

Of Special Interest

ILO supports Vavuniya North
MPCS

LEED expands to Kilinochchi

Small rice mill owners benefit
from improved work
environments

Market linkages established for
small producers in Vavuniya
North

LEED in Kilinochchi

The LEED Project embarked on preparatory activities in Kilinochchi in July 2011. Extensive consultations were carried out with District and Divisional Secretariat, private sector, cooperatives, key individuals, NGOs and other UN agencies to identify the most appropriate sectors, entry points and engagement strategy by which the LEED project could have most impact in terms of long term sustainable employment and livelihoods creation.

Interventions would focus on support to **fisheries and paddy sector, job placement, strengthening of business development services through support to the Kilinochchi Chamber of Commerce and reviving multi-purpose cooperative societies.**



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பொருளாதார அபிவிருத்திக் கருத்திட்டத்தினூடாக மக்களை வலுவூட்டல்

LOCAL EMPOWERMENT THROUGH ECONOMIC DEVELOPMENT (LEED) PROJECT

An Australian Government, AusAID initiative

Vavuniya North multi-purpose cooperative society to support more than 2,000 paddy farmers

The International Labour Organization (ILO) and the Multi-Purpose Cooperative Society (MPCS) of Vavuniya North have joined forces to re-tool a major rice milling operation damaged during the years of Sri Lanka's civil conflict.

The agreement, worth Rupees 10,768,000 was formally signed by the ILO and MPCS to cover the costs of procurement and installation of the rice milling equipment.

When completed in January 2012, the rice mill at Nedunkeni, Vavuniya North will be capable of processing 4,000 metric tons of raw paddy per annum. This

will directly create 20 new jobs at the mill and will have a direct and positive impact on the incomes of an estimated 2,000 paddy farmers in the area.

This agreement is viewed by the ILO as a first step in a long term integrated support package to the cooperative movement in the Northern Province. Technical Support for the selection, procurement and installation of equipment is being provided by the Institute of Post-Harvest Technology Research and Development in Anuradhapura.

The cooperative sector is viewed by the ILO as a key stakeholder and

partner in the Government's reconstruction efforts in the Northern Province.

The ILO is supporting cooperatives as a partner in empowering communities to seek new and sustainable approaches that respond to their aspirations for decent work.

Support to small rice mills

Vavuniya North Division is the largest producer of Paddy in the Northern region of Sri Lanka. Most of the raw paddy is purchased by merchants and exported from the division where it is milled. To create employment and develop the local economy the office of the Divisional Secretary has identified the reestablishment of milling capacity through support to new mills or upgrading of the existing mills as a priority intervention. The ILO LEED project has been requested to support this intervention, it is doing so through a combination of support to medium size mills (such as the support to MPCS North) and to a number of small GN level mills.

These small mills play an important role in the village economy. They mill paddy for local consumption, produce bran for animal food and grind chilies for local use. They are the hub of rural communities. Their absence or inefficiency production methods are an additional burden on local populations (particularly women) by forcing them to travel long distances to purchase rice.

In addition, it is possible to link the supply chain of these mills with micro parboiling enterprises that can provide sustainable incomes for female-headed households. In simple terms, this involves linking the improvement support package to the mill with a contractual obligation on the mill to purchase parboiled paddy from the parboiled micro enterprises.

The mills are small enterprises that were reestablished after the conflict.

Technical and financial survey of the 18 small rice mills in Vavuniya North DS division is ongoing. The selected mills will be upgraded and supported with technical and management support over a two year period. **Three mills have already been provided with financial support** to establish a safe working environment for employees, create additional jobs within the mills and act as a potential market for par boiling enterprises. Technical assistance has been provided by the Institute of Post-Harvest Technology (IPHT). The LEED Project **intends to support approximately 10 additional mills in Vavuniya North by June 2012.**

LEED Project links Northern Farmers with better prices, higher incomes ...

Many Vavuniya North farmers were coping well with the challenges of resettlement and the fertile soil of the area had allowed them to harvest good crops of fruit and vegetables this season - more than 7000 metric tons of vegetables alone. But a lack of markets meant they could not sell their crops. In some cases farmers were even forced to leave their produce to rot, others had to sell at low prices.

The Project contacted major wholesalers and exporters in Colombo and created links between them, the District Secretariat in Vavuniya North, and the farmers. Already two large companies **C.R. Exports (Pvt) Ltd of Kadawatha and Expo Lanka (Pvt) Ltd of Wattala** have visited the division, to meet the farmers, and reestablish markets. They are working with the farmers at a more intensive level, providing technical support and developing new partnerships and business models, such as out-grower schemes.

According to Mr Nihal Devagiri, National Programme Officer for the LEED Project, the new market linkages will create higher incomes for more than 3,000 farmers and their families in the division, all of whom were displaced due to the conflict. Mr Devagiri added that deepening these types of partnerships will play a critical role in the economic recovery of the North, and the next step is to support producer organizations, to strengthen their ability to plan their production and negotiate with buyers and suppliers.

For more information:

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