



2015

a year in review

2016

 **LIRNEasia**
Pro-poor. Pro-market.

OUR MISSION

Catalyzing policy change through research to improve people’s lives in the emerging Asia-Pacific by facilitating their use of hard and soft infrastructures through the use of knowledge, information and technology.

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CHAIR'S MESSAGE

Rohan Samarajiva

2015-16 was a year of significant change in the external environment of LIRNEasia.

It was a watershed year for Sri Lanka, the country we operate out of. A new President and government came to power, promising to give priority to good governance. Among the new deputy minister is LIRNEasia's former Consultant Lead Economist, Harsha de Silva.

LIRNEasia contributed to electoral reforms and the Right to Information (RTI) legislation. Human Capital Research Team Leader Sujata Gamage served as perhaps the most reliable source of data and simulations for the discussion on an improved electoral system. The Constitutional Amendment was gazetted but not adopted during the terms of the previous Parliament. The work continues.

LIRNEasia also participated in the broadly consulted formulation of RTI legislation, which was unanimously adopted in June 2016. Overall, LIRNEasia's evidence-based contributions to legislation had impact. Urban development is the centerpiece of the new government's economic program. As a result, dissemination of LIRNEasia's big data research shifted from supply-driven policy enlightenment to demand-driven policy application within Sri Lanka. There is also a greater openness to evidence in initiatives to connect farmers to global value chains, a focus of LIRNEasia research since 2007.

In Myanmar, elections held in November 2015 saw Myanmar ICT for Development Organization's (MIDO) founding Executive Director Nay Phone Latt become a member of the Yangon Regional Legislature. The transition to the new government took a few months, which slowed momentum to some extent. The Ministry of Communication and Information Technology (MCIT) was merged with the much larger Ministry of Transport. MCIT Deputy Minister U Thaung Tin who led the telecom reforms and who was our principal interface with government returned to the private sector. The successful conduct of awareness programs for members of the Union and Regional Legislatures in July 2016 helped restore momentum.

We were able to re-engage with Nepal through a well-attended broadband training course held just before the 2015 Gorkha Earthquake. Our local partner, the Nepal Chapter of the Internet Society, was at the forefront of disaster response. We were able to make a small contribution to their relief work through matched donations from the LIRNEasia community. The bulk of the funds were used to produce an evaluation of Nepal's emergency communication systems by leveraging the expertise of Senior Research Fellow Nuwan Waidyanatha.

The emotive and evidence-thin debates on zero rating of some Internet content in India saw our research being used by both sides. CEO Helani Galpaya received many speaking and writing invitations, primarily on zero rating, but also in relation to the challenges of developing indicators for the sustainable development goals. Members of the big data team raised the profile of LIRNEasia's big data research through multiple speaking engagements and publications.

In light of the heterogeneity of the research activities now being undertaken within LIRNEasia, the Board decided to create advisory panels for major research programs, while gradually phasing down the previous broad Scientific Advisory Council. Advisory bodies were constituted for the big data and Myanmar projects.

The winds have shifted on demand-side research and the kind of capacity-building initiatives exemplified by CPRsouth. It appears that there is a greater appreciation of the value of these activities among funders of research. LIRNEasia will make best efforts to capitalize on these shifts while also opening up new areas of research such as platform economies.



CEO'S MESSAGE

Helani Galpaya

This financial year saw the start of three large projects. We started our research into how the Internet is changing the nature of work by examining online micro-work, free lancing platforms and those who work on them. We also went back to our roots in agriculture, studying the impact of good agricultural practice (GAP) standards that are disseminated via mobile phones, on export-oriented agriculture value chains. We continued our work in Myanmar, disseminating the results of the country's first ever representative survey of ICT and knowledge use to media, civil society and policy makers including the Minister in charge. We also continued our research in Myanmar by partnering with the GSMA to research how gender plays a role in mobile phone ownership. Our big data research continued, with more interactions with the Western Region Megapolis Planning Project.

LIRNEasia changed with new additions and a few departures. Gayani Hurulle was no stranger to LIRNEasia, having worked with us as an intern while she was completing her degree. Having achieved her goal of a first class degree, she joined LIRNEasia full-time, and is managing our work in Myanmar, among other things. She took over the Myanmar work from Radhika Wijesekera who departed to spend more time with her family. MIDO, our partner in Myanmar, underwent a significant organizational change when its Executive Director Nay Phone Latt was elected to the Yangon regional parliament in November 2015 when Myanmar held its first democratic elections in over 20 years. Htaike Htaike Aung took over as the new Executive Director and work continues seamlessly. J.A.P.

Isuru joined the big data team and has taken on added responsibility in anticipation of the imminent departure of two senior members of the team who are leaving to pursue PhD degrees overseas. Shazna Zuhyle and husband Ahamed welcomed their baby boy Ibrahim this year. Taking our commitment to helping staff balance their work and home lives, Ayesha Zainudeen and Shazna Zuhyle continue to work part-time and manage research effectively.

LIRNEasia has survived on project funding for over 12 years, without any core funding. With the guidance of the LIRNEasia Board of Directors, we are now focused on financial sustainability, and will look to strategically build up our reserves and expand our work into areas beyond the long-term research projects that have funded us traditionally. This impacts performance targets for all research and administrative staff. It also changes the incentives for those who work at LIRNEasia in the future. We kicked off this discussion in August at an off-site strategic planning session combined with a team-building activities. I look forward to this new and challenging phase of LIRNEasia.



(c) Radhika Gunawardena



ABOUT LIRNEasia

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LIRNEasia is a think-tank working across Asia-Pacific on regulatory and policy issues in the ICT sector and other sectors such as agriculture and health which can benefit from ICT.

We create and disseminate independent, actionable knowledge that is gained through applied research. Our primary audiences are senior policymakers, regulators and senior executives of firms that deliver services to citizens, particularly telecom operators. Our secondary audiences are the media and opinion leaders who shape the symbolic environments of our primary audiences. We maintain a physical presence in Colombo; however, much of our work happens

virtually. During the 2015-16 financial year, we had fifteen employees (eleven full-time and four part-time) and four consultants. LIRNEasia’s dynamic group of research and policy fellows located all over Asia and even in the U.S. are team members in the fullest sense. This setup is an economical solution to the problem of mobilizing LIRNEasia’s geographically-dispersed human resource pool.

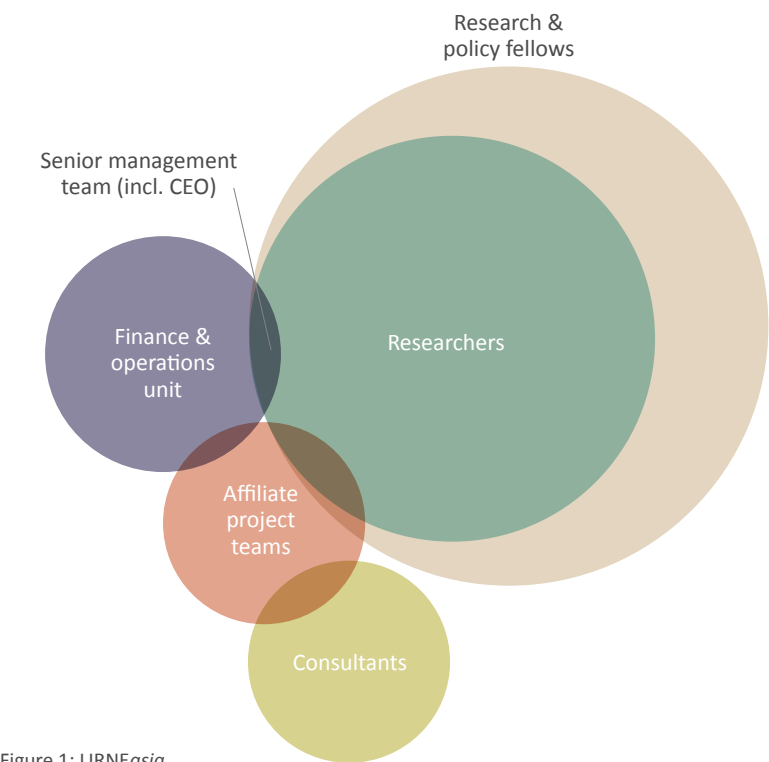


Figure 1: LIRNEasia organizational structure (March 2016)

FUNDING

During the year in review, LIRNEasia’s research, advocacy and capacity-building programs were funded by



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* Not serving in an official capacity.

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Back in 2004 September when LIRNEasia was launched, Myanmar was mentioned twice in the central presentation entitled “Why LIRNEasia?” where the phenomenon of two Asias was discussed. It was stated that broadband was cheapest in China (USD 9.66/mo.); eighth lowest in Taiwan (USD 19.39/mo.); and 11th lowest in Sri Lanka (USD 21.71/mo.), according to ITU data from 2004. At the other extreme from Asia were Bhutan (USD 1,680/mo.) and Myanmar (USD 4,794/mo.) for lower-speed connectivity. In discussing possible research projects, Myanmar was mentioned again as a country experiencing access difficulties possibly related to dysfunctions of domestic and international backhaul. LIRNEasia’s focus was stated as being firmly on emerging Asia that included countries such as Bhutan, Myanmar and perhaps even Kyrgyzstan.

However, there was a slip between cup and lip. Back then, we were ignorant of the powerful sanctions that stood in the way of expenditure of funds in Myanmar. Even more importantly, there was no demand from any of the three audiences we mentioned in the presentation: government, private sector and civil society. Until the opening of political space with the release from house arrest of Daw Aung San Suu Kyi, the best we could do was through internships to Myanmar students living abroad and an occasional inclusion of a Myanmar official representative in an expert roundtable or training program (funded by LIRNEasia and not by project funds). The Myanmar guide book purchased in 2006 saw no practical use for five years.

An op-ed entitled “Myanmar is last in Telecoms: What can be done,” was published in the leading English-language publication *Myanmar Times* in May 2012 with the assistance of the late Haymar Win Tun who completed her Public Policy Master’s internship at LIRNEasia in 2009-10.

The foundation for our engagement in Myanmar was laid outside the visa office at the Baku Airport. LIRNEasia's then CEO Rohan Samarajiva was attending the 2012 Internet Governance Forum hosted by Azerbaijan, as was Htaike Htaike Aung, the current Executive Director of MIDO (Myanmar ICT for Development Organization). They talked while waiting.

As the country was opening up, the few civil society organizations active in Myanmar were deluged by requests for partnership from various organizations. Because of the conversations in far-away Baku, LIRNEasia's request yielded an invitation to visit the MIDO office in Yangon. In August 2013, CEO Helani Galpaya and Rohan went to Myanmar to teach the regulatory module of a training program for government, private sector and civil society organized by GSMA, the mobile industry trade association, and the World Bank. MIDO's Nay Phone Latt was among the attendees. The partnership was worked out in Yangon and Nay Pyi Taw on the sidelines of that event.





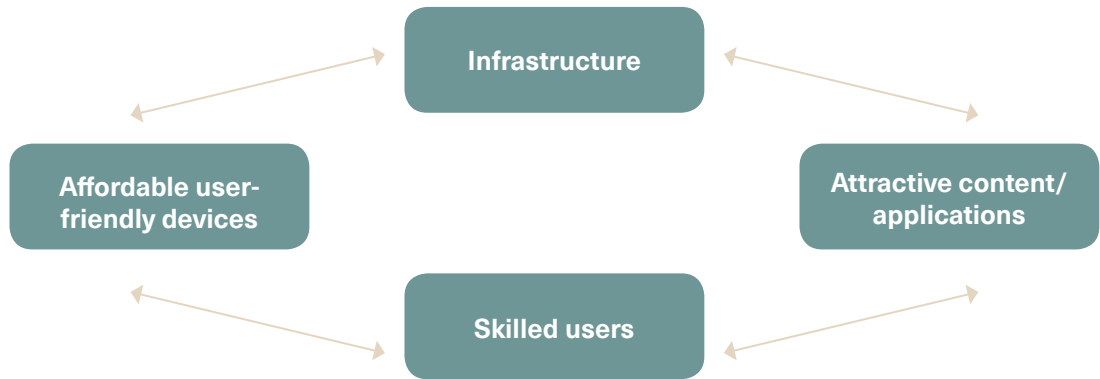
OUR ENGAGEMENT

LIRNE*Asia* continues to conduct and disseminate policy-relevant research and develop the capacity of all stakeholders in Myanmar including government in ways that also result in building up MIDO so that it can develop into an effective independent entity. When LIRNE*Asia* fades into the background and MIDO contributes to Myanmar’s reform process in its own right, we will have succeeded.

This will also contribute to the formation of tomorrow’s leaders for Myanmar. MIDO’s founding Executive Director Nay Phone Latt is now a Member of the Yangon Region Hluttaw (Parliament). MIDO’s credibility is evidenced by its success in organizing multiple awareness programs on ICT and e-government policy and regulatory issues for members of both houses of the central regional Hluttaws.

THE CURRENT PROJECT

Based on preliminary research, we concluded that Myanmar’s late-comer advantage created an opportunity to undertake research and activities that would accelerate Myanmar’s transformation into an inclusive information society within a shorter time than seen before in other countries. Our hypothesis was that Myanmar could skip the voice-only stage and move directly to “more-than-voice” if all elements of the Internet eco system could be progressed in parallel.



To the best of our knowledge, this “all-fronts” approach was novel back in 2014 when we conceptualized the project though it is now becoming common place. Until then, LIRNE*Asia*’s interventions had been mostly focused on making available affordable connectivity services. Limited efforts had also been made on developing attractive content and applications. But qualitative research conducted among urban micro-entrepreneurs before competitive suppliers commenced operations and before 3G was rolled out showed us the incipient opportunity. Even then, smartphones outnumbered feature phones. The nationally representative baseline survey of household and individual ICT use conducted in 2015 confirmed our hunch, showing that 66 percent of all subscribers were equipped with smartphones. The mean price of a handset was USD 87.

Infrastructure reforms are among LIRNE*Asia*’s areas of core competence. On the other extreme is the thrust on affordable user-friendly devices. In the old days, the only entities who could provide such devices were manufacturers and operators. But now with people carrying in their pockets computers in the form of smartphones, software solutions exist.

Ease with interfaces may be seen as a continuum. Those who are blind or deaf experience significant difficulties in accessing the Internet. However, these difficulties are present to a lesser extent even among persons who are not considered disabled, especially among the rapidly increasing aged population. Solutions developed for these populations may have relevance for those with literacy problems and those who have difficulty in using touchscreens for input.

With this in mind, we included one of the world’s leading experts on disabled access, Dr Nirmita Narasimhan of the Centre for Internet and Society, in our work program. With her help, we have been able to make considerable headway.

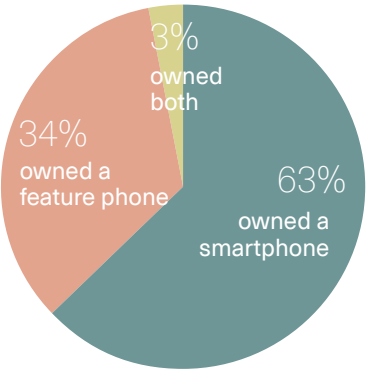
MAKING OURSELVES REDUNDANT

When Myanmar attained independence, it had one of the best educational systems in the former British Empire. But now, it suffers from serious capacity constraints. Lack of knowledge of infrastructure policy and regulation is common in most countries beginning reforms. But Myanmar suffered greater constraints. The struggle for democracy had sucked in all the energy and little was left for anything else.

But now Myanmar has gone through a phase change. Democracy is a given. Now the government must create hope in the heart and put money in the pocket. For that we need organizations like MIDO contributing to the policy process and keeping government accountable. LIRNE*Asia* sees its role as that of mentoring MIDO. When that task is done, it will fade into the background. It will become redundant. That will be success.

66% OF SUBSCRIBERS OWNED A SMARTPHONE

Figure 2: Handset type (as % of mobile subscribers)



Source: LIRNE*Asia* Myanmar sample survey



REVIEW OF ACTIVITIES



LEVERAGING BIG DATA FOR PUBLIC POLICY PURPOSES SINCE 2012

LIRNE*Asia* is, to our knowledge, one of the few (if not the only) institutes located in the Global South that conceptualizes and implements our own policy-relevant big data analyses and research. LIRNE*Asia* negotiated access to pseudonymized, historical call detail records from multiple mobile operators that were analyzed to understand and monitor land use, congregations of people, peak and off-peak travel patterns, communities, traffic, etc. Partnerships have been built with local universities where we have catalyzed interest in big data research for social good. Local in-situ capacity has been built. Policy makers and government departments with no prior knowledge of the applicability of these new sources of data, have been enlightened. The 2015-16 financial year has been one of transitions.

On the policy engagement side, we moved from supply-push to demand-pull. Policy makers now make active requests for insights from big data. One example was the Western Region Megapolis Planning Project (WRMPP), which invited LIRNE*Asia* to provide insights during the planning phase. The WRMPP was a master plan for Sri Lanka’s Western Province (largest province by population and responsible for about 45% of the country’s GDP). LIRNE*Asia* insights were used to underscore the need to alleviate congestion in the capital Colombo, and also used to support the case for the development of specific well-connected areas in the periphery of the province. Internationally LIRNE*Asia* has been invited to a variety of forums, to both share our experiences as well as to provide advice in leveraging new and big data sources in developmental policy. In Ulaanbaatar at a workshop at the Mongolian Parliament, the Chairman of Mongolia’s National Statistics Office pointed to LIRNE*Asia* research as an example of work relevant for Mongolia and which ideally should be replicated.

In this financial year, LIRNE*Asia* also constituted an advisory council for its big data research. The purpose of the advisory council is to provide input and quality control on LIRNE*Asia*’s ongoing research, as well as to help facilitate partnerships. Given the multi-disciplinary nature of LIRNE*Asia* big data for development (BD4D) research, the advisory council is intentionally constituted from different disciplines and domains. Members include data science experts, sector specific experts (e.g. transport planning, urban planning), social science experts, and legal experts from around the world.

LIRNE*Asia* has also moved to explore and integrate other data sources to enrich the overall insights that it is developing. These include Close Circuit TV (CCTV) in relation to traffic monitoring, satellite imagery and Foursquare data to build better land use maps, etc. The big data team is also transitioning and growing. Three researchers are set to start their PhDs in prestigious programs in the US, Japan, and Australia.

CPR*south* Taipei

LIRNE*Asia*’s big data research did a clean sweep of CPR*south* 2015 held in Taipei, Taiwan. The research paper, titled “Where did you come from? Where did you go? Robust policy relevant evidence from mobile network big data” by Danaja Maldeniya, Amal Kumara, Sriganesh Lokanathan, Gabriel Kreindler, and Kaushalya Madhawa won the best paper award. Similarly a paper titled “Understanding communities using mobile network big data” by Kaushalya Madhawa, Sriganesh Lokanathan, Rohan Samarajiva, and Danaja Maldeniya won the best policy brief award.

HELPING NEPAL BUILD BACK BETTER

It was barely a month after LIRNE*Asia* conducted a course on broadband policy and regulation in Nagarkot, that Nepal was affected by the Ghorka earthquake. Our hearts went out for the people of Nepal who suffered from a series of temblors, power and communication outages and untold difficulties. After contributing financially to the immediate relief activities undertaken by our partner, the Internet Society of Nepal (ISOC Nepal), we concluded that what would be most valuable would be a contribution in the form of an assessment of how the communication system stood up to the earthquake and what lessons could be learnt to make networks more resilient.

We at LIRNE*Asia* have always responded to disasters, first as human beings who try to reach out and help those whose lives have been shattered, then in using the disaster as an opportunity to learn how to reduce risks in the future and to provide relief and response more effectively. We believe that the comprehensive study conducted by Nuwan Waidyanatha is an excellent example of the latter. The report, based on field visits and extensive consultations was published after presentation at the iNet conference organized by ISOC Nepal in March 2016. We hope that it will contribute to actions that will result in the saving of lives and reducing harm to livelihoods.

EXPLORING MICRO-WORK / FREELANCING IN SRI LANKA

The extent to which the Business Process Outsourcing (BPO) industry can contribute to inclusive growth is the overall theme of this research. Specifically, we are interested in understanding if, and how, work platforms that mediate work online may help improve livelihoods and inclusivity of two groups that have been traditionally left behind by the BPO revolution: unemployed or under-employed youth and women. We wanted to understand the enabling factors and challenges faced by those who are currently working on online freelancing or micro-work platforms, as well as by those who can potentially do such work but aren’t doing so at the moment.

To investigate this, LIRNE*Asia* used a mixed of research methods. A nationwide baseline survey was conducted to understand the awareness and incidence of micro-work, and the self-assessed skills that are in high demand on micro-work platforms. A series of focus group discussions were conducted with potential and current workers of online platforms in different parts of the country to examine cultural and other factors that influence respondents willingness to work online, strategies adopted to increase income online and barriers faced. Researchers signed up for and participated in commercial courses which purported to teach potential workers about how to work on micro-work platforms. All this enabled us to estimate the current and potential market size, and to understand the key success and failure factors faced by the workers.

Results will be disseminated to stakeholders in Sri Lanka. In the meantime, we are going to conduct a similar research in India to study the phenomenon there.



HOW TO ENGAGE IN BROADBAND POLICY AND REGULATORY PROCESSES

The Ford Foundation supported course with the above title was tough to schedule because of the general election in Sri Lanka. It turned out in the end that the timing was perfect. LIRNEasia was able to get the Secretary of the Ministry of Telecommunication and Digital Infrastructure, Wasantha Deshapriya, and the CEO of the ICT Agency, Muhunthan Canagey, to spend half a day with the participants on the last day of the course. They heard the distilled essence of the course, in the form of team presentations on different aspects of the Internet eco-system, such as how to foster skilled users, ensure affordable service quality fit for purpose and so on. And they heard it from people whose voices are rarely heard in policy-making circles, those from the regions and from varied backgrounds. There is no tradition of organizing broad consultations as part of policy formulation in Sri Lanka. This may be as good as it gets, in terms of the always imminent broadband policy.

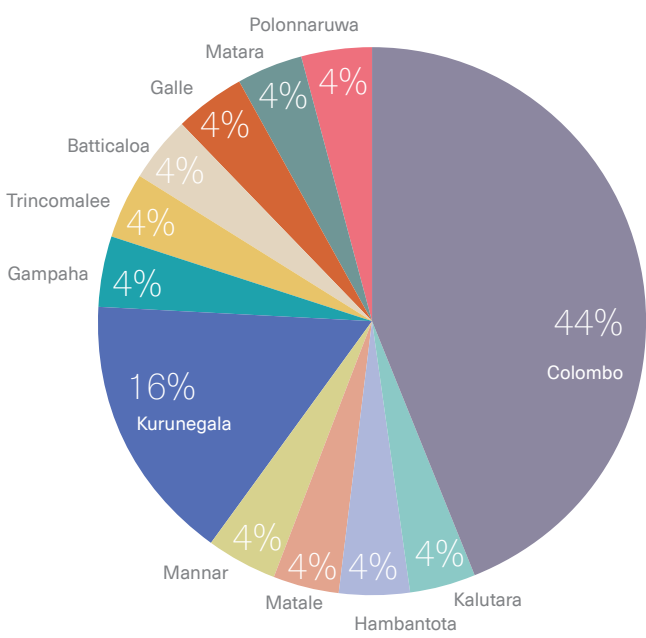


Figure 3: Representation of participants by district

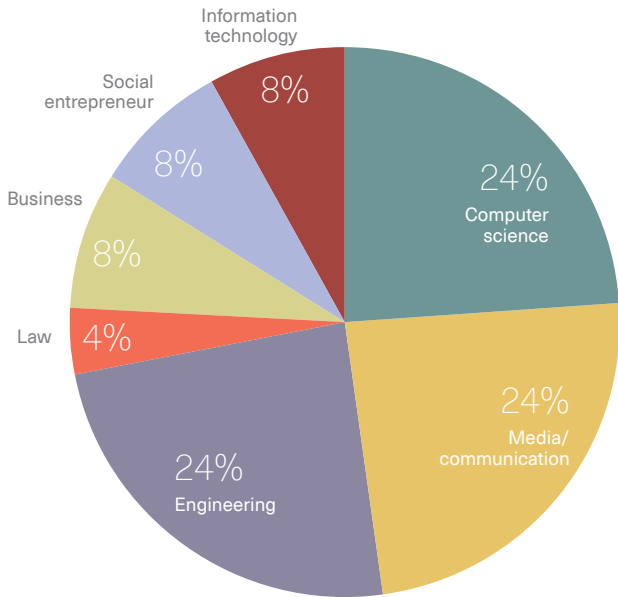


Figure 4: Representation of participants by discipline

NOFN➔BHARATNET

If you say it aloud you will know NOFN (National Optical Fiber Network) is a terrible acronym. One of our recommendations at the 2014 New Delhi expert consultation attended by many senior government officials was that they should rename it. That’s now been done, BharatNet is the initiative to connect rural villages with broadband.



Fiber is being laid slowly, given those laying it are government entities, to the Panchayat level (units of local administration). But not much is happening in the last kilometer. The Ford Foundation funded project aims to contribute to fill this gap. Surveys conducted by LIRNEasia from December 2015 to March 2016 included a sample survey in the pilot districts of Ajmer and Parvada and a qualitative study in the form of in-depth interviews among 28 key stakeholders.

HELANI GALPAYA AND THE YEAR THAT WAS ABOUT ZERO RATING: AT TRAI, THE COUNCIL ON FOREIGN RELATIONS, THE GLOBAL COUNCIL ON INTERNET GOVERNANCE AND THE UN INTERNET GOVERNANCE FORUM



Zero rated content refers to the idea that certain content offered to users by telecom operators and/or their Over the Top (OTT) partners that doesn’t count towards a users data cap. While zero rated content has been offered inside walled gardens for a long time (think free music offered by a telecom operator), the practice came into the spotlight when Facebook started offering a version of itself (called Facebook Zero, along with some other free applications, all bundled into a platform called Internet.org) free across the world, including in India. Facebook claimed it was doing so to connect the millions of unconnected people in the world. But Net Neutrality advocates across the world claimed it was the end of the open Internet as we know it. When the Indian regulator (TRAI) proposed rules to reign in the behaviors of OTTs like Facebook, over a million users wrote to TRAI, many calling for Internet.org (mainly the zero rated Facebook) to be banned. LIRNEasia’s research in Myanmar showed that social media is the killer app on the mobile Internet and that people were getting online, communicating on a variety of topics, and saving money due to social media platforms such as Facebook. As such, Helani Galpaya’s response to TRAI called for a balance between allowing zero rated applications in the short term in order to increase access and use of the Internet, while on the other hand mitigating violations of content-based discrimination (and thereby preserving Net Neutrality) through monitoring and publishing of detailed quality of service information for each operator by type of content. Based on her response, she was invited by the Council on Foreign Relations as well as the Global Commission on Internet Governance to write about the topic. She was also invited to, and took part in eight separate panels/workshops at the UN Internet Governance Forum (IGF) held in Joao Pessoa, Brazil in November 2015. Seven out of these eight panels, including two plenary/main sessions Helani spoke in revolved around issues of freedom of expression, zero rating and net neutrality. Many other panels on other topics ended up being about zero rating, with people many calling passionately for the banning zero rated content and a minority calling for more “pragmatic” approaches such as those proposed by LIRNEasia. The Stockholm Internet Forum also saw Helani moderating an emotive open session on the topic. Helani was also an invited speaker in an event on Net Neutrality held in Bangalore, organized by the Observer Research Foundation and the Center for Internet and Society.

REFLECTIONS ON SYSTEMATIC REVIEWS



Recent research at LIRNEasia shows that systematic reviews (SR) can indeed be used for assessing the impact of ICT on socio-economic development, but an SR cannot be the be-all-and-end-all in socio-economic contexts. Each and every intervention has to be evaluated in the light of each context and user perspectives, with the results of the SRs serving only as the backdrop.

Inter-governmental organizations (IGOs) together with partner governments spend billions of dollars to fund programs to improve the socio-economic status of people in developing countries. These interventions may lead to intended outcomes in a particular context, but generalizability of results is a problem. Lately, policymakers have turned to SRs to find answers to some of the complex developmental questions.

SRs have their origins in what is called the evidence movement in medicine where tradition, anecdotes, and theoretical reasoning were to be replaced by evidence from high quality randomized-control trials and observational studies. Achievements of the movement include several landmark studies and the setting up of the Cochrane Collaboration as a vehicle for such studies. Since then the Campbell Collaboration and the Evidence for Policy and Practice Information and Co-ordinating Centre (EPPI-Centre) at the University College London have emerged as vehicles for more complex socio-economic issues.

A systematic review synthesizes and summarizes the best available evidence from the literature pertaining to a specific research question. In an ordinary literature review, researchers tend to limit themselves to the literature within one’s field of study, and the screening and selection of studies are ad hoc. There is no appraisal of included studies for their quality. Authors’ claims are taken at face value. SRs are characterized by pre-defined and clearly stated steps of “screen, search, scope, appraise and synthesize” such that the process is replicable and the results updatable.

Since 2012, LIRNEasia has been involved in a number of SR projects funded by International Initiative for Impact Evaluation (3ie), IDRC and DFID. Three of the SRs focused on the impact of ICTs on economic and social outcomes. The first study by LIRNEasia was on the impact of mobile phone services on economic and productive outcomes of rural livelihoods. In two other set of SRs completed during the 2015/2016 period, we looked at the impact of mobile financial services on livelihoods of individuals and households, and the impact of networked devices on efficiency and effectiveness of Small and Medium Enterprises (SMEs).

The results of three of the four SRs have been fairly conclusive. Setting up mobile network in areas that didn’t have it previously benefits the economy of these areas. If an m-Money ecosystem is well developed, the volume and frequency of remittances increase, consumption patterns smoothen but there is no apparent effect on savings. In the integration of ICT in the classroom, teachers’ perceptions of usefulness are twice as important as their perceptions of usability. Implication is that if teachers are given ICTs they find useful, you don’t need to spend a lot on training. In regard to the impact of networked devices on SMEs we could not find sufficient studies to make a conclusion.

LIRNEasia held a series of events to communicate the results. It was interesting to note that while the academics were interested in the methodology, the policymakers were not comfortable with nuanced nature of the findings. Also some of the conclusions regarding benefits of ICT seem obvious, and policymakers seem more interested in other emerging issues. Realizing that the real use of SR is not as the shining light, it is one of the many critical tools that shed light on policy or practice, LIRNEasia continues to apply SR results as issues emerge, taking care to contextualize the findings with user help .

SHAPING THE RIGHT TO INFORMATION



After two decades of sporadic efforts, Sri Lanka’s Parliament unanimously passed the Right to Information Act in June 2016. LIRNEasia responded to a call for comments on the draft Bill and offered comments on various versions of the Bill through the media as the law was being shaped, many of which were accepted. Below are a few examples.

In February 2015, LIRNEasia Chair Rohan Samarajiva pointed out that the definition of public authorities to include “a semi public or private entity or organization rendering any public service” deviated from the objective of the Act, creating a host of negative effects for private individuals and organizations, and identified serious shortcomings in the drafting. He recommended an alternative: “where a private for-profit or non-profit organization acts as the agent of government through a contract or similar instrument the obligations imposed on government may be extended to the activities performed in the capacity of agent, and not the entirety of the business of the agent.”

The definition of public authorities was amended more or less in line with the LIRNEasia recommendation to a “private entity or organization which is carrying out a statutory or public function or service, under a contract, a partnership, an agreement or a license from the government or its agencies or from a local body, but only to the extent of activities covered by that statutory or public function or service.”

In another comment published in April 2015, Rohan questioned why the exception clause which applies to the disclosure of information which would reveal trade secrets, harm competitive position or harm legitimate commercial interests was limited to citizens only. He recommended that it be made applicable to non-citizens and foreign companies as well. This was done.

In addition to many exchanges with the drafting committee, Rohan also broadened awareness through media and through presentations.

HELANI GALPAYA ON ICTS AND SDGS AT THE UN GENERAL ASSEMBLY, ITU TELECOM WORLD AND OTHER EVENTS



2015 was the year the WSIS (World Summit on the Information Society) process turned 10 and the final year for the Millennium Development Goals (MDGs). Diverse stakeholders including UN organizations and nation states came together to assess the progress the world has made towards achieving MDGs and to assess the role ICTs had played. They also decided and finalized a new set of targets

for the world for the next 15 years – the Sustainable Development Goals (SDGs) – and planned for how ICTs could and should contribute to achieving the SDGs. In May 2015, Helani Galpaya was invited by UN Commission on Trade and Development (UNCTAD) to speak at the WSIS Forum in Geneva, focusing on ICTs and small/medium enterprises. In June, the International Telecommunications Union (ITU) and the UN Department of Economic and Social Affairs (UN-DESA) held an Expert Group Meeting at the UN Head Quarters in New York to discuss SDGs and the information society. Helani Galpaya was invited as an expert speaker, to speak on reducing inequalities in universal and affordable access to ICTs. Helani was also selected to speak at the UN General Assembly at the WSIS+10 consultation in July 2015. Helani was a speaker on several panels at the ITU Telecom World in Budapest, where the topics revolved on how to increase innovation and access to ICT Infrastructure. Culminating the global focus on ICTs, this year the World Bank’s annual World Development Report (WDR) was focused on all things ICT. The end of the financial year saw Helani speaking at the launch of the WDR at the Aga Khan Foundation in Ottawa, Canada. Helani used evidence from LIRNEasia’s systematic reviews on the impacts on ICTs.

LIRNEasia'S MEDIA PRESENCE

LIRNEasia was covered at least **223** times in electronic and print media and online media in over **13** countries in 2015-2016. Why “at least”? Because we can’t catch everything, despite the kind help of Google alerts.

SOME EXAMPLES:

Making sense of a million responses
Business Standard (India) 24 April 2015

Open data culture needed in Sri Lanka – ICT policy expert
The Sunday Times (Sri Lanka) 17 May 2015

Call for tax taskforce for realizing Digital Bangladesh
The Independent (Bangladesh) 03 August 2015

PH Internet users ‘paying more’ for slow connection speed- study
Inquirer.net (Philippines) 18 August 2015

Technology, students and learning
Daily FT (Sri Lanka) 23 September 2015

Zero rating: Are we in danger of killing the golden goose before knowing if its eggs are golden?
Council of Foreign Relations (USA) 05 October 2015

The Facebook Factor
Frontier Myanmar (Myanmar) 10 October 2015

Mega city to create special zones and new businesses
Echelon (Sri Lanka) 01 December 2015

Is researcher bias distorting your survey results?
Socialcops (Unnspecified) 22 December 2015

Trade agreements and professionals
Sirasa News (Sri Lanka) 09 February 2016

Confusion over whether Google Loon Wi-Fi is a free or paid service
Sunday Times (Sri Lanka) 21 February 2016

Men more likely than women to own mobile phones: Report
Myanmar Times (Myanmar) 29 February 2016

Are Facebook free basics for the developing world as great as they sound?
The Seattle Globalist (USA) 29 February 2016

Presidential candidates reveal how they plan to address slow Internet problems
The Dailypedia (Philippines) 13 March 2016

Electricity crisis
Sri Lanka Rupavahini Corporation (Sri Lanka) 14 March 2016

Bridging the vocational- academic divide
Daily FT (Sri Lanka) 30 March 2016

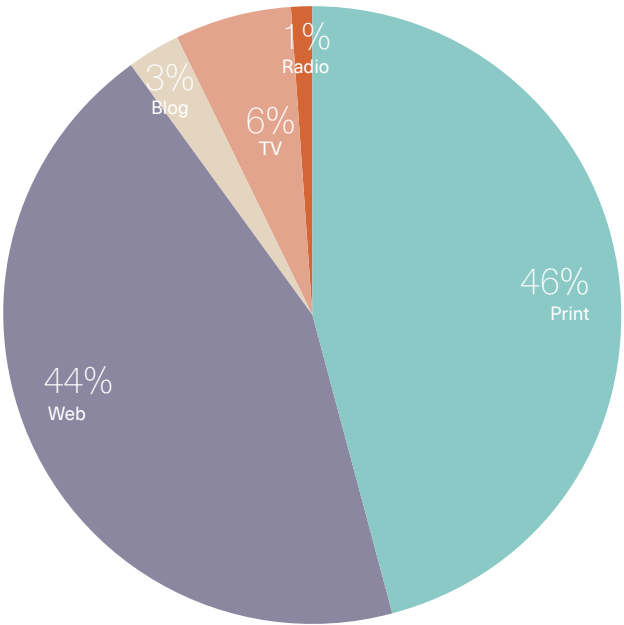


Figure 5: Media coverage by publisher type

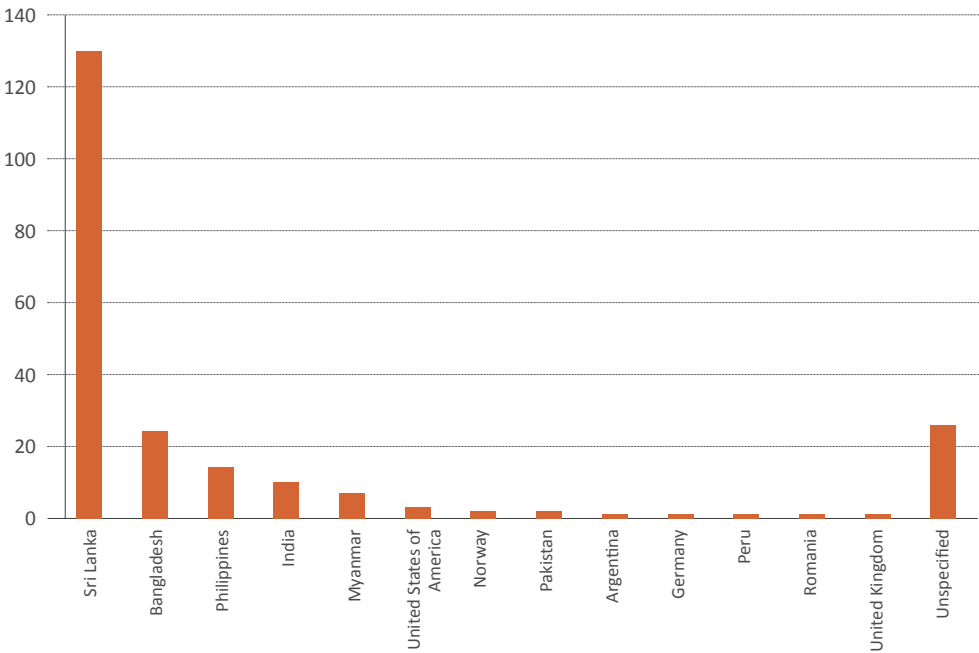


Figure 6: Media coverage by country



FINANCIAL STATEMENTS

REPORT OF THE AUDITORS

To the members of LIRNEasia

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of LIRNEasia, which comprise the balance sheet as at 31 March 2016, and the income statement, for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

SCOPE OF AUDIT AND BASIS OF OPINION

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, so far as appears from our examination, the Association maintained proper accounting records for the year ended 31 March 2016 and the financial statements give a true and fair view of the Association’s state of affairs as at 31 March 2016 and its result for the year then ended in accordance with Sri Lanka Accounting Standards.

Sgd.
Wijeyeratne & Company
CHARTERED ACCOUNTANTS
Colombo
8 August 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	Year Ended 31.03.2016 LKR	Year Ended 31.03.2015 LKR
Turnover	5	24735615	25674086
Other income	6	4475096	481824
		29210711	26155910
Administration expenses		(25532865)	(21575186)
Profit from operations	7	3677846	4580724
Finance cost		(1101506)	(1063254)
Profit before taxation		2576340	3517470
Taxation	8	(267137)	(326317)
Profit after taxation		2309203	3191153

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2016

	Notes	31.03.2016 LKR	31.03.2015 LKR
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	9	1766661	2126161
Term deposit	10	13901790	7145416
		<u>15668451</u>	<u>9271577</u>
<u>CURRENT ASSETS</u>			
Trade and other receivables		4379345	1945698
Bank balances		46168315	103507725
Tax receivable		<u>-</u>	<u>-</u>
		<u>50547660</u>	<u>105453423</u>
TOTAL ASSETS		66216111	114725000
<u>EQUITY AND LIABILITIES RESERVES</u>			
Accumulated profit/(loss)		3347226	1026889
Exchange equalization reserve		<u>617725</u>	<u>402624</u>
		3964951	1429513
<u>NON-CURRENT LIABILITIES</u>			
Projects	11	39050432	90562015
Retirement benefit obligation	12	<u>5969692</u>	<u>4095150</u>
		45020124	94657165
<u>CURRENT LIABILITIES</u>			
Trade and other payables		17208637	15903462
Provision for taxation		22399	308571
Bank overdraft		<u>-</u>	<u>2426289</u>
		<u>17231036</u>	<u>18638323</u>
TOTAL EQUITY AND LIABILITIES		66216111	114725000

Signed on behalf of the Board of Directors ;

DIRECTORS:

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015/2016 LKR	2014/2015 LKR
<u>Cash flow from operating activities</u>		
Net profit before taxation	2576340	3517470
<i>Adjustment for</i>		
Depreciation	1265423	881897
Gratuity provision	1493721	925235
Tax overpayment written off	(61558)	
Profit from sale of property, plant and equipment	<u>-</u>	<u>(20102)</u>
Cash generated from operating activities Before working capital changes	5273926	5304500
<u>Increase/decrease in working capital</u>		
Trade and other receivables	(2433647)	1756883
Trade and other payables	<u>1305175</u>	<u>6886739</u>
Cash generated from operating activities	4145454	13948122
Gratuity paid	-	(180787)
Tax paid	(480617)	(132608)
Exchange equalization reserve	473823	151459
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment	(783823)	(1674766)
Purchase of investment	(6756374)	(3014057)
Proceeds from sale of property, plant and equipment	<u>-</u>	<u>20102</u>
	(3401537)	9117465
<u>Cash flow from financing activities</u>		
Funds received from project	<u>(51511584)</u>	<u>27660859</u>
Net (decrease)/increase in cash and cash equivalents	(54913121)	36778324
Cash and cash equivalents at the beginning of the year	101081436	64303112
Cash and cash equivalents at the end of the year	46168315	101081436

Note A

Cash and cash equivalents at the end of the year

Bank & cash balance	46168315	103507725
Bank overdraft	-	(2426289)
	46168315	101081436

CHANGES IN EQUITY STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	Accumulated loss LKR	Exchange equalisation reserve LKR	Total LKR
Balance as at 01.04.2014	(2164264)	265951	(1898313)
Net profit for the year	3191153	-	3191153
Movement during the year	-	136673	136673
Balance as at 31.03.2015	1026889	402624	1429513
Net loss for the year	2309203	-	2309203
Tax payment written off 2014/2015	11134		
Movement during the year	-	215101	215101
Balance as at 31.03.2016	3347226	617725	3953817

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2016

1. **FUNDAMENTAL ACCOUNTING ASSUMPTION AND POLICIES**

General accounting

The Financial statements of the Association have been prepared in accordance with generally accepted accounting principles conformity with the Sri Lanka Accounting Standards.

2. **ASSETS AND BASES OF THEIR VALUATION**

2.1. **Property, plant and equipment**

Cost incurred in acquiring improving or extending a property, plant and equipment have been treated as capital expenditure. Property, plant and equipment have been recorded at cost.

2.2. **Depreciation**

Depreciation is to be calculated in order to write-off the cost of property, plant and equipment less their residual value on straight line basis over the expected useful lives of the concerned assets.

Depreciation is provided proportionality in the year of purchase & in the year of disposal of assets. The principal annual rates for depreciation has been used as given below.

Computer	33.33%
Furniture & fittings	25%
Equipment	25%
Vehicle	25%

2.3. **Other receivables**

Other receivables have been stated at their amounts estimated to be realised.

3. **LIABILITIES AND PROVISIONS**

All known liabilities have been accounted for in preparing the Financial Statements.

4. **INCOME AND EXPENDITURE**

Incomes and expenditures have been accounted on accrual basis.

5. **TURNOVER**
Turnover has been defined as income receivable in respect of project management fees provided during the year.

	Year Ended 31.03.2016 LKR	Year Ended 31.03.2015 LKR
Income received	24735615	25674086
6. <u>OTHER INCOME</u>		
Interest income	1041452	451690
Profit on disposal of property, plant & equipment	-	20102
Other income	-	10032
Write-off dormant creditors	623735	-
Write-off direct non related project expenses	2748351	-
Income tax overpayment settle off	61558.00	
	4475096	481824

7. **PROFIT FROM OPERATIONS**
The following items have been charged in arriving at operating profit.

Audit fees	60200	54000
Consultancy fees	4943598	3971055

8. **TAXATION**
Provision for Taxation has been made for the year computed in accordance with the Inland Revenue Act No.10 of 2006.

	Year Ended 31.03.2016 LKR	Year Ended 31.03.2015 LKR
Provision For Taxation	267137	326317

9. **PROPERTY, PLANT AND EQUIPMENT**

	Furniture & fittings LKR	Computers LKR	Equipment LKR	Motor vehicle LKR	Total LKR
<u>COST</u>					
As at 01.04.2015	1764225	4313111	2700860	7561477	16339673
Additions	41875	741948	-	-	783823
Equalization reserve	140148	342630	214554	600675	1298007
As at 31.03.2016	1946248	5397689	2915414	8162152	18421503
<u>ACCUMULATED DEPRECIATION</u>					
As at 01.04.2015	1532532	3105056	2111497	7464427	14213512
Charge for the year	60770	739230	427332	37877	1265209
Equalization reserve	124001	274132	183615	594373	1176121
As at 31.03.2015	1717303	4118418	2722444	8096677	16654842
<u>NET BOOK VALUE</u>	1532532	3105056	2111497	7464427	
As at 31.03.2016	228946	1279271	192970	65475	1766661
As at 31.03.2015	231694	1208055	589363	97050	2126161

10. **TERM DEPOSIT**

	Year Ended 31.03.2016 LKR	Year Ended 31.03.2015 LKR
Fixed deposit - NDB	13901790	7145416
11. <u>PROJECTS</u>		
Global Development Network	-	(3705085)
Telenor 1 & 2	2827635	2373852
IDRC 001	-	(11407070)
University of Washington- big data	2878000	-
PIRRC Phase 1 & 2	-	7412835
University of Alberta	423354	823989
FORD	7717789	16690545
IDRC - Systematic Review	10851643	20295248
IDRC 002	-	(3825330)
London School of Economics	262186	2255605
PWC DFID	(3013410)	(368069)
IDRC Agri BOP	5297103	18719124
IDRC BIG DATA	11403068	22156122
IDRC Myanmar	252257	19140250
Nepal Disaster Response	150807	-
	39050432	90562015

12. **PROVISION FOR RETIRING GRATUITY**

Balance at the beginning of the year	4095150	3297245
Add : Provision made during the year	1493721	925235
	5588871	4222480
Less: Payment during the year	-	(180787)
Exchange equalization reserve	380821	53457
Balance at the end of the year	5969692	4095150

13. **DIRECTORS INTEREST IN CONTRACT**

- i Prof. Rohan Samarajiva who is a director of the organisation received a sum of Rs. 9,605,444.29/- from the LIRNEasia as consultancy fees during the year.

**DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2016**

	Schedules	Year Ended 31.03.2016 LKR	Year Ended 31.03.2015 LKR
<u>TURNOVER</u>			
Income received		24735615.45	25674085.78
Other income	1	4475096.04	481823.92
		29210711.49	26155909.70
<u>LESS : EXPENSES AND OUTGOINGS</u>			
Administration expenses	2	25532865.15	21575186.04
Finance cost	3	1101506.26	1063253.53
		(26634371.41)	(22638439.57)
PROFIT FOR THE YEAR		2576340.08	3517470.13

**SCHEDULES TO THE STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2016**

	Year Ended 31.03.2016 LKR	Year Ended 31.03.2015 LKR
1. <u>OTHER INCOME</u>		
Interest income	1041452.18	451690.40
Profit on disposal of property, plant & equipment	-	20101.93
Other income	-	10031.59
Write-off dormant creditors	623734.71	-
Write-off direct non related project expenses	2748351.15	-
Income tax overpayment settle off	61558.00	
	4475096.04	481823.92
2. <u>ADMINISTRATION EXPENSES</u>		
Audit fees	60199.76	50914.74
Consultancy & research fees	4943598.15	3971055.00
Courier charges	123067.58	81957.40
Training & educational expenses	1297166.25	23659.74
Professional fees	152844.88	369290.03
Furniture, fittings hiring & maintenance charges	597543.95	545799.88
Printing & stationery	493682.74	355127.25
Telephone carges -local & international	620751.71	462269.54
Water	62050.61	68202.71
Travelling expenses	271944.38	662508.86
Staff welfare	897367.61	735835.85
Casual wages	124033.24	144000.14
Office maintenance	358513.88	1795534.14
EPF	580871.05	471491.43
ETF	145223.66	114972.05
Salaries	4781938.84	3934230.73
Business development expenses	695133.92	230154.60
Web maintenance	362724.77	361863.19
Insurance	654807.89	559818.03
Newspaper / magazine, advertising	94981.57	26948.93
Rent	834247.28	761995.74

Electricity	373120.88	467473.89
Depreciation	1265422.94	881897.06
Subscription	69207.04	50980.60
IT Services	481166.62	490725.54
Vehicle maintenance	318588.82	89872.40
Colloquium expenses	199701.61	28722.03
CSR expenses	161913.21	32423.18
Gratuity provision	1493632.34	925235.15
Surcharges	120973.93	-
Board meeting expenses	-	120514.74
Staff/strategy development	2774886.00	2582800.00
Fuel for vehicles	121558.04	176911.47
	25532865.15	21575186.04
3. <u>FINANCE COST</u>		
Bank charges	435744.51	593413.80
Exchange loss	665761.75	469839.73
	1101506.26	1063253.53

SCHEDULES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2016

1.	<u>Trade and other receivables - LKR 4379344.67</u>		
	Deposit for cooler & bottles	LKR	27930.99
	Rent deposit		240278.46
	Staff & others receivables		85031.95
	Pre-payment		3040158.03
	Other receivables		913861.41
	Dialog		72083.83
		LKR	4379344.67
2.	<u>Bank balance - LKR 46168314.79</u>		
	HNB-Saving A/C- CAD	LKR	3088597.65
	HNB-Current A/C- LKR		902901.99
	HNB-Saving A/c- USD		35918758.12
	NDB-Saving A/C- CAD		106170.86
	NDB-Saving A/C- USD		1200.13
	NTB-Current A/C- LKR		944812.86
	NDB-Current A/C- LKR		2325626.90
	Petty cash imprest		3875.23
	Cash in hand		2876371.05
		LKR	46168314.79
3.	<u>Trade and other payables - LKR 17208636.94</u>		
	Accrued expenses	LKR	13381709.97
	Direct non related project expenses		3826926.97
		LKR	17208636.94
3.1.	<u>Accrued expenses - LKR 13381709.97</u>		
	Audit fee payable	LKR	29499.50
	Staff Development Provision		8634000.00
	Central Corporation Service		23047.02
	Flood relief		8236.84
	Helani Galpaya		550259.21
	Rohan Samarajiva		(736847.15)
	Scenic Venture		231090.45
	Sriganesh Lokanathan		21311.59
	Salary Payable		809998.71
	Moshi Charles		270891.75

Moinul Zaber	287800.00
Amritha Khakurel	151526.70
Chivan Peou	129740.24
Dilini Wijeweera	201460.00
Dushan Bandusiri	50973.70
Erwin Alampay	767562.60
Garima Sahai	108140.85
Inland Revenue Department	48905.85
Ishitha Ghose	129769.02
LMRB	733724.52
Madushi Bandara	25487.57
Sujata Gamage	660501.00
Tushar Tanwar	244630.00
	LKR 13381709.97

