



FOR GROWTH, PRODUCTIVE JOBS, INCOME, FOOD SECURITY, GOOD WORKING CONDITIONS, EQUAL OPPORTUNITIES, RIGHTS, VOICE, SUSTAINABLE DEVELOPMENT, CRISIS RESILIENCE

## LOCAL EMPOWERMENT THROUGH ECONOMIC DEVELOPMENT (LEED) PROJECT



**SEMINARIO INTERNACIONAL  
TRANSICIONES LABORALES DEL SECTOR RURAL  
HACIA LA PAZ  
Bogotá, Noviembre 2016**

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**Rural and Local Employment  
Employment Policy Department**

# Map



# Sri Lanka

- Population of 21m
- Lower middle income country
- Per Capita Income 3,924US\_\_ 2015
- GDP Growth averaged 6.5% from 2010\_2015
- Service Sector 62%, Manufacturing 29%, Agriculture 9%



# Background to the conflict

- Prolonged civil war for 30 years
- Defacto division of the country (North and East vs South)
- 80,000-100,000 killed (over 30 years). 500,000+ displaced, high incidence of female headed households,
- Wholesale destruction of property productive assets
- PwDs. Basic Needs met by Govt, UN etc, Vocational Training?
- Conflict ended in May 2009 with the military defeat of the LTTE

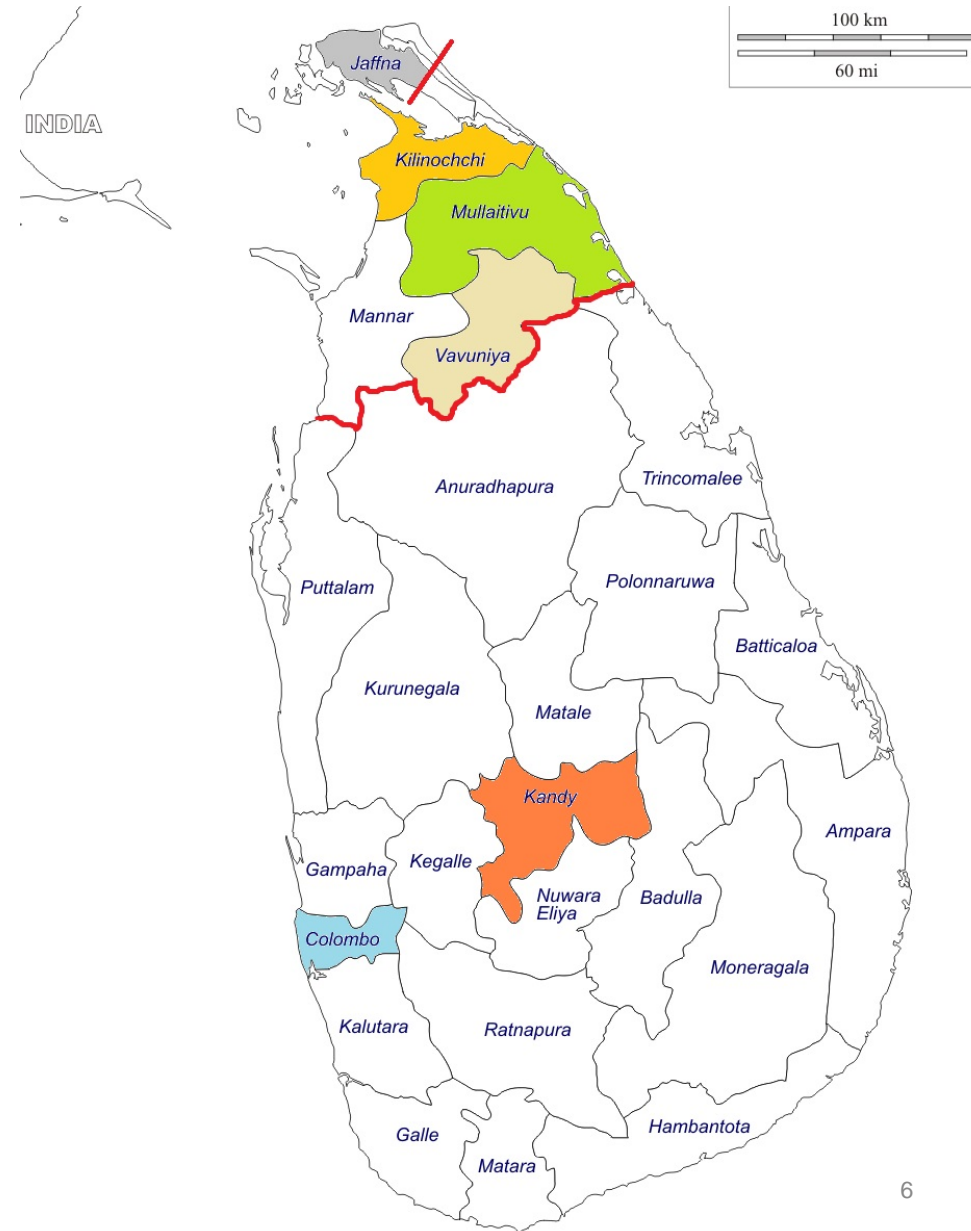
## LEED Project at a glance

- **Donor** : Australian AID/ DFAT
- **Amount** : USD 6.4 million
- **Duration** : 2011– 2016
- **Operational area** : Conflict-affected Northern Province of Sri Lanka
- **Objective** : To support the creation of decent work and livelihoods, inclusive development in support of peace and reconciliation

# Geographical areas of operation

Northern Province of Sri Lanka –

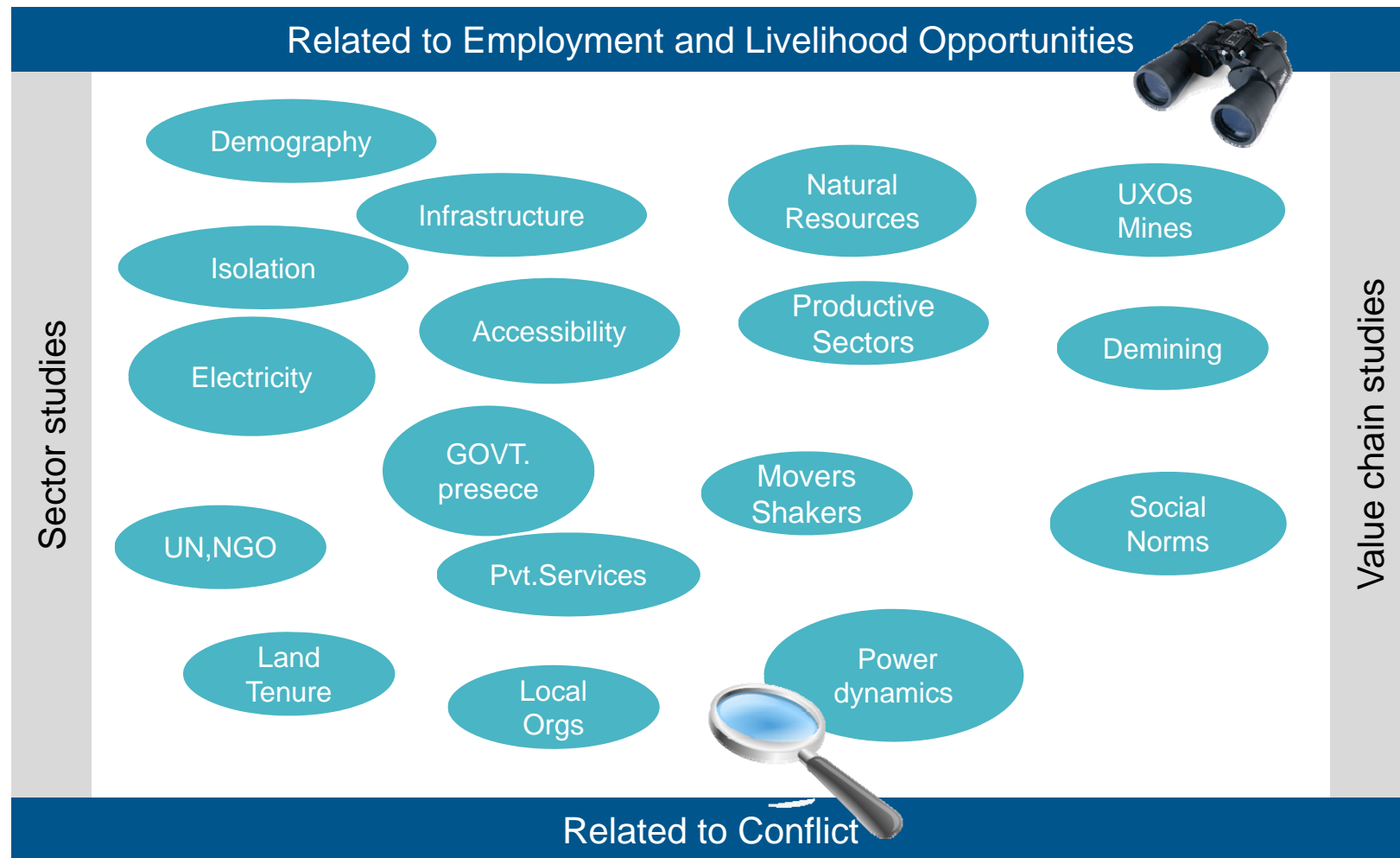
**Vavuniya, Kilinochchi and Mullaitivu**  
Districts



## Initial observations (in 2011)

- Colombo , The South and South Central : Dynamic vibrant developed economy,
- Post war economic boom was occurring \*\* 8.2% growth in GDP,
- In the North (Less developed) it also appeared as if an economic boom was occurring, driven by public investment on infrastructure, housing, demining, etc. and UN and NGO activity etc. → lots of resources
- However at village, household level, these investments did not seem to be the impact that one would expect.
- Local population appeared disenchanted, “disempowered” and marginalized
- Lots of short term low skilled jobs. Skills shortages . ( labour migration)
- Strong military presence , suspicion mistrust between Govt, UN AND NGOs.s

# Territorial Diagnosis and Institute Mapping (TDIM)





# Findings...

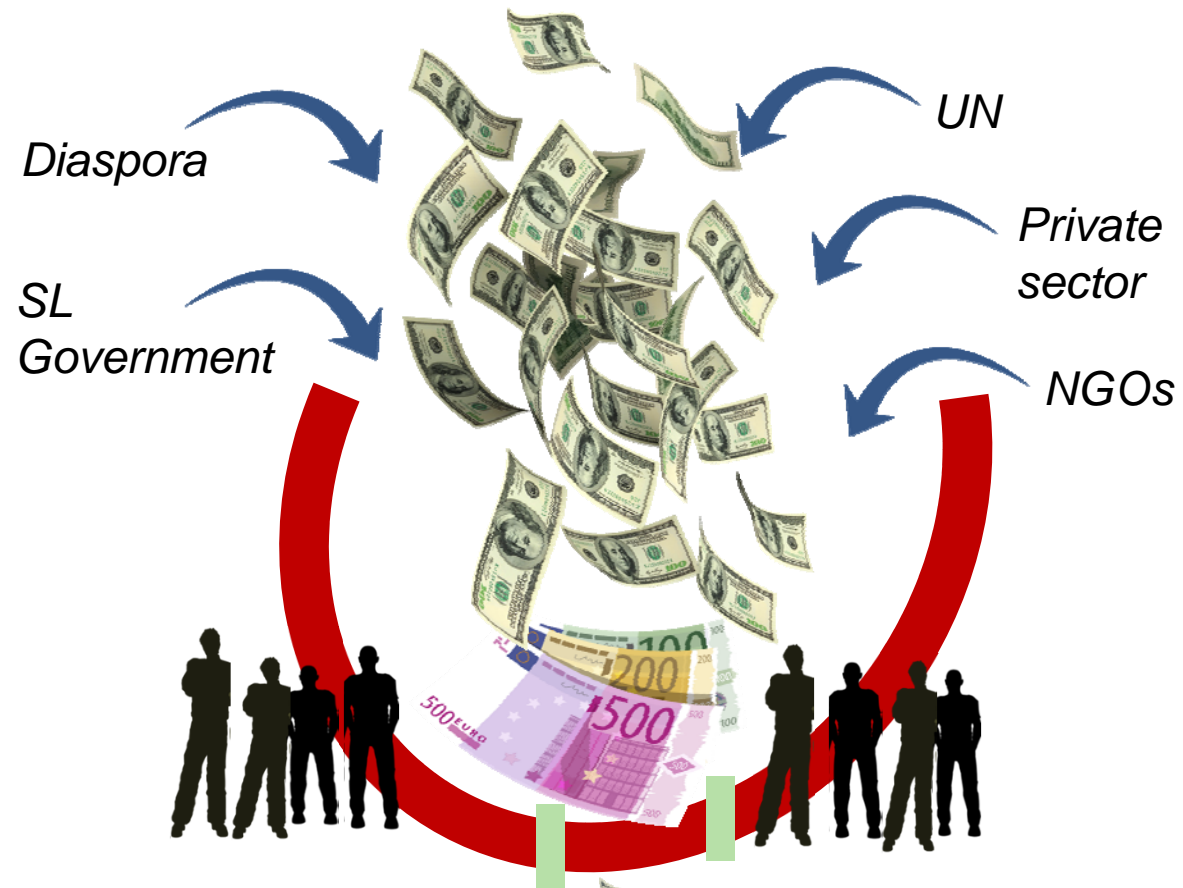
- In the North, no significant industry/ manufacturing or services
- Agriculture based economy But (negative returns?)
- Potential in fishery sector but potential spoilers
- Little if any local content ( labour, materials , equipment )in the large scale infrastructure, housing , roads etc. Similar with input supply for agriculture/ fisheries. Missed opportunities.
- Lots of supply driven initiatives “doing employment ,livelihoods et al. Competence \_ effectiveness questionable.
- Good intentions but often counter productive .
- A humanitarian mind set was prevalent.

# Findings

- Coordination was poor. Confined to 3Ws . No vision/, comprehensive plan. No guidelines, SoPs etc .
- Parallel systems of delivery. Lack of capacity myth.
- Little retention of investment funds in the region
- Sense of local ownership / participation was missing.
- Many local CBOs, often supply driven but a strong culture of COOPs.
- The North - South gap and perceptions of inequality were increasing in spite or because of this investment.
- Question asked “Is this investment here to develop us or exploit us”

## Opportunities on Employability

- Employment opportunities for local people in public infrastructure were limited to unskilled, semi skilled.
- Doubt in regard to quality and relevance of previous training(s)
- Shortages of certified machine, plant operators, welders, riggers , industrial refrigeration technicians, veterinary technicians, civil engineering technicians,
- Some of these skills and a system of Recognition of Prior Learning (RPL) was present nationally but not regionally and time was an issue.
- Missed employment opportunities,



**No retention of funds/ money  
in the North**

**No retention of fund/ money  
in the North**

# Project Strategy Approach

- Act as a catalyst/ provocateur for change. Use modest resources to leverage. Synergies with other surrounded investments trends
- Sensitise government, UN , NGOs, Donors etc. to the situation.
- Stress process , empowerment and participation.
- Address poverty and inequalities in a systemic way.
- Emphasize the need to address this North South Gap. and perception of inequality or else....
- Use the process of developing business partnerships as a neutral forum for dialogue.



# Tactics

- Utilize ILO's tripartite constitution (PAC)
- Proactively engage with the government and build confidence, trust and mutual respect.
- Engage with employers organizations, chambers of commerce and the private sector
- Identify and build capacity ( EMPOWER) local producer groups. \* Cooperatives so as they can engage to their advantage.
- Promote concepts of partnerships (North-South, producers-buyers, private sector-government)
- Look for synergies with those with shared “values”

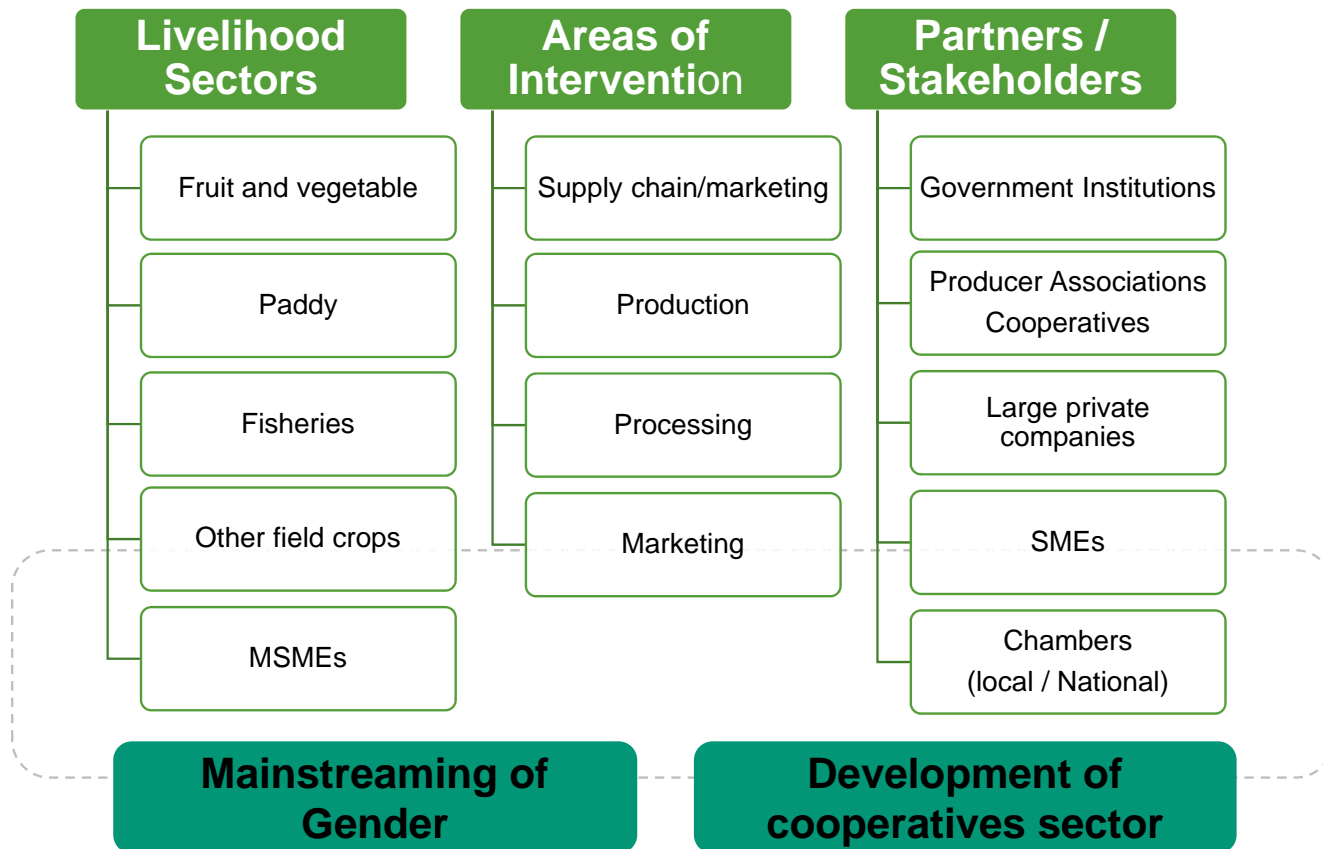
## First step - sensitization

- Sensitive government, UN agencies, NGOs and. Self Reflection.
- Provided training, reference materials, guidelines on issues such as LED, EIIP, VCD, COOPS , SIYB, VET etc.
- Meet with Pvt. sector , agriculture supply companies, exporters and private sector
- Highlighted the North-South peace dimension at all levels and at every opportunity , (Need to change. policies, practices, systems)

## Next step – Walk the talk. Demonstrate build credibility

- Need to demonstrate ILO competence, commitment, capacity to deliver and build credibility
- Assess what is possible within the time, cost and quality constraints - immediate and longer term)
- Delegated procurement, community contracting. Implications for government procurement policy and practices.
- No parallel execution. Support government and local institutions to provide services
- Engage in continuous dialogue with partners, stimulating debate, thought for the next phase.

# Main sectors, key interventions and partners



# Activities – large scale rice mills

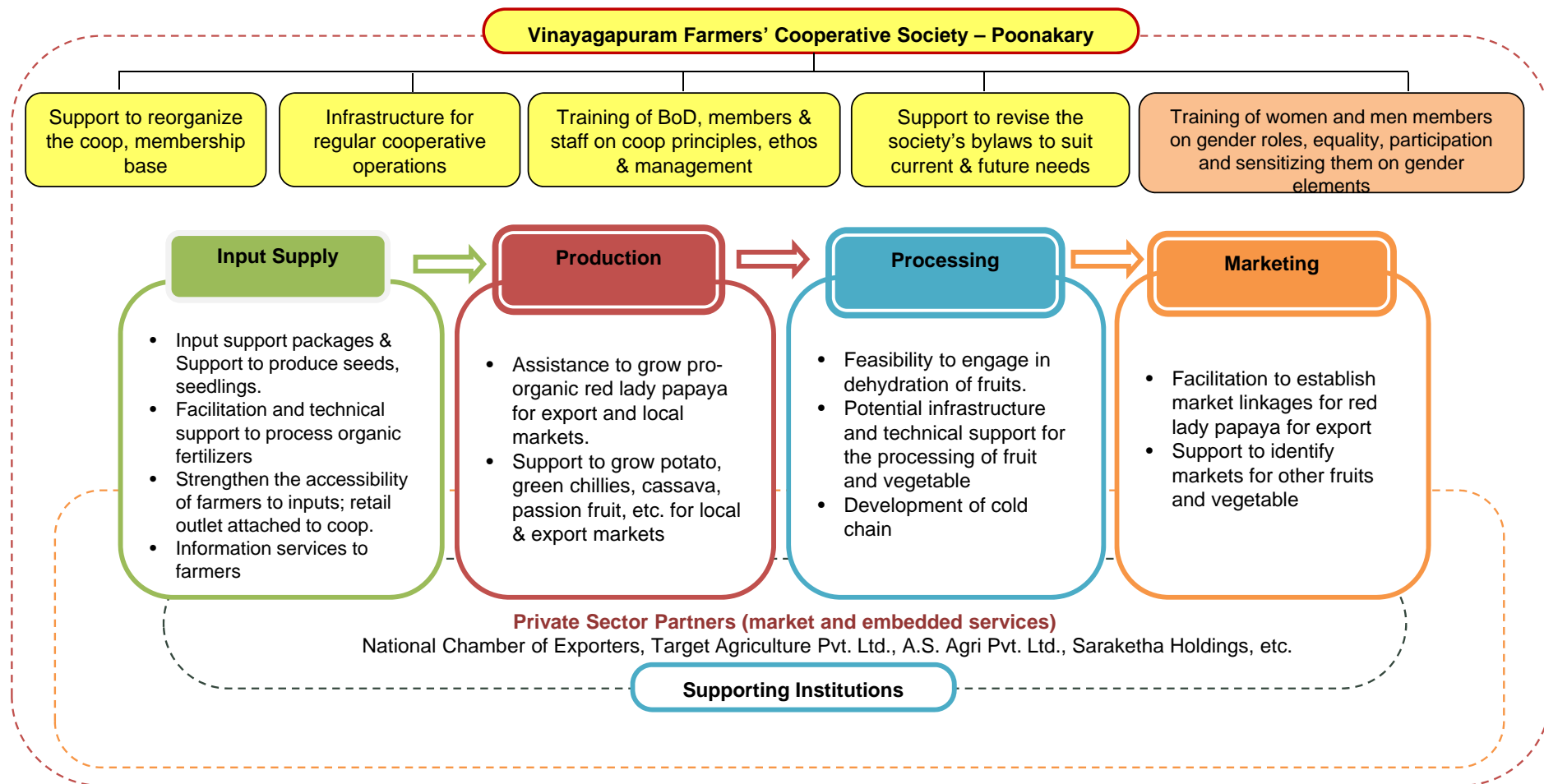




## Activities – small rice mills

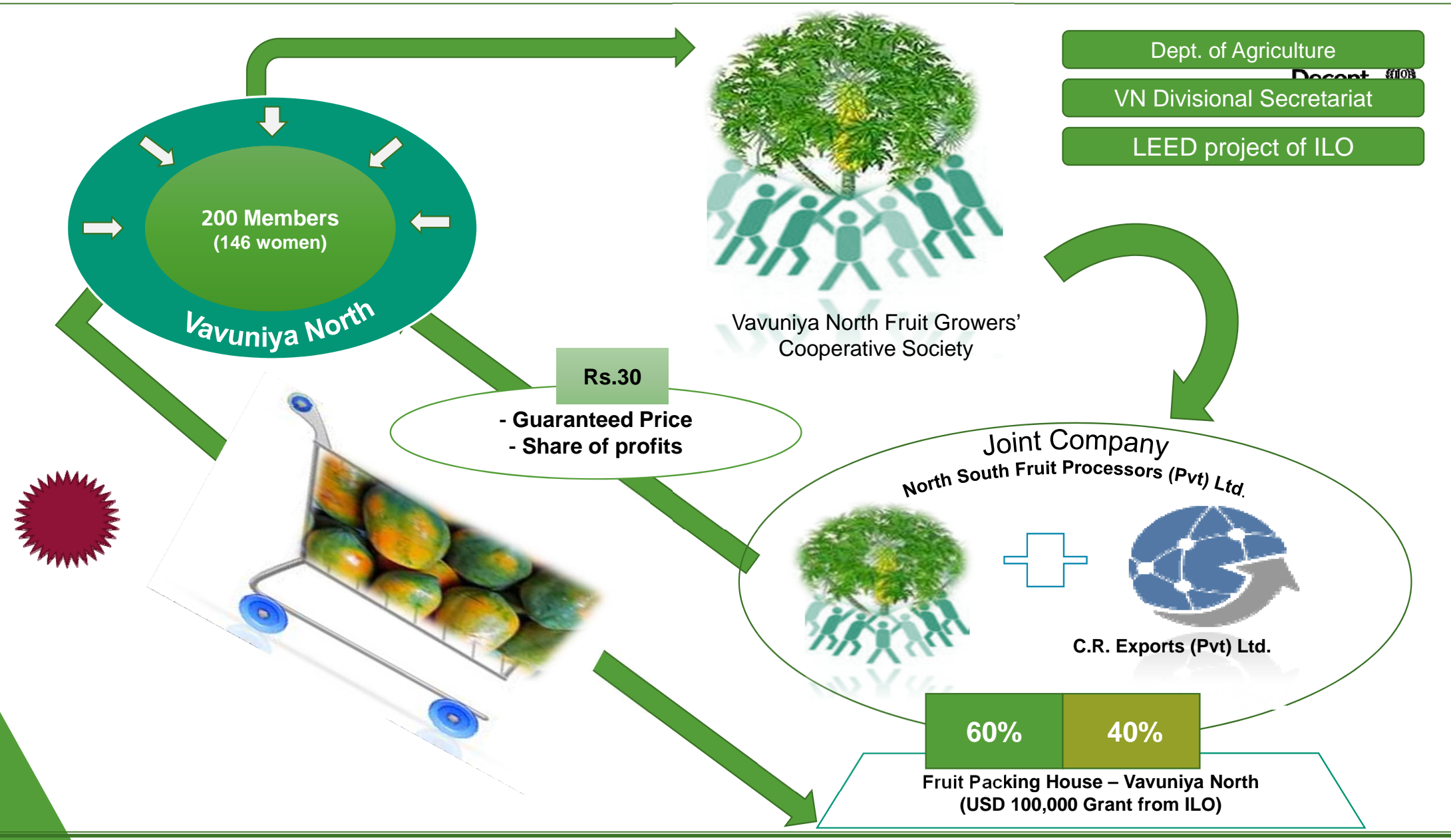


# Fruits and vegetable sector



## Strategy for Fruit and Vegetable sector.

- Diversify into higher value export markets but still maintain food security
- Proactively engage with Pvt Sector. Exporters
- Reassure them. Determine what they required in terms of type, quality and quantity.
- Support government departments and others to organise, and support them to build the supply chains.
- Facilitate a mutually beneficial partnership between exporters and producers. ( North and South, Singhala and Tamil)
- Continue supoport to attain GAP, FairTrade certification etc.





## Activities – papaya cultivation – production of seedlings





# Activities – papaya cultivation



**வவுனியா வடக்கு பழச்செய்கையாளர் கூட்டுறவு சங்கம் (வ/து)**  
**கி/க. வவுனியா ஈரூர் பட்டினம், வவுனியா வடக்கு**  
**VAVUNIYA NORTH FRUIT GROWERS COOPERATIVE SOCIETY LTD.**

**பணிமனை**  
பரந்தன், புளியங்குளம்  
வவுனியா வடக்கு

**காங்கிரஸ்**  
பரந்தன், புளியங்குளம்  
வவுனியா ஈரூர்

**Secretariat**  
Paranthan, Puliyankulam  
Vavuniya North

Reg. No: V/511

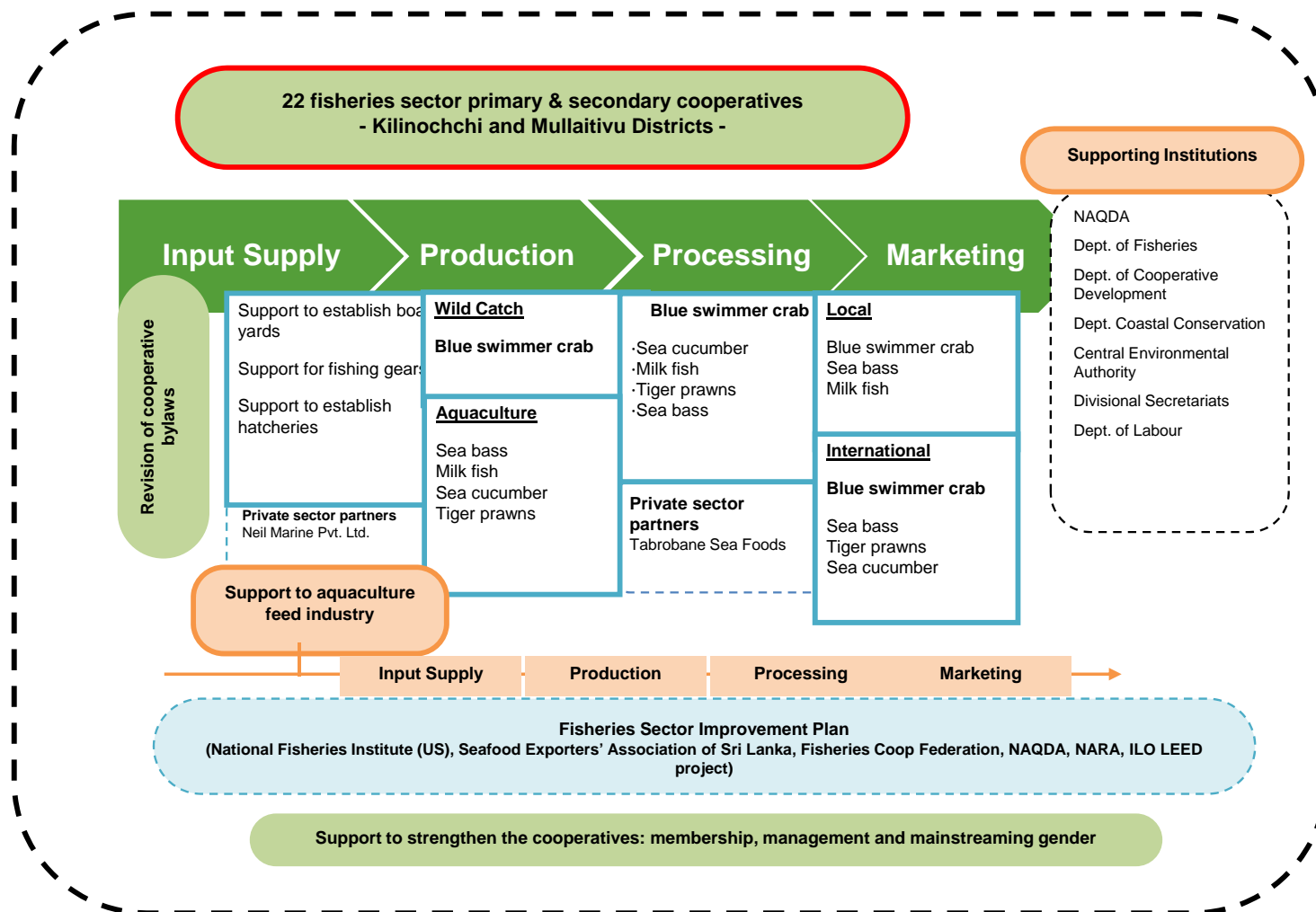
Date of Registration: 21.03.20



## Status of fruit and vegetables as of 2016

- 14 cooperatives engaged with 11+ exporters
- Producing 7 types of crops
- Households 5000 +
- Earnings / farmers USD 2 million + per annum and 75 new direct jobs created. This will double in the next three years
- FDI and LDI in added value, processing.

# Fishery sector





# Activities – fishery sector – boat building



# Crab processing





# aquaculture (sea bass and milk fish)



# Status Fishery Sector 2016

- 22 cooperatives , 4500 improved incomes , reduced debts, improved supply chains and services.
- Crab semi processing factory providing employment for 50 women.
- New aquaculture enterprises promoted
- Small Boatyard produce locally boats creating new jobs.
- Improved OSH.

# Local Producers Empowerment

- Improved terms and trade with suppliers and buyers
- National fishery improvement plan - global precedent
- Lobbying and advocacy regarding foreign trawler issue
- Fraternal linkages across ethnic and religious lines with Mannar, Putallam and Jaffna fishermen
- Ready to engage with investors( FDI) on aquaculture

## Gender Empowerment

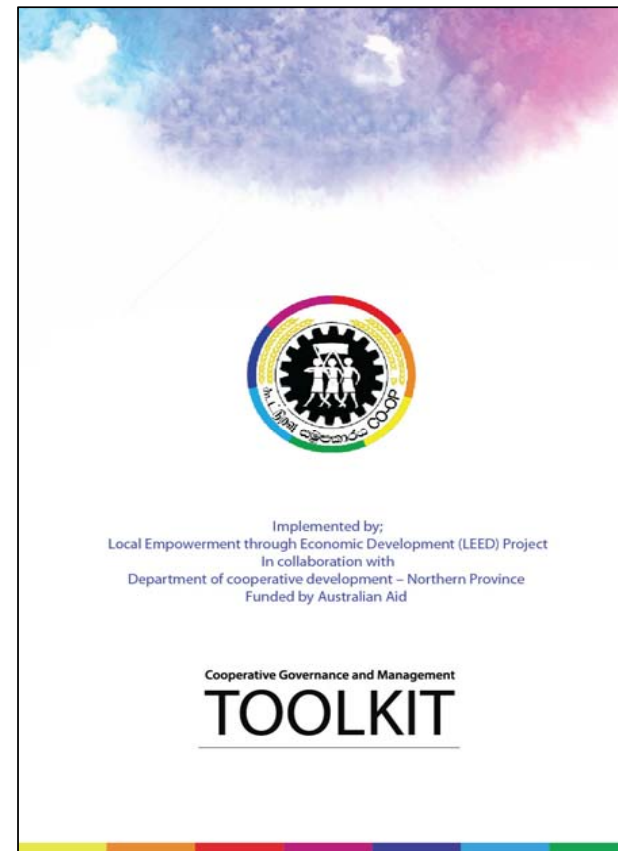
- Integrated into all aspects of project activities. Sector studies, VCA, design of interventions, training mentoring and support.
- Supported the Dept. of Labour to develop guideline on mainstreaming gender for livelihoods and employment in four key ministries in Nth Province.
- Targeted Training and support for women entrepreneurs
- Promotion and support to women in non traditional occupations
- Support to women in leadership roles in COOPs



# Activities – women-run small industries



# Cooperatives Management and governance





## Next phase - institutionnalisation

- At the request of Government ministries, preparing policy guidelines, manuals, SOPs,
- training for relevant ministries and staff on rural development, resettlement, poverty alleviation, employment creation
- Provide inputs and guidelines to the private sector as regards good ethical business practices to ensure reliable, high quality supply chains and social cohesion
- Examine the tourism sector for a similar approach , North South partnership , local community owned but Pvt. sector managed initiatives , Optimise local inputs .

## Lessons learnt from a project perspective.

- Maintain a strategic focus, but be able to adapt, innovate and overcome operational challenges
- Maintain and nurture dialogue with donors, government and other partners
- Use the LED/LER process, the quest for livelihoods, partnerships, business and trade as a forum for dialogue, peace building and reconciliation. ,
- Balance demands of “delivery” with process and returns.

## Lessons learnt from a recovery reconciliation perspective.

- There must be local ownership of the recovery process, at the various levels. For this to occur there must be a shared vision.
- Effective Leadership
- National coordination of internal and external actors.
- Coordination requires both political dimension and technical coordination.
- Planning and phasing in terms of adopting policies, designing systems building capacity so as local resources and local content are optimized.

Thank you

