



SUPPORTING
AN ENABLING ENVIRONMENT
FOR CIVIL SOCIETY

Enabling Environment

Snapshot

Sri Lanka

March 2026

Context

Period covered by the report: October 2025 – March 2026

Sri Lanka continues to navigate a period of political transition, economic recovery, and social tension following the aftermath of its severe [financial crisis](#). The political landscape is shaped by ongoing governance challenges and heightened public scrutiny of accountability. The ruling National People's Power (NPP) government, led by President Anura Kumara Dissanayake and came into power in 2024, faces [criticism](#) of failing to deliver on its post-election promises, particularly in the areas of economic relief, legislative and structural reforms including eradication of political influence in the public sector.

In February 2026, the long-running investigation into the 2019 Easter Sunday bombings led to a high-profile [arrest](#) of former State Intelligence Service chief Suresh Sallay under the Prevention of Terrorism Act (PTA). The development drew [varied reactions](#) across political and civil society actors, with some warning against politicising national security. Meanwhile, [discussions](#) on governance and public sector [reforms](#) have persisted, with several initiatives for legislative reforms under consideration, including the [amendments to the OSA](#), the [proposed "Protection of the State from Terrorism Act"](#) (PSTA) to repeal and replace the PTA, and the draft Public Procurement Bill, among others. The government has also engaged on governance and human rights issues, including the [27th EU-Sri Lanka Joint Commission Meeting](#) in February 2026, where officials discussed policy reforms and cooperation on governance, trade, human rights, and rule of law with the European Union.

During the reporting period, Sri Lanka's economic outlook also showed signs of gradual stabilisation while [remaining fragile](#) as the country continues its recovery from the 2022 financial crisis. The reform programme supported by the International Monetary Fund under the Extended Fund Facility (EFF) continues to play a central role in shaping economic policy, particularly following the [staff-level agreement](#) reached between IMF and Sri Lanka in October 2025 on the fifth review of the programme. The government introduced the [2026 national budget](#), prioritising fiscal discipline, institutional reforms, and revenue mobilisation in line with IMF programme targets, although measures such as taxation and subsidy reforms sparked domestic debate over their social impact.

However, economic risks emerged following [Cyclone Ditwah](#) in November 2025, which [disrupted](#) Sri Lanka's fragile recovery and prompted the government to [seek](#) additional emergency financial support from the IMF, resulting in the [approval of US\\$206 million](#) in December 2025. This had a [severe humanitarian impact](#), causing widespread damage, displacement, and significant loss of life. The disaster exposed [gaps](#) in preparedness and response, including delays in early warning systems and unequal access to critical information. In response, [civil society actors](#) played a vital role in providing emergency relief, supporting affected communities, and advocating for more inclusive and effective disaster response mechanisms. The crisis also prompted increased engagement between the government and civil society in recovery and rebuilding efforts.

17 January 2025

These shifting political and economic dynamics have created both opportunities and constraints for civil society. While the government's anti-corruption agenda and international economic support have opened new spaces for advocacy on governance and accountability, persistent fiscal pressures, polarised politics, and regulatory uncertainties continue to shape, and at times restrict - civic engagement and operational space.

1. Respect and protection of fundamental freedoms

Despite Sri Lanka's [Constitution](#) explicitly providing fundamental rights to freedom of speech, assembly, and association (Article 14), these rights remain constrained by several laws. For instance, the widely criticised Online Safety Act, No. 09 of 2024 (OSA) and the Prevention of Terrorism Act No. 48 of 1979 (PTA) remain in force, with limited progress by the government toward meaningful reform. Human rights groups have raised concerns that efforts to reform these laws have [stalled](#) amidst lack of transparency or clear timelines. In particular, the proposed Protection of the State from Terrorism Act (PSTA) intended to repeal and replace the PTA, has raised [serious](#) concerns with many critics arguing that several of its provisions are [even more restrictive](#) to fundamental freedoms than the provisions of the PTA. While this reform has taken a prolonged period of time, the PTA has been, and continues to, be in operation even though both domestic and international community have called for a [moratorium](#) on the use of PTA until a new anti-terrorism law is introduced.

The concerns regarding the OSA were further highlighted by a [statement](#) from the Human Rights Commission of Sri Lanka (HRCSL) following the summoning of journalist Tharindu Jayawardena by police on 3 February 2026 without any stated reasons, contrary to established procedural safeguards. It was later revealed that the inquiry stemmed from a complaint alleging defamatory statements in his reporting on corruption in the use of public funds and was being investigated under the OSA, raising [concerns](#) over the use of such laws to scrutinise and potentially restrict critical expression.

In addition, the International Convention of Civil and Political Rights (ICCPR) Act which incorporates and gives effect to key provisions of the UN treaty, has been criticised for [criminalising a wide range of expressions](#). This is because its broad terms such as “hatred” or “incitement” are interpreted too widely, treating lawful expressions as inciting discrimination or hostility. Lastly, the Police Ordinance grants police officers [extensive authority](#) to enforce law and order, enabling arbitrary exercise of authority in dispersing assemblies or conducting searches, without sufficient safeguards. These laws continue to create a restrictive legal environment and self-censorship for civil society actors, journalists, and activists, particularly those critical of the government.

Other developments have exacerbated threats to fundamental freedoms such as freedom of assembly. On 28 January 2026, the Sri Lankan government issued an [extraordinary gazette](#) under the Essential Public Services Act No. 61 of 1979 declaring electricity, fuel supply, hospitals and 15 other sectors as “essential services”. This move is deemed to have effectively [curtailed](#) the freedom of peaceful assembly, as the Act is criticised often for [restricting the right](#)

[to strike](#) and other forms of industrial action by workers in these sectors. The measure was introduced amid escalating labour protests, for instance 48-hour strike by [doctors](#) for better wages and working conditions, and protests by [school development officers](#) for integration into the formal teaching service.

In early February 2026, the Human Rights Commission of Sri Lanka (HRCSL) also [raised its concerns](#) over growing threats to freedom of expression, particularly concerning police investigations targeting journalists and critics. The Commission highlighted the case of [journalist Tharindu Jayawardena](#), who was summoned by the police for questioning without providing clear reasons in December 2025. The HRCSL in its [official statement](#) emphasised that restrictions on expression must meet the constitutional requirements of necessity, proportionality and reasonableness, cautioning that excessive restrictions could erode democratic participation.

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

In Sri Lanka, NGOs operate under [six legal frameworks](#), including the Voluntary Social Service Organisations (VSSO) Act and the Companies Act, both of which give [significant authority](#) to the line Minister and Registrar. While the [NGO Secretariat](#), established in 1997, monitors NGOs, it is not formally recognised under the VSSO Act. Proposed reforms, including the [2018 VSSO amendment](#) and the [proposed Non-Governmental Organisations \(Registration and Supervision\) Bill](#) (NGO Bill), would make registration with the Secretariat mandatory, require [clearance](#) from multiple government ministries including Defence and Foreign Affairs under the pretext of national security, and broaden the definition of NGOs to include small community-based organisations. The draft law also empowers the Secretariat to conduct searches and suspend or cancel registrations, creating substantial administrative hurdles, increasing government surveillance, and making it difficult for NGOs, particularly smaller ones, to operate independently and effectively. There is also a [growing concern](#) of increased government control and surveillance of civic activities under the guise of regulation and oversight, raising questions about Sri Lanka's compliance with international human rights standards.

The drafting process of the NGO Bill has occurred behind closed-doors, with no public consultations nor process. Although there had been a few consultations with selected civil society stakeholders and sharing of the draft among them, an official version of the law has yet to be publicised or published in the official gazette, and no updates have been provided on its progress to date.

3. Accessible and sustainable resources

There are no specific restrictions on domestic civic society actors receiving foreign funds in Sri Lanka. [Rule 51 of the Financial Institutions \(Customer Due Diligence\) Rules, No. 1 of 2016](#) mandates that financial institutions conduct enhanced due diligence when engaging with NGOs, Not-for-Profit Organisations, or Charities to ensure that accounts ~~are used for~~ are used for

legitimate purposes and transactions align with the declared objectives. Additionally, banks are required to monitor and report any NGO not registered with the NGO Secretariat or other relevant institutions. New NGOs must register with the NGO Secretariat to [access banking services](#).

The [NGO Bill](#), if enacted in its current form, would restrict the access of funding of NGOs that are not registered. Furthermore, NGOs that engage in political activities and activities that affect core culture values will not have access to funding. According to the draft law, NGOs in the country will also not be allowed to “engage in any crowdfunding activity exceeding Rs.10 million in one fund raising drive without the approval” of the competent authority. These controls will potentially result in administrative hurdles and delays, reducing NGOs’ flexibility to mobilise resources quickly, especially in emergencies or for innovative projects.

Funding access remains [constrained](#) due to bureaucratic delays and heightened government oversight requiring multi-ministry clearance requirements for registration. While alternative donor funding can provide crucial lifelines, systemic registration issues and heavy reliance on foreign aid pose risks to long-term financial sustainability and effective programme delivery for local civil society organisations.

Evidence on the ground indicates that many organisations, particularly rural and grassroots level organisations, face challenges in securing funding. This is especially from traditional donors, as access to such support is often contingent on formal legal recognition obtained through registration with the NGO Secretariat. Similarly, banks are increasingly reluctant to open accounts and/or issue credit cards to NGOs that are not registered in line with Central Bank (CBSL) and Financial Intelligence Unit (FIU) instructions. The lack of access to banking facilities and payment mechanisms further exacerbates these funding constraints.

These difficulties coupled with ongoing struggles to secure alternative sources of funding, have left the NGOs in Sri Lanka navigating a period of significant uncertainty and disruption.

4. State openness and responsiveness

Recent developments show that while the [Right to Information \(RTI\) framework](#) continues to facilitate public accountability, concerns remain regarding institutional capacity, delays in responding to requests, and the need to strengthen the RTI Commission to ensure effective implementation. For instance, the position of Chairman in Sri Lanka’s Right to Information (RTI) Commission remained vacant from March 2025. Following pressure from civil society actors, [a veteran journalist was appointed](#) as Chairperson on 10 August 2025, nearly five months after the position had remained vacant.

In November 2025, the RTI Commission [expressed concerns](#) over its inadequate staffing and limited budgetary allocations – with [the Bar Association of Sri Lanka](#) (BASL) noting that these issues directly undermined the Commission’s statutory mandate and jeopardise the public’s right to access information. [Media organisations](#) have also warned of a gradual erosion of

institutional integrity, urging the government to ensure adherence to statutory provisions to safeguard recruitment autonomy and financial independence of the Commission. These challenges are reflected in the Commission's [failure](#) to respond to over 308 RTI requests between January and September 2025, with 112 inquiries unattended in 2025, indicating a growing backlog of pending cases.

Despite previous patterns of limited inclusion of civil society in the law-making process, there have been some recent instances where the government actively called for public feedback. However, there are persistent gaps particularly in terms of the limited time allocated for feedback, and the inadequate inclusion of the affected communities, such as minorities and victims of past abuses. An example is when the Ministry of Justice invited public comments on the proposed Protection of State from Terrorism Act (PSTA) in December 2025 through a notice on its website, with initially only one month for submissions. Several CSOs [criticised](#) the timing of the notice, noting that the draft was released during a period of national crisis following Cyclone Ditwah, arguing that it restricted inclusive participation and undermined transparency in the legislative process. In response to requests to extend the public consultation period, the government [extended](#) the deadline by six additional weeks until 28 February 2026.

Furthermore, the government's failure to provide clear, detailed, and transparent feedback to civil society, particularly regarding the law-making process, is deeply concerning. There appears to be little to no dialogue or follow-up, as civil society actors frequently receive no response after submitting input on draft laws. In many cases, concerned citizens and civil society actors would have to resort to filing formal RTI requests to access updated drafts, and the responses received from the relevant authorities are often incomplete or unsatisfactory.

While the government has in some instances invited civil society input on legislative initiatives, such as public consultations on proposed legal reforms, it was noted that these consultations are often limited in scope and time and [do not always meaningfully incorporate](#) their recommendations. At the same time, concerns persist regarding regulatory and administrative barriers affecting civil society operations, including proposals for increased oversight of NGOs and ongoing scrutiny of organisations receiving foreign funding as explained earlier.

There are also some recent positive engagements between government and CSOs. Following the severe [impact](#) of the Cyclone Ditwah in late November 2025, the President declared a nationwide state of emergency on 29 November 2025, and convened government officials and local CSOs for [consultations](#) on strengthening the crisis-response process. The President also established a 25-member task force, the "Rebuilding Sri Lanka Presidential Task Force", comprising government officials along with [one civil society representative](#). This engagement involving civil society actors in joint recovery and relief planning signalled a more inclusive approach to the disaster response and recovery process.

5. Political culture and public discourses on civil society

17 January 2025

Public sentiment towards civil society remains mixed, particularly in light of recent developments that have brought renewed scrutiny to the NGO sector. The suspension of [US aid](#), which draw criticism by the NGO Secretariat towards civil society, and the anticipated introduction of a new NGO law, continue to contribute to a growing atmosphere of skepticism among the public. This [skepticism](#) appears to be, at least in part, reinforced by state-led political narratives which question the intentions, affiliations and transparency in use of funds of certain CSOs.

Civil society remains visible in public discourse, particularly on governance reforms, anti-corruption, and human rights and accountability issues. However, the public discourse seems mixed rather than consistently being acknowledged or accepted.

It is also observed that civic participation is not equally accessible to all groups. Marginalised communities, including victims of past abuses and minority groups, are often [underrepresented](#) in consultation processes and decision-making forums, [raising questions](#) about the inclusiveness and effectiveness of participatory governance processes in Sri Lanka.

6. Access to a secure digital environment

Sri Lanka's digital environment has become increasingly restrictive, with civil society actors facing growing barriers to freely accessing and sharing information online. The enactment of the Online Safety Act in 2024 has significantly [undermined](#) digital freedoms, fostering a climate of censorship, surveillance, and fear.

The law has introduced broad and vaguely defined restrictions on online content. For instance, the government has wide authority to remove what it deems "[prohibited statements](#)" and prosecute individuals involved in posting such content. This has led to widespread concern among civil society actors, journalists, and digital rights groups arguing how the OSA has been "[weaponised](#) to regulate online dissent under the guise of maintaining digital civility".

Moreover, a significant gap in access to digital technologies still exist. This became evident during Cyclone Ditwah in late November 2025, when government [disaster warnings in Tamil-language](#) were delayed by up to 12 hours. In some cases, alerts were either missing or issued only in Sinhala, effectively excluding Tamil communities from crucial safety information, contributing to the [loss](#) of 640 lives.

There are also [criticisms](#) following the government's decision to allocate LKR 35.6 billion (approximately US\$120 million) in its 2026 budget to [expand digitization](#) across various sectors, including the establishment of a national digital identity system. Most critics argue that that this initiative is not rights-based, as it could enable the creation of a permanent surveillance system that may be misused. This is particularly concerning in the context of repressive legislative framework such as the OSA and in the absence of an independent oversight mechanism. Digital identity systems typically require strong privacy protections and democratic safeguards. However, instead of strengthening such privacy protections before digitalisation, the government has introduced laws that expand state control without robust

17 January 2025

safeguards, Together, the combination of expanded digital infrastructure and restrictive legislation could increase the [risks of surveillance](#) and limit freedom of expression.

Challenges and Opportunities

Challenges

Although the current administration has [pledged to repeal the PTA](#) and [amend the OSA](#) in line with its election promises, tangible progress on these promises remains delayed. As the government has completed over one year in office, the pace of reform continues to draw concern over delays in implementation. The continued and recent use of the PTA for arbitrary arrests and prolonged detentions directly contradicts these promises, raising serious concerns regarding the government's commitment to upholding fundamental rights and freedoms. Such actions have not only eroded constitutional protections but have also contributed to growing public mistrust toward the administration whilst deterring activism and civic participation.

Opportunities

The drafting process for the new anti-terrorism law, Protection of the State from Terrorism Act (PSTA), and the proposed amendments to the Online Safety Act (OSA) have been opened for public consultation, presenting an important opportunity for civil society to encourage the government to align its legal framework with international human rights standards. Civil society actors can continue to engage by participating in consultations during the drafting stage by submitting policy recommendations and legal analyses to relevant authorities, and by engaging with government ministries responsible for the reforms. CSOs can also leverage collaboration through civil society coalitions to present joint advocacy positions and participate in multi-stakeholder policy dialogues organised by relevant government institutions, research organisations, or international partners. In addition, media engagement and other advocacy efforts can help amplify public concerns and ensure that the reforms reflect the needs and rights of affected communities. This also provides an opportunity to urge the government to employ similar consultative and inclusive approach for future draft legislations.



EU SEE SUPPORTING AN ENABLING ENVIRONMENT FOR CIVIL SOCIETY

 **Funded by the European Union**

