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iTrack

Evaluation Unit (EVAL)

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Local Economic Development through Tourism (LED)

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This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited but has undergone quality control by the ILO Evaluation Unit.



International Labour Organization

Local Empowerment through Economic Development and Local Economic Development through Tourism Projects

Final Independent Evaluation

EVALUATION REPORT

(June – September 2016)

Project Symbol	SRL/10/04/AUS
Project Title	Local Empowerment through Economic Development Project and Local Economic Development through Tourism Project
Country	Sri Lanka
Project duration	Planned June 2010 – December 2015 Actual June 2011– June 2016
Donors	Department of Foreign Affairs and Trade, Government of Australia
Budget	USD6.9 million
Implementing Agency	ILO
Implementing Partners	Ministry of Labour and Trade Union Relations, Provincial Department of Agriculture, National Chamber of Employers, Employers' Federation of Ceylon, Chamber of Commerce and Industries, Private Sector, Local Cooperative Societies
Independent Evaluation (Final)	September 2016 The evaluation addresses ILO evaluation concerns such as (i) relevance and strategic fit, (ii) validity of design, (iii) effectiveness, (iv) efficiency of resource used, (v) effectiveness of management arrangements, (vi) impact, and (vii) sustainability.
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Evaluation Management	Pamornrat Pringsulaka, Regional Monitoring and Evaluation Officer, ILO-ROAP, Bangkok

LIST OF ABBREVIATIONS

ACRP	Australian Community Rehabilitation Programme
ADB	Asian Development Bank
AF	Arumbugal Foundation
BDS	Business development services
CBTA	Community-Based Tourism Association
CEPA	Centre for Poverty Analysis
CO	Country Office
CTA	Chief Technical Advisor
DFAT	Department of Foreign Affairs and Trade
DS	Divisional Secretary
EFC	Employers' Federation of Ceylon
FCSU	Fishermen Cooperative Societies Union
FGD	Focus group discussion
FMT	Field Management Team
GA	Government Agent
GoSL	Government of Sri Lanka
IDP	Internally displaced people
IOM	International Organisation for Migration
KOAS	Kanagarkiramam Organic Agriculture Society
LED	Local Economic Development
LEED	Local Empowerment through Economic Development
LGU	Local Government Units
M&E	Monitoring and evaluation
MSME	Micro, small and medium enterprises
MTE	Mid-term Evaluation
NADA	National Aquaculture Development Authority
NP	Northern Province
PAC	Project Advisory Committee

PMT	Provincial Ministry of Tourism
PRODOC	Prepared the original project document
PTF	Presidential Task Force
SLEF	Sri Lanka Eco- tourism Foundation
SMS	Short messaging services
TOR	Terms of Reference
UNDG	United Nations Development Group
VET	Vocational education training

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The evaluation has greatly benefited from discussions and personal reflections of Mr. Dongling Li, Country Director, ILO CO-Colombo and the stakeholder consultation workshop cum the fifth meeting of Project Advisory Committee (PAC) held in Colombo. Discussions with former ILO staff and consultants further enriched understanding about project design and implementation process and prevailing implementation challenges.

Ms. Pamornrat Pringsulaka, Evaluation Manager and Regional Monitoring and Evaluation Officer, ILO Regional Office Bangkok provided the overall guidance and Mr. Asitha Seneviratne, served as a focal person at ILO CO-Colombo for the evaluation and facilitating meetings and logistics.

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EXECUTIVE SUMMARY

The International Labour Organization (ILO) implemented two local economic development projects with USD6.9million funding support from the Government of Australia through the Department of Foreign Affairs and Trade (DFAT) under the Australian Community Rehabilitation Programme Phase 3 (ACRP-3) 2010-2015 in Sri Lanka. The ILO implemented the Local Empowerment through Economic Development (LEED) project from June 2010 to June 2016 and the Local Economic Development through Tourism (LED) from January 2015 to June 2016. Both projects adopted a similar market-based approach to economic development and received funding from the same agency. The LED project engaged LEED project staff for most of the effective project implementation period. Both projects ended on the same day. ILO commissioned this evaluation covering both projects. The primary stakeholders of this evaluation comprise the Government of Sri Lanka, tripartite constituencies, the Australian Aid Programme and ILO. The report presents general features of evaluation including approach and methodology in a common form while it discusses findings, lessons, and recommendations separately for the two projects because of geographical coverage and nature of economic development activities.

Project Rationale and Objectives

Sri Lanka came out of nearly three decades of conflict, which have had a devastating impact on local population and economy in the Northern and Eastern Provinces resulting in widespread loss of lives, infrastructure, and livelihoods. Displaced people returned to their bases or accepted resettlement after the end of the conflict with the help of government and international development community. A major focus of external assistance soon after the conflict addressed immediate humanitarian needs with a limited focus on providing livelihood options. The population in the East resettled around 2007 and those in the North soon after the end of conflict after May 2009. The ILO identified the gaps in providing sustainable livelihood options for local communities with an aim to contribute to sustainable peace and reconciliation by reducing conflict-related economic inequalities through economic empowerment of the most vulnerable population, including women, female heads of households, persons with different abilities, and marginal farmers. Both projects had the same objective despite different intervention periods.

Evaluation Background

The final evaluation of LEED and LED project has two key objectives – accountability and learning. The accountability part focused on assessing the extent to which the projects attained intended objectives, outcomes and outputs and efficient use of project resources while learning part helped to identify what worked and what did not so that lessons can be applied for replication or scaling up in similar context elsewhere. ILO policy requires a final independent evaluation of project over USD1.0million.

Evaluation Methodology

The evaluation adopted a mixed method approach applying qualitative and quantitative analytical tools using OECD-DAC principles, UNEG Norms and Standards, and ILO Evaluation Guidelines. An independent evaluator having no conflict of interest in either of the two projects conducted the evaluation under the overall guidance of the Evaluation Manager and support of ILO Country Office for Sri Lanka and the Maldives. It covered all three LEED and two LED project districts.

The evaluation involved a five-step process comprising:

- (i) preparation of an inception,
- (ii) fieldwork in Sri Lanka in all five districts and interviews and focus group discussion with beneficiary and producer groups, and private business executives; (20 June – 7 July 2016).

- (iii) presentation of emerging findings and recommendations and feedback discussion at a stakeholder workshop in Colombo participated by members of Project Advisory Committee;
- (iv) document and data analysis ; and
- (v) the final report preparation and finalization based on feedback and comments on the draft report.

Summary of Key Findings: LEED Project

Relevance and Strategic Fit of the Interventions

At the time of the project formulation, the original project design took into account prevailing local conditions and it incorporated conflict and gender sensitive approach and introduced CB-TREE based approach for local empowerment and economic development. The project design team encountered several challenges:

- (i) The population in the conflict-affected areas was just coming out of humanitarian crisis period in search of viable and stable livelihood opportunities.
- (ii) There was no baseline data on population and potential economic opportunities,
- (iii) The humanitarian efforts deployed by national and international development partners were quickly phasing out.
- (iv) Movement across the intended project areas faced restrictions and hence the details of prevailing socioeconomic conditions could not be fully established, and
- (v) The team received limited support from local stakeholders in sharing relevant information due to a fear of retribution from the security personnel.

In the absence of baseline data and rapidly changing local context, the ILO identified a niche area (largely left out by other development actors) to support affected local communities in terms of sustainable livelihood options through capacity development approach. It did not have an off-the-shelf model to introduce in the post-conflict environment. Moreover, at the time it was difficult to establish specific economic opportunities for the local people, largely attributable to lack of trust in dealing with private sector operators from the Southern Sri Lanka. The ILO recognized the livelihood needs of the vulnerable population including a disproportionate number of female heads of households, women, persons with different abilities, communities facing inequalities in income generating opportunities and ethnic tension with people from the Southern Sri Lanka. In addition, the internally displaced population lacked basic needs and was less prepared to undertake any kind of meaningful livelihood options under an uncertain environment with very little productive assets.

In the first year, the LEED project achieved very little due to delay in mobilizing the Chief Technical Advisor (CTA) and the ground reality had changed substantially. DFAT was prepared to pull out of the project. However, with the arrival of CTA, LO proposed a renewed approach based on market-led and partnership based economic development strategy and DFAT agreed to test this approach. Nevertheless, the project remained highly relevant for the conflict-affected population and it was consistent with Sri Lanka's Decent Work Country Programme (DWCP) 2008-2012 and ILO's gender equality policy. It remained highly relevant under the renewed strategy and during the Phase II along with consistencies with DWCP (2013 – 2017), UNDAF (2013-2017) and Sri Lanka Government's Local Development Policy. The project's approach to promoting harmony through business relationships proved a good strategic fit, both for empowerment and economic development.

Validity of Project Design

The project design was valid at the conception stage but it validity faced a challenge from local communities who wanted quick action in restoring sustainable livelihood options. The initial framework

that capacity development based on CB-TREE approach would generate livelihood options proved difficult to achieve unless the project introduced tangible economic opportunities. The project developed a market-led partnership based model to empower communities through economic development, which appealed to the local beneficiaries, although the approach faced initial skepticism due to unproven approach. The evaluation considers that the renewed focus was valid at the time introduced because it relied on facilitation support from the project in terms of linking producer groups to the market and technical capacity development through government's technical agencies and linkages with private sector facilitated by employers' organizations and trade bodies further strengthened the project design.

The evaluation assesses that Phase I of the project involved low absorptive capacity among beneficiaries and incurred substantial risks and production uncertainties. The project document did not go through full revision and project implemented envisaged activities like action research. The renewed approach based on local potential such as the commercial production of papaya and field crops as well as managed harvest of fishery resources strengthened project's validity. Phase II project design continued to remain valid until project completion.

Effectiveness

The evaluation found that the project was effective in achieving intended outputs, outcomes and objective as per revised strategy. It helped the local communities to rebuild their livelihood options through production, harvest of fishery resources, and employment in decent work with the support of government agencies with technical assistance and private sector businesses in stable marketing arrangements. It also helped the producer groups to organize in the form of cooperative societies or producer associations, which helped to lower marketing transaction costs for the producers. Initial focus on supporting strengthening rice milling, followed by the introduction of papaya and other field crops was appropriate for the farming communities and others dependent on it. Similarly, support for fishing including subsidized access to fishing boats proved effective in strengthening livelihoods in local fishing communities. Similarly, project's support for a social enterprise involved in roasting and packaging spices and chili was effective in ensuring employment to vulnerable women, including widows and persons with different abilities.

Overall, there is a high level of confidence among beneficiaries and local stakeholders, which indicates adequate empowerment through income and employment opportunities. Similarly, the level of trust and business environment has improved and the barrier between the ethnic communities are rapidly coming down. However, in the absence of adequate data, it is premature to conclude that similar interventions without subsidy will be able to deliver similar benefits. On the other hand, the level of coordination and cooperation among different development partners continues to remain fragmented and poses a challenge for the communities going forward. In addition, project support for gender mainstreaming came much late with limited benefits because a significant portion of economic development initiatives took place during Phase I. Available evidence suggests that gender has been gradually mainstreamed but still remain far from a desirable level. Furthermore, overall risk perception shows improvement in several areas, particularly those within the control of project management and ILO. Similarly, the project has taken initiatives to share and disseminate knowledge at different levels in Sri Lanka.

Efficiency in Resource Use

The evaluator assesses project to be less than efficient on the account of one-year delay and cost overruns associated with the delays. ILO could have minimized the initial implementation delays by advance action on recruiting an equally qualified CTA. The project fully utilized allocated funding and accessed additional funds from the LED project. The project could have adopted a systematic financial planning. The cost of aid delivery is assessed high. Only 56% of total fund went to the beneficiaries. The cost of aid delivery amounted to 54 cents per dollar direct support to the stakeholders, which is a common figure in post-conflict situations, which relies heavily on the international expertise and the high cost of field operations. The ILO may not be as cost-effective as other nongovernmental organizations. However, it has a comparative advantage of tripartite engagement with relevant stakeholders, which

otherwise may not be achieved by other state actors or nongovernmental organizations. This is more so relevant in the context of the post-conflict environment with substantial trust deficit. Overtime, ILO has helped to strengthen trust between the Northern and Southern Sri Lankans with the support of mutually beneficial terms of economic engagement.

ILO implemented the project and funded subprojects to respective groups or businesses. This was possible only with project funds available. The project did not directly mobilize additional financing with the exception of USD1.4 million for LED project from DFAT. Nevertheless, the favourable impression created by the project encouraged other development partners to remain engaged with the government in supporting other communities outside the project's operational area.

Effectiveness of Management Arrangements

The evaluation assesses the project management arrangements to be effective. The support from ILO CO, Ministry of Labour and Trade Union Relations, private sector employers' organizations and selected businesses are satisfactory and effective. Continued support from the Ministry and local government units facilitated the undertaking of project activities in respective divisions. ILO CO managed to retain most of the key staff who proved valuable assets in project implementation. The transition of project management responsibility from CTA to the National Project Coordinator was satisfactory. ILO CO could have been more effective in providing oversight and supervision of project initiatives. Furthermore, the six-month transitional gap between the outgoing and incoming ILO Country Directors had an impact on required communication between ILO CO-Colombo and the Australian High Commission. However, upon the retirement of the assigned ILO project officer, another staff took over the responsibility. Similarly, DWT Delhi and ILO ROAP did not have a specialist in CRISIS Response and hence any backstopping required support from ILO Headquarters. The evaluation notes that this arrangement was inadequate and the project would have benefitted from resident expertise in DWT Delhi and ILO ROAP. On the other hand, the unwavering support from the Australian High Commission and tremendous flexibility steered the project in right direction for a successful completion.

Sustainability

The evaluation concludes that most of the project benefits are likely to be a sustainable post-June 2016. The positive outlook relies on the active participation of private sector businesses the likes CR Exports, Taprobane Seafood crabmeat processing factory and the Sivanarul social enterprise. Moreover, the level of confidence demonstrated by the beneficiaries across all economic development activities is promising as well as encouraging from a sustainability point of view. They expressed confidence in their position to continue with project activities without further support from ILO CO or the project. The producer groups that not directly linked or have no forward purchase agreement are able to negotiate fair prices for their produce without project's support. Overall, evaluation concludes that the project has contributed to local empowerment in a tangible manner and it has strengthened the ownership and confidence in undertaking viable economic development activities.

Although not directly linked to the project, with the advancement of information and communication technology, active groups like papaya and fisheries cooperatives are able to access market information using mobile and smart phones. While no official records are readily available, most of the workers are reportedly getting Rs16, 000 – Rs40, 000 in monthly salaries and allowances based on experience and loyalty, which is considered fair wages based on prevailing local conditions. The project has provided a strong foundation for the local communities to sustain their livelihood well beyond June 2016. There are, however, some challenges beyond the control of beneficiaries such as encroachment by foreign trawlers in fishing, production uncertainties due to erratic weather patterns.

Impact

The evaluation assesses project impact significant based on limited qualitative analysis conducted by the Centre for Poverty Analysis. All groups of beneficiaries have the inherent perception that their quality

of life at present is far better due to sustainable livelihood opportunities. Producer organization has generated adequate liquidity and some are even practicing short-term lending operations at low-interest rates. The weak monitoring and evaluation arrangement did not inform impact assessment. Nevertheless, qualitative assessment suggests that income inequality has reduced from overall prosperity. Households are able to generate extra income to meet expenses likes of better education of children. There are also signs of savings, particularly by women. The gender mainstreaming has improved but still a long way to go. There is, however, signs that women are able to speak and enter into dialogue with men without hesitation particularly when women's income contribution is sizable.

The project has also relieved fisher folks from their inherited debt with the intermediaries who had been exploiting them by lending money and buying fish at unfavourable prices. The Centre for Poverty Analysis study notes that the support to improve the capacity of cooperatives had mixed results because the societies have not been able to generate self-sustaining revenue. The project improved capacity and empowered communities yielding positive impact including sustainable livelihood options, including employment and income. Data limitation and the presence of multiple development partners on the ground did not permit quantification of impact explicitly. The market-led approach served well in contributing to decent work agenda in Sri Lanka and alleviated the sufferings of the conflict-affected population in selected communities. The partnership approach between producer groups and private businesses facilitated by ILO, government agencies, and non-governmental organizations contributed positively to bring substantive change in the lives of affected vulnerable population. Involvement of women in organizational development and economic activities has contributed to positive outcomes.

The evaluator's interaction with project beneficiaries and stakeholder groups supports the overall findings reported by the Centre for Poverty Analysis study. Anecdotal evidence based on responses from stakeholders revealed that the net income from papaya cultivation and fishing harvest has been in the tune of Rs.60,000 to Rs.120,000 from one-quarter acre of papaya and Rs.50,000- Rs.240,000 from fishing per household. These amount two to four times more than what they could get from growing traditional crops.

Summary of Key Findings: LED Project

Relevance and Strategic Fit

The project was relevant to the Eastern Province to revive the local economies from both supply and demand side. The project design also was consistent with DFAT's Sri Lanka ACRP3 and contributed to three key result areas. The project design acknowledged and accorded high priority to gender, inclusion and partnerships issues along with poverty reduction. The design strategy was in line with the LEED project. It was also consistent with DWCP (2013-2017), UNDAF (2013-2017), ILO Country Programme Outcome, government's tourism development policy and local and regional development policies. The design also relied on private sector participation supported by local government units.

Validity of Project Design

The project design was valid because it aimed to support the conflict-affected groups, including women, female heads of households, people with different abilities, and the poor in the two districts of the Eastern Province, adversely affected not only by long conflict but also by natural disasters including tsunami and floods. The partnership approach for economic development was valid in project design. It also recognized challenges in gender mainstreaming in tourism activities. The evaluation suggested that project's conceptual model was sound but it was overambitious for implementation within the planned 18 months. The project design overestimated stakeholders' absorptive and delivery capacity since tourism promotion was relatively a new venture in the area. It did not adequately account for institutional capacity assessment at the local level and proposed monitoring and evaluation arrangement was underfunded and inadequate to regularly monitor and report progress with no baseline data.

Effectiveness

The evaluation assesses that the project has been less than effective. Since most of the initiatives are in the infancy stage, project's achievement of outcomes and objectives are limited. Nevertheless, there is only anecdotal evidence that at least some of the initiatives will come to bear fruit. The marketing linkages for the fruit growers with tourism outlets is not well developed and thus the growers face risk associated with price volatility. Homestays are an added option for tourists where there are plenty of private guesthouses are on offer. Homestays initiative covered a wide range of accommodation but there has been a lack of focus in terms of clientele groups. The low occupancy rate is less encouraging and targeting has not been effective. The project design based on a three-track strategy proved difficult to implement due to inadequate coordination among different stakeholders and it appeared to be a very small intervention in wider district and provincial development plan with little incentives for concerned agencies.

Effectiveness of Management Arrangements

Overall, evaluation assesses project management arrangements less than effective. While ILO-CO provided management and administrative support satisfactorily, the project did not seek support from other ILO offices. A closer coordination with ILO CO's skills development project could have helped in enhancing project effectiveness. The project undertook a rapid assessment to ascertain the gender requirements but implementation measured proved inadequate. The project approach was exploratory in nature and spread over too many activities over a large geographical space.

Efficiency in Resource Use

The evaluation assesses the efficiency in resource use less than efficient based on ILO's fiduciary due diligence had been applied. The tourism-associated initiatives had fixed amount contract and no need for resource reallocation had emerged. A low fund disbursement is associated with delays in fully accomplishing intended activities. ILO CO mobilized LEED project's experienced staff during the last six months of the project. This was an efficient move because the recruitment of new staff after the departure of the National Project Manager was not feasible during the remaining life of the project. The National Project Coordinator for the LEED project took over the overall management of LED project under the overall guidance and supervision of ILO CO. Initial engagement of experienced travel agency (East N' West) and established Jet Wings Hotel Group for training proved efficient and relieved the project staff from the excessive workload. Contract services and procurement of equipment and materials was helpful in ensuring efficient use of project resources. Since the project has been on the ground for a short duration, its visibility and mark on the local community were limited. While it has gained goodwill from the local stakeholders, it was not able to mobilize additional funding. Several initiatives under the project are at an infancy stage and hence their efficiency gains are likely to be relatively low unless other stakeholders including local governments make serious concerted efforts.

Sustainability

It is too early to determine the full sustainability of project initiatives and achievements because it will depend on how the concerned stakeholders and beneficiary groups proceed to continue with the initiatives in the future. There are, however, some promising indications that some of the initiatives will likely sustain after June 2016, if private sector continues to support in a coordinated manner and in the interest of local beneficiaries.

Impact

As stated earlier, start-up stage of the project initiatives and lack of adequate data does not permit proper tangible impact assessment at this stage. There are, however, emerging signs that the project could potentially have a positive impact on local communities. The project has created additional employment through different initiatives leading to higher incomes for most of the beneficiaries. The overall

awareness and potential scope for sustainable eco-tourism have emerged in local communities. The benefits to the local residents are likely to vary widely depending on seasonality, type of intervention, willingness and preparedness of stakeholder groups, and market opportunities. The evaluator's interaction with the beneficiary groups suggested that the project has contributed to doubling their income and it has enhanced access to relevant institutions. The project has facilitated inter-ethnic cooperation for mutual economic benefits.

Overall, the tripartite arrangement with the involvement of beneficiary groups, local government agencies, and private sector or businesses has been useful in implementing project activities. The project has created a good foundation for launching substantive sustainable eco-tourism interventions on a larger scale, subject to the sustained marketing effort. The project has partially contributed to ACRP3 objectives.

Lessons Learnt and Good Practices

LEED Project Lessons

1. It is important to mobilize the Chief Technical Advisor soon after the approval of project funding. In the LEED project context, delayed deployment of the Chief Technical Advisor in a rapidly changing local context led to nearly 3 months extra time to revise the project approach after his mobilization.
2. It pays to conduct a careful review and revision of project document at the start of the project prior to implementation so that implementation plan is more realistic and suitable for local context prior to commencement of project related activities
3. Under post-conflict conditions, it is important to respond to pragmatic sustainable livelihood opportunities soon after the humanitarian support so that affected people are able to put their lives back together again.
4. The project tends to benefit from a sound gender analysis based gender action plan prepared at the outset so that appropriate technical and logistic support including human resources provided for expected gender outcomes attainment.
5. Impact assessment requires a clear monitoring and evaluation arrangement supported by SMART indicators. Ex-post impact assessment becomes more reliable if the baseline is properly established using meaningful indicators. Monitoring just the development activities or process monitoring is not adequate for impact assessment.
6. The persons with different abilities can come out of the dependency stigma when appropriately supported by gender-sensitive economic development opportunities.

LED Project Lessons

1. When funding and implementation timeframe is limited, it is better to concentrate on fewer activities in the relatively smaller area rather than spreading resources over a larger number of interventions.
2. Sustainable tourism initiative requires commitment and active participation of all stakeholders involved and would become successful if led by the private sector in a transparent manner.
3. A multi-track approach can work only under reasonably developed conditions and where institutional collaboration is strong. However, when tourism initiatives are introduced in less developed and new areas, it is better to plan in a sequential manner.
4. Coastal and natural reserve based tourism tend to be seasonal. The operators need income diversification options from other sources.

Good Practices (Both LEED and LED)

1. The project design needs to have adequate flexibility in terms of how different activities are implemented keeping intended outcomes intact.
2. Capacity development intervention is an integral part of project support including in post-conflict conditions.
3. The persons with different abilities can come out of dependency stigma when appropriately supported by gender-sensitive economic development opportunities.

Recommendations

Recommendation	Responsible Unit	Priority	Time Implication	Cost Implication
LEED Project				
1. Take stock of the status and conduct viability assessment of <u>all</u> cooperative societies/ beneficiary groups/ associations and stand-alone enterprises.	LEED Project Management/ ILO CO/ cooperatives	High	September – October 2016	Some
2. Further, strengthen value chain at the source by promoting value addition to primary produce at the source and encouraging processors to relocate closer to the production base.	LEED Project Management/ ILO CO/Private Sector	Medium	October – December 2016	Some
3. Support capacity development and service facilitation and eliminate direct capital subsidy with the exception of social protection.	ILO CO, cooperative societies and private sector businesses	High	September – December 2016	None
4. Promote strong linkages and cross-collaboration among ILO-CO Colombo projects, where appropriate.	ILO CO/Tripartite actors	Medium	September-December 2016	None
5. Produce appropriate knowledge products and disseminate widely across the ILO system and web-based open access form.	ILO CO and ILO/DTW	High	October – December 2016	None
6. Allocate adequate ILO CO staff time for regular monitoring and supervision through individual work programmes.	ILO CO and other ILO Offices	High	Commencing in October 2016	None

LED Project

1: Approve projects with realistic implementation period and budget.	ILO CO and Donors	High	Commencing in October 2016	None
2: Use small-scale funding for piloting new ideas or scaling up existing potentially successful projects.	ILO System-wide	High	Commencing in October 2016	None
3: Require projects to conduct baseline survey and document pre-project scenario before launching project activities so that project management and external agencies can monitor, document and analyze development effectiveness and value for money.	ILO System-wide	High	Commencing in October 2016	Some

Local Empowerment through Economic Development and Local Economic Development through Tourism Projects

SRL (2010/04/AUS)

Independent Final Evaluation

BACKGROUND

The Australian Community Rehabilitation Programme Phase 3 (ACRP-3) 2010-2015 envisaged improved local governance and strengthened communities and civil society and economic development by supporting six partners – ILO, International Organization for Migration (IOM), Oxfam, The Asia Foundation, World Vision and ZOA. The Programme relied on partnerships, pro-poor interventions, and gender and socially inclusive development approach. The overarching goal of ACRP3 was “to increase the number of conflict-affected communities across Sri Lanka benefitting from and living a sustainable, secure and productive life.”

The International Labour Organization (ILO) implemented two local economic development projects during 2010-2016 ACRP-3. The Local Economic Empowerment through Economic Development (LEED) commenced in 2010 and completed in June 2016, and it covered three districts: Kilinochchi, Mullaitivu, and Vavuniya in Northern Province. The Local Economic Development through Tourism (LED) project covered two districts: Ampara and Batticaloa in the Eastern Province started in late 2013 and ended in June 2016 as well. The Government of Australia through the Department of Foreign Affairs and Trade (DFAT) provided a support of AUD6.9 million covering both projects.

ILO implemented the LEED project in two phases and LED project implemented over a single period of 18 months. ILO CO-Colombo directly implemented both projects in collaboration with public and private organizations. DFAT support to the two projects amounted to USD 6.9million and provided an additional AUD 400,000 as a bridging fund after current funding expired at the end June 2016, expected full utilization by May 2017.

ILO commissioned the final evaluation covering both LEED and LED projects in accordance with ILO’s Evaluation Policy, which states that the final independent evaluation is a mandatory exercise for all ILO projects with a budget of more than USD one million. It, however, does not cover activities supported by the bridging fund since these are under implementation. ILO conducted a midterm evaluation of LEED project in late 2012.

PROJECTS’ RATIONALE

At the end of more than 26 years of conflict in Sri Lanka in May 2009, Sri Lanka adopted a path of recovery and reconstruction of the Northern Province with a mainstreaming affected population in the national economic mainstream. Several challenges emerged, including resettlement of more than 580,000 internally displaced people (IDPs) since the 1990s. The immediate challenge was to address the voluntary and speedy return and resettlement of all IDPs. The returnees, however, faced eroded physical and social infrastructure, increase in the number of disability cases as a result of landmine and unexploded ordinance (UXO) related accidents, and high level of psychological trauma for many families about their missing household members, increased vulnerability among displaced population and host communities,

particularly in Vavuniya, Mannar, Jaffna and Kilinochchi districts. In addition, about 9,000 ex-combatants held in transit camps participated in demobilization and disarmament and seeking integration in the wider society.

While the conflict ended, the local economy in Northern Sri Lanka faced substantially lower productive capacities, far fewer livelihood opportunities, destroyed infrastructure and other community services, collapsed markets, and widespread unemployment and underemployment. The scale of need and challenges required a multi-pronged approach and engagement by several development partners. However, most humanitarian and development interventions proved uncoordinated and offered underfunded livelihood packages to the intended beneficiaries thereby not addressing inequities in the local communities. The needs and roles of women and women-headed households remained unaddressed.

A large number of development partners responded to humanitarian and relief operations and the sheer volume of support remained less coordinated. The support did not adequately address restoration of sustainable livelihood for the affected population. The LEED project design benefitted from the lessons from other interventions and carved a niche area ILO could extend its support. ILO adopted unique gender, disability, and ethnicity responsive recovery approach. The primary focus rested on increasing economic opportunities for female-headed households, reducing gender-based violence, supporting linkages to relevant institutions for the affected population, alleviating economic plight of heavily indebted households exploited by loan sharks/middlemen, promoting economic opportunities for disable persons through employment or self-employment, and capacity building at an individual, community and institution levels. DFAT and ILO rightly took a deliberate path to support the local communities over a longer period.

DFAT recognized the Government of Sri Lanka's priority in strengthening tourism sector and extended support through LED project aimed at boosting livelihood opportunities and economic development through tourism in the two conflict-affected districts. The project carved a niche area in promoting sustainable rural tourism and envisaged larger benefits to women in the local communities.

Both LEED and LED projects maintained consistency with Sri Lanka's country priorities, ILO's Decent Work Agenda, and the Australian Government's ACRP-3 programme. Both projects also remained relevant to UNDAF Pillar 1 "Equitable Economic Growth and Sustainable Livelihoods."

PROJECT OBJECTIVES¹ AND LOGIC MODEL

Project Objectives

Both LEED and LED projects had a common goal to contribute to sustainable peace and conflict transformation by reducing conflict-related economic inequalities through economic empowerment of the most vulnerable populations. The goal, development objectives, and immediate objectives appear in Table 1.

¹ Extracted from the project documents.

Table 1: Objectives of Local Economic Empowerment Projects in Sri Lanka

Level	LEED Phase I	LEED Phase II
Goal	To contribute to sustainable peace and conflict transformation by reducing conflict-related economic inequalities through economic empowerment of the most vulnerable populations	
Overall Objective/ Development Outcome	To contribute to poverty reduction, sustainable job creation, and peace building through an improved environment with strengthened governance, effective community-based services and public-private partnership that economically empower vulnerable groups in conflict-affected populations.	To contribute to sustainable peace and conflict transformation in Sri Lanka by reducing conflict-related economic inequalities and promoting and enabling more equitable and inclusive economic development in the ongoing process of economic recovery in the three districts of Northern Province.
<ul style="list-style-type: none"> Immediate Objectives/ Outcomes 	<ul style="list-style-type: none"> To improve the policy environment for inclusive and sustainable entrepreneurship, job creation and gender equality for vulnerable groups in the selected conflict-affected communities To enhance the employability of female-headed household, persons with disabilities, families of ex-combatants, ex-combatants, and unemployed youth through skills, business, and life-skills training To develop the capacity (systems, organizational and individual) of local business development services, training providers, and local government services to facilitate the development and growth of enterprises with a focus on the special needs of women, youth, and disabled entrepreneurs To provide business development services including post-training support, vocational counseling, long-term business mentoring, equipment, tools and facilitation of access to credit Increase market absorbability through value chain development and interventions targeting local competitive advantages to accommodate new business entrants and existing businesses to benefit from higher capital and market share growth both in promising sectors To design and implement, together with the chambers of commerce and the Ministry of Labour Relations and Manpower (MLR&MP) a sustainable business placement system in existing businesses and public sector organizations 	<ul style="list-style-type: none"> Poor and vulnerable conflict-affected primary producers, particularly women and producer associations are empowered to participate equally in the economic recovery process taking place in three districts in the NP and to sustain those gains. Primary producers, producer associations, employees and micro, small and medium enterprises (MSME) are able to secure a fair share of the financial and social benefits that are being generated by the economic recovery process taking place in three districts in the NP and can sustain the economic and social gains. <p>More specifically: Four Immediate Outcome are:</p> <ul style="list-style-type: none"> Productivity and processing capacity improved in MSMEs and women managed competitive business are available Members get better access to services from cooperative Improved business environment

		<ul style="list-style-type: none"> • Dialog between north and south improved through business partnerships
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Project Logic Model: LEED

ILO prepared the original project document (PRODOC) in April 2010 for project activities to commence from June 2010. It had six immediate objectives (outcomes) as stated above in Table 1. The project logic at the time design was sound and the PRODOC had presented a clear theory of change. It had identified mutually supporting six interlinked components comprising: (i) Community-Based Training for Economic Empowerment (CB-TREE), (ii) value chain development, (iii) reactivation of previously functioning local enterprises, (iv) the provision of local community level equipment, (v) strengthening capacity of local service providers, and (vi) business placement services. It aimed to monitor labour standards including non-discrimination in recruitment, equal pays, no child labour, working time and decent work conditions. The aim was to implement these six components keeping in mind profound impact on the local economy, higher income levels, less vulnerability, creating opportunities for all people living in the communities and increasing peoples' confidence. It also envisaged a conflict sensitive approach. The results framework and logical framework demonstrated the consistent approach.

The ground situation was rapidly evolving and in the changing context and the presence of several players including governmental and nongovernmental organizations in the face of weak institutional absorptive and implementation capacity the project design became challenging. Moreover, the mobilization of the CTA took more than seven months. DFAT and ILO revisited the project scope keeping the goal unchanged.

In light of evolving needs and avoiding duplication of activities undertaken by other players in the project districts, the project essentially shelved the results framework and focused on implementation arrangements. In fact, the project lost one year of valuable time and reached a stage at which DFAT reconsidered pulling out from the project. Nevertheless, with the arrival of CTA and renewed focus on a year plan project finally took off the ground. This led to the changes in the nature of support envisaged and repackaging of the project interventions in two broad groups: (i) Capacity and Institutional building Sub-projects and (ii) Interventions to Support Sustainable and Inclusive Development and Growth subprojects. The project activities commenced initially in Vavuniya North Divisional Secretariat of the district in June 2011 and expanded to Kilinochchi in September 2011 after receiving approval from the Presidential Task Force. The government guided the geographical operations focussing on paddy and vegetables in Vavuniya North and fisheries in Kilinochchi.

The project developed a revised logic model and theory of change following mid-term independent evaluation in late 2012 as presented in Table 2.

Table 2: Revised LEED Project Framework after Mid-Term Evaluation

Development Outcome: To contribute to sustainable peace and conflict transformation in Sri Lanka by reducing conflict-related economic inequalities and promoting and enabling more equitable and inclusive economic development in the ongoing process of economic recovery in three districts in the Northern Province	
Intermediate Outcome 1: Poor and vulnerable conflict-affected primary producers, particularly women and producer associations have increased income, skills, and employment opportunities	Intermediate Outcome 2: Local businesses strengthened through partnership and improved business environment by adopting decent work practices and 'pro-poor' policies.

Immediate Outcome 1: Increased production, processing, and access to market in agriculture section vulnerable women get access to equal opportunities	Immediate Outcome 2: Productivity and processing capacity improved in MSMEs, women managed competitive businesses are available, members get better access to services from cooperatives, improved business environment and dialogue between north and south improved through business partnerships
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Source: Project Logic Model (Phase I and Phase II) and Theory of Change provided by ILO CO-Colombo.

Project Logic Model: LED

Table 3 provides a synopsis of project framework as described in the project document. It mimics table 2 above and emphasizes the importance of strengthening supply chain linkages, increased business efficiency and improved quality of services, gender sensitive approach, better collaboration and communication and overall enhanced capacity development.

Table 3: Project Framework of LED Project (as conceived)

Level	LED Project
Overall Objective/ Development Outcome	Contribute to reducing the incidence of poverty by creating sustainable employment and livelihood opportunities for vulnerable populations in the Eastern Province through promotion and development of an eco- friendly pro-poor tourism sector.
Intermediate Outcome	<ul style="list-style-type: none"> A. Increased supply chain linkages of local supply and service providers to the most established tourism and hospitality operators B. Improved Efficiency of MSMEs to provide quality service to the tourism industry C. Government/semi-government institutions and stakeholders in the province mainstream eco-friendly, sustainable gender sensitive pro-poor tourism.
Immediate Objectives	<ul style="list-style-type: none"> A1: Increased capacity of marginalized producers and service providers to link to tourism value chain A2: Improved understanding and strengthened collaboration and communications between the local community, local service providers, and the established hotel industry B1: Enhanced access and skills of small hotel owners to provide quality and services B2: Enhanced skills and facilities of vulnerable communities on viable homestay programme C1: The Provincial Ministry of Tourism (PMTs) and local government increased the capacity to develop and promote pro-poor inclusive tourism, including the creation of a gender sensitive enabling environment.

Source: Local Economic Development through Tourism Project Proposal, ILO CO-Colombo

EVALUATION PURPOSE, SCOPE, AND CLIENTS

Purpose

This final evaluation of the LEED and LED projects are two-fold: accountability and learning. The accountability aspect focuses on assessing development effectiveness in terms of the extent to which the project objectives have been achieved, the extent to which intended project target groups have benefitted from the project support (both directly and indirectly) and the extent to which project resources have been deployed for the intended purposes. On the other hand, the learning aspect of the exercise aims to identify lessons learned from evaluation and replicable or potential scope for scaling up good practices under the similar context in Sri Lanka and elsewhere. As stated earlier, the final evaluation is mandatory in accordance with ILO's Evaluation Policy for projects valued over USD1.0million.

The evaluation has considered the means of action contributing towards achieving Sri Lanka's Decent Country Work Programme (DWCP) outcomes and national goals. It also assesses emerging impacts of interventions (both positive and negative; intended and unintended) and sustainability of project strategy and outcomes as well as retention of capacities over time beyond project completion date. While undertaking assessment, the evaluation has also identified strengths and weaknesses, opportunities and challenges and the role of any external factor strengthening or inhibiting project objectives and delivery of outputs. The evaluation also reports on the implementation progress of the midterm evaluation recommendations. More specifically, the evaluation:

- Demonstrates the achievement of outcomes against the theory of change and extent to which these have contributed to ACRP-3 end of programme outcomes;
- Assesses the partnership and level of collaboration and cooperation with relevant technical and local government agencies and other local partners to ensure quality control, and the contribution to strengthening impact, and sustainability and the relevance of such collaboration;
- Assess the effectiveness and impact of the programme approaches and identify key successes and challenges and the factors underpinning these (special consideration should be made to the contribution of the partnership approach to these);
- Identifies a set of lessons and good practices, thereby contributing to the body of knowledge pertaining to support for conflict-affected population; and
- Offers key recommendations for ILO and other development partners for any future programme of support to Sri Lanka and other countries in the similar situations.

The evaluation has focused and addressed the following as well:

- The ILO's overall approach to the two projects formulation, preparation of individual projects, budgeting, project management, backstopping and monitoring including coordination mechanisms among various stakeholders (including international partners and other ILO projects) in the project areas and how effective this has been;
- The extent to which the two projects have achieved the results and the immediate objectives and targets;
- Programme experiences that can be learned with regard to promoting social protection, gender equality, and environmental sustainability;
- The effectiveness of social protection (How the beneficiaries, communities, and social protection partners have benefited from the project, what seems to work and what not, overall perception and the first assessment of sustainability);

- An initial assessment of the programme’s indirect impacts including but not limited to the impact of social preparation, training, and capacity building, the forming of associations and groups etc. and an analysis of the transition from emergency employment to local resource-based work, skills development and small enterprise recovery.

Scope

The evaluation covers both LEED and LED projects from project design to completion. It also reflects on the progress made against the independent mid-term evaluation of LEED. It covers all three LEED districts in the North (Kilinochchi, Mullaitivu, and Vavuniya North) and two districts (Ampara and Batticaloa) in the Eastern Sri Lanka.

Clients of Evaluation

The primary clients of this evaluation are the beneficiaries, ILO tripartite constituents, and DFAT. The secondary clients include but not limited to the Ministry of Labour and Trade Union Relations, employers and workers organizations, civil societies, project management team, DWT-New Delhi and Bangkok, ILO technical unit at the Headquarters, ILO-ROAP Bangkok and the wider public interested in development intervention in conflict-affected areas.

While this evaluation has addressed a set of relevant evaluation questions, the relevant stakeholders will use the findings of the evaluation for promoting accountability and organizational learning. The evaluation findings and recommendations are directed to the projects’ implementing partners and ILO units directly involved in backstopping the project.

METHODOLOGY AND EVALUATION QUESTIONS

The final independent evaluation follows ILO’s Evaluation Policy and complies with donor (DFAT) requirements. The project evaluation adheres to the Terms of Reference (TORs) for the final evaluation of the projects given in Appendix 1. It applies OECD-DAC evaluation principles and UNEG Norms and Standards in the evaluation process. Overall, ILO Evaluation Policy guides the evaluation by applying relevance and strategic fit, the validity of design, effectiveness, and effectiveness of management arrangements (implementation), the efficiency of resource use, sustainability, impact, and gender issues. The evaluation intends to collect and substantiate pros and cons of ILO approach in the two projects as well as document evidence in support of intended and unintended impacts resulting from different interventions under the project. Key evaluation questions under each of the criteria are listed in the TORs for the evaluation and these are refined to suit the project context and presented in the evaluation matrix (Appendix-2). The evaluator declares that he has no conflict of interest in the project of any kind, what so ever.

The evaluation covers the two local economic development projects under ACRP-3 and adopts a tripartite consultative approach and the evaluator seeks information/data/opinions as relevant from relevant stakeholders during the course of evaluation. The evaluation exercise assesses the extent to which the two projects achieved project objectives and document project impact as supported by available data on both direct and indirect beneficiaries. The final evaluation has derived a set of lessons and good practices based on projects’ design, implementation, and completion and offer relevant recommendations for ILO, DFAT as well as potential donors for future interventions in the project area and in another similar context elsewhere in Sri Lanka and beyond. These include promoting inclusive sustainable as well as equitable

development covering the enabling environment for local economic development, including social cohesion, increased level of trust across different ethnic and religious groups.

Evaluation Methodology

The final evaluation adopted a mixed-method approach using both qualitative and quantitative techniques. Availability of data, access to information, and cooperation of the stakeholders in the evaluation process guided the choice of specific tool or technique. The qualitative method largely involved key informant interviews and selected focus group discussions with those directly involved in the design and implementation of the projects and beneficiary representations at different levels. The list of stakeholders included ILO-CO staff, staff and consultants implementing the two projects, DFAT programme management staff in Colombo, Ministry of Labour and Trade Union Relations officials, ILO staff involved in backstopping the projects, cooperative society management and members, representative farmers and fishermen, and local businesses and processors associated with the project implementation and support. The quantitative data analysis included data collected by the projects and maintained in compliance with the monitoring and evaluation systems, and data maintained by ILO-CO-Colombo, including projects' investment and financial data and audit reports, if available.

The evaluation involved five steps:

- Step 1: Document review, projects' briefing from ILO-CO and project management staff and consultants, meeting with the Ministry of Labour and Trade Union Relations officials and DFAT programme staff at the Australian High Commission, and preparation of an inception report for launching evaluation. The Evaluation Manager endorsed the inception report with slight modifications.
- Step 2: Field mission to Colombo, field visits to all three Northern (Kilinochchi, Mullaitivu and Vavuniya) and both Eastern Districts (Batticaloa and Ampara) covered by LEED and LED projects and interaction through key informant interviews and focus group discussions with relevant stakeholders, including cooperative societies, cooperative federations, beneficiary fishermen and farmers, and collection of data from project records;
- Step 3: A consultative stakeholder workshop in Colombo to share emerging findings with stakeholder representatives in Colombo on 7 July 2016 to ascertain direction of evaluation findings and correction of any factual errors;
- Step 4: Data analysis and draft report preparation based on collected data, information, interviews and discussions and submission of draft report to the Evaluation Manager for sharing with relevant stakeholders; and
- Step 5: Report finalization based on incorporation of relevant comments received from draft report reviewers and preparation of an Evaluation Summary as per ILO Evaluation guidelines.

Evaluation Questions

The terms of reference provided a detailed guidance on the list of questions for each of the evaluation parameter. These were refined in the context of projects evaluated and presented in the evaluation matrix (Appendix 2). The evaluation questions covered relevance and strategic fit of the interventions, validity of design, project effectiveness, efficiency in resource use, the effectiveness of management arrangements, project impacts, and sustainability. The evaluation applied the same set of questions to both LEED and LED projects as summarized in Table 4. The evaluation has taken adequate steps to triangulate responses from different stakeholder groups to the possible extent within the time and resources available.

Table 4: Key Evaluation Questions for both LEED and LED Projects

Relevance and Strategic Fit of the Interventions

1. To what extent did the project contribute to the objectives and priorities of the relevant DWCP 2013-2017, UNDAF 2013 -2017, ACRP-3 and the Sri Lanka's overarching national development plans (e.g. Cooperative Sector Development Policy)?
2. To what extent did the project align with strategic objectives of the Local Government Units (LGUs)?
3. To what extent did the project address the needs of the ultimate beneficiaries and of direct recipients?
4. How did the project contribute towards ILO's gender equality goal?
5. How well did the project design and selected means of action reflect cultural sensitivity, the capacity of implementing partners, and gender needs of the targeted population?

Validity of Project Design

1. How realistic was the project design to deliver expected project objectives?
2. Was the project design adequate and effective in addressing the needs of targeted beneficiaries?
3. How well did the project design (objectives, means of action, outcomes) reflect the ground reality?
4. To what extent did the project address gender needs and interests in target areas?
5. To what extent did the project design and interventions take into account implementing partners' capacities for an effective participation of LGUs in project management?
6. Did the project design duly identify relevant risks and adopted mitigation measures? Were the mitigation measures realistic?
7. To what extent did the project design incorporate needed monitoring and evaluation (M&E) arrangements?
8. Were the M&E arrangements realistic and implementable?
9. Did the project adopt SMART indicators realistic and trackable in M&E arrangements?
10. Was there anything the project design missed out? Which ones, if any?

Project Effectiveness

1. To what extent did the projects achieve intended objectives, outcomes, and outputs?
2. What have been major enabling and constraining factors in achieving intended projects' objectives, outcomes, and outputs?
3. How did the project respond to and adjusted/adapted its strategy to changing needs on the ground?
4. How effective were the projects institutional framework and its management arrangements and coordination mechanism with other relevant ILO projects, and with other implementing partners?
5. To what extent did the projects respond to gender-specific needs? What challenges arise and how did the projects address these?
6. How did the projects benefit from tribalism?
7. To what extent was the projects successful in mitigating risks and assumptions, both foreseen and unforeseen?
8. What were the challenges and strategies adopted during implementation?
9. How successful were the project in knowledge sharing, knowledge management, drawing lessons and had visible efforts in projects' branding?

Efficiency in Resource Use

1. To what extent have the projects been implemented in the most efficient vis-à-vis their financial and human resources?
2. Have project activities been implemented in a cost-effective manner and have projects' objectives achieved on time and within given budget?
3. Has project funding catalyzed additional resources from internal and external sources?

4. Did the projects encounter challenges in implementing projects cost-effectively? If so, how were these overcome?

Effectiveness of Management Arrangements

1. Did the two projects receive adequate and timely technical support from ILO/DWT and administrative/ management support from the Sri Lanka ILO-CO in project implementation? If not, what were the reasons? What else ILO could have done?
2. To what extent did the gender composition of the management and backstopping team affect the performance of the two projects?
3. How well the two projects manage their budget, including budget forecasts, delivery monitoring, actions taken to improve the delivery, and budget revision and financial reporting on time?
4. To what extent did budget utilization deviate from original plan? If so, what were the reasons?
5. How effective was the project advisory committee?
6. To what extent DFAT's monitoring and guidance, help project implementation?
7. To what extent the projects followed recommendations and corrective actions following regular monitoring missions and mid-term review.
8. To what extent do the projects' database and M&E arrangements permit collection, analysis and use of sex-disaggregated data, monitor results and prepare regular progress reports?

Sustainability

1. To what extent the project benefits are likely to continue after June 2016 on their own without external support.
2. To what extent private sector participation is likely to continue beyond June 2016.
3. What are the major factors likely to influence the continuity of the project benefits beyond June 2016?

Impact Orientation

1. What are tangible results from the two projects? To what extent did the projects make their contribution to broader and longer-term crisis response and decent work goal in Sri Lanka?
2. What real difference that the projects have made to the ultimate beneficiaries, the capacity of local authorities, and to gender equality?
3. What changes have been observed in relation to the objectives of the intervention? How have women, men, the poor, different ethnic groups experienced these changes?
4. To what extent can observed changes be attributed to the intervention?
5. Are there unintended impacts (including consideration of different segments of society)?
6. What interventions and approaches delivered the impact? What are key contextual features for these (e.g. gender, poverty, ethnicity etc.)? What is the contribution of the ACRP 3 partnership to the programme (what has been achieved through collaborating approaches that may not have been otherwise achieved)?

Source: Adapted from the Terms of Reference.

The Evaluator undertook a review of available documents for both LEED and LED projects, including the 2012 mid-term report and LEED Phase II document. The evaluation questions adequately reflect TOR, document review, and initial discussion with responsible staff at ILO CO-Colombo and other stakeholders

based in Colombo. Appendix 3 lists the set of documents reviewed by the evaluator and Appendix 4 provides a list of key stakeholders and Appendix 5 contains a list of persons interviewed in the course of evaluation, both in Sri Lanka and over skype calls.

Evaluation Management

The Regional Monitoring and Evaluation Officer at ILO ROAP Bangkok managed the evaluation, which included drafting and finalization of the TORs for evaluation through a consultative process and recruitment of an independent evaluator. ILO CO-Colombo handled the contractual arrangements, setting up appointments and logistical support for the evaluation as and when needed. The project staff facilitated access to the stakeholders in all five districts covered by the two projects.

The Evaluation Manager is responsible for (i) sharing this draft evaluation report with the relevant tripartite constituents and ILO stakeholders in Bangkok, Geneva and New Delhi; (ii) providing consolidated comments on the draft report to the evaluator; (iii) review of draft and final versions of the evaluation report before forwarding to ILO EVAL for their approval.

Dissemination and Use of Evaluation Findings

The ILO CO-Colombo organized a Project Advisory Committee meeting in Colombo on 7 July 2016 at which the evaluator presented the evaluation approach and emerging findings and recommendations based on document review and field visits. The session lasted for two hours with the active participation of about 30 senior representatives from DFAT, Government, private sectors, employers' and workers' organizations and ILO CO-Colombo and LEED project staff. It provided an opportunity to triangulate some of the emerging findings and recommendations. The Secretary, Ministry of Labour and Labour Union Relations initially chaired the meeting and later handed over the responsibility to his Senior Assistant Secretary. The event provided an active environment where representatives aired their views and offered valuable suggestions.

The Evaluation Manager will share the draft evaluation report with ILO and DFAT based in Bangkok, Colombo, New Delhi, and Geneva and tripartite constituents in Sri Lanka. The findings and recommendations form a basis for the future involvement of ILO and other development partners in extending support to the Government of Sri Lanka through appropriate sustainable mechanisms.

The full evaluation report will be available in ILO database and Evaluation Summary will be openly available for public consumption.

Assumptions and Limitations

The evaluation is largely qualitative analysis supplemented by available quantitative data provided by the project teams in the field and ILO CO-Colombo. Since the project formulation took place shortly after the end of the conflict, most of the intended beneficiaries had lost almost everything and had to rebuild their lives and livelihoods from scratch. At the time of project formulation or shortly after the end of the conflict, the project did not collect baseline data. In addition, the project districts received humanitarian assistance and start-up support from different development partners, including both national and international nongovernmental organizations. At best, the evaluation assessment reflects projects' contribution rather than attribution towards restoration and development of livelihood options for the beneficiaries.

The original PRODOC provided a comprehensive log frame for the LEED project, which was revised after the mid-term review (Phase II) and the project document for LED contained results framework. Neither the LEED Phase II nor the LED results framework provided proper log frame. The indicators largely

reflected trend variables and without quantitative targets towards which the project could progress. Hence, project related data do not provide adequate information for proper quantitative analysis.

The evaluation assumes that the draft outputs produced by the Centre for Poverty Analysis as an input for the final evaluation without any conflict of interest and hence it has relied on these studies to ascertain the impact of LEED project. These are largely qualitative studies based on key informant interviews and small focus group discussions. On the other hand, LED project at the time of evaluation and end of DFAT funding still remained in an infancy stage and hence any project impacts are at best emerging, and hence these require due care in interpretation.

The qualitative responses during the field visit proved very valuable. Evaluator's discussions with all stakeholders and their groups provided in-depth insights into projects' performance and helped the evaluator to triangulate responses from different sources.

REVIEW OF IMPLEMENTATION

This section summarizes a review of project implementation for both LEED and LED projects. The review drew on project documents, project outputs, works plans, progress reports and discussions with relevant stakeholder groups.

Local Empowerment through Economic Development (LEED) Project

DFAT approved the LEED project proposal prepared by ILO to commence in June 2010. However, it took nearly 6 months for to obtain signed memorandum of understanding with the Ministry of Labour and Productivity Promotion² and the approval of the Presidential Task Force (PTF). The CTA came on board only in January 2011 due to ILO recruitment delays. Following nearly three months of consultations with relevant stakeholders by CTA, the project implementation strategy required refocusing ensuring the achievement of project outcomes.³ The strategy envisaged: (i) sustainability of outcomes, (ii) local ownership, (iii) project role as facilitative rather than implementation, (iv) operations at village, division, district, regional and national levels, (v) flexibility in implementation, (vi) policy based risk management, (vii) partnership development, and (viii) innovative approaches.⁴ The strategy abandoned the planned CB-TREE and instead adopted value-chain development approach.

One key deviation from the original project scope involved changes in the area of operations. CTA's proposal to commence project operations in Kilinochchi in 2011 due to a high concentration of conflict-affected population instead of Jaffna and Manar received approval from DFAT, the Ministry of Labour and Trade Union Relations and PTF in June 2011. Due to need and proximity to Kilinochchi, the project expanded to Mullaitivu district following PTF approval in June 2012. The project was implemented in two phases: June 2010- May 2013 (Phase I) and June 2013 – June 2016 (Phase II). Phase I focussed on supporting organizations, entrepreneurs through hardware support, training and market linkages for specific products or process. Phase II emphasized more on organizational development through partnerships for sustaining investment in economic activities primarily through software support.

The project could not implement first-year investment activities due to delays for the reasons stated earlier and this led to intensive operations in Year 2 making up for Year 1 as well. It continued its focus on ownership and participation of local private sector and local governments in the recovery process and

² Renamed later as the Ministry of Labour and Trade Union Relations.

³ LEED Work Plan 2011 – 2012, p. 5-7.

⁴ LEED Work Plan 2011 – 2012, p. 7.

the inclusion of vulnerable groups; as well as sustainability based on improvements in local supply and value chain for reduced vulnerability and exposure to external shocks. ILO implemented the project under a rapidly changing and challenging environment. The project team responded to the critical needs of the vulnerable people in the war-torn three districts of the Northern Province applying a flexible approach. The project, however, adhered to the intended outcomes and affect but adopted different pathways (outputs and activities). Such need emerged in the face of reassessment of entry points for the project and weak institutional capacity. Moreover, government agencies at the Division-level did not have a good understanding about the project and its implementation modalities.

The project's emphasis on backward and forward market linkages to local production systems of largely primary produce (agricultural crops), the inclusion of female-headed households and ex-combatants, persons with different abilities and sustainable livelihood options differentiated this project from development interventions of other agencies aimed at relief and rehabilitation operations. It focussed on the sustainable use of available land and water resources for economic development interventions based on cooperative societies' *modus operandi*. It offered start-up capital and technical skills for the people who had lost virtually everything they had during the long conflict period and linked them to the market so that they would be able to overcome initial threshold for initiating income-generating activities. The project effectively commenced in mid-2011 and focussed on three key sectors – rice, fruits and vegetables, and fisheries. It brought together producers, processors, and government agencies together towards a common cause of supporting regeneration of livelihood options for the targeted population. The project successfully engaged Employers' Federation of Ceylon (EFC), National Chamber of Employers (NCE), and exporters to establish market linkages and export of primary produce such as papaya and blue swimming crab meat.

The Sri Lanka Government, represented by the Ministry of Labour and Trade Union Relations, led the Project Advisory Committee (PAC) chaired by the Secretary. The committee met for five times (18 November 2010, 23 May 2011, 9 August 2013, 5 December 2013 and 7 July 2016) during the life of the project with a two and half year gap between the fourth and fifth meetings. Infrequent PAC meetings partly were due to the high turnover of the Chair and other times ILO discussed project progress and issues at different meetings held at the Ministry. Initially, high-level government officials participated in the first two meetings but later on junior officials attended the meetings. The last meeting comprised the final progress report, highlights from impact study conducted by the Centre for Poverty Analysis (CEPA) and presentation and discussion on the emerging findings and recommendations of this final evaluation.

The size of project team varied over time, initially with a CTA and 11 staff to five at the end of the project. CTA was on board for three years (January 2011 – January 2014), after which the National Project Coordinator took over the overall project implementation responsibilities. At least five staff remained with the project from beginning to the end. The project received overall supervision and guidance from the ILO CO-Colombo Country Director with the support of Senior Programme Officer, ILO CO-Colombo. The Senior Assistant Secretary, Ministry of Labour and Trade Union Relations served as the Government's focal person for the project. The project implementation had been quite demanding in terms of coordination both upstream with the government agencies at different levels and downstream with local communities and beneficiary groups.

The project played a key role in introducing papaya cultivation initially in Vavuniya North and later in Kilinochchi and Mullaitivu and sustainable harvesting of blue swimming crabs, both for the export market in Kilinochchi. Other initiatives included the commercial production of chili, groundnut, black gram, sesame, and cassava. These grouped as "other field crops" are relatively on a smaller scale but vying for the export market. The project introduced aquaculture development in cooperation with the National Aquaculture Development Authority (NADA) in the Poonakery Division and supported vulnerable fishing families' livelihood through sea cucumber farming, sea bass and milkfish culture, fish feed production and prawn farming. The Fishermen Cooperative Societies Union (FCSU) has been coordinating these aquaculture activities. Other project initiatives include support to a social enterprise, Sivanarul Vocational Training, and Production Centre to develop its packaging and marketing capacity linked to crop growers'

schemes with small farmers in Kilinochchi and Mullaitivu districts. The enterprise provides employment to 43 women and 4 men, and it is committed to socially conscious employment policy by employing people with different abilities, widows, and those with other challenges.

Gender mainstreaming in economic activities shows an encouraging sign, but women's representation in decision-making bodies such as cooperative societies or beneficiary group associations remains relatively low. It is limited to two women in most of the cooperatives as required for the societies' registration. Several factors are attributable to this including the reluctance of delegating such role, household chores, child care, and elderly care. The project's focus on gender issues albeit came too late in the implementation process, although the original PRODOC had a provision for gender staff as a part of the core team.

The project encountered several challenges particularly in the first two years such as limited understanding about the project at the divisional level in formulating operational plans, resistance from government staff for cooperation and unrealistic assumptions on the role of divisional secretariat for collaboration given limited capacity. The project could not establish a vocational education training (VET) and job placement forum at the district level and public-private-partnership forum at the divisional level as planned due to inadequate preparation and lack of full understanding by the intended stakeholders.⁵ The establishment of a Resource and Information Centre initially postponed did not materialize.

Some delays also occurred in establishing a joint venture between the Vavuniya North Fruit Growers Cooperative and CR Exports due to lack of proper land documentation. The late rehabilitation of Karachi South rice mill building delayed reequipping the mill by six months. The overproduction of rice in Mullaitivu district resulted in a glut in the market leading to depressed farm gate prices and loss of income for farmers. On the hindside, the project should have conducted rice market analysis before extending support in the form of capital subsidy. The first Northern Province provincial election in September 2013 also led to delays in decisions due to unavailability of relevant government staff in the Departments of Agriculture, Cooperative Development, and Local Government.⁶ While LEED supported boatyard in Kilinochchi was successful, the other boatyard in Mullaitivu faced a significant challenge from vested-interest groups.

Substantial progress has occurred in conflict-affected communities, as the final project brief notes states but some of the key challenges continue to remain in creating decent employment opportunities. This include:

- Limited employment opportunities for people residing in rural areas who often tend to be educationally-disadvantages, particularly for women and youth;
- Inequalities of access to opportunities for men and women;
- Family burden does not adequately allow female heads of households to remain engaged in decent work or income generating activities; and
- The limited capital market in local communities for the promotion of entrepreneurship promotion.

An independent mid-term evaluation of LEED project offered a set of 10 recommendations, which ILO CO-Colombo accepted and implemented as outlined in Appendix 6. Overall, the project took up and addressed most of the recommendations and evaluation assesses general progress on implementation of the recommendations satisfactory.

⁵ Project progress report.

⁶ Project progress report (June – November 2013).

Local Economic Development (LED) through Tourism Project

ILO prepared LED project proposal for DFAT funding based on tourism sector analysis and identification of challenges and opportunities in the Eastern Province. The project design emphasized support for business development services by improving the enabling environment for small and medium enterprises at the subnational level. It adopted a three-track strategy outlined in Table 5. The project strategy included gender as a crosscutting issue mainstreamed into all aspects of the project. It also envisaged partnership with ACRP 3 partners working in Ampara and Batticaloa districts. It followed LEED project value-chain development approach in the three Northern districts.

Table 5: LED Project Implementation Strategy

Track	Approach
1	<ul style="list-style-type: none"> Improving supply linkages of the vulnerable local population (e.g. farmers, fishermen, craft persons and other service providers through various means; Ensuring women and persons with different abilities are provided support to be able to participate in value chain; Developing new tourism products utilizing natural and historic resources by establishing linkages between the established hotel operators and potential and emerging local entrepreneurs and/or entrepreneurial communities; Seeking advice/mentoring from established hotels to the standards they require while also acting as a potential marketing resources for newly emerging tourism enterprises;
2	<ul style="list-style-type: none"> Improving efficiency and capacity of the small hotels and guesthouses to provide quality services for higher income and decent employment,
3	<ul style="list-style-type: none"> Strengthening capacity of government institutions and local authorities for raising awareness in facilitating support and guidance on developing and implementing strategies benefiting poor communities and sustainable tourism; Ensuring women also benefit from the development of tourism sector.

Source: ILO project team.

The project planned to work in partnership with the Provincial Ministry of Tourism in coordination with the Ministry of Economic Development, relevant district and local government institutions, Sri Lanka Tourism Authority, Tourism Promotion Bureau, Sri Lanka Tourism Institute for Human Resource Management, and the Ministry of Labour and Trade Union Relations. As provisioned, the project had a small team of a National Programme Manager, assisted by a Field Coordinator, Programme Assistant, and an Accountant. ILO CO-Colombo Country Director supported by a Programme Officer assumed overall responsibility for project organization, administration, and financial management as well as communication with DFAT and national level agencies. The project had a provision of establishing a PAC, which did not materialize due to high staff turnover in different government agencies and short project implementation period of 18 months.

The project followed a logic model similar to LEED project with different sets of interventions in the two districts. The first year of the project focussed on promoting community tourism activities, development of homestay services, the establishment of community-based fruit farms and linking them to the tourism markets, development of district tourism strategy and district tourism plans in both project districts (Ampara and Batticaloa). It initiated activities to empower rural communities through production of handicrafts in Batticaloa and construction of a community-driven souvenir shop at the entrance of Kumana National Park (Ampara), and mapping of buildings with historical significance and the provision of skill and capacity development to enhance service quality and the competency of human resources in the tourism sector in Batticaloa.

Late 2015 saw the departure of the National Project Manager and ILO decided to merge the management of LED with LEED project under the overall supervision of the LEED National Project Coordinator. A large

number of activities planned during the first year based on the simultaneous implementation of three-track approach proved challenging in the remaining six months of the project. As a result, ILO in consultation with DFAT allocated part of project fund to LEED activities and repackaged the tourism interventions in Ampara and Batticaloa to a realistic level with nine specific interventions listed in Table 6 with a total value of USD367, 605. All these interventions (subprojects) have one or more forms of partnerships comprising government agencies, private sector businesses, and local beneficiary groups.

Table 6: List of LED Project Interventions (January – June 2016)

1. Establishment of community managed wildlife campsites integrated with agro-tourism in Ernakulum, Batticaloa district
2. Establishment of community owned marine tourism management including recreational and traditional seafood terrace in Kallady Beach, Batticaloa
3. Establishment of mangrove learning and bird watching centre in Sathurukodan, Batticaloa
4. Establishment of a community driven eco-friendly farm products marketing and comfort centre for tourists at Serenade, Ampara
5. Strengthen the Panama Safari association to engage in community-driven tourist products and services and develop new tourist products, Panama
6. Local community in Panama to run the souvenir shop in Kumana National Park, Panama
7. Establishment of a community is driven tourist service products (homestays) with the partnership of Farm Producers Association in Urani
8. Skills and capacity development to enhance service quality of the human resources of auto rickshaw and taxi services in the tourism sector in Pottuvil with the support of Jetwing Hotels Group, Ampara
9. Strengthen Binthanna Farm Women Association to provide better services to the members.
10. Market strategy for promoting local tour services and location via social media and website development.
11. Development of District Tourism Plans for districts of Ampara & Batticaloa.

The LED project implementation encountered several challenges including short implementation period. Three of the above 10 activities (3, 4 and 7) listed in Table 5 could not take place for the lack of time and other operational constraints. The departure of the National Project Manager at the end of 2015 created a three-month temporary vacuum in project management. ILO CO-Colombo took steps to fill this gap by assigning one of the LEED staff to Ampara for field coordination and assigned LEED National Project Coordinator for project management for the remaining six months of the project duration. Obviously, the demand for tourism services varies with the type of tourists – domestic vs. foreign as well as among foreign tourists – backpackers vs. average tourists. The main attraction for overseas tourists in the area is surfing in and around Arugam Bay. The project implementation lacked approach to market segmentation and attempted to address all tourists as one block of clients. Furthermore, due to improved connectivity in the Eastern districts, tourists are less likely to spend a night unless there are strong attractions and reasonable accommodation available. These arrangements require lots of efforts and management currently beyond the scope of the project.

FINDINGS AND EVALUATION ASSESSMENT

This evaluation report contains two distinct sections, one each for LEED and LED projects because the two projects had different implementation periods and different Provinces of Sri Lanka with different sets of economic development activities. The findings and evaluation assessment follow ILO evaluation criteria based on OECD principles and UNEG Norms and Standards. The assessments are based on available documented evidence, review of project documents and outputs and fieldwork in Sri Lanka during evaluation mission during 20 June – 7 July 2016. The evaluator shared emerging findings at the

PAC meeting (stakeholder consultation workshop) on 7 July 2016. Each evaluation parameter contained a set of questions as outlined in TOR with some refinements to suit the project evaluation context.

Local Empowerment through Economic Development (LEED) Project

Relevance and Strategic Fit of the Interventions

The key questions associated with relevance and strategic fit of the interventions appear in Table 4. The assessment relies on document reviews, interviews and focuses group discussions with tripartite stakeholders.

The evaluation recognizes that the project formulation took place during a rapidly evolving on the ground situation, soon after the humanitarian response by the international and national communities was phasing out following the cessation of the conflict. At that time, the primary focus was to provide relief support. The movement of people was restricted due to security concerns. ILO prepared a project proposal⁷ for the funding support from the Australian Government based on a reasonably robust exercise based on problem analysis and on the limited information available at the time. The project formulation focussed on local needs and prevailing context and identified four critical problems:

- (i) a disproportionate number of female-headed households and families with different abilities living in extremely vulnerable conditions without any livelihood option;
- (ii) economic inequalities and the potential for ethnic tensions between people from Northern and Southern Provinces;
- (iii) the majority of people depended on subsistence agriculture and lacked means of production, finance, and technologies;
- (iv) the destruction of productive assets and infrastructure, weak market infrastructure and poor market linkages, and fragmented business development services; and
- (v) inadequate trust in doing business with people from Southern Sri Lanka.

The project formulation process included a conflict analysis and a gender analysis. The PRODOC also included a detailed indicative three to five-year plan as well as a comprehensive logical framework, referred as monitoring and evaluation plan in the PRODOC. The project was consistent with and contributed to the overall goal of ACRP3, which sought to increase the number of vulnerable, lagging and conflict-affected communities across Sri Lanka benefitting from and living a sustainable, secure and productive life.

The project's first phase was consistent with Sri Lanka's Decent Work Country Programme (DWCP) 2008-2012, which had poverty reduction and decent work for all agenda. The first objective "enhanced access to more and better jobs in economically disadvantaged and crisis-affected areas."⁸ Likewise, the second phase of the project was also consistent with DCWP (2013 – 2017) and UNDAF (2013 – 2017). More specifically, it remained consistent with the Country Priority 1 and associated with outcomes 1.1 - 1.3) on "Promotion of full, decent and productive employment and an enabling environment for competitive,

⁷ ILO. 2010. Project Proposal on Community-based confidence building among different ethnic and religious groups through integrated skills training and SME development for the poorest of the poor and most vulnerable in Sri Lanka, Australian Community Rehabilitation Programme Phase 3 (2010 – 2015).

⁸ ILO. 2013. Decent Work Country Programme Sri Lanka 2013 - 2017, ILO Country Office for Sri Lanka and the Maldives, Colombo. (p. 5).

sustainable enterprise development”⁹ and UNDAF (2013 – 2017) pillars 1 and 3. Furthermore, the project remained consistent with Sri Lanka’s development policy framework and cooperative development policy.¹⁰ The evaluation also notes that the project fully aligned with Sri Lanka Government’s Local Government Policy. Among other provisions, the provisions 4.4 and 4.5 on equity promotion and poverty reduction and socially inclusive, civil society participation, and partnerships are of direct relevance.¹¹

The project directly aimed to address the needs of the local conflict-affected population in the Northern Province of Sri Lanka and duly reflected the needs in the PRODOC. The focus on agricultural development and micro, small, medium enterprises (MSMEs) as core intervention areas and capacity building to enable them to mainstream in economic activities remained appropriate. The targeting of gender and the ethnic and vulnerable population in the PRODOC was appropriate.

ILO’s gender equality goal calls to promote opportunities for men and women to obtain decent work in conditions of freedom, equity, security and human dignity.¹² Project focussed on supporting the conflict-affected population with special focus on widows and female-headed families. The project design had a provision for a full-time gender staff in the project team.

The project adopted a conflict sensitive gender, disability and ethnicity responsive approach with a greater focus on vulnerable population. At the time of project formulation, institutional delivery capacity remained weak and fragmented, which required substantial capacity building support. The project internalized potential interethnic conflict and provided measure to address trust building intervention between the Tamil community in the North and Sinhalese community in South. At the household and community levels, the project aimed to target reduce poverty, restore livelihoods and strengthen the foundation for long-term peace and stability.

The entry point comprised community-based training for rural economic empowerment (CB-TREE) methodology adopted in the Philippines and Pakistan and the tsunami-affected province of Nanggroe Aceh Darussalam in Indonesia with a focus on community-based skills training and post-training services, including support for communities to organize credit and savings groups. The project also aimed at strengthening local actors at the systems, organizational and individual levels.

Overall, the project was highly relevant at the time of project formulation and was a good strategic fit of the interventions based on available evidence at the time of rapidly changing transitional context. However, the evaluation assesses that the project formulation team overestimated the expected level of coordination with other development partners, including Asian Development Bank (ADB), World Bank and other international nongovernmental organizations. The team did not undertake an adequate institutional capacity assessment of local actors due to prevailing security situation. Furthermore, the project design fell short in establishing a direct link between capacity development initiatives and sustainable livelihood options. The ILO later corrected this weakness by adopting a value-chain development strategy with a stronger link between producer groups and exporters, partly in response to rapidly changing ground realities in the intended project areas.

⁹ Ibid, p. 7 – 14.

¹⁰ Government of Sri Lanka. 2010. Sri Lanka the Emerging Wonder of Asia, Mahinda Chintana – Vision for the Future: Development Policy Framework, Ministry of National Planning and Ministry of Planning and Finance; Office of the Governor (Northern Province). 2010. Massive development in North to establish sustainable peace – cooperative development (mimeo).

¹¹The Gazette of the Democratic Socialist Republic of Sri Lanka. 2009. National Policy on Local Government: Government Notification, No.1632/26, December 18.

¹² <http://www.ilo.org/gender/Aboutus/ILOandgenderequality/lang--en/index.htm>

Validity of Project Design

The project design adopted a more typical standard approach of poverty reduction comprising training, microfinance, and technical support. It had six components to it: (i) CB-TREE, (ii) value chain development activities to ensure market access, (iii) common community equipment, (iv) the business revival with apprenticeships, (v) conflict-affected youth placement in enterprises and (local) public sector, and (vi) capacity strengthening of partners. At the outset, the project did not foresee any linkages to export markets and the geographical focus was on prevailing commodities, including dairy, fisheries, home gardening, palmyra-based products. It remained vague in the nature of other micro-enterprises, which also meant reasonable flexibility for the project implementation team. At the design stage, the project did not foresee the introduction of new products or commodities. Likewise, it envisaged provision of common community equipment for processing and packaging. It mentioned that group enterprises would manage the equipment but did not identify the potential role of cooperative societies for community investment activities.

The project envisaged business revival through the provision of financial grants for re-establishing former enterprises, including milk production and milk collection centres in the local communities. It, however, did not spell out the organization structure and governance arrangements for this initiative. The project expected to provide employment to women, youth and persons with different abilities in decent jobs had identified the Employers' Federation of Ceylon's (EFC) disability network for career support to the persons with different abilities. At the time of project design, this network was not in place and expected to be set up with ILO support. The project also aimed to create sustainable services by building capacity at the district and divisional levels of relevant government, private sector and civil society service providers and partners. However, the identification of capacity gaps was left for the project implementation team.

However, in the rapidly changing local context, the project design became somewhat less valid because public expectation exceeded delivery modality. Moreover, as stated earlier, project assumed that that intended community beneficiaries would be able to pull together and sustain their livelihoods after receiving training and getting microfinance access. While the project design emphasized business development services and value chain development in potential new sectors, it remained less clear on the provisions for developing such linkages and market development.

The first year project activities were over ambitious since it did not factor in initial project set-up time and adequate social preparation for organizing beneficiary groups. It also overestimated the capacity of local organizations for identification of beneficiaries and facilitation, advisory and credit services. While good understanding prevailed at the central level in terms of project delivery, local agencies were not adequately prepared to implement the project activities.

The project design identified some of the key risk factors. These included:

- (i) greater risks associated with demining in determining the pace of return and resettlement, which largely depended on external agency involved in mine/UXO clearing;
- (ii) unique complex and sensitive reintegration of ex-combatants without a well-coordinated and organized process;
- (iii) conflict of interest between the local civilian administration and the military; and
- (iv) delays due to non-availability and or limited capacity of local implementation partners.

However, risk mitigation measures remained vague. In addition, the project did not assess the absorptive capacity of the local population just coming out of nearly three decades of conflict. Similarly, evaluation considers that the sustainability strategy outlined in the PRODOC remained weak because of the presumption that government and civil societies would be able to implement the project after ILO/DFAT funding on their own, both in terms of financial and human resources until the desired goals are achieved.

ILO had prepared the PRODOC in early 2010, which DFAT approved for funding in May 2010 for implementation commencing in June 2010. The CTA arrived only in January 2011 (due to recruitment delays) and project commenced shortly after with a three month reassessment period and reformulation of project implementation strategy and associated interventions including activities and outputs keeping within the scope of project objectives. ILO CO-Colombo did not revise the PRODOC but prepared a first annual work plan for June 2011 to June 2012.

At this stage, project's strategic focus and geographical coverage shifted based on the evolving context the rapid infrastructure development, including housing, roads, and small businesses started to operate and agriculture was revitalized with the rapid increase in area cultivated and production of traditional commodities. The revised strategy incorporated active involvement of cooperative societies in project implementation and stronger ties between producer groups and private sector-led marketing and export arrangements. DFAT and ILO approved the revised strategy

The evaluation considers that in the rapidly changing context, the revised strategy adopted by ILO for the project was timely and responsive to the needs of local communities in establishing sustainable livelihood options. ILO implemented the project more like an action research project with annual work plan well until the mid-2013. It reflected evolving needs of the local communities, including women, female heads of households, youth, persons with different abilities and other vulnerable groups. The evaluation considers the introduction of papaya in Vavuniya North, strengthening of fisheries in Mullaitivu and Kilinochchi and expansion of other field crops in Kilinochchi and Mullaitivu well planned because the production system relied on market demand and it contributed to lowering of transaction costs by strengthening local cooperative societies. Overall, the revised project strategy was valid to meet the needs of intended beneficiaries in enhancing their livelihood options.

ILO conducted an independent mid-term evaluation of the project in late 2012, which led to the design of Phase II of the project (July 2013 to June 2015, later extended to June 2016). The Phase II design incorporated the lessons from Phase I implementation and adopted a clearly stated theory of change. The renewed focus had been on strengthening producer organizations based on cooperative society framework for MSME development, and economic infrastructure development that has relied on partnerships involving workers, producer groups, private sector businesses and government entities. The Phase II design document also envisaged to empower excluded and disadvantaged groups due to gender, disability, caste or other differences and to demonstrate the benefit to all sides of business that is more equitable and or employment relationships. While Phase I could have done more to address gender issues, Phase II duly incorporated this shortcoming in its design as a part of the provision of business development services.

The Phase II project design document contained a performance-monitoring framework but it lacked assumptions and risks. The indicators in the framework were qualitative in nature at the outcome level and difficult to measure. The output indicators referred to production, employment, income and a long list of output based indicators, some of which are qualitative and others quantitative. In all cases, baseline figures had not exist. One would have expected reasonable baseline figures at the time of Phase II project formulation. A separate risk matrix detailed and covered impact, outcome and output level challenges. Overall, the Phase II project design remained valid during implementation and at the end of project completion.

Effectiveness

The assessment of project effectiveness reflects implementation progress towards achievement of expected outputs and outcomes towards achieving a developmental goal and underlying success and constraining factors. Table 4 lists eight questions associated with the effectiveness parameter. The assessment covers two phases of the project (June 2010 – June 2013 and July 2013 – June 2016).

Phase me (June 2010 – June 2013)

ILO CO-Colombo launched the project in late 2010 and the Government established a PAC led by the Secretary, Ministry of Labour and Trade Union Relations in December 2010. In the initial eight weeks, ILO deployed a consultant to kick-start the project. Due to recruitment delays, CTA joined the project on 19 January 2011. First work plan for June 2011 – June 2012 (project year 2) also contained an implementation strategy covering support to the vulnerable groups, risk analysis, sustainability, monitoring and evaluation and partnerships based on initial assessment of on the ground situation in the Northern districts. This strategy substantially differed from the one conceptualized in project design.

The project implementation effectively commenced after the mobilization of CTA in January 2011 and it took about six months to initiate economic development activities. While project maintained overall project objectives and developmental goal in mind, the implementation plan changed significantly after the initial reassessment of on the ground situation by CTA. At that point, the original project design became somewhat less irrelevant and focus shifted from CB-TREE led approach to market driven economic development (value chain development approach) (promoted as LEED approach). This culminated into the work programme for June 2011 – June 2012 supported by an implementation strategy and proposed a budget for the implementation of the work programme. Hence, this assessment reflects LEED effectiveness in the light of renewed focus.

A number of preparatory work took place in the first year (June 2010 – May 2011). Activities included project approval from PTF, staff recruitment, training in CB-TREE and three small group enterprises, agreements with EFC for capacity building of vocational education for the visually impaired in the Northern Sri Lanka and Confederation of Chambers of Commerce and Light Industry to reactivate Chambers of Commerce in Vavuniya and Kilinochchi districts and commencement of value chain studies. In addition, the project entered into a contract for translation of value chain development manual in Tamil, training in value chain development and LEED approach and provided support to Provincial Department of Agriculture for their participation in value chain development studies and to the Planning Department of the Vavuniya north Divisional Secretary. It also identified involvement of the Multi-Purpose Cooperative Society in Vavuniya North for their strategic initiative in paddy sector in the Division. Other initiatives covered resurrection of the Vavuniya District Small and Medium Enterprise forum its merger with Vavuniya Vocational Education and Training forum, linkages with EFC for job placement of personal with disabilities. Essentially, the project mostly focussed on activities in Vavuniya North in the first year and planned to expand in Kilinochchi district from Year 2, commencing in June 2011.

In the absence of revised project document, the work plan, however, did not explicitly state how planned activities would achieve intended outcomes and developmental goal. The work plan included eight sets of subprojects grouped under capacity and institutional building initiatives (6 subprojects), strategic interventions in priority productive sector (2 subprojects), and support to SME divisional level (2 subprojects). The project aimed to deliver benefits to 390 female-headed households, 125 households with a disability, 145 households of ex-combatants and 270 conflict-affected youths. ILO and DFAT provided substantial flexibility to the CTA to implement economic development activities driven by market demand.

As the learning progressed, the project evolved with a sectoral focus and concentrated in fruit and vegetables, fisheries, other field crops. Other initiatives covered social enterprise development, and partnerships with private and public agencies and targeted interventions in improving access of women to better irrigation facilities, shared ownership of assets, engagement of ex-combatants in other field crops, support to Mullaitivu District Thrift and Credit Cooperative Societies, and aquaculture development for women.

At the end of Phase I, project activities expanded from Vavuniya North to Kilinochchi and Mullaitivu districts covering 34 subprojects in Vavuniya North, 14 in Kilinochchi and 7 in Mullaitivu collectively

comprising 55 projects with an investment of approximately USD1.15million.¹³ Lack of reliable labour market information, less reliable labour demand projections, lack of land documents, and cultural constraints delayed some of the project outputs such as the establishment of a joint venture between the Vavuniya North Fruit Growers Cooperative Society and CR Exports and rehabilitation of Karachi South Rice Mill. Furthermore, coordination across agencies and development partners remained a continued challenge.

Phase II

The Project's Phase II commenced in July 2013 by incorporating recommendations of independent midterm evaluation for implementation in two years (July 2013 - June 2015), with a total allocation of USD1.2 million divided into three parts: economic infrastructure development (35.8%), business development services (25.0%) and operational administration and management cost (39.1%).¹⁴ The CTA departed in January 2014 and the National Project Coordinator took over the overall management responsibility under the guidance of the Country Director, ILO CO-Colombo. With the approval of DFAT, ILO extended the project for another year with no additional cost to ensure gains made by the project over previous three years could be sustained. The project progress reports fall short of reporting actual achievement. The reports largely provide narratives on achievement, which are difficult to validate.

The project benefitted altogether 200 papaya growers, of which women comprised 68% in Vavuniya North, who commenced in Phase I and organized by the cooperative society. Additional 100 growers in Kilinochchi and another 50 in Mullaitivu also joined papaya production in 2014, but not under a cooperative structure, which meant greater exposure to price volatility in the local market. In addition, the project supported a social enterprise Sivanaral Trust for a chili growing and purchasing scheme for 100 growers (42% women) with the support of the Divisional Secretariat and the Department of Agriculture. The enterprise received support for the construction of a building and packaging machinery, which meant value addition to the local produce. The Trust entered into a forward agreement with the grower group at an agreed price of Rs180/kg, which was 20% higher than the market price at that time. Production risk and uncertainty remained under growers' domain.

The project's support for fishing in Kilinochchi and Mullaitivu, in particular, developing a partnership with Taprobane Seafood, a private company successful in exporting crabmeat to the American market. Support to fisher-folks to organize as a cooperative society provided better negotiation skills in getting fair market price for crab and collectively protecting their communities' interest, including fishing rights in water. The evaluator notes that the Vishvamadu Rice Mill has excess capacity and it could support a number of farmers to join the cooperative and sell their produce through the mill.

The project's due diligence prior to funding the Oddusudan Tile Factory in Mullaitivu and a coir factory in Mullaitivu led to not funding these investments helped the project in using funds for other priority investments. Likewise, the project took the right decision not to get involved in the construction of housing due to high investment costs and relatively small size of the project. On the other hand, the project was able to mobilize the Department of Labour to provide training and awareness building on gender mainstreaming, right and obligation and safety at workplaces and support for translation of manual and information sheet in Tamil and Sinhala languages proved useful.

Based on the progress reports and discussions with key stakeholders, papaya cultivation has firmly established with 100-150 MT production each month. The cooperatives were not prepared to absorb pressure to collect and manage excess papaya. The project identified this constraint and supported them with setting up a collection network, purchase of plastic crates and a small truck. The CR Exports and the Provincial Department of Agriculture organized a training programme on reducing postharvest losses. The project introduced other potential crops such as organic papaya and passion fruits, ginger, cassava

¹³ Project progress report 3, October 2012.

¹⁴ Phase II, PRODOC.

and Moringa. The ownership of North-South fruit processing company legally changed from 45% to 55% for the growers, leaving 45% for CR Exports. This shows commitment from CR Exports to strengthen the management of the company in the hands of growers.

The project’s support to the Poonakary boatyard at Jeyapuram was substantial and it enabled the Poonakary Fishermen Cooperative Society Union to produce 110 boats, which the society sold to the fishing community on a 50% subsidy scheme. Likewise, the Mullaitivu Fishermen Cooperative Society commenced production of 30 boats in its boatyard. Other project activities continued with a primary focus in Kilinochchi and Mullaitivu districts.

Overall, Phase II consolidated the project activities initiated in Phase I and emphasized organizational development based on partnerships with government and private sector agencies through NEC and EFS with a focus on improving the effectiveness of cooperative societies in various elements of primary commodities’ production and marketing as well as improving labour employment conditions. Table 7 summarizes key achievement of the two projects at the end of June 2016.

Table 7: Key Achievements of LEED Project in Vavuniya, Kilinochchi, and Mullaitivu District

Economic Development Subsector	Services and Capacity Development
<p>Paddy</p> <ul style="list-style-type: none"> • Re-equipment of rice mills destroyed/abandoned • Establishment of paddy stores/warehouses • Strengthening rice mills • Value addition and market linkages 	<p>MSME Development and Business Development Services</p> <ul style="list-style-type: none"> • Empowerment of women through MSMEs • Training women in MSME skills
<p>Fruit and Vegetables</p> <ul style="list-style-type: none"> • Value chain analysis (studies) • Promotion and cultivation of high-value crops • Facilitation of linkages to the local and export markets • Crop diversification 	<p>Cooperative Sector Development</p> <ul style="list-style-type: none"> • Revitalization of cooperative movement in the North • Training government staff and other stakeholders on cooperative development • Support for the revision of cooperative statutes of the Northern Province
<p>Fisheries and Aquaculture</p> <ul style="list-style-type: none"> • Value chain analysis and technical feasibility studies • Boatyard development • Establishment of crab processing plant • Facilitation of local and export market linkages • Preparation of a fisheries sustainability plan 	<p>Mainstreaming Gender and Empowerment of Women and Vulnerable Groups</p> <ul style="list-style-type: none"> • Gender assessment • Training, awareness raising and capacity development on gender equality and mainstreaming • Field-based gender studies

Source: Project Brief, June 2016.

Since the project did not set clear targets and proceeded with the annual flexible work plan, it is difficult to assess the extent to which the project achieved its intended outputs. Due to other parallel initiatives by different development partners in the conflict-affected areas, although primarily with humanitarian support. It is difficult to delineate project attribution. Nevertheless, evaluation assesses that the project focussed on critical areas based on local strengths and built-up on the pre-existing cooperative foundation. This resulted in empowering local beneficiaries in organizing, negotiating prices, procuring inputs and marketing their produce.

The project, with the support of other actors, also created a favourable environment for business development based on improved trust between the Northern producers and southern processors and exporters. The project's strength was market-led economic development and inclusion of women, people with different abilities, and other vulnerable groups with virtually no productive resources. Based on fieldwork by the evaluator in June 2016 and interactions through key informant interviews and focus group discussion, the project contributed to the overarching developmental goal of contributing to sustainable peace and reconciliation between the people of the Northern and Southern Provinces. It has empowered vulnerable groups through employment facilitation and engagement in production systems. This was possible due to continued engagement of ILO CO-Colombo's with policymakers at the national, provincial and district levels as well as dialogue with tripartite groups

Inter-agency coordination and cooperation remained a continued challenge. Although the project envisaged close coordination with other development partners, it could not materialize because of differences in corporate agendas of humanitarian support vs. economic development. Initially, the project also encountered lukewarm reception from the district and provincial agencies, although it started with a clear agenda at the national level. The project overcame this through continued engagement with these agencies. Initial six-month start-up delays at the critical time having not fielded CTA in June 2010 and a longer time for PTF approval translated into one-year deferral of the project, which cost the project an additional year of administrative and management support costs. Inadequate interest on the part of business houses for getting involved in the project activities was largely due to the evolving security situation and political risks in conducting businesses and initially perceived prohibitive business transaction costs. The ILO's initiative in successfully introducing commercial production of papaya and linking the producers' group with CR Exports proved a major breakthrough.

The original PRODOC contained a clear institutional framework and management arrangements but since its implementation did not materialize due to change in the roadmap for achieving outcomes and developmental goal, it became less relevant. The CTA largely drove the management arrangement in the implementation stage under the overall guidance from ILO CO-Colombo. Overall, it was effective. However, based on discussions with key informants, evaluation noted that ILO CO could have played a more active role in project monitoring and supervision. Nevertheless, there has been widespread recognition of the ILO Country Director's commitment to the project and support throughout the project. The change in the roadmap and initial emerging results significantly contributed to DFAT not pulling out of the project towards the end of the first year because at that point project had not adequately progressed. The evaluation did not find any clear evidence to support the argument that there was a satisfactory coordination mechanism with other ILO projects in Sri Lanka and other development partners. The project could have synchronized some of the project activities with ILO skills development programme.

The project addressed gender-specific needs in two ways. First, it undertook a gender assessment in the project areas in Phase II and delivered a set of training, including awareness sessions in Phase II. The PRODOC had a clear provision for a gender staff but it did not materialize until much later in Phase II. However, the nature of interventions project undertook adopted a gender-sensitive approach and made efforts to include women in most of the activities, with the exception of fisheries which is a primarily men's domain. Some of the conflict-affected female heads of households could also purchase fishing boats under the subsidy scheme and rent them out for income generation. The social enterprise and Taprobane crab factory were had largely women workers but not in the managerial positions. A young female general manager managed the Young Farmers Club primarily by older women.

Most of the cooperative societies had at least two women members in respective boards since it is a prerequisite for the registration with the Cooperative Department. There are, however, challenges in the adequate representation of women in responsible positions. According to some of the women members in cooperative societies, they prefer not to take significant management role because such roles require travel out of their home constituencies, childcare, elderly care, household chores etc. The evaluator's observations at one of the gender-related event (more than 70 participants) in Jaffna during

his field visit and noted that the event was less effective because a handful of participants played a dominant role and others remained passive. This may have to do with a large group, not necessarily suitable for equal participation.

The original PRODOC had identified four critical risks: (i) mine/UXO clearance, (ii) a large number of self-demobilized ex-combatants and paramilitary groups; (iii) conflict of interest between local civilian administration and the military; and (iv) implementation delays due to non-availability and/or limited capacity of local implementation partners, clearance from PTF, cost escalation and selection of beneficiaries. While the original PRODOC became mute, the annual work programmes did not capture and identify any risk factors. The Phase II PRODOC (Annex 8), however, clearly identified 15 risks (two at the developmental outcome level, 3 at intermediate outcome level, 6 at immediate outcome level, and 4 at the output level). Of the 15 risks, nine were perceived to be high, four medium and two low. Five of the risks were considered unlikely, nine possible and one almost certainly likely. Likewise, nine of the 15 risks would have had major, four moderates, one minor and one negligible consequences. While the risks identification was detailed, PRODOC did not offer mitigation measures. Evaluation assessment of risks at the end of the project vs. at the commencement of Phase II appears in Table 8.

The assessment suggests that the likelihood of all risks remained unchanged after 3 years due to prevailing economic conditions, locally, regionally and nationally. However, five of the 15 risks would have a lower level of consequences and five risks ratings were lower in July 2016 suggesting that the overall conditions have improved over July 2013. While the overall business environment has improved, most of the economic activities and business services are yet to establish a firm foundation, including governance structure. Three key risks are production uncertainties due to unpredictable weather, greater reliance on single exporter, and institutional weaknesses of the producer organizations/cooperatives. An additional risk facing the beneficiaries is a glut in the market due to over production as it was the case for rice farmers in Mullaitivu.

Table 8: Risks Associated with Project: Phase II Identification vs. Evaluation Assessment

No.	Risk	Likelihood		Consequences		Risk Rating	
		2013	2016	2013	2016	2013	2016
Development Outcome Level							
1	A reduction in the growth of the NP economy	U	U	Maj	M	M	M
2	A reduction in the growth of the national economy	P	P	Maj	Maj	H	M
Intermediate Outcome – Economic Infrastructure Development Level							
3	Opportunities for producer associations and the private sector to participate in the economic recovery are inhibited by political interference for political and or financial gain	P	P	M	M	H	M
4	Overexploitation of natural resources in the fisheries and construction sector	P	P	Maj	Maj	H	H
5	Cooperative rules and regulations promoting ‘pro-poor’ policies are changed in accordance with directives received from the local or central government ministers/ministries	U	U	Min	Min	L	L
Immediate Outcomes Level							
6	Farm-gate prices for paddy, fruit and vegetables decrease due to national and international wholesale price fluctuation	P	P	Maj	M	H	H

7	Nongovernmental organization (NGO) purchase FRP boat from boatyards outside the Northern Province (NP) and supply boats freely to beneficiaries	P	P	Neg	Neg	L	L
8	Paddy, fruit and vegetable production is affected due to natural disasters and or diseases	AS	AS	Maj	Maj	VH	H
9	New competitors enter the market and demand for local MSME declines strong	UL	UL	Mod	Neg	M	L
10	Unwillingness of MSME and cooperatives to implement Decent Work standards and 'pro-poor' policies	UL	UL	Mod	Neg	M	L
11	Inability of LGA/CGA to implement 'pro-poor' policies	P	P	Mod	Mod	H	M
Output Level							
12	Rice mill owners and cooperatives do not have sufficient administrative and management skills to procure, construct and equip rice mills	P	P	Maj	Maj	H	H
13	Rice mill owners and cooperatives misuse project funds allocated for construction and equipment	P	P	Maj	Maj	H	H
14	Unwillingness of MSMEs, cooperatives, and LGs to develop 'pro-poor'	UL	UL	Major	M	M	M
15	Unwillingness of regional/national private sector companies to partner fairly with local businesses	P	P	Maj	Maj	H	H

Note: P = possible, UL = unlikely, AS = almost certain, Maj = major, Min = minor, Neg = negligible, Mod = moderate, H = high, L = low, M = moderate.

Source: PRODOC Phase II and evaluation assessment

The project has been effective in knowledge sharing at different levels. The awareness of the project and its achievement has caught the attention of higher authorities in Sri Lanka including the Ministers as well as ILO Headquarters, which would have flow on effect on adopting LEED approach in post-conflict communities and countries. However, there has not been adequate effort to capture knowledge and produce knowledge products for wider dissemination. This is understandable due to lean management structure provided for the project. On the hind side, ILO CO-Colombo, ILO ROAP, and ILO Headquarters could have played a major role in this effort without exerting extra burden on project staff who had been preoccupied with project implementation. Evaluation recognizes that a lot of learning has gone into finding a workable organic approach.

Efficiency in Resource Use

The project received USD3.1 million for implementing Phase I and another USD2.4 million for Phase II from DFAT, Government of Australia.¹⁵ Table 4 contains a list of questions for the assessment of efficiency in resource use.

The budget provision for Phase I and Phase II suggests that the original PRODOC had a provision for 56% of funds for a subcontract to agencies and subprojects and 19% for personnel and remaining 25% for training, equipment, support costs, miscellaneous costs, and contingency provisions. Phase II budget

¹⁵ According to ILO CO-Colombo, DFAT provided another AUD400, 000 for bridging period of July 2016 to May 2017 since needs are still wide spread and some of the development partners have shown keen interest in further supporting the project led initiatives.

contained allocation split into economic infrastructure development (18%); development of local businesses and business development services (13%); grant provisions (45%) ILO operations, administration and management (20%), and subprojects carried forward from Phase I (5%). The AUD 430,000 was allocated for paddy (22%), fisheries (35%), fruits and vegetables (23%) and construction (20 %). However, the PRODOC did not contain details on the allocation of grants and largely it was left to the ILO CO and project management. The annual work programme documents did not contain comparable data and hence a consistency check was not possible. The evaluation took note that project needed flexibility in responding to local needs for ILO support but it would have been helpful for the PRODOCs to have due diligence done a priori for investments. Table 9 contains actual expenditure under comparable headings.

Table 9: LEED Project Expenditure (2010 – 2016)

Actual Expenditure	Phase I (AUD)	Phase II (AUD)	Total (AUD)
Economic infrastructure development			
• Paddy	812,818	116,979	929,797
• Fruits and vegetables	87,579	734,300	821,878
• Fisheries	608,921	827,340	1,436,260
• Construction	12,592	0	12,592
• Other field crops	28,906	368,250	397,157
Development of Local Businesses and Business Development Services			
• Local Government Agencies	7,154	0	7,154
• Central Government Agencies	19,471	62,330	81,800
• Private Sector	430,990	514,796	945,786
Subcontract (Please list)			
ILO Operational, Administration and Management Cost	1,108,716	1,403,003	2,511,719
Training	104,607	235,005	339,612
Monitoring and Evaluation	19,123	40,414	59,537
Other (Please specify)	409,873	325,006	734,879
Total	3,650,750	4,627,422	8,278,172

Source: LEED Project, 2016.

Table 9 indicates that project spent 43.5% of total funds on economic infrastructure development and 12.5% on business service development, which included payments to local and central government agencies and private sector agencies. The ILO's operational, administrative, and management cost accounted for 30.3%, in addition to 4.1% for training, 0.7% for monitoring and evaluation and 8.9% as support cost. The high operational, administrative and management costs reflect the higher cost of development assistance in a post-conflict environment. It cost at least 54 cents per dollar expenditure on economic infrastructure and business development services. Despite the high cost of aid delivery, ILO has a tripartite comparative advantage in terms of engaging the producers/workers' organizations, private sector players and the government at the national, provincial, district and divisional levels. ILO filled the niche gap left out by other NGOs who largely focussed on humanitarian support and/or one-off type livelihood support. ILO successfully linked markets to the producer groups/cooperatives and provided sustainable livelihood options for the vulnerable population. It also continued to engage the donor (DFAT

representation in Sri Lanka) ensuring continued support needed for sustaining livelihoods for the local population. The evaluation recognizes that ILO played a critical lead role in the post-conflict environment.

ILO ensured that the coordination mechanism at the national level was strong and the Ministry of Labour and Union Relations took ownership of the project. However, initially, the engagement at the Division level was somewhat weak due to lack of information flow from the national to provincial to the district and divisional levels. The collaboration with local government agencies improved with the better understanding of the role of LEED project. Nevertheless, the institutional capacity of local government units continues to remain weak due to heavy and often overlapping demands for their services from various stakeholder groups.

The project required a one-year extension beyond the original closing date to accomplish planned activities. The extension was justified on the ground of start-up delays beyond the control of the project, social preparation needed for implementation, and refocus on the project delivery upon arrival of CTA. The delay cost the project operational costs for extra 12 months.

The project had a demonstrative effect and LEED approach under post-conflict environment attracted a fair degree of interest from other stakeholders including development partners. While additional funding did not materialize during the project period, the Government of Norway has shown interest in supporting a follow-up project and negotiation between ILO and Norway is ongoing with the positive expected outcome. Overall, the evaluation concludes that the project was less than efficient in resource use, primarily due to additional cost it had to shoulder for another year out of project budget and from LED project.

Effectiveness of Management Arrangements

The evaluation assessed the effectiveness of project management arrangements based on eight guiding questions listed in Table 4. The assessment reflects available data and evidence along with evidence collected during the field visit.

ILO CO-Colombo provided required support in terms of communication with government agencies and the Australian High Commission, and personal commitment of the Country Director to the project added additional impetus to project implementation. It also took the initiative to organize five PAC meetings chaired by the Secretary, Ministry of Labour and Trade Union Relations as well as raising project related coordination issues at other meetings at the Ministry. ILO CO also took a pragmatic approach in handing over the project management responsibility to the National Project Coordinator at the end of CTA's tenure. In addition, a continuation of most of the project staff throughout the project also helped the project implementation smoothly.

ILO CO staff were approachable and supported project management as and when needed. The project received limited technical support from ILO/DWT, ILO CRISIS, and ILO Cooperative Department. Given the evolving unique post-conflict context, the project required an organic solution. ILO/DWT, ILO ROAP, and ILO Headquarters followed up progress in the project from time to time. However, based on key informant interviews, ILO CO could have been more involved in regular visits to the project areas and monitored the progress. As stated earlier, the project did not have a gender backstopping despite a provision for a gender staff in Phase I. It materialized only after Phase II commenced. The gender input remained limited to awareness raising, training, and the production and dissemination of guidelines.

The project fully used up allocated budget for the project and received additional AUD500, 000 from the LED project to meet the incremental cost of project implementation for an additional year beyond original completion date. However, the evaluation found that financial planning was weak since budgeting relied on the annual work programme and activities encountered periodic changes leading to uncertainties at times.

The Australian High Commission responded timely to project needs and they demonstrated extreme flexibility. The designated staff undertook periodic technical support team monitoring visits and offered useful suggestions in the field as well as through their reports. The relationship between the Australian High Commission to Sri Lanka and ILO CO-Colombo remained satisfactory throughout the project life.

The PAC chaired by the Secretary, Ministry of Labour and Trade Union Relations could have been more effective with regular periodic meetings and offer guidance. Nevertheless, ILO CO met with the PAC Chair on other occasions and the CTA/National Project Coordinator updated the progress in project implementation. Designated focal person at the Ministry (Senior Assistant Secretary) helped ILO to communicate with the Ministry on a regular basis.

As discussed earlier under review of project implementation, ILO accepted all recommendations of the independent mid-term review and put in place implementation arrangements. The recommendation on monitoring and evaluation remained weak throughout because it received limited attention much later in the project implementation. Overall, the implementation of recommendations has been satisfactory.

Sustainability

The sustainability of project benefits after June 2016, the end of the project relies on the answers to three questions outlined in Table 4. The assessment took into account stakeholders' response during the evaluator's field visits to the selected project areas. The evaluation noted positive reflections from papaya growers, fishermen, and other field crop growers, as well as those employments in social enterprise, rice farmers and persons with different abilities who are organized through cooperative societies or associations, are confident that they can sustain their livelihoods after June 2016. The papaya and other crop producers are prone to adverse weather such as drought or flood. However, they have reduced risk to some extent through the provision of irrigation and crop rotation.

The CR exports and other new exporters have entered into a forward purchase agreement to purchase fixed quantity of papaya at fixed price of Rs30 per kg, which avoids price volatility and smoothens reliability in their income. Moreover, the Vavuniya Multipurpose Cooperative Society's 55% shareholding in North-South processing factory provides the members with fair business relations. It is a successful partnership between the producers and the exporter. While the exporters have an agreement in fixed quantity, actual production is far more than what the exporters can purchase. At the time of evaluator's visit, the members of Young Farmers Club had the arrangement to sell their papaya in the local market at Rs28/kg, irrespective of quality and size of produce. They are confident that they can get good revenue even from local markets since demand for papaya is robust.

The arrangement for swimming blue crab harvest and processing by Taprobane Seafood factory is another example of sustainable business arrangement promoted by the project. The factory owner employs mostly women from local and surrounding areas for processing job. The salary from crab processing factory is in the tune of Rs20, 000–Rs30, 000 depending on workers' experience and skills since the payment is based on the quality of crabmeats extracted. Likewise, fishermen are able to harvest a sizable quantity of fish, mud crabs, and squids on a regular basis and with improved marketing arrangement through cooperative societies; they are able to sustain income much higher than before. They, however, face continued challenge from seasonality in fish harvest and foreign origin fishing boats who tend to fish in deep water and harvest larger quantities.

According to the fishermen, they have mixed views on the sustainability of the fish stock. They recognize that it is not a problem in the short-run but over time there is a potential threat to their livelihood once fish stock declines. This would require the Department of Fisheries attention and the local communities would need to work with the Department. The executives of fishermen cooperative societies mentioned to the evaluator that the marketing arrangement through cooperatives fishermen is able to pay their earlier debt with the middlemen. The boatyard has adequate capital to manufacture additional boats and sale to other agencies as well as to local community in need of their boat replacement. The local

fishermen are skilled and communities have needed skills for boat and engine repairs and they are able to meet the operation and maintenance costs.

The social enterprise has a five-year purchase agreement with chili producers at a fixed price set at Rs180/kg and it provides a steady employment to 25-35 women. The employees expressed their satisfaction with their marketing arrangement and employment. However, such arrangement for other field crop producers is at different stages of being set up. Incomes from other crops reportedly are higher than what they could get from traditional cereal and legume crops. Similarly, persons with different abilities are gainfully employed and expressed their satisfaction with their employer as well as their microenterprise. Efforts to obtain Fairtrade Certification will help the Vavuniya North Fruit Growers' Cooperative to access the Fairtrade market in 21 countries, thereby lifting produce prices based on the international market. This is an encouraging sign. The crabmeat processing company is also pursuing a similar approach.

The project has provided a strong foundation for the local communities to sustain their livelihood well beyond June 2016. There are, however, some challenges beyond the control of beneficiaries such as encroachment by foreign trawlers in fishing, production uncertainties due to erratic weather patterns, and price volatility largely associated with demand-supply balance.

Impact

The evaluation noted that the project monitoring and evaluation system was weak and required data and information for the assessment of impact are not available. Moreover, in the absence of baseline data, it is difficult to ascertain impact. In addition, there have been multiple players in the same areas providing support in different forms to the local communities. At the same time, since the project has been in operation for at least five years, some form of impact is expected. Due to the limitation of time, ILO CO contracted a local firm Centre for Poverty Analysis (CEPA) for undertaking sector level and cooperative organization impacts due to the project. The exercise adopted a case study method and relied on qualitative information based on key informant interviews and focus group discussions. The impact parameter covered six questions listed in Table 4.

Reduction in income inequality. The CPA study covered two key sectors (fisheries, and fruit and vegetable) and cooperatives. The evaluation has reviewed the three draft reports and a summary report. The study revealed, "The project has been instrumental in reducing certain economic inequalities, some of which may be perceived as perpetuating conflict and disharmony for growers in the North." It noted that the market linkages between the Northern producer groups/cooperatives with domestic and overseas buyers, which helped in reducing price volatility. It noted that the project contributed to reducing income inequalities in the project areas. Likewise, the project in collaboration with other development partners helped the fishermen to return to their native base after being displaced for a long period and revived their fishing-based livelihood option. The number of fishermen per boat decreased from 7-8 to 2-3 and this indicates greater ownership of fishing assets and narrowed income inequalities. The study also noted that the fishermen in Poonakary tend to opt for near shore fishing while those from other districts fish in deep water. However, the fishing in deep water comes with the challenge posed by illegal foreign trawlers. The study, however, did not assess the extent to which the project was able to bridge the income inequality gap.

Economic empowerment. Most of the local residents started with virtually nothing after their resettlement. LEED helped them to revive their livelihood through cropping (papaya, passion fruit, cassava, bell pepper, and chili), fisheries and employment in social enterprises. Commercial production of papaya in Vavuniya North and Mulankavil divisions has generated substantial wealth in local households and economy.

Similarly, project's direct support in providing fishing boats, fishing equipment and development of boatyards along with strengthening cooperative organization provided a strong impetus to the fishermen and their families by providing sustainable livelihoods and incomes. The development of boatyards in producing high-quality fishing boats and technical capacity for repair and maintenance thereby reducing downtime. The Poonarkary boatyard has provided direct employment to eight persons. The project support to the crabmeat-processing factory has provided employment to 25-50 persons, mostly women. Women have also benefitted from relatively recent support in aquaculture development along the Poonakary coastline for farming sea cucumber, milkfish, and sea bass. Interest and opportunities exist to expand value chain including diversification of sea-based income opportunities exist but it would require a proper due diligence.

The project targeted marginal and small farmers including female-headed households as well as persons with different abilities. The CPA report noted that women accounted for 67% of Vavuniya North and 70% of Mulankavil beneficiaries. Women representation in fisheries is limited and it is largely concentrated to the repair of fishing net, crabmeat processing factory, and aquaculture activities. The number of households dependent on humanitarian handouts or direct external support has reportedly decreased substantially in the cropping areas but it remains relatively high in fishing communities due to wide variation in the size of the fish catch, adverse weather prohibiting year-around fishing and poaching by the fishermen outside the local community. Despite all these challenges, both cropping and fishing communities expressed optimism supported by better income and employment opportunities.

Due to lack of proper recording and management information system, it is difficult to quantify actual economic benefits. An alternate way to look at it is to see changes in asset structure and financial status. Fishermen on average earn Rs45, 000 to Rs60,000 from fishing. Likewise, some of the households have acquired capital items such as tractor costing Rs1.7-Rs1.8million. Specific benefits documented by CEPA field teams included improvement in living conditions, acquisition of amenities, completion of unfinished construction, purchase of additional agricultural land, better education of children, purchase of jewelry, repayment of high-interest debt and some savings for rainy days. The study concludes that the project has contributed to a more equitable and inclusive economic development in the ongoing process of economic recovery in the three Northern districts.

Individual empowerment: The CEPA study noted individual empowerment in terms of gender roles in decision-making, women's standing in the society and access to the market. Based on fieldwork, the report notes that the project has raised women's self-esteem and confidence in decision-making associated with viable economic activities. They are able to interact and participate in societies' executive meetings and express their voices and concerns. The process has been gradual, but men have increasingly become aware of women's positive role the management decisions and as a result, they have gained respect and acceptability in traditionally men-dominated meetings/forums. This achievement is partly attributable to women's involvement in income generation as well as their participation in different gender awareness and capacity building activities implemented by the project in events comprising both men and women.

Over time, women have gained the confidence to air their concerns. However, the evaluator in one event in Jaffna noted that while women adequately represented in training programme, many of them still are not fully forthcoming, partly due to the dominance of some of the participants. The level of self-esteem and confidence was somewhat subdued in the crabmeat processing plant run by Taprobane Seafood (Pvt.) Limited due to employer-employee relations. Women's prime concern is job security and a steady source of income. Men have realized women's valuable contribution in household income generation through papaya and other crop production and marketing as well as their role in fishing net mending, fish drying, aquaculture, and other MSME activities. Increasingly more women are able to walk into government and other agencies and seek advice and other support as needed. Overall, through project

activities women's role in market-led income generation has cast positive impact in changing men's traditional mindset.

Both men and women have benefitted from improved and relatively reliable access to market information and marketing arrangement facilitate the project. The cooperative societies disseminate market price information on a daily basis via short messaging services (SMS) for commodities sold by producers to the domestic market. This has had a positive impact on producers' income since marketing margin for intermediaries is far less than what it used to be before the project.

Household indebtedness: The access to finance to members of the cooperative societies for indebted fishermen through the project has had a positive impact on household income. The evaluator learned that most of the fishermen are now debt free and all fish sale transaction is in cash, basis that minimizes households' exposure to high interest for working capital. While it is anecdotal and in the absence of hard data, evaluator acknowledges that fishermen's income from harvesting blue swimming crabs has doubled within last 3-4 years. The project had provided Rs500, 000 to Iranaimathanagar Fishermen's Cooperative Society, which the society lent to indebted fishermen up to Rs50, 000 per member. This provision enabled the society members collectively pay off about Rs2million loan relieving them from high-interest costs. This led to improved cash flow financial conditions for the indebted households. Other fishermen cooperatives also have adopted a similar model. On the other hand, cooperatives lending to fruit and field crop growers is less common and done only on a selective basis for short-term needs associated with the purchase of inputs like seeds and fertilizers. According to the CEPA study, overall debt incurred by fruit and vegetable growers remained manageable and paid soon after the sale of farm produce.

Natural resources and market guarantees: Individuals growers own their land for cultivation and hence land tenure is not an issue. Members of some cooperative societies need to meet their contractual obligation. For example, members of Vavuniya North Fruit Growers' Cooperative Society must sell their "A" grade papaya to CR Exports up to a maximum of 200 MT/month at a fixed price of Rs30/kg. A similar arrangement also exists for other commodities. However, production far exceeds contractual requirement and hence growers are free to sell theirs through their contacts. There are other models as well. The Vinayagapuram Farmers' Co-operative offer growers a price based on the market price taking away the incentive for growers to seek higher pricing elsewhere. Land resource availability has not been a constraint.

In fisheries, the resource stock is an issue. According to the CEPA report, control over fishing area remains a challenge as stated earlier due to overseas trawlers and those from the Jaffna area. This has had an adverse impact in terms of damage to boats and fishing nets. In addition, while harvest of blue swimming crabs is lucrative despite adverse weather factor, the Taprobane Seafood (Pvt) Limited has experienced a decrease in the size of the catch, which has led to operating the crabmeat-processing factory in Valliappadu well below capacity. This implies that the factory can employ fewer workers thereby providing less income to the workers who are primarily women.

Financial independence. The CEPA study noted that women growers have full control over the proceeds from the sale of fruits and vegetables and other field crops. They tend to use the net income for household needs, purchase of inputs, transport, children's education and jewelry purchase and set aside some funds as savings for rainy days. On the other hand, fishermen collect proceeds from the sale and many of them do not directly disclose the full amount to their families and only provide part of their income for household needs. However, cooperative societies maintain a record of all fish purchase transactions and the amount paid is accessible to all.

Institutional capacity development. The CEPA study notes that the support to improve the capacity of cooperatives had mixed results because the societies have not been able to generate self-sustaining revenue. The support covered training, equipment, and funding of one staff for six months. For example, the Iranaimathanagar cooperative is employing four people and is able to cover their monthly salary of

Rs107, 000, while Annai Velankanni cooperative discontinued the employment of one staff funded by LEED project. The Poonakary Fisheries Cooperative Union and associated societies continued to lobby the interest of their members and based on transparent operation secured funding for the benefit of fishing community members. Similarly, the Vavuniya North cooperative society board successfully secured Rs3million funding to install an electric fence to protect from wild elephants. The study noted that while it took longer to arrive at decisions, Taprobane Seafood (Pvt) Limited adopted a consultative and transparent decision-making process. The cooperative societies have a built-in arrangement to charge a small fee for paying its ongoing expenses.

Beneficiary capacity development. The strengthening of cooperative and producer groups under the project provided the beneficiaries confidence resulting from the technical input, business facilitation services including links with the market and smoothening income based on a forward contract to sell produce at pre-determined prices. The project support led to lowering of business transaction costs. Furthermore, through the strengthening of cooperatives and producer organizations, members adopted saving schemes in both papaya and fish sectors. The fisheries cooperative union has produced high-quality fishing boats and offered an opportunity for women to generate extra income for the households by getting involved in fish drying.

The evaluator's interaction with project beneficiaries and stakeholder groups supports the overall findings reported by the Centre for Poverty Analysis study. Anecdotal evidence based on responses from stakeholders revealed that the annual net income from papaya cultivation and fishing harvest has been in the tune of Rs60,000 to Rs120,000 from a one-quarter acre of papaya and Rs50,000-240,000 from fishing per household. These amount two to four times more than what they could get from growing traditional crops.

In summary, tangible results from the project include improved capacity and empowered communities yielding positive impact including sustainable livelihood options, including employment and income. Data limitation and the presence of multiple development partners on the ground did not permit quantification of impact explicitly. The market-led approach served well in contributing to decent work agenda in Sri Lanka and alleviated the sufferings of the conflict-affected population in selected communities of Vavuniya, Kilinochchi and Mullaitivu districts. The project gave space and support for the poor, women, female-headed households and people with different abilities to build their lives after a prolonged 30 years of conflict and mainstream themselves in the wider community. The partnership approach between producer groups and private businesses facilitated by ILO, government agencies, and non-governmental organizations contributed positively to bring substantive change in the lives of affected vulnerable population. Involvement of women in organizational development and economic activities have contributed to positive outcomes. However, the evidence is weak in terms of the extent to which the project helped in strengthening capacities of government agencies at national, provincial, district and division levels. The evaluation views that the project has met expectations of the ACRP3.

Local Economic Development (LED) through Tourism Project

The Government of Sri Lanka accorded high priority to tourism development after the conclusion of the 30 years long conflict. Based on data extracted from the 2009/2010 Income and Expenditure Survey data, the Eastern Province appeared with the highest level of poverty among the 10 provinces with headcount ratio of 14.8%. ILO CO-Colombo entered into a dialogue to initiate tourism development in the Eastern Province with DFAT and DFAT positively responded to ILO's request and approved the proposal. DFAT provided AUD1.4million to implement the Local Economic Development (LED) through Tourism project for implementation over 18 months (January 2015 – June 2016). ILO implemented the project in two Eastern districts of Ampara and Batticaloa. The findings and evaluation assessment reflect project performance in light of approved PRODOC. The assessment of LED project follows LEED project approach presented earlier and encompasses the same set of questions in each evaluation parameter. The evaluation assessment is based on list of questions outlined in Table 4.

Relevance and Strategic Fit

The project was relevant to the Eastern Province to revive the local economies from both supply and demand side. The Province had the highest poverty rate of all provinces reflected by a significant section of the population including women and other vulnerable groups who had suffered from the long conflict in Sri Lanka and loss of livelihood options. On the other side, as revealed by a value chain study commissioned by ILO CO-Colombo the Eastern Province offered greater tourism based livelihood potential based on the available long stretch of beach fronts, large natural reserves, agricultural villages, religious and archeologically important sites and large internal water bodies. The project was also consistent with UNDAF Pillar 1, Sri Lanka Decent work Country Programme (2013 – 2017) Priority 1, and ILO Country Programme Outcome LKA 107.¹⁶ It was also consistent with Sri Lanka's Human Resource and Employment Policy and Ten Year Horizon Development Framework – Mahinda Chinthnaya and Government's tourism development policy and sector priorities at divisional, district and provincial levels.

The project design also was consistent with DFAT's Sri Lanka ACRP3 and contributed to three key result areas: (i) increased economic and social development opportunities for vulnerable, lagging and conflict-affected target communities delivered, (ii) access to sustainable livelihoods and income-generating activities, and (iii) social protection for excluded and vulnerable people through better access to government services. The project design adopted DFAT's domains of change – behaviour, policy, participation, and practice.¹⁷ The LED PRODOC benefitted from experiences and lessons from LEED project as well. The project acknowledged and accorded high priority to gender, inclusion and partnerships issues along with poverty reduction. The project document made a provision for conducting a comprehensive gender analysis and planned to mainstream gender as a crosscutting issue in all project activities. The project design addressed the needs of local potential beneficiaries and direct recipients through a three-track approach, similar to Phase II LEAD project as outlined in Table 10.

¹⁶The UNDAF Pillar 1 is *Equitable Economic Growth and Sustainable Livelihoods* and ILO's Decent Work Country Programme 2013-2017 Priority 1 seeks *Promotion of Full, Decent and Productive Employment and Enabling Environment for Competitive, Sustainable Enterprise Development*. ILO Country Programme Outcome LKA 107 covers disadvantaged and vulnerable Groups especially in post-conflict and economically lagging regions have equitable and enhanced access to more and better jobs and expanded product markets linked to programme and budget indicator 1.4.

¹⁷ ILO. 2014. Local Economic Development through Tourism – Project Proposal, Colombo (PRODOC).

Table 10: Multi-track Approach Adopted in LED Project Strategy

1. Improved the supply chain linkages of the vulnerable local population (farmers, fishermen, craft persons and other service providers to the more established tourism and hotel operators).
2. Improved efficiency and capacity of the small hotels and guesthouses to provide quality services to improve their outcomes and provide decent employment.
3. Strengthened capacity of government institutions and local authorities.

Source: LED PRODOC.

The project design had provision for engaging a wide range of implementation partners comprising both governmental and relevant private sector stakeholders. It had provision for a National Programme Manager assisted by one each of field coordinator, programme assistant, and finance assistant. A PAC co-chaired by the IO and the Government represented by the Ministry of Labour and Trade Union Relations with representations from relevant government ministries and institutions as well as private sectors, employers, and worker organizations was planned. Overall, the management structure was lean and inherent assumption was that the government and private sector would play leading role in project implementation.

Validity of Project Design

The PRODOC was an outcome of three studies.¹⁸ The value chain study commissioned by the project revealed that there were no significant supply or value chain linkages among local communities, producers associations, SMEs, local entrepreneurs and the larger and established tourism sector operators. In addition, the study also noted engagement of women in tourism activities was limited to the production and sale of tourist products.

The project design was valid because it aimed to support to conflict-affected groups, including women, people with different abilities and the poor in the two districts of the Eastern Province, adversely affected not only by long conflict but also by natural disasters including tsunami and floods. Many residents had lost their productive assets, internally displaced and lost livelihood options. While both districts had a concentration in cropping and fisheries, tourism emerged as a potential opportunity to diversify income-generating opportunities. The tourism sector was viewed as a way to create mass scale employment, generate foreign exchange and way to bring ethnic harmony among the local residents through business relations. The project envisaged a partnership approach by bringing together government, non-government and potential beneficiaries towards a common goal of reviving local economy and wellbeing of the population.

The project design recognized challenges associated with gender mainstreaming challenges and gender needs on the ground. Based on the low participation rate of women in the tourism sector, the project planned a comprehensive gender analysis and mainstreaming strategy. It also foresaw to liaise with ILO's European Union funded skills development project aimed at training, empowerment and decent wage employment in the hospitality sector.

The evaluation suggests that project's conceptual model was sound but it was overambitious for implementation within 18 months. The project required substantial preparatory work for the project to

¹⁸ Report on the initial study to establish skills gaps within the hospitality sector in the two districts, hospitality sector requirements, its value and sourcing, tourism mapping of the two districts, baseline information/data collection for planning LED through tourism, and information/data collection for the value chain development study prepared by Priyantha Fernando, October 2014; Report on value chain analysis of the tourism sector in Ampara and Batticaloa districts by PDS Facilitators (Pvt) Ltd, October 2014; and Five year action plan for tourism development (2016 – 2020) Batticaloa district by M.S.M. Aslam in November 2015.

take off, including social preparation of local implementing agencies and beneficiary groups and market analysis. The project design overestimated stakeholders' absorptive and delivery capacity since tourism promotion was relatively a new venture in the area. It did not adequately account for institutional capacity assessment at the local level. Furthermore, the level of participation expected from the private sector was difficult to achieve within the given timeframe. While the project's approach to developing partnerships among the beneficiary groups and private sector was valid, it required adequate time to build business relationships. Furthermore, the state of tourism infrastructure required substantial investments in tourism infrastructure and in developing required facilities but these fell outside the scope of the project. While the project envisaged liaising with ILO's skills project, it did not spell out how it would be done to avoid duplication of efforts. Similarly, the framework the project design lacked a framework for dialogue and partnerships with other ACRP-3 partners.

The project design identified relevant risks including volatile world economy caused by financial crisis, rising commodity prices, increasing oil prices, fluctuating exchange rates, and collective impact on tourism demand. However, these risks were expected not to substantially affect project performance because of focus on capacity, knowledge and skills development. The project also identified political interference in creating opportunities for primary producers, producer associations and the private sector, which were to be resolved through policy dialogue led by ILO CO. Other potential risks identified included developing management and administrative skills to procure, construct and commission the supported infrastructure and fiduciary. In all, ILO had identified 14 most critical risks associated with outputs (5), immediate outcomes (5), intermediate outcomes (3) and development outcome (2). Overall, risk rating was moderate. The risk register is quite comprehensive from the evaluation point of view.

The PRODOC explicitly stated that project's monitoring and evaluation framework to align with DFAT's domain of change and planned to monitor progress on an ongoing basis. It also had a provision for midterm review in early 2015. Evaluation views that this as an indication of not well-developed PRODOC. The project's results framework included a set of activities, outputs, outcomes, and development outcome. It, however, did not include baseline indicator and quantitative targets. This was presumably due to uncertainty in a clear road map for the achievement of intended outcomes. The work programme listed a set of activities but did not provide how different activities were connected in delivering outcomes. While flexibility was important in the project context, a pragmatic and clear work programme would have been helpful. The indicators listed in the results framework proved too vague and difficult to monitor progress during implementation and at completion.

Effectiveness

The evaluation assesses that the project has been less effective. Since most of the initiatives are in the infancy stage, project's achievement of outcomes and objective, there is only anecdotal evidence that at least some of the initiatives will come to bear fruit. Appendix 8 provides a summary of tourism initiatives undertaken by the project and their status at project closing. The project tried different initiatives including but not limited to the production of fruits (banana, papaya, and watermelon), eco-tourism, homestays, handicraft shops, bicycle tours, camping, and boat rides. The short project implementation period did not permit several initiatives to mature for assessing of their effectiveness. Hence, the assessment relies on evaluator's field visits and interactions with the stakeholders in the communities.

The marketing linkages for the fruit growers with tourism outlets is not well developed and thus the growers face risk associated with price volatility. The hoteliers and restaurant operators would seek the steady supply of the produce in fixed quantity for different seasons.

Homestays initiative covered a wide range of accommodation but there has been a lack of focus in terms of clientele groups – domestic vs. internationals; and among internationals, it is not clear which group the project intends to target. Homestays are an added option for tourists where there are plenty of private guesthouses are on offer. Discussions with the homestay operators revealed that occupancy rate

is very low, while they are required to upkeep the facilities in the hope that tourists will show up. The project's support to the homestay operators varied depending on the needs but the eligibility for project support is not well defined. Clearly, some of the operators could operate without project support. For example, one operator draws Rs60, 000 per month from pension and had farm area. Similarly, another operator runs the homestay as a side business by employing an attendant. Another operator periodically gets domestic tourists who come in large groups and use the whole facility for as little as Rs2, 500 per night. In Batticaloa, East N' West Travel Company markets homestays but again the occupancy rate is very low. In Ampara, there is no such arrangement in place. The revenue sharing arrangement adopted by East N' West is not favourable to the homestay operators.

The seafood terrace restaurant in Kallady beach reportedly was operational only two days a week due to the low volume of tourists. Support to the group of women operating the restaurant in management and finance was limited and hence it was difficult for them to ascertain actual income they had derived on a day or month basis. Many materials used for the operation are not valued and hence any income estimate would rather reflect inflated figures.

The project design based on a three-track strategy (Table 10) proved difficult to implement due to inadequate coordination among different stakeholders and it appeared to be a very small intervention in wider district and provincial development plan with little incentives for concerned agencies. While the district and divisional secretariat were supportive of the project, the operational jurisdiction of different agencies continued to pose obstacles.

The project commenced with a one-year work plan (January – December 2015) based on need and potential, followed by a second work plan for January – June 2016. The work plans identified specific activities but lacked business models for the planned initiatives. The project provided sufficient flexibility in terms of how the activities. Of the ten initiatives planned in the second work plan, the project implemented only seven of them due to time limitation. The project strategy did not change during the project period. The project's institutional framework was lean and largely relied on implementing agencies' collaboration. The affiliation with Jetwing Hotel for training and with East N' West for promoting homestays was a good start at the beginning. The initial project management was satisfactory and ILO CO transferred the project management responsibility to LEED project's National Project Coordinator during the last six months of the project due to the departure of National Project Manager. It would not have been feasible for ILO CO to recruit another project manager for six months. The evaluation assesses ILO CO's support to the project satisfactory.

The project engaged a consultant for rapid assessment (not dated) to ascertain the gender-related requirements for the project. The assessment revealed that in the tourism sector men engaged in camping guiding, transporting, and managing homestays, while women were engaged in cooking and selling handicrafts. However, in cases where women owned land, vehicle, accommodation, and proximity to the road network, they were able to generate more income while balancing childcare needs. It noted negative attitude towards women's involvement in tourism activities and in some cases they faced restrictions as well. Social backlash and extra workload beyond normal responsibilities featured prominently. It also noted the project did not assign a dedicated gender specialist and implemented the project largely on technical grounds. The recommendation based on assessment led to the engagement of Women's Rural Development Societies in project activities in the last six months.

There is tremendous potential for tourism in the Eastern Province due to the availability of long beach areas, large natural reserves, agricultural villages, religious and archeologically important sites and large water bodies and swamps. However, the initiatives like those implemented under the project need to fit in within wider tourism development plan that is operationally feasible and sustainable. The project made a good start but initiatives undertaken remain unfinished agenda. Key challenges continue to remain including capacity constraints, low volume of business, inadequate market linkages, underdeveloped MSMEs, lack of knowledge and appreciation for rural eco-tourism, and socio-cultural skepticism.

The project shared outputs/reports and experiences with the divisional secretariat and district secretariat staff and it engaged them from time to time on project implementation facilitation. The inaugural event organized on the last day of the project in Panama brought together relevant stakeholders and the event served to disseminate project achievements in Ampara. While Community Based Tourism Association was established, dissemination and marketing activities from the association are yet to emerge. Some of the established homestays feature in popular tourism information portal such as TripAdvisor.

Effectiveness of Management Arrangements

The project received administrative and supervision support from ILO CO-Colombo as and when required. It did not receive support from other ILO offices during implementation. A closer coordination with ILO CO's skills development project could have helped in enhancing project effectiveness. For example, ILO could have harmonized separate training programmes for LED and Skill Development projects. The project undertook a rapid assessment to ascertain the gender requirements and highlighted "The inability to hire or assign a dedicated gender specialist seems to have played a significant role in compromising LED's ability to strategically focus on gender" and it recommended a series of measures. The project adopted some of the recommendations. In the last six month of the project, LEED gender officer provided backstopping support.

The progress reporting included status and constraints in implementation of approved initiatives but it did not contain financial reporting. In the end, due to short project duration and change in project management, the project did not fully utilize available budget and due to pressing needs to cover expenses for a six-month extension of LEED project, AUD 500,000 went to the LEED project with approval from DFAT. ILO kept the Secretary, Ministry of Labour and Trade Union Relations kept abreast development in project implementation. DFAT technical supervision team from the Australian High Commission responded swiftly to ILO CO's requests and provided advice for enhancing project effectiveness. Two areas like strengthening market linkages and gender issues featured prominently in their advice. The project responded to DFAT's recommendation and undertook corrective measures.

The PRODOC stated that the project monitoring and evaluation framework would align to DFAT's six domains of change. It expected that the project would monitor progress on an ongoing basis. The evaluator came across monitoring and evaluation framework containing progress monitoring Excel sheet, which lacked baseline information and no progress monitored. The project prepared two progress reports at the end of December 2015 and at the end of June 2016.

Efficiency in Resource Use

The evaluation assesses the efficiency in resource use less than efficient. The tourism-associated initiatives had fixed amount contract and no need for resource reallocation had happened. A low fund disbursement is associated with delays in fully accomplish intended activities. ILO CO mobilized LEED project's experienced staff during the last six months of the project. This was efficient move because the recruitment of new staff after the departure of the National Project Manager was not feasible during the remaining life of the project. Initial engagement of experienced travel agency (East N' West) and established Jet Wings Hotel for training proved efficient and relieved the project staff from the excessive workload. Contract services and procurement of equipment and materials was helpful in ensuring efficient use of project resources. However, the project did not catalyze additional resources with the exception of gaining goodwill in the local communities. Table 11 outlines the project expenditure up to the end of June 2016.

Table 11: Expenditure Incurred in Implementing LED Project (January 2015 – June 2018)

Expenditure Area	Total Expenditure (AUD)	Share in Total Expenditure, %
Business Development Services		
• Central Government Agencies	49,147	4.6
• Civil Societies	154,771	14.3
• Private Sector	242,678	22.5
Subcontracting	340,913	31.6
ILO Operations, Administration and Management Cost	179,794	16.7
Training	26,442	2.5
Monitoring and Evaluation	0	0
Other (Project Support Cost)	84,867	7.9
Total	1,078,612	100.0

Source: LEED Project Office.

The above Table 11 indicates that business development services accounted for collectively 41.4%, of slightly more than half going to the private sector. Likewise, subcontracting amounted to 31.6% of total expenditure with 28 outlets. Notably, the project had no expenditure on monitoring and evaluation related activities. Due to only a handful of staff and the national project manager departing in late 2015, ILO operations, administrative and management cost was lower, that is, 17.7% of total expenditure. Training took only 2.5% of the total share presumably based on assumption that the subcontractors would offer required capacity development support. Of the total expenditure on subcontracts, 11.0% went to the government agencies (Department of Agriculture), 34.7% to civil societies and remaining 54.3% to the private operators.

Sustainability

It is too early to determine the full sustainability of project initiatives and achievements because it will depend on how the concerned stakeholders and beneficiary groups proceed to continue with the initiatives in the future. There are, however, some promising indications that these initiatives will likely sustain after June 2016. Some examples include:

- In Apparel NCE and the Department of Agriculture have taken steps to link the project-led formation of producers' organization to the private sector for marketing on a steady basis local produce to hoteliers and restaurants and improve the quality of local produce by offering technical support, respectively.
- The organization of camping service providers under the Panamapattu Community Based Tourism Association and their plan for market promotion. The Association is also gradually promoting homestays near or at the outskirts of Lahugala Wildlife Park. These homestays are registered with Sri Lanka Tourism Authority, which provides ratings to enable effective marketing. Other tourism promoters include the Division secretariats, Eco-Wave and the Department of Wildlife.
- The Kumana National Park has entered into a contract with Women Rural Development Society to run the souvenir shop/cafeteria at the entrance of the park for five years. The Department of Wildlife intends to provide training to local youth to produce some of the souvenir items. The

Lahugala Divisional Secretariat provides administration and management support through their Rural Development Officer.

- The tourist traffic comprising both domestic and overseas visitors is steadily increasing in Urani Lagoon during June – September and the Department Coastal conservation and Pottuvil Divisional Secretariat are supporting local initiative.
- In Padiyathalawa Division (Ampara) and the Department of Agriculture are supporting and facilitating local fruit producers to market their produce to the tourist outlets and local market.
- Tour operators like Mini Yolo (owned by migrants from Sri Lanka) are promoting organized tours and marketing local products and services, including souvenirs from Ernakulam.
- The Sri Lanka Tourism Development Authority conducts regular meetings with international and inbound tour operators' associations for information dissemination about tourism options in Ampara and Batticaloa.
- Tourist traffic to Kallady beach is steadily increasing (with seasonal variation) and parking fee income ranges from Rs16,000 to 22,000 in lean season to Rs40,000 on weekends and holidays, with further growth in the future with potential opportunity for higher income in the future. The beach is awaiting development with funding from Tourism Ministry along with visitors' park and seafood terrace. A local tour operator acts as a link between seafood terrace and homestays in the area.
- The three-wheeler auto drivers in Arugam Bay are likely to sustain their livelihood through income. However, they face territorial competition from those in Pottuvil. Moreover, tourist inflow in the area is seasonal and their income varies substantially between peak and lean season. Most benefit from overseas tourists who tend to pay twice the fare paid by local or domestic tourists.

Impact

As stated earlier, start-up stage of the project initiatives and lack of adequate data does not permit proper tangible impact assessment at this stage. There are, however, emerging signs that the project could potentially have a positive impact on local communities. The project has created additional employment through different initiatives leading to higher incomes for most of the beneficiaries. The overall awareness and potential scope for sustainable eco-tourism have emerged in local communities. The benefits to the local residents are likely to vary widely depending on seasonality, type of intervention, willingness and preparedness of stakeholder groups, and market opportunities. The project has facilitated inter-ethnic cooperation for mutual economic benefits.

Evaluator's interaction with stakeholders suggests that there has been overall positive impact due to the project. However, the extent of benefits remains undocumented. There are some signs of concern as well. For example, at the time of evaluation, procured equipment by Panamapattu Community Based Tourism Association such as camping gears and bicycles awaiting rental and use. Likewise, in Urani, while there is a separate building for the society's office, equipment, and other materials are stored reportedly in the Society Chairman's house due to inadequate security in the building. In terms of what the evaluator learned from the homestay operators in both Batticaloa and Ampara, the benefits to intended target groups are yet to not established because of very low occupancy rate in terms of number days rented out for income. There is, however, increased awareness among the homestay operators about hygiene and

basic amenities the tourists would be seeking in the area. There are also issues surrounding the identification of homestay operators. As noted by the evaluator during his field visit, only one of the six operators actually met the eligibility for receiving project support.

The findings from rapid gender assessment in both districts found social backlash in women's involvement in tourism activities and this still continues to prevail, but to a lesser extent in fruit growing areas. Women's role continues to be largely confined to cooking, household chores, child and elderly care. Tourism activities tend to pose additional workload on them. Hence, more work is required to mainstream gender in tourism activities. Nevertheless, once men realize the tangible contribution of women's income, their respect for women reportedly has improved and gender-based violence has declined. Control over financial resources largely remains in the hands of men with the exception of activities in which women are directly involved such as marketing agricultural produce, handicrafts selling, running handicraft or souvenir shops.

The involvement of Divisional Secretariat in the project activities has been crucial and the relevant authorities have extended their cooperation in light of national, district and divisional priority to promote tourism. They have facilitated access to land and building in some cases as well. There is, however, some degree of disconnect between the project staff and the Divisional Secretariat staff once the tourism activities are endorsed. The level of cooperation largely depends on a financial contribution from the project. The evaluator did not come across any initiative where the local governments have made a financial contribution. On the other hand, the technical support from the Department of Agriculture in promoting fruit crops is well recognized and their work meets growers' needs.

Overall, the tripartite arrangement with the involvement of beneficiary groups, local government agencies, and private sector or businesses has been useful in implementing project activities. The project has created a good foundation for launching substantive sustainable eco-tourism interventions on a larger scale. The project has partially contributed to ACRP-3 objectives.

CONCLUSIONS AND RECOMMENDATIONS

This section presents key conclusions and recommendations derived from evaluation findings and assessments presented in the last section. While both projects served a common purpose and adopted the similar market-driven approach, different implementation periods and distinct set of beneficiaries resulted in distinct sets of findings. Hence, this section contains two parts, one for each project under conclusions and recommendations.

Conclusions – LEED Project

The project contributed to the objectives and priorities of the relevant DWCP 2008-2012 and 2013-2017, UNDAF 203-2017, and Australian Government's priorities outlined in ACRP-3 for Sri Lanka. It aligned with the government's policy, strategy and plans at the national, provincial, district and division levels in providing support for the affected population affected by almost three decades of conflict in the Northern Province. The project took a nonconventional approach away from the traditional humanitarian approach in post-conflict context by adopting a value-chain development approach for creating and sustaining livelihoods. It addressed the needs of the poor, women, female-headed, and marginal producers who had returned to their bases after the cessation of conflict and had very little means to rebuild their lives. The project also contributed to ILO's gender equality goals.

In a rapidly changing local context soon after the end of the conflict and lack of basic data, the original project design required substantial revision and adjustments from the start, which led to a change in approach from capacity-building led to value-chain based approach supported by a tripartite

engagement involving producers and cooperative societies, government agencies, and private sector businesses. The project's renewed focus on local economic development activities such as rice milling, fruits and vegetable production, fisheries, social enterprise and MSMEs was consistent with the strength of local population and potential for cooperative societies based institutional set-up in the local areas.

The project has been effective in addressing intended beneficiaries' livelihood needs with the support from tripartite arrangements. It addressed the needs of women, female heads of households, and persons with disability. The local communities have gained confidence, and they feel empowered from the project-supported economic opportunities and it is prominent in papaya cultivation and fisheries. The project has demonstrated a unique approach for economic revival in the post-conflict environment for scaling up operations as well as an adaptation in other countries/areas of similar context.

Women's participation in local economic development remained high in fruit and vegetables production and micro-enterprises but lagged in marketing and fisheries. Gender roles followed traditional norms with the sign of improvement in control over resources. The monitoring and evaluation arrangements remained incomplete and weak throughout the project. The project could have benefitted from a medium-term plan rather than relying on annual planning exercise. The midterm evaluation provided useful insights into areas requiring strengthening to which the project responded favourably.

The project encountered one-year start-up delay leading to a year extension at the end of the project. Even though the unit cost of implementation was higher, the project benefitted from ILO's strength in engaging relevant stakeholders through tripartite arrangements. The stakeholder consider ILO as an honest broker in the project implementation and it ultimately helped to facilitate business opportunities between the producer groups from the Northern Province and entrepreneurs from the Southern Province.

Given the high level of confidence in the project beneficiaries and promising returns from economic activities, most of the economic development activities and associated benefits are likely to be sustained beyond June 2016. However, the viability of some of the cooperative societies may require close supervision and support. The private sector's role is likely to continue given their commitments through the project but there would be a need to diversify their reliance on a limited number of processors and exporters.

The project interventions have had a tangible positive impact on empowerment leading to undertaking and sustaining economic development activities. Commercial production of papaya and organized harvest of fisheries have been remarkable and yielded substantial benefits to the conflict-affected households. On a limited scale, persons with different abilities, as well as women, have successfully taken up income generating activities, reducing reliance on government handouts. Overall, gender impact from the project is encouraging and uptake of income activities by women has contributed to the respect of women in the society, reduced social backlash, and fewer gender-based violence incidences.

Conclusions – LED Project

ILO implemented LED project over a period of 18 months. It involved a combination of initiatives to promote economic development in the two Eastern districts with an aim to support employment and income for the local people. The activities included fruit production to meet tourist market demand and eco-tourism comprising camping in natural reserves, boating in the lagoon, homestays, bicycle rides, the sale of souvenirs etc. The project design essentially adapted market driven LEED approach to local economic development by linking producers and intended beneficiaries with the local market and private tour operators and relevant government agencies for the service provisions and facilitation.

The project had a promising start but planned activities required more time for social preparation. The implementation period proved unrealistic and a change in project management before the end of year 1 delayed implementation of planned activities. At the end of the project, several initiatives were in the infancy stage and their sustainability would depend on how local government agencies continue to help

the beneficiary groups in the future. Homestays are less likely to be sustainable but camping and boat rides may succeed with better coordination and effective market promotion. There is adequate room for the local government agencies to continue support the activities in the pipeline as well as on the ground if their capacities strengthened by close coordination with the Sri Lanka Tourism Development Authority. Coastal and natural reserve based tourism activities are seasonal in nature limited to effectively about 5 to 6 months and hence the beneficiary groups would require diversification in their portfolios of income generation activities and additional support for capacity development.

Since most of the project-led initiatives are in early stages, it is early to assess their sustainability and impact. However, based on limited evidence, the critical role of private sector in fostering collaboration and joint strategy to promote activities would be critical. Overall, beneficiary groups are positive that the tourism-led economic activities would provide them with more employment opportunities and higher income.

Recommendations – LEED Project

The evaluation offers a set of recommendations for intended users of this evaluation report. These follow evaluation findings and assessment. ILO CO-Colombo and DFAT can make use of the time and resources available for the bridging period extending to May 2017.

Recommendation 1: Take stock of the status and conduct viability assessment of all cooperative societies/ beneficiary groups/associations and stand-alone enterprises. At the end of the project, due to weak monitoring and evaluation arrangements, the project does not have a tracking system to find out how many and which societies/groups/ organizations are viable. The stocktaking exercise should help ILO CO-Colombo, ILO/DWT, and ILO Headquarters to understand ways to capitalize and consolidate achievements under the project for strengthening beneficiary groups, financial viability, diversification of current market-based and products based on comparative advantage, and improving producers or operators' revenue margins. It will require cooperation from tripartite constituents for obtaining reliable data, which inform policy decisions and subsequent funding arrangements in priority areas.

Recommendation 2: Further, strengthen value chain at the source by promoting value addition to primary produce at the source and encouraging processors to relocate closer to the production base. At present, the product price differential between at farm gate and local/export market is large, partly due to high transport costs associated with long haulage. For example, papaya farmers sell their produce at farm gate at around Rs28/Rs30 per kilogram in Vavuniya North for domestic/export market. Local market price in urban centres ranged from Rs60 to Rs. 80 per kilogram. Very little effort goes in processing other than handling and wrapping with newspaper before loading for shipment. There is scope for promoting private sector investment in relocating/establishing drying and processing plant suitable for products for transport over a longer period and to distant markets, including export. This will help in consolidating supply at a lower cost and generate higher revenues for the producers. Moreover, current restriction on the quantity of fruits or fisheries products destined for export market is limited due to lack of other exporters/processors and there is adequate room to expand production and market with supporting investment in infrastructure closer to the production centres.

Recommendation 3: Support capacity development and service facilitation and eliminate direct capital subsidy with the exception of social protection. The direct capital subsidy was appropriate in the initial years of the project during which project provided funding for boatyards, the establishment of crabmeat processing plant, rehabilitation of rice mills, and construction /rehabilitation of conflict damaged building for productive use. The affected population at that time lacked any income generating opportunities and had no productive assets. The ground situation is much different in 2016 because displaced population have relocated and have taken up some form of livelihood options, with the exception of some who continue to need social protection because of their circumstances. The emphasis under ILO or another partner finding should be on market-oriented skills development, accessing technical know-how and

finance, and facilitation services for linking producer groups to service agencies practicing fair trade. ILO should promote the involvement of concerned agencies for these services.

Recommendation 4: Promote strong linkages and cross-collaboration among ILO CO projects, where appropriate. Usually, projects implementation under externally funded arrangements tends to be standalone operations with a separate set of project staff. While ILO CO-Colombo staff tend to collaborate across the different project at the national level, this often does not happen to the extent desired at the local operational level due to bureaucratic or logistic reasons. ILO CO should take the initiative to engage project teams in knowledge sharing through periodic workshops and exchange visits. Wherever, possible ILO CO should promote sharing of resource persons across relevant projects. Wherever possible, with funding support, ILO also should tap in expertise from other ILO offices and development partners. While external players perceive that ILO's technical capacity is limited and stretched out, there is no justification for leaving out the management entirely to the project teams. ILO needs to change this perception with careful planning and deployment of expertise based on need in a timely manner.

Recommendation 5: Produce appropriate knowledge products and disseminate widely across the ILO system and web-based open access form. A lot of learning goes on projects implemented under difficult conditions and fluid environment. The projects and ILO need to capture such new knowledge and disseminate widely. The project documented LEED approach and examples of successful intervention. However, these are not widely disseminated and available for public consumption. In the context of technological advancement and rapid digital uptake, ILO should introduce active web pages and regularly maintain it with required resources. ILO ROAP may consider taking up this role in the future. With new knowledge, investment in the preparation of project documents and implementation tends to be more relevant, effective, efficient and sustainable.

Recommendation 6: Allocate adequate ILO CO staff time for regular monitoring and supervision through individual work programmes. ILO CO staff are the first backstopping points to troubleshoot issues associated with project implementation. They also serve as a conduit between the project management and donors funding the development projects as well as relevant government agencies for meaningful policy dialogue. ILO CO needs to implement balanced individual workload policy by allocating required time to responsible staff and recognize their contributions. ILO should also require and document staff mission reports for internal knowledge sharing, including evidence-based staff performance appraisal.

Recommendations – LED Project

Recommendation 1: Approve projects with realistic implementation period and budget. ILO should approve prepare and approve project proposals that are realistic in scope and size for implementation within the stipulated time. The approval should not rely on any speculative funding unless guaranteed by the funding agency. In doing so, ILO should critically examine the ground reality, including the implementation capacity of relevant agencies, human resource commitment, and funding, and mitigation measures for observable risks mitigation measures. Furthermore, ILO should require full documentation prior to approval. The project proposal for LED project lacked sufficient details and supporting documentation.

Recommendation 2: Use small-scale funding for piloting new ideas or scaling up existing potentially successful projects. ILO should use the small-scale funding to either pilot new approaches or ideas on a smaller scale and in fewer activities rather than spreading over larger areas and too many activities to maximize benefit from the investment. Alternatively, such funding should be used for scaling up existing projects to serve a number of communities and beneficiaries. The LED project covered too many tourism initiatives spread over large geographical spread in two districts. On the hind side, ILO with the approval from DFAT should have used the additional USD1.4million for expanding coverage in the three LEED project districts in Kilinochchi, Mullaitivu, and Vavuniya North. It would have simplified implementation

arrangement and reduced overhead cost releasing additional funds for supporting economic development activities.

Recommendation 3: Require projects to conduct baseline survey and document pre-project scenario before launching project activities so that project management and external agencies can monitor, document and analyze development effectiveness and value for money. Establishing baseline data is critical for assessing if an intervention did or did not work and analysis of reasons behind achievement or non-achievement, without which any assessment of development impact only become speculative. The LED project area had long recovered from conflict compared to the Northern districts and this would have been possible. Had the project design provisioned and undertook such exercise, it would have been possible for assessing project benefits and development effectiveness.

LESSONS AND GOOD PRACTICES

The evaluation provides a set of lessons and good practices and details appear on next pages. Key lessons are:

LEED Project Lessons

- 1. It is important to mobilize the Chief Technical Advisor soon after the approval of project funding.** In the LEED project context, a six-month delayed deployment of the Chief Technical Advisor in a rapidly changing local context led to additional six months extra time to revise the project approach and get approval. It helps to minimize implementation delays by taking the proactive measure of identifying and recruiting the Chief Technical Advisor to commence at the earliest date. This also helps the Advisor to liaison with the project formulation team so that the Chief Technical Advisor is well aware of assumptions and practicability of project design for the intended purpose.
- 2. It pays to conduct a careful review and revision of project document at the start of the project prior to implementation so that implementation plan is more realistic and suitable for local context prior to the commencement of project related activities.** This is particularly important when there is a long gap between project design and actual implementation because the context may change. The revised document should be complete with all relevant annexes so that there are no confusions even when project management changes. Although the Chief Technical Advisor joined the project with considerable delay, he traveled to the Northern Province and he assessed the relevance of project design, under a rapidly changing context and need to respond to local challenges. The outcome was a value-chain based and market-led partnership approach for LEED project. However, the project did not adopt a formal process of revising the project document. Instead, ILO allowed proceeding based on an implementation framework. Moreover, ILO should have followed due process to avoid any potential downstream confusion. The donor for this project, DFAT, was extremely flexible and agreed to adopt the revised approach. As a good practice, revision of project document also helps to meet bureaucratic and legal requirements.
- 3. Under the post-conflict conditions, it is important to respond with a pragmatic sustainable livelihood approach soon after the humanitarian support so that affected people are able to put together their lives again.** Experience suggests that a long gap between humanitarian response and livelihood support creates confusion and inhibits confidence and willingness to take up income and employment generating activities thereby creating a sense of insecurity and loss of confidence. ILO responded in a timely manner to fill the vacuum created by other development partners including non-governmental organizations.

4. **The project tends to benefit from a sound gender analysis supported by a pragmatic gender action plan so that appropriate technical and logistic support including human resources for anticipated gender outcomes.** In this project context, the project did not utilize gender specialist's input, although provisioned in the original project document. The framework adopted by the project during the implementation overlooked the importance of gender analysis and a gender action plan. The importance of gender specialist's input materialized only in Phase II and the inputs proved too little too late.
5. **Impact assessment requires a clear monitoring and evaluation arrangement supported by SMART indicators.** Ex-post impact assessment becomes more reliable if the baseline is properly established using meaningful indicators. Monitoring just the development activities or the implementation process is not adequate for impact assessment.

LED Project Lessons

1. **When funding and implementation timeframe is limited, it is better to concentrate on fewer activities in the relatively smaller area rather than spreading resources over a larger number of interventions.** The project aimed to support too many activities in relatively new tourism potential areas within 18 months. This proves too ambitious for the small project team with limited resources.
2. **Sustainable tourism initiative requires commitment and active participation of all stakeholders involved and it becomes successful if led by the private sector in a transparent manner.** The project tried to do too many things on its own and private sector lagged in taking ownership of the project supported activities. Furthermore, the local government agencies also took a longer time to understand the project and extend their support. The role of the private sector was selective and limited.
3. **A multi-track approach can work only under reasonably developed conditions and where institutional collaboration is strong.** However, when tourism initiatives introduced in less developed and new areas, it is better to plan project activities in a sequential manner by building blocks. Social preparation takes longer time horizon for better planning and achieving outcomes.
4. **Coastal and natural reserve based tourism tend to be seasonal. The tourism operators need income diversification options from other sources.** Tourism demand tends to peak during long holidays and festival seasons and factors such as weather as well as external shocks from global development tend to impact it. The beneficiaries are generally low-income earners and a single source of income from tourism over relatively shorter duration tends makes them vulnerable. On the other hand, a diversified income portfolio helps them to sustain throughout the year.

Good Practices (both LEED and LED Projects)

1. **The project design needs to have adequate flexibility in terms of how different activities are implemented keeping intended outcomes intact.** The project adapted to the rapidly changing situation following post-humanitarian response by the national and international communities. It quickly recognized that ILO had to respond effectively and offer sustainable livelihood options. ILO had a comparative advantage in engaging with tripartite constituents and the stakeholders consider it as an honest broker in helping relevant stakeholders to come together in addressing dire needs faced by local communities. The value-chain development approach proved effective over time and the project overcame the skepticism about the new initiative such as papaya cultivation for the export market.
2. **Capacity development intervention is an integral part of project support including in post-conflict conditions.** However, there should be a clear link between capacity development

activities and market-based economic development interventions. Such interventions need to be viable so that the project responds to foreseen as well as unforeseen challenges and perceived risks with undertaking new enterprises managed and where possible minimized. With the implementation framework, the project mobilized technical input from the Departments of Agriculture, Cooperatives, and Local Government. It complemented the value-chain development approach adopted by the project. However, the capacity development activities lacked systematic advance planning.

3. **The persons with different abilities can come out of dependency stigma when appropriately supported by gender-sensitive economic development opportunities.** The project provided employment and income-generating opportunities for the victims of conflict who ended up being differently abled. Timely project response boosted their morale and self-confidence in undertaking income-generating activities through MSMEs or direct employment.

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<p>Brief description of lesson learned (link to specific action or task)</p>	<p>It pays to conduct a careful review and revision of project document at the start of the project prior to implementation so that implementation plan is more realistic and suitable for local context prior to the commencement of project related activities. This is particularly important when there is a long gap between project design and actual implementation because the context may change. The revised document should be complete with all relevant annexes so that there are no confusions even when project management changes.</p> <p>After the Chief Technical Advisor joined the project with considerable delay, he traveled to the Northern Province and he assessed the relevance of project design, under a rapidly changing context and need to respond to local challenges. The outcome was a value-chain based and market-led partnership approach for LEED project. However, the project did not adopt a formal process of revising the project document. Instead, ILO allowed proceeding based on an implementation framework. Moreover, ILO should have followed due process to avoid any potential downstream confusion. The donor for this project, DFAT, was extremely flexible and agreed to adopt the revised approach. As a good practice, revision of project document also helps to meet bureaucratic and legal requirements.</p> <p>ILO designed the LEED project in the first quarter of 2010 but its validity rapidly dissipated after a year due to rapid transformation upon mobilization of CTA. While the project focus shifted from planned CB-TREE led to the market-led value-chain development approach. However, the project document did not go through the revision until after mid-term evaluation and at the commencement of Phase II in July 2013. For 2011 – 2012, the project only had annual work plan along with a description of renewed strategy.</p>
<p>Context and any related preconditions</p>	<p>After the end of civil conflict in the Northern Province, most of the development partners got involved in humanitarian initiatives. Where some support was available, these tended to be just a shot in the arm and did not reflect sustainable approach. The response from the international community was not well coordinated.</p>
<p>Targeted users / Beneficiaries</p>	<p>ILO CO and other ILO offices in sub-region, region, and headquarters; Ministry of Labour and Trade Union Relations, local government units at the division and provincial levels.</p>
<p>Challenges /negative lessons - Causal factors</p>	<p>Low capacity in implementing agencies, longer time needed for social preparation leading to one year delay, delay in the recruitment and mobilization of CTA, and a longer time taken by provincial local agencies to fully come on board.</p>

Success / Positive Issues - Causal factor	Patience, persistent and convincing approach, a better understanding of on the ground situation and project refocus, strengthening of cooperative societies, and support from the Ministry of Labour and Trade Union Relations.
ILO Administrative Issues (staff, resources, design, implementation)	Delay in mobilizing the CTA revised project document not available at the start of the project.

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
<p>Brief description of lesson learned (link to specific action or task)</p>	<p>Under the post-conflict conditions, it is important to respond with a pragmatic sustainable livelihood approach soon after the humanitarian support so that affected people are able to put together their lives again. Experience suggests that a long gap between humanitarian response and livelihood support creates confusion and inhibits confidence and willingness to take up income and employment generating activities thereby creating a sense of insecurity and loss of confidence. Often humanitarian support tends to be temporary in nature and development partners first crowd in and coordinating aid becomes a daunting task and challenging particularly for the government agencies. In Sri Lanka, it happened in the same way. Initially, some of the national and international nongovernmental agencies provided one-time temporary support for livelihood.</p> <p>ILO support came at a time when other players moved out of the conflict-affected area and ILO's support filled the vacuum created by other development partners including non-governmental organizations. ILO took into account local needs for sustainable livelihood options typically related to what their strengths called for. As a result, initially, ILO support went to the rehabilitation of rice mills followed by fisheries. Soon after, papaya became commercially viable, particularly when project facilitated market assurance for up to 200 MT papaya for export through CR Exports. It was timely and offered far greater income opportunities compared to traditional subsistence farming.</p>
<p>Context and any related preconditions</p>	<p>Need for economic development activities became prominent and internally displaced persons stated to their previous home base or new lands offered by the Government. The Northern Sri Lanka had a record of accomplishment of successful operations of cooperative societies.</p>
<p>Targeted users / Beneficiaries</p>	<p>Farmers growing rice and other field crops, papaya growers, fisher folks, women, persons with different abilities, households with virtually no productive capital.</p> <p>ILO, Government agencies at the division level, Department of Agriculture, and the Ministry of Labour and Trade Union Relations.</p>
<p>Challenges /negative lessons - Causal factors</p>	<p>Risk associated with introduction of papaya, skepticism about the commitment of businesses from the Southern Sri Lanka, low capacity in implementing agencies,</p>
<p>Success / Positive Issues - Causal factors</p>	<p>Cooperation from the Departments of Cooperatives, Labour, and Agriculture at the local level, project's response to local needs, continued support from the Ministry of Labour and Trade Union Relations, commitment of project staff and ILO CO, and most importantly continued support by the DFAT/Australian High Commission in Colombo</p>

ILO Administrative Issues (staff, resources, design, implementation)	Delay in mobilizing the CTA
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ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	<p>The project tends to benefit from a sound gender analysis supported by a pragmatic gender action plan so that appropriate technical and logistic support including human resources are provided for anticipated gender outcomes. In this project context, the project did not utilize gender specialist's input, although provisioned in the original project document. The framework adopted by the project during the implementation overlooked the importance of gender analysis and a gender action plan.</p> <p>The project had a strong gender implication including gender sensitization, gender mainstreaming to ensure the project benefits accrued equitable to both genders and female-headed households in particular. A gender officer came on board only in the second phase of the project by the time most of the major economic development investments had obtained approval and implemented. Gender specialist input came too late and had limited impact on the project performance.</p>
Context and any related preconditions	A significant number of the conflict-affected population included women and female-headed households requiring livelihood support.
Targeted users / Beneficiaries	Women and men beneficiaries, female heads of households and persons with different abilities.
Challenges /negative lessons - Causal factors	Limited gender input at the time project direction changed at its commencement and in the first two years of project implementation.
Success / Positive Issues - Causal factors	Greater awareness of women's role.
ILO Administrative Issues (staff, resources, design, implementation)	Delay in the recruitment of a gender specialist in a gender-sensitive project.

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	It is important to mobilize the Chief Technical Advisor soon after the approval of project funding. In the LEED project context, a six-month delayed deployment of the Chief Technical Advisor in a rapidly changing local context led to additional six months extra time to revise the project approach and get approval. It helps to minimize implementation delays by taking the proactive measure of identifying and recruiting the Chief Technical Advisor to commence at the earliest date. This also helps the Advisor to liaison with the project formulation team so that the Chief Technical Advisor is well aware of assumptions and practicability of project design for the intended purpose.
Context and any related preconditions	There is a need to take advance action to ensure that the Chief Technical Advisor is on the job on day one of the project.
Targeted users / Beneficiaries	ILO project management and project team for delivering required services to the conflict-affected population.
Challenges /negative lessons - Causal factors	Unavailability of the identified candidate for mobilization when needed.
Success / Positive Issues - Causal factors	The candidate had prior experience in conflict-affected countries.
ILO Administrative Issues (staff, resources, design, implementation)	Delay in mobilizing the CTA

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	<p>Impact assessment requires a clear monitoring and evaluation arrangement supported by SMART indicators. Ex-post impact assessment becomes more reliable if the baseline is properly established using meaningful indicators. Monitoring just the development activities or the implementation process is not adequate for impact assessment.</p> <p>ILO projects need to take monitoring and evaluation seriously and the proper system put in place to facilitate regular progress monitoring and ultimately evaluated at the end of development interventions. This was one of the weakest areas in the project and as a result, the project did not generate adequate data to assess development effectiveness, including the extent to which project, directly and indirectly, contributed towards the output and outcomes.</p>
Context and any related preconditions	No baseline data due to long conflict in the project districts
Targeted users / Beneficiaries	ILO, DFAT Australia, potential future donors and development partners, Ministry of Labour and Trade Union Relations, and local government units.
Challenges /negative lessons - Causal factors	Lack of monitoring and evaluation framework after the project refocus.
Success / Positive Issues - Causal factors	Limited management information data and continuity of same national staff over the six years project duration
ILO Administrative Issues (staff, resources, design, implementation)	Very limited provision for monitoring and evaluation and only after Phase II.

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	When funding and implementation timeframe is limited, it is better to concentrate on fewer activities in the relatively smaller area rather than spreading resources over a larger number of interventions. The LED project objective was over ambitious for the approved duration of 18 months in the context of developing non-traditional economic development initiatives such as sustainable eco-tourism, which required intensive social preparation. The project activities appeared exploratory and spread over two districts. The project would have achieved a better outcome if it planned a smaller area and fewer activities.
Context and any related preconditions	Conflict-affected population seeking economic development opportunities.
Targeted users / Beneficiaries	Local beneficiaries including women, tour operators, DFAT Australia, ILO CO Skills team
Challenges /negative lessons - Causal factors	Social backlash in women’s participation in tourism related activities, delays in putting together private sector tour operator groups leading to the inauguration of building for Community Based Tourism Association in Panama on the last day of the project.
Success / Positive Issues - Causal factors	Willingness to absorb risk, cooperation from a local travel agency, interest from local tour operators
ILO Administrative Issues (staff, resources, design, implementation)	The Early departure of the National Project Manager which caused vacuum for a while before assigning management responsibility to LEED National Project Coordinator and reassignment of one of the LEED staff to Ampara for LED project coordination.

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	A sustainable tourism initiative requires commitment and active participation of all stakeholders involved and it becomes successful if led by the private sector in a transparent manner. The tourism sector involves a large variety of actors and it is one of few sectors with complex value chain requiring effective backward and forward linkages, ranging from production of goods and services to marketing and consumer satisfaction. The project required and engaged with a different type of actors, including fruit growers, three-wheel auto operators, food and beverage services, travel agents and market promotion. The project promoted interests in different stakeholder groups including private sector but could have benefitted from a more coordinated approach. The initiative taken up by Panama-based Community Based Tourism Association has potential to achieve if different activities are coordinated in tourism value chain.
Context and any related preconditions	Unorganized and uncoordinated tourism initiatives at a much smaller scale.
Targeted users / Beneficiaries	Tourism based service providers, Local beneficiaries including women, tour operators, DFAT Australia, and ILO CO Skills team
Challenges /negative lessons - Causal factors	Conflicting interests and less coordinated approach, low institutional capacity and vulnerable beneficiary groups.
Success / Positive Issues - Causal factors	Interest and willingness of private sector actors in institutionalizing and strengthening sustainable tourism in rural communities.
ILO Administrative Issues (staff, resources, design, implementation)	The Early departure of the National Project Manager which caused vacuum for a while before assigning management responsibility to LEED National Project Coordinator and reassignment of one of the LEED staff to Ampara for LED project coordination.

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	A multi-track approach can work only under reasonably developed conditions and where institutional collaboration is strong. However, when tourism initiatives introduced in less developed and new areas, it is better to plan in a sequential manner. ILO implemented LED project on the assumption that the three-track strategy will lead to a sustainable tourism in less developed areas with a low level of tourism services. Different sets of activities took place across the two districts with very low implementation capacity. The project given its size of funding was not attractive enough for giving serious consideration at the national level, despite good intentions. The project could have been more effective using a building block model and expanding activities based on local capacity and strengths in a sequential manner.
Context and any related preconditions	Diversified interest lacking coordination
Targeted users / Beneficiaries	Tourism based service providers, Local beneficiaries including women, tour operators, DFAT Australia, and ILO CO Skills team
Challenges /negative lessons - Causal factors	Conflicting interests and less coordinated approach, low institutional capacity and vulnerable beneficiary groups, and over ambitious outcomes.
Success / Positive Issues - Causal factors	Interest and willingness of private sector actors in institutionalizing and strengthening sustainable tourism in rural communities.
ILO Administrative Issues (staff, resources, design, implementation)	Inadequate staffing arrangement

ILO Lesson Learned Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	Coastal and natural reserve based tourism tend to be seasonal. The operators need income diversification options from other sources. Tourism tends to be seasonal in nature and extending over a period of 5-6 months, and in Sri Lanka, it has its peaks and troughs around major holidays and religious events. Seasonal income often is not adequate for sustaining over the entire year unless a second income opportunity is closely linked to tourism income. There are also potential risks associated with a single income source because tourism is vulnerable to external shocks outside the control of the project.
Context and any related preconditions	Largely farming community with very little knowledge about tourism.
Targeted users / Beneficiaries	Tourism based service providers, Local beneficiaries including women
Challenges /negative lessons - Causal factors	Seasonal nature of tourism and prone to external shocks and social stigma against women's involvement in tourism value chain.
Success / Positive Issues - Causal factors	Interest and willingness of private sector actors in institutionalizing and strengthening sustainable tourism in rural communities, and still a reasonable agricultural base dependent on food security and livelihoods.
ILO Administrative Issues (staff, resources, design, implementation)	Low implementation capacity

ILO Emerging Good Practice Template

Project Title: Local Economic Development Projects, Sri Lanka

ILO Emerging Good Practice Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	Capacity development intervention is effective if accompanied by market-based economic development interventions. Economic development interventions need to have reasonable viability model based on the market response so that perceived risks with undertaking new enterprises managed and where possible minimized. The introduction of papaya for commercial farming in Vavuniya North materialized because of technical support from the Provincial Department of Agriculture. Likewise, organizational strengthening of the cooperative societies was possible because of their involvement in income generating activities, papaya, and fisheries in particular.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	The LEED implementation strategy is flexible and pragmatic, which responds to post-conflict needs of, affected population. The strategy, however, needs to be adapted to prevailing situations for replication or scaling up the coverage.
Establish a clear cause-effect relationship	The project responded to local demand and it successfully linked producer groups and vulnerable population with market and employers and government agencies for services and technical support.
Indicate measurable impact and targeted beneficiaries	The project created environment for building business confidence between the people of the Northern and Southern Provinces. It also generated substantial economic benefits to the target beneficiary groups.
Potential for replication and by whom	Governments, ILO, and other development partners can replicate market-driven sustainable livelihood approach with local adaptation to other post-conflict areas.
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	The project has a strong link with ILO DWCP (2013 – 2017), Country Programme Outcomes (2013 - 2017), ILO Gender Policy and Sri Lanka Government's national priorities to support and strengthen economic development in the Northern Sri Lanka.
Other documents or relevant comments	Local Empowerment through Economic Development – LEED Approach
effect relationship	market and employers and government agencies for services and technical support.
Indicate measurable impact and targeted beneficiaries	Qualitative evidence suggests that project has had contributed to sustainable employment and income generating opportunities with reduced market risks in LEED project. The success has been replicated in selected LED communities ensuring quality fruit supply to local tourist outlets.

Potential for replication and by whom	Governments, ILO, and other development partners can replicate market-driven sustainable livelihood approach with local adaptation to other post-conflict areas.
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	The project has a strong link with ILO DWCP (2013 – 2017), Country Programme Outcomes (2013 - 2017), ILO Gender Policy and Sri Lanka Government's national priorities to support and strengthen economic development in the Northern Sri Lanka.
Other documents or relevant comments	Local Empowerment through Economic Development – LEED Approach

ILO Emerging Good Practice Template

Project Title: Local Economic Development Projects, Sri Lanka

Project TC/SYMBOL: SRL/10/04/AUS

Name of Evaluator: Ganesh P. Rauniyar

Date: 30/09/2016

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	Differently abled persons can come out of dependency stigma when appropriately supported by gender-sensitive economic development opportunities. The project provided employment and income generating opportunities for the victims of conflict who ended up being with different abilities than normal people. Timely project response boosted their morale and self-confidence in undertaking income-generating activities through MSMEs or direct employment. With the support of the project, a group of persons with different abilities came together to form a group and commenced income-generating activities. In addition, a social enterprise has been engaging about 25 women of which several are widows from conflict era and persons with different abilities. The Taprobane Seafood processing facility also employs a number of differently baled women..
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	There is a need to recognize capabilities of differently abled persons, and if the private sector is sensitive, the future of this disadvantaged group of people can take a new and brighter outlook.
Establish a clear cause-effect relationship	Trust in the commitment and performance of the differently abled persons.
Indicate measurable impact and targeted beneficiaries	The project beneficiaries who are differently abled are able to raise their heads up high and show to the local community that they are capable of undertaking income generating activities and do not have to depend on public handouts.
Potential for replication and by whom	Governments, ILO, and other development partners can replicate social enterprise model in other areas.
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	The project has a strong link with ILO DWCP (2013 – 2017), Country Programme Outcomes (2013 - 2017), ILO Gender Policy and Sri Lanka Government's national priorities to support and strengthen economic development in the Northern Sri Lanka.
Other documents or relevant comments	Not applicable

APPENDIX 1: TERMS OF REFERENCE

Local Economic Development Projects, Sri Lanka (12 May 2016)

Type of evaluation	Independent final Evaluation
Evaluation Manager	Pamornrat Pringsulaka, ILO-ROAP, Bangkok
ILO Technical Units	ILO Decent Work Technical Support Team for South Asia, New Delhi
Date of evaluation	TBA

1. INTRODUCTION AND RATIONAL FOR THE FINAL EVALUATION OF LED PROJECTS IN SRI LANKA

This Terms of Reference covers the final independent evaluation of two projects implemented by ILO and funded by the Government of Australia represented by the Department of Foreign Affairs and Trade (DFAT).

The two projects to be evaluated are part of the Australian Community Rehabilitation Programme Phase 3 (ACRP-3), a five-year, AUD\$50 million programme which tackles issues that entrench poverty and conflict in war-affected and lagging areas of Sri Lanka. The overarching goal of ACRP-3 is: “to increase the number of conflict-affected communities across Sri Lanka benefitting from and living a sustainable, secure and productive life.”

The purpose of the final independent evaluation is to strengthen social cohesion by increasing the levels of trust, awareness, capacity and confidence on the part of men, women and children from different ethnical and religious groups to initiate and participate in activities that improve their economic and social opportunity in a manner that reduces the factors that have contributed to conflict.” ACRP-3 is designed around three end-of-programme-outcomes relating to improved local governance, strengthened communities and civil society and economic development, and supports six partners (ILO, IOM, Oxfam, The Asia Foundation, World Vision and ZOA) to deliver a range of programmes activities. Partnership and pro-poor, gender and socially inclusive development are key values which underpin ACRP-3 and all of its supported programmes.

The two projects to be jointly evaluated are administered by the ILO Country Office for Sri Lanka and the Maldives. They are as follows:

1. Local Empowerment through Economic Development Project:
2. Local Economic Development Through Tourism

The final independent evaluation is a mandatory exercise for all ILO projects with a budget of more than USD 1 million. This is in line with ILO Evaluation policy. **The donor for the two projects has specifically requested that the evaluation is designed to provide information on programme performance using the OECD-DAC criteria as the reporting standard but with specific attention to measuring the impacts of the intervention/approach.**

This process will look at what ILO did differently from other development partners to achieve the project results and/or successes and what would have been the effect of not implementing the two interventions.

The joint final independent evaluation will be conducted by an international consultant. The evaluation process will be participatory and will involve ILO tripartite constituents, stakeholders, and beneficiaries throughout the process. The final evaluation aims at examining the extent to which the project objectives

have been achieved and at assessing the impact of the project particularly on the direct and indirect beneficiaries. The final evaluation will also report on the lessons learnt and possible good practices. The final evaluation findings, recommendations and lessons learnt will provide valuable information regarding ILO response to livelihoods and income generation interventions through its local economic development strategies in Sri Lanka and in other countries.

2. PROJECTS TO BE EVALUATED

The ILO Local Economic Development interventions were designed to contribute towards achieving, result area 2 of the Australian Community Rehabilitation Programme (ACRP) Phase 3 (2010 – 2015) i.e.

Increased economic and social development opportunities for vulnerable, lagging and conflict-affected target communities delivered. Under this, there were two projects were implemented which will be evaluated jointly:

1. Local Empowerment through Economic Development (LEED)
2. Local Economic Development through Tourism

2.1 Local Empowerment through Economic Development (LEED)

- Duration: (2010 June -2016 June)
- Geographical coverage: Northern and Eastern Province, Sri Lanka
- Direct beneficiaries: Direct beneficiaries 10,000 conflict-affected households with high vulnerability including female-headed households, ex-combatants, conflict-affected youth and persons with disabilities and entrepreneurs
- Indirect Beneficiaries: More than 25,000 micro and small entrepreneurs in the targeted conflict-affected communities, service providers, and local government
- Key Collaborators/Implementing Partners: Ministry of Labour and Trade Union Relations, Employers Federation of Ceylon, and Private Sector
- Donor contribution: AUD6,900,000 for both projects

ILO Technical Units: DEVINVEST/EMPLOYMENT DWT New Delhi

Mid-Term Evaluation was undertaken in late 2012.

The project focused on developing local building suppliers so as to optimize the use of local resources and create employment opportunities through networks and pooled resources in order to obtain better prices for construction materials from southern building suppliers, that they can then pass on to house builders. The project also examined the means by which vulnerable families could obtain wage employment while still addressing their own housing needs so as to ease the burden and accelerate the construction of the permanent houses.

Development Objective

To contribute to sustainable peace and conflict transformation in Sri Lanka by reducing conflict-related economic inequalities and promoting and enabling more equitable and inclusive economic development in the ongoing process of economic recovery in three districts in the NP.

Immediate Outcomes Economic Infrastructure Development-EID (A): To facilitate inclusive and

equitable participation of northern producers and businesses in the economic recovery now taking place throughout the NP

Immediate Outcomes Business Development Services-BDS (B): local businesses (MSME and Coops) become more competitive through an expansion of local and national market linkages and by adopting Implementing decent work practices and 'pro-poor' policies.

The ILO project performance framework is reflected in the project proposal and attached as **Annex 2** which provides detailed information about project objectives, outputs, performance indicators, and targets.

- **Management Arrangements**

Project Management Arrangements: At the provincial, district and local level the ILO's project is managed by an expatriate Chief Technical Adviser (CTA) and implemented by a team of six national staff officers based in the ILO's Field Offices in the Northern and Eastern Provinces. The CTA and the national staff collectively constitute ILO's Project Field Management Team.

National Programme Coordinator took over management of the project from the CTA from the second quarter of Phase II. The Project Field Management Team is responsible for all day to day project activities; dialogue and coordination with all subproject partners at the local, district and provincial level; for process and performance monitoring and reporting and for all matters pertaining to subproject administration and finance. The ILO's Project Field Management Team will continue to participate in district, divisional and provincial monthly coordination meetings and submit short quarterly progress reports to the relevant government Agent (GA), Divisional Secretary (DS), OoG NP, in their respective formats, during the second phase of the project. In response to concerns raised by ILO's own Independent Mid Term Evaluation and the recommendations of AusAID's Mid-Term Review of ILO's contribution to the Australian Community Rehabilitation Programme (ACRP3), the ILO plans to use consultants/ specialists to address monitoring and evaluation, as well as gender and equality issues to technically support the ILO's Project Field Management Team in ILO's Field Office in the NP.

Project Location: During the first phase of the project, ILO's Project Field Management Team was located in ILO's Field Office in Vavuniya. In June 2013, ILO's Field Office and Project Implementation Team relocated to Kilinochchi. This move was intended to enhance the implementation of the second phase of the project, which focused more intensively on sub-project implementation in Kilinochchi District and in Mullaitivu District, between July 2013 and June 2015.

Overall Responsibility: At the national level the project is managed and administered by the ILO's Country Director based in the ILO's Country Office (CO) in Colombo. The ILO's Country Director is supported by ILO's Senior Programme Coordinator and a Programme Assistant and receives financial and administrative assistance from the ILO CO's Finance / Administration Officer. The ILO's Country Director is responsible for the overall organization, administration and financial management of the project; for all communications between ILO and AusAID; for the submission of all reports and for all communications between ILO and the Ministry of Labour and Labour Relations (MoL&LR), the ILO's government partner for the project. The Senior Assistant Secretary (Foreign Relations) has been assigned as the focal point in the MoL&LR for all communication with the ILO's Country Director regarding the project.

Oversight and Accountability: At the national level the project receives guidance, insight, opinion, recommendations and approval for all subproject interventions from the Project Advisory Committee (PAC), which is chaired by the Secretary to the MoL&LR. The constituent members of the PAC include individuals representing other GoSL ministries and departments that have jurisdiction over employment, small industries, and business development, as well as individuals representing ILO's other tripartite partners such as employers' organizations and trade unions. The project also receives technical assistance, management, and administrative support, guidance, insight, opinion and recommendations from ILO's Regional Office for the Asia-Pacific in Bangkok; ILO's Decent Work Team based in the ILO CO in New Delhi and from ILO's technical units in Geneva.

2.2 LED Tourism

- Duration: 18 months
- Geographical coverage: Eastern Province, Sri Lanka
- Direct beneficiaries: The main beneficiaries of the intervention were identified as those from disaster and conflict affected vulnerable communities i.e. the districts of Batticaloa and Ampara.
- Indirect Beneficiaries: More than 10,000 micro and small entrepreneurs in the targeted conflict-affected communities, service providers, and local government
- Key Collaborators/Implementing Partners: Ministry of Labour and Trade Union Relations, Ministry of Tourism, Employers Federation of Ceylon, and Private Sector
- Donor contribution: AUD 1.4 million
- ILO Technical Units: DEVINVEST/EMPLOYMENT

The project was designed to contribute directly to three key priority / result areas of DFATs Sri Lanka Aid Programme as follows:

- Increased economic and social development opportunities for vulnerable, lagging and conflict-affected target communities delivered;
- Access to sustainable livelihoods and income-generating activities; and
- Social protection for excluded and vulnerable people through better access to government services.

Development Objective

Contribute to reducing the incidence of poverty by creating sustainable employment and livelihood opportunities for vulnerable populations in the Eastern Province through promotion and development of an eco-friendly pro-poor tourism sector.

The project was premised on three main immediate outcomes as follows:

Intermediate Outcome A: Increased supply chain linkages of local supply and service providers to the most established tourism and hospitality operators

Intermediate Outcome B: Improve efficiency of MSME's to provide quality service to the tourism industry

Intermediate Outcome C: Government/semi-government institutions and stakeholders in the province mainstream eco-friendly, sustainable gender sensitive pro-poor tourism

The ILO project performance framework is reflected in the project proposal and attached as **Annex** which provides detailed information about project objectives, outputs, performance indicators, and targets.

Management Arrangements

Project Management Arrangements: The programme was managed by a Field Management Team

(FMT) located in Ampara District. This comprised of a National Programme Manager assisted by Field Coordinator (stationed in Batticaloa), Programme Assistant and 1 Finance Assistant.

Technical Support: Specialist technical consultants (international and national) were engaged to support the FMT while a Gender consultant was engaged to support the project in the field on a regular basis to guide mainstreaming gender into all programming activities.

Overall responsibility: This was held by ILO's Country Director who ensured the overall responsibility for the organization, administration and financial management of the two projects and communications between ILO and AusAID. The project was backstopped by a Programme Officer in the ILO Country Office (CO) in Colombo with technical backstopping, guidance, insight, from ILO's; ILO's Decent Work Team based Bangkok and New Delhi as well as from relevant technical units in ILO Geneva.

Oversight and Accountability: A tripartite Project Advisory Committee (PAC) comprised of representatives of relevant government ministries and institutions as well as private sector, employers and worker organizations was set up to provide strategic guidance during the implementation of the Project. This was co-chaired by the ILO and Government (Ministry of Labour and Relations).

PURPOSE, OBJECTIVES & SCOPE OF THE EVALUATION

The main purpose of this final independent evaluation is to assess the extent to which the project objectives have been achieved and at assessing the impact of the project particularly on improving the status quo of the direct and indirect beneficiaries. The final evaluation will also identify lessons learnt and good practices for both accountabilities and learn for possible similar interventions in the future.

The final evaluation will include consideration of whether the means of action have made contributions toward achieving relevant Decent Work Country (DWCP) outcomes and national development goals. The focus will also be on assessing the emerging impact of the interventions (either positive or negative) and the sustainability of the two project's beneficiaries and the local partners' strategy and capacity to sustain them. It will also look at strengths and weaknesses, opportunities and challenges and any external factors that have affected the achievement of the immediate objectives and the delivery of the two projects outputs. The final evaluation will also assess the extent to which the two projects have responded to the recommendations of the midterm.

Demonstrate the outcomes achieved by the programme against the *Theory of Change* and the extent to which these have contributed to the ACRP3 end of programme outcomes:

- An assessment of the partnership and level of collaboration and cooperation with relevant technical and local government agencies and other local partners to ensure quality control, and the contribution to strengthening impact, and sustainability and the relevance of such collaboration;
- Assess the effectiveness and impact of the programme approaches and identify key successes and challenges and the factors underpinning these (special consideration should be made to the contribution of the partnership approach to these);
- Articulate clear lessons learned;
- Make recommendations based on lessons learned to inform future programming approaches¹.

To achieve the above-mentioned purposes, this final evaluation will focus and address the following:

- The ILO's overall approach to the two projects formulation, preparation of individual projects, budgeting, project management, backstopping and monitoring including coordination mechanisms among various stakeholders (including international partners and other ILO projects) in the project areas and how effective this has been.
- The extent to which the two projects have achieved the results and the immediate objectives and targets;
- Programme experiences that can be learned with regard to promoting social protection, gender equality, and environmental sustainability;
- The effectiveness of social protection; how the beneficiaries, communities, and social protection partners have benefited from the project, what seems to work and what not, overall perception and the first assessment of sustainability;
- An initial assessment of the programme's indirect impacts including but not limited to the impact of social preparation, training, and capacity building, the forming of associations and groups etc;
- An analysis of the transition from emergency employment to local resource-based works, skills development and small enterprise recovery and an assessment of the linkages between the 3 medium term components also reviewing the sustainability of the work – what can be done to link recovery to medium term development and how did the ILO do this even at the earliest humanitarian/emergency phases? How effective has this been?
- Examine the performance of the two projects by assessing the extent to which outputs have been delivered and immediate objectives have been achieved;
- Assess strengths and weaknesses, opportunities and challenges and any external factors that have affected the achievement of the immediate objectives and the delivery of the outputs;
- Assess the emerging impact of the interventions (either positive or negative) and the sustainability of the two project's benefit and the local partners' strategy and capacity to sustain them.
- Draw lessons and provide concrete recommendations for future design and implementation of projects'/programmes based on the evaluation findings and conclusions.
- Highlight recommendations for sustainability, lessons learnt and good practices.

Scope: The evaluation will include the 2 projects mentioned above from the start until the end of June 2016 and it will cover all the geographical coverage of the project.

Clients: primary clients are the beneficiaries and ILO constituents, secondary clients are the ILO and donors and other key stakeholders

- The Constituents (Ministry of Labour and Trade Union Relations, Sri Lankan Government, Employers' and Workers' Organizations)
- The implementing partners(Civil Society organizations, provincial and local governments and Private sector association)
- The Donor (DFAT).
- ILO Country Office for Sri Lanka and the Maldives
- Project Management Team
- DWT-New Delhi
- ILO technical unit at HQ
- RO-Bangkok

While this evaluation will seek to address a set of relevant evaluation questions, the findings of the evaluation will be used for promoting accountability and organizational learning among the stakeholders including the ILO.

The final evaluation findings and recommendations will be primarily addressed to the implementing partners and the ILO units directly involved in backstopping the project.

EVALUATION CRITERIA AND KEY QUESTIONS

This final evaluation will assess the extent to which the project partners and beneficiaries have benefited from the project and the extent to which the project strategy and implementation arrangements were successful. The evaluation should address the overall ILO evaluation concerns such as relevance, effectiveness, efficiency, sustainability and impact as defined in the ILO Policy Guidelines for results- based evaluation, 2012

(http://www.ilo.org/eval/Evaluationguidance/WCMS_176814/lang--en/index.htm).

The following OECD/DAC evaluation criteria will be applied:

- Relevance and strategic fit of the project;
- Validity of the project design;
- Project effectiveness;
- Efficiency of resource use;
- Sustainability of project achievements/results;
- Impact orientation;

The suggested analytical framework for the final evaluation of the project is set out in **Annex 1**. A more detailed analytical framework of the questions and questions/sub-questions may be modified by the evaluation team in consultation with the evaluation manager.

In addition, the evaluation is expected to be based on the following UN programming principles:

- Application of result-based management;
- Gender equality and non-discrimination;
- Adoption of human rights-based approach;
- Capacity development;
- Environmental sustainability;

The gender dimension should be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation. In terms of this evaluation, this implies involving both men and women in the consultation, evaluation analysis, and evaluation team. Moreover, the evaluators should review data and information that is disaggregated by sex and gender and assess the relevance and effectiveness of gender-related strategies and outcomes to improve lives of women and men. All this information should be accurately included in the inception report and final evaluation report.

- Relevance, effectiveness, efficiency, impact and/or sustainability are the evaluation criteria against which the intervention will be assessed.
- The evaluator may adapt the evaluation criteria and questions but the changes should be agreed

between the evaluation manager and the evaluator and reflected in the inception report.

- The evaluation criteria (OECD/DAC criteria) and suggested questions under each criterion are provided in **Annex 1**.
- The evaluator may suggest and make necessary changes on the questions upon approval by the evaluation manager.

EVALUATION METHODOLOGY

The final evaluation will comply with evaluation norms and standards and follow ethical safeguards, all as specified in ILO's evaluation procedures. The ILO adheres to the United Nations Development Group (UNDG) evaluation norms and standards as well as to the OECD/DAC Evaluation Quality Standards. The evaluation is an independent evaluation and the final methodology and evaluation questions will be determined by the evaluation team in consultation with the Evaluation Manager and will receive technical guidance from the respective project managers, assisted by ILO technical specialists and national and local partners.

In order to enhance usefulness and impartiality of the final evaluation of the two interventions, evidence-based approach to evaluation will be adopted. A combination of tools and methods will be used to collect relevant evidence. Adequate time will be allocated to plan for critical reflection processes and to analyse data and information. The methodology will include:

- **Review of documents** related to the project, including the initial project document, progress reports, technical assessments and reports, project monitoring and evaluation documents.
- Review of technical products (training manuals, tools, technical guidelines, etc.) and other publications used or developed by the project, if any.
- **Review of other relevant documents** such as the Decent Work Country Programme of Sri Lanka, the national employment policy, and programme strategy, national laws and regulations on employment. Comprehensive list of references provided.
- **Internal meetings and Interviews** with ILO Country Office Management and the Country Director, Project staff, backstopping Programme Officers and DWT Specialists both at HQ and in DWT New-Delhi, other project/programme staff of the country office as necessary.
- **Interviews with other key project stakeholders** at National level e.g. concerned officials/representatives of tripartite constituents, relevant private sector associations, selected National Steering Committee Members and donor representative and focal person.
- **Conduct field missions**, interview and focus group discussion in project sites located in and around the Northern and Eastern Provinces of Sri Lanka with key stakeholders (a list of project sites will be provided and project visits agreed).
- **Pro-active and informed consultation** with and participation of the key stakeholders in the evaluation process and the finalization of the report will be ensured.
- **Conduct stakeholders' workshop** to validate information and data collected through various methods organized by the Project with assistance from the ILO Country Office for Sri Lanka and Maldives to share the preliminary findings with local stakeholders in the project municipalities. The draft terms of reference for the evaluation and a draft evaluation report will be shared with relevant stakeholders
- **A detailed methodology will be elaborated** by the evaluation team on the basis of this TOR, desk review and initial meeting with project management team and documented in the Inception Report, which is subject to approval by the evaluation manager.

- **The gender dimension should be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation.** In terms of this evaluation, this implies involving both men and women in the consultation, evaluation analysis, and if possible within the evaluation team. Moreover, the evaluators should review data and information that is disaggregated by sex and gender and assess the relevance and effectiveness of gender-related strategies and outcomes to improve lives of women and men. All this information should be accurately included in the inception report and final evaluation report.

MAIN DELIVERABLES

- An inception report** – upon the review of available documents and an initial discussion with the project management (EVAL Guidelines –Checklist 3).The inception report will:
 - Describe the conceptual framework that will be used to undertake the evaluation;
 - Elaborate the methodology proposed in the TOR with changes as required;
 - Set out in some detail the data required to answer the evaluation questions, data sources by specific evaluation questions, data collection methods, sampling and selection criteria of respondents for interviews
 - Detail the work plan for the evaluation, indicating the phases in the evaluation, their key deliverables, and milestones;
 - Set out the list of key stakeholders to be interviewed and the tools to be used for interviews and discussions.
 - Set out outline for the final evaluation report
- Preliminary Findings** to be shared with the ILO and then presented at a stakeholders’ workshop at the end of evaluation mission.
- The first draft of Evaluation Report (Checklist 5 to be provided to the Evaluation Team)** - to be improved by incorporating Evaluation manager’s comments and inputs. The Evaluation Manger holds the responsibility of approving this draft.
 -
- The final draft of evaluation report incorporating comments** received from ILO and other key stakeholders. The report should be no more than 30 pages long excluding annexes with an executive summary (as per ILO standard format for evaluation summary). The quality of the report will be assessed against the EVAL **checklist 5, 6 and 7 to be provided to the Evaluation Team**. Any identified lessons learnt and good practices will also need to have standard annex templates (1 lessons learnt per page to be annexed in the report) as per EVAL guidelines. The report should also include a section on output and outcome level results against indicators and targets of each project.
 -

Suggested content for the report (Checklist 5 to be provided to the Evaluation Team):

- Cover page with key project data (project title, project number, donor, project start and completion dates, budget , technical area, managing ILO unit, geographical coverage); and evaluation data (type of evaluation, managing ILO unit, start and completion dates of the evaluation mission, name(s) of evaluator(s), date of submission of evaluation report).
- Table of contents
- Acronyms

- Executive Summary
- Background on the two projects and their respective intervention logic
- Purpose, scope, and clients of evaluation
- Methodology and evaluation questions
- Review of implementation
- Presentation of findings
- Conclusions and Recommendations (including to whom they are addressed)
- Lessons Learnt and potential good practices and models of intervention/Possible future directions
- Annexes (list of interviews, an overview of meetings, proceedings stakeholder meetings, other relevant information). The deliverables will be circulated to stakeholders by the evaluation manager and technical clearance for the deliverables will come from the evaluation manager. The evaluation report will be in English.

e) Evaluation summary

In line with the ILO standard format, an evaluation summary will also be drafted by the evaluation team leader after the evaluation report is finalized. The evaluation manager will assess it against EVAL checklist 8.

The report and all other outputs of the evaluation must be produced in English. All draft and a final report including other supporting documents, analytical reports and raw data should be provided in an electronic version compatible with WORD for windows. Ownership of the data from the evaluation rests jointly between ILO and ILO consultant. The copyrights of the evaluation report rest exclusively with the ILO. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

7. MANAGEMENT ARRANGEMENTS AND WORK PLAN

The evaluation will be co-funded from the two project budgets. The evaluation is being managed by Ms. Belinda Chanda, based at the ILO Country Office for Islamabad and Ms. Parmonrat Pringsaluka-M&E Officer, Regional Office Bangkok. They will be in charge of developing the evaluation ToR, the selection of the consultants in consultation with the ILO's Office in Sri Lanka.

ILO Country Office for Sri Lanka and Maldives and the project will handle all contractual arrangements with the evaluation team and provide any logistical and other assistance as may be required.

The evaluation consultant reports to the Evaluation Managers. The evaluator will be an international consultant selected through a competitive process from qualified consultants.

The consultant will lead the evaluation and will be responsible for delivering the above evaluation outputs using a combination of methods as mentioned above.

Evaluator

- One independent international evaluation specialist with the relevant experience and qualifications. He/she should have a proven track record in the evaluation of complex projects, experience with country situations similar to that of Sri Lanka and with arrangements as used in the set-up of the current project. Experience in a community-based employment programme

or project in a post-crisis condition will be an advantage.

- Depending on the evaluator's local language competency, translators may be recruited to assist in interviewing community members.

Qualifications

- University Degree with minimum 10 years of experience in project /programme evaluation
- An evaluation expert in development field with demonstrated technical expertise in evaluation methodologies and previous proven skills and experience in undertaking evaluations of similar projects;
- Strong background in local economic and enterprise development as well as Human Rights Based Approach programming and Results Based Management;
- Extensive knowledge of, and experience in applying, qualitative and quantitative research methodologies;
- Experience in direct and participatory community-based observation and experience in participative evaluation techniques would be an asset;
- Knowledge of ILO's roles and mandate and its tripartite structure, as well as UN evaluation norms and its programming, is desirable;
- Excellent analytical skills and communication skills;
- Demonstrated excellent report writing skills in English;
- Experience in working in Sri Lanka will be desirable.

Stakeholders' role: All stakeholders in Sri Lanka particularly the project teams, ILO CO-Colombo, DWT/CO-New Delhi, ILO technical unit at HQ, and the donor will be consulted and will have opportunities to provide inputs to the TOR and draft final evaluation report.

Task	Responsible person	Time frame (by end)
Preparation of the TOR –draft	Evaluation Manager	April 2016
Preparation of list of stakeholders with E- mail addresses and contact numbers	Project Manager	April 2016
Sharing the TOR with all concerned for comments/inputs	Project Manager Evaluation Manager	Last week of April 2016
Finalization of the TOR	Evaluation Manager	Last week of April 2016
Approval of the TOR	Evaluation Office	First week of May 2016
Advertisement and selection of consultant	Evaluation Manager/	Second week of May
Task	Responsible person	Time frame (by end)
and issuance of a contract	Evaluation Office	2016
Draft mission itinerary for the evaluator and the list of key stakeholders to be interviewed	Project Manager	In parallel

Brief evaluators on ILO evaluation policy	Evaluation Manager	7 June 2016
Inception report submitted to Evaluation Manager	Evaluators	14 June 2016
Evaluation Mission	Evaluators	June (at the latest starts mid-June for 2 v
Draft report submitted to Evaluation Manager	Evaluators	11 July 2016
Sharing the draft report to all concerned for comments	Evaluation Manager	22 July 2016
Consolidated comments on the draft report, send to the evaluator	Evaluation Manager	29 July 2016
Finalisation of the report and submission to Evaluation Manager	Evaluator	13 August 2016
Review of the final report	Evaluation Manager	August 2016
Submission of the final report to EVAL	Evaluation Manager	27 August 2016
Approval of the final evaluation report	Evaluation Office	End of August 2016

The tasks of the Projects: The project management teams will provide logistical support to the evaluation team and will assist in organising a detailed evaluation mission agenda. The projects will also ensure that all relevant documentations are up to date and easily accessible by the evaluation team.

Proposed Evaluation Plan

Time frame and responsibilities (Tentative)

ANNEXES

Annex 1: Suggested Evaluation Criteria and analytical framework

Annex 2: Project performance framework

Annex 3: Tentative mission itinerary – to be provided by the project

Annex 4: List of documents to be reviewed

Annex 6: List of ILO staff and key stakeholders to be interviewed

Annex 7: All relevant ILO evaluation guidelines and standard templates

Annex 1: Suggested Criteria and Analytical framework (Applicable to both Projects under evaluation)

1) Relevance and strategic fit of the intervention

- To what extent have the Projects contributed to the Objectives and priorities of the relevant DWCP 2013-2017 , UNDAF 2013 -2017 and the country's overarching national development plans such as Cooperative Sector Development Policy , Ministry of Economic Development, Tourism Development Strategy
- Has the Project addressed the needs of the ultimate beneficiaries and of direct recipients? Was the project aligned with the strategic objectives of the Local Government Units?
- How has the project contributed (or not) towards gender equality goal of ILO?
- Were the project strategies and the selected means of action appropriate considering the cultural setting, capacity of institutional partners for project implementation and the capacities of intended men and women beneficiaries in Sri Lanka?

2) Validity of design

- Was the project design realistic and adequate to meet the project objectives? To what extent was the project design adequate and effective in addressing the needs of ultimate beneficiaries and the capacities of the project partners?
- Were the planned project objectives, means of action and outcomes, relevant, coherent and realistic to the situation on the ground? Did it address gender needs and interests?
- Were the capacities of various project's partners taken into account in the project's strategy and means of action? Did the project design adequately plan for an effective participation of local governments in the management of the project?
- Which risks and assumptions were identified and managed? To what extent have they affected the project?
- Were the planned monitoring and evaluation arrangements adequate? Were the targeted indicator values realistic and can they be tracked?

3) Project Effectiveness

- To what extent did the two projects achieve intended objectives?
- What have been major factors influencing the achievement or non-achievement of the projects' objectives?
- Examine the effectiveness of project institutional framework, its management arrangement and coordination mechanism with other relevant ILO projects, and with other implementing partners
- Examine the extent that the project has adjusted/modified its strategy to respond to changing situation on the ground or challenges faced
- To what extent were the identified risks and key assumptions relevant in the country situation? To what extent the mitigation strategies were effective in addressing the risks during the implementation of the project?
- How has the project contributed to and benefitted from tribalism?

- To what extent the project has managed the practice of knowledge management and lessons dissemination and visibility effort on project branding?
- 4) Efficiency of resource use
- Has the project been implemented in the most efficient way vis-à-vis its financial and human resources?
 - Have activities been implemented in a cost efficient manner and have project objectives been achieved on-time and with the planned budget?
- 5) Effectiveness of Management Arrangements
- Did the two projects receive adequate and timely technical support from DWT and administrative/management support from the Country Office? If not, how that could be improved? How the gender composition of the management and backstopping team affect the performance of the two projects?
 - How well did the projects manage their finances? This should include budget forecasts, delivery monitoring, actions taken for improving the delivery, budget revision and financial reporting. What percentage of the budget was spent on men specific activities?
 - How effective was the monitoring mechanism set up for the respective projects? How were the Project steering committee and the donor involved in monitoring? Were any significant corrective actions recommended and follow-up actions taken following monitoring missions? Did the M&E system in place allow to collect sex-disaggregated data, monitor results and prepare regular progress reports?
- 6) Impact
- What has happened as a result of the two projects? To what extent did the projects make their contribution to broader and longer-term crisis response and decent work goal in Sri Lanka
 - What real difference that the project has made to the ultimate beneficiaries, the capacity of local authorities, and to gender equality?
 - What changes have been observed in relation to the objectives of the intervention? How have women, men, the poor, different ethnic groups experienced these changes?
 - To what extent can observed changes be attributed to the intervention?
 - To what extent are these changes likely to be sustained?
 - Are there unintended impacts (including consideration of different segments of society)?
 - What interventions and approaches delivered the impact? What are key contextual features for these (e.g. gender, poverty, ethnicity etc)?
 - What is the contribution of the ACRP 3 partnership to the programme (what has been achieved through partnering approaches that may not have been otherwise achieved)?
- 7) Sustainability
- To what extent will the project's benefits/impact continue after they have ended?
 - What are the major factors which will have or will influence the continuity of the two project's benefit?

Annex 4: Tentative mission itinerary – to be provided by the project

Annex 5: List of DOCUMENTS reviewed

1. Project Documents /Log Frames
2. Progress Reports
3. Mission Reports
4. List and Profiles of Sub-Project Reports implemented under the project
5. Sub-Project Accomplishment Reports per Implementing Partner

List of references – Tourism project

- Save the children International, (2013 December). Value Chain Analysis in the Tourism Sector. Colombo: Save the Children International.
- International Crisis Group, (2009 April). Development Assistance and Conflict in Sri Lanka: Lessons from Sri Lanka
- Simon J and Annessa K, (2014). Destination Audit, Sri Lanka Eastern Province, IFC, Colombo
- Sri Lanka Tourism Development Authority, Sri Lanka Sustainable Development Project; Environment Assessment and Management Framework (June 2009), Colombo, Sri Lanka
- Tourism Development Ministry, Eastern Tourism Development Plan(2012), Trincomalee District, Sri Lanka
- Ministry of Economic Development, Tourism Development Strategy, (2011), Colombo, Sri Lanka
- PSD Facilitators, Gender Sensitive Value Chain Assessment in the Eastern Province, (November 2014), Colombo, Sri Lanka

List of references for LEED project

- Mottram Foundation, *Understanding the Post War Land Issues in Northern Sri Lankan* (November 2015), Jaffna, Sri Lanka
- Steve.C (November . 2015) *Enhancing the management and micro-enterprise development capacity of Fishermen's Cooperative Societies in Poonakary Divisional Secretariat Division, Colombo, Sri Lanka*
- Jayatilaka et al, (October 2015), *Recover Conflict, Displacement, and Post-War Recovery:*
 - *A Community Profile of Passaiyoor East in Jaffna, Sri Lanka, Working Paper No. 07*, International Centre for Ethnic Studies,
- United Nations Development Foundation, *National Human Development Report, (2014)*, Colombo, Sri Lanka
- International Labour Organization, Decent work country Programme, (2013), Colombo, Sri Lanka
 - PSD Facilitator, *Gender Sensitive Value Chain Development in the fruits and vegetable sectors* (2013), Northern region Sri Lanka
- Hussain. P. (2012), Assessment of the Cooperative sector in Sri Lanka, Sri Lanka, Colombo
- Ministry of Cooperative Development and internal Trade, Cooperative Sector Development Policy (2013), Colombo, Sri Lanka

- Priyanath S. *et al*, *SME sector Development Programmes in Sri Lanka*, Department of Economics and statistics, Sbaragamuwa University of Sri Lanka December (2014), Sragamuwa University Journal (pp 59-81)

Annex 5: List of ILO staff and key stakeholders to be interviewed

- Mr. Donglin Li, Country Director, ILO Office for Sri Lanka and the Maldives
- Ms. Indra Tudawe, Senior Programme Office
- Ms. Pramodini Weerasekera, Programme Officer
- Ms. Nihal Devagiri, National Project Coordinator –LEED/LED Tourism
- Officials from DWT New Delhi/ ROAP/HQ
- Officials from the Ministry of Labour and Trade Union Relations
- EFC Officials
- Donor – DFAT
- Other key stakeholders

Annex 6: All relevant ILO evaluation guidelines and standard templates

1. Code of conduct form (To be signed by the evaluators)
http://www.ilo.org/eval/Evaluationguidance/WCMS_206205/lang--en/index.htm
2. Checklist No. 3 Writing the inception report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165972/lang--en/index.htm
3. Checklist 5 Preparing the evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165967/lang--en/index.htm
4. Checklist 6 Rating the quality of evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang--en/index.htm
5. Template for lessons learnt and Emerging Good Practices
http://www.ilo.org/eval/Evaluationguidance/WCMS_206158/lang--en/index.htm
http://www.ilo.org/eval/Evaluationguidance/WCMS_206159/lang--en/index.htm
6. Guidance note 7 Stakeholders participation in the ILO evaluation
http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm
7. Guidance notes 4 Integrating gender equality in M&E of projects
http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm
8. Template for evaluation title page
http://www.ilo.org/eval/Evaluationguidance/WCMS_166357/lang--en/index.htm
9. Template for evaluation summary:
<http://www.ilo.org/legacy/english/edmas/eval/template-summary-en.doc>

APPENDIX 2: EVALUATION MATRIX FOR LOCAL ECONOMIC DEVELOPMENT PROJECTS IN SRI LANKA IMPLEMENTED BY ILO

Evaluation Question	Indicator	Data Source	Method	Data Collection Responsibility	Frequency of Data Collection	Cost of Data Collection	Analysis Responsibility
<p>1. Relevance and Strategic Fit of the Interventions</p> <p>(a) To what extent have the Projects contributed to the objectives and priorities of the relevant DWCP 2013-2017, UNDAF 2013 - 2017, and the country's overarching national development plans (e.g. Cooperative Sector Development Policy, Ministry of Economic Development Tourism Development Strategy?)</p> <p>(b) To what extent were the two projects aligned with strategic objectives of the Local Government Units (LGUs)?</p> <p>(c) To what extent have the projects addressed the needs of the ultimate beneficiaries and of direct recipients?</p> <p>(d) How did the projects contribute towards ILO's gender equality goal?</p>	<p>Evidence of consistencies and congruity in different strategy and policy documents associated with national and local economic development including in conflict areas and LGUs; Evidence of incorporation of beneficiaries</p>	<p>Project documents; Mid-term evaluation; Key informant interviews and meeting notes; List of ILO projects and their relationship with the project evaluated; List of stakeholders in project formulation;</p>	<p>Document review; Key informant interviews In Colombo representing primary and secondary stakeholders located in the Northern three LEED districts and selected districts in the Eastern Sri Lanka under LED, donor and stakeholder interviews with</p>	<p>Evaluator with logistic support from the project offices and ILO-CO</p>	<p>Once</p>	<p>No, direct cost</p>	<p>Evaluator</p>

<p>(e) How well did the project design and selected means of action reflect cultural sensitivity, the capacity of implementing partners, and gender needs of the targeted population?</p>	<p>needs in project design.</p>	<p>ILO's gender equality goal statement.</p>	<p>project staff and LGUs.</p>				
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<p>2. Validity of Design</p> <p>(a) How realistic was the project design to deliver expected project objectives?</p> <p>(b) Was the project design adequate and effective in addressing the needs of targeted beneficiaries?</p> <p>(c) How well did the project design (objectives, means of action, outcomes) reflect on the ground reality?</p> <p>(d) To what extent did the project address gender needs and interests in target areas?</p> <p>(e) To what extent did the project design and interventions take into account implementing partners' capacities for an effective participation of LGUs in project management?</p> <p>(f) Did the project design duly identify relevant risks and adopted mitigation measures? Were the mitigation measures realistic?</p> <p>(g) To what extent did the project design incorporated needed monitoring and evaluation (M&E) arrangements? Were the M&E arrangements realistic and implementable?</p> <p>(h) Did the project adopt SMART indicators realistic and trackable in M&E arrangements?</p> <p>(i) Was there anything the project design missed out? Which ones, if any?</p>	<p>Evidence of country needs and priorities; Institutional capacity analysis of project partners; Midterm evaluation findings; Validity of risks and assumptions; Relevance of M&E indicators used</p>	<p>Project document, progress reports, Midterm evaluation report, Other reports produced by the project and partner agencies, Need analysis document, key informant interviews notes, project risks and assumptions, input from ILO technical experts in project design,</p>	<p>Document review; Key informant interviews; Focal group discussions with key stakeholders, including project staff, ILO staff, former consultants, Australian High Commission ACRP - 3 staff, beneficiary groups as relevant</p>	<p>Evaluator with support from project management</p>	<p>Once</p>	<p>No direct cost</p>	<p>Evaluator</p>
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<p>3. Project Effectiveness</p> <p>(a) To what extent did the projects achieve intended objectives, outcomes and outputs?</p> <p>(b) What have been major enabling and constraining factors in achieving intended projects' objectives, outcomes and outputs?</p> <p>(c) How did the project respond to and adjusted/adapted its strategy to changing needs on the ground?</p> <p>(d) How effective were the projects institutional framework and its management arrangements and coordination mechanism with other relevant ILO projects, and with other implementing partners?</p> <p>(e) To what extent did the projects respond to gender specific needs? What challenges arise and how did the projects address these?</p> <p>(f) How did the projects benefit from tripartism?</p> <p>(g) To what extent were the projects successful in mitigating risks and assumptions, both foreseen and unforeseen? What were the challenges and strategies adopted during implementation?</p> <p>(h) How successful were the project in knowledge sharing, knowledge management, drawing lessons and had visible efforts in projects' branding?</p>	<p>Achievement of outputs, development and immediate outcomes;</p> <p>An inventory of capacity building initiatives;</p> <p>Evidence of gender mainstreaming;</p> <p>Evidence of flexibility in the scope of work based on need assessment;</p> <p>Evidence of interagency collaboration and mutual ownership;</p> <p>Effectiveness of project management structure and supervision arrangements;</p> <p>Existence and adequacy of project MIS and M&E</p>	<p>Project document; progress report; Mid-term Review, key informant interviews and FGD notes;</p> <p>Project MIS and M&E systems and data bases;</p> <p>Stakeholder workshop summary notes</p>	<p>Document review; Review of other project outputs in achieving outcomes;</p> <p>Focus group discussion; key informant interviews; stakeholder workshop</p>	<p>Evaluator with support from project management</p>	<p>Once</p>	<p>Cost of organizing a stakeholder workshop</p>	<p>Evaluator</p>
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<p>4. Efficiency in Resource Use</p> <p>(a) To what extent have the projects been implemented in the most efficient vis-à-vis their financial and human resources?</p> <p>(b) Have project activities been implemented in a cost-effective manner and have projects' objectives achieved on time and within given budget?</p> <p>(c) Has project funding catalysed additional resources from internal and external sources?</p> <p>(d) Did the projects encounter challenges in implementing projects cost-effectively? If so, how were these overcome?</p>	<p>Resource (fund and staffing) allocation patterns;</p> <p>Time slippages;</p> <p>Reasons for delays, if any;</p> <p>Amount leveraged from other sources;</p> <p>Due diligence to avoid fiduciary risks;</p> <p>Evidence of fund reallocation with justification</p>	<p>Project expenditure data and disbursements;</p> <p>Project work programme and budgeting framework;</p> <p>Project progress report;</p> <p>Financial progress reports; and</p> <p>Notes of Key informant interviews with relevant stakeholders.</p>	<p>Review and analysis of resource allocation and expenditure pattern;</p> <p>Review of work programme, budget and progress report;</p> <p>Review of project financial records; and</p> <p>Analysis of stakeholder responses</p>	<p>Evaluator with support from ILO-CO and project staff</p>	<p>Once</p>	<p>No, direct cost</p>	<p>Evaluator</p>
<p>5. Effectiveness of Management Arrangements</p> <p>(a) Did the two projects receive adequate and timely technical support from ILO/DWT and administrative/ management support from the Sri Lanka ILO-CO in project implementation?</p> <p>(b) If not, what were the reasons? What else could have been done?</p> <p>(c) To what extent did the gender composition of the management and backstopping team affect the performance of the two projects?</p> <p>(d) How well the two projects manage their budget, including budget forecasts, delivery monitoring, actions taken to improve the</p>	<p>Adequacy and flexibility in project implementation arrangements,</p> <p>Evidence adequate of support from ILO-CO;</p> <p>Evidence of gender mainstreaming;</p> <p>Satisfactory project management structure with</p>	<p>Project documents, FGD and Key Informant Interview Notes;</p> <p>Project advisory and steering committee notes;</p> <p>Annual work plan and budget</p>	<p>Document review;</p> <p>FGDs with stakeholder groups; and</p> <p>key informant interviews with relevant stakeholders;</p> <p>analysis of M&E arrangements.</p>	<p>Evaluator with support from ILO-CO and project staff</p>	<p>Once</p>	<p>No direct cost</p>	<p>Evaluator</p>

<p>delivery, and budget revision and financial reporting on time?</p> <p>(e) To what extent did budget utilization deviate from original plan? If so, what were the reasons?</p> <p>(f) How effective were projected steering and project advisory committees?</p> <p>(g) To what extent donor's monitoring and guidance help project implementation?</p> <p>(h) To what extent the projects followed recommendations and corrective actions following regular monitoring missions and mid-term review?</p> <p>(i) To what extent do the projects' database and M&E arrangements permit collection, analysis and use of sex-disaggregated data, monitor results and prepare regular progress reports?</p>	<p>clear roles and responsibilities; Work plan and budgeting procedures; Effectiveness of project advisory and steering committees; Evidence of clarity in donor's guidance; Effectiveness of M&E arrangements; Adoption of Mid-term Evaluation (MTE) recommendations.</p>						
<p>6. Impact</p> <p>(a) What are tangible results from the two projects? To what extent did the projects make their contribution to broader and longer-term crisis response and decent work goal in Sri Lanka?</p> <p>(b) What real difference that the projects have made to the ultimate beneficiaries, the capacity of local authorities, and to gender equality?</p> <p>(c) What changes have been observed in relation to the objectives of the intervention? How have women, men, the poor, different ethnic groups experienced these changes?</p> <p>(d) To what extent can observed changes be attributed to the intervention?</p>	<p>Evidence of increased income, employment, and gender empowerment; Evidence of need-based project fund allocation; Evidence of trust between northern and southern population in doing business; Empowerment of vulnerable groups including female-</p>	<p>Project documents, consultant reports, project reports and dissemination materials, KII and FGD evaluation mission notes, MTE report</p>	<p>Project data analysis, KIIs, focus group discussion (FGDs)</p>	<p>Evaluator with support from ILO-CO and project staff</p>	<p>Once</p>	<p>No direct cost</p>	<p>Evaluator</p>

<p>(e) Are there unintended impacts (including consideration of different segments of society)?</p> <p>(f) What interventions and approaches delivered the impact? What are key contextual features for these (e.g. gender, poverty, ethnicity etc)?</p> <p>(g) What is the contribution of the ACRP-3 partnership to the programme (what has been achieved through partnering approaches that may not have been otherwise achieved)?</p>	<p>headed households, widows and physically and mentally challenged community members;</p> <p>Evidence of cross programme collaboration</p>						
<p>7. Sustainability</p> <p>8. To what extent the projects' benefits/impact likely continue after June 2016 on their own and without external support?</p> <p>9. To what extent private sector participation is likely to continue after June 2016?</p> <p>10. What are the major factors which are likely to influence the continuity of the two projects' benefit?</p>	<p>Government's commitment to continue to support Northern disadvantaged population, Evidence of enhanced financial and managerial capacity among project beneficiary groups;</p> <p>Ability to undertake activities without external support, evidence of community cohesiveness and ownership of project interventions, reliable and fair</p>	<p>Government budgetary allocation for Northern areas; Capital accumulation by beneficiary groups, Marketing arrangements, Contribution from the private sector</p>	<p>Document review, annual budget allocation review, funding mechanism analysis, contribution analysis</p>	<p>Evaluator with support from project staff</p>	<p>Once</p>	<p>No, direct cost</p>	<p>Evaluator</p>

	marketing arrangements; increased private sector contribution and participation.						
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APPENDIX 3: LIST OF DOCUMENTS FOR REVIEW OF LEED AND LED PROJECTS

Local Empowerment through Economic Development (LEED) Project

1. Australian Community Rehabilitation Programme Phase 3 (2010 – 2015) - Project Proposal on Local Empowerment through Economic Development (LEED) Project
2. Local Economic Development through Economic Development Project: Phase II - ILO Investment Design Phase II
3. Project Logic Model (Phase I & Phase II) and Theory of Change
4. Strengthening the Gender Sensitivity of the Local Empowerment through Economic Development Project - Guidelines to Mainstream Gender in Development
5. Conference Report: Women's Empowerment and Economic Development organized by the International Labour Organization (ILO)
6. Mainstreaming gender into Value chains
7. Recommendations for a Plan of Action: Strengthening the Gender Sensitivity of the Local Empowerment through Economic Development Project
8. Terms of Reference -Training on women leadership and Exposure visit to other districts – Gender Checklist
9. Rapid Assessment | Gender sensitivity of LEED programme Design, Implementation, and M&E
10. PAC Minutes – 18 November 2010, May 2011, August 2013, December 2013
11. PROGRESS REPORT -- Reporting Period – 1stof July 2015 to 31stof December 2015
12. Annual Work Plan – 2016 January – 2016 June
13. Annex 5: Training and Development
14. Annex 4: Progress Report on Gender Equality and gender mainstreaming into LEED project. From 1st June to 31st December 2015.
15. Annex 3: Copy of Gender Banner Overview
16. Annex 2: Workshop Report: Women's Empowerment and Economic Development organized by the International Labour Organization (ILO)
17. Copy of Invest – July – December (by Implementing Partners)
18. Progress Reports – October 2011, October 2012, October 2013, Project CT, Dec 2013-May 2014, June – Dec 2014,
19. LEED Approach
20. Building The Lifelines Through Fisheries Sector - Kilinochchi
21. Building Bridges with Papaya – Kilinochchi, Vavuniya, Mullaitivu
22. Chile programme
23. Cooperative Enterprises as Strong Platform to Support Poor and Vulnerable in Northern Sri Lanka
24. Project Brief (Vavuniya, Kilinochchi, and Mullaitivu Districts), June 2016
25. Local Economic Development and Post-Conflict Recovery
26. Sivanarul Vocational Training And Production Centre (SVTPC): A commercially viable socio-economic business enterprise model
27. Report on Gender Sensitive Value Chain Analysis on Fruit and Vegetable Sector and Other Field Crops Sector in Mullaitivu and Kilinochchi Districts in Northern Province of Sri Lanka
28. LEED Work Plan: 2011-2012, 2012-2013, 2013-2014, 2015 to June
29. Decent Work Programme Sri Lanka 2013-2017, ILO
30. LEED Independent Midterm Evaluation
31. Review of the Decent Work Country Programme: Sri Lanka 2008–12

32. Mottram Foundation, Understanding the Post War Land Issues in Northern Sri Lanka. (November 2015), Jaffna, Sri Lanka
33. Creech, S.2015. Enhancing the management and micro-enterprise development capacity of Fishermen's Cooperative Societies in Poonakary Divisional Secretariat Division, Colombo, Sri Lanka, November
34. Jayatilaka et al, (October 2015), Recover Conflict, Displacement, and Post-War Recovery:
35. A Community Profile of Passaiyoor East in Jaffna, Sri Lanka, Working Paper No. 07, International Centre for Ethnic Studies, United Nations Development Foundation, National Human Development Report, (2014), Colombo, Sri Lanka
36. PDS Facilitator, 2013. Gender Sensitive Value Chain Development in the fruits and vegetables sectors, Northern Region, Sri Lanka
37. Hussain. P. 2012. Assessment of the Cooperative sector in Sri Lanka, Colombo
38. Ministry of Cooperative Development and internal Trade, 2013. Cooperative Sector Development Policy (2013), Colombo
39. Priyanath S. et al, 2014. SME sector Development Programmes in Sri Lanka, Department of Economics and statistics, Sbaragamuwa University of Sri Lanka, Sragamuwa University Journal (pp 59-81)

Local Economic Development (LED) through Tourism Project

40. Rapid assessment to ascertain the gender-related requirements of the LED Tourism project
41. Local Economic Development (Led) Through Tourism In The Districts Of Ampara And Batticaloa -An Initiative Of ILO, Sri Lanka: Phase 1 - Report On Initial Study To Establish
42. Annex 1: Project Finance
43. Annex 2: Work Plan
44. Annex 3: Final Action Plan Batti
45. Annex 4: Final Action Plan Ampara
46. Annex 5: Mapping of Buildings with Historical Significance Batti
47. Revised Project Proposal
48. Revised logic model
49. Progress Report
50. Proposed New Interventions in LED Tourism Project Ampara
51. Report on Value Chain Analysis of the Tourism Sector in Ampara and Batticaloa Districts

APPENDIX 4: LIST OF STAKEHOLDERS - LEED AND LED PROJECTS

Stakeholder Group	Stakeholder
ILO	Country Director, ILO-CO for Sri Lanka and Maldives, Colombo Programme Assistant for LEED and LED, Colombo Senior Programme Officer, Colombo Evaluation Manager, Regional Monitoring and Evaluation Officer, ILO-ROAP, Bangkok DEVINVEST/EMPLOYMENT , DWT Bangkok, DWT New Delhi, SECTOR Project Teams for LEED and LED

	Others as relevant
Donor	Australian High Commission, Colombo – Programme Manager for ACRP-3
Government	Ministry of Labour and Trade Union Relations Ministry of Economic Development, Colombo Provincial Ministry of Tourism (PMT) in the Eastern Province Sri Lanka Tourism Development Authority Relevant District and Local Government Institutions Provincial Department of Agriculture Others as relevant
Private Sector	Employers’ Federation of Ceylon Business Houses – purchasers, packers, exporters, employers Chamber of Commerce and Industries National Chamber of Employers
Beneficiaries	Farmers’ Cooperatives and Federations Fishermen’s Cooperative and Federation Fishermen Widows and Disabled Microenterprises
Other	Former ILO Staff associated with LEED Former Chief Technical Advisor Author of Mid-term Evaluation (LEED) Author of Phase II LEED Document

APPENDIX 5: LIST OF PERSONS INTERVIEWED

S. No. Name and Affiliation

Government of Sri Lanka

- 1 Mr. Wimalaweera, Senior Asst. Secretary (Labour & Foreign Relations), Ministry of Labour and Trade Union Relations
- 2 Mr. S. Sivakumar, Provincial Director of Agriculture (NP), Jaffna
- 3 Mr. S.C. Krishenendran, Divisional Secretary, Pioneer
- 4 Divisional Secretary, Cumulative
- 5 Mr. K. Paranthaman, Assistant Cooperative Commissioner, Vavuniya
- 6 Mr. H.B. Anees, Assistant Director-Planning, Lahugala
- 7 Mr. Daya Siri, Rural Development Officer, Lahugala
- 8 Mr. U. Subasinghe, Planning Officer,
- 9 Mr. V, Nirubahan, Community Development Officer,
- 10 Ms. Manohara Mahendra, Kallady Grama Nihari Officer

ILO

- 11 Mr Donglin Li, Country Director, ILO-CO-Colombo
- 12 Ms Indra Tudawe, Programme Officer, ILO-CO-Colombo
- 13 Ms Promo Weerasekara, Senior Programme Officer, ILO-CO-Colombo
- 14 Shafinaz Hassendeen, Former ILO Senior Programme Officer (with project until 2015), ILO-CO-Colombo
- 15 Mr. Asitha Seneviratne, Programme Assistant, ILO-CO-Colombo
- 16 Mr Federico Negro, ILO Geneva (skype call)

Department of Foreign Affairs and Trade (DFAT), Australian High Commission, Colombo

- 17 Ms. Dulani Sirisena, Programme Manager
- 18 Mr. Sivasuthan Ramanathan, Senior Programme Officer

LEED and LED Project Teams

- 19 Mr. Joseph Connolly, Chief technical Advisor (skype call)
- 20 Mr. Nihal Devagiri, National Project Coordinator, Kilinochchi
- 21 Mr. Abdul Razak Farzana, Programme Assistant Value Chain & Coop Development, Kilinochchi
- 22 Mr. Semarasa Vasudev, Field Coordinator, Ampara (Phone call)
- 23 Mr. Thabesan Sivalinganathan, Field Coordinator, Kilinochchi
- 24 Ms. Santhi Sivaneshan, Gender Field Officer, Kilinochchi
- 25 Mr. Thiru Kumaran, Programme Assistant, Batticaloa

Private Sector

- 26 Mr. Shiham Marikkar, CEO/CG, NCE
- 27 Mr. Kanishka Weerasinghe, Director General/CEO, Employers' Federation of Ceylon

- 28 Mr.Upali, Chairman, CRE Exports, Mudungoda
- 29 Mr. Bhatiya Mallawaarachechi, Group Director, CRE Exports, Mudungoda
- 30 Sivalnarul food processing centre
- 31 Mr. K. Thither, Taprobane, Operations Manager, Seafood (Pvt) Ltd
- 32 Mr. T. Jurison Jenaraj, Chamber of Commerce and Industries of Yarlpanam, Jaffna office
- 33 Mr. Sachithra Lakmal Weerasinghe, Senior Executive, Technical Services, National Chamber of Exporters of Sir Lanka (NCE), Colombo
- 34 Mr. Chandana Wikekoon, Marketing Executive, NCE, Colombo
- 35 Ms. Sandrine Debruyne, Director, East N' West on Board, Batticaloa
- 36 Mr. Kingsley Jernanalo, Management Staff, East N' West on Board, Batticaloa
- 37 Mr. Jeyaram, President, Agro based Tourism Association
- 38 Mr. A. Musalmmil, President, Auto-Owners Association, Arugam Bay
- 39 Mr. Asmy, Vice-President, Auto-Owners Association, Arugam Bay
- 40 Mr. Priyantha, President, Community Based Tourism Association, Panama
- 41 Ms. J.A. Rajitha, Mango Villa – Home Stay, Panama

LEED Stakeholders at the kick-off meeting in Jaffna

- 42 Ms. G. Lucia, Mulangavil Farmers Society
- 43 Ms. J. Kirstinamma, Mulangavil Farmers Society
- 44 Ms. K. visita, Mulangavil Farmers Society
- 45 Ms R. Mangalesvary, Mulangavil Farmers Society
- 46 Ms. R. Kamalavathani, Mulangavil Farmers Society
- 47 Ms. U. Anusha, Mulangavil Farmers Society
- 48 Ms. U. Jegdeeswary, Mulangavil Farmers Society
- 49 Ms. Jegarubiny, Mulangavil Farmers Society
- 50 Ms. Logadevi, Mulangavil Farmers Society
- 51 Mr. Mohanathan, Mulangavil Farmers Society
- 52 Mr. Y. Theeswaran, Mulangavil Farmers Society
- 53 Mr. Maheswaran, Mulangavil Farmers Society
- 54 Mr. M. Muralitharan, Mulangavil Farmers Society
- 55 Ms. K. Sivapakkiam, Young Farmers club
- 56 Ms. S. Krisanthini, Young Farmers club
- 57 Ms. Annnanthakalawathy, Young Farmers club
- 58 Ms. T. Nishanthan, Young Farmers club
- 59 Ms. Jakolin, Sivanalul
- 60 Ms. Navranjanakala, Sivanalul

- 61 Mr. Thanala, Sivanalul
- 62 Mr. Alrulakar, Sivanalul
- 63 Ms. Mangaleswary, Mul. Ent. Women Association
- 64 Ms. K. Nirojini, Mul. Ent. Women Association
- 65 Ms. T. Anushiya, Mul. Ent. Women Association
- 66 Ms. P. Vignayaruban, Mul. Ent. Women Association
- 67 Ms. P. Vignayaruban, Mul. Ent. Women Association
- 68 Ms. A. Kangarani, PTK Women cooperative Society
- 69 Ms. Pushparaji, PTK Women cooperative Society
- 70 Ms. K. Jeyaranjani, PTK Women cooperative Society
- 71 Ms. V. Kaushiya, PTK Women cooperative Society
- 72 Ms. K. Irithayarani, PTK Women cooperative Society
- 73 Ms. Gayathiridevi, PTK Women cooperative Society
- 74 Ms. Sudarjino, PTK Women cooperative Society
- 75 Ms. T. Santhirakala, Pudumathanlan Fisheries Society
- 76 Ms. N. Wigneshwararani, Pudumathanlan Fisheries Society
- 77 Ms. K. Prisanthiny, Pudumathanlan Fisheries Society
- 78 Ms. Lalaarasy, Pudumathanlan Fisheries Society
- 79 Mr. Y, Anoj, Pudumathanlan Fisheries Society
- 80 Ms. P. Sasikala, Oottusuan - MUTTS
- 81 Ms. T. Thirumalar, Oottusuan - MUTCS
- 82 Ms. S. Kalichelvi, Oottusuan - MUTCS
- 83 Ms. Mery Kanisa, Oottusuan - MUTCS
- 84 Ms N. Kolestinimeri, Oottusuan - MUTCS
- 85 Ms. G. Gnanajothy, Valipadu – St. Anthony's
- 86 Ms. U. Krita, Valipadu – St. Anthony's
- 87 Ms. A. Meri Austin, Valipadu – St. Anthony's
- 88 Ms. U. Joy, Valipadu – St. Anthony's
- 89 Ms K. Kumaraselvi, Valipadu – St. Anthanis
- 90 Ms. J. Tehrani, Valipadu – St. Anthony's
- 91 Ms S. Emanuvel, Valipadu – St. Anthanis
- 92 Ms. Anne Reeta, Valipadu – St. Anthony's
- 93 Mr. T. Aloysius, Valipadu – St. Anthony's
- 94 Ms. S. hyaline, VAV - North
- 95 Mr. K. Kazan, VAV-North

- 96 Ms S. Kanapathypillai, Oottusutan - MUTC
- 97 Ms. Kausalathevi, Oottusutan - MUTC
- 98 Ms. S. Pathmanathan, Vishvamadu Coop
- 99 Mr. K. Kesawaran, Vishvamadu Coop
- 100 Mr. A. Suresh, Vishvamadu Coop
- 101 Mr. T. Alosiyas, Samasam - Ponagary
- 102 Mr S. Jone Kenadi, Samasam - Ponagary
- 103 Mr. Konsalas, Samasam - Ponakary
- 104 Mr. Kirubaharan, Samasam - Ponaary
- 105 Mr. Josap Francis, Samasam - Ponagary
- 106 Mr Thiyagarasa Vasiharan, Samasam - Ponagary
- 107 Mr. S. Arulsevi, Samasam - Ponakary
- 108 Mr. R. Sivaranjini, Samasam - Ponakary
- 109 Mr. K. Anil Lohadevi, Samasam - Ponakary
- 110 Mr. Sivaruban, Old rum Valvo
- 111 Mr. N. Rajamanoharan, SSO
- 112 Mrs. T. Thayalini, WDO
- 113 Ms. N. Uthayaini, WDO
- 114 Mr. S. Arivalahan, Observer
- 115 Mr. U. Kirubahan, GM VAV North
- 116 Mr. M. Jeganathan, Sivanalul
- 117 Mr. Thabeddan S., ILO
- 118 Mr. Frazan, A. ILO
- 119 Mr. Vikneshan, T. ILO
- 120 Mr. S. Suntharalingam, ILO
- 121 Ms. S. Shanthi, ILO
- 122 Ms. Subasinghe, ILO
- 123 Mr. Nilhari Devagiri, ILO
- 124 Mr. Udan Frannado, Consultant
- 125 Ms. S. Kokiladas, Consultant
- 126 Mr. Joseph Stelin, General Manager, MUTPCS

Beneficiaries and Beneficiary Groups Participating in Focus Group Discussions

Women Rural Development Society, Seafood Terrace Project, Kallady

- 127 Ms. Nirashakumar Thanuja, President

- 128 Ms Ramachanthiran Subuajini, Secretary
129 Ms. Soomukam Pavanasvari, Member
130 Ms. Selvaneethan Saro, Member
131 Ms. Sarmilan Per the EPA, Member
132 Ms. Sumanthiran Nalini Devi, Member
133 Ms Pakkiyarasha Thillaijamma, Member
134 Ms. Rajam Sakanthi, Member
135 Ms. Sanmukam Sathajini, Member
136 Ms. Leon Loveden James Lakshini, Accountant

Vishwamadu Farmers' Multipurpose Cooperative Society

- 137 Mr. S. Sivaruban, General Manager
138 Mr. S. Vasiharan, Accountant
139 Ms. M. Kalaichchi, Secretary

ACCD

- 140 Ms. S. Jeyarani, Grinding mill owner
141 Ms. S. Saratha, Mixture snack producer
142 Ms. K. Sooriyakala, Mixture snack producer
143 Ms. Anusha, Food production
144 Ms. Rathiga, Wedding decorator
145 Ms. Kalasurajani, Enterprises Promotion Officer, Industrial Development Board

Organic Farmers' Society, Kanager

- 146 Ms. Kohila, Member
147 Ms. G. thupala, Board Member
148 Ms. V. Susilathery, Board Member
149 Ms. Nanthini, Board Member
150 Ms. S. Kumuthini, Member
151 Ms. S. Juvenile, Member
152 Ms. V. Rajasulosana, Member
153 Ms. K. Susikala, Officer
154 Ms. K. Easwary, Secretary
155 Ms. S. Pulendran, Board Member
156 Ms. S. Jeyaram, President

Pallikuda Cooperative Society

- 157 Ms. M. Jeyamani, President
158 Ms. S. Rajkumar, Treasurer

- 159 Ms. Y. Nirojini, Employee
160 Ms. S. Kanishta, Beneficiary
161 Ms. S. Merisulosana, Beneficiary
162 Ms. K. Kanishta, Beneficiary
163 Ms. A. Jaya, Beneficiary

Valaipbadu Cooperative Society

- 164 Mr. S. Emmanuel, President
165 Ms. T. Janarthanan, Member
166 Ms. P. Amalathas, Board Member
167 Ms. U. amala Joist, Member
168 Ms. V. Gnanajoathy, Member

Iranimathanagar Cooperative Society

- 169 Mr. S. John Kenady, Auditor
170 Mr. Antony Gonzales, Treasurer
171 Mr. Pakkiyam Kanikkai Member
172 Mr. Santhiya Jeyaseelan, Employee
173 Mr. R. Masilamani, Board Member
174 Mr. Dennis Fernando, Member

Fishermen Cooperative Federation, Jeyapuram

- 175 Mr. Joseph Francis, President
176 Mr Sugarajah Kirupaharan, Secretary

Vinayagapuram, Mulangavil Farmers' Cooperative Society

- 177 Mr. M. Makeswaran, President
178 Mr. M. Muralitharan, Manager

Olirumvalvu Organization (Bright Life)

- 179 Mr. J. Vikitharavan, President
180 Mr S. Panneerchelaran, General Manager
181 Ms. S. Suthanathan, Secretary
182 Ms. S. Sibrafiban, Member
183 Ms. S. Sabana, Vice-Secretary
184 Ms. P. Kirapananthy, Employer
185 Ms. D. Uthayanirmala, Member
186 Ms. S. Vathanakumary, Member
187 Ms. S. Pushbamalar, Member
188 Ms. S. Saraswathy, Member

Vavuniya North Fruit Growers' Society

189 Kirupaharan, General Manager

190 S. Rajendran, President

191 K. Ramesh, Field Officer

192 T. Pariyatharshani, Accountant

193 S. Sunthan, Farmer (member)

Oddusuddan Young Farmers' Society

194 Ms. S. Krishnan the, General Manager

195 Ms. K. Sivapakkiam, Member

196 Ms. S. Kamala very, Member

197 Ms. K. Patmalo Sani, Member

Consultants

198 Mr. Udan Fernando, Executive Director, Centre for Poverty Analysis

199 Mr. Steve Creech, Executive of Taprobane Seafood Exporter (Pvt) Ltd and the consultant author of LEED Independent Mid-term Evaluation

APPENDIX 6: FIELD MISSION AGENDA (19 JUNE – 8 July 2016)

Day No	Day	Date	Items	Venue	Participants	Status
1	Sunday	19/06/2016	Arrival on Flight SQ468 Sun, 19 Jun 2016	Cinnamon Red Colombo 3		
		ETA 23:55		Phone: +94 11 2 145145	Ganesh Rauniyar	
2	Monday	20/06/2016				
			10:30- 12:00	Meeting with Asitha Seneviratne	ILO-CO	
			15:00 -16:30	Meeting with the ILO Country Director Mr. Donglin Li and the programme staff	Directors' Room ILO Country Office for Sri Lanka and the Maldives, 202, Bauddhaloka Mawatha, Colombo 07	Mr. Donglin Li Ms. Indra Tudawe Ms. Primo Weerasekara Mr. Asitha Seneviratne
						Confirmed
3	Tuesday	21/06/2016				
			09.00 - 11.00	Meeting with Mr. Shiham Marikkar, CEO/CG, NCE	532/4K, Sirikotha Lane, Galle Road, Colombo 03,	Ganesh Rauniyar
			11.45 12:45	Meeting with Mr Kanishka Weerasinghe, Director General Employers' Federation of Ceylon	Employers' Federation of Ceylon, 385 J3, Old Kotte Road, Rajagiriya, Sri Lanka.	Ganesh Rauniyar
			15:00- 16:00	Shafinaz Hassendeen Former ILO Senior Programme Officer	ILO Conference Room	Ganesh Rauniyar
			16:00 –17:00	Steve Creech, LEED Phase II project Consultant (currently with Pelagius Pvt Ltd)	ILO Conference Room	Ganesh Rauniyar
						Confirmed
4	Wednesday	22/06/2016				
			09.30-10:30	Meeting with Ms. Dulani Sirisena, Programme Manager,	Australian Commission, Colombo	High Ganesh Rauniyar
						Confirmed

Department of Foreign Affairs and Trade,
Australian High Commission

Travelling to Kilinochchi

Ganesh Rauniyar
Translator (TBC)

Confirmed

12.30-13:30

Meeting with Mr. Upali, CRE Exporters, Gampaha
Chairman, CRE Exporters, Gampaha

Ganesh Rauniyar

Confirmed

14:00-22:30

Continue travel to Jaffna

5	Thursday	23/06/2016				
	09.00 - 11.00		Meeting with LEED stakeholders	In Jaffna	Ganesh Rauniyar and Selected key stakeholders	Confirmed
	11:00 –12:00		Meeting with Udan Fernando, Executive Director, Centre for Poverty Analysis	In Jaffna	Ganesh Rauniyar	Confirmed
	12:30-13:30		Meeting with the Provincial Director of Agriculture	In Jaffna	Ganesh Rauniyar	Confirmed
	14:00-16:00		Meeting with at the Chamber of commerce Jaffna office	In Jaffna	With the CEO	Confirmed
6	Friday	24/06/2016				
	09.00=11.00		Meeting with LEED Team	In Killinochchi	All project staff , Nihal Devagiri, Thebesan, Suganthna, Farzan and Shanthi	confirmed
	11:30-13:00		Meeting at Sivalnarul food processing centre	In Killincochi	GM and some of the selected staff members	confirmed
	14:00-16:00		Meeting at Poetry Fisherman Federation	In Poonekary	President, GM and some board members	confirmed
7	Saturday	25/06/2016				
	09:00=11:30		Meeting at Wilarmadi Fish coop	In Cookery	President, GM and selected members	Confirmed
	11:30-13:00		Meeting at Nachchikudah fish coop	In Paoonekery	President, GM and selected members	confirmed
	14:00 –15:00		Meeting with Operations Manager, Taprobane Sea Food Exporters	In Cookery	Operations Manager	Confirmed
	15:00 –16:30		Meeting at Walepadu fish coop	In Cookery	President, GM and selected members	confirmed
8	Sunday	26/06/2016	Document review and Inception Report			
9	Monday	27/06/2016				

	09.00		Meeting with the DS cookery	In Cookery	DVI.Sec	confirmed
	10.30		Meeting at Mulnagavil Coop	In Poetry	President, GM and selected members	confirmed
	12.30		Meeting at Tunukkai Coop	In Tunukkai	President, GM and selected members	confirmed
	15.00		Meeting at MUTCC	In Oddusudan	President, GM and selected members	confirmed
10	Tuesday	28/06/2016				
	9.00		Meeting at VN Coop	In Vavuniya North	President, GM and selected members	confirmed
	12.00		Meeting at Vishwamadu coop	In Wishwamadu	President, GM and selected members	confirmed
	14.00		Meeting WEGE Association	In Mullaitivu	President, and selected members	confirmed
	16.00		Meeting the Assistant coop commissioner	In Mutative	Asst. Com	confirmed
11	Wednesday	29/06/2016				
	09:30		Meeting with the Division Secretary, Vavuniya North	In Vavuniya North	Dis. Sec.Vavuniya	confirmed
	10:30		Meeting with a group of PwDs	In Multi	Selected beneficiaries	Cancelled
			Travel to East (Batticaloa)			
	16:30		Meeting with LED/ILO staff at Batticaloa	In Batticaloa	Thiru Kumaran	Confirmed
12	Thursday	30/06/2016				
	09:00-09:30		Meeting with the District Secretary (DS) and Director Planning, Batticaloa	In Batticaloa	Dis. Sec	To be confirmed
	09:45-11:30		Meeting with Director, East and West Outbound Travel and Tours,	In Batticaloa	Sandrine Debruyene w selected homestays	confirmed
	11:30-13:00		Meeting with WRD- Food terraces	In Batticaloa	Management Committee Selected beneficiaries	Confirmed

			Travel to Arugam Bay			
13	Friday	01/07/2016				
	0900		Meeting at Urani	At Urani	President, GM and selected members	confirmed
	1100		Meeting with Auto owners assn.,	At Arugambay	President, GM and selected members	confirmed
	1300		Meeting with Panama Community Based Tourism Association (CBTA)	At Panama	President, and selected members	confirmed
	1400		Meeting with some homestays and visit some camping sites	At Panama	Selected places	confirmed
14	Saturday	02/07/2016				
	09:00		Visit some camping sites and group discussion	At Panama	Selected beneficiaries	confirmed
	11:00		Travelling to Colombo			
15	Sunday	03/07/2016				
			Data compilation and analysis preparation for workshop			
16	Monday	04/07/2016	Meeting with Mr. Wimalaweera Senior Asst. Secretary (Labour & Foreign Relations), Ministry of Labour and Trade Union Relations Data compilation and draft presentation		Senior Assitant Secretary	On request
17	Tuesday Wednesday	05/07/2016 06/07/2015	Data compilation and analysis preparation for workshop			
18	Wednesday	07/07/2016				
	AM		Debrief to ILO staff	ILO-CO	Ganesh Rauniyar	Confirmed

	PM		Stakeholder debriefing	Colombo (venue to be confirmed)	All relevant stakeholders	
19	Thursday	08/07/2016				
	11:30 am		Departure on Flight SQ4xx			

APPENDIX 6: MIDTERM EVALUATION RECOMMENDATIONS, IMPLEMENTATION STATUS, AND ACTIONS TAKEN

Recommendation	Status, Priority, and Target Date	Action taken
<p>Recommendation 1: The project's market driven LED design and implementation strategy, together with the experiences and the knowledge gained by the project in the context of the transition from humanitarian to development assistance in the Northern Province of Sri Lanka should be shared more widely with UN, other agencies and the Government of Sri Lanka (GoSL). The project's achievements should also be used to leverage more support for market driven LED assistance to conflict-affected communities, which are no longer in need of humanitarian assistance. Responsibility: ILO Country Office, ROAP, and Headquarters. Priority: Medium, by December 2014.</p>	<p>Status: Accepted. Priority: Medium</p> <p>Responsibility: ILO CO-Colombo ROAP ILO CRISIS,</p> <p>Target Date: 12/2014</p>	<p>The project has taken all measures at district, provincial, national and inter-agency levels wherever the opportunity arose to share the LEED strategy and project approach. Other UN agencies and ACRP partner organizations changed from livelihood to economic development approach. ILO Headquarters also considered the LEED approach to replicate in Colombia after the signing of a peace agreement with the rebels.</p>
<p>Recommendation 2: ILO offices at the country, regional and headquarters level should reflect on the weaknesses in the quality appraisal process that led to the submission of a substandard proposal to the AusAID's ACRP3. As appropriate, remedial action should be taken to strengthen the capacity of staff and internal procedures, to improve the quality assurance of 5 future concepts and proposals. Responsibility: ILO CO, ROAP, and HQ. Priority: Medium, by December 2014.</p>	<p>Status: Accepted and this was communicated to the head office level.</p> <p>Priority: Medium</p> <p>Responsibility: ILO CO-Colombo, ILO ROAP, ILO/DWT</p> <p>Target Date: 12/ 2014</p>	<p>The project and ILO CO took action to improve the internal procedures and quality assurance arrangements for appraising the investment proposals.</p>
<p>Recommendation 3: The project's LFA matrix, implementation plan and monitoring and evaluation (M&E) framework should be revised, updated and redesigned and incorporated as an addendum to the PRODOC. The revised, updated and redesigned project management tools should reflect all subprojects that have been completed, are ongoing and those that are planned to be completed before the end of June 2013. The project's goal, overall objective and target numbers of direct and indirect beneficiaries should not change. The new M&E framework should encompass AusAID's six Domains of Change. Responsibility: ILO CO. Priority: High, by January 2013.</p>	<p>Status: Accepted and project took measures in following the recommendations</p> <p>Priority: High</p> <p>Responsibility: ILO CO-Colombo,</p> <p>Target Date: 01/2013</p>	<p>The project adopted revised logical framework, implementation arrangement framework and monitoring and evaluation based on the AusAID domains of changes. The revised, updated and redesigned project management tools were in place in order to reflect all subprojects that had been completed</p>
<p>Recommendation 4: If the project proceeds into the second phase of the ACRP3, a new PRODOC must be written. The new PRODOC should clearly set out the project's justification, geographic scope and the problem that the project is seeking to address during the second phase. The project's direct and indirect beneficiaries must be accurately defined.</p>	<p>Status: Accepted</p> <p>Priority: High</p>	<p>A new PRODOC was in place for the second phase covering all the conditions and requirements. Risk matrix also was in place. The project's modified revised conceptual framework and the assumptions and risks associated</p>

The project's modified revised conceptual framework and the assumptions and risks associated with the revised project design should be clearly set out. The activity and programme delivery costs for the second phase should be justified by an activity-based budget, consistent with the new project design. Responsibility: ILO CO. Priority: High, by March 2013.

Recommendation 5: The Country Director is advised to consider temporarily suspending the approval of any new economic infrastructure development projects until the revised LFA matrix is annexed to the PRODOC and the effectiveness and cost efficiency of all. The project should continue to business development services (BDS) implement all ongoing subprojects and any new BDS subprojects in support of human resource development, decent work and equality during the revision of the LFA Matrix and the internal assessment of the project's effectiveness and cost efficiency. Responsibility: ILO CO. Priority: High, with immediate effect.

Recommendation 6: More support should be provided to the project with regard to M&E and for quality assurance of project reports. In the event that the project is extended until May 2015, the steps that will be taken to phase out the CTA and hand over project management responsibilities to a national member of staff must be explained in the new PRODOC. The new PRODOC should consider a provision to recruit a senior female member of staff responsible for either BDS (decent work and equality) or M&E: a woman who has experience of incorporating the experiences, knowledge, and interests of vulnerable groups into programme and project plans. Responsibility: ILO CO. Priority: High, by March 2013.

Recommendation 7: In the event that the project is extended until May 2015, the revised PRODOC should contain a new governance structure for the project at the district level. The new governance structure must be realistic. It should be linked to the ILO's tripartite constituents and key project partners at the district and the national level. The new governance should ensure that the PAC receives regular reports on the project's progress. Responsibility: ILO CO. Priority: High, by March 2013.

Recommendation 8: The ILO could do more to keep AusAID updated on the project's communications outputs and ensure that the role of the Ministry of Labour and Trade Union Relations in the project is disseminated widely among project partners at the

Responsibility: ILO CO-Colombo, Project Team with the revised project design clearly set out. Project budgeting provisions followed new programme costing.

Target Date: 03/2013

Status: Accepted. The project continued to implement all ongoing subprojects and any new BDS subprojects in support of human resource development, decent work, and equality. PRODOC was designed in such a way that all the subprojects could be reliably and independently verified, using the redesigned performance or results-based M&E framework.

Priority: High

Responsibility: ILO CO Colombo

Target Date: Immediate

Status: Accepted Support was provided to set-up an M&E framework and a person were dedicated for that purpose. The new management arrangement was also clearly explained in the new PRODOC.

Priority: High

Responsibility: ILO CO-Colombo A senior female staff was also recruited to look after gender who had experience of incorporating the experiences, knowledge, and interests of vulnerable groups into programme and project plans

Target Date: 03/2013

Status: Accepted The new governance structure was clearly explained in the new PRODOC with clear communication plan at all levels, including divisional, district provincial and national levels. In addition to PAC, the project also reported to the DWCP team on a regular basis.

Priority: High

Responsibility: ILO CO-Colombo and Project Team

Target Date: 03/2013

Status: Accepted The project shared all outputs such as reports, studies, and other information materials through MOL support and sometimes through the respective government departments and

Priority: Medium

district, divisional and local level. Responsibility: ILO CO. Priority: Medium, by end of each quarter.

Responsibility: ILO CO-Colombo units with DFAT/Australian High Commission.

Target Date: End of Each Quarter

Recommendation 9: The project needs to initiate more subprojects in support of BDS that focus on decent work and equality, within the time remaining under the first phase of the project. If the project proceeds into a second phase, greater emphasis should be given to subprojects that focus on strengthening, challenging and changing attitudes and values of individuals, businesses, and institutions to decent work and equality. New economic infrastructure development activities should be included in the second phase of the project. Responsibility: ILO CO. Priority: High, by March 2013.

Status: Accepted Project implemented a number of BDS support programme especially focusing vulnerable communities. It Focused programme for cooperative development, gender, women enterprise development, farming, aquaculture, crop management, market and management development etc.

Priority: High

Responsibility: ILO CO-Colombo and Project Team

Target Date: 03/2013

Recommendations 10: All subproject proposals should contain a brief analysis of the potential positive and negative impacts of the subproject on the environment. When potentially negative impacts are identified, appropriate measures to mitigate these negative impacts must be clearly set out in the subproject proposal. If the project continues into the second phase, the revised PRODOC should set out the environmental impact assessments procedures that will be followed by the project to plan and implement all new subjects. Responsibility: ILO CO. Priority: High, by December 2012. Moderate, by March 2013.

Status: Accepted The project implemented all interventions based on sound technical, social, economic and environmental feasibilities.

Priority: High

Responsibility: ILO CO-Colombo and Project Team

Target Date: 12/2012– 03/2013

Source: ILO CO-Colombo with the support of project team.

APPENDIX 7: PROJECT ADVISORY COMMITTEE MEETING (STAKEHOLDER WORKSHOP)

Renuka Hotel, Colombo, 7 July 2016

AGENDA

Time	Activity
09:00 – 09:05	Opening Remarks: Mr. Gotabhaya Jayaratne, Secretary, Ministry of Labour and Trade Union Relations
09:05 – 09:10	Opening Remarks: Mr. Donglin Li, ILO Country Director for Sri Lanka and the Maldives
09:10 – 09:15	Remarks by Donor: Ms. Dulani Sirisena, Programme Manager, Australian High Commission, Colombo
09:15 – 10:00	Presentation of the Impact Study: Dr. Udan Fernando, Executive Director, Centre for Poverty Analysis (CEPA)
10:00 – 10:15	Tea Break
10:15 – 10:45	End of Project Presentation: Mr. Nihal Devagiri, National Project Coordinator – LEED/LED Project
10:45 – 12:45	Final Independent Evaluation of LEED and LED Projects - Emerging Findings and Recommendations: Dr. Ganesh Rauniyar, External Evaluator, ILO
12:45 – 13:00	Closing Remarks: Mr. A. Wimalaweera, Senior Assistant Secretary, Ministry of Labour and Trade Union Relations (on behalf of the Secretary)

END OF PROGRAMME

LIST OF PARTICIPANTS AT THE WORKSHOP

Name	Affiliation
1. (ineligible)	
2. (ineligible)	
3. (ineligible)	
4. Geyathiru Lokuge	CEPA
5. Nelan Tiloo	QPA
6. Sudath Jayasinghe	Office for National Unity and Reconciliation
7. Sumeetha Konnatilak	FairTrade International
8. W.W.S. Mongnia	Director of Planning, Ministry of Agriculture
9. Ajith D. Perera	FCCISC
10. K. Romesha	Team Lead, CEPA

11. Nadia	(ineligible)
12. Sachithra Weerasinghe	NCE
13. Steve Creech	Pelagikos Pvt Ltd
14. E.W. Yajeewa	Scanwell Logistics
15. Eragan Ammanugama	CEPA
16. Sivasuthan Ramanathan	Australian High Commission
17. Dulani Sirisena	Australian High Commission
18. Timothy O'Reilly	Tarkobane Seafoods
19. Ditan Fernando	Tarkobane Seafoods
20. A. Wimalaweera	Senior Assistant Secretary, Ministry of Labour and Trade Union Relations
21. M. Shibam Marikar	NCE
22. (ineligible)	Marketing Consultant
23. (ineligible)	Additional Secretary, Ministry of Industry and Commerce
24. Mr. Gotabhaya Jayaratne	Secretary, Ministry of Labour and Trade Union Relations
25. Shaina Haseenadeen	Consultant
26. Donglin Li	Country Director, ILO CO- Colombo
27. Nihal Devagiri	National Project Coordinator, LEED/LED
28. Asitha Seneviratne	ILO CO-Colombo
29. (ineligible)	ILO CO-Colombo
30. (ineligible)	Ministry of Prison Returns Rehabilitation and Resettlement

APPENDIX 8: LIST OF TOURISM INITIATIVES UNDER LED PROJECT

(JANUARY 2015 – JUNE 2016)

Batticaloa District	Ampara District
<p>January 2015 – December 2015</p> <p><i>Promoting community tourism activities and provision of home-stay services</i></p> <p>Coverage: Manmunai North, EravurPattu, Manmunai West, ManmunaiPattu, and KoralaiPattu South area</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Held community meeting with GNO and EDO (sensitization meeting to introduce boat riding, fishing, farming, cooking classes, meals preparation, camping, home stays, handicrafts) • Met with fishermen and offered losses on fishing and demonstrated the use of safety jackets • Provided tools and equipment to promote bicycle tours, fishing classes, bird watching, and hiking • Purchased books on fauna and flora, tourism attraction for guides and drivers in consultation with East N' West • Developed promotional materials and advertisements and sign boards and online promotion of Batticaloa as a tourist destination • Provided orientation to tourism operators in Colombo about community tourism products • Established 10 homestays with the support of East N' West 	<p>January 2015 – December 2015</p> <p><i>Establishment of three commercial fruit production villages and link them with tourism market</i></p> <p>Coverage: Selected villages in three divisions</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Selected 100 beneficiaries using a participatory approach • Organized two exposure visits to agricultural farms for the beneficiaries in coordination with the Department of Agriculture and LEED project • Supported the construction of agro-wells and compost sites and facilitated access to planting materials and six training technical training sessions for the beneficiaries from the Department of Agriculture (Lahugala 2, Komari 1, Thank 1 and Panama 2). • Facilitated market linkages, the formation of producer group organizations, and linkages with the private sector.
<p><i>Empowering Rural Communities through Production of handicrafts</i></p> <p>Coverage: Four women groups through Arumbugal Foundation (AF): Koduwamadu (cane-based) Kiran East and Kirankulam (waste paper-based) and Valaichchenai (natural fibres)</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Production commenced in KiranKulam and Kiran East while the Koduwamadu centre requires further improvement. AF has not found markets yet for the cane products). The project has terminated the contract for less satisfactory labour employment practices (child labour and not paying workers) and poor materials used. • Provided technical support for decent and fair work conditions and safety and health around labour issues 	<p><i>Community operated camping tourism</i></p> <p>Coverage: 30 beneficiaries from Panama, Lahugala, and Urani</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Engaged Eco Wave Travels to design and implement the initiative with the support of the Department of Wild Life's wardens at Kumana and Lahugala wildlife parks • Eco Wave purchased all camping equipment and other necessities • Entered into an agreement with Eco Wave Travels to allocate 25% of their staff time

<p>including child labour for the organization, which was handling the producer groups. Also held a discussion with the District Secretary. The issues have been discussed and measures are taken to empower the women groups in four centres to be directly linked with the market.</p>	<p>for follow-up and marketing over 12 to 18 months.</p> <ul style="list-style-type: none"> • Designed, developed and initiated web-based marketing tool by including Facebook account maintenance by including camping activities. Also, designed and circulated promotional leaflets to hoteliers in Arugam Bay, This and down South of Sri Lanka
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<p><i>Skills and capacity development to enhance the service quality and the competency of human resources in the tourism sector</i></p> <p>Coverage: 20 owners and managers</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Trained in marketing food and accommodation services (Using web / online, using social media, etc), Sound human resource management practices in the hospitality industry, marketing, and promotions and facilitated observation visit to the Jetwing Hotel Pvt. Ltd.'s property in Vil Uyana and Dambulla. • Trained 14 chefs in enhancing skills and insight of cooks/ chefs, awareness about personal hygiene and grooming as well as food hygiene and cleaning, and tools and equipment, structure of menus and recipes, menu introduction and costing, cookery and basic sauces, butchery, cold kitchen, local and international cuisines, pastry and bakery. • Trained 20 hotel staff in two batches in housekeeping, food and beverage service, multi-tasking and provided awareness on personal hygiene and grooming and introduction to housekeeping and food and beverages, cleaning methods, Handling manual and electrical equipment, identifying cutlery, crockery and glassware, menu knowledge, placing a setup, cleaning and non-cleaning agents, caddy baskets. • Translated the hospitality industry best practice guides in Tamil & Sinhala and shared with the hotels who have participated in the training. 	<p><i>Constructing five camping platforms and three sanitary facilities in, Lahugala Wildlife Parks</i></p> <p>Coverage: Lahugala Park</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Supported the to construct 5 platforms in the Lahugala Park by local Women Rural Development Societies with the supervision of a qualified technical officer and upon completion, these were handed over to the Department of Wildlife. • Initiated marketing plan to promote the site nationally and internationally • Prioritised local camping service providers to operate camping activities inside the National Park
<p><i>Community-Based Fruit Farm and Link them with Existing Tourism Operators for Marketing</i></p> <p>Coverage: Eravur Division</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Facilitated access to land, planting materials (banana papaya and watermelon) and training to a group of beneficiaries through Division Secretariat and the Provincial Department of Agriculture. • Selected 25 conflict-affected poor household beneficiaries interested in farming through a consultative process and transparent eligibility criteria for project support in the form of agro-wells and electric fencing to protect farms from wild animals. • A LEED project consultant facilitated the beneficiaries in linking them to the market. • Initiated the formation of a producers' organization for linkage development with the private sector for better income opportunities. 	<p><i>Enhancing the Capacity of local community to run home-stay services in Panama and Lahugala villages</i></p> <p>Coverage: Lahugala and Panama</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Established homestay business in Lahugala and Panama supported by training 15 operators in tourism and practical aspects of housekeeping and food and beverage preparations with a focus on quality and marketing. • Supported the construction of homestay units with bathrooms and/or other requirements. • Commenced marketing through web promotion and developed linkages with the marketing companies

<p><i>Mapping of Buildings with Historic Significance</i></p> <p>Coverage: Batticaloa mainland</p> <p>Accomplishments</p> <p>Completed mapping of 20 historic places in Puliyantivu, Kattankudy, Kallady, Palameenmadu and Mamangam.</p> <ul style="list-style-type: none"> • Prepared a brief profile document with photographs • Facilitated the formation of a committee by the government agency to replicate the exercise in all 12 district secretariat divisions to map out all historic locations to be demarked and gazetted as historic places for further studies and projects. 	<p><i>Construction of a community driven souvenir shop/Cafeteria at the entrance of Kumana National Park</i></p> <p>Coverage: Panama area and around Kumana national park</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Provided funding to the national park for the construction of a building for the local Rural Development Society-run souvenir shop at the entrance of Kumana National Wildlife Park for income generation
<p><i>Gender sensitive Value Chain development/ tourism Strategy and to Develop District Tourism Development plan</i></p> <p>Coverage: District-wide</p> <p>Accomplishment</p> <ul style="list-style-type: none"> • Prepared a gender-sensitive value chain strategy (being used in both project districts and by partners) • Developed a tourism plan for Batticaloa district. 	<p><i>Tourism Strategy and to Develop District Tourism Development plans</i></p> <p>Coverage: District-wide</p> <p>Accomplishment</p> <ul style="list-style-type: none"> • Tourism plans developed
<p><i>Community managed wild campsites integrated with the agro-tourism interventions in Eralakulam</i></p> <p>Coverage: Eralakula, Eravur Pattu Division</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Supported community managed commercial fruit farming interventions targeting tourism and export markets by the conflict-affected households who had been resettled with support from the government and international development partners. The community consists of archeological ruins still intact/surveyed due to the recent conflict as the divisional authorities. The location is bordering to the Maha Oya National park of Ampara and there is a high potential to see wild animals. • Supported to establish campsite near to the potential agro, wildlife, community residences with the electrified fencing protection (as to protect from wild elephants) and the community has been capacitated to cater the visitors as well as to organize trails to the farming sites, forest, tank fishing / canoe safaris. • Supported by setup spice garden and bee honey production in small scale for piloting in addition to the commercial fruits farm being developed. 	<p><i>Empowering the women and youth of Urani through the development of new tourism based products and services which will strengthen their livelihood in the tourism sector.</i></p> <p>Coverage: Urani in partnership with Kanagarkiramam Organic Agriculture Society (KOAS), Pottuvil Division</p> <p>Accomplishments</p> <ul style="list-style-type: none"> • Supported KOAS implemented Urani Village Fishermen Society to build and operate two rafts (pontoons) with support from Sri Lanka Eco Tourism Foundation and the Department of Coastal Conservation. The pontoons are well equipped with necessary the accessories such as life jackets, binoculars, and iceboxes. The tour guides are organised separately if there is a need for their services, as there are three trained local tour guides readily available in the village. • KOAS is renting surfing boats and bicycles to the tourists and the operation are marketed through tourism operators. A separate space for KOAS is established to

	<p>run their tour services as a separate business model in Urani.</p> <ul style="list-style-type: none"> • Supported an IT company for digital marketing and advertising of their services. • Linked KOAS by with the Sri Lanka Eco-tourism Foundation (SLEF) for finding the best marketing options for the local tour products.
<p><i>Community owned marine tourism management including recreational and traditional seafood terrace at Kallady Beach</i> Coverage: Kallady Beach Accomplishments</p> <ul style="list-style-type: none"> • Developed a Seafood Terrace close to the beach in Kallady as that location is very much closest to the main town. A seafood restaurant built with timber and with a capacity of 50-60 visitors at a time, and run by a group of local community women, offering cooking classes. [at the time of Evaluator's visit, the restaurant was operating only two days a week due to low tourist traffic. • Supported to capacitate the community to take care of the beach resource by keeping it clean and plastic-free and actively engage them to get the benefit to the locals by promoting marine tourism products / services. 	<p><i>Empowering farmers in by supporting them to produce quality and demanded fruits to increase the local supply to the Tourist, Local, and National markets</i> Coverage: Padiyathalawa Division Accomplishments</p> <ul style="list-style-type: none"> • Supported sustainable fruit crops production (banana, papaya, and watermelon) by 60 farmers of the Deriyashakthiy Agri-Women Society and supply to the market with technical support from the District Department of Agriculture and working capital from the project. • Helped to establish market linkages with the assistance from the LEED project consultant.
<p><i>Marketing and Promotional Support to Community Managed Tourism Products and Services in Eralakulam (Batticaloa), Uranium and Panama (Ampara)</i> Coverage: Elarakulam in Batticaloa Accomplishments</p> <ul style="list-style-type: none"> • Eralakulam Camping site is branded as the first 'Model Community Camping Project' in the Eastern Province of Sri Lanka enabling to attract up-market genuine eco-tourists • The SLEF conducted feasibility study to develop the concept of eco-camping site; supported the Rural Development Society in building their capacities and to develop marketing linkages; assisted them to prepare mechanisms to promote the products and prepare promotional materials; supported to promote, develop and establish market linkages for Urani Organic Agriculture Association and Fishermen's association and the Panama Community-based tourism association while linking them with the customers nationally and internationally. 	<p><i>Integrating the tour operators and tourist service providers of Lahugala DS Division and promoting and branding of tourism in Panama</i> Coverage: Panama and Lahugala division Supported Lahugala Division Secretariat effort in establishing Panamapattu Community Based Tourism Association, an apex organization of tourism based service providers in the Division. Funded renovation of an older building to establish an office of Panamapattu CBTA which opened up on the last day of the project (30 June 2016). Funded development of a website to promote local tourism activities. While it was meant for the global search for tourism sites, it did not work on the day evaluator visited the office.</p>

Supported to renovate and convert abandoned RDS Building to as Office and Storage Space and Mobility Support to Batticaloa North Agriculture Producers' Federation (BT/NAPF)

Coverage: Preadeniya

Accomplishments

Supported to establish a commercial type Community-Based Fruit Farm and explored market linkages for 25 households, including 4 female-headed households in cultivating 25 acres of papaya by 100 farmers, along with banana and watermelon as intercrops.

Supported rehabilitation of the conflict-damaged building to store and pack fruits before transporting them for sale.

Provided a mini truck to ensure frequent supplies of fruits based on the demand for hotels and local markets (Dambulla) and in the beginning until potential links with exporters established.