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## Independent Evaluation

# SRI LANKA

Support for the Sustainable Livelihood Recovery among the Conflict-affected Population in the North and East Regions through Improved Agricultural Productivity and Community-based Entrepreneurship

UNIDO Project: TF/SRL/06/005



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



UNIDO EVALUATION GROUP

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## Acronyms and abbreviations

BDS	Business Development Services
CCA	Common Country Assessment
CDG	Community Development Group
CEFE	Competency-based Economies through Formation of Enterprises
CFA	Cease-fire Agreement
DAS	Department of Agrarian Services
DCCI	District Chamber of Commerce and Industry
DCED	Donor Committee for Enterprise Development
DS	Divisional Secretariat
EDB	Export Development Board
FAO	Food and Agricultural Organisation
FCCISL	Federation of Chambers of Commerce and Industry in Sri Lanka
FO	Farmers Organization
GoSL	Government of Sri Lanka
ICRC	International Committee of the Red Cross
IDA	International Development Assistance
IDPs	Internally Displaced Persons
ILO	International Labour Organization
LTTE	Liberation Tigers of Tamil Eelam
MDG	Millennium Development Goals
MOD	Miscellaneous Obligation Document
MoU	Memorandum of Understanding
NGO	Non-governmental Organisation
NPC	National Project Coordinator
NPM	National Project Manager
OCHA	Office for the Coordination of Humanitarian Affairs.
PTOMS	Post-Tsunami Operational Management Structure
RSBC	Rural Small Business Counsellor
SAP	Sustainable Agriculture Projects
SBC	Small Business Counsellor



UN	United Nations
UNCT	UN Country Team
UNDAF	United Nations Development Framework
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNTFHS	United Nations Trust Fund for Human Security
UNV	United Nations Volunteer
WED	Women Entrepreneurship Development
WRDS	Women Rural Development Societies

## Executive Summary

The end of 25 years of civil war in 2009 marked a new period of reconstruction, rehabilitation and development in the Northern and Eastern provinces of Sri Lanka. Massive humanitarian efforts were gradually substituted by more development-oriented programmes. The UNIDO project under evaluation was designed to address the longer-term development challenges together with rehabilitation of agricultural productivity and sustainable livelihoods, specifically of women.

The project was initially conceived in 2004 for the Northern and Eastern provinces and re-launched in 2006 because, due to renewed armed strife, implementation in the North turned out to be impossible. For this reason, the Jaffna province had to be excluded and the project start in the Eastern provinces was heavily delayed.

The project aimed at the following goals:

- Promote community-based initiatives for social integration and productive activities for sustainable livelihoods and social stabilization.
- Revitalize agriculture through the introduction of appropriate mechanization technologies to enhance rural development and community stabilization.
- Strengthen the capacity of local institutions for small business development and develop community-based small enterprises in rural areas.

The project design is based on three components, namely Sustainable Agriculture Projects (SAP), Women Entrepreneurship Development (WED) and Business Development Support (BDS). The SAP component was managed from the Agro-Industry Branch at UNIDO Headquarters in Vienna, while the WED and BDS components were managed from the Regional Office in Bangkok.

This independent evaluation took place between October 2010 and January 2011. It was a case of bad fortune that the project area was struck by extreme flooding immediately after the evaluation mission. The recommendations take this disaster into account to prevent it from jeopardizing the project results.

### Findings

The project is **relevant** to the District Chambers of Commerce and Industry (DCCI), the Farmer's Organisations (FO) and the Women's Rural Development

Societies (WRDS) to become more active and useful for their members. It is also relevant to the GoSL authorities at central and local level.

The beneficiary survey provided evidence that the project has effectively targeted the conflict-affected population. 70.5% of beneficiaries have been affected by the armed conflict, 18.5% by the tsunami and 11% by both. 87% of the respondents have been displaced at least once and 33% have been displaced even three times. 58% of the respondents who are returnees have gotten back to their former livelihoods. 28% of the beneficiaries came from female-headed households.

However, in general, the beneficiaries did not belong to the poorest segments of the society. Only 12% of the respondents of the beneficiary survey earn less than LKR 5,000 a month while the rest earns more than LKR 5,000 (the national poverty line is LKR 4,500 per month). 94% of male and 65 % of female respondents own agricultural land, although in most cases only small plots. 94% of the respondents owned the house they live in.

The **effectiveness** of the project was uneven, depending on its components.

The SAP component comprised two outcomes: delivering farm equipment – tractors and implements – and strengthening the capacity of small workshops located in remote areas as these are important providers of rural services.

Equipment was provided in two batches (July 2008 and May 2009) and a third batch was planned for January 2011. Most of the procurement was done locally, however after-sales services by the suppliers, even within the warranty period, have been poor, leading to some of the equipment falling into disrepair. The equipment was distributed through the FO and in cooperation with the local agricultural extension services. The FO appointed those of its members who were to receive the equipment and pay back into a revolving fund from which other members would then have access to funds for purchasing other equipment. 870 persons underwent training under the SAP, mostly on how to use the equipment and tools supplied by the project.

The first outcome was largely achieved. The use of the new equipment seems to be quite high, indicating increased productivity. Interviews with beneficiaries showed that incomes increased as well. It is expected that more FO members will be able to benefit from access to new equipment through the revolving funds.

Under the second outcome, tools and small equipment and training was provided to 39 workshops in Batticaloa and 33 in Trincomalee. However, the expected upgrading of the rural workshops was hardly achieved because resources were spread too thinly.

The WED component promoted self-help rural community development and community-based entrepreneurship, mainly of women, with a focus on technologies that save costs and increase production. Examples include papaya cultivation (new technologies leading to a longer lifespan of the papaya tree), palmyra products (colour consistency and protecting the palmyra products from mould) and potted agriculture (new organic fertilisers and planting methods introduced). These innovations are timely as regional markets are growing and groups need to be able to keep up with the growing demand.

456 women benefited from training and/or provision of tools and light equipment. Access to markets through promoting individual production and joint marketing and the opportunity for women to produce at home (comfort zones) added to the confidence and competences of the women beneficiaries.

The BDS component supported the two other components. Business development counsellors were trained and certified in both districts by CEFE, a specialized international NGO well reputed in this area. The outcome of creating a business support structure has been achieved and the outcome of entrepreneurship development and market access is also considered as by and large achieved. The BDS component was foreseen to also support the farmers under the SAP, however most of the SAP training was technical, and the more business-related topics were only dealt with to a limited extent.

Overall the project benefited 1,545 persons through delivery of equipment, business and skills development, improved farming methods and better access to markets. Over 80% of the beneficiaries are Tamil by ethnicity, followed by Muslims and Sinhalese. The majority of beneficiaries had been internally displaced, many of them several times, and about half of them were women.

Project **efficiency** was mixed. 85% of the respondents thought that the advice/technical support received from UNIDO was “timely”. Only 12.6% thought that the technical advice and support received was “excellent” while 46.6% found it to be useful “to a large extent”. 30% found it to be only “fairly” useful. This last figure may be linked to the problems with quality and durability of the equipment and the availability of technical expertise in the field. 55% thought that the project did not receive any support from the government officials in their areas.

The selection of equipment has been subject to much discussion and, although the overall selection was quite suitable, a closer consultation with the potential beneficiaries and a wider range of options might have increased the efficiency. The distribution of equipment through FO was an efficient mechanism as it was based on near-commercial principles and generated more equipment through the revolving fund.

Procurement of basic equipment such as project vehicles took very long. The evaluators received many complaints about UNIDO slow and cumbersome

procurement procedures, most of which seemed to be justified. Apart from slow procurement the project proved to be flexible and able to adapt its planning to volatile situations.

Despite the delays and complicated procedures, the implementation of the project at the field level was efficient. The coordination between the UNIDO offices in Vienna and Bangkok was limited but the two field offices have been in good contact and drew on each other's experiences.

The project was continuously monitored from HQ and the National Project Managers have reported on progress on a regular basis, however not always in uniform formats.

Although some project activities were still ongoing at the period of the evaluation, there is evidence of emerging **impact at beneficiary level**. Around 63% of the respondents were of the opinion that the market for their product was "good" while 32% thought the market was "satisfactory". 5% thought the market for their products was bad.

47.5% felt very secure in terms of their access to income or livelihood, with the highest confidence expressed by Tamils (56%), followed by Muslims (40%) and Sinhalese (23%). 34% agreed that their production has seen a "fair" increase as a result of the project while 27% thought the increase was "large". 47% believed that their savings have increased "fairly" as a result of the project while 15.6% thought that there has been an increase "to a large extent". Another 14% was of the opinion that their savings have not at all increased while 12% felt that the increase was very little.

64% found the impact of the project on their families to be positive. 19.6% thought that impact of the project on the livelihood conditions of their community has been "neutral" while 54% believed that there has been an increase in the livelihood conditions of their community. 38% of Sinhalese thought that the project has been "neutral" on their community while 91% of the Tamil respondents thought that the impact has been "excellent". 43% of Muslims believed that the project has been beneficial "to a large extent".

43% stated that relations between different ethnic communities have been "fairly" improved as a result of the project while more than 17% thought the relations have improved "to a large extent". In addition, of those who have participated in the exposure visits, 50.4% stated that they still keep in touch with their counterparts in the other regions.

76% of the respondents had been a part of the participatory planning process of the project by UNIDO, as a result of which nearly 91% felt that the project matched their livelihood needs at the outset. 89% agreed that they have benefited from the project and that the project has led to changes in their lives.

**Ownership** by the DCCIs, FOs, and WRDS is crucial for sustainability. The capacity of these organizations varies considerably and often depends on the commitment and capacity of their leaders.

UNIDO recently conducted a thematic evaluation of ten post-crisis projects. The points raised in the thematic evaluation with regard to project design, implementation and procurement-related delays were valid in the present case.

## Conclusions

The UNIDO project was one of the small externally-supported interventions in the larger picture of humanitarian and development-oriented projects of UN agencies, NGOs and bilateral donors. The project achieved good results through innovative approaches under very difficult conditions.

The project design was ambitious and complex for a small project, tending to spread resources too thinly. Due to security concerns, it had to be reduced from three districts to two, namely Trincomalee and Batticaloa. This became a blessing in disguise, as it reduced the scope to become more workable. Having two donors for one project could have made the implementation more difficult, but in this case they have complemented each other and actually added to flexibility.

The project design was detailed but did not fully follow best practices. Conflict-affected situations are unpredictable, and project design should always consider the possibility of backlashes, and operate with contingency plans. In the present case, drawbacks were dealt with in an ad hoc manner, which may have contributed to the delays.

The selection of the two districts was justified in terms of needs; however, the districts are very different in ethnic composition, accessibility, agricultural conditions, and general development. The project has managed to be flexible in many ways, but the basic design of the SAP was too much one-size-fits-all, i.e. the same programmes and equipment was considered suitable all over the project area. More local consultation with the intended beneficiaries could have produced better adapted solutions.

Technical assistance has been uneven and below what was planned for. Monitoring and reporting from the field has been fairly good but without uniform standards. Project managers in Vienna and Bangkok provided continuous support within their components but with limited coordination.

The basic design features of the project proved to be appropriate for a transitional situation such as the one in the project area:

- Individual ownership and production but in a group context (FO or WRDS).
- Focus on value chains, with a combination of individual production and joint marketing.
- Credit favoured over grants, to move towards a (more) normal situation without free humanitarian assistance.

The ultimate success of the project will depend on the capacity of partners to sustain the benefits. This is especially the case with the DCCIs, the FOs, and the WRDS. The performance of the revolving funds over time will be an indicator in that respect. These funds are an innovative response to the lack of formal institutions in the post-conflict context that, if successful, can strengthen the FO institutionally and leverage the resources to benefit more farmers over time. A critical success factor will be good recovery rates. Performance can be expected to vary between FOs.

The two DCCIs will take over the ownership of the equipment from UNIDO and hence be responsible to enforce repayment of the loan before handing over the equipment to the farmer. Repayment has been problematic in the past and will require strong leadership by the DCCI. This responsibility will continue until 2015 when the last pieces of equipment are planned to be fully repaid and ready for handing-over.

In addition, the devastating floods of January 2011 have caused very serious drawbacks to the achievements of the project. The loss of a paddy crop by thousands of farmers will, among all the other calamities, undoubtedly affect repayment rates. New initiatives are required to offset the damage to the beneficiaries of the project as well as to mitigate the disastrous impact of the floods on a wider scale.

## **Lessons learnt**

The basic principles of the project (credit rather than grants; value chain focus) have shown their validity for situations that are transitional between “Recovery” (UN Track B) and “Development” (UN Track C). However, more hands-on technical support is needed when introducing mechanical equipment in a situation that is still characterized by the absence of adequate maintenance and repair capacities.

The project design should always include a detailed conflict analysis and contingency plans. The capacity and interests of the DCCIs, the FOs and the WRDS should have been assessed in a stakeholder analysis. This would have assisted in the selection of partners and contributed to a more robust appraisal of the prospects for sustainability, where especially the DCCIs have a major role to play.

The use of Government institutions and renowned private training providers such as CEFE has contributed to the solidity of the skills transferred. Sri Lanka is privileged by having functioning Government institutions and a vibrant private sector in the parts of the island that were not conflict-affected (or only to a limited degree). UNIDO can benefit from using these capacities when they exist, rather than design its own training programmes based on generic models.

### **Recommendations to UNIDO related to the Sri Lanka project**

As a matter of urgency, UNIDO should build on the experience of the current project to come up with a follow-up project to sustain the support to farmers and women SMEs in the project area under post-flooding conditions.

The existing UNIDO infrastructure would allow to take up the challenge without delay – offices are in place with qualified staff, vehicles, internet etc. The project should address the needs in two ways:

- To support existing beneficiaries who have lost their equipment and/or crop;
- To extend the scope and spread of the project to more FOs and WRDS.

The new equipment should be selected in closer consultation with FOs than before and be more tailor-made instead of one-size-fits-all. With the existing infrastructure it would be possible to scale up from 30 two-wheel tractors and 4 four-wheelers for each district under the current project to the equivalent of 60 to 80 tractors, but based on agreements with the FOs and not necessarily all for tractors. Needs for storage and milling facilities have also been identified as important.

The evaluation recommends a better focus rather than spreading resources too thinly as it was the case in the project under evaluation. The follow-up project should thus concentrate on Batticaloa as the worst-affected district.

The follow-up project should continue building the capacity of rural workshops as it was foreseen in the current project. However, for a better focus, it is recommended to support only 6 to 8 workshops but with all the necessary equipment and the respective training, rather than try to reach more workshops with less equipment, as this has shown to be inefficient. A revised uniform M&E system should be set up to keep track of the implementation.

There is a need to try out more flexible modes of procurement. As in Sri Lanka almost everything is available locally, it is recommended to invest serious efforts to design a pilot exercise in efficient local procurement under the follow-up project.

The findings of the present evaluation should be used to leverage a new project, as the strengths are now documented and the weaknesses are known and can



be rectified. This will be a strong position for UNIDO to raise funds in two ways: bilaterally to the UNTFHS and possibly other donors; and as part of the UNCT effort. It is recommended that a needs assessment/formulation mission be organised without delay, with a mandate to seek integration in the UNCT fundraising.

### **Recommendations to UNIDO in a wider context**

Given the scope of current and planned UNIDO activities in Sri Lanka, it is recommended to upgrade the UNIDO Focal Point Office to a fully fledged Field Office led by a UNIDO Representative or a Head of UNIDO Operations. This would further strengthen the implementation capacity and enable UNIDO full participation in the UNCT. The planning of the next UNDAF for the period 2013 – 2017 is soon to begin, and it is recommended that UNIDO becomes a full partner in this exercise, including joint fundraising.

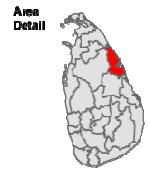
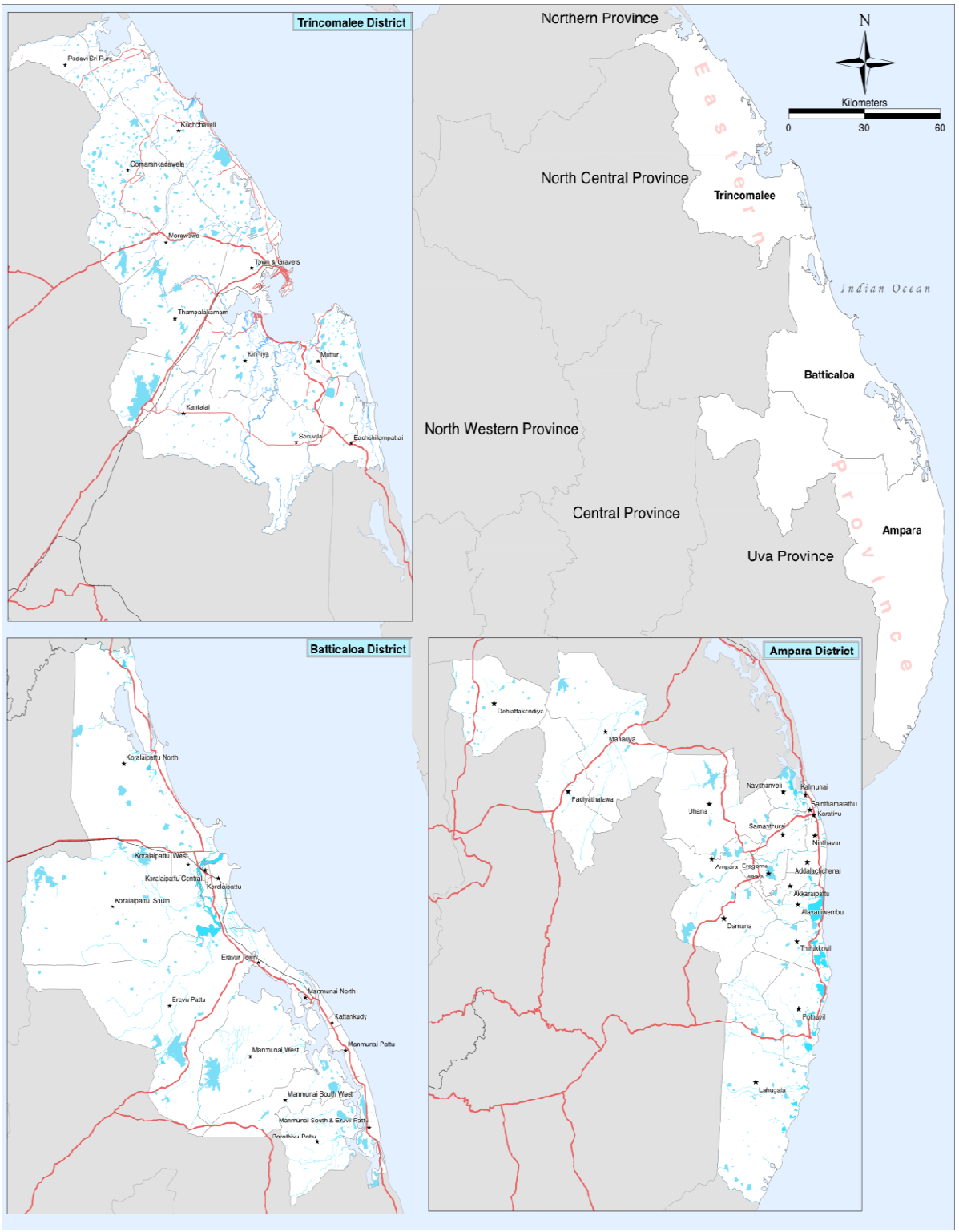
UNIDO current change management mode is a good opportunity to tackle recurrent problems that were identified in the Thematic Evaluation and confirmed in the present one. Key problems relate to the procurement system and the centralized management. It is recommended that UNIDO senior management should take even more serious steps towards decentralizing decision-making and approval of resource use. All day-to-day management and administration should be at the field level and the role of Headquarters should be limited to strategy guidance and technical backstopping. Issues for reform include:

- easing the rules for local procurement and increasing financial thresholds;
- ensuring timely payment for goods and services;
- easing the procurement of consulting services – limit the standard recruitment procedures to contracts longer than six months duration and develop new modalities for consultants.

It is recommended that a more profound preparation of projects in conflict-affected areas takes place that includes a conflict analysis and a realistic stakeholder analysis. The practice of quick project formulation through one UNIDO mission, followed by a more detailed planning once the funding is secured, should be discontinued, as this inevitably leads to delays in the start-up phase when rapid action is required. UNIDO should make available programmable funds for project preparation rather than using project funds.

**Administrative Map - Eastern Province**

**Districts : Trincomalee, Batticaloa and Ampara**



**Legend**

- ★ DS name
- Railway
- Main road
- Minor road
- River / Stream
- Tank / Reservoir
- DS Boundary
- District Boundary
- Provincial boundary

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# 1

## Introduction

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The Democratic Socialist Republic of Sri Lanka is an island nation-state situated in the Indian Ocean and is home to approximately 21 million people (2009 estimate). Sri Lanka is a multiethnic, multi-religious and multicultural society, made up of a majority 73.9% Sinhalese, 12.7% Sri Lankan Tamils, 5.5% Indian Tamils, 7.1% Moors and 0.8% of other and unspecified ethnic groups. A majority of the Sinhalese are Buddhists and the remainder Christian, Tamils are either Hindu or Christian and the Moors are Muslims. Sinhala is the official and national language spoken by approximately 74%, and Tamil, which is also a national language, is spoken by approximately 18%, mostly by Tamils and Muslims. English is commonly used in government and the private sector and is spoken competently by about 25% of the population.

Historically, the majority of Sinhalese are concentrated in Southern Sri Lanka. Sri Lanka Tamils are concentrated in the Northern and Eastern parts and Tamils of Indian origin have settled in the Central Province. Muslims are concentrated on the East coast. Since the outbreak of hostilities between the Government of Sri Lanka (GoSL) and the Liberation Tigers of Tamil Eelam (LTTE) in the mid-1980s, these patterns have become less fixed due to movement caused by conflict. Several thousands of Tamil civilians have fled the island and sought refuge in the West. With the end of the war in May 2009, Sri Lanka is now at a crucial juncture.

The conflict has directly affected the social and economic development in the regions including the project areas of Trincomalee and Batticaloa on the eastern coast of Sri Lanka. Post-war Sri Lanka is seeing numerous development efforts both by GoSL and the international donor community, the former mainly focusing on infrastructure development while the latter, mostly but not exclusively, on humanitarian and grant-based interventions.

Infrastructure development contributes to reconnecting the post-war regions to the rest of the island. However, these areas were recipients of large-scale humanitarian and grants-based assistance in the immediate aftermath of the war and there is now a greater need for more sustainable development efforts. It is important in this transitional phase that such assistance does not perpetuate the aid dependency of the humanitarian phase. Lack of ownership can be a contributing factor to instability and possible resurgence of violence in the future.

## 1.1 United Nations assistance

The United Nations Development Framework (UNDAF) for Sri Lanka outlines concrete development objectives for UN agencies for the period 2008-2012 identified on the basis of a consultative process with the Government, bilateral donors and other development partners including leading civil society representatives. The Common Country Assessment (CCA) of 2006 adopted a rights-based approach to development and the Government's National Development Strategies including the "*Mahinda Chintana* Ten Year Horizon Development Framework (2007-2016)" provided analytical inputs into the UNDAF formulation process. Following the GoSL's biennial consultation with its donors in December 2006, it was felt that the UNDAF should place a more prominent focus on the Peace Pillar while promoting equitable and sustainable pro-poor growth. A consensus emerged between the development partners for an integrated approach to address the development/peace nexus. In this context, the multilateral and bilateral donors will address the development agenda, including the Ten Year Development Framework, while playing a proactive role in the development dimensions of the peace process.

The UNDAF results matrix contains four main themes as reflected in the four Outcomes:

- Economic growth and social services are pro-poor, equitable, inclusive and sustainable in fulfilment of the MDGs and MDG plus, and focus in particular on the rural areas
- Governance mechanisms and practices enable the realization of the principles of the Millennium Declaration and promote and protect human rights of all persons
- An improved environment for a sustainable peace anchored in social justice and reconciliation.
- Women are further empowered to contribute and benefit equitably and equally in political, economic and social life.

Efforts have been made to make use of the UN's comparative advantage and synergies within the system to implement programmes jointly wherever possible.

## 1.2 Development context in the Eastern Province

Batticaloa and Trincomalee districts are situated in the Eastern Province of Sri Lanka and are home to all three ethnic communities, with different cultures, traditions and needs and spread across an area of 5,581 sq km. Batticaloa counted 515,857 people in 2007 and has an area of 2,854 sq km divided into 14 Divisional Secretariat (DS) Divisions. Trincomalee has an area of 2,727 sq km. Trincomalee district's population was 334,363 in 2007 and it is divided into 11 DS Divisions. The ethnic composition in the two districts differs considerably:

**Table 1: Ethnic composition in Trincomalee and Batticaloa districts**

Year	Tamils		Sri Lankan Moors		Sinhalese		Others		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
2007 (est.)										
Trincomalee	96,142	28.75	152,019	45.47	84,766	25.35	1,436	0.43	334,363	100.00%
Batticaloa	381,984	74.05%	129,045	25.02%	2,397	0.46%	2,431	0.47%	515,857	100.00%

The 'Early Recovery in 8 Resettled Divisions of Batticaloa and Trincomalee Districts' outlines the outstanding needs for sustainable livelihood development and stabilization, and the continued revitalization of economic activities at the community level. This is to include support to the rehabilitation of farm lands and enhanced opportunities for agriculture, fishing, livestock development and micro-finance. The key strategies designed to foster sustainable livelihood include:

- a) capacity development in improved technology in farming, fishery, dairy production and livestock rearing
- b) support cooperatives and micro-enterprises.

The project under evaluation was designed in 2006 in an environment created by the 2002 cease-fire agreement (CFA) and was ongoing when the CFA failed in 2007 and during the height of the war until May 2009. Please see the Timeline 2001 – 2010 for the overall development in the conflict.

Starting January 2011, extraordinarily heavy flooding has displaced approximately 800,000 persons in the Eastern Province, including Trincomalee and Batticaloa districts. The latter was the worst hit with 95,376 families comprising 358,366 persons being affected according to the Sri Lankan Disaster Management Centre. World Food Programme (WFP) statistics state further that in Batticaloa alone, 74 camps for displaced persons or Welfare Centres were established, hosting 20,181 in January 2011. The displacement continues as this report is being completed, with even further displacement happening as a consequence of very severe flooding.

**Box: 1: Conflict-related timeline 2001 – 2010**

<b>2001</b>	Following constant violence between the LTTE and the GOSL since 1981, the United National Party comes to power and announces it would observe a one-month ceasefire. The LTTE also announces a one-month ceasefire.
<b>2002</b>	The Norway-brokered CFA comes into effect. This holds out for 5 years and the A9 road linking Jaffna peninsula and the rest of Sri Lanka opens after 12 years. GOSL lifts the ban on LTTE.
<b>2003</b>	There is uneasy peace and constant violations of the deteriorating CFA by both sides.
	US\$4.5 billion is pledged by the international community for the reconstruction and development of Sri Lanka at the Tokyo Donor Conference.
	Mahinda Rajapaksa is Prime Minister; Colonel Karuna, LTTE commander for the Batticaloa-Ampara (East of Sri Lanka), breaks away from the LTTE forming a pro-government unit.

<b>2004</b>	Violent conflict resumes following failed peace talks and heavy clashes between the communities in the Eastern Province.
	Almost 40,000 people are killed and 2.5 million displaced when a tsunami devastates coastal communities in the North, East and South of the island. GOSL declares a national disaster.
<b>2005</b>	GOSL signs the Post-Tsunami Operational Management Structure (PTOMS) agreement with LTTE for the rehabilitation and reconstruction of the tsunami-affected areas in the N&E provinces. LTTE to share US\$3 billion in aid.
	Mahinda Rajapakse is sworn in as President of Sri Lanka.
<b>2006</b>	Peace talks resume in Geneva, but fail over the LTTE's demand that the GOSL reopen the A9 highway that was closed as a reaction to the heavy fighting. Violent conflict escalates and continues all year.
	'Mahinda Chinthana 10 Year Horizon Development Framework' (2007-2016) to focus on increasing private public partnerships, FDI, infrastructure development, improve productivity and create marketable skills for employment of Sri Lankans both locally and overseas. Focus on livelihood development, strengthening the agriculture sector, including value-addition with ' <i>attractive producer prices, provision of seeds and planting material, credit and fertilizer at affordable prices and storage and marketing arrangements and elevating the primary agriculture into a processing stage including high quality rice milling,....given very high priority</i> '. Special focus on the N&E Provinces.
<b>2007</b>	The UN asks both the GOSL and the LTTE to cease hostilities and resume peace talks.
	Without the presence of the ICRC, the military announce the important closure of checkpoints in the Eastern Province, stopping aid workers and ceasefire monitors from traveling between LTTE held and GOSL areas.
	The GOSL captures the last LTTE base in the Eastern Province giving government control of the area for the first time in 13 years. Intensified violence continues throughout the Island.
<b>2008</b>	The GOSL terminates its CFA with the LTTE.
	Elections are held in the Eastern province and Colonel Karuna becomes a prominent politician under the Rajapaksa administration.
	The remaining UN staff leave the Wanni following a GOSL statement that it could not guarantee the safety of aid workers because of increased fighting.
<b>2009</b>	Violent conflict ends with GOSL military forces recapturing all remaining LTTE controlled territories in the Northern Province. LTTE leadership is killed.
<b>2010</b>	Mahinda Rajapakse is re-elected as president and the UPFA secures 146 seats of 225 in the subsequent parliamentary elections.
	The World Bank announces Sri Lanka would be a 'blend country'; able to borrow at near-commercial rates from its IBRD in addition to the earlier IDA credits.
	Economic development continues in line with the ' <i>Mahinda Chintana</i> ' with large focus on infrastructure development among other development.

# 2

## Purpose and scope

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The purposes of this independent evaluation are:

1. To assess the progress made towards results and the likelihood that further sustainable results will be achieved;
2. To draw lessons and provide recommendations for future UNIDO projects in Sri Lanka;
3. To draw lessons and provide recommendations of wider applicability for future UNIDO projects in post-conflict environments;

In relation to (3), the evaluation took into account the findings and recommendations of a recent Thematic Evaluation of UNIDO projects in post-conflict environments. Similarities and differences between the Sri Lanka evaluation and the thematic evaluation are highlighted.

The evaluation covered the Sustainable Livelihoods Recovery project from its inception in 2004 through its formulation and funds mobilization period in 2006 to its implementation between late 2007 and end of 2010. The conflict-affected environment in which the project developed was duly taken into account. This included the assistance provided by other UN agencies, bilateral donors and NGOs that were active in the same geographical areas.

The principal clients of the evaluation are the Government of Sri Lanka, especially the Ministry of Industry and Commerce, the provincial Government of the Eastern Province, and the divisional secretariats within each district. Other clients are the District Chambers of Commerce and Industry in Trincomalee and Batticaloa, as well as the Federation of Chambers of Commerce and Industry in Sri Lanka. The Government of Japan who funded the project through the UN Trust Fund for Human Security and UN agencies, especially UNDP and OCHA are other clients for the evaluation.

Last but not least, it is hoped that UNIDO Headquarters, Sub-regional Office for South Asia in Delhi and Focal Point Office in Colombo will be able to use the findings and recommendations in this report in their endeavour to provide quality services to people and governments in conflict-affected countries in the fragile transition from humanitarian assistance to long-term industrial development.



# 3

## Methodology

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The evaluation was conducted in compliance with the UNIDO evaluation policy and Technical Cooperation Guidelines. It consisted of three main elements:

1. An evaluability assessment based on visits to project sites in September 2010 by Selyna Peiris
2. A beneficiary survey carried out in November/December 2010 by a team led by Ruwanthi Jayasundera
3. The main evaluation exercise with field research carried out between 24 November and 11 December 2010 by Erik Lyby (Team Leader) and Selyna Peiris. The results of elements 1 and 2 are integrated into the present report. In addition, an independent technical assessment of the agricultural mechanization component carried out by A G Rijk in parallel with the evaluation provided useful inputs to this report.

The assessment follows the DAC evaluation criteria:

- Relevance (the extent to which an activity reflects national and local needs and priorities)
- Effectiveness (the extent to which planned results have been achieved, or are likely to be achieved at the level of outcomes)
- Efficiency (the relationship between outputs and inputs in terms of human and financial resources, focus, timeliness, management, etc.)
- Impact (the positive and negative, primary and secondary long-term effects produced by a development intervention, whether directly or indirectly, intended or unintended)
- Sustainability (the extent to which results and benefits of the assessed activities continue, or are likely to continue, after the closing of the interventions).

The evaluation Terms of Reference (Annex 1) specified evaluation questions linked to the criteria mentioned above. The evaluators formulated specific questions that helped to guide the data collection (Annex 3).

Given the time and resources available, the evaluation method was predominantly a qualitative rapid assessment. However, other recent studies helped to ensure robust findings and the beneficiary survey added valuable data and rigour. The technical assessment of the agricultural mechanisation

component produced detail to the understanding of the processes under way. Comparison with the findings and recommendations of the Thematic Evaluation of UNIDO Post-Crisis Projects put the exercise into a wider perspective that proved very useful.

The methods used for collection and analysis of evaluative information included:

- Literature/web search
- Desk study
- Field visits
- Key informant Interviews (officials and beneficiaries)
- Focus groups (women groups and farmer organizations)
- Survey of 220 project beneficiaries and a limited number of non-beneficiaries
- Triangulation
- Direct observation.

The evaluation proceeded through the following steps:

1. Desk study, review of project documentation, and preparation of field mission.
2. Preparation of the beneficiary survey, launched and supervised by the evaluators in advance and during the evaluation mission.
3. Telephone interviews with staff at UNIDO HQ, and at UNIDO Regional Offices in New Delhi and Bangkok before, during and after field mission.
4. Field mission in Sri Lanka 24.11 – 10.12 2010, including
  - Briefing with the UNIDO Focal Point Office in Colombo
  - Interviews with GoSL officials, UNDP and FCCISL in Colombo
  - Field visits to Trincomalee and Batticaloa; collection of documentation; interviews with project staff and beneficiaries; interviews with representatives of central and local government; interviews with District Chambers of Commerce and Industry and farmers' organizations
  - Presentation in Colombo of preliminary findings to key stake-holders for their comments.
5. Presentation and discussion of preliminary findings at UNIDO HQ (Team Leader).

6. Preparation of the draft evaluation report to be circulated for comments and factual validation from stakeholders.
7. Preparation of the final report with inclusion of the comments received.

The evaluators wish to take the opportunity to extend their sincere thanks to all stakeholders in the field and elsewhere who supported the exercise with their time and assistance. As this is an external evaluation, however, the findings and recommendations contained in this report are those of the evaluators and do not necessarily reflect the views of UNIDO, the Sri Lankan Government, or any other stakeholders.

# 4

## Design, relevance, effectiveness and efficiency

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### 4.1 Project design

This section reviews the internal logic and coherence of the project design and the evolution of the project from its inception in 2004 to the effective start in 2007.

#### 4.1.1 Background

The background of the project was the ceasefire agreement and a subsequent UN inter-agency needs assessment mission in 2002. The mission identified the return of IDPs to their villages as top priority and humanitarian assistance was organised to support this. UNIDO fielded a formulation mission in 2004 to identify activities that could facilitate the reintegration of IDPs into productive economic life. Prior to the conflict, the Northern and Eastern Provinces were important producers of food but two decades of war had led to serious deterioration of the agricultural sector. The UNIDO project therefore focused on the revitalization of agriculture through a range of activities from improved production methods and increased productivity to better marketing. The 2004 proposal projected external funding of USD 883,820.

In March 2006 a full project document for an amount of USD 1,732,060 was submitted to the UN Trust Fund for Human Security with an extended scope including assistance to group-based women entrepreneurship targeting female returnees and war widows and a strengthened orientation towards business development. The proposal was approved by the UNTFHS with October 2006 as official starting date.

In parallel, financing of USD 250,000 for another project focusing on women entrepreneurship was approved by the American NGO Zonta International. Both projects were supplementary and implemented by the same parts of UNIDO.

The combined project comprised of three components:

1. Sustainable Agriculture Projects (SAP) – Funding: UNTFHS USD 698,201
2. Women Entrepreneurship Development (WED) – Funding: Zonta International USD 250,000

3. Business Development Services (BDS) - part of the above two components –  
Funding: UNTFHS USD 837,267.

The overall budget was divided in two, with the SAP component being managed by UNIDO Agri-Business Development Branch. The BDS and WED components were *in principle* managed by UNIDO Private Sector Development Branch. However, when the project manager was appointed UNIDO Representative in Bangkok, these components were eventually managed from the Regional Office in Bangkok under special arrangements with HQ.

#### **4.1.2 Project planning**

The SAP and BDS components are based on the initial project document prepared by UNIDO, whereas the smaller WED component funded by Zonta International is based on a project summary with additional outputs and activities specifically targeted to women. The three components can therefore be treated together as described in the project document funded by UNTFHS.

By its focus on revitalization of agriculture and the development of small rural businesses the project document demonstrates a good understanding of the context in the eastern and northern regions of Sri Lanka. This is a well-targeted response to a post-conflict situation where many IDPs return to their villages. The Sri Lankan conflict has been relatively localized to the northern and eastern regions while most other regions continued functioning more or less normally. These specific conditions were reflected in the project design, which foresees relatively advanced agricultural and business development activities.

To enhance sustainability and generate revolving funds to extend the benefits to a larger number of recipients, the document also stipulates that equipment would be provided on a credit basis rather than on a grant basis. This approach prevents a “dependency syndrome” in a context where (free) humanitarian assistance is gradually phased out. However, this principle is likely to meet some resistance from populations that have become used to getting support for free. In this respect, the project design is appropriate for the transitional phase between rehabilitation and development.

The project document provides a logical framework with three goals and six objectives with outputs, activities and the estimated resources required for each activity. A separate section relates “expected results/outcomes” to performance indicators, description of the Baseline Situation, and the Means of Verification against which the progress towards outcomes will be measured.

In another table, the Goals, Objectives, Outcomes and Means of Verification are combined into one format to facilitate the overview and linkages. Whereas the three goals do not fully correspond to the three components into which the project has been organised, the overall framework is still fairly consistent.

As a planning document for activities located in a post-conflict situation, the project document has also some weaknesses. It is surprising that it contains no discussion of assumptions and risks related to external factors, such as the possible reappearance of armed violence. This is exactly what happened, with

the result that the project was delayed for almost two years. An analysis taking such risks into consideration would logically consider the implications for staff and movement, and have included a contingency plan B in case implementation would need to be stopped temporarily or permanently.

It is a weakness that the document does not include a conflict analysis, as is often recommended for operations in conflict-affected areas<sup>1</sup>, but limits itself to a description of the socio-economic profiles in the area. Even the less ambitious “Do-No-Harm” principle that is common in conflict-affected situations is not discussed. The three districts are in fact very different in terms of population, natural resources and general development, and the conflict has followed different patterns in them, where control over specific areas have changed hands several times. It may be argued that the amount of analysis that can go into a project with a budget of USD 1.7 million is limited. However, there is no doubt that more a detailed knowledge of the dynamics of the conflict in the different areas, together with a stakeholder analysis, would have saved time and may have led to different choices of partners and project sites.

Most Performance Indicators in the project document are not quantifiable but described in vague terms such as “better access”, “increased availability”, “increased profits” (increased by how much?), etc. Some of the outputs (not shown in the table) show numbers but, overall, the document does not provide a strong framework for performance monitoring. For example, there is no provision for measuring or monitoring “increased agricultural productivity”, which is a key outcome of the project.

The project document foresees close cooperation of all three components with the District Chambers of Commerce and Industry (DCCIs) in Jaffna, Trincomalee, and Batticaloa. The implementation period was planned for two years with national (Sri Lankan) UN Volunteers (UNV) as project managers at district level. However this approach was abandoned due possible conflict of interest, and the use of an international UNV was considered instead. This approach was also abandoned as the conflict intensified and, finally, no UNVs were fielded at all.

The project was seen as part of UNIDO Integrated Programme for the country and planned to be subject to UN inter-agency collaboration and included in the UN Development Assistance framework (UNDAF) for Sri Lanka. The UNIDO Focal Point Office in Colombo was destined to play an important coordinating role, whereas the division of activities and budget between two UNIDO branches is not mentioned in the project document. There is no clear description of the cooperation mechanism between the two branches.

With three components, funded by two donors, to be implemented in two years in three conflict-affected districts, and managed by two different UNIDO units, it is fair to say that the design was surprisingly complex and probably overambitious.

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<sup>1</sup> See chapter 2 on Conflict sensitivity in Naoise Mac Sweeney: Private Sector Development in Post-Conflict Countries – a Review of Current Literature and Practice. DCED (Donor Committee for Enterprise Development), Cambridge 2008

### Box: 2: Logical framework

GOALS	OBJECTIVES	RESULTS/OUTCOMES	PERFORMANCE INDICATORS
<p>1. Community-based initiatives for social integration and productive activities will be promoted as means for sustainable livelihoods and social stabilization.</p>	<p>1.1 Project structure will be established for smooth implementation, monitoring and evaluation</p> <p>1.2 3,000 rural households will actively participate in the organization and management of community groups for collective self-help activities.</p>	<p>Communities actively participating in the project through existing and/or newly established Community Development Groups (CDGs) and sub-groups and benefit from project activities in a sustainable manner</p>	<p>3,000 households sensitized on the principles of community-based and self-help initiatives for taking up productive activities.</p> <p>Increased cooperation among the rural communities and effective utilization of project inputs such as machinery and equipment through the organization of at least 15 CDGs for such purposes.</p>
<p>2. Revitalization of agriculture through the introduction of appropriate mechanization technologies to enhance rural development and community stabilization.</p>	<p>2.1 Agricultural productivity in 30 villages will be increased through application of mechanization technologies, promotion of equipment hire services and value addition through processing</p> <p>2.2 Upgrade skills of rural technicians and enhance capacity of the rural workshops to provide essential services for community building and better tools and repair and maintenance services to the farming community</p>	<p>Increased agricultural productivity, rural income and employment opportunities.</p> <p>Adequate supply of mechanization inputs in the project assisted areas in the North and East regions and skilled human resources available to provide repair and maintenance services.</p>	<p>Farmers in a better financial situation and able to purchase appropriate tools and equipment.</p> <p>Better access to technical inputs and repair and maintenance services by the rural communities and increasing demand for such services.</p> <p>Increasing number of rural workshops providing essential services fro community building and stabilization.</p>
<p>3. Capacity of local institutions for small business development will be strengthened and community-based small enterprises will be developed in rural areas.</p>	<p>3.1 An organized system of small business development services will be established in each of the three districts and their outreach will be strengthened.</p> <p>3.2 Up to 50 self-help production groups will be organized, strengthened and promoted into small business in three districts.</p>	<p>A pool of qualified and trained trainers made available locally to facilitate and promote community-based enterprises and self-help groups.</p> <p>A local institutional structure established for the provision of small business support and advisory services</p> <p>Community-based enterprises and self-help production groups created/ Strengthened and equipped with optimal entrepreneurship skills and better access to productive resources.</p> <p>Market linkage established in and outside of the North-east regions for community-based enterprises and self-help production groups.</p>	<p>Increased availability of qualified trainers and consultants as well as skills training courses.</p> <p>Increased offer of skills training programs by local institutions.</p> <p>Improved outreach of advisory services to communities.</p> <p>Business support services function established at DCCIs.</p> <p>50 community-based and self-help production groups organized with increased profits, better access to finance and markets.</p>

## 4.2 Relevance

The ‘*Mahinda Chinthana*’ or the GoSL Ten Year Horizon Development Framework (2007-2016) includes *livelihood development, strengthening the agriculture sector, including value-addition, and the creation of marketable skills for employment of Sri Lankans* among its main priorities. The project aims to address the same areas and is therefore well-aligned and relevant to GoSL policies. The focus on agricultural productivity is particularly relevant in the context of dramatic increases of demand and prices in world food markets.

The project explicitly targets returnees, IDPs, widows and other vulnerable persons and is therefore in line with the “interventionist approach” recommended for post-conflict situations by the DAC Donor Committee for Enterprise Development<sup>2</sup>. The “Interventionist” approach is characterized by the following activities:

- Access to employment and vocational training
- Promoting business associations and community groups
- Promoting market linkages and value chains
- Microfinance
- Targeted support.

The project is relevant to the DCCIs, the Farmer’s Organisations (FOs) and the Women’s Rural Development Societies (WRDS) because it enables them to become more active and relevant to the needs of their members. In addition, it supports the GoSL authorities at central and local level with more resources and adds to their capacity development.

The project is relevant to UNIDO Medium-term Programme Framework (MTPF) 2008 to 2013 where Human security and post-crisis rehabilitation is mentioned as a special component.

The project is also potentially relevant to the UN system in Sri Lanka., where it should be seen in the context of the attempts of other UN Organizations to contribute to the transition from humanitarian assistance rehabilitation and economic development. To this end - and different from most other organizations - UNIDO applied relevant approaches such as value chain interventions and a revolving fund. It is therefore unfortunate that the project was not an integrated part of the combined UN assistance effort.

Moreover, the project addresses three of the four UNDAF outcomes, namely poverty, peace and gender, although UNIDO is neither part of the UN Country Team (UNCT) nor is it mentioned in the UN Development Assistance Framework (UNDAF) for Sri Lanka. This lack of integration of UNIDO into UN inter-agency collaboration mechanisms is an anomaly in the context of the One UN reform process.

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<sup>2</sup> Mac Sweeney, Opt. cit, p. 52.



### 4.3 Effectiveness

This section reviews the achievement of the outcomes for each of the three components. As explained in greater detail below, it became impossible to work in Jaffna district and the number of districts was reduced from three to two. This reduction was reflected in the targets and outcomes.

The level and type of support given to beneficiaries varies considerably between and within the components. Some received heavy equipment such as tractors, others got light sprinkler equipment, rice flour mills, parboiling vessels or hand tools. All of them were trained, with or without equipment. the overall numbers (see Annex 3 for details). Keeping in mind the above variations, Table 2 shows the numbers of direct beneficiaries (those who received training and/or tools) by ethnic group.

**Table 2: Beneficiaries by district, component and ethnic group**

District	WED/BDS					SAP					WED/ BDS/ SAP
	Tamil	Muslim	Sinhala	Unspecified	Total	Tamil	Muslim	Sinhala	Unspecified	Total	
Ethnic group											District totals
Trincomalee	171	63	40	143	417	62	61	46	55	224	665
Batticaloa	453	18	0	0	471	373	36	0	0	409	880
Totals by ethnicity	624	81	40	143	888	373	36	46	55	633	1545

Most direct beneficiaries are members of established groups and the benefits may extend to more members as the economic activity develops. The number of potential beneficiaries is therefore higher than the number of direct beneficiaries. The tables in Annex 3 show the number of potential beneficiaries as well as the direct ones. The total number of direct project beneficiaries adds up to 1,545.

Most women beneficiaries were Tamils. In Batticaloa no Sinhalese and only few Muslims benefited from the project. Some Muslim FOs participated in this district, but the Muslim WRDS there did not do so as groups; a few Muslim women did take part in the project on an individual basis.

The 143 “unspecified” beneficiaries of the WED/BDS component in Trincomalee include 120 persons from Government institutions, chambers of commerce, private institutions, farmer organizations and WRDS who were supported in connection with the trade fair “Trinco opens its Doors” as well as 23 participants of a four-day workshop on value chains. Under the SAP component the “unspecified” beneficiaries include 67 women who were supported with small scale equipment and training.

### **4.3.1 Sustainable Agriculture Project (SAP)**

This section relates to the *Revitalization of agriculture* goal described above. The associated outcomes are described as: Increased agricultural productivity, rural income and employment opportunities through adequate supply of mechanization inputs and skilled human resources to provide repair and maintenance services.

The project document mentions a number of quantified outputs and activities foreseen to achieve these outcomes. The main elements are:

- the provision of mechanized tools and equipment to farmers;
- training of trainers, farmers, technicians and women in operation and maintenance of equipment
- upgrading of workshop facilities to produce, repair and maintain tools and equipment.

Initially, this component was also to support small-scale fishers affected by the 2005 tsunami, mainly in the area of boat repair services. However, this sub-component was cancelled because similar assistance was found to be provided by other external partners.

#### *Provision of equipment*

The equipment was distributed in close cooperation with the DCCIs and Farmer Organizations (FOs) in Trincomalee and Batticaloa districts (the FOs are affiliated members of the DCCIs). The distribution mechanism was to use the FO as a channel for the equipment to its members who would pay for it in instalments to the FO. Another member could then get equipment from the repaid money. In this way, the first lot of equipment would turn into a revolving fund that would over time benefit a larger number of FO members. Thus, the ownership of the equipment would be individual but with the FO managing the revolving fund. As a kind of down payment, the farmer was required to purchase a trailer on his own account.

At the time of the evaluation, two batches of equipment had been supplied to FOs in each of the two districts. The first batch included four 4-wheel tractors and ten 2-wheel tractors, all with sets of implements. The second batch included ten 2-wheel tractors with implements but no 4-wheel tractors. In addition, a selection of workshop tools, rice flour grinders and parboiling vessels were supplied. The first batch arrived in the first week of July 2008, and the second batch in May 2009. A third batch was foreseen to be supplied after the evaluation in January 2011.

The list of implements supplied with a tractor consisted of:

- thresher
- irrigation pump
- mouldboard plough
- self-propelled reaper
- cultivator
- rotary tiller.

The 4-wheel tractors came with additional disc harrows, tine cultivators and large threshers. However, these threshers were found to be unsuitable and were returned to the supplier.

For various reasons, the use of the equipment differs. Some of the equipment is quite suitable for small farms of 0.5 to 3 acres whereas the 4-wheel tractors are appropriate for larger holdings. In addition to using the equipment on his own land, the owner will normally hire it out to nearby farmers. The tractors with trailers are also used for different kinds of income generating transportation.

Hire services for combine harvesters are widespread, especially in Batticaloa district and constitute a competitive element to the UNIDO support. Depending on farm size and other factors such as availability of labour, hiring equipment can be more attractive for some farmers than harvesting with their own tractors. Some farmers did not use the small threshers supplied with the 2-wheel tractors but preferred to hire large power threshers. In the beginning, the mouldboard plough was not found attractive but as farmers are becoming familiar with this new technology it has gained popularity.

In particular in Trincomalee, after-sales services by the suppliers have been poor, even within the warranty period. This led to some equipment falling into disrepair.

Equipment for sprinkler and drip irrigation was provided to some farmers following introduction by an international consultant. These technologies were new and well received, leading to better crops with less water usage.

In spite of these shortcomings, the technical review by expert Mr. Rijk concludes that, overall, the selection and performance of the equipment is satisfactory.

The FO members to receive equipment were selected in collaboration with the department of Agrarian Services (DAS) dealing with agricultural extension. This selection was often more based on the reimbursement capacity of the recipient than on his absolute need (poverty criteria). This was especially the case for the 4-wheel tractors which were given to farmers with relatively large holdings, over 20 acres. As it turned out, reimbursement for these tractors was much higher than for other equipment (as discussed below), and the reimbursed amounts were in turn given to smaller farmers for purchasing of 2-wheel tractors. It seems that the principle of "favouring" the better-off in the first place has led to benefits for the less fortunate at a later stage.

### *Training*

In Batticaloa UNIDO organized 23 training sessions under the SAP component, one of which was repeated three times in other locations. Trincomalee had 17 SAP trainings, one of which was repeated in three other locations and another in six other places. Most of the trainings took place at GoSL or private institutions in the district, while some were conducted outside at specialized establishments such as the Institute of Post-Harvesting Technology at Anuradhapura.

452 people underwent training in the Batticaloa SAP programme, while the corresponding figure in Trincomalee was 418. Much of the training was directly linked to the use of the equipment supplied by the project; participants were farmers as well as agricultural officers and technicians. The majority of trainings were short, from one to five days.

In June 2009 a study tour to Thailand on farm mechanization was conducted for 15 participants (farmer beneficiaries, FO representatives and an agricultural technician). The tour was considered highly relevant and led to the transfer of an appropriate pump technology from Thailand to Trincomalee.

Training has been a major feature of the project and the training subjects are particularly relevant to long term sustainability. However, most courses were too short to enable participants to fully understand the new equipment and to assure routine maintenance. Training of technicians – an important capacity building feature of the project – only took up very little of the training programme.

#### *Upgrading of workshop facilities*

Small workshops in remote locations are providers of essential maintenance and repair services but the poor standards of these services were identified as a problem at an early stage. In this respect, the situation in Batticaloa was worse than in Trincomalee. UNIDO response was twofold: the provision of tools and small equipment to a large number of workshops, and the training of workers.

The needs for workshop tools were assessed by a survey, based on which it was decided what to provide to whom. The focus was on mechanical, blacksmith and carpentry workshops and the tools were to a large extent hand tools plus some power tools (drills), welding equipment, bench vices and the like. Larger equipment such as compressors was requested but found to be too costly. Unlike the agricultural equipment, the workshop tools were given for free.

39 workshops in Batticaloa and 33 in Trincomalee received tools. However, the tools provided fell short of the requirements. Out of a list of six items, some workshops received only one. The distribution was too thinly spread and the impact of this support is likely to be limited.

The associated training differed between the two districts. Although the need for upgrading was evident, in Batticaloa only training for blacksmiths took place. In Trincomalee, tailor-made training was provided Kinniya Institute of Industrial Technology and was well attended and appreciated: a course of 5 days for 20 blacksmiths; a course for 20 general mechanics for 6 days during 3 weekends (to avoid that the workshops would have a loss in business).

To conclude, UNIDO was not successful in its intended upgrading of rural workshops.

### *Achievements*

The two outcomes were only partially achieved. The first outcome: *“Increased agricultural productivity and rural income and employment opportunities”*, cannot be quantitatively assessed. Although productivity has not been properly monitored, the use of the new equipment seems to indicate a productivity increase. Interviews with beneficiaries indicate that incomes increased as well. It is not likely that new employment opportunities have arisen. The main purpose of mechanization has been to save labour, which appears to be relatively scarce in the two districts.

The second outcome concerns the: *“Adequate supply of mechanization inputs, and skilled human resources available to provide repair and maintenance services”*. Mechanization inputs have been provided, they are overall being used and do contribute to agricultural production; whether the supply is “adequate” is another question – the needs exceed what the project has been able to provide, but with the revolving fund more people should be able to access new equipment.

Despite UNIDO training, the availability of human resources to maintain and repair is still not ensured. However, with the changing situations in post-conflict Batticaloa and (especially) in Trincomalee, private companies are coming in that may soon fill this gap. The presence of private sector power-tiller dealers in the region may be partly a consequence of UNIDO dissemination of agricultural mechanization technologies in the two districts.

#### **4.3.2 Women Entrepreneurship Development (WED)**

The WED component aimed to promote community-based entrepreneurship of women and to support self-help rural community development. The component supports women groups directly but the production within the groups is normally on an individual basis. The main collaborators are the Women Rural Development Societies (WRDS).

The component is funded by Zonta International, a US-based foundation in support of women in developing countries. In practice, the WED component is closely interlinked with the Business Development Service (BDS) component, making it quite difficult to distinguish between the two. Some of the activities mentioned in this WED section may therefore in fact be fully or partially funded under the BDS component.

According to the project document, *‘up to 50 self-help production groups will be organized strengthened and promoted into small business in the three districts’*. The WED component reached 28 production groups with 456 beneficiaries in total (227 in Trincomalee and 229 in Batticaloa). Many more women received assistance on an individual basis through training or small equipment – see Annex 3 for details.

**Table 3: WED and BDS group member beneficiaries by ethnicity**

	Tamil	Sinhala	Muslim	Total
Trincomalee	148	38	41	227
Batticaloa	229	0	0	229
Total	377	38	41	456

Skills training programmes in various sectors of rural entrepreneurial development have been conducted to educate and capacitate women's groups in productive income generating activities. In addition, training programmes under the BDS component have provided basic business counselling for women (see next section for details on BDS training). Programmes in the training of trainers and extension workers were conducted with an emphasis on business rural development, management and entrepreneurial skills training.

#### *Training*

Table 4 (next page) lists the training programs and workshops conducted within this component during the course of the project.

#### *New products, technologies and opportunities*

Most of the WED inputs were focused on developing existing traditional/rural cottage and small industries within the region. However, some new products were also introduced such as handicrafts made from seashells, soft drinks (using the fruit processing training) and sweets (papaya toffee etc).

The inputs focused largely on technologies and trainings that can help production groups to save on costs and increase their production/yield. Several examples can be seen in this regard, notably the papaya cultivation (new technologies leading to greater lifespan of the papaya tree), palmyra products (colour consistency and protecting the palmyra products from mould) and potted agriculture (new organic fertilisers and planting methods introduced). These technologies and innovations are timely as the markets in the region are growing and these groups need to be able to keep up with the growing demand in order to retain and increase their share of the market.

Although some of the products and groups still need further support to develop, the women are enthusiastic and have developed the confidence to continue as ad hoc producer groups and continue their production even after the project has finished. Some of the groups, such as the potted agriculture group in Batticaloa, are planning to register their group as a business association, which has the

**Table 4: WED training programs and workshops**

No	Name of Workshop/Training Program	Batticaloa Dates of Training	Trincomalee Dates of Training
1	Skills Training: Business development & entrepreneurial skills training for women		03-05.03 2009
2	Skills: Business development Training of Trainer for Agro based women Entrepreneurs		20-26.08 2009
3	Skills: Seminar Cum Study Visit program on Rural Entrepreneurship Development	28.09 – 09.10 2009	28.09 – 09.10 2009
4	Rice Flakes: Training in business development & entrepreneurship in Rice Flake production	2-3.04 2009	22-23.04 2009
5	Leather and Cloth Bags: technical training on leather & cloth bag-making	08.04 – 15.06 2009	14.05 - 21.07 2009
6	Coir: technical training on coir production	07.05 – 07.08 2009	01.09 - 06.11 2009
7	Upgrading: Obligation is raised to cover the costs of organizing on coir production		14-17.11 2010
8	Batiks: Skills development training in batik cloth printing	12.06 – 31.08 2009	20.07- 20.10 2010
9	Fruit farming (papaya cultivation) training	From 2009 to 2010	Nov. 2009- Aug. 2010
10	Food/Fruit processing training for selected women entrepreneurs		24.05 – 05.09 2010
11	Potted agriculture training	March – Oct. 2010	Jan. – Aug. 2010
12	Follow-up trainings on Papaya and Potted Agriculture	16.11 2010	
13	Sea shells: training on sea shell-handicrafts production		Jun – Aug. 2010
14	Traditional Rice Cookies: training on production process	From July 2010	
15	Palmyra: training for upgrading palmyra production	From Sept. 2010	
16	Handloom textiles training – 3 months		From 01 Nov 2010
17	Rice/paddy value addition & packaging training	16-17.09 2010	
18	Revitalization and restoration of activities in Papaya Cultivation in response to severe flooding		From 1 Feb 2010

Source: UNIDO Field Offices in Batticaloa and Trincomalee.

potential to become sustainable and create new marketing and other opportunities. This group consists of mostly middle-aged women, who include war widows and severely displaced households, who have formed a collective organisation of plant nursery owners. Within this collective they share technical expertise, joint marketing (especially for trade fairs and exhibitions) and agree on common pricing for same products.

It is also worth noting that with UNIDO support, other community groups have been able to negotiate and get fair prices with middlemen and cooperative societies in the area.

It is not enough that products and technologies are developed – the ability to conduct business efficiently within a competitive market is also seen as very important for sustainability. The trainings on production/technical upgrades are therefore complemented by business skills development to some of the community group members (on how to develop a business plan, how to keep accounts, rural small business counselling etc). Most of the WED inputs have achieved a balance between the vocational and business aspects, especially with input from the BDS component (see below).

#### *Access to livelihoods within their comfort zones*

An important factor worth mentioning is that women are able to increase their income and livelihoods within the 'comfort of their homes' as a result of this project. The target regions are within a culture where women, and especially unmarried girls, are rarely working on their own. Being able to work as entrepreneurs in their own homes helps them to overcome this constraint and is therefore an important contribution to these communities.

#### *Access to markets*

Although quickly emerging, markets are still weak in the project areas, and access to markets is a challenge to be faced. The region is in need of medium and long-term development efforts away from "quick impact" towards more long-term and sustainable development. Activities designed to target development of the coir, clay, seashells, palmyra and other small cottage industries have been complemented by efforts to create an increase in value addition and additional activities, such as trade fairs and advocacy, designed to establish market linkages at the provincial and national level. People are no longer confined to the borders of their districts but now have the opportunity to travel to other parts of the country to work and sell. The seashell group members were particularly concerned with this as they had not formed a collective group for the production and marketing of their produce.

Large private companies and cooperatives tend to dominate the markets as they buy in bulk and set the price of the product they buy. In the case of papaya, the company offered Rs. 18/kg whereas in the local town market the selling price was Rs. 35/kg. UNIDO supported papaya cultivators were trying to organise transport to the market together, thereby getting a better price. Based on the value chain concept, marketing in groups hence has become an important feature of the project.

In order to address these changing regional needs, the UNIDO offices have produced an upgraded work plan from June-December 2010, focusing on consolidating and limiting the interventions to selected areas that can demonstrate sustainability of business, expanding training skills and developing market linkages. The Trincomalee Trade Fair (October 2010), organised by the Trincomalee DCCI and UNIDO in partnership with the Export Development Board and the FCCISL, was a successful event which provided an excellent opportunity for producers to meet the market and vice versa. Such initiatives are most important at this stage of the project and are highly commendable. A trade fair in Batticaloa is being planned.



### *Achievements*

The achievements of outcomes for this component are dealt with below under the BDS component, as they are closely interlinked.

#### **4.3.3 Business Development Services (BDS)**

The SAP and WED component activities were supported through integrating a variety of business development services (BDS).

### *Training*

Table 5 lists the training programs and workshops conducted within this component during the course of the project. Altogether 323 people benefited from BDS training, of whom 91 were in Batticaloa and 232 in Trincomalee.

**Table 5: BDS training programmes and workshops**

<b>No</b>	<b>Name of Workshop/Training program</b>	<b>Batticaloa Date/Period of Training</b>	<b>Trincomalee Date/Period of Training</b>
1	Organizing a business development & entrepreneurial skills training for women	20-22.02 2009	
2	Training of Trainer in Small Business Counselors		31.05 - 25.07 2010
3	Training of Trainer in Small Business Counseling	From 30.03 2010	
4	Training of Trainer in Small Business Counseling	From 24.08 2010	
5	Training program & Exposure tour for RSBC	From 11.11 2010	
6	Upgrade: Training for Clay-work artisans		
7	Value chain Development Concept and Application Orientation Workshop in Trincomalee	29.9 – 02.10 2010	29.09 – 02.10 2010
8	Training on Strengthening the Capacity of Local Financial/Credit Institutions		11-13.09 2010 + 09.10 2010
9	Workshop on Packaging organized at the Trincomalee Department of Agriculture Training Centre		23 -24.11 2010
10	Organizing knowledge Sharing and Trade Workshop		29 -31.10 2010
11	Organizing knowledge Sharing and Trade Workshop		29 -31.10 2011

Source: UNIDO Field Offices in Batticaloa and Trincomalee.

### *Value chain approach*

With the upgraded work plan in 2010, more emphasis was placed on advancing a value chain approach, which included elements of the BDS component for creating awareness, upgrading training and addressing other non-technical gaps. For example, workshops were conducted on strengthening the capacity of local financial and credit institutions, and also on raising awareness on value chain development and application. Such initiatives served to strengthen the capacity of institutions as well as the expertise among entrepreneurs to create access to markets and new technologies and strengthen rural industries.

### *Promoting individual production and joint marketing*

The creation of community development groups was seen as a primary objective in the project document. As stated earlier, 28 of such groups have been created out of the projected 50. One of the biggest contributions to these groups by the BDS component has been the business counselling training to some of its members. Another is raising awareness of the concept of joint marketing and the importance of collective decision-making with regard to price setting etc. Many of the groups, most notably the plant nursery group in Chenkaladdy, Batticaloa, have made full use of these skills.

### *Business Counsellors*

An important feature of the BDS component is that of the training provided for 45 business counsellors in the region to establish an organized system of small business development services and to strengthen their outreach. The Small Business Counsellor (SBC) training program in Trincomalee and the Rural Small Business Counsellor (RSBC) training program in Batticaloa have provided business training to rural professionals and entrepreneurs. A special feature of these training programs is that not only have the trainees been trained to offer business services to businesses – the trainees are themselves entrepreneurs or aspiring to be entrepreneurs and are therefore actually businessmen/women training others in the same professions. In this way, the counsellors are able to understand the context within which they work and also understand the needs of the entrepreneurs who they provide services for.

In both districts, the training was conducted by CEFE (Competency-based Economies through Formation of Enterprises), an international network set up by GTZ to promote the development of small enterprises. Successful candidates from CEFE courses are awarded a CEFE certificate. CEFE Net Sri Lanka trained 22 professionals in Trincomalee and 24 in Batticaloa who were selected after an application and interview process. The objective of the program was agreed to be *to enhance Small business counselling competencies of UNIDO beneficiaries attached to NGOs and Government field officers*. After successful completion of this training programme participants were expected to:

- Develop basic small business counselling competencies including awareness of their own roles as counsellors and vis-à-vis their clients' needs.

- Enhance the counsellors' competencies in providing counselling services to start-up entrepreneurs – those who are about to embark on a business venture as well as those who have just started their businesses.
- Enhance competencies in providing counselling services to entrepreneurs who have been in business for over a year and who are in their growth and maturity stages
- Enrol to CEFE Counsellor license system.

In Batticaloa, the 24 trained business counsellors were selected from local organisations such as Zonal Banks, some were recommended by other organizations such as ILO and World Vision, and no minimum educational qualification was imposed unlike in Trincomalee. The training, which was especially designed to address the specific post-war context and needs in Batticaloa sought to train existing or prospective entrepreneurs business development skills so that they may 'help themselves' and also provide business counselling to other within their community. These groups also take up business-related issues for advocacy, lead producer groups and collectively work to ensure best prices and identify new markets. For example, the palmyra and rice flour groups in Batticaloa are both headed or guided by the RSBC in the area.

The participants in the training had the following comments:

1. **Practicality:** The program was designed in a manner to include both theoretical and practical training and exercises. The participants were asked to present a business plan (and most of them presented their own business plan), after which the CEFE trainers conducted an in-depth analysis of the plan and provided feedback. The application of theory to a real context was seen as useful and important for the participants to not only implement their business plans but to also provide practical advice to others seeking it.
2. **Application:** The theory was put to test immediately with the participants asked to select a rural entrepreneur (among UNIDO beneficiaries) and advise them on a range of business issues all concerning the development of their business. The Trincomalee team had even requested the CEFE trainers to continue the training for 4 extra days for which they had paid for themselves.
3. **Timely:** The training came at an appropriate and essential timing as the market and opportunities are opening up in the post-war Trincomalee. The SBC training has provided the necessary skills for regional business consultants, trainers and entrepreneurs to meet the emerging demands in their region, and to provide responsible and conflict-sensitive business services to rural entrepreneurs as well as investors and stakeholders coming from outside the region.
4. **Sustainability:** 22 people were provided SBC training in Trincomalee. 18 participants are now coordinated to create a Trincomalee SBC Association, which will be a licensed regional business counsellors association to be housed inside the Trincomalee DCCI. Most of them want to continue the training to master trainer level. In Batticaloa, the 24 SRBC graduates were

at the time of evaluation in the process of forming a similar SBC Association.

### *Achievements*

The BDS component has achieved its first set of outcomes in terms of:

*A pool of qualified and trained trainers made available locally to facilitate and promote community-based enterprises and self-help groups.*

*A local institutional structure established for the provision of small business support and advisory services.*

The second set of outcomes has by and large also been achieved:

*Community-based enterprises and self-help production groups created/strengthened and equipped with optimal entrepreneurship skills and better access to productive resources.*

*Market linkage established in and outside of the North-east regions for community-based enterprises and self-help production groups.*

The objective of the agreement with Zonta International (derived from progress reports) is:

*Improved productive skills and enhanced access to markets of women and women's groups.*

Not being quantified, this outcome is considered as having been achieved.

The BDS component was also intended to support the SAP programme.

However, the training related to the agricultural mechanization has overwhelmingly been technical, with the exception of “basic business counselling programme for rice mill and rice flour beneficiaries” (9 participants) and one-day training sessions on “financial management for FOs” in 7 locations in Trincomalee district. The project document does not specify any outcome for business development in the SAP component against which the achievements could be measured. However, tractor hire services are fundamentally business enterprises, as are also the maintenance workshops; clearly, these could have benefited from support in terms of BDS training.

*Social stabilization* was part of two of the three goals that the project would contribute towards. It is assumed that improved livelihoods and social and economic development will lead to stability. Given that the three communities generally live in separate villages – either Tamil, Muslim or Sinhalese, rarely mixed – the interaction between them is limited, and the stability is more within communities than between them. However, there are cases where the project has brought people from different communities together for a common purpose, especially in a training context. In Trincomalee, for example, two out of the 14 groups supported under the WED were ethnically mixed (one Tamil/Sinhala, one Tamil/Muslim); two of the three groups receiving BDS support were mixed Tamil and Muslim. Another case in point of closer inter-community relations is the study tour to Thailand that brought together a diverse group of people and it is reported that they continue to keep in touch with each other.

## **4.4 Efficiency**

### **4.4.1 Quality**

With a few exceptions, the mechanization equipment delivered under the SAP component was relevant and of good quality. Some pieces such as large threshers and de-stoners that were found unsuitable or under-performing were returned to the suppliers. Reapers that were suitable when the project was planned came under competition from combine harvesters as the number of combine harvesters in Batticaloa grew: in 2004 when the project was conceived there were only two, whereas in 2008 over 200 (mostly from other districts) were working in the paddy fields. However, the reapers remain a better option for farmers with small plots.

Conditions differ in the project areas in terms of farm size, soil composition, plot gradient, etc., and a standard equipment package is not likely to fit all situations, as can be seen in some equipment not being used by the new owner. The selection of equipment has been subject to much discussion and, although the overall selection has been quite suitable, a closer consultation with the potential beneficiaries with a wider range of options might have increased the efficiency further.

The distribution of equipment through Farmer Organizations was an efficient mechanism as it was based on near-commercial principles and generated more equipment through the revolving fund. In Trincomalee at the time of the evaluation, repaid money for tractors from the first batch had been used to purchase four 2-wheel tractors by other FO members. In Batticaloa, a new 4-wheel tractor had been procured.

The quality of the training, and its ability to contribute to the outcomes, was higher for the BDS and WED than for the SAP, where the technical training was insufficient and the commercial training didn't happen.

### **4.4.2 Technical support**

The project organization was foreseen to include three UN Volunteers as project managers in the three districts, supported by national project officers on a full-time basis. International and national experts would provide specialised technical assistance. The budget for personnel costs to cover these inputs was close to one-third of the total project budget.

The security situation in the three districts in 2006-08 was very poor and effectively prevented the movement of (especially international) staff, and Jaffna was given up as a target province. This led not only to delays but also to decisions to use a maximum of national human resources, and project organizations were set up in the remaining two districts, each with a National Project Manager and 3-4 project officers. The three UNV posts were scrapped. In addition, budget resources were transferred from international consultancies to national ones. The UNIDO Project Managers in Vienna (for SAP) and Bangkok (for BDS and WED) gave strategic as well as technical support during missions and from home. Administrative support to the NPMs was provided through the UNIDO Focal Point Office in Colombo.

Table 6 below shows that the consultancy inputs were less than budgeted and there was a concentration of inputs in 2010. The project could have benefited from more guidance and technical support in 2008 and 2009 when the activities picked up speed. However, in spite of many difficulties, the national teams have managed to be flexible and achieve good results with enthusiasm and dedication to the project.

Technical support by external consultants took place as follows (missions by the UNIDO project managers are not included here):

**Table 6: Consultancy inputs**

Year	International	National
2007	2 w/m on micro-irrigation 1 w/m on BDS	
2008		2 w/m on agro-processing
2009		1 w/m on agricultural engineering
2010	2 w/m on BDS 2 w/m on BDS	3 w/m on agro-processing 3 w/m on agricultural engineering
<b>Total</b>	7 w/m international	9 w/m national

However, the 2010 technical review of the SAP concluded that in view of the inadequate after-sales services and repair facilities from suppliers of tractors and equipment in the project areas, the agricultural mechanization would have been more efficient with intermittent technical hands-on farm mechanization expertise and a full time field mechanic to support and train the users of the equipment. The present evaluation supports this finding.

#### **4.4.3 Timeliness**

The tsunami hit Sri Lanka on the 26 December 2004, shortly after the first project document was drafted. This, and the resurgence of armed conflict, with large parts of the project areas under LTTE control, the implementation was seriously disturbed. The NPMs were recruited in August 2007 and the field officers and secretaries in June 2008, at a time close to the originally planned ending of the project.

Procurement of basic equipment such as project vehicles took very long. The farm mechanization equipment came in two batches in July 2008 and June 2009; the third batch was still pending at the time of evaluation. Many complaints about UNIDO slow and cumbersome procurement procedures were received, mostly seeming to be justified. However, as opposed to other projects in post-conflict zones, local procurement was possible from other less-affected parts of Sri Lanka, and UNIDO used this possibility to a large extent.

In a number of instances a long time (from one month up to a year) elapsed between the time a training was given and the time when the relevant equipment arrived. This made the training less effective.

The delays called for extensions of the project period, and the donors agreed to extend, first up to end 2009, then up to end 2010, and finally end March 2011 (UNTFHS) and June 2011 (Zonta).

Apart from slow procurement the project has been able to be flexible to volatile situations and adapt its workplans according to the situation.

#### **4.4.4 Coordination within UNIDO**

Within UNIDO highly centralised project management procedures, this project was managed simultaneously out of Vienna and Bangkok for the different components, while administratively UNIDO regional office in New Delhi was in charge of the flow of money. A mechanism was set up by which NPMs would submit their requests and proforma invoices through the Focal Point Office in Colombo to either Vienna or Bangkok for approval, after which an MOD (Miscellaneous Office Document) would be issued for the transfer of funds by Delhi to Colombo and the field.

Coordination at the technical level between Vienna and Bangkok has been limited; the real coordination took place in the two districts. However, in spite of the delays and overly complicated procedures, the project has been able to be efficient at the field level, where the two project offices have been in good contact and drawn on each other's experiences.

#### **4.4.5 Coordination with other UN Organizations**

Close cooperation within the UN system was foreseen in the formulation of the project, and UNDP, FAO, ILO and other UN agencies were consulted in the process. At the district level, monthly meetings between UN agencies, NGOs and others are taking place, mostly for exchange of information but to a more limited extent also to support and assist each other. This contributes to efficient management.

At the national level, the coordination and cooperation is very limited. UNIDO is not a member of the UN Country Team and as such does not figure in the UNDAF (UN Development Assistance Framework) 2008 – 2012, which is the coordinated UN effort to assist Sri Lanka in meeting the MDGs (Millennium Development Goals). UNIDO is making contributions to at least three of the UNDAF target areas, which are:

- Poverty Reduction
- Improving Governance
- and Democracy
- Consolidation of Peace
- Gender Equality,

However, UNIDO contributions take place outside the agreed framework and are not part of the joint UN planning and resource mobilisation. The reason for this is explained as being the level of UNIDO representation in Sri Lanka, which is in the form of a "Focal Point Office" placed in the Ministry of Industry and Commerce. As this is not a full-scale representation, UNIDO is not functioning as a member

of the UNCT. In the light of the UN reform process and the One UN concept, this weak integration of UNIDO is not efficient. The level of current and planned activities by UNIDO in Sri Lanka would justify a higher level of representation and the full integration in the UNCT and the UNDAF (the planning of the next UNDAF 2013 – 2016 is now beginning).

#### **4.4.6 Monitoring and reporting**

The NPMs have produced monthly progress reports for their districts, describing the main events of the month, meetings, promotional activities, etc. In addition, they have monitored the training activities by type, training provider and participants; the distribution of inputs; and the repayment on equipment provided to FOs. The reports generally provide the required information, although some of the categories used could be improved, especially as regards repayment.

The UNIDO project managers monitor the project through electronic communication and field visits with progress review meetings. They also consolidate the field reports into annual progress reports of which four have been produced, the last one dated October 2010. The progress reports consist of listing the objectives, a narrative section on main activities, a table on “Outcomes and outputs accomplished”, a statement of constraints and challenges, and a workplan.

The consolidated progress reports follow a format provided by UNTFHS. However, there are inconsistencies between the progress reports and the project document, for example are the “Purpose” and “Immediate objectives” described differently than the “Goals” and “Objectives” in the project document (which in any case does not operate with the term “Purpose”). The purpose is not much different from what is described in the project document, and it is unclear why a reformulation has been considered necessary. The immediate objectives are described as activities rather than as the end-of-project situation, as is the normal standard. The status of each activity is quantified as a percentage; while this is probably useful, it is quite difficult to understand what some of the percentages cover. These shortcomings link back to the weaknesses of the initial project design as described above.



# 5

## Ownership, impact and sustainability

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### 5.1 Ownership

The main partner organizations that should own the achievements of the project during and after its implementation are all at the district level: the central government representation, the provincial government, the District Chambers of Commerce, the farmer Organizations, and the Women's rural Development Societies.

The project had partnered well with the Divisional Officers of the Department of Agrarian Services, as well as with the Provincial Ministry of Agriculture (the latter especially in Trincomalee where the Provincial Government is placed). The relationship has been one of mutual benefit, as the government institutions have been able to draw upon the extra resources provided by the project, while the project has used government institutions and facilities for training purposes and agricultural extension.

District Chambers of Commerce are the main implementing partners of the project and the UNIDO field offices were set up within the DCCI premises. The UNIDO project is an important economic contributor to the two DCCIs during the implementation period, through payment of rent, provision of internet connection, telephone, etc.

FOs and WRDS provide the framework at the community level for the project interventions. The capacity of these organizations differ – some are big with hundreds of members, others small with 20 – 30 members; some are strong and well-organized, others less so. The strength is often associated with the commitment and capacity of the leadership. Most of the FOs and WRDS appear to take ownership over the resources they have received in the spirit they were given.

### 5.2 Impact

Interviews with beneficiaries generally showed increases in incomes as a consequence of the project. Farmers receiving equipment used it on their own farms as well as hired it out for cultivation, harvesting or transport. The generation of a revolving fund in the FOs leads to more equipment being bought in the longer run and therefore adds to the impact.

Women having been trained and set up with small-scale businesses reported the new sources of incomes had led to improved livelihoods for them and their families. The incomes may appear small – usually Rs. 2,000 – 3,000 per month – is considered a good profit. However, in the local economy these amounts are not insignificant. Revitalizing the WRDS also appears to have contributed to some formation of social capital through the active membership of a group.

Agricultural mechanization can have a negative impact on the employment opportunities for unskilled labourers, especially for harvesting. However, labour shortages are reported as a problem in both districts as a consequence of displacement due to conflict, as well as high levels of overseas employment (especially in the Middle East). While the possibility of a reduction in work opportunities available to the poorest/landless cannot be ruled out, the effect of this is considered to be quite limited in the two districts and could be offset by the indirect effects due to increased local economic activity linked to higher production.

### **5.3 Sustainability**

Agricultural equipment wears out over time; for some pieces the lifespan is only a few years. With good management, the farmer should by then have earned enough to replace the equipment, or to buy alternative machinery, that will have improved his productivity and earnings in the longer run.

The revolving fund that is generated by the repayment of the initial equipment is an innovative concept well suited to a transitional environment where commercial agricultural credit is still inadequate. A revolving fund can become sustainable and strengthen the coherence and capacity of an organisation. On the other hand, it also holds the potential to become a source of internal conflict. Two factors in particular determine the future of the revolving funds generated through the UNIDO project:

1. successful repayment of the equipment by the recipients.
2. the quality of management of the FO and, in the shorter term, the DCCI.

#### *Repayment*

The repayment periods and conditions have not been consistent within or between the two districts, but have been negotiated with the FO taking into consideration the capacity of the recipient farmer. In the first batch in Batticaloa for example, 4-wheel tractors valued at Rs. one million each have been given with a Rs. 300,000 down payment and repayment over 4 or 5 years, while 2-wheel tractors at Rs. 374,000 were supposed to be repaid in two years with a down payment of Rs. 30,000. In the second batch, due to a mixed performance with repayment of 2-wheel tractors, the repayment period was extended to 3 or even 4 years; however, the value of the package was now Rs. 550,000 and the down payment Rs. 125,000. In addition to this, local agreements have been made to adjust the repayment to the agricultural calendar (repayment after harvest).

The repayment of 4-wheel tractors has been satisfactory. Two years have passed since the distribution and three years remain to repay the balance. The 2-wheel tractors of the first batch with two years repayment period ought to have been fully repaid at the time of evaluation. This has not been the case. There has been a case of writing off the tractor due to an accident, and FOs have not always been able to recover the payments on schedule. The situation for the second batch is not better.

The overall situation of repayment by October 2010 is summed up in table 7. The different repayment periods should be kept in mind, when much of the equipment is only expected to be fully repaid in 2013; and this excludes the batch that is due for distribution in January 2011 where repayment will continue until 2015.

**Table 7: Repayment as of October 2010**  
(percentage)

		4WT	2WT	Reapers
<b>Trincomalee</b>	1 batch	32.56	38.10	
	2 batch		14.82	
<b>Batticaloa</b>	1 batch	50.42	37.56	10.80
	2 batch		38.07	
	Calculated as percentage of full payment			

It should be mentioned that the funds can revolve even without the full repayment of a tractor, especially if the new beneficiary is able to put up a larger down payment.

In Trincomalee, one FO used recovered funds from a 4WT to help two members to buy a 2WT each, and another FO used the repayment of two 2WTs to procure another two 2WTs.

### *Management*

The FOs and DCCIs are faced with a big task with regard to recovery of the payment balance – and the sustainability of the revolving funds depends on their ability to succeed in that respect. While the UNIDO project is still operational, the equipment belongs to UNIDO until fully paid up by the beneficiary, after which the title is transferred to him. So far no cases of transfer to the beneficiary have happened. The UNIDO project will close on 31 March 2011, after which the ownership of the equipment will be transferred temporarily to the DCCI to take over the responsibility from UNIDO and pass on the ownership when a farmer has completed his repayment. The whole exercise will only be completed around 2015.

The two DCCIs are crucial to the long-term success of the UNIDO project. This is especially so because the FOs are affiliated members of the DCCI, and the

project resources will be channelled through the DCCI to the FO after UNIDO exit.

The capacity of DCCIs differ significantly across the country, where some are strong and well-organized while others are loose associations of small and medium sized enterprises. Realizing the shortcomings, a recent project funded by the EU through the FCCISL aimed at strengthening the capacity of weaker DCCIs. However, serious capacity gaps remain and the institutional capacity is still overly dependent on the leadership by the individual board members and management of a DCCI.

The Trincomalee DCCI will be faced with major financial challenges to sustain itself upon the departure of UNIDO, as its financial base through membership fees is very limited. However the Board of Directors and staff are committed to continue to provide services to its members. The Trincomalee trade fair has been a feather in their cap and has given the DCCI the motivation and the confidence to continue as an institution. Such activities increase the profile of the DCCI and encourage small and rural businesses and entrepreneurs to connect to each other through the DCCI. In the case of Batticaloa, the DCCI has had internal problems and changed its leadership. While both DCCIs face challenges, the capacity of the Trincomalee DCCI appears better suited to meet them.

Several of the supported WRDS have become established and some are now being formally registered as businesses and getting access to microfinance. Likewise, some are applying for standards approval of their products (e.g. fruit juice). The support from the trained small business counsellors has been of good help and is likely to continue. As economic activity in general is increasing in the two districts, the WRDS are likely to benefit from more business. The group-based (joint) marketing of individually produced items (a result of the value chain focus) has demonstrated its advantages to the women and is a contributing factor to group cohesion and sustainability.

In summary, despite problems with maintenance capacity, and in the transitional context, most of the benefits from the UNIDO project are considered likely to be sustained over time.

### Box: 3: Grant or credit - two examples

The project strategy – to provide most of the project inputs (especially in the SAP) on a credit basis rather than on a grant basis – has shown its strength in the transition between large-scale humanitarian aid and a more “normal” development situation. Several cases of unsustainable aid were seen during the evaluation, and two should be mentioned here.

- One is the YEN project by which the Japanese Government through GoSL has distributed 2-wheel tractors to farmers in the same districts at 50% subsidised prices. The repayment went back to the Government rather than to the FOs, hence no building up of a revolving fund. No training was provided. In 2000, 60 2WT were delivered to Trincomalee but were mostly found unsuitable by the farmers and repayment stopped. In 2010, another 60 of a different make were received.
- A WRDS produces coir products from coconut (mats, brooms, rope...) with simple hand-operated machines provided by UNIDO together with training and exposure visits. In July 2010, an NGO gave the same group for free two electrically powered coir machines but without any training; the machines were not yet installed at the time of evaluation (December 2010) as they require 3-phased electricity, which is not available in the area. No good suggestions on how to resolve the problem had been conceived, the best probably being to try to sell them and use the money for a more permanent covered space for the

# 6

## Beneficiary survey

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As mentioned in the methodology section above, a questionnaire survey among project beneficiaries was carried out in parallel with the evaluation and its findings have been taken into consideration in the present report<sup>3</sup>. A brief summary of survey highlights is given below.

A random sample of 115 project beneficiaries was selected for each of the two districts, distributed over the relevant divisions and comprising male and female recipients of the different types of project assistance. In addition, a control group of non-beneficiaries were interviewed in focus groups about their perceptions of the project. The composition of the survey sample corresponds broadly to the overall disposition as reflected in the monitoring reports: the majority are female (58%); 61% of the beneficiaries are 30 – 49 years of age; 62% are Tamil, 22% are Muslims, and 16% are Sinhala.

The survey questionnaire included questions about the income levels of the respondents. Only 12% were earning less than LKR 5,000 a month while the rest earned more than LKR 5,000 (the national poverty line is LKR 4,500 per month). 94% of male and 65 % of female respondents own agricultural land, although in most cases only small plots. 55% in the lowest income brackets owned land against 90% in the higher brackets. 94% of the respondents owned the house they live in. Even taking into consideration the inherent uncertainty of income information, this may be an indication that the recipients generally were not the very poorest members of society.

28% of the beneficiaries interviewed came from female-headed households. 70.5% of beneficiaries have been affected by the armed conflict, 18.5% have been affected by the tsunami and 11% have been affected by both. 87% of the respondents have been displaced at least once while 33% have been displaced three times. Thus, the project has effectively targeted the conflict-affected population as stated in the project objectives. 58% of the respondents who are returnees have gotten back to their former livelihoods. Nearly 17% of the respondents have changed their means of income to suit the new post-war context from agriculture to small business or vice versa.

Around 63% of the respondents were of the opinion that the market for their product was “good” while 32% thought the market was “satisfactory”. 5% thought the market for their products was bad. Of those engaged in self-employment,

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<sup>3</sup> The full survey report is available at UNIDO's Evaluation Group

61% stated that credit facilities are needed to improve their livelihood while 20% thought that introduction to new technology is more important. 19% thought that assistance in accessing the market is crucial.

47.5% felt very secure in terms of their access to income or livelihood, with the highest confidence expressed by Tamils (56%), followed by Muslims (40%) and Sinhalese (23%). 34% agreed that their production has seen a “fair” increase as a result of the project while 27% thought the increase was “large”. 47% believed that their savings have increased “fairly” as a result of the project while 15.6% thought that there has been an increase “to a large extent”. Another 14% was of the opinion that their savings have not at all increased while 12% felt that the increase was very little.

64% found the impact of the project on their families to be positive. 19.6% thought that impact of the project on the livelihood conditions of their community has been “neutral” while 54% believed that there has been an increase in the livelihood conditions of their community. 38% of Sinhalese thought that the project has been “neutral” on their community while 91% of the Tamil respondents thought that the impact has been “excellent”. 43% of Muslims believed that the project has been beneficial “to a large extent”.

43% stated that relations between different ethnic communities have been “fairly” improved as a result of the project while more than 17% thought the relations have improved “to a large extent”. In addition, of those who have participated in the exposure visits, 50.4% stated that they still keep in touch with their counterparts in the other regions.

76% of the respondents had been a part of the participatory planning process of the project by UNIDO, as a result of which nearly 91% felt that the project matched their livelihood needs at the outset. 89% agreed that they have benefited from the project and that the project has led to changes in their lives. However, 55% thought that the project did not receive any support from the government officials in their areas.

85% thought that the advice/technical support received from UNIDO was “timely”. Only 12.6% thought that the technical advice and support received was “excellent” while 46.6% found it to be useful “to a large extent”. 30% found it to be only “fairly” useful. This last figure may be linked to the problems with quality and durability of the equipment and the availability of technical expertise on the field.

Some uncertainty was expressed as to the sustainability of the businesses, with about half the respondents thinking their business can continue without further support from UNIDO, while 27% said it “maybe” can continue and 19% thought it could not.

Focus group discussions held with non-beneficiaries revealed no negative comments on the selection of beneficiaries from those society members who did not receive any assistance from UNIDO, as this was done through an open application process. However, some people did not want to, or were not able to, request for assistance owing to the initial down payment for equipment. Thus, only those who could make the initial payment applied which left out the low-

income or relatively poor individuals by default. This was also due to the fact that recipients of tractors were selected among those farmers who were considered most able to honour the repayment schedules.



# 7

## Thematic evaluation

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The recent Thematic Evaluation of UNIDO Post-Crisis Projects looked at ten UNIDO projects implemented in different post-conflict contexts, including the Sri Lanka project. The evaluation characterised the project as operating in an ongoing or re-emerging crisis with high levels of instability. In a three-level continuum, the project area was classified as being between “Conflict and Early Recovery” (UN track A) and “Recovery” (UN track B), not yet moving into “Development” (UN track C) where UNIDO comparative advantages are normally seen to be strongest.

The thematic evaluation found that 9 out of the 10 projects aimed at restoring and improving livelihoods of crisis affected individuals, groups or communities, while none of them had a macro-level component (e.g. following an investment climate approach). This is also true for the Sri Lanka project. With one exception, the thematic evaluation found that all the projects had been considered as relevant to the situations in which they were implemented. The planning of the sample projects consisted mostly in adopting UNIDO ready-made packages and few efforts were discernible for designing tailor-made concepts for the diverse contexts and situations with their different specific needs<sup>4</sup>. The Sri Lanka project applied a standard package for agricultural equipment. However, it should be noticed that the training of business counsellors was carried out by a renowned international training provider (CEFE). Box 4 shows the lessons drawn from the thematic evaluation regarding self-help groups and Community Development Committees.

### Box 4: Lessons from Thematic Evaluation

1. Effective cooperation is based on the willingness and ability of participants to cooperate. Therefore self-help groups should not be formed according to project priorities but should be based on interests and needs of group members.
2. Cooperation in a SHG can contribute to the rebuilding of communities by bringing together community members of different backgrounds and rebuilding social ties.
3. To ensure sustainability of the group, financial commitment has to be demonstrated by participants and/or local structures. Any form of material or financial assistance should be accompanied by appropriate human resources development.
4. Group formation should as much as possible build on existing traditional forms of cooperation to ensure better group cohesion and sustainability.
5. The group formation process should be accompanied by mentoring services. Over time mentoring may be phased out and groups may be linked to other umbrella initiatives (e.g. SHG associations) or other NGOs for sharing and further capacity building.

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<sup>4</sup> Thematic evaluation of UNIDO post-crisis projects, p. 30. UNIDO 2010

The WED component of the Sri Lanka project lives up to most of these standards: Building on existing WRDS, many of whom came forward on their own to ask for assistance directly from UNIDO or through government programmes. Almost all women had been displaced more than once before coming back and starting to rebuild their groups. Human resource development was an important part of the assistance, as well as successful mentoring through the capacity building of the small business counsellors.

In general, the cases under review in the thematic evaluation concluded that logical frameworks in the project designs were rather weak. Deficits were observed in the intervention logic, with a concentration on outputs rather than outcomes and unclear or missing indicators, especially for outcomes. In addition, UNIDO resources are often insufficient to identify the best intervention alternatives and approaches through adequate planning missions. Because donors are often not willing or able to fund such planning activities, UNIDO pushes them into the inception phase, a solution that may further reduce the actual project implementation period. These observations are valid for the Sri Lanka project, too.

The thematic evaluation noted that the widely accepted good practice of “Do no harm” was only applied in one project out of the ten, and none of the project documents provide evidence that a comprehensive conflict analysis (or PCA: Peace and Conflict Assessment) was made during the planning phase and, in most cases, no conflict-sensitive monitoring system was evident. These shortcomings also exist in the Sri Lanka project design.

Comparison of effectiveness across the sample projects showed mixed results. Only three of the ten projects were considered as having high effectiveness in achievement of outcomes, and the Results on effectiveness of institutional rehabilitation and capacity development were also mixed. Reconstruction in all projects took longer than expected.

The thematic evaluation found that long-term impact of the projects was rarely assessed, partly due to it being premature to do so, and partly because most sample projects were comparatively small and often stand-alone interventions where the attribution of particular activities are more difficult to define within the wider context.

Concerning efficiency, it is noteworthy that the evaluation found that most projects managed to flexibly adapt to the changing conflict environment, in spite of UNIDO centralised project management style, which was a challenge. In general, the quality of the field teams recruited was decisive for efficient implementation. The evaluation says the following on UNIDO project management:

*A dominant topic in the evaluations is the centralised management style of UNIDO and its consequences. Unnecessary delays were reported, as even minor expenses have to be sanctioned first at HQ through the copious MOD (Miscellaneous Obligation Document)-based management system.... The current system also does not favour fast reactions or adjustments, which can be required in fast changing*

*contexts; the same holds true for international tendering of equipment. Post crisis contexts can be highly unpredictable..... Operating in an emergency-like situation requires a flexible organisational set up, which might be difficult to ensure by UNIDO within its mandate and existing management rules..... The project evaluations provide sufficient evidence to conclude that the current centralised UNIDO management system is not sufficient for fast action and flexibility and should be improved and adjusted for better efficiency and effectiveness.<sup>5</sup>*

Most of the points raised in the thematic evaluation are valid for the Sri Lanka project. While achievements are quite commendable, the same challenges with regard to project design, implementation and procurement-related delays have been observable in the project.

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<sup>5</sup> Thematic evaluation, p. 37

# 8

## Conclusions

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The UNIDO project was one of the small externally-supported interventions in the larger picture of humanitarian and development-oriented projects by UN agencies, NGOs and bilateral donors. Through innovative approaches the project has achieved good results under very difficult conditions. The project area was beleaguered by multiple crises: the armed conflict that had been going on for 20 years; the tsunami that struck in December 2004; and finally the severe flooding that inundated huge tracts of farmland in early 2011, shortly after the present evaluation had taken place.

New outbreaks of violence at the intended start in 2006 led to almost two years delay and a start-up under tight security conditions. With the cessation of violence in 2009 IDPs returned to the project areas in large numbers. The project has been successful in meeting the needs of many of the returnees, although the impact was limited to small numbers compared to the overall situation. Project staff and donors have been flexible with regard to the changing conditions, and two extensions have been accepted as a consequence of these.

The project design was ambitious and complex for a small project, tending to spread resources too thinly. Due to security concerns, it had to be reduced from three districts to two, namely Trincomalee and Batticaloa. This became a blessing in disguise, as it reduced the scope to become more workable. Having two donors for one project could have made the implementation more difficult, but in this case they have complemented each other and actually added to flexibility.

The project design was detailed but did not fully follow best practices. Conflict-affected situations are unpredictable, and project design should always consider the possibility of backlashes, and operate with contingency plans. In the present case, drawbacks were dealt with in an ad hoc manner, which may have contributed to the delays.

Other delaying factors relate to UNIDO procurement system, which has led to a number of operational setbacks, including late recruitment of staff and consultants, delivery of vehicles and other logistical equipment, and delivery of farm equipment under the SAP component. Training of farmers has become less efficient when the equipment they were trained to use only arrived many months later.

The selection of the two districts was justified in terms of needs; however as shown above, the districts are very different in ethnic composition, accessibility,

agricultural conditions, and general development, with Trincomalee being better placed than Batticaloa in most respects. The differences would call for significant flexibility in the responses. The project has managed to be flexible in many ways, but the basic design of the SAP was for one-size-fits-all, i.e. the same programmes and equipment was considered suitable all over the project area. More local consultation with the intended beneficiaries could have produced better adapted solutions (e.g. better acceptance and use of farm equipment); however, more diversified requests from the users would most likely have been even more difficult for UNIDO bureaucratic procurement system to handle, only to result in longer delays.

Technical assistance has been uneven and below what was planned for, especially with regard to the SAP, where the mechanical expertise was insufficient and the business training absent. Provision of tools to create capacity of mechanical workshops was spread out too thinly to become efficient. In addition, hardly any external assistance was deployed in 2008 when the project picked up speed, and when important systems had to be set up and procedures developed.

Monitoring and reporting from the field has been fairly good but without uniform standards. Better guidance from Headquarters on M&E could have helped NPMs to produce reports that would better allow for comparison between the districts. Project managers in Vienna and Bangkok have provided continuous support within their components but with limited coordination.

The basic principles for the project have proved to be correct for a transitional situation such as the one in the project area:

- Individual ownership and production but in a group context (FO or WRDS).
- Focus on value chains, from individual production over joint marketing to consumption.
- Credit favoured over grants, to move towards a (more) normal situation without free humanitarian assistance.

The ultimate success of the project will depend on the capacity of partners to sustain the benefits. This is especially the case with the DCCIs, the FOs, and the WRDS. The performance of the revolving funds over time will be an indicator in that respect. These funds represent an innovative response to the lack of formal institutions in the post-conflict context that, if successful, can strengthen the FO institutionally and leverage the resources to benefit more farmers over time. A requirement for success is good recovery rates for the farmers' instalments as they repay their tractors. Performance can be expected to vary between FOs.

The two DCCIs carry a special responsibility when they take over the ownership of the equipment from UNIDO. They will have to oversee and ensure a strict repayment regime before handing over the equipment to the farmer. Repayment has been problematic in the past and will require strong leadership by the DCCI. This responsibility will continue until 2015 when the last pieces of equipment are planned to be fully repaid and ready for handing-over.

In addition, the devastating floods of January 2011 have caused very serious drawbacks to the achievements of the project. The loss of a paddy crop by thousands of farmers will, among all the other calamities, undoubtedly affect the repayment of project-provided equipment. New initiatives are required to offset the damage to the beneficiaries of the project as well as to mitigate the disastrous impact of the floods on a wider scale. The experience of the project makes UNIDO well-placed to assist the affected communities by drawing on the lessons learnt in the present evaluation, to improve implementation practice and avoid known shortcomings.

# 9

## Recommendations and lessons learned

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### 9.1 Recommendations related to the Sri Lanka project

The existing project infrastructure is a valuable asset for ad-hoc measures after the recent flooding and should facilitate funds mobilization for a longer-term follow-up project.

#### Recommendation 1

As a matter of urgency, UNIDO should provide ad-hoc assistance to those project beneficiaries who lost their equipment and other investment during the recent flooding of the project area. It is recommended to concentrate this support on Batticaloa, which is the worst-affected district. UNIDO should mobilize the necessary ad-hoc funding from its own resources and/or from emergency funds in Sri Lanka.

#### Recommendation 2

A longer term follow-up project should be developed for the same area of intervention. This project should use the existing infrastructure while overcoming the limitations of the first phase. Various sources of funding should be explored: integration in the UNCT fundraising; further UNTFHS funding; other donors. It is recommended that a formulation mission be organised that should consider the following recommended design features:

- Secure better integration into the UN framework and seek coordination of the new project with activities of other UN Agencies and bi-lateral donors;
- The current approach combining technical and entrepreneurship interventions should be recalibrated but without radical changes;
- Equipment should be more tailor-made and identified in closer consultation with the Farmer Organizations; in addition to two- and four-wheel tractors there seems to be a need for storage and milling equipment;
- Continue building the technical capacity of rural workshops but support a more limited number of workshops, maybe 6 to 8, with a more complete

set of equipment and the associated training, rather than try to reach a maximum number of workshops with too limited support;

- Set up a more uniform and better performing M&E system including data collection on baselines, outcomes and beneficiary feed back;
- Transfer the responsibilities for project implementation management to the field level (CTA with delegated responsibilities for day-to-day management).

### Recommendation 3

Under its current change management initiative UNIDO should further decentralize decision-making and approval of resource use to the field. Ideally, all daily management and administration should take place at the field level and the role of Headquarters should be limited to policy guidance and technical backstopping. The issues to be considered for reform include:

- easing the rules for local procurement and raising the financial ceilings
- ensuring timely payment for goods and services
- easing the procurement of consulting services – limit the standard recruitment procedures to contracts longer than six months duration and develop new modalities for consultants.

### Recommendation 4

This evaluation confirms most of the findings of the recent thematic evaluation of post-crisis activities and it is highly recommended that UNIDO follows-up on the recommendations from this thematic evaluation. Projects in conflict-affected areas require special professional care including a detailed conflict analysis, application of the do-no-harm-principle; a realistic stakeholder analysis and contingency plans.

For post-conflict projects, the practice of quick project formulation through a short UNIDO mission, followed by a more detailed planning once the funding is secured, should be discouraged, as this inevitably leads to delays in the start-up phase where rapid action is required.

### Recommendation 5

It is recommended that the UNIDO Focal Point Office is upgraded to a National Office led by a UNIDO Representative or a Head of Operations. This is justified by the scope of current and future UNIDO activities in Sri Lanka and would enable full participation in the UNCT. The planning of the next UNDAF for the period 2013 – 2017 is soon to begin, and it is recommended that UNIDO becomes a full partner in it, including the related joint fundraising.



## **9.2 Lessons learnt**

The following main lessons have emerged from this evaluation:

The basic principles of the project (credit rather than grants; value chain focus) have shown their validity for transitional situations between “Recovery” UN Track B) and “Development” (UN Track C).

More hands-on technical support is needed for the introduction of mechanical equipment in a situation that is still characterized by the absence of adequate maintenance and repair capacity in the area.

The use of Government institutions and renowned private training providers such as CEFÉ has contributed to the solidity of the skills development. Sri Lanka has functioning Government institutions and a vibrant private sector in parts of the island that have not been conflict-affected (or only to a limited degree). In such cases of a “mixed economy” where developed and conflict-affected situations coexist, UNIDO can benefit from using these capacities, rather than design its own training programmes based on generic models.

# **Annexes**

**Annex 1: Terms of Reference**

**Annex 2: Main contacts**

**Annex 3: WED and BDS support by district**

**Annex 4: Documents consulted**

# Annex 1: Terms of Reference

Independent Evaluation of the UNIDO Project in Sri Lanka:

TF/SRL/06/005

Support for the Sustainable Livelihood Recovery among the Conflict-affected Population in the North and East Regions through Improved Agricultural Productivity and Community based Entrepreneurship

## I. BACKGROUND AND CONTEXT

The Democratic Socialist Republic of Sri Lanka is an island nation-state situated in the Indian Ocean and is home to approximately 21 million people. Sri Lanka is a multiethnic, multi-religious and multicultural society made up of a majority 73.8% Sinhalese, 7.2% Sri Lankan Muslims, 4.6% Indian Tamils, 3.9% Sri Lankan Tamils and approx. 10% of other and unspecified ethnic groups. Sinhala is the official and national language spoken by approximately 74 per cent and Tamil, which is also a national language, is spoken by 18 per cent, mostly by Tamils and Muslims.

Historically, the majority of Sinhalese are concentrated in Southern Sri Lanka. Sri Lankan Tamils are concentrated in the Northern and Eastern parts of Sri Lanka and Tamils of Indian origin lived in the areas of their original settlement in the central province. Muslims were concentrated in the Eastern coast of the country. However, over time, these communities have migrated around the island; sometimes willingly, but mainly due to ethnic tensions and civil war. Since the outbreak of hostilities between the Government of Sri Lanka (GOSL) and the Liberation Tigers of Tamil Eelam (LTTE) in the mid-1980s, several thousands of Tamil civilians have fled the island and more than 200,000 Tamils have sought refuge in the West. The conflict has directly affected the social and economic development in the project areas of Trincomalee and Batticaloa on the eastern coast of Sri Lanka.

The project area of the Batticaloa and Trincomalee districts are situated in the Eastern Province of Sri Lanka and are home to all three ethnic communities, with different cultures, traditions and needs and spread across an area of 5,581 sq km. Batticaloa has an area of 2,854 sq km and its population was 515,857 in 2007 and is divided into 14 Divisional Secretariat (DS) Divisions. Trincomalee has an area of 2,727 sq km. Trincomalee district's population was 334,363 in 2007 and it is divided into 11 DS Divisions. Different development situations exist within the same district division, which require different approaches. The administrative map below illustrates the DS divisions in the two districts. Table/s 1.1 and 2.1 respectively below, further illustrate the population of the two districts divided by ethnic composition as per population census for several years from post-independence to 2007.

The three decades of violent conflict between the GOSL and the LTTE in the North and Eastern parts of Sri Lanka came to an end in May 2009. Post-war Sri Lanka is

seeing numerous development efforts both by GOSL and the international donor community, mostly but not exclusively, on humanitarian and grant-based interventions. While it is true the conflict-struck areas were in need of large-scale humanitarian and grant based assistance in the immediate aftermath of the war (a type of assistance that is still needed in some areas), it has been recognized that such assistance may create a high rate of dependency among the beneficiary communities.

Trade-offs and potential conflicts between short-term recovery assistance and medium-term development assistance are a well-known phenomenon in post-conflict technical assistance. A recent Thematic Evaluation of UNIDO post-conflict interventions elaborated on these issues and made relevant recommendations that will be taken into account for the present independent project evaluation.

## II. PROJECT DESIGN

The project was designed in 2006 in a situation which was conflict-affected but characterized by the 2002 cease-fire agreement (CFA). Due to prolonged conflict in the North, the initial intention of including both the Eastern and Northern provinces into the project was abandoned and the project focused exclusively on the Batticaloa and Trincomalee Districts in the Eastern Provinces. The project was initiated in 2007 when and was originally planned for two years until end of 2009 but later extended to the end of 2010. Project implementation took place in 2007 when the CFA failed and during the height of the conflict until May 2009. Implementing partners were the District Chambers of Commerce and Industry (DCCI) in the Batticaloa and Trincomalee Districts.

The project was designed and implemented with the goal to

*contribute to the revival of the livelihood of the affected and most vulnerable population groups i.e.: subsistence farmers, Internally Displaced Persons (IDPs), returnees and women headed households, in the (North&) East Regions with particular emphasis on the promotion of agro-based production and small businesses as one of the critical factors for reducing poverty and increasing the stability in conflict-affected reconstruction and reconciliation.*

The subject areas of intervention were:

- Agro Mechanization
- Women Enterprise Development
- Agro Processing through Value Chain Development
- Entrepreneurship Development and Mentoring
- Promotion on Business Development Services
- Private-Public Partnerships

The immediate objectives were:

- *Upgrade agricultural technology and production levels in war-affected rural villages in the Batticaloa and Trincomalee districts by providing poor farmers,*

*including internally displaced persons and returnees, the means to cultivate their land and process their agricultural products.*

- *Revive and improve the technical ability of manpower resources in the project areas through appropriate training in the manufacture, repair and maintenance of simple agricultural tools, repair and maintenance of fishing boats and provide other technical services required by the rural communities.*
- *Support the local rural communities in the establishment of a variety of viable micro and auxiliary income-generating activities through training in entrepreneurship and micro and small-scale business development.*

The project has three major components with different funding sources:

- Sustainable Agriculture Projects – SAP development and mechanization (funding UNTFHS- Japan)
- Women Entrepreneurship Development - WED (funding Zonta International)
- Business Development Services (part of the above two components)

The expected outcomes are:

- Establish community-based structures for agricultural small business development in Batticaloa and Trincomalee
- Introduce appropriate agricultural equipment and training in operation and maintenance of equipment provided to rural communities
- Improve local capacities and capabilities to produce tools and equipment, based on improved designs and also to operate, repair and maintain agricultural implements, transport and fishing equipment.
- Establish an organized system of small business development services in each district.
- Improved performance of community-based self-help initiatives in terms of the revival of business as well as creation of economic opportunities.

### III. BUDGET INFORMATION

Project No.	Total allotment in US\$ (2005-2010)	Expenditure in US\$ (2005-2010)	Expenditure in % (2005-2010)
TF/SRL/06/005	1, 576,000	1,393,022	88

*Source Agresso as of 1 November 2010*

*Donors: Government of Japan and Zonta International (USA)*

### IV. RATIONALE AND PURPOSE

This independent evaluation is mandatory according to the UNIDO Evaluation Policy. Its main purposes are:

- To assess the progress made towards results and the likelihood that further sustainable results will be achieved;

- (ii) To draw lessons and provide recommendations for future UNIDO projects in Sri Lanka;
- (iii) To draw lessons and provide recommendations of wider applicability for future UNIDO projects in post-conflict environments;

The evaluation will take into account the findings and recommendations of a recent Thematic Evaluation of UNIDO projects in post-conflict environments.

## V. EVALUATION ISSUES AND KEY EVALUATION QUESTIONS

The evaluation will address the following issues:

### **Project design** - the extent to which:

- a. The project design was based on an adequate needs analysis;
- b. The project design considered the general requirements of post-conflict environments (do-no-harm principle; conflict analysis; etc);
- c. The project design took into account the specific context of Sri Lanka and in the Eastern region;
- d. The project planning documents (log frame; intervention logic; performance indicators; risk analysis; implementation, steering and monitoring arrangements; etc) were of sufficient quality.

### **Relevance** - the extent to which:

- a. The project is aligned and relevant to
  - the priorities and policies of GOSL
  - the priorities and policies of the UN system in Sri Lanka;
  - the priorities and needs of the partner organizations;
  - the priorities and needs of the target population in the target region.
- b. The project is relevant to UNIDO strategic objectives (Medium-Term Programme Framework; Programme and Budget; Post-crisis Strategy);
- c. The project is aligned with the donor's priorities.

### **Ownership** - the extent to which:

- a. The GOSL, the local Government and the partner organizations were involved in project planning and implementation, participated in the steering of the project, demonstrated ownership and provided counterpart contributions.

### **Efficiency of implementation** - the extent to which:

- a. UNIDO inputs and services were of quality and timely;
- b. Changes of the environment and risks were taken into account to adapt the project planning;

- c. Interventions were coordinated between the different parts of UNIDO (agro-industry branch at HQ; private-sector branch at HQ; UNIDO Regional Office in New Delhi; UNIDO Office in Sri Lanka; UNIDO Field Staff);
- d. Interventions were coordinated between UNIDO and other UN Organizations such as UNDP, FAO, ILO, WFP, NGOs such as Oxfam and other relevant partners in Sri Lanka
- e. Monitoring and reporting were carried out as planned, based on indicators and referring to agreed baselines.

**Effectiveness** - the extent to which:

- a. The target population is satisfied with UNIDO services and uses them in line with their needs;
- b. The planned outputs were achieved;
- c. The planned outcomes were achieved or are likely to be achieved;
- d. Unexpected (positive or negative) results occurred;
- e. Men and women have benefited equally from the project.

**Impact and sustainability**

- a. Assessment of the – actual and forthcoming - project impact in terms of :
  - *revival of the livelihood of the target groups i.e.: subsistence farmers, Internally Displaced Persons (IDPs), returnees and women headed households;*
  - *reconciliation and increased stability;*
- b. Assessment of the likelihood that changes and benefits will be maintained over a long period of time.

## **VI. EVALUATION APPROACH AND METHODOLOGY**

The evaluation is to be conducted in compliance with UNIDO evaluation policy and the Technical Cooperation Guidelines and shall attempt to determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness impact and sustainability of the project. The evaluation will assess the achievements of the project against its objectives and outputs established in the project document and its revisions, including re-examination of the relevance of the objectives and of the design. It will also identify factors that have facilitated or impeded the achievement of the objectives.

The evaluation will use the findings and recommendations of the Thematic Evaluation of UNIDO Post-Crisis Projects and assess whether and to what extent the findings from the Sri Lanka evaluation tally with the findings and recommendations of the Thematic Evaluation.

The evaluation will use the findings of the Evaluability Assessment Report conducted in September 2010 and address the issues and questions raised in this report.

The sources of information to be used by this evaluation will be as follows:

- desk analysis;
- interviews with UNIDO project managers;
- evaluation mission to the field;
- a field survey among project beneficiaries.

The steps of the evaluation will be as follows:

Desk study (analysis of project-related documents). On this basis the evaluators will elaborate on the above evaluation issues, produce a detailed list of evaluation questions that will be used in stakeholder interviews or questionnaires, and prepare the programme for the mission;

Interviews with staff at UNIDO HQ and telephone interviews with staff at UNIDO Regional Office in New Delhi;

Inception report using the EVA format including the design of the field survey among project beneficiaries;

Field mission, during which the evaluation team will receive briefings from the UNIDO Office in Sri Lanka and GOSL Officials and conduct interviews with project staff; project beneficiaries; relevant stakeholders and other organizations conducting projects in the target region who are competent to express informed views on the UNIDO project;

Field survey among project beneficiaries to be designed, launched and supervised by the evaluators in advance and during the evaluation mission;

Presentations and discussions of preliminary findings with key stakeholders in the field.

Presentation and discussion of preliminary findings at UNIDO HQ.

Preparation of the draft evaluation report to be circulated for comments and factual validation.

Preparation of the final report using the EVA format

While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties.

## **VII. TIMING**

The evaluation is scheduled to take place in November and December 2010.



The draft report shall be prepared within 4 weeks of completion of the field mission and will be submitted to the UNIDO Evaluation Group for Quality Assurance and comments.

The final draft taking into account all UNIDO and stakeholder inputs shall be available not later than 15 February 2011.

## VIII. EVALUATION TEAM COMPOSITION

The evaluation mission will be composed of

- One international evaluation consultant
- One national evaluation consultant

All members of the evaluation team must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the project under evaluation. This principle is underlined in the UNIDO Evaluation Policy: *“For independent evaluations, the members of an evaluation team must not have been directly responsible for the policy-setting, design or overall management of the subject of evaluation (nor expect to be so in the near future)”*.

## IX. MANAGEMENT OF THE EVALUATION PROCESS

The UNIDO Evaluation Group will be responsible for the quality control of the evaluation process and of the report. The consultants will be contracted by UNIDO. The tasks of the team members are specified in the job descriptions attached to these Terms of Reference (Annex 1).

While the evaluators are responsible for the design and supervision of the field survey among project beneficiaries (see above under V.5), the UNIDO Evaluation Group will contract the individuals or the organization who will conduct this survey.

The evaluation team will present its preliminary findings in the field and at UNIDO Headquarters. They will prepare a draft evaluation report and circulate it for comments. The reporting language will be English.

***Review of the Draft Report:*** The draft report will be shared with the Project Manager and other relevant UNIDO staff members for comments and factual validation. This consultation also seeks agreement on the findings and recommendations. The evaluators will take comments into consideration when preparing the final version of the report. Differing views must be given due attention in line with the UNIDO Evaluation Policy.

***Quality Assessment of the Evaluation Report:*** All UNIDO evaluations are subject to quality assessments by UNIDO Evaluation Group. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (Annex 2). These applied evaluation quality assessment criteria are used as a tool for providing structured feedback.

*Annex 1 to ToR: Job descriptions*

TF/SRL/06/005

Support for the Sustainable Livelihood Recovery among the Conflict-affected Population in the North and East Regions through Improved Agricultural Productivity and Community based Entrepreneurship

**Job description for the International Evaluation Consultant**

**Post title** International Evaluation Consultant and Team Leader  
**Estimated duration** 30 working days over a period of 3 months  
**Starting date required** 15 November 2010  
**Duty station** Home base; missions to UNIDO HQ and Sri Lanka

**Duties of the international consultant:**

The international evaluation consultant (team leader) will collaborate with the national evaluation consultant on the independent evaluation of the UNIDO project TF/SRL/06/005. On the basis of the Terms of Reference s/he will carry out the following duties:

<b>Duties</b>	<b>Duration (working days)</b>	<b>Location</b>	<b>Results</b>
Desk study of project documents, reports, etc	3 days	Home base	List of evaluation questions and tools developed Draft inception report
Interviews with staff at UNIDO HQ and telephone interviews with UNIDO staff in New Delhi	2 days	UNIDO HQ	Inception report
Evaluation mission: briefing, interviews and presentation of preliminary findings	14 days	Sri Lanka	Notes
Presentation of preliminary findings at UNIDO HQ	1 day	UNIDO HQ	Slides
Drafting of the evaluation report in EVA format; submission for comments; and finalization of report	7 days	Home base	Draft report Final Report
<b>Total</b>	<b>27 days</b>		

**Qualifications:**

- University degree relevant to the project under evaluation
- Knowledge and in-depth experience in evaluation of post-conflict projects
- Excellent writing skills in English

**Languages:**

The consultant must have excellent English writing skills.

**Absence of Conflict of Interest:**

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project or theme under evaluation.

TF/SRL/06/005

Support for the Sustainable Livelihood Recovery among the Conflict-affected Population in the North and East Regions through Improved Agricultural Productivity and Community based Entrepreneurship

### Job description for the National Evaluation Consultant

**Post title** National Evaluation Consultant  
**Estimated duration** 22 working days over a period of 2 months  
**Starting date required** 15 November 2010  
**Duty station** Home base/Gaza

#### Duties of the national consultant:

The national evaluation consultant will work under the direction of the international evaluation consultant (team leader) on the independent evaluation of the UNIDO project TF/SRL/06/005. On the basis of the Terms of Reference s/he will carry out the following duties:

Duties	Duration (working days)	Location	Results
Establishment of the mission programme; Interview guidelines in collaboration with the international consultant	3 days	Home base	Mission Programme
Evaluation mission: briefing and interviews	14 days	Sri Lanka	Notes
Drafting of chapters of the evaluation report in collaboration with the international consultant	5 days	Home base	Draft report
<b>Total</b>	<b>22 days</b>		

#### Qualifications:

- University degree relevant to the project under evaluation
- Knowledge and experience in recycling building materials/civil engineering related activities
- Experience in evaluation
- Good writing skills in English

#### Languages:

The consultant must be fluent in English

#### Absence of Conflict of Interest:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project or theme under evaluation.

*Annex 2 to ToR: Checklist on evaluation report quality*

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
Did the report present an assessment of relevant outcomes and achievement of project objectives?		
Were the report consistent and the evidence complete and convincing?		
Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?		
Did the evidence presented support the lessons and recommendations?		
Did the report include the actual project costs (total and per activity)?		
Quality of the lessons: Were lessons readily applicable in other contexts? Did		

they suggest prescriptive action?		
Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented?		
Was the report well written? (Clear language and correct grammar)		
Were all evaluation aspects specified in the TOR adequately addressed?		
Was the report delivered in a timely manner?		

Rating system for quality of evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.

## Annex 2: Main contacts

### Name

### Title

#### UNIDO HQ

Ms. Ayumi Fujino	UNIDO Representative for India and Regional Director for South Asia (by telephone)
Mr. Namal Samarakoon	Industrial Development Officer, Agro-Industries and Sectoral Support Branch
Ms. Gloria Adapon	Industrial Development Officer, Private Sector Development Branch (by telephone)
Mr. Peter Loewe	Senior Evaluation Officer, Evaluation Group
Mr. Seiichiro Hisakawa	Chief, Rural and Women Entrepreneurship and Human Security Unit

#### Colombo

Rishad Bathiudeen, MP	Minister of Industry and Commerce
Mr. Tilak Collure	Secretary, Ministry of Industry and Commerce
Mr. M.B. Dissanayake	Secretary, Ministry of Resettlement
Mr. Janaka Ratnayake	Chairman and Chief Executive, Sri Lanka Export Development Board
Ms. R Hewaliyanage	Director, Sri Lanka Export Development Board
Mr R A A K Ranawake	Additional Secretary, Ministry of Economic Development
Mr K E Karunathilake	Secretary, Ministry of Agricultural Development and Agricultural Services
Mr. Neil Buhne	Resident and Humanitarian Coordinator, United Nations in Sri Lanka
Mr. Tissa Jayaweera	President, Federation of Chambers of Commerce & Industry of Sri Lanka
Mr. Nawaz Rajabdeen	National Director, UNIDO in Sri Lanka
Mr. Sarath Abeyesundara	National Programme Co-ordinator, UNIDO in Sri Lanka
Mr. Adrianus Rijk	Consultant, Agri-business and Rural Development
Mr. Kazunari Suzuki	Third Secretary, Embassy of Japan in Sri Lanka
Ms Ruwanthi Jayasundare	Team Leader, Beneficiary Survey Team

#### Trincomalee

Mr. K. Pathmanathan	Secretary, Ministry of Agriculture, Animal Production and Development, Rural Industries Development and Fisheries
Mr K Pathmanathan	Secretary, Ministry of Agriculture, Animal Production and Development, Eastern Province



Mr. Thileepan	Provincial Director, Department of Industries, Eastern Province
Mr S M Hussain	Provincial Director – Eastern Province, Department of Agriculture, Trincomalee
Mr Uganathan	Dep. Director, Dept. of SAgric. Extension, Trincomalee District
Mr K Manoganthan	Divisional Officer, Dept. of Agrarian Services
Mr R Achuthan	Agricultural Officer, Muthur Segment
Mr K Nishantan	Agricultural Instructor, Nilaveli
Mr N M Riswan	Dep. Director Agric. Extension
Mr M Balendran	DDO, Dept. of Industry
Mr A Ramisa	DCO, Dept. of Industry
Ms P Josephsanleyan	Business Counsellor
Members	Naduvuthukulam Farmer Organization ,Kinniya
Members	Kumburupiddy North WRDS
Members	Munnampodiweddaai WRDS
Members	Sumaiya WRDS
Members	Poovarasantivu WRDS
Mr. Rajarammohan	President, Trincomalee District Chamber of Commerce and Industry
Mr H T Sarathchandra Wijesuriya	Secretary, Trincomalee District Chamber of Commerce and Industry
Mr. C. Gnanaganeshan	National Project Manager, UNIDO Trincomalee

## **Batticaloa**

Mr. S. Arumainayaham	Government Agent and District Secretary, Batticaloa District
Mr. R. Neduncheliyan	Director Planning, Batticaloa District Divisional Secretariat
Dr. R. Rushandan	Assistant Commissioner, Department of Agrarian Development
R. Hariharan	Deputy Director, Department of Agriculture
Members	Oddamavaddi Farmer Organization
Members	Thikkodai Farmer Organization
Members	Kokaditholai WRDS
Members	Ampilanthurai WRDS
Mr S Sivaskaran	Rural Small Business Counsellor
Ms K Pathmawathy	Rural Small Business Counsellor
Ms S Paramasivam	Rural Small Business Counsellor
Mr Jaganathan	Bank Manager, Sanasa Bank
Mr. V. Ranjithmoorthy	President, Batticaloa District Chamber of Commerce, Industry and Agriculture
Mr N Sunthareasan	Former President, Batticaloa DCCI
Mr K Kugathash	CEO, Batticaloa District Chamber of Commerce, Industry and Agriculture
Mr. Charath Pasupathy	National Project Manager, UNIDO Batticaloa

## Annex 3: WED and BDS support by district

Breakdown of UNIDO support by:

- District (Trincomalee, Batticaloa)
- Programme (WED, BDS, SAP)
- Beneficiary Groups (FOs, WRDS)
- Ethnicity (T = Tamil, M = Muslim, S = Sinhalese)

**Details of Groups and Individuals who benefited from UNIDO projects at Trincomalee from 2007 to 2010**

S.N	NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>Women Entrepreneurship Development - women groups</b>						
1	Thirukadaloor WRDS	Leather and cloth bag production, Rice flake	T=4 S=1	05	56	One Sewing machine and materials
2	Vijithapura WRDS	Leather and cloth bag production, Packaging	S=12 T=8	20	68	Three polythene sealer
3	Kumburupiddy North WRDS	One crop one village –papaya cultivation, IPHT training (Papaya) Business development training, Rice flake	T	16	61	2200 papaya seedling, 3 times fertilizer, 44 Plastic bucket, temporary set for seedling production
4	Kumburupiddy South WRDS	One crop one village –papaya cultivation, IPHT training (Papaya) BDS training, Rice flake	T	34	70	800 papaya seedling, 3 times fertilizer, 16 Plastic bucket
5	Selvanayakapuram WRDS	Potted agriculture	T	14	42	1500 plastic pot, seedlings and fertilizers
6	Nachchikuda WRDS	Sea shell ornamental articles	M=7 T=3	10	88	Raw materials and tools
7	Chinnampilaichenai WRDS	Sea shell ornamental articles	M	10	69	Raw materials and tools
8	Galmitiyawe Women Society	Batik cloth printing	S	16	28	Raw materials and tools
9	Munnampodiwe ddai WRDS	Coir based production, Business development training, Rice flake	T	33	70	3 set of manual coir rope machine and 2 carpet making tools

S.N	NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
10	Pooparathadich enai WRDS	Handloom Textile	T	16	59	One 300 ml bottle cooler, bottle sealer, Table, Gas cinder and utensils
11	Sumaiya WRDS	Business development training, Rice flake	M	10	82	One Polythene sealer
12	Dehiwatta	Rice flake	S	04	37	
13	Vocational training center women group, Department of industries	Fruit Drink	T	13	06	Bottle cooler, de-fridge, Bottle sealer, utensils and bottle
14	Poovarasantivu WRDS	Fruit Drink	M	07	32	Ongoing project
<b>Business Development Services - Women Groups</b>						
15	Thaha nager WRDS	Upgrading clay work artisans	M	10	56	9 manual clay pottery making machine, 1 curd pot making manual machine and tools
16	Alimchenai WRDS	Upgrading clay work artisans	T	04	68	3 manual clay pottery making machine, 1 electric clay pottery making machine and tools
17	Sandhosapuram WRDS	Upgrading clay work artisans	T	05	61	3 manual clay pottery making machine and tools

S.N	NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>Business Development Services - Individuals</b>						
18	Licensed Business Counselors	Individual CEFE / MSME business Counseling	T= M=10 S=1	23		TOT Training and Certification by CEFE Assistance to register Assistance to get License
19	Financial Institutional Capacity Building	Institutions = 12 Developed business Plan for MSME	T=9 M=9 S=6	24		Training and Certification by CEFE Support to develop forum under the Chamber to distribute loans for Agriculture and small industry
20	Trade Fair – Trinco opens its Doors	Chamber of Commerce Government Departments = 13 Private Institutions = 19 WRDS/RDS/FO= 48	T/M/S	120		Market linkage ; Follow up on Packaging Training
21	Workshop on Value Chain	Government Department= 8 Private Companies =4 Individual = 4	T/M/S	23		Training
<b>Sustainable Agriculture projects - (women groups)</b>						
22	Munnampody weddai, Sumaiya, Kumburupiddy north, Vanela, Seenipura, Muthur, Galmitiyawe	IPHT training (15), Basic business counseling training (27), Packaging training (25),	T/M/S	67		Rice flour mill - 09, parboiling utensils – 09 set, De stoner – 09 Pholythene sealer- 13

S.N	NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>Sustainable Agriculture projects ( Farmer organizations)</b>						
23	Pansalgodalla	4 W Tractor maintenance training (1), Financial management training (3)	S	4	170	4 wheel tractor with small appliance
24	Vanniyar madhu	4 W Tractor maintenance training (1), FMTC training (2), FMTC awareness training, Financial management training (3)	M	5	155	4 wheel tractor with small appliance
25	Kumburupitti south	4 W tractor maintenance training (1), Financial management training (4)	T	4	110	4 wheel tractor with small appliance
26	Sithravelayutha swami	4 W tractor maintenance training (1), Financial management training (3)	T	4	120	4 wheel tractor with small appliance
27	Seenipura	2 W tractor maintenance training (2), FMTC training (2), Financial management training (3)	S	7	125	Two -2 wheel tractor with appliance
28	Meegaswewa	2 W tractor maintenance training (2), FMTC training (2), Financial management training (3)	S	7	35	Two -2 wheel tractor with appliance
29	Srisithivinayagar	2 W tractor maintenance training (1), Financial management training (3)	T	4	150	2 wheel tractor with appliance
30	Galmittiyawa	2 W tractor maintenance training (1), Financial management training (3)	S	4	187	2 wheel tractor with appliance
31	Elamthalir	2 W tractor maintenance training (1), Financial management training (3)	T	4	75	2 wheel tractor with appliance
32	Pakkiranveddai	2 W tractor maintenance training (1), FMTC awareness training (3)	M	4	135	2 wheel tractor with appliance

S.N	NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
33	Poovarasanthivu	2 W tractor maintenance training (1), Financial management training (3)	M	4	123	2 wheel tractor with appliance
34	Naduvuthukulam	2 W tractor maintenance training (1), FMTC training (2), FMTC awareness training, Financial management training (3)	M	6	120	2 wheel tractor with appliance
35	Siraj Young FO	Small scale Irrigation training (2), 2 W tractor maintenance training (1), FMTC training (2), FMTC awareness training, Financial management training (3)	M	8	41	2 wheel tractor with appliance, 2 set sprinkler kit
36	Wija ya Bedum-ele	2 W tractor maintenance training (1), FMTC training (2), FMTC awareness training, Financial management training (3)	S	6	118	2 wheel tractor with appliance
37	Siththivinayagar	2 W tractor maintenance training (1), FMTC training (2), FMTC awareness training, Financial management training (3)	T	6	156	2 wheel tractor with appliance
38	Rotawewe	2 W tractor maintenance training (1), Financial management training (3)	M	4	120	2 wheel tractor with appliance
39	Track 5,6	2 W tractor maintenance training, Financial management training	S	4	137	2 wheel tractor with appliance
40	D 1,3	2 W tractor maintenance training (1), Financial management training (3)	S	4	114	2 wheel tractor with appliance
41	Valarmthy	2 W tractor maintenance training (1), FMTC awareness training (3)	T	4	125	2 wheel tractor with appliance
42	Samgi	2 W tractor maintenance training (1), Financial management training (3)	S	4	75	2 wheel tractor with appliance

S.N	NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
43	Sewa	2 W tractor maintenance training (1), Financial management training (3)	S	4	127	2 wheel tractor with appliance
44	Al-Hutha	2 W tractor maintenance training (1), Financial management training (3)	M	4	141	2 wheel tractor with appliance
45	Pichchaveli	Small scale Irrigation training,	T	1	65	Sprinkler kit
46	Raja ela	Small scale Irrigation training	S	1	115	Sprinkler kit
47	D 6,7 Venrasanpura	Small scale Irrigation training	S	1	128	Sprinkler kit
48	Track 2	Small scale Irrigation training	S/T	2	140	2 set of Sprinkler kit
<b>Sustainable Agriculture Project – Individuals – men and women</b>						
49	Selected Individuals from district wise	Blacksmith training (19), General mechanics training (19), Compost making training (16), Small scale Irrigation training (23)	T= 12 S=16 M=26	54		24 participants received workshop tools and equipments
	<b>Total</b>					

Note: Totally 30 no of participants attended Small scale irrigation training, out of them 7 beneficiaries from 6 FOs received 7 set of Sprinkler. So we put those beneficiaries in two categories without overlap (training beneficiaries – 30, input received beneficiaries 7)

Source: UNIDO Office, Trincomalee



### Groups and individuals details benefited by UNIDO project at Batticaloa

S.N	GROUP NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>WED and BDS – Women Groups</b>						
1	Karuwakerny Women Society	Distributed workshop tools	T	02	173	Welding plant, Quality combination wrench, Hand driller, spanner set
2	Kovitkulam Women Society	Distributed workshop tools	T	02	58	2 w- tractor injector nozzle checker, Three jaw puller, Hand Grinder
3	Marapalam Women Society	One crop one village – papaya cultivation training, distributed workshop tools	T	29	46	Papaya seedlings & seeds, Spanner sets, Quality combination wrench, Fertilizer.
4	Kaluwanchikudy Women Society	Distributed workshop tools	T	01	69	Socket spanner set, Three jaw puller
5	Kaluwankerny WRDS	Distributed workshop tools	T	01	119	Socket spanner, Oil pump, Impact screw driver
6	Kiran Women Rural Devt. Society	Distributed workshop tools	T	01	49	Box Spanner, Impact screwdriver
7	Amirthakali WRDS	Distributed workshop tools	T	02	62	Socket spanner sets
8	Paddipalai Zonal Bank ****)	Distributed farm equipment, rice processing machines, potted agriculture training, rice processing training,	T	97	618	Welding plant, Hand grinder, Electric hand grinder, Socket spanner, rice flour machines, green net, sealer
9	Vellaveli Zonal Bank ***)	Distributed farm equipment, rice processing machines, potted agriculture training, rice processing training,	T	94	1112	Anvil, Bench vice Hand Grinder, Hand driller, Tyre changer Three jaw puller, Box spanner set, rice flour machines, green net, sealers

		<b>Total</b>		<b>229</b>	<b>2306</b>	
<b>S.N</b>	<b>Group name</b>	<b>Activity</b>	<b>Community</b>	<b>No of Direct Beneficiaries</b>	<b>Potential Members</b>	<b>Inputs given by project</b>
<b>WED and BDS - Individual beneficiaries</b>						
1	Individual beneficiaries	Business Development,	T -30, M -07	37	N/A	Nil
2		Rice flakes	T-18, M-07	25	N/A	Pan
3		Bag making	T-24	24	N/A	Nil
4		Batik printing	T-15, M-01	16	N/A	Dyes
5		Coir base production	T-13	13	N/A	Wooden frames
6		Potted agriculture	T-18, M-02	20	N/A	Polythene bag, green net, plastic pots, fertilizer
7	(This activity already included in the Trincomalee)	Value chain	T- 02	02	N/A	Nil
8		Packaging	T-33, M-01	34	N/A	Sample bags for selected beneficiaries
9	On Going training	Rice cookies	T-14	14	N/A	Nil
10		Thailand study tour	T-03	03	N/A	
11		Rural small business Counsellors	T-17	17	N/A	Nil
12	Ongoing training	Palmyra upgrading training	T-22	22	N/A	Nil
13	The Department and Divisional staff	Thailand study tour, RSB counselling, value chain training	T-15	15	N/A	Nil
		<b>Total</b>		<b>242</b>		

\*\*\*\*\* The zonal banks in Vellavelli and Paddipalai are the major micro finance institution in two Divisional Secretariats, most of our rural entrepreneurs are the members of these two institutions.

**Total WED & BDS beneficiaries 471 and potential beneficiaries 2,306**

S.N	FARMER ORGANIZATION NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>SAP</b>						
<b>First batch equipment</b>						
1	Senkathiron FO	Operation & Maintenance on 2WT-2008, Organic Fertilizer making, Reaper field training	T	13	47	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers
2	Pandariyaveli FO	Operation & Maintenance on 2WT-2008, Reaper field training	T	04	36	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers
3	Kollanulla FO	Operation & Maintenance on 2WT-2008, FMTC training, FMTC field day training, Reaper field training	T	09	36	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers
4	Sri Vignesawra FO	Operation & Maintenance on 2WT-2008, FMTC field day training, Organic fertilizer making, Reaper field training	T	10	40	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers
5	Saraswathi FO (1 <sup>st</sup> & 2 <sup>nd</sup> batch)	Operation & Maintenance on 2WT-2008 & 2009 , training, Organic fertilizer making, Reaper field training	T	14	216	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers

S.N	FARMER ORGANIZATION NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>SAP</b>						
6	Vinayagar FO	O & M on 2WT-2008, Reaper field training	T	05	35	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp – reapers
7	Irakkathuveli FO	Operation & Maintenance on 2WT-2008, FMTC training	T	06	55	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp – reapers
8	Irunooruvil FO	Operation & Maintenance on 2WT-2008, Reaper field training	T	06	38	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers
9	Amana FO	Operation & Maintenance on 2WT-2008	M	04	36	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers
10	Odduveli FO	Operation & Maintenance on 2WT-2008	M	03	87	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels) and 5hp - reapers
11	Mavadimunmari FO	Operation & Maintenance on 4WT-2008	T	02	28	4WT + Disc harrow + Tiller + Mould board plough
12	Adampadivaddavan FO	Operation & Maintenance on 4WT-2008	M T	03	52	4WT + Disc harrow + Tiller + Mould board plough
13	Kathiravan FO	Operation & Maintenance on 4WT-2008	T	02	129	4WT + Disc harrow + Tiller + Mould board plough
14	Puthuvaddai Thikkodai	O & M on 4WT & 2WT, FMTC field day training,	T	12	124	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power

S.N	FARMER ORGANIZATION NAME	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>SAP</b>						
	FO (1 <sup>st</sup> & 2 <sup>nd</sup> Batch)	Organic fertilizer making, Thailand study				tiller, mud wheels), multi chopper and 5hp - reapers
<b>Second batch equipment</b>						
15	Kaveri & Sivan Zonal Bank Women Society	Operation & Maintenance on 2WT-2009	T	07	708	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels), multi chopper, 5hp - reaper
16	Kithul FO	Operation & Maintenance on 2WT-2009, reaper field training	T	02	87	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels), multi chopper and 5hp – reaper
17	Marapalam FO	Operation & Maintenance on 2WT-2009, reaper field training, FMTC training and FMTC Field day training	T	11	87	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels), multi chopper, 5hp – reapers and micro irrigation kit
18	Periyapullumalai FO	O & M on 2WT-2009, Reaper field training, FMTC field day training	T	03	110	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels), multi chopper and 5hp - reaper
19	Saamanthiyaru FO	Operation & Maintenance on 2WT-2009	T	03	77	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels), multi chopper, 5hp-reaper
20	Ulavar FO	O & M on 2WT-2009, Reaper filed training field training	T	02	73	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels), multi chopper and 5hp - reapers

21	Koppaveli FO	Operation & Maintenance on 2WT-2009 +2WT & reaper field training	T	02	78	8hp - 2wheel tractor with implements (Rotavator, pump, thresher, trailer, power tiller, mud wheels), multi chopper, 5hp-reaper
22	Ilamthalir FO	Micro irrigation training & distributed Micro Irrigation kit	T	10	28	Micro irrigation kit
23	Eravur Ellinagar Sanasamuha Center	Distributed workshop tools	M-21 T-09	T-02	28	Anvil, Bench vice, Circular saw Machine
24	Kalkudha Fishing Society	Distributed workshop tools	M- 25 T- 75	T-01	99	Hand driller, Socket spanner, Oil pump
25	Oddamavadi Fishing Society	Distributed workshop tools	M-44 T-06	M-01	49	Box spanner, Impact screw driver, Hand driller, Hand Grinder
26	Vaharai Welfare Society	Distributed workshop tools, rice processing machines, sprinkler set.	T-64 M-11	T-05	70	Welding plant, Hand driller, Hand Grinder, Open Spanner Ring Spanner, Box Spanner, Circular saw machine, Oil pump, Impact screw driver, rice flour mill, micro irrigation kit
	<b>Total</b>			<b>132</b>	<b>2,453</b>	

S.N	INDIVIDUAL BENEFICIARIES	ACTIVITY	COMMUNITY	NO OF DIRECT BENEFICIARIES	POTENTIAL MEMBERS	INPUTS GIVEN BY PROJECT
<b>SAP</b>						
1		Micro Irrigation Training	T-15	15	N/A	
2		Operation & Maintenance Training for 2WT-2008	T-8 M-5	13	N/A	
3		Operation & Maintenance Training for 4WT-2008	T-23 M-6	29	N/A	
4		Reaper Field Training-2008	T-21	21	N/A	
5		Operation & Maintenance Training for 2WT-2009	T-5	05	N/A	
6		2-wheel Tractor Reaper Field Training-2009	T-5	05	N/A	
7		Organic Fertilizer Making	T-36	36	N/A	
8		Food Processing Training	T-12 M-3	15	N/A	
9		Operation & Maintenance training on Rice Process	T-23	23	N/A	

10		FMTC Field day trainings	T-38	38	N/A	
11		FMTC – 2008, O & M	T-8	08	N/A	
12		FMTC-2009(2 wheel tractor mechanization)	T-6	06	N/A	
13		Local Partner organization trainings on data collection	T-5 M-2	07	N/A	
14		Thailand study tour	T-3	03		
15	The Department, Divisional and other Govt. staff participated in our trainings	Micro irrigation, 2-wheel tractor operation maintenance, Organic fertilizer making, Reaper field day training, Thailand study tour	T-44 M-8	52	N/A	
		<b>Total</b>		<b>276</b>		

**Total SAP beneficiaries 409 and potential beneficiaries 2,453**

Source: UNIDO Office, Batticaloa



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