Implementation Status & Results
Sri Lanka
Community Livelihoods in Conflict Affected Areas Project (Yali Pibedemu Viyapruthiya) (Maru Eluchchithittum) (P086747)

Operation Name: Community Livelihoods in Conflict Affected Areas Project (Yali Pibedemu Viyapruthiya) (Maru Eluchchithittum) (P086747)  
Project Stage: Implementation  
Seq.No: 19  
Status: ARCHIVED  
Archive Date: 10-Dec-2013

Country: Sri Lanka  
Approval FY: 2004  
Region: SOUTH ASIA  
Lending Instrument: Specific Investment Loan

Implementing Agency(ies):

Key Dates

Board Approval Date: 22-Jun-2004  
Original Closing Date: 31-Mar-2011  
Planned Mid Term Review Date: 15-Dec-2010  
Last Archived ISR Date: 08-Jun-2013

Effectiveness Date: 12-Oct-2004  
Revised Closing Date: 31-Dec-2014  
Actual Mid Term Review Date: 15-Jun-2011

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

Project development objective is to help conflict-affected communities in the North East Province and the adjoining areas to restore livelihoods, enhance agricultural and other production and incomes, and build their capacity for sustainable social and economic reintegration. The PDO will be achieved by: (i) Creating, restoring, or improving essential village level social and economic infrastructure and facilities; (ii) improving productivity, sustainability and competitiveness of agriculture; (iii) building community skills and capacity and decentralizing powers for decision making, control of resources and implementation of programs at community level; and (iv) implementing targeted livelihood support programs for the most vulnerable people.  

Project Components are: Component 1: Village rehabilitation and development  
Component 2: Essential rehabilitation and improvements to selected major irrigation schemes  
Component 3: Farmer Organization capacity building, empowerment and agricultural support services strengthening  
Component 4: Capacity building, project implementation support and project oversight

Has the Project Development Objective been changed since Board Approval of the Project?  
☐ Yes  ☐ No

Component(s)

Component Name  
Component Cost

VILLAGE REHABILITATION AND DEVELOPMENT  
28.90

ESSENTIAL REHABILITATION AND IMPROVEMENTS TO SELECTED MAJOR SCHEMES  
16.44

FARMER ORGANIZATION CAPACITY BUILDING, EMPOWERMENT AND AGRICULTURAL SUPPORT SERVICES STRENGTHENING  
1.80

INSTITUTIONAL CAPACITY BUILDING, PROJECT IMPLEMENTATION SUPPORT AND PROJECT OVERSIGHT  
9.20

Overall Ratings

<table>
<thead>
<tr>
<th>Progress towards achievement of PDO</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td></td>
</tr>
</tbody>
</table>

Public Disclosure Authorized
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Public Disclosure Authorized
Public Disclosure Authorized

Page 1 of 5
Implementation Status Overview

This ISR has been prepared based on the findings of the Technical Mission which was carried out during the period of October 18 - November 8, 2013. All four project components have been rated Satisfactory. The outputs of these four components are in line with the work program targets and the outcomes have collectively contributed to the achievement of the PDO. The total cumulative disbursement as of November 22, 2013 is 91% in original Credit, 100% in first Additional Financing, and 82% in Second/Third Additional Financing. The status of fulfilling the agreed actions during the previous mission is Satisfactory. The procurement administration, financial management, legal covenants and social/environmental safeguards are rated Satisfactory. In view of the above significant achievements, the project implementation progress continues to be Satisfactory.

About 66 cluster businesses have begun operations and about 70 are in the pipe line. The agriculture clusters have already begun operation and have started making profits and the non-farm ones have also received good orders (especially paper designs). Climate Smart Agriculture practices have been initiated with promising results. The business unit is providing significant front end support to the nascent organizations and facilitating strong relations with the private sector and exploring business linkages with key government departments. However, the project needs to focus on 2nd generation issues (value addition/brand development and Private sector partnerships), and take critical action against VDOs and clusters that are not performing well, such as through institutional building and technical assistance to the VDOs and clusters.

The project is working on cutting-edge developments such as Climate Smart Agriculture (CSA). CSA Polynet houses are showing early promise. The strategy adopted by the project seeks to increase sustainable productivity, strengthen farmers’ resilience to weather, reduce agriculture’s greenhouse gas emissions, IPM and increase carbon sequestration. It strengthens food security and delivers environmental benefits. In particular, farmers following these methods of agriculture have mentioned that their crops do fetch a better price in the market. They now need to tap export houses and buyers of IPM/Organic produce to receive the premium price realization for their investments and also see if they can receive carbon credits for their efforts.

Discussions are being held with the IFC to tap into their business advisory service to build sustainability of the clusters and also of the Business Unit of the project. IFC has already conducted a scoping visit and WB team is now working with IFC to prepare a joint Concept Note for the partnership. IFC will look at mechanisms to strengthen institution building and governance structures, financial reporting, trade facilitation, market linkages, technology, access to finance etc. At a later stage, IFC will also work with the business units of the project (BU) to explore option of converting the BU into a business facilitation center that can continue to provide key support to the clusters beyond the project life.

The Project team is already working with several Commercial Banks and facilitating loans to the VDOs. So far, 03 VDOs have received loans of around US$ 20,000 each and more are in the pipe line. In many cases, the VDOs have facilitated loans to individuals from commercial banks especially agriculture loans and micro enterprises loans to start their small business. So far, US $ 2 million has been mobilized by the VDOs from the commercial banks.

Many Sri Lankan business houses, and leading conglomerates, such as John Keells, Cargills, Halesy, CIC, Nestle, Sanken etc have designed major investment strategies for expanding their businesses to the North and the East. They are particularly focusing on key sectors such as dairy, agriculture, retail, civil construction and infrastructure. The Project has already executed a partnership with John Keells, CIC for Maize and Alley for Agri products (maize, black gram, onions etc). The team is now working towards partnership with other major conglomerated mentioned above. It is necessary to develop key linkages with the hotel industries (especially CSA and IPM products) to supply their agri products and also explore possibilities of a table space in the hotels during the upcoming Christmas season to sell their COGO brand products (farm and handicrafts).

The project has put youth employment on a high priority and is working systematically towards these goals. So far, 2,220 youth have been linked to jobs. Livelihood Development Officers (LDOs) are also facilitating overseas employment opportunities, in addition to facilitating linkages with mainstream companies, hospitals for nursing attendants and ICT. The project is also working with Vocational Training Institute in several districts for youth employment with guaranteed employment for the youth that have undergone training successfully. These efforts need to be scaled up significantly.

Family Economic Enhancement Package (FEEP) is a special investment package for the women headed households in all the districts. This is an innovative mechanism to address livelihoods for the most vulnerable-WHH. The model of devising different income streams and spreading risks (different crops, dairy etc.) has been much appreciated by the target
The interventions are substantially contributing to building secured self-esteem. So far, 1,363 beneficiaries received benefits of allocation from 1st tranche. They are now waiting for benefits due as a result from the 2nd tranche. The project is urged to initiate disbursement of the benefits from the 2nd tranche at the earliest. Furthermore, the project is strongly recommended to scale up these efforts and well document these interventions and showcase to the world.

Ministry of Economic Development is now working with the Ministry of Finance & Planning to approach the Bank for TF assistance.

Through interactions with cluster representatives, it was noted that the cluster members are still looking towards the project to provide them guidance on institutional building and business planning. Some of them are doing very well, but a few are quite weak. Some require fine tuning. A diagnostic need has to be undertaken to identify the key problem areas and corrective action is taken to resolve pending issues. The GOSL intends to close the project by June 30, 2014 though the official closing date is December 31, 2014.

Key Project Impacts: The project is making positive contribution to the national economy. It is saving scarce foreign exchange, contributing to public health, contributing to exports and BoP issues, potential realization through Carbon credits and importantly, mindset change and knowledge building through CSA. These need to be captured and tabulated.

### Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First Administrative Division</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
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<tbody>
<tr>
<td>Sri Lanka</td>
<td>North Eastern Province</td>
<td>Vavuniya District</td>
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<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>North Eastern Province</td>
<td>Trincomalee District</td>
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<td>North Eastern Province</td>
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<td>North Central Province</td>
<td>Polonnaruwa District</td>
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<td>Sri Lanka</td>
<td>North Central Province</td>
<td>Padawiya Tank Sanctuary</td>
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<td>North Eastern Province</td>
<td>Mullaitivu District</td>
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<td>Sri Lanka</td>
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<td>Ampara District</td>
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## Results

### Project Development Objective Indicators

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<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
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</thead>
<tbody>
<tr>
<td>Increased households benefitting from increased income and village level social and economic infrastructure.</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>382,870</td>
<td>213,000</td>
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<tr>
<td>Date</td>
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<td></td>
<td>01-Jan-2005</td>
<td>15-Nov-2013</td>
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<tr>
<td>Comments</td>
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<td>Village development nearing completion</td>
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### Intermediate Results Indicators

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<thead>
<tr>
<th>Indicator Name</th>
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<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase of farm area due to increased supply of water resulting from irrigation rehabilitation.</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>131,200</td>
<td>146,000 ha</td>
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<tr>
<td>Date</td>
<td></td>
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<td>31-Dec-2014</td>
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<tr>
<td>Comments</td>
<td></td>
<td></td>
<td>Newly completed schemes will be cultivated in this season</td>
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<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
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</thead>
<tbody>
<tr>
<td>Number of commercially oriented agriculture business plans developed and implemented by farmer organizations and farmer federations.</td>
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<td>Text</td>
<td>Value</td>
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<td>10</td>
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<tr>
<td>Date</td>
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<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of CBOs revived/formed and satisfactorily engaged in subproject implementation and O&amp;M at village level</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>1,520</td>
<td>600</td>
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<td>Comments</td>
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Disbursement Graph

Key Decisions Regarding Implementation
none.

Restructuring History
RVP Approved on 30-Aug-2007, Level two Approved on 12-Feb-2013

Related Projects
P119152-Additional Financing Community Livelihoods in Conflict Affected Areas Project, P125855-Second Additional Financing for the Community Livelihoods in Conflict Affected Areas Project