Evaluation Summaries

Evaluation: *Skills Development for Economic Empowerment and the Creation of Livelihoods after Tsunami*

Quick Facts

Countries: *Sri Lanka*

Evaluation: *December 2008-January 2009*

Mode of Evaluation: *Final*

Technical Area: *Community Access Programme (CAP)*

Evaluation Management: *Regional Programming Services Unit, ILO Regional Office- Bangkok (Pamornrat Pringsulaka)*

Evaluation Team: *K.A.L. Premaratne, Mark Anthony Warnakula and Prof. K. Thadchanamoorthy*

Project Start: *January 2006*

Project End: *December 2008*

Project Code: *SRL/05/08/BEL*

Donor: *Government of Belgium (amount in US$)* 1,560,971.

Keywords: *Rural Economic Empowerment; Community Based Training; Cash-For-Work*

Background & Context

Summary of the project purpose, logic and structure

The Skills Development for Economic Empowerment and Creation of Livelihoods Project (ILO, CB-TREE Project Sri Lanka, SRL/05/08/BEL) was designed and implemented to help restore the lost livelihoods and earning capacities of the victims of December 2004 Tsunami in the district of Ampara. Evidence suggested that the most severely affected were women and children, suffered mostly from traumatic stress due to shock and the resultant poor living conditions. A key challenge for any livelihood recovery programme is the lower skills capacity. To fill this gap, there is an urgent need to build the capacity of skills of people and service providers, while at the same time adopting a much focused programmes for the provision of appropriate and adequate skills to vulnerable groups.

The project was utilizing the ILO's Training for Rural Economic Empowerment (TREE) Methodology and adapted to suit to Sri Lankan situation. The strategy consisted of a rapid meeting technique, product/service oriented training and supporting establishment of transition enterprise projects. Through this process, women, men and youth of affected villages were able to restore their livelihoods and earn additional incomes.

The structure of project implementation consisted of four stages.

Stage 1 – Community Preparation: Profiles of target areas and groups gathered, analyzed and communities were sensitized, organized and prepared for project interventions

Stage 2 – Community Planning: Training needs and enterprise projects have been identified, training proposals prepared and

other development projects passed on to other actors

Stage 3 – Training Delivery: Approved training programmes were conducted and training related activities were implemented

Stage 4 – Post Training Assistance: Beneficiaries implemented their plans, provided with assistance for expansion and sustainability of their economic activities

Purpose, scope and clients of the evaluation

The purpose of the evaluation is to examine the success of implementation, verify the achievements with regard to the development of practical and empowering tools to address the issues faced by target groups, and the accomplishments with regard to non-conventional and non-traditional tools used for the establishment of livelihoods.

The evaluation was, therefore, expected to review the following issues.

• Was the rapid planning technique and tools effective in coming up with project ideas in a practical and fast manner that the partners and target groups understood, appreciated and utilized?

• Were the ideas of formatting the outputs of the planning process including the preparation of project proposals useful in the implementation of training?

• Was the combined skills training and transition enterprise project training effective in income-generating activities immediately after training?

• Was the design of the transition enterprise project training material effective in teaching the target groups how to create a small and time-bounded enterprise projects?

• Was the strategy of creating a transition enterprise project for groups effective in providing opportunities for group learning and developing the motivation and knowledge of entrepreneurship?

• Was the community fund scheme useful and relevant as a community-based support mechanism to assure expansion and sustainability of the transition enterprise projects?

• Was the manual of community fund clear enough to be understood and utilized by the target group?

• Was the whole methodology effective and efficient I n addressing the various issues of marginal education, marginal resources, and practical solutions to employment and self-employment in rural communities?

• Were the project management style and logistic support system effective in the total implementation and service delivery?

• Given the same kind of target groups, communities and crisis situation, what should be the improvements on the tools and strategies of the CB-TREE methodology?

In addition, the evaluation had to verify the strategic fit, validity of design, relevance, effectiveness, management arrangements and efficiency, and impact and sustainability of the project. While analyzing the above, the evaluation was expected not only to determine whether the project achieved its output targets but to assess the extent to which it responded to the challenges faced by communities, contributed to the restoration of earning capacities, fastness and effectiveness of outputs delivered and the sustainability of results.

Methodology of evaluation

A brief description of the methodology employed for the evaluation of CB-TREE project was consisted of three components.

Firstly, it included a review of project performance through an assessment of review reports available in the ILO Office and with the Project Team in Ampara.

Secondly, the evaluation team held detailed discussions with the Project Team in Ampara to evaluate project implementation and verify the extent to which the Project Team was responding to the challenges faced during implementation.

Thirdly, an assessment of the level of stakeholder participation and outcomes of project interventions were verified. For this purpose, the evaluation team conducted field visits and discussed with the beneficiaries for collection of primary data. During the visits, the Evaluation Team conducted focus group discussions with both POs and Community Enterprises selected on sample basis covering all Divisional Secretariats of the project area.

Main Findings & Conclusions

Evaluation Team observed that the CB-TREE Project was very well fit into the overall strategy of the Government of Sri Lanka in addressing the poverty issues and livelihood development approaches for rural sector communities as well as tsunami affected of the country.

The evaluation also found that the project design was very well fit into the expectations of disadvantaged communities who had no direct support to address their employment problems. CB-TREE Project was implemented as a pioneering intervention that proved its viability through:

o Benefiting the poor, marginalized, minimally educated, underserved, and vulnerable community groups;

o Training and group participation as the entry point to realize their own potential and prospects for development;

o Implementing stakeholder participation for project interventions;

o Providing opportunities for women participation without hindrance to family responsibilities and obligations; and

o Closer monitoring and provision of follow-up services (eagle's care approach).

Project implementation was through 15 Partner Organizations (POs) selected from the district of Ampara itself and given prior training on CB-TREE methodology and "start and improve your business" (SIYB) package.

Although this arrangement of management was efficient and effective, the accessibility for the Co-Fund facility to community enterprises was not to the expectations.

Out of 1,000 targeted beneficiaries, actual number trained was 840 (84 %). Total number employed in enterprises was 807 (i.e., 81% of target to be trained or 95 % of those who received training). Average monthly income of families before training was approximately Rs. 3,000 per month but increased to more than Rs. 5,000 per month with the project. The evaluation also proved that the optimal number of participants per community enterprise was 8 – 10. All enterprises, other than those faced technical issues, were successfully operating at the time of evaluation. The enterprises that faced technical problems also either changed production process or revert to production of different items and operating satisfactorily.

Almost all enterprises are presently facing difficulties of obtaining working capital requirements for expanding their businesses. Had the Co-Fund was fully operational, the enterprises would have resolved these problems at the times they needed assistance.

Project made arrangement to establish a Federation of Community Enterprises, registered as an independent institution under the Registrar of Companies, and attached to Ampara District Chamber of Commerce and Industry as a member institution. This is an important step taken to provide future managerial and technical support to community enterprises and ensure their future sustainability. Since the Federation presently consists of only 13 enterprises out of 91 enterprises, a crash programme need to be implemented to expand it to cover all enterprises before the conduct of its 1st Annual General Meeting.

The following conclusions were made at the evaluation.

• CB-TREE methodology proved a successful strategy in addressing the issue of reinstating / developing lost livelihoods of disaster affected communities and a cohesive and integrated approach in transforming disadvantaged communities to embark on entrepreneurial ventures through group participation.

• Community beneficiaries were volunteered to form into groups but Necessary to guide them to form into groups with similar skill levels.

• A significant proportion of trainees, 806 out of 840 trained, (96 %), engaged in enterprises established and continued to involve in production.

• Beneficiaries experienced a considerable increase of income after implementation of the project. Their reported income from Rs. 1,500 – 3,000 per month prior to the project increased to Rs. 5,000 – 7,500 and up to Rs. 9,000 in some enterprises.

• Most enterprises reported that they are ready to expand production but face difficulties in finding working capital requirements. It is unfortunate that most enterprises were inaccessible to the CB-Fund for assistance.

Recommendations & Lessons Learned

Main recommendations and follow-up
The following recommendation was made by the evaluation.
• To achieve higher level of success on establishment of enterprise, it recommended that beneficiaries be guided to form into groups with competence on similar skills and maintain a gender balance.
• The optimal size of a community group should be about 8 – 10 members, based on the nature of the enterprise. Large number of beneficiaries in enterprises could demoralize due to low income levels and small numbers could face problems of over work during production.

• Marketing is a major issue faced by micro enterprises. Since they operate in a local market, are compelled to compete with products distributed by large companies. Designing an internally generated demand element among community enterprises could create a sizeable market for each industry.
• The services of Partner Organizations provided to community enterprises need to be maintained even after the completion of initial stage of development, probably at a low key basis, until such time the enterprises are developed up to a self manageable level.
• The enterprises should be encouraged to establish business bank accounts, train on maintaining asset depreciation funds and internalized waste disposal systems as components of business management system.
• The Co-fund should be made operational concurrently with the establishment of enterprises to provide access for working capital requirements. Such facility would resolve several constraints of expansion of production capacity of enterprises.
• A plan of action for the first year of operation of the Federation of Community Enterprises should be implemented with a target date for all enterprises to become members of the Federation. The Chamber of Commerce and Industry of Ampara shall take the responsibility of supervising the Action Plan. The present POs should also be given a responsibility under the proposed structure of Federation to provide assistance to community enterprises through Divisional Federations.

Important lessons learned

The main lesson learned by the CB-TREE project was the community group concept introduced for skills training and establishment of enterprises as against individual training concept implemented by other projects. Since community group concept has given a better strength and confidence for vulnerable communities, it is proved as a sound strategy for all development partners to follow in future interventions.

The selection of local NGOs as POs of development was another lesson learned through successful implementation of the CB-TREE project. As a result, after the completion of main activities performed, POs did not move out of the project and communities were not allowed to isolate with no support.

The project implementation should necessarily follow a network approach with timing for the implementation of all project activities commencing at critical times. The rate of performance of newly established community enterprises could have been much higher, had the Co-fund was implemented for the benefit of all enterprises with correct timing.

It is important that, along with the establishment of enterprises, to guide and advice the communities to establish business bank accounts. If banking practices had been followed, the enterprises would have slowly entered into 'business culture' rather than continued to be in-formal enterprises. The financial issues faced by most of the enterprises could have been resolved and minimize the necessity of Co-fund intervention.

The establishment of a sustainable institutional structure is another example that showed results. However, the level of achievement is slow and most of the community groups are still unaware of the institutional system available for them to operate as one family. Being micro enterprises, the strength generated by the 'family approach' could have been a factor for future sustainability.