

## Sri Lanka: Empowering Southern Provinces To Plan Their Own Development Paths



### GEMI DIRIYA: STRENGTH OF VILLAGES

## Empowering Sri Lanka's Southern Provinces To Plan Their Own Development Paths

### Overview

Although in the process of becoming a middle-income country, about 50 percent of Southern Sri Lanka and seven percent of the overall population live below the poverty line. The government launched a program known as "Gemi Diriya" to empower rural communities to improve their livelihoods and quality of life. Since 2004, more than 200,000 households in 1,034 villages in the poorest districts have garnered a wide range of benefits.

### Challenge

About 50 percent of the population in southern Sri Lanka live below poverty line—or less than US\$1 a day—compared to about seven percent of the population nationally. About 60 percent lack basic services, including clean drinking water, sanitation, and access to credit and markets.

### Approach

In 2004, the Government of Sri Lanka launched a program known locally as "Gemi Diriya," with the objective of empowering rural communities to improve their livelihoods and quality of life. It built on a small yet successful local pilot called the Village Self-help Learning Initiative, created in 2000.

Gemi Diriya is a 12-year program that is being implemented in three phases. Initial support from the International Development Association (IDA) support came in the form of the Community Development and Livelihood Improvement Project in 2004, and focused on three southern provinces.

The project's first phase worked to build self-governing community organizations with the capacity to manage sustainable investments by: shifting decision-making power and resources to these organizations; strengthening local governments that were responsive to these communities; and working across the spectrum with federations of community organizations, the private sector, and non-governmental organizations (NGOs) on economic empowerment to increase the size and diversity of livelihood options.

#### MULTIMEDIA

More Results



# 66%

of decision-making positions at the village level are Youth and Women

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This ground-up strategy adopted a community-driven development approach, characterized by direct resource transfer and participatory decision-making.

## Results

More than 200,000 households in 1,034 villages in the poorest districts of Sri Lanka benefited from community infrastructure and productive investments including drinking water, access roads and bridges, access to credit, markets, skills, and income generation.

Of the one million people reached, many have moved from a dependence on subsistence agriculture and wage labor to new livelihood opportunities.

Gemi Diriya model has been recognized as one of the 20 best practices in the Asia Pacific Region and its model has been included in the publication titled "Poverty Reduction that Works" by the UN Development Program.

## Highlights

**Community infrastructure and services improved.** The quality of life of the poor has improved through more than 2,150 community infrastructure and social services subprojects, benefitting about 190,000 families (about one million poor people). Delivery mechanisms are now more cost-effective, since investments of equal or better quality than traditional programs have cost an average of 30-40 percent less.

**Access to credit.** Before the project, about 70 percent of households in the project villages had no access to credit and marketing facilities. Now, about 25,000 self-organized savings and production groups have been set up and are actively mobilizing savings. About 170,000 households have benefited from the savings and credit fund. Savings groups have used their cumulative savings of US\$2.5 million to leverage credit equal to about 10 times that amount, and have invested US\$24.6 million in 125 types of income-generating activities.

**Cooperation and partnerships.** Investments in local infrastructure have allowed for partnerships between communities and the private sector, better market linkages and access to basic services. For example, in the village of Madumasgulla, the construction of a bridge allowed safe crossing of a stream that in turn provided access to school, increased trade and increased land value. In village Pitakanda, the construction of a village access road allowed for a five-fold increase of trading vehicles entering the village. The private sector sees village communities as an untapped supply source and consumer market.

**A focus on youth.** About 22,000 people, mostly youth, have benefited from skills development and employment placement activities. An Accelerated Skills Acquisition Program pilot in Badulla District resulted in the employment of 250 youth in 42 Cargill retail outlets in Colombo in 2009.

**Networked for progress.** Information and communication technology linked villagers to each other, the government, and the market. The Information Technology SHED (ITSHED) Program, which won the Manthan Award South Asia 2008 for "best e-content for development" in the e-enterprise and livelihood category, was piloted in about 30 villages and is now expanding to over 1,000 villages; 400 youth have been trained to strengthen and maintain centers.

**The poorest received grants.** Villages identified 11,888 people as destitute and therefore eligible for a one-time grant for the poorest of the poor. Over 9,900 or 85 percent of these people received grants and started income-generating activities. Of that number, almost 4,600 are now accessing loans from village savings and credit organizations to expand their livelihoods assets.

## Voices

**Chandrani Kusumalatha**, a 27-year-old mother and former garment factory worker says that she feels empowered to be employed in a position traditionally reserved for men. At present, Kusumalatha works as a carpenter producing and marketing brush handles to local and international markets. She now earns between Rs. 10,000 to Rs. 15,000 in contrast to her previous wages of Rs. 6000 as a sewing machine operator. She also has more time for her family and community as she saves time and money on her commute. *"I feel good because this is my own business and I do not have to depend on anyone nor am I working under anyone for a small salary,"* Kusumalatha said.

“ I never thought I could do this job. At first it was very difficult to get used to as I didn't have any background knowledge or skills in carpentry. I even gave up a couple of times due to injuries and the difficulties of learning the skill ”

— *Chandrani Kusumalatha*

## Bank Contribution

Total project cost for the first phase was US\$69.8 million, of which IDA contributed US\$51.0 million. The Government of Sri Lanka contributed \$11.0 million. As an indication of local commitment, communities are themselves contributing about 30 percent of the capital cost of infrastructure investments. The second phase of the program was approved on September 10, 2009 with a total project cost of US\$105 million, of which IDA will contribute US\$75 million.

The Government of Sri Lanka will contribute US\$18 million and communities US\$12 million. IDA has introduced a new approach that led the government to revise its own policies, shifting from a welfare-oriented to an empowerment-oriented approach to poverty reduction. Evidence suggests that this approach improves cost-effectiveness and the efficiency of services like physical and social infrastructure and microfinance, and also significantly improves local governance and accountability.

IDA's support has been key in disseminating these lessons among key policy makers and local officials. As a result, this approach is now being expanded nationally through the government's own programs.

## Partners

The Gemi Diriya team has regularly shared information and experiences with donors — including Japan International Cooperation Agency (JICA), Germany's GTZ, the European Commission, and the International Fund for Agricultural Development (IFAD) — which are now adopting the project's approach. In fact, IFAD is financing the Dry Zone Livelihood Support and Partnership Program, which uses approaches developed under Gemi Diriya, with the World Bank managing the supervision of the project.

## Toward the Future

The challenge for the program now is to grow Gemi Diriya and link it to the national program, Gama Neguma, without sacrificing quality. The second phase of the adaptable program loan began in 2009. Its aim is to expand into two new provinces and broaden achievements by better linking community institutions to local governments and addressing accessibility and connectivity constraints that hamper sustainable livelihoods; strengthening the value chains of key economic sectors by aggregating producers into federations to facilitate better market and financial sector linkages; improving the delivery of livelihood support services; improving technology; and building capacity of existing local level agencies to implement the national programs using the community driven development (CDD) approach.

