

**EVALUATION OF RED CROSS MOVEMENT  
LIVELIHOODS PROGRAMMING FOR TSUNAMI  
RECOVERY IN SRI LANKA**

**July 2007**

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## **Acknowledgements**

This three-week journey around the Tsunami-affected parts of Sri Lanka has provided a tremendous opportunity to see the first fruits of people's struggles to rebuild their lives, homes and communities two and half years after a devastating disaster. For some too, the re-emergence of conflict and instability has added another layer of difficulties and tragedy to their lives - part of a succession of challenges of which the Tsunami was unfortunately just one.

Throughout this time of recovery and (for some) continued difficulties, the Red Cross and Red Crescent Movement has maintained a strong and visible presence, reinforcing its initial emergency relief work to help communities and households rebuild their lives and livelihoods through a wide and creative range of new interventions. During this evaluation, we have been warmly welcomed in all the locations we have visited, people have given freely of their time and taken great lengths to explain to us the details of their own livelihoods work and the difference that it makes to the beneficiary. People have also been very willing to frankly discuss the challenges they face in implementing programmes.

I would like to sincerely thank everyone who has contributed so generously to this important piece of work, and who have made us so welcome on our mission. Firstly, the other members of the Evaluation Team; namely Tarun Sarwal for his livelihoods technical support, Gayathri Mageswaran and Ruckshan Ratnam for their research into secondary data, translation and facilitation of the field work and secondly, Nimal Silva for facilitating all the meetings with the many SLRCS branches we met with. In addition, I would like to thank all the concerned Movement partners including SLRCS, ICRC, IFRC and the PNS for their invaluable contributions throughout the entire process. In turn, we do hope that some of the findings, points of reflection and recommendations for a way forward, will contribute to the Movement being able to work together better, embrace livelihoods work more strongly at a programme level, and ultimately to place livelihoods work within a more appropriate strategic framework.

Neil Barry  
15 July 2007

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## **Executive Summary**

This evaluation has examined a remarkably diverse range of Economic Security and Livelihoods programmes implemented by the Red Cross and Red Crescent Movement (RCM) in Sri Lanka since the Asian Tsunami of December 2004. Ranging from the application of Economic Security approaches in emergency response for displaced victims of conflict, through to long term programmes to develop cinnamon oil production, what all these activities share in common through more than 40 projects, is that they have all been implemented outside Federation institutional strategy, policy and guidelines. Leaving aside the ICRC Economic Security Programmes, at least USD\$13 million of work supporting more than 25,000 households has been mostly undertaken in areas beyond the previous experience of the Federation, National Societies or the delegates, staff or volunteers actually implementing them. At least a further USD\$7 million for 10,000 households is immediately planned by Participating National Societies (PNS) including the American, British, Finnish, German, Irish and Japanese National Societies.

Such a situation raises serious questions as to why so much effort has been invested in complex programming by so many partners outside existing strategic frameworks, using completely new approaches for some – and why further work is now planned over the next three years? The simple and unanimous answer from the respondents in this evaluation - is that this type of work is needed to effectively address needs. These are not just the needs of the beneficiary as they struggle to rebuild their lives and livelihoods, but the pressing need for the Federation to embrace integrated humanitarian assistance – where emergency response is no longer undertaken because it is what the Red Cross does, but rather because it is but a necessary first step towards sustainable recovery. In other words, a “bridge” of substituting health, water-sanitation, shelter and especially household economic security inputs must be provided - until such time as household and community alike can regain self-reliance. To support that self-reliance, recovery has become the core of the RCM work in Sri Lanka - and it is based on need.

However, as present Federation institutional strategy and policies remain work in progress regarding integrated assistance, this has resulted in the livelihoods work undertaken in Sri Lanka being something of a “smorgasbord” of relief, recovery and development activities, and not all of this institutionally coordinated to consider the health, water-sanitation or shelter needs of the same beneficiaries. But that said, coordination and cross over between programmes does happen at field level, and this work has most certainly not been without genuine value for the beneficiary. There has also been considerable field-level experience built up over the two years, and no small amount learning and reflection at the country level too.

From a very early stage in Sri Lanka, a dynamic Livelihoods Technical Committee brought RCM actors together, solicited external expertise, shared knowledge and expertise, and respondents say; “did its best to bring some order out of chaos.” Of lasting value are the Sri Lanka Movement Economic Security Policy and Guidelines – the first of their kind, and a basis upon which a Federation-wide Economic Security and Livelihoods policy could one day be developed. But in the meantime, in Sri Lanka, the institutional strategic environment demonstrates that a Technical Committee such as this one can only ultimately succeed in a situation where its work is coordinated and combined with the other assistance sectors – Health and Water-sanitation and Shelter. Until a more holistic approach can be adopted, the danger remains of implementing programmes which; leave gaps, are poorly prioritised and poorly sequenced, struggle to address issues of equity and balance within programmes and across different programmes, and which can be a nightmare to coordinate.

So bearing these considerable institutional constraints in mind, how relevant and effective has this Economic Security and Livelihoods work been in Sri Lanka? For the most part, the evaluation team found this work to be relevant and appropriate, usually well implemented and sometimes exceptionally well implemented. Within programmes themselves, the work usually (but not always) demonstrates good beneficiary participation, a very high level of beneficiary appreciation, and apparently quite good equity and balance.

In terms of “Do No Harm”, the evaluation team had less concern regarding the RCM programmes that have been implemented – the issue is more regarding those that have not. Through sheer lack of scale, late and/or slow implementation and poor sequencing and prioritisation of inputs, a significant potential beneficiary population has not been served. In many cases these issues could more be described as the correct programme inputs, well implemented, but sometimes provided at the wrong time for the wrong population. It must also be pointed out that those few programmes have been implemented at scale, and in a timely manner, have in fact made a significant impact. The overall response environment after the Tsunami was one of distorted markets and spiralling commodity prices, but there is no specific evidence of RCM programmes being a particular cause of this. In this already tense environment there has on occasion been evidence of undue friction with the beneficiary population – usually reflecting internal RCM disagreements over beneficiary selection. Quite how much “harm” has been caused through this type of situation could not be studied in detail during this evaluation, but in terms of scale, the greatest concern still remains those not served – often for the same reasons of internal RCM disagreements.

One of the reasons for delays and uncertainty in programming is certainly a reflection of the confused strategic environment - where both “Livelihoods” (as an activity area) and “Recovery” (as an entire phase in the disaster management cycle) - are regarded as “non-core” territory in the Federation. This causes hesitation, a predilection for small “pilot” project type approaches and a cautious step by step approach to implementing programmes through an overly extended timeframe – appropriately concentrating more on quality but yet unable to bring this up to an appropriateness of scale – which is somewhat more of an issue.

But of more immediate concern, have been (with the exception of the ICRC) the very poor internal relationships within the RCM in Sri Lanka, which have overshadowed this entire evaluation. Literally thousands of needy potential beneficiaries have had their assistance delayed for months or completely denied to them (not only in Livelihoods), because of acrimonious disagreement over issues ranging from beneficiary selection to interpretations of the Seven Fundamental Principles of the Red Cross and Red Crescent Movement. It is interesting to note that disagreements frequently flare up precisely in the areas where strategy and policy is weak, and is open to interpretation – for example beneficiary selection, or regarding working with community-based organisations. Disagreements over financial procedures are also rife, and bring whole programmes to a halt – the preferred first stage of a disagreement procedure seemingly being to stop the programme at once and let the beneficiary suffer. This is simply unacceptable in any humanitarian organisation, and is also quite unnecessary.

Despite these sometimes crippling constraints, the evaluation team still found a great spirit, energy, creativity and willingness to learn and share, which has developed out a humanitarian experiment based squarely on addressing considerable recovery needs. Of the (at least) 25,000 beneficiary households, most have been greatly

assisted through stand-alone Livelihoods interventions; while others still need additional follow up support, some of which is in fact already planned for. There have been significant institutional lessons identified here - lessons which need to be learned institutionally and applied elsewhere. Such a humanitarian experiment has great value if it is genuinely learned from, but to not learn and to repeat this expensive experimental approach in another context would not be forgivable. In this regard some rapid strategic rethinking at the Federation is of paramount importance - to be able place this work coherently with other activities - and the Federation in Sri Lanka has already done some of the groundwork.

This evaluation offers a set of recommendations to build on the existing programme implementation in Sri Lanka, and feed into Federation strategy development. These recommendations suggest ways to urgently address the pressing issue of very poor working relationships within the RCM in Sri Lanka, how to bring existing livelihoods programming into a more defined approach of Integrated Assistance in Sri Lanka, and how at the higher institutional level the Federation might embrace more mainstream approaches of Integrated Assistance and Disaster Risk Reduction effectively applied across Disaster Management Cycle.

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## 1. Background and Methodology

### 1.1 Background

The Red Cross and Red Crescent Movement (RCM) response to the December 2004 tsunami in Sri Lanka has included substantial support for communities through livelihoods assistance, both during relief and recovery phases and towards longer-term development assistance to tsunami affected communities. Initial interventions such as cash-for-work schemes, were succeeded by household assets replacement, livelihoods vocational training, cash grants, community based interventions, and longer term livelihoods recovery planning and support across various sectors, through more than 40 individual livelihoods programmes and projects.

However, with the exception to some extent of the ICRC, the area of livelihoods programming is in fact relatively new to the RCM, and no overall institutional policy or guidelines exist within the Federation. It is notable that the majority of livelihoods interventions in Sri Lanka were, and continue to be, implemented by Participating National Societies (PNS) with varying degrees of involvement of the Sri Lanka Red Cross Society (SLRCS) at field level. Therefore from an early point, in 2005; the ICRC, Federation, SLRCS and PNS developed a Livelihoods Technical Committee as part of the wider Movement Platform, which rapidly produced a Sri Lanka Livelihoods Policy and Guidelines. It is under this country level framework that livelihoods programmes have been implemented for more than two years. Therefore members have a strong interest in reflection on the value of this policy and guidance in practice, the impact of a wide range of field based piloting and innovation, and the linking livelihoods support to Red Cross “core areas” in Disaster Management, Health and Care in the Community and National Society Organisational Development.

Additionally, in Sri Lanka, the livelihoods programming has championed work on Vulnerability and Capacity Assessment (VCA), and other integrated and participatory approaches to programming. Livelihoods support has been targeted to assist immediate relief and medium term vulnerabilities, and has increasingly focussed livelihood recovery efforts around relocation housing sites and host communities. The tsunami-affected communities which have fallen back into an environment of renewed conflict have had to endure particular hardship. However, some of these communities have now been assisted three times with livelihoods interventions, as part of their initial recovery from tsunami, in their displacement as IDPs and in their return to their places of origin to restart their recovery once more.

There is strong interest within the RCM for evaluating the livelihoods programming experience in Sri Lanka for a range of reasons and from a number of perspectives, including:

- IFRC Secretariat interest in documenting lessons learnt and informing the policy process
- Technical Committee interest in evaluating the effectiveness and relevance of the livelihoods sector policies and guidelines developed
- RCM interest in analysing and comparing the different livelihoods approaches / models being implemented in Sri Lanka
- Collective interest in documenting examples (case studies) of success innovation and experimentation
- SLRCS interest in seizing the current opportunity to discuss and evaluate livelihood approaches with partner organisations for longer term strategic planning



- IFRC delegation interest in the timely opportunity to inform phase over and hand over plans for livelihoods activities (particularly VCA and participatory approaches) with the SLRCS. Opportunity to highlight relevance of mainstreaming livelihoods activities / approaches into SLRCS core area programming
- Swedish Red Cross interest in and support for livelihoods sector programming and evaluation.
- SLRCS is about to embark upon a CAS process for Appeal 2008 and the findings of the livelihoods evaluation will help inform their own plans for quality programming in core areas.

### 1.2 Objectives

The evaluation seeks to achieve the following four overall objectives:

- To evaluate the relevance of Technical Committee developed policy and guidelines (process and outputs). Were these implemented? Why? Why not?
- To examine the relevance of the livelihoods approaches taken over time following the tsunami (i.e. the phasing of cash for work, assets replacement, livelihoods cash grants, VCA and integrated programming approach, etc, throughout the relief, recovery and longer term development phase of response)
- To briefly compare observations of efficiency, effectiveness, relevance, and sustainability / impact across a sample of different projects for tsunami relief and recovery in Sri Lanka
- To examine and recommend livelihoods entry points for strengthening and mainstreaming integrated programming and participatory programming approaches into SLRCS core programming areas.

It will also attempt to cover within these core objectives, the issues as seen from the point of view of the beneficiary, including equity and balance, involvement, choice and inclusion in decision-making, sustainability and their perceived situation regarding resilience against future shocks.

### 1.3 Methodology

The evaluation is intended to focus on participatory approaches, reflection and appreciative enquiry, using case studies as a basis for highlighting programming issues and recommendations that will be relevant to future programming as well as to dealing with wider strategic issues. Due to the time constraints involved in evaluating this multi partner – multi faceted area of intervention, the methodology has been fairly restricted to the use of key informant interviews in Colombo and the field, focus group discussions with beneficiaries and other stakeholders, individual case studies at household level and analysis of most significant change.

#### *Continuous Literature Review*

Relevant documents provided by the Livelihoods Technical Committee and by ICRC, IFRC, SLRCS and PNS programmes and projects have been reviewed by Team Leader in Sri Lanka during the week 4 to 9 June 2007, further reviewed and discussed by the consultant and Livelihoods Specialist in London during week beginning 11 June 2007, and by the team during main part of evaluation between Mon 25 June and Thursday 12 July 2007.

#### *Key Informant Interviews*

Semi-structured interviews have taken place with key informants; undertaken by the Team Leader in Colombo during the week 4 to 9 June 2007, and throughout the main part of evaluation between Mon 25 June and Thursday 12 July 2007. (See

initial List of Key Informants in Colombo attached at Annex 3). Key informants include members of the Livelihoods Technical Committee, Red Cross Movement and non Red Cross Movement partners.

#### *Field Visits*

A series of field visits was undertaken by the team between Monday 25 June and Tuesday 10 July 2007. (see itinerary and maps included in Evaluation Plan at Annex 2). The field activities included:

- Continuous review of field documentation
- Interviews with local key informants using a semi structured format
- Site visits to ongoing livelihoods programmes and to sites where livelihoods programmes have been completed
- Consultations with beneficiaries of ongoing livelihoods programmes and former beneficiaries of livelihoods programmes that have now been completed. Semi structured interviews were used with beneficiaries at a household level and focus group discussions at community based organisation/community group level where appropriate
- Participatory evaluation exercises with Red Cross Staff and volunteers involved with ongoing livelihoods programmes or formerly involved with livelihoods programmes which have now been completed
- Interviews with other (non Red Cross Movement) humanitarian actors

#### *Compiling Findings and Preparing Presentation*

The Evaluation Team continually examined, discussed and compiled their findings as the field mission continued. However, the team will only had a short time, on Tuesday 10 July 2007, to make the final compilation of findings and recommendations and to prepare these for an interactive feedback session of the Livelihoods Technical Committee in Colombo on Wednesday 11 July. The intention was to use “raw” and timely field based data and findings to prompt discussion and feedback.

#### *Feedback Session in Colombo, Wednesday 11 July 2007*

The feedback session provided the opportunity for first hand initial feedback and recommendations from the evaluation. The feedback also allowed stakeholders to feed into the evaluation before the draft report was written, to discuss its findings and comment on its recommendations. This was a consultative and participatory session, encouraging stakeholder involvement, comment and input on programme and strategic level recommendations.

#### *Drafting Report and Circulating for Comment/Input*

This report for the evaluation has been drafted after the feedback session in Colombo, and takes into account the inputs from this session in its recommendations. The draft report has been provided for wide circulation amongst stakeholders and a full three weeks provided for input and any corrections if applicable.

## 2. Definitions

Throughout the evaluation, the team found there was considerable confusion around the application of terms such as “Livelihoods”, “Relief”, “Recovery”, “Economic Security”, “Household Economy”, “Food Economy”, “Disaster Management” and “Development”. To ensure clarity, the team has used a standard approach to Livelihoods and Economic Security – of a nature that is recognised by DFID, the ICRC and most well regarded actors in the NGO sector such as SCF and Oxfam. A clear definition of all these key terms is provided at Annex 7, but for now the essential issues are further expanded upon below:

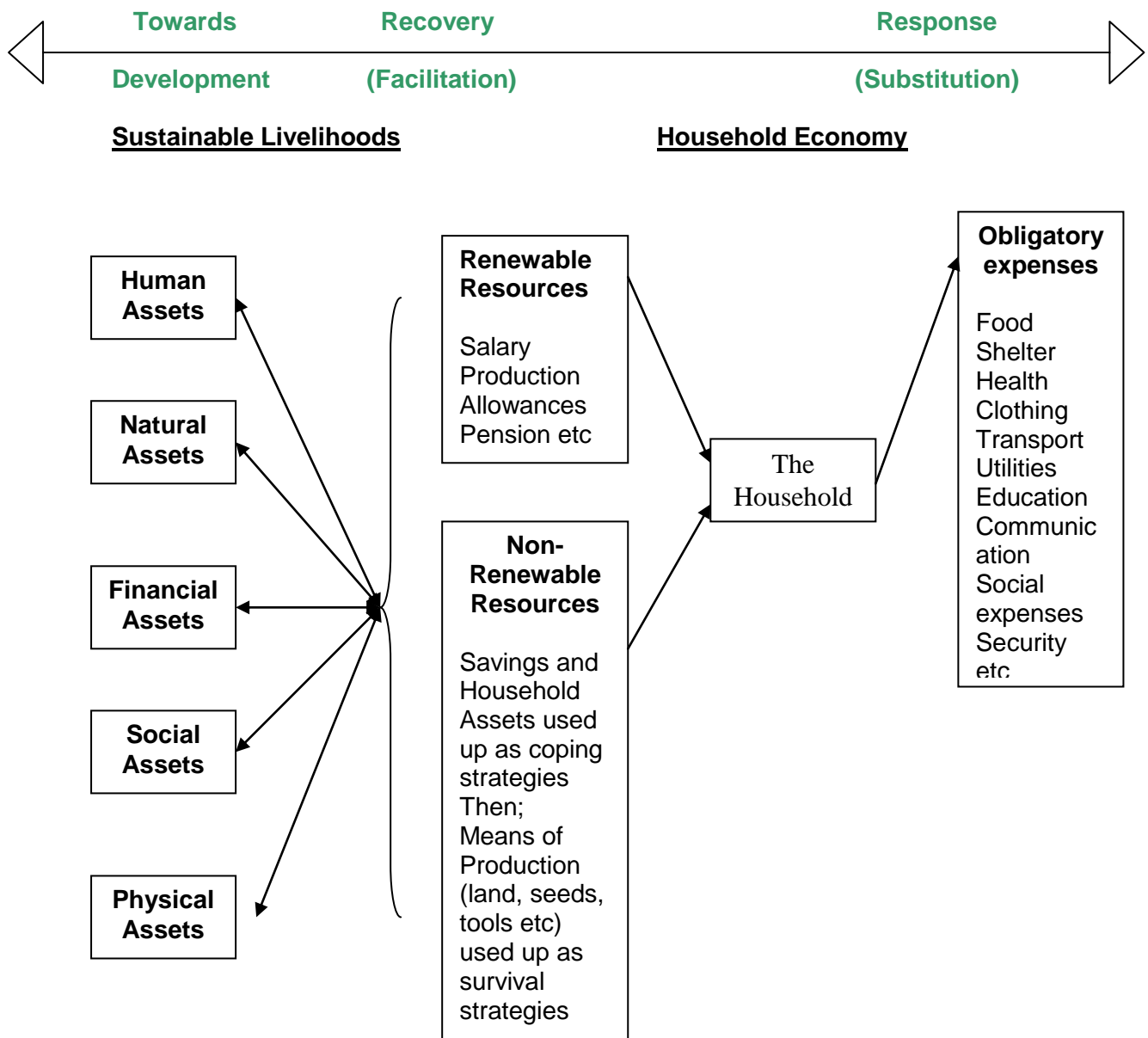
Relief implies emergency humanitarian assistance provided in the very first stages of a response to an emergency situation. “Relief” was long typified by “substitution” type interventions that provided directly for peoples needs by giving them in kind the commodities and services they needed to survive. For example if one was no longer able to produce or buy ones own food, then that food would be provided to you in the form of a standard ration of say; rice, beans and oil. It is important to note, that should cash be provided simply to allow the household to buy that food - then this is still a “relief” intervention – it is just that a different mechanism is used to provide that relief.

Economic Security approaches have evolved over the last thirty years to take a more sophisticated approach of examining the Household Economy of the beneficiary, to guide assistance during the response phase. This aims to reduce possible dependency on external assistance, increase dignity through encouraging a degree of self-help, and to provide a stronger base for recovery. Therefore this approach involves not just substituting a household’s needs by providing goods in kind - but facilitating the production side of their household economy to help them to be able to address their needs themselves. This may still involve an in-kind approach of returning lost means of production – such as a sewing machine, a flock of poultry or a draft animal - or may take the approach of providing a cash grant or a loan to enable those means of production to be accessed by the household. There will always remain situations of need where there is no choice but to provide “relief” assistance as a substitute to start with – but using the Economic Security approach, then that relief is only provided as a “bridge” of assistance. That is that relief assistance is only provided as a substitute until such time as the fruits of a rekindled household economy can once again allow that household to make the first steps towards longer-term recovery. From the very first day of emergency response, the aim is to replace relief (substitution) activities as soon as possible, with economic security activities (facilitation) as the basis upon which the first phases of recovery will be built.

Sustainable Livelihoods programmes then bring in a more developmental approach – effectively building on the already strengthened Household Economy over a longer recovery time frame - typically over 18 months to 2 years. Using the Sustainable Livelihoods Framework, the mechanisms of the household’s livelihoods base are examined through five sets of assets or resources – these concern; Human, Natural, Financial, Social and Physical Assets. A wide range of interventions can then be applied to providing, restoring, strengthening, diversifying and protecting those assets, to enable not only a full recovery of the household economy, but a household and a community which is more resilient to future shocks. More resilient livelihoods are in fact a key factor in reducing the risks of disasters – or Disaster Risk Reduction (DRR).

This approach of overlapping “Relief” into “Economic Security” into “Sustainable Livelihoods” is expressed in a diagrammatic form below. This links emergency response and first stage recovery (using the Household Economy Model) on the right of the diagram with longer-term recovery towards the left of the diagram moving towards development. As one moves further to the left, the Livelihoods assets defined in the Sustainable Livelihoods Framework start to be addressed in more detail. The RCM “Livelihoods” work in Sri Lanka ranges right across the diagram; from Cash for Work activities (some of which are really just monetised relief interventions – but no less valuable for that) on the right hand side, through to long term cost sharing development activities (on the left hand side) such as cinnamon oil production.

**Combined Livelihoods and Household Economic Security Approaches**



### 3. The Range and Implementation of RCM Livelihoods Programmes

The most striking immediate impression during the evaluation mission was the sheer range and diversity of livelihoods interventions undertaken by the RCM since the Tsunami in December 2004. It is clear that the large-scale and rapid humanitarian response effort in Sri Lanka allowed recovery activities to be started far earlier than was the case in for instance, Pakistan after the earthquake in 2005. In Sri Lanka though, this effort to explore new approaches of livelihoods interventions in the recovery phase was also underwritten by an unprecedented level of funding. This situation resulted in something of a humanitarian experiment taking place.

In Section 5.1 the RCM livelihoods programmes undertaken to date are broken down by partner/beneficiary numbers/budget. The regions visited during the evaluation, and the relevant programmes are illustrated in Annex 5. Because many programmes and projects are comprised of a number of integrated or separate interventions within the project title, the table below provides an overview of livelihoods areas of work undertaken by the RCM.

<b>Examples of RCM Economic Security and Livelihoods Programmes Implemented since 2005</b>				
<b>Provision</b>	<b>Restoration</b>	<b>Strengthening</b>	<b>Diversification</b>	<b>Protection/sustaining</b>
Cash for work for income only	Fishing boats, engines and nets provided in kind.	Cash for transport	Providing business planning and marketing	Organising and developing CBOs
Cash for work for environmental management	Fishing nets provided through cash	Goat rearing through cash and in kind inputs	Livelihoods input with new housing	Cash for work for Disaster Risk Reduction
Cash to boost the household economy	Fishing boats provided to government	Coir making through cash and in kind inputs	Community Library	Cash through bank accounts and cash through letters of credit
Cash for IDPs	Fishing boats provided to cooperatives	Cashew nut production project	Micro Credit through CBOs	Projects for social integration
Cash for Returnees	Tuc Tucs provided to drivers	Kitchen garden projects	Markets for vegetables	Micro Credit through MFIs
	In kind livelihoods assistance with psycho-social projects	Chenna ( rain fed) cultivation projects	Mushroom cultivation project	Disaster Risk Reduction community cash grants
	Cinnamon Project (Land/crop restitution)	Paddy production projects	Cash for coops and cash for coups	Cash grants for livelihoods protection
	Asset Replacement	Water pumps for cultivation	Food processing training and certification	
		Vegetable production for markets	Buildings for income generation	
		Household cash grants	Vocational training and	

		and community cash grants for livelihoods	certification (with tools and without)	
		In kind inputs for Household economy and livelihoods strengthening	Block making projects	
		Land Masters provided to associations	Vocational training with psycho-social projects	
		Shops for cooperatives	Cinnamon Project - skills training and oil production)	
		Cash for poultry and poultry in kind	Tourism Project	
			Business incubation project	

Perhaps reflecting the relative lack of Livelihoods or Economic Security experience in some parts of the RCM, the methods of programme and project implementation have also been more varied than would typically be the case in other programme areas. Leaving aside the ICRC's programmes, the table below gives examples of the implementation approaches used in RCM Economic Security and Livelihoods programmes and projects since 2005.

<b>Examples of Implementation Approaches used in RCM Economic Security and Livelihoods Programmes since 2005</b>	
Direct implementation using delegates and SLRCS staff and volunteers	Providing livelihoods inputs as part of another project and bi passing the Technical Committee
Partnerships between PNS programmes to link e.g. Livelihoods with Construction	Providing livelihoods inputs in cooperation with government departments (such as extension services and training)
Partnerships between PNS and NGOs with or without cost sharing	Sub contracting the services of commercial suppliers, such as in technical training
Complete sub contracting to an NGO with no RCM field presence	Providing cash to SLRCS to develop and implement livelihoods programmes
Federation implemented projects	PNS implemented projects

While the evaluation team has no specific concerns relating to the value of any one project input or implementation method in theory, the sheer range of approaches employed does make it extremely challenging to take an informed overview of the progress being made and the impact this provides for the beneficiary. The coordination function of the Technical Committee is challenging to achieve when programmes range from emergency cash grants to the conflict-displaced to re-establishing a cinnamon oil production unit, and from a direct implemented vocational training project to a portfolio of livelihoods activities completely sub contracted outside the RCM.

When viewed as individual projects and programmes, the quality of the RCM work ranges from acceptable to technically excellent, and some PNS in particular have deployed extremely experienced, specialised and competent staff. In other cases, generalists have had to apply themselves rapidly to both Economic Security and

Livelihoods interventions in an environment of considerable institutional learning at field level.

Where the RCM work starts to look weaker however, is in the scale and choice of projects when set against priority and unmet needs. The overall coordination environment is also frequently reactive and confused, and it is this within which the RCM work is set. The following sections examine the relevance and efficacy of this experimental RCM approach so far, and comments on the added value provided and the issue of Do No Harm. The following sections are all the more important to consider now, as extended RCM Economic Security and Livelihoods programmes are planned (including the ICRC and American, British, German, Irish and Japanese Red Cross Societies) over the next two years. If clear conclusions can be drawn at this point, then a greater impact can be aimed for in the medium term future.

#### 4. The Relevance of RCM Livelihoods Programmes

To examine the relevance of the livelihoods programmes implemented since 2005, the team compared the activities with the following stages of recovery after disaster:

- *Stage 1: Provision.* The provision of cash and food needs to be met through substitution during the period of time when people's sources of food or income are lost. A typical timeline is from immediately following the emergency situation for three to six months.
- *Stage 2: Restoration.* For the restoration of lost or damaged livelihood assets, a typical timeline would start three months after the disaster (although it could be earlier) and continue until the lost/damaged assets have been replaced or restored. This is the basis for people to restore their assets to the level that they can use them to start to regain a sufficient incomes to become self-reliant again. The restoration of the assets alone does not represent this stage of self reliance as there is a time lag (depending on occupation/sector) until such time as a net income starts to be received. At a higher level too, these activities can also include the restoration of infrastructure to support livelihoods, for example; jetties, cold storage, transport or markets.
- *Stage 3. Strengthening.* The strengthening of existing livelihoods, which have been sustainable in the past.
- *Stage 4. Diversification.* The widening the choices for people's livelihoods in order that they can recover. This can be most important for people whose main work is labour, especially where those livelihoods (for example, tourism, retail, agriculture) do not immediately return.
- *Stage 5. Protection and Building Resilience.* The protection of livelihoods against future shocks (both natural and man made) is a fundamental aspect of Disaster Risk Reduction, making both households and the communities that they are a part of more resilient to future events than they were before.

##### 4.1 Relevance

When considering the question of how relevant were the RCM livelihood and economic security programmes, it was decided to qualify this with asking how relevant these programmes were to peoples needs. This requires analysis of whether or not there was sufficient provision of Livelihoods inputs, how timely these inputs were and whether or not they had a positive outcome for the affected population (whether beneficiaries or not)

##### *Stage 1: Provision.*

At a very early stage, the National Societies of the USA, Switzerland/Austria, UK, Hong Kong, Belgium/Luxembourg and others, provided Cash for Work (CFW) programmes in most districts. Cash grants to households were also provided for Internally Displaced Persons (IDPs) in Batticaloa and Ampara Districts. In many areas the programmes involved the use of household bank accounts. Cash grants proved to be very timely in response to re-started conflict in Batticaloa and Trincomalee districts. However, when compared with the level of need, the cash grants provided by the RCM were frequently insufficient in their amount, and with the exception of the American Red Cross programme, not provided at sufficient scale to make significant impact. Additionally, CFW programmes that did not start until October 2005 were far too late to be as appropriate as they would have been nine months earlier, and much of their potential impact over the Provision stage was lost.

RCM-implemented CFW programmes were very important in areas where people had lost their assets and means of employment, and there was great pressure for selection as beneficiaries. In most cases it has been a mistake to stop these



interventions early as happened, as many people had still not recovered sufficient assets to re-start work, or the spending power of people was reduced (taking time for small businesses to re-establish themselves in a cash poor environment).

CFW programmes were also frequently used as a starting point for other interventions, and often unwittingly to verify beneficiary lists. One frequently noted strength of these programmes has been that, in combination with the highly appreciated Government food ration, beneficiaries could use this cash on other essential obligatory expenses, such as education, clothes, and livelihood assets.

### *Learning*

CFW programmes were seen largely as part of a relief response, including debris clearance and similar activities. In this sense, these activities were unfortunately not necessarily connected to or done in conjunction with other livelihood interventions. The lack of a more strategic approach to Assistance (or even Economic Security or Livelihoods within that) meant that many more opportunities to use CFW more creatively were just not considered. CFW can in fact be one of the best ways to recover livelihoods, and does not have to be limited to emergency interventions, but can be effectively used for more considered recovery interventions, such as in coir making for example.

### *Stage 2. Restoration of Livelihoods.*

The evaluation looked at how far RCM livelihoods projects restored people's livelihoods effectively. This required examining how timely livelihoods interventions were and how positive the outcomes were for beneficiaries.

In this area, a number of asset replacement projects were undertaken by the RCM, including; the IFRC for 640 households across four divisions in Galle, the Finish Red Cross in Ampara, the Irish Red Cross for 120 households in Kalutara District and 247 households in Batticaloa District, the Korean Red Cross in Colombo, the Netherlands Red Cross in Hambantota and several others. Fibreglass Reinforced Plastic (FRP) fishing boats, nets and motors were provided through various means by the National Societies of Korea, UK, Netherlands, Germany, Taiwan and Hong Kong. In this way, over 1,000 households were supported through high incomes gained from fishing asset replacement.

The restoration of damaged agricultural activities has been supported through RCM projects at several levels from restoring kitchen gardens through in-kind contributions of seeds, tools and irrigation pumps, to diversifying into specialised areas such as mushroom cultivation. The Spanish Red Cross Cinnamon Project in Galle is a good example of restoring sustainable livelihoods by repairing natural resources and investing in enhanced capacity of end products – in this case, cinnamon oil.

In general though, projects have proved very slow to be implemented – with the exception of the IFRC Vocational Training programme undertaken in Galle, Kalutera and Matara. There have frequently proved to be huge and almost irreconcilable problems with beneficiary selection, which rather misses the point that in this sort of intervention, a rapid approximate system is needed to start the programme to gain rapid benefits, which can be immediately followed up with more fine tuned selection procedures.

In Galle, the ongoing IFRC cash based programme only started in December 2006, which at two years late will have its relief impact reduced. Many other similar

programmes have also been very late to start, for example as part of construction project in Ampara – these interventions are simply two years too late.

The timing of implementation aside, the scale of many of these interventions has also been far too small to make significant enough impact for the size of the institutional investment. This is with some exceptions, such as the IFRC Vocational Training Programme in Galle, Kalutera and Matara, and the fishing assets replacement programmes, such as that of the German Red Cross in Ampara District. There are examples of a delegate being in charge of a programme that only assisted a few hundred beneficiaries over a year or more time period. By any standards, this represents a considerable overhead cost. That said – it is important to take into account continuity of programmes, and if this was the situation over the first year of say a three years programme, then as time goes on the cost-benefit balance starts to be recovered. Some programmes in the north-east have severely restricted by security problems related to the declining political situation, which is more unavoidable. The American Red Cross programmes are largely outsourced to NGOs such as Mercy Corps. They have in contrast been able to operate at considerable scale.

These programmes did not usually connect to or link with earlier livelihood provision except in few cases. The result has been a long period (in some cases well over a year) before people were able to return to their livelihoods, but were not assisted in doing so. As a consequence, some beneficiaries show disturbingly high levels of debt, which will take two years or more to pay off.

Asset replacement alone is also not usually sufficient to recover livelihoods at a household level, and in most cases there should be embedded pre and post asset links with provision and strengthening. For instance, the inclusion of asset replacement beneficiaries in a training course such as in marketing or in technical skills development may reinforce the impact of the asset provided, as can follow up activities in strengthening stages, such as building links with cooperatives, new markets or addressing product development, product preservation or product transportation costs.

#### *Learning and questions*

- The programmes which have invested in learning and upgrading skills as part of a wider package, are generally seen as being very positive – although their sustainability and long-term application would need to be reviewed over a longer time period than this evaluation has had opportunity to do.
- Working through cooperatives for asset replacement has been a new area which shows considerable promise and could be expanded with relatively low institutional investment.
- The RCM has invariably provided high quality assets that have been extremely appreciated by the beneficiary households. The question remains as to whether cash grants would have been a better option for asset replacement, as the implementation costs are lower allowing more people to be served, and the flexibility is increased. Against this is a perceived loss of control on the quality of the asset provided.
- More worrying is the question - Are poor people excluded? There remain underlying concerns that the poorest members of community who are too economically marginalized to gain from asset replacement are just excluded from this type of intervention. This would not necessarily be an issue should alternative assistance be available, but this is seemingly not the case.

### *Stage 3. Livelihood Strengthening*

In this area, the evaluation asked how far the RCM programmes managed to strengthen people's livelihoods, how appropriate the projects were and how positive the outcomes were for the beneficiaries.

The RCM has provided cash grants to over 10,000 HHs to strengthen existing livelihoods and start some new but simple livelihoods. In terms of beneficiary numbers, this has been the main thrust of RCM livelihoods interventions. There has been a very high rate (over 95%) of appropriate use of grants.

As yet, very few RCM projects address any system-level changes to strengthen livelihoods, such as infrastructure development. The only examples are the Netherlands Red Cross development of vegetable and fish markets in Hambantota. Nonetheless, the RCM projects have resulted in a large impact being seen at the households and community level in terms of income, especially for quick-return livelihoods. These first steps provide a good basis to lead on to the next stage of livelihoods diversification.

However, it is still too early to say if these restored livelihoods are sustainable in the medium term, and how much they regularly contribute to the household economy, especially for seasonal activities. There are frequently concerns regarding new competition in some oversubscribed activities, especially poultry farming.

### *Learning*

- Generally, these programmes are much better implemented with support of local community participation and greatly benefit from a sustained investment in monitoring and follow up support.
- Training and technical support is also seen as being crucial to success of projects
- The use of bank accounts has contributed to people's resilience to future shocks of many kinds, including for those beneficiaries living in an area of repeated conflict.
- The standardisation and use of easy systems of targeting allow one to reach scale quickly, which is necessary to maximise impact against institutional investment.

### *Stage 4. Livelihood diversification activities*

In this area the evaluation asked how the programmes addressed issues of diversification, whether the interventions were timely and if positive outcomes resulted for the beneficiary.

The RCM interventions were creative and varied. They include a Business Incubation Centre (IFRC/British Red Cross Society), Vocational Training (Japanese, Finnish and Danish Red Cross), Skills Development (Spanish Red Cross), Information Technology training (Irish Red Cross), Tourism Development (American Red Cross), Entrepreneurship development in agriculture (Netherlands Red Cross), food processing, mushroom cultivation, ornamental plants and cinnamon oil (Spanish Red Cross). There remains a large demand for these programmes as a result of high level of unemployment and under employment especially for youth and women.

However, many activities are still to start, and with the high level of specialist capacity required, relatively low numbers of households have benefited compared to the high institutional investment costs. To assure success at household level, generally only slightly less vulnerable people have been selected, with a lack of alternative provision

being available for the most vulnerable. For longer-term sustainability, the support of other institutions, including government technical departments, is very important.

### *Learning*

In general the experience of diversification is that there are many failures and this is somewhat borne out by the RCM tsunami experience. This is a complex area in which many new business ventures fail in the best of times. Bearing in mind the remaining level of unmet post tsunami needs, an investment in this area may not be the most appropriate, and may be just too risky to consider while more guaranteed impact can be sought for more vulnerable people in the same community or in communities elsewhere.

### Stage 5. Livelihood Protection Activities

The evaluation considered whether the RCM is doing enough to protect people's livelihoods, and make them resilient to future shocks, whether natural disasters or man made events.

In this area, RCM intervention has included IFRC support to cooperatives in Ampara District, and a Community Based Livelihoods Programme in Matara District. In Ampara District the six concerned cooperates received a series of cash grants against their individual action plans - to recover and increase their resilience and that of their members. In Matara District, a wider based community approach includes the establishment of risk reduction funds, providing community links with micro credit facilities and goes further to build the capacity of CBOs through the processes of programme implementation and support – including specific training. The American Red Cross is also supporting local organisations and strengthening communities, through taking an “outsourced” approach of implementing these activities through established NGOs – themselves keen to work with the local SLRCS Branches. Many RCM projects are aimed at building local institutions and CBOs. There are frequently links with government programmes and extension services (IFRC, Spanish, British, Irish Red Cross and others) and many of the CFW initiatives in the early phases were used to recover and to develop local infrastructure.

However the linkages with this programming and Disaster Risk Reduction (DRR) could be much stronger and this remains something of a lost opportunity. This is with the exception of the British Red Cross Society programmes in Ampara and Batticaloa Districts and the IFRC programme in Matara – both of which have DRR as a stated aim within their livelihood recovery programming. At the level of the household, interventions have not included many activities to protect people's assets (no insurance for new assets such as boats, livestock. no protection for many people who are starting new businesses, very few links to micro-credit facilitated by RCM).

Many opportunities for building people's resilience through group sharing (for example, grain banks, development and utilisation of common property resources, and DRR measures (which include prevention and mitigation) were not undertaken.

### 4.2 Balancing RCM Interventions across the Recovery Phases

With very few exceptions over the last two years, there has been poor phasing of RCM activities over what was a response situation to that of recovery. This, and the fact that much of the RCM livelihood support has not been timely either, meant that in many situations the recovery of populations has not been assisted as effectively as it could have been. Livelihood provision could generally have continued for a longer time, to support households while they were awaiting assets (such as boats and

sewing machines), finding new employment, or waiting for their businesses to take off again. Households have frequently had to take on debt to cope with this.

Equally, asset replacement (restoration of livelihoods) was typically provided far too late, and in many cases not supported by strengthening activities, (training, links with the government, access to micro-credit). Where this was done, the impact has been much greater and there have been fewer examples of failure.

There have been many attempts to diversify livelihoods owing to the demand of people without sustainable livelihoods (typically women and the youth). While this is laudable this is also typically a high risk area. There is clear evidence that many of these new enterprises may be failing – for example mushroom cultivation has maintained only 10% sustainability.

Again, the DRR or resilience components of a livelihood strategy seem to be remarkably under-represented within the RCM interventions, probably reflecting fundamental strategic RCM confusion referred to in later sections. The most striking example of this is in the North East where conflict has led to the displacement of more people than the tsunami. One could regard these beneficiaries as being long term victims of conflict who were also affected by a tsunami, rather than victims of tsunami who were also affected by conflict. Yet there was little recognition of the actual risks this population face reflected in the programme planning. There are now initiatives (ICRC and Japanese and British Red Cross) to find means of livelihood assistance that are ‘protected’ even in the situation of conflict – including increasing access to financial instruments such as bank accounts.

In economic terms, some protective and resilience making measures have been introduced through strengthening CBOs and community groups. These could be developed further in two ways. Firstly, there is heated objection to working with CBOs at all in some SLRCS branches – an issue that needs to be resolved. Secondly, much work with CBOs is of a single issue or short-term type of engagement. An investment in the relationship if one year or 14 months is probably the minimum to ensure sustainable impact, and participatory approaches help guide the CBO with more ownership – towards meeting its priority goals in a sustainable way. The RCM is preoccupied with branch development and does not easily recognise the value of building capacity in CBOs which can be seen as being at the expense of branch development – when in reality this is an approach of partnership in building resilience at community level – not an approach of competition.

#### 4.3 Scale of Intervention and Addressing Gaps.

In general terms, the humanitarian (and livelihoods) needs are the greatest in the North-East and reduce as one moves south and to the east. The capacities (human resources, INGO presence, financial resources) are organised the other way (see map at Annex 5). This is partly due to the conflict and the operating/security restrictions related to working in conflict areas, but also to lack of financial resources seemingly available for conflict affected beneficiaries.

Similarly, the needs remain greatest inland – away from the coast. This reflects the traditional development of Sri Lanka along its coastal road and its ports, and the relative under-development of its interior. In contrast, funding tied to tsunami victims has meant that the majority of INGOs are active along the coast and most resources are concentrated in coastal areas. Some INGOs and other organisations such as some National Societies have had some freedom to work in other areas but this still represents a small proportion of the needs in terms of implementation. The table at Annex 6 provides beneficiary and programme budget totals.

Compared to the approach the RCM would usually take in response activities, the Livelihoods interventions in Sri Lanka have not been implemented to scale. Typically it has taken several months to start up a livelihoods intervention, and many of the interventions have not been designed with scale in mind. There are many reasons for this

- Livelihoods was not a prioritised activity, and did not emerge as one because sectoral rather than holistic assessments were often used to define PNSs programmes.
- The whole notion of recovery was new to the RCM, in addition to work on livelihoods, therefore the RCM was (and is) not geared to providing livelihoods at scale – no systems, organisational priorities or human resources base.
- Very few delegates were available with a specialist understanding of livelihoods, and no capacity beyond distributive capacity of the SLRCS in this area. In contrast, when long term livelihoods interventions became immersed in a new conflict in some locations, there was also a shortfall of experience with rapid relief responses too, making programmes slow to meet new needs.
- Severe constraints, delays and reduction of number of projects implemented as a result of crippling internal RCM disagreements on ways of working.
- The recovery of livelihoods is seen as being a very human resource intensive activity, because of the large range of livelihoods followed by beneficiaries. The methodologies to assess, design and implement programmes, and have the human resources to deliver to scale, have not been developed within the RCM.
- Construction budgets and increases in construction costs have further restricted expenditure on livelihoods and implementation of livelihoods programmes

But almost everywhere, livelihoods were identified as one of the greatest needs in tsunami, conflict affected, and traditionally impoverished inland areas. The understanding of “livelihoods” by most communities and concerned authorities typically revolves around income generation and employment issues, but taking a wider view, according to people interviewed, all INGO activity on livelihoods may have covered anywhere between 20 to 90% of the livelihood recovery needs in the affected areas. The main unmet needs being within the conflicted affected regions. Of this RCM interventions are a small percentage. (the exception perhaps in Batticaloa and Ampara districts)

The American and British Red Cross, and especially the ICRC, are still the only RCM actors to respond at relative scale, with the ICRC assistance mostly addressing the early stages of recovery – livelihood provision and restoration. The main activities that have allowed RCM actors to provide assistance at scale are in the provision of boats, nets and motors as well as in cash grants for developing livelihoods. It is also interesting to note that the number of livelihood beneficiaries planned for 2007 and beyond is greater than the number that have been provided with assistance so far. The interventions planned are somewhat more developmental in nature and while they will be useful, there must be a question as to whether these are to help people ‘recover’ as they are being provided almost 3 years after the event, and after many people have already partially or fully recovered their livelihoods – with the exception of conflict affected populations.

There remains a real continuing need to support construction beneficiaries in livelihoods, particularly those that have had to be relocated. For relocated people, their physical assets, natural assets, and social assets have all been significantly affected by the re-location. In most cases, families are being split across their original

location and their new locations. Children are still going to their old schools, and men (usually) are continuing to work on pre-existing livelihoods (for example, fishing). Only women have started to move to new locations where they are trying to find new occupations in those areas.

There is however, now the capacity and systems within several PNSs to provide at scale in the future – the British Red Cross Society, the American Red Cross through their partnership with Mercy Corps, and the intention to scale up significantly of the Japanese Red Cross and the Irish Red Cross. The ICRC maintains a significant capacity anyway, but appropriately limited to relief and early recovery. New arrangements with the National Societies of Ireland, UK and Germany to provide livelihoods at scale in conflict areas based on joint assessments, common approaches to livelihoods and shared resources, is a very positive development in livelihood recovery building on rapid Economic Security Assistance in the Sri Lanka context.

#### 4.4 Including the poorest and most vulnerable

One of the most contentious and time-consuming aspects of the recovery response has been around beneficiary lists. There seem to be three sources of the generation of beneficiary lists; the Government Administration, the SLRCS with its community links, and the PNSs with their (largely) community based beneficiary identification tools. CBOs, cooperatives and other local organisations with links with their communities were in a strong position to identify the poorest and most vulnerable. One would expect this to indicate that there has been a lot of concern that the most affected/ vulnerable people have been included in RCM livelihood programming. In this evaluation, where a number of beneficiaries were visited, it did not seem that this was in fact the case.

Part of the problem is that the programme mechanism (for example asset replacement or cash grants) dictates the intervention and is decided upon before the needs are even assessed. But the pre chosen mechanism may not be the most appropriate, so beneficiaries are chosen to fit the programme – which will not be the most vulnerable - as they will not succeed. This would be more acceptable if there was a “fall back” assistance programme of another type (even of another organisation) to provide a safety net for the most vulnerable – but there usually is not. And this is increasingly the case when livelihoods programmes are implemented too late or are delayed – many populations have endured a large gap from the end of free humanitarian assistance while they have waited until a livelihoods programme has been implemented to help them recover – but the most vulnerable will not even be recipients of that livelihoods programme.

To some extent, this situation reflects confusion over how livelihoods interventions fit within economic security approaches. “Relief” is not seen as being linked to livelihoods and so response is treated separately to recovery – when in reality the interventions should be closely entwined. A striking example of this is in displaced populations in Sri Lanka. Assessments for livelihoods interventions in this population are all very well for those (less vulnerable) who will benefit from them, but fail to provide complementary assistance for those (most vulnerable) who are not livelihoods programme beneficiaries - and furthermore fail to consider the needs of the host community which has been greatly affected by the influx of thousands of displaced people. The framework for assisting multiple beneficiary groups through either one programme or integrated programmes is just not there – and that is within what one may call economic security/livelihoods. Extrapolated to include the other assistance areas of health, and water/sanitation and shelter and there is a complete

absence of any strategic approach – or anywhere for this responsibility to lie – in trying to assess and address multiple needs over a period of response to recovery – and in this case back to response.

Another aspect of failing to meet the most vulnerable refers back to the funding restrictions placed on much of the RCM financial resources in Sri Lanka. The poorest populations prior to the Tsunami were largely located in the conflict affected north and east – and still are. Within this poorest population, only the coastal settlements were of course vulnerable to tsunami - as well as to the effects of conflict. It has not been physically possible in many cases to assist this coastal population in the north and east as well as in the south and southwest – because of the conflict. But additionally, within the north and east, the inland population (already impoverished by decades of conflict) are frequently not eligible for tsunami-funded assistance. They have nonetheless suffered greater impoverishment in many cases due to the economic effects of spiralling prices and smashed markets in the aftermath of the Tsunami.

As a result, the picture of RCM (and other) humanitarian assistance is one of huge concentrations of investment in a narrow coastal strip, tailing off into much more limited assistance inland – where the poorest live. There are exceptions to this situation – including British, German Irish and Japanese Red Cross Programmes, as well as those of the ICRC – operating under its own conflict-related Mandate.

It can sometimes become hard to justify the long-term engagement with a (now) prosperous cinnamon oil producer in the southwest - when faced with thousands of people standing in destitution in the northeast who do not receive any assistance from the same organisation. This is not to criticise the cinnamon programme – but to emphasise that unless there is somewhere in the organisation for holistic needs to be recognised, prioritised for assistance and responsibility for that assistance to be taken, then situations like this will continue. Admittedly it has not been possible to easily provide assistance in the northeast for an extended time, but there are no institutional plans to do so.



## **5. The Effectiveness and Efficiency of RCM Movement Livelihoods Programmes**

### 5.1 Efficiency of the RCM livelihoods programmes

In this section, the evaluation team considered what it would regard as being broadly “efficient” and what factors might have constrained efficiency.

In terms of cost, the indirect costs of the RCM livelihoods programmes in Sri Lanka range from approximately 20% of overall programme costs up to 75%. While 20% indirect costs compares well with sector norms for this type of intervention, the evaluation team consider that indirect costs of more than 50% would only normally be acceptable in most implementing organisations where specialised inputs are required. These could for instance require a high ratio of human resources investment compared to other costs, such as in the setting up a vocational training centre. In all the programmes considered here in Sri Lanka, the delegate costs seemingly represent a large percentage of overall programme costs, and a very high percentage of human resources costs within that. The evaluation team considered delegate costs as being good value for investment only where interventions have been both timely and at scale.

To be fair, much of the RCM livelihoods work in Sri Lanka has been undertaken as something of an experiment. This has involved longer assessment and planning periods than would normally be expected, slow sometimes-hesitating starts to implementation and relatively small programme scale compared to the environment of needs within which they are placed. While in its relief work, the RCM is usually recognised as covering a large beneficiary population with basic humanitarian assistance in a timely manner, due to the experimental nature of much of the livelihoods work in Sri Lanka, the RCM has behaved more like a series of small NGOs. This has been typified by a wide range of small scale, quite stand alone projects – some of which have become very specialised activity areas. If learning can be institutionally grasped from these activities, then future livelihoods interventions in other contexts can be built on this experience, but it would not be acceptable to start this way again in another context. For an experiment it is understandable for some level of efficiency to be sacrificed in the name of learning – but that learning has to be real and manifested in future interventions which are more timely, implemented at greater scale and framed within an agreed institutional strategy.

Specific indicators affecting efficiency which were noted during the evaluation include:

- Very slow start up of projects – location and beneficiary selection have been key weaknesses and considerable costs have been incurred
- The RCM has not built up projects sequentially, using the same beneficiary lists and developing the beneficiaries through the stages of livelihood recovery.
- Lack of internal capacity (PNSs, IFRC, SLRCS). This includes a specific lack of human resources experienced in economic security and livelihoods approaches (with limited success in searching externally for such resources), and in some cases, sheer lack of appropriate administrative systems or capacity to implement projects at scale or in a timely manner.
- No clear approach to livelihoods – what it means, what does recovery mean, where do we need to take beneficiaries to? As a result it is also difficult to coordinate with others.

## 5.2 Main findings of efficiencies and effectiveness in RC programming in Sri Lanka

The RCM seems to be relatively efficient at the livelihood programming around the provision of livelihoods – both PNSs and the SLRCS seem to be able to deliver or implement livelihoods support such as cash distributions, food and Non Food Relief Items (NFRI) distributions and CFW schemes. These programmes are relatively easy to administer and to implement at scale. The majority of support goes directly into the hands of beneficiaries.

CFW programmes often have a dual purpose (livelihood provision as well as restoration) and can be used effectively to target the vulnerable, by including them and giving them light duties. If well designed, CFW work schemes can provide considerable impact for a household. For examples, a CFW scheme run for two months in which two members of a household were occupied, would provide a household in Sri Lanka almost one-month of surplus income, giving new options for recovery through the cash aspect alone.

In the Sri Lanka case though, with the RCM programmes in CFW, the inefficiencies are around beneficiary lists and finding appropriate work to be done. Although the RCM typically needed to do more of this kind of activity, for a longer period of time, it was often crowded out by INGOs, especially as the RCM was not clear about its role in livelihoods at coordination meetings.

In the case of asset replacement (tools) for farming, fishing small businesses, re-starting large businesses that provided employment, repair of damaged infrastructure/natural resources, repair of physical assets of people, and re-starting supply and delivery chains. This was supported by many RCM actors as part of their livelihoods recovery programmes such as the provision of boats nets, and tools for agriculture.

The main inefficiencies were centred on fundamental disagreements within the RCM regarding beneficiary lists and procurement delays. The beneficiary issue is dealt with in more detail below, but suffice to say that some programmes have been stalled for literally months before a solution could be negotiated.

Regarding procurement, several PNS chose to procure goods for distribution through the IFRC system, sometimes to take advantage of the tax-free status. However the IFRC procurement system is not designed to have the capacity to serve the procurement needs of up to 20 PNSs, let alone the detailed requirements needed for procuring diverse livelihoods restoration assets for distribution. It may have been possible for PNS to supplement this logistics capacity, but this did not happen in practice. There were seemingly strong internal debates regarding procurement systems and disagreement about the extent and the role that SLRCS could or should play in procurement, which caused (and still causes) further programme delays.

These delays have led to increasing costs, with a relatively large staff only able to make slow progress on projects. This represents delivery to beneficiaries that is not as efficient as it could otherwise have been.

For livelihood strengthening activities, the evaluation found that the necessary RCM links with government and local institutions were frequently not sufficiently developed and so unable to effectively advocate for complementary support through partnerships. The restoration of damaged infrastructure and natural resources over the longer term would not usually be regarded as RCM responsibilities, but through

encouraging complementary support of the concerned authorities (whose responsibility is clear in these areas) then longer term recovery can be encouraged. This is a lot to ask when Federation Institutional policy on livelihoods still needs to be developed, but there are still examples of good practice to learn from. The Spanish Red Cross programme of repair of land for cinnamon production is a good case in point – this work was undertaken very well through its relationship the appropriate government department. In other examples though, many small initiatives that could have restored people’s livelihoods did not take place, because of a lack of RCM partnerships with institutions at a local level.

In the area of diversification it is frequently the case that the beneficiary numbers are too small and consequently make some of these projects very expensive in terms of cost-benefit. Added to this is the already high risk element in livelihood diversification projects anyway, which is not sufficiently understood in the RCM context. Typically diversification activities in a recovery response should only be done as value additions to traditional livelihoods or as a means of extending markets.

The RCM appears to harbour a range of difficulties and insecurities about working outside its own movement. These problems manifest themselves with senior personnel not being clear about “the rules” and diverse but strongly held opinion at many levels. In many SLRCS branches there is a strong displeasure with working with Community Based Organisations (CBOs) and cooperatives - even in principle, and yet in others there have been long held and valued partnerships with such organisations. What is clear though, is that to protect livelihoods over the longer term, stronger community organisations are needed, and an approach to developing CBOs first, may be more efficient than doing so as part of the recovery response that simultaneously provides benefits to beneficiaries.

The frequently very poor strategic link between RCM economic security/livelihoods programmes with DRR approaches also raises serious questions over the long-term viability of livelihoods protection activities - when the vulnerability to frequent hazards at community level is just not being addressed. While helping people to recover from the catastrophic effects of a tsunami, programming must better account for the frequent risks, such as localised flooding (very common), the economic effects of being caught in a cycle of conflict (for significant populations), as well as a diverse range of local hazards, from elephant damage to unreliable irrigated water supply.

What is frustrating, is that often the process or mechanism is in actually place in the programme (such as cash for work), but just that it is not being used through a DRR lens (such as raising the level of the access road or installing a culvert, at the same time as otherwise just repairing it). Programming to restore an original livelihood needs to also consider why perhaps that livelihood was perhaps already potentially marginalized and vulnerable to failure before an infrequent event such as the tsunami swept it way anyway. The approach of “not reconstructing risk” needs to be applied as much to livelihoods programming as it does to reconstructing buildings.

### 5.3 Timeliness

The timeliness and sequencing of livelihoods interventions across the stages of recovery has a major effect on the level of impact they help the beneficiary to achieve. In most cases in Sri Lanka, the RCM livelihoods programmes have been:

- Very slow to start

- Very slow to complete beneficiary identification – except some early recovery projects
- Have not been given priority – therefore in terms of timing livelihoods activities have only been considered as add on, for example after house construction has been completed rather than before
- Provided only after many people had tried to recover their own main livelihoods
- Delayed – with many projects still yet to start – at a time when there is now quite a development focus

#### 5.4 Effectiveness of RC livelihood interventions

The most effective livelihoods interventions have been those which provided immediate help. These include the cash grants provided to IDPs and also the early stages of CFW which was important. The asset replacement activities have also been useful and generally effective – especially large assets such as boats, although the timeliness is key here. The widespread use of cash grants have effectively helped build back livelihoods, and have attained 95% appropriate use of the cash.

In the slightly longer term, the building of sustainability through using the capacities of local institutions and Government extension services has also generally been effective, and usually very appreciated by beneficiaries too. In fact where multiple inputs or prolonged follow up and monitoring have been provided, then the programmes have generally been more effective in reaching the desired level of impact. Some single input interventions (such as asset replacement) have been effective to a degree, but not beyond which additional inputs for the household would help them move considerably further towards a more secure livelihood. In this respect the approach of the Irish Red Cross - to revisit its original asset replacement beneficiaries with new follow up interventions - is particularly valuable.

There remain though a number of “hit and run” interventions implemented by the RCM, similar to some in the larger NGO environment, which have provided immediate help, rather than taking people back along the steps to sustainable recovery. Many gaps remain, both with assisted populations, and whole populations (especially in inland areas) that have just not been assisted. The RCM has also sometimes caused people to acquire unnecessarily high levels of debt, because of its internal arguing, delays and lack of interim support.

The most positive aspects of this work which have made the RCM effective are:

- SLRCS Branches used to locate projects
- The Red Cross “brand” has a higher profile
- Access to volunteers at a local level to facilitate data collection, distributions,
- Technical expertise brought into Movement
- The overall image of the RCM has been enhanced – from previously seen as assisting mostly Tamils, now all ethnic groups have received RCM assistance, and much of this through valued longer term engagement

The major constraints to RCM effectiveness are:

- An unclear approach to livelihoods
- No coordination of inputs against gaps
- Projects not linked within Livelihoods or within Assistance
- No holistic approach to Assistance or Assistance Policy
- Overall lack of institutional capacity, knowledge or expertise
- Inability to work together as a movement

- Institutional/structural set up which discourages integrated working
- Lack of integration within DRR approaches

### 5.5 Working arrangements

A range of working arrangements has been employed to implement livelihoods projects over the last two years. These include:

- Project Implemented using PNS Staff and SLRCS staff and volunteers
- Project implemented by IFRC with SLRCS staff and volunteers using multilateral funding
- Project designed and implemented by SLRCS using PNS funding
- Partnerships between PNS linking construction activities of one with livelihoods activities of the other
- Project implemented with partnership with other organisation with specific technical capacity – with or without cost sharing
- Sub contracting technical services of an NGO or commercial partner such as in technical training
- Project outsourced to NGO/ INGO
- Project implemented in partnership with government department

All the above approaches are valid and being used in practice in Sri Lanka, but are also the cause of considerable friction between PNSs/ IFRC and SLRCS at Headquarters and sometimes at Branch level. To the evaluation team, it seemed that the discussions as to which approaches to use are not being based on what is most effective or efficient or appropriate - but rather on the basis of interests and of the 'rules' of the RCM. This has led to a situation where the interests and concerns of the beneficiaries are very much secondary to the functioning of the Movement. This is not an acceptable situation and is covered in more detail in Section 10.

### 5.6 Issues of Quality

#### *Accountability to beneficiaries*

Livelihood interventions in the RCM have also largely been characterised by a high level of beneficiary participation, from an initial stage of problem identification, to involvement of the community in the implementation of programmes. In many of its livelihood programmes RCM actors have worked through cooperatives, but where these have not been present they have facilitated the development of local CBOs, or community groups. Local volunteers have in many cases been key to this process, where the local SLRCS branches have supported this work. There are examples however where working through cooperatives has been the cause of friction between PNSs and SLRCS.

Many PNSs did provide lists of beneficiaries to communities to, for instance, raise objections in advance of their exclusion, and assurances were given to repair damaged replacement assets (boats etc.). There were however, only a few functioning examples (including some BRCS and Irish Red Cross programmes) where there was any formal system of communities being able to raise grievances. While all these are a positive indication of concern with beneficiary opinions, there was little evidence that it goes far enough. On issues such as timeliness, in overall terms there was very little accountability to communities demonstrated by the RCM.

In all instances reviewed it was found that RCM members took great pains to ensure that within their programmes, and within their districts they were impartial, and seen to be neutral in the choice of beneficiary groups. Across the beneficiaries the review

team found that there was a balance maintained between Muslims, Tamils and Sinhalese, as well as people affected by the tsunami and conflict. In areas where there was no conflict, the needs of the inland and traditionally disadvantaged people were also addressed within the programmes. However, in the wider environment, - that is outside the RCM programmes actually implemented - there remain fundamental gaps which have not been addressed by the RCM or the humanitarian community in general. More of a coordination than a programme issue, these unmet areas of need almost universally increase south to North and from the coast to inland areas. Regarding this situation, it seems on anecdotal evidence that the RCM has played something of a leading role in some areas, where its funding has not been tied entirely to victims of tsunami.

While all programmes have a requirement to state the type of vulnerable groups whose needs they are addressing, it has been very difficult during this evaluation to gain a clear sense of how far the needs of women, single headed households, the disabled and the aged (a particularly vulnerable community in Sri Lanka) have been specifically addressed. On the surface it would seem that the focus on livelihoods has been more easily met through concentrating on the cash and/or assets provided rather than on people themselves. Because of this, and it has sometimes proved to be difficult - even if attempted - to effectively help people with special needs. An example is elaborated on in the text box below:

For example, a single mother with three teenage daughters in Ampara District was assisted with a sewing machine (in kind) under a RCM psychosocial support programme. A local Muslim organisation assisted the family with an additional sewing machine. Although her daughters are skilled in making clothing, due to the level of psychological trauma she was suffering, the mother was unable to effectively represent or market their high quality work. The daughters were too young to be easily entrusted with valuable bolts of cloth by potential customers. Being unable to sustain livelihood in this way, the family had been assisted with a small no-interest loan from a local businessman who felt sorry for them. This loan was used to build a chicken coup and the next challenge was to borrow sufficient funds to buy a very small amount of chickens, to restart the poultry activities the family had previously engaged in with years of success (they had kept hundreds of chickens in fact). This household has really struggled to survive since the loss of the husband in the Tsunami, and while RCM assistance was appropriate and very appreciated, it was not enough, lacked the follow up needed to help the mother market and represent her daughters work, and overlooked a very small capital investment needed to restart what had been the mother's main livelihood before the Tsunami – and which she was capable of restarting and for which she had a market network still mostly in place.

That said, the evaluation team also remarked on the sheer range of beneficiary household types included - even within smaller RCM programmes. These frequently included elderly - sometimes marginalised beneficiaries in difficult circumstances, who were fully included in assistance, and seemingly benefiting quite well from it. It also has to be made clear that the livelihoods inputs linked to PSP programmes (Danish Red Cross) were not part of its main objective, but had nonetheless been approached sensitively and appropriately – and were clearly highly valued by the recipients in helping to restore their hope and develop a more positive vision of the future – which they were actively pursuing, albeit sometimes through other means.

### 5.7 Sustainability

It is perhaps too early to say how many of the livelihoods interventions that the RCM has supported will be sustainable over time. There is of course a higher possibility that traditional livelihoods that were recovered or strengthened will stand the test of time, if properly supported. In this regard many RCM partners (IFRC, Spanish Red Cross, Netherlands Red Cross, German Red Cross and others) have started or are

in the process of building beneficiaries' links with specialised government services or other institutions, which can support their livelihood needs in the longer term future.

For the very few instances where the evaluation team visited diversified livelihoods, it would seem that there is a relatively high failure rate – which is very much the norm when compared with wider experience outside the RCM.

Early recovery programmes such as CFW and small asset replacement programmes probably need to be revisited in most cases, to ensure that there are some processes in place to further support those beneficiaries on the journey to recovery. A good example of thoughtful programming for sustainability is found within the Irish Red Cross programmes, which plan to give additional inputs to its original small asset replacement beneficiaries, including additional final grant instalments and access to micro finance and community strengthening, to further strengthen people's livelihoods after their initial recovery - if needed.

One of the key shortcomings regarding sustainability has been a conceptual weakness of most livelihood interventions regarding their role in DRR. Most RCM livelihood interventions are just not integrated with a DRR approach at community or household level, where the importance of building the resilience (and sustainability) of people's livelihoods is of fundamental importance. There were few instances of beneficiaries insuring their replaced assets or other forms of encouraging collective or individual measures to protect livelihood assets. The case of the beneficiaries in Trincomalee and Batticaloa are notable in this regard, as many of them have already lost their replaced assets (and sometime even homes) provided by RCM partners – and it has to be recognised that they may well lose them again – due to conflict and displacement.

Equally there is very little that has yet been done to ensure that the natural or infrastructural resources that have been built up post-tsunami will be protected in the future, although the first steps are starting now. To some extent the efforts PNSs are making to support and build up capacities of local CBOs and cooperatives will protect these assets. The BRCS and others are also just beginning ambitious cash based programmes for communities to be financially self-sufficient to address developmental needs in the future. Others (the Irish Red Cross for example) will also be looking at building beneficiary links with micro-credit institutions. The more recent IFRC programme in Matara also builds links with MFIs and uses cash grants to build communal assets and capacity, while at the same time works with the beneficiary communities to advocate to the concerned local authorities for building capacity of their CBOs.

The largest gap however seems to be the lack of clarity and purpose in supporting the longer term livelihood capacities of the Sri Lanka Red Cross. This reflects considerable strategic level confusion of where to place livelihoods in the RCM in general, and challenging working relationships – both of which are examined in more detail in the following sections.

### 5.8 Impact

Despite there being many areas for improvement, the RCM has made a significant contribution to the recovery of the livelihoods of tsunami and conflict affected people in Sri Lanka since 2005. At least 15,000 households have directly benefited at some stage in the recovery of their livelihoods and an estimated 10,000 of these will probably have returned to sustainable livelihoods because of Red Cross interventions.

The amount of funds spent and planned for livelihood support is in the region of USD\$7,000,000. The ICRC, IFRC, SLRCS and 15 PNS have directly been involved. It is also important to reiterate that given the current plans (including those of the Japanese and Irish Red Cross); it is likely that the amount of livelihood programming is likely to increase post this evaluation.

Within this programming, the RCM will be seen as a major player in the use of innovative cash based programming. While the tsunami experience has seen many INGOs and other institutions use cash as an approach in relief, the RCM use of cash in programming in livelihoods is still innovative and “ahead of the curve”. This has been seemingly been greatly appreciated by beneficiaries, and has allowed PNSs to develop methodologies to intervene at scale and at speed using cash for recovery, as opposed to just relief interventions.

Another notable opinion of beneficiaries across Sri Lanka has been the quality of the assets directly provided by RCM actors. Whether these were boats and nets or sewing machines or carpentry tools - across the range there has been almost unanimous feedback of appreciated of the high quality of assets provided.

While many programmes have been single input initiatives, in some places the RCM has carved more of a niche for itself by maintaining contact with a community or livelihood group, and supporting them to re-build their own livelihoods over the medium term. Where this has been the case (such as for the IFRC, British and Spanish Red Cross) - where RCM partners have worked through local institutions - there has been positive feedback from beneficiaries, who describe RCM experience as being “different” and “more valued” by the community.

The minority Muslim community of Palai Nagar in Batticaloa District have lived a precarious existence of multiple displacements due to conflict for nearly two decades. But now, the fruits of their long-term engagement in a British Red Cross livelihoods programme are immediately visible on entering the village. A strong village committee has been established, very well represented by women, and an entire village development plan has been agreed through participatory approaches - and is being followed. Seemingly every household is enthusiastically engaged in a diverse range of livelihoods from brick and concrete post making to elderly women weaving mats and marketing them in a cooperative approach. The highly valued long-term relationship with the BRCS field officer (a young Tamil woman) has been key to building trust and achieving step-by-step goals. It is interesting to note that through the BRCS programme, the elderly women weaving mats have finally returned to a profitable livelihood that they had been unable to practice since 1991. The long-term engagement of the RCM has been completely different to that of other organisations with whom they have built a relationship in the past. It is a more substantial and holistic involvement in their community lives than they had entered into either with short-term “relief” agencies on one hand or through longer-term relationships with micro finance institutions either.

There has been some positive community and CBO-building work provided by several RCM actors - sometimes through, and as a result of, linking livelihood programmes with construction or PSP programmes - and sometimes just out of the confidence built through community based VCA and PRA approaches. There is a great potential to turn these communities into long term supporters of the Movement, through processes of training, as is being planned by the Ampara branch of the SLRCS.

The impact - especially relative to needs - has probably been the strongest in those areas in the North and East where people were just in the process of re-building their livelihoods after the ceasefire agreement. Unfortunately many of the interventions



and the hard work they involved, especially in Batticaloa and Trincomalee, have been considerably set back by the renewed conflict. It is heartening to see that despite challenging circumstances, the ICRC and PNSs have effectively responded to relief and recovery needs in these areas, mostly still using the combined Livelihoods and Economic Security approach advocated in this evaluation. Several PNSs (German, Irish, British and Japanese Red Cross Societies) will continue to support recovery in conflict areas using a livelihoods approach. In this regard the RCM is taking a position of special significance in livelihood recovery in Sri Lanka, as SLRCS staff and volunteers together with PNS are appropriately applying livelihoods/economic security approaches in recovery from conflict – very much complementing the Protection and Assistance activities of the ICRC.

## **6. Livelihoods Technical Committee, Policy and Guidelines**

This section considers the first main objective in the Terms of Reference; "To evaluate the relevance of Technical Committee-developed policy and guidelines (process and outputs). Were these implemented? Why? Why not?" To start this, the team started from the Movement Platform within which the Task Force and Technical Committees (including Livelihoods Technical Committee) are placed.

### 6.1 The Movement Platform, Task Force and Livelihoods Technical Committee

In 2005 the concept of the Movement Platform, the Task Force and Technical Committee seems to have been generally well appreciated by the respondents with experience of that time. The Platform and Task Force were mostly seen as important to build a level of RCM coherence in response and first phase recovery, especially as the recovery phase falls outside clear strategic guidance from the Federation Secretariat. The 2005 Federation request for, and subsequent secondment of, an ICRC ECOSEC delegate to establish the Movement response to Economic Security and Livelihoods was generally viewed as valuable at this time, especially in the rapid setting up of a functional Livelihoods Technical Committee.

### 6.2 The Livelihoods Technical Committee

Over the initial period of 2005 and 2006 informants report that the Livelihoods Technical Committee was particularly appreciated, being effective in bringing livelihoods delegates and staff together, to explore new approaches and to discuss programme issues. The meetings appeared to reflect the spirit of the times, encouraging sharing and cooperation during a period of rapid institutional learning in a new area of intervention. It is important to note that at that time, the level of experience in Economic Security and Livelihoods amongst participants went from one extreme to the other. There was particular value in such a forum to share the experience and technical skills of some committee members with the field based needs and questions of others. Participants report having solicited and received specific advice, which they then successfully applied to their own programmes.

In December 2005, an ICRC/BRCS commissioned Review of Cooperation Activities also found the Livelihoods Technical Committee represented an innovative and dynamic approach to building Movement coherence in Economic Security and Livelihoods programming. Of particular note was the variety of resources that the Technical Committee provided, including books and articles produced by the academic world on conflict and livelihoods and publications from practitioners such as the ITDG and The Food Economy Group. The involvement of visiting speakers and a well used "Yahoo" group was seen as particularly valuable, once again reflecting the range of experience and specific skills in Economic Security and Livelihoods in the Movement at that time. The sharing, dissemination and technical advice functions of the Technical Committee seem to have been well used.

However, above the level of the Technical Committee, and between different Technical Committees, there was only limited strategic Movement coherence on preferred tools or integrated approaches across sectors. (The Livelihoods Technical Committee did develop a common strategy ("common approach") for donor driven housing beneficiaries and surrounding host communities). This type of shortcoming is less a reflection on any failings of any one Technical Committee, but more a reflection of strategic gaps in Federation policy at an institutional level and the resultant habit of departments working in some degree of isolation from each other.

Today the Livelihoods Technical Committee meets less frequently and the "Yahoo" group is less well used. Livelihoods delegates and staff tend to bi-pass it by using one to one contacts for advice and guidance – sometimes contacts and friendships

that had developed from the Technical Committee in earlier times. This type of information transfer may (or may not) satisfy the requirements of the individual, but does not encourage institutional learning or the development of programme approaches and policy.

Several respondents expressed a strong wish to revive the Technical Committee, to meet more frequently over practical programming issues, to revive the Yahoo group and to share more widely the technical skills and experience which has now been built up. However, others feel experienced enough in livelihoods programming or have enough expertise and experience to hand in their own team to feel that they no longer need the Technical Committee or Yahoo group to the extent that they did before. Most respondents agree though that a forum is necessary to capture institutional learning and use this to further develop policy and guidelines into mainstream RCM work.

The major weakness of the Technical Committee (and perhaps partly why it has not developed as hoped) relates to Technical Committees not working with each other. This has resulted in considerable lost opportunities for beneficiaries, patchy programme coverage of livelihoods needs for RCM beneficiaries in other sectors and lack of dynamism in developing integrated programme strategies – even two years on.

### 6.3 Submitting Programme Proposals to the Technical Committee:

The submitting of project/programme proposals to the Technical Committee has provided an opportunity for comment, advice and fine-tuning of proposals. Respondents interviewed have generally appreciated this process. However, some livelihoods interventions avoided the Technical Committee as they were integrated components (or add on components) to other programmes-such as psychosocial programmes and construction programmes. Presenting proposals to the Technical Committee was also not seen to be necessary by some Movement Partners at certain times, although the reasons for this are unclear.

One respondent felt that a mandatory approval from the Technical Committee should be required for all projects before they could go ahead. Others disagree and feel that is neither its purpose nor the spirit in which it was started. Some partners were applauded for being very open and frank about sharing the challenges they faced in programme implementation. This led others to feel that Technical Committee processes should have been more rigorous in the first place, to help identify potential issues before they became manifested in practice.

The Technical Committee has presided over a remarkable range of programmes – too wide for most people’s comfort. To date it has been unable to rationalise Movement livelihoods work into a more manageable range of activities - prioritised and sequenced against humanitarian need – which it could then attempt to coordinate proactively. In other words, there been no prioritising of Economic Security and Livelihoods activities to meet priority needs with priority types of programmes. Putting aside the ICRC ECOSEC activities, the situation now arises that in geographical terms, the greater the level of absolute humanitarian need (increasing from South East to North East) then the lower the level of RCM livelihoods inputs (actually decreasing from the South East to the North East).

Finally, Monitoring and Evaluation has been patchy across Economic Security and Livelihoods work in the RCM, and there is limited sharing and cross over of documents in many cases, although not all. The Livelihoods Technical Committee has been useful in providing a central place for collecting a large amount of

programme information, although this is by no means comprehensive and there is no capacity to compile or quantify the impact of this work for wider institutional learning.

#### 6.4 Other points regarding the Technical Committee

The Livelihoods Technical Committee has provided a genuine opportunity to bring together new Movement experience and a huge amount of institutional learning from experience into a practical group. However, the potential institutional impact of the Technical Committee approach will probably continue to be limited until such time as Livelihoods and Economic Security approaches become properly established within Federation strategy.

Strategic gaps notwithstanding, the Technical Committee could still be rapidly replicated in other contexts, and the existing Sri Lanka Policy and Guidelines used as a basis elsewhere. But from the start it could be suggested that a Technical Committee should take a stronger (less reactive and more proactive) coordination role based on identifying absolute and relative humanitarian needs. These needs can then be effectively addressed using a sequencing of priority Livelihoods programmes to meet identified priority needs.

Informants have repeatedly referred to a specific weakness of the environment in which the Livelihoods Technical Committee is set – and this is related to those not sat at the table. These people include representatives of non-compliant Movement partners and other Technical Committees. The Livelihoods Technical Committee has been largely unable to draw in other programme area staff and delegates (DM, Health or Construction). Some respondents working in other programme areas, despite recognising the need for integrated programmes that include Livelihoods interventions, were nonetheless unaware that the Livelihoods Technical Committee, Policy or Guidelines even exist.

The Technical Committee utilises a small sub group of members for the process of project approvals and advice. While a practical solution to maintain a timely process, it was also felt by several respondents that this small group limited institutional learning and sharing, which could be gained through a wider discussion on project proposals. It is challenging to get field based staff and delegates together regularly, although electronic solutions may provide options here.

In overall terms the Technical Committee's basic objectives of sharing technical knowledge and setting policy and guidelines have been achieved and it was very fast to achieve this. Beyond that, most respondents feel that the Technical Committee has now become more of a forum to discuss technical issues. Some informants also strongly felt that the Technical Committee has been unable to encourage enough direct Livelihoods capacity building into SLRCS itself, although this may be partly related to wider Movement cooperation issues beyond the scope of the Technical Committee's reach.

In conclusion, the Evaluation Team feel that the Livelihoods Technical Committee has been useful for both coordination and for a good deal of learning, but suffered from an uncertain strategic environment to feed into from the start. The resultant sheer range of livelihoods programmes is sometimes difficult to grasp, and most respondents feel that the Technical Committee has done as well to bring these together. Looking back over the last two years, most respondents feel that the Livelihoods Technical Committee has provided good added value, and that its role has changed appropriately over time too. Most respondents also strongly expressed the view that an "Integrated" Technical Committee or wider technical forum for

coordination would have more utility in the present stage of recovery, than would a revived Livelihoods Technical Committee.

### 6.5 Policy and Guidelines

In the Sri Lanka case, the ICRC, Federation, SLRCS and PNS have worked together in the Livelihoods Technical Committee to develop a set of useful RCM policy documents and guidelines that include Economic Security and Livelihoods. The Evaluation Team regard this as a very positive outcome – one which reaches somewhat ahead of Federation programme approaches in other parts of the world. The Sri Lanka Economic Security/Livelihoods Policy and Guidelines are relevant and coherent in themselves, but where to place them institutionally - and where to place livelihoods as an activity area - remain the subjects of debate. Suggestions have been provided which range from embracing Livelihoods within “Disaster Management” through to placing Livelihoods under “Humanitarian Values.”

Amongst others, the relevant documents for Movement livelihoods implementation in Sri Lanka include:

- “Tsunami Rehabilitation, Reconstruction and Recovery in Sri Lanka - Economic Security RC/RC Movement Policy”
- “Technical Guidelines for the RC/RC Movement Relief/Economic Security/Livelihoods Policy”
- “Technical Guidelines: Cash and vouchers as tools for Livelihoods Support (addendum to above)
- “SLRCS Disaster Management Policy” (Draft)
- “Doctrine 49, ICRC Assistance Policy”
- “Operational Guidelines for the Application of the ICRC Assistance Policy to Economic Security Programmes”

In terms of policy-level integration there are various degrees of cross over between these documents, and no real contradictions, but there will remain a level of ambiguity until such times as an overarching Federation Assistance Strategy is developed. The Team also felt concern around the few natural policy links to encourage livelihoods activities being better integrated within DRR programmes - although there are examples of good practice occurring in the field.

In conclusion, the Sri Lanka Movement Economic Security Policy and Guidelines are nonetheless mostly seen as helpful, appropriate and relevant, particularly by those National Societies that implemented the earlier livelihoods programmes - and by those which provided input to the guidelines. However today, several National Societies undertaking livelihoods programmes were unaware of the existence of any Economic Security policy or guidelines - especially those National Societies that are approaching livelihoods programming from another (needs based) angle such as construction. There has been much learning at programme level in Sri Lanka, and these sound efforts to develop country level strategy and policy are also relevant to informing the development of wider Federation policy and strategy in due course.

## **7. Positioning Livelihoods, Integrated and Participatory Programming**

The fourth and final main objective of the evaluation is “To examine and recommend livelihoods entry points for strengthening and mainstreaming integrated programming and participatory programming approaches into SLRCS core programming areas.” The team regard this as an area that cannot be properly considered without wider reference to the strategic environment in which Livelihoods activities have to be placed within the RCM.

### 7.1 Placing an Assistance Strategy within the Movement

In Sri Lanka there has been valuable work done in developing a country level strategy and guidelines for economic Security and Livelihoods – very much reflecting field based experience and preoccupations. However, the approach in one country cannot continue to be different from (and more advanced than) the institutional approach to Assistance for which the Federation holds global responsibility for strategy, policy and guidance for National Societies. Additionally, the roles and responsibilities outlined in the Seville Agreement (1998) would require that both Federation and individual National Society Assistance Strategy and policies be coherent with those of the ICRC. This is to ensure that Movement programming is consistent in identifying needs and ensuring equity and balance across different locations. As there is at present no Federation Integrated Assistance Strategy related to the Disaster Management Cycle, the placing of Livelihoods within any one National Society framework represents something of a challenge. There is also a lack of clarity and shared understanding on the meaning of “recovery” across the Movement. As a result, livelihood programming in Sri Lanka is a smorgasbord of activities which are in fact a mixture of relief, recovery and development interventions. These are not effectively linked to enable households to recover as effectively as would otherwise be possible.

### 7.2 Economic Security as a core activity area

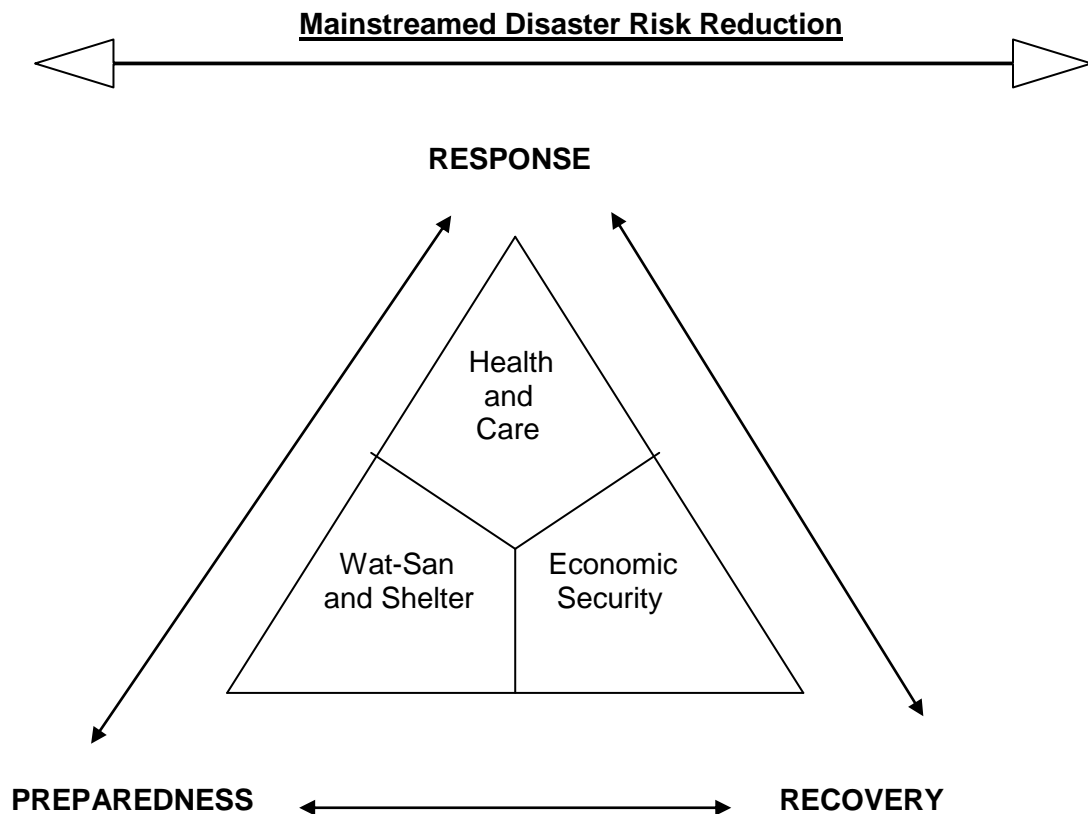
The evaluation team feel that there is simply no question of not having capacity and skills in Economic Security developed within any National Society. Economic Security (including Livelihoods and Food Security) is at the core of Disaster Management and applies to all phases in the Disaster Management cycle (Response, Recovery and Preparedness). To this end, informants at all levels have been (almost!) unanimous in that Livelihoods should be considered core Movement work. The only doubts reflected concern that Livelihoods would be regarded as an all new core area and require another department and fragmentation in a National Society. In fact, the very opposite should be the case, with Livelihoods approaches simply being part of an Economic Security section of a single Assistance Framework.

One symptom of the present situation is the perpetual Federation work on guidelines and tools, which can only ever be secondary to establishing a coherent strategic approach within which to apply them. The team discovered at least five separate VCAs being used by the RCM in Sri Lanka, when the greater issue is for what *approach* is the RCM using a VCA (or other any other tool) for? The VCA is by definition a tool for integrated assessment and programming, but without an integrated assistance approach to assistance to feed into it's utility becomes limited. Again, different departments (Health, DM, Livelihoods, Construction) use different tools to get the same information from the same community for different programmes to try to achieve the same objective.

### 7.3 A suggested approach for the Federation and National Societies

Therefore the evaluation team would suggest a strategic approach that simply combines the well-established ICRC Assistance Policy approach with the Disaster

Management Cycle to better represent the role of the Federation and National Societies in natural disaster situations. Expressed in the diagram below, then Disaster Risk Reduction simply becomes proactively mainstreamed across the three components of Assistance – as an advisory input - such as in DFID. Stronger Assistance through all areas of Response, Recovery and Preparedness is in fact nothing more than mainstreamed Disaster Risk Reduction



#### 7.4 Integrating the three Assistance components in the Movement

To work properly though, the three assistance components need to be integrated in approach. This requires using combined assessments and shared programme planning in one approach to addressing needs, rather than the existing system in Sri Lanka of using different tools to get the same information from the same community for different programmes to try to achieve the same objective. Integrated Assistance approaches applied across all stages of the Disaster Management cycle, will help remove departmental boundaries and encourage shared approaches to identifying need – using existing tools which are actually quite adequate for the task. Such an also approach does not imply that the Movement takes responsibility to address every assistance need, but it does require that the Movement tries to ensure that every Assistance need is addressed. This requires proactive coordination, and may require advocacy outside the RCM, and even the subcontracting of specialist capacities. In Sri Lanka – at a field level – this is actually happening, but outside any institutional direction or ownership.

“Relief” is not an aim in itself. The notion that the Federation and the National Societies are “Disaster Response” organisations is an idea whose time has gone. Relief can only ever be a bridge of Economic Security until the fruits of recovery can be provided through programmes that facilitate self-reliance of the target population. This does not mean that Livelihoods activities are part of the recovery phase only –

they must start in tandem with response activities from the very start – as is the case with other organisations with long term experience in Livelihoods work.

Similarly “Disaster Preparedness” is also not an aim in itself – it is simply part of what should be a mainstreamed approach to Disaster Risk Reduction. Livelihoods activities play a vitally important role in reducing the risk that vulnerable communities face from disasters. Livelihoods activities help build communities that are more resilient to shocks – including economic and conflict related shocks.

Departmental structures in the Federation and in National Societies will ultimately need to reflect an Integrated Assistance Strategy, applied to the Disaster Management Cycle. This alone will then represent a comprehensive approach to Disaster Risk Reduction. Although structural changes are always challenging to implement, it must be emphasised how far behind the mainstream the structure at the Federation Secretariat has become. The ICRC and large NGOs such as SCF and Oxfam manage very well to implement large-scale rapid responses and effective recovery programmes without needing a “Disaster Management” Department. Although effective organisational structures can take many forms, generally speaking, the closer the organisational structure can mirror the strategic approach, then the easier it is to manage an effective intervention.

Taking an integrated Assistance approach ensures appropriate intervention as far as is possible in a response and recovery stage, but also ensures that longer-term activities can quickly be transformed into emergency interventions if necessary. The example of the ICRC and British Red Cross Society Economic Security interventions in Vaharai are a very good example of this flexibility working effectively in practice.

#### 7.5 Suggested Livelihoods entry points for strengthening and mainstreaming integrated programming and participatory programming approaches into SLRCS core programming areas.

It has not been possible to discuss these suggestions in detail with the SLRCS during the feedback meeting in Colombo. There has however been valuable comment provided by the SLRCS Livelihoods Programme Officer in Colombo, and by all the SLRCS branches visited during the evaluation. It remains difficult to recommend entry points for SLRCS in Livelihoods without referring to the wider Movement approaches examined above. However, bearing that in mind a number of suggestions are outlined below, which may be valuable in future discussions to strengthen this area. It is important to reflect the fact that the SLRCS has expressed considerable interest in livelihoods interventions in all the locations we have visited, and regards this area as being of high value to both beneficiaries and to the organisation. Some suggested steps are:

##### *Developing an Integrated Approach*

Integrating “Relief”, Economic Security, Food Security and Livelihoods activities into one strategic framework (7.3 and 7.4 above) within SLRCS that can be applied to Response, Recovery and Preparedness. In particular, cross over with Health, Water and Sanitation should be encouraged as a more integrated approach, and the “preparedness” work of the Disaster Management Department mainstreamed across this. One way to approach this would be to base future strategy development on the experience of existing PNS projects where a degree of integration has taken place, and on new bespoke SLRCS projects (expanded on below) that would build on lessons learned through previous and existing livelihoods activities in Sri Lanka.

A challenge to taking a more integrated approach in many National Societies is the fragmentation of areas of assistance into many different departments that work in



some degree of isolation from each other. It is difficult in any organisation to break down departmental boundaries, but the most effective approach would be to ensure that no department had responsibilities in anything less than what has been expressed here as the three phases of the disaster management cycle – Response, Recovery and Preparedness.

#### *Building Institutional Capacity*

Building practical institutional capacity in Economic Security/Livelihoods through Movement and non-Movement partners. This requires continued capacity building at Branch and volunteer level, through continued involvement in IFRC and PNS programming, and institutional-level training, to better place Economic Security and Livelihoods within the organisation as part of a core area. Probably the greatest amount of institutional learning in SLRCS at present (in terms of quantity) has taken place amongst branch staff and volunteers. This is a significant resource, and could be captured institutionally through applying this experience back into strategy and policy development in SLRCS. But again, the significance of this work will be secondary to its application within a more integrated approach to assistance – which the Federation is now exploring.

#### *Partnership with SEI*

For this reason, the evaluation team felt that the potential of initiatives such as the partnership with the Stockholm Environment Institute (SEI) has not really been explored - as there is basically no clear strategic area to place such work. The SEI expertise is recognised and appreciated - as is its technical value of practical capacity building in the development and field application of VCA. But without genuinely using the tools SEI provides to inform and develop integrated programming (i.e. Livelihoods as well as health and water, shelter and habitat) as an institutional approach, then the whole concept of a VCA is difficult to apply. Added to this, there is a situation in Sri Lanka where at least four other VCA approaches (all different and yet all very similar) are being used, and then it becomes difficult for SEI work to be valued any more than the other VCA work. The SEI resources could perhaps be better embraced if the Federation used it to rediscover a single integrated VCA – some further expansion to include more development from the other participatory approaches being used in Sri Lanka, such as PRA. But then again, while firmly held convictions of where to place livelihoods in the RCM continue to range all the way from “Relief” to “Economic Security” to “Humanitarian Values” then the application of technical expertise – such as that provided by SEI- becomes challenging in practice. It is like having five colours of icing on top of a ten coloured marble cake – it is still a cake but the chances of getting a slice where the icing complements the colour of the cake below is somewhat open to chance.

#### *Using Organisational Development Support*

Support in Organisational Development may be solicited to re-orientate and simplify existing structures, especially regarding: Relief, Food Security, Livelihoods, and Disaster Management - with the aim of increasing capacity not decreasing it. There has been concern expressed that increasing SLRCS capacity in Livelihoods and Economic Security would require additional departments and risk fragmentation of SLRCS into further sub divisions. However this Evaluation Team would regard the very opposite as being the preferred outcome – where a more holistic or integrated approach brought different SLRCS departments closer together to consider Economic Security, Health and Care and Water/Sanitation/Habitat as three components of Assistance – across which Disaster Risk Reduction would become more mainstreamed. . Although organisational structure does not necessarily have to absolutely reflect the strategic vision to be effective, the more obviously it can do so – then usually the better. And the ICRC Assistance Division is a good example.

However, the mechanics of how to approach organisational development to enable SLRCS to embrace Livelihoods and Economic Security are outside the scope of this evaluation. It may be useful to draw on OD support from the Federation to advise and enable this.

#### *Developing SLRCS Projects*

Develop specific SLRCS Economic Security and Livelihoods projects to explore integrated assistance approaches in cooperation with the Federation and PNS and through the building up the skills base of staff and volunteers. The role of Livelihoods Officers such as the one being recruited now in the SLRCS Ampara Branch could be a very important resource in developing bespoke SLRCS projects and a growing body of experience is available in PNS to assist the SLRCS in project development. There have been earmarked resources provided by PNS for such projects available for some time, and it would be a good opportunity to take up this chance. It would be appropriate for SLRCS project proposals to be passed through the Livelihoods Technical Committee – as with all PNS projects. .

#### *Defining the Assistance Overview Role*

One way to encourage ownership of a more integrated or holistic Assistance approach would be to give specific responsibility within SLRCS for an Assistance Coordination (or overview) role at Headquarters and branch level. This requires bringing together Economic Security, Health and Care and Water/Sanitation/Habitat as three components of Assistance – which can then be more strategically applied to a given situation. It is then a small step to embrace holistic Disaster Risk Reduction approaches and apply them across the combined work of Assistance departments. Similarly the Federation and PNS could be encouraged to provide a counterpart in their own organisations.

## **8. Other Findings.**

The evaluation team were also required to highlight any beneficiary issues surrounding equity and balance, best practices and the guiding principal of Do No Harm. These findings have been broken down into Programme, Coordination/Institutional, and Working Together sections below.

### 8.1 Programme Level

#### *Specific Problems in Programme Implementation*

Despite the achievements made in developing a country level policy and guidelines for Economic Security at a country level, and a considerable level of programmes being implemented over the last two years, the evaluation team also found a poor working relationship between the SLRCS and several RCM partners. Practical field level cooperation was also proving very difficult in some cases. Examples were noted of programme implementation (not only in Livelihoods) that had literally ground to a halt on several occasions, and that was stalled for literally months at a time.

This situation has been going on for some time, and it is clear that thousands of potential needy livelihoods beneficiaries have simply not been assisted because of it. The relationship challenges within certain parts of the RCM have proved just too great for new livelihoods programmes to be considered by some partners. This situation has also distracted attention away from more fundamental programme issues such as scale, equity and balance, which still remain to be addressed in a comprehensive way.

#### *Do No Harm.*

No specific examples of harm done at household or community level were found or referred to. (There may however be cases of daily labourers and inland populations suffering reduced income as a result of CFW – although this is hard to separate from the work of other organisations at the time). The greatest harm has been done through lack of scale, late starts, delayed programmes, cancelled programmes and slow implementation, which has typified many livelihoods projects for numerous reasons. This causes unnecessary impoverishment, indebtedness, and equity imbalances, quite apart from reducing programme efficiency. There remain huge unmet needs in the very areas where RCM is not presently working at sufficient scale despite still significant resources being available.

#### *Micro Finance and Cash Grants*

Rumour persists of philosophic incoherence between giving cash grants in an existing environment of MFI loans, of the type frequently found in Sri Lanka. Bearing in mind the probability of the MFI being out by the Tsunami and beneficiaries assets too - there is frequently the need for another input. If addressed carefully can be fully compatible. No evidence found of people defaulting on previous or subsequent MFI loans because of grants – quite the opposite, of people still paying loans on a lost asset even if it had been replaced by the RCM.

### 8.2 Coordination/Institutional Level

#### *Potential Conflict of Interest in Coordination*

Although there has been no evidence in practice, there remains a potential conflict of interest in the Federation both coordinating and implementing livelihoods programmes. Coordination would anyway be of much greater value if lifted to take an integrated Assistance overview, bringing together areas presently covered under

separate task forces. But then again, one would not expect the Federation to be implementing its own assistance programme in the same environment for which it holds responsibility for coordination. In a sense, the Federation should either implement or coordinate. Not both.

#### External Coordination Environment

Meanwhile, the Federation and National Societies clearly struggle to coherently cover needs without an Assistance overview to draw on. The external coordination framework is very patchy in places, and largely reactive too. In overall terms, coordination mechanisms are failing to prioritise the level of intervention with relative and absolute needs.

#### Keeping Policy Alive

Federation Policy needs now needs updating at the Sri Lanka level too, as it has not the benefit of being been informed through an integrated mechanism of coordination feedback. For instance while everyone interviewed would agree that every Movement housing beneficiary and host community beneficiary or PHP beneficiary should have their livelihoods needs ensured as a matter of course, there is no policy to reflect this. Again this does not imply that the RCM does this work, but it does imply the RCM ensures that this work is done - as a matter of institutional policy.

#### 8.3 Working together

A facilitated conflict resolution procedure is probably necessary re establish accepted guidelines for working together as SLRCS, Federation and PNS. This must include agreed approaches to beneficiary selection, financial procedures and working together with non-Movement partners (NGOs, CBOs, institutions and Government Departments and Extension Services). This suggestion is explored in more detail in Section 10 Recommendations.

## 9. Conclusions

### Overall Conclusions

Through something of a humanitarian experiment, the RCM has launched itself into implementing a wide range of Livelihoods programmes over a two and half year period in Sri Lanka. It has achieved this without the benefit of a pre existing institutional strategy, policy or agreement over where Livelihoods and Economic Security should be placed within its wider work. Furthermore, the period of “recovery” as a phase in the Disaster Management Cycle is not yet institutionally defined either – particularly in terms of what might be “core” RCM inputs. In this unpromising institutional environment, the evaluation team found that in Sri Lanka the RCM has been able to take great steps forward to develop a country level Economic Security Policy, Economic Security Guidelines and maintain a Technical Committee that keeps an overview of Livelihoods and Economic Security Activities.

The work itself has been characterised by a diverse range of projects and programmes which stretch from emergency relief using an Economic Security approach at one end of the scale, through to sophisticated long term development activities at the other. Much of the work remains somewhere in the middle, where CFW, asset replacement, cash grants and vocational training programmes have frequently proved relatively effective - if implemented at sufficient scale. But the scale of implementation has been lacking when compared to the level of sheer need, and also when compared to the scale at which the RCM usually addresses response work.

There have also been frequent and sometimes unacceptable delays in programme implementation, often taking place within a weak external coordination environment. In overall terms, as a relatively new activity area, some RCM livelihoods programmes have suffered from a lack of activity prioritisation or correct sequencing of inputs when placed against humanitarian needs. And because they have taken place without being part of institutional framework of Integrated Assistance, some of the potential impact of the work has been lost, particularly when considered across different programme areas.

In terms of “Do No Harm”, the evaluation team had less concern regarding the RCM programmes that have been implemented – the issue is more regarding those that have not. Through sheer lack of scale, late and/or slow implementation and poor sequencing and prioritisation of inputs, a significant potential beneficiary population has just not been served. In many cases these issues could more be described as the correct programme inputs, well implemented, but sometimes provided at the wrong time for the wrong population at too small a scale. Those few programmes have been implemented at scale, and in a timely manner, have in fact made a significant impact. There has on occasion been evidence of tensions with the beneficiary population – usually reflecting internal RCM disagreements over beneficiary selection. But the greatest concern still remains those not served – often for the same reasons of internal RCM disagreements.

In fact at present, and seemingly for some time past too, some very poor internal RCM relationships somewhat overshadow the whole experience of recovery in Sri Lanka. Reflecting this situation, the first recommendation of this evaluation is that the partners in the RCM find a practical way of working together better. Should this be achieved, then attention may then be focussed on the importance for lessons to be learned from this experience.

While the challenges of this particular humanitarian experiment can be accepted in the name of “learning through doing” – and there has been a strong spirit of this –

the same experiment should not be repeated in the next major emergency. The late start and hesitating progress of many RCM Livelihoods programmes has left beneficiaries in an uncertain position in many cases, and caused undue levels of household debt in others. They have involved programme inputs which have been effective in themselves but which have been relatively expensive to implement, and which still need reinforcing with follow up activities to make their impact more significant and/or more sustainable. Particular areas of programme-level learning that need to be embraced, include:

#### Timeliness and Phasing

With very few exceptions over the last two years, there has been poor phasing of livelihoods activities over what was a response situation to that of recovery. In the first stages of intervention, CFW programmes were seen largely as part of a relief response, including debris clearance and similar activities. In this sense, these activities were unfortunately not necessarily connected to or done in conjunction with other livelihood interventions. CFW programmes that did not start until as late as October 2005 were also far too late to be as appropriate as they would have been nine months earlier. Much of their potential impact over the “Provision” of Livelihoods stage was lost. These aspects of the RCM livelihood support meant that in many situations, the recovery of populations has not been assisted as effectively as could have been achievable with the same efforts – only differently applied. With livelihoods not being regarded as a core area by the Federation, its activities have not been given priority – therefore in terms of timing, livelihoods activities have often been considered as “add on” - for example after house construction has been completed - rather than before.

Over the medium term too, much of the RCM livelihoods provision could also have been continued for longer, in some cases to support households while they were awaiting assets (such as boats and sewing machines), finding new employment, or waiting for their businesses to take off again. The concept of providing a “bridge” of assistance until the fruits of regained livelihoods can be accessed is often quite missing. Households have frequently had to take on debt to cope with this situation.

Asset replacement (“Restoration” of livelihoods) was also typically provided far too late, and in many cases not supported by strengthening activities, (training, links with the government, access to micro-credit). Where this was done however, the impact has been much greater and there have been fewer examples of failure. In July 2007, many livelihoods activities are still to start. With the high level of specialist capacity required, relatively low numbers of households have benefited to date compared to the relatively high institutional investment costs – although as programmes continue, those investment costs start to decrease rapidly as a percentage.

#### Beneficiary Selection

To ensure success at household level, generally only slightly less vulnerable people have usually been selected for livelihoods interventions. This is acceptable but only if an alternative provision is made available through other programme inputs for the most vulnerable. This has frequently not been the case, and is a serious oversight – especially bearing in mind the IFRC prioritisation on assisting the most vulnerable.

On the surface it would seem that the focus on livelihoods has been more easily met through focussing on the cash and/or assets provided rather than on people themselves. Because of this, it has seemingly proved to be difficult - even if attempted - to effectively help people with special needs. To elaborate - if the chosen mechanism (for instance a gift in kind or vocational training course) could not

provide appropriate assistance to the beneficiary - then it would be more likely that they were simply not selected, than another mechanism chosen to give the same value of assistance to them in a different way. Programmes are even named “cash grants programmes” for instance – focussing on the mechanism rather than the objectives for using that (or any other) such mechanism. That said though, the evaluation team also frequently remarked on the sheer range of beneficiary household types included with even smaller RCM programmes, and in many cases also, credit must be given to programmes which have “taken a chance” with a beneficiary household which might only be expected to have a marginal chance to succeed.

One of the symptoms of IFRC (and some PNS) departments working in relative isolation from each other (lacking an IFRC integrated assistance framework to bring them together) is the use of multiple (but very similar) needs assessment tools for the same population, at different times by different departments. This is referred to in more detail under “Efficiency and Effectiveness” and “Disaster Risk Reduction” below. In no way unique to Sri Lanka – there is basically nowhere in the organisation for a holistic summary of any one target population’s assistance needs to be examined, their integrated assistance planned for, and responsibility taken to implement that assistance. This situation leaves the organisation vulnerable to missing key needs as well as opportunities – and results in great (unnecessary) complexity in trying to address those needs comprehensively. While the evaluation team could examine the beneficiary selection of “livelihoods beneficiaries” needs, this is usually completely separate from any other RCM beneficiary selection which may or may not have taken place (under DRR, Construction, WatSan, PSP etc).

Many of those selection procedures have involved a number of participatory approaches (similar to each other but “owned” by different departments) – which seems remarkably wasteful of resources. But where real problems arise, is where there is diverging opinion as to whether participatory approaches should be used at all, and the preference for government lists or CBO provided lists is not shared. This can lead to considerable tensions, and beneficiary selection has on occasions caused extremely acrimonious internal relationship disagreements, at the same time as heated demonstrations of objection from the concerned population. In this sort of environment, the expertise available in certain parts of the RCM and from external partners such as SEI, can only have a patchy impact – as the work is no more institutionally embraced in one location - as a contradictory approach may be in another.

### Sustainability

It is perhaps too early to say how many of the livelihoods interventions that the RCM has supported will be sustainable over time. There is a higher possibility that traditional livelihoods that were recovered or strengthened will stand the test of time better, if properly supported. In this regard many RCM members (IFRC (Matara), Spanish Red Cross, Netherlands Red Cross, German Red Cross and others) have started or are in the process of building beneficiaries’ links with specialised government services or other institutions, which can support their livelihood needs in the longer term future. For longer-term sustainability, this support of other institutions is very important in programme implementation. Where this has been provided, the results have generally been very positive.

In economic terms, some protective and resilience-making measures have also been introduced through strengthening CBOs and community groups. These could be developed further, but there is still fierce internal debate about the appropriateness of the RCM working with such organisations. For long-term sustainability and

partnership there remains considerable scope in this area, and it is important that a strategy for managing these relationships be agreed.

In general, the experience of “Diversification” of Livelihoods is usually that there is a relatively high failure rate - and this is somewhat borne out by the RCM tsunami experience too. This is a complex area in which many new business ventures fail in the best of times. Bearing in mind the remaining level of unmet post tsunami needs, an investment in this area may not be the most appropriate as a priority. It may be just too risky to consider, when more guaranteed impact can be sought for more vulnerable people in the same community or in communities elsewhere.

Early recovery programmes such as CFW and small asset replacement programmes probably need to be revisited in most cases, to ensure that there are processes in place to further support those beneficiaries on the journey to recovery. To some extent in the RCM programming there have either been fairly rapid, time-limited interventions on one hand, or on the other, altogether longer-term more developmental approaches. The broken link between the two is a weakness. However, a good example of thoughtful programming for sustainability is found within the Irish Red Cross programmes, which plan to give additional inputs to its original small asset replacement beneficiaries, including additional final grant instalments and access to micro finance and community strengthening, to further strengthen people’s livelihoods after their initial recovery - if needed.

#### Disaster Risk Reduction

The linkages between Livelihoods programming and DRR could be much stronger in Sri Lanka, and this remains something of a lost opportunity. This is with the exception of the British Red Cross Society and IFRC Matara Programmes, which have DRR as a stated aim within their livelihood objectives. These aside, at the level of the household, interventions have not included many activities to protect people’s assets (no insurance for new assets such as boats, livestock. no protection for many people who are starting new businesses, very few links to micro-credit facilitated by RCM).

This situation raises questions over the long-term viability of some livelihoods protection activities - when the vulnerability to frequent hazards at community level is just not being addressed. While helping people to recover from the catastrophic effects of a tsunami, programming must better account for the frequent risks, such as localised flooding (very common), the economic effects of being caught in a cycle of conflict (for significant populations), as well as a diverse range of local hazards, from elephant damage to an unreliable irrigated water supply. There are examples of separate Disaster Preparedness programmes in the same areas – using the same type of participatory assessment procedures with the same population to achieve the same results through a different department. This situation reflects wider institutional issues of how to approach Integrated Disaster Risk Reduction, but that is beyond the ToRs of this piece of work.

At a geographical level, the most striking example of where the DRR or resilience components of a livelihood strategy seem to be remarkably under-represented within the RCM interventions is in the North East - where conflict has led to the displacement of more people than the Tsunami. One could regard these beneficiaries as being long term victims of conflict who were also affected by a tsunami, rather than victims of tsunami who were also affected by conflict. Yet there was little recognition of the actual risks this population face, reflected in the programme planning. There are now initiatives (ICRC and Japanese and British Red Cross) to find means of livelihood assistance that are ‘protected’ even in the situation



of conflict – including increasing access to financial instruments such as bank accounts.

What is frustrating, is that often the process or mechanism is actually in place in the programme (such as cash for work), but just that it is not being used through a DRR lens (such as raising the level of an access road or installing a culvert, at the same time as otherwise just repairing it). Programming to restore an original livelihood needs to also consider why perhaps that livelihood was perhaps already potentially marginalized and vulnerable to failure before an infrequent event such as the tsunami swept it way anyway. The approach of “not reconstructing risk” needs to be applied as much to livelihoods programming as it does to reconstructing buildings.

### Efficiency and Effectiveness

In this area it would only be fair to recognise that in the Tsunami programming, the whole notion of “recovery” was new to large parts of the RCM. In addition, regarding work on livelihoods programmes, the RCM was (and is) not geared to providing livelihoods at scale – no bespoke systems, organisational priorities or established human resources base or profiles. In this environment, there has been much discussion regarding the use of delegates in such new programming areas. Some delegates do have significant long-term experience in livelihoods, and their contributions have been highly effective. The majority of delegates do not have this experience level though of course, and particularly in the early stages, the Livelihoods Technical Committee played an important role in bringing people together to share internal RCM experience and to benefit from the input of external organisations as well. In the widest sense, the evaluation team considered delegate costs as being good value for investment only where interventions have been at scale. This situation will improve as more delegates develop skills and experience in livelihoods programming in the future.

The widespread use of cash grants has generally been effective and helped build back livelihoods – especially at an early stage. This efficient mechanism has also attained in the region of 95% appropriate use of the cash provided. Looking beyond this, where multiple inputs and/or prolonged follow up and monitoring have been provided, then the programmes have generally been more effective in reaching the desired level of impact over a longer time period. Where there have been inefficiencies in CFW programmes, these have largely been related to issues surrounding beneficiary lists and the challenge of finding sufficient appropriate work to be done. Although the RCM typically needed to do more of this kind of activity, for a longer period of time, it was often crowded out by INGOs, especially as the RCM was not clear about its role in livelihoods at coordination meetings.

Within this programming, the RCM will nonetheless be seen as a major player in the use of innovative cash-based programming. While the Tsunami experience has seen many INGOs and other institutions use cash as an approach in relief, the RCM use of cash in programming in livelihoods is still relatively innovative and “ahead of the curve”. This has been seemingly been greatly appreciated by beneficiaries, and has allowed at least some PNS to develop methodologies to intervene at scale and at speed using cash for recovery, as opposed to just relief interventions. Comparing the turnover of the programme with the level of administrative and logistics support needed – when operated at scale – these are quite efficient types of intervention.

There has been some positive community and CBO-building work provided by several RCM actors. This has sometimes been as a result of linking livelihood programmes with construction or PSP programmes - and sometimes just out of the confidence built through community based VCA and PRA approaches. These are

efficient ways to continue engagement and to ensure that programme impact is sustained. There is also a great potential to turn these communities and their CBOs into long term supporters of the RCM, including through processes of training, as is being planned by the Ampara branch of the SLRCS.

Several PNS (German, Irish, British and Japanese Red Cross Societies) will continue to support recovery in conflict areas using a livelihoods approach. In this regard the RCM is taking a position of special significance in livelihood recovery in Sri Lanka, as SLRCS staff and volunteers together with PNS are appropriately applying livelihoods/economic security approaches in recovery from conflict – very much complementing the Protection and Assistance activities of the ICRC. This symbiotic relationship is coherent across the RCM actors present, and efficiently combines different RCM capacities and resources to assist a population in transition from one situation to another.

For livelihood strengthening activities, the evaluation found that the necessary links with government and local institutions were frequently not sufficiently developed. The restoration of damaged infrastructure and natural resources could have been implemented more efficiently and more effectively through partnerships with the government and other institutions with capacities in these areas. The Spanish Red Cross programme of repair of land for cinnamon production is however a good case in point – this work was undertaken very well through its relationship the appropriate government department. In other examples though, many small initiatives that could have restored people's livelihoods did not take place, because of a lack of RCM partnerships with institutions at a local level.

In the area of diversification it is frequently the case that the beneficiary numbers are too small and consequently make some of these projects very expensive in terms of cost-benefit. Added to this is the already high-risk element in livelihood diversification projects anyway, which is not sufficiently understood in the RCM context. Typically diversification activities in a recovery response should only be done as value additions to traditional livelihoods or as a means of extending markets.

In terms of effectiveness, there are also internal issues related to the institutional capacity of the Federation maximise the impact of this new area of work. As there as at present no Federation Integrated Assistance Strategy related to the Disaster Management Cycle, the placing of Livelihoods within any one National Society framework still represents something of a challenge. There is also a lack of clarity and shared understanding on the meaning of “recovery” across the Movement. As a result, livelihood programming in Sri Lanka has its strengths and weaknesses, but is above all something of a “smorgasbord” of activities which are in fact a mixture of relief, recovery and development interventions. These are not effectively linked to enable households to recover as effectively as would otherwise be possible.

The only doubts expressed regarding embracing livelihoods work more centrally (ironically) reflected concern that Livelihoods would be regarded as a new core area – requiring another department and fragmentation in the Secretariat and in National Societies structures. In fact, the very opposite should be the case, with Livelihoods approaches simply being part of an Economic Security section of a single Assistance Framework – which may not be the only possible solution, but would increase effectiveness of livelihoods (and other) interventions beyond the levels possible at present.

Closely related to this - as a symptom of the present situation - is the perpetual Federation work on guidelines and tools, which can only ever be secondary to

establishing a coherent strategic approach within which to apply them. The team discovered at least five separate VCAs (and numerous other participatory approaches) being used by the RCM in Sri Lanka, when the greater issue is for what exactly is the RCM using a VCA (or other any other approach) for? The highly professional work of the SEI in training on participatory assessment approaches for instance - has much of its value lost when it cannot be institutionally embraced within a strategy for livelihoods interventions within an integrated assistance strategy applied (in this case) to a period of recovery. Therefore different departments (Health, DM, Livelihoods, Construction) use different tools to get the same information from the same community for different programmes to try to achieve the same objective. This is far from being an efficient (or even practical) approach at beneficiary level, and ultimately feeds up into an institutional system that is presumably bigger and more complex than it needs to be.

It is hoped that this evaluation can be used to positive effect in three main areas.

The first - there are immediate practical steps that must be taken in Sri Lanka. A significant improvement of the very poor internal RCM relationships is required as an absolute priority, as the present situation overshadows much of the technical aspects of this work. Unless this can be recognised, much of the utility of this evaluation at the Sri Lanka level is lost. Specific recommendations have been provided.

The second - there has been a considerable amount of creative livelihoods work undertaken with great enthusiasm in Sri Lanka, despite the constraints. Institutional lessons have been identified at the programme and coordination levels. It is essential that these lessons be noted and learned in embracing Livelihoods and Economic Security Programmes as part of a wider approach to more coordinated and integrated Assistance in Sri Lanka. Learning is needed to reduce gaps, undertake more timely, sequenced and appropriate programming and to take a more holistic approach to needs from the point of view of the beneficiary.

The third - there are strategic issues identified in this evaluation which are not unique to Sri Lanka – and which lie behind most of the programme level issues too. It is hoped that these can be drawn out from this evaluation and fed into the Federation's longer term development of assistance strategy and policy, as well as contribute to the developing work on replacing Strategy 2010.

## **10. Recommendations/Ways Forward**

The following recommendations are provided as a series of steps to establish a way forward for Movement partners to more strategically and effectively address livelihoods needs in Sri Lanka and in other contexts.

### 10.1 Working together in Sri Lanka

#### *Recommendation 1*

As a Movement, establish an arbitration process (independently facilitated if necessary) to re establish accepted guidelines for working together as SLRCS, Federation and PNS. This should include agreed approaches to:

- Beneficiary selection
- Practical programme level interpretation of the Seven Fundamental Principles of the Red Cross and Red Crescent Movement
- Working level financial procedures for programme implementation
- Working together with non-Movement partners (NGOs, CBOs, institutions and Government Departments and Extension Services)
- Agreeing and applying either existing or new procedures for engaging volunteers
- Honouring all existing programme and project agreements with PNS
- Administering new projects and programmes with Federation and PNS support

#### *Recommendation 2*

Establish a facilitated dialogue process within the Movement to enable agreements to be made regarding programme level disputes. This to enable beneficiaries to continue to be assisted while internal agreement is sought.

#### *Recommendation 3*

Establish (and fund) a Tsunami Recovery fast track financial facility either within SLRCS NHQ or as a shared unit within the Federation Finance and Administration Department in Colombo to improve programme response times to bring them in line with acceptable sector norms.

### 10.2 Improving the Coherence, Effectiveness and Impact of RCM Economic Security and Livelihoods Activities in Sri Lanka

#### *Recommendation 4*

Reconstitute the Livelihoods Technical Committee as part of an integrated Assistance Coordination responsibility (or Function) in the Federation to bring together Assistance programming within a more strategic approach. This may include developing an Assistance Technical Committee either as part of the Task Force, or reporting directly to it. The following suggestions be As part of this process, consider the following activities:

#### *Recommendation 5.*

Build Capacity in SLRCS. Assuming more constructive working relationships can be developed, consider a series of steps to build Economic Security and Livelihoods capacity within SLRCS, reflecting a more strategic RCM approach to Assistance in Sri Lanka. The following steps may be considered:

- Integrate “Relief”, Food Security and Livelihoods activities into one Economic Security framework that can be applied to Response, Recovery and Preparedness. In particular, cross over with Health/Water/Sanitation and construction should be encouraged as a more integrated approach and the

“preparedness” work of the Disaster Management Department mainstreamed across this.

- Build practical institutional capacity in Economic Security/Livelihoods through Movement and non-Movement partners. This requires continued capacity building at Branch and volunteer level through continued involvement in programming, and institutional level training to better place Economic Security and Livelihoods within the organisation as part of a core area.
- Solicit OD support to re-orientate and simplify existing structures, especially regarding: Relief, Food Security, Livelihoods, and Disaster Management - with the aim of increasing capacity not decreasing it.
- With Movement support, develop specific SLRCS Economic Security and Livelihoods projects to explore integrated assistance approaches in cooperation with the Federation and PNS and through the building up the skills base of staff and volunteers. The role of Liaison Officer such as that being recruited now in the SLRCS Ampara Branch is a very important resource in this.
- Give specific responsibility within SLRCS for an assistance coordination (or overview) role at Headquarters and branch level. Similarly the Federation and PNS should be encouraged to provide a counterpart in their own organisations.

#### *Recommendation 6*

In the short term, try to re-orientate existing and proposed livelihoods and economic security projects and programmes to ensure that:

- They are based on a framework that has an analysis of the household economy at its centre. The approach to recovery should be directed towards the recovery and protection of the sustainable livelihood assets of the affected population that would enable households and the community to provide their own food and income requirements without compromising their longer term economic situation through debt, or other coping strategies (i.e. by building resilience rather than vulnerability)
- They are phased and sequenced in a manner that allows the beneficiary population to satisfy their immediate survival needs, then recover their livelihood strategies according to the possibilities of their assets and the market. The phasing should have 5 stages – livelihood provision, restoration, strengthening, diversification and protection.
- They are provided to a timetable that mirrors the recovery timetable of people – typically starting after 3- 6 months of a disaster, but sometime later where the survival needs of the affected population are seasonal. A livelihood recovery intervention should be timely or will compromise the ability of a household to recover effectively.
- They are integrated with the other sectoral elements of Assistance in Recovery – Health, Water/Sanitation-Shelter and Economic Security

### 10.3 Global (Secretariat).

#### *Recommendation 7.*

- Use this evaluation to draw out strategic issues regarding Livelihoods (Economic Security and Food Security) identified in this evaluation which are not unique to Sri Lanka, and which lie behind many of the programme level issues identified here too. These issues and lessons identified may be useful in Federation’s longer-term development of assistance strategy and policy, as well as perhaps contribute to the developing work on replacing Strategy 2010.