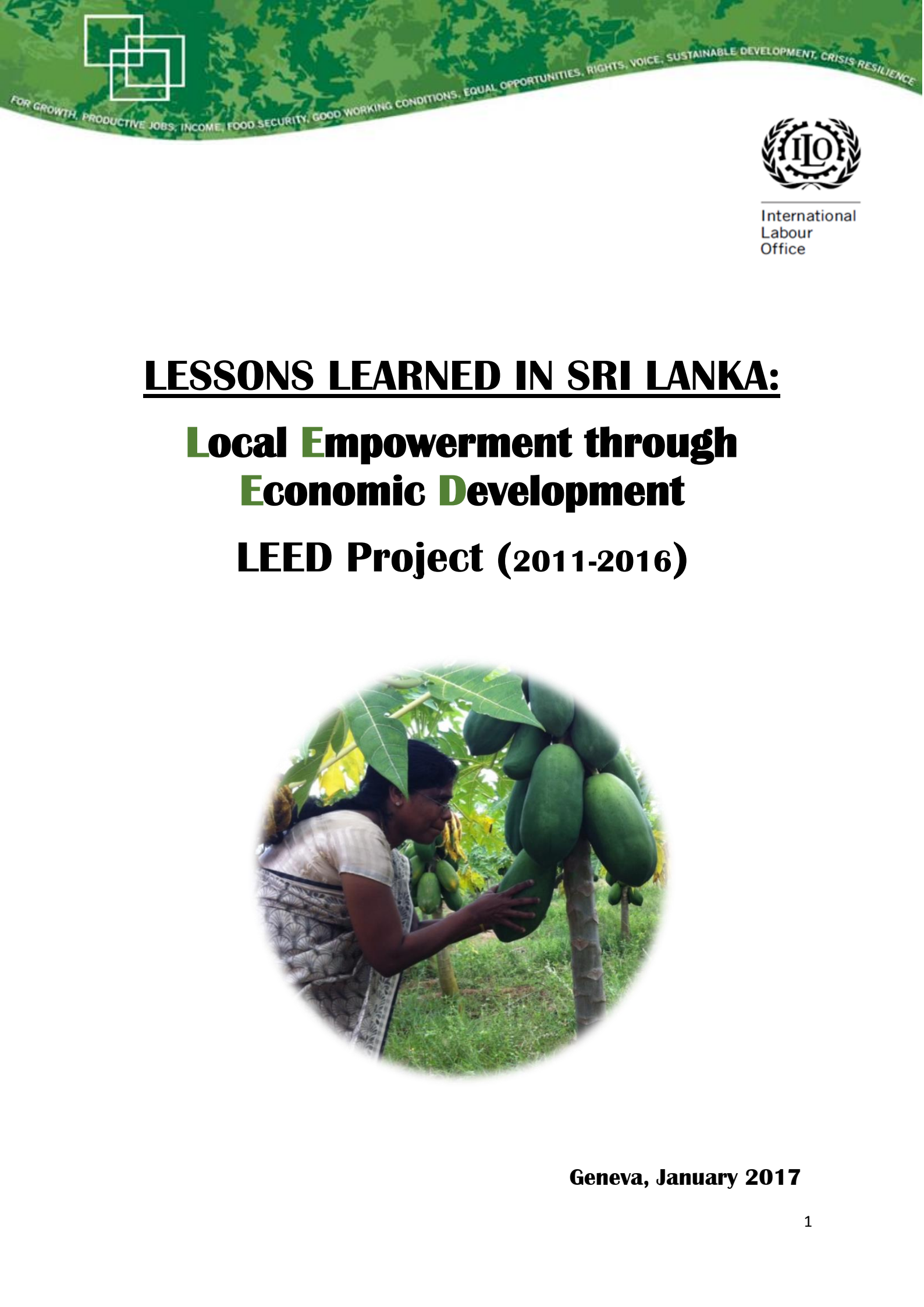




International
Labour
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LESSONS LEARNED IN SRI LANKA:

Local Empowerment through Economic Development

LEED Project (2011-2016)



Geneva, January 2017

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I. Background

Overview

Sri Lanka is an island located in the Indian Ocean with a land area of 25,000 square miles and a population of 21.612 million inhabitants, which 17.645 live in rural areas and 3.967 in urban ones¹. Regarding ethnic groups, 74.9% of the total population is Sinhalese, 11.2% Sri Lankan Tamil, 9.2% Sri Lankan Moors and 4.2% Indian Tamil². Its official and national languages are the Sinhala, with a total of 74% people using it, and the Tamil, covering 18% of the population³. Concerning religions, 70.2% of the population are Buddhist, 12.6% Hindu, 9.7% Muslim and 6.1% Roman Catholic⁴.

The unemployment rate in 2015 was of 4.7% and the number of employed people above 15 years old was 7.710 million during the same year. There were 5 million people who worked in the informal sector employment by 2014⁵. The service industry accounted for 59% of Sri Lanka's GDP, and tourism is a powerful force of the service economy. This is followed by the industry sector with 29% and agriculture that comprises 12% of the GDP (which employs one third of the workforce)⁶. Sri Lanka is classified as a lower middle-income country by the World Bank. It has a high Human Development Index (0.750) and is in the ranking position 73 out of 187 countries. The literacy rate is more than 90%⁷.



¹ ILOSTAT – Sri Lanka [2015]

² CIA World Factbook <accessible at <https://www.cia.gov/library/publications/the-world-factbook/geos/ce.html>> [2012]

³ Ibid

⁴ Ibid

⁵ ILOSTAT – Sri Lanka

⁶ Review of Climate Change and health activities in Sri Lanka- WHO (2015) <accessible at http://www.searo.who.int/srilanka/documents/review_of_climate_change_srilanka.pdf>

⁷ Ibid



United Nations cartography⁸

The civil war and its aftermath

Over the past few decades, Sri Lanka's history has been marked by political, social and ethnic violence. In the 1970s and 1980s, tens of thousands of people were killed in political violence and conflict. In the late 1970s, the Liberation Tigers of Tamil Eelam ('LTTE') started fighting against the Government in order to establish a state of Tamil Eelam in the north and east of Sri Lanka. During these decades, Sri Lanka had one of the world's highest rates of disappearances, as well as many cases of unlawful killings and torture⁹.

After two decades of fighting, the government and the LTTE reached to a Cease Fire Agreement (CFA) in February 2002, with Norway brokering peace negotiations and its monitoring body the Sri Lanka Monitoring Mission (SLMM). Although the CFA led to a reduction in armed clashes between the main parties of the conflict, the violence persisted and intensified. In 2007 the Government formally launched its military campaign in the Wanni region against the last remaining area of Sri Lanka under LTTE control. The fighting gradually

⁸ Accessible at <http://www.un.org/Depts/Cartographic/map/profile/srilanka.pdf>

⁹ Report of the Secretary-General's internal review panel on United Nations action in Sri Lanka (November 2012) <accessible at https://www.google.ch/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwiJsMXy6LHPAhUGPhQKHTa7BlcQFggeMAA&url=http%3A%2F%2Fwww.un.org%2FNews%2Fdh%2Ffocus%2FSri_Lanka%2FThe_Internal_Review_Panel_report_on_Sri_Lanka.pdf&usg=AFQjCNHfUCz8umWRSmeDjzeAwhpQQGe92Q&sig2=cH-dDn3-DwRbZz3ItZAwXw >

intensified and in September 2008 the conflict entered in its final stages. On 19 May 2009, with the death of the LTTE's leadership, the Government emerged victorious.

A few days after the war ended, the United Nations Secretary-General (UNSG), Ban Ki-moon, paid a visit to Sri Lanka and held meetings with President Rajapaksa, several high level governmental authorities and civil society. In this visit, the government and the UNSG committed themselves to provide immediate and long-term programmes in order to ensure relief, rehabilitation, resettlement and reconciliation, and to ensure economic and political empowerment for the people in the North¹⁰. On 22 June 2010 the UNSG appointed a Panel of Experts to advise him how to implement the above mentioned joint commitment, stressing the importance of the accountability process and investigate about alleged violations of international humanitarian and human rights law. This Panel found that several allegations of violations were committed by both the Government of Sri Lanka and the LTTE, and that the Government must address accountability by alleged violations committed by both sides of the conflict and ensure victim's dignity and rights¹¹.

On 2 September 2016, the UNSG visited Sri Lanka for the second time after the civil war, and congratulated the government and people for the progress they have made. He stated that with the new government, President Maithripala Sirisena, a comprehensive transitional justice agenda and a constitutional reform process have been carried out. These measures were considered by the UNSG as positive steps to build “...*confidence and trust, and strengthened transparency and accountability*”¹². However, he stressed that there was still hard work ahead particularly to redress past atrocities and restore the legitimacy and accountability of key institutions, and to give the victims a voice. Concerning the government's efforts on transitional justice, peacebuilding and reconciliation, he noted special progress in the northern city of Jaffna, where there is a large Tamil population¹³.

ILO's projects and participation in Sri Lanka

The ILO has contributed to Sri Lanka's social, economic and labour market development in a wide range of ways and through numerous projects¹⁴:

- Disarmament, demobilization and reintegration (DDR) (2002-2004), with the aim to reintegrate ex-combatants into civilian life. The beneficiaries of this program were ex-combatants with disabilities, women, youth and children and it intended to build peace in this country through their socio-economic reintegration. The main objectives were to improve and expand reintegration services in the labour market and to assist partners in providing reintegration support to ex-combatants¹⁵.

¹⁰ Joint Statement by United Nations Secretary-General, Government of Sri Lanka (2009) <accessible at <http://www.un.org/press/en/2009/sg2151.doc.htm>>

¹¹ Report of the Secretary-General's Panel of Experts on accountability in Sri Lanka (2011) [Executive summary] < accessible at http://www.un.org/News/dh/infocus/Sri_Lanka/POE_Report_Full.pdf>

¹² UN News Centre, *In first visit to Sri Lanka since end of war, Ban flags role of human rights and sustainable development on path to stability* (2016) <accessible at http://www.un.org/apps/news/story.asp?NewsID=54830#.V_IHW_197cs>

¹³ Ibid

¹⁴ Accessible at <http://www.ilo.org/colombo/whatwedo/projects/lang--en/index.htm>

¹⁵ ILO- Jobs after war: A critical challenge in the peace and reconstruction puzzle. (2003) [p. 159]

- Community-based Training for Economic Empowerment (ILO CB-TREE) (2006-2008), which promoted the restoration of livelihoods and revitalisation of local economies in tsunami affected areas. This was done through skills training, enterprise development and the existence of appropriate economic support mechanisms at the community level.
- Enter-Growth Project (2005-2009), contributed to the pro-poor economic growth and quality employment for both women and men, by an integrated programme for the development of MSEs focused on the North-West and North-Central provinces of Sri Lanka.
- Integrated Rural Accessibility Planning (IRAP) (2007-2009), it focused on reconstruction and maintenance of rural roads and to provide good accessibility to the population, as well as to have quality mobility road network for the transportation of passengers and goods.
- Promotion of Decent Work for Young Women and Men through Enhancement of Employment Possibilities (2007-2010), with the aim to alleviate poverty, unemployment and underemployment among rural young people, and improve employment and recruitment services. Similarly, the Youth Employment Project (ILO/ Japan) shared many of these objectives.
- Green Jobs in Asia (2010-2012), promoted gender sensitive green jobs opportunities and an environmentally friendly development in Sri Lanka.
- Joint UN Programme (ILO, UNDP, UNFPA, UNHCR, UNICEF, WHO) on Prevention of and Response to Gender-based Violence (2011-2013) through a multi-sectorial approach.
- Country level engagement and assistance to reduce child labour (CLEAR) (2015-2017) focusing on improved national legislation on the worst forms of child labour and make them comply with international standards.

II. Vulnerability analysis

Sri Lanka is a country where a large number of its populations have lived in vulnerable circumstances for much of its history. This has been due to a number of circumstances, historical events, long-standing conflict, weather conditions and unfortunate natural catastrophe. However, we can identify three main key vulnerability scenarios, which are described below.

Ethnic conflict

The ethnic conflict in Sri Lanka is anything but new. Sri Lanka was known as “Ceylon” during the British colonization and in this period of time there were constant tensions between the mainly Buddhist Sinhalese majority and the mainly Hindu Tamil minority. The British policy of favouritism towards the importation of Tamil workers from India for the plantation sector disenfranchised the Sinhalese majority. After its independence in 1948, Sinhalese nationalists tried to re-establish their dominance in the new State. Furthermore, Government power was placed in Sinhalese hands, Sinhala the sole official language and Buddhism the national

religion measures that increasingly marginalised the Tamil population¹⁶. This resulted in increasingly tense relations between the two groups and numerous sporadic violent riots. In 1976, the Liberation Tigers of Tamil Eelam (LTTE) began their separatist violent campaign for the north and east of the country, which both had Tamil majority populations.¹⁷

Since the ending of the longstanding conflict, in May 2009, the government has started an ambitious program of economic development projects, pursuing large-scale reconstruction to promote economic growth in the war-torn and disadvantaged areas focused on the North which had been isolated from the remainder of the country for 26 years¹⁸. The post-conflict local economy in this region had severely reduced productive capacities and livelihoods, destroyed infrastructure and other community services, collapsed markets, widespread unemployment and underemployment, and a low level of social cohesion¹⁹.

Tsunami in 2004

On 26 December 2004 a big tsunami, caused by an earthquake off the west coast of north Sumatra Islands, hit the island. The quake had a magnitude of 9.0 in Richter scale and due to the sea level rise, it heavily affected areas to an extent of 500m to 1km from the coast²⁰. Overall, the tsunami affected two-thirds of Sri Lanka's coastal line (over 1,000 kilometres). This unusual phenomenon in Sri Lanka killed more than 38,000 people and changed the lives of many more by destroying their livelihoods²¹. It devastated large areas close to the island's coasts, destroying water storage, irrigation facilities and infrastructure. The tsunami poisoned the fresh water supplies and the soil by salt water infiltration and deposition of salt over arable land making it difficult and costly to restore for agriculture. Moreover, several wells that served communities were invaded by sea water and sand²². Nearly 100,000 houses were destroyed, two-thirds of the nation's fishing boats were wrecked and the farming sector was also negatively affected by the salt water filtering in fields and wells²³. The tsunami also affected the country's tourism, destroying infrastructure and reducing employment in all sectors, in particular in the North and East of the country.

Climate change

Although every country is affected by the impacts of climate change, the developing ones are particularly vulnerable since they do not have the capacity to adapt and cope with natural catastrophes. This is the case of Sri Lanka. Increasing rain falls, sea level rise, increased frequency of extreme weather events and temperature rise are now becoming common events in this country. There has been an increase in the temperature of 0.016°C per year between 1961 and 1990. Moreover, the intensity and frequency of extreme events, such as floods and

¹⁶ Sri Lanka: Conflict profile < accessible at <https://www.insightsonconflict.org/conflicts/sri-lanka/conflict-profile/>>

¹⁷ Sri Lanka < accessible at <http://compromiseafterconflict.org/index.php/sri-lanka/>>

¹⁸ Project Proposal by the International Labour Organization and Australian Community Rehabilitation -Program Phase 3 (2010 – 2015)

¹⁹ Ibid

²⁰ Tsunami Impact - Sri Lanka: Sri Lanka Urban Multi-Hazard Disaster Mitigation Project (SLUMDMP) (2004) < accessible at http://www.nbro.gov.lk/web/images/pdf/tsunami_impact.pdf>

²¹ Rural poverty Portal: Geography, agriculture and economy of Sri Lanka < accessible at http://www.ruralpovertyportal.org/country/geography/tags/sri_lanka>

²² Water Environment Federation, Impact of Tsunami Disaster on the Water Environment (2006) < accessible at <https://www.environmental-expert.com/articles/impact-of-tsunami-disaster-on-the-water-environment-13898>>

²³ UNEP: Sri Lanka < accessible at http://www.unep.org/tsunami/reports/TSUNAMI_SRILANKA_LAYOUT.pdf>

droughts, impacting on water resources, land use, erosion, agriculture, biodiversity, have created increasing landslides.²⁴ In the coming years, Sri Lanka is expected to face heavier rains, prolonged droughts, rising temperatures, changes in agricultural production, and submerged coastal areas²⁵. Overall, impacts of climate change are prevalent in most parts of Sri Lanka and they are likely to create negative socio-economic outcomes in many sectors²⁶.

Climate change contributes to poverty and vulnerability in several ways. Around 28% of the total population depend on livelihoods related to agriculture which are highly dependent on climatic conditions. Changes in rainfall patterns may result in floods or droughts in the fields increasing the uncertainty and risks to farmers and the poor who have little capacity to cope with these changes²⁷. As a result, this will inevitably lead to food shortages, malnourishment and health issues.

In this context, the government has taken mainly adaptation measures but also mitigation strategies (for example by adopting green policies and technologies when possible) in order to cope with climate change. These measures are necessary so as to reduce future impacts on the people's livelihoods and living conditions, since the most affected regions are usually more likely to be poor countries.

III. Target groups

The conflict in Sri Lanka brought 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, trauma of survivors, insecurity for children (including recruitment by militant groups), collapse of the social fabric, disruption of livelihood activities and deterioration of basic services. Mixed communities from the North and East of the country (and bordering areas), which in the past used to live together, have become ethnically divided²⁸.

Almost three decades of violent conflict in the north and east of Sri Lanka led to a substantial proportion of the population in conflict affected areas being displaced, thousands of children lost their parents, and there was an increase in the number of households headed by women²⁹. Entire regions were left with a significant lack of infrastructure, namely roads, electricity, irrigation and communication facilities that impeded rural people to earn income through off-farm activities³⁰. Nine out of ten poor people in Sri Lanka live in rural areas and these depend on agricultural activities. The 2009 unemployment rate in the Northern Province was of 13%³¹,

²⁴ Ibid [p.275]

²⁵ ACTED- Climate change presents new challenges for displaced Sri Lankan residents (2015) <accessible at <http://www.acted.org/en/climate-change-presents-new-challenges-displaced-sri-lankan-residents>>

²⁶ Ministry of Mahaweli Development and Environment- National Adaptation Plan for Climate Change Impacts in Sri Lanka 2016 to 2025 (2015) <accessible at http://www.climatechange.lk/NAP/NationalAdaptationPlan_RevisedFinal.26.10.2015.pdf>

²⁷ ILO- Local investments for climate change adaptation: A guide for identifying, designing and implementing interventions in support of climate change adaptation at the local level (2011) p.275

²⁸ Ibid

²⁹ Dr. Renuka Jayatissa, Dr. Moazzem Hossain, Laksiri Nanayakkara, *Assesment of Nutritional status and associated factors in Northern Province*, UNICEF and WFP (2012)

³⁰ Rural poverty Portal: Rural poverty in Sri Lanka <accessible at http://www.ruralpovertyportal.org/country/home/tags/sri_lanka>

³¹ Bulletin of Labour Force Statistics of Northern and Eastern Provinces - 2002, Department of Census and Statistics

higher than the national average of 5.7% and the female unemployment rate stood at 31.5% compared with 6.9% for men³².

In addition, there has been an increase in the number of disability cases as a result of landmine and unexploded ordinance (UXO) related accidents, leading to a high number of psychosocial trauma. Handicap International figures suggest that around 60% of persons with disabilities are male over 18, and 30% are female over 18³³.

It is noticeable that programs concerning Disarmament, demobilization and reintegration (DDR) of all non-state paramilitary groups, civil society development and land restitution have not been granted the required level of attention. These ad-hoc programs lack the community-based approach in order to achieve full rehabilitation and social reintegration. However, it is reported that by 2010, around 9,000 ex-combatants in the LTTE were held in transit camps, undergoing demobilization, disarmament and seeking reintegration³⁴.

Although it is without saying that all the Sri Lankan population were somewhat affected by the conflict, the LEED project intended to mainly focus on two primary target groups:

Internally Displaced People (IDPs)

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 (UN) and international community as a whole³⁵. However, in its initial stages this proved to be a very difficult task which required putting into practice a multidisciplinary approach and bearing in mind not only the provision of basic needs but livelihoods as well. Furthermore, the lack of proper physical and social infrastructure hindered this process even more.

It is important to mention that the conflict in Sri Lanka has led to an increased vulnerability not only among the displaced population, but also within host communities, particularly in the Vavuniya, Mannar, Jaffna and Kilinochchi districts³⁶.

Some of the main difficulties encountered by the IDPs were as follows: psychological damage, loss of livelihoods and getting used to live in a refugee camp. Their freedom of movement and choice of place of residence are being restricted. The lack of access to their original land prevents their return, mainly due to the presence of landmines, establishment of special military and economic zones.

³² Department of census and statistics- Sri Lanka Labour Force Survey – Fourth Quarter 2009

³³ Ibid

³⁴ Ibid

³⁵ Project Proposal by the International Labour Organization and Australian Community Rehabilitation -Program Phase 3 (2010 – 2015)

³⁶ Ibid

Women

“The changing economic environment, economic stress and conflict related poverty brought increased labour force participation rates for rural women mainly in the rural informal sector and for educated and skilled women in the formal sector”³⁷. In this sense, the labour force participation rate in 2013 was of 53.8%, from which 35.6% were women³⁸.

There has been a significant increase in female-headed households (FHH) due to the conflict. Over the years women’s husbands, fathers and brothers have been killed or disappeared, thus they have had to assume the responsibility of being head of the family. Consequently, there has been a forced change in the traditional defined gender roles in relation to livelihoods, but little changes in the traditional perceptions of the role of women within the Tamil society.



These female headed families although participants in the local economy are often marginalised, excluded, ignored or discriminated in mainstream economic activities³⁹. The women who lost their husbands or male relatives, cannot claim right to land or pension due to the lack of death certificates. Moreover, given the fact that the social protection system is limited, there is an urgent need to help these women to assert their rights, improve their livelihoods and support their families⁴⁰.

Gender remuneration inequality is still significant, resulting in a high gender wage gap. On top of this, as women’s status and identity is recognized through the men’s, marital status is extremely important, leading to a dependency on men for accessing to productive resources.

IV. Approaches

Overview

As above described, Sri Lanka has suffered a high loss of labour force, institutions and physical infrastructure, mainly due to the war and other vulnerable situations, which adversely affected the socio-economic environment. The economy of the Northern Province, based mostly on traditional domestic agriculture and fishing industry, could not benefit from national trade liberalization due to the outbreak of the conflict in 1983⁴¹. Consequently, when the conflict ended in 2009, this region was left behind in comparison to the rest of the country regarding

³⁷ FAO: *Rural women in Sri Lanka’s post-conflict rural economy* (2006) <accessible at <http://www.fao.org/docrep/009/ag114e/ag114e00.htm>>

³⁸ ILO- The ILO in Sri Lanka (facts and figures) <accessible at http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms_245355.pdf>

³⁹ Project Proposal by the International Labour Organization and Australian Community Rehabilitation -Program Phase 3 (2010 – 2015)

⁴⁰ Ibid

⁴¹ Asian Development Bank, *Sri Lanka poverty Assessment: Background Paper for the Country Partnership Strategy 2012 - 2016* (2011)

development possibilities. In this context, the LEED project focused on providing a long term development and create decent work and employment opportunities for the post-conflict communities, rather than enduring the humanitarian assistance that was set in place. The covered area was the Northern Province of Sri Lanka, mainly in the Districts of Vavuniya, Mullaitivu, Kilinochchi and Jaffna. Moreover, in 2014 the project was extended to Ampara and Batticaloa districts in the East of the country.

The project aimed at delivering a multi-dimensional and holistic approach at the community and individual level. A peacebuilding process and the restoration of lost livelihoods by the war along with socio-economic integration and rehabilitation were the main focus of the project. Its goal was to empower conflict affected communities so they can equally participate in the emerging economy and market at the national level. It was of utmost importance to take an inclusive approach to reach vulnerable population and give them an opportunity to have their voices heard, along with providing a livelihood recovery, peace, integration and socio-economic stability.

As above mentioned, this approach is two folded. On the one hand, at the community level, the project aimed to: “...*contribute to increasing trust and confidence by building inter-ethnic, inter-religious, cross-gender, cross-generation and cross-caste economic relations*”⁴²; to strengthen governance and public-private partnership; and to empower local communities, producers and their organizations so they can participate in the emerging post conflict economy and markets. On the other hand, at the individual level, the activities were mainly towards self-reliance, to restore dignity and deal with issues such as idleness, lack of trust and social behaviour⁴³.

Local Economic Development (LED)

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 achieve a long-term peace process, with mutual and community trust, along with economic development, poverty reduction and sustainable job creation, for vulnerable populations affected by the Sri Lankan conflict. This process inevitably aimed to reach a positive environment for economic and social stability and integration between the ‘left behind north’ and the ‘developed south’. In this scenario, the LED approach focused on encouraging a local economic revival process, to promote a consensus-building environment, stimulate innovative aptitudes and to incorporate active networking and partnerships among public and private agents⁴⁴.

Territorial Diagnosis and Institutional Mapping (TDIM)

The LEED project considered as the central tool 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 geographical area. It is basically a strengths, weaknesses, opportunities and threats (SWOT) analysis of a specific

⁴² Project Proposal by the International Labour Organization and Australian Community Rehabilitation -Program Phase 3 (2010 – 2015)

⁴³ Ibid

⁴⁴ ILO- Jobs after war: A critical challenge in the peace and reconstruction puzzle. (2003) [p. 193]

area and is particularly useful in post-conflict situations. This was very helpful given the existence of many economic sectors and production conditions weakened, along with animosity among populations in the North Province.

In the case of Sri Lanka, it helped to identify the most important economic sectors or sub-sectors. It also identified the main actors, their roles, the relationships, how they interacted, vested interests, potential opportunities and threats and generally an overview of the socio, political economic dynamics in the area. The benefit of this exercise was that it forced the project team to systematically assess each new area of operations, and emerge with a common understanding and position in regard to the main challenges and opportunities. The efforts and resources that are invested in TDIM exercises must be commensurate with the demands of project delivery and the proposed levels of project investment.

The TDIM was in constant revision and up to date, in order to follow new challenges, circumstances and context. It must be accepted that the initial findings will most probably be challenged, revised and developed as the project progresses. TDIM exercises are also a useful contribution to team building both internally within the project team and also with local authorities and government departments. A multi-stakeholder dialogue with several local and national authorities and private actors was taken place so as to build consensus with a shared vision and objectives of what was needed in the area.

Sector studies

This involved a review and assessment of the conditions and potential opportunities of a sector or sub sector of the local economy that has been identified in the initial TDIM studies. It examines the sector on a national and global basis to determine which sectors have growth potential and how investments by the project locally may perform in terms of growth, livelihoods and employment. Changes in world demand, government policy, and new technology can make traditional produce or industries obsolete or help to identify new opportunities.

In addition for a small country such as Sri Lanka, where agriculture is a major economic sector and which does not enjoy the economies of scale or subsidies of some of their major trading partners issues such as government policy on the import of lower priced agricultural produce or even local support to crop production for national food security impacts directly on the prices paid to producers and thus must be considered in deciding on project investments.

From an ILO perspective, understanding the dynamics of the sector, identifying the power brokers and power dynamics and the role and conditions under which the ordinary worker and small producer engaged in this sector was critical if their conditions and incomes were to be improved.

Local value chain analysis

The LED process was conducted by the **Local Value Chain Development (LVCD)** approach. 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. There are numerous publications describing

value chain studies and value chain development to which reference can be made. 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 examined the gendered-power dynamics, role of different groups, and vested interests within any one chain. As with the sector studies, this is particularly important in a post-conflict setting where there is always the danger that initiatives may reinforce inequalities and unequal power structures that may already exist or create new inequalities.

In the LEED project, the value chain’s goal was to strengthen the competitiveness of small and medium enterprises (SMEs) and their subsequent integration into national and (later on) international markets, by identifying opportunities and constraints in a precise local area. This tool was successful in helping negotiating with several enterprises the best terms of trade so that cooperatives, small farmers and fishers could have their interests safeguarded. Moreover, it helped the already existing businesses to enhance added value to their product in order to receive an increase of profits. These measures had the purpose of addressing the inequalities between the Northern and Southern businesses and producers, ensuring a more equitable regional distribution of benefits of the recovery process⁴⁵.



Once again the process of doing the value chain study is as important as the end result as it allows potential beneficiaries and partners to participate and contribute and provides an opportunity to initiate and create a development agenda and tentative plan of action for a specific crop or product with local partners.

The changing nature of post-conflict situations means that TDIMs, sector studies and value chains studies will most probably need to be updated during the project duration.

Monitoring and evaluation (M&E)

An important component of project management is a monitoring and evaluation system. The system set in place in the LEED project linked individual projects outputs to sector and project objectives to end of programme outcomes.

A key feature of the project approach and the M&E system was the inclusion of a “project logic process” that required the project team to gather baseline information and then logically assess

⁴⁵ CEPA, *Local Empowerment through Economic Development (LEED) Project: Impact Study Series #2, Case Study on the Fruit & Vegetable Sector* (2016) [Sri Lanka]

and formally document how each potential intervention in terms of assumptions, cost, efforts and risks would contribute to project outputs, outcomes and overall project objectives.

This process forced the project team to jointly develop a common understanding as to the role or contribution that a specific sub project will make. It assists the team to understand how the various sub-projects compliment and knit together. As an example, a project to support a chili out-grower scheme is linked to a project to improve chili processing facilities and to another initiative to improve the marketing capacity of a food processing company.

It contributed immensely to maintaining consistency and building team solidarity. It also created an element of critical thought that questioned assumptions and approaches. This was instrumental in building confidence, open discussion and supporting innovation amongst the project team and with partners.

A programme of regular field monitoring and systematic reporting by the respective District Field Coordinators backed up by irregular field visits by more senior staff members and local government departments supported the entire process.

Promotion of cooperatives

Moreover, the ILO has always had been committed to work and promote cooperatives. In the Sri Lankan post-conflict context, cooperatives represented a positive tool to build mutual trust and community spirit among populations that used to be enemies. Considering the cultural barriers between the North and South, the LEED project strengthen the capacities of the northern producers to compete with the southern businesses so as to ensure equitable and inclusive economic development. Given that the private sector was not well developed and there was a great number of fragmented producers, the LEED project partnered with several cooperatives, government agencies and private sector to put into practice economic development initiatives. The establishment of partnerships played an important role in creating awareness, at a local and national level, of the relevance “...of *inclusive growth, decent work, incomes and social justice to reconciliation and long term peace*”⁴⁶. For instance, joint ventures between cooperatives and other enterprises in several sectors, has thoroughly transformed people’s lives in the Northern Province.

Adopting a sustainable livelihood approach

The Project adopted a position that a sustainable improvement in the lives of the poor and vulnerable groups can only be 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 may need to be creative, innovative even positively discriminatory but they must ultimately be designed and implemented with the same degree of critical economic analysis and consideration as a commercial intervention so as to ensure sustainability.

At a (sub) sectoral level this translated into identifying interventions that address key constraints to growth and development. This meant that interventions may not directly address

⁴⁶ LEED Project- ILO Publication

individual beneficiaries but instead open the gates, provide the means through which a large number of participants in key economic sectors would benefit⁴⁷.

On the other hand it was appreciated that supporting increased production or improved market access would not automatically translate into better incomes and improved standards of living for the poor unless measures are taken so that poor can improve their capacity to trade and negotiate.⁴⁸ This would involve interventions with a number of parties that are involved directly or indirectly in various stages of the value chain. It also implies that the poor and the most vulnerable should not be considered as a sole target groups but rather be integrated into initiatives that address improved incomes of the wider population.

The poor, the excluded may require additional support to beneficially participate in the broader economy but integration rather than specific targeting would result in more sustainable results. The Project use of tools such as sector studies, value chain studies, allowed the identification of constraints and opportunities and ultimately identified and influenced the design of project interventions.

The private sector and specifically the well-established agro-business sector in the South would be crucial in identifying opportunities, developing new value chains, establishing mutually beneficial linkages. To this end, efforts would be required to build relationships and sensitize them to the potential economic benefits to them and role that responsible investment by them would have on national reconciliation. What was required was to build partnerships between Northern producers, enterprises and the southern private sector that went beyond the typical mono-transactional buyer seller relationship that currently prevailed.

Tools and processes

The general project approach acted as the framework within which a number of tools and methodologies were applied to identify appropriate strategies, objectives, activities and interventions in each area of operations and in the appropriate economic sectors. There are often overlaps between areas of operations, economic sectors, institutions and target groups that reflect the economic linkages that prevail within and outside any specific district. In addition, there is some degree of overlap and repetition between the three main tools that were utilized and this again reflects the nature of economic activity.

It is important to bear in mind that the tools or exercises are not an end in themselves and that the level of details and effort required should be commensurate with the demands of project delivery and the possible levels of investment. It is important to note that the process in which these tools are used is as important as the eventual findings that may emerge.

People from very diverse backgrounds and interests should be consulted and involved. In post-conflict environs, one must be aware that there may be many sensitive issues that the civilian population may be unwilling or be reluctant to discuss. It is incumbent on the project team to

⁴⁷This could be considered as a market development approach (MDA).

⁴⁸This was the pro-poor, jobs focused component necessary to maintain a balance with the MDA.

make themselves aware of these issues and to avoid placing vulnerable individuals in positions that are potentially embarrassing, awkward or harmful to them.

Team building, unity of purpose and getting the message across

In line with the improvements in information technology and communications there is an increased demand and opportunity for projects and agencies to utilize their experiences on the ground as tool for advocacy in terms of their mandate, their philosophy, approaches and also for resource mobilization purposes. The various types of media (electronic and print) can all be utilized. At regional and country level offices, there are ILO staff who specialize in disseminating information and advocacy.

On the ground, it is critical that partners, whether they be government, private sector, or workers or producers understand the reason why the ILO is involved in development work and why in a specific sector, why certain activities are being supported and been implemented in a certain way. To do this, it requires that the project staff themselves are fully aware of what the ILO as an organization is about; what are its origins, its mandate, its areas of concern, how the organization can make itself relevant today on a global level and in the context of a time bound development project in post conflict Sri Lanka. This is important as it sets the tone within which staff views their work and the environment in which they operate. It builds team spirit, unity of purpose and influences their thinking process, analysis, decision making and performance. It also provides the framework within which their interaction with all stakeholders occurs.

All staff, including support staffs who are the project's "ambassadors", needs to have this type of appreciation. To engender such an effect, it requires continuous formal and informal communications and discussion within the project team. It also requires similar efforts with programming staff and senior staff at country office level so as there is mutual understanding, an alignment of project approaches with the Decent Work Country Programme (DWCP)⁴⁹ and a clear unity of purpose. Only then can a consistent message be maintained that will improve the ILO's capacity to contribute to the post-conflict development agenda, influence thinking and policy and increase the potential for resource mobilization.

V. Implementation phase

Overview

Implementing these strategies and putting together the several approaches in a coordinated manner, within a post-conflict context, was a challenge for the LEED project. Since economic recovery and conflict transformation through a peace building process creating social empowerment were at the core of the project, it focused not only on the individual and collective level, but also at a much broader macro-economic analysis. The project studied which economic sectors had more growth potential that along with the proper investment, could

⁴⁹ Decent Work Country Programmes have been established as the main vehicle for delivery of ILO support to countries. DWCPs have two basic objectives. They promote decent work as a key component of national development strategies. At the same time they organise ILO knowledge, instruments, advocacy and cooperation at the service of tripartite constituents in a results-based framework to advance the Decent Work Agenda within the fields of comparative advantage of the Organization.

result in better growth, livelihoods and employment creation for the local communities⁵⁰. The project engaged in the following sectors: Paddy, Fruit and Vegetable, Fisheries, Other Field Crops, Micro Small and Medium Enterprises, and during the last year in the Tourism sector (in the Eastern province). The TDIM 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 strategies⁵¹. The LEED project also intended to overcome existing under-funded humanitarian and development interventions, by starting a reconstruction process instead of a humanitarian relief which was a short term solution and lacked understanding of local conditions.

Concerning the risks and challenges that the project encountered, the main constraint was the post-conflict context in which the project was set up. Mistrust among communities, people with lack of productivity, in mourning process due to the high number of human losses and living in remote and left aside areas, were the major issues that required special attention. Moreover, there were other risks and challenges which depended on the practical setting, for instance: poor infrastructure and accessibility, language barriers, lack of agricultural potential of the area. More specifically, in the fruits and vegetable sector these challenges were as follows: crop losses due to human-elephant conflicts, climate factors (mainly heavy rains), plant diseases, lack of adoption of new technologies and practices, among others⁵².

As above mentioned, every response and measure involved in the project was tailored to the specific circumstance and according to the communities' needs. The LEED project has undergone substantial changes since its launch in June 2010. Initially, the project framework was based in the ILO's CB TREE, which focused in providing vocational skills training at the community level, followed by entrepreneurship development and the creation of group enterprises. Moreover, it involved: the provision of community common equipment (so that MSE entrepreneurs would be able to add value to their products and VCD activities); the provision of business settlements into local businesses; and capacity building and quality improvement of providers to support MSE development⁵³. However, in October 2011 the original model based on CB TREE shifted and was replaced by a market driven LED to SME development, supported by a re-conceptualisation of Business Development Services (BDS) and VCD⁵⁴.

The LVCD has been the most crucial support to cooperatives since it identified the importance of these enterprises and strengthened its capacity. This approach focused on analysing and successfully initiated market interaction, establishing linkages (with private sector and government agencies) and negotiating fair commercial terms, as well as improving the production system through better capacitation and productive methods. Investment on infrastructure, system development and human resources was also vital. Cooperatives saw an increase in women and marginalised group's participation. Special attention was paid at the strengthening and empowerment of women, challenging and overcoming cultural constraints towards them in such a conservative society, particularly for widows. Several examples

⁵⁰ LEED Project- ILO Publication

⁵¹ CEPA, *Local Empowerment through Economic Development (LEED) Project: Impact Study Series #4, Summary Report* (2016) [Sri Lanka] [p.20]

⁵² CEPA, *Local Empowerment through Economic Development (LEED) Project: Impact Study Series #2, Case study on the Fruit & Vegetable Sector* (2016) [Sri Lanka] [p.23]

⁵³ Ibid [p.16]

⁵⁴ Ibid

illustrate the significant role that cooperatives played in proactively responding to sectorial issues recognised through a contextual analysis.

Engagement with the private sector



In the early stages and at a national level approaches were made to major agricultural supply companies to enquire as to their investment plans for Northern Province. There were many reasons for this initiative. These included; to encourage the creation of proper agency agreements with local private companies from the North and so improve the supply chains and services and, to create local

employment, to ascertain attitudes to establishing agro-processing and, build awareness of the importance of responsible corporate investment and its potential impact on North South reconciliation. Once again, the tripartite nature of the ILO and the relationship with the Employers Federation of Ceylon (EFC)⁵⁵ provided entry points and useful contacts. Although this engagement with the private sector commenced at an informal level, it developed into national level collaboration with the EFC, and the National Chamber of Exporters (NCE) that has now translated into numerous partnerships that were and continues to be instrumental in creating jobs and decent incomes for thousands of families in Northern Province.

At a local level, the project engaged with small enterprises linked to the agricultural sector to create jobs and incomes. Although one of the project objectives was to address poverty, and the local entrepreneurs with whom the project engaged were not the poorest or most vulnerable, they did provide essential services to their communities that impacted positively on the poor. The LEED project engaged with the private sector to encourage the creation of agreements with local private companies from the Northern Province, to improve supply chains and services in order to create local employment. For instance, it supported the establishment of local building and supply of fishing boats, with a special focus on training local women on boat building. The LVCD has empowered the fishing communities to such an extent that these are part of the National Fishery Improvement Plan (FIP) for the blue swimming crab industry⁵⁶. The crab processing factory saw a market opening process through private investment and export opportunities. It also helped the creation of market relations as well as generating jobs for women. Regarding local livelihoods, the post-conflict areas saw the creation and development of aquaculture, and the strengthening of its supply chain⁵⁷.

Furthermore, there was a need to empower local populations at the technical and social level, in order for them to take control of their own development. Thus, it was necessary to engage in dialogues among local administration, local populations and the private sector. In this sense, interventions within the Business Development Sector were relevant. However, at the practical

⁵⁵ The EFC is the principal organization of employers, promoting employer interests at national level, especially focusing on industrial relations and labour law. It is also Sri Lanka's employer constituent of the ILO.

⁵⁶ LEED Project- ILO Publication

⁵⁷ Ibid

level there were difficulties in linking producers with commercial buyers and exporters. The market was also saturated and supply-driven. This along with mistrust in paying these services, resulted in a poor BDS market.

Engagement with other agencies and NGOs

It is important to highlight the coordination that ILO had with several UN agencies and INGOs during the project; some of these were: UN Habitat, UNHCR, UNDP, FAO, IOM, USAID, CARE, ACTED and Oxfam. There was an overlap of activities among them with a wide range of purposes, namely: providing humanitarian aid, physical infrastructure (providing machinery and housing facilities), giving training courses in many topics (agriculture, irrigation, water and sanitation), among others. Moreover, government engagement at all levels was present at all times during the LEED set up. This institutionalization was through the Project Advisory Committee at the national level and through provincial level forum and district level forums. This engagement led to a review of the National Policy of Cooperatives and cooperatives bylaws in order to align them with ILO Recommendation 193. At the provincial level guidelines for gender mainstreaming have been institutionalized in the Department of Cooperatives, Agriculture and Social Services.

As a new project and an agency that had only a modest presence in the North, the Project needed to build credibility and trust with other agencies and to do so in a way that would not alienate them. Once again, a proactive approach to engagement was adopted. Discussions with individual agencies were initiated and presentations were made at various inter-agency forums at local and Colombo-level. ILO tools, manuals and documentation were disseminated and training on value chain development and the ILO's Start and Improve Your Business (SIYB) methodology were provided to other agencies and NGOs to initiate discussion and debate on the challenges of recovery and sustainable development. However, it was apparent that while there was a lot of verbal commitment to cooperation, there was little desire by agencies to change the way they had been doing things for the past 20 years and thus coordination remained tenuous. The strained relations of development partners with the government at that time and the insistence of many organizations to individual funding of specific projects, NGOs and agencies contributed to this situation.

However, as time progressed, many of the issues related to livelihood development, markets, public-private partnerships, ownership and empowerment of producer organizations that were advocated by the LEED project were gradually appreciated by other agencies and NGOs who (at times reluctantly) began to adopt in part with varying degrees of understanding and success some of the approaches advocated by the LEED project.

Reconciliation and peace building

Reconciliation can be sensitive subject that if not managed properly can inflame passions rather than contribute to reconciliation. At a local level, the project tended not to highlight this aspect of our work but rather to use the design and implementation of projects as neutral forums through which trust and understanding organically grew and evolved.

Conversely, at a national level, building awareness of the development gap between “Northern and Southern economies” and the message that a reliance only on a “free market, commercially driven recovery” could reinforce perceptions of exclusion and deepen the rift between the North and South was actively promoted in discussions with a wide range of actors and, at the highest level with policy makers.

Gender approach

Throughout the project, there has been a strong gender approach towards women empowerment. In the SMEs sector, a large number of these enterprises are owned and ran by women, and the project emphasised the importance to improve productivity and incomes, as well as creating gender awareness and leadership⁵⁸. At first, women were reluctant to being involved in SMEs programmes mainly due to cultural constraints that were disapproving the image of women in the business sector. Although at times it was difficult to illustrate the importance of strengthening women empowerment in a context of economic and institutional disempowerment, the project successfully developed mentoring and training on leadership and gender for men and women⁵⁹.

Disempowerment and empowerment

At a local level, people had been disempowered by the prolonged conflict, their displacement and the way in which the resettlement was occurring. External agencies and NGOs were still viewed by the resettled local populations as their primary source of service delivery. Local organizations such as farmers associations, cooperatives, and rural development societies etc., were present. While they faced many challenges; lost assets, perceptions of past connections with the LTTE, poor governance, management and political interference etc., they were ignored or at most consulted but were seldom involved in direct implementation of activities that targeted their own communities.

At the same time, there was a general reluctance by the population to become involved or organize themselves in anything that might require leadership or that would invite the attentions of the security forces. The ubiquitous military presence on the roads, at meetings and workshops etc. and the monitoring of movement was intimidating to the local Tamil population and perhaps even to local staff of agencies, NGOs and the project.

There was a need to address the disempowerment of the local population to ensure any hope of the long term sustainability of project outcomes. People, local organizations would have to be empowered so as to take control of their own development. Building up trust of all concerned would be necessary. This would require engagement with the security forces, local administration and local population so as they would fully understand the project strategy and have full knowledge of project activities. This shared knowledge and transparency would provide the space within which confidence and trust could grow.

The local population would gradually gain the confidence to become more directly involved in project implementation and the security forces and intelligence services would know what is

⁵⁸ ILO- Local Empowerment through Economic Development (LEED): Project Final Report (2016) [p. 50]

⁵⁹ Ibid

happening be reassured and not attempt to become involved. The national and relevant local level government departments and administrations would be directly involved in project design and implementation so they would be supportive and would themselves also be empowered.

Government institutions

A factor that was unique to the Sri Lankan conflict was that the Sri Lankan public service continued to function even in the LTTE controlled area during the conflict. Although government buildings, transport services and other facilities had been destroyed in the later stages of the war, there were well-trained, capable and committed civil servants and functional systems in place. However, they were very busy supporting the resettlement exercise. Many of their staff was themselves also being resettled. Their workload was further exacerbated by the demands of agencies and NGOs to attend various coordination meetings chaperoned by the UN and select beneficiaries etc.

The project approach is a response to the contextual analysis, a desire to act as a genuine catalyst for change from the “humanitarian assistance, livelihood aid delivery” paradigm that prevailed and instead to focus on long-term development. It evolved almost organically over the first six months of project operations as our experience on the ground grew and our understanding deepened. It was pragmatic, conflict-sensitive, and was ultimately aimed at empowering local communities, producers and their organizations so as they would be in a position to participate with some degree of equality in the post conflict economy and markets that was emerging.

It is important to understand that while this general strategy and project philosophy remained constant during the past four years, the ways in which it was pursued, the methodologies, tools and tactics used were adapted to address the changing environment, new challenges and the progress made by the project in achieving objectives.

The project took the decision to proactively engage with government at national, district and divisional levels so as to develop a dialogue of mutual respect and understanding and avoid the atmosphere of suspicion that currently prevailed at that time between the GoSL and, the UN and NGOs.

In this regard, a Project Advisory Committee (PAC) was established at national level under the chairpersonship of the Secretary to the Ministry of Labour and Labour Relations⁶⁰. The unique nature of the ILO’s tripartite structure and the strategic and functional relations that already pertained between the ILO’s country office in Colombo and national constituents was of significant benefit in providing access and entry points that other agencies may not have enjoyed.

Engagement with the community

At the community level, a type of “community contracting” or “delegated procurement” contracting approach to project implementation was adopted. This methodology involved the

⁶⁰This was an initiative of the ILO country office in Colombo.

contracting of beneficiaries for the procurement of infrastructure, equipment and services by transferring the necessary funds to them to manage.

This was a radical departure from the way external agencies had engaged with local communities up until then.⁶¹ It changed the prevailing paradigm of passive beneficiaries and paternalistic implementing agency to one of active partnership. It enhanced the sense of local ownership. It motivated communities, encouraged them to re-establish and reactivate their local organizations, enhanced their internal governance, got government institutions dealing directly with their constituents rather than third party external agencies and brought a higher level of transparency to the aid field.

Local organizations that were moribund now became active, as the demands of managing a sub-project were realized; meetings were held, bank accounts opened, committees formed, procurement carried out, contractors hired etc., and progress reports prepared completely by the beneficiary organization.

A strict monitoring system, transparent and regular meetings, but more importantly regular non-prescriptive dialogue with the organizations and their leadership created an atmosphere of partnerships and understanding, and allowed the Project to improve how both parties fulfilled their roles. There was continuous support in terms of training, software support and mentoring that still continues several years after the specific sub-projects were completed.

VI. Results and trends

Generally speaking, “*the LEED approach has made a significant contribution in terms of incomes, sustainable livelihoods, ownership, inter community dialogue and inter regional partnership*”⁶². In order to make an analysis of the project’s outcomes/outputs, it should be bear in mind the Province’s low level of development, the North-South segregation and the post-conflict context. In other words, the population have been through several difficult experiences in the last 30 years, at the personal and collective level, thus a broad set of practices were implemented to address all of these difficulties.

Given the multi-dimensional approach taken by the LEED project, its repercussion was present in several areas and levels. At the national level, it helped to reduce the existing trade and development gap, perceptions of inequality and cultural gap between the North and the South of Sri Lanka. At the local level, it put together people from different social strata into shared producer groups. Moreover, it created additional employment opportunities, optimized the retention of benefits from the VCD approach and enhanced women inclusion.

⁶¹ As an example, agencies or NGOs would contract a private contractor to build a rice mill, or provide boats. They would identify the equipment or, in the case of infrastructure, an architect, design the facility, procure a contractor and then hand over the building to a local cooperative when it was completed. The cooperative would only be involved in initial consultations to agree on the needs for the facility.

⁶² CEPA, *Local Empowerment through Economic Development (LEED) Project: Impact Study Series #5, Annexes to Reports including Interview Transcriptions* (2016) [Sri Lanka] [p.6]

Key economic sectors' achievements

The LEED project, with its strategies and approaches, has resulted in economic benefits and incomes within several economic sectors and activities of the Northern Province.

Within the *fruits and vegetables sector*, the project have created production hubs in Vavuniya North, Mullativu and Kilinochchi Districts, directly creating around 2 million US\$ incomes per annum in farm incomes. Some of these were at the moment small and impoverished farmers run by women. It also contributed to over one million dollars per annum in exports, developed 4 new producer and exporter partnerships, established 5 supply organisations (cooperatives) and 1000 farmers were organised into supply chains producers. Moreover, food processing created additional incomes per annum and 60 new jobs, and has created potential and incentive for foreign and national private investments in the fruits and vegetables sector. Overall, it has supported 5500 households and created direct income for these beneficiaries. Several fruit and vegetable growers took now control of their resources and developed better market information, allowing them to take enhanced decisions regarding the selling opportunities and export market choices. Growers, especially women could enjoy financial independence due to the success of their incomes. Furthermore, it is relevant to mention the improvement farmers went through, since now they could organize in cooperatives, with improved supply chains and organized production systems (meeting requirements of reliability, quantity, quality and traceability). This has resulted in a growing demand for the farmers' production, thus making their commercial future very promising in terms of growth possibilities.

The *fishery sector*, being the second most important economic activity in the Northern Province in terms of incomes, surpassed the original project investment with its production. In figures, 2 new producer and exporter partnerships, 3 fishery enterprises, 2 boat building yards and 6 aquaculture farms have been established and 1000 households strengthened their supply chain linkages with exporters. The LEED project has directly supported about 2500 fishing households to return to their fishing activities, enhanced supply chains which resulted in 1 million US\$ savings to fishermen, and created 250 permanent jobs in boat building, crab processing, aquaculture, among others. Thus, this sector has generated long term sustainable decent jobs, especially for women in the District which enabled them to enjoy non-traditional roles, for instance in boat building, ownership of aquaculture enterprises and as boat owners. Moreover, the project has empowered local fishing community representative bodies as a whole and created successful cooperatives in the aquaculture business.

In the *paddy sector*, the processing and marketing capacities of local paddy businesses have been highly improved due to the LEED intervention. The project has proactively supported 4 medium scale mills, 2 Paddy stores and 9 private sector small rice mills. Overall, this created 120 jobs and increased incomes by an estimated of 350 million Rupees, due to the improved access to markets. Almost 12,000 farmers were directly benefitted by income increase and reduced cost of food to villagers by an estimated 150 million Rupees. The project's efforts in organising cooperatives and raising awareness of these enterprises, reactivated this sector and enhanced its service capacities, consequently attracting more people to join these⁶³. Cooperatives also played an important role in mainstreaming gender, since women membership increased along with their participation in decision making.

⁶³ ILO- Local Empowerment through Economic Development (LEED): Project Final Report (2016) [p. 14]

Within the *other field crops sector*, its production, processing and marketing capacities, as well as its access to the market have been significantly improved by the LEED project. The project supported 2 medium scale plants, established supply chain for the ground nuts for 500 families and seed producing for 200 beneficiaries. This created over 700 self-employments along with 30 direct jobs. In figures, the estimated incomes were of 20 million Rupees. Cooperatives' intervention in this sector reduced risks and unpredictable incomes in the open market, thus generating resilience and income certainty. Regarding women participation, over 55% of the supported producers were women, possibly because of its low maintenance that makes this crop cultivation most suitable for them.

Lastly, within the *tourism sector* in the Eastern Province, the LEED project implemented strategies towards business creation models which created supply chain linkages between established tour operators and new local/community businesses. Moreover, it developed a tourism plan for Batticaloa District, which gave over 500 million Rupees of income. However, the approaches used in this sector was not as successful as expected, mainly because of the quite short time frame which was implemented and the requirements needed to be established.

Sector	Paddy	Fruits and Vegetables	Fishery	Other field crop
TANGIBLE OUTCOMES	Local jobs created; improved income for farmers; public and private sector partnerships; improved inclusion of poor and vulnerable groups; improved value chain; improved rural services.	Enhanced farm gate prices, jobs, incomes; strengthening of local economy through private cooperatives; better inclusion of women and vulnerable people; partnership with private sector; sustainable sources of income for poor and vulnerable; linkage of local economy with export market; increase income and employment	Improved quality of supply; job and regular increased incomes; public and private sector partnerships; improved inclusion of poor and vulnerable groups; improved value chain; improved rural services; active membership; improved terms of trade for fishermen; lower supply costs; women involved in non-traditional roles.	Improved farm gate prices; local jobs created; improved income for farmers; public and private partnerships; improved inclusion of poor and vulnerable groups; increased incomes; improved value chain; cheaper inputs; improved rural services; more active women membership; increased participation.
INTANGIBLE OUTCOMES	Mutual credibility; increasing awareness and sense of social responsibility and inclusion;	Increased participation and ownership of women and vulnerable groups in cooperatives; increased awareness on markets and development of market linkages; better living standards	Mutual credibility and knowledge; start of rural banking; broadening development agenda; increasing awareness and sense of social responsibility; increasing sense of inclusion.	Mutual credibility and knowledge; start of rural banking; broadening development agenda; increasing sense of inclusion; developed into transparent and inclusive organizations.

Social empowerment at the individual and community level

The project took a mainstream gender approach in several economic sectors, creating decent work opportunities in non-traditional roles and challenged social norms regarding the role and capacity of women. It has also encouraged women for equitable participation and inclusion, addressing gender imbalances in economic resources accessibility. Moreover, it created employment opportunities for vulnerable women and young people, increasing their motivation to participate in cooperatives. Women growers has raised their level of self-esteem and self-confidence, in particular because they are now able to voice their own problems, opinions and needs. Contrary to cultural and gender constraints in previous years, women can now participate in the decision-making process and held positions of responsibility. Thus, women's social standing was improved and they were recognized as successful members of their communities⁶⁴. In figures, there was an increase of 30% in the number of women involved in decision making positions within producer organizations and cooperatives. Moreover, there was an improved gender responsive development interventions, in which the number of beneficiaries were 60% of women (720 people) and 40% of men (480 people).

Economic empowerment

The LEED project improved capabilities of marginalized groups and service providers for better production and enhanced access to supply chain linkages and markets. It has reduced some conflict-related economic inequalities between the North and the South of Sri Lanka. It encouraged better dialogue between Northern producers with national and international buyers, while facilitating business agreements. Furthermore, during the post-war period, the project's market-based approach has also tackled the debt crisis in a sustainable manner.

Within the Cooperative sector, there was a high degree of success due to a new strategic methodology towards business promotion and a comprehensive value chain approach within targeted economic activities (such as the Fruits & Vegetables, and Fishery sectors). The project strengthened cooperatives by providing new equipment and exposing them to the business environment. The project also supported cooperatives to develop infrastructure, technical capacity, build market and business awareness, along with improving organizational capacity. Operationally speaking, the project only provided a large investment on infrastructure, machinery and equipment. However, it is noticeable that all others costs were covered by the cooperatives' own revenue.

The capacity service of the cooperatives were noticeably improved and the efforts to create awareness of these enterprises have led to an increase in the number of memberships. Furthermore, members were able to sell their products directly to these cooperatives and avoid loss of profits by intermediary agencies (as occurred before the project was implemented). Cooperatives have also empowered farming communities in improving their capacity to negotiate with buyers, ensuring decent trade terms and fair pricing. Moreover, the LEED project exercised institutional influence towards cooperatives' regulation and policies, by advocating revisions of the existing Cooperative Societies Act and other bylaws and decrees.

⁶⁴ CEPA, *Local Empowerment through Economic Development (LEED) Project: Impact Study Series #2, Case Study on the Fruit & Vegetable Sector* (2016) [Sri Lanka] [p.21]

Concerning Micro, Small and Medium Enterprises (MSMEs), the project has supported 150 of these, creating over 300 jobs and incomes of 240 million Rupees by strengthening access to the market, enhancing productivity, quality and technology. The project supported agricultural and fisheries sectors, employment for people with disabilities and vulnerable women.

The project has comprehensively engaged with BDS services, including supply and demand interventions. Hence, 6500 individuals developed business skills and capacities within key economic sectors and helped 150 women to become business operators. It also revived around 30 cooperatives and established partnerships between exporters from the South with producer groups from the North.

Equitable and inclusive economic empowerment is also shown in mainstreaming gender. Since the launch of the project it carried out economic sector studies and value chain analysis in order to identify women's role within society and their importance. It focused on creating employment opportunities and new livelihoods for women in non-traditional roles, which resulted in decent work, increasing income and change in their role within society. In figures, the LEED project has generated remunerated employment for 15,750 previously economically disempowered women, and made them integrated and economically active. Moreover, there was an increase of 30-40% in women membership participation within the cooperative sector and 30% increase of women participation at board levels.

VII. Lessons learned and recommendations

The above described approaches and strategies put in practice had shown a positive result and a high degree of success towards empowerment, resilience and economic recovery. The LEED project left many lessons learned in a post-conflict and underdeveloped area, among several groups of people, economic sectors and livelihoods.

One of these lessons is that every project should address poverty from a holistic approach rather than targeting specific groups of people; it is better to '*see the whole picture*' so as to take tailored-made decisions and strategies for the particular context. Moreover, these strategies should be based on sound market assessment, taking into consideration the whole population in the area, but mainly focusing on the target groups, in order to provide safeguards and integration interventions for them.

The particularity of the LEED project is the creation of partnerships between the North and the South so as to create durable employment opportunities within a post-conflict context. This situation contributed to the cooperation in the peace building process. Reason why, the approaches taken in this project could be implemented in other Provinces within Sri Lanka, but only those with similar constraints, needs and population characteristics. The LED approach may also be implemented in other post-war situations, but it is essential to take into account the specific needs of the target groups and the economic sectors' viability, always using the TDIM tool.

Due to the high success of the cooperatives' promotion (especially due to the fact that it provided and strengthened core services, reviewed existing legislature and raised awareness) this model can be replicated throughout the entire region for a prolonged period. This initiative

could extend the reach of business promotion through the establishment of cooperative and partnerships. The government engagement throughout the project showed the opportunity to reach more durable and long term solutions in the future for the Northern Province.

During the post-conflict transitional period, it is clear the need to reduce inequalities and provide work and educational opportunities for the whole population, particularly towards young people and women that have been disenfranchised groups throughout the conflict. The LEED project proved that vulnerable groups of people (for instance the 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. Moreover, economic empowerment is also essential in post-conflict areas so as to “...allow poor people to think beyond daily survival and to exercise greater control over both their resources and life choices”⁶⁵. The project also evidenced that isolating poor and vulnerable groups of people is less beneficial than integrating them with a broader range of people. Sustainable results were achieved when integration as a whole was an essential component of the projects’ approach, instead of targeting.



In terms of economic recovery, the project took a successful market approach, based on its needs and deficiencies along with a proper value chain analysis. It showed a changing responsive approach, dependent on market needs and upcoming opportunities. In a post-conflict situation this strategy seems to be the most suitable as the circumstances are

constantly varying and urgent action needs to be taken in the operational context. Thus, persistent update and adjustment to emerging situations were effectively set in place throughout the project and possibly this was the key to its success.

One of the most important objectives of the LEED project was women empowerment and mainstream gender. In a traditional patriarchal society and post-conflicted context, efforts to support women (at the social and economic level) were crucial. In this scenario, women were of paramount importance for the local development and economic recovery of the affected communities. The project initially focused on empowering men and women at the economic level and after this it developed mainstream gender strategies (trainings, dialogues and workshops towards gender awareness). Thus, this strategy in focusing not only in mainstream gender but first address economic empowerment, was the major achievement in this subject. Furthermore, these practices were complemented by a set of guidelines regarding mainstream

⁶⁵ GSDRC- *Social and Economic Empowerment* <accessible at <http://www.gsdrc.org/topic-guides/voice-empowerment-and-accountability/supplements/social-and-economic-empowerment/#soc>>

gender, towards equal treatment and inclusion that could be used in the public and private sector.

It is noticeable that a comprehensive sector study was of utmost importance to identify the main actors, vested interests and economic sectors. To achieve this, an inclusive value chain analysis was needed so as to understand how the interventions among these can benefit vulnerable groups. Moreover, demand driven BDS were essential, taking into account market requirements and a thorough assessment of the region needs. Cooperation among the several actors involved within local communities was essential so as to reach a consensual decision on what and how to work upon. Hence, Northern local communities needed to have the capacity to create labour opportunities, recover and reinforce local markets. To achieve this, government support was vital in order to provide private sector investment security and incentives. The strengthening of democratic institutions and political participation helped to ensure a recovered community. Lastly, a set of decentralised economic recovery instruments and measures was put into practice to achieve a full and holistic socio-economic recovery.

Lastly, it was emphasised the importance of monitoring and updating the contextual circumstances and analyse whether the approaches and strategies implemented were the proper ones during the whole project. Constant mapping is the key to successful plans. In the LEED project, the CB TREE was monitored and was later replaced by a different approach. This methodology was not questioned in its concepts, but whether it was appropriate for the specific situation. This showed flexibility towards the approaches taken and a realistic measure to achieve success.

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