



Tamils Rehabilitation Organisation

TRO is a registered charity (Number L 50706) with the Government of Sri Lanka (GoSL)

Head Office: 254 Jaffna Road, Kilinochchi, Sri Lanka

Ph/Fax: +94 (0) 21 228 3947

FOR IMMEDIATE RELEASE

4 September 2006

TRO BANK ACCOUNTS FROZEN

On Monday 29 August 2006 TRO was informed by Seylan Bank, Commercial Bank, Bank of Ceylon, People's Bank, Hatton National Bank, Pan Asia Bank, and Standard Chartered Bank that they had been instructed by the Central Bank of Sri Lanka to "freeze" all TRO accounts. The TRO office in Colombo was advised by all of these banks that "no transactions would be allowed" until further notice.

TRO has not received any official notice on this matter from the Central Bank of Sri Lanka. There has not been any request for information from the Central Bank or any notice of any investigation into TRO's activities.

Since registering with the Government of Sri Lanka as a Charity TRO has responded to all requests for financial and project information from the Ministry of Social Services, the Ministry of Foreign Resources, and the Parliamentary Select Committee on NGOs promptly and exhaustively. There have never been any follow up questions or requests to testify before any committees or courts.

The frozen funds amount to approximately Rs. 75,000,000 (US\$ 750,000) and were targeted for Tsunami related projects which would benefit the Tamil, Muslim and Sinhala communities of the NorthEast. Sixty percent (60%) of the funds frozen were project funds for contractual obligations under the Memoranda of Understanding (MOUs) TRO has signed with international NGOs and UN Agencies (UNICEF, Save the Children, Operation USA and the Nippon Foundation. *Please see Appendix 1 for a list of donors and accounts*) for projects that TRO is implementing to rehabilitate tsunami affected populations. Forty percent (40%) of the funds were donated by the Tamil Diaspora. TRO has thus far implemented over US\$ 20 million in tsunami related projects benefiting all three communities (*Please visit the TRO website for more details on TRO tsunami projects and the "18 Month Tsunami Report" www.troonline.org*).

The Central Bank's actions will lead to further deprivation and suffering for the tsunami and war affected populations of the NorthEast. The people of the NorthEast will again be denied much needed relief, rehabilitation and development.

There had been a concerted, malicious campaign against TRO in the recent past. Beginning with the attacks on TRO offices and continuing with the abduction and disappearance of 7 TRO staff members by paramilitaries (*Please see Appendix 2 for a list of attacks on TRO staff and/or offices and a description of the difficulties that TRO faces*), some members of the Government of Sri Lanka have sought to intimidate TRO staff and restrict the delivery of humanitarian relief and development to the war and tsunami affected communities of the NorthEast.

TRO is the most efficient and effective national NGO operating in the NorthEast, a fact recognized by many international NGOs, the UN, and foreign governments. The Government of Sri Lanka has severely restricted, and in some cases enforced a complete embargo, on humanitarian aid to internally displaced persons (IDPs) who are fleeing the shelling and bombing. TRO fears that humanitarian services are being used as a weapon of war in violation of the rules of international law.

Humanitarian assistance to the recently displaced people of the NorthEast by local NGOs, INGOs and even UN agencies has now been effectively shut down by the actions of members of the Sri Lankan security forces. Currently, due to the pullout of most international agencies from the NorthEast, TRO is one of a handful of organizations assisting those recently displaced by war.

TRO wishes to categorically state that the current humanitarian situation in the NorthEast of Sri Lanka is reaching a critical stage. There is a desperate need, recognized by all who are involved in humanitarian work, which the international community is being prevented from responding to effectively. The timing of this action by the Central Bank of Sri Lanka with callous disregard to its consequences truly shocks not only the TRO staff but also the Tamil Diaspora community.

TRO has been operating its Colombo office since the ceasefire agreement between the GoSL and the LTTE in 2002. This office has been the liaison office for dealing with the GoSL, the international community and also a major centre for



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administrative work. The continued functioning of this office is in jeopardy due to the freezing of these funds. This will severally affect TRO's ability to meet its administrative requirements and its obligation to its partner organizations.

Senior Directors of TRO have sought meetings with the executives of the Central Bank and Ministers of the Government of Sri Lanka to seek an explanation and revocation of the order to freeze the bank accounts.

TRO as always will assist and fully support any enquiry or investigation into any aspects of its operation, however, this action by the central bank exerts extreme pressure on its ability to operate and will negatively impact the tsunami and war affected populations.

This action is bound to have a serious negative impact on the Tamil Diaspora significantly affecting their capacity, or willingness, to bring about a peaceful settlement to the conflict in Sri Lanka.

TRO appeals to international institutions, human right bodies and humanitarian organizations to make representations to the Government of Sri Lanka and intimate the importance to the "Peace Process" of the continued functioning of TRO.

TRO also seeks information and official notification from the Central Bank on the nature of its action and the reasons for such action with clear and precise details enabling TRO to respond adequately.

APPENDIX 1:	
Account Name	Projects
Save the Children	Preschool projects-NorthEast
UNICEF	Water and Sanitation-Tsunami-Trincomalee
Operation USA	Tsunami rebuilding-Trincomalee
AGSEP	Children's Rehabilitation-Tsunami
Action Aid	Tsunami Building and Flood Relief-NorthEast
SJAMO	Children's Rehabilitation-Tsunami
CISS	Tsunami rebuilding-NorthEast
ABC Foundation	Children's Rehabilitation-Tsunami
Georj	Children's Rehabilitation-Tsunami
Swiss Village	Housing project-Batticaloa
Sondrebor	Children's Rehabilitation-Tsunami
Emergency, Italy	Tsunami rebuilding-Batticaloa
Stichting	Children's Rehabilitation-Tsunami
Room to Read	Children's Rehabilitation-Tsunami
LDSC	Housing project-Amparai
TRO Swiss	Tsunami Rebuilding
GVC	Preschool-Trincomalee
Nippon Foundation	Artificial limbs fitting-Tsunami & war affected
TRO-Lease Head Office	Administration
TRO-URGENT	Emergency Relief Programs
TRO	General Fund
GTZ	War affected-Rebuilding
TRO-General	General Fund
TRO-Light of Hope	Tsunami Relief
TRO-Back to work	Tsunami Rehabilitation
TRO-Strengthening	Tsunami-capacity building
TRO-International (ITRO)	Diaspora general funds
TRO Colombo	Colombo Administration
TRO	South Projects
TRO	Health Projects
TRO	Kilinochchi Admin
Total Funds	Rs. 75,000,000 (US\$ 750,000)



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APPENDIX 2:

Attacks on TRO:

- I) Current Security situation
 - a) **7 August 2003, 13 June 2005, 27 September 2005**
 - i Three grenade & machine gun attacks on TRO Batticaloa Office
 - (1) Security Guard killed in 27 September attack, TRO closed the Batticaloa Office soon after this attack due to the inability of the GoSL security forces stop attacks.
 - (2) 2 Staffers injured & 5 vehicles destroyed during 13 June attack
 - b) **29 & 30 January 2006**
 - i Abduction of 7 staffers in Welikanda area – still missing/disappeared
 - (1) 10 persons were abducted: 2 persons were held for one day, 1 for 3 days and the remaining 7 have not been heard from or seen since then
 - (2) these events were reported and official requests for investigation were made to the Government of Sri Lanka (GoSL), the Sri Lankan Police, the Sri Lanka Human Rights Commission (HRC), the ICRC, the SLMM, Human Rights Watch, Amnesty International, and the UN Working Group on Enforced or Involuntary Disappearances
 - (3) TRO did not receive **any** reports (either written or verbal) of investigations (if any) conducted by ANY of the organizations above.
 - (4) TRO took their case to the media in an effort to have the employees released, to no avail and the 7 remain “disappeared”. This impunity has contributed to the current situation that humanitarian agencies find themselves in – the horrible tragedy of the recent execution of the 17 Action Contre La Faim staff members is a case in point.
 - (5) The vehicles that the disappeared were travelling in were later discovered in a “Karuna Camp”
 - c) **26 April 2006**
 - i GoSL forces shelled and bombed civilian areas of the Trincomalee District
 - (1) TRO Santhosam Children's Home (40 orphans) damaged by a Kfir bomb
 - (2) TRO's office at Kadakarachenai damaged by bombing/shelling
 - (3) TRO Muttur / Eachchilampattu office attacked/bombed – food store damaged
 - d) **29 June 2006**
 - i TRO is reconstructing a tsunami affected Muslim Village in the Batticaloa District – Punochchimunai. This is funded by EMERGENCY (an Italian NGO).
 - ii Boat engines for boats that TRO was providing to the fishermen of the village were being transported from Trincomalee to Punochchimunai in a truck when they were stopped by Police in Polonaruwa. The driver and truck were held for 3 days. They were only released after TRO petitioned the police and provided proof that the recipients were tsunami affected fishermen.
 - e) **13 July 2006**
 - i Cement being transported to a tsunami “Rebuild a Village Project” being implemented in Vaharai, Batticaloa District with funding from TRO Switzerland was hijacked in Valaichennai by paramilitary forces. The truck & cement have yet to be recovered.
 - f) **15 July 2006**
 - i Grenade attack on TRO Jaffna office
 - (1) One grenade thrown into compound during daylight hours within 100 meters of a GoSL army checkpoint.
 - g) **31 July 2006**
 - i Punochchimunai, Muslim Village, “Rebuild a Village Project” funded by EMERGENCY (Italy). The storeroom at the work site was broken into and over 200 bags of cement were stolen.
 - ii The staff and security guard working on the project had resigned or “stayed home” from work due to intimidation by alleged Karuna Group representatives who threaten the workers with death if they continued working for TRO.
 - h) **15 August 2006**
 - i Amparai TRO/NECORD office attacked - shooting & grenade thrown
 - i) **19 August 2006**
 - i A boat making yard built by TRO to repair and re-supply tsunami affected fishermen with boats was bombed by the Sri Lanka Air Force.
 - ii All boats under construction (or finished) were destroyed as was the store room and the main building.



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j) 23 August 2006

- i TRO Jaffna office destroyed
 - (1) The TRO Jaffna office is on a main road and is surrounded by international NGOs and UN agencies.
 - (2) There are also GoSL army checkpoints at both ends of the road.
 - (3) At the time of the attack Jaffna was under a strict curfew with absolutely no travel allowed by anyone other than GoSL security forces.
 - (4) Heavily armed men in military fatigues arrived at the TRO office at 23:00h and destroyed the computers and the furniture and then burnt the building and the storeroom

II) Relief items confiscated by customs. TRO has faced great difficulties clearing humanitarian relief items through the Ports and Airport Customs and transferring these items to the affected areas.

- a) In the months after the tsunami TRO received over 150 40' foot containers
- b) TRO had great difficulty in clearing much of this humanitarian aid through customs
- c) Some items were NEVER released and are still in the custody of the GoSL Customs Department
 - i Boat making equipment
 - ii Fishing equipment
 - iii Fire fighting equipment
 - iv Snake anti-venom

III) There also exist publicized and un-publicised security related controls, restrictions, embargoes and a total denial of access to some areas of the NorthEast.

- a) This has deprived the tsunami and war affected IDPs of desperately needed humanitarian relief, building materials and staff.
- b) The GoSL has denied access to the iNGOs and UN agencies also

IV) Lack of an institutional mechanism for dispersal of available tsunami related donor funds –PTOMS

V) Inequity

- a) between the NorthEast & the South
- b) between the tsunami affected & the war affected
- c) between tsunami affected communities in the NorthEast

VI) 25 years of war have resulted in the infrastructure and capacity of the NorthEast being far behind the rest of the country

VII) The lack of infrastructure and capacity made immediate post-tsunami relief more difficult and continues to hinder development. This inequity will have to be addressed if there is to be any real development that will bring the NorthEast's socioeconomic indicators up to the level of the rest of the country.

VIII) Decision-making and power with regard to the overall design and structure of humanitarian aid is overly "Colombo based" and as a result is not always in line with the needs of the beneficiaries "in the field". As a result many decisions are made in Colombo without much consultation with the local authorities or the beneficiaries.

IX) Centralised controls of the flow of tsunami funds and GoSL assistance is ensuring the perpetuation of some of the problems that existed prior to the tsunami.

X) The lack of competency, excessive control, corruption and politicisation of the government bureaucracy are significant detractors to progress of the tsunami affected areas of the NorthEast.

XI) The NorthEast has historically had some of the worst socioeconomic indicators in the country and this has hindered the tsunami recovery of the area. There continues to be a shortage of teachers, doctors and other skilled personnel in all sectors.