

Democratic Socialist Republic of Sri Lanka
Post-Tsunami Coastal Rehabilitation and Resource Management
Programme
Project Performance Evaluation
Executive summary

Background

1. The Independent Office of Evaluation of IFAD undertook a project performance evaluation (PPE) of the Post-Tsunami Coastal Rehabilitation and Resource Management Programme in the Democratic Socialist Republic of Sri Lanka. The main objectives were to: (i) provide an independent assessment of the overall results of the programme; and (ii) generate lessons and recommendations for the design and implementation of ongoing and future operations in the country.
2. The programme was mounted as a response to the Indian Ocean tsunami that hit Sri Lanka on 26 December 2004 and caused massive destruction of property and livelihoods. As far as the fisheries sector was concerned, early estimates indicated that 81 per cent of the national fishing fleet had been lost or damaged, not to mention extensive destruction of shore-based facilities such as harbours, landing sites and ice plants. The programme was the second of the two programmes that IFAD launched in response to the tsunami, and it aimed at longer-term developmental goals for the tsunami-affected. It was undertaken in 565 *grama nilhadari* divisions¹ affected by the tsunami in seven districts.
3. The goal of the programme was to “restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities, while helping them diversify into new and profitable income-generating activities”. The underlying aim to restore livelihoods was reflected in the programme components: a) community-based coastal resource management; b) support to artisanal fisheries development; c) micro-enterprise and financial services development; and d) social and economic infrastructure development.
4. The programme's cost at appraisal was US\$33.1 million. It was to be funded by two IFAD loans (664-LK and 693-LK) totalling US\$28.4 million, by a grant from the Government of Italy worth US\$1.5 million, by contributions from the Government of Sri Lanka worth US\$3.4 million, and by beneficiary contributions worth US\$0.2 million. Actual costs were slightly higher at US\$33.5 million.
5. A country mission was undertaken by the PPE team in five of the seven project districts between 24 November and 9 December 2016. The mission conducted interviews with various stakeholders (government staff, IFAD staff, programme partners, beneficiaries), undertook group discussions and made direct observations. In addition, as part of the PPE methodology, information was collated through examination of programme documents.

Main findings

6. **Relevance.** The programme adhered to IFAD's policies on post-disaster and emergency crisis and relief and to the country strategic opportunities programme for Sri Lanka. Its emphasis on flexibility was in line with post-emergency situations, which can be fluid and complex. However, the objectives of the programme were vague, and the stress on infrastructure, especially housing, was outside IFAD's core competence. The emphasis on flexibility made the programme a series of *ad hoc* interventions, some added and others dropped, which were often not well integrated into overall programme objectives and components.
7. Further, the programme design lacked an explicit gender strategy, the targeting approach was not satisfactory, and the programme did not sufficiently factor in

¹ *Grama Niladhari* divisions are the lowest level of the administrative organisation. Above them come Districts.

prevailing institutional capacities. The one area where design was relatively good was in microfinance, where the programme built upon existing organizations. Overall, programme relevance was less than satisfactory, especially given that the late entry of IFAD into post-tsunami rehabilitation should have given time and opportunity for a more relevant and better planned intervention.

8. **Effectiveness.** Given the fragmented nature of the programme and the lack of fit between its components and objectives, assessing the degree to which objectives were met is difficult. While some elements of infrastructural renewal probably did have a positive impact on economic recovery (e.g. support for road building and for the reconstruction of the Trincomalee Fish Market), others appear to have had little economic impact (e.g. fish landing sites).
9. Support for micro-enterprises had mixed results. Although there were some successes, other interventions came too late to have any impact (e.g. Visma Plus, an umbrella organization for cooperative producers). The programme did have a positive effect on the living and social conditions of beneficiaries. The support given for the supply of public utilities such as water and electricity and support for community amenities such as playgrounds and community buildings were also beneficial. However, effectiveness was hampered by the lack of proper targeting of the poor, IFAD's core focus group.
10. **Efficiency.** Programme efficiency was low. Although, at completion, the programme managed to attain full disbursement for most of the targets set after several reallocations, the slow implementation process undermined the programme's original purpose. This was the result of several factors. Staff turnover was high, financial management was weak, key positions often remained unfilled, and procurement was beset with a series of inadequacies and irregularities. However, housing construction was carried out in an efficient and cost-effective manner.
11. **Rural poverty impact.** Overall, the programme's impact on income levels was marginal. As far as sea fishing is concerned, it is difficult to identify any direct impact of the programme on household incomes. The programme's support for shrimp farming had a much clearer impact on rural incomes. The 27 participants in the Vakarai cluster farm reported that their incomes had risen by more than 50 per cent, but this is an isolated case. Home gardening in the new settlements made only a minor impact on food security, as did the programme's support for micro-credit and micro-enterprises.
12. As far as rural assets are concerned, the programme did have a more positive impact. In total, 793 houses were built and 633 rehabilitated. In addition, a range of housing-related services were provided, including toilets, wells and kitchens. The programme also had an impact on improving the asset base of the programme area in general, for instance fish landing sites, two harbours, and the Trincomalee Fish Market. There were also investments in public amenities such as children's playgrounds and parks as well as community halls and facilities.
13. **Sustainability of benefits.** Certain assets supplied by the programme do appear to be sustainable. These include houses, the shrimp farms, the National Institute of Fisheries and Nautical Engineering Training Centre, and the Trincomalee Fish Market. However, there are also problematic areas. No plans have been made to ensure the sustainability of several public and community structures such as community centres and landing sites. Roads constructed by the programme show signs of deterioration as the result of poor maintenance. As far as the microfinance- and micro-enterprise-related outcomes are concerned, it appears that without programme support, financial institutions have withdrawn from lending to small beneficiaries, and a number of small entrepreneurs have ceased their activities. There are also doubts as to the long-term viability of the fisheries management committees given the lack of ongoing stock assessments.

14. **Innovation and scaling up.** In general, this was not an innovative programme. It followed similar lines to those adopted by other agencies, for instance in housing and fish landing sites. Other agencies were also involved in supporting road construction and other forms of rural social infrastructure. And many others (especially non-governmental organizations) were involved in microcredit and micro-enterprise support. However, two aspects of the programme can be considered innovative, at least in the national context, albeit with limited success. One was the formation of fisheries management committees. What distinguishes these committees is that they focus on particular species. The other area of interest, as far as innovation is concerned, is the producers' umbrella organization, Visma Plus. Although unlikely to be successful, it does represent a novel attempt to link together local-level organizations of producers to take advantage of larger-scale markets and to bulk-source inputs.
15. **Gender equality and women's empowerment.** The programme did not undertake a comprehensive gender analysis in its early stages. Therefore programme interventions did little to challenge the many undoubted inequities in gender relations in the country, but rather worked with a set of taken-for-granted stereotypes. A gender specialist was only appointed late during programme implementation. On the other hand, the programme's rural finance-related interventions targeted a large number of women, with the result that women were able to access microcredit and female-headed micro-enterprises received micro-loans to set up economic activities or too re-establish their existing ones.
16. **Environment and natural resource management.** Although environmental and natural resource issues were major stated interests in the programme, in fact little attention was paid to them. In part this was the result of various elements being transferred to the Global Environment Facility (GEF) project, but even so, those activities which remained within the programme received little attention or were abandoned. Some elements such as the shrimp farms and the harbours seem to have been constructed with minimal environmental appraisal and could have a long-term negative impact on the environment.
17. At a domestic level, the programme did have a positive impact through its support for the construction of lavatories and supply of piped water, thus reducing potentially negative impacts on water quality in residential areas. Unlike other agencies, it does not appear to have supported the introduction of more efficient wood-burning stoves and thus reduce the pressure on fuelwood sources. Although there is mention of solar-powered panels in the planning documents, these plans do not seem to have been realized.

Recommendations

18. Recommendation 1: In a post-emergency context, recognizing the capacity constraints of the government in designing and implementing programmes is a key first step. In addition, weaving increased flexibility into operational processes, including simplified design and procedures that recognize the challenges of such contexts, is a sound approach. This flexibility, however, should be aligned with the programme's overall theory of change. Finally, even in post-crisis situations the focus of IFAD-supported programmes should be on activities in which the Organization has a clear comparative advantage.
19. Recommendation 2: Aim for a targeting strategy that minimizes benefit leakages. In cases where entire areas may have been affected, it is recommended that programmes actively analyse the trade-off between benefits and the resulting costs – both monetary costs of including non-core target group and costs associated with excluding the target group, and if required, either the targeting strategy or the intervention itself be reconsidered. Related to targeting, develop capacity of the programme unit to carry out gender-sensitive poverty and livelihood analyses within the particular context of the programme-supported areas. A gender strategy

that treats an entire country as one homogeneous unit will not be effective to achieve objectives in the area of gender relations.

20. Recommendation 3: Build monitoring and evaluation systems that are agile and flexible. This is typical of a post-emergency situation, where it is difficult to establish detailed objectives and indicators, and where the originally planned activities may change. The systems should be proactive and timely in anticipating and keeping abreast of the pace and direction of changes in activities. In addition, reporting frequency should be monthly, or even weekly, in order to facilitate quick decision-making.