
Final Report
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1. Introduction

Immediately following the 2005 tsunami that devastated so many lives and livelihoods in Sri Lanka, USAID contracted the services of Nathan Associates Inc. to assist with the transition from emergency relief to sustainable growth. Quick implementation of the project early on was made possible through the assistance provided by Nathan’s other USAID-funded project in Sri Lanka, The Competitiveness Project (TCP). Given their presence on the ground at the time of the tsunami, dedication and concern for the welfare of the tsunami victims, the staff was able to quickly respond to USAID’s assistance request. The dedication of TCP’s staff immediately following the tsunami enabled REVIVE’s speedy implementation.

The purpose of the REVIVE project was to work through local partner organizations in order to not only assist beneficiaries but to also build capacity within those partner organizations in order to ensure their future growth sustainability. REVIVE used several main mechanisms to provide assistance:

**Cash for Work:** Replacing lost income through direct cash grants to individuals for services performed for clean-up of debris, repair of infrastructure, reconstruction of damaged and destroyed buildings.

**Financial Services:** Assisting tsunami victims in accessing loans provided by partner organizations to restore or replace lost assets and rebuild and improve their businesses (or start a new business).

**Commodity Grants:** Providing assistance to partner organizations to help entrepreneurs replace lost productive assets such as equipment and inventories.

**Training and technical assistance:** Assisting beneficiaries in developing entrepreneurial, business, vocational, and technical skills.

Through REVIVE’s assistance USAID was able to contribute towards the improvement of communities’ living conditions and to raise family incomes. Individuals were trained, micro lending was made possible and sub-grants were issued to provide business-related commodities. Overall, the program built the capacity of micro entrepreneurs so that they could achieve sustainable economic growth and thus transition from dependence to independence. During this transition all beneficiaries faced numerous challenges: loss of life, displacement, loss of jobs, loss of business assets, unemployment, etc.
To help beneficiaries meet all these challenges, REVIVE was tasked with assisting communities to improve living conditions and raise family incomes and providing families with tools and opportunities to successfully and permanently escape poverty. The challenge of restoring 29,000 livelihoods in such a short time was further complicated by the growing tensions in the east which delayed implementation of some of our activities in that area.

Despite the difficulties Nathan Associates was not only able to meet the project deliverable of assisting 29,000 beneficiaries but we were actually able to exceed USAID’s mandate and assisted 34,890 beneficiaries. Exceeding this deliverable would not have been possible without the hard work of all REVIVE employees. Each one contributed to the overall end result and each person’s contribution was as important as the other’s.
2. Program Highlights

During the life of the project, REVIVE executed 106 separate agreements with 21 organizations (executing multiple agreements with some organizations). Under these agreements, REVIVE obligated about $6.038 million in grant funds, to provide assistance to an estimated 34,890 households exceeding the project target of 29,000 beneficiary households. Of these beneficiaries, 21,428 were female and 13,462 were male. These awards provided approximately $4.3 million for commodity grants and training; about $1.6 million for microfinance lending; and about $91,000 for cash-for-work.

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<th>Organization Name</th>
<th>Grant Amount ($)</th>
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<td>Agro Mart Outreach Foundation</td>
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<td>Agro Micro Finance</td>
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COMMODITY GRANTS AND TRAINING
REVIVE focused much of its assistance on commodity grants (providing funds to the projects’ partners to make sub-grants to small businesses for the purchase of lost equipment, fixed assets, or inventories). Approximately 20,794 beneficiaries were recipients of these subgrants. For example, REVIVE assisted spice workers in improving production equipment, helped women in the East restart their handloom businesses, provided new equipment to jewelry makers in the South who lost all their assets in the tsunami, assisted small scale farmers in buying seeds and replanting their lost crops, etc.

Coupled with many of these subgrants were training programs to assist beneficiaries in improving necessary skills to successfully start-up, manage, and/or operate a business. Likewise, REVIVE supported a number of workforce development activities to increase the skills of Sri Lankans in the South and East and ensure that they would be able to find employment or learn a new trade to deal with the new economic environment created by the tsunami. 20,065 (11,871 female and 8,175 male) beneficiaries received some sort of training that was coupled with these commodity grants. An additional 5,800 (3937 female and 1863 male) beneficiaries were recipients of training specific grants (not coupled with commodity grants) mainly directed at workforce development activities.

CASH-FOR-WORK
REVIVE immediately pursued various cash for work activities upon project start-up as it would quickly inject money into the local economy, target help to the most vulnerable, and contribute to the restoration of essential infrastructure. In the aftermath of a natural disaster, there is much destruction and loss of income and livelihoods. A quick response is needed to provide income opportunities while also clearing debris and restoring public goods and services. For instance, REVIVE helped with the cleanup effort in the South through the Tourism Cluster—removing debris from beaches and major tourist sites. REVIVE also assisted in the East with our partner the Social Organization Networking for Development (SOND) to assist in replanting coconut and cashew groves lost in the tsunami. As time progressed, REVIVE phased out such cash for work activities as assistance needs moved from immediate relief to longer term, more sustainable efforts.

MICROFINANCE ACTIVITIES
REVIVE successfully disbursed approximately $1.6 million for microfinance activities in the country. The project initially executed loan agreements with four partner organizations—SEEDS, Arthacharya Foundation, AgroMicro Finance, and the National Workers’ Congress—that extended microfinance to tsunami-affected individuals to restore or replace lost assets,
rebuild and improve microbusinesses or begin new businesses. As the REVIVE project closed out activities in September of 2006, Nathan Associates and USAID wanted to ensure that these funds would be available for continued lending to current recipients and available to other local businesses and individuals in need—as such, the REVIVE project crafted agreements with each of the four local partners to set up revolving funds that were designed to be self-sustaining.

Through the creation of these revolving credit funds, REVIVE assistance will continue to enable Sri Lankan businesses to access needed capital to restart operations and restore livelihoods to the many people left without a sustainable source of income after the tsunami. Upon project completion, a total of 3,284 microloans had been given out to enterprises and families over the last year—this number should continue to increase over the coming years. Likewise, 8,297 beneficiaries received assistance through project work in this area.

The four partners indicate that performance of loans under the REVIVE-sponsored activity is equal to or better than that of other loans in their portfolios. Enterprises receiving these tsunami-recovery loans have been able to generate enough business to enable repayment at rates equal to or better than the non-tsunami related loans. The REVIVE project believes that this performance was as a result of effective training programs, the ability of partner organizations to motivate entrepreneurs to restart their business through regular support and follow up, and an accurate needs analysis before beginning lending activities as well as a good selection and screening of loan recipients.

These revolving funds will be monitored by USAID for the next three years. Nathan Associates has worked to guarantee, through specific language in each partner agreement, that these funds will continue to be used to target small businesses and microentrepreneurs.

In addition to the above microcredit programs, REVIVE also partnered with Relief International to manage a separate microsavings and microlending activity. This project, the Rural Savings Creation Project (RSCP): was implemented in the East of the country, in Ampara District. RSCP staff helped establish 61 community based organizations (CBOs) that received training in group dynamics, group leadership, savings mobilization and lending. Initially, the groups began lending with their own funds that were generated from savings. Based on successful collection of the loans and a commitment to savings activities, small grants were supplied to each CBO, thereby boosting the amount of loanable funds. As of August of this year, all 61 groups comprising a total of 1,617 members were engaged in savings and lending activities. All members were required to save a certain amount that varied from group to group. Over 900 members chose to participate in voluntary savings above and beyond the required compulsory minimum.

Through these activities the project successfully increased access of local enterprises to needed capital, strengthened the capacity of local microfinance institutions, and provided for a sustainable continuation of many of its assistance projects far past its own completion date.
3. REVIVE Grants, the East

AL QUARISH SOCIAL DEVELOPMENT SOCIETY

Al Quarish Social Development Society was established in 1997 as a non-governmental organization in the town of Akkaraipattu, with a mission to assist youth affected by the conflict. Today, Al Quarish is a multifaceted organization with significant experience implementing skill development programs and other community driven programs in both tsunami and war affected communities of the Ampara District. In partnership with the REVIVE project, Al Quarish implemented several programs focusing on vocational training and providing trade related equipment and business assets to micro entrepreneurs in an effort to restore their livelihood activities. The vocational training programs focused on in-demand construction skills, including plumbing, wiring and masonry in an effort to provide local youth with new employment opportunities on post-tsunami construction projects.

Restoring Livelihoods through Commodity Grants:

Through REVIVE funding, 548 micro entrepreneurs received replacement equipment and assets lost in the tsunami or to start a new business venture. Al Quarish targeted tsunami-affected widows, families living in temporary shelters and other affected people unable to obtain assistance from other donors. The commodity grants provided business assets and inputs in a variety of livelihood sectors, including brick making, livestock, paddy cultivation and small street-corner retail shops. A woman grant recipient mentioned that she takes pride in being able to earn an independent income with her new business, while still fulfilling her family obligations. Several women, who received initial inventory stocks for retail shops, took the initiative to obtain funds from other sources to construct a small corner shop that caters to neighborhood shopping requirements.

Vocational Training:

Al Quarish conducted four skills development programs in the Akkaraipattu and Pottuvil areas of the Ampara district, including plumbing, electrical wiring, masonry and sewing. The construction-related vocational training programs transferred marketable skills that are in high demand in the local labor market, where contractors are often forced to seek skilled construction workers from outside the region. The sewing skills training provided an opportunity for women to earn a living within the context of
the cultural environment in the East. In Akkaraipattu, 360 young men and women completed a three month program in either plumbing, electrical wiring or sewing. In Pottuvil town, Al Quarish opened and furnished two vocational training, where:

150 trainees received four months of practical and theoretical training in plumbing techniques or electrical wiring technologies; and

49 mason trainees completed 50 days of skilled training in random rubble and stone masonry.

**On-the-Job Training:**

All of the construction-based training programs placed a heavy emphasis on the practical application of the skills in real world environments. In particular, the masonry students had the opportunity to participate in a unique on-the-job training exercise at a real construction site in Pottuvil. At the Mileo ltd. Milk Collection Center, trainees assisted in the construction of a (535ft x 6ft) cement block boundary wall and a masonry well that was completed by the end of the program. Each trainee received over 15 hours of hands-on experience and exposure to: vertical construction techniques; stone, random rubble and cement block masonry; steel reinforced concrete work; and quality control of materials. This training exercise provided the trainees with the opportunity to apply new skills on an actual construction project with the input and guidance from professional masons and the vocational trainers.

**Employment:**

An integral part of REVIVE-funded training programs was the job placement assistance and career guidance provided to trainees. Employment opportunities identified by Al Quarish staff and professional advice imparted from the vocational trainers, resulted in high employment rates amongst the graduates. Of the 199 students that studied in Pottuvil training centers, 62% of electrical graduates, 46% of plumbing graduates and over 65% of the masonry graduates were working fulltime by the end of the program. In addition, over 42% of the Pottuvil graduates are employed in their respective field of study on construction sites throughout the Ampara district.

**Stories of Success: Developing Marketable Skills and Helping Rebuild the Community**

R. Duminda, a masonry graduate, was employed as a laborer and mason’s assistant prior to entering Al Quarish’s vocational training program. The three month skills development program provided him with the necessary technical skills and tools to pursue several skilled mason employment opportunities in the local area. During the training, Duminda was approached by a local contractor, who had heard that he was undergoing a masonry training course. During the final month, he was already working part-time on Saturdays and Sundays on a local construction site.
Upon graduation, Duminda successful found full time employment as a skilled mason on a tsunami-damaged school construction site in Arugam Bay and is earning 900 rupees per day. He anticipates that the trade-tool kits will allow him to earn more money in the future as he sharpens his new skills.

**CONSORTIUM OF INTEGRATED REHABILITATION ORGANIZATIONS (CIRO)**

CIRO, a consortium with a membership of 75 non-governmental organizations (NGOs) and community based organizations (CBOs) from the East Coast Districts of Ampara, Batticaloa and Trincomalee, administered and monitored three programs implemented by member organizations that were funded by REVIVE.

*Organization for Protecting and Ensuring Democracy (OPED)* organized a Community Based Organization (CBO) to create and formalize a cement block making operation. The initial work site was moved during program implementation in response to urgent employment needs in an adjoining village. This decision was made after discussions held between OPED, CIRO and REVIVE. 105 local men and women joined the CBO and were trained in the process of cement block making. REVIVE provided members of the CBO with four machines to produce cement blocks and funding for the purchase of raw material and the construction of a shed to house the worksites. The cement blocks are sold to local housing construction sites through the newly formed CBO, and profits are placed in a revolving fund created by the trainees.

*Socio Economic Development Organization (SEDO)* completed a heavy vehicle driving training program for 125 men. The program included regular training sessions held by a licensed teacher, trial training through an accredited training school (pre examination trial run, medical tests and license applications submitted through the training school) and follow-up consultations for students who had to repeat their trials. 30% of the trainees received temporary licenses, 40% were in the process of completing their examinations and the remaining 30% of participants submitted their applications after the initial trial test.

*Home Management Training Center (HMTC)* received REVIVE funding to further formalize and establish a sustainable training center. REVIVE funded the purchase of equipment for training classes, including computers and sewing machines. REVIVE also shared the cost of constructing a training classroom to house larger training groups. 900 students received basic training in embroidery, fabric painting, cookery, first aid, sewing and computer technology. 250 of the best students were selected to receive tools and implements to assist in commencing home-based craft related businesses. Almost 30% of the HMTC graduates have commenced earning an income by selling ready-made garments, working as data entry operators or by selling food items.
Many of the selected were women from conservative backgrounds and the inclusion of women in income earning activities is a great achievement.

**FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY SRI LANKA (FCCISL)**

The Chamber of Federation of Chambers of Commerce and Industry Sri Lanka (FCCISL), established in 1973, is an umbrella organization for over 30 chambers of commerce and industry. The FCCISL works to promote entrepreneurship, commerce and industry in the private sector. REVIVE funding was utilized for two components of the FCCISL “Back to Business” program; business counseling for Medium, Small, and Micro Enterprises (MSME) and commodity grants to micro industries, cottage industries and livelihood activities.

*Back-to-Business:*

The Back-to-Business program and Help Desk concept are long-term initiatives, with linkages to the Consortium of Humanitarian Agencies, the Reconstruction and Development Authority, the National Chamber of Commerce amongst a host of other government, private and industry related authorities locally and overseas. Most SMEs assisted through REVIVE funding currently serve the local market and lack resources to gain entry into competitive overseas markets. Six of the back-to-business grant recipients who were assisted through REVIVE funding, were selected to attend a trade fair in the UK. The six grantees are skilled in painting, pillow lace making, ceramic ware and jewelry. The six entrants have been successful in securing international orders and have linked with potential buyers in the European market. A few grantees have been requested to provide additional product samples, which may provide them the opportunity to supply on a larger scale. FCCISL continues to assist in creating market linkages for other SMEs through trade fairs locally and abroad.

*Business Counseling:*

FCCISL provided business counseling services and workshops, in eight Tsunami affected areas, Ampara, Batticaloa, Galle, Hambantota, Jaffna, Kalutara, Matara and Trincomalee. 3,290 people attended the workshops covering how to formulate a business plan, rules and regulations for businesses, marketing techniques and how to obtain business assets.

*Sub Grants:*

Subgrants amounting to Rs. 9.5 million were distributed through the chapters in Ampara, Batticaloa, Galle, Hambantota, Matara, and Trincomalee. These grants went to 546 micro entrepreneurs working in the cottage industries and for livelihood activities to help with purchases of fixed capital lost in the tsunami.
HUMANITARIAN BROTHERHOOD FOUNDATION (HBF)

Humanitarian Brotherhood Foundation (HBF) Puttalam was established in 1998 and is a member of the Puttalam Non-Governmental Organization (NGO) Consortium. Its office in Ampara was established shortly after the tsunami, and has since gained membership in the Ampara NGO consortium. HBF activities include micro finance, child development, relief and rehabilitation, water and sanitation, counseling, health, education, social harmony and peace. HBF used REVIVE funding to support micro credit for 240 CBO reaching 1,900 low income women and men excluded from services offered by formal transitional financial institutions in the tsunami-affected areas. In addition, HBF provided training in English and Computer Technology training to 180 young adults, who received a Diploma Certificate on completion of the training course.

Computer Training:

The high demand for English language and basic computer technology skills in the private sector organizations prompted the creation of this center, which aims to fulfill the gap in training services for these two areas of study in the local area. The medium of study for most communities in the Ampara District is predominantly Tamil and Sinhala and computer training is minimal in local schools and private training centers. REVIVE is pleased to note that the newly established Training Center equipped with 20 computers, office equipment and classroom furniture (funded by REVIVE) has already interviewed a batch of 150 students to continue with computer training classes. The current conflict in the East will restrict study and employment opportunities to a vast number of young adults and REVIVE hopes that the training center continues to provide a valuable service to the local community by also giving the trainees an opportunity to find employment abroad. HBF has commenced interviewing another batch of 150 students to continue computer training through the HBF training centre.

Micro Credit:

Funding was utilized to purchase business assets and commodities for members of Community Based Organizations (CBO) in the Ampara District. The members will repay part of the value of the assets back to their CBOs to establish a revolving fund with each group. Business assets and commodities were provided to 713 members who were involved in livelihood activities such as bakery, brick-making, carpentry shop, fire wood selling, masonry, garage mechanics, poultry and livestock farming, hardware stores, rice pounding and rice selling, petty shop vendors, welding shops, electrical item suppliers and food businesses.

MUSLIM WOMEN’S RESEARCH AND ACTION FORUM (MWRAF)

In the aftermath of the tsunami, livelihood assistance was characterized by the need to provide urgent and tangible livelihood benefits to the affected population. As reconstruction efforts rapidly progressed, a severe shortage of semi-skilled and skilled labor in construction related fields provided an opportunity for a large number of young men and women in the coastal areas to change their occupations or develop already existing skills. In collaboration with REVIVE project, Muslim Women's Research and Action Forum (MWRAF) implemented the project’s first
vocational training program in the Eastern Province. The REVIVE project’s first training activity focused on transferring masonry and carpentry skills, both trades with high employment potential in the coastal areas of the Ampara district given the magnitude of the reconstruction needs in the post-tsunami environment.

Vocational Training:

At a training venue in Kalmunai town, a total of 300 youth completed one month skills development courses in either masonry or carpentry. The key elements to the success of the training programs were:

- an emphasis on providing substantial practical and on-the-job training experience in both programs;
- assistance with job placement and continued training opportunities;
- provision of tool kits for all participants to jump-start their new careers.

Student Selection and Gender Representation:

Despite an unstable political environment during the training program including general strikes, and restrictions in movement due to security concerns MWRAF was able to recruit students from a wide geographic area in the Ampara district, including 12 different towns. The mix of trainees in terms of gender balance was a focal point during the selection process by MWRAF, with a total of 28 women completing the carpentry training program.

Tool Kits:

All graduates of the programs were provided with trade-related tool kits, which provided them with the opportunity to pursue work immediately after the training. In discussions with students following the program they mentioned that the tool kits were a great asset for successfully starting their own independent business or finding employment on the local construction projects.

Career Guidance:

Job placement assistance was an important part of the program with trainers providing professional advice through informational discussions and interactive question and answer sessions. As members of the local community, the trainers and MWRAF staff helped place graduates with local contractors on construction sites or continued training through apprenticeships. Of the final 300 trainees, 75% of carpentry trainees and 93% of masonry trainees found employment immediately following the program. Most graduates are working in their towns and are gaining valuable experience in their new trade.
Project Success: Rebuilding Lives and Homes

Mr. A.C.M. Jaleel’s house was washed away during the Tsunami and he and his family have been unable to return due to the newly implemented restricted buffer zone along the coast. At age 23, Mr. Jaleel is the eldest of five siblings and he has assumed full responsibility for the family since his father’s recent paralysis. Jaleel participated in Muslim Woman’s one-month masonry training. Upon completion of the training Jaleel explained his satisfaction with the program, “I am a full fledged Mason now. I can build houses on my own. Talented personnel made all this possible due to the efficient training…the training I received here for one month is equal to one year’s training.”

RELIEF INTERNATIONAL: RURAL SAVINGS CREATION PROJECT (RSCP)

REVIVE, working through Relief International, funded the creation of the rural development savings and credit scheme in selected villages, which has been launched as a long term sustainable micro finance operation that will enable a marginalized group (women) to obtain loans and purchase business assets to earn a regular income.

RSCP established 61 Community Based Organizations (CBOs) in Ampara District, with a total membership of 1,623 participants. Beneficiary members had the authority to manage themselves as a group, thus promoting community ownership and sustainability. Members decided all aspects of program implementation, from savings mobilization to skills training. These CBOs were used as a platform to initiate savings, extend credit to group members and introduce livelihood trainings.

Savings Mobilization:

Compulsory group mandated saving rates, ranging from Rs 20-70, were collected weekly and deposited in group bank accounts to build a resource base for the CBOs. In addition to compulsorily savings, 80% of groups initiated voluntary savings and 85% of groups optioned to implement a membership fee to serve as an equity contribution by members. The groups implemented charge service fees, developing a habit of paying interest. As a result of these activities, the groups saved Rs 1,645,237.
Credit Activities:

Members received loans for business endeavors, such as the selling of goods and occasional family livelihood activities. As groups gained experience managing loans from initial savings, they received credit from the total Rs 13,187,500 grant given from REVIVE to Relief to commence revolving loan funds. At the conclusion of the project, 1,872 loans had been granted in the amount of Rs 9,664,530 with a repayment rate was 100%.

Training:

CBO executive committee officers received regular trainings to ensure required procedures were followed and regulatory requirements were met in an appropriate manner. Other group members participated in trainings focusing on loan management issues. CBO members also benefited from skills trainings, such as yogurt making, mat weaving, and sewing. The training provided an opportunity for members to work together and transfer knowledge and experiences. A total of 1,269 members participated in the trainings.

Community Ownership:

To ensure members had a sense of ownership of the group, RI promoted participant involvement from the inception of the project. Program participants defined criteria for involvement and rules and regulations for the RSCP groups. The groups were provided with a lock box to physically manage their initial cash collections, until they were able to make bank deposits. Groups dictated their own savings rates, interest rates, and lending criteria, based on member capacity and need. Community ownership is largely responsible for the program’s success.

SOCIAL ORGANIZATION NETWORKING FOR DEVELOPMENT (SOND)

Social Organization Networking for Development (SOND) is a non-profit organization working for the progress for NGOs and community-based organizations. SOND is organized by a team of social workers who have nearly 20 years of experience in the development field. The Ampara District office is currently working with a wide range of organizations at the grass-roots level, with special focus on the tsunami affected and very poor population groups. With REVIVE funding, SOND undertook agricultural and ecological improvement projects in Ampara District.
Environmental Awareness and Training:
SOND conducted an awareness training program that taught 7,921 beneficiaries about plant maintenance and care and environmental protection.

Cashew and Coconut Industry:
The program concentrated on restoring and improving the capacity of coconut and cashew industries to increase fruit supplies, a key source of small income to households. 60,000 plants were provided to members of the community in Ampara. A larger area encompassing 9 Divisions in the Ampara District were selected to plant 40,000 coconut saplings and 20,000 cashew plants in 7,300 households located within 100 meters of the shore. The expected industry standard for rate of plant survival is 60-70 percent. Impressively, SOND has so far managed to achieve a 90 percent survival rate for cashew seedlings and 95 percent for coconut plants.

Costal Conservation:
A second emphasis of the program was costal conservation of areas that were destroyed and left vulnerable to erosion and other threats posed by natural disasters. To prevent future erosion, the 60,000 coconut and cashew trees were planted within 100 meters of the shore.

Success in the Face of Security Risk:
This project proved to be a difficult task for the implementing partner due to 28 days of harthal (civil curfews) and the underestimated requirements of field staff. In addition, obstacles of supplier delays and long hours of work to ensure delivery of supplies to the stores placed a heavy burden on SOND field staff, who had to travel during difficult (security risk) periods. The program was completed in 4 months and the implementing partner indicated that the challenges faced during program implementation have taught them valuable lessons on project design and planning.
UNITED NATIONS OFFICE FOR PROJECT SERVICE (UNOPS)

The immense reconstruction required in the Eastern Province after the Tsunami created the potential to generate new job opportunities for the local communities through the transfer of highly marketable construction skills. In order to meet this growing labor demand, the REVIVE Project partnered with United Nations Office for Project Service (UNOPS) to implement the Alternative Livelihoods through Training (ALRT) program, a construction skills development program in the Pottuvil area of Ampara district. UNOPS brought a year and a half of post-tsunami project experience in the Eastern Province and a deep understanding of community access infrastructure projects. Under the ALRT program, UNOPS trained concrete workers, steel fixers, form workers, works supervisors and technical officers in labor-based construction techniques through practical and classroom training.

On-the-Job Training:

A unique aspect of the ALRT program was utilizing actual roads as the primary venues/sites for conducting practical training. Semi-skilled and skilled workers underwent training in the proper construction of concrete drainage systems and the resurfacing of roads. All trainees were exposed to basic concrete work, formwork construction and bar bending in a controlled environment. After two months, trainees were moved to road sites to obtain further training in a more difficult site environment, where they were required to construct complex formwork and reinforcing cages, and place and compact concrete in confined places of changing dimensions and conditions. On road sites trainees were exposed to different site conditions and learnt how to deal with problems, such as modification of designs to suit site conditions, different soil types and placing concrete in difficult conditions. As the trainees became more experienced their production increased, and by the last month construction was 2 to 3 times faster than in the beginning.

Training Data:

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<th>Category</th>
<th>Trainees</th>
<th>Classroom Days</th>
<th>Practical Days</th>
<th>Training Days</th>
</tr>
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<tr>
<td>Engineers</td>
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<td>Technical Officers</td>
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<td>Work Supervisors</td>
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<td>Semi-Skilled Workers</td>
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<td><strong>Total</strong></td>
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<td><strong>858</strong></td>
<td><strong>29,452</strong></td>
<td><strong>30,310</strong></td>
</tr>
</tbody>
</table>
Visible Outputs:

The ALRT training program not only provided direct benefits to its participants but also tangible indirect benefits to the surrounding communities. The construction works completed by trainees has improved sanitary conditions in the immediate and surrounding areas and will significantly improved drainage problems that occur during the monsoon season. Road works completed during the program, include:

- 1.5km of completely rehabilitated road.
- 2.3km of reinforced concrete side drains with 2,400 reinforced concrete covers.
- 31 mortared masonry culverts and three 2.4m span reinforced concrete box culverts

Community Awareness and Mobilization:

A key element to the success and continued sustainability of ALRT training program was insuring that the community was invested in the project. UNOPS completed the construction works and recruited labor through Rural Development Societies (RDS), which served as the representative for the communities. The RDS in conjunction with UNOPS selected suitable people for the training program according to established guidelines. Before the training and construction works commenced an awareness program was conducted with the local government and communities to outline the objectives of the project and incorporate communities’ ideas into the work plan. Throughout the project, program staff met with the community and workers to ensure issues were addressed in the following month’s work plan.

Job Placement:

Following completion of the ALRT program, a majority of the graduates have strong employment opportunities, with a bulk of the technical officers and skilled laborers being directly transferred to UNOPS second construction program, EGCAP, see next section for details. The trainees not transferred to the second program were given placement assistance on other construction projects in the area. REVIVE/UNOPS met with the Arugam Bay bridge contractor and submitted a list of graduates who successfully completed the program. The contractor expressed a strong interest in hiring ALRT graduates, including concrete workers, masons and equipment operators.
Employment Generating Community Access Project (EGCAP):

Through REVIVE funds, UNOPS is implementing a second construction-based program, EGCAP, to meet the considerable need for employment opportunities in the Pottuvil/Arugam Bay area. UNOPS will reconstruct and repair important community access roads in the Pottuvil/Arugam Bay area using labor based construction methods. This project will generate over 30,000 days of employment and provide additional training and employment for graduates of the ALRT program. Under EGCAP, workers will construct 8 km of paved road with a minimum design life of 10 years and a majority with a design life of 20 years. The reconstructed roads will improve the sanitary conditions of the surrounding areas by reducing dust and resolving drainage problems. This program is being directly monitored by USAID as it is continuing past the end of the REVIVE project.
4. REVIVE Grants, The South

AGRO MICRO FINANCE (AMF)

Agro Micro Finance (AMF), the micro credit arm of Agromart Foundation (AMOF), operates in seven districts in Sri Lanka and has regional offices to manage and monitor its programs. The credit programs are implemented by the regional offices and ‘Credit Societies’ which are community-based organizations. Through REVIVE, AMF was provided funding for a micro-credit project starting in September 2005 covering the tsunami affected Galle, Matara and Hambantota Districts.

**Micro-credit:**

AMF selected, trained and provided micro credit facilities to micro entrepreneurs affected by the tsunami. As part of their loan procedures, the AMF field staff visited and followed up with each entrepreneur to provide them constant feedback on their operations. This was likely a key factor in the success of the program executed by the organization and contributed to AMF’s healthy loan portfolio. In total, they issued 950 loans. The loans issued to micro-enterprises allowed for increased employment and an additional 1,359 people’s livelihoods were restored through AMF’s micro-credit activities.

**Training:**

AMF conducted the credit program with training services provided by AMOF. Training was given as a prerequisite for loans on areas such as entrepreneurial skills development and economic literacy.

**Successful Loan Repayment:**

Almost all of the enterprises that have been funded under this program have so far been successful, as is evident from the performance of AMF’s loan portfolio. Loan installment payments were 100% on schedule in two of the districts, while the third maintained a 97% repayment rate. It appears that this high performance was a result of the effective training
program, and the ability to motivate entrepreneurs to restart their business through constant follow up, accurate needs analysis and good selection of loan recipients.

Program Successes:

Even though AMF initially proposed to complete the program activities within a 12 month period, given the time constraint for the REVIVE Project, it had to be reduced to a 9 month program. AMF successfully met project deliverables in this reduced time frame, and was awarded further funding that increased the loan fund from Rs. 10.79 million to Rs. 47.79 million. They succeeded in rapidly disbursing the additional funds within a very short period to reach out to additional applicants. AMF complied well with the reporting and documentation requirements stipulated by REVIVE.

AGROMART FOUNDATION (AMOF)

Agromart Foundation (AMOF) was established in 1989 and their credit program resumed in 1994 with USAID funding. They are the “parent organization” for Agro-Micro Finance, the MFI recipient of a separate award of US$ 478,000 from REVIVE for onward lending. Set up with the mission of empowering the rural micro entrepreneur through training and skills development and facilitating their entry into the larger socio economic and political environment, AMOF worked with Agro Micro Finance to provide micro credit facilities to establish sustainable enterprises. Agromart’s REVIVE programs were implemented in three of the tsunami-affected districts: Galle, Matara and Hambantota. The REVIVE sponsored technical assistance grant program commenced in May 2006 to provide training to loan recipients of AgroMicro.

Training:

Agromart was able to complete an intensive and advanced training program for more than 2,200 participants within a very short period of time spanning only two months. Training topics covered included: advanced entrepreneurship, advanced marketing and other product and service specific training such as micro agriculture, food processing, garments, household linen, herbal products, beauty culture.

Hands on Experience:

In addition to intensive training programs, Agromart implemented a variety of programs to help entrepreneurs improve their businesses through product and service related activities, such as field visits, trade fairs and buyer-seller meetings. By focusing on the practical applications of business instead of theoretical applications, Agromart helped enhance entrepreneurs’ awareness of the current market situation and improved the marketability of participating entrepreneurs’ outputs. These activities aimed to provide the rural entrepreneur
an insight into the customer demands for product or service standards, raw material specifications, and other trends that they will encounter when reaching out to markets beyond their rural environment.

**New Technologies:**

The entrepreneurs were also exposed to new technologies and methodologies that should help the businesses grow and continue to adapt to changing market trends in the longer term. REVIVE funded the creation of knowledge centers in the three Districts to help the training program participants with the use of modern training equipment, and those who are engaged in micro agriculture were provided with laboratory facilities to produce high quality mushroom seeds. During a field visit entrepreneurs were taught a new processing methodology for extracting and producing a refined coconut oil. Over a short period of time, this work has encouraged these entrepreneurs to offer a wider range of products at higher quality standards.

**ARTHACHARYA FOUNDATION (ARF)**

The Arthacharya Foundation (ARF) was established in 1992 as a not-for-profit non-governmental organization to assist poor micro entrepreneurs. The first program undertaken by REVIVE was with the Arthacharya Foundation (ARF) which implemented a grant and a micro credit program in the Galle District. Set up to serve the poorest of the poor, ARF aimed to alleviate poverty and malnutrition through micro finance activities coupled with small grants and training on entrepreneur skills and industrial knowledge. The foundation operates through Community Based Organizations consisting of people below the poverty line and channels assistance through these CBOs to their members. Other major donors ARF works with are: Central Bank of Sri Lanka (CBSL), the National Development Trust Fund and CHF.

Throughout the course of this project, ARF has been able to impact 1,679 beneficiaries as opposed to the 1,500 goal set through the integrated program, and have been successful in administering several credit cycles over the course of the nine month project.

**Credit Program:**

ARF was the first micro-credit institution to be funded by REVIVE after the tsunami. The credit program was initiated during the early aftermath of the tsunami, a period when grants were abundant and there was little incentive for micro-businesses to apply for loans. Despite these difficulties, ARF was able to exec its initial loan disbursement target and lent approximately Rs. 17.5 million by the end of the program period. The ARF program became popular as a result of outreach programs conducted in the area, expanding into other communities with newly established CBOs.
Training:

With the REVIVE’s funding for training, ARF was able to provide training on new income generation activities. ARF had previously been restricted from providing sufficient training due to lack of funds, but with this channel of funding, more training classes were held, and more entrepreneurs and their family members were seen starting new ventures and increasing their income levels. Enterprises which were not ready to receive credit were first provided with commodities to resume their operations, and training to develop and expand businesses. When enterprises were ready to expand their businesses were given credit.

THE HUMAN AND ENVIRONMENT LINKS PROGRESSIVE ORGANIZATION (HELP-O)

The Human and Environment Links Progressive Organization (Help-O) was founded with the primary objective of promoting enterprise and developing human resources for vulnerable groups that did not have other sources of assistance. HELP-O promotes ethnic harmony by engaging various groups in its projects and by implementing awareness projects around the country. HELP-O implemented four REVIVE grant programs to restore approximately 1,760 micro entrepreneurs disrupted by the tsunami.

Business Training Services:

Beneficiaries were trained on the following topics: marketing for the local and international markets, Product Development, Business Environment Analysis, Problem Solving, Implementing New Businesses and Expansion, and Book Keeping and Accounting and an introduction into E-commerce. They were also assisted in identifying export opportunities and improving marketing to target these opportunities. Beneficiaries were provided with a reference manual with curriculum and an outline of their training programs. In addition, a monthly Newsletter has been published for the purpose of information sharing and business improvement. HELP-O also established a business counseling service for entrepreneurs, providing them with the opportunity to speak to experts in export development, licensing regulations, legal requirements.

Community Based Organizations:

Another main achievement of the organization is the establishment of community based organizations and savings societies. These societies are primarily made up of entrepreneurs who qualified to receive REVIVE grants. They were created to help identify the needs of the beneficiaries accurately and in a transparent manner. Because of this approach, HELP-O managed to build the capacity of these small community based organizations by training them on various tools to be used in need analysis, basic management skills and working groups. Realizing the need for the tsunami affected persons to become self reliant, HELP-O conceptualized the formation of savings societies as a support line for REVIVE’s beneficiaries. The first Savings Society was formed in November 2005, and its success has made it very popular with the micro entrepreneurs in the region. As a result 510 small groups have formed into 20 Savings Societies, with a membership of approximately 5,100 members. The total savings of these Societies amount
to Rs. 1.5 million and is growing. REVIVE sponsored furniture and office equipment for eight of the savings societies as direct purchases.

**Sub-Grants:**

The project provided beneficiaries with the necessary business assets such as machinery, equipment, tools, and start up material to restart their businesses. Several industries were reached that included tourism, fisheries and coir. Many of the sub-grant recipients were home-based micro enterprises such as ready to eat food production and sale, handicrafts such as wood carving, rush and reed, jewelry, retail and mobile traders (e.g. vegetables, snacks, fish, lottery tickets), animal husbandry, carpentry, masonry, tailoring, shoe making and other service related businesses such as beauty salons, communication centers, grocery stores, tea boutiques and eateries, photography, entertainment (musicians) and watch repair centers.

**Project Success: New business creation- Television Antennas**

Mr. Panangala Liyanage Rasika Ranjith was employed as a Sales Assistant at a retail store for a monthly salary of Rs. 5,000. The store where Rasika worked for the last 10 years was completely damaged by the tsunami, leaving Rasika and his colleagues unemployed. Rasika is the bread-winner for his family, and loss of his income placed them in great difficulty.

Rasika started a new business of producing television antennas after being exposed to HELP-O’s training programs on Product Development for Local and Export Markets, which contains a training component on generating new business ideas. He used a simple new technology to produce a low cost television antenna. He started by selling these units on the sidewalk. His sales increased since he started the business in December 2005, with some customers giving him orders with certain specifications for the units. He now supplies these units to bigger shops and employs 3 others for the operation.

**Project Success: Restoration of Handicraft Businesses**

Ms. M. T. Margret from Magalle in Galle District is a recipient of a commodity grant which included a Show Case, Gray Cloth and Scissors, worth Rs. 15,621 to rebuild her pillow lace business through HELP-O in Nov 2005. Her house was partly damaged by tsunami, and she lost all stocks of produce and raw material. She started the pillow lace work and design business all over again with REVIVE assistance, and at present makes a profit of about Rs. 10,000 monthly. Three people are employed by this business, and an additional 2-3 producers are sub contracted from time to time.
Ms. Margret was a participant at the Crafts Fair sponsored by the REVIVE Project in Galle in December 2005.

ENVIRONMENTAL PROTECTION FOUNDATION

The Environmental Protection Foundation (EPF) is a not-for-profit organization that aims to conserve the environment, promote co-existence among communities and enhance income generation for women. Since its incorporation in 1996, the organization has targeted low income households with a special focus on self-employed women. REVIVE funded EPF to implement five livelihood restoration programs in the South—focusing on coir, handicrafts, agriculture, fisheries, and microenterprises. This work assisted more than 1,285 beneficiaries.

IMPAKTAID

Impaktaid, a group set up immediately after the tsunami as an emergency relief network, received two grants from REVIVE for a total of $36,189. They implemented two REVIVE funded programs—Work for Widows and Back to Work. Work for Widows targeted tsunami affected widows who were forced to fend for their families due to the loss of other financial sources, while Back to Work was aimed at micro-entrepreneurs who had lost business assets in the tsunami. Approximately 200 beneficiaries received assistance through these programs.

Work for Widows Program:

The Work for Widows program comprised of a three month training course (November 2005 to January 2006) where selected women were taught the basic crafts of candle and/or jewelry making. The objective of the program was to teach the women a trade and assist them in producing marketable products. During the course of the training, Impaktaid would purchase the products created by the women so as to give them financial incentive to complete the program and assert the notion that there was value for their skill. The 120 women who were trained under the program continue to receive an income through the craft trade. Impaktaid also continues to buy goods from a number of the ladies to supply Colombo based boutiques such as Suriya and Elephant Walk. At present a pilot project employs 50 women for less than 6 hours a week where the women receive salaries that match or exceed the earnings of their lost spouse. Additionally, several of the women have been commissioned directly by local and international buyers.

Back to Work Program

The Back to Work program ended in March 2006. The program was focused on restoring machinery, equipment and raw materials to micro-business owners that had lost such
commodities in the tsunami. The activities of the program went through three stages: needs assessment, the purchasing of goods and finally their distribution. The goods varied extensively from sewing machines to grocery equipment to fishing nets. Roughly 80 people received assistance through the Back to Work program.
NATIONAL WORKERS CONGRESS (NWC)

REVIVE provided funding to NWC for commodity subgrants, vocational training and a micro credit program for a group of 1,250 enterprises identified in Kalutara, Galle, Matara and Hambantota Districts. As NWC was successful in effectively implementing this initial program, a second grant was awarded to enhance its vocational training capacity.

After the tsunami, there was a large infusion of funds to the region, causing duplication of assistance. However, the assistance received did not necessarily resuscitate livelihoods for all recipients. With careful assessment of needs and close monitoring, NWC was able to provide the necessary assistance – may it be commodities, credit or training, to restore businesses in a sustainable manner.

Vocational Training:

The vocational training program that NWC implemented was very effective in finding jobs for almost all of the trainees. In fact, 100% of those who underwent training in dressmaking, beauty culture and information technology were placed in jobs, and 80% of those who were trained on motor engineering were able to secure employment at the end of their training program.

Livelihood Development Center:

The center was established to function as a popular outlet for training. The training provided by this center has been recognized by the Board of Investment of Sri Lanka (BOI). The Industrial sewing, dressmaking and embroidery training program in particular has served as a ‘training school’ for the garments factories in the Free Trade Zone. (Garments is a major foreign exchange earner for Sri Lanka) The BOI referred trainees to NWC for their programs, and graduates were offered a higher salary that was almost double that of an unskilled entry worker.

Mobile Training Unit:

This program was conceptualized after careful consideration of the market demand and future trends to improve the opportunities for trainees to both be placed in better paying jobs and to help them start self employed ventures that in turn would create more jobs. The MTU provided vocational training in areas of industrial sewing, information technology, fishing skill development, seamanship and navigation. The Mobile Unit served to improve outreach to beneficiaries in difficult and remote areas who were unable to attend training programs.

Micro-Loans:

NWC disbursed micro-loans to a number of beneficiaries. Though they set a target of 250 loans upon initiation of the program, actual results far exceeded this target and 433 loans were actually given out. In addition, REVIVE signed a Rs. 9 million loan to grant conversion agreement with NWC. This agreement enables the NWC to establish and manage revolving credit that will be
available to beneficiaries, even after REVIVE’s completion. Funding will be subject to monitoring by USAID for a period of three years ending in July 2009.

**SARVODAYA ECONOMIC ENTERPRISE DEVELOPMENT SERVICES (SEEDS)**

Sarvodaya Economic Enterprise Development Services (SEEDS) is the biggest microfinance lender in Sri Lanka. The REVIVE credit program enabled SEEDS to design and utilize a new credit product, as the program conditions require different credit features in terms of lending, rate of interest, and loan amount. REVIVE’s largest over-all partner operating in six of the tsunami affected districts (Galle, Matara, Hambantota, Ampara, Batticaloa and Trincomalee), has restored 1,385 jobs and provided training for 702 tsunami victims (that meet minimum qualifications for micro credit) on entrepreneurship and business development to build up their businesses.

*Accessible Credit Products:*

Through REVIVE, SEEDS introduced a new credit product to accommodate a large number of tsunami affected micro entrepreneurs. The new product was given at concessionary interest rates on personal guarantees instead of securities such as fixed assets, and enabled the organization to disburse loans faster. SEEDS disbursed 790 loans, 6% more than expected, directly impacting an additional 1,480 people – employees of the restored micro-enterprise institutions. 92% of loans were repaid on time.

*Business Support Services:*

Businesses assisted by SEEDS have been successfully restored. The selection criteria established gave priority to sustainable income generation projects, which created new employment, and new enterprises. These businesses were awarded a higher rate of success as they were supported by training and effective follow up by SEEDS Credit Officers. Training on Enterprise Development covering finance, marketing and project planning helped the entrepreneur develop a sustainable business.

*Praise about SEEDS:*

SEEDS has earned high regards as the pioneer in micro credit programs in Sri Lanka, and thus has been a much sought after NGO by major donors. The organization has been engaged by major donors after the tsunami, and adhering to the reporting requirements of the REVIVE Program was expected to put additional strain on the ongoing programs. However, according to Mr. T K Weerawardhana, Manager, Product Development & Project Finance “…SEEDS and the REVIVE have already built-up a close relationship with regard to fund management. REVIVE has close supervision, monitoring and evaluation of our loan clients as well as our district offices. When compared to other donors REVIVE has provided fair loan conditions and opportunities to improve the capacity building of SEEDS staff and our loan clients. They have high involvement in loan disbursing process and more supervision. Considering the other donors, REVIVE is one of the best investigators of the fund handling”
SRI LANKA GEMS AND JEWELRY ASSOCIATION (SLGJA)

The Sri Lanka Gem and Jewelry Association (SLGJA) represents 350 out of 700 export gem and jewelry companies in Sri Lanka. The Gem and Jewelry Cluster, which The Competitiveness Program was catalytic in forming, merged into the SLGJA. The Association works to protect and promote the interests of the gem and jewelry industries and services related to it. SLGJA affairs are run by an executive committee appointed annually by SLGJA members.

Sub-grants and Support

The program was aimed at restoring equipment and financial capital to the tsunami affected business owners. A needs assessment was conducted before the program through a survey funded by The Competitiveness Program and implemented by the National Gem and Jewelry Authority, the Export Development Board and SLGJA. SLGJA was able to provide Rs. 9.45 million of equipment, machinery, tools, and showroom furniture to 144 primary beneficiaries who were in turn to employ an additional 737 direct beneficiaries.

Credit Facilities

SLJGA’s credit facilitation program was instrumental in assisting business owners with credit facilities. Of the 144 business owners, 58 are still in the process of obtaining loans and 11 have already been granted loans amounting to a total of Rs.25.5 million). The program funded a consultant whose role was to network the applicants with the banks. Banks perceived the gem and jewelry sector as high risk and therefore were reluctant to service its clients. The consultant overcame this obstacle by meeting with the banks and convincing the loan managers to review the details of applicants in the gem and jewelry sector that had good credit histories and steady businesses. By the end of the program, 12 applications that had initially been rejected were referred to the Central Bank for action.
SEWA LANKA FOUNDATION

REVIVE supported seven projects through eighteen grants with the Sewa Lanka Foundation. These grants went towards supporting the revival of the coir industry in the south, providing assistance handloom producers in the East, building the capacity of pillow lace producers, creating a number of women’s savings societies, and holding general business skills training courses for entrepreneurs in the South and East. Through these projects, REVIVE was able to reach over 4,500 beneficiaries.

Coir Industry:

Sewa Lanka distributed 489 coir yarn machines to women-headed households in the Galle and Matara Districts. The same women received a total of 48,900 kgs of coir as startup working capital assistance to produce coir rope. In addition, REVIVE provided funds to clean 126 retting pits, which were drained, repaired and filled with husk to start the husk fermenting process. As a result of this project, 4 CBOs (community based organizations) and 79 savings groups that form the CBOs were established (social mobilization) in the Galle and Matara Districts. Total savings by these producer groups by completion of the project amounted to approximately Rs 212,000.

A research project on reducing fermentation time in retting pits, implemented by the Engineering Faculty of the University of Ruhuna, was also supported through a subgrant by Sewa Lanka. The team will continue to apply its findings to the 126 retting pits rehabilitated with REVIVE assistance to improve efficiency and help producers increase production.

As a result of REVIVE’s assistance, one of the largest holding companies in Sri Lanka, The Hayleys Group, has signed a contract with these CBOs to purchase 20,000 kg of rope a month.

Handlooms:

Sewa Lanka, with REVIVE support, assisted the women of Pallamunai, Batticaloa, and Ampara to fund the construction of 904 handloom machines, 156 warping machines, 204 winding machines. The women producers were established as savings groups under eleven formalized CBOs. These groups have more buying power to purchase raw material, command better prices for their products and operate as larger supply bases catering to higher market demands. Currently, the women produce and sell saris, and have recently been given a large order for hospital bed sheets and sarongs. During the course of the program, REVIVE also facilitated the production process by funding weaving instructors to provide technical advice to the women. The project was successful in helping more than 1,000 women find employment.
**Women’s Rural Development Societies (WRDS)**

REVIVE, through Sewa Lanka, assisted seven Women’s Rural Development Societies (WRDS) near Unawatuna. The business assets provided through this program have enabled the members to start home grown businesses that can service holiday makers who stay in the area for long periods of time. The implements that were provided included machinery to start Laundromats, machines and textile to produce garments, building material to construct shops, raw material/tools to continue with craft production (ceramic and wood carving) and fittings/initial stock for a leather goods store, sports shop, furniture store and gift shops.

**Sewa Lanka Foundation (Pillow Lace Production):**

This program provided 1,115 pillow lace units, 60 sewing machines, 25 hand sewing kits and working capital to tsunami-affected women who were actively involved in the lace industry.

REVIVE, through Sewa Lanka, also assisted the marketing efforts of lace and garment producers by funding the establishment of a sewing training center and a showroom.

**Marketing Workforce Development:**

Many young adults were unemployed after the tsunami. Sewa Lanka recognized the need to provide a way to employ some of them in the Matara District. 46 young adults were trained in sales and marketing at a residential workshop in Matara. The program was also successful in providing job opportunities and placing all trainees at various companies in the region.

**Project Success: Restoring Jobs in the Coir Industry**

Mr. K.T. Kamal Pushpa has restarted his business after receiving funding from REVIVE, through the Sewa Lanka Foundation. Mr. Pushpa’s coir industry machinery was washed away after the tsunami, leaving him unable to earn an income. Mr. Pushpa explained the effect of REVIVE funding on his business “Now I have started my business again and the activities are going on as usual. There are 10 persons working with me right now and I have started producing tea bags, ropes and dust fiber etc...” Although business is slow to pick up, Mr. Pushpa anticipates future improvements in sales and he would also like to learn more about new technologies to improve the efficiency of the coir industry.
THE SPICE COUNCIL (TSC)

The Spice Council was established by The Competitiveness Program as an industry cluster, representing key Sri Lankan shareholders and actors in the spice industry. Through REVIVE assistance, TSC was able to provide its members with training and development programs and create linkages between spice suppliers and dealers in Sri Lanka and overseas. TSC helped restore the livelihoods of most of the targeted beneficiaries—316 out of the originally targeted 352.

New Spice Processing Methods:

Through a REVIVE-funded grant TSC was able to introduce a new processing methodology for the cinnamon industry in Sri Lanka. The process of cinnamon peeling was improved with the introduction of a new apparatus, a peeler chair/table for the process of scraping; improved productivity due to its ergonomic design; and, bringing greater dignity to the workers engaged in the process. This prototype consists of two tables (one is a rotating support table and the other on is a processing table); two vertical, steel supporters; and a chair. It was designed by the Agriculture Engineering Faculty of Ruhuna University after 2-3 years of research to mechanize and improve the cinnamon peeling process. This unit was not well received by the producers who rejected the unit mainly due to the bulkiness of the design. However, with perseverance, TSC managed to identify weaknesses in the unit, and has since been successful in producing an improved unit that is now gaining acceptance by the producers.

Advisory Services:

At the start of the project, a rapid assessment survey commissioned by the Value Chain Promotion Component of the GTZ - a German aid organization, identified cinnamon peelers, cinnamon producers and cinnamon plantation land, which were destroyed during the tsunami. TSC used this information to design a program to restore livelihoods of cinnamon growers and producers in the region. Under this program, TSC also provided advisory services to rehabilitate and correct soil conditions for planting, conducted soil analysis tests and provided fertilizers, cinnamon peeling tool kits and a newly developed cinnamon processing table.

International Standards and Market Awareness:

TSC Project Officers also advised and educated the producers on current market trends and standards and they have been able to convince them to change their processing methods to be more competitive in the market. The producers have also been made aware of the International Food Safety Standards requirements. These efforts are expected to help improve the Sri Lankan Cinnamon Industry.
THE TOURISM CLUSTER (TC)

The Tourism Cluster was formed in 2000 with the help of The Competitiveness Program to enhance the competitiveness of the Sri Lankan tourist industry by upgrading tourist assets and modernizing and improving the selection of tourist goods in Sri Lanka.

Cash for Work:

Through REVIVE, TC implemented a cash-for-work-program to provide immediate financial capital to tsunami affected villagers on the southern coastal belt and restore and beautify the coastline. TC organized a beach clean-up from Kalutara to Unawatuna to remove trash, rubble and other remnants of the December tsunami. Each of the 100 participants received a daily wage of Rs. 525 for their work on the project.

Establishing Local Relationships:

TC liaised with the local Hoteliers Associations in the targeted areas to supervise and contribute towards the clean-up activities. The hotels coordinated with local vendors to organize the placement of trash cans and collection schedules. The activity served to establish a constructive and positive relationship between hoteliers, local community members and beach vendors, in an area where the existing interactions between the three were traditionally tense. The relationship has now reached a level where future tourism activities can be carried out with the assistance of local business groups within a mutually beneficial context.

Community Involvement:

The beach clean-up participants were community members who had little opportunity to earn a livelihood since the destruction of the tsunami. Participants were able to interact with one another and earn a small income. It was also an opportunity to bring together various religious sectors in the community.

Increase Tourism Arrivals:

The clean-up effort, despite logistical difficulties, succeeded in removing large pieces of debris such as brush and fragments of boats. In addition, the clean-up was designed to revive operations of the surrounding hotel and have an impact on tourist arrivals, which had decreased substantially since the tsunami.
WOMEN’S DEVELOPMENT FEDERATION (WDF)

Located in a District that was hit hard by the tsunami, the Woman’s Development Federation suffered extensive damage in terms of loss of life of its members and staff and physical damage to its office buildings and equipment. WDF is the only organization for women in the Southern Region, and it is operated by women. The organization engages approximately 200 full-time employees, 150 part-time employees at the Federation level, and about 2,800 volunteers (social mobilizers) at the village level. USAID has been working with this organization from its early stages, and continues to maintain close links with them. WDF works with many donors to implement programs for the benefit of its members.

Through REVIVE, WDF was able to provide assistance in several forms to restore the livelihoods of 860 micro enterprises through (i) training, (ii) provision of business assets and (iii) liquidation of debts of members who either perished or were disabled. Those who were disabled also qualified to have their previous debts liquidated, as they needed fresh capital infused to rebuild their businesses. WDF was able to reach more beneficiaries than their original target; 860 versus 800, respectively.

**Training:**

All those who received business assets were trained ahead of the award in order to prepare them to restart and manage their businesses. Those members who completed the training will be eligible to receive loans from the Janashakthi Banks at concessionary rates. The training was focused on business management, basic accounting and entrepreneurship, and funded through a Technical Assistance Grant.

**Liquidation of debts:**

WDF used REVIVE funding to liquidate previous debts of tsunami affected micro credit recipients which are irrecoverable in order to strengthen the credit societies operated by the organization. Those who were disabled also qualified to have their previous debts liquidated, as they needed fresh capital infused to rebuild their businesses.

**Savings:**

One of their greatest successes is that they were able to motivate many members to resume savings. This was a difficult task as the members have suffered many losses, and they have just restarted their businesses.
5. Lessons Learned

This section summarizes five lessons learned over the year and a half working on REVIVE, including lessons about emerging challenges to project implementation as well as the lessons of project success.

1. **Coordination with other Projects and Other Donor Activities is essential**: REVIVE often supported activities that overlapped with other USAID funded projects and/or other donor-funded projects. It was difficult to verify whether partner organizations and/or beneficiaries were receiving grants or other type of assistance under other donor-funded projects. It would have been useful to convene meetings among all donor agencies and establish a database. This database could have been shared among all donors to minimize duplication of efforts and information sharing. In a post-disaster situation like Sri Lanka in 2005, there is much money and resources flowing into a country and local organizations quickly become saturated with donor money. If there had been a better way to know who was receiving what money, program activities could have been better designed and resources better allocated.

2. **Key to Success: Commitment and Dedication of Local Project Staff**: Implementation of grants programs in a post disaster environment is extremely difficult and poses many challenges. Programs of short duration make matters worse as they force partner organizations to work at a speed which is difficult for them to handle. This translates into closer monitoring of partners’ activities. Project staff integrity and honesty are paramount in these circumstances and REVIVE could not have done such a good job without the dedication and commitment of its staff.

3. **Microfinance in Post Disaster Environments**: As a result of REVIVE’s short duration (initially the project duration was for less than one year) most micro finance institutions were not interested in working with REVIVE. The program’s duration was not viable for implementation in their lending activities as post disaster loans require a longer repayment period. Loan recipients who lost their business assets and have no means of income are unable to repay their loans unless they are given longer loan terms. Future programs that include a micro finance component should be made on a longer term basis. REVIVE was able to resolve this issue at a later date by converting the loans to grants which will be monitored by USAID after the REVIVE program end.

4. **Grant Components**: REVIVE’s grants comprised three components: Program Assistance, Technical Assistance and Commodity Grants. Program assistance facilitated partner organization institutional capacity building. Technical assistance provided funds for beneficiary training while commodity grants was the mechanism used for the purchase and disbursement of beneficiary
commodities. All these activities were handled by the partner organization as no cash was given to beneficiaries. Institutional capacity building under this short program was just a beginning; however, it became evident that the partner organizations could have benefited from additional capacity building in order to improve financial management and monitoring and thus ensure success in the future.