

## Sri Lanka: Restoring Livelihoods in Post-Conflict Communities



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#### Overview

Sri Lanka's 30-year war between the government and the Liberation Tigers of Tamil Eelam devastated nearly two-thirds of the population of its Northern and Eastern provinces. The Community Livelihoods project was designed to provide income generation opportunities for vulnerable people, including victims of the conflict. So far, 200,000 families that have benefited from the program have seen their incomes increase by up to 50 percent, communities have invested in income generation activities within the village economy (total of US\$5.5 million), communities have established revolving funds (total of US\$7 million), and 1,568 youth received skills development training and are now employed.

#### Challenge

The long-lasting armed conflict in Sri Lanka, which ended in May 2009, destroyed assets, possessions and livelihoods of the people. Most aspects of life suffered—people were displaced, institutions disintegrated, and essential irrigation schemes were damaged. The country faces the enormous and deeply complex challenges of reconstructing damaged or destroyed physical infrastructure while making progress on social reconciliation and building a political consensus. The greatest immediate challenge is the situation of those families who have been displaced. The Northern Province was the worst affected area, especially during the final six months of the armed conflict, when an estimated 270,000 individuals fled the war zone and became Internally Displaced Persons (IDPs) in all districts of the Province.

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#### Approach

The Government of Sri Lanka (GOSL) policy is to bring the conflict-affected population back to productive life by providing basic amenities in order to help the people to live with dignity and to create a physically, economically and socially sustainable environment for their reintegration. The Community Livelihoods project provides income generation

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**50%**

increase in incomes for beneficiaries

opportunities for vulnerable people, including victims of the conflict to restore normalcy to their lives and encourage social and economic integration. The project covers the Northern and Eastern provinces as well as adjoining districts and is assisting more than 200,000 families in over 1,000 villages.

## Results

- Approximately 200,000 families that have benefited so far from the program have seen their incomes increase by up to 50 percent.
- Communities invested in income generation activities within the village economy on crop agriculture, livestock, fisheries, self-employment and microenterprises (total US\$5.5 million).
- The project has assisted households in 1,000 villages and rehabilitated seven major irrigation schemes to improve cultivation for up to 35,000 households.
- Each participating village received a sum of US\$30,000-50,000 depending on population levels as village fund for infrastructure development. Approximately US\$15 million in project funding was accessed by the communities for infrastructure subprojects, with US\$0.6 million in community contributions.
- Another \$10,000 was provided for livelihood support activities for marginalized groups such as elderly, women-headed households and youth.
- More than 750 community-based organizations have been formed and are satisfactorily engaged in implementation and operations and management of subprojects.
- More than 57,000 individuals are members of savings and credit groups, benefiting from access to capital; and more than 7,000 productive loans have been issued. These revolving funds include savings, interest and capital (total US\$7 million). More than 50 percent of the beneficiaries are women and more than 30 percent of beneficiaries are youth.
- Approximately 1,568 youth received skills development training provided by a community skill development fund and are now employed.

## Voices

“We are now able to earn between Rs. 5,000-7,000 per month and feel like we have a future. My dream is to be able to educate my daughter.”

— *Murukathasan Sivashakthi*

## Bank Contribution

The International Development Association (IDA) financed US\$64.7 million for the Community Livelihoods project (total estimated cost of US\$81.1 million) for village rehabilitation and development; major irrigation rehabilitation; and cluster-level livelihood activities.

The contribution of the Community Livelihoods project towards the development of national economy and the vision of the government is commendable in terms of poverty reduction; production and productivity; youth workforce; sustainable environmental conservation; and improvement of health and sanitation. Approximately US\$15 million in project funding was accessed by the communities for infrastructure subprojects, with US\$0.6 million in community contributions.

# 200,000

families have benefitted from the program

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## Partners

IDA has worked closely with government and United Nations agencies to ensure that local communities are assisted in ways that are supportive of their livelihoods and sustainable reintegration. Close attention is being paid to the lessons of other crises whereby complementary relief, rehabilitation, reintegration and development activities need to be implemented in parallel, but tailored to the variables that exist in the operating environment.

## Toward the Future

The contribution of the project towards the development of national economy and the vision of the government is commendable in terms of poverty reduction; production and productivity; youth workforce; sustainable environmental conservation; and improvement of health and sanitation.

With additional financing of US\$12 million, project activities are extending into an additional 135 villages where IDPs will return under Emergency Northern Recovery Project ENREP. In addition, an additional 8,000 hectares of recently cleared major irrigation lands will benefit another 9,000 farmers. In total, about 27,000 households will directly benefit from the expanded activities. Further scaling up of the project will positively improve the living conditions and improve sustainable livelihoods of 100,000 former IDPs, including vulnerable women, disabled, youth and ex-combatants, and victims of trauma. A second additional financing of US\$38 million is being processed at present to assist the flood-affected people in the project area.

In addition, responding to the GOSL's request for rapid return of the IDPs in the Northern Province, the World Bank has developed an emergency response package that consists of proposed emergency additional financing, a proposed Emergency Northern Recovery Operation (US\$65 million) for infrastructure rehabilitation and reconstruction as well as a cash for work program, and a special allocation of US\$20 million within the proposed credit of US\$105 million for the Provincial Roads Project to rehabilitate provincial roads in the North. This package is in addition to the financing already available for the North under on-going IDA supported projects (total US\$56 million).