

SITUATION UPDATE

- In May 2022, the Sri Lankan Government defaulted on its international debt, inflation rates sharply increased, and the Government became unable to import essential commodities, including fuel (BBC 20/05/2022). Inflation has continued increasing since the beginning of the crisis. In June, it reached 55% (Trading Economics accessed 14/07/2022). Power cuts, shortages in fuel and medicine, and issues around affording necessities because of the economic crisis have been leading people to protest in the streets since April. These protests have grown larger since (BBC 15/07/2022).
- The fuel shortage has worsened since ACAPS' previous report and has forced the Government to restrict fuel usage to essential services. This move has pushed more people to protest in the streets, inciting political unrest in Sri Lanka (CNN 30/06/2022). The Government has responded by using tear gas and imposing curfews. The lack of fuel is restricting people's ability to access services and income-generating activities, particularly for daily wage workers (The Conversation 14/07/2022; Daily Mail 13/07/2022; Al Jazeera 29/06/2022). As a result, humanitarian needs are increasing in the country.
- Fuel stockpiles have ran low as the Government continued to struggle to secure fresh fuel shipments for replenishment. The government fuel restriction imposed on 28 June involved limiting usage to essential services (such as healthcare and train and bus services). These restrictions were to end on 10 July, but the Sri Lankan president announced on the first days of July that the country was running out of petrol soon (WSJ 28/06/2022; CNBC 27/06/2022; Reuters 27/06/2022; BBC 07/07/2022; The Guardian 04/07/2022).
- On 9 July, over 100,000 protesters gathered outside the presidential residence demanding the resignation of the Sri Lankan president, with crowds of people entering the palace (CNN 09/07/2022; BBC 10/07/2022). Protesters had been demanding the resignation of the president for months of unrest over accusations of economic mismanagement (BBC 15/07/2022; Reuters 14/07/2022; CBS 11/07/2022).
- Public pressure had led Sri Lankan president Gotabaya Rajapaksa to assure the people that he would resign on 13 July, but he instead fled to the Maldives and appointed Prime Minister Ranil Wickremesinghe as acting president (CNN 13/07/2022; TOI 13/07/2022; BS 13/07/2022). With this post, Wickremesinghe declared on 13 July a state of emergency and a curfew effective immediately in the Western province, which includes Colombo, the main city. It is unclear when the curfew will be lifted (The Morning 13/07/2022; Reuters 13/07/2022).
- As at 11 July, around 5.7 million people in Sri Lanka were in need of humanitarian assistance, including food, WASH, education, protection, health, and nutrition (OCHA 11/07/2022).

ANTICIPATED SCALE AND SCOPE

- The Sri Lankan central bank has warned that political unrest in the country is jeopardising bailout talks with the International Monetary Fund, which is waiting for the formation of a new government (Central Banking 12/07/2022). Political instability is likely to delay recovery because of disruptions in current government functioning (Al Jazeera 13/07/2022; Bloomberg 12/07/2022).
- The president not resigning may spark new protests and sustain political unrest. As protests turn more violent, turmoil and violence in the streets are likely to worsen the economic crisis and further disrupt livelihoods (CNN 13/07/2022; TWP 13/07/2022). Protests have been taking place in all main cities: Colombo, Galle, Jaffna, Negombo, Sri Jayawardenapura Kotte, and Trincomalee.
- On 19 May, Sri Lanka defaulted on paying its debt for the first time in history. The Government's inability to pay creditors has a detrimental effect on its financial reputation, making it harder to borrow money from the international market. It also has the potential to cause the further depreciation of the Sri Lankan rupee, which would cause consumer prices – particularly of essential imports, including oil, food, and medicine – to soar even higher (BBC 15/07/2022 and 20/05/2022; Reuters 11/03/2022).
- Protests are often concentrated near fuel stations, hospitals, government buildings, politicians' residences, public squares, and railway stations, as well as along major roadways connecting cities. The acting president has authorised heightened security measures, including curfews, and allowed security personnel to use force in implementing them (ITV News 14/07/2022). As insecurity and protests are likely to persist, the unrest will continue affecting people's ability to engage in income-generating activities, causing adverse impacts on their livelihoods (Crisis24 09/07/2022; EN 04/07/2022).
- There is still a risk that the crisis may lead to a wave of migration towards India (DW 05/07/2022). The Indian Government has increased surveillance on the Tamil Nadu Coast with the deployment of the Indian Coast Guard (Firstpost 11/07/2022).

About this report

On 10 June 2022, ACAPS published an anticipatory analysis of the prospects for the deterioration of the humanitarian situation in Sri Lanka. Some of the sections are still relevant. Other elements of the analysis have started materialising. This report provides an update of the previous analysis with information available from 10 June to 17 July.

Humanitarian constraints

- The lack of foreign currency continues to affect the Sri Lankan Government's ability to secure fuel shipments (BBC 07/07/2022). The inadequate fuel supply has the potential to hinder the delivery of humanitarian assistance to the affected population.
- Civil unrest, sporadic protests, emergency laws, the sudden declaration of curfews, and violence across the country are likely to disrupt and delay the movement and implementation of humanitarian operations (IFRC 30/06/2022).

IMPACT

Food security and livelihoods

The food inflation rate rose by more than 20 points throughout June, reaching 80.1% year over year (Central Bank of Sri Lanka 30/06/2022). The sharp increase in food prices affected people's ability to afford food for their families. Around 40% of households have had inadequate diets because of the crisis (WFP 06/07/2022).

Food shortages have paralleled these rapid food price increases. A ban on chemical fertilisers has reduced agricultural production by around 50%, limiting food availability around the country (Time 13/07/2022). It is estimated that only 24% of usually worked land was cultivated for the upcoming season. National production is not enough to satisfy domestic demands, and the country does not have enough foreign currency to import food (OCHA 09/06/2022).

Remittances have decreased during the first five months of 2022 (down to USD 1.3 billion from USD 2.8 billion in 2021), which in turn has reduced the livelihoods of the population (CBC 13/07/2022; TWP 14/07/2022). Income has stopped for 11% and decreased for 62% of households (OCHA 09/06/2022).

As at June 2022, around 4.9 million people in Sri Lanka were food insecure (WFP 22/06/2022). To cope, around 60% of Sri Lankans have been reducing the frequency and quantity of meals and eating less nutritious and preferable foods (UN News 06/07/2022; WFP 06/07/2022). Informal income earners, unskilled casual labourers, and those who do not have home gardens or livestock are most vulnerable to food insecurity. The Government has forecasted food shortages in the coming months (OCHA 09/06/2022). These shortages are likely to drive food prices up, reduce their affordability, and increase the number of food insecure people in the country.

Food insecurity is most prevalent in the Sri Lankan estate sector. All plantations are 20 acres or bigger and have ten or more resident labourers, and half of the population of the sector

is food insecure (Vijayakumar and Brezinová 2012; WFP 06/07/2022). While other Sri Lankans can rely on savings to cope with food insecurity, the estate population has to borrow money to cover food expenses, take children out of school, and sell their belongings (Save the Children 06/07/2022; CBC 14/07/2022).

Protection

The current Government has adopted a Sinhalese Buddhist nationalist rhetoric, putting some minorities, such as Tamils, in major economic vulnerability (The Conversation 14/07/2022; The Guardian 22/07/2022; IFRC 30/06/2022). The humanitarian situation of these minorities can be at most risk of deterioration.

The fear and uncertainty of living in a collapsing economy, experiencing hunger, and a lack of basic comforts are causing an increase in violence towards women and children. Domestic violence has been increasing because of stresses on the family resulting from economic difficulties. The risk of employing negative coping mechanisms, including sexual exploitation and abuse and child marriage, is increasing during the crisis (IFRC 30/06/2022; CADTM 06/04/2022).

Cases of sexual assault, physical abuse, and child negligence have increased in Nuwara Eliya district in Central province, Batticaloa district in Eastern province, Moneragala district in Uva province, and Mullaitivu district in Northern province. Given the deterioration in the security and economic situation, some organisations anticipate that such incidents will continually increase over the next several months (IFRC 30/06/2022).

Health

There is a shortage of essential drugs and supplies in Sri Lanka (Mint 13/07/2022). As local hospitals are out of staff and supplies, people have had to take long trips to other cities to get attended to (Sarkar 29/06/2022). Routine non-emergency surgeries, medical procedures, and laboratory tests have been put on hold to prevent the depletion of stocks (SciDev.Net 22/04/2022).

Mental healthcare services are not fully functioning because of financial shortages; the socioeconomic situation, compounded by limited possibilities for care, has left the population facing more pressures. As a result, there has been an increase in stress and mental health impacts. 41% of households interviewed expressed that their child members were more anxious and nervous, while 31% reported that they were sadder and more depressed (OCHA 09/06/2022).

The country is also facing elevated dengue activity. Dengue fever can progress into a more severe form known as dengue haemorrhagic fever. A lack of detection can increase the fatality of the disease (Crisis24 08/07/2022; Nature 15/07/2022).

The lack of food and people's employment of negative coping mechanisms have contributed to the population's malnutrition, with global acute malnutrition rates at 15% (OCHA 09/06/2022).

As at 30 June 2022, Sri Lanka was still facing the three-month shortage of medicines and drugs that the Government announced in April (Bloomberg 03/05/2022). Nearly 85% of the pharmaceuticals used in Sri Lanka are imported, and 140–150 types of medicines are out of stock while 250 are in short supply (IFRC 30/06/2022). Some of the unavailable drugs are used for the treatment of rabies, epilepsy, sexually transmitted diseases, and cancer (ET 13/07/2022). Continuous power cuts are also affecting hospitals' capacity to perform critical surgeries.

Access to drinking water is also at risk, as water treatment plants are operating under reduced capacity because of power cuts and a lack of treatment chemicals (IFRC 30/06/2022). Nearly half of the population does not practice any form of water treatment. The lack of chemicals prevents households from using water chlorination as a form of treatment. Other forms of water treatment, such as boiling water, are also inaccessible because of fuel shortages. A lack of access to clean drinking water increases the risk of disease transmission (OCHA 09/06/2022).

Education

The Ministry of Education has announced that schools will reopen on 18 July, extending for another week the school recess that was to end by 11 July (Daily News 11/07/2022). The reopening of schools remains uncertain given the persistent fuel shortages (The Morning 13/07/2022).

About 50% of households are struggling to keep their children in school, as resources and transportation options are scarce. In schools, children receive free meals, so closures can also affect their access to food (Save the Children 22/06/2022).

Because of the fuel shortage, the Government has decided to close schools in the country four times. The first time was just a few months after the COVID-19 pandemic caused the closure of schools for one and a half years (Save the Children 22/06/2022). The most recent closure started on 18 June and was intended to last only one week, but it was extended for two more weeks (BS 04/07/2022; Save the Children 28/06/2022).