



International
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LESSONS LEARNED IN SRI LANKA: LEED PROJECT



This document on lessons learned is part of the conceptual document on Drivers of Rural Vulnerability that will contribute to enhance the institutional capacity of the ILO in identifying populations which can be considered 'vulnerable' in the rural economy.

COUNTRY OVERVIEW

Over the past few decades, Sri Lanka's history has been marked by a civil war between the Liberation Tigers of Tamil Eelam ('LTTE') and the government or Sri Lanka. In 2009, after almost three decades of violent **ethnic conflict**, the government emerged victorious, leaving substantial social, political, economic and cultural consequences.

Overall, there was a **loss of an estimated 60 000 lives, internal and external displacement of nearly a million people, war widows and thousands of children lost their parents**. Entire areas were left with a significant lack of infrastructure that impeded rural people to earn income through off-farm activities. Given that nine out of ten poor people in Sri Lanka live in rural areas and these depend on agricultural activities, these were directly affected.

One of the major challenges faced by the Northern Province immediately after the conflict was the existence of a **high number of Internally Displaced People (IDPs)**, which already amounted 300,000 since the 1990s. Their return and resettlement encompassed the highest priority for the government, the United Nations agencies and the international community as a whole.

Due to the longstanding conflict, there has been a **significant increase in Female-Headed households (FHH)** in the North Province, significantly changing the traditional defined gender roles. These female headed families, though participants in the local economy, are often marginalised, excluded, ignored

or discriminated. Gender remuneration inequality is also present, thus resulting in a high gender wage gap.

This situation was worsen by the impacts of climate change that are prevalent in most parts of Sri Lanka. **Climate change contributes to poverty and its impact are likely to create negative socio-economic outcomes in many sectors, particularly affecting the most vulnerable.**

Almost 30% of the total Sri Lankan population depend on livelihoods related to agriculture which are highly dependent on climatic conditions. Changes in rainfall patterns result in floods and droughts in the fields, increasing the uncertainty and risks to farmers and the poor who have little capacity to cope with these changes. This state of affairs inevitably lead to food shortages, malnourishment and health issues.

The post-conflict economy in the Northern Province saw its productive capacities and livelihoods severely reduced, infrastructure and other community services destroyed, markets collapsed, widespread unemployment and underemployment, together with a low level of social cohesion.

ILO EXPERIENCE

LOCAL EMPOWERMENT through ECONOMIC DEVELOPMENT PROJECT (LEED)

In this context the LEED project, funded by the Department of Foreign affairs and Trade (DFAT) of the Government of Australia, represented a model for reconciliation through local economic empowerment and sustainable employment generation. This project covered the conflict affected areas of the Northern Province in Sri Lanka, from 2011 to 2016. New funding from the Norwegian government will facilitate the continuation of this project.

The LEED project focused on providing a long term development and creating decent work and employment opportunities for the post-conflict communities, rather than enduring the humanitarian assistance that was set in place by other agencies. It delivered a multi-dimensional and holistic approach at the community and individual level. A peacebuilding and livelihood restoration process along with socio-economic integration and rehabilitation was also of utmost importance.

- **APPROACHES**

The foremost strategy was centred in achieving social empowerment through a **Local Economic Development (LED)** approach. This pursued to reduce the factors that contributed to the development of the war and to achieve a long-term peace process, with mutual and community trust, together with economic development, poverty reduction and sustainable job creation.

The central tool used was the **Territorial Diagnosis and Institutional Mapping (TDIM)**. This is a geographical-based tool that provides an overview and informs the project on important socio-political and economic issues in a specific area. This was very helpful given the existence of many economic sectors and production conditions weakened, along with animosity among populations in the North Province. The TDIM was in constant revision and up to date, in order to follow new challenges, circumstances and context.

The **Sectoral Studies** were also essential. They involved a review and assessment of the conditions and potential growth of a sector or sub sector of the local economy, in terms of livelihoods and employment opportunities that has been identified in the initial TDIM studies.

The LED approach was conducted by the **Local Value Chain Development (LVCD)**. A value chain is defined as the full range of activities that businesses and producers go through to bring a product or service to their customers. For the project team, it was important that these were carried out through an “ILO lens” that examined not only issues of production and markets but also observed the gendered-power dynamics, role of different groups, and vested interests.

The changing nature of post-conflict situations requires that TDIMs, Sectoral and Value Chains studies be updated throughout the project. Constant mapping is the key to successful plans.

The project adopted a **sustainable livelihood approach** to improve the lives of the poor and vulnerable groups. This could only have been achieved by ensuring their beneficial inclusion and integration in an expanding and growing economy. Initiatives to improve the economic wellbeing and lives of vulnerable groups needed to be creative, innovative and even positively discriminatory.

In parallel, a multi-stakeholder dialogue with several local and national authorities and private actors took place so as to build consensus with a shared vision and objectives of what was needed in the area.

- **IMPLEMENTATION**

On the whole, the project engaged in the following sectors: Paddy, Fruit and Vegetable, Fisheries, Other Field Crops and, during the last year, in the Tourism sector. The TDIM tool played an essential role in this process since it put together a comprehensive context analysis with a long term perspective, providing a multidisciplinary set of interventions and strategies.

The constant and broad coordination between the ILO and various UN agencies, INGOs and the government played an essential role in the project's success.

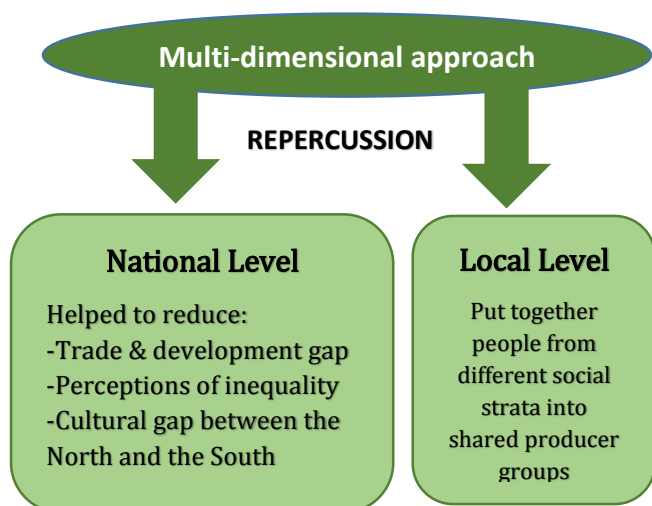
The LEED project **engaged with the private sector** to encourage the creation of agreements with local private companies from the North Province, to improve supply chains and services. It also engaged at the national level with the National Chamber of Commerce. Both helped in creating local employment and decent incomes.

Furthermore, there was a need to empower local populations at the technical and social level, in order to let them take control of their own development. At the community level, a “**community contracting**” was adopted. This methodology involved the contracting of beneficiaries for the procurement of infrastructure, equipment and services by transferring the necessary funds to them to manage.

There has been a **strong gender approach towards women empowerment**. In the SMEs sector, a large number of these enterprises are now owned and ran by women. Thus, the project emphasised the importance to improve productivity and incomes, as well as creating gender awareness and leadership.

• RESULTS AND TRENDS

Broadly, the LEED project has resulted in economic benefits and incomes among several economic sectors and activities within the Northern Province. It created additional employment opportunities, optimized the retention of benefits from the VCD approach and enhanced women inclusion.



The project took a mainstream gender approach, creating decent work opportunities in non-traditional roles and challenged social norms on the role and capacity of women. It has also encouraged women for equitable participation and inclusion. The LEED project has generated remunerated employment for 15,750 previously economically disempowered women, and made them autonomous and economically active. There was also an **increase of 30% in the number of women involved in decision making positions** within producer organizations and cooperatives.

The project improved the capabilities of marginalized groups and service providers for better production and enhanced access to supply chain linkages and markets. It encouraged better dialogue between Northern producers with national and international buyers, while facilitating business agreements.

It positively supported 150 MSMEs, creating over 300 jobs and incomes of 1.5 million of euros. The project also supported employment for people with disabilities and vulnerable women among agricultural and fisheries sectors. Furthermore, 6500 individuals developed business skills and capacities within key economic sectors. It also revived 30 cooperatives and established partnerships between exporters from the South with producer groups from the North.

• LESSONS LEARNED

The above described approaches and strategies adopted in the LEED project had shown a positive result with a high degree of success towards empowerment, resilience and economic recovery. Below some lessons learned:

1. Every project should address poverty from a holistic approach rather than targeting specific groups of people. Sustainable results were achieved when integration as a whole was an essential component of the projects' approach.
2. Tailored-made decisions and strategies for the particular context are essential. These should be based on sound market assessment, considering the total population but mainly focusing on the target groups, providing them with safeguards and integration interventions.
3. The particularity of the LEED project was the creation of partnerships between the North and South to create durable employment opportunities within a post-conflict context. This contributed to the cooperation in the peace building process.
4. Cooperation among the several actors involved within local communities is essential to reach a consensual decision on what and how to work upon.
5. Vulnerable groups of people (i.e. rural poor, women and marginalized communities) need the required skills and self-confidence to be involved in community decision-making, to ensure participation at the national and local level. In the long term, this supports the individual and collective social empowerment process.
6. Persistent update and adjustment of methodologies to emerging situations throughout the project is possibly the key to its success.
7. A comprehensive sectoral study is of utmost importance to identify the main actors, vested interests and economic sectors
8. The government engagement throughout the project showed the opportunity to reach more durable and long term solutions in the future for the Northern Province.