

Advancing decent work in rural economies through cooperatives – ILO LEED/EGLR projects in post conflict Northern Province in Sri Lanka

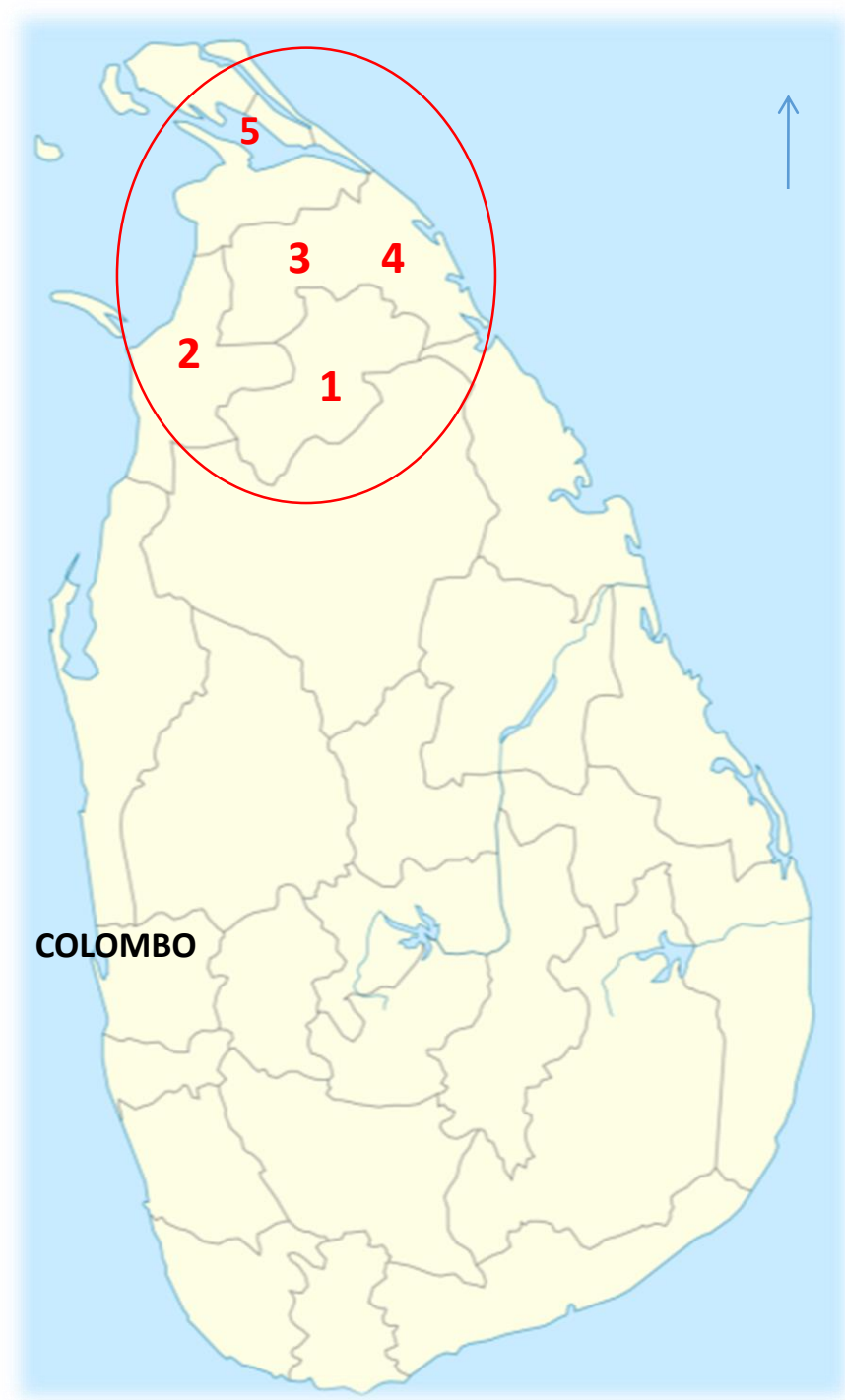


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Geographical Areas of Operation

Northern Province of Sri Lanka

(Vavuniya, Mannar, Kilinochchi, Mullaitivu & Jaffna Districts)



Local Empowerment through Economic Development (LEED) Project (2010 – 2016)

Objective

To create employment and increase income for the vulnerable and poor people in the post conflict Northern Province of Sri Lanka

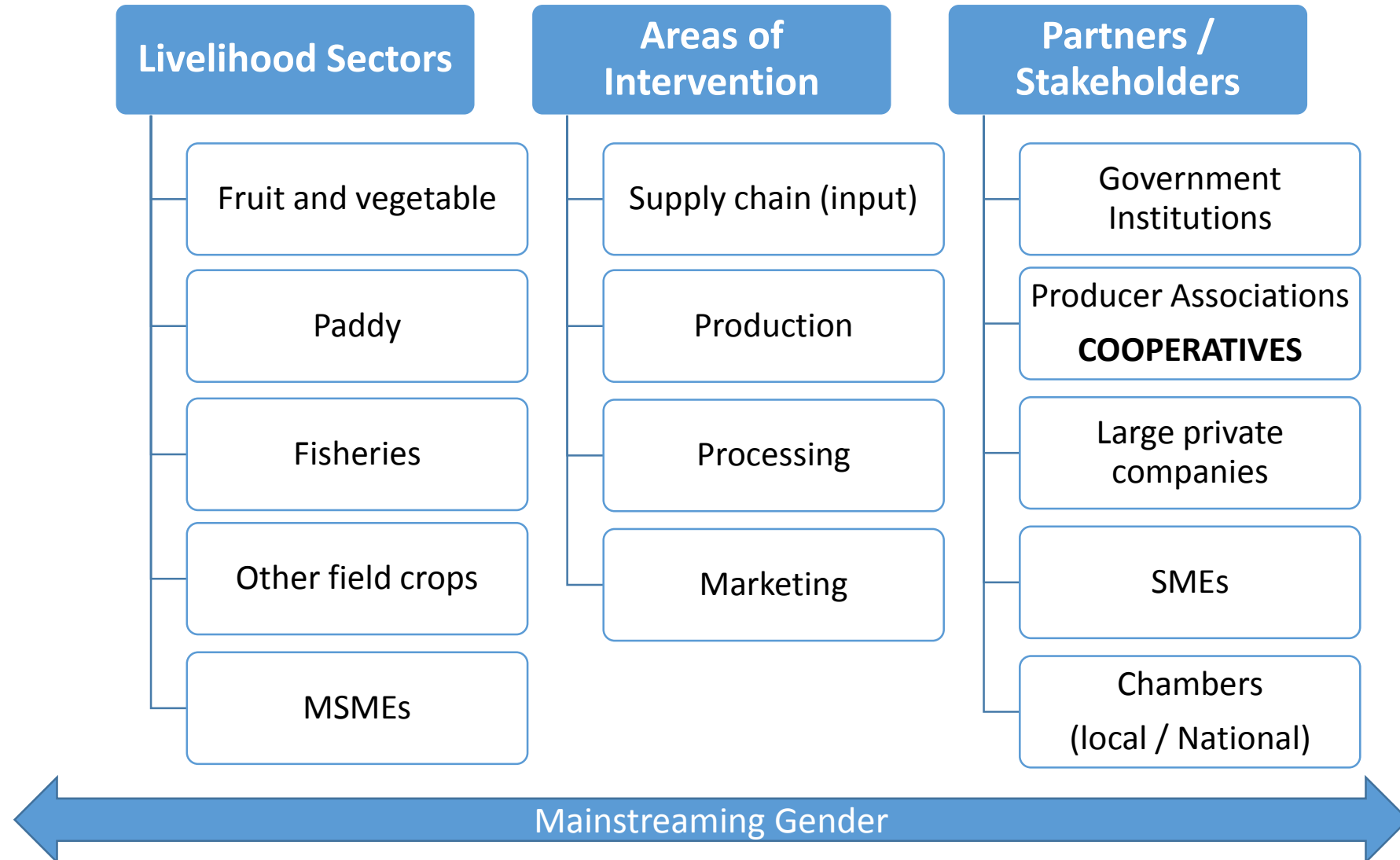
Approach

Economic sector based, partnership development and inclusive

Tools

Territorial Diagnosis and Institutional Mapping (TDIM), Value Chain Development, My.Coop, End Market Analysis

Main sectors, key interventions and partners



Contextual analysis

- Impact of multiple displacements
- Resettlement schemes with humanitarian assistance
- Absence of sustainable income generation opportunities
- Increasing indebtedness
- Market distortion and unfair competition
- High dependence on agriculture for livelihoods

Contextual analysis (contd.)

What observed in 2011

Disempowerment at
different levels

Need of sustainable
employment opportunities

Shift in the delivery
approach

Widening economic gap

Project approach developed

**Cooperative as
implementing partners**

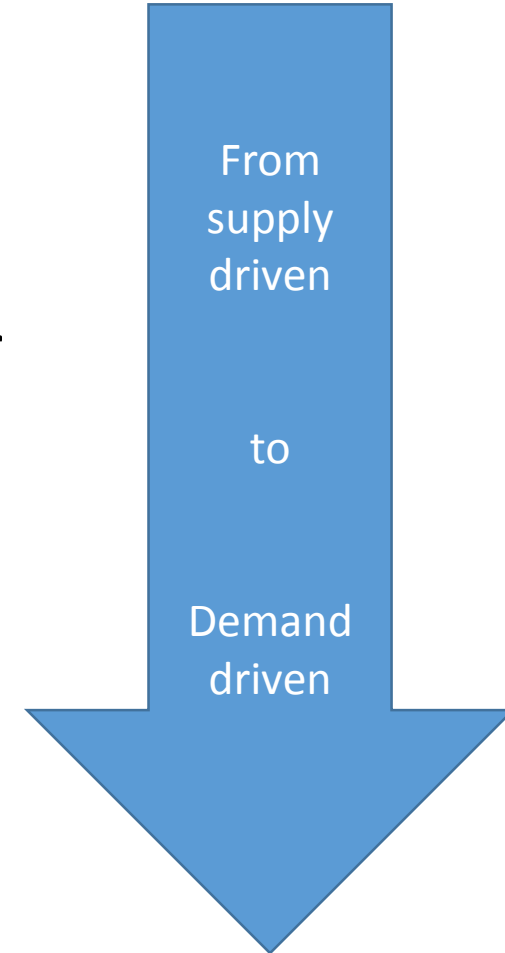
Why coops?
Added value for ILO?
Roles and challenges for coops

What ILO LEED designed

Address long term
economic development
challenges

Cooperatives in the northern Sri Lanka

- Roles of cooperatives in the north in terms of delivering services - before 1970s and there after
- Presence of cooperatives in agriculture, fisheries and other sectors
- Challenges faced by cooperatives after the conflict (at the grassroots, provincial and national levels)



How does the ILO intervene in the cooperative development

TDIM, Sector Studies, Value Chain Studies, End Market Studies, Feasibility Studies

Community level

- Raise awareness
- Strengthen existing cooperatives/establish new coops
- Develop capacities of coop
- Provide inputs/economic infrastructures
- Link with the BDS
- Quality assurance

Outcome

- Trust & credibility
- Partnerships

Private sector level

- Facilitate buyer-seller meetings
- Conduct pilot studies
- Establish supply networks
- Arrange the supply chain
- Facilitate dialogues
- Facilitate contractual agreements

How does the ILO intervene in the cooperative development (contd.)

Each coop level

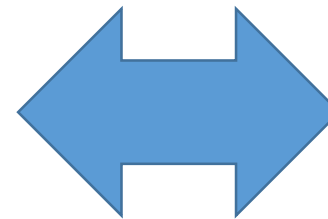
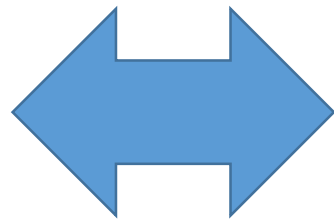
- Economic infrastructure
- Organize and set up supply networks
- Organize and link BDS
- Establish partnerships (Public/Private)

Market level

- Obtain certifications (GAP, Organic, FT, HACCAP, GMP)
- Diversify products
- Support marketing
- Strengthen forward and backward linkages

Policy level

- Revise cooperative bylaws and statues
- Revise National cooperative policy
- Develop fishery improvement plan



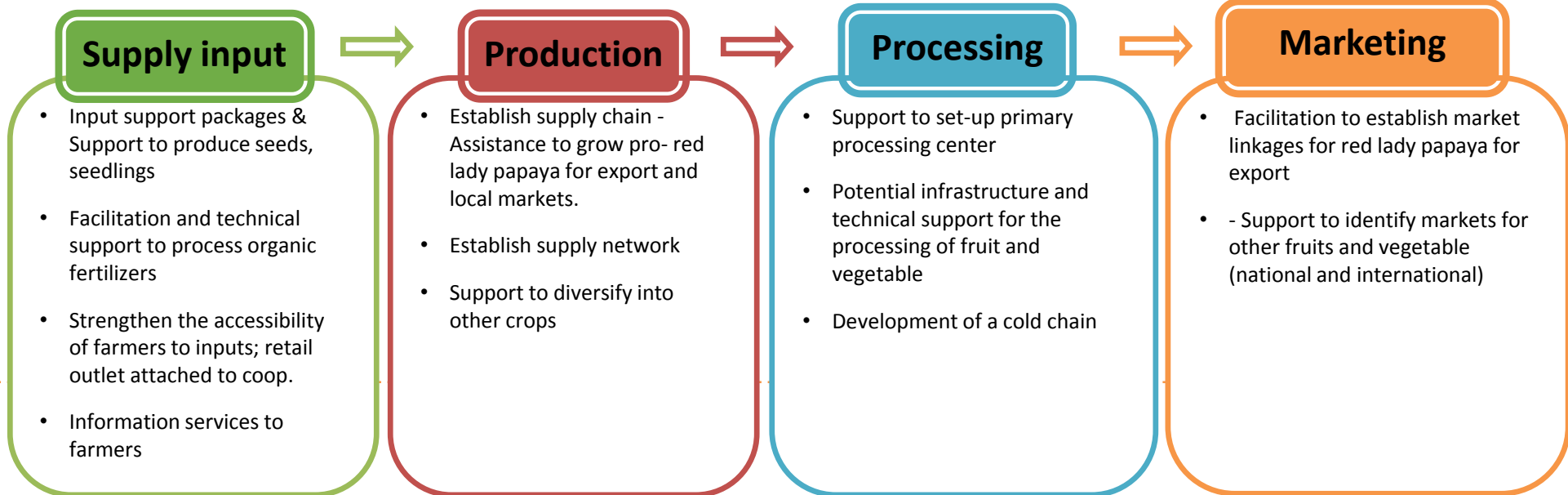
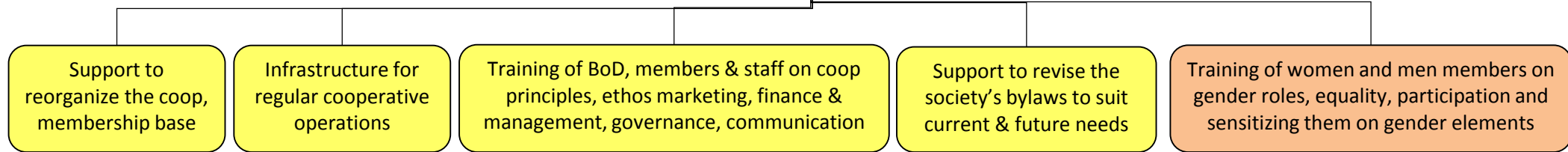
Building Bridges with Papaya

Linking the most vulnerable farmers through cooperatives with exporters to grow and export red lady papaya



Fruit and Vegetable Value Chain Development - Approach and interventions of ILO LEED Project

Vavuiya North Farmers' Cooperative Society – Mulankavil, YFCC, PTK women coop



Supporting Institutions

Private Sector Partners (market and embedded service – FT certification)
 National Chambers of Exporters, .FLOCEET (FT) , Dept of agriculture, depar of cooperative development , DS office

Department of Agriculture, Department of Cooperative Development, Divisional Secretariat

How and why Vavuniya North Cooperative was formed

End market analysis on fruit and vegetable sector

strong potential to grow crops for export, demand for 200 MT of red lady papaya / month for export

2011: pilot programme to initiate the linkages

At a time when papaya had never been commercially grown, lack of trust between communities due to prolonged conflict, reluctance of exporters due to physical and social factors

8 months of motivation and support to keep the programme on the run and to see the first harvest

Getting 200 vulnerable women and men farmers organized

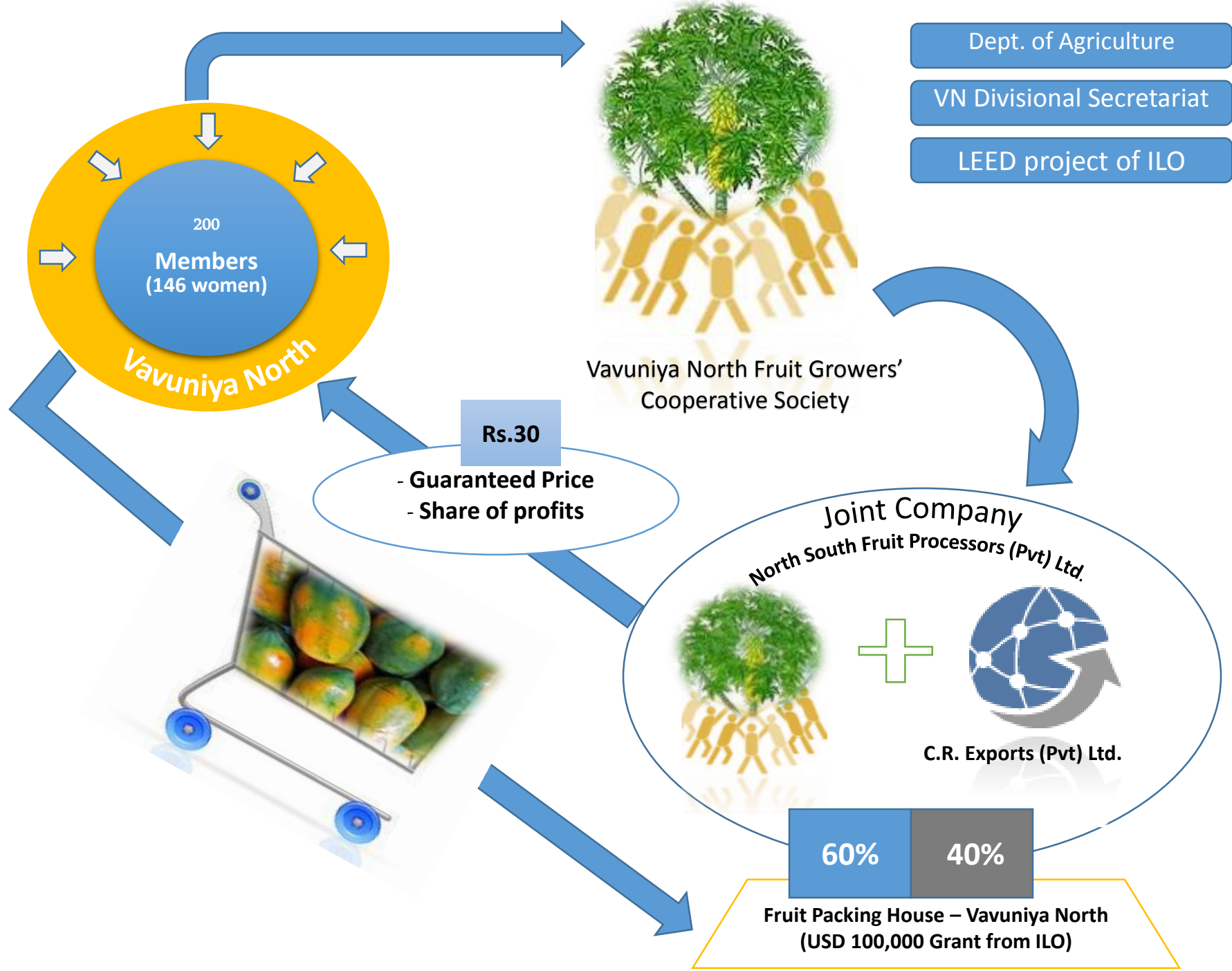
146 women, agreements signed, inputs and training provided, 75 acres

Formalization of the initiative: formation of a fruit growers cooperative society

first model, registered and governed by the DoCD

Making the linkage stronger: joint venture between the coop and the exporter

Emergence of North South Fruit Processors Pvt. Ltd, 60:40, establishment of a pack house, direct export



Production and income

Year	Production of Papaya (MT)	Income	
		LKR	USD
March 2012	375 kg	11,250	102
2012	125 MT	3,750,000	34,090
2013	230 MT	6,900,000	57,500
2014	964 MT	28,915,020	231,320
2015 (to December)	1525 MT	45,750,000	338,890
2016	1645 MT	57,575,000	383,833
2017	1456 MT	51,275,000	341,833

Not included: Production and income from 2nd grade, green papaya and papaya leaves

Source: Export Ledger, Vavuniya North Fruit Growers' Cooperative Society

Impact through the intervention

- Markets established and stable income sources guaranteed for the most vulnerable population
- An estimated income of US\$ 3 million to the local economy including 6400 direct income opportunities created
- Entry of new exporters, more competitive, benefit for farmers, extension into other districts, potential of a declaration of export agriculture zone
- Cooperatives' bargaining power strengthened
- A model cooperative developed with high representation of women/young people at membership and board levels
- Trust between communities restored through economic activities. Room for peace and reconciliation between North and South through partnerships



Production of seedlings



Cultivation and maintenance of the crop



Transport to pack house, packaging and ready for export

Building bridges with the blue swimmer crab

Linking vulnerable fishermen and women with the export market

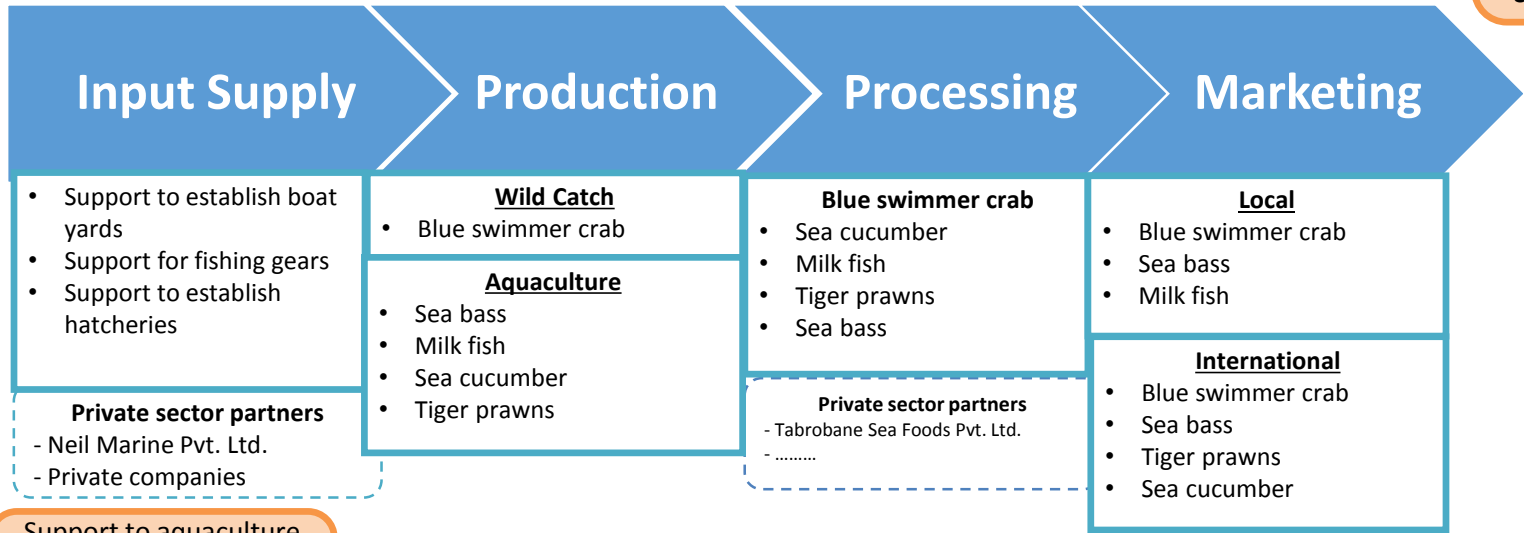


Market development model in the fishery sector

Fisheries & Aquaculture Sector

22 Fisheries Sector primary & secondary CO-OPERATIVES
- Kilinochchi & Mullaitivu Districts -

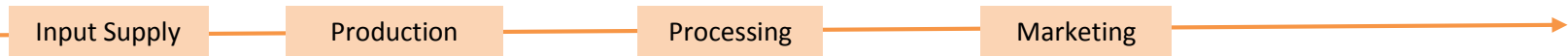
Revision of cooperative bylaws



Supporting Institutions

- NAQDA
- Dept. of Fisheries
- Dept. of Cooperative Development
- Dept. Coastal Conservation
- Central Environmental Authority
- Divisional Secretariats
- Dept. of Labour

Support to aquaculture feed industry



Fisheries Sector Improvement Plan
(National Fisheries Institute (US), Seafood Exporters' Association of Sri Lanka, Fisheries Coop Federation, NAQDA, NARA, ILO LEED) ject)

Support to strengthen the cooperatives: membership, management and mainstreaming gender

The impact on the Local Economy

- 15 partnerships established (at export and national market levels)
- 3200 direct employment created with 32 cooperatives involved (processing plants and aquaculture)
- Cooperative enterprises established to address indebtedness:
- An estimated US\$ 2 million contribution to the local economy



Overall effect of the project with cooperatives

- Changing in the traditional roles of cooperatives (from humanitarian to active partner in rural economic development)
- Change in cooperatives' approach (from supply driven to demand driven)
- Employment and income generation
- Partnerships and its intended and unintended implications
- Excising services of the cooperatives improved and new demand driven services introduced

Challenges faced by the project

- Building trust and credibility
- Inculcating entrepreneurship culture
- Natural disasters/man made disasters
- Implementing the intervention by targeting only the most vulnerable (Female Headed Households, Persians with Disabilities)
- Challenges within the cooperatives
- Creating value added enterprises
- Creating high end jobs for young people along the supply chain

Future prospects

- Cooperatives widely recognized as key partner in rural development and peacebuilding
- More funds available for decent work through cooperatives in Sri Lanka
- More young people/women joining cooperatives
- Private sector partners increasingly interested in working with cooperatives
- New ILO programme to support vulnerable groups through cooperatives initiated