At the time of the ceasefire and in comparison to some other states with major armed conflicts, Sri Lanka seemed both open to international involvement and safe for international staff. Sri Lanka has a long history of international interest in its conflict, with development actors working nationwide, and humanitarian organisations relieving the suffering of the war-affected communities of the North and East. Norway’s relatively impartial facilitation of the 2002 peace process contrasted positively with India’s bungled efforts in the early 90s; and this time the ceasefire would have external monitors. The ceasefire agreement came at a time when the ‘international community’ had arrived at a consensus about how it should respond to violent conflict, and the favourable situation allowed them to experiment with the prioritisation of economic recovery, led by the international financial institutions (IFIs). The result of this peace process was the bloodiest episode in Sri Lanka’s 26-year war. This chapter charts the return to war and describes the post-ceasefire situation in Mannar. The internationalised peace process and the reconstruction of the North and East did nothing to limit the excesses of Eelam War IV.

The politics of war

Given the very political roots of this conflict, the decision by the international community to prioritise economic recovery during the peace process is difficult to explain. It is less so once you consider the popularity of the ‘greed’ thesis among the IFIs at that time, as discussed in Chapter 1. It is also far easier to spend aid dollars on tangible investments in infrastructure and reconstruction, than trying to coerce politicians into sharing power, and expediting political reform. The Sri
Lankan ceasefire presented an opportunity to experiment with the efficacy of this position.

**An ‘uneasy’ cohabitation**

The opportunity that allowed for the 2002 ceasefire agreement was the historic occasion of the posts of president and prime minister being held by both main political parties, the Sri Lanka Freedom Party (SLFP) and the United National Party (UNP). It also presented the first major hurdle to negotiations. When Kumaratunga came to power in 1994, she arrived on a peace ticket. Her proposals for devolution of the North and East were vehemently opposed by the UNP. After the Liberation Tigers of the Tamil Eelam (LTTE) resumed hostilities in 1995, the President’s ‘war for peace’ strategy made peace talks virtually impossible. The UNP Prime Minister, Ranil Wickremesinghe, was able to enter into a dialogue with the LTTE, but given the open hostility between Prime Minister and President, and the historic rivalry of their parties, it was unlikely that they would form a peace coalition.

A few days before the Ceasefire Agreement (CFA) was signed (17 February 2002), the President ‘lambasted the prime minister, accusing him of being a pawn in the hands of the LTTE and stressing the point she [would] never allow him to betray the nation’.1 It was already clear in March 2002 that she would not cooperate over the peace process, with her warning that she could use the power of the presidential executive to dissolve parliament as early as December 2002. At this stage the President was already looking toward the ultra-leftwing and extremist Janatha Vimukthi Peramuna (JVP) for a possible coalition to contest the next elections. The JVP was responsible for killing her husband, Vijaya Kuramatunga, in 1998.2 Her willingness to form a coalition with them shows lengths that politicians will go in order to form government. Despite having made ‘unprecedented’3 devolution proposals herself in 1995, she was now unwilling for the government to enter into talks with the LTTE.4 The JVP position was that the LTTE had to be defeated militarily.

Following its withdrawal from the peace talks in September 2003, the LTTE offered proposals for an Interim Self-Governing Authority (ISGA). They provoked a highly negative reaction in the South. Upset continued when President Kumaratunga took control of the ministries of Defence, the Interior and Media in November. In January 2004 she formed the United People’s Freedom Alliance (UPFA) with the JVP and dissolved parliament. The result of the 2004 general election was a hung parliament. While UPFA won the most seats, they were not in a position to form government due to the system of proportional representation,