ILO’s RESPONSE IN SRI LANKA

Newsletter on ILO’s Response to Sri Lanka’s Tsunami

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The flooding of coastal areas, destruction of homes, buildings, tourism infrastructure, roads, bridges, water and electricity supplies, crops, irrigation and fishery infrastructure, productive assets and small businesses, have had a severe impact on the livelihoods of people. The impact has been significantly more dramatic for poor communities where people mainly live off the sea and marginal land; they not only lost their incomes, but also most of their meagre possessions.

In Sri Lanka, the tsunami has destroyed some 275,000 jobs in the affected coastal districts. Up to two thirds of them are in the informal economy. Additionally, at least 125,000 people require income support as a result of the disaster, having lost almost all sources of income either directly or from their family breadwinner (and in many cases also their shelter), bringing the total to about 400,000 men, women and children.

The victims urgently need some income replacement transfers to keep them above the subsistence level. Some 40,000 people (including widows, orphans, the elderly and the disabled) will require longer term or even permanent support through income transfer. Loss of livelihoods in the tsunami-affected districts represents a social and economic loss, which parallels the loss of physical infrastructure. Available statistics indicate that, following the disaster; affected families may rely, at least temporarily, up to 80 per cent of their income on either welfare or cash-for-work programmes initiated by the Government and NGOs, or on the support of relatives and the community.

The social impact is exacerbated by the fact that the districts which have suffered the highest job losses are also amongst those with the highest poverty rates, and suffering until very recently the depredations of civil conflict. As immediate needs such as food, sanitation and shelter are being dealt with, it is important to plan for the next stages of the recovery process, i.e. the rehabilitation and reconstruction phase. Having hit mostly the coastal areas, the two major livelihoods affected were fisheries and the hotel and tourism industry, including eco-tourism, which was starting to bloom in several districts.
The post-disaster scenario

- A dramatically reduced purchasing capacity of local markets due to livelihood losses
- A seriously deteriorated circulation of commercial and financial flows
- A considerable loss of productive assets and facilities
- Massive damage to infrastructure and support services
- Major loss of skilled labour and managerial capacity
- Major damage to community social fabric including informal safety nets and mutual support mechanisms
- Significant change in household/family composition affecting arrangements such as the traditional extended family support system

ILO's Response Strategy

To meet the livelihood needs emerged in the aftermath of the disaster, ILO’s response strategy focuses on enabling the local economies to stimulate recovery. It consists of short/immediate-medium term as well as long-term interventions. The overall objective is to address quickly the needs of the most severely affected households and most vulnerable groups, through generating immediate employment opportunities, restoring livelihoods and reinforcing social safety nets. Where possible the focus on quick action and immediate results will be combined for sustainability.

The support provided will integrate upstream policy advice providing technical assistance to national government and constituents, and downstream projects/programmes development and implementation.

In particular ILO will focus on strengthening the capacity of district and local governments as well as of the private sector. Indeed, to address community needs and link beneficiaries’ needs and locations, the interventions developed will particularly target the local level, involving local authorities and local socio-economic actors in the design of appropriate and relevant action plans as well as in the coordination and implementation of planned interventions.

Three approaches

1. Situational impact and needs assessments in relation to income and employment;

2. Provide technical assistance to the Government in developing and implementing a Rapid Income Recovery programme; and

3. Addressing rights of affected vulnerable groups/communities

ILO’s strategy for response targets the reduction of socio-economic vulnerabilities of specific groups (women, youth, and disabled persons) and communities. To achieve measurable income security for the affected population, the Government has been working with the ILO to formulate a strategy, composed of a mixture of income transfer mechanisms and rapid job recovery mechanisms. This strategy focuses on three main areas of intervention: (1) situational impact and needs assessment in terms of jobs, economic opportunities, skills demand and social protection; (2) provide assistance to the Government in developing and implementing a Rapid Income Recovery Programme; and (3) addressing the rights of the affected vulnerable groups.
The ILO’s strategy for enhanced employment and income recovery is based on a comprehensive scheme of existing ILO tools and methodologies. They include: guidelines for establishing Emergency Public Employment Services, community-based training modules, modules for integrated rural accessibility planning leading to labour based infrastructure construction and maintenance, Start and Improve Your Business training packages, non-formal education packages and methodologies, and manuals for setting up cooperatives involving municipalities in the informal economy.

The ILO has a number of ongoing technical cooperation projects and programmes, which will be strengthened. These are the JobsNet Programme, the Start and Improve Your Business (SIYB) Programme, the programme building capacity, Labour-Based Equipment Supported (LBES) approaches and the Programme for Elimination of Child Labour (IPEC). The capacity already built up and the network of strategic alliances and collaborations established will allow a more effective and rapid intervention.

Impact and Needs Assessments:

The enormity of the disaster called for quick and reliable data/information to deal with the situation. The ILO’s goal was to provide information to the Government and donors in rebuilding and reconstruction efforts. It covers the following five areas:

- **Social and Employment Impact Assessment (SEIA)**
  In the immediate aftermath of the tsunami, an ILO task force was promptly established to provide initial data assessing the impact of the tsunami in terms of job loss, economic activity destruction and social protection needs. This assessment led the Government to include the social and employment aspects of the disaster in its developing plans and to request ILO to formulate a Rapid Income Recovery Programme. The SEIA provides the following estimates: (a) the short to medium effect of the tsunami on employment levels in the affected districts, thus providing an indication on the potential resources needed for reconstruction; (b) the short to medium-term effects of the disaster on dependency on social transfers, and the respective additional expenditure to be met either from national budget resources or international donors.

- **Rapid Livelihoods and Labour Market Survey**
  This survey, including key informants interviews, was conducted to ensure that the Government’s response was properly targeted and prioritized, and to establish the foundations for future regularly updated labour market assessments. It quantified lost and retained productive assets and jobs, the situation of household livelihoods (social and financial), and resources needed for rehabilitation. This job was carried out by university students with the help of JobsNet staff working under the framework of their existing project, under the supervision of the ILO and collaboration of the WFP.

- **Needs Assessment Survey for Income Recovery (NASIR)**
  This is a follow-up to the above mentioned survey and is aimed at establishing: (a) the extent to which livelihoods have been restored; (b) what support affected households are receiving in terms of income transfers and services to get back to work; and (c) what support households and individuals need to develop sustainable livelihoods. The exercise was carried out by the ILO Office in Colombo, with the support of ILO Headquarters and a Sri Lankan survey. Results are expected in June.

(Continued on page 5).
**Survey of skills demand**

This exercise was carried out through collecting data on actual skills and competencies requirements for skilled and unskilled workers, especially in priority sectors (housing and road construction), that have been particularly affected by the tsunami and require rapid rehabilitation and reconstruction activities. The objective is to provide reliable data to support the design of appropriate and relevant skills development programmes. In conducting the survey, the ILO collaborated with the Ministry of Skills Development and the German Technical Cooperation (GTZ).

**Survey of affected workplaces**

The Ministry of Labour Relations and Foreign Employment undertook a survey on affected workplaces in the tsunami-affected areas. A questionnaire was sent to around 1,500 workplaces, in order to: (a) assess workers lost (deaths) in the formal sector; (b) assess the number of workers displaced; and (c) assess the damages to workplaces. The ILO will assist in the analysis of the data.

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**Rapid Income Recovery Programme**

To restore livelihoods and revive local economy

The livelihood needs emerging in the aftermath of the disaster require a strategic response that focuses on reviving the local economy and restores sustainable jobs and livelihoods as soon as possible. At the same time it is necessary to provide social protection to those who cannot work.

At the request of the Government and according to the needs assessment, the ILO developed a concept for a “Rapid Income Recovery Programme” (RIRP) aimed at addressing the needs for immediate employment opportunities and social protection services. The RIRP is now included in the draft of the national reconstruction plan.

Such a strategy requires a multi-pronged and coordinated approach that provides urgently needed income support while moving people out of dependency and poverty as soon as possible.

Its scope of action encompasses both upstream policy advices to support the Government in the recovery process, as well as downstream project and programme delivery. Upstream support includes the design of a social framework programme as part of the reconstruction planning. In this respect, the ILO, WB and UNDP embarked on providing technical assistance to the Government to design a policy framework programme.

In order to better address local needs and specific contexts, coordination the interventions will be executed at community and district levels.

The strategy comprises four types of instruments: (i) temporary conditional income transfers; (ii) rapid job recovery mechanisms-income generation mechanisms through community and public works (cash for work) programmes; (iii) rebuilding livelihoods in the informal sector and in Micro and Small Enterprises (MSEs).

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**Rapid Impact Actions**

- **Temporary conditional income transfer schemes** through social assistance for the informal sector and unemployment benefits for the formal sector. This includes short-term labour-intensive community work schemes.
- **Rapid job creation mechanisms** through the wider use of labour-based technology in the infrastructure sectors, achieved by adjusting selectively the balance between labour and equipment in current work methods.
- **Rebuilding livelihoods in micro, small and medium enterprises** in the informal sector through a combination of grants, access to credit and training.
- **Long-term income replacement schemes** for longer-term dependants such as orphans, widows, the elderly and persons with disabilities.
Institutional framework for the RIRP.

An Inter-ministerial High-level Steering Committee, comprising Secretaries of relevant Ministries, Chief Secretaries of Provincial Councils, will be responsible for policy direction, setting targets, and approving programmes and budgets. A Programme Management Unit, composed of high-level experts, will be responsible for programme coordination, liaison with partner agencies, technical advice, monitoring and evaluation of projects, and capacity building. A District Coordinating Committee, composed of representatives of implementing agencies, will coordinate activities at the district level. At the community level, a Community Committee will mobilize the community, articulate community needs in the form of proposals, select beneficiaries for specific interventions, oversee implementation of projects, and carry out participatory assessments of progress and results.

Employment-intensive reconstruction of essential community and public infrastructures. The ILO provides co-ordination and technical guidance to the Government and other stakeholders involved in reconstruction. The objective is to ensure optimum mix of local resources during the process so as to maximize opportunities for employment of low-income and other affected groups. The labour-based approach in the infrastructure sector will restore economic flows through the rehabilitation of essential infrastructure, transport and communication facilities. It will reactivate purchasing capacity of local markets, injecting new cash flows into local economies through labourers’ wages, increased business opportunities in infrastructure reconstruction, involvement of local contractors, use of local resources, and enabling local capacity to respond to long-term reconstruction demands. Decent Work will be mainstreamed.

Livelihoods development and Local Economic Development. LED is a participatory development process aimed at supporting business capacity, generating job opportunities and optimising use of local resources, by prompting dialogue and collaboration among public and private local actors.

Extension of 'JobsNet'. JobsNet is an ongoing three-year project of the Ministry of Labour Relation and Foreign Employment (MLRFE) with ILO’s technical assistance. The objective is to deliver a comprehensive employment service facilitating access to labour market and vocational training, guarantying permanent monitoring of the labour market and provision of crucial information for the design of appropriate policies. JobsNet has 18 centers in affected areas where 105,000 people have registered for assistance.

Temporary Income Transfer Scheme for the affected informal sector. The MLRFE is undertaking a survey to ascertain the number of job losses in large and medium-scale enterprises of the most affected sectors (fishing, agriculture and industry). It will design a programme to target skilled and professional workers, including those operating in the social sector.

National and local institutions/authorities: Through ongoing projects and programmes, the ILO built up solid partnerships with a wide range of relevant national and local actors, in particular, the Ministry of Labour, the Ceylon Chamber of Commerce, over 40 Business Development Service Organizations all over the country, the Sri Lankan Institute for Local Government attached to the Ministry of Provincial Councils, and the National Child Protection Authority. NGOs and community-based societies have also been involved and will play a major role in the implementation of the projects.

Key international agencies: The ILO is an active member of the United Nations Country Team, and close partnerships have been developed with key agencies such as the FAO, UNCHR, UNICEF, UNDP, UNOPS, WB, WFP, and ADB. Considered essential in building synergies with other agencies to achieve better and faster impact, the ILO is already involved in several joint programme initiatives. In the framework of the tsunami crisis response, the ILO was requested by the Task Force on Rebuilding the Nation to elaborate a proposal for a Rapid Income Recovery Programme. This work is currently ongoing and is being carried out in collaboration with the WB and the UNDP.

Similarly, the project “Immediate employment friendly rehabilitation and reconstruction in selected districts” has been undertaken in partnership with UNOPS that is responsible for logistics, administration, contract procurement and finance. ILO will provide overall technical and managerial inputs to ensure that high quality design, implementation and maintenance are achieved for the infrastructure works selected.
Prevention of Child Labour  
ILO-IPEC Project

The ILO-IPEC project is designed to respond to existing and emerging child labour issues, including those related to the tsunami rehabilitation and development process. This project has a dual strategy: policy work in the form of guidance, advice and support to policy-makers for the integration of child labour concerns in the country’s overall emergency response, and targeted interventions to reduce and prevent child labour through a range of social services. The ILO-IPEC project is undertaken in two tsunami-affected districts - the Eastern Province in Trincomalee District, Kinnya, and the Southern Province in Galle District, Koggala. Working with community structures, affected children receive educational and training opportunities, a referral system for access to social services, and families/guardians have access to local and national social safety nets. A Protection Task Force under the National Child Protection Authority and the Ministry of Social Welfare was set up to combat trafficking of children for exploitative employment.

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Addressing Rights of the most vulnerable communities/groups

- Protection of the most vulnerable groups of children (See box above.)
- Organizing the unorganized to rebuild after the tsunami: making people’s voices heard. The most affected economic sector in terms of income/job losses has been the fisheries, where 80% of those involved lost their livelihoods. Furthermore, most of the jobs affected were in the informal sector, where workers do not have access to social protection schemes. Reconstruction will have vast implications on their lives. It is thus critical that the voices of the men and women concerned are included in the process of decision-making. Civil society, and in particular trade unions, can and should play an important role in this regard, by being directly involved in the formulation and implementation of related activities.
- Reinforcing gender equality: The household/family structure and composition has dramatically changed after the disaster. A significant number of women lost their partners in the tragedy and became heads of household; in other cases partners were injured. In both situations, these women now have to re-orient their traditional ‘care-provider’ role to the one of ‘breadwinner’, without neglecting their family care. Yet, they face severe difficulties in accessing existing labour opportunities, most of all because they lack the necessary skills. To respond to these needs, gender-specific components are fully integrated in ILO interventions by: (i) facilitating women’s access to paid/self-employment through business development assistance and skills development; (ii) facilitating the creation of centres to assist women and men in balancing their housework and income generating activities; (iii) working in partnership with international and national organizations at all levels to assist women and men overcome their trauma through income-generating activities.

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Status of Implementation

■ Situational Assessment
  o Social and Employment Impact Assessment  COMPLETED
  o Rapid Livelihoods and Labour Market Survey  COMPLETED
  o Needs Assessment Survey for Income Recovery  COMPLETED
  o Survey of Skills Demand  COMPLETED
  o Survey of Affected Workplaces  COMPLETED
  o Cash Flow Work Pilot  ONGOING

■ Rapid Income Recovery Programme
  o Upstream support to the Government in designing a social programme  PROGRAMME DOCUMENT APPROVED IN MARCH
  o ILO technical assistance to the Government for effective delivery of the RIRP
    ▪ RIRP institutional framework  INITIAL STEPS TAKEN, COMPREHENSIVE DOCUMENT BEING DRAFTED
    ▪ Employment Intensive Reconstruction of essential private and community infrastructures
    ▪ Extension of JobsNet to address needs arising from the tsunami
    ▪ Development of livelihoods activities and Local Economic Development
    ▪ Temporary Income Transfer Scheme for workers in the informal sector  CONCEPT NOTE AVAILABLE

■ Addressing Rights
  o Protecting the most vulnerable groups of children  CONCEPT NOTE AVAILABLE
  o Organizing the unorganised, making sure voices of the people are heard  PROGRAMME DOCUMENT AVAILABLE
  o Reinforcing gender equality  CONCEPT NOTE AVAILABLE

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