Promoting Non-fisheries Livelihoods in Small-scale Fisheries Communities in Sri Lanka

The Process of Planning and Implementation
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2013
## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBOs</td>
<td>Community Based Organizations</td>
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<tr>
<td>CIARS</td>
<td>Center for Innovative Affordable Real Solution (Pvt) Limited</td>
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<tr>
<td>DFAR</td>
<td>Department of Fisheries and Aquatic Resources</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
</tr>
<tr>
<td>LKR</td>
<td>Sri Lankan Rupees</td>
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<tr>
<td>LoA</td>
<td>Letter of Agreement</td>
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<tr>
<td>MFARD</td>
<td>Ministry of Fisheries and Aquatic Resources Development of Sri Lanka</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
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<tr>
<td>NPM</td>
<td>National Project Manager</td>
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<tr>
<td>NVQ</td>
<td>National Vocational Qualification</td>
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<td>RFLP</td>
<td>Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP) - Sri Lanka</td>
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<tr>
<td>SEDD</td>
<td>Small Enterprise Development Division</td>
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<tr>
<td>ToR</td>
<td>Terms of Reference</td>
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<tr>
<td>VT</td>
<td>Vocational Training</td>
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<tr>
<td>VTA</td>
<td>Vocational Training Authority</td>
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</tbody>
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Small-scale fishing communities throughout Asia often live a vulnerable existence. Physically, fishing is a demanding, dangerous job at the best of times. However, over-exploitation of fishing resources also results in declining catches and increasing pressure on fisher families to make ends meet.

It is within this context that the Spanish-funded Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP) which was implemented by the Food and Agriculture Organization of the UN sought to reduce the vulnerability of small-scale fishing communities in Cambodia, Indonesia, the Philippines, Sri Lanka, Timor-Leste and Viet Nam.

One of the major areas in which RFLP worked was to develop new livelihoods opportunities for fishing families.

Over 40 pilot livelihoods initiatives have been launched across the six countries participating in RFLP. The benefits of these activities have been wide-ranging. Family incomes have in many cases increased, not by huge amounts but by enough to put food on the table or send the children to school. Alternative incomes mean fishers are less pressured to go out to fish especially when the weather is bad. In the vast majority of cases RFLP livelihoods activities have also been carried out by women. In addition to helping with family finances this leads to an increased sense of empowerment and confidence. Furthermore, over the longer term it is expected that these improved income streams will contribute to lower pressure on marine resources.

The development of alternative livelihoods options for fishing communities is a long process. In Sri Lanka RFLP has undertaken a number of very successful livelihoods actions; initiatives with a firm foundation that can make real differences to the lives of those involved. These activities range from handicrafts to home gardening and from dairy farming to coconut oil production. They are the culmination of considerable efforts undertaken since 2010 to work with communities to identify potential livelihoods opportunities and to build their capacity to carry them out.

Many challenges will face the groups and individuals involved as they seek to develop their businesses further. Ongoing support from the authorities will be necessary to help these groups ‘find their feet’. In addition, the groups themselves must remain resolute, even in the face of difficulty.

The development of livelihoods pilots is a complex and time-consuming process and recognition must go to all involved. Special mention must go to RFLP’s livelihoods consultant Haritha Wedathanthrige and rest of the RFLP team for their considerable effort as well as the Department of Fisheries and Aquatic Resources and FAO Sri Lanka for all their support. The communities taking part in RFLP livelihoods actions must also be applauded. Without their dedication, motivation, hard work and belief little could have been achieved.

JOSÉ PARAJUA
Regional Programme Manager
Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP)
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>v</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>vii</td>
</tr>
<tr>
<td>1. Background to the Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP)</td>
<td>1</td>
</tr>
<tr>
<td>2. Non-fisheries Livelihoods and Income Diversification</td>
<td>5</td>
</tr>
<tr>
<td>3. Baseline Situation in the Project Area before RFLP Commenced</td>
<td>10</td>
</tr>
<tr>
<td>4. Objectives and Strategies</td>
<td>13</td>
</tr>
<tr>
<td>4.1 Objectives of the RFLP Livelihoods Diversification Programme</td>
<td>15</td>
</tr>
<tr>
<td>4.2 Livelihoods Development Strategy</td>
<td>16</td>
</tr>
<tr>
<td>5. Implementation of the Livelihoods Development Programme</td>
<td>17</td>
</tr>
<tr>
<td>5.1 RFLP Livelihoods Development Approach</td>
<td>19</td>
</tr>
<tr>
<td>5.2 Project Interventions in a Nutshell</td>
<td>22</td>
</tr>
<tr>
<td>6. Results and Achievements</td>
<td>27</td>
</tr>
<tr>
<td>7. Lessons Learned</td>
<td>30</td>
</tr>
<tr>
<td>8. Recommendations</td>
<td>33</td>
</tr>
<tr>
<td>9. Annexes</td>
<td>36</td>
</tr>
<tr>
<td>Annex 1: Case Study</td>
<td>38</td>
</tr>
<tr>
<td>Annex 2: Vocational Training for Youth: New Skills Create New Livelihoods</td>
<td>46</td>
</tr>
<tr>
<td>Annex 3: Promotion of Home Gardening among Fisheries Community</td>
<td>48</td>
</tr>
<tr>
<td>Annex 4: From Fish to Coconut Oil</td>
<td>50</td>
</tr>
<tr>
<td>Annex 5: From Fish to Coir Products</td>
<td>52</td>
</tr>
<tr>
<td>Annex 6: From Fish to Milk</td>
<td>54</td>
</tr>
</tbody>
</table>
ONE

Background to the Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP)
1. Background to the Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP)

Across South and Southeast Asia, the livelihoods of coastal small-scale fishers are among the most insecure and vulnerable. They are dependent on increasingly depleted and degraded resources, due to overcapacity, resource access conflicts and inadequate resource management. These communities make important but often poorly recognized contributions to the food security and development of many millions of people and to national and regional economies.

The four-year (2009 – 2013), US$ 16.35\textsuperscript{1} million Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP) was funded by the Kingdom of Spain and implemented by the Food and Agriculture Organization of the United Nations (FAO) working in close collaboration with national authorities responsible for fisheries in Cambodia, Indonesia, the Philippines, Sri Lanka, Timor-Leste and Viet Nam.

The expected outcome of RFLP was: ‘Strengthened capacity among participating small-scale fishing communities and their supporting institutions towards improved livelihoods and sustainable fisheries resources management’.

The major outputs of RFLP were:
- Co-management mechanisms for sustainable utilization of fishery resources;
- Measures to improve safety and reduce vulnerability for fisher communities;
- Measures for improved quality of fishery products and market chains;
- Diversified or strengthened income opportunities for fisher families;
- Facilitated access to micro-finance services for fishers, processors and vendors;
- Regional sharing of knowledge in support of livelihood development and reduced vulnerability for fisher communities and of sustainable fisheries resource management; and,
- Gender mainstreaming was also focused on as a cross-cutting element of all major outputs.

Although not explicitly specified in the programme document it was hoped that if RFLP was able to promote livelihoods diversification that fishing pressure on inshore aquatic fisheries resources would be reduced.

\textsuperscript{1}The RFLP budget was originally set at US$ 19.54 million. It was reduced to US$ 16.35 million in mid 2012 due to budgetary realignment by the donor following the financial crisis in Spain.
As there were concerns that the promotion of fisheries related livelihoods like aquaculture and fish processing could actually lead to increased fishing pressure on inshore aquatic fisheries resources with the use of wild seed for stocking and the use of trash fish and fish meal as feeds, RFLP specifically tried to promote some non-fisheries livelihoods in small-scale coastal fisheries communities. This document details the step by step process which RFLP followed to identify non-fisheries livelihoods options that were appropriate for promotion in coastal fisheries communities in Sri Lanka.

Figure 1: Map indicating the project area
TWO

Non-fisheries Livelihoods and Income Diversification
2. Non-fisheries Livelihoods and Income Diversification

Context

Small-scale fishers have been recognized as one of the most vulnerable communities in Sri Lanka as well as in most developing countries. They are adversely affected by weather and climatic conditions particularly during the monsoon season when extreme weather conditions can often prevent them from going to sea to fish on a regular basis. As a result large numbers of small-scale fishers seasonally relocate to other coastal and lagoon areas of Sri Lanka in order to continue to earn a living by fishing; however at the present time and current economic circumstances even that option is becoming increasingly more difficult. Extreme weather conditions such as storm surges, tidal waves and cyclones which are a common occurrence, often cause physical injury and even the death of fishers and crew members and damage their boats, nets and equipment, and house and property. On the economic front, the income from fishing is declining due to heaving inshore fishing pressure in particular and non-sustainable and destructive fishing methods which have resulted in dwindling fish resources. Escalating production costs including rising fuel costs have further reduced the net profits from fishing. The situation is further aggravated by fishers failing to obtain a fair price for the catch they land which is commensurate with their toil and effort. All this has resulted in many small-scale fishers being caught within a poverty and indebtedness trap.

In this context, fisheries co-management based on the participation of communities and the relevant stakeholders like local government is increasingly being recognized as a priority need. However this fisheries co-management process inevitably involves certain restrictions on the livelihood activities of the fishers, because of limits set on entry into the fishery, and limits on fishing effort through tools like closed fishing seasons. These restrictions adversely impact on the incomes of small-scale fisher households. In this situation in order to win over the support of fishers to the co-management process and thereby enabling it to succeed, it is imperative that certain strategies are implemented that will neutralize...
any negative aspects of the management process being applied. It has increasingly been recognized that the provision/promotion of supplementary and/or alternative livelihoods opportunities or supplementary and/or alternative income generating opportunities can be one of the most effective among such strategies. RFLP worked to both enhance and improve existing livelihoods options as well as identifying and supporting an enabling environment for the promotion of new livelihoods options.

**Livelihoods Enhancement and Diversification**

It is vital that the livelihoods promoted by development initiatives are sustainable in the long-term. Ensuring this requires a thorough analysis of the key elements that contribute to livelihood sustainability in order to generate employment, to improve life quality and life skills, to reduce poverty, and to enhance adaptation and recovery from natural disasters thereby reducing vulnerability and promoting the sustainable use of natural resources. In this scenario, the context, conditions and trends in the particular area or region where a development initiative is to be conducted have to be considered. It is important to fully understand the context of an area or region including the availability of local resources, demography and social differentiation among the communities/groups. Social differentiation can be conducted in a pragmatic manner based on wellbeing and income levels, access to certain resources, sex, age and ethnicity. The most important point is to understand the community groups and their relationships with and access to resources, organizations, and institutions around them in order to be aware of their life strategies since the combination of local resources, organizations and institutions together generates different life strategies for different livelihoods among the community groups in any given specific locality.

It was revealed that different livelihoods can be put at risk due to the depletion or destruction of natural resources, natural disasters, and internal displacements due to civil conflicts/warfare and the effect of climatic changes, etc. Therefore, both potential and affected communities/groups need to be adaptable and ready to change their life strategies in order to generate new livelihoods that are resilient, rather than depending on a single livelihood option. Thus, simultaneously conducting two or more livelihoods options spreads risk allowing households to meet the challenges to their main livelihood and to better recover from any economic shocks to that livelihood. Hence, livelihoods diversification is necessary for fisher communities to reduce their vulnerability to economic shocks/low income in order to maintain their living standards. Livelihoods diversification seeks to develop a portfolio of activities to generate income and reducing community vulnerability from economic shocks as well as life risks.
Over the past three years RFLP with the collaboration of the Department of Fisheries has strived to do just that. In the livelihoods enhancement and diversification process RFLP has given more emphasis to women because of their role as household financial managers and unemployed youth because of their potential as future breadwinners.

The RFLP experience in Sri Lanka has shown that the provision/promotion of alternative livelihoods in coastal small-scale fishing communities is a formidable challenge primarily because of the conservative outlook and attitudes of fishing communities and the non-availability of an enabling environment including both the physical and resource environment. In view of the time and resource constraints the livelihoods development programme implemented by RFLP was quite narrow in both its focus and area of coverage being limited to home gardening, micro-enterprises and a limited number of self-employment activities ranging from beauty culture, production of handicrafts, coconut coir products, coconut oil production, milk production and IT literacy. Yet despite this limited focus the programme required considerable effort from the RFLP staff for its planning, coordination, implementation, guidance and supervision and monitoring and involved a gamut of complex tasks and interventions which required innovation. These tasks included reconnaissance surveys, needs and resource assessments, awareness creation among target groups, social mobilization activities, organization of cohesive groups/clusters, deployment of trainers, provision of vocational and technical training, leadership and organizational training and skills development, procurement and distribution of inputs, providing access to markets, network building, etc. Both RFLP and the recipients are extremely satisfied with the fruits of these endeavours which have yielded a rich harvest of useful lessons learned in addition to yielding positive benefits and impacts for the RFLP target beneficiaries. RFLP has done everything possible to ensure that these results/achievements will be sustainable.

The intention in presenting this document is to share the RFLP experience in the planning and implementation of the process of promoting non-fishery livelihoods initiatives in small-scale fishing communities with all other interested stakeholders within Sri Lanka and elsewhere. It is hoped that this will provide new insight, knowledge and experiences on the process which will be useful for development practitioners. We also hope that sharing RFLP lessons learned will contribute to filling existing knowledge gaps in this interesting thematic area.
THREE
Baseline Situation in the Project Area before RFLP Commenced
3. Baseline Situation in the Project Area before RFLP Commenced

The Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP) is funded by the Kingdom of Spain. The Sri Lankan component of RFLP is implemented in the districts of Gampaha and Puttalam by the Food and Agriculture Organization of the United Nations (FAO) with the Ministry of Fisheries and Aquatic Resources Development of Sri Lanka (MFARD) as the implementing agency. The primary stakeholders and target beneficiaries are coastal fishers, their families, and their communities.

The RFLP project area comprises the three coastal areas of Negombo, Chilaw and Puttalam in the North Western Province of Sri Lanka in which the main livelihood of the coastal inhabitants is fishing. The large majority of the fishers are marine inshore/coastal fishers, while a few conduct fishing in the Negombo, Chilaw and Puttalam lagoons. The fishing effort in the coastal inshore fisheries is high and some of the species/resources are reported to be under heavy pressure. These coastal resources are fished by both traditional non-motorized boats and motorized boats. Likewise, the Negombo, Chilaw and Puttalam lagoons are also intensively fished, primarily as all the lagoons are open access and the population is growing steadily.

There are approximately 28,000 fishing households in the project area with around 39,000 active fishers and a total fisher population of about 102,000. Though the total fish production has shown a slightly increasing trend over recent years, the catch per boat both in coastal inshore fisheries and the lagoons appears to be declining with parallel decreases or stagnation in the household incomes of fishers. Exacerbating the vulnerability of many fishers and their families has been the increase in fuel costs for those using motorized fishing craft.

As a result, fishers in the project area are both economically and socially vulnerable. This vulnerability is characterized by low incomes due to falling catches, uncertainty of incomes due to the seasonal nature of inshore fishing coupled with wide market price fluctuations.

Thus two key issues facing the coastal inshore and lagoon fisheries in the project area are the poor economic status of the coastal and lagoon fishers and the acute pressure on the coastal and lagoon fish resources on which they depend for their main livelihood.

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FOUR
Objectives and Strategies
4. Objectives and Strategies

4.1 Objectives of the RFLP Livelihoods Diversification Programme

As a programme primarily focused on improving the livelihoods of fishing communities RFLP has sought to build the capacity of communities and the service providers supporting them, including both government institutions, NGOs and community organizations, in order to cope with economic and social vulnerabilities.

While RFLP is addressing the issues of overfishing and excessive pressure on fish resources through its output on fisheries co-management, it also seeks to improve the livelihoods of fishers and their families in other areas. These include improving safety at sea, enhancing the quality of fish once it is caught and facilitating access to micro-finance services.

With regards to livelihoods, the primary objective is to help fishing households cope with issues relating to low and uncertain incomes. These have a debilitating effect on the living conditions of the fishers, impacting negatively on the nutrition, health and education of family members.

The need for this type of support is clearly reflected by the findings of the RFLP Sri Lanka baseline survey which states that, “the incomes of fishing households are relatively low and 60% of households received an income of less than LKR 10,000 per month and an average of 29% of the households were in receipt of Samurdhi³ relief.

³The National Samurdhi programme was established by the government for poverty alleviation support for the poorest strata in society and provides social relief to community households living below the poverty line.
4.2 Livelihoods Development Strategy

RFLP’s livelihood development strategy which was designed to address the vulnerability of poor, small-scale fisher communities comprises a set of carefully designed interventions to diversify income generating activities among small-scale fisheries communities in the project area.

In view of the above mentioned problems of over-fishing and excessive pressure on coastal and lagoon resources, it was imperative that supplementary and/or alternative livelihoods options (as opposed to fishing) were identified and promoted among coastal fishing communities. This was the most feasible means of reducing household dependence on fishing for income and was the principal strategy adopted by the RFLP in its livelihoods development approach.

A further component of the RFLP strategy was to treat women as a key target group when designing livelihoods development interventions. As the financial managers of the households, women play a vital role in the prudent utilization of the household income. One of the important findings of the RFLP Rapid assessment on alternative livelihoods was that the women of fishing households have considerable time to spare. Hence it was found necessary to provide a suitable window to enable these women to utilize their spare time productively and to earn additional income that would improve the economic status and the living conditions of the household. Any additional income gained through these activities could also potentially help reduce the demands on their husbands to fish and thereby ease pressure on marine resources.

Young people in fishing communities were another focus of the alternative livelihoods development strategy. The information available indicated that the project area contained a fairly substantial contingent of educated but unemployed youth – both male and female. Properly trained and motivated, these young people could become supplementary breadwinners for their households and thereby improve their family circumstances. In addition, if some of the young men could be steered into vocations other than fishing through the provision of alternative employment opportunities this would also make a contribution towards the containment of the already excessive fishing effort.

Importantly, locally available raw materials and resources were carefully considered when designing RFLP’s interventions for alternative livelihoods initiatives. It is noteworthy that the project area was located within the “Coconut Triangle” of Sri Lanka and that two of the enterprises supported by RFLP were exclusively coconut based (coir twine/yarn and coconut oil).
FIVE
Implementation of the Livelihoods Development Programme
5. Implementation of the Livelihoods Development Programme

5.1 RFLP Livelihoods Development Approach

The approach used by the project for alternative livelihoods and income diversification was segmented into two phases namely, the planning phase and the delivery phase.

The Planning Phase
This comprised pre-planning as well as planning and programme design phases.

One of the initial activities was a rapid assessment undertaken by the RFLP national consultant for livelihoods to investigate the current status of livelihoods activities in the project area in order to identify potential areas for intervention by the project. The objectives of the assessment were to ascertain the capacity of existing organizations involved in livelihoods development; the role of community groups/community-based organisations in livelihoods development; the present situation regarding women’s livelihoods; current livelihoods options in the project area; and to identify possible areas of interventions for livelihoods development for the period 2011 to 2013. This assessment was made in conjunction with consultations with community groups, local officials and stakeholder institutions concerned with livelihoods development activities.

This assessment was followed by a stakeholder consultation held by the RFLP team together with a rapid technical assessment carried out in close collaboration with community organizations and district fishery officers. A number of key findings emerged from these assessments which were used in the planning and programme design stage and these included:

- Some villages in the project area (such as Pubudugama, Kaladiya, etc.) were known to have considerable potential for home gardening primarily in view of the viability of land with suitable soil, water and other conditions conducive for the implementation of a home garden development programme. Such a programme would also provide a number of social and economic benefits for fishing households including helping to improve the nutritional and food security status of families, while also reducing family expenditure on food.

- There was a sizeable youth population in fisher communities in the project area. Most of the young girls in particular had not acquired marketable life or vocational skills and therefore remained unemployed. There was high potential to direct them towards productive work through appropriate vocational training and skills development programs, if properly supported with career guidance and appropriate placement schemes. Employment opportunities were also found to be available for skilled workers in several industrial enterprises and service establishments in and around the concerned villages.
Community fisher groups in some villages possessed considerable potential to venture into micro-enterprises/self-employment activities. This was primarily because of the comparative advantages that such villages had due to the availability of raw materials and other resources as the basis upon which enterprises could be launched. However since the potential for micro-enterprises was largely site specific and more detailed investigations and assessments had to be carried out.

The above findings were thoroughly considered by the RFLP team at the planning and programme design stage and this process was further augmented by making use of the lessons learnt from several previous livelihoods diversification projects. This took place in the course of a national workshop convened by the RFLP in April 2011 at which a number of national and local level stakeholders shared the experiences of previously implemented livelihoods development projects.

During the planning and design phase detailed technical assessments were undertaken with the objective of identifying the most feasible and practical livelihoods opportunities. These assessments led to the identification of the following three programme interventions.

1) Home Garden support program for fishers.
2) Vocational training program for youth in fisher communities.
3) Micro-enterprise programme for members of fishing communities.

**The Delivery Phase**
This included all the steps through which the communities were supported to participate effectively in the programme and to benefit from the expected outcome, namely:

“Fisher families have strengthened livelihoods and have enhanced confidence, skills and initiative to take up new opportunities to diversify their livelihoods or to take up alternative income generation activities. The fisher families have support from responsive service providers and live and work within an enabling environment.”

The facilitation process of the livelihoods programme was common to all three components and included several steps as follows:

- Community mobilization;
- Selection of community organizations for activity implementation;
- Capacity building of communities through sensitization, awareness creation, training;
- Selection of beneficiaries;
- Resource mobilization;
- Provision of start-up inputs like materials and equipment;
- Networking; and,
- Developing linkages and marketing support.
The RFLP process of the livelihoods programme framework is shown in Figure 2 below.

Figure 2: RFLP process of the livelihoods programme framework
5.2 Project Interventions in a Nutshell

5.2.1 Home Garden Support Programme for Fishers

Promoting sustainable home gardening activities in fisher communities was one of the livelihoods interventions designed to diversify the income generating activities of small-scale fisher households in the project area. This programme was implemented in four coastal fisheries villages (Kaladiya, Thirikkapallama, Pubudugama and Anakuttiya) in Divisional Secretary Divisions of Wanathavillu and Puttalam which were carefully selected based on sound technical criteria including: availability of land and water, drainage and soil conditions.

Under this intervention the project supported the establishment of 50 home gardens. The selection of beneficiaries was carried out by the Department of Fisheries and Aquatic Resources (DFAR), in consultation with the respective fisheries societies under the guidance of the national consultant for livelihoods. The selected beneficiary households were provided technical training and practical demonstrations on the concept of home gardening and other important aspects such as the preparation of the land/soil, low input home gardening techniques, soil and water conservation methods, composting and rain water harvesting. The training was provided by a team led by an agronomist with extensive field experience hired by RFLP. Thereafter the households were provided with planting materials (seeds and seedlings), tool kits, rain water harvesting/storage tanks, and organic fertilizers and their progress monitored by the RFLP team. An RFLP field mobilizer also regularly visited the beneficiaries and ensured that they received timely technical back-up and extension support. All fifty home gardens were thus launched in December 2011.

5.2.2 Vocational Training Programme for Youth in Fisher Communities

The vocational training program was focused primarily on skills development for young people to help them enter the job market and to help diversify income generating activities for small-scale fisher households in the project area. A vocational training needs assessment (TNA) was conducted by the Vocational Training Authority (VTA), the nation’s foremost skills development agency. Based on the assessment the VTA developed or adapted their existing skills development training programs to cater more fully to the requirements of young people from RFLP fishing communities and the existing job market. The industrial demand and the social demand in fisher communities needed to be factored into activity design for the development of appropriate vocational training programs for target groups in fisher communities of the project area. The aspirations and the social demand of youth were considered a critical factor for the sustainability of livelihoods vocations. Thus, social demand was taken into an account when identifying appropriate vocation courses for the target groups. Since it became clear that there was a marked preference among the majority of fisher community youths in the project area for self-
employment ventures based on beauty culture and hair dressing, production of home based garments and dressmaking and information communication technology vocational training programs were initiated to support these activities.

Thereafter, the VTA through its local centres in the project area conducted training programmes for selected beneficiaries. 120 young people (all women) were trained in different vocations including 39 on beauty culture and hair dressing; 68 in dress making and 13 on information and communication technology. All the training courses were conducted on a full-time basis with the course duration ranging from three to six months.

In the selection process priority was given to young girls from fisher households in the project area. The VTA conducted an aptitude test and interviewed candidates at three (3) different locations, namely Negombo, Chilaw and Puttalam and 153 trainees (all women) were identified and selected by the VTA based on this process. Due consideration was given to the preference expressed by the candidates in their selection of vocational training subject from among the above 03 training programmes. Dress making courses were conducted in Kalpitiya, Udappuwa, Chilaw and Koswadiya. The beauty culture and hair dressing courses were conducted at Negombo and Marawila, while the information and communication technology course was conducted in Nagawilluwa (Puttalam).

On completion of the training RFLP assisted the trainees to launch self-employment ventures by providing them with requisite equipment or inputs. The 27 best performing trainees of the dress making course were provided with sewing machines and they have set up their businesses and at the time of reporting in mid 2013 were making good progress.

One noteworthy fact is that the beneficiaries who completed initial training in beauty culture and hair dressing are undergoing further training through the VTA to attain National Vocational Qualification (NVQ) level status, while continuing to operate their self-employment ventures.
5.2.3 Micro-enterprise Programme

The design of this programme was preceded by an assessment conducted by the Center for Innovative Affordable Real Solutions (Pvt) Limited (CIARS) to identify potential non-fishery related micro-enterprises/self-employment opportunities for small-scale communities in the districts of Gampaha and Puttalam.

This was with a view to facilitating the formation of enterprise clusters and to mobilize community resources to ensure ownership. Support was also provided to build technical and non-technical skills, transfer new technology, provide inputs/equipment, to support networking and to identify market opportunities as well as to provide follow-up support for long-term sustainability.

The assessment identified five micro-enterprise cluster businesses as being appropriate for the areas concerned, these were:

- Milk and milk based products;
- Coir based products;
- Handicrafts;
- Coconut oil; and,
- Ornamental fish.

Of these, the coir-based products, handicrafts and coconut oil clusters were launched first in late 2012. While the milk and milk-based products cluster commenced business in mid May 2013 with the provision of milking cows to seven beneficiaries. The ornamental fish cluster was not supported because of concerns about sustainability of natural resources and because of a budget realignment by the Spanish donor, following the financial crisis in Spain.

Brief Profiles of Clusters Currently in Progress

The following is a brief resume of three micro-enterprise ventures initiated by RFLP.

**Liyasara Handicraft Enterprise Cluster in Thalahena (Negombo)**

This enterprise group produce two different types of products namely fabric and wooden handicrafts. They were organized under the umbrella of one enterprise cluster branded as the “Liyasara Handicraft Product Enterprise Cluster”. Fabric handicrafts are produced by 15 women and wooden handicrafts are produced by five members including both men and women. The cluster members were all from the Thalahena fisheries society. RFLP provided assistance to this cluster to formalize their small business through proper business management training, the introduction of new techniques, the planning of business practices and procedures, as well as by obtaining business registration. In addition, the
cluster was also provided with assistance in the form of materials, sewing machines, tools and equipment. Importantly, this cluster was also helped to access markets and to obtain orders.

**Samudura Coir Products Cluster Enterprise in Palliyawasalapaduwa (Puttalam)**
The business initiative was introduced for this group based on the availability of local resources, their positive attitude, dedication and commitment, and the capacity of cluster members to contribute to the venture. This business group comprising 16 women and one man (who are all members of fisheries society in Palliyawasalapaduwa) are engaged in the production of coir twine (coir yarn). Coir twine products are produced using natural coir fibre and are used for a variety of purposes including horticulture, carpets and matting and even to make geo-textile which is currently increasingly used for soil conservation and to combat sea erosion. The project invested LKR 1,200,000 (US$ 10,000) to support this business venture. This included training costs, fixed and variable assets (machinery and equipment). There were parallel investments by the cluster members who contributed to the venture in terms of their labour, land and the construction of a building for the processing unit which cost of nearly LKR 400,000 (US$ 3,200). This has enabled the group representing the community to assume ownership of the establishment. The minimum daily production capacity of the production unit was around 250 kg of coir twine per shift (six hours operation); and two shifts can be operated per day.

According to planned projections the monthly turnover during the first year was expected to be LKR 900,000 based on two shifts per day. Thus, an individual was expected to receive a monthly income of approximately LKR 10,000 for his or her labour as well as a share of profits from the sale.

**Swashakthi Coconut Oil Producers’ Enterprise Cluster in Sinnapaduwa (Puttalam)**
Swashakthi Coconut Oil Producing Enterprise Cluster comprises 11 women and three men. They are all members of the fisheries society in Sinnapaduwa. RFLP contributed LKR 1,400,000 (US$ 11,000) for this business venture in the form of training and fixed and variable assets. Cluster members contributed in their labour, land and construction of the building (cost of the construction was LKR 350,000/US$ 2,800) so that the ownership of the new establishment rests with the group and ultimately the community. The availability of local resources/raw materials and market opportunities, positive attitudes and commitments and the ability of cluster members to contribute to the business venture were the main factors taken into consideration prior to the introduction of business initiative.
The venture produces coconut oil using copra (dried coconut kernel). The production process also results in a by-product namely ‘poonac’ which is a commonly used item of animal feed. The daily minimum production capacity is 600 kg of coconut oil and 400 kg of ‘poonac’. The raw material requirement per day is 1,000 kg of raw copra. The monthly turnover during the first year was expected to be LKR 1,200,000 as per the plan. Thus, an individual will expect to receive a monthly income of LKR 10,000-12,000 for his or her labour as well as a share of profits from the sale.

**Sustainability**

There is hope and assurance of sustainability of these enterprises since the Small Enterprise Development Division (SEDD) in Puttalam district will take over the responsibility for supporting the micro-enterprise clusters to help ensure their sustainability when the RFLP terminates activities in August 2013. SEDD has been provided with technical support in operational matters from RFLP.

**New Non-fishery Related Initiatives**

The two cluster enterprises (Samudura Coir Products Cluster and Swashakthi Coconut Oil Producers’ Cluster) were entirely new non-fishery livelihoods interventions for fisher communities in the area. Prior to RFLP intervention, fisher communities in the area did not appear to have any interest in engaging in these kind of new initiatives and they concentrating almost exclusively on fishery related livelihood activities like drying or curing of fish, etc. RFLP introduced these new activities and generated interest in working with them. The task of transforming a group of fishermen and women who had zero experience or knowledge in operating a business into a group capable of handling a non-fishery business was a real challenge and RFLP has successfully been able to show them the potential of these new activities. The project facilitated the formation of the cluster enterprises, formalized their small businesses through proper business management training, introduced new techniques, provided business planning as well as support to identify and exploit new market opportunities through networking with service providers. All these interventions have been pioneering activities among the fisher communities in this area.

**Occupational Safety**

The coconut oil and coir products micro-enterprises both use machinery that is potentially dangerous. RFLP has therefore made another pioneering intervention in paying special attention to workplace safety which is a novelty in this area and this is bound have a demonstration effect on the industrial enterprises in the area. Training has been provided on safety measures, while signboards remind workers of the need to follow them. The workers were provided with appropriate safety wear and first aid kits have also been provided.
SIX

Results and Achievements
Results and achievements of RFLP actions aimed at strengthening livelihoods options for fishing communities can be highlighted as follows:

The Handicraft Enterprise cluster business is successfully operational. Cluster members have developed their skills to produce various types of handicrafts and improve product quality. They also have better management skills. Some of the recent business achievements of this cluster are as follows: Liyasara Handicraft product cluster sales and turnover expanded significantly in the five month period from October 2012 to February 2013. Total sales income of the Sayurukala group was LKR 77,600 (US$ 6,200) while that of the Liyasara group was LKR 147,000 (US$ 1,200). Each individual member of Liyasara group received an income of LKR 1,000 per month for first three months and this increased to LKR 5,000 by February 2013. (A detailed case study on the Liyasara Handicraft Product Enterprise Cluster is given as Annex 01).

Twenty seven beneficiaries who received training in dress making were provided with sewing machines by RFLP and have since started their own dress making ventures. Two of the trainees have also found jobs in a garment factory. Sixteen trainees who took part in vocational training on beauty culture and hair dressing have also started self-employment after completion of their on-the-job training. Most importantly VTA is continuing dress making courses in two centres of Udappuwa and Koswadiya for fisher communities using their own funds and other resources (Annex 02).

By the third quarter of 2011 over 50 home gardens had successfully been established by the beneficiaries. Crops harvested have been used for home consumption, while surplus production has been sold in local markets. Beneficiaries thus earned additional income from their efforts. They are now continuing with home gardening using RFLP training supplemented by their own experiences (Annex 03).

Members of Coconut Oil Producing Enterprise Cluster were fisher women and men and coconut oil production was an entirely new activity for them. However they have acquired the know-how needed and developed their technical skills to produce coconut oil which involves mechanical processes. RFLP was able to set up a coconut oil processing unit with the active involvement of the community which provided labour, land and the building. The business operation is progressing gradually. Most importantly, the cluster is in the progress of developing a buyer network for its products (Annex 04).

Coir twine production was also an entirely new work experience for members of Coir Products Enterprise Cluster who were also fisher women and men. Cluster members have developed technical skills relating to coir twine production which is a mechanical process. The coir twine factory established by RFLP was fully backed by the group membership by providing land, labour and the building (Annex 05).
SEVEN
Lessons Learned
7. Lessons Learned

In the course of the planning and implementation of livelihoods development interventions the RFLP team has learned a number of valuable lessons which will be useful for similar interventions in the future. The more important among them are as follows:

- It is imperative that adequate, realistic and objective assessments regarding local context, raw material/resource availability, market opportunities, required skills levels, entrepreneurial attitudes and the commitment of fisher communities are conducted prior to determining the activities to be promoted and the selection of beneficiaries;

- Facilitation to mobilize the group members, build capacity and organize them into a formal business is a major challenge. Strong facilitation is needed on a step-by-step basis to build capacity. Regular follow-up and close monitoring and mentoring are also vital.

- Skills development and capacity building are a time consuming process. This needs to be a continuous process and should take place slowly to incrementally strengthen group business activities.

- Group leadership and the commitment of group members are important when facing challenges particularly related to finding markets. The leader of the group should have the courage and commitment to balance and resolve any conflict of interests among members and to maintain the interest and the motivation of group members when they face challenges.

- Facilitation of networking and developing relationships with other service providers (non-fishery service providers) and other stakeholders is required from the beginning of any development intervention.

- Tangible assistance through the provision of essential inputs should be provided when only absolutely necessary and on condition that the community contributes to the development of the cluster enterprise in terms of providing labour, buildings, land, etc. Free or highly subsidized inputs should not be provided to beneficiaries, as it tends to distort the financial feasibility and imparts a misleading picture.
EIGHT

Recommendations
8. Recommendations

Replication of home gardens among fisher households by other government agencies, donor projects and NGOs should be encouraged and supported. Promoting low input techniques, self-seed production and the cultivation of perennial crops are appropriate for home gardens of fisher households.

Skill development for different vocations should be promoted among unemployed youths in fishing communities. When implementing vocational training for fisher youth, it is imperative that due consideration is given to match demand in the job market with the social demand for employment opportunities and the aspirations in the fisher community (especially for women) prior to designing vocational trainings and skills development programs.

Career guidance, entrepreneurship development and placement schemes are essential components which should be included in vocational training programs for fisher youth. Training programmes should be tailor-made to meet the specific needs of the trainees, rather than using standard training modules. Further assistance and support are required for youth to commence self-employment after completion of vocational trainings (e.g. sewing machines for those who study dress making).

Further assistance (in the form of training, business coaching, mentoring and the provision of certain key equipment items) and facilitation is required from other agencies (e.g. business development service providers) to further build the capacity of enterprise clusters. This will help ensure self-sustenance of the clusters until they reach a stage where they can operate without assistance. The clusters need a considerable time period to reach such a stage in the business cycle.

When a project terminates its field activities, it is vital that other agencies (e.g. business development service providers) take over the responsibility of monitoring the functioning and performance of enterprise clusters to ensure sustainability.

Replication of the cluster enterprise model by other government agencies, donor projects and NGOs (though not necessarily in the same enterprise area) should be encouraged and supported. The local business environment in relation to available resources, competition, the views of key business players and end market requirements should all be duly considered.
Case Study

Boosting incomes of fisher households in Negombo, Sri Lanka through handicraft production

By Haritha Wedathanthri*1, Champa Amarasiri*2 and Claude Fernando*3

Introduction

The Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP), which began its activities in September 2009 is funded by the Kingdom of Spain. The Sri Lankan component of RFLP is being implemented in the districts of Gampaha and Puttalam by the Food and Agriculture Organization of the United Nations (FAO) with the Ministry of Fisheries and Aquatic Resources Development of Sri Lanka (MFAR) as the implementing agency. A major expected outcome of RFLP is the improvement of the livelihoods of small-scale fishing communities in the project area through targeted interventions aimed at strengthening and diversifying income generating activities.

This case study documents the process, outcomes and impacts of an RFLP livelihoods development activity which sought to strengthen a women’s handicraft production group at Negombo in the district of Gampaha.

Contextual Analysis

RFLP project activities in Sri Lanka are implemented in the coastal areas of Gampaha and Puttalam districts. They largely center around three important lagoon systems namely, Negombo lagoon, Chilaw lagoon and Puttalam lagoon.

Findings of the RFLP baseline survey (2010) reveal that these lagoons and estuarine systems provide a means of sustenance to many households and play a vital role in supporting coastal fisheries. However they are subject to a range of pressures from fishers and other resource users.

Negombo lagoon (7°6′ 7°12′ N: 79°40′ 79°53′E) is a shallow basin estuary on the west coast of Sri Lanka. The total water surface area is 3,502 ha while mangroves cover an area of around 350 ha of intertidal land around the lagoon (Amarasinghe et al., 2002). The lagoon is approximately 10 km long, 3.5 km wide and has a mean depth of 1.2 m.
Figure 1: Map of Thalahena, Negombo, Sri Lanka

Negombo lagoon is bordered by nine Fishery Inspector Divisions. Of the 3,310 fishers operating in the Negombo lagoon 2,586 or 78 percent are full-time fishers while 724 or 22 percent are part-time fishers who move into the lagoon only during the southwest monsoon periods when sea fishing becomes difficult, because of cross currents and high waves.

It has been recognized that the high level of fishing effort, the use of banned and illegal fishing practices, as well as unplanned development activities exert enormous pressure on marine resources in the lagoon and coastal inshore waters. These have resulted in resource degradation and adverse impacts on lagoon bio-diversity.

As a result, marine and lagoon fishers face many uncertainties with regards to their daily catches. Their inconsistent and low incomes in turn adversely affect living conditions, family health and nutrition, as well as children’s education.

RFLP initiatives

In view of the similar vulnerable position of many fishing communities in the project area RFLP sought to promote alternative income generating opportunities for fisher families to help them to reduce their sole dependence on fishing.

As an initial step, in November 2010 RFLP conducted a rapid socio-economic and technical assessment using a Sustainable Livelihoods Enhancement and Diversification (SLED) approach in communities within the project area. This identified a total of 20 potential business interventions. The study also found that women in fisher families had sufficient spare time to undertake activities to supplement the household income derived from fishing. At the time of the assessment there were 174 fishery societies in the three fishery districts of Puttalam (63), Chilaw (56) and Negombo (55) so the selection of stakeholders for interviews and focus group discussion was crucial. Due to financial constraints, a non-probability convenience sampling technique was used to select 30 fisher societies for the assessment, i.e. 10 potential societies per fishery district. A consultative process was then launched in close collaboration with the communities concerned, the local authorities and RFLP staff. Thereafter, three criteria relating to the viability of potential business interventions for each location were assessed against the following agreed criteria:

i) The feasibility of starting up an alternative livelihoods option with existing locally available resources;

ii) The support of business development services; and,

iii) Likely sustainability (technical, economic, social and environmental).

A vote based ranking matrix was then used to select the best five locations for micro-enterprise cluster formation in the RFLP area of geographic coverage.

In the course of this exercise Thalahena Fisheries Society was ranked as having the highest potential in Negombo Fishery District and the existence of a female-headed fisher family which had already embarked on a modest handicraft production business came to light.
Further consultations took place between RFLP and the women handicraft producers to identify what needed to be done to strengthen their business and to create positive outcomes on the lives of these women which would ultimately provide an economic boost to households in the village. After this initial interaction the women in the group were happy with the RFLP response and agreed to work with RFLP in order to improve and expand their business.

RFLP’s helping hand

From June 2012 the RFLP team worked closely with this producer group and provided support so that it could become better established and more entrepreneurial. Support provided by RFLP can be summarized as follows:

Organizational Improvement: Initially the group was producing two different types of products namely, fabric based handicrafts (by 15 women) and wooden and other types of handicraft (by 5 members including men and women).

RFLP’s initial intervention was to assist the group by encouraging them to form into an enterprise cluster in order to strengthen their cohesion, enhance economies of scale and improve their business capabilities. As a first step, RFLP therefore encouraged and supported these members to formalize their small business (re-formation of the group, strengthening the group, assisting and directing them to formal business registration, guiding to open a bank account, and keeping records etc) and organized them into two groups as follows:

- A fabric handicraft group entitled **Liyasara**, and
- A wooden and other materials handicraft group entitled **Sayurukala**

These two groups agreed to operate under an umbrella organization called the Liyasara Handicraft Enterprise Cluster.

Technical Assistance: RFLP acted as a friend, mentor and guide to the cluster. RFLP staff visited the group regularly and closely monitored progress by providing technical support, guidance and advice.

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This family had been living in Wellamundalama, a fishing village on the northwest coast in Puttalam district. During the period of armed conflict in Sri Lanka, the head of the family as well as the father-in-law, both of whom were fishers, were killed. The mother and her two daughters fled the village and settled in Thalahena, a village adjoining Negombo lagoon, where they fished for a livelihood.

By 2010, the younger daughter - Rasika - had started making handicrafts on a modest scale with the help of a girl from another fisher family.

She had also managed to train a few other women (including her elder sister) in how to produce handicrafts. This business was operated on an informal basis and at a very modest scale.

The RFLP team recognized the potential of this micro-business which was still in its infancy. Of note were the relatively low skill levels required and the easy access to materials like sea shells and fabric. In addition, a readily available local market for handicrafts existed in the area due to the importance of Negombo as a tourist centre with numerous hotels and shops catering to foreign tourists.
An initial step taken was to provide the group with training on basic business management and allied areas such as business planning, facilitation of business registration etc.

In addition, RFLP also took the initiative to provide technical training on the design and production of new handicraft items. Group members were able to improve their skills by participating in a special training program on the manufacture of wooden handicrafts and reed mats conducted by an international artist sponsored by the Indonesian Embassy. This initiative was supported by a prestigious export oriented batik printing establishment. The group received this opportunity as a result of RFLP’s coordination and intervention.

RFLP also organized a two-day training session on screen printing and fabric painting to help the group develop new products.

Provision of inputs: RFLP provided several critical items of equipment to the group including sewing machines, scissors, woodworking tools and other small equipment items. This assistance not only helped with production but also strengthened group assets. As the group became stronger and more established members were more willing to contribute towards the capital and operating expenses.

Facilitating market access: Mindful of the difficulties faced by small-scale producers in marketing their products, RFLP made a concerted effort to assist the group to build market linkages, enabling them to access new and more lucrative markets.

In this regard, the group was supported by RFLP to participate in a prestigious national level exhibition called Silpa 2012 (the National Handicraft Exhibition and Trade Fair) held in December 2012 at Sri Lanka’s foremost convention center, the Bandaranaike Memorial International Exhibition Center (BMICH) in Colombo.

Liyasara group’s participation proved to be of considerable benefit. It received more than 400 enquiries from visitors/buyers for their products at the exhibition and they were able to develop new business links. While the group bagged orders worth Rs. 50,000 (approx USD 400) for items such as cloth bags, wall hangers and door hangers, there were also direct sales worth Rs. 16,000 (approx USD 130). The group spent all of January 2013 fulfilling these orders, while a few new orders and enquiries still remained to be followed up.
RFLP also provided the group further exposure at a number of other national events. Among these was the trade display held in conjunction with World Food Day Celebrations at the United Nations Compound in Colombo on 16 June 2012. This event was inaugurated by the Hon. Minister of Fisheries who showed a keen interest in the group’s work.

Recent business performance indicators also reflect the improved leadership skills. Liyasara Handicraft product cluster sales and turnover expanded significantly in the five month period from October 2012 to February 2013 (see table below for details). Total sales income of the Sayurukala group was Rs. 77,600 while that of the Liyasara group was Rs. 147,000. Each individual member of Liyasara group received an income of Rs. 1,000 per month for first three months and this had increased to Rs. 5,000 by February 2013. Sales volume and net profits were as follows:

<table>
<thead>
<tr>
<th>Name of the group</th>
<th>Number of items sold in Oct. 2012</th>
<th>Number of items sold in Nov. 2012</th>
<th>Number of items sold in Dec. 2012</th>
<th>Number of items sold in Jan. 2013</th>
<th>Number of items sold in Feb. 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sayurukala (5 members)</td>
<td>35</td>
<td>108</td>
<td>175</td>
<td>55</td>
<td>90</td>
</tr>
<tr>
<td>Net profit</td>
<td>2,200</td>
<td>6,000</td>
<td>11,615</td>
<td>4,000</td>
<td>12,600</td>
</tr>
<tr>
<td>Liyasara (15 members)</td>
<td>14</td>
<td>17</td>
<td>25</td>
<td>71</td>
<td>122</td>
</tr>
<tr>
<td>Net Profit (Rs.)</td>
<td>8,300</td>
<td>13,050</td>
<td>11,500</td>
<td>42,040</td>
<td>54,300</td>
</tr>
</tbody>
</table>

Source: Liyasara record books

Communication and Negotiation Skills: The progressive enhancement of non-technical skills such as communications and negotiation helped cluster members develop new business links and avenues. These were, for example, put to use at the Silpa Exhibition and Trade Fair where the group was able to win new orders. Successful business deals concluded with a tourist shop located in Galle (a district located in the Southern part of the country) and obtaining steady orders from a handicraft exporter in Colombo are good examples that illustrate the benefits derived from enhanced negotiation skills acquired by the Liyasara group.

Expanded product range and innovativeness: The enterprise has expanded and diversified its range of handicraft products and the cluster members are now producing more than twenty five different items. The group attributes this to their participation in the Silpa 2012 National Exhibition which exposed them to a wide range of new product lines and varied methods for both handicraft production and development of new business linkages. They have also realized the key need to meet buyer’s requirements on time as well as the requirement to pay due attention to quality assurance.

Overall achievements of the group

Organization and leadership: Liyasara Enterprise cluster members are now better organized and equipped to manage their business more efficiently. The organization of tasks is collectively planned based on a division of labour. This enhanced capacity is a result of the guidance and assistance provided by the RFLP team which regularly visits the group.

Leadership skills of the cluster have improved considerably under RFLP mentoring and guidance. Cluster members are now more empowered and have the skills to make collective decisions regarding the business, such as when choosing new product items.

Both the fabric handicraft production “Liyasara” group as well the wooden handicraft production “Sayurukala” group are led by women leaders.
The Exhibition also provided an opportunity to share and exchange experiences with other producers. By doing so they picked up ideas for products and understood the need to be innovative and creative.

According to Rasika the leader of Liyasara group, “New product development is very important for us to compete with other producers in the market. Thus, we have started to make new designs and products”. This statement reflects Liyasara group’s resolve to develop into a dynamic and competitive enterprise.

**Taking the initiative to establish their own workshop:** The wooden handicraft group launched its own small workshop on December 2012 at a nearby tourist hotel in Thalahena where they produce their wares. This is a very positive and progressive initiative undertaken by the group themselves and gives the cluster the ability to produce more than 25 handicraft items.

**Challenges**

Despite these improvements Liyasara Enterprise Cluster still faces a number of challenges. Additional efforts are needed to enhance the skills of members for new product development (e.g. fabric painting skills) given the time constraints associated with day-to-day household chores of the members. Obtaining sufficient working capital to expand the scale of operations is another serious challenge. However, RFLP’s micro-finance program has facilitated the establishment of a credit and saving center of the Regional Development Bank in Thalahena to improve the accessibility to micro-finance services for fisher communities. This opportunity provides the group with access to loans and other micro-finance services. The cluster is currently resolving these issues with the technical and management guidance and direction of the RFLP team.

**The way forward**

The Liyasara Enterprise cluster has to date achieved considerable success in terms of production and marketing. However, they need to scale up their operations further in order to generate higher incomes from the business to ensure sustainability.

Both groups are planning to approach large supermarket chains (such as Arpico Super Centers) in Sri Lanka to obtain greater market exposure for their products. Initial negotiations have started with the management of this super market chain which has a separate division for handling local handicraft products and outlets located in main cities throughout the country. A key requisite is that they need at least 10 different types of quality handicrafts and at least 300-500 pieces of each type per month.
Both groups need to plan and develop their capacities further for scaling up production if they have a reasonable chance to link with this super market chain directly. They still need assistance from a recognized institution for facilitation in terms of coordination and trust building to develop good links and relationships with this super market chain. For this they depend on the RFLP team which stands committed to help and guide them to meet this market challenge by obtaining any relevant support of other government sector service providers.

RFLP will terminate its field activities by the end of May 2013. It has approached the Samurdhi Authority of Gampaha district (a Government Authority) which has already agreed to provide follow-up assistance and to promote and sustain RFLP’s work further under the National Samurdhi program. Through this assistance the cluster will be able to obtain additional training and financial assistance to improve their operational and management capacities. This will also enable them to address the issue of working capital to enable the scaling up of production capacities to meet buyers’ demands and requirements.

Cluster members are keen to participate at future national exhibitions and trade fairs including ‘Silpa 2013’ to gain further exposure and benefits and expand their network and relationships.

Conclusions

Through the support, guidance and technical assistance of RFLP, an informal producer group comprising just a few members has evolved into a formal enterprise cluster. Members have developed their entrepreneurial skills and competencies in a range of areas such as leadership, networking, developing market linkages, communication and negotiation as well as bargaining. They have also embraced the spirit of enterprise and continue to work together as a cohesive and harmonious unit. This has strengthened their self-confidence and decision making abilities in order to help operate their business. This activity now provides a source of supplementary household income for 20 fisher families which were formerly solely dependent on coastal and lagoon fishing.

This initiative has also given women the opportunity to utilize their spare time gainfully to generate income for their families as well as to gain personal empowerment.

The experience and success of this enterprise cluster shows that non-fisheries related livelihoods options have a significant role to play in boosting the socio-economic conditions and livelihoods of fisher households. In the longer term, their success may also help reduce the pressure on marine resources in coastal and lagoon areas.

Lessons Learned

- It is imperative that realistic and objective assessments regarding local context, raw material/resource availability, market opportunities, required skill levels, entrepreneurial attitudes and commitment of fisher communities are conducted prior to determining the activities to be promoted and beneficiary selection.
- Facilitation to mobilize group members to reform, build capacity and organize as a formal business was the biggest challenge. Strong facilitation is needed on a step-by-step basis to build capacities. Regular follow up and close monitoring are also vital.
- Skills development and capacity building is a time consuming process. It needs to be a continuous process and should take place slowly to incrementally strengthen group business activities.
- Group leadership and the commitment of group members were important when facing challenges particularly relating to finding markets. The leader of the group should have the courage and commitment to maintain the interest and the motivation of group members when they face challenges.
- Facilitation of networking and developing relationships with other service providers (non-fishery service providers) and other stakeholders is required from the beginning of any development intervention.
- Tangible assistance through the provision of essential inputs should be provided when absolutely necessary on condition that the community contributes to the development of the cluster in terms of providing labour, building, land etc. However the provision of free inputs or highly
subsidized inputs needs to be carefully considered or avoided altogether since it distorts the financial viability of groups from the beginning. Facilitation should be undertaken to mobilize group resources as much as possible, to ensure their ownership prior to providing any project input.

- When the group faced difficulties marketing their products, negative thinking tended to develop among the group members adversely affecting their efforts. At this point, coaching and mentoring was essential. This required considerable time and effort.

**Recommendations**

1) Further assistance (in the form of training, business coaching, mentoring and the provision of certain critical inputs such as materials and different equipment for new product development) and facilitation is required from state agencies to further build the capacity of the cluster. This will help ensure self-sustenance of the cluster until it reaches a stage where it can operate without assistance. As RFLP will terminate its field activities by the end of May 2013 it is vital that other agencies like the Gampaha Samurdhi Authority take over the responsibility of monitoring the functioning and performance of this group to ensure its sustainability.

2) Replication of the model by other government agencies, donor projects and NGOs (though not necessarily in the same enterprise area) should be encouraged and supported.

**References:**


Annex 02 : Vocational Training for Youth: New Skills Create New Livelihoods

Location:
Negombo, Marawila, Mahawewa, Chilaw, Udappuwa, Puttalam and Kalpitiya

Partner:
Vocational Training Authority of Sri Lanka (VTA)

People benefited:
120 youth in fisher communities

Funds disbursed:
LKR 4 million

Background:
The project area has a large number of youth. Most of the young girls are unskilled and therefore remain unemployed. There is high potential to use them for productive work. Livelihoods opportunities are available for skilled persons in various sectors such as dress making, beauty culture, computer literacy, etc.

Objective:
The objective of the RFLP intervention was to provide an appropriate vocational training and skills development program for the 120 selected youth (especially young women) in the project area and thereafter provide them with proper advice and guidance in obtaining employment opportunities or in launching into self-employment activities.

RFLP’s intervention:
- Conducting of a technical assessment to identify the vocational training needs and skill gaps for youth of fisher communities in the project area
- Provision of financial support for VTA (the Government institute for providing vocational training with an internationally recognized certification) to conduct vocational training and skill development programmes to 120 selected youth in the project area
- Provision of assistance to enable the selected trained groups to start up self-employment
Outcome:
- Trained 120 youth in fisher communities for different vocations
- 45 trained youth have already started self-employments

Challenges:
- Limited technical back up support for trained groups
- Need for follow up support for self-employees required on a long-term basis
- Trained youth are reluctant to find jobs outside areas of their domicile

Way forward:
- District offices of VTA in the project area to provide further guidance and assistance to strengthen the self-employment/enterprises started by the trained fisher youth.
- Provide further vocational training opportunities to fisher communities
- Business development service providers’ support is vital for self-employees until they attain maturity on their self-employment activities. Hence, follow up support is necessary to direct self-employees and coordinate with respective service providers.
Annex 03: Promotion of Home Gardening among Fisher Communities

**Background:**
RFLP’s initial investigations showed that some villages in the project area have excellent prospects for home gardening. It is possible for women in fishing communities to get involved in home gardening activities since they have spare time at home. This activity would help to improve the nutritional status of their families as well as to reduce the family expenditure on food. It will also be an additional source of income to the families.

**Objective:**
The objective of this activity was to contribute towards ensuring food security in the area and to provide an additional source of income for fisher families.

**RFLP’s intervention:**
- Conduct of a technical assessment to identify home gardening opportunities in the area
- Identification and selection of beneficiary groups and adoption of a participatory approach with intensive social mobilization to motivate fisher communities
- Provision of a basic training on home gardening, technical training and demonstrations in the field to transfer the technical know-how, and extension service support and technical back up assistance
- Provision of seeds and planting materials, tool kits, fertilizer and rain water harvesting tanks; and
- Arranging exposure visits to National Agro-technology Park in Gannoruwa to expose the target groups to new agricultural technologies and practices

**Location:**
Anakuttyiya, Pubudugama, Thirikkapallama and Kaladiya villages in Puttalam District

**People benefited:**
67 fisher households selected from St. Anthony Fisheries Society in Anakuttiya, St. Sebastian Fisheries Society in Pubudugama, Thirikkapallama Fisheries Society and Kaladiya Fisheries Society

**Funds disbursed:**
LKR 0.8 million
Outcome:
- Over 50 home gardens were successfully established in Maha season in 2011/2012
- Beneficiaries used the crop harvest for their household consumption
- The surplus production was sold in the local market and beneficiaries earned additional incomes from their home gardening activities
- Beneficiaries are now continuing home gardening activities using own experiences and resources

Challenges:
- Unpredictable weather and adverse conditions
- Limited technical back up support and extension service for beneficiary groups

Way forward:
- Beneficiaries should further strengthen linkages with the Divineguma national program to ensure further assistance and continuation of their home gardening activities.
- Beneficiaries should continue self seed production activities to assist the continuation of their home gardening activities
- Established perennial crops should be maintained with correct practices by beneficiaries
Annex 04 : From Fish to Coconut Oil

Location:
Sinnapaduwa (Puttalam District)

Partner:
Small Enterprise Development Division (SEDD) of District Secretariat, Puttalam

No. of people benefited:
11 fisher women and 03 fishermen and their families

Funds disbursed:
LKR 1.4 million

Background:

Puttalam area has nearly 15,000 small-scale fisher families engaged in coastal fishing. Their incomes are inconsistent primarily due to the seasonal nature of coastal fishing which is affected by the monsoons. When the seas are rough many fishers in the area used to migrate to other parts of the country, the eastern coast or to the reservoir areas, for fishing; others engaged in whatever casual work was available in the area. However in recent years the possibilities for migration have got considerably reduced, thus compounding their problems. The opportunities to engage in other livelihood activities are also extremely limited since most of the members of fisher households have limited capacities to engage in non-fishery livelihoods. Women in these communities either engage in some minor fisher related activities which in most cases do not bring them a reasonable reward; most of them use the time available at their disposal attending to their household chores. Consequently a valuable resource, namely labour which could have been used for gainful activities in order to bring some income to the household remains unutilized. This is despite their willingness to engage in an income generating activity. What prevents them from venturing into an activity based on the other non fishery resources available in the area such as coconut etc. is the lack of skills, proper guidance and capital.
RFLP’s intervention:
- Identification of the beneficiary group and the formation of a cluster for a collective effort
- Adoption of a participatory approach with intensive social mobilization to motivate fisher communities towards engaging in a non-fishery, business oriented income generating activity
- Provision of training on small business management, coconut oil production and workplace safety
- Provision of start-up assistances in the form of machinery and equipment and raw materials
- Encouraging the cluster participants to contribute to the venture through the provision of land, building, etc. for the purpose of building a strong community stake in the business
- Facilitation of networking with service providers for further assistances and assistance in developing market linkages
- Provision of follow up and technical back up support

Outcome:
Members of this cluster are fisher women and men. Coconut oil production was entirely a new activity for them. Within a relatively short time, they have developed the technical skills required for producing coconut oil which involves a mechanical process. A complete coconut oil processing unit (small factory) has been established. The business operation is progressing slowly but satisfactorily. They are in the process of developing networks and contacts with buyers for their products. This initiative has become a pilot project for introducing non-fishery livelihoods to fisher communities. Cluster members have developed a good relationship with a government business development service provider (SEDD) introduced by the RFLP team in order to obtain future assistance and support.

Challenges:
- Production capacities need to be expanded and improved to compete with other producers in the field
- Cluster members’ active contribution and commitment for its successful continuation
- Improved management capabilities of cluster leaders in a timely manner along with the development of the business venture

Way forward:
- The support of the business development service providers is vital for the coconut oil enterprise cluster until it attains maturity in the business.
- Small Enterprise Development Division of District Secretariat (SEDD) in Puttalam will extend its assistance by facilitating the networking with other service providers for further assistance.
- SEDD will provide its direct assistances and support to build the capacity of the cluster and to access and markets
- A holistic strategy needs to be adopted when introducing alternative livelihoods to communities.

For more information contact Small Enterprise Development Division (SEDD) of District Secretariat, Puttalam Telephone: +94 (0)322 266 696
Annex 05 : From Fish to Coir Products

Location:
Palliyawasalapaduwa (Puttalam District)

Partner:
Small Enterprise Development Division (SEDD) of District Secretariat, Puttalam

People benefited:
13 fisher women and their families

Funds disbursed:
LKR 1.2 million

Background:
Puttalam area has nearly 15,000 small-scale fisher families engaged in coastal fishing whose incomes are inconsistent primarily due to the seasonal nature of coastal fishing which is affected by the monsoons. During the rough monsoon season, fishers either migrate to other parts of the country for fishing or engage in other livelihood activities for which they have fewer opportunities due to their limited capacities to engage in a non-fishery livelihood. Women in these communities either engage in minor fishery related activities or remain at their households. Consequently, a valuable resource in the form of labour remains unutilized emphasizing the need for promoting alternative non-fisheries income opportunities. Despite their willingness to engage in an income generating activity and despite the availability of other non-fishery resources such as coconut in the area lack of skills, proper guidance and capital have constrained them in doing so.

Objective:

The objective of the livelihood development output of RFLP was to promote alternative income generating opportunities for fisher families to reduce their sole dependence on fishing.
RFLP’s intervention:
- Identified a beneficiary group and organized the formation of the cluster for a collective effort
- Adopted the participatory approach with an intensive social mobilization process to mobilize fisher communities for engaging in a non-fishery, business oriented income generating activity
- Provided training on small business management, coir twine production and workplace safety
- Provided start-up assistances by way of machinery, equipment and raw materials
- Induced the cluster members to contribute towards the process by providing land, building, etc. which led to the building of a strong community stake in the business
- Facilitated networking with service providers for further assistances and assisted in developing market linkages
- Provided follow up and technical back up support

Outcome:
Coir twine production was entirely a new activity for the cluster members who are fisher women. Cluster members have acquired the technical skills required for undertaking coir twine production. A mechanical process is involved in this activity and the cluster members are now adequately skilled in coir twine production. A complete coir twine manufacturing factory has been established by the cluster. The business is in progress and moving slowly since the entire business is new to them. The cluster has developed an effective relationship with a buyer as well as the Government business development service provider (SEDD) introduced by the RFLP team for its future assistance and support.

Challenges:
- Coping with the unexpected drop of demand for coir products in the export market due to dramatic changes in the international market
- Active contribution and commitment of cluster members for its successful continuation
- Improvement of sufficient working capacities
- Need to improve management capacities of cluster leaders in a timely manner along with the business

Way forward:
- Business development service providers’ support is vital for the coir enterprise cluster until it attains maturity in the business
- Small Enterprise Development Division of District Secretariat (SEDD) in Puttalam to facilitate the networking with other service providers for further assistance
- SEDD providing further assistance and support to strengthen the capacity building and marketing skills of the cluster

For more information contact Small Enterprise Development Division (SEDD) of District Secretariat, Puttalam Telephone: +94 (0)322 266 696
Background:

Puttalam area has nearly 15,000 small-scale fisher families engaged in coastal fishing whose incomes are not consistent due to the seasonal nature of fishing mainly due to monsoons. When the seas are rough some fishers are in the habit of either migrating to other parts of the country particularly to the east coast or to the hinterland for inland fishing or engaging in whatever other casual work available in the area. However, opportunities for migration are getting more and more restricted. In these circumstances, women need to engage in some gainful economic activity to supplement the meager earnings of their husbands. Though they have the time to spare, they find it difficult to obtain employment. Consequently, a valuable resource in the form of women’s labour remains unutilized as a result of lack of skills, proper guidance and capital.

The Government is promoting home-based dairy farming as a means for promoting diversified income generating activities as well as for reducing malnutrition prevailing in the poor communities particularly among children through the availability of fresh milk.

Taking into consideration the need to help the fisher families with opportunities to improve their family incomes, RFLP decided to assist a few families to set up dairy farming based on the findings and recommendations of the livelihood survey which identified this activity as a suitable avenue in these areas for livelihood assistance to fisher families.
Objective:
The primary objective of RFLP’s intervention was to promote alternative income generating opportunities for fisher families to reduce their sole dependence on fishing; a secondary objective was to contribute towards the production of fresh milk.

RFLP’s intervention:
- The technical assessment on the identification of livelihood development opportunities focused on the possibility and the feasibility of promoting dairy farming among the fisher communities
- RFLP identified a number of households in consultation with the women’s development unit in the Divisional Secretariat concerned; organized the selected beneficiaries into a dairy farming cluster
- Provided training on dairy farming management and related aspects
- Encouraged the selected beneficiaries to set up cow sheds and other facilities in their premises
- Provided milking cows with the technical assistance of livestock development agencies
- Facilitated networking with service providers for further assistances

Outcome:
A group of seven women of fisher families in three villages in the Mundel Divisional Secretariat Division have started dairy farming and fresh milk production.

Way forward:
- The technical services and advice of the local veterinary services and extension support is needed to maintain the health and the proper care of milking cows in this dairy farming cluster.
- Divisional Secretariat in Mundel division has already assigned a Women Development Officer to coordinate with the dairy farming cluster. DS office to coordinate with veterinary surgeon of the division for necessary extension support and coordinate with Samurdhi programme (economic empowerment programme for poverty alleviation) for marketing of fresh milk.

For more information contact Women Development officer, Divisional Secretariat in Mundel, Telephone +94 (0)322 052 271