



European Union

Project Proposal for the European Union

**Immediate Community Livelihood Development
in the North and East**



June 2005



**Transition Programme
Sri Lanka**

Project Title:	Immediate Community Livelihood Development Project
Duration:	36 months
Proposed Budget:	EUR 6.4 million
Location:	Jaffna, Kilinochchi, Mullaitivu, Trincomalee, Ampara, Batticaloa
Beneficiaries:	Tsunami affected Districts in the North and East
Project Execution:	UNDP Transition Programme
Implementing Partners:	Government of Sri Lanka, NGOs, CBOs, Local Authorities

Executive summary:

The Livelihood Development Project (LDP) will be fully integrated into the UNDP Transition Programme for Sri Lanka, the flagship intervention for the support of economic recovery and rehabilitation of the conflict-affected areas by the UNDP in Sri Lanka. The Project's main objective is to support the recovery and economic rehabilitation requirements in conflict-affected districts, which have been affected by the tsunami. LDP will support a community orientated, integrated area-based approach to undertake a package of inter-related interventions which focus on revitalizing local economic activity and assisting in the reconstruction process.

Livelihood development will include three main elements: 1) Revival of traditionally productive sectors which were damaged in the tsunami, such as agriculture, fisheries, livestock and small industry; 2) Promotion of alternative income sources and related skills development for small groups or whole communities; and 3) Construction of livelihood-related community infrastructure, such as access and transport roads, marketing centres and water and sanitation systems.

The project will be implemented in consultation and coordination with other donors and implementing agencies in the field, avoiding overlapping and promoting synergies and complementarities with other reconstruction programmes being implemented in Sri Lanka. The project strategy will encourage locally appropriate solutions and, through the provision of skills development activities, will build capacities, strengthening local communities without political, religious, ethnic and/or gender considerations.

1. Background Information

Impact of the tsunami on Sri Lankan livelihoods

Sri Lanka suffered heavily from the tsunami of 26 December 2004 that swept across the Indian Ocean from Indonesia to Somalia. A wave surge as high as 5 to 6.5 meters penetrated over 500 meters inland in most places, causing massive devastation along more than 1000 km of the coastline, which in total measures 1600 km. The inundation impacted the population in 12 of its 25 administrative districts. Apart from the coastal communities already being comparatively poor in the Sri Lankan context, the tsunami has compounded previously existing vulnerabilities. In the North East of Sri Lanka where the destruction is observed to be most severe, it has displaced nearly 300,000 people adding over 40 percent to the 700,000 persons already displaced by a protracted internecine war. The percentage of coastal population affected ranges from an estimated 35 percent in Kilinochchi to 80 percent in Mullaitivu and 78 percent in Amparai coastal district divisions as compared to the southern districts of Galle, Matara and Hambantota with less than 20 percent of the coastal population affected. In addition many people working in the informal sector who service the fisheries and tourism sectors and communities also lost their livelihood temporarily with the risk that many may fall further into poverty in what were already poor areas.

Valuable social and economic infrastructure along the coast has suffered heavy losses. Approximately 42 health related infrastructure facilities have been destroyed and a further 45 have suffered partial damage. In the area of water supply and sanitation, in addition to the damage and disruptions to the distribution networks, nearly, 50,000 wells have been abandoned and 12,000 have become unusable due to salt-water intrusion. Since the area affected was not served with pipe borne sewerage, large number of toilets and drainage networks were made unusable filled with mud, water and debris. The damage to roads is in excess of 2500 km of the national, provincial and local authority road network, representing over 5 percent of the national roads and 2 percent of other categories of roads.

The damage caused to livelihoods too is substantial, with fisheries being the worst hit. About 90,000 fishermen's families have been displaced with fishermen counted amongst largest number of persons who lost their lives. Almost 65 percent of the nation's fishing fleet including large and small boats has been destroyed or damaged together with the marine structures, service facilities and fishing implements. Tourism comes second in terms of loss of livelihoods and the contribution to national income resulting from the damage. The tsunami has affected around 50 percent of the hotels on the coast representing almost 30 percent of the hotel rooms available in the industry. The 2004/2005-tourist season has been disrupted at its height and is unlikely to be revived to normal levels during the rest of the current season. Since tourism generates around 100,000 direct and indirect employment and a tourist visiting Sri Lanka spends on the average 40 percent of the nights on the coast, the loss of employment opportunities to those dependent on tourism is significant. Over 3,500 hectares of agricultural land including, paddy fields, vegetable and fruit crops have also been made uncultivable due to induced high levels of soil salinity and likely to remain so for several years until seasonal rains naturally reduce the salinity. A large number of home based production and income-generating activities have also been destroyed. The social impact of this loss could be heavy, as many of these enterprises were invested and managed by women contributing significantly to increased family incomes.

The UNDP Transition Programme

The UNDP Transition Programme is UNDP's primary recovery and sustainable development programme, supporting the transition from conflict to recovery in Sri Lanka. There are currently 9 UNDP field offices based in Jaffna, Kilinochchi (covering Mullaitivu), Vavuniya, Mannar, Trincomalee, Batticaloa, Ampara, Hambantota and Galle, which is covering Matara and Kalutara, and a main office in Colombo. The Transition Programme works in four intervention areas, which jointly provide a balanced and integrated support package to communities. These include (1) Income generation and micro-credit, (2) Community-based small-scale infrastructure development, (3) Peace and Reconciliation and (4) Capacity Development.

The programme is focused on the enhancement and creation of sustainable livelihoods and revitalised growth of the local economies in areas affected by conflict and environmental disaster. Thereby integrating strategies such as women empowerment and support to the most vulnerable groups, such as IDP's and returnees, the unemployed and the disabled. Since 2001, the Transition Programme has supported economic recovery and capacity building reaching more than 30,000 people in the eight conflict-affected districts in the North East, and in the Southern Districts where environmental hardships pose unique development challenges.

The Transition Programme has and will continue to work in a range of intervention areas, which jointly provide a balanced and integrated support package to communities. The key to the success of these interventions has been the ability to provide quick impact, demand-driven support through a community based approach, enhancing opportunities for sustainable reintegration.

With the intervention in the **post tsunami recovery**, the Transition Programme has started cash for work projects in the tsunami-affected areas to clean and clear the deteriorated infrastructure in order to facilitate the recovery and rebuilding process. This programme serves as the first step in economic recovery by providing immediate, short term employment to large numbers of affected people. The stimulation to local economies resulting from this cash infusion creates the initial conditions for a more comprehensive and sustainable livelihood intervention.

2. Project Justification

This natural calamity – as described above - has come as an especially heavy burden to the conflict-affected areas of the North and East that experienced over 20 years of civil war until the ceasefire reached in 2002. The ongoing IDP crisis in these regions has been exacerbated by the sudden tsunami related displacement of thousands of people along the coastal belt, and the economy has been badly affected due to the physical damage to community infrastructure, the loss of productive assets and jobs, and a high level of deaths among wage-earners (esp. fishermen) and/or family marketers (e.g. wives who used to sell their husbands' catch in the marketplace). The vulnerability of these communities is heightened by their pre-tsunami poverty levels; although 26 percent of Sri Lanka's population lives along the affected coastline, they account for just 17.5 percent of GDP¹.

As per the Livelihoods Assessment conducted by ILO, the most seriously affected sectors at the national level are fisheries (36%), retail trade (11%), services (11%), agriculture (7%) and manufacturing (8%). In the North and East, the percentage asset losses in fisheries and agriculture are significantly higher as these represent a larger amount of economic output and employment. It is estimated that 84% of households in the affected areas have lost their main source of income as a result of the tsunami; this figure rises to 99% if fishing was their primary income. Furthermore, most of the activities that suffered negatively were small and medium businesses with workers joining them on an informal basis. It is unlikely that this informal basis has allowed for sufficient insurance for the workers.

The recovery strategy, therefore, must first and foremost be seen as a **revival of communities** – a restoration of livelihoods and social networks - in a sustainable manner ensuring that development challenges are tackled and assuring a smooth transition from the emergency phase through to reconstruction, namely moving from short term recovery to longer term rehabilitation and reconstruction activities. The above is in line with the overall aim of UNDP's assistance to Sri Lanka's post-tsunami recovery efforts that is to strengthen people's capabilities and empower local communities to take control over their recovery and longer-term development.

¹ ADB, JBIC, Worldbank: Rapid Assessment, January 2005

3. Project's Objective

To utilize a community oriented, integrated approach undertaking a package of inter-related activities that support the recovery and economic rehabilitation in tsunami-affected districts in the North and East.

4. Project's Purpose

To revitalize the economic opportunities at the community level by providing access to productive inputs, skills training, equipment and vital infrastructure, contributing to a rapid resumption of economic activity and increased local employment.

5. Project Description

The Livelihood Development project will support economic revitalization through three main components:

1. Livelihood assistance through support to up to 5000 people employed in **traditionally productive sectors**, such as agriculture, livestock, fisheries and small industry, through access to productive inputs; fishery and agricultural value-added components such as ice, packaging and food processing plants, irrigation systems; and items such as tools for trades people and machinery for textile and coir producers. Expansion of post-harvest contributions made locally, thereby increasing the proportion of the income retained by the primary producers, will be prioritized and realized through capital contributions and training. Finally, stronger production and marketing linkages will be made through capacity building of local organizational bodies such as agricultural cooperative societies.

Expected result: An immediate resumption of traditional industries and income generation within the tsunami affected districts, and increased sectoral productivity and revenue from value addition activities.

2. Promotion of **alternative income sources** and/or resettling in alternative areas and programmes of skills training to small groups and whole communities (approximately 2000 people) in entering new professions following the loss of their traditional income source. Potentially untapped market/employment areas will be identified through a thorough economic survey of the target areas, and the results will form the basis of a public conference/workshop to disseminate the findings.

Expected results: Economic diversification promoted in the recovering districts; a more sustainable overall economy facilitated with less environmental strain, which results from a singular focus on resource dependent industries (such as fisheries).

3. Construction of associated **community infrastructure** related to livelihood development and general well being, including marketing facilities, access and transport roads, and water and sanitation systems, will be constructed to support overall economic improvement. This will have the added benefit of providing employment over the short term to up to 3000 community members who are hired during the construction phase. As part of this process, concurrent capacity building initiatives will be conducted for those involved in local development planning (such as NGO's, planning secretariats, etc) as well as community organizations involved in maintenance activities

Expected result: Structural conditions for economic improvement created; employment of the community members hired for the construction phase provided over the short term.

The Livelihood Development project will emphasize a needs based community approach that fosters values such as social cohesion and reciprocity. This inclusive approach is further strengthened by the focus on collective goods, such as community markets, roads and irrigation schemes. As all interventions will be demand driven and defined through an extensive consultation, specific target indicators, where included, are indicative.

6. Stakeholders

LDP will address the livelihood and community infrastructure needs of vulnerable families in tsunami – and conflict affected districts. The geographical focus will be on the tsunami-affected districts of the North and East, where communities have been doubly victimized and where a situation of extreme economic hardship heightens the risk of frustration and a possible return to conflict.

The project will be implemented under the larger UNDP Transition Programme. The people centred community-based approach of the UNDP Transition Programme aims to empower the communities in the conflict affected areas to achieve sustainable livelihood improvements. Projects implemented in areas affected by conflict can have both positive and negative impacts on the political, social, and economic and security spheres. Years of working in the North and East have provided UNDP Transition Programme with a nuanced understanding of the relationships between development projects and conflict. It is therefore that UNDP works with a range of partners that have several roles in the design, implementation and monitoring of the projects.

The target communities will be identified in consultation with the communities, but also via consultation and coordination with relevant stakeholders; including but not limited to:

1) **Government entities**

- i. District Secretariats (including relevant Technical Departments)
- ii. Divisional Secretariats
- iii. Grama Niladari
- iv. Others.

2) **Multilateral and bilateral donors**

- i. UN Agencies
- ii. Worldbank, ADB and IMF
- iii. International NGOs
- iv. Others

3) **Non-Government Organizations**

- i. Local CBOs
- ii. Local, National NGOs
- iii. Cooperative Societies
- iv. Others

Through Participatory Need Assessments in the target communities, livelihood activities will focus on what matters to people's lives, identify the assets, entitlements, activities and knowledge base which people are currently using to make their living. The community cannot be viewed as an homogeneous entity, and thus focus is placed on the particular interests of the most vulnerable segments of the population including women, the unemployed, IDP's and children. The selection of direct beneficiaries will take place via a responsive and participatory approach, thereby ensuring that the members of the community are identifying the priorities as well as the most appropriate mechanisms to achieve meaningful economic progress.

All three group of stakeholders are represented in the District Review Board (DRB) that is chaired by the Government Agent and consists of relevant local government departments, LTTE Political Wing, representatives of UNDP, CBOs, NGOs and representative of the NGO Consortium, relevant departments, local co-operatives and other partners in the district. This board is the primary mechanism for coordination among local partners. The DRB prioritises and assesses sub-project proposals, making recommendations for revisions as required.

The Government and non-Government stakeholders like CBOs and NGOs will be the implementing partners. Working through CBOs and NGOs provides an excellent conduit to the grassroots level in terms of participatory planning and targeted delivery, but poses challenges in terms of low organizational capacity to implement comprehensive projects. Therefore prioritising capacity development of our partners is essential to the success and sustainability of the project at hand, as well as for their ability to plan, implement and monitor future community development activities. The principle of capacity development holds true with local government structures. Community interventions are supported by capacity development initiatives at multiple administrative tiers including the district, divisional or GN level. Strengthening the capacity and outreach of local authorities to support and provide public services to vulnerable communities is crucial for the overall welfare and sustainability of recovery and development efforts in the North East.

7. Project Implementation - Methodology

7.1 Selection of Designated Target Areas and Budget Allocation

The districts of the North and East are being targeted due to the disproportionate degree of damage from the tsunami: coastal population affected ranges from an estimated 35 percent in Kilinochchi to 80 percent in Mullaitivu and 78 percent in Ampara coastal district divisions, as compared to 20% in the southern districts of Galle, Matara and Hambantota. When looking at the recovery plan through a conflict prevention lens, the need to focus on these districts becomes even more apparent.

Budget allocation will be done through the following strategic considerations:

Programme criteria

- ❖ Vulnerability and rate of poverty
- ❖ Degree of physical damage
- ❖ Unemployment rate pre and post tsunami
- ❖ Proportion of IDPs and returnees
- ❖ Conflict Analysis
- ❖ Donor support on-going and planned

For programmatic and inter-district allocation, the operationalization of the criteria will be based upon common sources of information, which apply across all six districts, to ensure that information is comparative. District allocations may be periodically reviewed and revised during implementation stage to adjust to emerging needs, absorptive capacity, etc. Further, as the interventions will be entirely demand driven the priorities may be redefined during the full consultative stage, and result in a reallocation of funds within the planned activity areas. For intra-district budget allocation, specific sources of information relevant to only one particular district (non-comparative information) may also be utilized. For instance, recommendations by the World Bank in a particular district about local poverty levels and livelihood vulnerability may be effective criteria for allocating resources in each district. There may also be local surveys carried out by NGOs and other donor organizations used during the assessment stage.

7.2 Identification of Project Locations

Project locations will be identified based on 'needs', which in itself implies an assessment that is to be conducted in collaboration with the communities and the district and divisional authorities. The Transition Programme will also make use of the assessments carried out by the members of the UN Country (including the IFIs), civil society and bilateral donors.

7.3 Community Mobilization and Participation

The project will require the active participation of the community in order to engender ownership, suitability and sustainability of the intervention. UNDP Transition Programme will work through CBOs to ensure the full participation of affected communities in the planning and management of livelihood recovery activities, providing capacity development and technical assistance as required. The CBOs will assist with the:

- Selection of beneficiaries based on broadly defined vulnerability criteria
- Identification of potential sources of alternative livelihoods to be developed and supported
- Identification of locally available resources in terms of building materials, labour and other productive assets
- Priority setting for the envisaged critical infrastructure within the framework of this assistance.

A community-based approach ensures that the target population informs and guides the process in terms of: identification of main issues and potential solutions; selection of most appropriate strategies to achieve the desired outcomes; setting the schedule for the implementation of planned activities; and designing appropriate monitoring mechanism for the entire process to provide accountability. Vulnerable groups, particularly IDP's from the conflict, will be particularly drawn on for their participation as they have been living under conditions of extreme marginalization for long periods and must be prioritized in all phases of project implementation.

8. Duration and action plan

Activities	Duration(Quarters)												Implementing Partners
	1 Q	2 Q	3 Q	4 Q	5 Q	6 Q	7 Q	8 Q	9 Q	10 Q	11 Q	12 Q	
Field Survey (PNA),selection of target communities,& budget allocation													NGO's/CBO's /Communities
Identification of Agriculture, Fisheries and Small & medium enterprise livelihood beneficiaries													Govt Technical Depts /NGO's/CBO's
Identification of potential projects, IP & collaboration with partner organizations													CBO's/Govt Technical Depts
Objective1: Provision of lost productive assets													
1.1 Provision of inputs & livelihood assistance													NGO's/CBO's/Govt Technical Depts
1.2 Procurement & distribution of Agriculture, fisheries equipments (cooling trucks, tractors etc)													CBO's/Govt Technical Depts
1.3 Improvement of marketing Opportunities													Govt Technical Depts/Pvt sector
1.4 Establishment of ice plant ,model farm etc													Govt Technical Depts/Pvt sector/NGO's/CBO's
1.5 Rehabilitation of irrigation channels, tanks, ponds and agro wells													Dept of Agri/Dept of Irri/CBO's
1.6 Provision of technical training, expertise and capacity building													Govt Technical Depts/ Pvt sector/NGO's
Objective 2, 3: Promotion of alternative income sources & support to reconstruction, capacity and start-up costs													
2.1 Identify alternative Economic opportunities													Govt Technical Depts/Pvt sector/NGO's/CBO's
2.2 Provision of skill training, Business development services, awareness programme													Govt Technical Depts/Pvt sector/NGO's
2.3 Provision of investment capital/Access to credit through RLF													Govt Technical Depts/Pvt. sector/Corp. sector/N
2.4 Provision of building, Equipment& inputs													Govt Technical Depts/NGO's/CBO's
2.5 Improve marketing facilities													Govt Technical Depts/Pvt sector/NGO's
2.6 Capacity building													Govt Technical Depts/CBO's

Objective 4: Construction of associated community infrastructure												
4.1 Technical appraisal of the infrastructure, preparation of sub project proposals												Govt Technical Depts/NGO's/CBO's
4.2 Reconstruction of water & sanitation facility												Govt Technical Depts/ CBO's
4.3 Reconstruction of community infrastructure such as pre school, community hall etc												Govt Technical Depts/ Community
4.4 Rehabilitation of minor roads & culverts												Local authorities/NGO's/CBO's
4.5 Support to waste management & environmental improvement												Govt Technical Depts/NGO's/CBO's
4.6 Improve the capacity of communities, partners and Govt. authorities												Govt Technical Depts/NGO's/CBO's

9. Staff capacity

The UNDP Transition Programme has already established offices in all of the Tsunami affected districts and has staff working on various projects since the ceasefire was implemented in Sri Lanka in 2002. The staff will use the existing structure as the core team in each field office and additional field monitors will be recruited to complement this team to meet the new challenges. For LDP, an international Project Manager will be recruited to oversee the implementation of the project. He/she will be supported in this through Field Engineers, Field Monitors and Programme staff. The Field Offices and the FCU in Colombo will provide financial and logistical support. UNDP Transition Programme will encourage and support the active participation of local government in the formulation and monitoring stages of the project.

10. Partnerships and Inter-Project Linkages

The LDP will be linked to other Transition Programme interventions in the North and East, providing additional value and maximising the impact of the funds provided by the European Union under LDP. The implementation of the LDP will be preceded by the Quick Recovery Project which will clean up affected communities, paving the way for the reconstruction phase and a resumption of normal livelihood activities. Further, the livelihood improvement initiative under LDP will be supported by the provision of critical infrastructure that is financed through other Transition Programme projects.

Working closely with UN agencies, IFI's and other actors, the LDP will compliment and contribute to the overall recovery effort by addressing assistance gaps and working with under-supported communities. Ongoing sectoral coordination meetings at the district level, particularly Livelihood Recovery which UNDP chairs, will be the chief means to ensure effective synergies among actors. Sectoral focal points, such as FAO is for fisheries, will be closely consulted throughout the planning and implementation stages to avoid duplication and maximise the impact of the assistance.

District Review Board (DRB), comprised of representatives of UNDP, CBOs, NGOs and representative of the NGO Consortium, the LTTE Political Wing, relevant departments, local co-operatives, and chaired by the GA in each district is the primary mechanism for coordination among local partners. The DRB prioritizes and assesses sub-project proposals, making recommendations for revisions as required. This strong consultation mechanism at the district level ensures complementarity, ownership and coordination of activities within the district.

11. Implementation modality

The project will be directly executed by UNDP as an integral part of the Transition Programme, following the rules and regulations of UNDP. The implementation will be done in coordination with the Government of Sri Lanka (including the District and Divisional Secretaries) and other local partners.

12. Sustainability

With a vision not to 'restore vulnerability' this project will ensure sustainability of interventions through several mechanisms. First, the project is a people-centred one. The affected communities will be consulted through participatory needs assessment, which will identify their needs with regard to lives and livelihoods in the post-tsunami context. The participatory and consultative approach will engender local ownership where those affected by the tragedy become agents within the recovery process. Secondly, as part of the Transition Programme, the project is implemented in collaboration with local partners, including relevant government departments and offices. A good part of the execution modalities will involve partnerships with local authorities, NGOs and CBOs in aspects of project design, targeting of beneficiaries and management. The commitment to partnerships will strengthen the project's sustainability, as local actors will feel more ownership towards the project and its outcomes. Thirdly, different sub-projects will be endorsed and coordinated through the District Review Board as described earlier. Such collaboration will complement and mutually-strengthen the development interventions across the affected districts.

The project is designed with the intention of not simply restoring pre-tsunami socio-economic conditions. Instead, it is aimed at transforming these conditions, i.e. improving the lives and livelihoods of the affected communities and the districts overall. This intention is reflected in a number of things: in the commitment to exploring alternate livelihood sources; in the commitment to using local resources (physical, technical and human); and in the commitment to building critical infrastructure as a matter of urgent priority within the framework of this project. These measures will help its direct beneficiaries (the affected persons) but also improve socio-economic conditions of the larger community, in a way that will move these affected areas from recovery to development.

13. Cross Cutting Issues

Gender and Environment

The Tsunami has had different effects on women and on men, due to the strong gender-based division of labour of productive and reproductive activities. Men have traditionally taken care of fishing and marketing, while women are responsible for fish processing, small markets and home gardening. A large number of home-based production and income generating activities were destroyed, affecting women in particular, and reducing family incomes. The catastrophe could drive around 250,000 more people below the poverty line. Getting women back to work is important to contribute to the family income, improve their mental health and enable them to move forward with their lives. Although further analysis is required, initial findings indicate that up to four times more women died than men in the tsunami². This necessitates a focus on male survivors who are now confronted with twin responsibilities: fulfilling their traditional roles as breadwinners of the family, while assuming non-traditional functions such as becoming primary caregivers for children and elderly relatives. In line with UNDP's policies on gender mainstreaming, The LDP will take into consideration the above particularities and ensure a sustainable gender sensitive approach in all efforts. This applies to active awareness during community consultations (ensuring input from men and women), continuous data gathering (desegregated) and implementation of projects (ensuring meaningful involvement of both men and women). Therefore, the LDP will ensure that: (i) women are fully involved in the reconstruction phase, encouraging equal representation and distribution of power for women on local counterparts (CBOs, NGOs, government agencies...etc) (ii) community based employment schemes will ensure that there is adequate participation of women (iii) the livelihood of women who are the heads of their household is restored, especially single women providing for elderly parents or the recently widowed; (iv) female-dominated businesses, such as small-scale cottage industries and fish processing, as well as agriculture (certain crops in particular) and other trading and livestock-rearing activities are revitalised. UNDP considers natural resource management as a logical element of the sustainable livelihoods. The tsunami has posted new challenges on this aspect, especially

² From Oxfam Report on women and the effects of the tsunami

ensuring that the 'rebuilding and restoration' –efforts are environmentally friendly on the longer term. To ensure responsible use of natural resources, this project will be supported by several Environment experts of UNDP Country Office to support the teams in conducting relevant environmental analysis of project sites. The outcome of such an analysis will be fed in the design, the implementation and the monitoring of the project.

Tsunami recovery must not add to the environmental cost already incurred by the tsunami. Rapid introduction of livelihoods to the people affected by the tsunami will likely to create a lot of pressure towards the natural resources. This can come in form of direct pressure due to the disruptive nature of the livelihood practice itself (e.g. use of bottom nets for fishery, coral mining for lime kilns, shell mining for chicken feed, free-grazing livestock, etc.) and as indirect pressure due to over exploitation of resources to support the livelihoods (e.g. cutting of mangroves as source of wood and as building material, over fishing particularly within lagoons, unplanned use of water resources in dry regions, etc.). The livelihood development associated with minor infrastructure development can also produce negative impacts such as pollution due to improper sewerage systems, harmful effluent discharge into aquatic systems and solid waste accumulation, reclamation of land without giving provisions to ecosystem functions. The project will seek to protect the integrity of ecosystems while ensuring improved well-being of the affected populations. The project will identify and remove key obstacles that prevent people from managing their natural resources in a sustainable manner while improving their livelihoods. It will identify and develop systems that will strengthen environmental management and while improving sustainable livelihoods. Strategic Environmental Assessments (SEAs) will be performed to make decisions on selection of livelihood practices and associated infrastructure and prior to the implementation of activities. SEAs and subsequent monitoring will be based on a number of indicators designed to reflect the impact to the environment and sustainability of the livelihoods. Enabling conditions to minimize negative environmental impacts of the project will be introduced including community co management of natural resources, economic incentives for the sustainability of practices, application of safe minimum environmental standards and increase of environmental management capacities.

14. Short, medium and long term impact

This project is a response to an unprecedented disaster and provides an opportunity for the communities to rebuild their lives. By providing for replacement and rehabilitation of lost assets, for short term income opportunities and for support to sustainable – alternative - income generation activities, the project provides the cornerstone for rebuilding local sustainable livelihoods and the foundation for longer-term local development. In a context where the ability to earn a living has been severely disrupted, the opportunity for the community to address its own needs through cash for work initiatives provides a significant support to the initial regeneration of income earning opportunities and the establishing a sustainable local economy in the long run.

The project will support and enhance the existing social organization infrastructure, through a community based approach. The development of the social infrastructure will both allow for a rapid response to immediate needs and is capable of providing the basis for longer term development of local governance. Through the promotion of dialogue, the dissemination of findings and the sensitization of both community and Government officials to the community based approach, the project will further support knowledge sharing and capacity development. The project has the dual purpose of addressing the immediate needs of the communities and establishing a demonstration in community mobilization and planning both in response to post-tsunami needs and longer term generation of local sustainable livelihoods.

15. Monitoring and Evaluation

UNDP will establish a three level approach to ensure that all the projects are adequately monitored. Through the signing of the contract agreement with a local sub-contractor, LDP obliges the implementing partner to undertake the responsibility and accountability for project implementation. UNDP Field Engineers will conduct regular monitoring visits to the project sites, which will ensure that any problems are identified and addressed at an early stage. The UNDP Field Engineers and field monitors will ensure the technical quality and sustainability of each project in addition to supervising project implementation on a regular basis. Ongoing monitoring of all components during the implementation of projects will be conducted by UNDP in order to refine and adjust project activities based on the evolving situation in Sri

Lanka. In addition to the above there will be a mid-term review as well as an overall impact assessment at the end of the project, supported by international consultants that UNDP would identify together with the EC.

16. Reporting Modality

UNDP will prepare regular and comprehensive progress reports on the status of the project implementation on the basis of a multi-donor initiative. An initial report will be prepared six months after the start of the project followed by progress report every six months. The final report will be given 60 days after the completion of the programme.

17. Visibility Strategy

The programme will be responsible for publicising the activities of the programme, donor, and the Government consulting EU guidelines on visibility. The programme will ensure that the sub-projects will be announced through UNDP in order to keep the local populations fully informed of the decisions made by their local representatives. Transition Programme will arrange regular, publicized events to highlight the progress of the project. LDP signboards (3m x 2m) will be produced and placed at several highly visible locations around the target project locations. Each signboard bears the logos of the EU, the contractor if applicable, the Government of Sri Lanka, the UNDP and the title of the project. In addition, as a financing partner, the flag of the EU will be included in all Transition Programme visibility materials, which may include clocks, calendars, posters, clothing, website, press releases, publications, etc. These are distributed throughout the country and internationally to government bodies, other UN agencies, beneficiaries and other partners. A price list of some of the items is placed here under, the production and distribution (numbers) of any such items will be aligned with the overall Transition Programme visibility strategy.

Items	Price (in Euros) per Unit
T-shirts	2.00
Caps	1.00
Calendars	1.50
Clocks	6.00
Signboards	65.00
Printing Reports/publications	3.50
Public events	200.00
Posters	1.00

18. Project Cycle

