

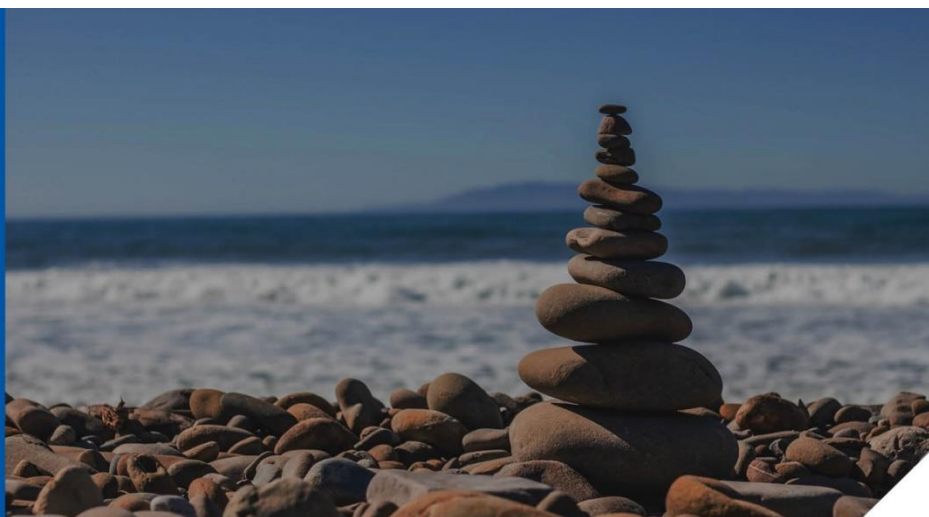


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Local Empowerment through Economic Development and Reconciliation Project (LEED+) – Evaluation Report (Volume I – Main Report)

ILO DC/SYMBOL: LKA/18/01/MUL

Type of Evaluation: Project

Evaluation timing: Final

Evaluation nature: Independent

Project countries: Sri Lanka

Main P&B(s) that have been assessed by the evaluation:

1- ILO P&B 2022-23, Outcome 3: Economic, social and environmental transition for full, productive and freely chosen employment and decent work for all.

ILO P&B 2022-23, Outcome 4: Sustainable enterprises as generators of employment and promoters of innovation and decent work

2- Indication of the main SDG(s) that have been assessed by the evaluation: The project simultaneously supports Sri Lanka's obligations under the SDGs including on Goal 8 on promoting decent work, Goal 5 on supporting gender equality, Goal 10 on reduced inequality, Goal 13 on climate change, and Goal 16 on peace and justice and strong institutions.

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List of Acronyms and abbreviations

CCiy	: Chamber of Commerce and Industry, Yarlpanam
Coop	: Cooperatives
DFAT	: Department of Foreign Affairs and Trade (Australia)
DME	: Department of Manpower & Employment
DS	: Divisional Secretariat
DWCP	: Decent Work Country Programme (ILO)
FGD	: Focus Group Discussion
FHH	: Female-headed Households
GAP	: Good Agricultural Practices
GMP	: Good Manufacturing Practices
GoSL	: Government of Sri Lanka
ILO	: International Labour Organisation
KII	: Key Informant Interview
LEED+	: Local Empowerment through Economic Development and Reconciliation (LEED+) – this project
LKR	: Sri Lanka Rupee
M&E	: Monitoring & Evaluation
MSME	: Micro Small Medium Scale Enterprise
NAQDA	: National Aquaculture Development Authority
NAQDA	: National Aquaculture Development Authority
PDol	: Provincial Department of Industries (Northern Province)
PDoSS	: Provincial Department of Social Services (Northern Province)
PwD	: Persons with Disability
SDG	: Sustainable Development Goals
SME	: Small and Medium Scale Enterprise
ToT	: Training of Trainers
USD	: US Dollar
WESWA	: Women Enterprise Social Service Welfare Association

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Executive Summary

Background

The experiences from the post-conflict era show that local economic growth has to be inclusive and sustainable for the affected people. Evidence from the conflict-affected areas in Sri Lanka shows that providing decent work opportunities and job security have empowered the vulnerable persons.

ILO has been engaged in LEED work since about 2010; there have been several initiatives preceding this Project culminating with Phase I of this Project. Key achievements include improving the supply chains, initiating discussions with companies in the South, and establishing centres for **vegetables and fruits** with a network of about 1,000 farmers contributing supply chains, increasing the milling capacity in the **paddy sector**, and improving production, processing and marketing in the **other field crops** sector.

Contextual changes in Sri Lanka: The cessation of the conflict in 2009 saw rapid infrastructure development in the Northern and the Eastern provinces. However, the key issues relating to social inclusion and exclusion, vulnerability, marginalization, and discrimination have not been addressed adequately. During the Covid-19 pandemic between 2020 -2022, the country experienced restrictions in movement, holding physical meetings, and isolation of pandemic-sensitive areas. The 3rd wave of the pandemic negatively affected all development activities and livelihoods with varying intensity. The political changes from 2019 to 2022 exposed deep structural economic, political, and administrative weaknesses and corruption in the country leading to widespread peaceful protests and the resignation of the President. The ban of inorganic fertilizer severely affected agriculture and food production causing hardship to farmers. The chaos culminated with the country declaring bankruptcy.

The Project

The current Project, LEED+ aims to continue scaling up of the activities in the fruits, vegetables, and fishery sectors targeting the vulnerable communities, with a special focus on women, and scaling and policy development. The Overall objective of the Project is “*Enhanced resilience, inclusive and sustainable growth of targeted communities in selected areas of the Northern Province*”, which is to be achieved through four outcome areas, viz.,

- Improved productivity, efficiency, quality of products produced by the Coops, MSME and processed food sectors.
- Improved decent work opportunities for targeted communities including women and People With Disabilities;
- Enhanced participation in decision-making by women and people with disabilities (PwDs) within the MSMEs, Coops in fruit, vegetable, fishery and processed food sectors and community, and
- Local Economic Development approach or its elements adapted into development programmes by relevant government agencies and private sector organizations.

The target beneficiaries are women and persons with disabilities within the MSMEs in primary industries and informal sectors, cooperatives and community, youth, the poor and vulnerable who have been identified by the LEED+ project. The areas of implementation are the five districts of the Northern Province, namely, Vavuniya, Kilinochchi, Mullaitivu, Jaffna, and Mannar. The Project has been implemented from 1 July 2018 to 30 June 2023, and has been extended by six months for Outcome # 4. The budget is US Dollars 6,588,969 funded by the DFAT Australia and Norway.

The final evaluation

The main purpose of the evaluation is to ensure accountability and learning to the ILO constituents and stakeholders and learning for future programming. The main users of this evaluation are ILO's constituents, national and international partners, Ministries/agencies of the Government of Sri Lanka, Cooperatives, SMEs, and the Private Sector. Other users are ILO Country Office in Colombo, ILO HQ, EMPLOYMENT, ENTERPRISES, ILO Regional Office for Asia and Pacific, and the donors.

Scope of the evaluation: The scope of the evaluation covered all interventions of the Project implemented from 1 July 2018 up to date in all districts in the Northern Province. The evaluation examined the following:

- Contribution of the capacity development and the provision of appropriate technology and economic infrastructures to cooperatives, farmer societies, MSMEs, towards generating sustained income, decent working conditions, and inclusion of women and PwDs in economic activities;
- Incorporation of gender equality, disability, social norms and environment/climate change considerations into project implementation;
- Assess, to the extent possible, project's impact on mental health and wellbeing of the beneficiaries, including mechanisms set up to prevent and report of exploitation and abuse related to work; and
- The linkage of the project to ILO's programme and policy frameworks at the national and global levels, UNSDCF and national sustainable development strategy

Approach: A participatory and interactive approach was adopted in this evaluation. For collection of data and information, qualitative methods/ techniques in terms of their relevance to the project were used. The evaluation adopted the principles of gender equality, inclusion and non-discrimination and followed the concept of SDG 'leave-no-one-behind (LNOB)'. The data collection methods and tools were customized to address the evaluation questions

stipulated in the Terms of Reference. Data collection was conducted in an independent and objective manner and followed a participatory and ethically accepted approach.

Methodology and Tools for the evaluation: A mixed methods approach was used in this evaluation to enable triangulation of data from different sources. Initially, the stakeholders were mapped, and those to be engaged in the evaluation were identified by the Project. Desk research included collection of data and information from documents/reports generated by the Project, and other documents. Seventy-seven key informants (external) were interviewed, and eight Focus Groups Discussions were held in the five districts involving 93 beneficiaries (36 males/57 females). Field visits were undertaken to obtain first-hand knowledge of the interventions undertaken by the beneficiaries.

The evaluation examined the extent to which the Project's gender and inclusion have been used and the way the project has enhanced the capacities of beneficiaries. The qualitative information collected was analysed and triangulated to derive trends and conclusions. During the interviews, ethical norms and principles were followed. The evaluation followed the guidelines of ILO during the assignment.

Evaluation Findings

Relevance: The Project aligns well with the recommendations of the Lessons Learned and Reconciliation Commission (LLRC) of the then Government of Sri Lanka, the Sri Lanka Peacebuilding Priority Plan (PPP), and the national policy framework of Government of Sri Lanka. The Project contributes to the National Export Strategy of Sri Lanka (2018-2022). The Project directly addresses the needs of people in the Northern Province in terms of meeting their aspirations on improving their livelihoods, and the focus on vulnerable women and Persons with Disabilities aligns well with the Northern Provincial Council priorities. The Project aligns well with the priorities the Australian Aid Investment Programme for Sri Lanka 2015-2019, and Norway's regional development priorities and for promotion of gender equality and sustainable economic growth. Additionally, it is aligned to the United Nations Sustainable Development Cooperation Framework (UNSDCF), and ILO's Decent Work Country Programme (DWCP 2018-2024).

The Theory of Change of the Project is well founded. The logic is reflected in the Results Framework, except peace and reconciliation. Overall, the indicators in the Results Framework are valid but could be SMART. The Project set in place response to Covid-19 pandemic and introduced mitigatory actions to about 1,000 farmers to overcome economic hardships under the *Employment Intensive Investment Programme* and the *Reasonable Accommodation* approach.

Effectiveness: In spite of the implementation difficulties faced by the Project, work picked up during 2022.

Outcome # 1 The Project adopted several pronged approaches to improve the livelihood activities of 6,127 beneficiaries which included 641 PwDs. Most beneficiaries (81 %) were engaged in agriculture. Overall, in the agriculture and aquaculture components, significant benefits have been accrued to the beneficiaries. In regard to ground nut cultivation, the average net income increment is recorded as 202 per cent (from the baseline of LKR 22,363 to LKR 67,435 in 2022). In the MSME sector, the benefits are somewhat uneven. Some beneficiaries have performed better than the others; those with clear market linkages have performed well, whereas those without a specific market did not perform that well and were found to be struggling. Lack of consistent demand for products, increased cost of raw materials, loss of interest by beneficiaries, and overall high inflation has affected the performance of this sector. Some of the well-established SMEs have been able to overcome the external challenges. In the processed food sector, the achievements are noteworthy in spite of nominal investments by the Project. Many have acquired Good Manufacturing Process (GMP) certificates, and some have Sri Lanka Standards (SLS).

Market linkages and Value Chains The developments in market linkages have to be viewed against the work done in the previous phase. LEED+ was expected to up-scale a market development and value chain approach. The evaluation noted that the Project has strengthened the supply chains by formally linking producers to the market and introduced interventions to overcome the constraints identified during the previous phase. The full benefits of the value chains can only be achieved by identifying the full set of actors and activities that bring all those basic agricultural and aquacultural products from production in the field to final consumption.

Actions taken to overcome the economic crisis The *Employment Intensive Investment Programme* provided cash-for-work for rehabilitation of small tanks has brought in increased cropping intensity and increased inland fish population. The second approach, *supporting marginalised communities to continue agricultural pursuits*, supported 1,050 farmers to cultivate cash crops with considerable income increase.

Outcome # 2 The Project used general criteria to select vulnerable people. Although it targeted 414 beneficiaries, the Project reached support to 641 Persons with Disabilities (PwDs). The Project provided training to these groups on business skills; the evaluation noted that these special groups have improved their knowledge and attitudes towards managing a business. The attempts to mainstream PwDs into business ventures have been successful. The Project's support to GoSL agencies on integrating vulnerable communities including PwDs is much appreciated by the agencies. The Project provided sign language training to selected staff from Provincial Department of Industries, who in turn have trained others. The Provincial Department of Social Services (PDoSS) has also drafted a policy on PwDs which is under consideration by the authorities. Overall, PDoSS staff have a better understanding of the circumstances of PwDs.

The Project supported the Department of Manpower and Employment (DME) to create awareness amongst public officials on PwDs and disability employment. It held four job-fairs in conjunction with the private sector, and 35 PwDs were placed in wage employment; a follow-up showed that only seven (7) remained in the jobs. Further work is ongoing to identify the reasons. This work also highlights the need for creating awareness amongst the guardians of PwDs to bring them onboard on PwD employability.

Outcome # 3 The Project identified investments to improve the decision-making ability of women and PwDs. Progress of this component has especially suffered due to external factors; most of the actions have been implemented in the latter part of 2022, and it was too early to observe significant changes. It also facilitated the PDoSS to draft a gender policy for the Northern Province.

Outcome # 4 This outcome is to scale up the work of the Project. The work done by the Project to mainstream vulnerable people in the programmes of the targeted provincial departments in the Northern Province has been successful. The Project's engagement with some of the constituents has not proceeded due to a variety of reasons. The Project assessed the key bottlenecks for private sector investments in the Northern Province and provided recommendations to overcome these. The Project also scaled up its work by engaging in the Vanni Economic Development Programme of the State Ministry of Rural Economy by supporting 850 beneficiaries to undertake agriculture. The Project supported the Ministry of Fisheries with background studies to ratify the Work in Fishing Convention (C 188, 2007), which is progressing.

Factors that influenced the achievement or non-achievement of results - Overall, the successes of the Project can be attributed to its approach in forging partnerships with GoSL agencies and the private sector. The key factors that contributed to the achievements are (a) establishment of market linkages between the producers and the private sector entities, (b) Project's facilitation of providing technical and extension services to the farmers and to the fishers, (c) the Project's support for MSMEs/SMEs to obtain Good Agricultural Practices (GAP) and GMP certification, and (d) capacity development of the stakeholders in business planning, and in some cases financial management. The cooperative system could have been better engaged to increase benefits to the members.

Project management - The presence of the office in the Northern Province is a major advantage for implementation. The stakeholders appreciate the commitment of the Project staff, and the close rapport they have with the beneficiaries. The Project's Advisory Committee has been defuncted. The Project's Annual Reports are exhaustive but key information cannot be gleaned at a glance. The Project has not used the entirety of the data available from the field, particularly on changes in income, to demonstrate outcome changes.

Monitoring: The Project has developed an M& E protocol, and the monitoring system adopted by the Project is good. The evaluation noted that GoSL agencies found these monitoring s very useful. However, field level monitoring needs upgrading to ensure that the beneficiaries receive the necessary monitoring support and handholding.

Effectiveness of meso-level Partners – Overall, these partnerships have not been effective. Work with the Chamber of Commerce and Industry, Yarlpanam did not proceed to provide any tangible results; the Kilinochchi Cooperative Council has not been able to progress on the various interventions proposed by itself, and the SANASA's business development services package could not be continued due to lack of interest.

Resources allocated to demining areas – The Project supported about 400 families who have returned to their lands after demining; this support to start up agricultural activities has been very successful. The assistance provided to the settlers has enabled them to re-integrate into the society.

Coherence: The Project is a continuation of the LEED programme implemented by ILO and draws heavily from the experiences of the previous phases. The Project's work has linkages with several ILO initiatives. The Project also contributes to Country Priority # 1 and the Enabling Outcome # 4 of the DWCP.

The Project's coherence with GoSL work on agriculture, social services, and industries is strong; likewise, the aquaculture work of the Project is in line with the GoSL programmes. The development partners have programmes with similar interests which could have been linked to complement the existing work.

Efficiency: The Project's approach towards leveraging resources has been consistently applied at all levels of implementation. Project implementation was largely through third party contracts, and the evaluation has noted that there have been significant financial and human resources contributions by the Partners and GoSL entities. The private sector partners and the beneficiaries have contributed significant matching investments towards agricultural production. Aside from providing key equipment and machinery, the companies provided a timely extension service to the farmers. In the aquaculture sector, the producer cooperative provided matching support to launch the members' sea cucumber fishery.

Due to the external challenges faced by the Project, the workplans for 2021 and 2022 had to be re-worked in keeping with the changing context and ever emerging challenges. Yet, the Project picked up work during 2022; this is commendable achievement of the Project Team and the Partners.

The Project provided resources to engage expertise in gender and disability, both at the national level as well as in the Northern Province. The evaluation, during its field visits and meetings, did not note any financial constraints in implementing the Project's initiatives on vulnerable women and PwDs.

The Project has been implemented largely through partners contracts. The evaluation finds that this is an effective method of implementation given the low overheads of many of the partners. However, the evaluation could not find any justification for the Project to provide small machineries to those Partners who held substantial assets and bank balances.

Impacts: The Project facilitated linkages with the private sector have survived the difficult times in 2021 and 2022. The farmers have benefitted through enhanced prices for their produce. These market linkages appear strong and are likely to continue after the Project ends. The Project interventions to introduce technology and economic infrastructure have been, in general, effective, and are likely to be sustained in the future. The Project's interventions also facilitated tripartite support to the farmers where the Project, cooperatives and the farmers have collectively built infrastructure. The Project's assistance with e-marketing has benefitted the SME sector. Some have been able to secure overseas markets. The Project investment in the cooperative sector has not reaped the full benefits.

The evaluation noted increased income for farmers and fishers; In the MSMEs however, the benefits were not as marked as in agricultural interventions. Some beneficiaries who already had some form of business before the Project started continued to prosper in spite of modest investment from the Project.

The Project forged linkages between Northern farmers and Southern companies which has contributed to reconciliation.

Sustainability: The small farmer agricultural model with market linkages to the private sector offers a viable model for consideration in development strategies. The models involving chillies, ground nut, green gram, black gram, maize etc. are replicable as livelihood strategies. The model will sustain if the partnerships between the farmers and the private sector are sustained. The market linkage model is based on the market prices; the current model has shown some stability due to increased commodity prices following the ban of imports consequent to the foreign exchange restrictions. Any relaxation of imports would affect this model.

The evidence gleaned during the evaluation on the performance of higher-level cooperative does not indicate positive developments which could be translated into policy.

The Project's interactions with its key GoSL partners in the Northern Province have elicited positive response from them, in particular the PDoSS and PDol to include vulnerable women and PwDs in their programmes. Similarly, the SMEs and private sector partners have been influenced by associating with the Project interventions on the need to recognise vulnerable women and PwDs for decent work.

Gender equality and disability inclusion: The key achievements of the Project on gender equality and women's empowerment revolves around the efforts taken to mainstream gender across pre-existing domains of the Project, the value chains and the MSMEs involved therein, and in the various associated government, private sector organisations and cooperatives. Over 4,000 women have been exposed to gender and disability inclusion programmes and have gained increased income through the market linkages facilitated by the Project. Over 50 officials of the Provincial Department of Industries have been trained on entrepreneurship related areas so that they could extend services to women and the PwDs to start/improve their micro/small business and develop them. Other support included training cooperative and the Dept. of Manpower and Employment staff on gender and PwD inclusion, and undertaking affirmative actions to increase employment opportunities for vulnerable women, working mothers and PwDs.

The Project has been able to bring about changes in the stakeholders on the way they integrate gender and PwDs in their establishments. Key examples include the private sector companies engaged in market linkages and the GoSL agencies, working relationship that has been promoted between the Provincial Department of Social Services and the Provincial Department of Industries, and updating the PwD database. Overall, the Project's investment in capacity development have shown positive results which will be used/practised by them long after the project ends.

Project's responsiveness to SDGs: The Project's Results Measurement Framework highlights two SDG indicators, 8.5.1 (Average hourly earnings of female and male employees, by occupation, age and persons with disabilities) and 8.5.2 (Unemployment rate, by sex, age and persons with disabilities). The evaluation finds that there is no specific reporting on SDG targets. Discussions with the stakeholders in the project areas did not elicit any awareness creation on SDG by the Project. However, the evaluation found that the GoSL stakeholders were generally aware of SDGs but were not specifically focussed on SDG target relating to Goal 8.

Recommendations

The Project ends in June 2023 with a six months no-cost extension to complete activities relating to the Outcome # 4. Therefore, the recommendations will have no bearing on the current Project but will be useful for future programming.

The recommendations include: paying attention to (a) develop SMART indicators where the requisite data and information could be readily collected, and that the indicators demonstrate changes attributed by the Project, (b) undertake comprehensive analysis of value chains and providing business development services to overcome difficulties, (c) develop cost of production models for the commodities in the value chains, (d) strengthen with evidence the robustness of the market linkages developed by the Project, (e)) undertake a detailed assessment of the 631

beneficiaries in MSME, SME and self-employment, (f) develop a gender and inclusion strategy with clear criteria for beneficiary selection; ensure that activities on gender and inclusion are not stand-alone but include aspects such as social mobilisation, psycho-social interventions, and savings and lending at community level; and ensure the availability of expertise on gender and inclusion for regular mentoring; and follow-up on DME's difficulty on retaining jobs of PwDs (g) the Project facilitates a dialogue between higher level Cooperatives and the Provincial Department of Cooperative (PDoC) in order to agree on the way ahead with some of the Project interventions, and on improving business strategic planning, value chains, and related areas and the overall vision of the cooperatives, (h) strengthen field level monitoring and capturing changes in human wellbeing and social wellbeing, (i) and the annual report to have a clear and concise statement on the status of indicators with a separate section on SDG reporting.

Lessons learned: The Chillies value chain -Risk. The Project facilitated the establishment of the chilli value chain; the growers would cultivate chillies and dry it; the dried chillies would be purchased by a private sector entity for value addition (chillies powder, chilli flakes etc.). The value chain collapsed when the market price of imported dried chillies dropped significantly below the cost of production. In order to provide evidence on the robustness of the value chain and to avoid risks, the Project should have taken into consideration the cost of production of green chillies as a part of the design of the model. This intervention contributes to Outcome # 1 of the Project wherein improvements to income for the beneficiaries are envisaged.

Good Practices: (a) Agricultural market linkage model introduced by the Project, (b) Follow-up on job placements for PwDs (activity of a GoSL partner organisation of the Project); (c) Linkage, greater understanding and working relationship between government departments induced by the Project; (d) Assisting returnees to de-mined holdings; and (e) Enhancing farmer loyalty brings additional benefits to farmers and their families.

1. Background

The experiences from the post-conflict era show that local economic growth has to be inclusive and sustainable for the affected people, particularly those who are vulnerable and marginalised. It is also shown that the interventions must create a society that is resilient to external shocks.

Evidence from the conflict-affected areas in Sri Lanka shows that providing decent work opportunities and job security have empowered the marginalised and vulnerable persons. Many in the conflict areas have benefitted from interventions that have brought opportunities for jobs and decent work; these have resulted in a more resilient and a peaceful society. Furthermore, the link between improved economy and reconciliation has been demonstrated in many areas in the Northern and Eastern Provinces.

Aside from the conflict-related issues, there is a general perception that young women have difficulties in securing decent work due to gender inequality and gender-based discrimination. Social protection available to some categories of working women is much less than desired. Unemployed youth are vulnerable to exploitation and illegal activities; this has become somewhat common after the economic downturn experienced recently. A study has shown that the male labour force participation is twice that of females indicating that a significant female population does not enter the workforce in Sri Lanka.¹

ILO has been engaged in LEED work since about 2010; the approach adopted in the programme has demonstrated effectiveness in economic recovery and reconciliation. In the Northern Province, it was estimated that some 20,000 people have disabilities of varying degrees. They are facing significant societal exclusion and risk high levels of poverty and depression. Furthermore, women with disabilities have an additional burden of gender discrimination and harassment.

Previous initiatives²

ILO has been active through numerous projects to contribute towards social, economic, and labour market development in Sri Lanka. Some of the key actions and highlights of achievements are summarised below to understand the context in which the current Project was launched.

- Creating agency agreements with local private companies in the Northern Province to improve supply chains and to create employment with emphasis on agro-processing and corporate investment, facilitated by the Employers' Federation of Ceylon and the National Chamber of Exporters;
- Initiating discussions with the private sector entities in the South for engagement in improving supply chain in the Northern Province; however, this did not materialise to the expected level.
- Mentoring and training on leadership and gender for men and women;
- Establish production hubs creating around USD 2 million income/year for **fruit and vegetable** farmers, establishing five supply organisations, and networking about 1,000 farmers into supply chain producers thereby supporting about 5,500 households; in the **paddy sector**, improving milling infrastructure; and improving production, processing and marketing capacities, as well as its access to the market in the **other field crops** sector.
- Improving the capacity of the cooperative sector and to buy the members' produce directly thereby eliminating the middlemen, and advocating revisions of the existing Cooperative Societies Act and other bylaws and decrees;

¹ National Skills Development Report (2016/17); Tertiary and Vocational Education Commission (2017)

² This section is excerpted from: Lessons Learned in Sri Lanka: Local Empowerment through Economic Development LEED Project (2011-2016); ILO Geneva (2017)

- Provision of Business Development Services (BDS) to individual entrepreneurs (about 6,000) and 30 cooperatives; and
- Initiating actions to integrate poor and vulnerable groups with the broader range of people.

Context changes in Sri Lanka

The cessation of the conflict in 2009 saw rapid infrastructure development in the Northern and the Eastern provinces. However, the parallel processes such as the introduction of the national policy on durable solutions for conflict-affected displacement³, national policy on reconciliation and coexistence Sri Lanka⁴ introduced for reparation, reconciliation, conflict resolution, peacebuilding, and social cohesion, did not progress well. The key issues relating to social inclusion and exclusion, vulnerability, marginalization, and discrimination have been more evident and continue to reflect on the lives of affected people.

In April 2019, the Easter Sunday bomb attack brought curfews and lockdowns which disrupted the lives throughout the country. During the Covid-19 pandemic between 2020 -2022, the country experienced restrictions in movement, holding meetings, restricting travel between provinces, stringent traffic control with roadblocks, and isolation of pandemic-sensitive areas. The third wave of the pandemic negatively affected all development activities and livelihoods with varying intensity. One of the most alarming indirect impacts of the pandemic has been the increase in violence and discrimination against women, especially sexual exploitation during the isolation and lockdown periods. Many women became victims due to loss of self-employment, livelihoods, and formal jobs in the downsizing process of employment of the private sector and the resultant loss of income. Thus, the pandemic has exacerbated existing injustices, gender inequalities, vulnerabilities, and political and military domination.

The political changes from 2019 to 2022 exposed deep structural economic, political, and administrative weaknesses and corruption in the country leading to widespread peaceful protests calling for the resignation of the Executive President and an overall system change. The rolling economic crisis created a chaotic situation in the country forcing people to wait for days in long queues for essentials like cooking gas, kerosene, gasoline, sugar, milk powder, and medicines. Hospitals have reported shortages of medicines. The price increases have made food unaffordable for part of the population. The shortage of inorganic fertilizer severely affected agriculture and food production causing hardship to farmers.

The chaos culminated with the country declaring bankruptcy. This period also experienced national and international displeasure on a number of fronts, including reconciliation, shrinking civic space, transparency and accountability, devolution of power, social cohesion, and transitional justice.

2. The Project

This Project follows the Phase I of the Project and other initiatives described previously which focused on contributing to reducing fragility in the post-conflict setting of Sri Lanka by creating decent work opportunities and supporting inclusive growth and reconciliation for vulnerable communities. The Phase I component was implemented in partnership with public and private sector partners, producer organizations, the National Chamber of Exporters, the Chambers of Commerce, the National Sea Food Exporters' Association, Employers' Federation of Ceylon, national and local organizations, and the national and provincial governments.

³<https://reliefweb.int/report/sri-lanka/national-policy-durable-solutions-conflict-affected-displacement>),

⁴ [https://www.refworld.org/pdfid- https://www.refworld.org/pdfid/5b44a79b4.pdf](https://www.refworld.org/pdfid-https://www.refworld.org/pdfid/5b44a79b4.pdf)

The current Project, LEED+ aims to continue scaling up of the activities in the fruits and vegetable, and the fishery sectors targeting the vulnerable communities, with a special focus on women, and scaling and policy development to have the widest possible impact in the target areas.

Theory of Change

The Theory of Change is expressed as follows:

IF war-affected, marginalized populations are engaged in decent work – diverse income generating activities - in the fishery and vegetable and fruit sectors, participate in managing cooperatives, lead inclusive supply chain development and develop partnerships and representation at the national level,

THEN they are more likely to achieve greater economic well-being, gain greater decision-making power in their community and be more involved in the national reconciliation process,

BECAUSE they will be empowered to make tangible economic and social contributions to the development and harmonization of the society at large

The Overall objective of the Project is “*Enhanced resilience, inclusive and sustainable growth of targeted communities in selected areas of the Northern Province*”. This objective is to be achieved through four outcome areas, viz.,

- Improved productivity, efficiency, quality of products produced by the Coops, MSMEs and processed food sectors;
- Improved decent work opportunities for targeted communities including women and People with Disabilities (PwDs);
- Enhanced participation in decision-making by women and PwDs within the MSMEs, Coops in fruit, vegetable, fishery and processed food sectors and community, and
- Local Economic Development approach or its elements adopted into development programmes by relevant national, provincial and local level ministries, departments, institutions and private sector organizations.

The key strategies to achieve these outcomes are as follows:

- Attract private sector investment
- Capitalize producers’ collective force
- Capitalize new and growing market opportunities both in domestic and export market
- Strengthen input supply market
- Encourage women and PwDs to get involved in decision making
- Women and PwDs take or are nominated for leadership management roles in co-ops and MSMEs
- Assessment of capacity of local authorities, policy analysis and advocacy, and documentation to support scaling up

Target Regions and Sectors

The target beneficiaries are women and persons with disabilities within the MSMEs in primary industries and informal sectors, cooperatives in fruit, vegetable, fishery and processed food sectors and community, youth, the poor and vulnerable who have been identified by the LEED+ project.

Phase I of the programme covered three districts, viz., Vavuniya, Kilinochchi, and Mullaitivu. In LEED+, Mannar and Jaffna districts have been added. In the fishery sector, the target marine region is the Palk Bay and the Gulf of Mannar, which have Jaffna, Kilinochchi and Mannar districts as catchments.

LEED+ targets the following sectors:

- Fishery sector including aquaculture, new value chains, and supporting primary cooperatives;
- Fruit and vegetable sector – new markets, private sector linkages and partnerships, certification, and facilitating investment;
- Food processing sector – identification of new markets, market linkages, and introducing technologies; and
- Exploring other sectors for green job development.

Project duration

- 1 July 2018 to 30 June 2023, extended at no additional cost for six months to undertake work relating to Outcome # 4.

Project Budget

The budget is US Dollars 6,588,969, funded by the Government of Norway (30 Million Norwegian Kroner) and the balance by DFAT Australia.

3. The final evaluation

In ILO, evaluation is an integral part of the implementation of technical cooperation activities. Accordingly, this evaluation has been commissioned.

3.1 The Purpose and the Scope of the final evaluation

The primary purpose of the evaluation is to ensure accountability and learning to the ILO constituents and stakeholders and learning for future programming. The findings and recommendations are to be used as organizational learning to improve the future projects and programmes.

The final evaluation was also expected to assess the relevance, coherence, efficiency, effectiveness, and sustainability of the outcomes, and test the underlying assumptions about contributions to broader economic and social impacts. In addition, the evaluation was to assess unintended results, both negative and positive, and identify major factors that facilitated or hindered the progress in achieving the overall objectives, outcomes both in terms of environment and those internal to the portfolio of interventions. The evaluation was also expected to examine the adverse impact of COVID 19, and the political and economic crisis on the project's ability to achieve the planned results and objectives, and the measures taken to mitigate the negative.⁵

3.2 Main end users and use of the final evaluation

The main users of this evaluation are ILO's constituents, national and international partners, such as the relevant Ministries/agencies of the Government of Sri Lanka, the Provincial Departments of Industries, Social Welfare, Agriculture, and Cooperatives, decentralised units of GoSL, Cooperatives, SMEs, and the Private Sector. Other users are ILO Country Office in Colombo, ILO HQ, Development and Investment Branch (DEVINVEST), Employment Policy Branch (EMPLOYMENT) and the Department of Sustainable Enterprises, Productivity and Just Transition (ENTERPRISE) of ILO, ILO Regional Office for Asia and Pacific, and the donors.

3.3 Scope of the evaluation

The scope of the evaluation covered all interventions of the Project implemented from 1 July 2018 up to date in the five districts in the Northern Province (Jaffna, Kilinochchi, Vavuniya, Mullaitivu and Mannar). The evaluation examined the following:

- Contribution of the capacity development and the provision of appropriate technology and economic infrastructures to members of Cooperatives, farmer societies, MSMEs, towards generating sustained income, decent working conditions, and inclusion of women and PwDs in economic activities;
- Incorporation of gender equality, disability, social norms and environment/climate change considerations into project implementation;
- Assess, to the extent possible, project's impact on mental health and wellbeing of the beneficiaries, including mechanisms set up to prevent and report of exploitation and abuse related to work; and
- The linkage of the project to ILO's programme and policy frameworks at the national and global levels, UNSDCF and national sustainable development strategy

⁵ Excerpted from the Terms of Reference issued by ILO Sri Lanka.

3.4 Approach

A participatory and interactive approach was adopted in this evaluation. For collection of data and information, qualitative methods/ techniques in terms of their relevance to the characteristics or performance of the project were used. Specific primary and secondary information related to the Project were used to collect qualitative data.

The Evaluation adopted the principles of gender equality, inclusion and non-discrimination and followed the concept of SDG 'leave-no-one-behind (LNOB)'. The evaluation ensured that participants were provided an opportunity to voice their views openly. The evaluation team accorded acknowledgment and respect for differences in culture and customs, religious beliefs, gender roles, age, and ethnicity.

The data collection methods and tools were customized to obtain answers to the evaluation questions stipulated in the Terms of Reference. Data collection was conducted in an independent and objective manner and followed a participatory and ethically accepted approach.

Evaluation criteria and questions

The main evaluation questions have been used to develop the Evaluation Design Matrix (Annex 3.1) which summarises and links the evaluation criteria, key questions and sub-questions, indicators and sources of information/data.

3.5 Methodology and Tools for the evaluation

A mixed methods approach was used in this evaluation to enable triangulation of data from different sources. The methods are briefly described below:

Mapping and Identification of stakeholders for the Evaluation

The Project compiled a list of stakeholders engaged in implementation. The evaluation team analysed the roles and responsibilities of the rights holders and the duty bearers identified by the Project and mapped them (Fig. 3.1). During the Inception Phase, the Evaluation Team held discussions with the Chief Technical Advisor, two National Project Coordinators (Outcome 1-3; Outcome 4) and the Monitoring and Evaluation Officer (15 May). Detailed discussions were held online with the NPC and the Project Team in Vavuniya on 18 May 2023 to gain insights on project implementation details in the districts and in the Divisional Secretariat Divisions, the roles and responsibilities of partners, and the general criteria for selection of stakeholders for engagement in the evaluation. Following these discussions, the Project and the evaluation team jointly agreed on the stakeholders to be engaged in the evaluation and was presented in the Inception Report (Table 3.1).

Similarly, the beneficiary list for FGDs was provided by the Project. The beneficiary groups for FGDs were identified to represent all districts and enterprises. In regard to field visits, the evaluation team identified beneficiaries from the list provided by the Project; they represented all five districts and different categories of income generating activities. As the province is very large and the field time was only 10 days, the field visits were undertaken when the evaluation team visited the district for KII and FGDs,

On occasion, based on the information collected during the FGDs and field inspections, the evaluation team identified other beneficiaries to seek additional information.

Desk Research

Desk research on secondary sources and data started during the inception phase. During the course of the evaluation, the Team consulted all relevant documents/reports prepared by the Project, and other documents which came to light during the evaluation. A list of documents referred to is in Annex 3.2.

Fig. 3.1 Stakeholder map

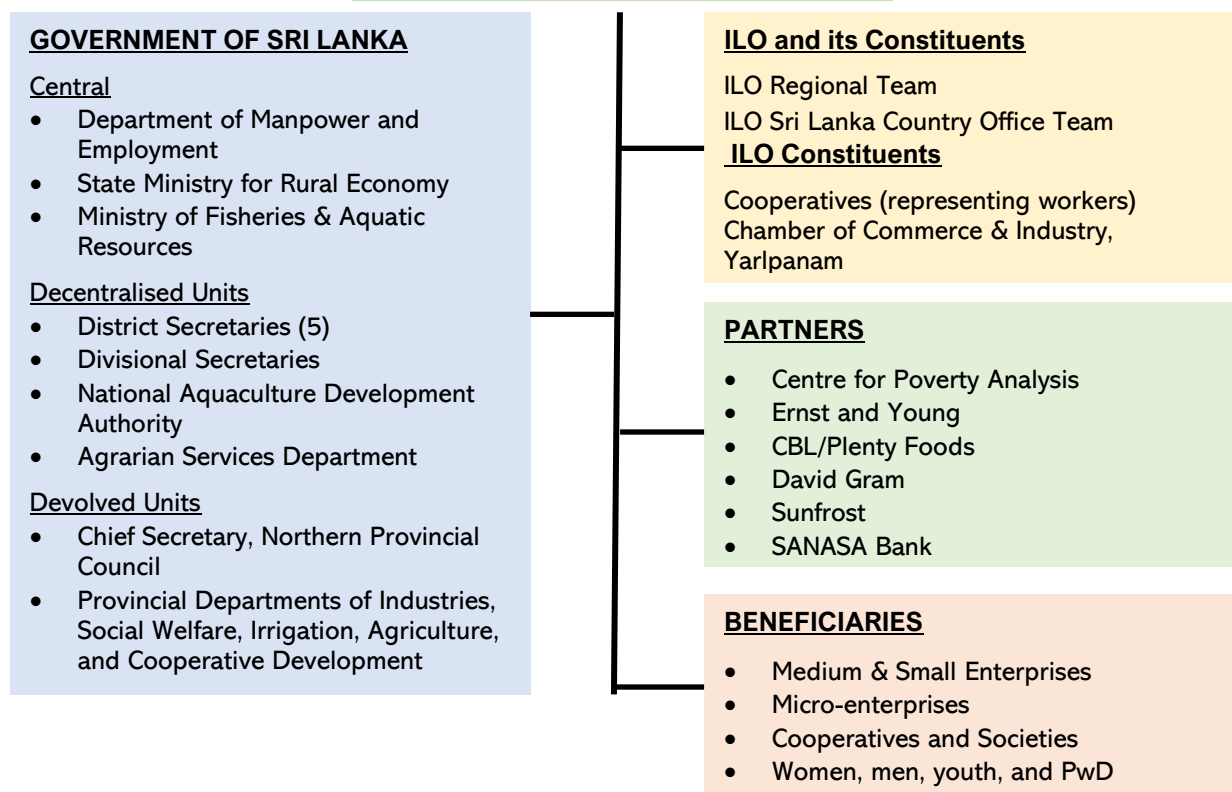


Table 3.1 – Stakeholders identified for engagement in the evaluation

<p>Government of Sri Lanka (National)</p> <ul style="list-style-type: none"> • Department of Manpower and Employment • State Ministry for Rural Economy • Ministry of Fisheries & Aquatic Resources <p>Government of Sri Lanka (Decentralised)</p> <ul style="list-style-type: none"> • District Secretary, Mannar • District Secretary, Vavuniya • District Secretary, Mullaitivu • Divisional Secretaries of Maritimé pattu, Madhu, Cheddikulam, and Poonakary, • National Aquaculture Development Authority • Assistant Commissioner Agrarian Services, Mullaitivu <p>Government of Sri Lanka (Devolved)</p> <ul style="list-style-type: none"> • Provincial Secretary, NP • Northern Provincial Dept. of Agriculture • Northern Provincial Dept. of Cooperative Development 	<p>Partners</p> <ul style="list-style-type: none"> • Centre for Poverty Analysis • Ernst and Young • Kilinochchi District Coop Council • CBL/Plenty Foods • David Gram • Sunfrost • SANASA Bank • Chamber of Commerce & Industry, Jaffna <p>Beneficiaries</p> <ul style="list-style-type: none"> • Queen Products (Food Processing) • Sivanarul Industries (Food Processing) • STR Coir • Anaimugan Food Processing • Vesta Industries (Fruit processing)
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- Northern Provincial Dept. of Social Service
- Northern Provincial Dept. of Industries
- District Director Agriculture and team (Mannar)

Key Informant Interviews

Based on the information in Table 3.1, the 77 external informants were selected. The interviews were either on a one-to-one basis or in small groups (e.g. when several officials from one organisation are involved). Some of the interviews were conducted online at the request of the interviewee. Interview guides were developed for KIIs (Annex 3.3). In addition, ILO and Project staff were also interviewed, either individually or in groups. A list of those interviewed is in Part I of Annex 3.4. The evaluation team held two meetings with the Project staff in Vavuniya.

Focus Group Discussions (FGD)

The following Focus Group Discussions were conducted.

MSMEs

- Women entrepreneurs (Jaffna)
- Women-owned & Women-run enterprises (Vavuniya)

Cooperatives and Societies (officials/members)

- Integrated Farmers' Thrift & Credit Coop Society, Oddusudan
- Multi-purpose Cooperative Society, Kodikamam
- Irranai Mathanagar Fishermen Coop Society, Poonakaryn
- Thrift & Credit Coop Society, Mannar

Women and PwDs

- Women leaders – decision-makers (Vavuniya)
- Women PwD (Jaffna)

FGDs were conducted in the Tamil language using a structured guide (Annex 3.5). Altogether 93 persons (36 males and 57 females) participated in the FGDs (Annex 3.6).

Field Visits

Field visits were undertaken to obtain first-hand knowledge of the interventions undertaken by the beneficiaries. These included operations of the SMEs, MSMEs (businesses), farmer fields (ground nut, chillies), aquaculture facilities, and cash-for-work irrigation rehabilitation (Mullaitivu). A list of field visits is in Part II of Annex 3.4.

Gender and inclusion (PwDs)

The evaluation examined the extent to which the Project's gender and PwD assessments have been used and the way the project has enhanced the knowledge, skills, abilities and self-confidence of men and women (agency building); contributed to changing social norms, customs, institutional practices and policies (changing the structures); and addressed power dynamics for women and PwDs to access services/their rights (building relations). These aspects were used as a lens when conducting KIIs and FGDs.

Data Management

The interview/FGD Guides were helpful to capture the required information relating to the evaluation questions. The qualitative information collected was analysed and triangulated to derive

trends and conclusions. This analysis was also useful to reveal any limitations experienced by the Project during the implementation stage.

Steps in the Evaluation

The key steps in the final evaluation are summarised below:

- Initial discussion with ILO Sri Lanka (CTA, M&E and NPCs including field-based teams) to develop a common understanding of the Terms of Reference of the evaluation, and to agree on the scope of the evaluation and limitations (completed on 18 May 2023);
- Stakeholder mapping in consultation with the Project (completed on 18 May 2023);
- Development of Interview Guides (in the Inception Report);
- Approval of the Inception Report (23 May 2023);
- Detailed discussion with the Project Team in Vavuniya (26 May 2023);
- Conducting KIIs, FGDs and field visits (from 26 May 2023 until 20 June 2023)
- First validation workshop with provincial stakeholders in Jaffna (Thinnai Hotel) (27 June 2023);
- Responses to the comments of the Project Field Team (29 June 2023)
- Submission of the (draft) Evaluation Report [this Report] (4 July 2023)
- Second validation workshop with national stakeholders in Colombo (UN Compound) (124 July 2023)

Ethical standards

During the interviews, ethical norms and principles were followed. The Evaluation Team maintained a free and an independent evaluation process upholding the related ethics, in order to maintain the integrity and honesty. The evaluation followed the guidelines of ILO⁶ during the assignment.

3.6 Limitations

The Northern Province is one of the largest provinces with about 9,000 km² area. Given the limited time allocated for field work, the sample for field inspections had to be limited as much time was needed for provincial KIIs. In the circumstances, the Project identified FGDs and field inspections to be carried out in the same area to save travel time.

⁶ ILO Evaluation Policy (April 2017)

4. Evaluation Findings

4.1 Relevance and Validity of the design

How have the project's objectives been aligned and contributed to the needs and expectation of primary stakeholder (Community), specifically the marginalized men, women, people with disabilities and policies of donors?

Since the cessation of the civil conflict in 2009, successive governments adopted approaches addressing reconciliation and rehabilitation. The Lessons Learned and Reconciliation Commission of the then Government of Sri Lanka (LLRC)⁷ identified several key areas for attention to bring about peace and reconciliation, and the Project's interventions align well with LLRC recommendations. The Project also directly contributes to the Sri Lanka Peacebuilding Priority Plan.⁸ Focus on agriculture, industries, small and medium enterprises, and cooperatives are part of the national policy framework of GoSL, and the Project's interventions directly address these needs.⁹ The Project also contributes to the National Export Strategy of Sri Lanka (2018-2022).

Insofar as the communities in the Northern Province are concerned, building their lives and livelihoods has been a key priority of the Government as well as the development partners (Outcome 1). This position was affirmed by the various GoSL agencies interviewed during the evaluation. The Project's support to the Northern Province, particularly to some of the under-developed districts is very much appreciated by GoSL agencies particularly in the current context of economic difficulties.¹⁰ The beneficiaries in the five districts of Northern Province have experienced positive results from the Project's interventions in terms of meeting their aspirations on improving their livelihoods.¹¹

The inclusion of marginalised men and women and people with disabilities is particularly commended by GoSL agencies as there are only a few programmes focussing on these categories of people (Outcome 2). The Northern Provincial Department of Social Services has drafted a policy on PwDs for the Northern Province based on the Project's interventions, which is expected to be replicated elsewhere in the country.¹² Equally, work supporting the use of sign language for PwDs is particularly welcomed as a very relevant intervention. The Project's interventions are also in line with the Convention on the Rights of Persons with Disabilities.¹³

Work on empowering women is directly in line with the GoSL approach of empowering women to take the lead in a national reconciliation drive, in peace-building efforts and political transformation, which is seen to be the key to achieving Sri Lanka's elusive peace.¹⁴

In terms of the donors, the Project aligns well with the Australian Government priorities as spelt out in the Aid Investment Programme for Sri Lanka 2015-2019.¹⁵ The key areas include: expanding

⁷ Report of the Commission of Inquiry on Lessons Learnt and Reconciliation, November 2011; Presidential Secretariat; xii+388

⁸ The Sri Lanka Peacebuilding Priority Plan (August, 2016); UN and the Government of Sri Lanka

⁹ Vistas of Prosperity and Splendour, Government of Sri Lanka, 2019

¹⁰ KII with senior GoSL officials from Northern Province.

¹¹ Focus Group Discussions with beneficiaries in the Province.

¹² (Draft) Policy on PwDs – Northern Provincial Department of Social Services. It has to be noted that the Government of Sri Lanka has a National Policy on Disability (2003) which spells out the core areas of interventions.

¹³ Sri Lanka Report: Convention on the Rights of Persons with Disabilities (2019); Government of Sri Lanka.

¹⁴ The Role of Women in Peacebuilding: a Sri Lankan Perspective (Geneva Peace Conference); April, 2015

¹⁵ <http://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-sri-lanka-2015-19.aspx>

livelihood opportunities for the poor, holding government accountable and responsive to private sector needs, and enhancing gender equality. The Project fits well with the Employment Opportunities for the Poor (EOP) portfolio and contributes to the Market Development Facility (MDF) in the aquaculture sector to further facilitate production of internationally competitive value-added products and development of value chains. The project is highly relevant to Norway's regional development priorities and for promotion of gender equality and sustainable economic growth, and peaceful development in local communities as well as support to resettled communities and livelihood support.¹⁶ The Project is also in line with the priorities of the development partners.¹⁷

The Project is also contributing to the Vanni Development Plan by improving agriculture in selected areas in the three districts. This is much appreciated by GoSL.¹⁸

The Project also contributes to the United Nations Sustainable Development Cooperation Framework (UNSDCF). The Project directly contributes to ILO's DWCP 2018-2024 (country priority 1: Creation of sustainable, inclusive and decent employment), ILO Programme and Budget Proposals 2022-23 (Outcome 3: Economic, social and transition for full, productive and freely chosen employment and decent work for all), and contributes to the flagship programme, Jobs for Peace and Resilience [Recommendation 193 (cooperatives), Recommendation 205, (Employment and Decent Work for Peace and Resilience), as well as Job Creation in Small and Medium-Size Enterprises Recommendation 1998 (No. 189)].

Value chain development is an important component of the Project, continued from the previous phase where six commodities, namely, ground nut, passion fruit, coconut, sea cucumber, prawns and mud-crabs were the core products to improve livelihoods; additionally, employment of women in these were 50 per cent. In that respect, the Project contributes directly to the expectations of the primary stakeholder.

To what level desired aspiration of the target groups has been met? i.e., economic wellbeing of the community will facilitate longer term peace and reconciliation.

The Project has addressed the needs of the target groups in the five districts within the available resources. The Project targeted over 6,000 beneficiaries in its livelihood improvement initiatives; the evaluation noted marked improvements in income in the majority of the beneficiaries in agriculture, as highlighted below:

- Net income from ground nut cultivation – from LKR 22,000 (baseline) to LKR 67,500 (2022)¹⁹;
- Net income from dried chillies production – from LKR 94,000 (baseline) to LKR 117,000 (2022)²⁰

These trends were confirmed during the KIIs and FGDs with the beneficiaries. Additionally, the evaluation team noted improvements to wellbeing indicators as well. However, the trends in MSMEs were less prominent, or were not discernible.

The Project's approach of creating market linkages with producer groups into value chains has resulted in improved income for the farmers, and sustainable supply of raw materials to the

¹⁶ KII with Norwegian Embassy Official

¹⁷ E.g., European Union priorities for 2014-2020 for development cooperation in Sri Lanka (integrated rural development, democratic governance, and reconciliation);

¹⁸ KII with State Ministry of Rural Economy

¹⁹ Annual Report (2022)

²⁰ *Ibid*

companies. This process also eliminates the middlemen, thereby accruing the benefits to the producer (and eventually even to the consumer).

Overall, the Project's targeting of PwDs could have been sharper (see the section below); notwithstanding this, the evaluation noted a number of instances where PwDs have improved their income and lifestyles as a result of Project interventions. The Project noted that over 300 PwDs increased income through project interventions.²¹ Discussion with PwDs and PDoSS officials confirmed this situation, although during the field visits it was observed that there were few PwDs who had abandoned their income generating activities due to the current economic situation.

Work on women's empowerment showed that they are able to continue their advocacy work in the villages independently; in their opinion, their work has enabled more peaceful co-existence in the villages, although there was no direct evidence captured during the evaluation.²²

To what extent did the project strategies, within their overall scope, contribute to the creation of decent work opportunities and inclusive growth and reconciliation for vulnerable communities?

The Project created decent work opportunities through the introduction of livelihood activities, MSMEs and SME support. Based on the sample evaluated, it is likely that almost all beneficiaries would have financially benefited from agricultural and aquaculture activities. Whilst there was evidence of positive gains in the SME sector, the performance of MSMEs was uneven.

Given the Project's focus on vulnerable communities, it would have been useful if the Project developed its own strategy for selection of beneficiaries as the current criteria are somewhat general and do not accord specific preference to vulnerable communities. The (draft) selection criteria for MSME beneficiaries of the Project include six criteria of which only one refer to women and PwDs. The evaluation noted observations from the stakeholders that these criteria may not have been rigorously applied all the time, and the Project confirmed this.²³ The evaluation also noted that the criteria had not been finalised and shared with partners organisations. Clearly set out selection criteria would bring about transparency in the selection of beneficiaries.

The private sector entities involved in the Project provided additional employment opportunities to the communities in the surrounding areas; in many cases, employment was also made available to PwDs and other vulnerable people.

In the agriculture sector, about 125 PwDs received training and support to engage in agricultural pursuits; some of these received disable-friendly equipment to ease their workload.

In the MSME and empowerment work, the Project provided training and opportunities to PwDs; several PwDs who were trained under the Project undertook advocacy work in their villages.

How did the project contribute to the relevant International Labour Organisation Programme & Budget Outcomes, Sri Lanka's DWCP and to the UNSDCF?

As already indicated elsewhere, the Project contributes to Priority 1 of the DWCP Sri Lanka strategy for 2018-2022. It also contributes to ILO's flagship programme, *Jobs for Peace and Resilience* (Recommendation 193 on cooperatives; 205 on employment and decent work, and 189 on Small and Medium sized enterprises).

²¹ Annual Report, 2022

²² FGD with women trained by the Project.

²³ KII with officials and discussion with Project staff.

The Project is also aligned to the United Nations Sustainable Development Framework (2018-2022); it contributes to Driver 3 (vulnerable and marginalised groups of children, youth, women, elderly and disabled, benefit equitably from dynamic and responsive social protection systems) and to a lesser degree Driver 4 (Resilient community).

Does the Theory of change exist? And to what extent it is used to guide project implementation towards the project objectives. Were the indicators clearly defined, describing the changes to be brought about? Were the risks properly identified and assessed and what recommended risks can be added to be mitigated against?

The Project's Theory of Change is stated as follows:

IF war-affected, marginalized populations are engaged in decent work – diverse income generating activities - in the fishery and vegetable and fruit sectors, participate in managing cooperatives, lead inclusive supply chain development and develop partnerships and representation at the national level,

THEN they are more likely to achieve greater economic well-being, gain greater decision-making power in their community and be more involved in the national reconciliation process,

BECAUSE they will be empowered to make tangible economic and social contributions to the development and harmonization of the society at large.

This Theory of Change is well founded and is based on the experiences of the previous phases of LEED. The logic is reflected in the Results Framework, except peace and reconciliation. The market linkages facilitated by the Project are strong and successful; although the Project initially facilitated these linkages, the evaluation noted that they were functional with minimal intervention by the Project, which bodes well for sustainability.

The Project has also integrated women and PwDs in the design; however, the evaluation noted that the Project did not use a specific strategy to include PwDs.²⁴ In regard to integrating gender, the Project completed a study to provide technical guidance to stakeholders who are accountable for ensuring equality within their respective sectors and in the wider communities in the districts, and social transformation at the community level with the members of the communities and their groups such as small business establishments/cooperatives.²⁵

Indicators

The Indicators in the Results Framework are valid; they represent indicators identified by the Donors as well. Some indicators are same as the previous phase of LEED (e.g., number of females in the Boards of Cooperatives); measuring these would be a challenge as the changes attributed to LEED+ may not be identified separately.

In regard to net income, data collected are limited, and the values derived are often not representative. The evaluation noted that there has been no attempt to systematically collect data from all groups of beneficiaries. This is unfortunate as data collection could have been carried out in collaboration with Divisional Secretariats as they too are very interested in the increments to income.²⁶ The data from beneficiaries would also provide important information on increased

²⁴ KII with Project Staff.

²⁵ Final Report by Gender Consultant, Vasuki Jeyasankar (December, 2022)

²⁶ KII with Divisional Secretariats.

income by vulnerable people and PwDs. Data for some indicators are not available. Some examples are as follows:

- Level of changes in adaptive capacities of targeted communities;
- Sector growth;
- Extent of support services provided for people;
- Level of changes in empowerment.

There is a difficulty in seeking precise information on these indicators as some are behavioural changes, and some indicators are less than SMART.

Overall, the Project would benefit from focussing on outcome indicators as these will demonstrate the overall achievement of the Project, and lessons for the future.

As already mentioned, the Results Framework does not have specific peace and reconciliation indicators.

Risks

The Project identified several risks, and the evaluation notes the current situation of these risks in Table 4.1.

Table 4.1 – Update on the risks

Risk	Level	Comments
Political interference in project implementation such as selection of beneficiaries, geographical location and similar.	Low	The Project has not encountered political interference. Indeed, it has contributed to development plans of selected districts as per requests (e.g., Vanni Development Plan)
Public discontent from the general community for targeting the most vulnerable such as female-headed households and people with disabilities	Medium	Not encountered and are unlikely to feature in the future.
Exploitation by private companies due to vulnerability of beneficiaries: not receiving a fair price	Medium	There is no evidence of exploitation; on the contrary, the evaluation noted instances where the private sector entities have paid more than the agreed price to the farmers.
“Spoilers” of Sri Lanka’s peace process protesting against the project’s approach to include ex-combatants into the interventions.	Medium	Not encountered.
Environmental disasters resulting in loss of crop production, post-harvest loss, water irrigation, and disease outbreaks	High	Very rarely encountered, and corrective action has been facilitated by the Project together with the relevant GoSL agencies.
Women are excluded and deprived of owning assets	Medium	Still persists with the <i>Thesawalamai</i> law.
PwDs are excluded and deprived of rights	Medium	Not encountered.
Overexploitation of natural resources in both fishery and vegetable and fruits sectors	Medium (for new value chains)	Not encountered.
Farm-gate prices for fruit and vegetables and fishery decrease due to national and international wholesale price fluctuations	Medium	There is a related risk; two commodities (chillies and ground nut) have shown promise because of the import ban by GoSL. However, there is a likelihood of resuming imports of these commodities in

Risk	Level	Comments
		line with GoSL relaxing the import bans. Imports will affect the price very much.
Change in government priorities with regards to the economic and social reintegration of people affected by conflict in the north.	Medium	There have been no changes; the Northern development programme currently under discussion is very likely to support interventions such as those promoted by the Project.

To what extent did the COVID-19 pandemic and political and economic crisis of Sri Lanka have adverse impact on the planned achievements and strategy etc. and the extent to which the project has been able to adapt and to respond to the unexpected consequences of the above events?

The Project suffered implementation due to the Covid-19 outbreak (largely in 2020/21), the economic crisis, and the civil unrest and the political chaos in 2022. The economic crisis also resulted in restricted fuel supply in 2022 causing disruption to travel for essential project work. Ban on the use of inorganic fertilizer caused chaos in the agricultural sector with very significant yield reductions.

All these crises affected the SME sector as they faced difficulties in procuring raw materials, attendance of workers, power outages/cuts etc. There was loss of employment in the SME sector. Some of the SMEs engaged in the Project had to suspend work (e.g., Queen Products)

The farming community too experienced difficulties with land preparation and irrigation due to lack of fuel; overall, the input chain was disrupted.

Project Responses

As a Covid-19 mitigatory action, the Project provided personal protective equipment, and allocated resources for affirmative actions to minimize the economic impact of the pandemic on the community.²⁷

In regard to the economic crises, the Project used two approaches to overcome these difficulties; the *Employment Intensive Investment Programme* (EIIP) provided cash-for-work for refurbishment of common irrigation facilities such as tank bunds, channels and sluice gates on a limited scale in the Mullaitivu district. Under the *Reasonable Accommodation* approach, over 1,000 farmers were provided grants (totalling about USD 100,000) to engage in farming in all districts except in Jaffna and Vavuniya districts. Both these approaches have resulted in positive outcomes; cash-for-work initiatives have increased the water storage capacity of nine irrigation tanks with concomitant increase in cropping intensity²⁸; the farmers who received grants have successfully cultivated ground nuts with substantial incomes.²⁹ Overall, the Project's responses to the economic crisis are successful.

4.2 Effectiveness

A note on definitions of MSMEs and SMEs

The Project focusses on MSMEs and SMEs. The Project defines MSMEs as employing less than nine persons including the owner, whereas SME is defined as one which employs 10 to 20 persons. Countries use different definitions for MSMEs based on their level of development. The commonly

²⁷ Source: Project Team and the Annual Report, 2020

²⁸ KII with officials of the Agrarian Services Department, Mullaitivu and discussions with farmers.

²⁹ KII with grantees and Divisional Secretariat Officials.

used criteria are the total number of employees, annual turnover, and the total investment. In the Sri Lankan context, the SME Policy defines them based on the number of employees and the annual turnover (Table 4.2).

Table 4.2 – Criteria for MSMEs and SMEs

Sector	Criteria	Medium	Small	Micro
Manufacturing Sector	Annual Turnover	LKR Mn 251 - 750	LKR Mn 16 - 250	Up to LKR Mn 10
	Number of Employees	51-300	11-50	Up to 10
Service Sector	Annual Turnover	LKR Mn 251 - 750	LKR Mn 16 - 250	Up to LKR Mn 15
	Number of Employees	51-200	11-50	Up to 10

Source: SME Policy (GoSL)

To what extent have the project objectives been achieved, including in its work on peace and reconciliation?

The Project faced implementation difficulties starting with the Covid-19 pandemic in 2020; for about six months, there were lockdowns and travel restrictions which significantly impeded livelihood and capacity development activities. As the country was emerging from the pandemic, the economic downturn in early 2022 caused immense hardships to the beneficiaries; even the Project suffered from fuel restrictions. The situation was exacerbated by the political chaos resulting in the resignation of the President of the country in July 2022; the public demonstrations largely on spiralling cost of living, breakdown of services, dilution of democratic institutions and rights, and postponement of local elections created instability in the country. The country was declared bankrupt in 2022. Notwithstanding these difficulties, the Project and its partners accelerated implementation work in the latter part of 2022 and in 2023.

Facilitating longer term peace and reconciliation requires a national framework with political and social backing of the government and the citizens. The evaluation notes that the LEED+ project interventions facilitated and enabled Southern business entities to expand their commercial activities in the North, by providing small incentives to link with the farmers some of whom are marginalized men, women and PwDs. This linkage promoted and paved the way for building trust and confidence in both parties and it opened the door to some of the new entrepreneurs in the North to look beyond the Northern province to enlarge their market.

Additionally, the Project supported visits by Northern Province farmers and MSMEs to various facilities in the South, particularly in the North Central Province. This too resulted in trust and network building.

Outcome # 1 (Improved productivity, efficiency, quality of products by the Coops, MSMEs and processed food sectors)

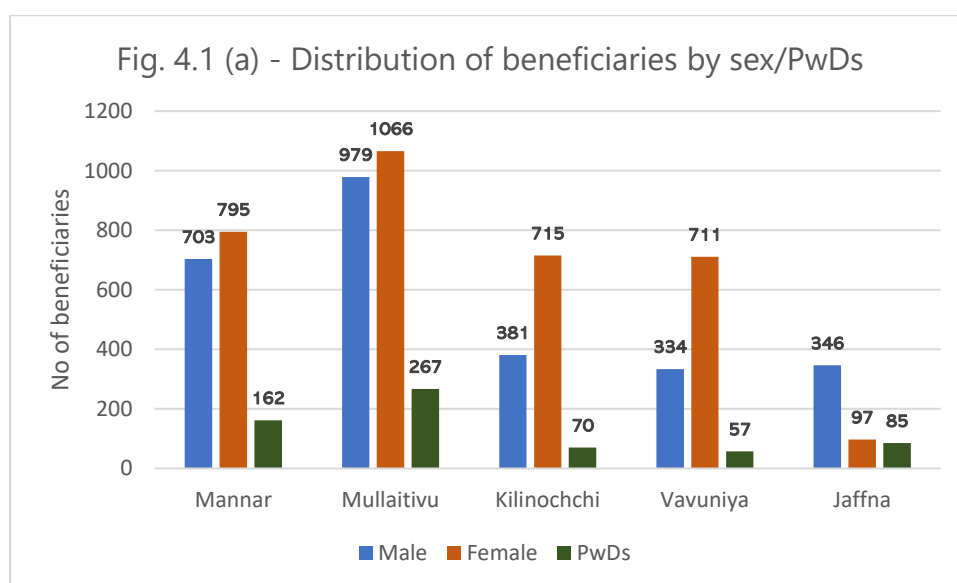
The Project adopted several pronged approaches to improve the livelihood activities of beneficiaries. During the Project life, it supported 6,127 beneficiaries during the life cycle of the Project (Table 4.3). Of particular note was that agriculture suffered badly from the ban of importation of inorganic fertilisers and agro-chemicals. Both the *Maha* and *Yala* season cultivations were very much restricted, and the crop yields were significantly reduced causing hardships to the beneficiaries.

Table 4.3 – Beneficiary summary

Intervention	Mannar	Mullaitivu	Kilinochchi	Vavuniya	Jaffna	TOTAL
Agriculture						
• Black gram (<i>Vigna mungo</i>)	160					160
• Maize (<i>Zea mays</i>)		150				150
• Chillies (<i>Capsicum annum</i>)	126	343	454	454	65	1,442
• Groundnut (<i>Arachis hypogaea</i>)	1,146	1,463	300	300		3,209
Aquaculture						
• Sea cucumber (<i>Holothuria scabra</i>)	18		190	190	137	535
MSME, SME, Self-employment	48	89	152	101	241	631
TOTAL	1,498	2,045	1,096	1,045	443	6,127

Source: Project Office, Vavuniya

Fig. 4.1 (a) provides an analysis of beneficiary distribution by sex and also identifies PwD beneficiaries. Altogether 2,743 and 3,384 men and women benefitted; amongst these were 641 PwDs, corresponding to 10.5 per cent of the beneficiaries.



Source: Project Office, Vavuniya

Fig. 4.1 (b) provides an analysis of beneficiary distribution by interventions. A total of 4,961, 535, and 631 beneficiaries were engaged in agriculture (81%), aquaculture (8.7%), and MSME, SME and self-employment (10.3%), respectively.

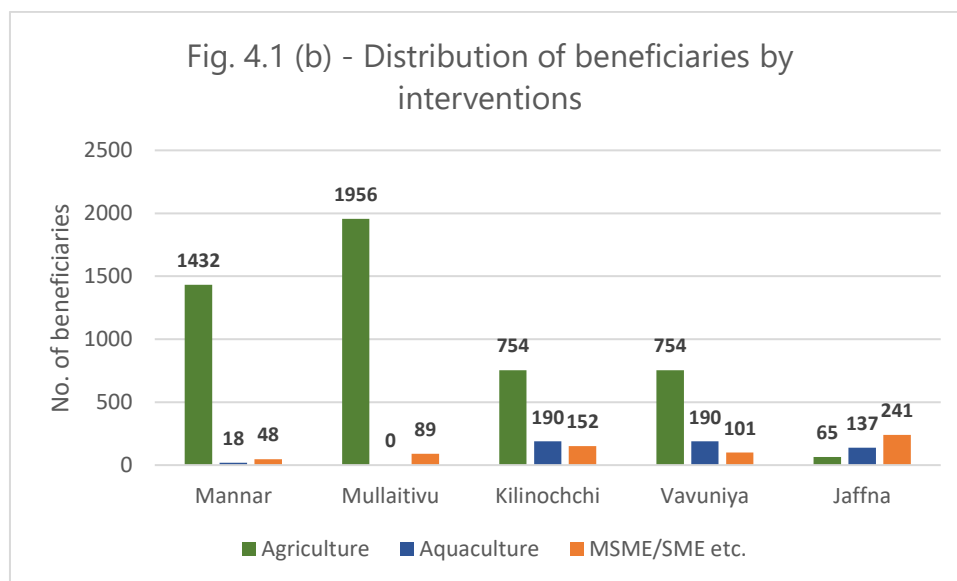
Overall, in the agriculture and aquaculture components, significant benefits have been accrued to the beneficiaries. In regard to ground nut cultivation, the average net income increment is recorded as 202 per cent (from the baseline of LKR 22,363 to LKR 67,435 in 2022).³⁰ Likewise, increments are observed in dry chillies and maize production. Although records were not available, substantial

³⁰ Project's Annual Report for 2022 (page 34)

income increases have been reported in sea cucumber production.³¹ As described elsewhere, the progress made can be attributed to the market linkages facilitated by the Project (See: Good Practices). The KIIs and FGDs provided further evidence on the income increments in agriculture and aquaculture.

In the MSME sector, the benefits are somewhat uneven. Some beneficiaries have performed better than the others; those with clear market linkages have performed well, whereas those without a specific market did not perform that well and were found to be struggling.³² Lack of consistent demand for products, increased cost of raw materials, loss of interest by some beneficiaries due to increased family commitments arising from the economic crisis, and overall high inflation have affected the performance of this sector.

In the SMEs, again there is no consistent pattern of improvements. Some of the well-established SMEs have been able to overcome the external challenges. They have suffered from difficulty of accessing raw materials (including imported materials required for the finished goods), migration of workers, power cuts, and closure of facilities during Covid-19. Interviews with some SMEs showed that they continued to struggle to pay the wages during the difficult times and had to temporarily close the factories.³³



Source: Project Office, Vavuniya

In the processed food sector, the achievements are noteworthy in spite of nominal investments by the Project. Many have acquired Good Manufacturing Process (GMP) certificates, and some have Sri Lanka Standards (SLS). Discussions with the management of some of these entities revealed that through the Project's engagement, they were able to set in place better working conditions for workers (including creche in some cases), improve efficiency of the production systems, and improve marketing. Furthermore, there is appreciation of the need to support vulnerable women and PwDs in their establishments.

³¹ Focus Group Discussion with sea cucumber fishers (Kilinochchi and Mannar)

³² Focus Group Discussion with MSMEs (Vavuniya)

³³ KII with SMEs in Kilinochchi and Mullaitivu

Discussion with the stakeholders at different levels revealed that the performance of the SMEs, MSMEs and self-employment is uneven due to variety of reasons, particularly after the economic crisis. However, no data are available to further analyse the performance of these sectors.

Market linkages and Value Chains

The initial LEED approach has proven effective in the post-conflict economic recovery and promoting reconciliation. In Phase I, LEED concentrated on six commodities, ground nut, passion fruit, coconut, sea cucumber, prawns and mud-crabs. The Project undertook a value chain analysis of these six commodities and identified opportunities, markets and constraints for developing them further. In these value chains, women employment was recorded as 50 per cent. The analysis noted the potential of these commodities to fast-track development in the province. It also noted that bringing public and private sector would help in the development of value chains. The analysis recommended a four-pronged approach involving private sector investment, capitalise producers' collective force, capitalise on new and growing markets, and strengthen input supply market. In addition, ILO also had the experience from the failure of the Young Farmers' Club in Oddusudan and the Vavuniya North Fruit Growers' Cooperative in Vavuniya in papaya cultivation due to the dependency on one particular product³⁴. LEED+ was focused to up-scale sustainable livelihood development through a market-based approach, which was expected to identify, address, and remove system-level constraints inhibiting the growth of more inclusive markets for the benefit of poor women and men. For this LEED+ focussed on a market development and value chain approach. In LEED+, work on ground nut and sea cucumber continued from the previous phase whilst adding other commodities.

The interventions addressing specific constraints to growth has opened avenues through which large numbers of participants in key economic sectors could benefit. Creating market linkages and introducing producer groups into final markets has helped strengthen private sector partnerships and bring in investments. Introduction of local level producer groups to end market players has benefited both producers and external market players. Organising and mobilising local producers is not an easy task for external markets. Before the project started, external market players always depended on middlemen to purchase local production. With the help of LEED+ approach, both local producers and end market players increased their profit margins by eliminating the exploitation by the middlemen.

Although LEED+ was expected to up-scale activities from the previous phase, it concentrated on strengthening the supply chains by formally linking producers of black gram, maize, chillies, ground nut, coconut husk-based products, and sea cucumber to the private sector. There have been some interventions to address the constraints identified in the value chains during the earlier phase (e.g., mechanisation, storage facilities, technology etc.) The Project interventions have ensured to secure their market in a successful manner. However, if the Project is to have the full benefits of the value chains, further interventions to improve the value chains are needed, especially since the expectation is to up-scale from Phase I.

A comprehensive value chain in agriculture and aquaculture should identify the full set of actors and activities that bring all those basic agricultural and aquacultural products from production in the field to final consumption, where at each stage value is added to the product. Value chain is the full range of activities including design, production, marketing, storing, packaging, and distribution. Also, value chains can be supported by introducing necessary business development services (BDS) to rectify the identified issues that would help to improve the quality of the product and increase the profit. Work on the value chains could have been strengthened if the Project was

³⁴ Islam, Khairul (2018) Value Chain assessment in the Northern Province of Sri Lanka.

able to garner an appropriate business development service to complement its market linkage work.

The market-led MSME approach of the Project was also expected to improve social cohesion in the project area by improving the level of economic wellbeing of the marginalised communities in the area.

The Project has designed its activities to reduce poverty, sustainable job creation and peace building through an improved environment with strengthened governance, effective community-based services and public-private partnerships that economically empower vulnerable groups in conflict-affected populations in the Northern Province of Sri Lanka.

Actions taken to overcome the economic crisis

The Project used a two-pronged approach to address the economic crises faced by the beneficiaries with funds allocated by DFAT (Australia). The *Employment Intensive Investment Programme* provided cash-for-work for rehabilitation of small tanks. The evaluation team noted significant achievements in this component.³⁵ In Mullaitivu for example, the rehabilitation of tanks (channels and bund) with an investment of LKR 6.37 million has resulted in increased cropping intensity with the farmers now able to cultivate an additional 30 ac of paddy during the *Yala* season, which was not possible before. A back-of-the-envelope calculation based on the data provided by the farmers show an increase in cropping intensity by about 150 per cent. In addition, improved water availability has resulted in increased inland fish population, and better access to water for livestock. Under EIIP, the Project also supported about 600 persons with cash-for-work for beach cleaning, clearing drainage for flood control, and improving the fish landing sites in Kilinochchi and Mannar districts.

The second approach, *supporting marginalised communities to continue agricultural pursuits*, supported 1,050 farmers³⁶, selected by the Department of Agriculture from Mullaitivu, Kilinochchi and Mannar districts, to purchase agricultural inputs and emergency requirements for home. This investment was about USD 100,000, again from DFAT. Discussions with farmers and GoSL officials showed that there is considerable increase in income from agriculture (mainly ground nut, black gram and chillies cultivation), and the farmers, who have preserved a part of the harvest for seeds, were confident of continuing with these crops in the coming cultivation season. The farmers sold their produce largely to the cooperative societies; even those who sold to other entities were satisfied with the price obtained.

Outcome # 2 (Improved decent work opportunities for targeted communities)

The Project used the following criteria to select the beneficiaries³⁷:

- Single households;
- EX- Combatants, FHH and for all the project 60% the beneficiary should be for women; and
- 5-10 % PwDs, 20-30 % FHHs, 20 % un-employed youth.

The MSME criteria included the possibility to create jobs for women and PwDs, but there was no explicit criterion to give preference to women/PwDs.

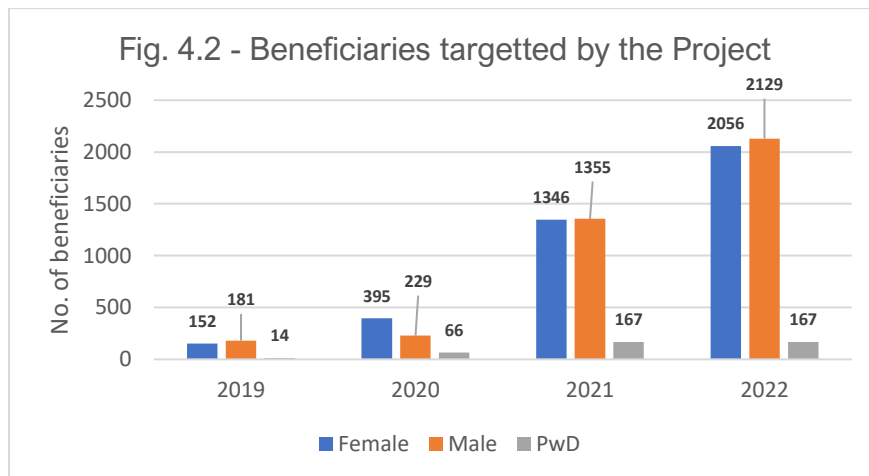
³⁵ KII with Agrarian Services Department (Provincial) and field visits

³⁶ Includes 400 families who returned to demined lands.

³⁷ General Guideline for cooperatives (undated) & MSMEs selection criteria to provide support (undated)

The number of beneficiaries targeted by the Project is presented in Fig. 4.2. The target of PwDs was 414. However, as would be seen from Fig. 4.1 (a), the project supported 641 PwDs out of 6,127 beneficiaries (or about 10.5 per cent).

The Project provided training to these groups on business skills; the evaluation noted that these special groups have improved their knowledge and attitudes towards managing a business. The attempts to mainstream PwDs into business ventures have been successful, and the evaluation noted several instances where the companies have proactively sought to employ vulnerable groups. One company employed four blind persons who have been given special facilities to do their work.³⁸



Source: Project Reports

The Project's work to support the GoSL agencies on integrating and supporting vulnerable communities including PwDs is much appreciated by the agencies. The Provincial Department of Industries trained 15 officers on integrating PwDs in enterprises in other sectors, which was followed with two audits on accessibility. The PDol channelled the Project funds to PwDs for start-up businesses by physically disabled people.

As already stated in sub-section 4.1, support to PwDs would have been more prominent if the selection criteria were better focussed on PwDs.

The Project worked very closely with the Provincial Department of Social Services (Northern Province) (PDoSS). The support provided by the Project enabled the PDoSS to carry out a number of important functions, to wit:

- Provide grants exclusively for PwDs together with business counselling and training, and providing access ramps at homes (for home-based businesses) and at workplaces;
- Supporting business development planning for 60 PwDs with startup funds for 150 PwDs;
- Developing the capacity of officials on gender inclusiveness and on handling PwDs;
- Developing a database of PwDs in the Northern Province;
- Providing disable-friendly agricultural equipment to PwDs for self-employment;
- Establishing a Disabled Persons Organisation;

The Project provided sign language training to selected staff from PDol; who in turn have trained a group of officers including receptionists in several other departments. The sign language dictionary

³⁸ Kill with a company.

and the accompanying DVD produced by the Project are very much appreciated by GoSL agencies.³⁹

PDoSS has also drafted an action plan on PwDs which is under consideration by the authorities. Overall, PDoSS staff have a better understanding of the circumstances of PwDs, and the Project support over the years has enabled them to develop a better vision for the department.

The Project also supported developing safer and improved working conditions in MSMEs and SMEs.

The Project supported the Department of Manpower and Employment (DME) to undertake awareness creation amongst public officials on PwDs and disability employment, with resource persons from the Project. In the Northern and Eastern Provinces, all Human Resources Development Officers in the Divisional Secretariats were trained on different aspects of disability employment and were mobilised to collect data and information on PwDs in collaboration with the PDoSS. Subsequently, PwDs who showed interest in wage employment were selected from both Provinces. The Project also supported the DME to conduct four job fairs for PwDs (one in Jaffna and one each in Batticaloa, Trincomalee and Ampara districts) in collaboration with the private sector. Consequently, 35 PwDs from the Northern Province were placed in skilled and semi-skilled wage employment; DME who followed up on these PwDs reported that after six months, only seven (7) were in the jobs.⁴⁰ The DME attributes the following reasons for PwDs giving up the jobs:

- Guardians' reluctance to allow PwDs to go out of home or from the area of residence;
- The pay promised to the PwDs did not materialise; and
- Difficulties with transport facilities for PwDs.

Similarly, 44 have been placed in wage employment in the Eastern Province towards the end of 2022; DME is currently following up on these placements.

Having carefully considered the developments relating to job placements of PwDs, the DME is of the view that a more concerted awareness creation approach is needed for the guardians of PwDs to bring them onboard on PwD employability. Furthermore, the skills development should be targeted depending on the nature of the disability, and there is much scope to integrate these ideas into the management of the private sector entities. The DME will be using the lessons learned from this engagement for future PwD programming in the department and would explore opportunities with JICA funding to address these gaps in collaboration with the National Secretariat for Persons with Disabilities.⁴¹ (See: Good Practices).

The assistance provided under EIP and Reasonable support for marginalised communities resulted in direct benefits to 135 PwDs and 223 FHHs to improve their livelihoods.⁴²

Outcome # 3 (Enhanced participation in decision-making by women and PwDs in the MSMEs, Coop and others)

The Project identified investments to improve the decision-making ability of women and PwDs. Progress of this component has especially suffered due to external factors such as the Easter Sunday attack (2019), Covid-19 pandemic (2020 onwards) and the economic downturn (2022 onwards). The selected target groups were constrained from engaging in the Project due to these situations, which specifically affected them. Most of the actions have been implemented in the latter part of 2022, and it was too early to observe significant changes.

³⁹ Directory of Sign Language; Dept. of Social Services, Northern Province (June 2023)

⁴⁰ KII with DME

⁴¹ *Ibid*

⁴² Excerpted from the Annual Report, 2022, and information from Project staff.

The evaluation team met with the Women Enterprise Social Welfare Association (WESWA) in Vavuniya and another group of women leaders, also in Vavuniya. The members are mentored by the Women Development Officer in the Divisional Secretariat. The members have been provided with start-up funds by the Project (disbursed via WESWA). Many have started businesses, and the products can be sold via the WESWA outlet. Some members use PwDs in employment. Most members have taken loans, and a few have not been able to repay due to the current economic

WESWA is a local economic development centre established to support and improve the lives of women. Its sustainability depends on the minimal government support and income generated from sales. The Centre is a place to sell produce of their members; in the circumstances, the expectation is that the women supported with livelihoods will sell their produce through the WESWA outlet so that it can earn its keep. This philosophy needs to be understood by both members and WESWA officials.

A view expressed by GoSL official

crisis. Many members show leadership qualities, and their ability to guide other members. According to GoSL officials who have a supervisory role, WESWA improved its management initially following the training received from various agencies including the Project but is now facing difficulties with management.⁴³ Field observations of few enterprises of WESWA members

provided evidence of uneven success with some of the enterprises closed and some operating partially. Only seven members were said to be engaged in producing and supplying their produce to WESWA sales outlet regularly. The newly elected office bearers of WESWA indicated that the Government officials are now in the process of arranging a financial audit of WESWA.⁴⁴

The evaluation team also met with 15 women leaders and entrepreneurs from Jaffna, Vavuniya and Kilinochchi district representing a group of 40 women trained in three batches in the respective districts. They were trained in resource mapping, discrimination against groups of people and women, women's empowerment framework, vulnerability of women, Human Rights framework and the role of the government, Right to Information Act with practical examples drawn from their own experiences with regard to *Samurdhi*, ESC Rights and birth/death/marriage registration, Civil rights, and presentation skills, including constructive arguments, communication and advocacy, and networking. The group was motivated and had formed nearly 30 satellite groups in their areas of operation. They wanted to be an independent group and decided to register with the Department of Culture in order to formalise their identity as they faced difficulties in dealing with Government agencies.⁴⁵ The Project will explore ways of supporting this group in the future.⁴⁶

The Project also facilitated the development of a policy on gender, which is under consideration by the local authorities.⁴⁷

Outcome # 4 (Local development approach or its elements adopted into development programmes by national, provincial, and local level GoSL agencies and the private sector)

The purpose of this outcome is to scale up the work of the Project.

⁴³ KII with officials of the District Secretariat.

⁴⁴ FGD with WESWA Members.

⁴⁵ FGD with 15 women leaders

⁴⁶ Discussion with the Project Team (14 June 2023)

⁴⁷ Policy for Gender Equality for the Northern Province (Ministry of Women Affairs, Northern Provincial Council, 2021)

The work done by the Project to mainstream gender and PwDs in the programmes of the targeted provincial departments in the Northern Province has been successful. The evaluation noted that the level of understanding gender, and vulnerable communities including PwDs has improved as a result of Project's trainings and awareness building programmes. The departments have demonstrated their understanding of these concepts by integrating these into their own programmes (e.g., discussing specific issues at monthly meetings; allocating a designated desk for PwDs in the offices to promote marketing etc.). The PwDs appreciate this as a proactive gesture by GoSL agencies.

The Project engaged with the Employers' Federation of Ceylon (EFC) and the Chamber of Commerce and Industries, Yarlpanam (CCiy) to create an enabling environment for investment promotion in the Northern Province. However, EFC withdrew from this partnership because of their difficulties in attracting investment to the North due to the prevailing economic situation.

The Project also commissioned Ernst & Young to conduct an assessment on the key bottlenecks for private sector investments in the Northern Province in the agriculture and fisheries sectors, through the lens of the six value chains which the Project supported. The CCiy reviewed the opportunities for the private sector in the Northern Province and identified investment feasibilities; the high potential areas identified are packaged pulses of high quality; fruit pulping; fruit and vegetable dehydration; fresh-cut fruits/vegetables; and specialised fruit and vegetable outlets. It also identified significant bottlenecks and challenges for investing in the Northern Province.⁴⁸ These mirror the findings of Ernst & Young. The Project recently engaged Ernst & Young to develop a set of recommendations to overcome the bottlenecks identified by them and CCiy, which have been presented to the Governor and senior government officials in the Northern Province.⁴⁹ It is expected that these recommendations will form the basis for investor engagement in the Northern Province in a follow-up project.

The Project also scaled up its work by engaging in the Vanni Economic Development Programme of the State Ministry of Rural Economy where implementing agreements have been formalised with the Divisional Secretariats. As a part of this partnership, the Project facilitated to upscale market linkages between the beneficiaries and the private companies by extending the partnerships to agreements between the District Secretaries and the Project; accordingly, three agreements covering Vavuniya, Mullaitivu and Mannar districts have been made with the Project to support a total of 850 vulnerable families to undertake ground nut cultivation with a buy-back arrangement with companies. Furthermore, the Project is now seeking partnerships in the Eastern Province to scale up its work focussing on production of gherkins, moringa leaves, sweet corn, chillies, and ground nut.⁵⁰

The Project's work on the long-standing issue relating to the ratification of Work in Fishing Convention (C 188) by GoSL has positive feedback. The Project's partner, the Centre for Poverty Analysis (CEPA) conducted a background analysis of the fisheries sector to identify the benefits in the ratification of Convention 188 to fish workers and boat owners, and the potential challenges in the ratification of the Convention.⁵¹ This was followed by an analysis of the current legal instruments and the C188 requirements; this gap analysis is currently under review.⁵² There are some 50 plus recommendations to update the Fisheries Act, and the Minister of Fisheries has the authority to

⁴⁸ Mapping out opportunities for private sector investment in the Northern Province (2022) Chamber of Commerce and Industries of Yarlpanam/ILO

⁴⁹ KII with Ernst & Young

⁵⁰ KII with the State Ministry of Rural Economy & Discussion with the Project Team (14 June 2023)

⁵¹ Work in Fishing Convention, 2007 (No. 188): Netting Gains for Sri Lanka (ISBN: 789220334027) (2020) ILO

⁵² KII with CEPA

approve some of these recommendations.⁵³ As a follow-up, a road map for ratification has been prepared. The Ministry of Fisheries and Aquatic Resources (MoFAR) has established a Working Group with representatives from the Labour Department to identify ways and means of addressing the gaps. A sub-committee has been appointed to draft the necessary regulations, which is expected to be completed in August 2023. Some of the requirements for C188 ratification, such as medical insurance for fishers, are already in place, and the Ministry is hopeful of ratifying the Convention by the end of the year.⁵⁴

To what extent did the results benefit women and PwDs?

The Project targeted its interventions on vulnerable women and PwDs. The benefits accrued to them are described in the previous section, which are summarised below:

- Assisting in the drafting of a Policy for PwDs by the Provincial Department of Social Services and developing a database of PwDs in the Northern Province. These will provide long-term benefits to PwDs in the Province. The project also assisted in drafting the Gender Policy which is awaiting approval of the Provincial Ministry of Women's Affairs.
- Supporting PwDs in training them on business development and providing seed grants for start-up businesses.
- Providing leadership training to selected women (ToT) on rights, RTI, legal structures etc., resulting in them training and inspiring other women to train, mentor, and guide to improve their situation.
- The inclusive approach facilitated by the Project has enabled the private sector to engage with women and PwDs. Some highlights are as follows:
 - Tropicare engaging with seven SMEs, four managed by women and three by disabled women facilitating disability-friendly work environments, even installing a workstation for an entrepreneur who had lost an arm;
 - David Gram reaching out to 40 FHHs and supporting PwDs;
 - Allii (Pvt) Ltd and Venkalacheddikulam Cooperative Society supporting 98 PwDs;
 - Sunfrost supporting 250 vulnerable groups (FHH & PwDs); and
 - Plenty Foods (CBL) supporting 103 women (30% of their farmer group) to cultivate maize.
- The training offered to DME to assess the work environment of companies and make changes to facilitate the inclusion of women and PwDs has increased the opportunity of the latter group's employment.

What were the main internal and external factors that influenced the achievement or non-achievement of results?

Overall, the successes of the Project can be attributed to its approach in forging partnerships with GoSL agencies and the private sector. The key factors that contributed to the achievements are summarised below:

- Establishment of market linkages between the producers and the private sector entities enabling a better and consistent price for the products as well as assuring uninterrupted supply of produce;

⁵³ *Ibid*

⁵⁴ KII with MoFAR

- The Project's facilitation of providing technical and extension services to the farmers (via the Department of Agriculture and also by the private sector entities) and to the fishers (through NAQDA);
- The Project's support for MSMEs/SMEs to obtain GAP and GMP certification which enhanced the quality of the products and the profitability of the ventures, and enhancing producer confidence for export of produce;
- Support provided in training the beneficiaries in business planning, and in some cases financial management.

The cooperative system could have been better engaged to increase benefits to the members who have been engaged with the Project. This is discussed more fully under the section on 'partnerships'.

To what extent were the institutional set-up, capacity for project implementation, coordination mechanisms and the use and usefulness of management tools effective?

Project management

The Project is managed by a Chief Technical Advisor based in Colombo. Field operations are conducted by a full-fledged office in Vavuniya (relocated from Kilinochchi recently) headed by the National Programme Manager with several programmatic and administrative support staff. A separate National Project Officer, based in Colombo provides oversight to the implementation of Outcome # 4 as much of the work on this outcome relates to policy and upscaling with the relevant GoSL agencies in Colombo. The Project had the services of an international Marketing and Supply Chain Specialist who continued from Phase 1 of LEED until March 2023. A gender and peace building expert was also available until the end of 2022 based in the Province. The responsibility for monitoring and evaluation lies with the Monitoring and Evaluation Officer based in Colombo, who makes regular visits to the project area. The field level M&E is supported by the field team in collecting data and information, coordinated by a focal point based in the Field Office.

The presence of the office in the Northern Province is seen as a major advantage for implementation given that the Project has to coordinate with GoSL entities in the Northern Province on a regular basis. Some staff members continue from the previous phase of the Project; this has ensured continuity of work from Phase I and has built confidence amongst the beneficiaries.

The evaluation team, during its field visits, noted the appreciation expressed by the stakeholders on the diligence and commitment of the Project staff, and the close rapport they have with the beneficiaries. These are positive features that have contributed to the successes of the Project.

Oversight and Steering Mechanisms

The Project established a Project Advisory Committee, chaired by the Chief Secretary of the Northern Province. It has met twice before the Covid-19 pandemic; since then there have been no meetings, and the Committee is now defunct.⁵⁵

Reporting

The Project's Annual Reports are exhaustive but key information cannot be gleaned at a glance. The Reports could be better organised to capture changes in the Results Framework, with a separate narrative to describe the situations. The Project has not used the entirety of the data available from the different beneficiary groups, particularly on changes in income. Recording of

⁵⁵ Discussions with the Project Team (14 June 2023); the evaluation team was unable to obtain an interview with the Chief Secretary, Northern Province in spite of several attempts, to seek his views on this matter.

qualitative data on outcomes and impacts (particularly relating to human wellbeing and behavioural changes) is expected at the end of the Project.⁵⁶

Project communications

The Project has developed a wide array of communication products ranging from knowledge products to human impact stories/videos to briefs. The evaluation team had the opportunity to examine some of the products; they are professionally developed, with due care on the content. Most are tri-lingual. The Project has publicised these largely through social media. The Project highlights have been produced in the print media as well.

The evaluation noted that, whilst there are many communication products, their reach to the beneficiaries was not adequate. In the districts, stakeholders, including those in the government, have not seen these products. It was also noted that the stakeholders understanding of the Project was confined to the narrow areas where they are engaged in – there was inadequate understanding of the Project as a whole.

Given the successes of some of the agricultural pursuits, there was interest from the stakeholders to publicise the success stories with printed material. A case in point is the success with ground nut cultivation model; there were suggestions that such stories should be publicised in attractive posters in agrarian centres, divisional secretariats, *Grama Niladhari* offices, post offices etc. in the villages to bring to the notice of farmers the benefits of this particular approach.

The evaluation also noted that whilst social media is a good option for publicity, targeted publicity on different aspects of the Project (e.g., agriculture, PwDs, vulnerable women, market linkages) aimed at specific clients would be useful. There is a possibility that some of the partnering private sector entities might contribute towards such targeted publicity. Another point brought forth was that the Project-supported training events could have a short presentation on Project highlights (ideally targeting the audience interest) as a side event.

What are the constraints/limitations in various types of partnerships that the project had made use of? E.g., broader partnership such as partnership with lead companies, partnership with Government entities, partnership with SMSE, Coops etc.

The Project, over the years has forged partnerships with national and provincial GoSL entities, private sector, and cooperatives. A commentary is provided below in regard to these partnerships:

- The partnerships with provincial departments of the Northern Province including NAQDA in Poonaryn are well established (sometimes through agreements), and there is mutual understanding and acknowledgement of the respective roles. The Project's benefits are demonstrable in these departments. Discussions with the respective departments showed that the benefits accrued from project interventions have been institutionalised and are sustainable.
- The partnership with the State Ministry of Rural Economy for improving livelihoods of Vanni farmers is well established, as stated by the representative of the Ministry as well as some of the provincial staff.
- The partnerships with private sector entities are also well established, and both the farmers and the companies benefit from this association. The field staff of companies have forged a trust-worthy relationship with the farmers and are likely to be continued even after the project is over.

⁵⁶ Communication with the Project's M&E Officer

- The partnership and understanding between PDoSS and PDol demonstrate the pooling of government resources and expertise in addressing the needs of the PwDs. (See: Good Practices).
- The Project has supported MSMEs and SMEs; whilst there are many successes, the evaluation noted the need for regular hand-holding of MSMEs to continue supporting them to ensure that they continue to engage fruitfully. The evaluation noted that there are some instances where MSMEs are not functioning as expected, and regular monitoring and hand-holding would have been useful to resolve issues, if any, and to instil confidence amongst the beneficiaries.
- There are several partnerships with the cooperative system; from the Kilinochchi Cooperative Council at an overarching facilitation level to the producer cooperatives. The producer cooperatives and Thrift and Credit Cooperatives have supported the membership in their livelihoods.

In general, the producer cooperatives (including fisheries cooperatives) have managed their affairs well. A number of cooperatives visited have significant reserves collected over the years, but have no vision of investment to bring additional benefits to its members. Further discussions revealed that they need mentoring and advice on these areas.

Some cooperatives have prepared business plans using funds provided by the Project; however, the robustness of these plans has not been assessed. The evaluation team is of the view that the Project could have reviewed these plans and provided advice as appropriate to bring confidence to the management of the Cooperatives to implement the plans.⁵⁷

It is the view of the Department of Cooperative Development⁵⁸ that Project should have supported cooperatives identified by the Department and should have drawn up their plans in consultation with the Department.⁵⁹

How effective was the project in stimulating interests and participation of meso level partners? (E.g., SANASA, CCIY and Cooperative council) To what extent were the meso level partners instrumental in achieving project objective?

The Project engaged with the **Chamber of Commerce and Industry, Yarlpanam** (CCIY) to enhance the industrial activities in the province involving all levels of industries. CCIY was also expected to enhance the capacity of the Chamber as well as its partners through improved communications and relationship-building. CCIY improved its website, started a print-version of a newsletter, conducted a programme to improve member relationships, and organised field visits to the North Central Province to acquaint itself with banana exports. It also undertook a study to map out private sector opportunities in the Northern Province.⁶⁰ However, the partnership did not proceed to provide any tangible results.

⁵⁷ KII with larger cooperatives.

⁵⁸ KII with officials of the Provincial Department of Cooperative Development

⁵⁹ The Project has clarified that it did consult the Department of Cooperative Development during the initial stages of the Project and identified 27 cooperatives. From these, the Project identified five coops to showcase improvements to their management, partly funded by the Coops. It would appear that the current incumbent in the department is unaware of this situation.

⁶⁰ Mapping out opportunities for private sector investment in the Northern Province (2022) Chamber of Commerce and Industries of Yarlpanam/ILO

The engagement with the **Kilinochchi Cooperative Council** was designed to build its capacity to become a reliable and effective service provider to the cooperatives. The Council has about 15 societies including multi-purpose cooperative societies, agricultural societies, thrift and credit cooperatives, and others. It is mandated to build the capacity of staff, Boards of Management and members. In this regard, it developed a new curriculum for the Cooperative School which services all five districts of the Northern Province.⁶¹ The curriculum contains modules for a Diploma Course (1 year), Advanced Certificate Course (9 months), and a Certificate Course in Cooperative Management (6 months). The curricula are yet to be approved by the Provincial Department of Cooperative Development. The Council also used Project

Although the Chairperson highlighted the high cost of input as the reason for not operationalising the business proposal, the project team believed that the executive board members' lack of entrepreneurial thinking and dependency mentality were the core reasons for it.

Project Annual Report, 2022

support to assess a number of cooperatives in the Province and made several recommendations on the improvements needed. Discussions with the senior management of the Council indicated that the recommendations are yet to be implemented. One of the areas of concern is the unused assets lying idle in a number of societies; these include high-capacity rice mills, coconut oil extraction mills etc.⁶²

The evaluation noted that the Council has not been able to progress on the various interventions proposed by itself; the business plan supported by the Project remains unused, although the robustness of the financial predictions needs to be technically reviewed.

During the evaluators' meeting with the members of the Council, it was clear that their vision for the Council is limited, and that the senior management needs enhanced capacity to take forward the affairs of the Council.

The Project engaged **SANASA** in 2020 essentially to provide business development services to the beneficiaries. The engagement was beset with challenges arising from Covid-19 pandemic, and much of the work had to be carried out remotely. The main objective of the partnership was to provide market advisory services and management consultancy to the SME and Cooperative

Almost all the cooperatives in the Northern Province are quite weak in their business planning and financial administration. They also have limited understanding about the modern ways of managing businesses. Most of them have received grants and external assistance for a long period of time and therefore are not attitudinally ready to buy market-based services.

Diagnostic Survey by SANASA

sectors. These advisory services were provided through the SEVA package. SANASA introduced a beginner's package worth LKR 3,500 to build primary financial discipline to record income and expenses to understand the financial health of a business. A few SMEs bought this package, but there had been no interest from the cooperative sector. As an extension to the partnership, SANASA undertook a scoping study of the cooperative sector, but this could not be satisfactorily

⁶¹ The Evaluation team observed that vulnerable groups such as FHH and PwDs are not included in the Curricula and the Council was informed accordingly during the discussion.

⁶² See: Final Report: Partnership with Cooperative Council of Kilinochchi District to build its capacity to become a reliable and effective service provider to the cooperative (undated)

completed due to political differences in the cooperative sector. SANASA noted that the cooperative sector was not moving ahead with time and was of the view that in the Northern Province, there was a reluctance to obtain advisory services from external parties.⁶³ The evaluation noted that the cooperative sector in the Northern Province has received substantial donor funds in the recent times, and are used to a culture of free services. On the other hand, the lower level producer cooperatives are more receptive to changes. Some stakeholders suggested that the Northern cooperatives should be exposed to the working of good cooperatives in other provinces to learn good practices. The partnership with SANASA did not proceed beyond this point.

To what extent the project benefited by the extra resource allocation for reintegrating the people in demining areas?

The Project identified support to people returning to the lands after mine-clearing in the Mannar district (Manthai West and Madhu DS Divisions). They had no opportunity for income generation. Essentially, the support involved LKR 37,500 per family (for about 400 families) to purchase inputs and assets needed for ground nut cultivation. Each family had about 1 ac of land.

Both beneficiaries and the officials of the Divisional Secretariat value this contribution immensely as there has been no prior programme to support people returning to demined lands. Discussions revealed that each beneficiary earned about LKR 300,000 nett from ground nut cultivation last season. The harvest is either bought by the producer cooperative, or by outsiders at the same price as offered by the cooperative. Aside from the assets accrued, the settlers have kept part of the harvest as seeds, as the Department of Agriculture has a certification scheme for seeds. This would allow the families to continue ground nut cultivation as they are quite happy with the price received.

The assistance provided to the settlers has enabled them to re-integrate into the society. (See: Good Practice).

How the M&E strategy that the project developed has enhanced accountability, learning and fed into management? Including how the behavioural change anticipated vs. achieved contributes to the effectiveness.

The Project has developed an M& E protocol. This is based on ILO, Australian DFAT, and Norwegian protocols. The indicators in the Results Framework are a mix of project indicators and donor indicators.⁶⁴ However, the Results Framework lacks direct indicators on peace and reconciliation.

The Project's M&E efforts are led by the M&E Officer in Colombo. The evaluation noted that the monitoring system adopted by the Project is good. It incorporates regular monthly field visits to the project areas by the M&E Officer, holding regular dialogues with beneficiaries to assess progress, and annual reviews involving the key partners. In addition, the M&E Officer holds discussions with key officials in the relevant departments in the Province. The evaluation also noted that the departments found these monitoring visits very useful as they were able to track progress of some of their work too.

⁶³ KII with SANASA. *Also see:* Needs and readiness of the cooperatives in the Northern Province to receive market-based advisory services; Preliminary Diagnostic Report Conducted by SANASA INTERNATIONAL (PVT) LTD (Sept., 2020).

⁶⁴ KII with ILO M&E Officer.

In regard to the implementation of partner activities via agreements, the monitoring responsibility has been assigned to the partner. The evaluation noted that whilst the private sector companies followed systematic monitoring protocols, this was not the case with cooperatives and some SME organisations (e.g., WESWA).⁶⁵ The field level monitoring is the responsibility of the ILO Vavuniya Office and needs to be strengthened as some of the MSMEs require regular monitoring support to ensure that their work is progressing as planned. Such monitoring visits will also be useful to ensure that the working conditions in the MSMEs/SMEs are as per ILO expectations.

The evaluation noted uneven data quality used in the M&E reporting. Although data generated by the beneficiaries should be available, these were not readily used in reporting. The evaluation team is of the view that the Project has generated very important quantitative data on agriculture and aquaculture which can be meaningfully analysed to future use. There are some specific instances the evaluation would like to highlight. The cash-for-work for rehabilitation of irrigation infrastructure in the Mullaitivu district has increased cropping intensity with some of the beneficiaries cultivating three seasons. There is no doubt that the farmer incomes would have increased concurrently; these need to be recorded as potential models for replication. Similarly, some beneficiaries have started using the new Jumbo variety of ground nuts (possibly ANKGN3 variety released by the Department of Agriculture); yield records of this variety will be useful to determine its suitability vis-à-vis the traditional Tissa variety as well as complement the Department of Agriculture database.

4.3 Coherence

To what extent have the strategy and interventions created synergies and interlinkages with other interventions being carried out by ILO?

The Project is a continuation of the LEED programme implemented by ILO and draws heavily from the experiences of the previous phases starting around 2011. The current Project continues to work with the partners who were engaged previously thereby strengthening the linkages between the Project and GoSL partners.

The Project's work has linkages with several ILO initiatives such as the following:

- Healthy Socio-economic Recovery of Informal Sector Micro and Small Enterprises in Severely COVID-19 Impacted Districts of Sri Lanka (although this project concentrated in two different districts, the lessons were applicable to the LEED+ Project);
- Support to Resettlement and Reconciliation through the United Nations Joint Programme for Peace (The Project contributed towards securing and sustaining the peacebuilding process, through helping to build trust and confidence amongst the Tamil community and the engagement with the Cooperatives)
- Employment Generation and Livelihoods through Reconciliation in Sri Lanka (provided sustained livelihood opportunities to the conflict affected communities in the Northern province)
- Skills to support Local Economic Development (SKILLED) - EU Support to Reconstruction and Development in Selected Districts in Sri Lanka (The Project targeted youth and women who are affected by conflict in the North and East of Sri Lanka.

⁶⁵ For example, the contract with WESWA states "*WESWA will use the in-house resources of the DS-VCK for the project implementation, monitoring, and reporting (finance and physical)*". The Team noted that whilst the Divisional Secretariat has undertaken some monitoring (through the Women Development Officer), it has not been adequate to ensure coverage of all WESWA beneficiaries who have been provided with a grant. Note that as per the ToR, WESWA has no direct responsibility for monitoring.

Were the strategies and interventions consistent with the relevant international norms and standards to which the ILO adheres to?

The Project interventions contribute to the current Decent Work County Programme (DWCP) for 2018-2024 of Sri Lanka, ratified with GoSL. The DWCP itself is aligned with the national priorities as enunciated in the Public Investment Programme (PIP) of 2017-2020 and the manifesto of GoSL, 'Vision 2025'. The LEED+ Project contributes with increasing employment opportunities as well as empowering them, through capacity development, to meet current and emerging socio-economic demands with special reference to women and youth.

The Project also contributes to specific outcomes of the DWCP as follows:

- Outcome # 1 (Creation of sustainable, inclusive and decent employment)
 - Supporting persons with disabilities with skills and competencies to undertake livelihood activities;
 - Micro, Small and Medium Enterprises equipped with solutions in line with the Decent Work Agenda to enhance their resilience, sustainability and competitiveness;
 - National strategy to respond to technological advancements and other productive market demands for population at large is in place (by providing innovative agricultural practices)
- Outcome # 4 (Evidence and data for Policies)
 - Supporting the development of policies and strategies

To what extent have the interventions been coherent and complementary to activities being carried out by constituents, United Nations (UN) partners, and other multilateral and bilateral organizations?

The Project's coherence with GoSL work is strong; particular mention has to be made in regard to the programmes of the Department of Agriculture in crop production to improve the livelihoods of the community. The Project's interventions on ground nut, chillies, maize, green gram and black gram complement the efforts of the GoSL agencies whilst also linking the private sector with the producers. This linkage provides the complementarity with the private sector entities which is a departure from the normal projects but a strong contributor to the success. Likewise, the aquaculture work of the Project (e.g., sea cucumber) is in line with the GoSL programmes implemented by NAQDA; indeed NAQDA considers the Project's interventions as adding value to the GoSL efforts to bring about changes to the well-being of fishers.

The support provided to the MSME and SME sectors complements the work of the Department of Industries. The DoI is appreciative of the interventions of the Project as the DoI is unable to fully carry out its mandate due to financial constraints.

The development partners have several programmes which could be linked to the Project. For example, IFAD-funded Smallholder Agribusiness Partnerships Programme (SAPP) and the World Bank-funded Agriculture Modernization Project have somewhat similar objectives relating to agricultural development. The Project's work on agriculture could have complemented or benefitted from engagement with these Projects. However, the evaluation noted that the Project has no formal linkages with these initiatives. Nonetheless, at least one of the Project's private sector partners, Plenty Foods are engaged with the SAPP Project in an initiative quite similar to their engagement in LEED+.

The work on expanding sea cucumber culture links directly with the efforts of NAQDA in establishing sea cucumber cluster farms in the Northern Province; the Project's initiatives complement the efforts of NAQDA and also support the private sector engaged in sea cucumber cultivation.

4.4 Efficiency

To what extent did the project leverage resources (financial, partnerships, expertise) to achieve outcome and outputs?

The Project's approach towards leveraging resources has been consistently applied at all levels of implementation. As noted elsewhere, the Project implementation was largely through third party contracts, and the evaluation has noted that in these instances, there have been significant financial and human resources contributions by the Partners. Even beneficiaries of agriculture and aquaculture provided counterpart funding for the assistance they received (e.g., part funding for water pumps and agricultural machinery; part funding for fishing nets and equipment).

In the case of GoSL entities, there has been substantial inputs both financial and human resources. For example, PDol provided part funding to Project's contributions towards start-up businesses. It is to be noted that the Finance Commission has decreed that 50 per cent of the start-up funds would be provided by the Government, which is a welcome gesture towards owning the enterprise.⁶⁶

In the case of private sector partners, there has been significant matching investments by them towards agricultural production by the beneficiaries. Aside from providing key equipment and machinery, the companies provided a timely extension service to the farmers, which is a key input for the success of the programme.

In the aquaculture sector, the producer cooperative provided matching support to launch the members' sea cucumber fishery. In the SME sector, beneficiaries have been provided with equipment on the condition that SMEs provide part funding (e.g., Queen Products, Sivanarul, Kobithan Garments etc.)

Overall, the Project has been successful in leveraging resources from third parties, including GoSL agencies, and the Partners have willingly contributed their share towards achieving the outputs.

Was the project implemented as planned, what have been the factors that affected timely delivery of activities and finance? How did the project adapt to challenges to project implementation?

As already noted elsewhere, much of 2020 and 2021 have been challenging due to Covid-19 pandemic; this was followed by the economic downturn, political instability, change of the Government and fuel/travel restrictions in 2022. All these affected the Project implementation; many of the training activities needing physical presence had to be rescheduled. The agricultural component was severely affected due to the ban on the use of inorganic fertilizer and agrochemicals. Overall, the workplans for 2021 and 2022 had to be re-worked in keeping with the changing context and ever emerging challenges.

In spite of these challenges, the Project picked up work during 2022; this is a commendable achievement of the Project Team and the Partners. The evaluation notes that during the difficult times, many beneficiaries continued their efforts with much difficulty. In this instance, the untiring efforts of the partner companies to bring some normalcy to agriculture has to be noted positively; the companies sourced fertilizer and agrochemicals to the beneficiaries with much difficulty.⁶⁷

⁶⁶ KII with PDol, Jaffna.

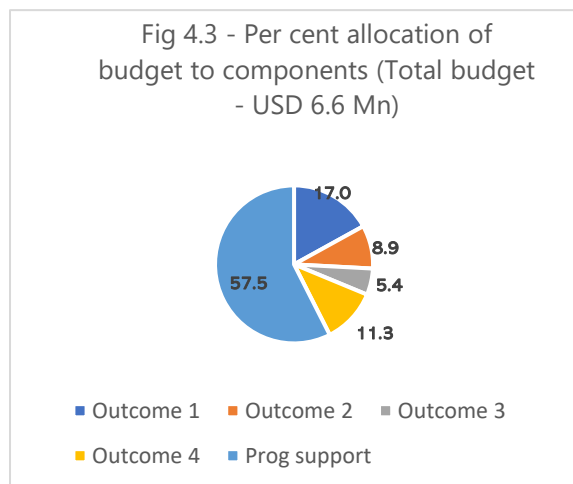
⁶⁷ Information collected during field visits.

In 2022 for example, Sunfrost continued its efforts with a large investment to support chillies growers by introducing locally-bred high yielding hybrid chilli variety (MICHHY1) with regular field support through extension staff. Sea cucumber culture was also continued, although transport difficulties forced reduced sales.

In order to overcome difficulties that arose from the economic downturn, the Project provided assistance to 1,050 beneficiaries under crisis management; this assistance is valued at USD 100,000 mainly for ground nut and black gram cultivation.

Does the project allocate sufficient resources to integrate gender, disability and for M&E?

The Project provided resources to engage expertise in gender and disability, both at the national level as well as in the Northern Province. The evaluation, during its field visits and meetings, did



not note any financial constraints in implementing the Project's initiatives on vulnerable women and PwDs. Fig. 4.3 provides the budget allocations by Outcomes (and for Programme support). Outcomes 2 and 3 relate mainly to women and PwD work, and the allocations are 8.9 and 5.4 per cent of the total budget, representing about USD 940,000.

Similarly, the evaluation noted that the resources allocated for M&E were adequate (covered under Programme support), although the level of M&E at the field level could have been enhanced.

How effective is the project using allocated funding? Could resources have been allocated in a more cost-effective manner?

The Project has been implemented largely through partners contracts. The evaluation finds that this is an effective method of implementation given the low overheads of many of the partners. The evaluation did not have an opportunity to examine expenditures at the Partner level; however, discussions with Partners on fund utilisation procedures and the level of outputs show that, by and large, many of the Partners have wisely used the resources.

However, the evaluation could not find any justification for the Project to provide small machineries to those Partners who held substantial assets and bank balances; it is the view of the evaluation team that some of the larger Cooperatives and some of the larger SMEs interviewed are in a position to buy the machinery. These resources could have been better used to provide soft skills in business planning and financial management/investments.

4.5 Impact

To what extent did the project bring lasting changes in norms and policies that promote connection with exporters and other national investors to diversify markets and maximise profits?

The Project facilitated linkages between a number of companies with interest in agricultural products with farmer/beneficiaries of the Project in the Northern Province. The evaluation notes the interest shown by David Gram (essentially interested in ground nuts), Sunfrost (a subsidiary of

Hayleys PLC with interest in condiments and spices), Plenty Foods (a subsidiary of Ceylon Biscuit Manufacturers PLC with interest in components for nutritious food supplements and confectionery) in procuring agricultural produce on a sustainable basis. These linkages have survived the difficult times in 2021 and 2022, and the companies have reported benefits of these linkages which have ensured a continuous supply of raw materials of satisfactory quality.⁶⁸

The farmers have, by and large, benefitted through enhanced prices for their produce, and a guarantee for purchase of the products. The companies have entered into forward agreements with the farmers; often times the companies have paid more than the stipulated price based on the prevailing market price, which is very much valued by the farmers. As to be seen with the farmer community, there are disloyal farmers, particularly chilli farmers, who have sold produce outside; the evaluation noted that about 5 to 10 per cent of the chilli farmers have defaulted on the agreements. This is largely due to fluctuating price of green chillies. The mitigatory action taken by the company was to purchase green chillies based on the market price at Peliyagoda – however, the company did not see this as a sustainable approach and have decided to allow the farmers to sell part of their produce as green chillies, if the prices are high.⁶⁹

On the other hand, the demand for ground nuts is in the increase. Thus the farmers have been selling their produce either to David Gram or to the cooperatives who have established a network of companies dealing with ground nut.⁷⁰

In the sea cucumber sector, there is no market arrangement facilitated by the Project; however, the producer cooperative is acting as the buyer and providing a reasonable price for the fishers.

Overall, the market linkages established by the Project are strong, and are likely to continue after the Project ends. The farmers and the producer cooperatives are knowledgeable to move forward in the market to ensure that the farmers obtain the best prices.

Has the intervention made a difference to providing key beneficiaries, including youth with appropriate technology and economic infrastructures? If so, how has the intervention made a difference?

The Project interventions to introduce technology and economic infrastructure have been, in general, effective. The evaluation notes that the technologies such as the introduction of the bacterial inoculum to ground nut farmers and solar dryers to chilli cultivators have been taken up well. Other technologies such as sprinkler irrigation, high yielding seed and seed production technologies are appreciated by the farmers, and are likely to be sustained in the future.

Aside from the technology introduced by the Project, the beneficiaries value the facilitation by the Project to link the Government extension services in both agriculture (Dept. of Agriculture and Dept of Irrigation) and aquaculture (NAQDA). This is a welcome change from the norms, and the beneficiaries are confident of maintaining these links in the future.

⁶⁸ KII with partner companies.

⁶⁹ KII with Sunfrost.

⁷⁰ At the time of the field visit in early June, 2023, David Gram purchased ground nuts at LKR 800/kg; on 27 June 2023, the price had dropped to LKR 500/kg due to Government allowing ground nut imports (information gathered from the representative of David Gram on 27 June)

The Project gave me funds to establish a well, and the David Gram (DG) company gave me a sprinkler system. With my own money, I bought a solar light. I can now cultivate ground nuts three times a year with an income of about LKR 100,000 per cycle. I also get a better price for ground nuts with DG (LKR 800/kg). The presence of DG has increased the purchase price of ground nuts by the Coop. I am very happy with my situation.

A farmer with a disability (Oddusudan)

farmers (see box). There were a number of instances where the Project, cooperative society and the farmers have collectively built infrastructure (e.g., storeroom of the cooperative at Oddusudan).

The Project's assistance with e-marketing has benefitted the SME sector. Some have been able to secure overseas markets.

The Project also invested in the cooperative sector. However, the results are uneven. To begin with, some cooperatives have idling assets (rice mills with over-capacity); yet they have been provided with other machinery and start new enterprises which are also facing difficulties with raw materials (e.g., Kodikamam MPCs). The limited engagement of the evaluation team with larger cooperatives shows the need for in-depth studies to make these establishments more efficient and useful to their members, and the citizenry at large.

I have a garment factory with assets of about LKR 50 million and about 60 machines. The Project provided me partial funding for a digital camera, and I was trained in e-marketing. I am now able to offer my products via e-marketing, and I now have overseas buyers.

A garment company owner (Vavuniya)

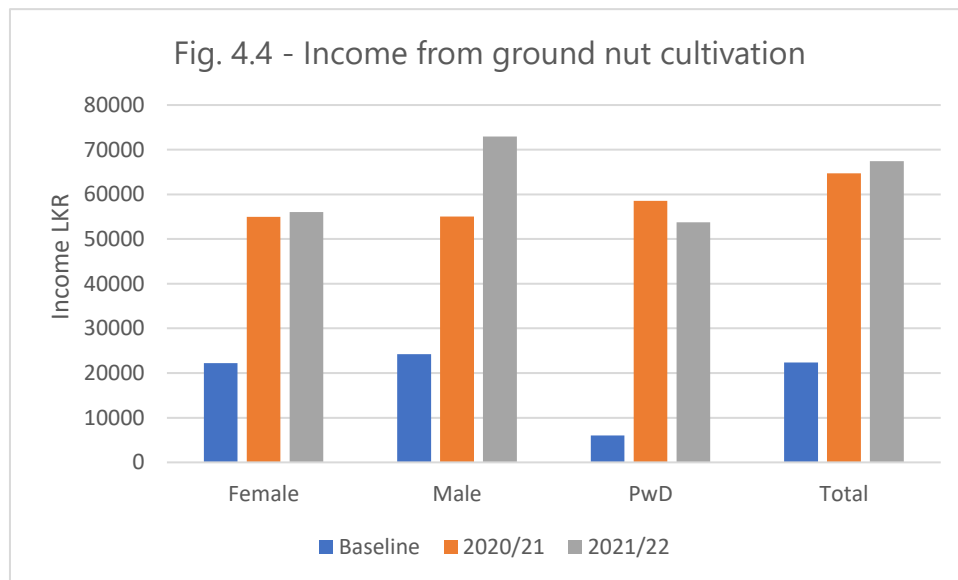
What were the intervention's long-term effects in terms of generating sustained income, access to market, financial services, decent working conditions, creation of jobs, through building capacity and skills of MSMEs, members of Coops.

The Project has recorded increased income due to agricultural pursuits by the beneficiaries through a sample survey. As shown in Fig. 4.4, there is significant increase in income for the beneficiaries from ground nut cultivation. Some of the farmers have been cultivating ground nuts before the Project started (the baseline data are based on data from 88 out of 342 farmers). Discussions with the farmers clearly indicated the financial benefits accrued to them as a result of the Project interventions; the improvements observed by the farmers who have been cultivating ground nuts before the Project are attributed to the availability of improved varieties, access to extension services (provided by both the Dept. of Agriculture and the Private sector entities) and concomitant improved cultivation practices, and higher prices offered by the private sector entities (and the Cooperatives).

Similar improvements to income were observed with sea cucumber fishers; most fishers sold their produce to the Cooperative, but some opted to sell the fresh sea cucumbers to collectors, who in turn sold them to processors. Unfortunately, neither the fishers nor the Cooperative kept records of the income (and expenditure).

⁷¹ Field visit to Kannady near Cheddikulam (Members of WESWA).

The Focus Group Discussions with both farmers and fishers revealed positive outcomes on the increased income resulting from the interventions. They were able to articulate outcomes in terms of household well-being; the extra income has helped the beneficiaries to have nutritious meals, provide tuition to children, extra health-care, improvements to the house, acquiring assets such as vehicles, and opportunities for social interactions. Some PwDs were able to acquire disable-friendly equipment, transport, and amenities. Most beneficiaries were able to obtain loans from the Cooperatives or from the rural banks; the private sector companies provided inputs on loan which were recovered from the harvest.



Source: Annual Reports of the Project

In the MSMEs however, the benefits were not as marked as in agricultural interventions. Some beneficiaries who already had some form of business before the Project started continued to prosper in spite of modest investment from the Project (e.g., Saru Papadam). Others were struggling to maintain a regular income.

In the SME sector, the Project's investments are nominal compared to the assets of the SMEs; however, there was evidence of performance improvements due to additional equipment and machinery provided and the capacity development of the staff. In spite of the crises times, some SMEs continued to employ PwDs and vulnerable women. However, the evaluation noted less than desirable working conditions in some of the SMEs.

The producer cooperatives interviewed supported its members by buying their produce and providing a reasonable price. This trend was evident in both agricultural and aquaculture cooperatives where members benefitted from their operations. For example, the Mullaitivu District Integrated Model Farmers' Cooperative Society helped its members in ground nut cultivation; the harvest was used partly as seed which was available to the members at a discounted price. The members were also provided with a cash advance during harvest. The Irranai Mathanagar Fishermen Society supported its 370 members by providing nets and juvenile sea cucumbers. The harvest was purchased and sold to a processor. The Society also arranged training for its members on sea cucumber culture, and provided loans for expansion of the cultivation area. In both these cases, the Cooperatives confined their support in terms of increasing income of the members; they however did not consider investing their funds to improve services to the members (e.g., in the Fishermen Society, they did not consider establishing a small-scale processing facility for sea

cucumber thereby extending the value chain). The evaluation noted that the officials of cooperatives were somewhat reluctant to think beyond their customary approach; they were also uncertain on the response they would receive from the Department of Cooperatives, who will have to approve any new investment.

What are the contributions of the LEED+ to build peace, resilience and social cohesion, and promote gender equality and access for persons with disabilities in the target areas?

The Project is based on the premise that improvements to income would bring peace and reconciliation. However, the Results Framework does not capture this aspect through any exclusive indicators. The evaluation noted that general peace and social cohesion in the project areas; the societies did undertake some social cohesion work by organising events including all ethnic and religious groups together. The Project's work in linking companies from the South to producers in the North, and the Northern farmer visit to the South can be considered as contributions towards peace and reconciliation.

On the other hand, the Project's influence on improving gender equality and access for PwDs is evident. Although the number of PwDS targeted by the Project is small compared to the 22,000 + population of PwDS in the Northern Province, the persons targeted have accrued benefits in terms of increased income and facilities.⁷²

In addition, with some support from the Project, there are Disabled Persons Organisations created at the divisional secretariat level with an overarching Federation. Although these organisations are nascent, there is scope for the future as the DPOs will be supported by the Provincial Department of Social Services.

What are the unintended impacts (and outcomes) of the interventions?

There are no unintended impacts; however, it is relevant to mention that ground nut farmers have started cultivating the 'jumbo' variety⁷³ which fetches a higher price. Although the Project has not introduced the variety, the farmers have taken the initiative to cultivate this variety due to the demand arisen from the ban of imports. Here again, private sector has taken the initiative to facilitate inputs to the farmers with buy-back arrangements.

4.6 Sustainability

How likely have the results of the intervention to be incorporated into development strategies and policies of various ministries, departments and private sector organisations at the national level and even grass root levels organisations like cooperatives?

The small farmer agricultural model with market linkages to the private sector offers a viable model for consideration in development strategies. In the past, there have been many post-conflict interventions in the Northern Province (and in other provinces) involving small scale agriculture (pulses, vegetables and fruits); however, many of these did not sustain after the project inputs because of difficulty of marketing the produce.⁷⁴ The Project developed models of linking farmers with private sector with buy-back arrangements with concomitant field level input and service support by the private sector have withstood the difficult periods, and have shown resilience

⁷² Database maintained by PDoSS.

⁷³ The Department of Agriculture classifies 'jumbo' peanuts where 100 seed weigh more than 70 g.

⁷⁴ KII with officials and FGD with farmers.

against market odds. These models involving chilli, ground nut, green gram, black gram, maize etc. are replicable as livelihood strategies.

Discussions with the Department of Agriculture provided acknowledgement on the positive attributes of this model. However, the model needs to be strengthened with enhanced evidence from the field on income increment, and improvements to well-being and social outcome indicators experienced by the farmers.

The Northern Province has already drafted a policy on PwDs incorporating some of the findings from the Project; this should be considered a positive contribution from the Project towards incorporating PwD concerns into the development agenda.

The evidence gleaned during the evaluation on the performance of higher level cooperatives does not indicate positive developments which could be translated into policy. An example is the expensive idling assets of cooperatives; in spite of some interventions by the Project, the issues, by and large, remain unresolved.

To which extent have the results of the intervention been likely to have a long term, sustainable positive contribution to scaling-up from grass-root level to provincial or national level? To what extent is the project able to make changes which last longer for vulnerable women and persons with disabilities?

As already indicated, the agricultural model has shown promise to upscale with additional evidence on income and outcomes on human wellbeing. These data should be already available.

The model will sustain if the partnerships between the farmers and the private sector are sustained. The Private sector has faced some challenges with disloyal farmers and those falling to opportunistic buyers. This challenge will be omnipresent; companies have tried to mitigate this challenge by introducing several attractions to the farmers in order to keep them in the partnerships. These include health insurance to the farmer and the family, assistance with education of children, and soft-loans. In the future, the private sector companies will continue to offer such attractions to keep the partnerships intact.

Currently, in many cases, the Project's interventions in the value chains are limited; for example, the sea cucumber fishers sell fresh sea cucumbers via the cooperative. There is scope for further interventions along the value chain which will create longer term contributions to the producers.

In regard to MSMEs, the overall situation is uneven. In general, those beneficiaries who already had an enterprise are performing satisfactorily but new ventures are facing many challenges.

How far project exit strategy including upscaling and private sector approaches are sustainable after the project is over?

The Project does not have an explicit exit strategy; its work on Outcome # 4 could be considered as its exit plan. ILO has already secured funding from one of the LEED+ donors, the Government of Norway, for a new project focussing on decent employment creation and livelihood generation for the most vulnerable groups in the Northern Province, including female heads of households, persons with disabilities, and youth. This new project, Promoting Advancement of Vulnerable Persons and Enterprises (PAVE) will be based on advancing inclusive growth, private sector investment, entrepreneurship, and digitalization, through interventions in the agricultural and fisheries value chains.

The Project's results, particularly on creating market linkages which have proven positive results, could be upscaled in the new initiatives.

To what extent targeted public and private institutions have changed institutional level practices, system, approaches, and targeting, in order to provide better services for women and PwDs?

The Project's interactions with its key GoSL partners in the Northern Province have elicited positive response from them, in particular the Provincial Departments of Social Service (PDoSS) and Industries (PDol) to include vulnerable women and PwDs in their programmes. The PDol has a programme to support physically disabled persons with startup funds for enterprises, which complemented the Project grant scheme. It is learnt that the Finance Commission has recognised supporting PwDs to start up business as a key area.⁷⁵ As a preliminary step, PDol has completed an audit on accessibility of PwDs to business premises. The PDoSS, which is mandated to service PwDs has a better understanding of the issues of PwDs after engagement with the Project. In fact, the department is considering amending its vision in keeping with the enhanced understanding of the issues of PwDs and their requirements for decent work.⁷⁶

Similarly, the SMEs and private sector partners have been influenced by associating with the Project interventions on the need to recognise vulnerable women and PwDs for decent work, as evidenced during the interviews with them. To the extent feasible, PwDs have been employed by SMEs.

What are the factors that may hinder sustainability?

The market linkage model is based on the market prices; the current model has shown some stability due to increased commodity prices following the ban of imports consequent to the foreign exchange restrictions. However, Sri Lanka has a history of uncertainties on pricing of agricultural commodities due to changing import policies, and chilli is a good example.

A recent study by HARTI has shown the uncertainties associated with dried chillies production. The study has highlighted that Sri Lankan chili farmers are reluctant to produce dry chili due to a number of reasons such as unfavourable climatic conditions prevailing in the cropping seasons, high labour demand, and less profitability due to low market price. The study has shown that dried chillies production has a marginal profit.⁷⁷

The situation with regard to chillies is also applicable to a number of other crops, and the sustainability of the project interventions depends on external factors such as import restrictions. (See: Lessons Learnt).

Availability of cost of production data of commodities would help the stakeholders in their decision-making on marketing approaches.

4.7 Gender equality and disability inclusion

To what extent did the project design identify and integrate specific targets and indicators in gender?

In the situation analysis of the Project, it was noted that there is low labour participation rates and high unemployment especially among youth and women in the Northern and Eastern Provinces. It also reports the socio-economic constraints and stigmas faced by female-headed households (FHH) in the conflict areas. It was estimated that there are about 58,100 FHH in the Northern

⁷⁵ KII with PDoSS.

⁷⁶ KII with the staff of PDoSS.

⁷⁷ Local Hybrid Chili Cultivation and Dry Chili Production; HARTI Occasional Publication No. 48 (March, 2022)

Province equivalent to one-in-four households. The main concern for FHHs is the limited income generating opportunities; they are also subject to discrimination and harassment and are forced to work for low pay to mitigate the circumstances. The analysis also noted that there are about 1.7 million PwDs in Sri Lanka of which 57 per cent are females. Around 22,000 of these PwDs live in the Northern Province. In these circumstances, the Project carried out a Gender Gap Assessment, and a Rapid Livelihood Needs Assessment among PwDs during the Inception Phase of the Project.

Based on the preliminary work, the Project identified vulnerable women and men, FHH, widows and PwDs as its target group for intervention. Although the Project developed criteria for selection of these Groups, the evaluation notes that the focus to seek out the vulnerable groups was inadequate. Ideally, the Project should have developed strategy for mainstreaming gender and PwDs in the work programme of the Project and provide specific guidelines to give preference to PwDs. During the evaluation, it was clear that in spite of having criteria for beneficiary selection, the spirit of focussing on vulnerable women and PwDs was not evident amongst the stakeholders. Nonetheless, the Project engaged with 641 PwDs out of 6,127 beneficiaries (or 10.5 %) in its activities.

The Outcomes # 2 and # 3 directly relate to empowering or changing lives of vulnerable people and PwDs; outcome # 1 provides livelihood support for these groups. In regard to the indicators, the evaluation notes the following:

- At the overall objective level, the Project uses two specific indicators as follows:
 - Value of additional net income (income generated through ILO initiatives) earn by the targeted disadvantaged people through the project interventions;
 - Number of targeted disadvantaged people who increase their income through the project intervention.
- In regard to Outcome # 1, the main indicator is “5,000 new sustainable livelihoods created in the agriculture, fisheries and SME sectors for men and women”; this does not specifically mention vulnerable people or PwDs.
- For Outcome # 2, the main indicator is ‘Number of disadvantaged women and men who improve employment (employment, which is more secure, safer, a better working environment, better employment conditions or higher paid) disaggregated on gender and disability’;
- The main indicator of Outcome # 3 is ‘Level of changes in empowerment of targeted men, women and PwDs;
- The last Outcome (# 4) is on upscaling; nevertheless, it has two sub-indicators covering vulnerable communities and PwDs (Increased investment in business practices that incorporate disadvantaged women and men; Increased adoption of models to organise disadvantaged women and men in communities and enable them to integrate effectively and beneficially into supply chains).

The Outcome Indicators (and some outputs indicators) have been developed to capture changes to vulnerable communities and PwDs; furthermore, data collection has disaggregated data on sex and PwDs. Although the indicators capture quantitative data, qualitative information on wellbeing indicators of vulnerable and PwDs is not adequately captured. According to the M&E Officer, it is planned to systematically capture information on wellbeing indicators at the end of the Project.

What are the key achievements of the project on gender equality and women's empowerment so far?

Within its overall objectives and strategies, what specific measures were taken by the project to address issues relating to:

- Gender equality and non-discrimination through an intersectional lens?
- Inclusion of persons with disabilities through an intersectional lens?

The key achievement of the Project on gender equality and women's empowerment revolves around the efforts taken to mainstream gender across pre-existing domains of the Project, the market linkages/value chains and the MSMEs involved therein, and in the various associated government, private sector organisations and cooperatives. The project design has coupled gender and disability inclusion together. Towards this end, several interventions have been implemented with the aim to build capacity and provide financial and business development literacy, promote entrepreneurship, and to create long-lasting and sustainable social change by engaging men and other resisting stakeholders in dialogue to better accept women's leadership and changing gender norms. Some highlights are provided below:⁷⁸

- Over 4,000 women were trained on cultivation and management of a variety of cash crops, and in sea cucumber nurseries. These trainings have helped them to improve their income largely through the market linkages developed by the Project.
- Fifty-five officials of the Provincial Department of Industries have been trained as trainers on subjects such as business counselling, gender mainstreaming, micro-scale business development, disability and gender inclusion into business, market differentiation, customer segments, demands, value additions, branding, packaging innovations, and in e-marketing. These officers have in turn trained others in PDol and in other departments. Overall, these trainings have enabled the officials to extend services to women and the PwDs to start/improve their micro/small business and develop them.
- The Project's engagement with the private sector has resulted in their acknowledgement to engage with women and PwDs. Tropicair Lanka (Pvt) Ltd facilitated establishment of seven MSMEs (four were by women and three by PwDs); David Gram engaged 40 FHH and supported PwDs; Alli (Pvt) Ltd together with Venkalacheddikulam Cooperative supported about 100 PwDs; both Sunfrost and Plenty Foods women farmers, PwDs and FHH.
- The Project supported building capacity on gender and PwD mainstreaming in the cooperative sector; however, improving services to their members has mixed results especially in paving the way for supporting women and PwDs to be voted to positions of decision-making. Though they acknowledge that it is essential, there is no evidence of progress towards extending this concept. It will be interesting to see the composition of men and women in the Boards after the current term expires.
- Forty-eight women members of WESWA were trained in digital marketing, accessibility, personal capacity building, creativity, constructive communication, etc. The project extended support to 50 selected MSMEs. However, the evaluation found that some of these MSMEs were inactive.
- The Project supported the Department of Manpower and Employment identify PwDs for employment in the Northern and Eastern Provinces by holding job fairs. In the Northern

⁷⁸ Also see Good Practices.

Province 35 PwDs found wage employment, but after six months only seven retained the jobs (See effectiveness section – Outcome 2).

- The Project supported the Department of Cooperatives and the Department of Social Services to develop policies on gender and disability inclusion.
- The Project carried out a number of affirmative actions to increase employment opportunities as well as improved working conditions for vulnerable women, working mothers and PwDs by providing easy access and customise the workstations to suit their work, and provide disable access, disable-friendly toilets, and creches for working mothers.

During the field visits and stakeholder meetings, it became evident that the technical and oversight support to the community to address issues on gender and equity were inadequate, as the Project's field team did not have a dedicated expert. The Project could have benefitted if the services of agender specialist were available on-site.

To what extent did the project bring lasting changes in norms and policies that favour/promote

- Gender equality and non-discrimination through an intersectional lens?
- Inclusion of persons with disabilities through an intersectional lens?

The Project has been able to bring about changes in the stakeholders on the way they integrate gender and PwDs in their establishments. Key examples are highlighted below:

- The private sector companies engaged in market linkages have already acknowledged on the norms on equality that have been propagated by the Project. Some of these companies are well established ones and are aware of the norms relating to equality as they know the principles of decent work and Occupational Safety and Health training and the need to reach out to the vulnerable population. The rapport developed with the beneficiaries have resulted in a group of 'loyal' farmers who are likely to be engaged with the companies in the future.
- The policies and strategies on gender and inclusion facilitated by the Project in GoSL agencies will enable the respective government departments to serve the vulnerable population more effectively and will help government officials to define the parameters within which assistance has to be rendered to both groups.
- The working relationship that has been facilitated and promoted between the Provincial Department of Social Services and the Provincial Department of Industries is seen and acknowledged by both parties as a useful and fruitful partnership to serve better the communities which are mandated to be served by both. The departments intend to build and strengthen this relationship further. (See: Good Practice).
- The database of PwDs established by the DoSS with Project's assistance will be an information base to refer to when serving the PwDs and will enable avoiding any duplication of assistance. The department intends to update this database semi-annually.
- The private enterprises which have set up decent workplaces and customised workplaces to assist the PwDs and vulnerable women have in turn earned the loyalty of their workforce, which is expected to be shown in their commitment and loyalty to the organization.
- The Project's investment in training programmes offered to government officials, private sector, cooperatives, enterprises, and the farming and agriculture-based families has enabled them to gain knowledge and practices which will be used/practised by them long after the project ends. The linkages facilitated with the Provincial Departments of

Agriculture and Agrarian Services will continue and the farmers will be able obtain their services as and when required.

How has the project been able to leverage the ILO contributions, through its comparative advantages including ILS, social dialogue and tripartism?

- ILO has been able to leverage EIIP funds to bridge the gaps in agricultural activities during Covid and the economic downturn.
- SURAR project has been useful to complement the project activities by constructing buildings (processing centre for David Gram)

4.8 Project's responsiveness to SDGs

To what extent the project considered relevant SDG targets and indicators?

The relevant SDG Goal is Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all). In this instance, decent work may be defined as per ILO Decent Work Indicators (https://www.ilo.org/integration/themes/mdw/WCMS_189392/lang--en/index.htm).

The Project's Results Measurement Framework highlights two SDG indicators, 8.5.1 (Average hourly earnings of female and male employees, by occupation, age and persons with disabilities) and 8.5.2 (Unemployment rate, by sex, age and persons with disabilities). Whilst these are directly in line with Project's interventions, the following indicators too are relevant, to varying degrees:

- 8.3.1 Proportion of informal employment in total employment, by sector and sex
- 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training;
- 8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status;
- 8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider

Related to the goal, some of the ILO Decent Work Indicators are embedded in SDG Indicators.

In the Sri Lankan SDG Strategy, a key recommendation (under poverty and inequality) is to *adopt special measures to empower the poorest and most vulnerable members of society to find sustainable livelihoods, including female headed households affected by conflict and persons with disabilities*. Additionally, in regard to decent work, the recommendation is to *introduce technology and modern work instruments and implements to reduce or eliminate adverse effects of such work on health, safety and well-being of workers* (Recommendation 4.9.3. Remedies, Measures and Implementation).⁷⁹

The evaluation finds that there is no specific reporting on SDG targets.

To what extent did the project increase stakeholders' awareness on SDG targets and indicators relevant to Decent Work Agenda? (explicitly or implicitly)

Discussions with the stakeholders in the project areas did not elicit any awareness creation on SDG by the Project. However, the evaluation found that the GoSL stakeholders were generally aware of SDGs, but were not specifically focussed on SDG target relating to Goal 8. In so far as other stakeholders are concerned, their awareness on SDG was minimal, although the results of the Project contributed to SDG indicators.

⁷⁹ Report on Sustainable Sri Lanka 2030 Vision and Strategic Path (2019) Presidential Secretariat, Sri Lanka

To what extent did the project leverage partnerships (with constituents, national institutions and other UN/development agencies) that enhanced projects relevance and contribution to priority SDG targets and indicators? (explicitly or implicitly)

Although there were no explicit indications, the national institutions engaged in the Project contributed towards SDG targets. The evaluation noted that there is an opportunity for the Project to enhance private sector partnerships towards their conscious contribution to the relevant targets. There are mechanisms and tools that could be used to enhance private sector reporting on their contributions towards SDG targets⁸⁰; such actions would be mutually beneficial, and would improve private sector reporting on the relevant targets of Goal 8.

⁸⁰ See for example: How to Report on the SDGs (2018) KPMG International Cooperative

5. Recommendations

The Project ends on 30 June 2023 (with a six months no-cost extension to complete activities relating to the Outcome # 4). Therefore, the following recommendations will have no bearing on the current Project. However, these are presented for consideration in follow-up Projects of similar nature (e.g. PAVE).

Design

1. **Results Framework:** In developing the Results Framework, attention should be paid to develop SMART indicators where the requisite data and information could be readily collected, and that the indicators demonstrate changes attributed by the Project.

Addressed to	Priority	Resource	Timing
Project Management	High	Low	Short term

2. **Value Chains:** Future work on value chains should ensure comprehensive analysis of all segments of the value chain to identify deficiencies that hinder improvements to the end product; concomitantly, business development services should be made available to overcome deficiencies in the value chains.

Addressed to	Priority	Resource	Timing
Project Management	High	Medium	Short term

3. **Cost of Production of commodities:** As the market linkage models are highly influenced by the commodity prices and imports, it is recommended that in future interventions, particularly in agriculture and aquaculture, a programme be launched to develop cost of production models for commodities.

Addressed to	Priority	Resource	Timing
Project Management	High	Low	Short term

Collection of data and evidence for fine-tuning future interventions

4. **Data collection:** The Project has developed market linkage models which are replicable. There is potential to develop these models further to be incorporated into development strategies and policies. In agriculture, there is a vast untapped body of data from the farmer fields on yields and expenses. It is recommended that the Project invests to collect these data from as many farmers as possible and analyse the data to provide evidence, including cost-benefit analysis, of robustness of the market linkage models. The Development Officers in the Divisional Secretariats could be mobilised, with the concurrence of the Divisional Secretaries, for collection of these data, which have a planning value for Divisional Secretaries as well. It is also recommended that qualitative outcome information of human wellbeing and social development are also collected.

Similarly, the irrigation tank rehabilitation through cash-for work will provide very useful information on returns on investment, as a potential replicable model.

Addressed to	Priority	Resource	Timing
Project Management & ILO Country Office	High	Medium	Short term

5. **Assessment of MSME and SME beneficiaries:** The Project has supported 631 beneficiaries in MSME, SME and self-employment; a detailed assessment of a representative

sample of these beneficiaries would be useful for incorporating these models into development strategies as well as to provide any improvements that are necessary for the models.

Addressed to	Priority	Resource	Timing
Project Management	Medium	Medium	Medium term

Focus on Gender and Inclusion

6. **Focus of Gender and Inclusion:** In future, Project's with focus on gender and inclusion should consider the following:
- As an inception activity, prepare the gender and inclusion strategy setting out the principles and clear criteria for selection of beneficiaries;
 - Activities on gender and inclusion should not be conducted as standalone activities; rather inclusion of social mobilisation (self-help approach or equivalent models), psycho-social interventions, and savings and lending at community level should be integrated into gender and inclusion agenda to ensure sustainability of the interventions.
 - Activities on gender and inclusion needs regular technical back-stopping by trained staff; it is important that appropriate trained staff are available for mentoring and monitoring of interventions involving gender and inclusion so that the actions can be sustained by the community once the project is over.

Addressed to [(a), (b) & (c)]	Priority	Resource	Timing
Project Management ILO Technical Unit	Medium	Medium	Medium term

- The work of the Department of Manpower & Employment has shown difficulties of PwDs maintaining their jobs; detailed analysis of the background to this situation and the reasons for the situation will be useful to map out any future interventions involving job placements for PwDs.

Addressed to	Priority	Resource	Timing
Project Management ILO Country Office (in collaboration with DM&E)	Medium	Low	Medium term

Support to stakeholders

7. **Support to the Department of Cooperatives:** In regard to activities with the Cooperatives, it is recommended that (a) the Project facilitates a dialogue between higher level Cooperatives and the Provincial Department of Cooperative (PDoC) in order to agree on the way ahead with some of the Project interventions; and (b) the Project, in consultation with the PDoC should explore focussing Project's assistance towards improving business strategic planning, value chains and related areas, and the overall vision of the cooperatives.

Addressed to	Priority	Resource	Timing
Project Management ILO Country Office (in collaboration with PDoC)	Medium	Low	Short term

Monitoring, Evaluation, and Reporting

8. **Field-level monitoring:** Field-level monitoring needs to be strengthened as the evaluation noted shortcoming in the monitoring of MSMEs; in addition, monitoring of agricultural activities is left with the private sector who have done a commendable service in providing inputs and extension services. The main interest of the private sector is to buy raw material for their business; the Project should complement this by undertaking outcome monitoring to capture changes in human wellbeing and social wellbeing. Connected to this is the need to support the private sector to ensure that the farmers maintain their loyalty in the linkages that have been established by the Project.

Addressed to	Priority	Resource	Timing
Project Management ILO Country Office	High	Low	Short term

9. **Reporting:** Reporting is lengthy and complex; it is difficult to extract key information from the Annual Reports. A clear and concise statement on the status of indicators would be very useful in addition to any narratives that are provided. Furthermore, reporting on the actions to support the relevant SDG Goals is scanty, and it is recommended that the Annual Report has a separate section on SDG contributions.

Addressed to [(a), (b) & (c)]	Priority	Resource	Timing
Project Management	High	Low	Short term

6. Lessons learned and Good practices

During the validation workshop with provincial stakeholders, their views were sought on the “Most Significant Change’ made by the Project, as perceived by them. Altogether 16 suggestions, including one from a project staff member, were received. Many did not reflect the Most Significant Change, but some of their suggestions mirror the findings of the evaluation team, and are captured in the following:

Lessons learned:

- The Chillie value chain - Risks

Good Practices:

- Agricultural market linkage model introduced by the Project
- Follow-up on job placements for PwDs (activity of a GoSL partner organisation of the Project)
- Linkage, greater understanding and working relationship between government departments induced by the Project
- Assisting returnees to de-mined holdings
- Enhancing farmer loyalty

Details are provided in the following sections.

Project DC/SYMBOL: LKA/18/01/MUL

Name of Evaluator: Ranjith Mahindapala, Deepthi Lamahewa; Rachel Perera

Date: 29 June 2023

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.

LESSON LEARNED ELEMENT	The Chilli value chain - Risks																		
<p>Brief description of lessons learned (link to specific action or task)</p>	<p>The Project facilitated the establishment of the chilli value chain; the growers would cultivate chillies and dry it; the dried chillies would be purchased by a private sector entity for value addition (chillies powder, chilli flakes etc.). The value chain collapsed when the market price of imported dried chillies dropped significantly below the cost of production. In order to provide evidence on the robustness of the value chain and to avoid risks, the Project should have taken into consideration the cost of production of green chillies as a part of the design of the model. This intervention contributes to Outcome # 1 of the Project wherein improvements to income for the beneficiaries are envisaged.</p>																		
<p>Context and any related preconditions</p>	<p>Enhanced interest in dried chillies production is a result of the Government's ban/levying a high import tax on imported dried chillies. The private sector entity was assured a regular supply of dried chillies for their manufacturing.</p> <p>From their part, the private sector provided inputs (on a loan to be recovered from sales), extension support, and regular monitoring. The Project provided some equipment and driers.</p> <p>The precondition was that the farmers would sell their produce to the private company. The 'loyalty' of the farmers was not consistent; when the green chillies prices increased in the open market, some farmers would sell green chillies in the outside market surreptitiously. The private sector entity realised this problem, and allowed the farmers to sell part of their production in the open market (see: Good Practice # 5).</p>																		
<p>Targeted users / Beneficiaries</p>	<p>The vulnerable people targeted by the Project, and the partner private sector entity.</p>																		
<p>Challenges /negative lessons - Causal factors</p>	<p>As already indicated, the interest on dried chillies production was based on import restrictions imposed by the Government. The annual country requirement of dried chili is around 55,000-60,000 MT; the local production is only about 5,000-7,500 MT causing a shortfall of about</p> <div data-bbox="595 1641 1114 1942" data-label="Figure"> <table border="1"> <caption>Fig. A - Trends in green/dried chillie prices (Peliyagoda market; the Year is January prices)</caption> <thead> <tr> <th>Year</th> <th>Dry chillie (US\$K)</th> <th>Green chillie (US\$K)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>540</td> <td>250</td> </tr> <tr> <td>2021</td> <td>470</td> <td>800</td> </tr> <tr> <td>2022</td> <td>870</td> <td>450</td> </tr> <tr> <td>2023</td> <td>1350</td> <td>280</td> </tr> <tr> <td>mid-2023</td> <td>1040</td> <td>825</td> </tr> </tbody> </table> </div>	Year	Dry chillie (US\$K)	Green chillie (US\$K)	2020	540	250	2021	470	800	2022	870	450	2023	1350	280	mid-2023	1040	825
Year	Dry chillie (US\$K)	Green chillie (US\$K)																	
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	<p>50,000-55,000 MT.⁸¹ With the improvements to economy, the Government is now contemplating reducing the import tax as local production of dried chillies is inadequate for consumption.</p> <p>The main challenge is the fluctuating green chillies prices (Fig. A). As would be seen, there is significant variation in the prices of green chillies.</p> <p>Production of 1 kg of dried chillies requires 5 kg of fresh (ripened) chillies. The cost of drying, including labour has been estimated at approximately LKR 100/kg. Thus the cost of production of 1 kg dried chillies is LKR 4,100/kg based on June 2023 green chillies prices (LKR 800/kg) (Table A).</p> <table border="1" data-bbox="598 584 1171 748"> <caption>Table A - Cost of production of dried chillies</caption> <tr> <td>Cost of fresh chillies (5 kg)</td> <td>4,000</td> </tr> <tr> <td>Labour/materials for drying</td> <td>100</td> </tr> <tr> <td>Total cost for 1kg dried chillie</td> <td>4,100</td> </tr> </table> <p>In the circumstances, there is no incentive to produce dried chillies as the price of imported dried chillies (June 2023) is only LKR 1,040.⁸² Drying chillies under these circumstances is not remunerative. At the moment, the private sector entity purchase price of dried chillies is LKR 1,000/kg.</p> <p>The fluctuation of green chillies prices, and the revision of import tax by the government, which is being contemplated now, are serious challenges to maintain the value chain.</p>	Cost of fresh chillies (5 kg)	4,000	Labour/materials for drying	100	Total cost for 1kg dried chillie	4,100
Cost of fresh chillies (5 kg)	4,000						
Labour/materials for drying	100						
Total cost for 1kg dried chillie	4,100						
<p>Success / Positive Issues - Causal factors</p>	<p>The positive aspect is the engagement of farmers through provision of inputs and extension services, and the assurance of buy-back of the produce.</p>						
<p>ILO Administrative Issues (staff, resources, design, implementation)</p>	<p>In order to provide evidence on the robustness of the value chain, the Project should have calculated the cost of production of green chillies (as a part of the design of the model).</p>						

⁸¹ Source: Hector Kobbekaduwa Agrarian Research & Training Institute; Occasional Publication Series No. 48 (Local Hybrid Chili Cultivation and Dry Chili Production)

⁸² Source: Hector Kobbekaduwa Agrarian Research & Training Institute; Wholesale prices of commodities (28 June 2023)

Project DC/SYMBOL: LKA/18/01/MUL

Name of Evaluator: Ranjith Mahindapala; Deepthi Lamahewa; Rachel Perera

Date: 29 June 2023

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

GOOD PRACTICE ELEMENT # 1	Agricultural market linkage model introduced by the Project
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	<p>Outcome # 1 of the Project seeks to improve the income of farmers engaged by the Project.</p> <p>The Project, through its partnership with the Private sector, facilitated provision of a package of services to the OFC farmers. The material inputs such as seed, fertilizer and other agrochemicals were provided on loan to the beneficiary. Extension services were provided regularly by the company, and the harvest was bought by the company thereby ensuring a 'commensurate' price to the beneficiary.</p> <p>On occasion, the Project provided agricultural machinery to the farmer cooperative; this enabled the farmers to rent agricultural machinery for work in their fields at a cost less than the market rates for renting such machinery. This component enabled the member farmers to obtain this service, and prepare the lands in a timely manner.</p>
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	<p>In the past, supporting the farmers with inputs alone has not helped them to sustain their cultivations. The difference in this case is that it was a full package with buy-back of the produce with clear financial gains to the farmers, and ensuring continued supply of raw materials to the private sector entity. Furthermore, farmers have been given advice on retaining part of the harvest for seeds thus ensuring that they continue cultivation in the next season.</p>
Establish a clear cause-effect relationship	<p>The package represents a clear cause-effect relationship in that the farmers lacked steady income from agriculture, and the intervention effected improved income with likely sustainable intervention.</p>
Indicate measurable impact and targeted beneficiaries	<p>The measurable impact is increased income (already reported in the Annual Report 2022 of the Project using a representative sample); the beneficiaries are vulnerable women including persons with disabilities.</p>
Potential for replication and by whom	<p>There is potential for replication of this model in other Provinces in the country by (a) other projects with similar objectives, and (b) Government agencies, in particular Provincial Departments of Agriculture.</p>
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	<p>Links to Country Priority # 1 of DWCP. It also contributes directly to ILO's Strategic Plan for 2018–21.</p>
Other documents or relevant comments	<p>Project's Annual Report, 2022</p>

Project DC/SYMBOL: LKA/18/01/MUL

Name of Evaluator: Ranjith Mahindapala; Deepthi Lamahewa; Rachel Perera

Date: 29 June 2023

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

GOOD PRACTICE ELEMENT # 2	Follow-up on job placements for PwDs (activity of a GoSL partner organisation of the Project)
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	Outcome # 2 of the Project seeks to provide decent jobs for vulnerable communities, especially PwDs. The Project, through its partnership with the Department of Manpower and Employment (DME), facilitated holding two job fairs in the Northern Province and in the Eastern Province. The purpose of the job fairs was to link the beneficiaries with employers.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	In the past, various agencies/projects have facilitated creation of jobs for vulnerable people. This initiative focusses on finding jobs for PwDs. The DME facilitated finding jobs for PwDs in the Northern Province, but from a follow-up assessment six months after the job placement revealed that only seven (7) out of 35 remained in the jobs. This is an important finding as the agencies would be able to ascertain the causes of PwDs leaving the jobs, particularly whether it is due to the disability. The follow-up work is a replicable model to be adopted not only by DME but also by Projects.
Establish a clear cause-effect relationship	The intervention represents a clear cause-effect relationship in that PwDs find it difficult to access jobs, and the interventions provided opportunities for PwDs to gain employment.
Indicate measurable impact and targeted beneficiaries	The measurable impact is the additional jobs created through Project interventions with a focus on persons with disabilities.
Potential for replication and by whom	There is potential for replication of this model in other Provinces to seek reasons for PwDs leaving the jobs so that necessary corrective actions could be taken by the Government agencies and Projects.
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	Links to Country Priority # 1 of DWCP. It also contributes directly to ILO's Strategic Plan for 2018–21.
Other documents or relevant comments	

Project DC/SYMBOL: LKA/18/01/MUL

Name of Evaluator: Ranjith Mahindapala; Deepthi Lamahewa; Rachel Perera

Date: 29 June 2023

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

GOOD PRACTICE ELEMENT # 3	Linkage, greater understanding and working relationship between government departments induced by the Project
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	<p>Outcome # 3 of the Project seeks to enhance the participation of women and PwDs in the chosen sectors.</p> <p>The project provided knowledge and skills to a wide range of stakeholders including relevant officers of the government on integrating gender and disability. It targeted the <i>Department of Social Services (DoSS)</i>, the main service provider for vulnerable groups and the <i>Department of Industries (DoI)</i> which has the mandate to establish, maintain and develop rural industrial and livelihood enterprises, promote entrepreneurship culture, provide skill development training and inculcate technology adaptation culture.</p> <p>The project supported DoSS to set up a database with complete information of PwDs in the northern province, develop the policy on PwDs and train the department officials on Sign language. The DoSS provided a monthly allowance for PwDs and gave a one-time business start-up cash of LKR 50,000 for those who are interested in engaging in livelihood activities. The linkage and partnership facilitated and promoted by the project between DoSS and DoI has enabled both departments to work together for sustaining the entrepreneurial and other livelihood initiatives undertaken by the Project. DoI has also sought provincial funding and supplemented and complemented the livelihood assistance provided by the project.</p> <p>This initiative has enabled PwDs, including women to seek services in an efficient and effective manner.</p> <p>It also enables both DoSS and DoI to work within a partnership framework with greater understanding and information sharing and deliver social services and livelihood activities by complementing and supplementing each other's functionalities.</p>
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	<p>The practice of PwDs and vulnerable groups (including women) was to seek DoSS assistance for monthly allowance and receive livelihood allocation if selected by the department. Training and nurturing them on entrepreneurship were not available. However, with greater understanding of the PwDs, their limitations and vulnerabilities, both departments can better address the needs and expectations of the PwDs and vulnerable people.</p> <p>The evaluation noted that fostering of the partnership has been strengthened due to the personal interest of GoSL Officials.</p>
Establish a clear cause-effect relationship	<p>The facilitation and intervention represent a clear cause-effect relationship in that the PwDs, including women can seek an improved package of services by both departments, where one addresses the initial need followed by addressing livelihood needs. Training and awareness programs have enabled both departments to pool their resources to meet the needs of the PwDs. It has also enabled the PwDs and vulnerable women to move on to the next level to participate and get involved in decision making at different levels leading to greater recognition by the community.</p>

Indicate measurable impact and targeted beneficiaries	The measurable impact is the inclusion of about 600 PwDs who were able to generate income by engaging in agriculture and entrepreneurial activities.
Potential for replication and by whom	There is potential for replication of this model in other Provinces in the country by (a) other agencies and projects which target vulnerable groups of people, and (b) Government entities, particularly Provincial Departments of DoSS and DoI
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	Links to Country Priority # 1 and # 2 and the Enabling Outcome 4 (database) of DWCP. It also contributes directly to ILO's Strategic Plan for 2018–21.
Other documents or relevant comments	Project's Annual Reports, 2020-2022

Project DC/SYMBOL: LKA/18/01/MUL

Name of Evaluator: Ranjith Mahindapala; Deepthi Lamahewa; Rachel Perera

Date: 29 June 2023

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

GOOD PRACTICE ELEMENT # 4	Assisting returnees to de-mined holdings
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	Supports marginalised communities to continue agricultural pursuits.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	<p>There are numerous families who have been ‘displaced’ or unable to occupy their lands due to landmines planted during the conflict. Since the end of the conflict, there have been programmes to demine lands’ however, this is a protracted activity given the care that is needed to de-mine. As a result, the occupants of the land have been kept away from the land for prolonged periods.</p> <p>Whilst the Government allowed the occupants to return to their lands after the mines have been cleared, there has been no regular programme to support the occupants with livelihoods for them to start a new life. The Project’s assistance to support 400 families with DFAT funds to start ground nut and black gram cultivation has resulted in significant incomes to the families and opportunities to re-integrate with the society.</p> <p>The local government agencies consider this as a welcome model to re-integrate marginalised people into the society.</p>
Establish a clear cause-effect relationship	The intervention represents a clear cause-effect relationship in that the marginalised people who were without any livelihood support have been able to secure decent work and significant income.
Indicate measurable impact and targeted beneficiaries	The measurable impact is the inclusion of about 400 marginalised families who were able to generate income by engaging in agriculture.
Potential for replication and by whom	There is potential for replication of this model in other conflict-affected areas in the country.
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO’s Strategic Programme Framework)	Links to Country Priority # 1 of DWCP. It also contributes directly to ILO’s Strategic Plan for 2018–21.
Other documents or relevant comments	Project’s Annual Reports, 2020-2022

Project DC/SYMBOL: LKA/18/01/MUL

Name of Evaluator: Ranjith Mahindapala; Deepthi Lamahewa; Rachel Perera

Date: 13 August 2023

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

GOOD PRACTICE ELEMENT # 5	Enhancing farmer loyalty brings additional benefit to the farmers and their families.
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	Supporting the farmers to maintain their loyalty to the supplier company.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	There have been many instances where projects have tried to link farmers (producers) to the buying companies (buyers). However, in most instances, these have not been sustained over time due to farmers shifting their loyalties, and generally selling their produce to the most advantageous entity.
Establish a clear cause-effect relationship	In the chillies value chain, the company has taken several initiatives to maintain its relationship with the farmers so that their loyalty is not compromised. These include: <ul style="list-style-type: none">• Providing inputs on loan to be recovered from the harvest;• Providing assistance to school-going children with books etc.• Supporting health care of the farmer families by providing cash for emergency health assistance;• Supporting community work in the village it works;• Supporting agricultural insurance with partial payment of the insurance premium.
Indicate measurable impact and targeted beneficiaries	The measurable impact is the continuation of supply of produce to the company.
Potential for replication and by whom	There is potential for replication of these practices in other value chains
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	Links to Country Priority # 1 of DWCP. It also contributes directly to ILO's Strategic Plan for 2018–21.
Other documents or relevant comments	Information collected from Key Informant Interviews and Focus Group Discussions.