EU SEE

SUPPORTING
AN ENABLING ENVIRONMENT
FOR CIVIL SOCIETY

Sri Lanka

Country Focus Report

2026



Photo credit: Dylan Shaw

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A) An Introduction to the Enabling Environment

What we understand by an Enabling Environment is the combination of laws, rules and social attitudes that support and promote the work of civil society. Within such an environment, civil society can engage in political and public life without fear of reprisals, openly express its views, and actively participate in shaping its context. This includes a supportive legal and regulatory framework for civil society, ensuring access to information and resources that are sustainable and flexible to pursue their goals unhindered, in safe physical and digital spaces. In an enabling environment, the state demonstrates openness and responsiveness in governance, promoting transparency, accountability, and inclusive decision-making. Positive values, norms, attitudes, and practices towards civil society from state and non-state actors further underscore the supportive environment.

To capture the state of the Enabling Environment, we use the following six principles:



In this Country Focus Report for Sri Lanka 2026, each of these six enabling principles is assessed through quantitative scoring, complemented by a narrative analysis and actionable recommendations prepared by Network Members and based on inputs from national civil society experts. Rather than offering a simplistic, singular index designed merely to rank nations, this Report aims to provide a nuanced measurement of the operating environment for civil society across distinct dimensions, carefully discerning areas of institutional strength as well as critical vulnerabilities requiring corrective action.

The empirical findings and qualitative assessments presented in this report are grounded in the deep insights, lived experiences, and diverse perspectives of civil society actors who convened in a dedicated expert panel deliberation in June 2026. A total of 14 CSO representatives participated in the expert assessment process, representing a broad spectrum of civil society sectors, geographic regions (including the Northern, Eastern, Central, Southern and Western Provinces), marginalised communities and numerical minorities. This primary participatory input was further triangulated with secondary published sources, independent human rights documentation, legal analyses, and international governance indices to ensure analytical rigor.

The report specifically covers the period from **October 2025 to May 2026** and functions as an update to the previous Country Focus Report 2025 that covered the period till September 2025. In presenting the following findings and conclusions, this report first recalls, in summary form, the dynamics of the current operating environment that have continued from previous reporting period. Thereafter, it includes new and additional information pertaining to the current reporting period. The scoring by the panellists took into consideration both the ongoing trends as well as new developments.

Reporting period: October 2025 to May 2026

Brief Overview of the Country Context

Sri Lanka is a longstanding and established democracy with an electoral democratic tradition. Universal franchise was introduced as early as 1931 and the country maintains a track record of peaceful changes of government through the ballot box. However, the country's post-independence trajectory has been profoundly shaped by decades of ethnic conflict (1983–2009), bloody insurgencies (1971 and1987–89), and, most recently, an unprecedented and crippling economic and political crisis (2022). Understanding and assessing the enabling environment for civil society in Sri Lanka today requires recognising and factoring in the effects of these structural dynamics. The ethno-religious contestations among the main community groups—Sinhalese, Tamils, and Muslims as well as a post-independence state-building process that has systematically entrenched Sinhala-Buddhist majoritarianism continue to cast a long shadow over public life. These dynamics are superimposed upon a stratified, unequal, and patriarchal society that directly influences state-civil society relations. In addition, they have contributed to defining how the fundamental freedoms of association, assembly, and expression are experienced by different segments of the population.

The country's defining civic moment in recent history was the 'Aragalaya'(Struggle), a peoples uprising in the face of economic crisis which led to the unseating of the then president and

resignation of the government. The current President Anura Kumara Dissanayake was elected to office in August of 2024 and his party obtained a super majority in the subsequent parliamentary elections a few months later. Capitalising on the sentiments of the country post-Aragalaya, the government came to power with a pledge to deliver a systemic transformation rooted in transparency, social justice, and anti-corruption reforms, while navigating an economic recovery. The newly elected administration engendered public and civil society expectations with regard to breaking away from extant political culture and ushering in a *'system change'*.

As the reporting period covering late 2025 through May 2026 unfolded, however, the cautious optimism and expectation of a broad democratic transformation have given way to disillusionment and growing concerns among civil society actors about the trajectory of the government with regard to civil liberties. The government's anti-corruption drive, particularly targeting those from the previous regimes, has broad popular appeal. In addition, the progress in some emblematic cases that had been stalled during the previous administrations (including the Easter Sunday attack and the mass graves) are seen as positive developments by civil society groups that worked on these issues. Economically, Sri Lanka remains tightly bound to a stringent International Monetary Fund (IMF) extended Fund facility programme.

The government has pursued a policy of prioritising macro-economic stability and adherence to IMF conditionalities. These have necessitated painful structural reforms that have fallen disproportionately on vulnerable populations. The government has been found lacking on delivering some of the most critical electoral promises, including on constitutional reforms, ensuring land rights for affected communities, abolishing repressive laws and managing the cost of living. The perception of a decline in the government's popularity is also widely believed to be the reason for its decision to delay holding Provincial Council elections. Compounding this, the government has also rushed in a slew of laws in preparation for an upcoming Financial Action Task Force (FATF) review without any meaningful consultations. Furthermore, the government's crisis-management capabilities and responsiveness were severely tested by the catastrophic landfall of Cyclone Ditwah in late November 2025. The disaster caused widespread devastation across the island, particularly affecting vulnerable families in the hill country and plantation regions. The emergency response, though generous in intent, was weak in implementation.

In response to these growing pressures, civil society actors have intensified networking among themselves and are focusing on strategic advocacy, even as they navigate a complex, resource poor, and challenging operating environment that demands resilience and innovation. Additionally, CSOs continue to play a crucial role in plugging humanitarian and development gaps.

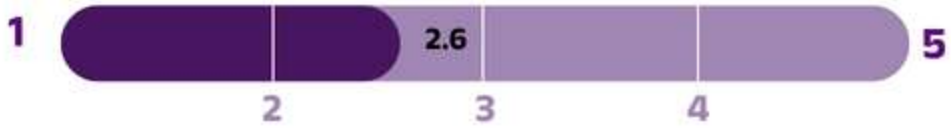
In addition, Sri Lanka continued to remain on the international human rights agenda for its war time atrocities. In October 2025, the UN Human Rights Council extended the mandate of the Sri Lanka Accountability Project (SLAP) by a further two years.

B) Assessment of the Enabling Environment

PRINCIPLE SCORE

1. Respect and Protection of Fundamental Freedoms

Score: (Repressed)[1]



The baseline established by the CIVICUS Monitor rating of 40/100 (repressed) in 2025 remains applicable for this reporting period as well. The next official Monitor update is scheduled for December 2026. While the formal constitutional and legal framework governing civil society organisations, trade unions, and public gatherings remains technically intact — featuring plural avenues for legal incorporation such as the Voluntary Social Services Organisations (VSSO) Act, Companies Act, Societies Ordinance, and Trusts Ordinance — expert panellists observed a distinct qualitative deterioration in the lived reality of fundamental freedoms on the ground. There is a concerted effort by the government to streamline supervision and surveillance through registration and banking measures.

The initial optimism that accompanied the 2024 electoral transition has progressively soured on some of the priority issues for civil society. Rather than systematically dismantling the authoritarian legal architecture inherited from past regimes, the government has frequently maintained, and in some instances, aggressively utilised authoritarian tactics. Although a few positive judicial interventions occurred, such as a landmark Supreme Court order compelling the police to issue a formal apology for the wrongful arrest of a comedian, these remain isolated correctives against a broader backdrop of gradual regression. The Prevention of Terrorism Act (PTA) still remains on the books and has been applied. A new law to replace the PTA, published during this period, has caused concern among civil society actors.

[1] Based on the CIVICUS Monitor 2025 score

Prolonged vacancies in the higher judiciary continue to weaken the systemic protection of constitutional rights. Unless substantial legislative and administrative reforms are enacted in the latter half of 2026, civil society experts who participated in the assessment warn that Sri Lanka's civic space ratings face an imminent downward revision.

1.1 Freedom of Association

Article 14 of the Constitution of Sri Lanka explicitly guarantees the freedom of association, the right to form and join trade unions, and the freedom to enjoy and promote one's own culture. In practice, this constitutional protection encompasses two distinct dimensions. First is the freedom to form and legally incorporate collective entities (such as through Voluntary Social Services Organizations (VSSO) Act No 31 of 1980, Societies Ordinance of 1891, Trusts Ordinance of 1917 or under any Foundation Act by way of a private members' bill passed in the Parliament or under the Companies Act of 2007). The second is the fundamental right of unregistered groups, grassroots networks, and movements to assemble and function lawfully without mandatory state registration (such as the Movement for Plantation Peoples' Land Rights, March 12th Movement, North East Coordinating Committee , Peoples Alliance for Right to Land, among others).

These laws are experiencing persistent and ongoing administrative pressure and imminent legislative curtailment. Described under principle 2.1, the registration and compliance process continues to remain onerous and unpredictable. The impending NGO legislation, if passed, will make it mandatory for all collectives with more than five people to register with the NGO Secretariat and subject themselves to stringent reporting and government supervision and oversight. Penal Code provisions (section 365 and 365A) still remain and have been interpreted by authorities such as to complicate the registration of LGBTIQ initiatives.

In addition to the continuing trends, the reporting period also saw developments and incidents that impinged on freedom of association. Three laws - Suppression of Terrorist Financing (Amendment) Act, Financial Transactions Reporting (Amendment) Act and The Prevention of Money Laundering (Amendment) Act - were rushed through the legislature in 2026 with minimum consultation during this year. These laws gave the state enhanced financial oversight mechanisms that impact civil society organisations. The Micro Finance and Credit Regulatory Authority Act was also passed, impacting many grassroots women's organisations.

In October 2025, the Terrorist Investigation Division (TID) summoned organisers of the Vedukkunaari Malai Aathi Sivan Temple worship for questioning, following their participation in traditional religious observances and temple-related activities in the northern part of Sri Lanka.

The new government initiated and resourced community based organisations (CBOs), named 'Prajashakthi' at the village level. These are being critiqued for inserting a parallel layer of party bureaucracy into state administration mechanism and for leading to politicisation at the ground level, thereby impacting civic space at the grassroots level. In January 2026,he government's gazette notification declared 18 key economic sectors as "essential services" under the Essential Public Services Act, thereby limiting freedom of assembly for workers in those sectors. These included institutions in energy, health, transport, roads, water, food, agriculture, banks, and irrigation sectors.

A recent research report published by Amnesty Internationall highlighted the persistent, structural hurdles faced by Malaiyaha Tamil plantation workers attempting to form or join independent trade unions in private estates in the Southern Province, where union access remains tightly controlled by management.

1.2 Freedom of Assembly

Article 14(b) of the Constitution expressly guarantees citizens the right to freedom of peaceful assembly. This right, as noted in the previous report, is regularly challenged. This is particularly so in the north and east of the country where it is frequently tested by security sector actors during events linked to Tamil memorialisation and collective grieving. The many cases filed against the protesters during and in the aftermath of the Aragalaya by the previous government in 2022 are still being prosecuted in the courts under this government. Given this backdrop, the continuation of the broad emergency measures enacted in the aftermath of the Ditwah Cyclone was viewed with concern by civil society. The government published the draft of a new law (Protection of State from Terrorism Act – PSTA) to replace the Prevention of Terrorism Act (PTA). The proposed law was widely critiqued by civil society actors for the adverse impact it will have on fundamental freedoms of assembly, association and expression.

The Human Rights Commission of Sri Lanka (HRCSL) wrote to the Inspector General of Police in April 2026 to cease all unnecessary surveillance and summoning of women human rights defenders (WHRDs) in the Northern and Eastern Provinces of Sri Lanka. The letter referred to the obstacles faced by WHRDs due to mistreatment by law enforcement officials and the harassment they face in their social work, community engagement, and protests. It noted that there had been an increase in the interventions by the Criminal Investigations Department (CID) and Counter Terrorism Investigations Department (CTID) in 2025. Grassroots women activists faced relentless surveillance, intimidation, and home visits by security forces, prompting these formal interventions by the HRCSL.

The Sri Lankan judiciary has reinforced judicial safeguards for a government which has been prone to executive overreach. This was notably the case in 2026, when the Supreme Court delivered the judgment in SC FR Application No. 283/2022, critically reviewing the executive misuse of detention orders against protesters.

Despite a non-permissive environment in the north and east of the country, community groups still engaged in collective civic activism. During the reporting period, communities across the country mobilised to press for fundamental rights and socioeconomic justice. One notable example was the Association of Relatives of Enforced Disappeared Persons which staged sustained, rotating hunger strikes across Jaffna, Chemmani, and eastern districts to demand truth and accountability for wartime disappearances. Similarly, residents of Mannar Island and local environmental civil society groups launched massive peaceful protests against controversial commercial wind and solar power projects, reporting excessive police mobilisation and intimidation. While the main protests had been forcibly dispersed in the last week of September 2025, the cases filed against organisers were still being pursued during the reporting period. Five people who were arrested for protesting in the north at Thayiddy in December 2025 were released on bail.

1.3 Freedom of Expression

Article 14(1)(a) of the Constitution guarantees freedom of speech and expression, including of the press. However, the full enjoyment of this right continues to be undermined by a restrictive legislative framework, executive intent, and targeted intimidation. This impacts journalists, minority communities, and digital creators. As outlined below, this reporting period saw a number of incidents that exemplified this concerning trend.

Media freedom remained under pressure during the reporting period as a result of an increasing number of inquiries against journalists and social media personalities. Cases include Dr.Hayakirivan, director of the Trincomalee-based non-profit *Thalam* and a journalist, was formally summoned for interrogation by the CTID. A coalition of 141 civil society organisations also issued a joint condemnation of intense state surveillance and harassment targeting prominent Tamil journalist Kumanan Kanapathipillai for his investigative reporting on mass grave excavations in Chemmani. Similarly, Dharmalingam Suresh, national organiser of the Tamil National People's Front (TNPF), was subjected to over five hours of intense interrogation by the CTID regarding historical social media posts. In Colombo, the CID summoned Mahinda Illeperuma, editor-in-chief of *Aruna* newspaper, for questioning regarding published investigative reports on police security clearance procedures.

There were also more intrusive and intimidatory measures against journalists during the period. The Free Media Movement (FMM) condemned the CID for requesting user data from the social media platform "X" regarding a post on the energy crisis by journalist Sulochana Ramiah Mohan. S. Perera, a journalist from *Sunday Observer*, faced threats and obstruction by a presidential media advisor while covering a peace march. Malaiyaha Tamil journalist Sambasivam Satheeskumar was threatened by police officers who deleted his video footage to prevent reporting on a crime scene. In December 2025, journalist Tharindu Jaywardena was summoned by the CID to give a statement regarding an investigative report on a bio-diversity complex that he was covering. These incidents compelled the Human Rights Commission to issue a statement on freedom of expression in the country, giving specific directives to the Ministry of Justice and the police. In February, five individuals were arrested for alleged verbal abuse directed at the president in an online video.

During this period the Sri Lankan police also made a request to the Telecom Regulatory Commission to cancel the broadcasting license of Hiru Media Network, a popular media house. The Media Minister too made similar statements that provoked concern within the media community and it was feared that without adequate safeguards such requests and statements might lead to self-censorship. Sweeping emergency decrees enacted in the wake of Cyclone Ditwah, as explained earlier, were heavily criticised by legal experts for expanding far beyond disaster relief coordination into potential policing and suppression of speech and criticism. Citing security and public order, the deputy minister of public security directed police to invoke emergency regulations to arrest individuals accused of publishing "defamatory content" regarding the president online. Echoing similar intent, the police media spokesperson also announced that decisive legal measures will be taken against individuals spreading false or misleading information during the state of emergency. The Ministry of Justice published the draft Protection of the State from Terrorism Act (PSTA), which civil society groups roundly condemned for retaining expansive and vague executive detention powers which are eerily reminiscent of the draconian Prevention of Terrorism Act (PTA).

More disturbingly, state censorship was seen extending to literature and the arts. Books authored by prominent Tamil writer Theepachelvan were confiscated and held at customs

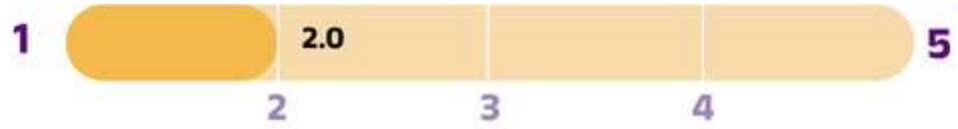
under Defence Ministry directives. A young Tamil rapper was arrested under the PTA merely for a controversial social media music video. These incidents instilled fear among the creative community that could lead to further self-censorship.

On the positive side, a former CID Cyber Crime Unit officer issued a formal written apology regarding the wrongful arrest of comedian Natasha Edirisuriya under the ICCPR Act, establishing a vital precedent against the malicious weaponisation of free speech laws. The Human Rights Commission issued an official statement condemning the weaponised use of the Online Safety Act (OSA) to suppress legitimate digital freedom of expression. It called for a moratorium on use of OSA and warned against (mis)use of defamation provisions.

PRINCIPLE SCORE

2. Supportive Legal and Regulatory Framework

Score:



2.1 Registration

The overall situation in terms of NGO registration remains almost the same as last year but with a slight deterioration and very little improvement in measures, as noted therefore, the score remains the same.

There are multiple avenues for CSO formation still legally available but the trend of corralling agencies to register under the VSSO Act continues apace. This onerous registration process can be done centrally at the NGO Secretariat, or at the District Secretariat or Divisional Secretariat by submitting a request letter for registration. The applicants need to provide details of directors, minutes of general meetings, organisational structure, letters from the relevant Secretariats, project proposals, details of donors and guarantee letters, along with the purpose(s) of the organisation and other basic details. The Secretariat may ask for any further details beyond this standard information and the applicant is obliged to provide it. The organisations that participated in the assessment reported facing changing requirements, requests for additional information at different times, and significant delays often exceeding one year without a reliable feedback mechanism.

The process, according to the CSO representatives in the panel, is susceptible to individual influence and language barriers (the Secretariat mostly functions in Sinhala). In addition to administrative clearance, the applicants also need to be cleared by the Defence Ministry and Ministry of Foreign Affairs for registration. The clearance of listed directors and committee members of applicants by the Defence Ministry is done after obtaining intrusive information and verification by various security sector units physically visiting residences/places of work. According to the panellists, in practice, this process is more stringent in the north and east of the country and for applications submitted by Tamils and Muslims. For instance, during the reporting period, an NGO in the North Province had its registration request rejected following an opaque security verification by the Defence Ministry. Subsequently, the secretariat asked

the organisation to replace two of its key board members and try to re-submit the application without any further explanation. Another organisation in the East Province, 18 months after applying, is still awaiting a response. Some applicants in northern districts have also reported multiple visits by the CID in order to follow up on the personnel nominated in the applications. Organisations working on LGBTIQA+ rights and those working with marginalised groups, such as commercial sex workers, continued to face challenges, including being forced by officials to reword their rights-related activities/mandates into generic social welfare terminology.

While some of the registration processes at the administrative level have been further clarified (here, here, and here), they are still onerous and highly bureaucratic. The Defence Ministry clearance may be arbitrarily denied without adducing any specific reasons. The appeal process is theoretically available as per the VSSO Act but does not seem to be utilised by CSOs in practice, given the lack of confidence in the process. The process is personality dependent and those with access/contacts are able to follow up to check on registration status, while many others wait for months to hear from the Secretariat. On the positive side this year, the NGO Secretariat was noted as being more helpful than last year by one of the experts in the panel.

This reporting period witnessed a sustained trend of state authorities corralling agencies to register under the VSSO Act, even if they already had a valid form of incorporation/registration. Despite legal validity of incorporating under the Companies Act or Trusts Ordinance, state authorities at local levels actively pressure non-profits to secure secondary registration under the VSSO Act. The pressure to register in this manner was reported by several CSOs from different parts of the country, including those who were participating as panellists. The pressure had reportedly come from NGO Secretariat officials/coordinators, and government officials at the district/divisional level as well as from commercial banks. Some of the local government authorities are reluctant to engage or coordinate with CSOs that are not registered with the NGO Secretariat. Concurrently, commercial banks, citing the Central Bank's requirements, demand registration under the VSSO Act as a prerequisite for opening or maintaining bank accounts. In a recent survey of around 100 CSOs conducted by Sri Lanka Civil Society FATF Network, it was reported that 42% of those CSOs reporting difficulty in accessing foreign funding were required by banks to register with the NGO Secretariat as a condition to receive foreign funds. Organisations choosing to incorporate under the Companies Act of 2007, to be free of NGO Secretariat reporting burdens, are forced to incur higher operational expenses, including company secretary retainers and annual filing fees.

Towards the latter half of the reporting period, the threat of a restrictive replacement law for the VSSO Act resurfaced. The director general of the NGO Secretariat informed of plans to revive the draft Non-Governmental Organisations (Registration and Supervision) bill during a civil society event organised by SAFE Foundation in May 2026. Given the past experience with earlier versions, CSOs are concerned that the new draft law too will be restrictive. Although the full text was not publicly released as of the convening of the expert panel in June 2026 (a draft was subsequently shared with the CSO-NGO Collective in July 2026), it is expected to retain provisions for mandatory registration and periodic registration renewals at the absolute discretion of a competent authority, as well as criminalising unregistered civic action and codifying intrusive state supervision under the pretext of FATF compliance.

Systemic difficulties in registering community-based organisations such as Rural Development Societies (RDS), women's RDS, and youth councils in the plantation regions continued through this period.

2.2 Operational Environment

No significant change in the operational environment had been reported since October 2025. However, the administrative and security focused scrutiny and supervision continued to constrain the operational environment.

Sri Lankan laws generally do not explicitly limit the objectives, purpose or conduct of civil society organisations. But the government has implemented an array of registration, reporting, and surveillance practices that constrain the operational environment, particularly for organisations in the districts. These practices effectively "straight-jacket" many CSOs, limiting their independence and ability to operate freely.

A primary barrier is an onerous reporting and approval process managed by a hierarchical governance framework involving the NGO Secretariat, District Secretariat, and Divisional Secretariat. CSOs registered under the VSSO Act are required to submit quarterly highly detailed, granular reports on their finances, projects, and organisational details. As per the prescribed reporting formats, these are also required to be countersigned by local authorities. This process is not only time-consuming and too staff-intensive for smaller organisations but it also provides local authorities with opportunities to interfere in project activities: influencing the choice of geographic areas, beneficiaries, and intervention types. The assessment panel identified that at the local level, some government authorities do not cooperate with organisations that are not registered under the stipulated VSSO Act and do not involve them in coordination or consultation forums. Ultimately, this can lead to CSOs shifting from their own independent objectives to being influenced by government priorities. This operational environment also creates incentive structures for organisations to self-censor and makes adjustments to satisfy the authorities.

Civil society organisations also have to contend with a pervasive system of military and police surveillance that creates a stifling operational environment. This is felt most acutely by organisations operating in the northern and eastern parts of the country as well as Tamil and Muslim organisations elsewhere on the island. Anti-terror law is invoked to interrogate human rights defenders (HRDs). Work on sensitive issues — such as human rights documentation, militarisation, the families of the disappeared, and mass graves — attracts periodic information gathering and increased scrutiny. In April 2026, HRCSL reported that it had received complaints of CID summoning HRDs working on the rights of refugees for questioning, approaching the accountants of CSOs to probe into their funding, as well as cases of harassment through frequent phone calls and unannounced visits to CSOs, and asking for beneficiary lists from organisations. When ex-combatants, now integrated into civilian life, engage in activism, they are also subject to surveillance by CID and CTID. The CSOs participating in the expert panel also reported intelligence operatives attending CSO events at the community level. These lead to self-censorship by participants during interactions and is intimidatory in its impact.

In February 2026, the NGO Secretariat issued guidelines on anti-money laundering and countering terrorism financing to all NGOs. This added to the reporting obligation with no thought given to how smaller organisations were going to fulfil the already burdensome reporting requirements. Moreover, it was observed that the NGO Secretariat was going beyond and against the FATF requirements under its recommendation 8 in this regard as it

does not designate all NGOs as reporting entities. A recent survey by Sri Lanka FATF Network reported that 69% of respondents from 100 CSOs surveyed had reported difficulties in accessing foreign funding. A significant percentage of organisations also reported difficulties in opening bank accounts, withdrawing/depositing funds, and delays in banking transactions

In a positive development,the NGO Secretariat shifted out of the Ministry of Public Security and was brought under the more appropriate Ministry of Rural Development and Community Empowerment. The level of cooperation from the government authorities has varied across districts. The Ditwah disaster temporarily improved cooperation with the local government officials as the scale of the disaster required much assistance to be mobilised and delivered. This led to an opening up of space for collaboration to mobilise and respond to the crisis at the local and national levels.

The government, as referenced above, brought in several restrictive legislative instruments—including the Convention on the Suppression of Terrorist Financing (Amendment) Act and the Financial Transactions Reporting (Amendment) Act, Prevention of Money Laundering (Amendment) Act in a manner that severely curtailed civil society review, namely by opening brief windows for consultations, some of which took place during public holidays.

2.3 Protection from Interference

Civil society organisations in Sri Lanka continue to operate in an environment practically devoid of institutionalised legal protections from state intrusion. The situation and trends remained same as reported in 2025.

The VSSO Act (sections 10 and 11) allows for broad discretionary powers to institute inquiries, dispatch inspection teams, or appoint interim boards in cases of alleged financial mismanagement. Though inquiries under section 10 have not been recently reported, there have been regular queries on CSO operational decisions and organisational matters from government officials. In practice the intrusive administrative and supervisory powers are wielded by 'NGO Coordinators' - government staff tasked with coordinating and supervising NGOs and who are appointed at the district and divisional levels and other local level administrative officials. The director general has also conducted inquiries based on complaints received from former staff of CSOs and other organisations. The security sector comprised of the various branches of military and police continues to be a significant source of interference. Safeguards from either of these sources of interference are few for CSOs due to the absence of concrete and accessible redress mechanisms and the power dynamics shaping the operational environment. The impending NGO law, if it goes through, could confer more intrusive powers on the regulators including the powers to evaluate performance, suspend registration, and to de-register organisations with judicial recourse only in limited instances.

A pervasive surveillance network operated by military intelligence, the CID, CTID, and the National Intelligence Bureau monitors civil society actors. This is more so in the North and East Provinces where there is a larger presence of security sector actors. Tamil and Muslim communities and those who work on rights-related issues face a higher level of surveillance. CSOs documenting human rights violations, enforced disappearances, militarisation, and land grabs are subjected to continuous surveillance, data harvesting, and intimidating interrogations. Over the last decade and a half, these post-war structures and processes appear to have been normalised and are becoming pervasive across the country.

The HRCSL intervention in April 2026 is indicative of civil society concerns. It issued a stern public statement with documentation of widespread harassment, nocturnal phone calls, and

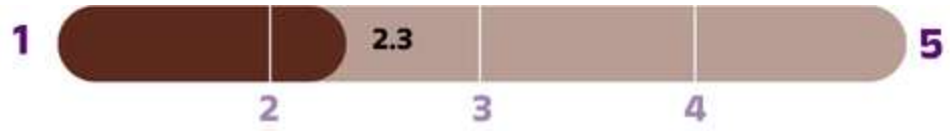
coercive demands for beneficiary lists coming from the CID and CTID and targeting CSO accountants, activists, and women human rights defenders. Despite the Commission calling for a halt to these unlawful practices, formal institutional follow-up and accountability from the Ministry of Public Security was not made public. Legal recourse for CSOs remains limited to costly, protracted fundamental rights applications to the Supreme Court or writ petitions to the Court of Appeal. These avenues are rarely accessible to resource-strapped CSOs or district and grassroots organisations.

The current VSSO Act does not provide for any forcible dissolution of an NGO or de-registration of an organisation.

PRINCIPLE SCORE

3. Accessible and Sustainable Resources

Score:



3.1 Accessibility of Resources

The funding situation has further deteriorated since the last reporting period. The expert panel observed that it is trending negatively but not to an extent to warrant a rating downgrade, yet.

The severe funding downturn in 2025 due to the abrupt exit of USAID continued to reverberate in 2026. There has not been any new donors to compensate for the loss of USAID funding. The adverse impact on district-based, small and medium sized agencies continues to unfold . The resulting resource gap remains significant, leaving many groups without the necessary funds to operate. The Ditwah disaster increased donor funding for humanitarian aid work during the reporting period. Though relative to the scale of the disaster, it was a minor inflow of foreign assistance. According to an UN report, of an estimated US $35 million for immediate humanitarian response, only around US $23 million had been funded by the end of the emergency period. The official post disaster needs assessment (PDNA) places the total loss and damage at US $3.4 billion. The foreign grant assistance pledged amounted to less than US $150 million at the time of reporting, consisting mainly of $100 million from India. Further loan assistance from multilateral banks were still being negotiated.

This constrained financial climate is forcing the CSO sector, including larger, more established organisations, to undergo a difficult period of shrinking and restructuring, with many organisations already being forced to reduce staff and training resources. The regional and district based medium and smaller entities are further disadvantaged by unequal access to funding information and language barriers making them less competitive in the aid marketplace. Support to marginalised groups like the LGBTIQ and Malaiyaha Tamil community and for human rights, anti-gender-based violence, and governance focused CSOs, which received significant USAID funding, faced the adverse impact of USAID shutting down. While the general drop in funding to NGOs due to USAID closure is estimated to be in the range of 50%, these sectors were relied heavily on that stream of funding. Funding rounds are now highly competitive with more NGOs competing for smaller pools of available funds. The dearth

of funding has caused even larger organisations to apply for smaller grants, thereby crowding out the smaller organisations.

Simultaneously, the government continues to exert greater control over foreign funding through tightened reporting requirements and instructions from the Central Bank to the financial institutions which then cascades into greater due diligence expectations and increased supervision of foreign-funded entities by financial institutions. The introduction of amendments to the three financial reporting and oversight laws - Convention on the Suppression of Terrorist Financing (Amendment) Act, Financial Transactions Reporting (Amendment) Act, and Prevention of Money Laundering (Amendment) Act,without any civil society consultations, has also added to the burden of accessing foreign funding. A recent survey of around 100 CSOs conducted by Sri Lanka CSO FATF Network found that at least half of them reported difficulties opening new bank accounts, and 32% experienced delays when conducting banking transactions. As a result of restricted access to financial services, around 45% of the surveyed CSOs reported an inability to comply with donor/project timelines.

The sector also continues to face a financial burden as the government treats 3% of any foreign funds in a given year by way of donations, grants, and contributions as assessable income for tax purpose, levying an "NGO tax" of 30% on that giving an effective income tax of 0.9% of all receipts. Most bilateral donors do not cover or reimburse this expense. As there are virtually no systematic tax concessions or deductions available, except for the rare exceptions for those that obtain charitable status,, this policy creates a substantial and often unsustainable burden for smaller grassroots organisations. In addition, under recent amendments to the Inland Revenue Act enacted during the reporting period, the capital gains tax for non-profits was increased to 30%.

3.2 Effectiveness

There were no discernible changes in donor priorities, conditions, and ways of working from the last reporting period that ended in September 2025. They remained by and large the same and as such, the rating remains same.

Despite the negative impact of a major donor exit, the expert panel noted that the broader donor community continues to play a significant role in the effectiveness of civil society interventions. CSOs generally align themselves with funding opportunities whereby priorities match their own. Organisations must navigate between aligning nuanced community needs, donor interests, Sri Lankan government preferences, organisational capacities and the inherent risks of certain interventions. These conditionalities were not considered to be restrictive but as part and parcel of the funding environment in the country. The panellists did not note any intrusion by donors into the internal governance of CSOs.

The mechanisms for channelling aid have continued to remain the same. The funding model adopted by some large donors, panellists observed, uses a cascade system (channelling funds through international bodies, UN agencies, or large consortia), which often results in insufficient resources reaching the grassroots level CSOs. Multi-year, core funding support is no longer available as before. To address these systemic issues, the panel emphasised the need for more equitable distribution of funding opportunities across the island and increased, well-resourced investments in CSO networks and collectives. The panellists noted the need to reform donor funding to be more inclusive, targeted, and sustainable for smaller organisations. Some of the current funding prerequisites related to size, experience,

absorptive capacity, registration status, reporting structures, etc. can be challenging for smaller entities.

While maintaining overall contractual , donors were flexible in accommodating contextual changes. According to the panellists, reduced funding opportunities meant that CSOs are now seeking to apply to limited, even smaller funding opportunities. It can also lead to venturing outside their area of expertise/core competency in order to sustain themselves.

Many donors had shown flexibility in re-programming ongoing projects to respond to the Ditwah disaster. According to a panellist, while Cyclone-Ditwah compounded the vulnerabilities of many communities they were working with, the avenues for accessing humanitarian funding were limited. The donors were only structured to give new emergency grants to UN agencies and a few large INGOs. As a result, the larger-scale entities received almost the all of the resources. According to the expert panel, local organisations were mostly sidelined, despite their proximity to communities and expertise. The government required CSOs to closely coordinate with local authorities on the emergency response interventions and in some cases, insisted on channelling assistance through government mechanism or to distribute assistance with government representatives' present.

The panellists also noted that now there are fewer resources being put into CSO/NGO networks and collective work undertaken by more than a few organisations. More and more collective work now has to happen with CSOs' own resources and time, which puts additional strain on these organisations. Practical capacity building support and security related support from donors remain limited, despite acknowledgment of these concerns. There is now less emphasis and resources put on evaluations and related capacity building that will have long term impact on effectiveness.

3.3 Sustainability

The donor dependent NGO sector is feeling the pinch after the USAID withdrawal and its negative impact manifested more this year (2026) than last year (2025). The structural limitations highlighted in the 2025 report still persist: dependence on a few donors, under-developed local philanthropy and fundraising, absence of government funding, and short-term funding windows with less available funds for sustained programming or institution-building.

The current funding landscape in Sri Lanka is characterised by a heavy reliance on diminishing foreign donor support, which undermines the long-term stability and resilience of CSOs. As the country transitions to the status of an upper-middle-income nation, traditional donors are reducing their assistance and local opportunities for self-reliance, such as fundraising or private philanthropy,remain significantly underdeveloped. This resource environment leaves CSOs, particularly smaller organisations and those working on sensitive issues, such as human rights and governance, struggling to maintain programme continuity and retain staff.

Because multi-year and institutional funding is rare, many organisations have become dependent on a limited number of donors. Consequently, the ability of civil society to act as a cohesive force in policy discourse and development planning has diminished, necessitating a re-imagining of how the sector is funded and sustained. Lacking diversified local fundraising mechanisms, endowment funds, or government subventions, CSOs are trapped in precarious, short-term project funding cycles that preclude long-term strategic planning for multi-year advocacy initiatives such as constitutional reform, transitional justice, and gender equality.

The prolonged funding crunch has impacted staff retention, forcing widespread organisational downsizing and the loss of skilled young professionals to the private sector.

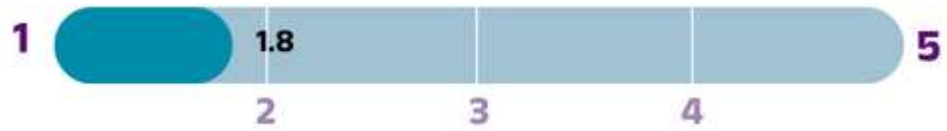
Small pots of funding were still available from traditional donors and a handful of non-governmental sources (such as the Open Society Foundation). CSOs were increasingly looking at applying for global calls that are more competitive and are not confined to Sri Lanka alone. But the information on new opportunities is uneven and patchy. The Australian and Canadian government's mid-sized annual grants to CSOs in Sri Lanka continued at the same level, while the EU issued new and multi-year calls targeted at larger CSOs. Consequently, smaller organisations compete with larger organisations. As a result, local issues (e.g. enforced disappearances, land grabbing, local livelihoods) are now being taken on by Colombo-based organisations that are sidelining local organisations, according to a panellist.

The lack of multi-year and core funding leaves CSOs in a constant state of chasing short-term resources in a highly competitive field. The expert panel noted that projects are now often limited to shorter time periods, which is not sufficient for sustained work and follow up.. This constrained financial climate is forcing the CSO sector, including the larger, more established organisations, to undergo a shrinking and restructuring.

PRINCIPLE SCORE

4. Open and Responsive State

Score:



4.1 Transparency

Transparency was an area in which the expert panellists observed a discernible decline compared to the last reporting period and scored it accordingly.

Sri Lanka possesses a highly regarded Right to Information (RTI) legal framework that has successfully facilitated government accountability and critical information sharing since its inception in 2016. The RTI Commission had developed a positive reputation among CSOs and the public for facilitating greater transparency. It has taken measures to foster 'an (embryonic) culture of transparency among public institutions' by the International Monetary Fund (IMF) in its Governance Diagnostics Report.

Despite these accomplishments, implementation has remained inconsistent, hindered by low public awareness, language barriers, and a lack of resources for the RTI Commission to conduct necessary training and outreach. Newly trained RTI officers were said to be insufficiently familiar with the system following the departure of experienced officers. The government failed to re-engage with the Open Government Partnership (OGP) process, despite extensions to submit joint action plans, and it now remains as an 'in-active' status.

As noted in the past, the effectiveness of the RTI Act was severely constrained by a government machinery that is reluctant to embrace transparency. Public access to vital information, such as draft laws and development initiatives, is frequently limited until meaningful public engagement is no longer possible. Pro-active disclosure requirements have yet to be properly adopted across the public sector. Consequently, the burden of uncovering information rests on the public, and sensitive or controversial data is often denied, turning the pursuit of transparency into a time-consuming and difficult endeavour. There still remains a gap in public confidence and awareness and many RTI requests, when denied, are not

pursued by the applicants in spite of a recourse mechanism. Often the applicants do not follow due to frustration with the delays in the system, lack of confidence in the process, and lack of awareness.

This situation further deteriorated during the reporting period. The RTI Commission came out with a statement in November 2025 highlighting the chronic understaffing, ignoring of statutory safeguards of independence, and the non-allocation of a separate budget line item for the Commission. The Bar Association of Sri Lanka (BASL) also echoed this in their letter to the president, highlighting inadequate financing and expressing its opposition to any proposed amendments that will curtail citizens' right to information.

The Sri Lanka Working Journalists Association (SLWJA) raised its concerns that the government may be attempting to weaken the RTI Act by making amendments to it. It also highlighted the issues of staff shortages and lack of legal experts. It raised concerns regarding recent appointments to the Commission as well. The RTI activist Rahul Samantha Hettiarachchi also raised concerns regarding the deteriorating condition of the RTI framework, warning that although the right to information still formally exists, the institutions responsible for protecting that right are becoming increasingly ineffective. The Commission saw a high-profile resignation of a commissioner during the reporting period and some controversy in the selection and appointment of a new commissioner.

A CSO in the expert panel operating at the ground level also described the reluctance and at times the explicit refusal to share information pertaining to selection criteria for eligibility of different government-announced relief assistance and to share progress in relief assistance paid out post-Ditwah. The panellist reported that CSOs were informally told by an official at the local divisional secretariat that there was an unofficial instruction not to release information on Ditwah related damage to CSOs, as it may be used to create 'difficulties' for the government. During the response to Cyclone Ditwah, many of the official communications that came in Sinhala were either not published or published late in Tamil.

4.2 Participation

Participation and consultations between citizens and the government have been challenging in Sri Lanka with few successes and many failures. In its second year the government is still to come up with a consistent policy and practice to engage with civil society and broader citizenry.

The change of government in 2024 raised expectations, given the new government's promise of a people-centreed administration. But the relationship between the Sri Lankan government and civil society till now has been marked by a lack of recognition of the role of the sector as a constructive partner in policy development and decision-making. While public authorities may acknowledge CSOs for their functions as critics, or service providers, they often dismiss the contributions CSOs can make in co-creating solutions. As a panellist observed, 'this dynamic is further hindered by a government attitude of "we know best", which forecloses meaningful interaction and limits engagement to occasional, invitation-based participation that is heavily dependent on personal connections'.

Instances when CSOs have participated in policy discussions in the past, such as the National Labour Advisory Council or committees on an anti-corruption action plan and electoral reforms, are the exception rather than the norm. Even these opportunities typically require intense lobbying and pressure from CSOs due to the absence of a structured, institutionalised process for engagement. Critical mechanisms such as parliamentary oversight committees

and structured white paper consultations are a rarity or completely absent, preventing broad-based civil society input.

Consequently, the process of selecting which organisations are consulted remains arbitrary and based on proximity to power holders. This system, panellists noted, systematically excludes many organisations, particularly those located in the periphery, those representing minority groups in the North and East Provinces and elsewhere, and those facing language barriers.

The government continued to pass laws that have a significant impact on vast segments of the population with little to no consultation even with well organised groups that may be affected. The set of financial reporting and AML/CFT laws mentioned above are examples of such cases as well as amendments to Anti-Corruption Act and VSSO Act.

During the reporting period, public comments were invited on the draft Protection of State from Terrorism bill (PSTA); however, initial timeframes were inadequate and coincided with the Cyclone Ditwah crisis. The government eventually extended the deadline to 28 February 2026. But since then, those organisations that had provided input had not heard back on the progress and were unaware which feedback had been incorporated. Even when consultations are held, CSOs are not always heard in the process listened.

A similar observation was also made regarding the Micro Finance and Credit Regulatory Authority Act 9 of 2026 that was passed during the reporting period. The CSOs that participated considered the engagement to be a disappointing experience. CSO representatives in the panel also noted that insufficient weight was given to the different ways in which various groups can participate; for example, women who are victims of exploitative micro finance practices cannot be expected to provide detailed submissions in the same form as a civil society organisation, yet their input is of equal importance. In relation to a consultation on the microfinance bill, participants observed an emphasis on the financial losses, with little attention paid to the experiences of the women affected. A submission in June 2026 from six CSOs on the National Environmental Amendment Bill, which had been gazetted without prior consultation in April 2026, also resulted in only minor changes.

Immediately after Cyclone Ditwah in December 2025, the government appointed a committee to lead the 'Rebuilding Sri Lanka Fund'. After receiving criticism from CSOs on the appointment of this corporate-heavy, post-disaster rebuilding fund, the government set up a Presidential Task Force on post-Ditwah reconstruction which included CSO representatives. Although this was considered a positive step, the effectiveness of the task force and the extent to which CSO input was integrated was found to be lacking.

The panellists observed that in relation to the longstanding request by the LGBTIQ community to amend the Penal Code, the government has not shown progress. It has reportedly responded verbally that before the government proceeds with the reforms, there should first be discussions among communities and a consensus. The expert panel contrasted this approach with the absence of community consensus as a precondition for the government passing economic policies and laws that affect communities more broadly and the speed with which they were enacted.

The CSO representatives noted that the NGOs that are not registered under VSSO Act face difficulty in collaborating with officials at the local government level and in providing inputs to governance and development work in their areas. Over the last year the government has

initiated a new programme of creating village-based CBOs named 'Prajashakthi'. Funded from the Presidential Secretariat with the broad aim of poverty reduction and community development, these new entities are heavily influenced by party loyalties. The setting up of politicised 'Prajashakthi' forums by the government at the grassroots level is seen as crowding out the space for CBOs and NGOs at the local level. CBOs in certain villages were invited by these committees to send representatives and to come forward with proposals for development interventions. There is growing concern that Prajashakthi will become forums for community and CSO participation at the grassroots level, usurping the authority of locally elected bodies.

4.3 Accountability

Significant disappointment was registered by the CSO representatives in the area of accountability. The government failed to meet the minimum expectations and that is reflected in the regression in the rating.

According to the panellists, the interactions between segments of civil society and the government had diminished. Having opposed the manner in which previous governments had interacted, the CSOs had expectations of improved interaction with the new government for a more accountable decision-making process. But participants in the expert panel reported that decision are made and activities are undertaken without prior discussion/consultation with the public or with CSOs.

Accountability requires that there is an acknowledgment of contribution and response to any feedback provided during consultations or participatory forums. During the reporting period, feedback on any of the substantive consultations that CSOs participated in was generally absent. CSO participation was not anchored on any written down policy or legal process rather it was ad hoc and bereft of structured feedback. For example, while the government, after lobbying, provides opportunities to meet, there is no follow up on how consultations will inform draft legislation or policymaking. No structured feedback on CSO representations and submissions was given with regard to the OSA or PSTA. The minimal changes due to civil society engagement on Environmental Amendment law was traced only when the bill was passed and later published. On the Microfinance Act, the participants reported that CSO and community representatives from districts had submitted suggestions and met parliamentary committee members to share experiencse but that the resulting Act reflected none of the changes or resolutions arising from those discussions and neither were the CSOs provided an update till they saw the Act passed in the parliament.

The government's approach was also visible in the most recent disaster response interventions. Contrary to established practice in humanitarian response which is to consult with and be accountable to the affected population through structured mechanisms, the government's performance in post-Ditwah response was found wanting in this regard. A meeting of the CSO Collective for Malaiyaha Reconstruction (CCMR) post-Ditwah, secured after intense lobbying, with the Deputy Minister and Minister of Plantation Ministry, did not lead to any concrete outcomes. CSO representations to the prime minister and the Presidential Task Force, while gaining some traction on making eligibility criteria inclusive and getting disaster response guidelines clarified, the request for improving the speed and accountability of the responses by instituting complaints and grievance handling mechanism for public and CSOs for an accountable response remained without follow up. The decision to establish divisional level committees consisting of cyclone affected family representatives and CSO representatives to identify suitable land and to resolve housing issues was agreed upon but not followed up on and no explanations were given. Similarly, decisions to open up vast tracts

of the coastal areas for mining companies were pursued without any accountability to the CSOs and communities' concerns.

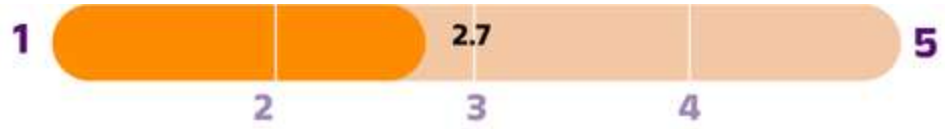
Overall, there still is not a proper process or system for engaging civil society in decision making. Where consultation does occur in some instances, it was often described as tokenistic. Even when structured forums are made available for CSOs (like in the case of Labour Law Reforms or Muslim Marriage and Divorce Act Reforms) the participating CSO representatives themselves were unclear about how the process would unfold.

The participants in the expert panel also pointed out that there is a blurring of lines between the government and majority party. For example, the general secretary of the party responded to media on government policy related to the timing of the elections, though that is not the role of the party secretary. This blurring has implications for overall government accountability with multiple locus of decision making.

PRINCIPLE SCORE

5. Supportive Public Culture and Discourses on Civil Society

Score:



5.1 Public Discourse and Constructive Dialogue on Civil Society

The government and political leaders' perceptions of civil society have remained the same since October 2025, the beginning of this reporting period. This was after showing improvements in the last few years compared to the state-orchestrated climate of hostility against NGOs witnessed during previous political regimes (such as in 2005–2015 and 2019–2022). The historic legacy of the 2022 *Aragalaya* and the role that civic activism had played in the people's uprising had fostered an appreciation of the civil society sector among the political class. The governing administration, having emerged partly from historic anti-establishment movements, maintains an official rhetoric that avoids overt hostility toward NGOs, viewing them instead as peripheral actors. Both the government and the media remain less strident than in previous years. However, these improvements remain uneven, fragile, and have not yet evolved into a relationship that values them as constructive contributors in a democratic set up as detailed under the previous principle.

The state of public discourse in the country bolstered confidence in civic activism and in turn improved the overall perception of civil society, according to the panellists, when compared to the pre-2022 period. While historically there was greater public acceptance of the role of CSOs among minorities, the dominant view among the majority community had been less sanguine with the situation marginally improving since 2022.

During this reporting period, the government went ahead with the appointment of three civil society representatives to the Constitutional Council which is responsible for recommending and/or approving key constitutional posts. This is a feature of the Constitution that formally acknowledges a role for civil society and gives greater legitimacy for the role of civil society.

Some of the panellists who had interacted with the government during the reporting period noted that the climate of engagement between the government and CSOs was no longer overtly hostile. For example, CSOs' evidence-based advocacy on Ditwah-related issues

gained traction with the government, amplified by traditional media and inclusion in the parliamentary, political, and social discussions. Following Cyclone Ditwah, the government appointed a task force and committees with improved inclusivity and some civil society involvement. When confronted with arguments and evidence of inadequacies in the government's relief efforts from civil society voices, the government responded with a special cabinet decision and issued instructions on proper inclusion of affected Malaiyaha Tamil families in the reconstruction assistance. When child rights groups raised concerns over the inaction on the issue of a child rape by a highly placed Buddhist monk, belatedly the government stepped up its response.

The improved climate, however, is fragile and there are undercurrents of negative attitudes towards NGOs that remain. When there was an all-round pushback to the government's new education reforms, a member of parliament used it to cast baseless aspersions on NGOs for the inadvertent inclusion of an adult site in a grade six study module.

The CSO representatives in the panel that engage in advocacy reported that civil society's standing with the public and their legitimacy is sometimes undermined when the government does not respond to the well-grounded concerns in a timely manner and in accordance with plans and agreements. The panellists observed that many CSOs working with communities feel helpless as interlocutors under such conditions. Similarly, when the government fails to deliver on its promises, this negatively impacts the perception of the CSOs working on such issues and engaging with the government in good faith. Recent examples of this — based on panellists' direct experience of — included the confusion over the decision on a wind power project and the failure to set up agreed-upon, localised grievance mechanisms for Ditwah affected families.

The panellists observed that there is a toning down on the anti-NGO rhetoric in the mainstream media, as compared to before 2022. They mentioned that ordinary social media provide greater space for civil society to engage in public discourse about grassroots issues. Mainstream media still feature mainly political figures, which conveys an impression to the public that CSOs lack recognition and influence at the national level. While no major anti-NGO headlines were noted during the period, in the mainstream media, there was an instance of irresponsible sensationalising that smeared NGOs . Panellist also observed that when critical social media posts are made about some government initiatives, they receive a large number of critical responses in turn.

5.2 Perception of Civil Society and Civic Engagement

No significant changes since the previous analysis were noted. Rating remains the same.

The 'Aragalaya' (2022) raised the confidence level of large sections of the population in the capacity of civic activism to drive change in Sri Lanka. This engagement is most robust at the grassroots level, where active citizens connect with trusted CSOs to influence local decision-makers, utilising protests as modes of activism, among other approaches. Citizens routinely view grassroots CSOs as legitimate, trusted interlocutors/accompaniers when navigating oppressive state bureaucracies. However, the ethnic dimension remains a polarising factor, with minimal cross-ethnic solidarity on issues of transitional justice, accountability, and minority rights. There are lingering (mis)perceptions of CSOs — shaped during wartime — that persist within communities and which hampers collective interventions.

While the public still views CSOs as legitimate interlocutors, there is often a disconnect between the public and civil society actors on culturally sensitive issues such as LGBTIQ rights

or on politically sensitive issues like power sharing solutions for ethnic harmony. This gap is frequently attributed to differing ideologies, as civil society and citizens have struggled to influence conventional public opinion and influential figures such as religious leaders in the community. Furthermore, according to the panellists, in predominantly Tamil areas there is a lack of trust in national civil society actors on certain issues, namely accountability and constitutional reforms.

The perception of civil society is also related to the level of civic education and civic engagement of the population at large. There is a general lack of structured civic education in schools, with only basics covered in national school curricula. The details of civic education in the disputed education reforms currently underway are not clear. There is generally a low level of community participation and scepticism regarding the effectiveness of civic initiatives among a majority of the population. But Sri Lankans continue to demonstrate strong faith in the electoral process, viewing it as anl civic duty. The turn out at elections are therefore generally high. While there is sustained engagement on civic activism among affected groups and a small but vociferous segment of the society, a majority are less engaged in civic activism beyond fulfilling basic civic responsibility.

As outlined in the previous sections on participation (3.2) and public discourse (5.1), the panellists reported instances of civic engagement during this reporting period that led to positive outcomes, including those that influenced decision makers. By all accounts there was significant public mobilisation across the country and involvement following the Cyclone Ditwah disaster. Both on their own and in collaboration with the government, civil society organisations played a crucial and substantial role during the immediate relief stages of the disaster response. There was significant localised community mobilisation to deliver relief and later collective activism that prompted the government to review and change some post-disaster response guidelines.

Sustained civic activism, continuing from previous years, also contributed to some mitigation measures on wind-power development in the North. Concerted opposition by various civic groups exerted pressure on the police to revise the arrest of a Tamil rapper under PTA to an arrest under the penal code.

As seen under principle 1.2, panellists also observed that civic activism is curtailed in the plantation areas in the central districts, where a majority of the marginalised Malaiyaha Tamil community lives. Many CSO interventions in these areas have to go through layers of employer/management approvals in the tea and rubber estates. The management approval, in some instances, is not forthcoming if it is for rights oriented and advocacy-oriented interventions.

Over the past year, the panellists observed that the public had been increasingly perceiving traditional CSOs as lacking in funding, a perception that was reinforced since the withdrawal of USAID. This has impacted the collaborative work on some of the issues as some now question whether the organisations will be able to sustain their operations and support them programmatically as they did before. Having earned public trust through grassroots-level work, organisations represented on the panel reported that they are now seen as unstable because of funding constraints.

5.3 Civic Equality and Inclusion

No significant changes since the previous analysis were noted. The socio-economic drivers of exclusion are deeply rooted and will take a long time to redress. The rating remains the same.

Although the Sri Lankan Constitution guarantees equality in article 12, marginalised groups and numerical minorities' participation in civic activism remains restrictd by significant structural and social barriers. The country's history of civil war based on ethno-religious cleavages and patriarchal social norms frame the degree of inclusion and involvement in civic activism. For the LGBTIQ community, legal impediments in the penal code, combined with economic marginalisation and conservative cultural and religious opposition, have led to a reversal of the visibility gained during the *'Aragalaya'*.

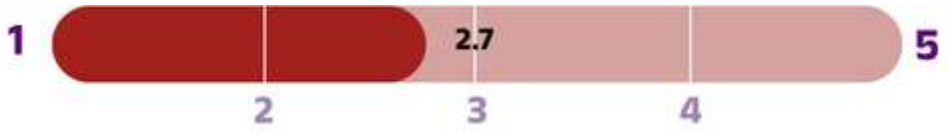
Numerical minority groups like the Sri Lankan Tamils, Muslims, and Malaiyaha Tamils face disadvantages due to the state's prevailing Sinhala-Buddhist majoritarian outlook. The government views any civic activism from numerical minorities through a narrow and motivated 'national security' mindset, which also impedes broader civic engagement. In the North and East, the Tamil community struggles with militarisation, language barriers, and the misuse of the PTA and ICCPR Acts to target and surveille activists working on land rights and accountability. The Muslim community faces deep-rooted societal prejudice exacerbated by the legacy of the Easter Sunday terror attacks, leading to increased scrutiny of Muslim-led NGOs and activists. Meanwhile, the Malaiyaha Tamil community remains socio-economically and geographically marginalised with challenges to engaging in civic activism on accountability issues. The level and quality of inclusion and civic engagement in Sri Lanka is conditioned on a number of factors, including religion, ethnicity, and language. The government is also wary of any backlash from the Sinhala majority in responding to some of the critical demands from other communities.

District-based organisations perceive that they have less influence on processes than Colombo-based organisations that are perceived as having closer proximity to power. The panellists also observed government pushback on long term reforms demanded by the LGBTIQ community (such as de-criminalisation) and Muslim women (reforms to the Muslim Marriage and Divorce Act) during the reporting period. They asserted that consensus within respective communities is needed to move forward. The perception is that dominant, majority views prevail and affected and marginalised communities' views are less valued and heard. . Activism aimed at changes to the electoral laws to streamline voting for a vast number of migrant workers and prisoners who have hitherto been excluded had been slow, according to the panellists. With close to 1.7 million Sri Lankan citizens working as migrants, mostly in Middle Eastern countries, and who contribute to the economy through their remittances, legal reforms are needed to include them in the electoral process.

PRINCIPLE SCORE

6. Access to a Secure Digital Environment

Score:



6.1 Digital Rights and Freedoms

Overall the panelists noted a trend of gradual deterioration in digital freedoms. Nevertheless, the situation was still rated as partially enabling.

After a series of internet shutdowns in previous years and localised jamming in 2022 during *Aragalaya*,, there has been no nationwide internet shutdowns or localized jamming reported in Sri Lanka. Freedom House's 'Freedom on the Net' ranks Sri Lanka as partially free for 2025 with marginal improvements in scores over the last two years (53/100). Article 14(1)(a) of the Constitution of Sri Lanka guarantees freedom of expression in all forms made through any medium, including online platforms. The country has had a basic framework of laws to govern online and digital communications and curb misuse. The Telecommunications Act makes it an offence for a person to send an indecent, obscene, seditious, scurrilous, threatening or grossly offensive message using telecommunication media. The Obscene Publications Ordinance contains offenses that are also applicable to online publishing. The Computer Crimes Act outlines offensive acts using a computer which may result in threats to national security, national economy, or the public order. The Penal Code and the ICCPR Act also contain provisions that are applicable to online conduct.

But the most concerning piece of legislation in the books is the Online Safety Act (OSA) that was passed despite the considerable opposition from civil society in 2024. This law aims to regulate online speech and publications and has criminalised various forms of online speech, potentially including those that breach the vaguely defined 'false statement' threshold, dissent, alternative viewpoints, parody, legitimate anonymity, including for HRDs and whistle blowers, theological debates and secular commentary. Broadly worded offences and sweeping powers conferred to the Online Safety Commission have resulted in many viewing the Act as an

attempt by the Sri Lankan state to stifle opposition and dissent. A commission to curtail online speech, as envisaged under the OSA, has not been established yet.

In February 2026, the Human Rights Commission of Sri Lanka (HRCSL) issued a statement on Freedom of expression and Online Safety Act (OSA). Though it is a non-binding recommendation from the independent commission, it reiterated the non-compliance of the Act with regard to the Supreme Court determination and the need for an amendment to remedy this. The Commission observed that despite the legitimacy of the Act's objective to regulate online safety, particularly of vulnerable users, the OSA in its current form does not do that. It goes on to say that applying the OSA raises questions of constitutionality and it also fails to deal with genuine online safety issues like phishing, spyware, malware, denial of service attacks and hacking.

The February HRCSL statement also noted an alarming trend where political actors and influential figures file complaints with police divisions—such as the Criminal Investigation Department (CID) and the Computer Crime Investigation Division—specifically targeting online statements. It further warned that this pattern represents a growing threat to freedom of expression, as law enforcement authorities are investigating "defamatory" speech despite the fact that defamation is a civil matter and not a criminal offence in Sri Lanka. During this reporting period, an opposition politician used the Act to file a civil complaint against more than 25 individuals, including digital content creators.

The current government — despite pre-election promises to repeal the OSA — still has not brought forward an amendment it. It claims to be working on an amendment, taking into consideration recommendations from the Supreme Court. It was to have been submitted for Cabinet approval in January 2026 but has been since postponed without a new timeline. In the meantime, as reported before, since its passage in 2024 the Act has been used to bring injunctions against content creators, to file charges of defamation, or to arrest person critical of government. The investigation and legal processes in these above cases are still ongoing this period. The lack of any reform has caused concerns over self-censorship and the silencing of critical voices. Moreover, it adds to the executive's power over online civic discourse.

In June 2026, the government gazette published the bill entitled Chartered Institute of Media Professionals (CIMP). Civil society organisations, such as the Collective for Social Media Declaration, warned that the convergence of the OSA, the proposed CIMP, and PTA create an environment where media and activists are forced to self-censor. There are currently no robust institutional measures to hold the government or the regulatory bodies accountable for the abuse of these powers.

The panellists noted that no new measures were taken to further curtail online activities other than those that had already been in place. But the long-established surveillance system, where the security sector monitor the online activities of CSOs, journalists, and activists, particularly in the north and east, continues. In February 2026, a digital journalist Tharindu Jayawardena was summoned for material he published online. In April 2026, online social media platform X notified journalist Sulochana Ramiah Mohan that it had received a legal request from the CID claiming that a post with her article on Sri Lanka's energy crisis violated domestic law. As of now, X had not taken action to remove the content or block the account. The Free Media Movement (FMM) condemned the CID for requesting user data from platform X.

The panellists noted that no new measures were taken to address coordinated dis-information/mis-information or protection of vulnerable users.

6.2 Digital Security and Privacy

The continuing delay in operationalising privacy protection laws, new digital initiatives by government that have given rise to 'rights eroding and privacy invading' concerns, vulnerability in over-all digital security had been noted as symptoms of a deteriorating situation and the rating was brought down to 2 this year.

Sri Lanka's Personal Data Protection Act (PDPA) No.9 that was passed in 2022 and amended in 2025 but hasyet to be fully operationalised, leaving a significant gap in the legal framework for data protection. Even though the Data Protection Authority (DPA) was established, the gazette notification on its commencement is yet to be finalised. The Act's obligations with regard to data controllers to ensure lawful, fair, and transparent processing of personal data needs concrete guidance and regulation. This has been considerably delayed, though the government has indicated that the publication in the gazette is imminent. The HRCSL's call that until the Ministry of Justice introduces a new law with appropriate legislative provisions to replace the OSA, its operation should be suspended, has been ignored by the government.

The government has announced significant digital investments this year in Digital Public Infrastructure (DPI), Digital Public Goods (DPG) and related Critical National Infrastructure (CNI) with tens of billions of rupees allocated for biometric identification systems, revenue tracking, immigration digitalisation, police data systems and financial transaction monitoring. Critics warn that available public drafts of the new Anti-Terrorism Bill and discussions around cybersecurity law also feature rights eroding, privacy invading sections that create irreconcilable, contradictory legal obligations that make compliance impossible. They claim that while there is a system that governs digital use by individuals, vague, overly broad, and draconian it may be, it is yet to establish a proper system and awareness around how the individuals' data will be protected. The remedial mechanisms for victims of hacking and abuse online still remain very basic and slow.

According to the panellists members of LGBTIQ community and women are still vulnerable to cyber harassment, mostly from anonymous accounts. Women politicians and activists are also often attacked online in sexist terms. There are continued digital attacks. This year too there were incidents involving both physical and online hate speech and racist comments targeting participants at a memorial of those who were killed in war. A panellist observed that 'recent racist comments and hate speech around the May 18 memorial suggested the use of bots and targeted attacks on creators and influencers, worse than in previous years'. There was also racially motivated hate speech online in response to social media posts that were published regarding the excavation of mass graves in Chemmani. Law enforcement actions were hardly pursued in such instances. This ongoing situation highlights the challenges in managing online safety and the lack of effective institutional mechanisms to address such targeted harassment.

There are no reported incidents of cyber-attacks by the government or linked entities, but activists and journalists report account compromises, phishing, harassment and surveillance. Panellists noted, however, that social media posts critical of the government are inundated with responses to drown out the criticism The reporting period also recorded several high profile incidents of cybercrimes in government institutions including the Treasury and Postal Department as well as in a private bank. These were symptomatic of the overall weakness in cyber security and lack of digital hygiene at all levels.

6.3 Digital Accessibility

Digital accessibility and connectivity in Sri Lanka, measured through a combination of national telecommunications data and global readiness indices, indicate a gradual increase as such. As of April 2026, the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) provided the following key performance indicators. There are over 29.47 million cellular mobile subscriptions, with a mobile density of approximately 135.55 per 100 inhabitants (up from 130 last year). Mobile broadband (3G/4G) subscriptions stood at over 21.82 million, giving a density of 100.79 in relation to the population of the country, while fixed broadband subscriptions totalled over 2.02 million giving a density of 8.85. GSMA intelligence data suggests that 91.3% of mobile connections in Sri Lanka can now be considered "broadband" which means that they can be used for internet access. But panellists observed significant variations among the population due to poor distribution of telecom towers, geographic features, and costs.

Approximately 70% of mobile industry end-equipment consists of smartphones or tablets, while 30% are "other" device types. In terms of social media adoption, Facebook, WhatsApp, YouTube and TikTok were most pervasive and used widely by public and civil society organisations alike. When compared to 2024, in 2026 statistics of all these main social media apps showed increased users. Facebook (Meta) and YouTube showed a 17% increase each, while WhatsApp recorded a 12% increase over the period and TikTok recorded a 41% increase in number of users. Civil society organisations are also adapting to these changing times and are using social media more in their activities – for publicity, outreach, and advocacy

The most recent official assessment of digital literacy is still the Computer Literacy Statistics 2024 Annual Bulletin (which has its limitations and was reported last year as well). The overall computer literacy rate in Sri Lanka was reported at 35.9%. The Western Province reported the highest level of computer literacy at 46.0%, whereas the North Central Province reported the lowest at 24.2%. The urban sector recorded the highest computer literacy rate at 47.3%, while the rural and estate sectors were at 34.5% and 14.9%, respectively. Estate sectors, particularly in the central districts where the marginalised Malaiyaha Tamils live, remain the least digitally literate. This became evident during Cyclone Ditwah in late November 2025. Some regions in the hill country lost telephone connections and contacts for prolonged periods and were unable to receive early warning information..

The CSO representatives who participated in the panel discussion noted that the capacity levels of CSO staff in ICT remain an area of concern. Diminished funding due to cuts by key donors over the year has left less resources for many CSOs to invest in IT equipment, trainings, and digital security. This is coupled with the lower skill levels among marginalised and vulnerable target communities that CSOs work with and among the regional and district based CSO staff. The negative effect of this on the organisations, the panellists explained, will be seen in the next couple of years. The adoption of AI is also very uneven among CSOs, with many smaller organisations not fully utilising its potential due to staff capacity, cost, and connectivity considerations. As panellists mentioned, basic ICT skills among established CSOs have improved, but data literacy, factchecking, and AI skills remain limited. A majority of the organisations using AI are using it at a very basic level with limited range of prompts. Digital hygiene within civil society continues to remain weak. The funding crunch has also had

a negative impact with fewer resources to budget for licensed software and cyber security measures, consequently increasing the vulnerabilities of CSOs.

Digital accessibility, namely ensuring content is usable for people with disabilities, is still at a development stage. Sri Lanka does not currently have specific national web accessibility laws. There is an emerging market for digital accessibility services, including Web Content Accessibility Guidelines (WCAG) compliance audits, screen reader compatibility testing, and inclusive web design implementation. The adoption of these will likely take place over the next year. Sri Lanka remains a country where digitalisation discourse is not available in the languages spoken by the majority of citizens, which affects accessibility by various groups.

C) Recommendations

To the Government of Sri Lanka

- **Halt** the process of replacing the VSSO Act with an NGO Act under the pretext of meeting FATF requirements. Instead, retain the current plural avenues for registration and amend the existing law to streamline the voluntary registration of NGOs to ensure a predictable, structured, and accountable registration process. Any legislative measures to counter terrorist financing should be in line with the best practice guidelines on recommendation 8, issued by FATF.
- **Confirm** and communicate that a secondary registration under the VSSO Act is voluntary under current law and that provisions of the VSSO Act and the resultant obligations apply only to the entities registered under the Act. The NGO Secretariat, in coordination with the Ministry of Public Administration and the Central Bank of Sri Lanka, should proactively communicate these positions to relevant officials in the public and banking sectors so that a second registration to open/operate bank accounts is not required.
- **Adopt** a transparent and participatory legislative process by clarifying the motivations and rationale for the new NGO law., Ensure new laws meet international standards and Sri Lankan constitutional guarantees, sharing early drafts in Sinhala, Tamil, and English within an adequate timeframe to provide feedback and organise structured consultations, particularly with those segments that will be affected by the law.
- **Respect** fundamental freedoms guaranteed under the constitution of Sri Lanka and international conventions ratified by Sri Lanka and refrain from any policy and legislative measures that will impinge on the independence and neutrality of civil society organisations.
- **Remove** unnecessary security sector intervention in the civil society registration process. The NGO Secretariat's requests for input from security or intelligence officials and special police clearance reports should not be part of the routine registration process.
- **Structure** the relationship between the Ministry of Rural Development and Community Empowerment and NGOs by developing a policy framework that provides a basis for state-civil society relations and that respects the independence of the sector and recognises its role in a democratic society. The Ministry should reduce administrative burden on CSOs by paring down the onerous reporting and certification requirements currently prescribed by the NGO Secretariat for organisations registered under the VSSO Act.

- **Recall** the circulars issued by Central Bank that impinge on the enabling environment for civil society organisations and creates difficulties in predictably receiving and utilising donor funding.
- **Heed** the recommendations and observations from the Human Rights Commission of Sri Lanka on fundamental freedoms, safety of HRDs, and the Online Safety Act.
- **Institute** structured processes for informed consultations with CSOs on policies, laws, and implementation at the national and regional levels as a component of wider public consultation process. This should include space for CSO engagement at the district and divisional coordinating committees.
- **Dismantle** the permissive legal framework and institutional practices that enable military and security sector surveillance and intrusion into civil society activities. To achieve this:

    - Repeal the Prevention of Terrorism Act (PTA) and announce a moratorium on its use until it is repealed. Any anti-terror law shall be within the ordinary law framework.
    - Reform the Online Safety Act (OSA) in line with the recommendations made by the Supreme Court, demands of the civil society, and international best practice, and until then halt its enforcement.
    - Reform Penal Code Sections 365 and 365A.
    - Stop the abuse and misapplication of laws like the International Covenant on Civil and Political Rights (ICCPR) Act, the PTA, and the Public Security Ordinance (PSO) by the Police.
    - Ensure strict application of judicial oversight in obtaining banking and telecommunication details of CSOs and HRDs.

- **Review** the amendments to the Financial Transaction Reporting Act, Anti-Money Laundering Act, and Convention on Suppression of Financing of Terrorism Act for their impact on freedom of association, assembly, and expression and **revise** accordingly.
- **Expedite** the implementation of the Personal Data Protection Act (PDPA) through a coordinated approach with identified data controllers.
- **Abolish** the NGO Tax.
- **Provide** adequate resources and strengthen the Right to Information (RTI) Commission. Improve awareness and accessibility of the RTI Commission for people at the district level.

To the Civil Society in Sri Lanka

- **Strengthen** collective efforts by CSOs on issues of common interest, including on NGO legislation, freedoms of expression and assembly, and protection of HRDs. These platforms should be inclusive. They should systematically collect data on the different aspects of an enabling civic space in order to engage in evidence-based advocacy.
- **Advocate** with FATF and other relevant institutions in order to raise awareness about the laws and operational environment for CSOs in country with a view to conveying what is being done under the pretext of FATF and its implications.
- **Adopt** a self-regulation mechanism to enhance good governance, transparency, and accountability in the sector.
- **Institute** a system of tracking and documenting violations of fundamental freedoms faced by CSOs and HRDs with a view to compiling and disseminating periodic reports,

responding to any incident/crisis situation and informing advocacy for an enabling environment.

- **Develop** systems that will ensure equitable sharing of information on funding opportunities and resources available across the sector and be a platform for sharing of services and mutual support.
- **Encourage** CSOs to develop plans to diversify funding sources, including from the private sector, and build capacity on data-driven advocacy, communications, digital literacy and security
- **Reach out** to media (including through social media) to enhance civic awareness and to build a constituency among the public on civic space issues.
- **Promote** inclusivity in the sector by actively engaging across ethno-religious differences and with other vulnerable segments of society.
- **Encourage** CSOs to access the RTI Commission and Human Rights Commission on issues relevant to the operational environment for CSOs and advocate for adequate resources to be allocated to these independent institutions.

To the International Community and Donors of CSOs in Sri Lanka

- **Support** the advocacy efforts of CSOs in their demand for meaningful consultations on the proposed NGO bill and a legislative framework that respects fundamental freedoms and the independence of the sector and one which creates an enabling environment for CSOs. Ensure that requirements of FATF are not used as an excuse by government to bring in more onerous reporting requirements, undue restrictions, and interference and control of CSOs.
- **Provide** flexible and multi-year funding tailored to the country context. Ensure that CSOs from different parts of the country are able to avail themselves of these opportunities equitably.
- **Foster** collective action and coalition building by ensuring dedicated funding for such initiatives.
- **Promote** localisation through a deliberate funding strategy with effective eligibility and selection criteria, provision of core funding, and capacity building support for fundraising, including from the private sector.
- **Allocate** special funds for vulnerable communities such as the LGBTIQ communities, commercial sex workers, among others.
- **Provide** for capacity building support on crucial institutional areas such as digital communication and digital security.

D) Research Process

Each principle encompasses various dimensions which are assessed and aggregated to provide quantitative scores per principle. These scores reflect the degree to which the environment within the country enables or disables the work of civil society. Scores are on a five-category scale defined as: fully disabling (1), disabling (2), partially enabling (3), enabling (4), and fully enabling (5). To complement the scores, this report provides a narrative analysis of the enabling or disabling environment for civil society, identifying strengths and weaknesses as well as offering recommendations. The process of drafting the analysis is led by Network Members; the Consortium provides quality control and editorial oversight before publication.

For Principle 1 - which evaluates respect for and protection of freedom of association and peaceful assembly - the score integrates data from the CIVICUS Monitor. However, for Principles 2–6, the availability of yearly updated external quantitative indicators for the 86 countries part of the EU SEE programme are either limited or non-existent. To address this, Network Members convene a panel of civil society representatives and experts once a year. This panel uses a set of guiding questions to assess the status of each principle and its dimensions within the country. The panel for this report was convened in May 2026. The discussions are supported by secondary sources, such as V-Dem, Bertelsmann Stiftung Governance Index, RTI Rating from the Centre for Law and Democracy, and other trusted resources. These sources provide benchmarks for measuring similar dimensions and are complemented by primary data collection and secondary sources of information available for the country. Guided by these deliberations, the panel assigns scores for each dimension, which the Network Members submit to the Consortium, accompanied by detailed justifications that reflect the country's specific context. To determine a single score per principle, the scores assigned to each dimension are aggregated using a weighted average, thus reflecting the relative importance of each dimension within the principle. This approach balances diverse perspectives while maintaining a structured and objective evaluation framework.

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