



---

## H.E.'s Visit to China

---

Consultants 21 Limited <consultants21@gmail.com>

Mon, Aug 11, 2008 at 2:47 PM

To: "Mr. Lalith Weeratunga -Secretary to H.E. the President" <lalith@icta.lk>

Cc: "Mr. Gotabhaya Rajapakse" <rajapakg@gmail.com>

Dear Lalith,

I believe that you are unaware, I am a Member of the;

- International Consortium on Governmental Financial Management
- International Association of Certified Fraud Examiners
- International Association of Anti-Corruption Authorities (**IAACA**)

In the context of my above Memberships, I had forwarded the historic landmark Supreme Court Judgment in Sri Lanka against fraud and corruption, which is very relevant and tropical to the above Associations, together with the attached covering Letter, separately addressed, among others, to the above.

I attach copy of Letter I received from the President of the International Consortium on Governmental Financial Management, together with copy of the Report on 'Failed States' referred to and attached thereto, in relation to Sri Lanka; stating that this historic landmark Judgment "**will help Sri Lanka improve its image in the international community.**"

What prompted me to forward this E-mail to you, is **more importantly**, because of the following:

I had forwarded the above to H.E. Jia Chunwang, President of **IAACA**, who is the Prosecutor General of the Supreme People's Procurate of China, and to Dr. Ye Feng, Secretary General of **IAACA**, who is also Vice President, International Association of Prosecutors, International Director of Asia Crime Prevention Foundation, Member, Prosecuting Committee of the Supreme People's Procurate China, and Director General, International Judicial Co-operation Department, China.

The above persons would take 'due cognizance' of the historic landmark Supreme Court Judgment in Sri Lanka against fraud and corruption, and hold the Sri Lankan Chief Justice and the Supreme Court in very high esteem.

**IAACA** was set-up in October 2006 in Beijing, with the Government of China giving leadership to set-up **IAACA**, to muster international support to promote the implementation globally of the UN Convention Against Corruption of December 2005, to which Sri Lanka is a signatory. The inauguration of **IAACA** was by the President of China H.E. Hu Jintao. Whilst the US places emphasis on 'Human Rights', China is giving leadership to the combat against fraud and corruption and for which offence, the penalty in China is death !

I am addressing this E-mail to you, in the context of P.B. Jayasundera, accompanying H.E. the President to China, and even meeting the President of China H.E. Hu Jintao immediately after I had dispatched the aforesaid communications, the contents of which, are likely to be disseminated among the relevant Chinese hierarchy, which may result in consequent 'embarrassment' ! I thought I should bring this fact to your immediate attention, so that H.E. the President could be apprised.

The aforesaid Associations are most likely to circulate to their international members, copies of the historic landmark Supreme Court Judgment or a 'synopsis' thereof, and it is likely to be reported in publications circulated to the members of the above Associations.

Kind regards,

Nihal

--  
Consultants 21 Ltd.



**Casals & Associates**

1199 North Fairfax St., 3rd floor Alexandria, VA 22314  
Tel 703 920 1234 Fax 703 920 5750

August 7, 2008

**VIA ELECTRONIC MAIL**

Mr. Nihal Sri Ameresekere  
Chairman  
Consultants 21, Limited

Dear Mr. Ameresekere:

Thank you very much for writing to me about this important decision by the Supreme Court of Sri Lanka. In addition to my role as President of ICGFM, I am also the President of Casals & Associates, Inc., and our work focuses largely on anti-corruption work throughout the world. As such, world-wide anti-corruption work is of interest to me, and I appreciate your bringing this decision to my attention.

As you may know, Sri Lanka was ranked in 20<sup>th</sup> place in The Failed State Index by Foreign Policy (please see [http://www.foreignpolicy.com/story/cms.php?story\\_id=4350&print=1](http://www.foreignpolicy.com/story/cms.php?story_id=4350&print=1)), and this kind of attention to good governance will help the country improve its image in the international community.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Beatriz C. Casals'.

Beatriz C. Casals  
President

**Shop at Webspider.com**

Save time and money by comparing all the online merchants.  
www.WebSpider.com

Ads by Google



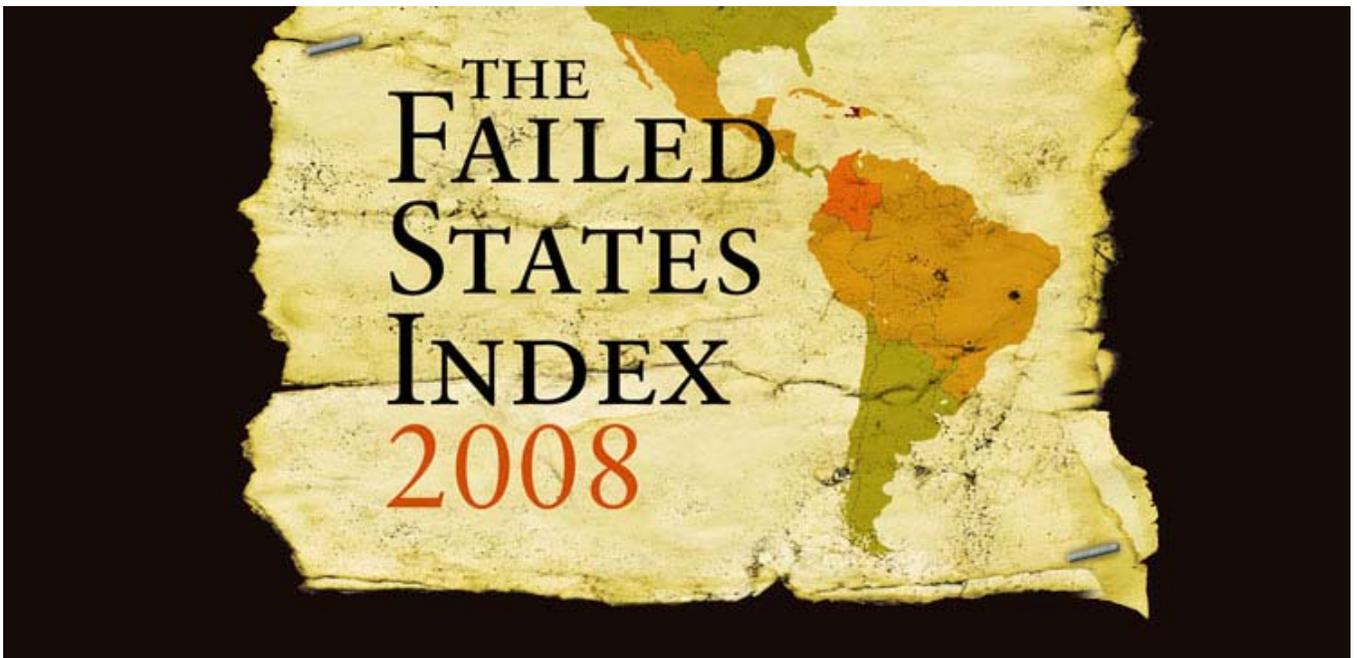
<http://www.foreignpolicy.com>

Get a free year of FP! Two years for only \$24.95.

## The Failed States Index 2008

July/August 2008

Whether it is an unexpected food crisis or a devastating hurricane, the world's weakest states are the most exposed when crisis strikes. In the fourth annual Failed States Index, FOREIGN POLICY and The Fund for Peace rank the countries where state collapse may be just one disaster away.



**W**hen troops opened fire in the streets of Mogadishu in early May, it was a tragically familiar scene in war-torn Somalia. Except on this day, soldiers weren't fighting Islamist militias or warlords. They were combating a mob of tens of thousands rioting over soaring food prices.



On top of the country's already colossal challenges, a food crisis seems an especially cruel turn for a place like Somalia. But it is a test that dozens of weak states are being forced to confront this year, with escalating prices threatening to undo years of poverty-alleviation and development efforts. The unrest in Mogadishu echoes food riots that have erupted on nearly every continent in the

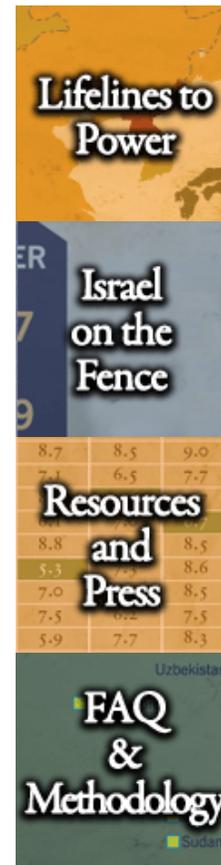


past year. Tens of thousands of Mexicans protested when the price of corn flour jumped 400 percent in early 2007. Thousands of Russian pensioners took to the streets in November to call for a return to price controls on milk and bread. In Egypt, the army was ordered to bake more loaves at military-run bakeries after riots broke out across the country. Kabul, Port-au-Prince, and Jakarta experienced angry protests over spikes in the price of staples.

But if few foretold the hunger and hardship that have followed the uptick in prices, the events of 2007 revealed that unexpected shocks can play a decisive role in the stability of an increasing number of vulnerable states. Primary among last year's shocks was the implosion of the U.S. subprime market, which burst housing bubbles worldwide, slowed trade, and sent currencies into tailspins. A contested election in Kenya in December swiftly shredded any semblance of ethnic peace in a country that many had considered an African success story. And though Benazir Bhutto feared her own assassination upon returning to Pakistan, her murder reverberated in a country already contending with the challenges of ambitious mullahs, suicide bombers, and an all-powerful military.

These shocks are the sparks of state failure, events that further corrode the integrity of weak states and push those on the edge closer to combustion. As the food crisis has shown, these political and economic setbacks are not unique to the world's most vulnerable countries. But weak states are weak precisely because they lack the resiliency to cope with unwelcome—and unpleasant—surprises. When a global economic downturn pinches the main export base, an election goes awry, or a natural disaster wipes out villages, the cracks of vulnerability open wider.

Because it is crucial to closely monitor weak states—their progress, their deterioration, and their ability to withstand challenges—the Fund for Peace, an independent research organization, and FOREIGN POLICY present the fourth annual Failed States Index. Using 12 social, economic, political, and military indicators, we ranked 177 states in order of their vulnerability to violent internal conflict and societal deterioration. To do so, we examined more than 30,000 publicly available sources, collected from May to December 2007, to form the basis of the index's scores. The 60 most vulnerable states are listed in the rankings, and the full results are available at [ForeignPolicy.com](http://ForeignPolicy.com) and [fundforpeace.org](http://fundforpeace.org).



Copyright 2008, The Fund for Peace and the Carnegie Endowment for International Peace. All rights reserved. FOREIGN POLICY is a registered trademark owned by the Carnegie Endowment for International Peace.

## The Failed States Index

### 2008

#### The Rankings

This year, Somalia claims the unenviable distinction of being the state most at risk of failure. In many ways, Somalia has failed already, as the unpopular transitional government lacks control of the streets of Mogadishu—much less the rest of the country. The loose coalition of Islamic clerics and militia leaders that captured the capital in 2006 was routed in the early weeks of 2007 with the help of Ethiopian troops, who have since stayed on to battle the remnants of the Islamist insurgency. The fighting has yet to produce anything resembling a victor; if anything, the country's clan chaos continues unabated in the unruly streets, while pirates stalk the waters offshore. What the fighting has successfully produced is a refugee nightmare, with some 700,000 people fleeing Mogadishu last year.

Somalia's disorder is generally eclipsed by the humanitarian disaster in Darfur, a situation notable for its remarkable lack of progress. The spillover effects of this troubled region continue to pull Sudan and its neighbors closer to the brink, with worsening refugee crises around the region and escalating skirmishes between rebels backed by the governments in Chad and Sudan. All told, sub-Saharan Africa is home to seven of this year's 10 most vulnerable states, with four of them in the top five. Zimbabwe's slide in this year's index reflects the country's out-of-control inflation, 80 percent unemployment, and the fact that thousands flee to neighboring Botswana and South Africa every week. The country's fortunes, further spoiled by this year's election dispute, are likely to continue to suffer before Zimbabweans can expect a respite.

The height of the U.S. military surge in Iraq was a key factor in this year's analysis of that country. And though Iraq's score improved slightly, the gains that one might hope for—those that reflect fundamental, long-term changes—did not occur. The desperate predicament of nearly 4 million people driven from their homes, the abysmal state of public services, and the discord among sectarian factions have shown no real improvement. The incremental security and economic progress that has occurred are dependent on tenuous, short-term factors that could unravel at any time. Eager to cobble together a fragile peace, the U.S. military has armed dozens of new Sunni militia groups that could later turn their guns on the Iraqi government, their Shiite rivals, or the Americans many still regard as occupiers. Similarly, Iraq's economy has improved only moderately, thanks largely to the spike in global oil prices, not Iraqi production. In short, progress in Iraq last year was negligible at best and deeply susceptible to reversal should the country suffer the kind of shock—a food shortage, a high-level assassination, an attack that unleashes ethnic hatreds—that has exposed so many states' deep vulnerabilities in recent months.

Of course, the countries appearing among the 60 weakest states are not always there because of unforeseen disasters. Take Israel, which has slid in the rankings each year and now makes its first appearance in the top 60. Israel's inability to fully integrate its Arab minority, its sharp economic disparities, and the increased factionalization of its political leaders did not arise overnight. And though Israel owes much of its ranking to conditions in the West Bank, the continued hardships in the territories cannot be divorced from the stability of Israel itself. It shows that the fates of neighbors can be just as critical to the fortunes of otherwise stable states. And that is a reality that should shock no one.

For a printable, higher resolution table, [click here](#). For the interactive index, see below. Click any column header to sort the Failed States Index data.



			INDICATORS OF INSTABILITY									
RANK	TOTAL	COUNTRY	DEMOGRAPHIC PRESSURES	REFUGEES AND DISPLACED PERSONS	GROUP GRIEVANCE	HUMAN FLIGHT	UNEVEN DEVELOPMENT	ECONOMY	DELEGITIMIZATION OF STATE	PUBLIC SERVICES	HUMAN RIGHTS	SECURITY APPARATUS
1	114.2	Somalia	9.8	9.8	9.5	8.3	7.5	9.4	10.0	10.0	9.9	10.0
2	113.0	Sudan	9.0	9.6	10.0	8.8	9.3	7.3	10.0	9.5	9.9	9.8
3	112.5	Zimbabwe	9.7	9.0	9.5	10.0	9.6	10.0	9.5	9.6	9.8	9.5
4	110.9	Chad	9.1	9.2	9.7	7.8	9.1	8.3	9.7	9.4	9.5	9.8
5	110.6	Iraq	9.0	9.0	9.8	9.3	8.5	7.8	9.4	8.5	9.6	9.9
6	106.7	Dem. Rep. of Congo	9.6	9.2	8.8	7.9	9.0	8.3	8.3	9.1	8.9	9.6
7	105.4	Afghanistan	9.1	8.9	9.5	7.0	8.1	8.5	9.2	8.3	8.4	9.6
8	104.6	Cote d'Ivoire	8.4	8.3	9.5	8.4	8.0	8.5	8.9	7.8	9.0	9.2
9	103.8	Pakistan	8.0	8.6	9.5	8.1	8.8	6.2	9.5	7.1	9.5	9.6
10	103.7	Central African Republic	9.0	8.8	8.9	5.5	8.8	8.4	9.2	8.6	8.7	9.4
11	101.8	Guinea	7.9	7.4	8.5	8.3	8.6	8.6	9.7	9.0	8.9	8.4
12	100.3	Bangladesh	9.8	7.1	9.7	8.4	9.0	7.1	9.1	7.8	8.0	8.3
12	100.3	Burma	8.5	8.5	9.5	6.0	9.0	7.6	9.5	8.3	9.9	9.3
14	99.3	Haiti	8.5	4.2	8.0	8.0	8.2	8.3	9.0	8.8	8.9	8.9
15	97.7	North Korea	8.2	6.0	7.2	5.0	8.8	9.6	9.8	9.6	9.7	8.3
16	96.1	Uganda	8.7	9.3	8.3	6.0	8.5	7.6	8.3	7.9	7.9	8.1
16	96.1	Ethiopia	8.9	7.5	7.8	7.5	8.6	8.2	7.9	7.5	8.5	7.5
18	95.7	Lebanon	7.2	9.0	9.4	7.1	7.4	6.3	8.0	6.7	7.0	9.3
18	95.7	Nigeria	8.2	5.1	9.4	8.2	9.2	5.9	8.9	8.7	7.5	9.2
20	95.6	Sri Lanka	7.0	9.0	9.8	6.9	8.2	6.0	9.2	6.6	8.0	9.3
21	95.4	Yemen	8.6	7.2	7.3	7.2	8.8	8.2	8.0	8.3	7.5	8.2
22	94.5	Niger	9.5	6.0	9.2	6.0	7.2	9.2	8.4	9.1	7.9	7.5
23	94.2	Nepal	8.1	5.5	9.0	6.1	9.2	8.2	8.3	7.0	8.8	8.5
24	94.1	Burundi	9.1	8.2	6.7	6.5	8.8	8.0	7.1	9.0	7.5	6.8
25	93.8	Timor-Leste	8.1	8.6	7.1	5.3	6.5	8.2	9.0	8.0	6.9	8.8
26	93.4	Republic of the Congo	8.7	7.7	6.8	6.1	8.1	8.0	8.8	8.8	7.9	7.9
26	93.4	Kenya	8.7	8.5	7.6	8.0	8.1	6.9	8.2	7.4	7.2	7.1
26	93.4	Uzbekistan	7.7	5.4	7.1	7.1	8.6	7.7	9.3	6.8	9.2	9.0
29	92.9	Malawi	9.0	6.2	6.0	8.2	8.8	9.1	8.0	9.0	7.8	5.4
30	92.4	Solomon Islands	8.7	4.8	8.0	5.1	8.0	8.0	8.7	8.5	7.1	7.7
31	92.3	Sierra Leone	8.6	7.4	6.9	8.4	8.2	8.7	7.7	8.2	7.0	6.4
32	91.3	Guinea Bissau	8.0	6.5	5.4	7.0	8.6	8.2	7.9	8.5	8.0	8.4
33	91.2	Cameroon	7.4	7.1	7.1	7.9	8.7	6.1	8.7	7.6	7.4	7.8
34	91.0	Liberia	8.1	8.4	6.0	6.5	8.3	8.3	7.0	8.5	6.7	6.7
35	90.1	Syria	6.5	9.0	8.0	6.8	8.1	6.8	8.8	5.7	8.8	7.6
36	89.9	Burkina Faso	8.6	5.6	6.4	6.6	8.9	8.1	7.6	8.9	6.6	7.6
37	89.0	Colombia	6.8	9.2	7.4	8.4	8.4	3.8	7.9	6.0	7.2	8.0
38	88.9	Tajikistan	7.9	6.1	6.5	6.4	7.3	7.0	9.2	7.1	8.8	7.8
39	88.8	Kyrgyzstan	7.5	5.8	6.8	7.4	8.0	7.5	8.4	6.5	7.9	8.1
40	88.7	Egypt	7.5	6.3	7.7	6.2	7.8	6.9	9.0	6.3	8.5	6.1
40	88.7	Laos	8.0	5.7	6.8	6.6	5.7	7.1	8.2	8.0	8.9	8.2
42	88.0	Equatorial Guinea	7.8	2.0	7.0	7.4	9.2	3.9	9.4	8.3	9.5	9.0
42	88.0	Rwanda	9.1	7.0	8.5	7.5	7.4	7.3	8.2	6.8	7.3	4.6
44	87.4	Eritrea	8.6	7.1	5.6	6.0	5.9	8.5	8.4	7.9	7.4	7.5

## The Failed States Index

### 2008

#### The Best and the Worst

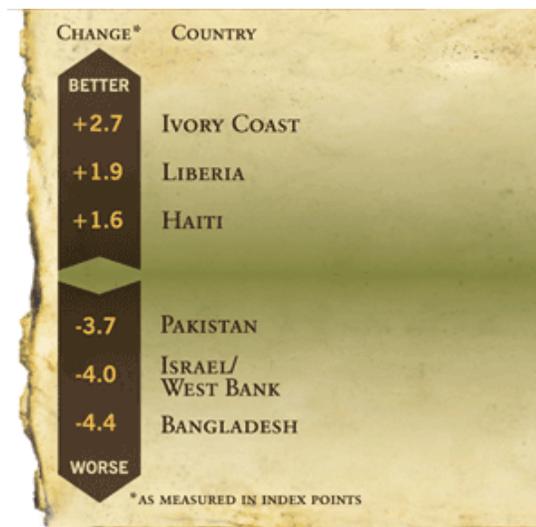
*This year, a few states managed to beat the odds and make impressive gains. Others were less fortunate.*

In 2007, several countries that have long served as the poster children for failed states managed to achieve some unlikely gains. The Ivory Coast, which unraveled in 2002 after a flawed election divided north and south, experienced a year of relative calm thanks to a new peace agreement. Liberia, the most improved country in last year's index, continued to make gains due to a renewed anticorruption effort and the resettlement of nearly 100,000 refugees. And Haiti, long considered the basket case of the Western Hemisphere, stepped back from the edge, with moderate improvements in security in the capital's violence-ravaged slums.

A common thread links these most improved players: All three host U.N. peacekeeping operations. Nearly 15,000 U.N. troops have monitored Liberia's fragile gains since the end of its 14-year civil war in 2003, disarming former fighters, training new police, and repairing roads, schools, and hospitals. Haiti's U.N. mission, nearly 9,000 strong, has made notable progress in tackling the country's gang violence, though daily life for most Haitians remains steeped in abject poverty. And in the Ivory Coast, a U.N. force of more than 9,000 helps ward off a relapse into war, with troops remaining there to supervise the peace ahead of elections this November. These important, if incremental, gains suggest that, though U.N. peacekeeping missions are frequently dismissed as underfunded, poorly staffed, and even corrupt, they should not be written off. With the proper mandate and resources, peacekeepers can be a pivotal force in encouraging slow, steady progress in some of the world's weakest states.

Bangladesh took this year's hardest fall, set off in part by postponed elections, a feuding, deadlocked government, and the imposition of emergency rule that has dragged on for more than 18 months. These political setbacks were followed by greater economic hardships after a devastating cyclone in November flooded large swaths of cropland and left 1.5 million people homeless. In nearby Pakistan, also one of this year's worst performers, a beleaguered President Pervez Musharraf sparked waves of violent protests when he dismissed the head of the Supreme Court and declared martial law. In a tragic close to the year, the assassination of former Prime Minister Benazir Bhutto left many wondering about the future prospects of this fragile, nuclear-armed state.

Ironically, Bangladesh and Pakistan are the world's top two contributors of U.N. peacekeepers, often deploying troops to the very countries enjoying this year's biggest advances. Pakistanis constitute the largest national U.N. contingent operating in Liberia. More than 9,000 Bangladeshi troops wear U.N. blue helmets around the world, a third of them in the Ivory Coast. It is a reminder that while helping to maintain peace abroad might be an attractive national project, keeping the peace at home can be even more elusive.



## The Failed States Index

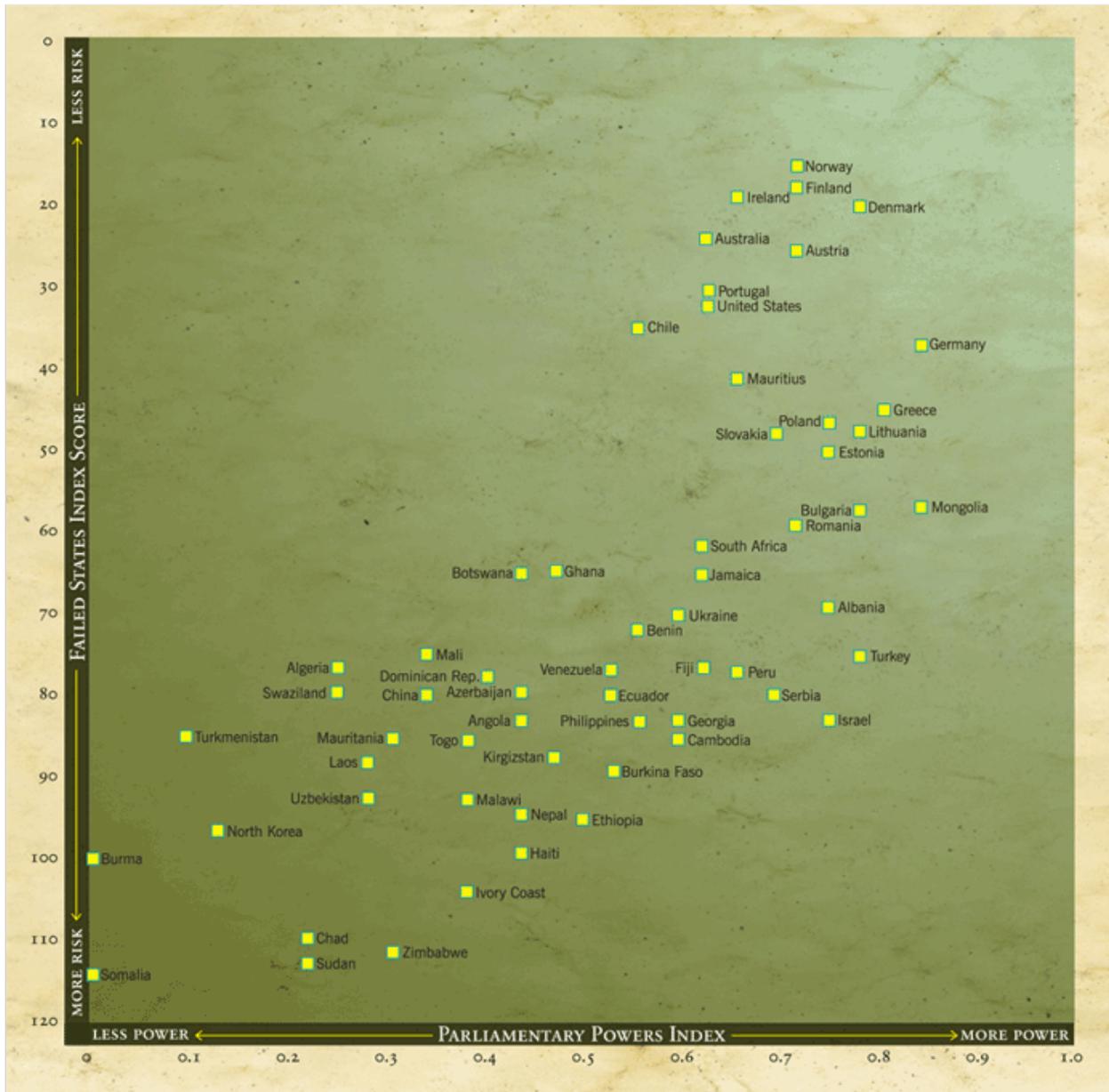
### 2008

#### An Upper House with an Upper Hand

*Dictators often prefer toothless lawmakers. But when parliaments possess real power, stability usually follows.*

Every autocrat's wish list probably includes having a country rich in resources, a public prone to hero worship, and a rubber-stamp parliament. But, when it comes to legislatures, dictators should be careful what they wish for: The world's most vulnerable states are also home to the weakest parliaments, according to the Parliamentary Powers Index, a ranking of these bodies based on factors such as the power to declare war, impeach the executive, and establish veto-proof laws.

Leaders most adept at legislative manipulation often simply extend their own rule; last year, Kazakhstan's President Nursultan Nazarbayev persuaded his pliant parliament to declare him president for life. Others, like Burma's military junta, simply ban the legislature from convening altogether. But these results should send a clear message to the world's autocrats: Sometimes, it can be a good thing if the House wins.



## The Failed States Index

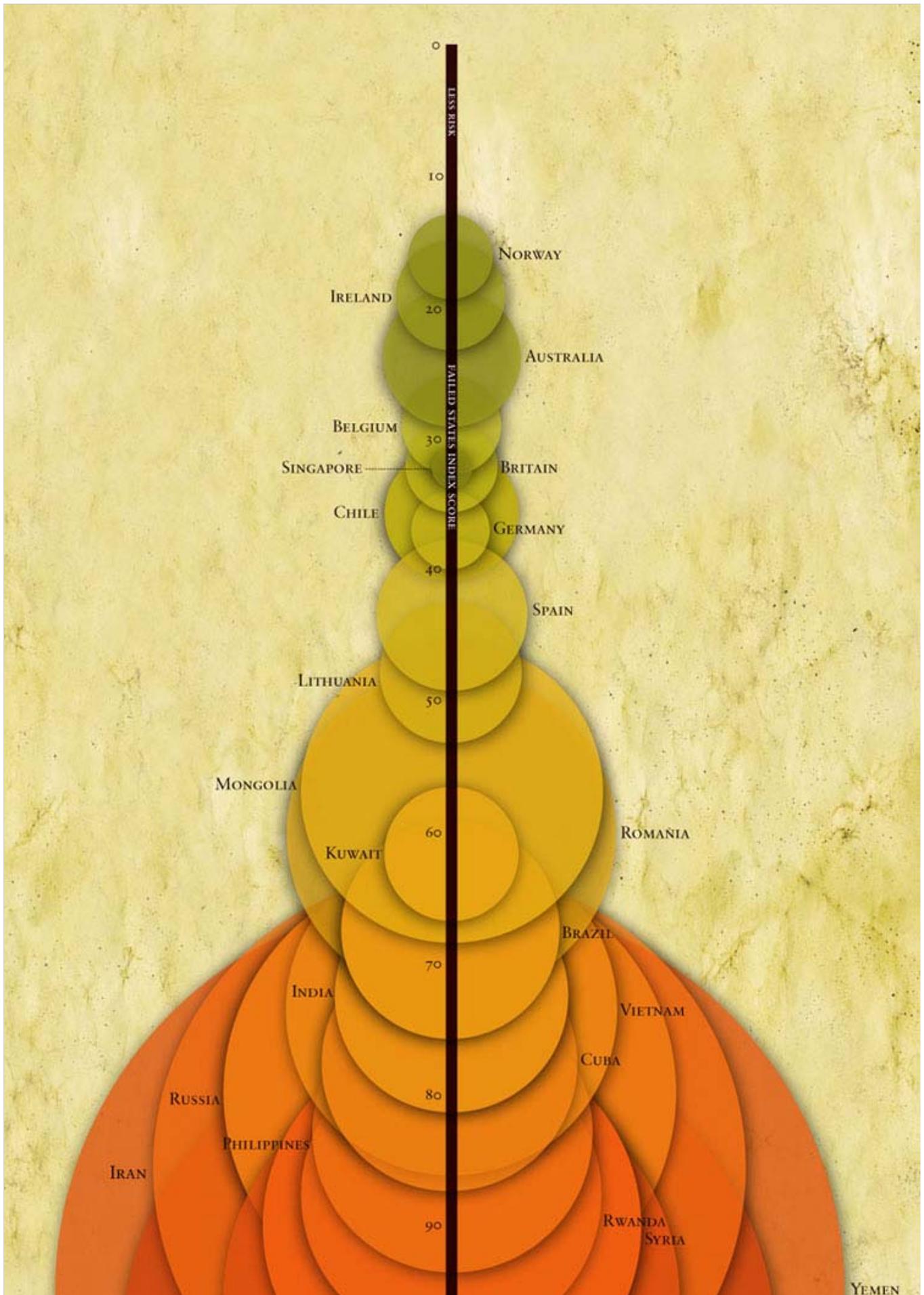
### 2008

#### Inflation Nations

*When prices soar, weak states are in for a wealth of trouble.*

Surging oil prices, soaring food costs, a declining dollar—money simply doesn't buy what it used to. Although most economists argue that a little inflation is good for greasing the wheels of economic growth, it's easy to see how rapid increases in the cost of basic goods can cause chaos. Countries with high levels of inflation are also the world's weakest, according to data from the Heritage Foundation's Index of Economic Freedom. That's perhaps most clear in Zimbabwe, where the International Monetary Fund recently pegged inflation at an absurd 150,000 percent. At that rate, bread bought

in the morning might be twice as expensive in the afternoon. Clearly, that's no recipe for stability.



---

## The Failed States Index

### 2008

#### Over the Barrel

---

*Record oil prices have failed to improve the poor fortunes of the world's most vulnerable states.*

Last year, ExxonMobil's revenues—\$404 billion—exceeded the GDPs of more than 160 countries. It was, quite simply, a banner year for oil companies, with a string of record-breaking profits as the price of oil nearly doubled. But if it was a phenomenal time to be an oil executive, it was hardly the best moment to be the citizen of an oil-producing country. The incredible fortunes of the oil market rarely translate into social fortunes on the ground.



LIONEL HEALING/AFP/GETTY IMAGES

Several major oil producers stumbled in the past year. Despite boasting the second-largest oil reserves in the world, Iran's economy grew only moderately, with much of the oil windfall devoted to financing the country's steep gasoline subsidies. When the government cut the subsidies last summer and rationed gas, violent riots erupted in Tehran. In Chad, which only began pumping crude in 2003, rebels mounted a near successful coup, citing their anger at the government's distribution of oil profits. And in Nigeria, the world's eighth-largest oil producer, violence continues to plague the country's restive oil delta, with attacks on pipelines contributing to a 25 percent decrease in oil output since 2006.

Even at more than \$100 a barrel, it's little surprise that oil continues to be more burden than boon to the world's most vulnerable states. Profits are still pocketed by a select few, or diverted to buy loyalties. The only difference today is that the wallets in question are getting fatter. It's clear that a crude strategy to stability and prosperity is no strategy at all.

---

## The Failed States Index

### 2008

#### Lifelines to Power

---

*The world's worst leaders do not simply cling to power through brute force and the denial of basic rights. They are buoyed by cash from a variety of legal—and illegal—trades. Here's how a few stay afloat.*

#### Than Shwe

##### Burma

**Lifelines:** natural gas, opium

Burma's enormous natural gas reserves, which account for nearly a third of the country's exports, buy the friendship of neighboring China, India, and Thailand. Profits are funneled to the junta's paranoid leaders and military brass, who brutally suppressed protests last fall. And though the junta claims it cracks down on the country's opium trade, which supplies 80 percent of Southeast Asia's heroin, cease-fires with drug kingpins who operate openly in the region's notorious Golden Triangle suggest that junta leaders look the other way in return for a slice of the action.



STAN HONDA/AFP/Getty Images



**Kim Jong Il**

**North Korea**

**Lifeline:** counterfeit money

Illicit activities form the cornerstone of North Korea's destitute economy, with drug trafficking, the ivory trade, and counterfeit cigarettes supplanting the millions the regime once earned from selling missile technology. But it's Kim Jong Il's secretive Office 39 that some U.S. officials believe truly keeps his regime afloat. Responsible for raising the hard currency to bankroll the lifestyles of top officials, Office 39 is allegedly behind the counterfeiting of millions of "supernotes," the world's most sophisticated forgeries of U.S. dollars.

**Omar Hassan al-Bashir**

**Sudan**

**Lifeline:** oil



Salah Malkawi/ Getty Images

Presiding over a genocide is generally grounds for international condemnation, or worse. Not so in the case of Sudanese President Omar Hassan al-Bashir, who maintains power with the help of lucrative oil contracts with China, Japan, and Malaysia, among others. Thanks to oil, the country's GDP has tripled since 2000, and the brutal ravaging of Darfur hasn't stopped foreign energy companies from setting up shop in Khartoum. A former finance minister has said that 70 percent of the government's share of oil profits goes toward defense. That should be more than enough for Bashir to fuel his friendship with the rebels in the country's oil-rich south.

**The Failed States Index**

**2008**

**Israel on the Fence**

*A slide into the ranks of the world's weakest states reveals disorder on Israel's doorstep and bitterness at home.*

For the first time, Israel has fallen into the ranks of the world's 60 most vulnerable states. The slide, which considers conditions in the West Bank but not Gaza, given Israel's withdrawal from the strip in 2005, is less a function of traditional Israeli-Palestinian tensions and more a product of the conflict's new dynamics, which increasingly pit Palestinian against Palestinian. Infighting between Fatah and Hamas in Gaza last summer quickly spilled into the West Bank, with mass arrests, abductions, and summary executions deepening the discord. Last year, nearly 350 Palestinians died at the hands of fellow Palestinians, far more than in any year since the outbreak of the second intifada in 2000.



PAULA BRONSTEIN/GETTY IMAGES

But the deep economic divisions between Israel and the West Bank also bear responsibility. Israel's network of road blocks and checkpoints has stifled the West Bank's economy. With Palestinians cut off from jobs and markets in Israel, unemployment climbed to 22 percent last year. And, according to the World Bank, which last year deemed the West Bank "a shattered economic space," GDP per capita has plunged 40 percent since 2000. More than half the population lives below the poverty line.

Israeli leaders insist that checkpoints and the controversial security fence are necessary to protect their citizens from terrorism. To that end, their efforts are having the intended effect; suicide attacks within Israel are down and the economy there has prospered. But deep divisions still linger under the surface. Among developed countries, Israel is second only to the United States in income inequality. Bitter debates over the fate of settlements, rising public apathy due to a string of political scandals, and soul-searching over the Israel Defense Forces' performance in the 2006 war with Lebanon have not given Israelis greater confidence in their current state of affairs. Bad blood may be at the heart of the neighborhood's troubles, but its effects can taint progress in even the most successful nations.

---

## The Failed States Index

### 2008

#### FAQ and Methodology

---

*Q: How many countries are included in the Failed States Index?*

A: There are 177 states included in the 2008 index, the same number of states that were assessed in 2007. In 2006, 148 countries were ranked, with 75 states ranked in 2005. A small handful of countries were not included because of a lack of data. The Fund for Peace (FfP) is working to improve data collection and analysis, and it is constantly adding additional sources.

*Q: What methodology was used to generate the scores?*

A: The Fund for Peace uses its Conflict Assessment System Tool (CAST), an original methodology it has developed and tested over the past decade. CAST is a flexible model that has the capability to employ a four-step trend-line analysis, consisting of (1) rating 12 social, economic, political, and military indicators; (2) assessing the capabilities of five core state institutions considered essential for sustaining security; (3) identifying idiosyncratic factors and surprises; and (4) placing countries on a conflict map that shows the risk history of countries being analyzed.

For the Failed States Index, the FfP focused solely on the first step, which provides snapshots of state vulnerability or risk of violence for one time period each year. The data used in each index are collected from May to December of the preceding year. The CAST software indexed and scanned more than 30,000 open-source articles and reports using Boolean logic, which consists of key phrases designed to capture the variables measured.

Full-text data are electronically gathered from a range of publicly available print, radio, television and Internet sources from all over the world, including international and local media reports, essays, interviews, polling and survey data, government documents, independent studies from think tanks, NGOs and universities, and even corporate financial filings. The software determines the salience of the 12 indicators as well as hundreds of sub-indicators by calculating the number of "hits" as a proportion of the sample for a given time period. Quantitative data is also included, when available. Subject-matter experts then review each score for every country and indicator, as well as consult the original documents, when necessary, to ensure accuracy.

*Q: What are the 12 indicators of state vulnerability?*

A: [Click here to obtain a full list of the 12 indicators.](#) 

*Q: What do the colors in the index and on the map signify?*

A: The rank order of the states is based on the total scores of the 12 indicators. For each indicator, the ratings are placed on a scale of 0 to 10, with 0 being the lowest intensity (most stable) and 10 being the highest intensity (least stable). The total score is the sum of the 12 indicators and is on a scale of 0–120.

In the article, the 60 countries in the index are divided into three equal parts for easy reference: Critical (red), In Danger (orange), and Borderline (yellow). On the index's global map, additional countries that scored higher than 60 are colored yellow. Countries with scores between 30 and 59.9 are considered Stable (light green). Countries that have scores lower than 30 are categorized as Most Stable (dark green).

This coloring scheme differs slightly from the original FfP methodology, which it still employs in its reports and on its website for the entire 177 countries, as well as other products, such as the [Iraq Reports](#) and [Country Profiles](#). FfP's original methodology breaks the countries into four colored zones based on their aggregate scores. A country in the "Alert" zone has an aggregate score between 90 and 120. A country that is colored orange, the "Warning" zone, scores between 60 and 89.9. A country colored yellow, the "Monitoring" zone, has an aggregate score between 30 and 59.9. A country colored green, the "Sustainable" zone, has an aggregate score of 29.9 or less.

It is important to note that these ratings do not necessarily predict when states may experience violence or collapse. Rather, they measure vulnerability to collapse or conflict. All countries in the red, orange, or yellow categories display features that make significant parts of their societies and institutions vulnerable to failure. The pace and direction of change, either positive or negative, varies. Some in the yellow zone may be failing at a faster rate than those in the more dangerous orange or red zones, and therefore could experience violence sooner. Conversely, some in the red zone, though critical, may exhibit some positive signs of recovery or be deteriorating slowly, giving them time to adopt mitigating strategies. Taken over time, however, these scores yield trend lines which can suggest future directions.

*Q: What does "state failure" mean?*

A: A state that is failing has several attributes. One of the most common is the loss of physical control of its territory or a monopoly on the legitimate use of force. Other attributes of state failure include the erosion of legitimate authority to make collective decisions, an inability to provide reasonable public services, and the inability to interact with other states as a full member of the international community. The 12 indicators cover a wide range of elements of the risk of state failure, such as extensive corruption and criminal behavior, inability to collect taxes or otherwise draw on citizen support, large-scale involuntary dislocation of the population, sharp economic decline, group-based inequality, institutionalized persecution or discrimination, severe demographic pressures, brain drain, and environmental decay. States can fail at varying rates through explosion, implosion, erosion, or invasion over different time periods.

*Q: How has the methodology been critically reviewed, and how has it been applied?*

A: During the past decade, the CAST methodology has been peer-reviewed in several different environments, including by independent scholars and experts as well as educational, government, and private-sector agencies and institutions that have evaluated it for alternative uses. In each application, CAST is refined and updated. Governments use it, among other things, for early warning and to design economic assistance strategies that can reduce the potential for conflict and promote development in fragile states. Militaries use it to strengthen situational awareness, enhance readiness, and apply strategic metrics to evaluate success in peace and stability operations and for training. The private sector uses it to calculate political risk for investment opportunities. Multinational organizations and a range of other entities find it useful for modeling and gaming, management of complex organizations, and for conflict-risk assessments. Educators use it to train students in analyzing war and peace issues by blending the techniques of information technology with social science. And the countries being rated use it for self-assessment to gauge their own stability and performance on objective criteria and seek ways to improve their scores.

*Q: Who created the Failed States Index?*

A: It was a team effort. In addition to outside experts who helped FFP develop the methodology during its years of testing and validation, the core FFP team consists of Pauline H. Baker (president of the FFP), Krista Hendry, Patricia Taft (senior associates), Nate Haken (associate), Mark Loucas, Joelle Burbank (research associates) and Shawn Rowley (senior software engineer). The article on the index in FOREIGN POLICY was done in collaboration with its editors.

*Q: What can be done to avert further weakening of states at risk and to stimulate recovery?*

A: The Failed States Index presents a diagnosis of the problem, the first step in devising strategies for strengthening weak and failing states. The more reliably policymakers can anticipate, monitor, and measure problems, the more they can act to prevent violent breakdowns, protect civilians caught in the crossfire, and promote recovery. At the same time, policymakers must also focus on building the institutional capacity of weak states, particularly the "core five" institutions: military, police, civil service, the system of justice, and leadership. Policies should be tailored to the needs of each state, monitored and evaluated intensively, and changed, as necessary, if recovery is not occurring as intended. Continuous monitoring of the measures, using the same assessment methodology, can inform decision making on strategies and programs.

*Q: Are there examples of states that have pulled back from the brink of failure?*

A: Yes. The most dramatic ones are those that did it without outside military or administrative intervention. In the 1970s, analysts predicted dire consequences, including mass famine and internal violence in India, citing rapid population growth, economic mismanagement, and extensive poverty and corruption. Today, India has turned itself around. It is the world's largest democracy, with a competitive economy and a representative political system. Similarly, South Africa appeared headed for a violent race war in the 1980s, but it pulled back from the brink in a negotiated settlement that ushered in a new era of majority rule, a liberal constitution, and the destruction of its nuclear weapons program. In the past year, several countries that have long been known for endemic instability made impressive gains. For the second year in a row, Liberia made notable progress, thanks in part to the resettlement of refugees and continued anticorruption efforts. A new peace agreement in the Ivory Coast has calmed violence that erupted after a flawed election in 2002. And Haiti has made moderate advances in reining in rampant gang violence. A common thread links these three countries: All host U.N. peacekeeping operations.

*Q: Some studies suggest that wars are winding down. Your index suggests that there are a lot of conflicts in the making. Which is correct?*

A: Both are correct, in different senses. In essence, scholars agree that interstate wars are declining but that internal conflicts have been increasing since the end of the Cold War. The frequency, duration, and intensity of these conflicts vary. The 2005 Peace and Conflict report produced by the University of Maryland argues that there has been "a decline in the global magnitude of armed conflict," but it also states that "half of the world's countries have serious weaknesses that call for international scrutiny and engagement." The 2005 Human Security Report, published by Canada's Human Security Centre at the University of British Columbia, calculated that there has been a decline in the number of wars, genocides, and human rights abuses over the past decade due to international peace efforts since the Cold War—citing U.N. and other diplomatic initiatives, economic sanctions, peacekeeping missions, and civil society activism. The important point is that weak and failing states represent a new class of conflict, not isolated events. Approximately 2 billion people live in countries

that run a significant risk of collapse. These insecure and unstable states are breeding grounds for terrorism, organized crime, weapons proliferation, humanitarian emergencies, environmental degradation, and political extremism—threats that will affect everyone.

*Q: Does the public have access to the data in this index?*

A: The raw data are from millions of news articles and reports. As a practical matter, it is not readily transferable without the methodology and the software. However, the index values can be downloaded for free from the Web sites of [FFP](#) and [FOREIGN POLICY](#).

*Q: What is the Fund for Peace?*

A: Founded in 1957 by investment banker Randolph Compton, the FFP is an independent educational, research, and advocacy organization based in Washington, D.C. Its mission is to prevent war and alleviate the conditions that cause war. Since 1996, it has specialized primarily on reducing conflict stemming from weak and failing states. For more information, [FFP](#) invites you to visit its Web site.

---

## The Failed States Index

### 2008

**Want to Know More?**

---

Further details on the methodology of the Foreign Policy/Fund for Peace Failed States Index, as well as the results of earlier Failed States Indexes, can be found at [ForeignPolicy.com](#) and on the Web site of the Fund for Peace, [fundforpeace.org](#). [Experts are available for comment.](#)

In *Fixing Failed States: A Framework for Rebuilding a Fractured World* (New York: Oxford University Press, 2008), Ashraf Ghani and Clare Lockhart attempt to map out practical solutions to problems such as aid waste and lack of accountability in the world's most vulnerable states. William Easterly offers a scathing indictment of aid efforts in weak states in *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good* (New York: Penguin Press, 2006). The foundation of African entrepreneur and philanthropist Mo Ibrahim recently released the inaugural **Ibrahim Index of African Governance**, which rates the quality of governance on the continent and aims to hold leaders to account.

---



Consultants 21 Limited &lt;consultants21@gmail.com&gt;

---

## H.E. misled !

---

**Consultants 21 Limited <consultants21@gmail.com>****Mon, Aug 4, 2008 at 4:46 PM**

To: "Mr. Lalith Weeratunga -Secretary to H.E. the President" &lt;lalith@icta.lk&gt;

Cc: "Mr. Gotabhaya Rajapakse" &lt;rajapakg@gmail.com&gt;

Dear Lalith,

I know that you must have been and will yet be extremely busy *vis-à-vis* the work relating to the SAARC Conference and matters arising therefrom.

I was 'bemused' to see in the weekend Newspapers that H.E. the President had been / is being mischievously misled desperately re – the issues pertaining to LMSL !

I refer to my E-mail of 29.5.2008 on this matter, in that, the surreptitious fraudulent transfer of Land took place in January 2005 behind my back, when I in October 2004, as PERC Chairman, in concurrence with then Chairman CPC, Mr. Jaliya Medagama, a very senior Public Officer, refused to take any action on the request specifically made by P.B. Jayasundera, Secretary to the Treasury, stating – '*Hetama Karala dhanna*', and had directed the PERC Officers to inquire into the Valuation of the Land and Title. I had reported such facts in writing to COPE and had filed in the Case.

I have been extremely busy finalizing the Written Submissions on the SLIC Case, which had to be filed today. I made Oral Submissions personally in the Supreme Court over 3 hours – on two days about 1 ½ hours each day ! Attached copy of Written Submissions, which you could read at leisure and realize the gravity of the fraud – and brief H.E. the President thereof.

As regards, matter referred to at para 3 above re – LMSL, I shall read the weekend media reports and write to you setting out the facts, making them known public, in the national and public interest and public good !

Kind regards,

Nihal

--

Consultants 21 Ltd.

[www.consultants21.com](http://www.consultants21.com)

---

**5 attachments****Index.doc**

34K

**Written Submissions.doc**

544K

**Annexure "A".doc**

60K

**Annexure "B".doc**

43K

**Annexure "C".doc**

26K



Consultants 21 Limited &lt;consultants21@gmail.com&gt;

---

## H.E. misled !

---

**lalith@icta.lk** <lalith@icta.lk>

**Mon, Aug 4, 2008 at 5:24 PM**

Reply-To: lalith@icta.lk

To: Consultants 21 Limited <consultants21@gmail.com>

Nihal,

Thank you for your understanding. I have been busy pre and during SAARC. I am not yet out of it.

I will read these things leisurely but want to assure you that H.E cannot be misled. At the end of the day he would do the right thing.

Lalith

Sent via BlackBerry® from Dialog

---

**From:** "Consultants 21 Limited" <[consultants21@gmail.com](mailto:consultants21@gmail.com)>

**Date:** Mon, 4 Aug 2008 16:46:07 +0530

**To:** Mr. Lalith Weeratunga -Secretary to H.E. the President<[lalith@icta.lk](mailto:lalith@icta.lk)>

**CC:** Mr. Gotabhaya Rajapakse<[rajapakg@gmail.com](mailto:rajapakg@gmail.com)>

**Subject:** H.E. misled !

[Quoted text hidden]

---