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# **REVIVE Project Status and Implementation Options**

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# REVIVE Project Status and Implementation Options

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# Executive Summary

Having gotten off to a rapid start, the REVIVE project is now faced with a challenging set of choices about how to reach its target of 29,000 jobs. The most obvious targets have been reached, and about a third of beneficiaries are being served. Careful strategic choices must now be made to ensure continued progress.

More technical and field staff are needed. The current staff are superb, highly qualified and motivated, and capable of supervising field subordinates. Having more staff would speed up progress in networking, communications, reporting and outreach.

The project suffers from multiple, competing expectations. Although designed as a post-relief livelihoods project, REVIVE continues to be scrutinized by OFDA personnel as a rapid-disbursing relief project. This is unfair, but unlikely to change. REVIVE staff must plan their activities and reporting systems to satisfy both constituencies.

More attention should be paid to geographic and ethnic balance. The future of the project is in the east, although project development is more difficult there because there are fewer experienced partners. The project should establish a foothold in Ampara, either through an office or frequent visits.

Project staff should decide whether the security concerns about working in Jaffna, Trincomalee, and Batticaloa outweigh the benefits. If they do, surveys of potential activities should begin quickly.

Attention must continue to focus on numbers of beneficiaries, projects, and partners in the pipeline, as well as disbursement rates. Staff should develop and disseminate fact sheets and progress reports that clearly spell out project objectives and accomplishments for visitors.

Although project goals can be reached by continuing tailored grant activities, signature projects could be designed and executed with a variety of partners, perhaps in coordination with other USAID strategic objectives (Arugam Bay, school construction, humanitarian assistance, and others). Other potential partners include banks and local government institutions, within the limits of contract terms.

Several important analytical tools should be developed. A survey is already being designed to determine pre-tsunami incomes and employment. This should be supplemented by a relationship with a think tank or similar institution to analyze the data from beneficiary forms. Some

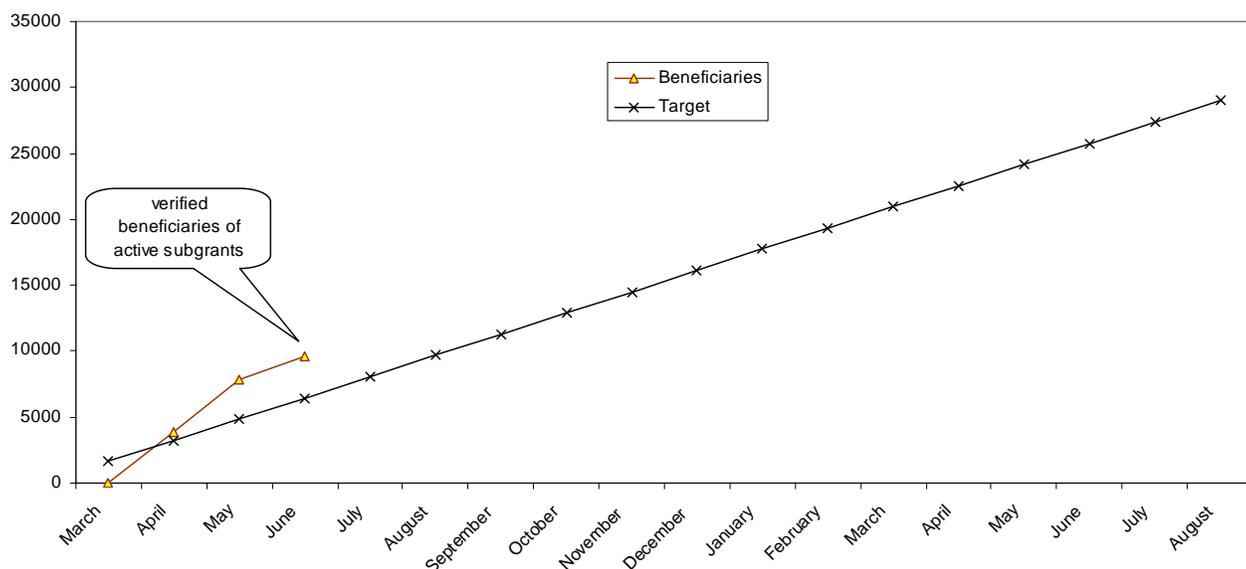
longitudinal studies of project impact should be undertaken after several months have passed, but others could be started now.

# Background

In the immediate aftermath of the tsunami that hit Sri Lanka on December 26, 2004, Nathan Associates presented a proposal to USAID to implement activities and grants to revive and improve economic livelihoods in coastal areas affected by the tsunami. The REVIVE project contract amendment was quickly negotiated and signed on March 1 and implementation began immediately using in-country Nathan staff, later to be supplemented with TDY and local experts.

The target is clear. By EOP, REVIVE should have restored 29,000 livelihoods (a somewhat arbitrary proportion of the number of households estimated to be affected by the tsunami). As of this writing, performance by this measure is ahead of schedule and a quick review of grants under study and pending approval suggests that the pipeline may remain full for some time, although continued effort is needed to identify partners and activities (Figure 1).

Figure 1  
*Beneficiaries Reached Per Month*



The simplicity of Figure 1 naturally masks many complexities. The early projects were quick-disbursing and reached many people but were arguably not sustainable. The next crop of activities will demand more administrative support, monitoring, and follow-through. Project leadership must decide if other, less conventional approaches are warranted. If a third program officer can be found, if the east coast activities can be developed and strengthened, and if the

success to date in finding partners can continue, and if solid partnerships can be arranged with other donors and actors, REVIVE may be able to succeed simply by following its current course. The number of beneficiaries per grant can be expected to decrease over time, and the larger NGO partners are likely to become saturated with assistance. Dealing with less experienced partners may be the key to reaching otherwise unreachable populations, but the lead time needed and administrative overhead will be significantly greater.

But there remain some 18,000 beneficiaries to serve before the project ends in 12 months. Punching a few buttons on the calculator shows that the amount of proposal review and development work required is very sensitive to the number of beneficiaries reached with each grant (Table 1).

Table 1  
*Number of Management Units Needed*

Beneficiaries Per Grant	Number of Grants Needed	New Grants Per Month
100	180	15
200	90	7.5
300	60	5
500	36	3

Program development effort is arguably the resource in shortest supply, so each project proposal should be carefully evaluated with respect to whether it reaches enough beneficiaries to warrant development and funding. It is not advisable to set a firm lower bound on proposal size, since there may be countervailing reasons that warrant funding a small proposal, but reviewers should pay close attention to the beneficiary yield of each proposal as it is evaluated.

The number of activities in the pipeline is growing (see Table 2). REVIVE must continue to expand this list. A hundred or more partners must be found by EOP if the current course is followed and if no significant structural change in how grants are identified and awarded is made. The universe of potential partners and collaborators is large. In addition to those listed in Table 2 (some of whom are also candidates for multiple awards), are

- Community Development Centre,
- Development Bank Ltd,
- Don Bosco,
- Foundation for Goodness,
- Green Movement,
- Hambantota Chamber of Commerce,
- IMPAKTAID.
- INDESCO,
- International Relief and Development Sri Lanka,
- ISB/WINGS,
- ITDG,

- Motivation,
- National Council of YMCAs in Sri Lanka,
- Nawajeewana,
- Sanasa,
- SED (part of SEDEC),
- Terre Des Hommes,
- Tissamaharama Rajamaharama Viharaya,
- Total Development Association,
- Volunteer Sri Lanka,
- Women's Development Federation.<sup>1</sup>

Table 2

*Approved and Pending REVIVE Activities and Numbers of Beneficiaries*

Activities	Partner	No. of Beneficiaries
<b>APPROVED</b>		<b>8,264</b>
Debris removal	Tourism Cluster (cash for work)	1,352
Debris removal	Tourism Cluster (Cash for work)	610
Microfinance lending	Arthacharya Foundation	1,500
Various	Sewa Lanka	700
Microfinance lending	SEEDS	2,250
Microfinance lending	Women Development Federation	800
Cinnamon peelers	The Spice Council	352
Various	Federation of Chambers of Commerce	700
<b>PENDING ACTIVITIES</b>		<b>3,238</b>
Coir	Environmental Protection Foundation	540
Pillow Lace for Export	EPF	200
Handicrafts	HELP-O (Human and Environment Link Progressive Organization)	200
Micro Business	HELP-O	400
Micro Business	Sri Lanka Gems and Jewelry Association	763
	Muslim Women's Research and Action Forum	300
	Sewa Lanka	235
	Tourism Cluster	250
Dried Fish	EPF	125
Yam Cultivation for Export	EPF	225
<b>Total Beneficiaries</b>		<b>11,502</b>

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<sup>1</sup> This list is not an endorsement, but merely illustrates the potential for developing the partner list.

This list of possible partners could be the basis for a more formal inventory of EG organizations on the island. Elements of such a list exist in the office but are not maintained systematically. It would be desirable to share partner lists with other funding organizations if they are willing to do so.

## PROGRAM MODES

REVIVE has considerable flexibility in deciding how to channel funds to beneficiaries. Although it might be sufficient to provide temporary income through cash for work and construction programs, such programs will not in themselves solve the larger problem of a lost income stream. Similarly, it would be a mistake to limit oneself to microfinancing for several reasons: the significant element of risk<sup>2</sup>, the shortage of qualified MFIs, and the unknown absorptive capacity of the target population. How might these two financing modes be supplemented by other approaches? Each type of intervention has advantages and disadvantages (Table 3).

Table 3  
*Advantages and Disadvantages of Assistance Modes*

Assistance Mode	Advantages	Disadvantages
Cash for Work	<ul style="list-style-type: none"> <li>• Quick disbursing</li> <li>• Large numbers of people reached quickly</li> </ul>	<ul style="list-style-type: none"> <li>• Not sustainable</li> <li>• Benefits do not extend much beyond immediate cash payment</li> </ul>
Microfinance	<ul style="list-style-type: none"> <li>• Onus is on MFI to administer and report</li> <li>• Can be combined with BDS</li> <li>• High likelihood of repayment</li> </ul>	<ul style="list-style-type: none"> <li>• Limited market</li> <li>• Restricting lending to tsunami victims reduces target population still further</li> <li>• Few MFIs interested in 12-month credit terms</li> </ul>
BDS	<ul style="list-style-type: none"> <li>• Tailored to beneficiary needs</li> </ul>	<ul style="list-style-type: none"> <li>• Very labor-intensive</li> <li>• Requires experienced partner on the ground</li> </ul>
CBO Grants	<ul style="list-style-type: none"> <li>• Can be community based</li> <li>• Could be well grounded in community</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to verify quality of proposal</li> <li>• Many CBOs lack institutional capacity.</li> <li>• Scale is often too small for REVIVE to handle efficiently</li> </ul>

## Class A Interventions: Cash for Work

Beneficiaries are paid for labor on a project of community interest. They are thus provided with revenue to spend on essentials. Cash for work satisfies the need for livelihood restoration, but the REVIVE project has wisely limited its use, since other approaches have long-term impact on development. It is unlikely that USAID would be critical of further use of the cash for work, but more sustainable approaches are worth pursuing. Cash for work can be a fallback if other programs are in short supply.

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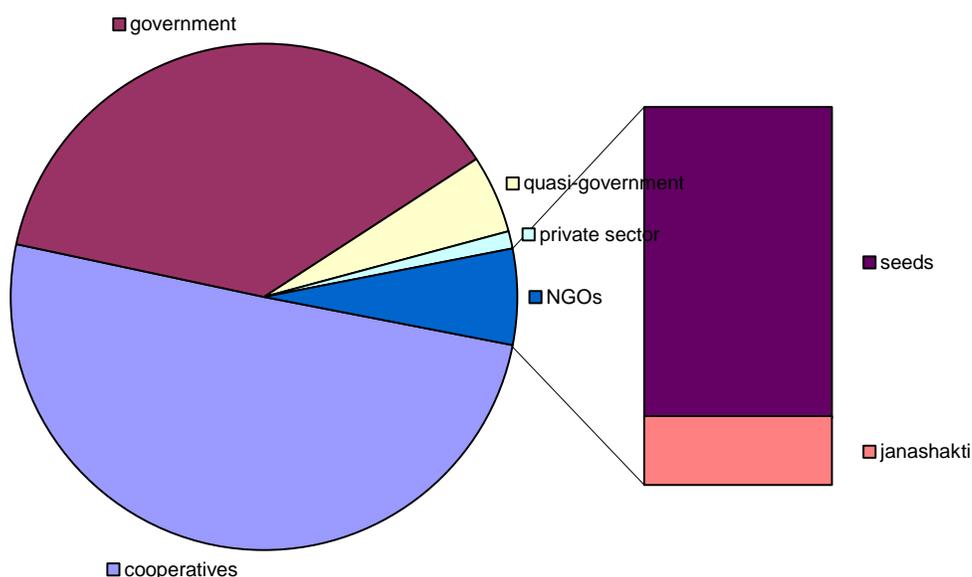
<sup>2</sup> Experience suggests that post-disaster repayment rates for microfinance loans may be extremely low. See, for example, "Evaluation of the USAID Bombing Response Program in Kenya", by Dennis M. Chandler *et al.*

## Class B Interventions: Microfinance

Much good research has been done in microfinance in Sri Lanka, and little is to be gained by restating what is already known. Interested readers are referred to the excellent ADB study “Commercialization of Microfinance in Sri Lanka,” and the recent trip report by Terence Miller of EGAT.

Microfinance technical staff tend to view the REVIVE project as a microfinance activity. This is one aspect of it, to be sure, but the project was not designed as one. Microfinance is only one of many tools available to project managers. Some perspective on this point is useful. Although private and nongovernmental microlending in Sri Lanka is active, most lending is by the government (Figure 2). Interestingly, the family of microlenders has been so successful that the market may be close to saturation. While it is unlikely that REVIVE’s efforts would be enough to make a noticeable difference on a national scale, it is nevertheless a market in which good bankable clients are by and large already spoken for.

Figure 2  
*Microloans in Sri Lanka by Lender Type*



This means that the future of the project is likely to lie with the third mode of assistance.

## Class C Interventions: Livelihood Grants

REVIVE has a wide range of potential partners. The terms of the contract preclude providing assistance to the Government of Sri Lanka and the INGOs, so what remains are local NGOs and other nongovernmental institutions such as business associations. The great bulk of project staff time and energy has therefore been spent on identifying local nongovernmental groups capable of administering livelihood programs. Established organizations that are skilled at developing project proposals and working with donors have already benefited from significant assistance

form donors since the tsunami. Most or all of the recipients listed above have worked with donors or have already received funds for rehabilitation and livelihood activities since December. Some have become so skilled at meeting donors' expectations that they deserve an extra measure of scrutiny to ensure that they do not suffocate under the burden of excessive largesse.

## ALTERNATIVE PATHS TO LIVELIHOOD RESTORATION

What can REVIVE do differently to achieve its goal of restoring livelihoods? To answer this question, one must understand the context in which this goal is being pursued. For subsistence farmers, fishermen, or day laborers, it is difficult to establish conceptually when livelihood has been restored. Those requiring little or no productive capital, such as day laborers, need only a source of employment equivalent to what existed before the tsunami. Where modest capital can be restored (coir spinning, handlooms mason tools), one can count. Imperfect understanding of disaster victims' economic status, priorities, family and social situation, and abilities complicates the task. For example, the population profiles of those in temporary housing is extremely sketchy, as no serious surveys have been carried out. Understanding the value chain elements and the economic dynamics of a community is difficult enough in the absence of a disaster; reconstructing how things were before a disaster may prove to be impossible. Official government statistics show a part of the picture (Table 4).

Table 4  
*Unemployment Rate by Provinces 1985/86, 2002*<sup>3</sup>

Area	1985/86	2002
Sri Lanka	13.2	8.8
Western	8.9	17.2
Central	13.1	8.9
Southern	17.6	10.6
Northern	8.3	--
Eastern	9.5	--
North Western	9.4	7.8
North Central	6.4	8.4
Uva	8.7	6.0
Sabaragamuwa	12.5	9.8

There have been no estimates of post-tsunami employment rates comparable with these surveys. It would be helpful to continue conducting surveys as recovery proceeds to develop better instruments for measuring the success of livelihood interventions.

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<sup>3</sup> Source: Government of Sri Lanka's statistical service at <http://www.statistics.gov.lk>

## Range of Needs

The pre-tsunami population was diverse in age, ethnicity, employment, income level, place in the family and extent of relations with other family members, and in many other ways. After a disaster such as the tsunami, the range of needs is immense. One is tempted to assume that the inhabitants of temporary shelters are homogeneous when in fact their personal situations may vary widely. Needs may include:

- **Shelter.** Temporary shelter, sites and services, or legal or cadastral assistance are needed. Much is needed in the way of advocacy, research, and assistance in land acquisition and construction.
- **Productive Assets** for formerly active businesspeople may be a place of business, a storehouse, or a factory; for an individual such assets could be a piece of machinery or a set of tools.
- **Economic and Agricultural Assistance.** Technical assistance, through private sector or NGO means, can work with individuals or groups to establish or rebuild primary-sector production.
- **Community Assets** include village centers, bridges, secondary and tertiary roads, cold storage sites, and warehouses.
- **Psychosocial Interventions.** Many NGOs have developed packages of interventions to deal with post-traumatic stress and other syndromes that arise in the wake of a disaster. Actions to address these problems can yield significant increases in economic productivity.
- **Long-term Medical Needs.** For some families, the biggest issue is how to deal with the medical consequences of the disaster.

Mechanisms to meet these needs might include

- Direct payment to beneficiaries;
- Contracting via workforce mobilization firms;
- Working through trade associations (viz. the Tourism Cluster)
- Partnership with NGOs;
- Joint funding with for-profit firms (viz. the FCC):
- Technical assistance contracted through US PVOs or private consulting firms;
- Training, through vocational education, institutes, job training schools or universities;
- Grants to economic, medical or other foundations; or
- Any combination of the above.

REVIVE should consider how meeting these needs might affect the restoration of income sources. For example, some have argued that individuals burdened by concerns about shelter repair would be more productive if their shelter needs were met. They might also benefit from better health and water supply or electricity. These are all arguably important areas worthy of further discussion.

## Ideal Intervention

To help in the review and analysis of proposals and new ideas, it might be worthwhile to agree on what an ideal activity would look like. For example, an ideal activity would

- Be sustainable rather than temporary;
- Be as appropriate as possible to the beneficiary's individual situation, taking into account the socioeconomic and family context;
- Be on scale to ensure success. A disproportionately large effort may fail as easily as a smaller one.
- Not distort the economic or social context in which the beneficiary lives;
- Respond to the beneficiary's priorities (i.e., if the greatest need is shelter, it will not concentrate on training or economic recovery);
- Be coordinated with activities of other actors, including the government, other donors, NGOs, private groups, and the private sector; and
- Be delivered at the lowest cost possible per beneficiary.

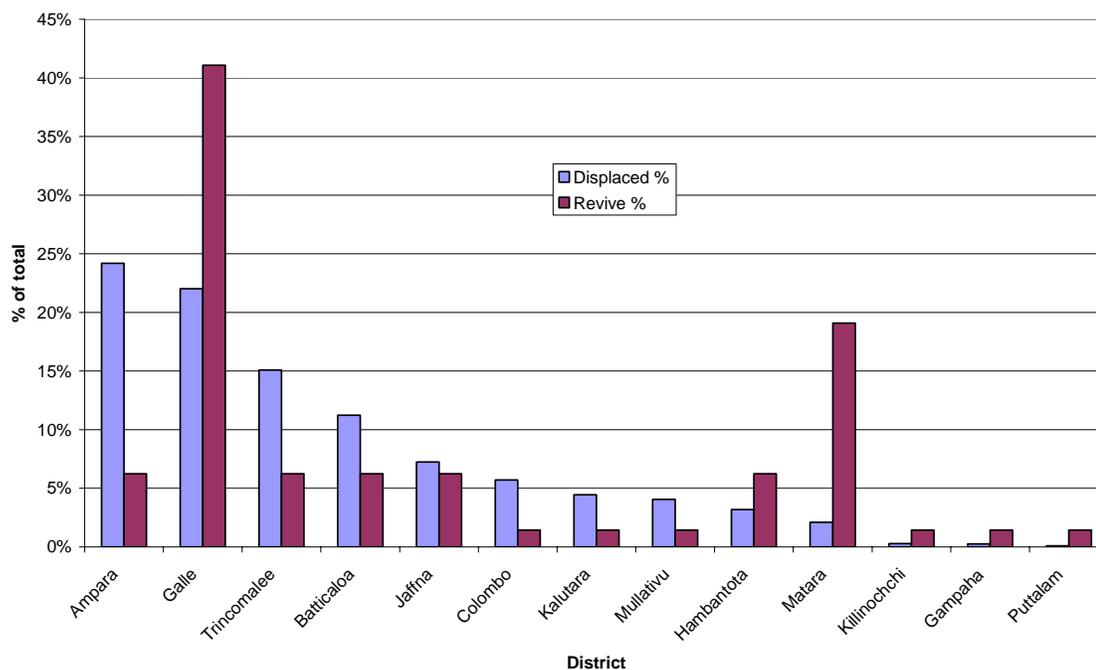
What is appropriate for one group may not work for another. The package of REVIVE activities may therefore cover a range of interventions, from microcredit to shelter, for a number of reasons. Naturally, designing a package of interventions for an individual or community requires as good an understanding of the needs of the beneficiary population as possible. There are constraints as well on what donors can provide even if this understanding is perfect. Therefore, it is useful to envision a framework for obtaining the best possible outcome under imperfect conditions.

## Geographic Focus

Beyond income levels, ethnic group and sex, another consideration is geography. At present, the project concentrates on communities in the south and southeast, principally because of security concerns. It would be possible to extend into areas around Batticaloa and elsewhere if desired to expand the target population. Many agencies have chosen to work on the west coast for ease of logistics, but that is not where the greatest need is. Figure 3 shows REVIVE investments plotted against the best estimates of loss of livelihoods by region.

The imbalance is clear. The relatively least served regions are Ampara and Trincomalee. Several factors go into the decision about where to program resources, such as suitable partner organizations or the potential for microlending and enterprise development. It is not necessarily inequitable that the regions with the highest numbers of displaced individuals deserve the largest or most immediate response. That might be true if one were constructing housing, but the purpose of REVIVE is to restore livelihoods and that purpose must guide decisions.

Figure 3  
Displace Population Distribution vs. REVIVE Activities



## MONITORING AND EVALUATION PLAN

The core feature of all REVIVE-funded activities, indeed what distinguishes this program from a simple relief program, is the monitoring plan for beneficiaries. Although cumbersome, the automated system now in use tracks who receives funds and how they are used and what concrete differences result from use of project resources. On the one hand, this is a strong advantage over the practice of many agencies content to assure themselves that funds are accounted for properly; on the other, it means that REVIVE staff will be spending much time designing and carrying out monitoring and evaluation.

## USAID Reporting Requirements

During the consultancy, a three-person team from USAID/Washington visited the Mission to prepare the Performance Monitoring Plan for the 2003-2007 strategic plan. REVIVE staff recognized the importance of coordinating reporting and outputs with the PMP and arranged a meeting with the team. The mission plans to begin developing a new strategic plan in 2006.

Although the mission is responsible for day-to-day implementation of REVIVE, it belongs to a regional SpO for tsunami reconstruction managed from the ANE Bureau in Washington. The relevant indicators are

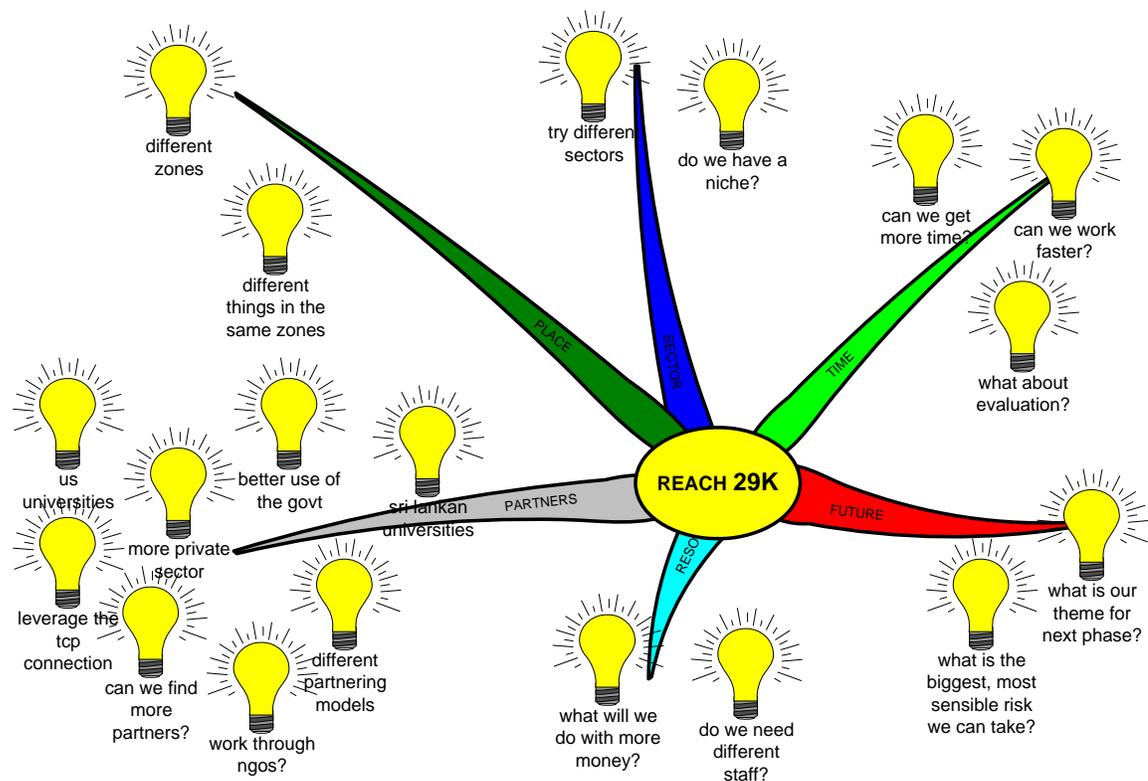
- Number of people served by new and rebuilt shelter/housing,
- Number of loans to micro and small enterprises, and
- Number of recipients receiving grant packages (i.e., assets).

The comprehensive REVIVE dataset has been designed to feed into any conceivable ANE bureau reporting structure. Ad hoc reports will be required from time to time, of course, and the data needs for them can never be fully anticipated. The current design should be sufficiently robust to answer any questions USAID or other donors may have about project impacts.

## OTHER CONSIDERATIONS FOR THE FUTURE

Hanging over the planning process is the question of whether this activity will be extended or whether it will be expected to pave the way for a new USAID-supported programs in livelihood and manpower development, workforce training, vocational education, and the like. While awaiting clarification from USAID about future program direction, it might be useful periodically consider the progress and the issues facing the next phase of the project. Diagrams such as that presented in Figure 4 may help spark discussion.

Figure 4  
*Brainstorming Progress and Future Directions*



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# Appendix. Scope of Work and Deliverables

- Meet and work with USAID personnel, REVIVE senior staff, and designated consultants/specialists to gain a full understanding of challenges and opportunities facing REVIVE.
- As necessary, meet with REVIVE partner organizations, other NGOs working on tsunami-related activities, government agencies, other stakeholders or other designated counterparts important to restoring livelihoods of tsunami victims in districts of the Southern and the Eastern coast where REVIVE will work to gain an understanding of the variety and depth of donor assistance in Sri Lanka.
- Drawing on information gathered from field visits and meetings with REVIVE partners, advise REVIVE staff on ways to improve the use of microfinancing or other tools to make the project more effective in meeting its livelihood restoration objective.
- Provide realistic recommendations about the likely dollar amounts that microfinance institutions in Sri Lanka can use for onward lending, and parallel recommendations on the best alternative uses of available funding to meet the project goal of restoring 29,000 livelihoods. These recommendations should specifically address how to achieve the goal within one year and the strengthening of MFIs as described in the background section of the statement of work.
- Identify alternate ways to stimulate livelihood rebuilding in Sri Lanka to complement, not replace, existing activities funded by REVIVE.
- Monitor and report on other NGO activities carried out in REVIVE's target areas.
- Cooperate with and provide information to, as requested, other projects funded by USAID and provide input, as requested, to advisors working on technical assistance to various ministries of the Government of Sri Lanka.
- Assist with other functions and tasks of REVIVE that the Chief of Party may request.