



## ProMiS Operational District Profiles

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**gtz**



Ministry of  
Finance and  
Planning

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Our core competency is capacity development. Capacity is the ability of people, organisations and societies to shape development on a sustainable basis. This entails identifying problems and then developing and successfully implementing strategies to reach solutions. We support developing and emerging countries in building their capacities and managing the learning and change processes involved.

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GTZ is based in Eschborn near Frankfurt am Main. It was founded in 1975 as a company under private law. Most of our activities are commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ). We also operate on behalf of other German ministries, the governments of other countries and international clients – such as the European Commission, the United Nations and the World Bank – as well as on behalf of private companies. We act on a public-benefit basis, channelling all surpluses back into our own international cooperation projects for sustainable development.

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GTZ has operations in more than 130 countries in Africa, Asia, Latin America, the Mediterranean and Middle Eastern regions, as well as in Europe, Caucasus and Central Asia. It maintains its own offices in 87 countries. The company employs approximately 14,700 staff, about 11,200 of whom are national personnel. 1,800 people are employed at Head Office in Eschborn near Frankfurt am Main and at various locations within Germany.

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## List of Abbreviations

CBSL	Central Bank of Sri Lanka
CEPA	Centre for Poverty Analysis
FAO	Food and Agriculture Organization
FLICT	Facilitation of Local Initiatives for Conflict Transformation
GTZ	Gesellschaft für Technische Zusammenarbeit
HIP	Headcount Index of Poverty
IDP	Internally Displaced Person
IOM	International Organization for Migration
JICA	Japan International Cooperation Agency
MPCS	Multipurpose Cooperative Societies
MSF	Médicins Sans Frontières
NP	Northern Province
TCCS	Thrift and Credit Cooperative Societies
UNDP	United Nations Development Program
UXO	Unexploded Ordnance
WUSC	World University Service of Canada WFP
WFP	World Food Program

# Introduction

## Project background

**Promotion of the Microfinance Sector (ProMiS)** is a comprehensive programme implemented by GTZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

**The initial programme phase (September 2005 – November 2009)** focused on broadening and strengthening sustainable access to microfinance services for poorer sections of society and for micro and small enterprises. This comprised capacity building for microfinance institutions (micro level), the development of a microfinance service sector (meso level) and advice to the government on developing a framework for a microfinance policy and legislation (macro level).

**The current programme phase (December 2009 to November 2012)** focuses on the meso and micro levels. The overall goal is to (re-)integrate marginalized parts of the population into society through inclusive financial systems. Implementing partners like microfinance institutions are supported through capacity building measures based on internationally accepted standards and best practices. This will improve the inclusiveness and efficiency of the financial system and the quality of financial services for the target group. Where possible, preference is given to group-based and participative approaches to strengthen self-organization and social participation of their members. Tools for social inclusion and do-no-harm checks are used to strengthen our target groups. The selection of implementation partners and training measures is based on criteria such as target group outreach and empowerment of marginalized groups.

The programme focuses on capacity building measures for partner organisations and microfinance clients in order to achieve an inclusive financial system while strongly coordinating with activities of other donors.

## Purpose of this study

The purpose of this study is to determine the target groups and areas for interventions carried out by ProMiS. The study provides a background to decide whether proposals submitted to ProMiS by potential partners reach the target areas and the target group as defined by ProMiS. The study is part of the ProMiS baseline as it guides the programme to achieve its overall goal of reaching the marginalised sections of the population through selected microfinance institutions as well as providers of training and advisory services.

Specifically, the aims of this study are to

- select districts of operation according to criteria of social and economic exclusion;
- define marginalized groups and areas with high incidence of poverty within the selected districts.

## Project log frame

<b>Highly aggregated result:</b>					
Social and financial inclusion leads to a more equitable distribution of resources and to the alleviation of poverty (MDG relevance)					
<b>Indirect result:</b>					
Taking greater economic account of marginalized sections of the population and their active participation will improve social inclusion and gender equality					
Attribution gap					
<b>Outcome:</b>					
The services of selected microfinance institutions as well as providers of training and advisory services reach marginalised sections of the population and their sustainability, conflict sensitivity and contribution to social inclusion has improved.					
<b>“Social inclusion of marginalized sections of the population”</b>				<b>“Microfinance Institutions and other service providers”</b>	
<b>Indicator 1</b>	<b>Indicator 2</b>	<b>Indicator 3</b>	<b>Indicator 4</b>	<b>Indicator 5</b>	<b>Indicator 6</b>
70% of new customers of the supported microfinance institutions as well as providers of training and advisory services belong to the marginalised population (survey by gender, region and socio-economic criteria).	Instruments for social inclusion and do-no-harm checks are integrated into the approaches of the promoted service providers at meso and micro level.	In a survey, at least 50% of the promoted 20,000 beneficiaries state that they have been able to improve their social and economic participation in the community with the support of MFIs and providers of training and advisory services.	Women and men are equally involved in the promoted activities at micro level (service providers and target group).	The steering committee chaired by the Ministry of Finance and Planning (MoFP) supports the nationwide exchange of best practices in at least two cases.	The operations of at least 70% of the maximum 12 supported financial service providers are sustainable (in line with the definition of operational sustainability for MFIs) and at least 20% of the maximum 10 non-financial service providers promoted by the programme operate cost-effectively (beyond break-even).
<b>Use of output 1</b>	<b>Use of output 2</b>	<b>Use of output 3</b>	<b>Use of output 4</b>	<b>Use of output 5</b>	<b>Use of output 6</b>
Financial and non-financial service providers will use products to increase outreach to marginalised groups.	Financial and non-financial service providers will use instruments for social inclusion in their operations.	Members of the self help groups use the access to financial services to improve their economic position and their participation in the respective community.	Financial and non-financial service providers will use gender concepts in their business and management processes.	Stakeholders will continue the exchange of nationwide best practices.	The supported financial and non-financial service providers use the received support to consequently gear their operations and towards sustainability. Research results and publications

					will be used by different stakeholders to adjust to international best practices.
<b>Output 1</b>	<b>Output 2</b>	<b>Output 3</b>	<b>Output 4</b>	<b>Output 5</b>	<b>Output 6</b>
Suitable products for marginalised groups for financial and non-financial service providers	Appropriate instruments for social inclusion are available for the use in the microfinance sector.	Members of the target group are qualified to use and have access to microfinance, financial self-help groups are founded, revitalised and strengthened.	Appropriate concepts are used, monitored and reported.	National best practices are disseminated to the major stakeholders.	See, 1, MFI and TSP are enabled to improve their operative and financial sustainability. Publications, increased availability of information.
<b>Activity 1</b>	<b>Activity 2</b>	<b>Activity 3</b>	<b>Activity 4</b>	<b>Activity 5</b>	<b>Activity 6</b>
<ul style="list-style-type: none"> <li>▪ Baseline study / Needs Assessments (new baselines on beneficiary level)</li> <li>▪ Development &amp; implementation of tools and concepts for MFIs and TSPs to cater marginalized populations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduce instruments for social inclusion and do-no-harm tools into the Capacity Building approaches</li> <li>▪ Translation of important literature and Training material into Sinhala and Tamil</li> </ul>	<ul style="list-style-type: none"> <li>▪ Group formation / reactivation and Capacity Development with marginalized populations</li> <li>▪ Creation of informal networks of beneficiary groups for knowledge sharing</li> <li>▪ Financial Literacy programmes and consumer protection</li> <li>▪ Explore possibilities of linking young people with financial technology providers as a self-employment option</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop and use an appropriate Gender approach, include Gender into Baseline</li> </ul>	<ul style="list-style-type: none"> <li>▪ Exposure visits, e.g. to local MFIs or on Financial Literacy</li> <li>▪ Promote links to Alliance for Financial Inclusion (AFI), Banking with the Poor Network (Asia Microfinance Forum 2010) and SAARC secretariat</li> </ul>	<ul style="list-style-type: none"> <li>▪ Apply whole range of Capacity Development tools for MFIs/TSPs</li> <li>▪ Promote Advocacy / Research and information dissemination</li> <li>▪ Promote Rating, Accounting, Auditing and more competition among service providers</li> <li>▪ Improve transparency, data accuracy and standards through improved use of Information Technology (IT) (related to accounting, rating, audits)</li> </ul>

## Scope and limitations of the study

The study involved several steps:

- 1) **Selection of districts of operation according to criteria of social and economic exclusion:**
  - *Districts with a significant degree of poor households:* Based on the 2006/07 Income and Expenditure Survey which contains the latest available data on poverty at the district level, the average number of poor households in the country is 12.6%. Districts where the number of poor households is at least 50% above the national average, hence districts with more than 18.9% poor households, classified for this category. These districts are Kegalle, Ratnapura, Nuwara Eliya, Badulla and Moneragala.
  - *Districts that have been affected by conflict:* These districts are Jaffna, Killinochchi, Mannar, Mullaitivu, Vavuniya, Trincomalee, Batticaloa and Ampara.
  - *Districts with special focus:* A district that classifies neither in one or the other category but nevertheless deserves attention is the Puttalam district. A substantial amount of Internally Displaced Persons (IDP) – mainly Muslims expelled from Jaffna peninsula – have been living in Puttalam since the 1990s.
  
- 2) **Definition of marginalized groups and areas with high incidence of poverty:** After selecting the districts of operation, ProMiS has developed district profiles that include information about marginalized groups, areas with high incidence of poverty, livelihoods, issues of conflict sensitivity, gender, microfinance and key actors.

One of the biggest weaknesses of this study is the fact that very little common data is available for all 14 districts. The Government of Sri Lanka Census and Statistics offers consistent and up to date data for six Southern, Central and North Western of the 14 districts and an additional three Eastern districts have at least partial data. For the five Northern districts the availability of data is low, especially reliable updated data from Census and Statistics are not available due to the conflict which made data collection impossible. Therefore we have used alternative data in order to make an analysis possible at all. We are therefore thankful to the Centre for Information Resources Management (CIRM) Trincomalee, which has provided us with socio-economic data for the Northern and Eastern districts, and to the World Food Programme, which has provided us with Food Insecurity Maps for all the selected districts in this study. With the help of these data we were able to identify specific poverty pockets within these areas, even though the picture still remains fragmented.

It remains however said that with the exception of the WFP maps, many of the data for the North and East are partly outdated or change very quickly, such as the number of Internally Displaced Persons (IDP), though we have tried to provide the most recent data (June 2010). We therefore suggest to do further research to capture the overall picture and to allow for comparisons between the different regions. One such existing study is the Consumer Finance Survey by CEPA. It allows a comparison of all regions involving 22 of the 25 districts and shows that the sweeping generalizations that the North and the East as the poorest areas is not necessarily the case and a more nuanced positioning materializes. Parts of the South are poorer than the North and East. Similarly we see that even within districts there are great differences as there are between people within the very same community.

The document does not claim to provide all data. We therefore encourage all stakeholders to enrich the document by sending us additional data. For example, transport is barely touched and yet has a strong impact on people's perception of being poor and on economic opportunities. It is also one of the benchmarks that can fairly easily and consistently be measured using guide books, bus/train schedules. It may also provide some potential for improved services by measuring the problem in greater depth for its business potential. Another example that is barely touched upon is education. In districts where there are university or higher learning institutions in the district or neighbouring district, there may be potential to tap local students/researchers in helping deepen the information made available for the baseline of future programming.

The following table gives an overview of the material used for this study and comments on how strong the data can be triangulated, i.e. the degree of evidence of the data.

Districts	FLICT studies	GoSL data	DS maps	Colombo University	Other studies – STC, CEPA estate, SEEDS, MoH, FAO	Comments
Jaffna		Partial	WFP,CIRM	Two studies	FAO, STC, MoH	Strong triangulation
Mannar			WFP		FAO, STC	Weak to moderate triangulation
Mulaittivu			WFP	Consult study	FAO	Weak to moderate triangulation
Vavuniya			WFP		FAO, STC	Weak to moderate triangulation
Kilinochchi			WFP	Two studies	FAO	Moderate triangulation
Trinco	yes	Partial	WFP, CIRM, UNHCR	Two studies	MoH, STC	Strong triangulation
Batticaloa		Partial	WFP	Two studies	STC	Moderate triangulation
Ampara	yes	Partial	WFP	Two studies	MoH, STC	Strong triangulation
Badulla	yes	Yes	WFP		MoH, CEPA estate	Strong triangulation
Ratnapura		Yes	WFP		SEEDS, MoH, STC, CEPA estate	Strong triangulation
Nuwara E		Yes	WFP		STC, MoH, CEPA estate	Moderate triangulation
Monaragala		Yes	WFP			Weakest evidence and data
Kegalle		Yes	WFP		STC, CEPA estate	Weak to moderate triangulation
Puttalam	yes	Yes	WFP	Consult study	SEEDS, STC	Strong triangulation

## Summary of district analyses

The following map summarizes the selected districts, followed by the summary of the identified areas of poverty, marginalized groups per district.



District	Areas of Poverty	Marginalized Groups
<b>Northern and Eastern Districts</b>		
<b>Ampara</b>	Areas of extreme poverty are scattered throughout the area and include <b>Padiyathalawa, South-East Maha Oya, South East Uhana, Samanthurai, Akkaraipattu, Eragama East, Thilukurai</b> . Extreme food insecurity in <b>Kalmunai and Thirukkivil</b> .	<i>IDPs, Households headed by women/single parents/ elders, Children and Youth</i>
<b>Batticaloa</b>	Most of the poverty is concentrated inland: <b>Koralaipattu North &amp; South, Eravurpattu, Manmunai and Porativupattu</b> .	<i>IDPs, Female and Single headed households, Youth and children, Daily paid laborers</i>
<b>Jaffna</b>	Areas with high incidence of poverty are scattered throughout the peninsula. However some concentration can be seen in <b>Chavakacheri, Maruthankerny, Point Pedro, East Kopay, and the islands. Chavakacheri, Kopay, Delft and Maruthankerny</b> are DS divisions with extreme food insecurity.	<i>Displaced persons, Returnees, Widows and female headed households, Youth and children, Elders</i>
<b>Kilinochchi</b>	<b>Poonakary, West Karachchi, West Kandawala and Pachchilaipalli</b> are divisions with highest incidents of poverty.	<i>Conflict Displaced Persons and Returnees, Households headed by Women/ Disabled Males/ Elders, Children and Youth</i>
<b>Mannar</b>	Areas of extreme poverty in <b>Manthai West, Eastern Madhu and Musali DS Divisions</b> . Especially the <b>inland divisions</b> suffer from severe-moderate food insecurity.	<i>IDPs and Returnees, Households headed by Women/ Single Parents, Elders, Orphans, children and youth affected by conflict</i>
<b>Mullativu</b>	<b>Oddusuddan</b> and parts of <b>Manthai East</b> are large poverty pockets with high levels of food insecurity.	<i>Displaced Persons and Returnees, Households headed by Women/ Disabled Males/ Elders, Children and Youth</i>
<b>Trincomalee</b>	Areas with high incidence of poverty and high food insecurity occur along the coast line ( <b>Kuchaveli, Town &amp; Gravetes, Kiniya, parts of Mutur and parts of Eachchillampattai</b> ) and also parts of <b>Kantale</b> .	<i>IDPs, Female Headed Households, Unskilled overseas workers</i>
<b>Vavuniya</b>	Especially the <b>northern part of the district</b> suffers from severe food insecurity	<i>IDPs and Returnees, Households headed by Women/ Single Parents/ Elders, Orphans, children and youth affected by conflict</i>
<b>South-Central and Western Districts</b>		
<b>Badulla</b>	The poorest 10 DS divisions, ranked by highest HIP to lowest: <b>Rideemaliyadda, Meegahakivula, Kandaketiya, Lunugala, Mahiyanganaya, Hali Ela, Soranathota, Uva Paranagama, Passara, Haldummulla, Welimada</b>	<i>Unemployed Youth, Estate plantation communities</i>
<b>Kegalle</b>	The poorest 10 DS divisions, ranked by highest HIP to lowest : <b>Aranayaka, Deraniyagala, Bulathkohupitiya, Yatiyanthota, Dehiovita, Rambukkana, Mawanella, Ruwanwella, Galigamuwa, Kegalle</b> .	<i>Estate workers, especially women and youth</i>

<b>Moneragala</b>	The poorest 10 DS divisions, ranked by highest HIP to lowest : <b>Siyambalanduwa, Madulla, Thanamalwila, Medagama , Moneragala , Badalkumbura , Bibila, Wellawaya Buttala, Katharagama</b> . In addition high food insecurity in <b>Sewanagala, Buttala, Kataragama</b> and <b>Moneragala</b>	<i>Farming households</i> <i>Women headed households</i>
<b>Nuwera Eliya</b>	The highest HIP is in <b>Hanguranketha</b> . These is also widespread prevalence of extreme food insecurity in <b>Hanguranketha and Walapane</b> .	<i>Rural and estate workers</i>
<b>Puttalam</b>	The poorest 10 DS divisions, ranked by highest HIP to lowest: <b>Kalpitiya, Mundalama, Vanathavilluwa, Mahakumbukkadawala, Nawagattegama Pallama, Puttalam , Karuwalagaswewa , Arachchikattuwa, Chilaw</b> . Most IDP welfare centres in <b>Kalpitiya , Puttalam , Mundel</b> and <b>Vanathawilluwa</b> . These are also areas with high poverty	<i>IDPs</i>
<b>Ratnapura</b>	The poorest 10 DS divisions, ranked by highest HIP to lowest: <b>Elapatha, Weligepola, Godakawela, Kolonna, Kalawana, Opanayaka, Ayagama, Nivithigala , Kahawaththa, Imbulpe</b>	<i>Plantation workers, Subsistence Farmers, Unemployed Youth</i>

# Analyses of Northern and Eastern Districts



## Ampara District Analysis

### Overview

Population:	Population has declined in the past three decades and as of 2007 was approximately 611,000.
Population density:	Ampara has some of the highest population density of the island along its coastline but a sparsely populated interior and large expanse of unutilized land.
Rural / urban:	N.a.
Poverty line:	Not available. One of the less developed districts in the country with 65% of its population living below poverty line (ADB, 2005). Poverty headcount index 10.9 % and 42 % of the population lives below 2030 kcal level of daily dietary energy consumption (Department of Census and Statistics, 2007). Only 62% of households have access to electricity compared to 77% nationally (Ceylon Electricity Board). Only 21 % have access to pipe borne water (National Water Supply and Drainage Board).

### Areas with high incidence of poverty

- Areas of extreme poverty are scattered throughout the area and include Padiyathalawa, South-East Maha Oya, South East Uhana, Samanthurai, Akkaraipattu, Eragama East, Thilukurai (See CIRM Map)
- Extreme food insecurity in Kalmunai and Thirukkivil (see WFP map)

### Marginalized groups

#### *IDPs:*

- As of June 2010 there were 688 returnees and released IDPs (UNOCHA). A high number of IDP families from Vanni district have been settled here by government resettlement programs, mainly in the Thirukkivil, Alayadiwembu, Navithanveli, Sammanthurai, Karaitivu and Kalmunai town DS divisions.

#### *Households headed by Women/ Single Parents/ Elders:*

- A larger number of women died in the tsunami resulting in children being left without a female caregiver. This has had a serious psycho-social and economic

- impact on families with young children left in the primary care of fathers or grandparents.
- A significant number of households are headed by women due to death, disability or disappearance of the male head during the conflict years.
  - In various public surveys concerns were raised that many widows who were self employed had lost their livelihood due to the conflict and tsunami, and had not been assisted.

*Children and Youth:*

- According to UNICEF (2006) over 40% children in the district do not live in a protective and supportive environment with parental and/or family care.
- Incidents of child labor, abuse, neglect, exploitation are regularly and widely reported. There is also a high number of low weight births and high infant mortality (UNICEF, 2006)
- According to WFP and UNICEF the district also has higher than national average statistics for children of age under five who are underweight and/or suffering from wasting and stunting.
- Education statistics for Ampara are among the worst for the country: Literacy is one of the lowest in the country at 85.9 % compared to 91.1 % nationally. The only regional university, South Eastern University, in Oluvil established in 1995 is ranked 13th of 14 national universities by its number of students
- Ampara also has a very high number of youth who have disappeared during the 1990s. Most youth declared missing are Tamil males, between the ages of 20-29, and particularly high incidents of disappearances have been reported from areas such as Kalmunai, Pandirippu, Chavalakadai, Natpattimunai, Pottuvil, Akkaraipatu and Ampara Town.

**Livelihoods**

- Due to the prevailed war between the Sri Lankan armed forces and LTTE, the food security, social and economic infrastructure has deteriorated during the past 20 years.
- Ampara is one of the largest districts of the island with 4431 sq km area but most of its territory is in the dry zone.
- Agriculture is the prominent income source of the people in Ampara district and it is the highest rice producer, estimated to contribute over 25 % of national rice production.
- With approximately 115 km of coastal belt, the district is also a major fishing area.
- There is a sugar factory, a tile factory, brick factories, rice mills and several garment factories located in the district.
- Paddy is the main seasonal crop cultivated in both yala and maha seasons. Other crops widely grown in the area include maize, ground nut, green gram, cow pea, manioc, sweet potatoes, onion, chilies coconut, jack, cashew and various fruits.
- According to FAO, several areas of Ampara have severe-moderate human induced soil degradation. Little local research however is being done on these agricultural and environmental concerns within the district.

## Gender

- Although women in the North-East constitute 64% of the working age population, women's labor force participation rate is significantly lower than men's.
- Ampara is predominantly Muslim, and in Muslim communities widows can be often overlooked by assistance and relief programs because the women are expected to mourn the death of their husbands by practicing exclusion from society for at least four months. As a result they are often not included in aid and loans given immediately after a natural/conflict related disaster.

## Issues of conflict sensitivity

- The Sri Lanka Moor population in Ampara is declining but still constitutes the majority with over 45%. Sinhalese constitute approx. 37% and Tamils 18.3%. There is very little integration between the communities, with most DS divisions being highly segregated by ethnicity.
- Not a single DS division within Ampara is declared bilingual and even the name of the district is in dispute. Ampara is the preferred name of Sri Lanka Moors and Digamadulla the name of the old Sinhala kingdom in the area.
- Ampara's DS have been hit unequally by manmade and natural disaster, with Sammanthurai (Muslim) and Kalmunai (Tamil) being hardest hit by conflict and Kalmunai and Sainthamaruthu (Muslim) by the tsunami. The FLICT 2009 analysis concludes that some aid agencies and aid interventions aggravated ethnic divides. The problem was deemed to result from aid groups acting too independently from the state agencies and state agencies acting without input from the beneficiary population. The result was polarization, segregation leading sometimes even to violence.
- Land is one of the greatest challenges in the district with tension raised by perceived resettlement efforts favoring the Sinhalese population.

## Microfinance

- The Poverty Alleviation Microfinance Project (PAMP II) will be implemented on behalf of the Government of Sri Lanka by the Central Bank during 2009-2013. The aim of this program is to enhance inclusive financial services and improve income levels of the district's poor.
- The district has a stronger and broader compliment of service provision than other parts of the North and East.
- Ampara has a thriving NGO sector, and the Ampara NGO consortium is probably the strongest in the country (Gant et al, 2004).

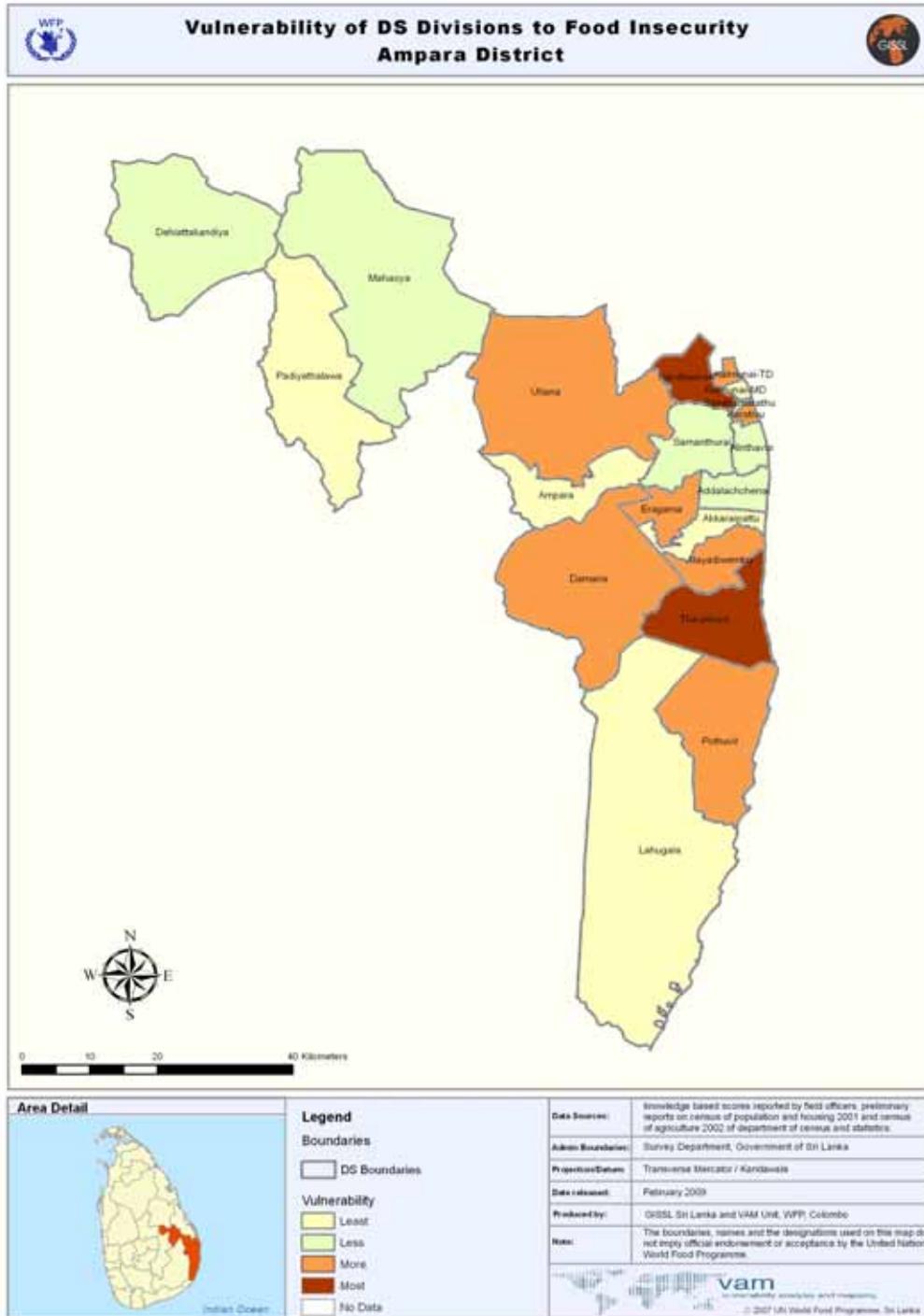
## Key Actors

- *GTZ-ProMiS Partners during phase I:* Agro Micro Finance, Sewa Finance, Lanka Orix Leasing, BRAC Sri Lanka, Sanasa
- *International Organizations:* Various UN agencies (e.g. IOM, FAO, WFP), Helvetas, Relief International, Islamic Relief, HELP from Germany, ActionAid, Merlin, Caritas-EHED
- *Local organizations:* Consortium of Humanitarian Agencies (CHA), Foundation for Co-Existence (FCE), Sarvodaya, Seeds Foundation , Ampara District Chamber of Commerce & Industry, CF Lanka Microfinance.

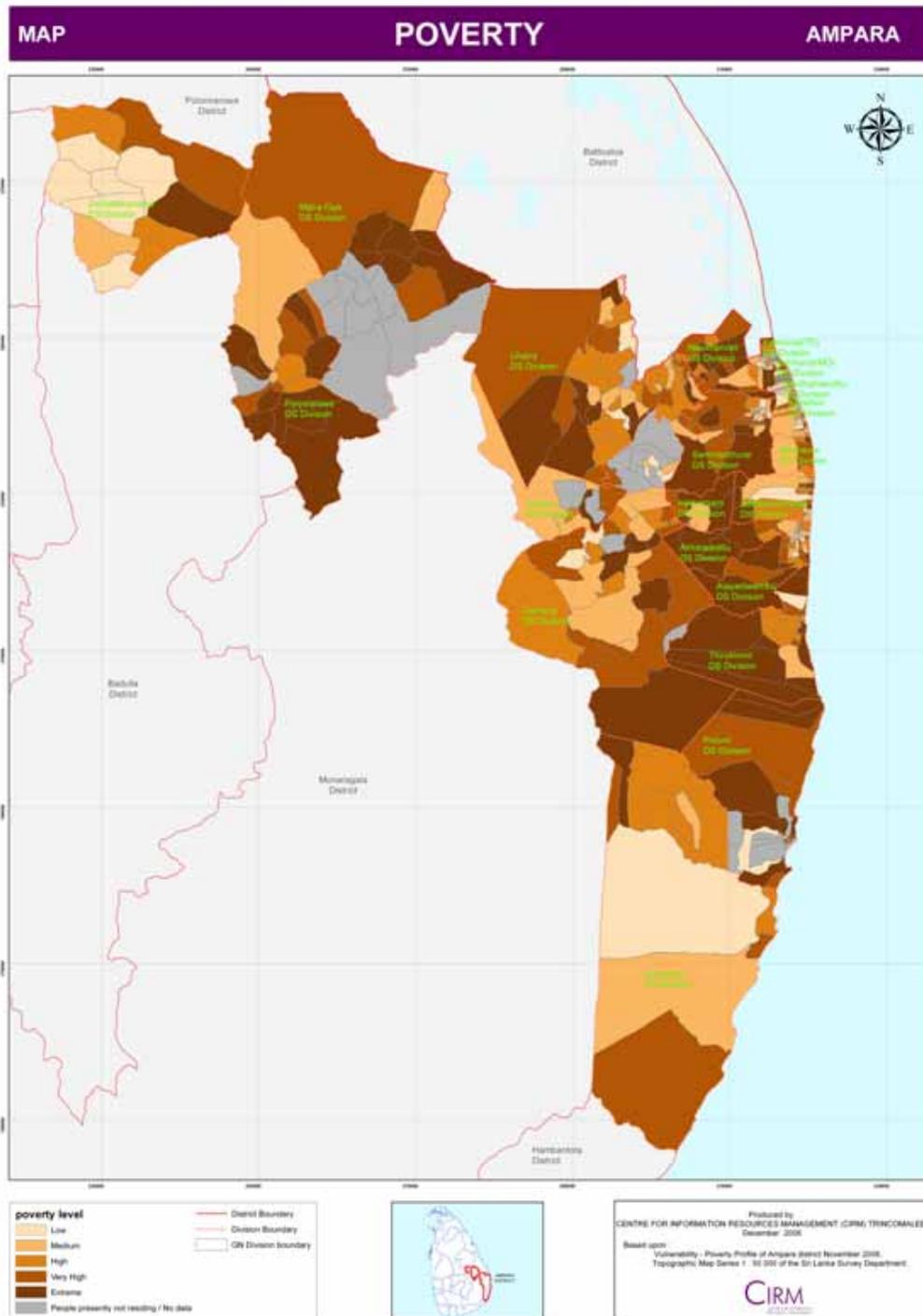
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Annex



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.



CIRM. 2006. Vulnerability – Poverty Profile of Ampara District

# Batticaloa District Analysis



## Overview

Population:	536,000 (approximately, as of 2003).
Population density:	226 persons /km <sup>2</sup> approx (compared with the highest population density in Colombo at 3300 and the lowest in Moneragala at 72), with population density being highest at Kattankudy and lowest at Koralaipattu.
Rural / urban:	N.a.
Poverty line:	N.a. The poverty headcount index for Batticaloa is 10.7 %,, According to the Department of Census and Statistics, nearly 50 % of the population in Batticaloa was below 2030 kcal level of dietary energy in 2006-07, while WFP/FAO estimates nearly 13 % of the district's population faces severe-moderate food insecurity, with daily-paid laborers being most vulnerable (See WFP map for further details).

## Areas with high incidence of poverty

- Most of the poverty is concentrated inland: Koralaipattu North & South, Eravurpattu, Manmunai and Porativupattu (see CIRM map in annex and table A).
- These same poverty concentrated areas also have high numbers of IDPs mostly due to the conflict (See UN-OCHA map in annex).

## Marginalized groups

### *IDPs*

- Batticaloa has been severely affected by both the tsunami and the armed conflict between the GoSL and LTTE. As of June 2010 there were 2,905 returnees and released IDPs (UNOCHA, 2010).

### *Female and Single headed households*

- As of 2009, there 15,648 families headed by women whose husbands died of natural causes. 2,939 female-headed families where the husband had been killed in war, and 442 female-headed families where the husband had been declared missing during the conflict years (DS-Batticaloa, 2009)
- According to a post-tsunami survey by the ILO/WFP, Batticaloa was one of two districts with the highest number of tsunami-affected households below the poverty line.
- Close to 80 % of the district's tsunami dead are estimated to be female, leaving a large number of families headed by single fathers.

### *Youth and children*

- The death of a large number of women during the tsunami has left several children without a female caregiver. This has led to various psycho-social problems for children.

- According to interviews during ProMiS field visits, many young men in the area married as teenagers to avoid forced conscriptions in LTTE controlled areas. These correlate with the identified areas with high incidence of poverty (see above and CIRM map in Annex). Inappropriate family planning (high number of children per family) and low access to education / skills development contribute further to high poverty.
- As of 2009 there were 1,687 unemployed graduates in the district (DS-Batticaloa, 2009)

#### *Daily paid laborers*

- The district has a high number of daily paid laborers, and they have been identified by WFP as a vulnerable group with severe food insecurity

#### **Livelihoods**

- The population relies primarily on agriculture and fishing for their livelihood
- Deep sea fishing, lagoon fishing and freshwater fishing are all carried out within the district.
- Agricultural production and investments in the fishing industry were severely hampered by the war.
- Batticaloa is also a natural disaster prone area having witnessed droughts, cyclones and floods and resulting damages over the years.
- The key cash crop of the area was traditionally cashew nuts. But it was severely affected by the tsunami and needs to be restored.
- Most women in the district are involved in small business enterprises, such as sewing, poultry, mat weaving and fisheries related activities.

#### **Gender**

- Over 60% of land in Batticaloa was owned by women pre-tsunami, due to the customary laws practiced in the Eastern Province where land ownership went from mother to daughter. However the State policy on land allocation only recognizes the male head of household as the legitimate owner of land. This could potentially take away land rights that women had prior to the tsunami (Emmanuel, 2005).
- Early marriage has become prevalent due to cultural reasons and also to avoid forced conscription to the LTTE. As a result fewer women have pursued a higher education. Lack of awareness about family planning has also resulted in large families, making economic conditions harder for each household.
- The Coalition for Assisting Tsunami Affected Women (CATAW) and the District level Women's Coalition for Disaster Management Batticaloa (WCDM) are two examples of women's networks working in the district to gender issues in the district.

#### **Issues of conflict sensitivity**

- Despite the severe effects of the armed conflict, there was no significant mobility of people from Batticaloa to other districts
- Both Tamils, who comprise 73.4% of the population in Batticaloa, and Muslims, who comprise 25.9%, were severely affected by the tsunami. The post-tsunami period saw significant collaboration between the Muslim and Tamil communities.

Tensions are building however between tsunami-affected and conflict-affected people, as well as with those affected by previous floods or simply the chronic poor, as each group feels they are not receiving an equitable share of the overall assistance available. Irregularities in aid distribution have caused conflict within these communities

- A proliferation of INGO's in the district has made the local NGOs feel marginalized, as international agencies are not seen as investing enough in local partnerships.

### **Microfinance**

- Over 75% of households in the district were found to use some financial services. Almost 45% used loans and almost 58% maintained savings (GTZ, 2007).
- NGOs play a vital role, since only few cooperatives or commercial banks offer microfinance facilities in the district

### **Key Actors**

- *ProMiS partners during phase I:* YMCA Batticaloa, BRAC, Sewa Finance, Sanasa, LOLC Micro Credit Ltd, Sareeram Sri Lanka National Foundation<sup>1</sup>
- *International organizations:* UN Agencies, OXFAM, World Vision, CIDA, DFID
- *Local organizations:* SEEDS, Vision Fund Lanka, Samurdhi

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<sup>1</sup> Sareeram was a partner of PROMIS Phase I until December 2008.

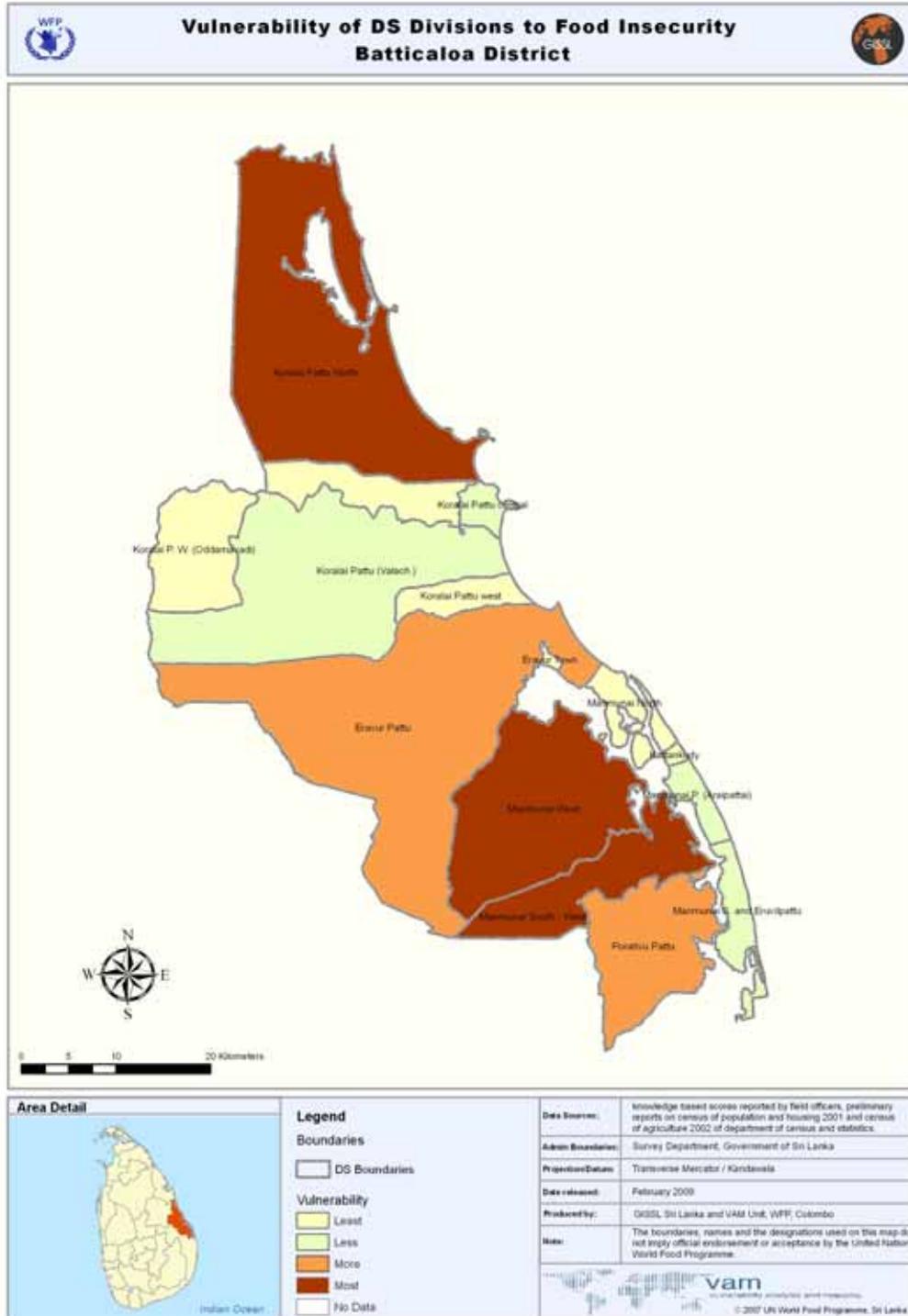
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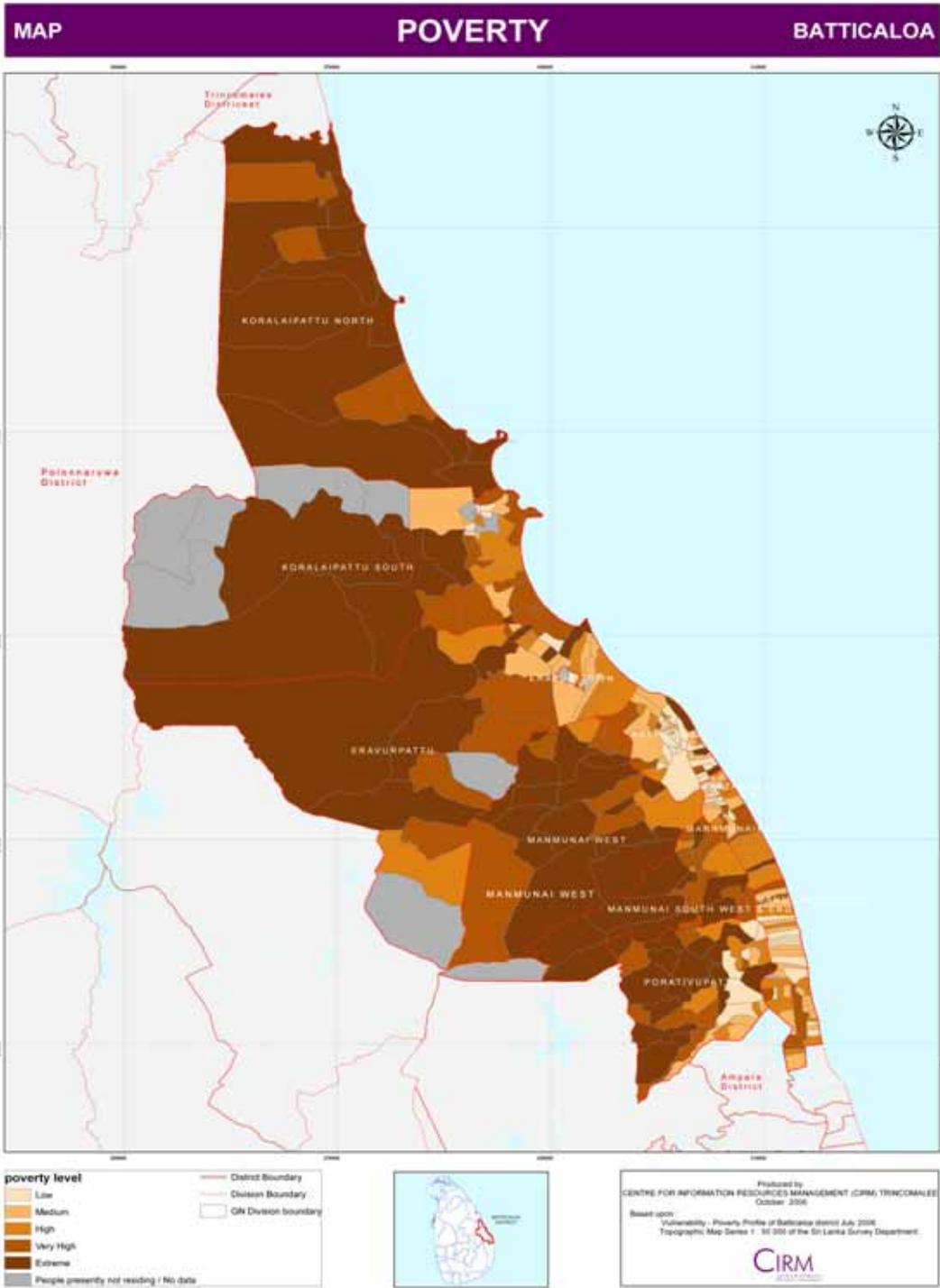
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# Annex



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.



CIRM. 2006. Vulnerability – Poverty Profile of Batticaloa District.

**Number of villages rated as extreme poverty**

<b>DS Division</b>	<b>No of Villages</b>	<b>No of villages rated as extreme poverty</b>
Manmunai West (Vavunativu)	95	57
Koralai Pattu South (Kiran)	71	52
Porativu Pattu (Vellavelly)	104	50
Eravur Pattu (Chenkalady)	104	42
Koralaipattu North (Vaharai)	49	39
Manmunai South West (Paddipalai)	39	20
Koralaipattu Central (Valaichchenai)	11	3
Manmunaipattu (Arayampathy)	29	3
Koralaipattu I (Valaichchenai)	22	2
Manmunai North (Batticaloa)	66	2
Manmunai South Eruvilpattu	49	2
Kattankudy	18	1
Eravur Town	17	0
Koralaipattu West (Oddamavadi)	8	0

Source: CIRM data at <http://www.ifsp-srilanka.org/VPP-paper.pdf> (page 18, Data from July 2004)

# Jaffna District Analysis



## Overview

Population:	547,062 (2008- Jaffna DS). Jaffna is ranked 14th largest out of the 25 districts in Sri Lanka
Population density:	Approx 528 persons /km <sup>2</sup> (compared with the highest population density in Colombo at 3300 and the lowest in Moneragala at 72). Jaffna has the highest population density in the Northern Province.
Rural / urban:	N.a.
Poverty line:	Jaffna is located in the Northern Province, which is ranked 3rd highest for absolute poverty of the 9 Provinces in Sri Lanka. Mean household (HH) income per month Rs 16,725/month compared to Rs 20,048 nationally (Census and Statistics Department, 2005). Only 46 % of the population has access to safe drinking water compared with 62 % for the country. 65 % of the population is still receiving food rations (FAO et al, 2009). A distinct characteristic in Jaffna is that most microfinance clients were relatively well-off before the conflict but fell into poverty as a result of the war. As a result many of them need only a kick start to resume their livelihoods unlike in other areas of chronic poverty which require a graduation process. A combination of one-time cash grants and microfinance programmes need to be implemented in a well-coordinated manner for the long term development of such communities.

## Areas with high incidence of poverty

- Areas with high incidence of poverty are scattered throughout the peninsula. However some concentration can be seen in Chavakacheri, Maruthankerny, Point Pedro, East Kopay, and the islands (See CIRM map in annex)
- Chavakacheri, Kopay, Delft and Maruthankerny are DS divisions with extreme food insecurity (see WFP map in annex)

## Marginalized groups

### *Displaced persons*

- More than a quarter of the population had been displaced due to the conflict, with the highest displacement affecting Thenmarachchi (Chavakachcheri), Vadamarachchi East (Maruthankerny) and Nallur. In June 2010 there were 3,193 IDPs in Jaffna's two major emergency sites (UNOCHA, 2010).

### *Returnees*

- As of June 2010, there were 72,961 returnees and released IDPs (UNOCHA, 2010). Up to 250,000 people who fled the peninsula for other parts of Sri Lanka or abroad when the fighting peaked in 1995 have not yet returned.

#### *Widows and female headed households*

- Poverty indicators are among the highest for widowed women and female headed households.

#### *Youth and children*

- In 2007, 22 % of children under five years of age in Jaffna were estimated to suffer from acute malnutrition. Unemployed youth, returnees, disabled youth and ex-combatants are also among those left vulnerable without a stable livelihood in Jaffna's post-conflict setting.

#### *Elders*

- The ageing population is one of the fastest in the world and the district lacks the social protection capacities to address this marginalized group of elders.

### **Livelihoods**

- Over a long period, the economy of Jaffna was largely a crisis economy with very substantial subsistence characteristics supported by coping mechanisms. None or hardly any import and export links were maintained to other parts of the island.
- This situation has changed now with the opening of the A9 which as reconnected Jaffna to the rest of the island. It is assumed that this will change the economic situation from its subsistence character to a more export-oriented economy based on agricultural and fisheries production.
- 80 % of the Northern Province (NP) population is employed in agriculture – crop, livestock and fisheries production. Out of those, 72 % are homesteaders with less than 0.1 ha of back garden
- Approximately 15-20% of the agricultural areas (comprising highly productive arable land) consists of high security zones and cannot be cultivated. Parts of these areas remain to be cleared of landmines.
- While Jaffna has potential for industries and trade/services the lack of investment in infrastructure and damage due to the conflict has resulted in the economy relying mainly on primary sector production.
- Jaffna is in the dry zone that receives less than 1500 mm of annual rainfall. Due to permeable soil type and flat topography there are no major or medium irrigation tanks present in Jaffna and cultivation is entirely based on groundwater under lift irrigation. Jaffna has the potential for other field crop intensity to be increased if groundwater is managed properly but pollution is a serious threat.
- Three commodity based producer cooperatives exist for mangoes, grapes and bananas. Additionally there is a District Development Cooperative Society operating a feed mill and a Livestock Breeders Cooperative Society engaged in milk collection.
- Due to land limitations, it practices a highly intensive system of livestock management with each household having an average of 1-3 cows, 1-2 goats and 10-15 chickens.
- Prior to the conflict Northern Province fisheries contributed more than 40 % to national production. Jaffna has a high number of Fishermen Cooperative Societies and is also well known for the high quality of its dry fish.
- Coastal fisheries, offshore/deep sea fisheries and inland fisheries all operate in Jaffna and constitute the sole livelihood for a significant proportion of the population
- Small and medium enterprises (food processing industries, cottage industries, consumer goods and construction industries etc) provide livelihood for around 42,500 families.

## Gender

- The recent demographic shift in the Northern Province has increased the share of the population that is female. Due to the conflict, there has also been an increase in the number of female headed households and disabled men (conservatively estimated at 25,000).
- The absence of working age men killed, missing or detained due to the conflict has specific impacts on the agriculture sector and communities. However there remain gender disparities in agricultural training with only 25 % of total student enrolments in agricultural schools going to girls/women.
- In the fisheries sub sector low value is attached to work done by women and this limits female access to essential resources.
- Looking after the cattle reared under intensive management, calf rearing, milking and feeding of cattle and upkeep of poultry are handled by women in the family. Women can earn a substantial income from these activities.
- Fishermen Cooperative Societies remain functional in Jaffna, but again there are gender disparities here with only 1903 female against 13,755 male members.

## Issues of conflict sensitivity

- The population of Jaffna is predominantly Tamil (98.3 %), however no reliable census registration for the NP has been done since 1981.

## Microfinance

- Jaffna had the best cooperatives in Sri Lanka before the conflict, as well as a strong banking system. Although continued access to finance was provided by local cooperatives during the conflict, many branches closed down. Commercial banks provided saving facilities, but credit access remained difficult, and was almost entirely provided by international donors and relief and development agencies. After the end of war in May 2009, many commercial banks have opened their branches in Jaffna. Also, banks have started providing loan facilities to the people. But the supply of credit facilities is not sufficient to cater the needs of the people especially the rural poor.
- Gant et al (2004) claim that Jaffna had the lowest access to microfinance services in Sri Lanka, partly due to a lack of institutional capacity, the inefficiency of microfinance providers, the population's displacement, dependency on subsidies, as well as lack of skills among clients and staff
- However, this contradicts with the more recent GTZ study on financial outreach (2007) which states that 91.3% of the district's population uses loans and/or savings, which is the 4<sup>th</sup> highest rate (along with Ratnapura) of all districts in Sri Lanka. 50% used loans and 78.8% maintained savings (GTZ, 2007).

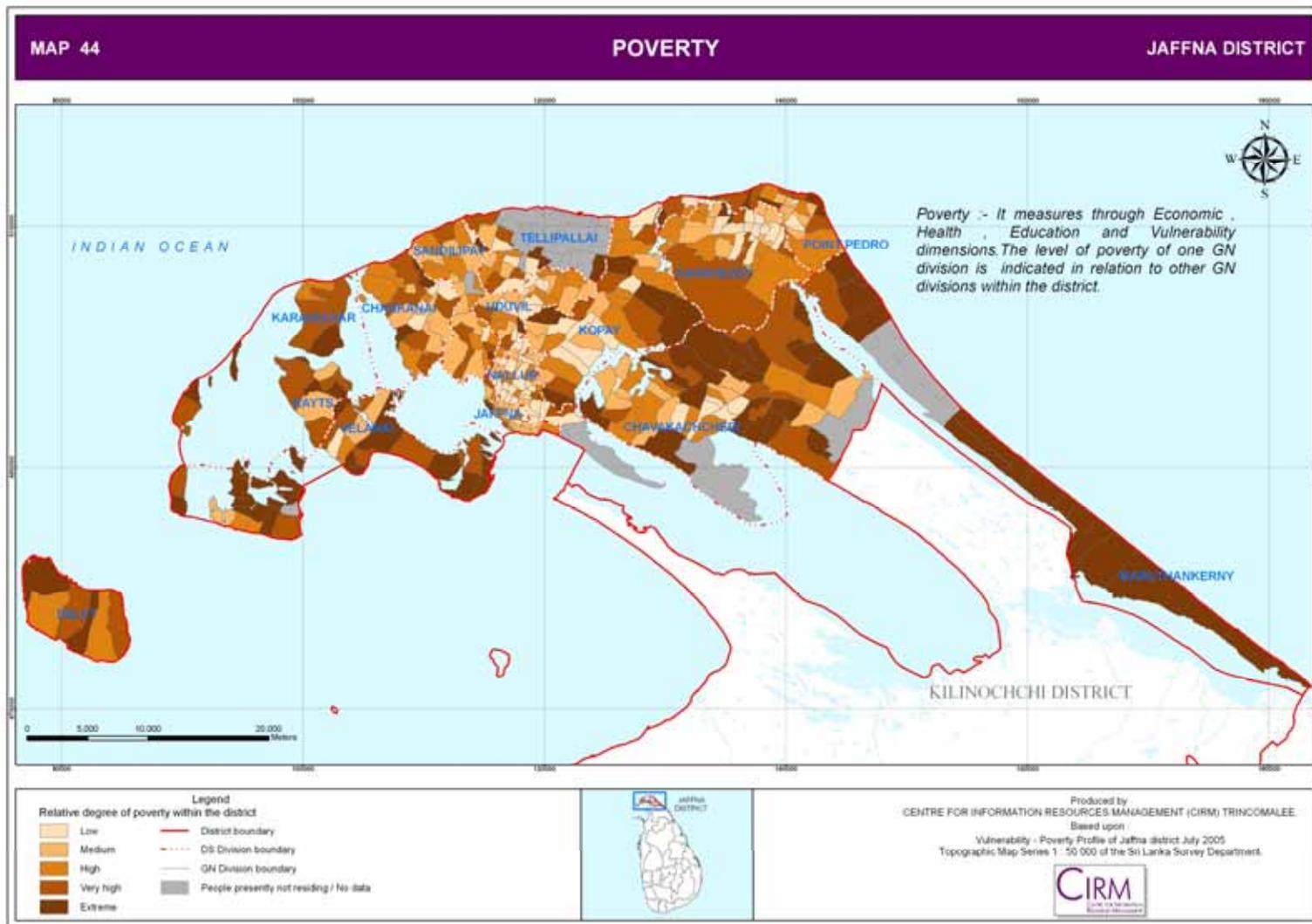
## Key actors

- *GTZ –ProMiS partners during phase I:* TCCS Union-Jaffna
- *International organizations:* Caritas, FORUT, CARE, Swiss Development Cooperation, Christian Aid, World Vision, and UN Agencies
- *Local organizations:* Sarvodaya, Sewa Lanka, Samurdhi, Social Development Foundation, Women Rural Development Societies, Hudec

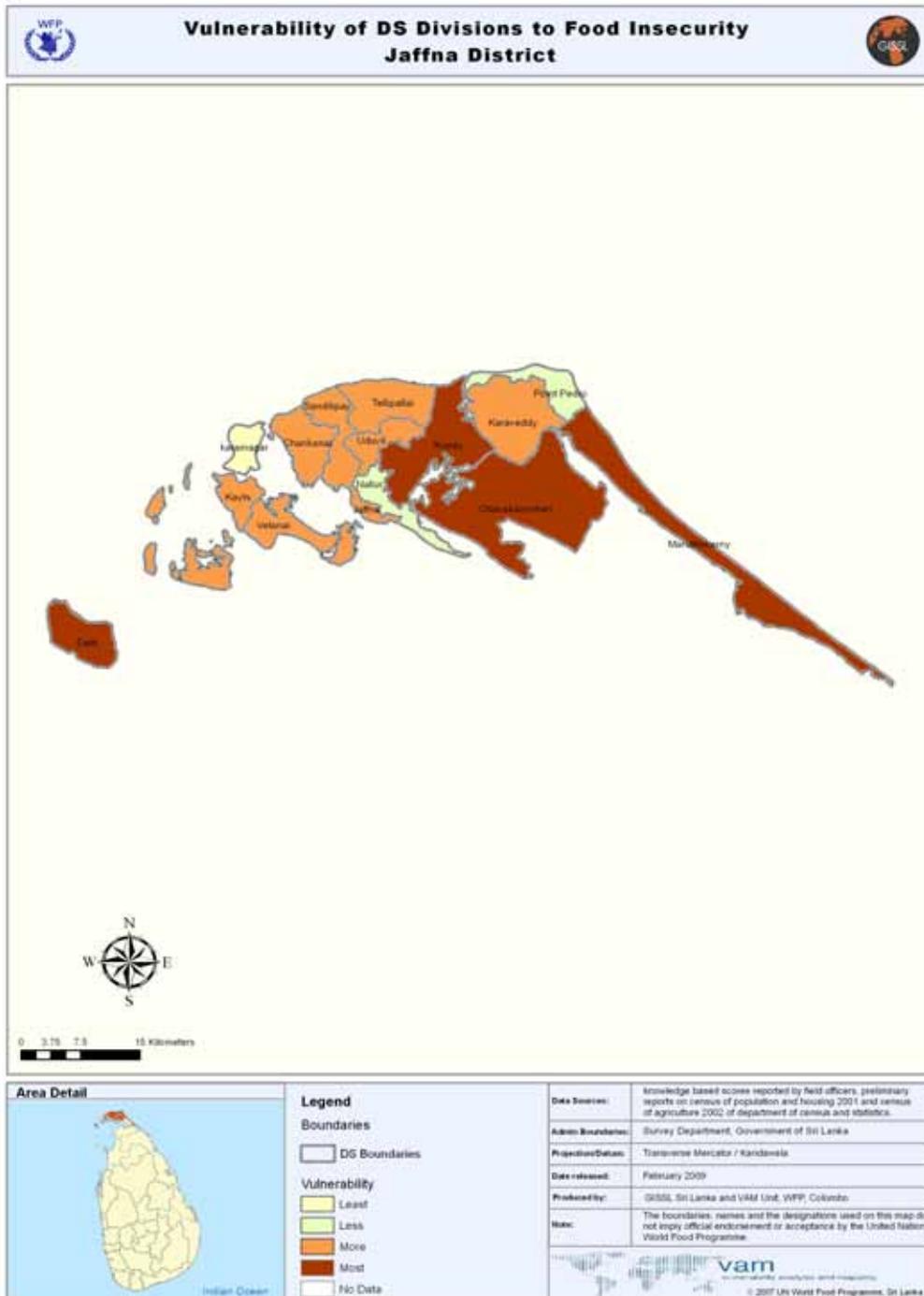
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Annex



CIRM. 2005. Vulnerability – Poverty Profile of Jaffna District



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.



## Kilinochchi District Analysis

### Overview

Population:	Approx 127,250 (UNICEF, 2006). <u>No verifiable data</u>
Population density:	Approx 115 persons /km <sup>2</sup> . It is one of the least densely populated districts.
Rural / urban:	N.a.
Poverty line:	Kilinochchi is located in the Northern Province, which is ranked 3rd highest for absolute poverty of the 9 Provinces in Sri Lanka. Male literacy is 87.7 % and female literacy is 83 %, well below national average (TECH, 2005)

### Areas with high incidence of poverty

- Poonakary, West Karachchi, West Kandawalai and Pachchilaipalli are divisions with highest incidents of poverty (see CIRM map in Annex)
- 80 % of people in the Poonakary and Kandawalai Administrative Divisions live below the poverty line and 90 % of the people had no electricity (TECH, 2005).
- High threat of food insecurity in the Pachchilaipalli Division (see WFP map)

### Marginalized groups

#### *Conflict Displaced Persons and Returnees:*

- In 2008 UNOCHA identified Kilinochchi as the district with the highest number of displaced persons in Sri Lanka. Up to 64% of the district's population was estimated to be displaced in 2008 (UNHCR). As of June 2010, there were 75,042 returnees and released IDPs in the district (UNOCHA, 2010).
- No significant numbers of tsunami IDPs although parts of Kilinochchi did suffer infrastructure damage from the tsunami.
- The loss of important documents such as birth certificates, identity cards, educational certificates was preventing access to several assistance schemes as people did not know how to seek replacements.
- The UNOCHA map shows projected areas for resettlement of displaced persons. Since these resettlement areas overlap those identified by WFP as areas of food insecurity, returnees will need assistance with meeting their basic needs till they resume viable economic activity.

#### *Households headed by Women/ Disabled Males/ Elders*

- A larger number of households are headed by war-widows and disabled men injured from the conflict.

#### *Children and Youth:*

- Serious conflict related psycho-social impact on children

- The disruption of educational activities has left many children and youth in need of assistance towards resuming/continuing education and receiving vocational training for employment.
- Forced recruitment of child-soldiers during the war has left several young ex-combatants who need assistance with rehabilitation and resumption of education.

### **Livelihoods**

- Kilinochchi is in the dry zone with less than 1500 mm of annual rainfall. Kilinochchi has 8 major and medium tanks and leads the five districts in the North with a total area of 64,386 acres of water.
- Paddy cultivation is one of the major occupations. Field and tree crops such as coconut, palmyra and mango, are also common. The absence of working age men (killed, disabled, missing or detained due to the conflict) has had a serious impact on agriculture in the area.
- A significant portion of homesteaders in the district currently have less than 0.1ha of back garden. In 2009, Kilinochchi had 22,230ha of abandoned land.
- Before the conflict, Kilinochchi was identified as a district with high potential for milk production, and a milk processing factory was established there. Today 50,000 abandoned animals are estimated to be found roaming in the Kilinochchi, Mannar and Mullaittivu Districts.
- Coastal fisheries, offshore/deep sea fisheries and inland fisheries all operate in NP. The fishing industry was disrupted during the conflict years. In 2008 Kilinochchi had over 2300 active fishers.
- Small scale brick and tile factories in the area were closed during the conflict. A herbal garden of 100 acres in Kalmadunagar was operating in 2006.
- Other activities in the area include a) trade and services - markets, food stalls, restaurants b) manufacturing industries - clay pots, woven mats, garmets, bags, rice and flour milling, handicrafts, palmyrah based products c) local building industries - carpentry, masonry, cement and clay blocks, collection and sale of sand.
- The main A9 highway (Kandy to Jaffna via Vavuniya) was opened for commercial traffic in late 2009 permitting a move away from subsistence level production towards high productivity and commercial market led agriculture.

### **Gender**

- There has been an increase in the number of female headed households and disabled men (conservatively estimated at 25,000). This recent demographic shift in the Northern Province has increased the share of the female population.
- Looking after the cattle and upkeep of poultry are handled by women in the family. Women can earn a substantial income from these activities.

### **Issues of conflict sensitivity**

- Formerly the administrative center and de facto LTTE capital, this district came under government control in 2009, and is one of the worst affected by the conflict. Much of its infrastructure has been damaged by the war.

- Kilinochchi was the last district in Sri Lanka to be created. Formerly part of the Jaffna district, it was declared a separate district in 1983 after political agitation in Jaffna. Kilinochchi has Jaffna District to its North (with over 98 % ethnic Tamils and less than 1 % Sinhalese) and Mullativu to the South with approximately 77 % Tamils and 10 % Sinhalese)

### Microfinance

- In one Kandawalai DS Division a People's Bank branch and a Cooperative Rural Bank as well as the Karachchi North Multi Purpose Cooperative Society and Development Organization was operating in 2006. Information on microfinance in other Divisions is scarce at the moment.

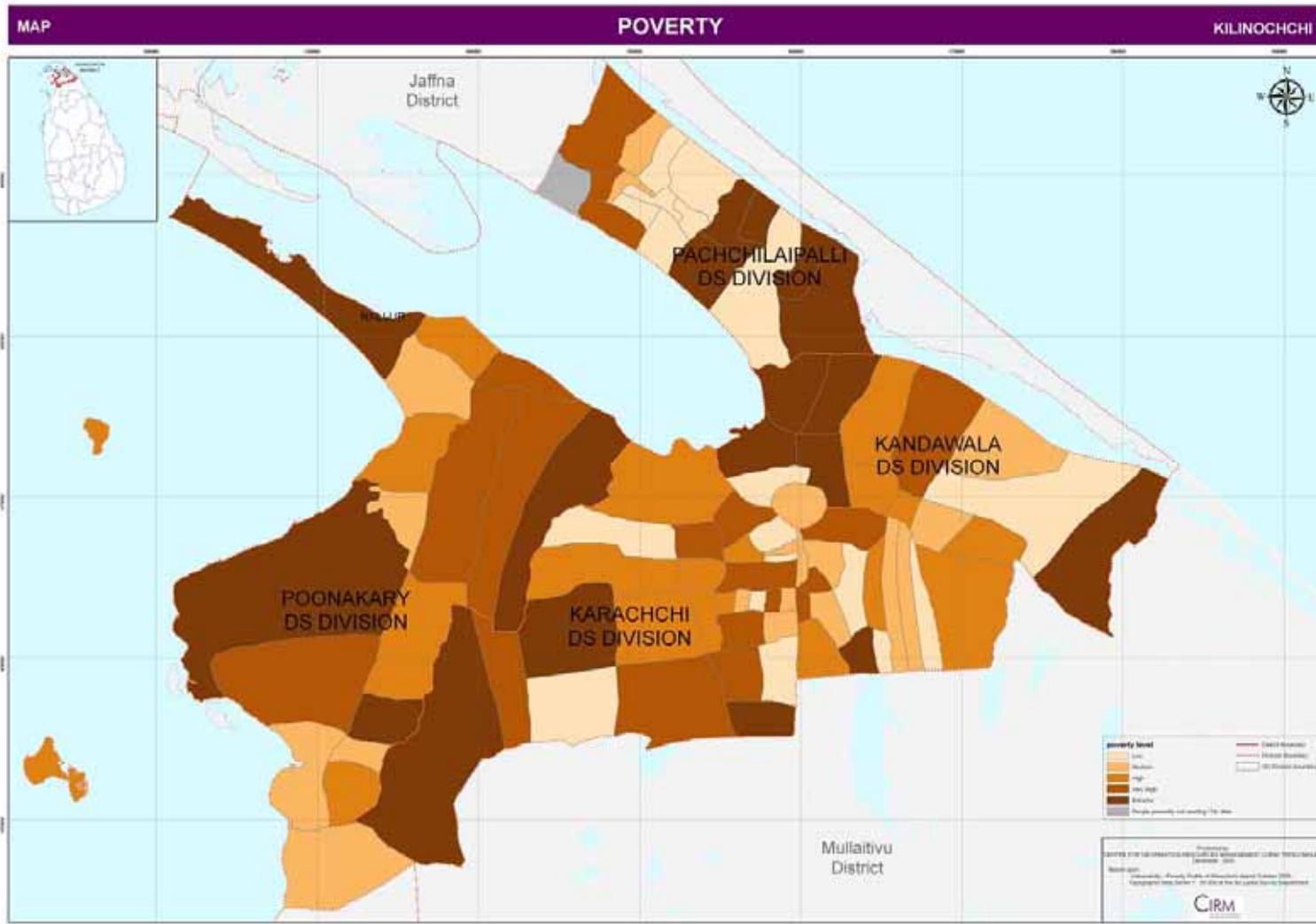
### Key Actors

- *GTZ-PROMIS Partner during phase I:* none
- *International organizations:* Various UN agencies (IOM, FAO and WFP) and programmes such as NEIAP, NECORD, NECCDEP
- *Local organizations:* No Samurdhi scheme is functioning at the moment. Dry ration stamps were given to some of the displaced and WFP has provided some loans.

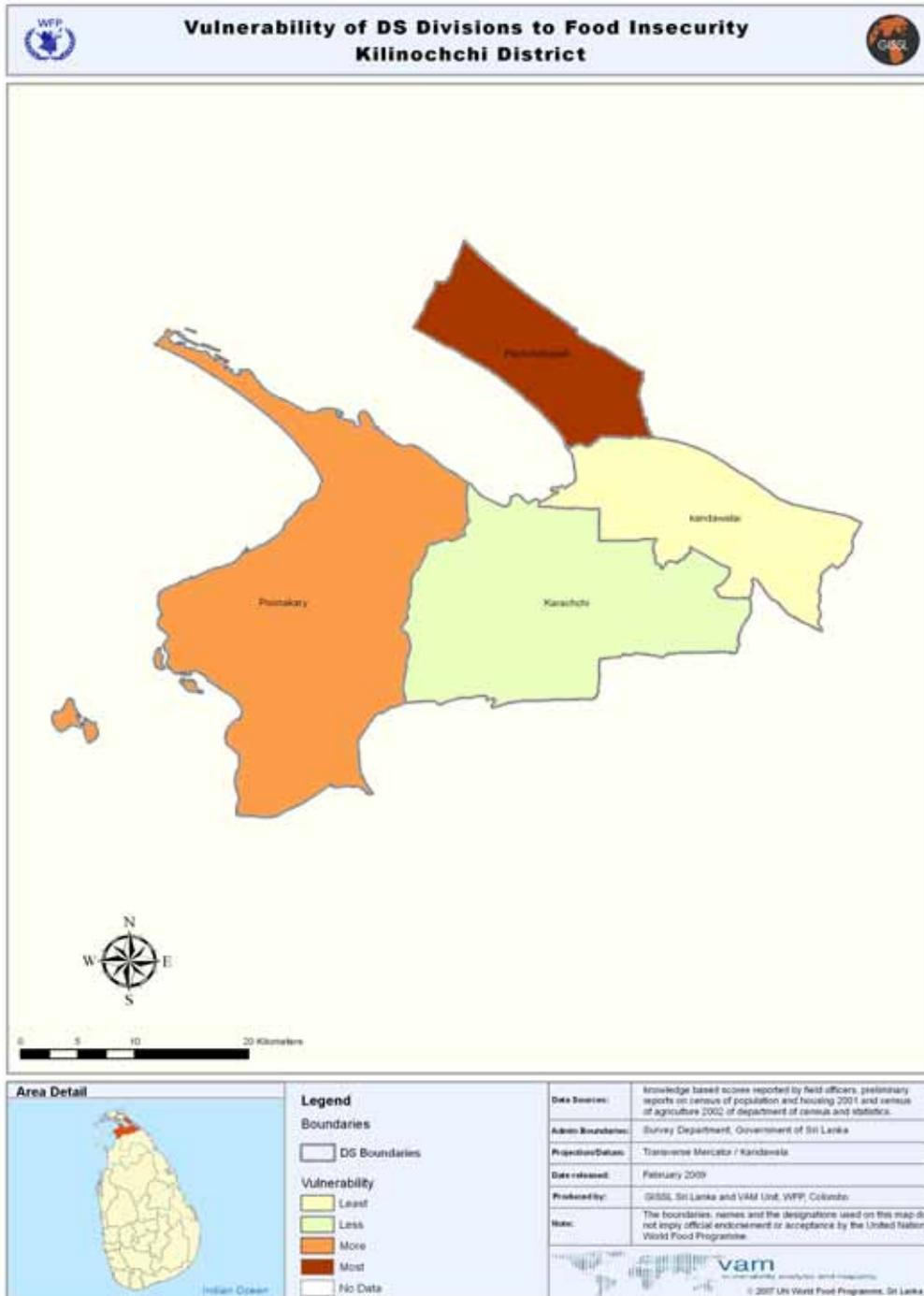
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Annex



CIRM. 2005. Vulnerability – Poverty Profile of Kilinochchi District



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.

# Mannar District Analysis



## Overview

Population:	97,101 (2003)
Population density:	58 persons/km <sup>2</sup> It is one of the least densely populated districts.
Rural / urban:	N.a.
Poverty line:	Mean household (HH) income per month Rs 16,725 compared to Rs 20,048 nationally (Census and Statistics Department, 2005). Much of the infrastructure facilities in the area were destroyed during the conflict.

## Areas with high incidence of poverty

- Areas of extreme poverty in Manthai West, Eastern Madhu and Musali DS Divisions.
- Especially the inland divisions suffer from severe-moderate food insecurity (See WFP map)

## Marginalized groups

### *IDPs and Returnees:*

- As of June 2010 there were 22,676 returnees and released IDPs living in Mannar. The emergency IDP sites were closed in May 2010, and as of June 2010 there are no IDPs living in emergency sites. (UNOCHA).
- Over 40,000 displaced persons from Mannar live outside the region and an additional 30,000 refugees live in camps in South India.
- IOM found that over 70 % of returnees to the Northern Province have no access to an income.
- Over 50% of houses in district are completely destroyed, 66% of which belong to IDPs. Over 20% were partially damaged (MANRECAP). Currently nearly 900 houses owned by IDPs are occupied by others, who for a variety of reasons are prevented from living in their own homes.

### *Households headed by Women/ Single Parents*

- Households headed by Women/ Single Parents were identified as the most vulnerable households in the region by IOM (2010) along with households with large numbers of children, and households with family members physically and mentally affected by the war.
- Poverty indicators are high among widowed women. The most vulnerable communities have lost their homes, their productive assets and are in debt to farmers banks and cooperative societies not having harvested in 2008 and 2009 and are vulnerable to exploitation and destitution with few coping mechanisms left.

### *Elders*

- The ageing population in the Northern Province is one of the fastest in the world. The province lacks the social protection capacities to address this marginalized group of elders.

#### *Orphans, children and youth affected by conflict:*

- Large numbers of children under-5 suffer from wasting, stunting and are underweight (UNICEF, 2006)
- Large numbers of youth and ex-combatants in need of livelihood training
- Employment opportunities in the district are highly seasonal, and there are no institutional facilities for tertiary education.

#### **Livelihoods**

- The primary economic activities in Mannar are crop cultivation (mainly paddy), fisheries and animal husbandry. Besides paddy, Palmyrah, Coconut, Cashews and other Highland crops are also grown.
- Mannar is located in the driest region of the country. For a variety of reasons, many areas in the district suffer shortages of potable water. Along Mannar's coasts, well water often is saline. Deep and expensive tube wells are necessary to reach fresh aquifers. Areas where displacement occurred suffer from disused wells. Throughout the district, 44% of individual wells and 57% of common wells need repair or reconstruction.
- Over 64 % of agricultural households in Mannar were homesteaders with less than 0.1 ha of back garden. As of 2009 there were 16,000 ha of abandoned land in Mannar. Over 65 % of the district is under forest cover.
- Mannar has been the focus of GoSL efforts to do demining and get back to agricultural production. Before the conflict, Mannar along with Kilinochchi and Mullaittivu used to exceed local requirements in food production. Mannar has an established seeds producers association and 11 private rice mills existed and are now defunct but there is potential according to FAO's assessment to strengthen CBOs in Mannar to get small scale rice mills underway.
- Mannar farmers tend to rear larger numbers of head of cattle than in Jaffna. Goat rearing is also practiced in Mannar. There are Livestock Breeders Cooperative Societies engaged in milk collection.
- Mannar has 11,360 fishermen out of 200,000+ for NP accounting for 7,710 MT, the largest of any of the NP districts in 2008. Jaffna and Mannar are well known for their high quality dry fish. Fisheries Cooperative Societies while weak in Mannar have 730 female and 6,381 male members.
- One of the major industries in Mannar was, and still remains, salt production. Currently Mannar salterns supply salt to fishing communities for dry fish production, to the ice factory at Pesalai, and to the Multi-Purpose Cooperative Societies (MPCSs) and private sector for consumption.
- Clay is readily available in the district. Before the destruction of the railway network, clay was transported south to the Kankasanthurai Cement Factory.
- The MANRECAP pie chat (see annex) summarizes some of the other SME industries prevalent in Mannar.

#### **Gender**

- The recent demographic shift in the Northern Province has increased the share of the population that is female. Due to the conflict, there has also been an increase in the number of female headed households and disabled men. The absence of working age men killed, missing or detained due to the conflict has specific impacts on the agriculture sector and communities.
- In the fisheries sub sector low value is attached to work done by women and this limits female access to essential resources.

- Looking after the cattle reared under intensive management, calf rearing, milking and feeding of cattle and upkeep of poultry are handled by women in the family. Women can earn a substantial income from these activities.

### **Issues of conflict sensitivity**

- No reliable census has been done since 1981. The Department of Census and Statistics in 1981 indicated that Mannar had a majority Tamil population in 1981 including a large Indian Tamil population. There was a small minority of Sinhalese and Sri Lankan Moors in the area.

### **Microfinance**

- There are 07 Multi-purpose Co-operative Societies and 130 specialized co-operative societies. However some of them are defunct. Two state trading enterprises have outlets in the district. The two State Banks, the NSB and one private Commercial Bank operate branch offices.

### **Key Actors**

- *ProMiS partners during phase I: none*
- *International Organizations: UN agencies such as FAO, ILO, IOM*
- *International and local organizations: Japan International Corporation Agency, Médecins Sans Frontiers etc, Local NGOs such as Sarvodaya*

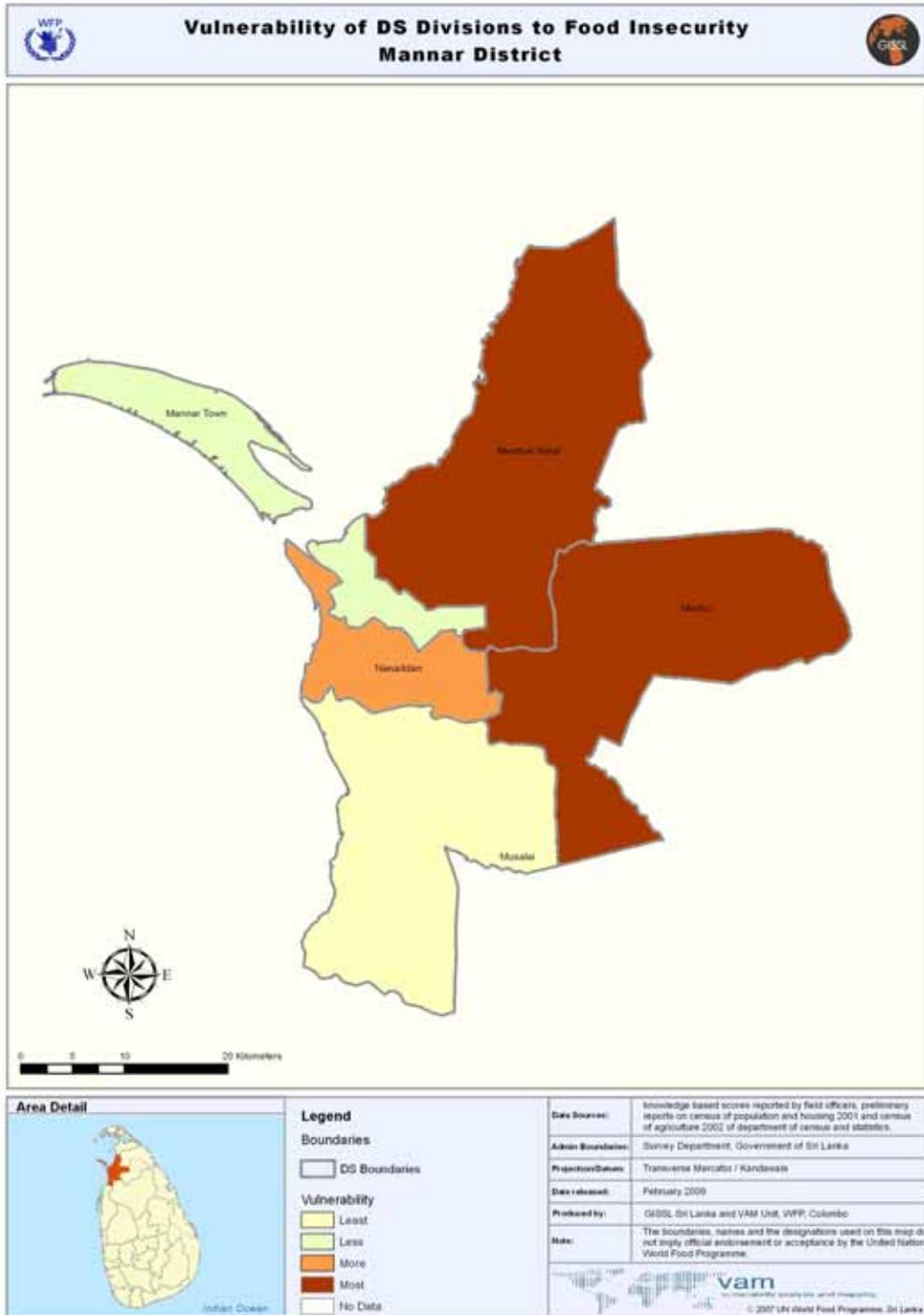
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Annex

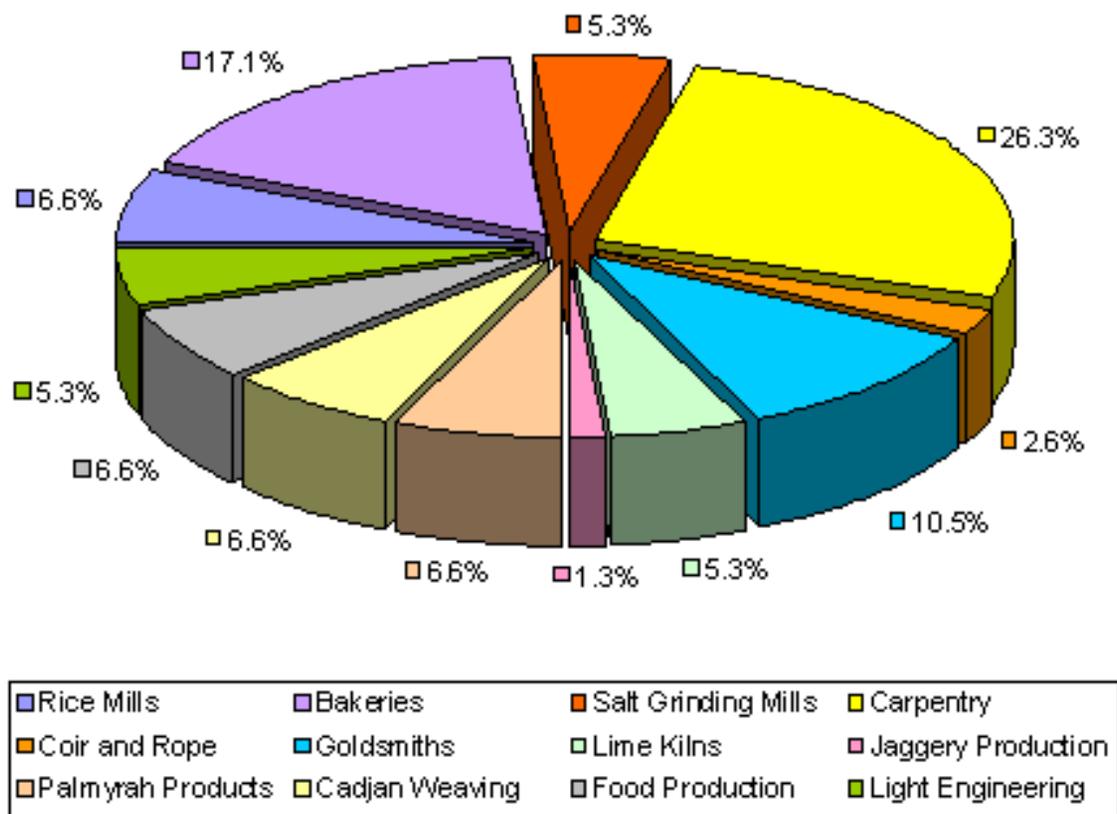


CIRM. 2006. Vulnerability – Poverty Profile of Mannar District



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.

### Existing Small Industries



Source: MANRECAP, 2007

# Mullativu District Analysis



## Overview

Population:	Approx 150,000. <u>No verifiable data</u>
Population density:	Information not available.
Rural / urban:	N.a.
Poverty line:	Mullativu is located in the Northern Province, which is ranked 3rd highest for absolute poverty of the 9 Provinces in Sri Lanka. Much of the infrastructure facilities in the province were destroyed during the conflict.

## Areas with high incidence of poverty

- Oddusuddan and parts of Manthai East are large poverty pockets with high levels of food insecurity (See CIRM map and WFP map in Annex)

## Marginalized groups

### *Displaced Persons and Returnees:*

- As of June 2010 there were 40,421 returnees and released IDPs Mullaittivu.
- Mullaittivu was also the district worst affected by the tsunami in 2004 (22,602 displaced) in Northern Province.

### *Households headed by Women/ Disabled Males/ Elders*

- As in most areas of the Northern Province, poverty indicators are high among widowed women. The most vulnerable communities have lost their homes, their productive assets and need help setting up viable livelihoods.
- A larger number of households are headed by war-widows and disabled men injured from the conflict.

### *Children and Youth:*

- The conflict has had a serious psycho-social impact on the children of the area.
- The disruption of educational activities has left many children and youth in need of assistance towards resuming/continuing education and receiving vocational training for employment.
- Mullaittivu is one of three districts with average distance to the closest school more than 20 km. 75 % of schools have no permanent library, and less than 20 % of schools have A/Level classes (IPS, 2009)

## Livelihoods

- Mullaittivu is in the dry zone that receives less than 1500mm of annual rainfall. Paddy cultivation is one of the major occupations.
- Before the conflict, Mullaittivu was considered one of the three "food baskets" of the N-E with paddy production exceeding provincial requirements.
- The absence of working age men (killed, disabled, missing or detained due to the conflict) had a serious impact on agriculture in the area.

- A significant portion of homesteaders in the district currently have less than 0.1 ha of back garden. In 2009, Mullativu had 10,000+ ha of abandoned land.
- Currently produces around 44 % of the district's milk requirements, the highest in the Northern Province.
- The coastal shallow sea from Trinco to Mullaitivu is enriched with very high fish density yet Mullaitivu's active fishers in 2008 were the fewest of all districts other than Vavuniya.
- Convoys are now permitted to transport goods (especially fresh fruit, veg and fish products) between Jaffna and Vavuniya through Mullaitivu.

### **Gender**

- There has been an increase in the number of female headed households and disabled men (conservatively estimated at 25,000). This recent demographic shift in the NP has increased the share of the population that is female.
- Looking after the cattle and upkeep of poultry are handled by women in the family. Women can earn a substantial income from these activities.

### **Issues of conflict sensitivity**

- Historically (early 20th century) Mullaitivu has been majority Tamil. There has been no reliable census registration since 1981, at which time Mullativu was estimated to be over 90 % Tamil.

### **Microfinance**

- Mullativu, Mannar and Kilinochchi have some of the lowest deposit bases in the country. Levels of savings in Mullativu were better than Mannar, Vavuniya and Trincomalee, but worse than the rest of the North-East districts. Manthai East had the highest level of savings per capita in the district, while Thunkkai had the highest number of savings accounts and lowest number of loans dispersed as of 2002 (Gant, 2004)
- In terms of practitioners, TCCS provided the largest number of loans in the district and MPCS had the most number of savings accounts (Gant, 2004)
- The Mullativu FCS Union was considered one of the rare microfinance success stories in the Wannni. It has over 4,600 active members and an efficient management team (Gant, 2004).
- The Per Capita Loan Dispersal for Mullativu was between 64-212 rupees.
- The formerly active Farmer Field School groups under the Thrift and Credit Societies Act and the Cooperative Societies Act have grown defunct in recent years in Mullaitivu.

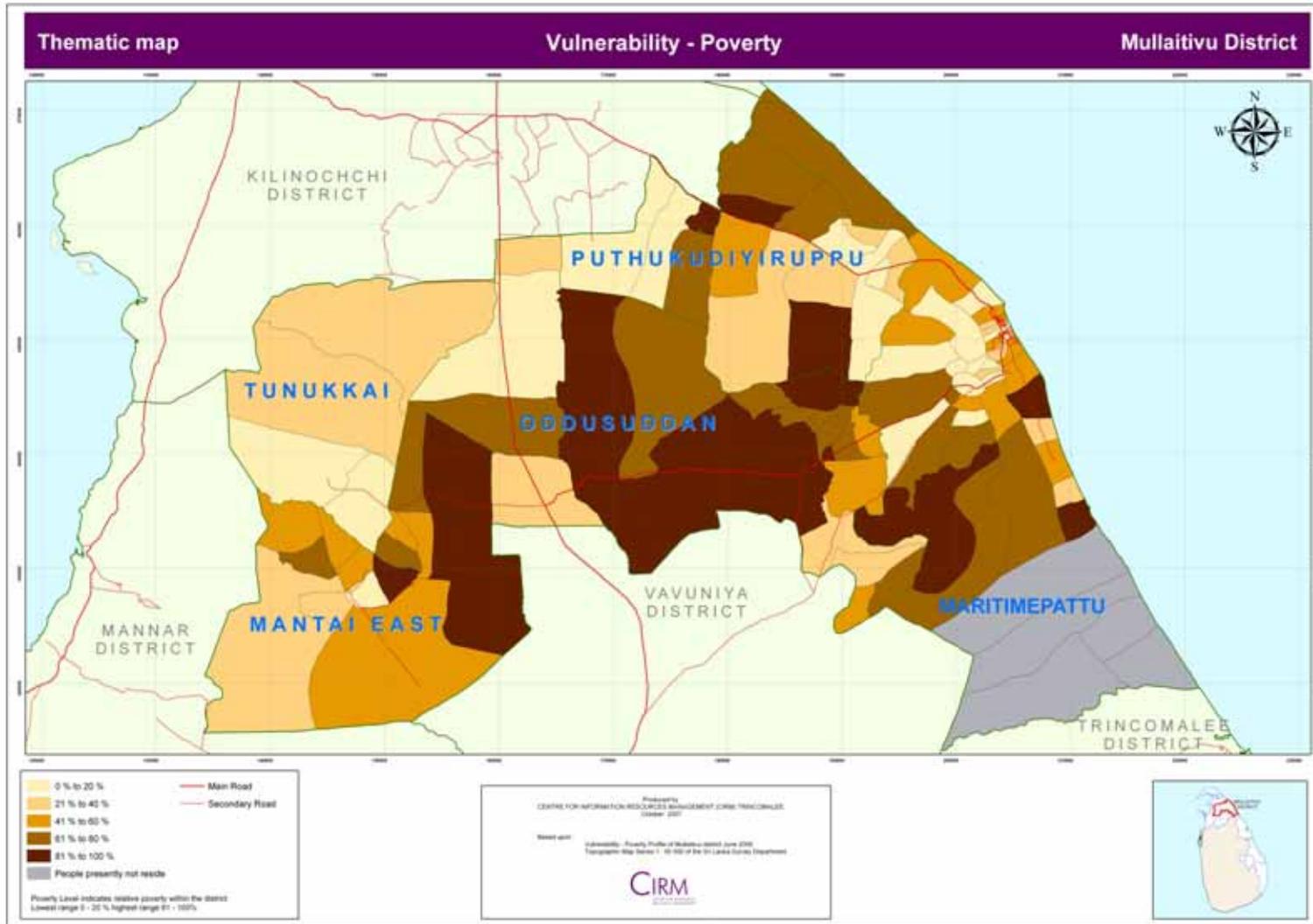
### **Key Actors**

- *ProMiS partners during phase I:* none
- *International organizations:* various UN agencies (IOM, FAO and WFP)
- *Local organizations:* CHA, Sarvodaya (SEEDS), Sewa Lanka, TECH Rural Bank, The *Vadakkinn Wasantham* development plan (a government initiated accelerated development program) for NP has a new division called Northern Regional Development Division established within the Ministry of Nation Building.

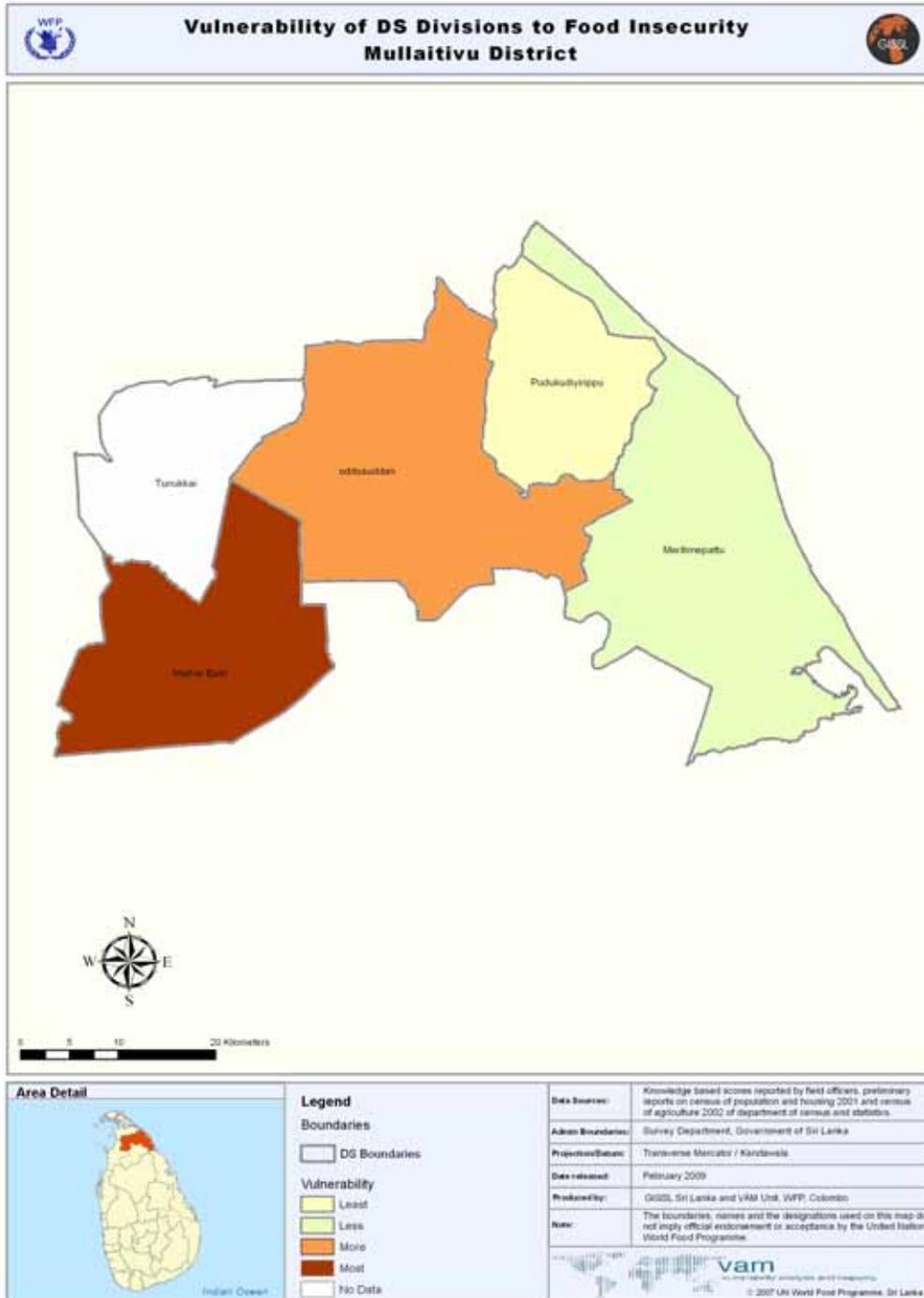
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Annex



CIRM. 2006. Vulnerability – Poverty Profile of Mullaitivu District



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.



## Trincomalee District Analysis

### Overview

Population:	412,500 (approximately)
Population density:	300 persons /km <sup>2</sup> on average (compared with the highest population density in Colombo at 3300 and the lowest in Moneragala at 72).
Rural / urban:	Over two thirds of the district's population is rural.
Poverty Line:	About 90% of the population of Trincomalee is estimated to depend on some form of state support (food stamps, dry rations, social transfers).

### Areas with high incidence of poverty

- Areas with high incidence of poverty and high food insecurity occur along the coast line (Kuchaveli, Town & Gravetes, Kiniya, parts of Muttur and parts of Eachchillampattai) and also parts of Kantale (see CIRM map)

### Marginalized groups

#### *IDPs:*

- As of June, 2010 there were over 7,500 returnees and released IDPs (UNOCHA)
- Welfare center IDPs were among the most economically vulnerable, especially female headed households. Over 24 % of such households depended on 'other' income sources such as selling assets/food aid or pawning jewelry.
- Women living in welfare centers also face risk of sexual harassment and abuse.

#### *Female Headed Households:*

- As in most conflict affected parts of the country, Trincomalee has a high number of female headed households. Over 20% of all households and around 25 % of IDP and returnee households in the district were female headed.
- A WFP assessment concluded that a high number of households in the district are extremely food insecure and at risk. The risk to life and livelihood figure is highest among displaced female headed households.
- Those most in need of social protection in the Division are displaced children, orphans, widows and single parent families.

#### *Unskilled overseas workers:*

- Trincomalee is one of the districts supplying the highest number of overseas workers from Sri Lanka (approximately 21,000 registered with the Sri Lanka Bureau of Foreign Employment).
- A high number of these are women engaged in unskilled work (domestic service) in the Middle East. The number of women seeking unskilled work abroad is especially high in Kinniya

## **Livelihoods**

- Unemployment in the district is higher than the national average. The national labor force participation rate is estimated at 48.6 % while Trincomalee stands at 38.1 %.
- Trincomalee's economy largely depends on agriculture, fisheries, and livestock, as well as daily labor and other public sector activities. 30% of the employed population is in cultivation.
- Trincomalee is a key paddy growing district in the country, irrigated through 4 reservoirs from the Mahaweli irrigation schemes. The extent of irrigated agriculture is limited to central and southeastern parts of the district, where four major perennial reservoirs are situated. Other field crops (such as vegetables and fruits) are cultivated during the monsoon season where there is water, often surrounding agro wells.
- The district's 210 km long coastline has been a major fishing area and in 2006 there were 13,800 fishermen households according to the WFP. During the war years agriculture and livestock related activities were severely disrupted resulting in threatened livelihoods and loss of income.
- Trincomalee is also ranked as one of the districts supplying the highest number of (unskilled) overseas workers from Sri Lanka.
- Some 87 % of households in the district use 'coping strategies' such as purchasing food on credit and restricting food consumption, with this number being higher in female headed households

## **Gender**

- Although women in the North-East constitute 64% of the working age population, women's labor force participation rate is only 16 %, significantly lower than the male's rate of 55 %
- Trincomalee has one of the lowest female labor force participation rates in the region. Female unemployment stands at 38 %, compared to 9.3% for men. However on average, women had completed a higher level of education than men.
- Political representation of women in the district is low.
- At the local authority elections of 2006 from a total of 113 elected members 13 were women and two of them held chairing positions. In 2008 Eastern Provincial Council 10 councilors, one was a woman.

## **Issues of conflict sensitivity**

- The district has a wide range of ethnic diversity: Approximately 45% Muslims, 28 % Tamil, and 25% Sinhalese. Ethnic concentrations vary widely across the district, with some villages being majority Sinhala or Tamil.
- As Trincomalee's population is a mix of ethnic groups, hostilities occur occasionally and there is limited integration among ethnicities. Following the end of armed conflict and the resulting displacement and resettlement, concerns have been raised over ethnic representation, ownership, identity and equality. The relative equality of portions of the three main ethnic groups, which historically made Trincomalee very pluralistic and balanced, has now been skewed after the conflict.
- The relatively quick resettlement with housing and higher state compensation to tsunami victims increased the frustration and anger among the conflict affected and displaced families in the district, contributing towards further tension between groups.

## Microfinance

- Almost 61% of households in the district were found to use some financial services, and almost 18% used loans, which very low compared to other districts. Almost 55% maintained savings (GTZ, 2007).
- Due to a dysfunctional cooperative sector, a small NGO sector, and the absence of regional development banks Trincomalee has the weakest levels of MF service provision in N+E region.
- Demand for microfinance services however is high due to the high levels of poverty, lack of formal employment opportunities, displacement and loss of physical assets, large number of female headed households lacking income, minimal access to formal financial services, and the possibility now to resume traditional livelihoods with the cessation of armed conflict.

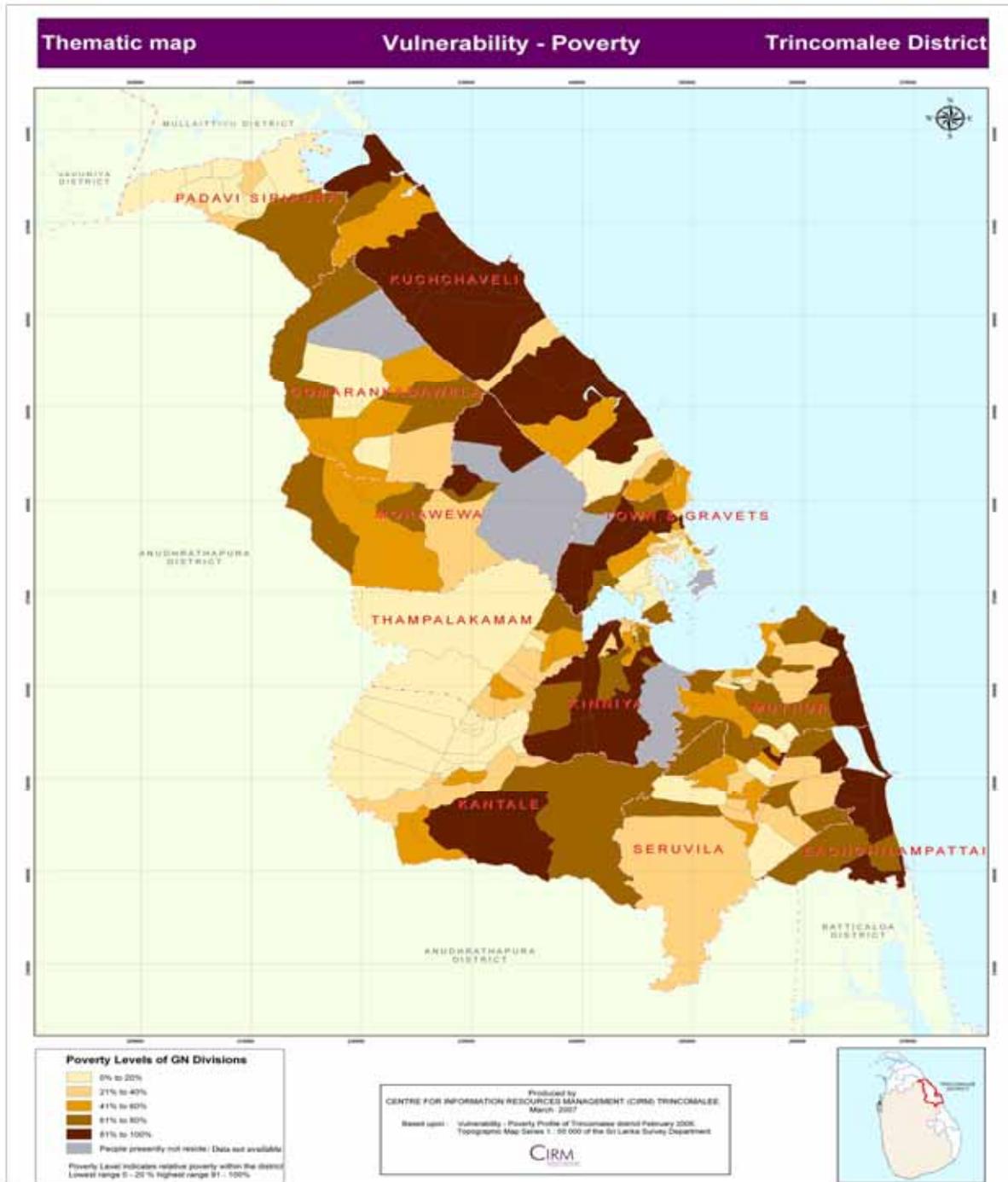
## Key Actors

- *GTZ-ProMiS partners during phase I:* Sewa Finance, Lanka Orix Microfinance Company, BRAC Lanka Limited, Sanasa, Matale Community and Childrens' Network (MCCN)
- *International Organizations:*, Red Cross, UN Agencies (e.g. FAO, WFP), CARE, World Vision, Caritas
- *Local organizations:* Samurdhi, Sarvodaya (SEEDS), Rotary, Peace and Development Committees, Rural Development Societies, Chamber of Commerce of Trincomalee District , CF Lanka Microfinance.

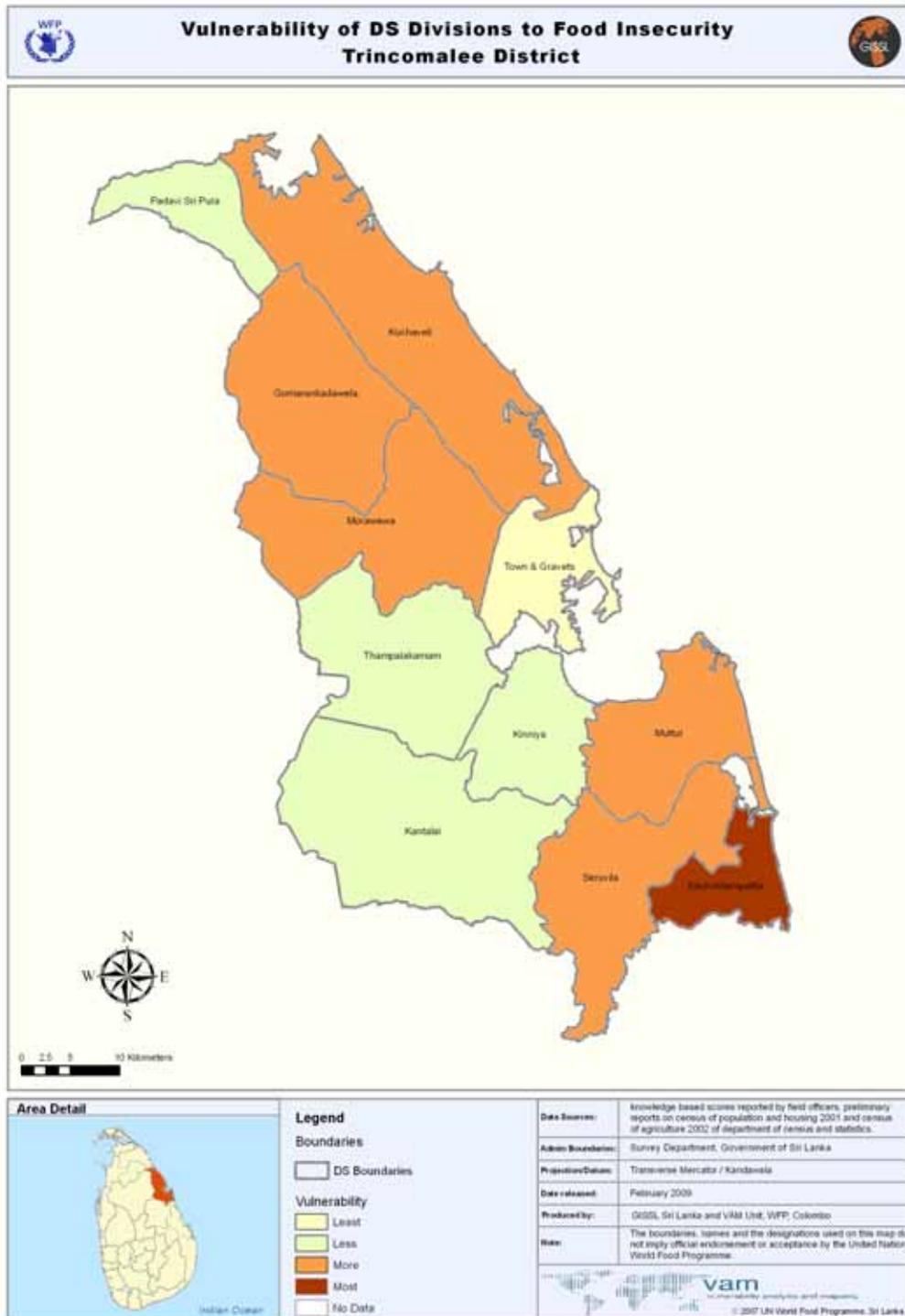
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Annex



CIRM. 2006. Vulnerability – Poverty Profile of Trincomalee District



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.

# Vavuniya District Analysis



## Overview

Population:	149,800 (Department of Census and Statistics, 2001)
Population density:	93 persons/ km <sup>2</sup> on average. It is one of the least densely populated districts.
Rural / urban:	N.a.
Poverty line:	Located in the Northern Province, which is ranked 3rd highest for absolute poverty of the 9 Provinces in Sri Lanka. Much of the infrastructure was destroyed during the war.

## Areas with high incidence of poverty

- Especially the northern part of the district suffers from severe food insecurity (see WFP map)

## Marginalized groups

### *IDPs and Returnees:*

- As of June, 2010, there were approximately 50,788 IDPs in emergency sites; 26,016 of whom were female and 24,722 were male. Most are accommodated within various zones of the Menik Farm camp. There were also 36,516 returnees and released IDPs. (UNOCHA, 2010)
- Several IDPs from Killinochchi and Mullative sought refuge in Vavuniya during the last stages of armed conflict in 2009. As shown in UNOCHA map, much of Vavuniya is under resettlement.
- IOM found that over 70 % of returnees to the Northern Province have no access to an income.

### *Households headed by Women/ Single Parents/ Elders*

- The above categories were identified as the most vulnerable households in the region by IOM (2010) along with households with large numbers of children, and households with family members physically and mentally affected by the war.
- Over 5.2 % of all IDPs in the district are over 60 years. Older persons often overlooked due to lack of data on age distribution of the population. Disaggregation is mostly limited to gender (HelpAge, 2009)

### *Orphans, children and youth affected by conflict:*

- Over 15 % of children under-5 suffers from wasting, and over 17 % suffers from stunting in the district. Over 31 % of under-5 children in the area are underweight (UNICEF, 2006)

## Livelihoods

- Agriculture (Paddy cultivation) is the main livelihood. Over 38 % of the total land is engaged in Agriculture and 47% of the land is forest cover. About 21,000 ha. Land is used for paddy cultivation of which 10,900 ha. is irrigated by minor irrigation schemes. In addition to this there are about 10,000 ha. under perennial and other crops.

- Over 40 % of agricultural-based households in Vavuniya were homesteaders with less than 0.1ha of back garden. As of 2009 there were 9,600 ha of abandoned land in Vavuniya .
- Vavuniya has started to upgrade their cattle for milk production. The district also has one of two hatcheries functioning in the Northern Province and they have a Livestock Breeders Cooperative Society.
- Vavuniya has the least number of active fishers of all five Northern districts, not surprisingly given its inland character. There was an Inland Fisheries Project implemented with UNDP assistance in 2006 in eleven selected tanks which are mainly seasonal. More consideration should be given to develop Inland Fisheries in this district as potential is there.

### **Gender**

- There has been an increase in the number of female headed households and disabled men due to the conflict.

### **Issues of conflict sensitivity**

- The Department of Census and Statistics in 1981 indicated that Vavuniya had a majority population of Sri Lankan Tamils, and also a large Indian Tamil population that exceeded the numbers of Sinhalese and Sri Lankan Moors in the area. No reliable census has been done since.

### **Microfinance**

- Almost 67% of households in the district were found to use some financial services, almost 45% used loans and almost 58% maintained savings (GTZ, 2007).
- Bank of Ceylon, People's Bank, National Savings Bank, Hatton National Bank, Seylan Bank, Commercial Bank Sampath Bank Sanasa Development Bank, PAN Asia Bank Ltd and Nations Trust Bank Ltd are functioning in this district.

### **Key actors**

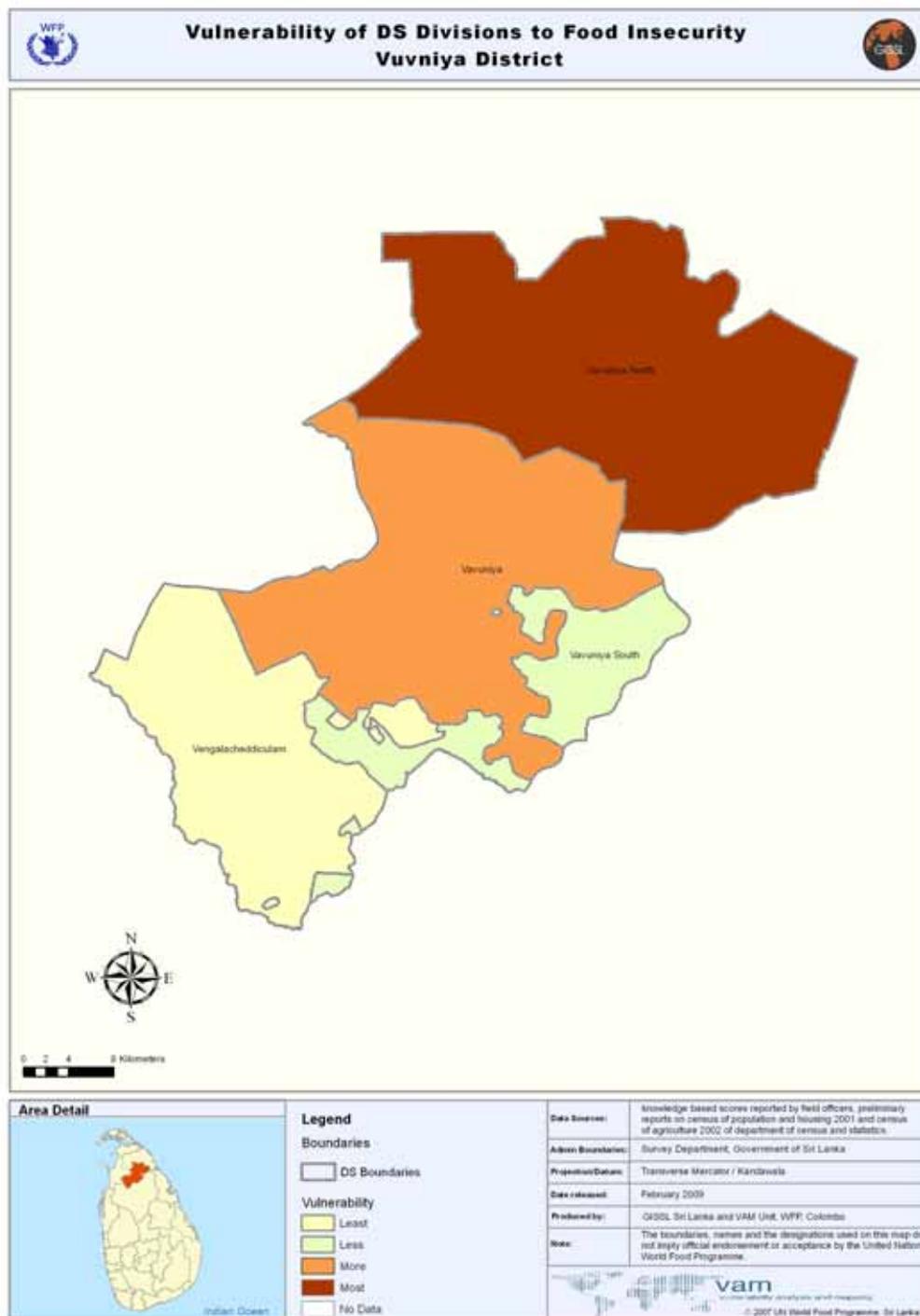
- *GTZ-ProMiS Partners during phase I:* Sanasa, Sewa Finance
- *International organizations:* UN agencies (FAO, ILO, IOM), JICA, MSF
- *Local organizations:*, Sarvodaya Vauniya District Chamber of Commerce & Industry

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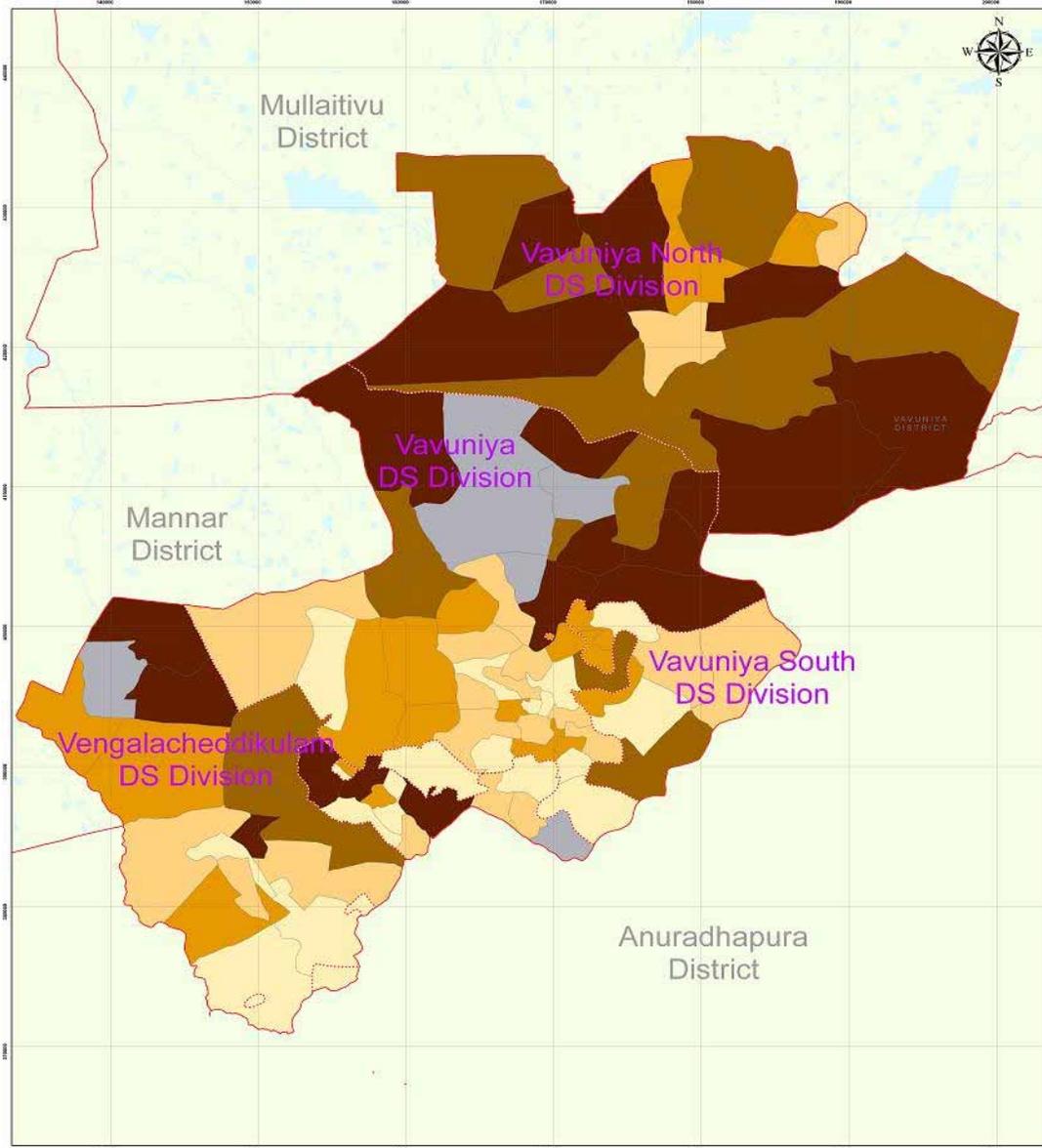
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Annex



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.

Thematic map **Poverty** Vavuniya District



**Poverty Levels of GN Divisions**

— District Boundary	41% to 60%
..... Division Boundary	61% to 80%
0% to 20%	81% to 100%
21% to 40%	People presently not reside/ No data

Poverty Level indicates relative poverty within the district  
Lowest range 0 - 20 % highest range 81 - 100%



Produced by  
CENTRE FOR INFORMATION RESOURCES MANAGEMENT (CIRM)  
TRINCOMALEE  
March 2007

Based upon 'Vulnerability - Poverty Profile of Vavuniya district December 2004.  
Topographic Map Series 1 : 50 000 of the Sri Lanka Survey Department.

CIRM. 2004. Vulnerability – Poverty Profile of Vavuniya District

# Analyses of South-Central and Western Districts



## Badulla District Analysis

### Overview

Population:	779,983 (approximately, as of 2003).
Population density:	276 persons/km <sup>2</sup> approx
Rural / urban:	72 % rural. An estimated 21 % lives on plantations.
Poverty line:	Rs. 3159. National Poverty Line for Sri Lanka Rs. 3087 (Department of Census and Statistics, Feb, 2010). 197,000 people (approximately 25% of the district's population) live below the official poverty line. Uva Province has the highest provincial ranking for absolute poverty of nine provinces in the country. Strong improvement in headcount index (unlike its neighboring district, Nuwara Eliya) from 31 in 1990 to 23.7 in 2006. Gini coefficient is 0.36 which is below the national average of 0.40 so the district is relatively equal which is surprising since estates sector is present in the district and seen the large differences in the poverty ranking between different DS Divisions

### Areas with high incidence of poverty

- Ranking of DS divisions in order of highest HIP to lowest HIP: Rideemaliyadda (51.15), Meegahakivula (46.5), Kandaketiya (46.1), Lunugala (38.82), Mahiyanganaya (38.57), Hali Ela (34.58), Soranathota (34.24), Uva Paranagama (33.35), Passara (31.88), Haldummulla (31.65), Welimada (29.19), Ella (28.04), Haputhale (24.42), Bandarawela (21.61), Badulla (17.19) ( Source: Department of Census and Statistics, 2002)

### Marginalized groups

#### *Unemployed Youth*

- Badulla ranked poorly in a national 9 district nutrition survey for the prevalence of stunting in children, low birth weight but otherwise in the middle ranking of various indicators.
- Low literacy rates despite its 569 schools. Most schools teach in Sinhala medium (374), 174 in Tamil and a significant number (21) are bi/trilingual. There are 347 libraries out of 7032 libraries nationally ranking Badulla as having the 7th highest

number of libraries out of 25 districts. There appear to be educational opportunities that are not being seized by some.

#### *Estate plantation communities*

- UNHCR's 2004 citizenship rights legislation awareness campaign led to the registration of 276,000 people but 192,000 plantation Tamils remained unregistered.
- The estate Tamil community generally lives in abject poverty with very low living conditions. Caste divisions within the community hinder opportunities and there is deemed to be a "stigma against estate workers".

### **Livelihoods**

- Badulla is essentially an agriculture district with 64% of its employed population in agriculture, the second highest in the country with 25% in services and 11% in industry.
- Tea remains the main source of income for Badulla, grown on 30,639 ha with over 80 % in the estate sector as large plantations and the rest as small holdings. Tea is located in the Hali Ela, Lunugala and Ella DS Divisions. A study identifies Badulla district as second only to Nuwara Eliya in terms of hectareage of tea under estate cultivation (CEPA, 2008).
- The tea plantation national employment figures have decreased by half over the past few decades from 541,971 in 1980 to 268,145 in 2004 nationwide with a big portion affecting Badulla. Despite this Badulla has the fourth highest labour participation rates in the country.
- Rubber and coconut are also cultivated with 432 ha and 2715 ha respectively. Tea and rubber are declining and coconut is increasing its cultivation area. Crops such as potatoes, vegetables, pepper, cinnamon and cocoa are also significant. Paddy was cultivated on 10,706 ha in 2007 Yala season with all fields under irrigation systems. Located in the wet zone receiving rains from both monsoons and scattered showers in between,
- Tourism as a source of income and employment is as yet insignificant but the spectacular natural geography (waterfalls etc) suggest there is potential here if both tourist numbers and transport infrastructure increase.

### **Gender**

- There is significant disparity between literacy and employment rates in men and women. A vast number of women are engaged in low paid labor intensive work.
- The double burden of labor intensive plantation work and family care is particularly intense for women.
- Of 246 elected members of three political structures only 6 are women.
- Women working on plantations identify sexual harassment by supervisors as a concern.

### **Conflict sensitivity**

- The district is predominantly Sinhalese (72.5%) with a significant portion (18.2%) of Indian Tamils concentrated in the estate sector. Muslim and Sri Lankan Tamil

constitute the remaining 10%. Badulla is home to the indigenous Veddah community (nearly 350 families/1800 people) living in the Maduru Oya forest reserve.

- Ethnic and religious conflicts are not seen to be a challenge but rather it is the daily struggle for survival that underlies the conflict fault lines according to the FLICT 2009 study. A most unusually high number (11 out of 15 DS have been declared bilingual) which suggests a degree of communal integration.
- The CEPA estate workers study has a significantly different take on the dilemmas faced by estate workers, including serious ethnic discrimination, particularly vis a vis Indian Tamil which in Badulla constitutes a significant but smaller portion of the overall district population than Nuwara Eliya. Estate housing is an issue of considerable controversy and tension.

## Microfinance

- More than 78% of households in the district were found to use some financial services. Almost 39% used loans and almost 78% maintained savings (GTZ, 2007).
- Estate district studies indicate that some estate families have improved their socioeconomic conditions by finding self employment, developing alternative skills enjoying greater mobility and migration. In focus group discussions one of the biggest shortcomings is the lack of access to seed capital and technical training and support systems for small businesses.
- Upward drivers for success are linked to a) diversified livelihood portfolios - estate, non-estate, migration, skilled and non skilled labor b) given high % of income spent on food, opportunities for subsistence farming and home gardening c) self employment, developing alternatives skills, facilitating mobility and migration including access to seed capital and technical training and support systems for small businesses.

## Key actors

- *GTZ-ProMiS partners during phase I:* Sewa Finance, Lanka Orix Microfinance Company, Sanasa
- *International Organizations:* Few international organizations. UN Agencies such as FAO, WHO, UNDP (Art Gold Sri Lanka Project) and WB
- *Local organizations:* Sarvodaya (SEEDS), Samurdhi, Chamber of Commerce & Industry of Uva Province Reference is made in FLICT to a large number of NGOs active in Badulla especially the tea estates. The NGO Coordinator in the District Secretariat has the up to date information on their coordinates.

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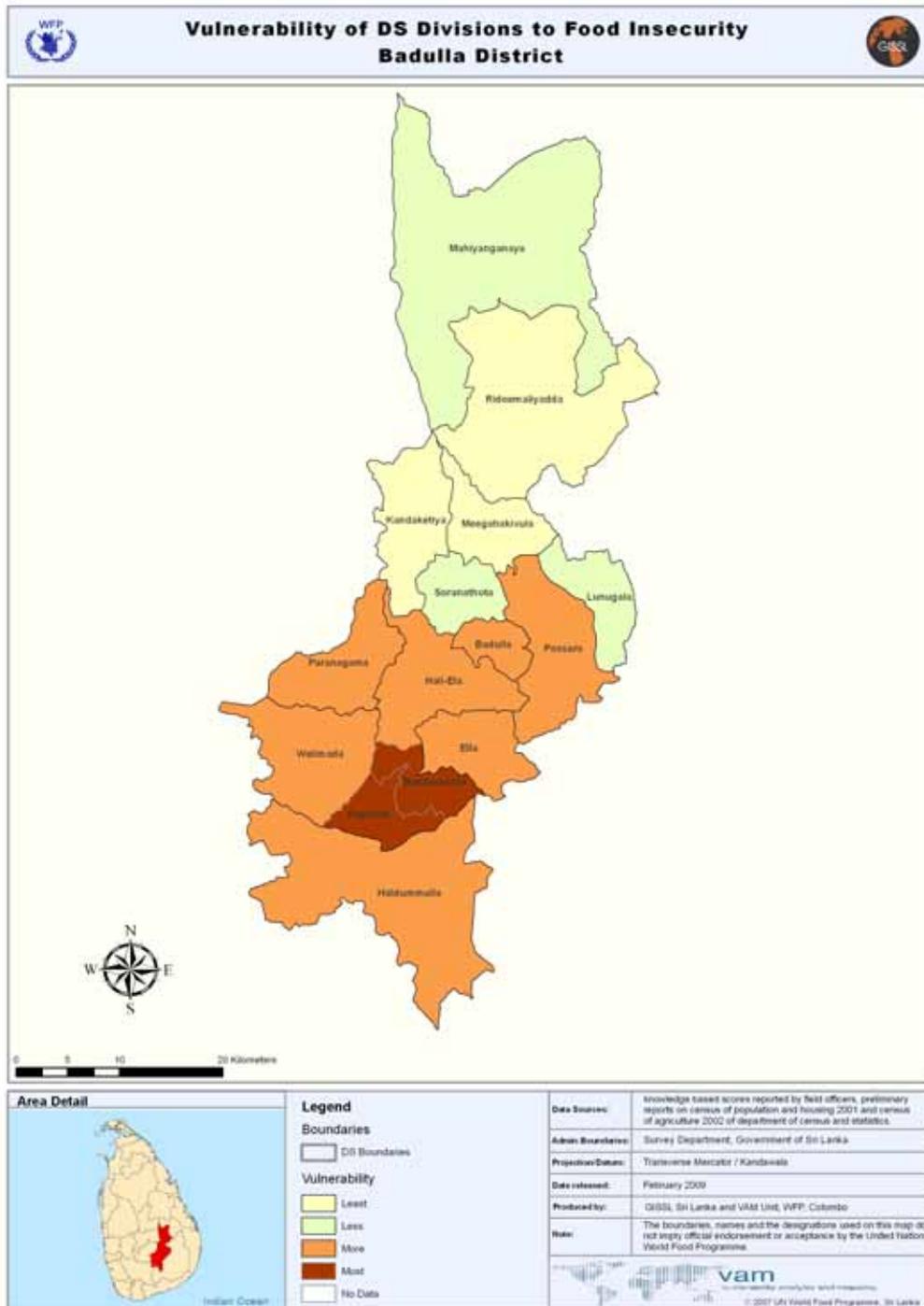
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# Annex



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.

# Kegalle District Analysis



## Overview

Population:	785,524 (2001), the 8th most populous district in the country
Population density:	466 persons/km <sup>2</sup> (where the highest population density in Colombo is 3300 and the lowest is Monaragala at 72)
Rural / urban:	n.a.
Poverty line:	Rs. 3161. National Poverty Line for Sri Lanka is Rs. 3087 (Department of Census and Statistics, Feb, 2010). Sabaragamuwa Province (Kegalle is one of two districts) is ranked fourth highest of 9 Provinces for absolute poverty in the country. The district poverty trend line from 1990-2007 has been largely positive with the poverty head count index at 31.2 in 1990/91 and 21.1 in 2006/2007 with some worsening conditions in between. The gini coefficient, or measure of inequality, is low at 0.31 compared to 0.40 nationally.

## Areas with high incidence of poverty

- The district has 11 DS Divisions, in order of highest headcount index of poverty (HIP) to lowest HIP, Aranayaka (36.1), Deraniyagala (33.6), Bulathkohupitiya (32.5), Yatiyanthota (30.1), Dehiovita (29.3), Rambukkana (29.1), Mawanella (28.8), Ruwanwella (28.5), Galigamuwa (27.5), Kegalle (26.7), Warakapola (26) (Source: Department of Census and Statistics, 2002)

## Marginalized groups

### *Estate workers, especially women and youth*

- Youth aspirations and frustration in the estate sector citing limited access to information and resources, high dropout rates and low levels of educational attainment. (CEPA study, annex 3 on youth quotes extensively from Kegalle focus group discussion)
- The child/youth (aged 15-18) focus groups in the Save the Children survey and the CEPA survey in Kegalle have pointed out a number of education (lack of teachers), health (drug addiction among children) and protection (child labor, transport problems) issues.

## Livelihoods

- Rubber cultivation is widespread with 20,250ha under cultivation making Kegalle the number one rubber plantation district in the country.
- Minor export crops include coffee, cocoa, pepper, clove and nutmeg. Sri Lanka's best graphite mine is situated at Bogala in Kegalle.
- The labor force participation rate in 2001 was 44.4%, slightly lower than the 2001 national rate of 48.8%. Total unemployment number is 30,473 with the highest concentration of unemployment among young male adults aged 15-29.
- Most employed men are in skilled agriculture and fisheries, followed by elementary occupations such as unskilled laborers and extraction and building trade workers.

## Gender

- Labor force participation for females is 26.7% versus 63.2% for men. The majority of women workers are craft and related trades workers, especially textile and garment trade workers, then agricultural and fishery workers (15%) and then teaching professionals (10%).

## Issues of conflict sensitivity

- The district is largely Sinhalese (674,665) and its website prides itself as being a place where "a variety of communities live peacefully". The Sri Lankan Moor population is significant (50,419) as are the Tamils, with Indian Tamils at 44,202 and Sri Lankan Tamils at 14,908 in 2001. The numbers of Sinhalese and Moor have grown since 2001 and the two Tamil groups have shrunk. Population growth over the past century has been moderate compared to other districts.

## Microfinance

- Almost 86% of households in the district were found to use some financial services, and 32% used loans. 84% maintained savings (GTZ, 2007).
- Estate district studies indicate that some estate families have improved their socioeconomic conditions by finding self employment, developing alternative skills enjoying greater mobility and migration. In focus group discussions one of the biggest shortcomings is thought to be the lack of access to seed capital, technical training and support systems for small businesses.
- Some rubber companies have put in place initiatives to attract and retain their youth labor force. Missing capital for small scale self-employment is seen as a crucial problem for youth.

## Key actors

- *GTZ-ProMiS partners during phase I:* Arthacharya Foundation, Sabaragamuwa Development Bank, Sewa Finance, Lanka Orix Microfinance Company, Sanasa, Lak Jaya
- *International Organizations:* Few International Organizations UN Agencies such as FAO, WHO and UNDP
- *Local organizations:* Surekuma Foundation, CF Lanka Microfinance, Kegalle District Chamber of Commerce, Industry and Agriculture Plantation Human Development Trust, Associations of Small & Medium Enterprises - Kegalle Affiliated by the National Chamber of Commerce.

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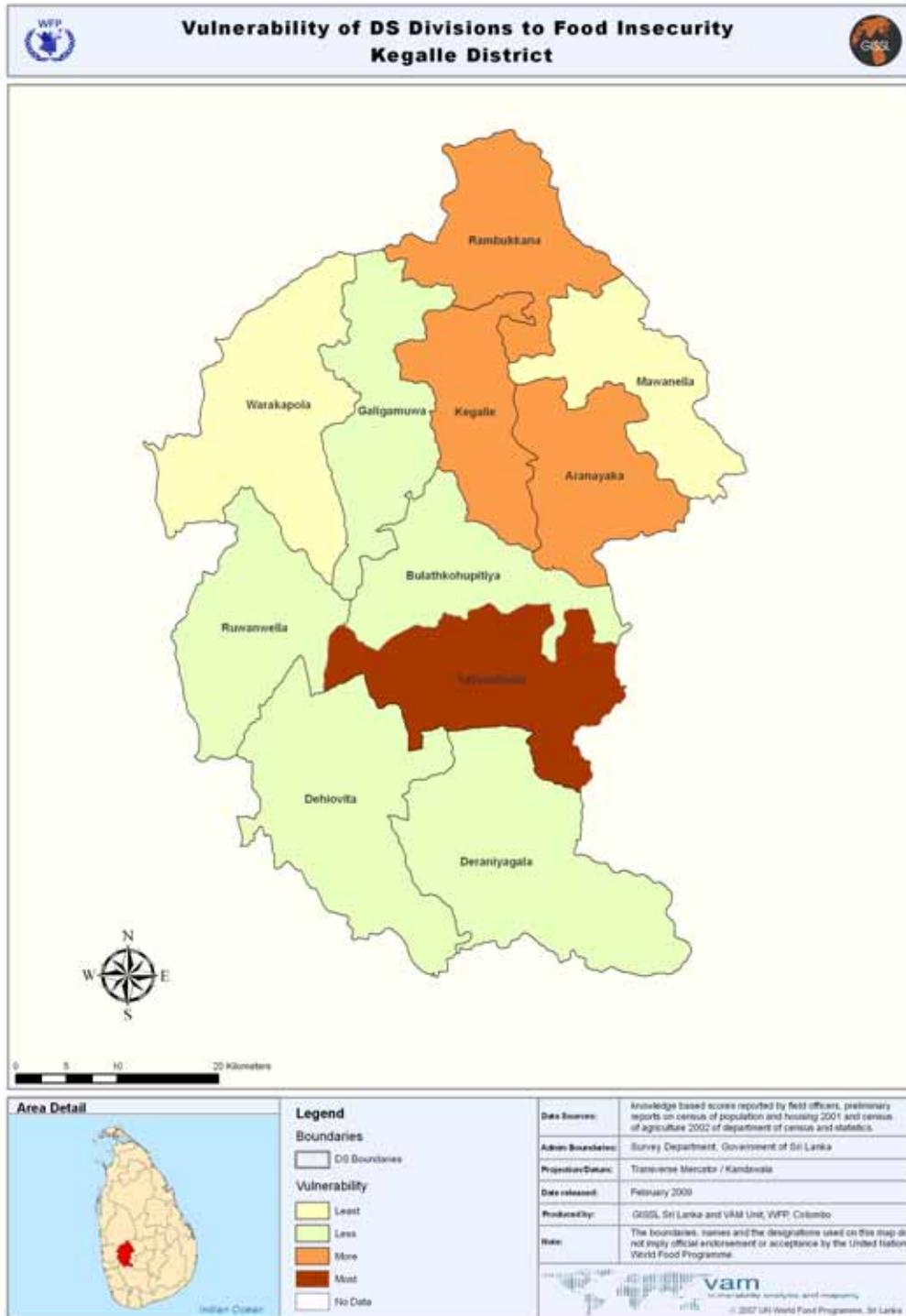
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Annex



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.



## Monaragala District Analysis

### Overview

Population:	430,000 (2008), ranking it 17th largest for population out of 25 districts
Population density:	72 people per sq km (where the highest population density in Colombo is 3300 and the lowest is Monaragala at 72). It is the largest district area in the country.
Rural / urban:	98% rural: no significant urban population.
Poverty line:	Uva Province (with Monaragala district) has the highest provincial ranking for absolute poverty of nine provinces in the country. Overall the poverty level has not changed much over 25 years although 1995/96 showed a substantial increase from 33.7 to 56.2, the highest measured poverty head count in the country by far over 3 decades, before it returned in 2002 to 37.2. The district has very little inequality in its poverty profile. There are 150,000 poor people or 33% below the official poverty line - double the national average.

### Areas with high incidence of poverty

- Of 11 DS Divisions, in order of highest HIP to lowest HIP follows: Siyambalanduwa (51.8), Madulla (40.7), Thanamalwila (35.8), Medagama (30.2), Moneragala (29.3), Badalkumbura (27.9), Bibila (26), Wellawaya (24.9), Buttala (21.2), Katharagama (19.8), Sewanagala (19.3) (Source: Department of Census and Statistics, 2002)
- However, according to WFP map (see annex) Sewanagala, Buttala, Kataragama and Moneragala are areas with highest food insecurity.

### Marginalized groups

#### *Farming households*

- The incidence of poverty is highest among those whose household head is in the occupation of the primary sector (farmers).
- Uva Province experiences an usually high burden of farmers, aged 40-60, who die within 3-6 months of a diagnosis of kidney diseases given the lack of access to dialysis machines in the area. Such deaths are usually a major, crippling burden to the family.

#### *Women headed households*

- Political violence during 1988 and 1991 took a terrible toll with many female headed households struggling to cope after the disappearance of their husbands.

## **Livelihoods**

- Rubber, sugar cane and livestock play an important role in the economy. The district accounts for nearly 100% of Sri Lanka's sugar cane production. Milk production is between 5-10% of national production as a province which is the lowest ranking shared with provinces in the North, South, West.
- Most employed men are in skilled agriculture and fisheries, followed by elementary occupations such as unskilled laborers and extraction and building trade workers. Families in the area depend more on farming for a livelihood than other districts.
- The Governor identifies key business opportunities as lying with rubber cultivation, livestock and carpentry/furniture industry given the important forestry cultivation in Uva province. Two important herbal/ayurvedic gardens are deemed to have potential too.

## **Gender**

- Little is known about female employment as it relates to other districts except that a relatively high 6.4% of working women are in teaching professions and 4% in craft and related trades including textile and garment trade.

## **Conflict sensitivity**

- The population of the district is mainly Sinhalese (94.5%) with small proportions of Sri Lanka Moor 2.0% and Tamil 3.3% (2001) and it has been that way for decades with little change in proportions except that between 1981 and 2001 Tamil numbers decreased slightly and Moor numbers increased slightly. Monaragala is one of the few districts in the country that has seen very slow population growth since the 1870s when population data was first collected.
- The political violence during 1988 and 1991 took a terrible toll
- Monaragala was a rebel district in the early 19th century and the British destroyed much of the irrigation infrastructure developed over the centuries. This violent history is a central part of the government narrative today. The remarkably low levels of irrigation (10% only) is cited as a key constraint to productivity today and affects the low Yala season yields with Maha season generating ten times the value of Yala.

## **Microfinance**

- Almost 74% of households in the district were found to use some financial services, which is relatively low to other districts. More than 36% used loans and almost 71% maintained savings (GTZ, 2007).

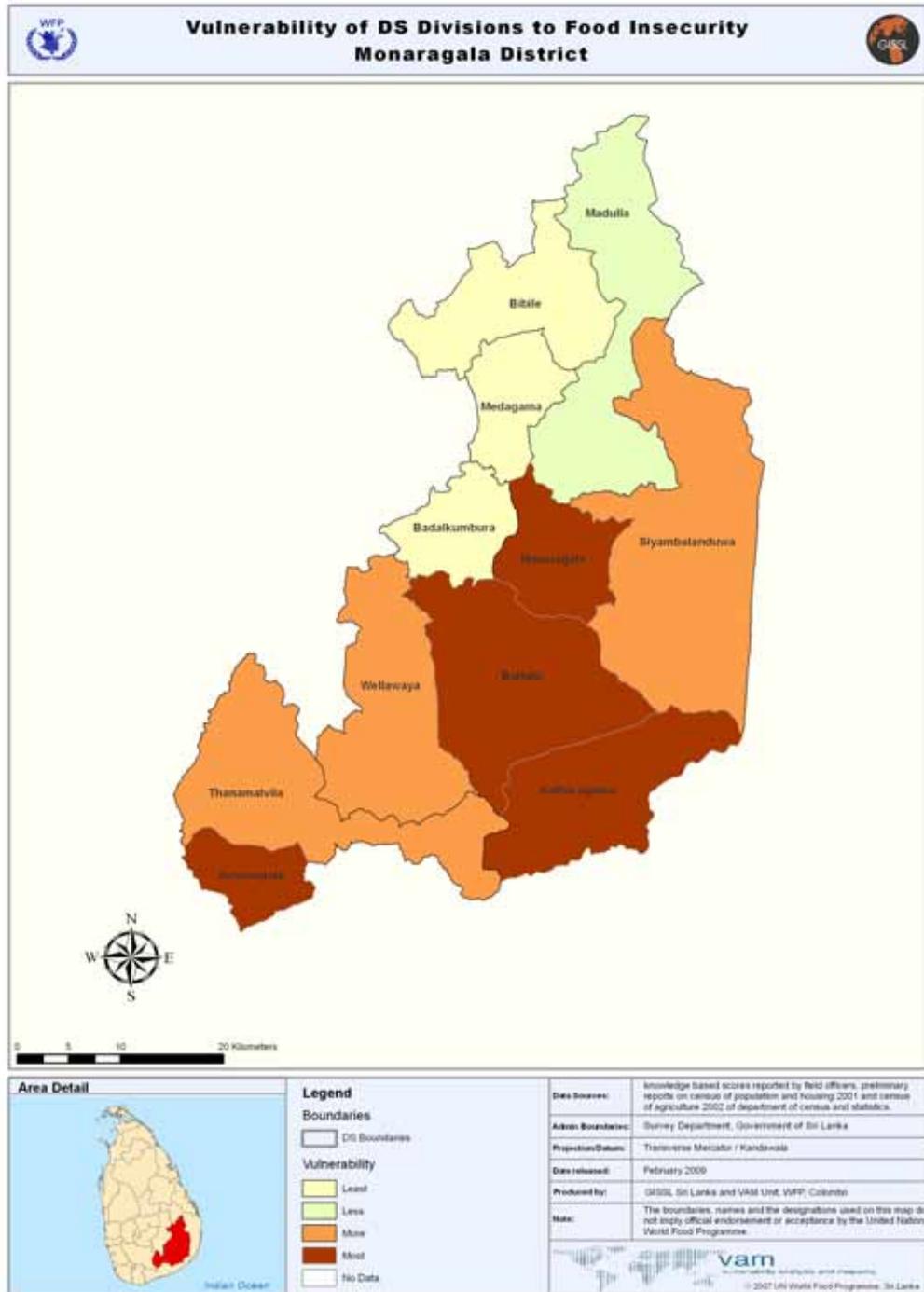
## **Key actors**

- *GTZ-ProMiS partners during phase I:* Janashakti Women Development Federation, Agro Micro Finance, Sewa Finance, Lanka Orix Microfinance Company, Sanasa.
- *International Organizations:* Few International Organizations. UN Agencies such as FAO, WHO, UNDP, WB and WFP.
- *Local organizations:* Moneragala District Chamber of Commerce, Industry and Agriculture, Community Resource Protection Center, Women's Development Foundation, Uwa Wellasa Govi Kantha Sanvidanaya, CF Lanka Microfinance.

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Interview with Governor Nanda Mathew and his GoSL team - health, education, agriculture

# Annex



Food Insecurity Maps/ VAM Unit WFP –Sri Lanka, 2009.

## Nuwara Eliya District Analysis



### Overview

Population:	742,000 ( Dept. of Census and Stats, 2007)
Population density:	412 people per sq km (where the highest population density in Colombo is 3300 and the lowest is Monaragala at 72)
Rural / urban:	n.a. Majority of population lives in rural/plantation areas.
Poverty line:	Rs. 3308. National Poverty Line for Sri Lanka is Rs. 3087 (Department of Census and Statistics, Feb, 2010). The district is the only one to experience a huge increase in poverty, with the HIP increasing by over 50% between 2002 and 2007. 27.5% of the households were below the poverty line in 2007. The Central Province (Nuwara Eliya district) has the second highest provincial ranking for absolute poverty of nine provinces in the country.

### Areas with high incidence of poverty

- Widespread prevalence of extreme food insecurity in Hanguranketha and Walapane (See WHO map)
- The highest incidence of poverty is in Hanguranketha DS Division with a headcount index of poverty of 34.6, compared to the lowest HIP in Nuwara Eliya (21.9) (Department of Census and Statistics, 2002)

### Marginalized groups

#### *Rural and estate workers*

- Rural and estate sector population and Sri Lankan and Indian Tamil population show the worst under nutrition. The district has the highest levels of stunting (12%) in children under 5 years and the highest prevalence of low birth weight (27%).
- Marginalization due to geographic isolation of estates, particularly the tea sector, and low penetration of services contribute to youth frustration.
- Downward drives include defeatism by Indian Tamil and estate workers that their ethnicity and estate status is an obstacle to progress due to discrimination, an all pervasive negative effect of high alcohol consumption and non possession of identity documents, especially for youth seeking employment.
- The number of tea plantation workers in all districts peaked in 1980 with 541,971 and in 2004 was 268,145 and much of that decrease in employment would have directly affected Nuwara Eliya as the largest tea producing district of the country with 46,222 ha of tea in 2002.

## **Livelihoods**

- Nuwara Eliya's economy largely depends on agriculture, (mostly subsistence agriculture and fisheries rather than market oriented), then unskilled laborers, business owners and sales workers.
- Tourism is the second largest revenue earner

## **Gender**

- Female employment is high at 62% and most work in agriculture, most at a subsistence level but with nearly a quarter of them as market oriented agriculture and fishery workers. A further 11% are unskilled laborers and teachers 3.9%.
- Women constitute a high proportion of labor on tea plantations and express frustration at harassment by supervisors.
- The double burden of labour intensive plantation work and family care is particularly intense for women.

## **Issues of conflict sensitivity**

- The district is largely divided equally by two ethnic groups, mostly Indian Tamil (50%), then Sinhala (40.2%), then Sri Lanka Tamils (6.5%) and Sri Lanka Moor (2.4%), with all groups growing since 1981 except Sri Lanka Tamil.
- Estate workers express feeling highly excluded and marginalized from the mainstream economy of the country.
- Housing is a subject of great polarization. Estate residents proclaim their right to live as they wish but management takes the position that housing is workers quarters, both legitimate but contradictory positions.

## **Microfinance**

- 75% of households in the district were found to use some financial services, and almost 35% used loans. 67% maintained savings, which is low compared to other districts (GTZ, 2007).
- Estate district studies indicate that some estate families have improved their socioeconomic conditions by finding self employment, developing alternative skills enjoying greater mobility and migration. In focus group discussions one of the biggest shortcomings is thought to be the lack of access to seed capital, technical training and support systems for small businesses.

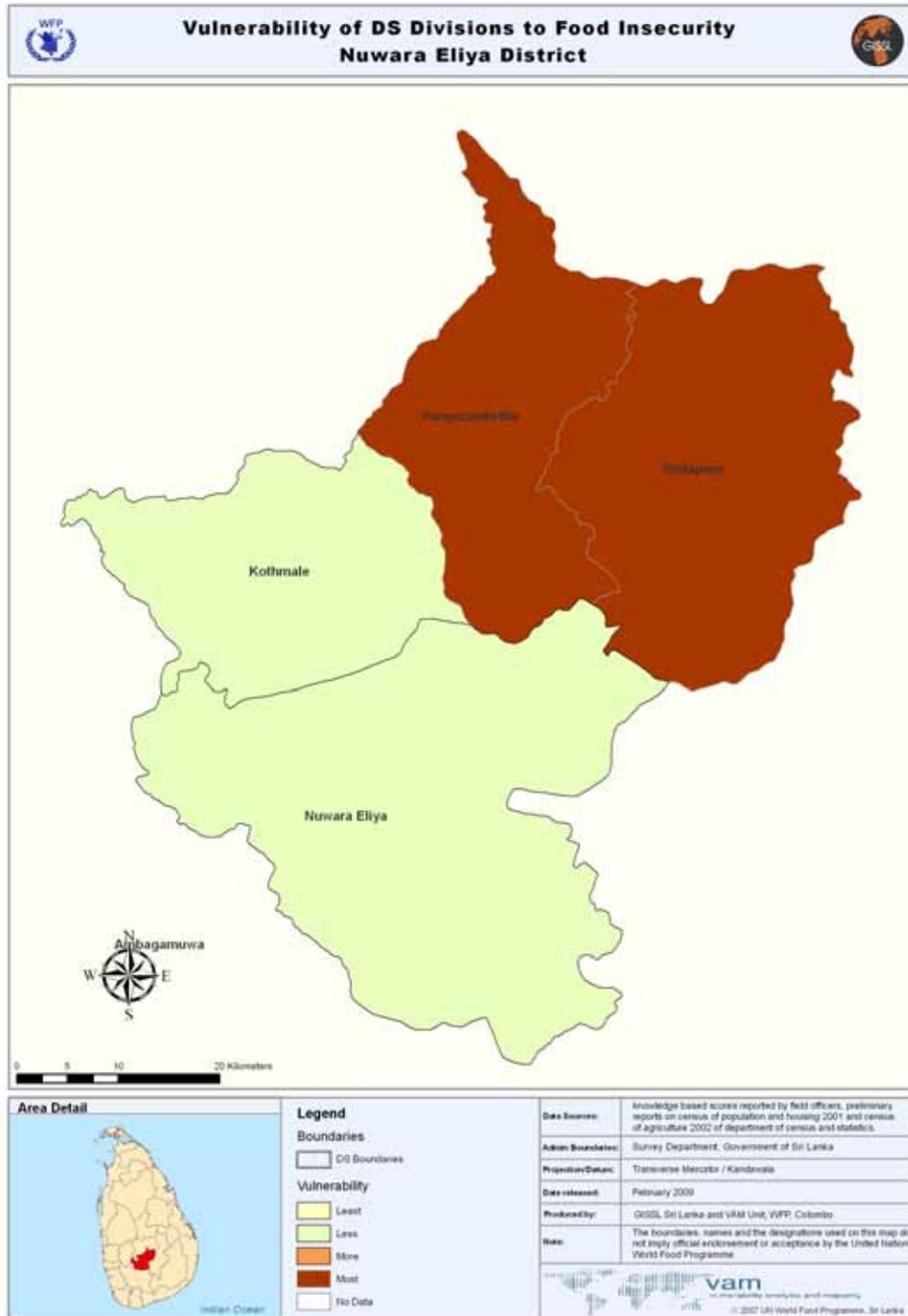
## **Key actors**

- *ProMiS partners during phase I:* Lak Jaya, Sewa Finance, Lanka Orix Microfinance Company, Sanasa.
- *International organizations:* WUSC, CARE, UNFPA, CIDA, GTZ, JICA, WB, ADB, UNICEF
- *Local organizations:* Nuwara Eliya District Chamber of Commerce, Industry and Agriculture [www.fccisl.lk](http://www.fccisl.lk), Plantation Human Development Trust

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Annex



Food Insecurity maps/ VAM Unit WFP – Sri Lanka, 2009.



## Puttalam District Analysis

### Overview

Population:	709,677 (2001)
Population density:	246 people/ km <sup>2</sup> in 2001 (where the highest population density in Colombo is 3300 and the lowest is Monaragala at 72). The greatest density is Kalpitiya DS, which is also the poorest DS division.
Rural/ Urban:	n.a.
Poverty Line:	District poverty line is Rs. 3107. National Poverty Line for Sri Lanka is Rs. 3087 (Department of Census and Statistics, Feb, 2010). Puttalam district has a distinctive poverty story with an average head count index of 13.1 that is better than the national average (15.2), with 104,000 poor people living under the official poverty line and with a reasonably equal gini coefficient of 0.37 (surprising given the DS differentials above) which is under the national average of 0.40. Puttalam's demography changed almost overnight October 1990 with the influx of mostly Muslim IDPs forcibly displaced by the LTTE, which caused its moderate poverty profile to nosedive but 17 years later it was largely stabilized.

### Areas with high incidence of poverty

- There are 16 DS Divisions in Puttalam district with the following poverty profile from highest to lowest in descending order: Kalpitiya (45.34), Mundalama (41.08), Vanathavilluwa (40.31), Mahakumbukkadawala (28.65), Nawagattegama (26.44), Pallama (26.12), Puttalam (25.08), Karuwalagaswewa (23.77), Arachchikattuwa (21.82), Chilaw (20.11), Madampe (17.18), Anamaduwa (16.77), Nattandiya (15.54), Wennappuwa (14.88), Mahawewa (14.78), Dankotuwa (14.49) (Department of Census and Statistics, 2002)
- Most IDP welfare centres (87 with 34,809 people) are located in Kalpitiya DS with 31 centres (20,992) in Puttalam DS and 16 in Mundel DS and 7 centres in Vanathawilluwa. These are also areas with high poverty.

### Marginalized groups

#### *IDPs*

- In 2005 Puttalam District had the second largest population of people displaced by the ethnic conflict, similar to Jaffna District. However in contrast more than 50% of Puttalam's IDPs lived in welfare centres, while in Jaffna more than 80% lived with friends/relatives. A distinct feature of the IDP in Puttalam district is that they have been displaced for decades.

## **Livelihoods**

- Puttalam has a range of income sources from coconut and paddy cultivation to fisheries and aquaculture. Located at the apex of the trio of key coconut producing Districts, coconut cultivation accounts for the largest land use in the District with 57% of the cultivation managed as small holdings and the rest as estates.
- Paddy cultivation covers 132,000 acres of land and Tabbowa in the east is irrigated by the Tabbowa tank and records one of the highest paddy production rates per acre in the country. With 16 major and 1450 minor irrigation systems there are 2-3 paddy harvests per year according. By contrast, SEEDS points out that for many farmers it is difficult to cultivate for two seasons due to recurrent droughts.
- Fishing produces 15% of the total coastal fish harvest of Sri Lanka with the major fishing centres being Kalpitiya, Chilaw and Thoduwa but it is work that tends to be seasonal with half the year spent in Puttalam and the other half in the North East.
- The production of cash crops (e.g. cashews), onions, tobacco and chillies can be significant.
- Puttalam is a major salt producer for the country and salterns are labour intensive and were initially one of the key employment providers for IDPs.
- The labour force of 308,985 has around 36% in agriculture and fisheries, 20% in manufacturing, 15% in the service sector, 12% in trading and eating establishments and 7% in construction. This information comes from the DCS 1997 and is rather at odds with the data collected by the FLICT study which indicated a decade later, agriculture (27.8%), industry (30.8%) and services (41.4%).

## **Gender**

- The low involvement and opportunities for women are a concern with women's employment significantly lower than men (222,150 of the 308,985 labour force are men). Not many women hold administrative positions in the public service.
- Living in make shift huts in camps situated in close proximity to each other has meant that IDP women in the Muslim community could no longer be physically secluded into the domestic sphere and this gave them some new opportunities but it also has provoked some unwanted attention and this can lead to seeking overseas employment and early marriage of girls. A marriage prosperity allowance of 25,000 Rps provided by the government to the IDPs may be an enticement too.
- Female political representation is low with 13 women or 4.9% elected in the 2004 parliamentary elections; local authority elections of 2006 saw 12 of 156 members; the 2009 Western Provincial Council had 2 women out of 16 councilors.

## **Issues of conflict sensitivity**

- Most of the district population is Sinhalese (73.7%), then Sri Lankan Moor (18.8%) and then Sri Lankan Tamil (6.8%).
- Puttalam has a history of political rivalries ending up in violence and is one of the Districts in which the largest number of election related incidents and malpractices have been reported although this has reduced in recent years.
- A large number of NGOs are active in the area but inter organization rivalry and failure to follow principles of conflict sensitivity and do no harm by many of the organizations have resulted in donor resources not being utilized optimally (FLICT. 2009).

- The District Secretary annual budget is based on quotas for schools, teachers, doctors, based on resident population but IDPs are considered residents of their original districts where they have not lived for decades nor intend to return in most cases. This means that districts are deprived of sufficient funds but are saddled with additional people to serve. Meanwhile the host communities feel IDPs are given preferential treatment since they receive some economic benefits as IDPs.
- The FLICT study concludes that all communities have suffered and that poverty is common to all communities even if some DS divisions with IDPs have higher visibility.

## Microfinance

- Almost 68% of households in the district were found to use some financial services, and almost 31% used loans. 65% maintained savings (GTZ, 2007).
- Puttalam was one of the earliest districts to be reached by SEEDS - in 1989. SEEDS' share of the micro finance market is not large - around 5% in terms of loans and 2.5% in terms of savings.

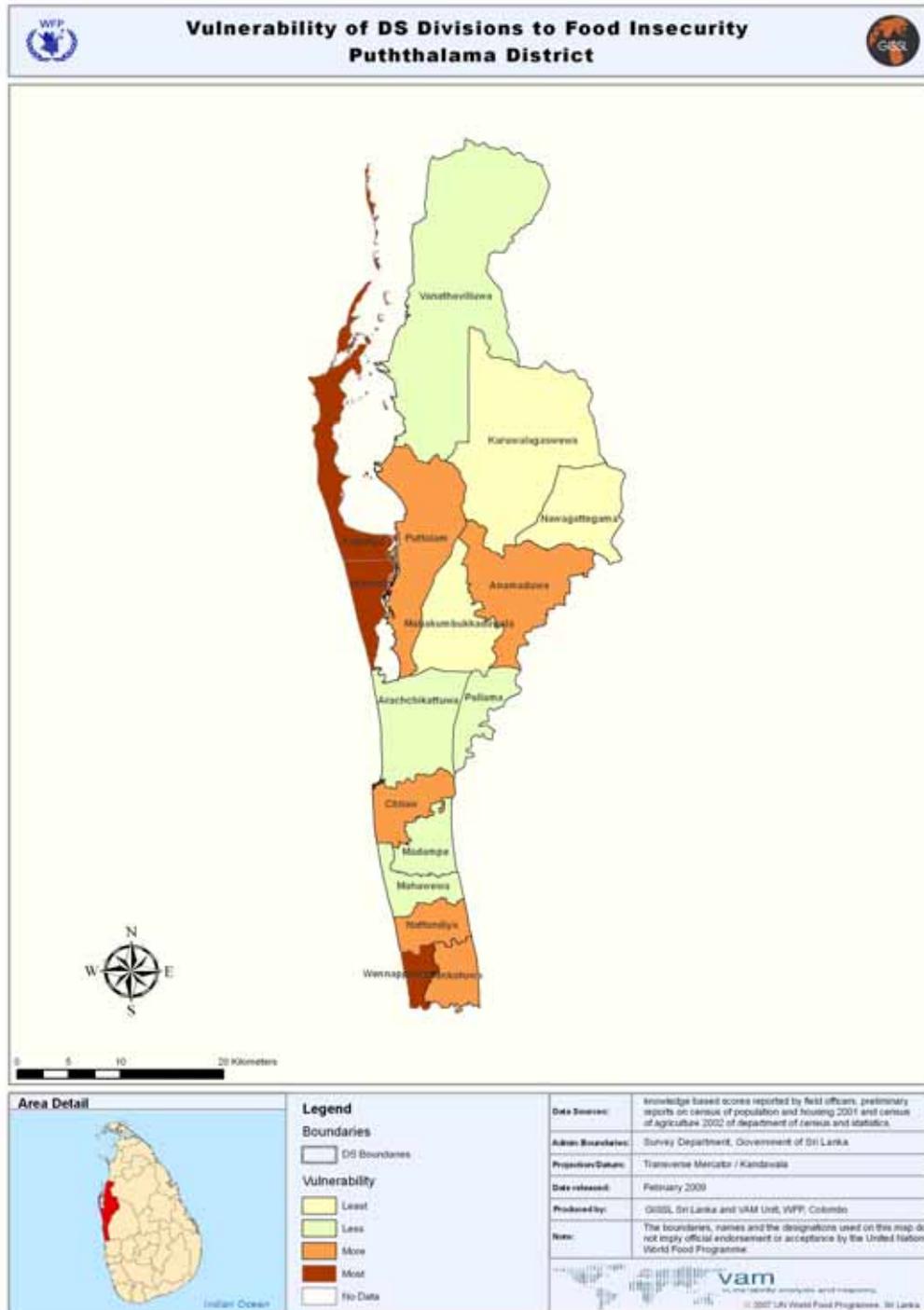
## Key actors

- *ProMiS partners during phase I:* Arthacharya Foundation, Sewa Finance, Wayamba Development Bank, Lanka Orix Microfinance Company, Sanasa,
- *International organizations:* Various UN Agencies such as ILO, FAO, WHO, UNDP and WFP.
- *Local organizations:* Seeds, Puttalam District Chamber of Commerce, Industry and Agri Business, two NGO consortiums with over 70 member organizations

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Annex



Food Insecurity Maps / VAM Unit WFP-Sri Lanka, 2009.

# Ratnapura District Analysis



## Overview

Population:	1,015,800 (2001) making Ratnapura the 6th largest of the 25 districts by population
Population density:	314 persons /km <sup>2</sup> (compared with the highest population density in Colombo at 3300 and the lowest in Moneragala at 72).
Rural / urban:	n.a.
District poverty line:	Rs. 3080, where National Poverty Line for Sri Lanka is Rs. 3087 (Department of Census and Statistics, Feb, 2010) Sabaragamuwa Province (Ratnapura district) is ranked fourth highest for absolute poverty of nine provinces in the country. The 2010 Nutrition and Food Security Survey measured 9 districts in all parts of the country including Ratnapura, which ranked midway in terms of stunting-wasting of children, anemia, low birth weights, women in low BMI and one of the lowest number of households with improved sources of drinking water.

## Areas with high incidence of poverty

- Despite being the center of gem production in Sri Lanka, approx 26 % of the population lives under the official poverty line
- DS divisions with highest incidence of poverty: Elapatha (40.1), Weligepola (39.2), Godakawela (38.2), Kolonna (37.7), Kalawana (36.4), Opanayaka (34.1), Ayagama (33.7), Nivithigala (32.8), Kahawaththa (32.7), Imbulpe (32), Embilipitiya (31.6), Pelmadulla (30.2), Kuruwita (28.9), Balangoda (27.3), Eheliyagoda (26.9), Kiriella (25.6), Ratnapura (21.9) (Source: Department of Census and Statistics, 2002)

## Marginalized groups

### *Plantation workers:*

- Tea and rubber plantations are significant for Ratnapura.
- Marginalization due to geographic isolation of estates, particularly in the tea sector,

### *Subsistence Farmers*

- 30% of women engage in subsistence agriculture and fishing. At the same time a high amount of household income is spent in food.

### *Unemployed Youth:*

- There are 32,964 unemployed, mostly aged 15-29.
- The district has 578 schools, which is low for its large population.
- Low penetration of basic services in geographically isolated areas contributes to youth frustration.

## **Livelihoods**

- Tea and rubber plantations are significant for Ratnapura (along with Nuwara Eliya, Badulla, Kegalle in our sample) with Ratnapura ranked 4th for tea (12,137 ha) and third for rubber (12,137 ha). The main economic activities are tea, rubber and rice cultivation, as well as subsidiary food crops in the drier parts of the district.
- Rubber cultivation is in decline. Many smallholders have abandoned rubber while others continue "slaughter tapping", taking latex without fertilizing or taking care of the crop. Tea cultivation has expanded due to improvement in the price of tea.
- Ratnapura is known for its gem mining, more than any other district although both gem mining and rubber cultivation have declined in recent years. Substantial out migration of miners to other districts and abroad has occurred. Much of gem mining is an illicit operation.

## **Gender**

- Female employment is quite different from men with 30% in subsistence agriculture and fisheries, 18% in market oriented skilled agriculture and fisheries, teaching is in third place with 6.3% and a further 6.2% in craft and related trade worker categories.
- Women have a lower rate of literacy than in other parts of Sri Lanka
- Women constitute a high proportion of labour on tea plantations and express frustration at harassment by "womanizing supervisors" and the very high double burden of family and work.
- Female focus groups on tea plantations were critical of changes on estates that directly affected their care giving role which they have to balance with their role as the primary producers of estate labour.

## **Issue of conflict sensitivity**

- The district population is largely Sinhalese with 882,017 followed by Indian Tamil with 82,591, Sri Lankan Tamil with 28,740 and 20,690 Sri Lankan Moor. All groups shrank in size since 1981 except Sri Lankan Moor which more than tripled.
- Estate workers express high levels of feeling excluded and marginalized from the mainstream socioeconomic development of the country. The stigma and discrimination of estate worker status affects a significant number of Ratnapura residents.

## **Microfinance**

- More than 91% of households in the district were found to use some financial services, which is the 4<sup>th</sup> highest rate (along with Jaffna) of all districts. Almost 57% used loans and almost 83% maintained savings (GTZ, 2007).
- Sarvodaya's SEEDS program (microfinance) was first introduced to Ratnapura in 1990 when the district was characterized as "oppressed under a feudal system". SEEDS worked with low caste and now has an active membership of 12,240 (55% women) and a repayment rate of 95%. SEEDS is third largest microfinance provider in Ratnapura.
- The main problem was seen to be that people were unable to plan and manage their incomes (CEPA, 2002).

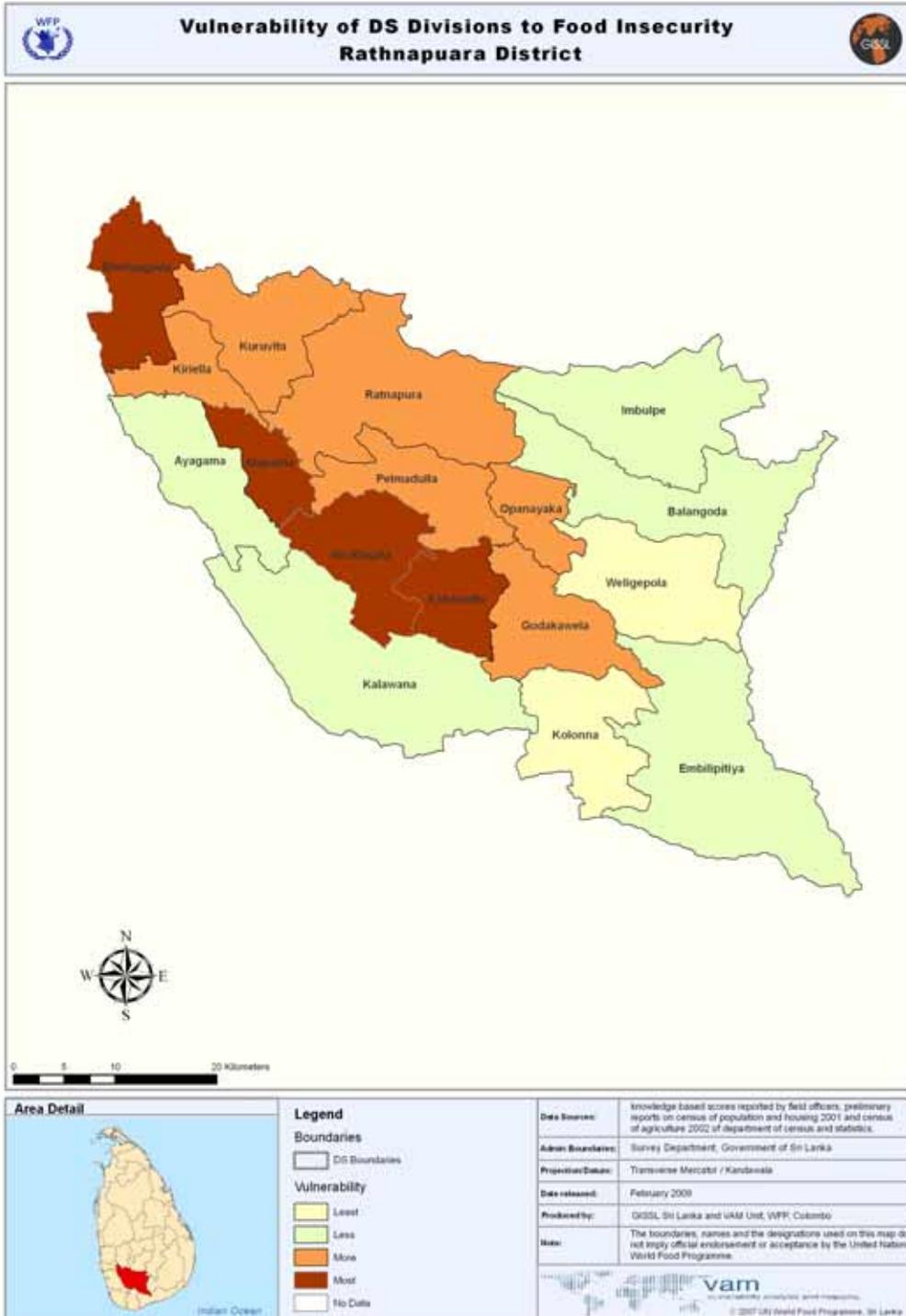
## Key actors

- *GTZ-ProMiS partners during phase I:* Arthacharya, Sewa Finance, Lanka Orix Microfinance Company, Sanasa, Sabaragama Development Bank, Lak Jaya
- *International Organizations:* Various UN agencies (e.g. IFAO, WHO, UNDP and WB)
- *Local organizations:* Sarvodaya (SEEDS), Samurdhi, Plantation Human Development Trust, Women's Counseling and Development Centers, Rathnapura, Sabaragamuwa Chamber of Commerce & Industry

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