We are also happy to have been able to organize successfully, the Asian Electoral Stakeholders' Forum held in collaboration with the Asian Network for Free Election (ANFREL) and the Election Commission of Sri Lanka with the participation of over 400 delegates from 46 countries.

During 2018, we were able to launch a comprehensive program aimed at changing the political culture of Sri Lanka in association with the March 12 Movement and participation of the youth, women, school children, university teachers, artists, people's representatives and trade union leaders. I take this opportunity to thank and express my deep gratitude to all our local and regional organizations and the members throughout Sri Lanka, who are committed to uphold democracy, for being a great strength to us in pursuing our mission, successfully, in spite of the year 2018 being a turbulent period of political vicissitudes and challenges to democratic practices. Last but not least, I wish to pay my tribute to the fraternity of staff that supported the successful fulfillment of the mission of PAFFREL, working together as one family, and the honorable Chairman, the Secretary and particularly the Treasurer for their guidance and leadership. Besides, I wish to thank all other institutions that extended the financial support particularly, Diakonia, to achieve our mission.

"Look forward to having the support of everyone for the year 2019
Thanking you"

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a horizontal line and a flourish.

Rohana Hettiarachchi
Executive Director,
PAFFREL.



OVERVIEW

1. OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS IN SRI LANKA

1.1. Observing and Monitoring the Conduct of Local Authorities Elections 2018

The Elections for the 2018 Local Authorities was held on 10th of February, 2018 following an long delay in releasing the rectified Delimitation Report. The Local Authority Elections happened to be the first election held since the incumbent Government was elected to power in the name of ‘good governance’, and the very first election conducted by the newly formed independent Elections Commission.

The 2018 Local Authority Elections was also the first time in four decades that a Local Authority Election was held in a single day. The previous Local Authority Elections were held in three stages in 2011 electing a total of 4,327 seats to 322 Local Authorities . However, soon after the 2011 Local Authority Elections, radical changes were introduced to the electoral structure through Local Authority (Special Provisions) Act, No. 21 of 2012 and Local Authorities Elections (Amendment) Act, No. 22 of 2012.

The amendments were hailed as progressive ones, as they aimed to enhance the democratic participation of the people in the decision making process. Act No. 21 of 2012 aimed to address shortfalls in respect of fiscal and administrative issues prevailing in the local authorities, while Act No. 22 of 2012 addressed a very pertinent issue concerning the participation of women and youth in the electoral process. It also re-introduced the ward based system, which covered a territorially smaller electoral unit than the generally accepted electorate. Even more pertinent than all others was

the adherence to the advice of the Dinesh Gunawardene Committee which recommended the introduction of a hybrid system that combines the First Past the Post system and the Proportional Representation system.

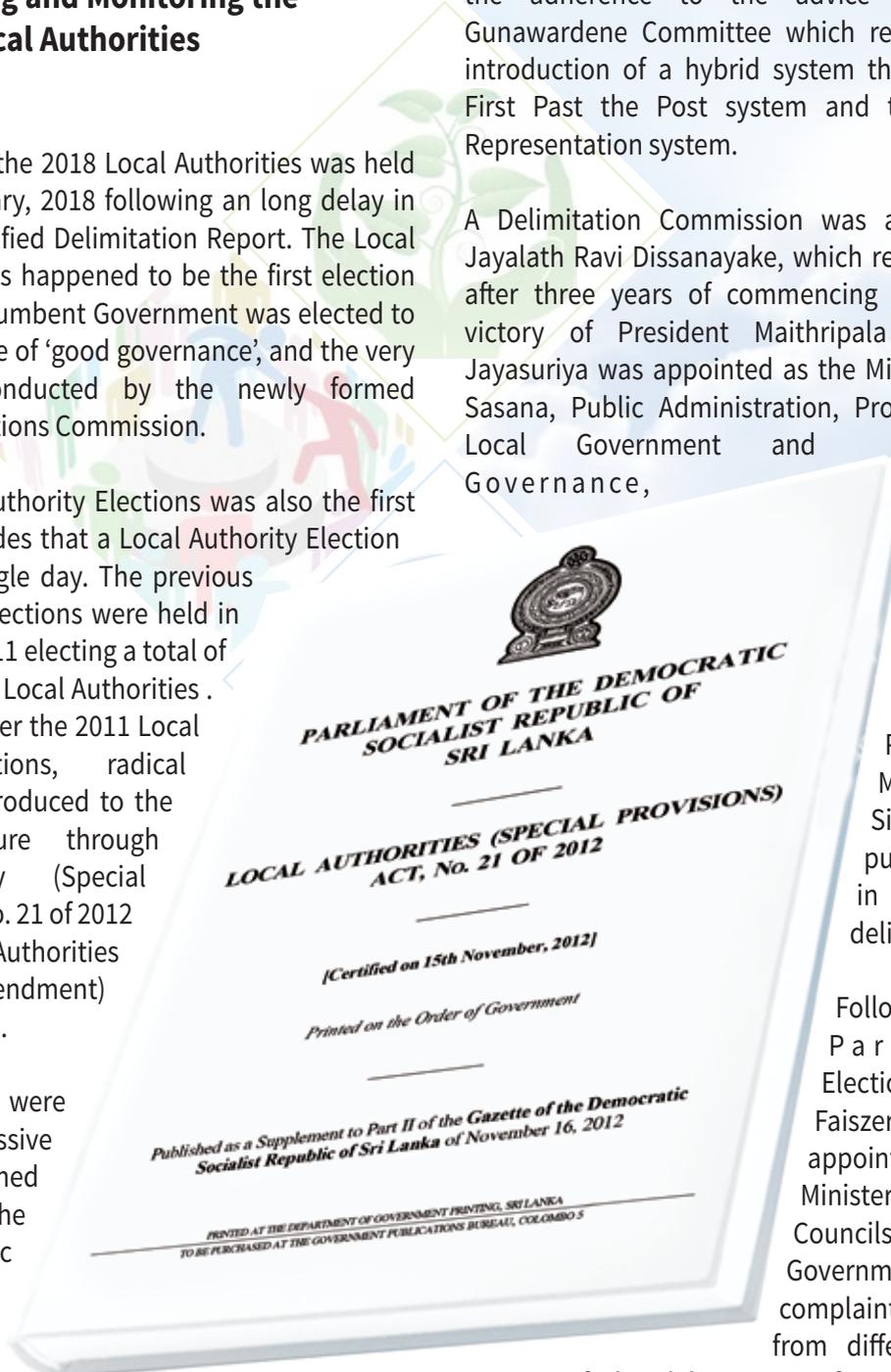
A Delimitation Commission was appointed under Jayalath Ravi Dissanayake, which returned its report after three years of commencing work. Upon the victory of President Maithripala Sirisena, Karu Jayasuriya was appointed as the Minister of Buddha Sasana, Public Administration, Provincial Councils, Local Government and Democratic Governance,

and the finalized Delimitation Report was handed over to him on 19th of June, 2015. President Maithripala Sirisena had also published a gazette in respect of this delimitation.

Following the Parliamentary Elections in 2015, Faiszer Musthapha was appointed as the Minister of Provincial Councils and Local Government. Soon complaints began to flow from different regions in

respect of the delimitation of certain boundaries. Minister Faiszer Musthapha is quoted as saying in an article published under his name, that there had been ‘complaints regarding over 2000 wards’ .

Thereafter, another review committee was appointed under the Chairmanship of Asoka Pieris so as to address the grievances and the appeal process began in December of 2015. The Review Committee was initially mandated for three months in October, 2015



OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS IN SRI LANKA

and the report was expected to be out by December, 2015. However, the Committee continually delayed submission of the report, hence postponing elections indefinitely.

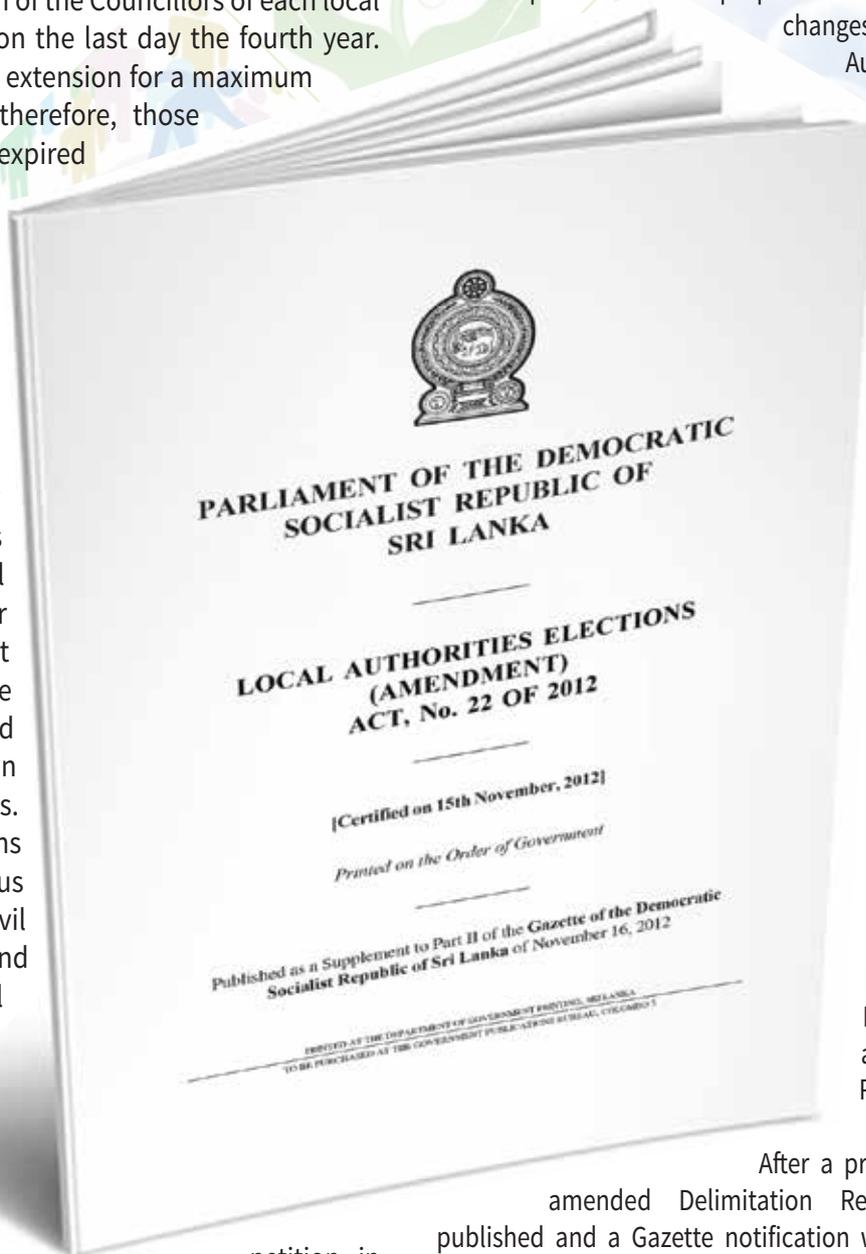
The term of the Councillors of each local authority is limited to four years according to the laws related to LAs. Being so, the term of the Councillors of each local authority concluded on the last day the fourth year. The law permitted an extension for a maximum of 12 months, and therefore, those whose terms had not expired thus far had their terms extended for a further year.

Even by the end of 2016, the process of rectification in the delimitation of wards did not end. Minister of Provincial Councils and Local Government, Faiszer Musthapha kept making indefinite promises to hold elections within various time spans. While frustrations mounted, various political parties, civil society activists and even the general public agitated for the elections.

PAFFREL, together with its Executive Director, Rohana Hettiarachchi, filed a petition in the Supreme Court of Sri Lanka citing the Minister of Provincial Councils and Local Government, Faiszer Musthapha, Chairman of the Elections Commission, Mahinda Deshapriya, other members of the Elections Commission and each of the five members of the Review

Committee, as respondents. As praying for holding of elections to local authorities in which delimitation is finalized and provide a time frame for the elections to LA's a result of this case, Minister Musthapha had promised to complete the process within a month.

During this extensive period of time, Minister Faiszer Musthapha proposed and introduced changes to the Local Authorities Elections Act so as to further strengthen the electoral process and ensure a mandatory women's representation in the Local Authorities. Further to this, six new Local Authorities were introduced. They are the Polonnaruwa Municipal Council, Millaniya Pradeshiya Sabha, Agarapathana Pradeshiya Sabha, Kotagala Pradeshiya Sabha, Maskeliya Pradeshiya Sabha and Norwood Pradeshiya Sabha.



After a prolonged delay, the amended Delimitation Report was finally published and a Gazette notification was issued thereby enabling the date of elections to be proclaimed. The Local Authority Elections was finally announced and the date of the elections was to be 10th of February, 2018.

Soon after the Local Authority Elections were announced, six individuals from different parts of the country filed

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS IN SRI LANKA

action in the Court of Appeal to have the Gazette Notification nullified. This moved the court to issue an interim order suspending the operation of the Gazette Notification. Had this action succeeded in Courts, the Local Authority Elections would have been delayed further. Save for 93 local authorities, all other local authorities would have been affected. However, the matter was resolved amicably and the case was withdrawn.

The nominations process began initially for the unaffected 93 local authorities between 11th and 14th of December 10,18th The date of submitting nominations for the remaining local authorities was announced after the case was withdrawn and the interim order was lifted. At the point of nominations, several discrepancies were noted in the lists presented by the parties. Some of the lists had not satisfied the mandatory percentages of women representation, and some others had not completed the forms to be submitted for nominations. Being so, PAFFREL had noted 42 defective nomination lists in total (13 from the first 93 and 29 from the remaining 248 local authorities).

The 2018 Local Authority Elections, despite being two and half years overdue, was one of profound significance given its experimental value in introducing the Mixed Member Proportional System and mandatory 25% women's quota. The Mixed Member Proportional System is a new hybrid system that sought to combine the First Past the Post system with that of the Proportional Representation system. From the total number of members, 60% were to be elected through the operation of the First Past the Post system, while the remaining 40% were to be returned from the Proportional Representation system.

Over 15 million electors were eligible to cast their vote to elect 8346 Councillors to the Local Authorities from the 57,000 candidates that contested the elections. They were to represent 24 Municipal Councils, 41 Urban Councils and 276 Pradeshiya Sabhas, the total of which forms 341 local authorities.

One of the more notable features to be observed was the manner in which women were accommodated within the political framework, and the support extended to the woman candidates in the run-up to the elections. In the past women had been underrepresented at the

Elections, and more often than not, such women would become perturbed by the harassment and character assassinations that are carried out during the time of elections. Of the Councillors elected to the Local Authorities in 2011, only 1.9% were represented by women. In the circumstances, the 25% women's quota was a welcome move on the part of the Government in keeping with the objectives and proposals declared at the Fourth World Conference on Women in Beijing. However, despite the negative expectations, and the enormity of the pool of candidates, the entire run-up to the elections was largely peaceful when compared with elections of the yesteryears.

As planned, elections were held for all Local Authorities on the same day with one exception. Elections could not be held for the Elpitiya Pradeshiya Sabha after an interim order was issued by the Supreme Court preventing the election from happening. The interim order was issued after three members of the Democratic United National Front (DUNF) filed a petition in Courts alleging that their nominations were unfairly rejected. The election is expected to be called for soon after the conclusion of the trial.

While each political party was expected to do the needful and ensure the political nomination and mandatory representation of women at the local authorities, there were a few loopholes that proved to be problematic in ensuring 25% mandatory women representation. The amendment of Section 65 of the Act states that where a party has received less than 20% of the vote and have less than three members returned to the Local Authority, then such party will be exempted from the mandatory 25% quota allocated for women.

Following the conclusion of the elections, there had been a notable delay in the releasing of results by the Election Commission. The Chairman of the Elections Commission, Mahinda Deshapriya, had explained that the delay was caused by a systems failure .

One of the more conspicuous concerns was the allocation of women and the inability to ensure 25% representation due to the problems entailed in the exemptions granted to parties who had obtained less than 20% of the votes and less than 3 seats in a local authority. Many of the smaller parties benefited from this exemption, and in certain

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

instances, even larger parties such as the United People's Freedom Alliance (UPFA) and Janatha Vimukthi Peramuna (JVP) had obtained the exemption.

The Elections Commission WAS helpless given its challenge to ensure the mandatory 25% representation of women, especially in the face of civil society activist groups that advocated for the right.

There was long delay in publishing the names of the Councillors elected from the Local Government Elections as a result of the impending challenges that lay before the Elections Commission. A list was gazetted on 9th of March, nearly a month after the polls, however, not all of the Local Authorities have been assigned the duly elected Councillors to it.

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

1.1.1 Managing the Complaints Receiving and Intervention Unit (CRI)

Our primary complaints unit was at our headquarters based in Colombo. Steps were taken to provide opportunities for every person to make a complaint via phone call, email, fax or even by personally visiting.

PAFFREL also maintained a special unit in each of the District Offices to investigate election related complaints.

Having considered the fact that 35% of the candidates were going to be women, PAFFREL established a Special Complaint Unit to address complaints specifically related to women.



Complaints could have been in various respects including character assassination, mudslinging campaigns or any other social media related abuse. Complaints were to be directed to the contact details mentioned above.

From the nomination period until the cooling off period, PAFFREL had recorded a total of 963 complaints. There were no murders reported and neither were any shootings nor explosives related incidents. However, there had been 27 reported cases of grievous assaults, one confirmed abduction and three cases of intimidation with the use of firearms. There had also been 13 reported cases of damage to immovable property, and 10

confirmed cases of damage to movable property.

Abuse of State resources had been noted in 28 cases, of which 25 were confirmed by PAFFREL. Further to this, PAFFREL had noted 197 incidents of State officials carrying out illegal propaganda.

In total, 963 incidents of election law violations had been reported during the pre-election period.

During the cooling off period which began 48 hours prior to the date of elections, there were 156 reported cases of election law violations.

On Election Day, there had been 211 incidents reported. Of this, 20 were confirmed serious violations. Ten of them were serious cases of assault. The immediate aftermath of an election can be



extremely sensitive considering the emotions of the victors and the defeated. The PAFFREL Observers continued their observation duties until the 16th of February, 2018. During this period 62 incidents of election law violations were noted.

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

1.1.2. Training and Deployment of Observers

As has been the practice since 1987, PAFFREL had deployed 5,403 personnel to monitor the election activities, election law violations and election related complaints commencing from the day of the filing of nominations. The personnel deployed by PAFFREL had undertaken to extend the task of monitoring to also cover post-election violence and complaints.

For this purpose, PAFFREL conducted 188 training programmes for each of the Election Observers. These training programmes were carried out in all 25 Districts in the country, with particular emphasis in districts where the requirement for election monitors was higher. As such, 12 programmes were held in Colombo and 13 programmes each were conducted in Ampara, Kandy and Kurunegala. A handbook on laws related to holding of elections to LA's was published in Sinhala and Tamil and distributed to the observers at the trainings.

PAFFREL had also appointed 141 well trained media personnel and civil society activists who have had long term experience in election monitoring for extensive monitoring spanning electorates and Districts. These Long Term

Observers (LTO) were given special training in respect of the elections.

Furthermore, having witnessed a plethora of election law violations, PAFFREL had placed 3,486 election observers in problem prone polling centres. Nearly 248 mobile patrolling squads were also dispatched for election monitoring duty in other polling stations, each of which that four observers.

For the purpose of conducting postal voting, which happened on 22nd, 25th and 26th of January, 2018, PAFFREL deployed 996 personnel in Civil Defence Camps, Army Camps, Sri Lanka Transport Board and education offices, District Secretariats and other government offices.



OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

1.1.3. Vote Counting Observation Process of PAFFREL

The Local Authority Elections was unique to Sri Lanka in more ways than one. In the previous polls, all of the polling boxes in a polling booth would be transported to a common location where the counting would take place for the electorate. During the recent elections, every polling booth was converted to a counting centre. The number of votes polled in each ward was then calculated and communicated to the returning officer. For this purpose, each of the Observers had to continue their observations after the polling process was complete until such time that the counting process was also complete.

Since this process was only confirmed on the morning of the elections, a challenge ensued for the election observers who were prepared differently. Communication through electronic devices was not permissible from within the polling booth, and as such, PAFFREL's Election Observers had to improvise and deal with the matter diligently. However, PAFFREL's training programmes train the Observers to deal with such spontaneously arising situations, and therefore the Election Observers managed the situation in an appropriate manner.

1.1.4. Media Advocacy on Voter Education

1.1.4.1. Print and distribute Score Cards to guide voters in casting their votes to suitable parties or candidates with values and integrity.



Score cards were printed and distributed prior to the 10 February 2018 local government elections through March 12 District Committees, CSOs and political party activists. Guidance was given by March 12 groups and PAFFREL volunteers about the use of the card. This is the first time such a score card was used for any local government election in Sri Lanka. People for the first time were made to think about evaluating candidates in a systematic way before they decided on whom to vote for. The use of the score card became more meaningful as the new electoral laws made provisions for appointing one member for a ward plus others from Proportional Representation system.

1.1.4.2. Conducting an island wide leaflet campaign



In addition, there was a leaflet campaign in Sinhala and Tamil medium on “How to vote” in this new electoral system and educating voters about the documents needed to establish their identity at the time of exercising their franchise. PAFFREL issued few press releases in connection with voter education predictably.

1.1.5. Press Briefing for Election Monitoring

During the period of Local Authorities, Elections, PAFFREL conducted 2 press conferences on 11th and 31st January 2018 at CSR, Colombo 10.

OBSERVING AND MONITORING THE CONDUCT OF ELECTIONS

1.2. Postponement of the Provincial Council Elections

By the end of 2018, elections to Six Provincial Councils have been postponed. Sabaragamuwa, Eastern and North Central Provincial Councils elections for one year and two months while Central, North Western and Northern Provinces for two months. Due to the continuous postponement of Provincial elections, the citizens of six provinces have been deprived of their voting rights.

The reason why this entire process has not come into operation with regard to the six councils that have already been dissolved is the government introduced the Provincial Councils Elections (Amendment) Act, No. 17 of 2017, which changed the entire system of elections to the provincial councils and made necessary the demarcation of constituencies. It is due to the deliberate delay in the process of demarcating constituencies by the government that no PC elections have been held since last year. According to the provisions of the Provincial Councils Elections (Amendment) Act, No. 17 of 2017, a Delimitation Committee has to be appointed by the President within two weeks of the commencement of that Act and the Delimitation Committee has to fulfil its responsibilities within four months of its appointment and thereafter submit its report to the Minister.

The Minister shall within two weeks of the receipt of such report, table it in Parliament for its approval by a two-thirds majority of the whole number of Members of Parliament (including those not present) voting in its favour. If Parliament does not approve of the Delimitation Committee report in the manner prescribed in Act, No. 17 of 2017, the Speaker has to appoint a Review Committee, consisting of five persons headed by the Prime Minister. This Review Committee has to fulfil its

responsibilities within two months of the Minister having referred the report for its consideration and thereafter submit its report to the President. Upon the receipt of the report of the Review Committee, the President shall by Proclamation publish it, thus completing the delimitation process.

The Speaker has appointed the Review Committee headed by the Prime Minister and the latter is engaged in the review process. The Speaker appointed the Review Committee on the 28th of August this year 2018 and its two month period will be up on the 28th of October. According to the provisions of the Provincial Councils Elections (Amendment) Act, No. 17 of 2017 the two-month period of the Review Committee commences from the time the Minister refers the Delimitation Committee report for its consideration. After the Speaker appoints the Review Committee there is no provision in the Provincial Councils Elections (Amendment) Act, No. 17 of 2017 to extend the time given to the Review Committee any further. The only extra time the Review Committee can legally have is the few extra hours or days it took for the minister to refer the Delimitation Committee report to the Review Committee after the latter was appointed by the Speaker.

Due to this continuous of postponement of provincial elections, PAFFREL, has requested a few times from Hon. Speaker of Parliament and Hon. Prime Minister of Sri Lanka as the President of the Delimitation Review Committee to speedup and conclude the review of report and submit its report to His Excellency the President and take appropriate measures to conduct elections soon.

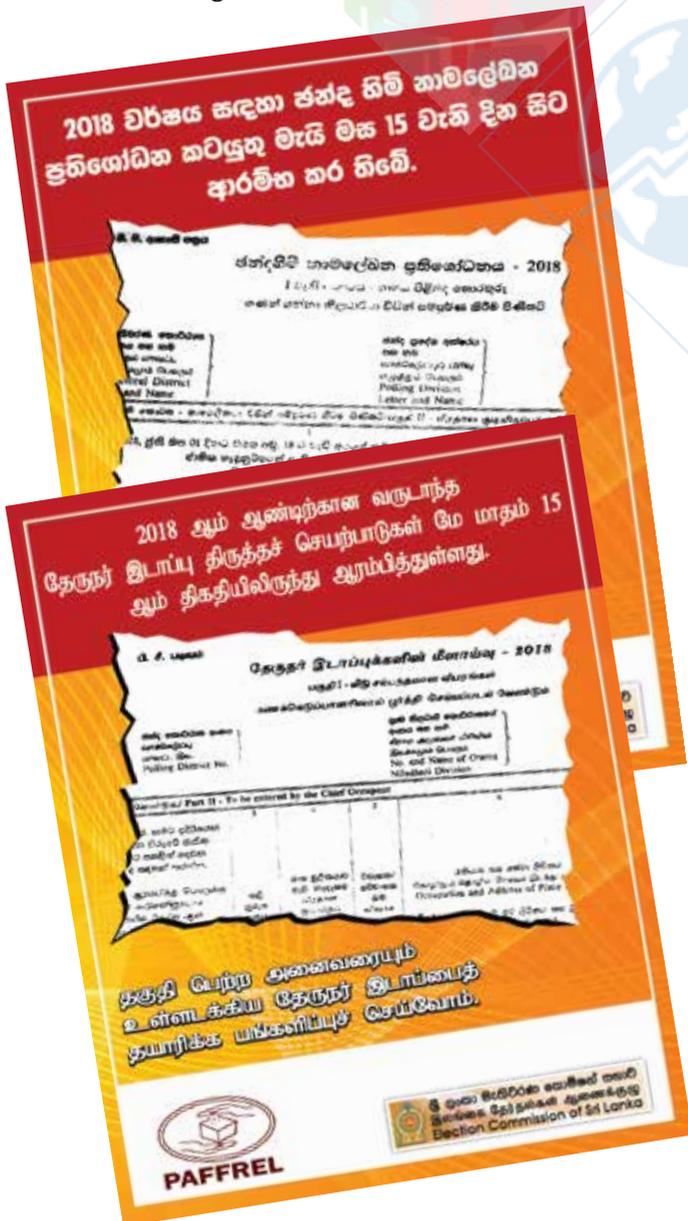
2. ADVOCACY AND AWARENESS CREATION

2.1. Strengthen & Support the Revision of Electoral Register 2018

As in the past, 1st of June of the year was declared as the “Voters’ Day” by the Election Commission. To mark the event 13,500 stickers were printed and delivered to the Commission with PAFFREL’s financial support. These stickers were pasted in vehicles, office premises etc.. reminding the voters about the process and promote them to register on time to avoid their names being deleted.

In addition, PAFFREL issued a few press releases time to time on the process of the annual revision of electoral register.

Further, under the EU grant assistance, 20 voter education meetings were held in Kilinochchi while 27 were conducted in Kandy. A total 1,440 people attended the meetings and of them 860 were women. This initiative was helpful in building an accurate register in the two areas.



3. CITIZEN'S ACTIVATION FOR TRANSFORMING THE EXISTING POLITICAL CULTURE IN SRI LANKA

3.1. March 12 Movement

Since, the formation of March 12 Movement in 2015, PAFFREL has been playing a lead role for supporting it as an achieve Movement with the collaboration of other partner organizations. There is a steering committee comprising representations from the partner organizations. The steering committee met time to time throughout the year.

3.2. Collaborative Initiatives of March 12 Movement and PAFFREL

3.2.1. *"We are the Community, We are the Democracy,, All Island Art Competition*

'We are the Community, We are the Democracy' All Island Art Competition 2018 for school children was organized by March 12th Movement and PAFFREL in collaboration with Ministry of Education under the guidance of the Parliament of Sri Lanka.

This project was supported by US AID under the Strengthening Democratic Governance and Accountability

Education. 967 contestants from all the nine provinces of Sri Lanka had forwarded their drawings to the first round of the competition. Most of the contestants were from Eastern Province and least number of drawings were received from Southern Province.

These 967 drawings were judged by an independent panel of judges and 3 winners from each educational zone were selected. In the next stage out of all the zonal level winners, 5 contestants for each age category were selected from each province for the final round of the competition. Final round of the competition was held on 23rd of September 2018 at Prince of Wales College, Moratuwa with the participation of final round contestants. The drawings which were drawn for the final round of the competition were judged on the same day by an independent panel of judges which comprised a set of well recognized professionals. From the final round, 3 winners and merit awardees for each age category were selected.

The Awarding Ceremony for the final round contestants was held on 23rd of October 2018 at Sri Lanka Parliament premises under the patronage of Hon. KaruJayasuriya, Speaker of the Parliament.



Project (SDGAP). The competition was held for two age categories: Grade 10/11 and Grade 12/13.

There was an open call for drawings for the first round of this All Island Art Competition which was published through print media and social media. Also all the schools were directly informed about the competition through the Ministry of

3.2.2. *Youth Animators and Happy Village Events*

After the completion of NuwaraEliya, Batticaloa and Puttalam district residential youth animator trainings, the participants were requested to conduct a brief baseline

CITIZEN'S ACTIVATION FOR TRANSFORMING THE EXISTING POLITICAL CULTURE IN SRI LANKA

survey in their respective localities to find out development / knowledge / service delivery gaps in their communities. Youth animators conducted these one month long baseline

Many of the proposals were submitted in accordance with the format given to the youth animators in the manual. It was interesting to note that many of the youth animators have successfully negotiated with their respective communities,



surveys individual or as groups in accordance to their preference and their chosen subject areas. Youth Animators were under the supervision of the respective district committee

coordinators and the March 12 district committee steering committees as they conducted the survey. As directed in their manual, the proposals for short projects which were supposed to close the above mentioned gaps were produced by the youth animators.

32 proposals from all three districts were submitted to their respective district coordinators within the given one month time. The proposed subject areas showed vast variations, from rural/ community development , Right based advocacy, advocacy for social welfare to awareness raising programs.

government officials and village leaders to contribute and participate in these endeavors, such as renovating/ upgrading community development center or to raise awareness to curb drug addiction among youth. As a result the financial cost of the overall projects has drastically reduced and sustainability levels of the projects has increased as the ownership of the projects were taken by to the local communities led by these youth animators.

The proposals were then evaluated by a group of representatives from the respective district March 12 committees. They were looking at the concepts of the proposals, animators' gap analysis of the situation , innovation and creativity in getting the community involved in various steps of the proposal development and future

CITIZEN'S ACTIVATION FOR TRANSFORMING THE EXISTING POLITICAL CULTURE IN SRI LANKA

project execution.

It is important to note that 3 district committees have decided, that they try to raise funds, material or technical support for all worthy proposals, not just one per each district as initially planned in SD GAP proposal development. Thus, as a result NuwaraEliya and Batticaloa district committees have called on regional civil society / local funder meetings, briefed them about the objectives of the Youth Animators and of the benefits of absorbing young blood into their own organizations. Puttalam youth animators were introduced to the Puttalam DS officers and their projects, apart from the financial assistance given, were monitored and instructed by the respective Govt. officials.

After initial endorsements by the local funders NuwaraEliya district committee held one-to-one interviews of the youth animators with their potential donors. As a result apart from the PAFFREL funded project, Berendina Organization, ZumZum organization, Fredso has already promised funding for 07 out of 12 proposals submitted to NuwaraEliya district committee, and Sarvodaya, Crysalis, NuwaraEliya DS office has promised technical assistance.

Respective district committee members monitor the progress of the projects while providing needed assistance and support to the youth animators.

3.2.3. Consultative Services to M12 collective of Parliamentarians

Academic Consultation services is provided to promote effective policymaking and good governance through enhanced interaction between member of parliament (MP) of Sri Lanka, Academics of University of Sri Jayewardenepura and PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (PAFFREL). With support from the Strengthening Democratic Governance and Accountability Project (SDGAP), a three-year USAID initiative to support the Government of Sri Lanka in its efforts to increase democratic governance and accountability. The primary focus of the partnership is the enhancement of human capital through capacity building. To this end, the partnership provides policy discussions to address current

public policy issues and create a forum for policy discussion, debate, networking and consolidation of international best practice.

Consulting is one of the most important means by which staff at the University of Sri Jayewardenepura (USJP) can make available their academic knowledge and expertise to external organizations, including government, public sector bodies, community groups and businesses. Cutting-edge research, objective and independent analysis and cross- or multi-disciplinary collaboration are the major benefits of engaging with Legislators in Sri Lanka. As a leading university with a focus on practice-oriented learning, academic qualifications and intellectual rigour is supported by practical experience and real world understanding. USJP provide consultant of expertise consultancy from almost 400 academics and researchers. All of our consultants are at the forefront of their professions and actively engaged as researchers in their fields.

Objectives of the Partnership

The overall objective of the partnership is to enhance knowledge capacity that strengthens of the Parliament of Sri Lanka.

Other Objectives

1. to ensure a stream of high-quality knowledge in the political decision making processes
2. To facilitate develop sound policy recommendations for the policy makers in Sri Lanka Parliament
3. To share the experiences, best practices, lessons learned and achievements
4. To create a forum in parliament to bring and share knowledge and experiences of academics' on currently important policy Issues

CITIZEN'S ACTIVATION FOR TRANSFORMING THE EXISTING POLITICAL CULTURE IN SRI LANKA

3.3. Developing a strategic Plan for March 12 Movement

M12 steering committee is in the final leg of finalizing the two year strategic plan for the March 12 Movement. After multiple consultation and discussion rounds strategic directions and objectives are been identified and March 12 network organizations are focused intervention planing according to their organizational mandates.

and specially some candidates themselves have distributed the score cards in their own locality to raise awareness and empower civic participation in mindfully selecting and electing their representatives.

3.4. Campaign to Promote the March 12 Declaration and Educate the Voters at the Local Authorities Elections in 2018

3.4.1. Press Conferences

March 12 Movement has time to time held press conferences as well as issued press releases in accordance with the issues arise specially during the pre and post elections. M12 press conferences present joint front of civil society and interested individuals whom are members of the March 12 steering committee and the march membership. The media outreach focused on creating awareness on civic responsibility towards electing proper candidates , delivering M12 jint stance on prevailing political and social issues.

3.4.2. Score Card campaign

Score cards for candidates was developed as awareness tool used by voters to evaluate their political candidates. The voters can give marks to candidates from different political parties / independent groups in accordance with the M12 criterion for clean politics and evaluate politicians accordingly. The score cards were prepared in mass scale in both languages and distributed island-wide. Civil society members , general public

4. LEGAL INTERVENTION

4.1. Public interest litigation filed in the Uva Provincial High court, Monaragala on violations of electoral laws.

In order to ensure flawless electoral processes, PAFFREL mobilized people led uninterrupted election observation at the Local Authorities Elections in 2018, during the pre-election, Election and post-Election period to record and document incidents relating to all forms of violence during elections and violations of election laws. PAFFREL's long term election monitors and Short Term Volunteer election monitors were deployed for this

conscientiously and select their own candidate because the Maduruketiya candidate had largely influenced the people individually and through societies by means of mass vote buying. Therefore the success of this candidate in this local government election is largely considered as illegal and violation of Democratic election law.

In order to rectify the violation of election Law and to establish clean politics in Monaragala District, PAFFREL filed a case against the candidate at the Uva Provincial High Court in Monaragala, case No 01/2018, under Local Government Act no 53 of 1946, demanding to declare the election at Maduruketiya ward as not a genuine election, and to un-seat the candidate elected



Uva Provincial High Court in Monaragala

task. Besides the usual events, a major incident in Ward No 06, Maduruketiya in Monaragala Pradeshiya Sabha of Monaragala District, which requires rectification, was recorded by the majority of election observers. It was observed that a large scale vote buying involving LKR 40M had taken place by an individual candidate at this ward, by means of bribing the Electricity Board and the Water board and providing electricity and water supply to households that covers most voters of the Ward. The voters could not exercise their democratic right to vote responsibly and

and to appoint the next candidate in the list for this post. This case is filed purely in the interest of the public and there are no issues against the candidate or the political party. PAFFREL was able to collect some strong evidence for the case from the Ceylon Electricity Board and the Water Board.

The first hearing was fixed at the Monaragela High court for the 11th, 12th, 13th and 14th of September 2018.

5. OUTCOMES AND HIGHLIGHTS OF PAFFREL INITIATIVES OF 2018

1. Observing and Monitoring the conduct of Local Authorities Elections in 2018

A total of 5,403 observers trained and deployed as stationary, mobile, postal and long term observers. Violations monitored, reported and follow up action taken on them.

2. Voter education, common platform for candidates (Eheliyagoda P.S, Horana P.S., Agalawatte P.S and Puttlam U.C.) established by PAFFREL

Pledges made by candidates to voters. Candidates themselves collected score cards (for voters) and hand bills for distribution among voters.

3. Campaign Finance limits advocated

Copies of the document on the Campaign Finance Limits handed over to His Excellency the President, Hon. Speaker and Hon. Members of Parliament. Discussions to be commenced.

4. MOU signed between MP'S collective and Sri Jayawardenepura University for research assistance for MPs

MPs access to relevant information improved.

5. PAFFREL facilitated the people of 5 local authority areas to identify the needs and incorporate them in their development plans

Representatives of people prepared development plans which were presented for implementation.

6. Project linked voters with Local authority bodies through participatory planning

Practical problems were resolved in a transparent and fair manner to the satisfaction of all parties.

7. March 12 Movement held open discussion on national issues with experts for 2nd time for all MPs (36)

MPs gathered useful subject specific knowledge from experts.

8. Provincial Council -new law - got lot of criticisms. Paffrel + academics + other in a committee made recommendations to MPs. This was appreciated. If reverting to old laws - women quota was recommended -

A report of the discussions was prepared with recommendations and circulated to all the participants. In August 2018 a broad discussion was held in Colombo to review the Provincial Councils election law. More than 100 persons participated in the event. The Chairman of the Election Commission and leaders of political parties were present.

9. Voter education carried out -

Citizens sent evidence for 102 candidates who were not worthy. Paffrel made it known to all the relevant authorities (EC, IGP etc..)

10. Votes counted at local polling stations for local elections -

Citizens present and gave security; people is trust in the counting process increased.

11. March 12 district committees motivated to pass onto others the need for change in political culture -

New members joined the M12 Movement in a few districts.

12. Women LA candidates were trained on the role and responsibilities of councillors

Trained candidates together from all parties are more active and understand issues. Skills of the trained female candidates improved to negotiate with the men councillors.

13. Youth animators trained in 3 districts

Youths prepared proposals for resolving local issues with part funds from PAFFREL and balance was funded by other local organizations.

OUTCOMES AND HIGHLIGHTS OF PAFFREL INITIATIVES OF 2018

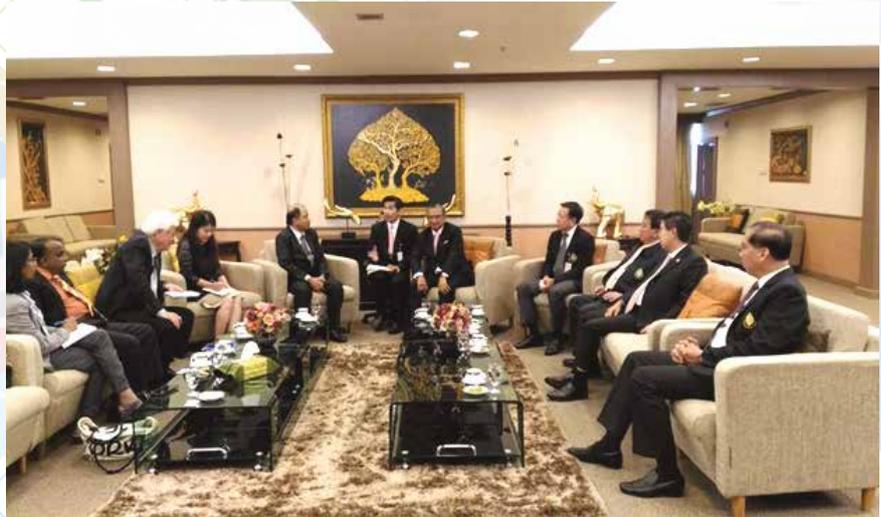
- 14. Art competition with parliament, Ministry of Education, PAFFREL and March 12 Movement held island wide school level art competition on democracy-**
“*We are the people and we are democracy*” theme. 967 entries from all provinces participated, Second round 90 students came to Colombo and prize giving and exhibition with patronage of Honourable Speaker held in the Parliament house of Sri Lanka, Learning Interaction between children. Some came to Colombo for the first time. Also MPs in Parliament got the message.
- 15. Student Parliament guide book and youth manual on community development prepared. The manual for youth distributed among the members of youth parliament -**
Community development and project development carried out for members’ communities.
- 16. Civil society directory drafted -.**
Data base for CSOs accessible for e.g. possible work on human rights or gender. CSOs have more opportunities to collaborate with others. The state agencies have access to collaborate with CSOs.
- 17. International level, Asian Stakeholders Forum 4 - held in SL with 247 participants from 46 countries**
on electoral integrity - Representatives attended the forum shared experiences and forged links with one another.
- 18. PAFFREL representatives participate in International election observation - training on violence monitoring in Thailand**
Learnt new concepts and practices on subject.
- 19. The Executive Director visited European Parliament on invitation and addressed members on elections and democracy -**
Tremendous experience and high recognition for PAFFREL.
- 20. SL Parliament invited PAFFREL to give lectures to MPs on clean politics and women’s political participation -**
MPs greatly appreciated and valued the content.

6. PARTICIPATION OF STAFF MEMBERS IN INTERNATIONAL MEETINGS

6.1. Board Meeting and Meeting with Election Official

Mr. Rohana Hettiarchchi, Executive Director of PAFFREL and the General Secretary of ANFREL, participated in the 14th board meeting of ANFREL, which was held in Bangkok, on 2nd May 2018.

On 1st May 2018, Asian Network for Free Elections (ANFREL) Board of Directors led by its Chairperson, Mr. Koul Panha, met with the Election Commission of Thailand (ECT) led by Honorable Supachai Somcharoen, Chairperson of the ECT. Both sectors discussed the state of Election Integrity in Asia, and the importance of election monitoring as an instrument of electoral integrity.



6.2. USIP Training

ANFREL's secretariat in partnership with the United States Institute of Peace (USIP) successfully carried out a training on "Preventing Election Violence in Asia" from 13 to 15 November 2018 in Bangkok, Thailand. The training course focused on "Preventing Election Violence in Asia: Tools for Practitioners and Policymakers". The 3-day program was aimed at increasing the capacity of participants to identify triggers of election violence and help these actors develop evidence-based strategies to stem the risk of violence. Representatives from civil society organizations, electoral management bodies, media and the diplomatic community participated in the program. Session facilitated by the General Secretary Mr. Rohana Hettiarchchi.



Mr. Sujeewa Gayanath National Coordinator of PAFFREL participated in the above training.

PARTICIPATION OF STAFF MEMBERS IN INTERNATIONAL MEETINGS

6.3. The European Commission invited Mr. Rohana Hettiarachchie, Executive Director of PAFFREL for two high end conferences on “Sustaining Peace through Elections” and “The future International Election Observation” at the Premises of the European Parliament in Brussels, Belgium from 8th to 11th October 2018.



6.4. THE ASIAN ELECTORAL STAKEHOLDERS FORUM IV (AESF-IV)

The 4th AESF, co-hosted by the Election Commission of Sri Lanka and the Asian Network for Free Elections took place in Colombo, Sri Lanka from 27 to 28 August 2018. It provided a space and opportunity for electoral management bodies, civil society organizations, and other stakeholders to meet and to recognize present challenges and commit on ways on how to address them. It has marked a historic milestone for South Asia, being the first AESF to be held in the sub-region.

The theme for the 4th AESF was: “Advancing the Election Transparency and Integrity: Promoting and Defending Democracy Together.” A series of side events were held, including a two-day gathering conducted in cooperation with The Center on developing strategies to actually enhance transparency and integrity, with the ultimate aim of fostering credible elections in the region.

The event has become the focal point for gathering all like-minded democracy advocates in the region. The National Democratic Institute, the Global Network for Domestic Election Monitors, the International Foundation for Electoral Systems had gathered in Sri Lanka to host their own events prior to and after the AESF.

The continuous growth of the AESF has been recognized by many stakeholders in the democracy advocacy sector. The President of Sri Lanka, His Excellency Maithripala Sirisena, graced the event and set the tone for an intense two-day discussion among the experts in the field, covering a wide array of topics from inclusivity of elections to election dispute mechanisms. More than 300 participants representing more than 100 organizations from 45 countries were able to express their thoughts on the current situation of democracy in the region.

The event culminated on a positive note with the adoption by consensus of the Colombo Pledge to Promote and Defend Democracy in Asia by the entire Forum. The interest among stakeholders are expected to grow, with more countries expressing interest to host the next iterations of the AESF. For the next Forum,

OVERVIEW

PARTICIPATION OF STAFF MEMBERS IN INTERNATIONAL MEETINGS

the Mongolian Election Commission volunteered to host the next event, and other Asian countries already approaching ANFREL for partnerships for the succeeding ones. This only provides a glimpse of the willingness of election management bodies and civil society organizations to collaborate and mitigate the

People's Action for Free and Fair elections(PAFFREL) is one of member organization in ANFREL. Since, Executive Director of PAFFREL and the General Secretary of ANFREL Mr. Rohana Hettiarachchie and PAFFREL's staff who participated and facilitated to conduct the from successfully.



decline of our democratic institutions. This can only happen when all stakeholders gather under one roof, and address head on the very challenges we face.



7. INTERNATIONAL PARTNERSHIPS

7.1. Membership in ANFREL

In 1999, PAFFREL became a member of the Asian Network for Free Elections Foundation -ANFREL and took a very active part in its activities. During the year under review, Mr. Rohana liettiarachchi, Executive Director of PAFFREL, continued to function as the General Secretary of Asian Network for Free Elections ANFREL. www.anfrd.org



7.2. Membership in ASPBAE

PAFFREL is a member of the Asia South Pacific Association for Basic and Adult Education Asia South Pacific Association ASPBAE - ASPBAE was established in Sydney for Basic and Adult Education Australia in 1964. It is a regional association of more than 200 organizations and individuals. www.aspoac.org



7.3. Membership in GNDEM

PAFFREL is a member of Global Network for Domestic Election Monitors – GNDEM since 2008. GNDEM is operating in more than 100 election monitoring efforts to safeguard electoral integrity, help create governmental and political accountability, contribute to mitigating potentials for politically motivated violence and promote the right of citizens to participate in public affairs. The widespread development of nonpartisan election monitoring around the world is a tangible evidence of the citizen's desire for responsive, transparent, democratic governance.



7.4. Membership in URI

United Religious Initiative (URI) was established in San Francisco in 2000. Its mission is "A Diverse Community that Works Together to Overcome Shared Problems & Achieve Real Peace". Currently URI is functioning in over 96 countries networking with 786 CCs (Cooperation Circles). PAFFREL is a member of URI since 2012 as an Interreligious Initiative for People's Democracy (Colombo-CC) and presently has 12 CCs networking and working together in Sri Lanka covering all districts.



8. STAFF OUTING

8.1. Staff Outing

PAFFREL's staff staff accompanied by their family members spent a day out on 4th April 2018, at Diya Ulpatha Resort, Mathugama. On that day staff played a cricket match to refresh the team spirit among the staff members and their families. Besides that, a few attractive New Year games were conducted among the children of staff members in connection to the upcoming Sinhala and Hindu New Year. One of Vice Chairman of Board attended the day outing with staff.



OVERVIEW

STAFF OUTING



9. PUBLICATIONS OF PAFFREL DURING THE PERIOD OF 2018

9.1. In the year 2018, PAFFREL published three books on following subjects

9.1.1. An Introduction on New Local Government Elections Law

In 2012, the long standing Local Authority Elections Acts and Ordinance were amended by the Parliament, Introducing a new electoral structure through Local Authority (Special Provisions) Act, No. 21 of 2012 and Local Authorities Elections (Amendment) Act, No. 22 of 2012.

Since, the elections to local authorities were held on 10th February 2018, under this new law. Therefore, training of PAFFREL observers for observing and monitoring the conduct of local authority elections, PAFFREL published this book summarizing and way of user friendly in Sinhala and Tamil languages. The book was written by Mr. Jagath Liyana Arachchi, Attorney -at Law on behalf of PAFFREL. The printed copies of books were distributed among PAFFREL's observers, contested party candidates and requested general public.

9.1.2. Strengthening Democracy through Youth Action (youth Parliament Manual)

In 2012, the long standing Local Authority Elections Acts and Ordinance were amended by the Parliament, Introducing a new electoral structure through Local Authority (Special Provisions) Act, No. 21 of 2012 and Local Authorities Elections (Amendment) Act, No. 22 of 2012.

Since, the elections to local authorities were held on 10th February 2018, under this new law. Therefore, training of PAFFREL observers for observing and monitoring the conduct of local authority elections, PAFFREL published this book summarizing and way of user friendly in Sinhala and Tamil languages. The book was written by Mr. Jagath Liyana Arachchi, Attorney -at Law on behalf of PAFFREL. The printed copies of books were distributed among PAFFREL's observers, contested party candidates and requested general public.

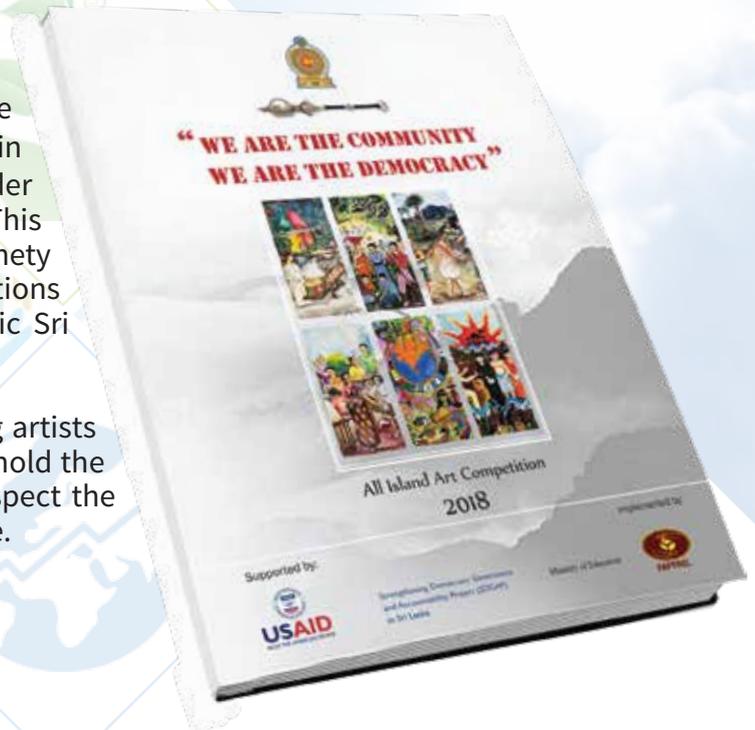


PUBLICATIONS OF PAFFREL DURING THE PERIOD OF 2018

9.1.3. ***“We are the Community, We are the Democracy” All Island Art Competition***

In 2018, PAFFREL and March 12 Movement were organized an All Island Art Competition on the theme of “We are the Community, We are the Democracy” for school children in collaboration with- Ministry of Education under the guidance of Parliament of Sri Lanka. This book was printed in collection of the final ninety painting showcase aspirations and expectations of future generation for a better, democratic Sri Lanka.

Thus it is our humble hope that these young artists would use their creativity and wisdom to uphold the democracy of the country and obey and respect the duties they have towards the society they live.



10. PAFFREL INTERVENTION ON SOME NEWS PAPERS ARTICLES



PAFFREL INTERVENTION ON SOME NEWS PAPERS ARTICLES



OVERVIEW

11. FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018



**PEOPLE'S ACTION FOR FREE AND FAIR
ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
FOR THE YEAR ENDED
31ST DECEMBER 2018**

Jayasinghe & Co

CHARTERED ACCOUNTANTS

Correspondent Firm of Russell Bedford International

94/12, Kirulapone 2nd Lane, Colombo 05.

Tel/Fax: +94 11 2512069, 2512400, 2512514

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INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS****Opinion**

We have audited the accompanying financial statements of People's Action for Free and Fair Elections, which comprise of the statement of financial position as at December 31, 2018, and the statements of comprehensive income, changes in accumulated fund and the cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Organization as at December 31, 2018, and of its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Government Organizations)

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Not-for-Profit Organizations (Including Non-Government Organizations), and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Organization's financial reporting process. (Contd...)

Page 1 of 2



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Global network of independent accountancy firms,
business consultants and specialist legal advisers

L.D.A. Jayasinghe FCA,FCMA
G.V.M.Nanayakkara FCA,FCMA(UK)
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G.D.N. Mendis B.Sc.(Spe.),ACA,ATI(SL)
Ganga Tilakaratne B.Sc.(Spe),ACA,CCM

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of the auditor's report.


.....
JAYASINGHE & CO.
CHARTERED ACCOUNTANTS
Colombo.
29th March 2019
AJ/IMK/967/935



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER
(All Amounts Are In Sri Lanka Rupees)

	Note	2018	2017
OPERATING INCOME			
Incoming Resources	04	61,303,886	29,048,957
Total Operating Income		61,303,886	29,048,957
OPERATING EXPENDITURE			
Project Expenses			
Personnel Cost	05	(3,393,167)	(2,284,358)
Programme Cost	05	(47,021,174)	(20,213,124)
Support Cost	05	(1,677,482)	(1,079,900)
Total Project Expenses		(52,091,823)	(23,577,382)
General Expense			
Administrative Expenses	06	(9,877,639)	(11,427,029)
Total Operating Expenditure		(61,969,462)	(35,004,411)
Other Income	07	193,515	494,487
Net Surplus/(Deficit) On Operating Activities		(472,062)	(5,460,967)
Finance Income	08	587,068	525,075
Finance Expenses	09	(225,264)	(285,186)
Net Surplus/(Deficit) Before Tax		(110,258)	(5,221,078)
Income Tax		(2,422)	-
Net Surplus/(Deficit) For The Year		(112,680)	(5,221,078)
OTHER COMPREHENSIVE INCOME			
(Deficit)/Surplus On Retirement Benefit Obligation		(439,258)	(254,220)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(551,937)	(5,475,298)

Notes on pages 05 to 21 form an integral part of these Financial Statements.



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER
(All Amounts Are In Sri Lanka Rupees)

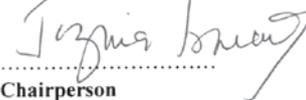
	Note	2018	2017
ASSETS			
Non Current Assets			
Property, Plant & Equipment	10	3,263,772	5,924,834
Fixed Deposits	11	5,546,831	5,039,523
Total		8,810,603	10,964,357
Current Assets			
Advances, Receivables & Prepayments	12	6,178,899	4,655,702
Cash & Cash Equivalents	13	6,891,444	14,322,766
Total		13,070,343	18,978,468
Total Assets		21,880,946	29,942,826
FUNDS & LIABILITIES			
Accumulated Fund			
Restricted Funds	14	14,063,702	20,828,053
Unrestricted Funds		993,712	(605,750)
Capital Reserves		1,136,075	4,254,619
Total		16,193,488	24,476,922
Non Current Liabilities			
Lease Creditor Due After One Year	15	841,293	1,378,906
Retirement Benefit Obligation	16	2,728,214	1,963,529
Other Provisions	17	862,400	862,400
Total		4,431,907	4,204,836
Current Liabilities			
Accrued Expenses	18	503,926	742,652
Lease Creditor Due Within One Year	15	537,613	468,912
Bank Overdrafts	19	214,012	49,504
Total		1,255,551	1,261,068
Total Accumulated Fund & Liabilities		21,880,946	29,942,826

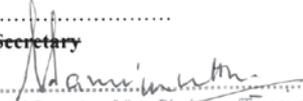
Notes on pages 05 to 21 form an integral part of these Financial Statements.

I certify that those Financial Statements are in compliance and the requirements of Companies Act No. 7 of 2007.


Head of Finance

The Board of Directors is responsible for the preparation & presentation of these Financial Statements.
Signed for and on behalf of the Board By ;


Chairperson
29th March 2019
Colombo


General Secretary
Chairperson/General Secretary/Vice Chairman/Treasurer
People's Action for Free and Fair Elections (PAFFREL)



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 2018
(All Amounts Are In Sri Lanka Rupees)

Description	Restricted Funds	Unrestricted Funds	Capital Reserve	Total
Balance As At 01st January 2017	12,547,072	4,872,471	3,368,164	20,787,708
Funds Received During The Year	28,273,703	5,066,565	-	33,340,268
Fund Receivable For The Year	3,581,737	-	-	3,581,737
Project Assets Transferred	-	-	886,455	886,455
Funds Transferred	2,923	(2,923)	-	-
Net Surplus/(Deficit) For The Year	-	(5,475,298)	-	(5,475,298)
Funds Transferred To Statement Of Comprehensive Income	(23,577,382)	(5,066,565)	-	(28,643,947)
Balance As At 31st December 2017	20,828,053	(605,750)	4,254,619	24,476,922
Funds Received During The Year	45,142,312	8,433,733	-	53,576,045
Fund Receivable For The Year	4,427,509	-	-	4,427,509
Project Assets Depreciation Charge	-	2,154,092	(3,118,545)	(964,452)
Funds Transferred	2,693	(2,693)	-	-
Fund Transferred To Other Organizations	(4,245,042)	-	-	(4,245,042)
Net Surplus/(Deficit) For The Year	-	(551,937)	-	(551,937)
Funds Transferred To Statement Of Comprehensive Income	(52,091,823)	(8,433,733)	-	(60,525,556)
Balance As At 31st December 2018	14,063,702	993,712	1,136,075	16,193,488



Notes on pages 05 to 21 form an integral part of these Financial Statements.

FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE & FAIR ELECTIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER
(All Amounts Are In Sri Lanka Rupees)

Note	2018	2017
Net Surplus/(Deficit) Before Tax	(112,680)	(5,221,078)
Adjustments		
Depreciation	1,696,608	2,560,492
Provision For Gratuity	450,140	381,608
Deferred Income	-	(517)
Lease Interest Expenses	225,264	285,186.48
Interest Income	(587,068)	(525,075)
Operating Profit / (Loss) Before Working Capital Changes	1,672,264	(2,519,384)
Add/ (Less) : Working Capital Changes		
(Increase)/Decrease In Advances, Receivables & Prepayments	2,918,501	245,426
(Decrease)/Increase In Accrued Expenses & Other Payables	(238,727)	19,815
	4,352,039	(2,254,142)
Gratuity Paid	(124,713)	(176,560)
Net Cash Inflow / (Outflow) From Operating Activities	4,227,326	(2,430,702)
Cash Flows From Investing Activities		
Acquisition Of Property, Plant & Equipment	-	(130,154)
Interest Received	65,573	525,075
Fixed Deposit Withdrawals	-	2,672,749
Net Cash Inflow / (Outflow) From Investing Activities	65,573	3,067,671
Cash Flows From Financing Activities		
Funds Received During The Year	53,576,045	33,340,268
Funds Transferred To Other Organisations	(4,245,042)	-
Funds Utilized During The Year	(60,525,556)	(28,643,947)
Repayment Of Finance Leases	(694,176)	(694,176)
Net Cash Inflow / (Outflow) From Financing Activities	(11,888,729)	4,002,145
Net Increase / (Decrease) In Cash & Cash Equivalents	(7,595,831)	4,639,114
Cash & Cash Equivalents At The Beginning of The Year	14,273,263	9,634,149
Cash & Cash Equivalents At The End Of The Year	6,677,432	14,273,262

13

Notes on pages 05 to 21 form an integral part of these Financial Statements.



**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

1 REPORTING ENTITY

1.1 Domicile & Legal Form

People's Action for Free and Fair Elections (PAFFREL) was initially incorporated under the Companies Act No. 17 of 1982 as a Company Limited by Guarantee and then re-registered under the Companies Act No. 7 of 2007 on 27th November 2008. In the event the Guarantee Company is wound up, the liability of each member is limited to Rs. 1,000/-.

The Organization is registered with the Department of Social Services and has been established under the Voluntary Social Service Organization (Registration and Supervision) Act No. 31 of 1980 as amended by Act No. 8 1998. The registered office of the Organization is located at 12/3, Robert Gunawardena Mawatha, Robert Terrace, Colombo 06.

1.2 Principal Activities

The principal activities of the Organisation are monitoring free and fair elections, motivating and encouraging voters to exercise their basic democratic rights.

1.3 Board of Directors

The Board of Directors presents herewith the audited financial statements for the year ended 31st December 2018. The Directors are responsible for preparing and presenting the financial statements.

The Directors of the Organization as at 31st December 2018 were,

Dr. Jehan Perera
Mrs. Saroja Sivachandran
Deshabandu Mrs. Jezima Ismail
Ven. Ethkaduwawa Saddhajeewa
Mrs. Visaka Yvonne Dharmadasa
Prof. Sellamuthupillai Mariapillai Mookiah
Prof. Kankanige Karunathilake
Mr. Herath Mudyanselage Victor Sooriyabandara
Mr. Chaminda Rajakaruna

(Contd...)



**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED
(PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

Dr. Gehan Gunatilleke
Mrs. Seela Ebert
Mr. Khawja Nawzad Deen
Mrs Christobel Manohari Saverimuttu

1.4 Company Secretaries

Turnkey Services (Private) Limited,
No.85/1A, Senanayake Avenue,
Nawala,

1.5 Auditors

Jayasinghe & Co.,
Chartered Accountants,
No. 94/12, Kirulapone Avenue,
Colombo 05.

(Contd...)



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of People's Action for Free and Fair Elections comprise of the statement of financial position as at December 31, 2018 and the statements of comprehensive income, changes in accumulated fund and the cash flows for the year ended, together with the notes to the financial statements. These financial statements have been prepared in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (including Non-Governmental Organizations) issued by the Institute of Chartered Accountants of Sri Lanka.

2.2 Basis of Measurement

The financial statements have been prepared using the historical cost convention except where appropriate disclosures are made with regard to fair value under relevant notes. Assets & Liabilities are grouped in an order that reflect their relative liquidity.

2.3 Functional & Presentation Currency

The financial statements are presented in Sri Lanka Rupees (Rs.), which is the Organisation's functional and presentation currency.

2.4 Significant Accounting Judgments, Estimates & Assumptions

The preparation of the financial statements in conformity with the Sri Lankan Accounting Standards requires management to make judgments, estimates and assumptions in conformity with the statement of recommended practice that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Company's financial statements are included in the respective notes.

2.5 Comparative Information

The presentation and the classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

(Contd...)



**PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Foreign Currency Translations

All foreign exchange transactions are converted to Sri Lanka rupees, which is the reporting currency, at the rate of exchange prevailing at the time the transaction was effected. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lanka rupee equivalent using year end spot rate. Non-monetary assets and liabilities are translated using exchange rates that existed when values were denominated. The resulting gains and losses are accounted for in the statement of comprehensive income.

3.2 Property, Plant & Equipment

(a) Basis of Recognition

Property, plant and equipment are recognized if it is probable that the future economic benefits associated with the asset will flow to the Organization and the cost of the asset can be reliably measured.

(b) Basis of Measurement

Property, plant and equipment are measured at cost or valuation less accumulated depreciation and accumulated impairment losses. All items of property, plant and equipment are initially recorded at cost. Where any item of property, plant and equipment is subsequently revalued, the entire class of such assets is revalued.

(c) Depreciation

Depreciation is provided for on all assets on the straight-line basis and is calculated on the cost or revalued amount of all property, plant and equipment other than land, in order to write off such amounts less any terminal value over the estimated useful lives of such assets. The estimated useful lives of assets are as follows;

(Contd...)



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018

<u>Asset</u>	<u>Years</u>
Office Equipment	4
Furniture & Fittings	4
Computers & Software	4
Motor Vehicles	4

3.3 Receivables

Receivables are recognized at the amounts estimated to be realized.

3.4 Cash & Cash Equivalents

The Organization considers cash in hand and cash at bank to be “cash and cash equivalents”. Bank borrowings that are repayable on demand and form an integral part of the Organization’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.5 Funds

Unrestricted Funds

Unrestricted funds are those that are available for use by the Organisation at the discretion of the Board, in furtherance of the general objectives of the Organization and which are not designated for specific purposes.

Surplus funds are returned to the relevant donors or transferred from restricted funds to unrestricted funds in terms of the relevant donor agreements or with the subsequent approval of the donor.

Contributions received from the general public are recognized in the statement of comprehensive income on a cash basis.

Restricted Funds

Where grants are received for use in identified project or activity, such funds are held in a restricted fund account and transferred to the statement of financial activities to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under accumulated fund in the statement of financial position until such time as they are required.

(Contd...)



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018

Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognized through "receivables" in the statement of financial position.

The activities for which these restricted funds are being used are identified in the notes to the financial statements.

3.6 Liabilities & Provisions

Liabilities are recognized in the statement of financial position when there is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the statement of financial position date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the statement of financial position date are treated as non- current liabilities.

A provision is recognized in the statement of financial position when the Organization has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits for which a reliable estimate could be made is required to settle the obligation.

3.7 Employee Benefits

Defined Contribution Plan – EPF & ETF

All employees are entitled to Employees' Provident Fund and Employees' Trust Fund in line with the respective statutes & regulations.

Defined Benefit Obligation- Gratuity

The retirement benefit obligation of the Organization is calculated using the formula method issued by Institute of Chartered Accountants of Sri Lanka, which complies with the Sri Lanka Accounting Standards.

(Contd...)



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018

3.8 Statement of Comprehensive Income

3.8.1 Revenue Recognition

Income realized from restricted funds is recognized in the statement of comprehensive income when there is certainty that all of the conditions for receipts of the funds have been complied with and the relevant expenditure that is expected to compensate has been incurred and charged to the statement of comprehensive income. Unutilized funds are carried forward as such in the statement of financial position.

Gifts and donations received in kind are recognized at valuation at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purposes of the Company at the point of such sale. Items not sold or distributed are inventoried but not recognized in the financial statements. All other income is recognized when the Company is legally entitled to use such funds and the amount can be quantified.

Grants and subsidies are recognized in the financial statement at their fair value. When the grant or subsidy relates to an expense, it is recognized over the period necessary to match it with the costs, which it is intended to compensate. Grants and subsidies related to assets are generally deferred in the statement of financial position and credited to the statement of comprehensive income over the useful life of the asset.

(a) Interest Income

Interest income is recognized using effective interest method.

(b) Gain & Losses

Net gains and losses on the disposal of property, plant and equipment and other non-current assets, including investments, are recognized in the statement of comprehensive income after deducting from the proceeds on disposal, the carrying value of the item disposed of and any related selling expenses.

(c) Other Income

Other income is recognized on accrual basis.

(Contd...)



PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018

3.8.2 Expenditure Recognition

Expenses in carrying out the projects and other activities of the Organization are recognized in the statement of comprehensive income during the period in which they are incurred. Other expenses incurred in administering and running the Organization and restoring and maintaining the property, plant and equipment to perform at expected levels are conducted for on an accrual basis and charged to the statement of comprehensive income.

3.9 Events Occurring After The Reporting Date

All material events after the reporting date have been considered, disclosed and adjusted where applicable.

(Contd...)



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS NOTES TO THE FINANCIAL STATEMENTS (Contd...)

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2018	2017
NOTE 04 - INCOMING RESOURCES			
Restricted Revenue	04.01	52,091,823	23,577,382
Unrestricted Revenue	04.02	9,212,063	5,471,575
Total		61,303,886	29,048,957
NOTE 04.01 - RESTRICTED REVENUE			
Diakonia		1,617,577	5,011,258
British High Commission -Colombo		879,944	-
The Asia Foundation		-	4,094,494
Royal Norwegian Embassy		6,207,607	4,082,509
European Union		-	3,098,200
Foundation Open Society Institute		7,580,598	2,069,061
United Nations Development Programme		-	1,370,344
Diakonia Special Project Contribution Grant		1,273,020	1,001,980
Search For Common Ground		-	500,000
PALTRA - SPICE Contribution		-	681,390
Embassy of Netherlands		6,530,712	-
International Republican Institute		1,146,800	-
Embassy of Switzerland		2,034,752	-
Neelam Thiruchelvam Trust		1,651,134	-
International Institute For Democracy & Electoral Assistance		291,643	440,789
Strengthening Democratic Governance & Accountability Project		10,702,260	342,399
Wesminister Foundation For Democracy		102,363	552,779
European Union (OCEAN)		9,669,576	332,180
Foundation Open Society Institute 2018/2020		2,186,598	-
People's Action For Free & Fair Elections - Anniversary		117,346	-
March 12 Movement		99,894	-
Total		52,091,823	23,577,382
NOTE 04.02 - UNRESTRICTED REVENUE			
Diakonia (Core Funding)		8,442,063	5,091,403
Other Contributions		770,000	380,173
Total		9,212,063	5,471,575

(Contd...)



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018
(All Amounts Are In Sri Lanka Rupees)

NOTE 05 - PROJECT INCOME & EXPENDITURE SUMMARY

Donor	Project	Income Rs.	Expenditure			Total Cost Rs.
			Personnel Cost Rs.	Programme Cost Rs.	Support Cost Rs.	
Diakonia	Core Funding - 2018	1,617,577	-	1,617,577	-	1,617,577
Open Society Foundation (OSF)	Dialogue on Local Government Authority	7,580,598	345,076	6,846,017	389,505	7,580,598
Royal Norwegian Embassy	Supporting for Sustaining Democratization in Sri Lanka	6,207,607	119,558	5,914,466	173,583	6,207,607
Wesminster Foundation for Democracy	Observing & Monitoring the Conduct of Local Authorities Election 2018	102,363	-	102,363	-	102,363
Diakonia - SPC	Ensuring Electoral Integrity in the Electoral Process through Independent Election Observations & Remedial Action	1,273,020	-	1,273,020	-	1,273,020
SDGAP	Developing Mechanism for Strengthening the Relationship of Civil Society and Government Administration through Catalytic Action of Youth	10,702,260	1,089,711	9,612,549	-	10,702,260
European Union (OCEAN)	Organisational Capacity Enhancement & Networking Project (OCEAN)	9,669,576	1,650,115	7,098,318	921,142	9,669,576
Netherland-2018	Observing and Monitoring the Conduct of Local Authorities Election 2018	6,530,712	-	6,530,712	-	6,530,712
IRI-2018	Observing & Monitoring the Conduct of Local Authorities Election 2018	1,146,800	-	1,146,800	-	1,146,800
SWISS-2018	Collaborative Action for Ensuring Free and Fair Local Government Elections 2018 in Sri Lanka	2,034,752	-	1,982,848	51,905	2,034,752
NTT	Setting a Precedent In Democratic Local Government Election 2018	1,651,134	37,350	1,507,318	106,466	1,651,134
PAFFREL - Anniversary	People's Action for Free & Fair Elections (PAFFREL) 30th Anniversary	117,346	-	117,346	-	117,346
OSF 2018/2020	To Facilitate progressive Governance Projects	2,186,598	40,483	2,137,566	8,550	2,186,598
IDEA-2018/19	Campaign Finance Reforms Towards Level Playing Fields in Elections (Sri Lanka)	291,643	110,876	154,436	26,331	291,643
British - AESF IV 2018	Asian Electoral Stakeholder Forum ("the project)	879,944	-	879,944	-	879,944
March 12 Movement	3rd Anniversary of March 12 Movement	99,894	-	99,894	-	99,894
TOTAL		52,091,823	3,393,167	47,021,174	1,677,482	52,091,823

(Contd...)



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS (GUARANTEE) LIMITED (PAFFREL)
NOTES TO THE FINANCIAL STATEMENTS (Contd...)

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	2018	2017
NOTE 06 - ADMINISTRATIVE EXPENSES		
Salaries	3,885,632	4,047,398
Staff Training	76,016	74,500
Staff Travel	505,777	459,449
Utilities	669,736	1,089,783
Communication, Stationery & Printing	513,037	543,171
Purchases & Maintenance	131,383	256,623
Sundry Expenses	1,326,864	1,295,034
Bank Charges	164,960	67,207
Audit Fees	343,500	343,000
Depreciation	1,696,608	2,560,492
Gratuity	450,140	381,608
Vehicle Maintenance	49,775	199,290
Vehicle Insurance	64,210	59,473
Refundable Deposit Balance Written Off	-	50,000
Total	9,877,639	11,427,029
NOTE 07 - OTHER INCOME		
Miscellaneous	8,458	13,837
Staff Loan Interest	17,299	12,400
Vehicle Allowance	117,758	480,650
Audit Fee Over Provision Written Back	50,000	-
Total	193,515	506,887
NOTE 08 - FINANCE INCOME		
Fixed Deposit Interest	521,495	502,803
Money Market Interest	65,573	9,872
Total	587,068	512,675
NOTE 09 - FINANCE EXPENSES		
Lease Interest	225,264	285,186
Total	225,264	285,186

(Contd...)



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
 NOTES TO THE FINANCIAL STATEMENTS(Contd...)
 AS AT 31ST DECEMBER 2018
 (All Amounts Are In Sri Lanka Rupees)

NOTE 10 - PROPERTY, PLANT & EQUIPMENT

NOTE 10.01 - FREEHOLD ASSETS

Note 10.01.01 - Own Assets

Cost or Valuation

Description	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1 st January 2018	1,871,878	726,612	998,225	3,596,715
Additions	-	-	-	-
Balance As At 31st December 2018	1,871,878	726,612	998,225	3,596,715

Accumulated Depreciation

Description	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1 st January 2018	1,750,311	683,378	998,225	3,431,915
Depreciation Charge For The Year	50,581	17,102	-	67,683
Balance As At 31st December 2018	1,800,892	700,481	998,225	3,499,598

Carrying Amounts

As At 31 st December 2017	121,567	43,234	-	164,800
As At 31st December 2018	70,986	26,131	-	97,117

Note 10.01.02 - Project Assets

(Contd...)

Cost or Valuation

Description	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1 st January 2017	1,310,898	211,353	3,045,405	4,567,655
Additions	-	-	-	-
Balance As At 31st December 2017	1,310,898	211,353	3,045,405	4,567,655

Accumulated Depreciation

Description	Office Equipment	Furniture & Fittings	Computers	Total
Balance As At 1 st January 2017	639,822	124,102	1,703,204	2,467,128
Depreciation Charge For The Year	299,951	52,765	611,737	964,452
Balance As At 31st December 2018	939,772	176,867	2,314,941	3,431,581

Carrying Amounts

As At 31 st December 2017	671,076	87,250	1,342,201	2,100,527
As At 31st December 2018	371,125	34,485	730,464	1,136,074



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTION
 NOTES TO THE FINANCIAL STATEMENTS (Contd...)
 AS AT 31ST DECEMBER 2018
 (All Amounts Are In Sri Lanka Rupees)

NOTE 10.02 - LEASEHOLD ASSETS

Cost or Valuation

Description	Office Equipment	Furniture & Fittings	Computers	Motor Vehicles	Total
Balance As At 1 st January 2018	-	-	-	6,515,709	6,515,709
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance As At 31st December 2018	-	-	-	6,515,709	6,515,709

Accumulated Depreciation

Description	Office Equipment	Furniture & Fittings	Computers	Motor Vehicles	Total
Balance As At 1 st January 2018	-	-	-	2,856,201	2,856,201
Charge For The Year	-	-	-	1,628,927	1,628,927
Balance As At 31st December 2018	-	-	-	4,485,128	4,485,128

Carrying Amounts

As At 31 st December 2017	-	-	-	3,659,508	3,659,508
As At 31st December 2018	-	-	-	2,030,581	2,030,581

Carrying Amounts - Total

As At 31 st December 2017	792,643	130,484	1,342,201	3,659,508	5,924,835
As At 31st December 2018	442,111	60,617	730,464	2,030,581	3,263,772

NOTE 10.03 - PROJECT ASSETS NOT CAPITALISED

Description	Office Equipment	Furniture & Fittings	Computers	Motor Vehicle	Total
Balance As At 01 st January 2018	-	-	-	-	-
Additions	416,700	-	191,400	-	608,100
Balance As At 31st December 2018	416,700	-	191,400	-	608,100

(Contd...)



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS NOTES TO THE FINANCIAL STATEMENTS (Contd...)

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	2,018	2,017
NOTE 11 - FIXED DEPOSITS		
Commercial Bank - No 3470028651	697,930	634,847
Commercial Bank - No 3470028652	697,930	634,847
Commercial Bank - No 3470030693	2,957,007	2,688,829
Commercial Bank - No 3470031874	1,193,965	1,081,000
Total	5,546,831	5,039,523
NOTE 12 - ADVANCES, RECEIVABLES & PREPAYMENTS		
Deposits - American Water	16,000	16,000
Advances	776,854	610,957
Funds Receivable From Donors	4,428,353	3,239,237
Other Receivables	957,691	789,509
Total	6,178,899	4,655,702
NOTE 12.01 - OTHER RECEIVABLES		
Staff Loans	225,206	97,693
Salary Advance	8,000	-
Festival Advances	10,000	1,250
Interest Receivable	159,598	145,409
Insurance Prepayment	227,388	243,172
Refundable Deposit	250,000	200,000
Laptop Loan	77,500	101,985
Total	957,691	789,509
NOTE 13 - CASH & CASH EQUIVALENTS		
Commercial Bank- Current Account . No. 1470029589	59,510	24,205
Commercial Bank- Current Account . No. 1470029590	642,513	34,137
Commercial Bank- Current Account . No. 1470029834	1,657,864	29,040
Commercial Bank- Current Account . No. 1470021394	-	-
Commercial Bank- Current Account .No. 1470027752	906,230	26,601
Commercial Bank - Money Market Account. No. 2470031249	3,306,927	15,661
Commercial Bank - Current Account . No. 1470030793	-	9,451,712
Commercial Bank-Current Account . No. 1470030794	-	71,066
Commercial Bank- Current Account . No. 1470030795	295,310	4,665,011
Cash In Hand	23,090	5,333
Sub Total	6,891,444	14,322,766
Less; Bank Overdraft	(214,012)	(49,504)
Cash & Cash Equivalents For The Purpose Of Cash Flow Statement	6,677,432	14,273,262

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FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)
FOR THE YEAR ENDED 31ST DECEMBER 2018
(All amounts are in Sri Lanka Rupees)

NOTE 14 - MOVEMENT IN RESTRICTED FUNDS ON PROJECT ACTIVITIES.

Donor	Project	Balance Brought Forward	Transferred From/ (To) Unrestricted Funds	Funds Received During The Year	Funds Receivable At Year End	Funds Committed For The Year	Funds Allocation To Organisations	Transferred To Statement of Comprehensive Income.	Funds Receivable Write	Balance Carried Forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Dakoma-2018	Core Funding - 2018	-	-	1,617,577	-	1,617,577	-	-	1,617,577	-
Open Society Foundation (OSF)-2018	Observing & Monitoring the Conduct on Parliamentary Election 2015 by Foreign Observers	-	(42)	7,580,640	-	7,580,640	-	-	7,580,598	-
Royal Norwegian Embassy	Supporting for Sustaining Democratization in Sri Lanka	6,638,743	-	-	-	-	-	-	6,207,607	431,136
Dakoma SFC	Special Project Contribution	773,020	-	500,000	-	500,000	-	-	1,273,020	-
SDGAP	Developing Mechanism for Strengthening the Relationship of Civil Society and Government Administration through Catalytic Action of Youth	2,696,651	-	6,078,100	1,927,509	8,005,609	-	-	10,702,260	-
European Union (OCEAN)	Organisational Capacity Enhancement and Networking Project (OCEAN)	9,757,279	-	-	2,500,000	2,500,000	-	-	9,669,576	2,587,703
Netherlands 2018	Observing and Monitoring the Conduct of Local Authorities Election 2018	-	602	6,530,111	-	6,530,111	-	-	6,530,712	-
European Union	Ensuring Electoral Integrity in the Electoral Process through Independent Election Observations & Remedial Action	857,641	-	3,238,047	-	3,238,047	-	-	-	4,095,688
Westminster Foundation For Democracy	Observing & Monitoring the Conduct of Local Authorities Election 2018	100,721	1,641	-	-	-	-	-	102,363	-
SWISS 2018	Collaborative Action for Ensuring Free and Fair Local Government Elections 2018 in Sri Lanka	-	(206)	6,280,000	-	6,280,000	4,245,042	-	2,034,752	-
NTT	Setting a Precedent in Democratic Local Government Election 2018	-	-	1,651,134	-	1,651,134	-	-	1,651,134	-
PAFFREL-Anniversary	People's Action for Free & Fair Elections (PAFFREL) 30th Anniversary	-	-	595,000	-	595,000	-	-	117,346	477,654
OSF 2018/2020	To Facilitate progressive Governance Projects	-	-	7,345,764	-	7,345,764	-	-	2,186,598	5,159,166
IDEA 2018/19	Campaign Finance Reforms Towards Level Playing Field In Elections (Sri Lanka)	-	-	1,600,000	-	1,600,000	-	-	291,643	1,308,357
British-AESF IV 2018	Asian Electoral Stakeholder forum ("the project)	-	804	879,140	-	879,140	-	-	879,944	-
March 12 Movement	3rd Anniversary of March 12 Movement	-	(106)	100,000	-	100,000	-	-	99,894	-
IRI 2018	Observing & Monitoring the conduct of Local Authorities Election 2018	-	-	1,146,800	-	1,146,800	-	-	1,146,800	-
	TOTAL	20,824,054	2,693	45,142,312	4,427,509	49,569,821	4,245,042	52,091,823	14,059,704	-

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FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS (Contd...)

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	2018	2017
NOTE 15 - LEASE CREDITORS		
Balance As At The Beginning Of The Year	2,313,920	3,008,096
Obtained During The Year	-	-
Repaid During The Year	(694,176)	(694,176)
	1,619,744	2,313,920
Interest In Suspense	(240,838)	(466,102)
Net Amount	1,378,906	1,847,818
Lease Creditors Due Within One Year	537,613	468,912
Lease Creditors Due After One Year	841,293	1,378,906
Total	1,378,906	1,847,818
NOTE 16 - RETIREMENT BENEFIT OBLIGATION		
Balance At The Beginning Of The Year	1,963,529	1,504,261
Charge For The Year	244,975	186,207
Interest For The Year	205,165	195,401
Deficit/(Surplus)	439,258	254,220
Payment For The Year	(124,713)	(176,560)
Balance At The End Of The Year	2,728,214	1,963,529
NOTE 17 - OTHER PROVISIONS		
Employees Provident Fund & Employees Trust Fund	762,400	762,400
Pay As You Earn Tax	100,000	100,000
Total	862,400	862,400
NOTE 18- ACCRUED EXPENSES		
Overtime	23,249	33,837
Electricity	-	26,540
Water	7,257	10,666
Telephone	56,997	64,322
Office Transport	4,200	-
Audit Fees	343,500	335,000
Equipment Maintenance	-	11,885
Printing	-	1,560
Employees Trust Fund & Employees Provident Fund	-	150,388
Finance manual preparation fee	25,000	-
Temporary staff salary	35,000	-
Project Transport	-	49,786
Project Expenses	-	39,820
Stationeries	6,300	8,760
Pay As You Earn Tax	-	6,448
Election Expenses	-	3,640
Income Tax Payable	2,422	-
Total	503,926	742,652

(Contd...)



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS
 NOTES TO THE FINANCIAL STATEMENTS (Contd...)
 AS AT 31ST DECEMBER
 (All Amounts Are In Sri Lanka Rupees)

NOTE 19 - BANK OVERDRAFTS

Commercial Bank - No. 1470021394

Commercial Bank - No.1470030793

Commercial Bank -No.1470030794

Total

	2018	2017
	124,555	49,504
	32,778	
	56,678	
	214,012	49,504



FINANCIAL STATEMENTS FOR YEAR ENDING 31ST DECEMBER 2018

PEOPLE'S ACTION FOR FREE AND FAIR ELECTIONS

TIN NO:

TAX COMPUTATION

FOR THE YEAR OF ASSESMENT 2017/2018

(All Amounts Are In Sri Lanka Rupees)

Schedule

Business Income		-
Interest Income	1.1	17,299
Total Statutory Income		17,299
Less: Trade Loss		-
Assessable Income		17,299
Tax Free Allowance		-
Taxable Income		17,299
Tax Payable @ 14%		2,422
Tax Liability		2,422

Schedule 1.1 - Interest Income

Interest	Net Interest	WHT	Gross Interest	Taxable Income
Commercial Bank - No 3470028651	31,400	1,653	33,053	-
Commercial Bank - No 3470028652	31,400	1,653	33,053	-
Commercial Bank - No 3470030693	268,177	14,115	282,292	-
Commercial Bank - No 3470031874	112,965	5,946	118,910	-
Money Market Interest	62,225	3,348	65,573	-
Staff Loan Interest			17,299	17,299
Total	506,167	26,713	532,880	17,299

