



Evaluation Summary



International
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Employment Generation and Livelihoods through Reconciliation (EGLR) in Sri Lanka Final Evaluation

Quick Facts

Country: *Sri Lanka*

Final Evaluation: *20 November 2018*

Evaluation Mode: *Independent*

Administrative Office: *ILO Country Office for Sri Lanka and the Maldives*

Technical Office: *DEVINVEST/EMPLOYMENT*

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Project Code: *LKA/16/02/NOR*

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<http://www.ilo.org/thesaurus/>

Background & Context

Summary of the project purpose and structure

The International Labour Organization (ILO) implemented the Employment Generation and Livelihoods through Reconciliation (EGLR) project in Sri Lanka from 1 November 2016 until 31 October 2018. The EGLR project represents an extension of the Local Empowerment through Economic Development (LEED) project, implemented by ILO from 2011-2016 with funding from the Australian

Government. EGLR continues to respond to the need to rebuild livelihoods in the Northern Province in the aftermath of the 26-year civil war which ended in May 2009. Recognizing the need to scale-up the effort, EGLR focuses on strengthening livelihoods opportunities in the fruit and vegetables and fishery sectors, targeting vulnerable communities and extending the geographical coverage to new districts. EGLR continues to address the north-south development gap and the perception of inequality between the two main communities that was at the heart of the protracted conflict.

The project goal is to promote an enabling environment for competitive, sustainable enterprise development and creation of 2,000 decent and productive employment opportunities among the vulnerable people including women in the conflict affected Northern region in Sri Lanka by June 2018.

Three immediate outcomes are proposed to achieve the project goal:

1. Improved export earnings through mutually beneficial business partnerships in fruits and vegetables sector;
2. Developed/improved mutually beneficial partnerships in fishery sector; and
3. Improved gender responsive development interventions.

The project operates in the five districts of the Northern Province: Vavuniya, Mullaitivu, Kilinochchi, Jaffna and Mannar, including newly resettled areas in Jaffna. It targets smallholder farmers and fishers and their communities, with special

attention to women and female-headed households and persons with disabilities. Producer organizations, such as cooperative societies, are the main point of contact between the fishing and farming communities and the project.

Purpose, scope and clients of the evaluation

The purpose of the evaluation was to support accountability and to contribute to organizational learning of the ILO, the donor, implementing partners and other interested parties. It was also intended that the results of the evaluation can be considered in the strategic planning for the next phase of the project, LEED Plus. The scope included all implementation areas and all activities implemented until the time of the final evaluation.

The objectives were to assess the relevance, effectiveness of interventions and management, efficiency, and sustainability of the project. Additionally, the evaluation was expected to document lessons learned and good practices.

Evaluation Methodology

The evaluation was undertaken by an international lead evaluator and a national consultant. The evaluation was based on a triangulation of information from qualitative interviews with project stakeholders and a desk review of documentation. Interviews were conducted with project staff and Country Office staff in Sri Lanka, national and local government representatives, private sector partners and cooperative society members in four implementation districts.

The field work was conducted from 30 September to 16 October, 2018. A stakeholder workshop was held in Kilinochchi in the Northern Province on 15 October, with participants from local government, cooperative society members and board representatives and the project team, where the preliminary findings were presented and discussed.

Main Findings & Conclusions

Relevance and Design

With poverty still widespread in the Northern Province, EGLR continued to be relevant to community needs for sustainable livelihood development. The expansion to Jaffna and Mannar districts reached more communities who suffered

damage to their livelihoods in the aftermath of the conflict and who have not previously been supported through a market-driven approach. On the other hand, a more comprehensive economic and social assessment in the newly included communities would have been valuable to reassess the approach and increase the relevance of the interventions.

The cooperatives and their members found the support to production inputs, training to improve production and cooperative organization and links to southern markets highly relevant to their needs. International and local exporters and retailers value the stable source of high quality fruit and vegetables and seafood products of the northern producer associations. At the national level, EGLR supports the government's vision of economic growth through exports, tackling unequal development across provinces and inclusive employment.

The evaluation found that the project's intervention logic was essentially sound, but lacked clear objectives for local government capacity to support and sustain the approach. Moreover, the expression of the design in the results framework could have been more rigorous to improve results-based monitoring and evaluation.

Effectiveness of the interventions

EGLR has largely achieved its goal and outcome targets of improved livelihoods of small-holder farmers and increasing employment. It reached over 2,000 beneficiaries and raised cumulative income to over US\$2 million for each sector over two years. It has also enabled Sri Lankan and international export companies to source more fruit and vegetable and fisheries products reliably and at stable prices.

Cooperative society capacity. Among the cooperatives previously supported by LEED, in Kilinochchi, Mullaitivu and Vavuniya North, production incomes and commercial viability have reached high levels of maturity. These benefits were extended to cooperatives in Jaffna and Mannar, but were not seen to the same extent in the newly supported areas such as the Jaffna islands, which came on board later in the project implementation.

EGLR's provision of business development services and soft skills training and mentoring helped many

cooperatives to become better governed, commercial enterprises, providing financial and social welfare services to members. The evaluation concluded that the process of support needs to be more customized and should allow sufficient duration to build cooperatives' independence.

In the **fruit and vegetables sector** the targeted cooperatives have established lucrative business partnerships with export and domestic buyers for crops such as Lady Red Papaya, banana, passion fruit and organic medicinal plants. Evidence of higher household incomes due to the interventions was not comprehensive, but there are strong indications that incomes have improved, reaching an estimated US\$240 - \$290/household/month among fruit and vegetable growers. Significantly individual households reported that their incomes are now more stable through the cooperative buyer partnerships. EGLR also enabled farmers to diversify their crops as a successful resilience strategy.

In fisheries, EGLR built on the LEED strategy, successfully supporting most of the targeted fishing cooperatives to become purchasing enterprises, thereby increasing fishers' incomes by cutting out the middle-man traders. Incomes of crab fishers have reached \$360 per month on average. The project also helped more fishing households and communities to re-build their fishing assets, both individually and collectively and to redeem their debts to traders. EGLR capitalized on opportunities in aquaculture to help farmers set up collective sea cucumber farms as an additional lucrative source of livelihood, and to venture into mud crab farming. The ILO's partnership with Taprobane Sea Foods has helped to expand local employment for women in crab processing plants, creating around 600 new jobs, meeting decent work standards. However, some targeted fishing communities remain vulnerable - the purchasing practice has not yet reached all the cooperatives and some communities remain highly indebted.

Gender equity. As targeted beneficiaries, women made up more than half of those provided with production inputs. Women were also the major beneficiaries of employment generated in seafood processing. Due to the project's advocacy, inroads are gradually being made in women's participation in traditionally male dominated cooperatives. Men still

comprise the majority of cooperative boards of management, but some women elected to boards are demonstrably empowered and taking an active role in the direction and vision of the cooperative. Cooperative members in both sectors recounted increased recognition that women can be breadwinners alongside men, changes in household management of finances which they attributed to the gender discussion forums and women's increased economic role.

Management effectiveness and efficiency

The management arrangements and staff capacity have been highly effective in the project delivery. The main gap identified by the evaluation was the lack of an M&E Officer during most of the project period. The monitoring and evaluation system was not rigorous and was under-utilized in terms of reporting and management use. The evaluation found that the project was cost-effective, with a high proportion of funds dedicated to the implementation of programme activities. Significantly, EGLR has shared its experience internationally, with notable influence on practices in other post-conflict countries. However, the project could have developed a more effective communications and knowledge sharing strategy towards national replication and scale-up.

Sustainability

The evaluation found that the capacities of most of the producer cooperatives to operate as purchasing enterprises, access wider markets and negotiate with buyers have been sustainably improved. As business enterprises the cooperatives have reached varying degrees of independence. Some require little further external support while others are likely to require more support to reach financial sustainability. Among individual farmers and fishers the evaluation found a high degree of confidence that their livelihood means are now more stable.

Private sector sourcing of produce in the North, particularly facilitated by the National Chamber of Exporters, shows signs of continued growth. The local government agencies in agriculture and fisheries are supportive of the cooperatives approach and the Cooperatives Department was engaged; but the project was less focused at the level of government capacity to sustain and expand the overall approach.

Emerging Good Practices

- Strengthening producer cooperatives as viable business enterprises has proven to be an effective approach for inclusive economic development;
- Supporting women's producer associations was highly effective in building the economic independence, social standing and empowerment of conflict-affected women;
- Fostering champions among private sector bodies such as the NCE played a pivotal role in introducing new export partners and strengthening north-south trust.

Lessons learned

- Effective monitoring and evaluation requires adequate resources, time and expertise.
- It is important to establish an effective system for communications with the range of local government agencies, and to establish a clear ongoing role for these agencies in support of the approach.
- Building producer cooperative society viability requires several years of intensive support.

Recommendations

The following key recommendations apply mostly to the next phase of the ILO LEED project.

1. **In future community targeting, continue and intensify project support to the most vulnerable communities supported under EGLR**, especially those in the Jaffna islands and re-settled areas, where interventions are still in their infancy. (*ILO, donors, implementing partners; high priority; medium term; medium resources*)
2. **Develop and apply a systematic capacity assessment framework for cooperative societies and producer groups** from the outset to identify needs, track progress and determine the exit point for project assistance. (*ILO project team, Province/District Department of Cooperatives; high priority; short to medium term; medium*)
3. **In future project governance and partner coordination under LEED+ increase ownership of government stakeholders at the sub-national level** through regular reporting and dialogue with the relevant line ministries and administrative government. Utilize existing sub-national coordination institutions for project reporting and coordination. (*ILO and government partners; high priority; short-medium term; low resources*)
4. **Improve monitoring and evaluation system and resourcing.** Ensure that the M&E framework defines a set of relevant and specific indicators with target values to be achieved at appropriate milestone intervals and collect baseline data for the key indicators to enable assessment of progress and outcomes. (*ILO; high priority; short term; medium resources*).
5. **Implement innovative communications and advocacy strategy.** Under the next phase, ensure that learning from implementation is documented and shared at the project level, nationally and internationally through a comprehensive communications and advocacy strategy. (*Project team, ILO HQ, New Delhi DWT; high priority; medium term; medium resources*)
6. **Address occupational safety and health concerns in sea cucumber processing plants.** (*ILO, export partners, fishery federation; high priority; short-term; low resources*)
7. **Enhance gender and inclusion strategies and project staffing**, through for example, mentoring programs matching successful women with those starting out in production and cooperative management; replicate the PTK women's entrepreneurship model; strengthen the gender and social inclusion expertise in the team (*ILO and implementing partners; high priority; medium term; medium resources*)
8. **Provide psychosocial support or linkages to such services in conflict-affected communities.** (*ILO with government/other development partners; high priority; medium-long-term; medium resources*)
9. **Expand debt release among fishers leveraging alternative funding sources such as cooperative society guaranteed bank loans** and reduce the reliance on project grants. (*ILO, cooperative societies; medium priority; medium term; medium resources*).