



**ACTED**

# Sri Lanka Country Strategy Paper 2018 – 2020

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## Foreword

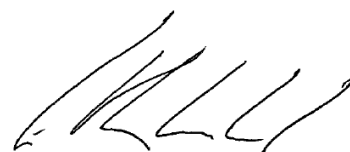
I am delighted to welcome you to our latest country programme strategy for Sri Lanka; the third such strategy since ACTED started its operations in Sri Lanka in 2005. The current strategy draws on our global technical expertise and organisational strengths, as well as the history of ACTED's presence in the country.

Historically, Sri Lanka is known for its unique and vibrant culture, technological ingenuity, and as a trading nation that bridges the gap between east and west. Yet in recent decades, the island has suffered significantly from a protracted civil conflict which only ended in 2009. Today, nearly ten years on, whilst the country might have reached lower middle income status, significant wealth disparities exist, and the country continues to be highly vulnerable to extreme weather events and climate change. Society also remains divided and significant work needs to be carried out in the area of peacebuilding and reconciliation in order to ensure a prosperous future for all Sri Lankans.

To address these challenges, at ACTED we believe that it is essential to invest in people's potential. In Sri Lanka, we will work towards this goal in the coming years by empowering people and communities to act for change. With this in mind, our work will focus around three main pillars: (1) responding to emergencies and building disaster resilience, particularly looking at mainstreaming disaster risk management into the practices of the private sector; (2) co-constructing civil society and effective governance, taking a rights based approach emphasising social accountability schemes as well as reconciliation efforts; (3) promoting inclusive and sustainable growth through climate smart agricultural practices and supporting sustainable income generating opportunities through MSME development. Particular focus will be placed on promoting female entrepreneurship and encouraging safe, decent working conditions for all Sri Lankans.

At ACTED, our mission is to always go the last mile and to implement programs that benefit the most vulnerable populations in Sri Lanka. As such through this strategy we will maintain our commitment to empowering women, persons with disabilities, and estate communities.

Finally, I would like to express our gratitude for the support of all our donors and partners as well as collaborating government ministries, government officials and local authorities. It is only through their support that we are able to deliver our services and put this strategy into action. We are looking forward to continuing this collaboration as we work towards the implementation of our new country programme strategy for Sri Lanka.



**Ginny Haythornthwaite**  
**ACTED in Sri Lanka**  
**Country Director**





# Section 1.

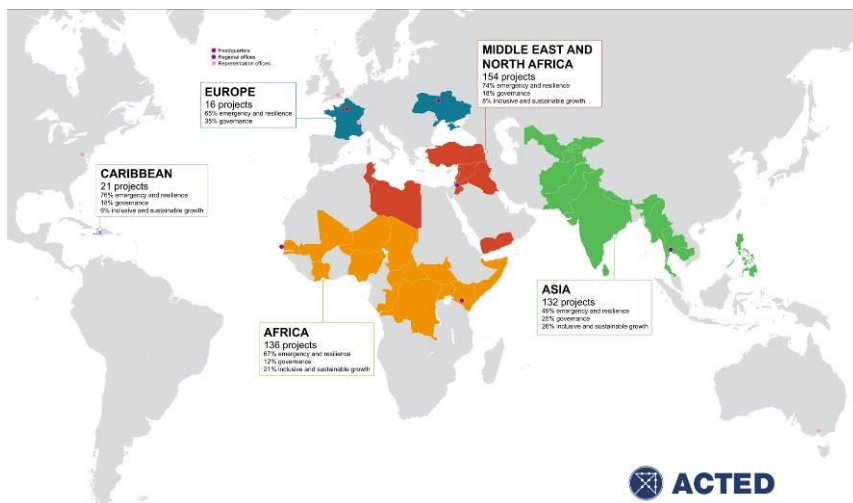
## About ACTED

## Background

Founded in 1994, ACTED is a non-governmental organisation with headquarters in Paris, France. Independent, private and not-for-profit, ACTED respects a **strict neutrality** and **impartiality** in its decisions, and operates according to non-discrimination and transparency principles.

ACTED endeavours to respond to humanitarian crises and build resilience; promote inclusive and sustainable growth; co-construct effective governance and support the building of civil society worldwide by investing in people and their potential.

With a **budget of 236.7 million EUR** in 2017, ACTED is active in **37 countries** and implements more than **490 projects** a year. With **299 international staff** and **4,379 national staff**, ACTED's projects reach over **14 million beneficiaries**.



## Our Mission

We go the last mile: ACTED's mission is to **save lives and support people in meeting their needs in hard-to-reach areas**. ACTED develops and implements programs that target the most vulnerable amongst populations that have suffered from conflict, natural disaster, or socio-economic hardship. ACTED's approach looks **beyond the immediate emergency** towards opportunities for **longer term livelihoods reconstruction** and **sustainable development**.

## Our Vision



## Our Core Values



## An International Network to Influence

ACTED's representative and regional offices in Paris, London, Washington DC, Nairobi, Amman, Bangkok, and Melbourne are **sharing our field experiences** with international humanitarian institutions and our donors. Through these offices, we also **monitor progress towards the Sustainable Development Goals (SDGs)** and **participate in dialogue and consultations** on key humanitarian and development initiatives.

ACTED is committed to the **Triple Zero objective**, i.e. Zero Exclusion, Zero Carbon, Zero Poverty. In line with the visions established in both the SDGs and the Paris Climate agreement, ACTED strives to think outside of the box to act in response to the global challenge that we face for achieving both a world without poverty and a world without carbon.

## Our Tagline

Act for Change | Invest in Potential

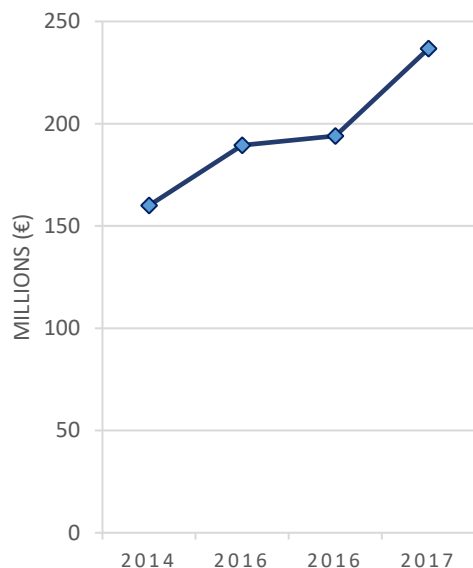
## International Partnerships

ACTED is committed to **sharing experience and expertise with other actors** working in development cooperation and sharing common values. As such, ACTED is a member of important humanitarian partnerships and networks such as Alliance2015, the Core Humanitarian Standards (CHS), InterAction, International Council of the Humanitarian Agencies (ICVA), Voluntary Organisations in Cooperation in Emergencies (VOICE), CoordinationSud (France) and the Cash Learning Partnership (CaLP).

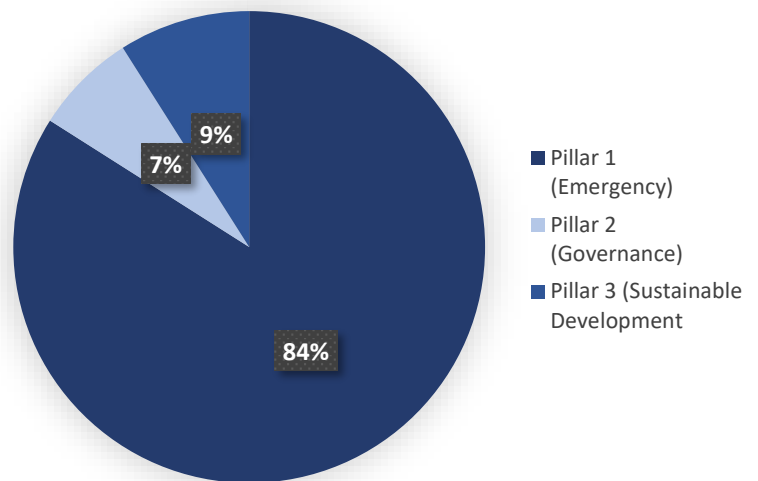
## ACTED in 2017



Annual Budget



Programs



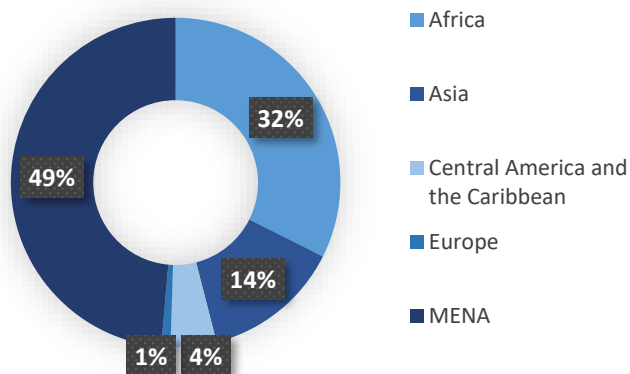
299 International Staff



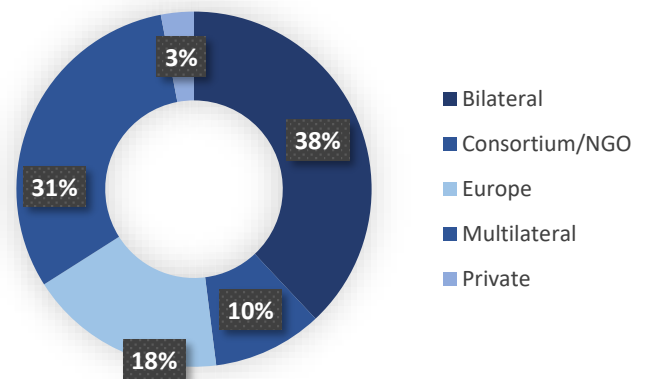
4,307 National Staff



Budget Share per Region



Budget Share per Donor Type







## Section 2.

# Sri Lanka Country Profile



## Political Situation

The political situation in Sri Lanka remains complex and fluid. A general election in January 2015 resulted in a major shift in the political climate of the country as it concluded with the unexpected defeat of Mr. Rajapaksa, and a fragile coalition between the two major parties – the United National Party (UNP) and the United People's Freedom Alliance (UPFA) – was put in place. Since then, political reforms aiming to undo years of increasingly authoritarian rule have been undertaken, including implementing constitutional reforms, establishing a constitutional council and restoring the independence of the judiciary, police, and human rights commissions. Yet, there is now growing dissatisfaction with the government due to its failure to deliver on key electoral promises, including those focusing on the advancement of human rights, as well as on the reconciliation and transitional justice processes. This already fragile coalition was further destabilised after the February 2018 local elections, which resulted in a victory for the main opposition party led by the former president. Political instability stymies the effectiveness of the legislature, impacting human rights and freedom of the press. Although media freedom has improved in recent years, sustained military presence in former conflict zones limits media freedom and journalists' ability to investigate stories. The political context has also shaped the judiciary, leading to a culture of impunity and abuse of power and resulting in unfairness and inequality in the application of the law. As a consequence, there has been a decline in public confidence in the government's ability to protect fundamental freedoms and human rights.



## Economic Situation

In 2016, Sri Lanka was classified as a lower middle income country with a Gross National Income (GNI) per capita of US\$ 3,727. This marked Sri Lanka's transition from a predominantly rural-based agriculture economy towards a more urbanised economy driven by the service sector. In 2017, the service sector accounted for 61.7% of GDP, followed by industry (30.5%), and agriculture (7.8%).<sup>1</sup> Micro, Small and Medium-sized enterprises (MSMEs) are key economic actors, as about 70% of Sri Lanka's businesses are MSMEs, dominating all sectors of the economy, from agriculture to services, to manufacturing, construction and trade.<sup>2</sup>

With a life expectancy of 75.1 years and literacy rate of 91.2%, Sri Lanka's social development indicators are far higher than most of its South Asian neighbours.<sup>3</sup> Economic growth, however, has disproportionately favoured the Western Province – which accounts for approximately 50% of the national GDP. The most heavily conflict-affected regions, concentrated in the North and East, have lagged behind in terms of income-generating opportunities, social indicators and living conditions.

<sup>1</sup> Economic and Social Statistics of Sri Lanka, Central Bank of Sri Lanka, (2017)

<sup>2</sup> A Strategic Approach to SME Development and Export Growth, Institute of Policy Studies of Sri Lanka (2013)

<sup>3</sup> Human Development Report, UNDP (2012)

These disparities are hindering the country's achievements in terms of overall economic growth and human development.<sup>4</sup> The unemployment rate remains steady at around 5%. However, the youth (15-24 years old) unemployment rate rose to 21% in 2016 and is predicted to remain at about 20% in the coming years. In addition, women are twice as likely to be unemployed as their male counterparts, and the female unemployment rate continues to be high – 7.0% compared to 2.7% for males.



Agriculture still remains an important sector for the economy. The chief crop is rice, with which the country is now self-sufficient, while tea, rubber, fruits, and vegetables also remain important crops for the economy. Most crops are predominantly grown on small holder farms with an average of less than 2 hectares; yet they contribute to 80% of the country's total annual food production.<sup>5</sup> Overall, with approximately 28% of the workforce employed in agriculture yet it only contributing to

7.9% of the GDP, there is an obvious potential for the agricultural sector to become more efficient.<sup>6</sup> Overall, the sector needs to focus on diversification to ensure farmers can adapt to changing weather patterns and meet market demands, improve the quality of production and look to introduce more value addition to the sector.

## Social Situation

Sri Lanka has made significant progress in tackling poverty since the end of the war in 2009, yet regional disparities remain. The main poverty groups include: agricultural smallholders, plantation workers, landless labourers, artisanal and small-scale fishers, employees of MSMEs, women-headed households, rural communities in fragile, post-conflict areas, as well as unemployed and underemployed labourers. Tea estate communities in Uva, Central and Sabaragamuwa provinces have particularly high poverty rates, with limited access to safe drinking water and sanitation, and are also severely disadvantaged in terms of welfare indicators such as access to education and healthcare, quality of diet, and housing conditions. In addition, conflict-affected populations recently resettled in the North and East are still struggling to re-establish their livelihoods and require specific support.

Violence occurs sporadically across the country and continues to have a detrimental effect on communities. Over the past few years, episodes of violence targeting the Muslim population have been increasing in frequency. The situation remains volatile and unpredictable. For example, in March 2018, the government felt it necessary to declare a nation-wide state of emergency, including the temporary suspension of access to social media, after Muslim shops, homes and mosques were vandalised by mobs in Kandy and Ampara.

Women, in particular, have struggled to gain an equal footing across Sri Lankan society. In 2017, Sri Lanka ranked 109 out of 145 countries in the Gender Gap Index (a considerable drop compared to previous years) and female representation is currently 5.8% in parliament. Across Sri Lanka, women often have little knowledge of potential income-earning opportunities. As a result, most female-

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<sup>4</sup> Sri Lanka Human Development Report, UNDP (2012)

<sup>5</sup> Ministry of Agriculture: <http://www.agrimin.gov.lk/web/index.php/2012-09-14-09-51-42/12-project/841-agriculture-sector-modernization-project>

<sup>6</sup> Sri Lanka Development Update, World Bank (2017)

headed households are living below the poverty line, in addition to being socially vulnerable and often excluded. Sexual and gender based violence (SGBV) is also a major problem in Sri Lanka and causes a wide range of physical and mental health problems for women, including death and disability. Women and adolescent girls are at high risk and there is an urgent need to strengthen legal frameworks and facilitate access to justice for women.

## Environmental Situation

Sri Lanka is one of the most disaster prone countries in the world. There are frequent droughts, floods, typhoons and landslides. An increase in rainfall intensity coupled with deforestation, unsustainable agricultural expansion and land degradation, has further heightened the vulnerability of communities to disasters. This has resulted in greater displacement, loss of life, and heavy economic loss from the frequent disasters impacting the country. More broadly, vector-borne diseases are spreading at an alarming rate as a result of a changing climate conducive to mosquito breeding. Residual water from flooding that cannot be drained is compounding the problem.

Unrestricted economic activity in Sri Lanka is a cause for concern. The country's rate of deforestation is among the highest in the region. The total forest cover has diminished by almost 18%, with predictable consequences for watersheds, soil loss, and the panoply of environmental and economic damages. Overfishing and high but unquantified rates of loss in the fisheries value chain, are putting pressure on an important livelihood for many Sri Lankans living in coastal areas. In addition, plastic waste management and garbage disposal are increasingly problematic for the country.

## Outlook for the next 3-5 years

The Sri Lankan government is committed to implementing an ambitious reform agenda aimed at improving competitiveness, governance and public financial management that would achieve long-term benefits. Overall, Sri Lanka's goal for the next five years is to transition to Upper Middle-Income Country Status.

Looking forward, Sri Lanka will need to carefully manage its transition to an upper middle income country and embrace the increased responsibility over its own development. An improvement in its economic status will reduce its access to funding from regional and global donors. Consequently, Sri Lankan civil society will need to be empowered and equipped with the skills to address communal needs.

Given the large number of MSMEs that contribute to the Sri Lankan economy, it is paramount that these small enterprises are supported at the local level. MSMEs typically have a low export capacity which stymies Sri Lanka's regional competitiveness. Making MSMEs competitive in regional and global markets will depend on their ability to manage their businesses, invest capital effectively and meet international standards for production. Sri Lanka's youth also have an important role to play in economic development. Not only do they make up an important demographic of resettled communities after the war, but they also have the potential to contribute to vibrant and healthy civil society. The issues facing young people today will inform and construct Sri Lankan civil society in the future.







## Section 3.




# ACTED in Sri Lanka



ACTED has been operating in Sri Lanka since January 2005, following the immediate aftermath of the Indian Ocean tsunami. ACTED currently has an operational presence in six districts of Uva, Central, Northern and Eastern Provinces. Since 2005, ACTED has implemented 38 projects across Sri Lanka, in particular in the Northern and Eastern parts of the island, with funding support from ECHO, OFDA, USAID, and EuropeAid, amongst others.



#### Our areas of intervention since 2005

-  Emergency response and disaster resilience
-  Civil society and governance
-  Inclusive and sustainable growth

ACTED's intervention in Sri Lanka started with emergency response to provide immediate relief and rehabilitation support to tsunami-affected populations in the Eastern Province, as well as life-saving and livelihood support for IDPs in the North and East in response to large-scale internal displacement due to the then-ongoing conflict. ACTED's programmes then shifted to post-conflict reconstruction projects focused on the provision of livelihood support, the rehabilitation of critical infrastructures in conflict-affected areas, as well as longer-term resilience building programmes, with a particular focus on Community-Based Disaster Risk Management (CBDRM). ACTED then focused on long-term sustainable development. In this scope, ACTED has been supporting bottom-up development of local economies in vulnerable communities across the country, particularly in Northern, Eastern, Central and Uva provinces. At the heart of ACTED's programming has been the capacity building of civil society organisations (CSOs) to promote good governance, working with communities and local authorities to enhance sustainable livelihoods through support to micro, small and medium enterprises.

Through this work, ACTED has developed key core competencies specific to the contextual needs of Sri Lanka. ACTED in Sri Lanka intends to continue building on this expertise as well as leveraging the organisation's global technical skills and knowledge to support Sri Lankans in building a brighter future for themselves in the coming years.







## Section 4.

# ACTED in Sri Lanka Programme Strategy 2018-2020



ACTED will create links across its three programme pillars and create synergies between projects to achieve multi-sectoral change in Sri Lanka. As disasters become more frequent and volatile, the need for improved disaster resilience in Sri Lanka becomes ever more important. From communities, to businesses, to government authorities, the island needs to come together to prepare for a multitude of hazards (pillar 1). Disaster resilience is not the only area where change is required; civil society and local authorities must also work together to co-create good governance, which is an essential part of the country's development. Civil society members (rights holders) need to be empowered to hold authorities to account in a transparent manner, while duty bearers require support to improve the quality of their services (pillar 2). Empowering the community and improving the capacity of duty bearers can also offer opportunities for effective and sustainable economic growth. In light of this, ACTED supports channelling the skills that women and youth have to offer into the MSMEs that make up the majority of Sri Lanka's economy, and also encourages farmers to use eco-friendly practices and technologies (pillar 3).

## Cross-Cutting Principles

### GENDER EQUALITY



Gender inequality is a constraint on both economic and social development, and women are often disproportionately affected by disasters and poverty. Mainstreaming gender issues and ensuring that services and support are gender sensitive is a particular challenge in Sri Lanka where gender roles can be traditionally entrenched. To address this, ACTED works to mainstream gender in all its interventions and to ensure the full engagement of men, women, boys and girls in our programming.

### CONFLICT SENSITIVITY



To ensure that ACTED follows the humanitarian principle of “Do No Harm”, we are continually developing our internal capacity to understand the context in which we operate, particularly intergroup relations. Our teams try to understand the interactions between our projects, the context and group relations, and to act upon this understanding to prevent and mitigate conflict by enhancing mutual understanding between groups.

### INCLUSIVENESS



A complex range of socially excluded and vulnerable groups exists across Sri Lanka, including ethnic and religious minorities, elderly, people with disabilities, children and youth, and lesbian, gays, bisexual, and transgender (LGBT) people, all with complex and different needs. ACTED considers the individual needs of these groups by engaging them in all steps of the project cycle across our programs.

### ENVIRONMENTAL PROTECTION



Human and economic development is intimately linked to the sustainable use of natural resources. Furthermore, resource degradation can increase the frequency of disasters, while at the same time, natural disasters further exacerbate resource depletion. Therefore, ACTED considers environmental impacts in its project design by promoting sustainable use, conservation, and protection of natural resources during implementation.

### PARTNERSHIPS WITH PRIVATE SECTOR



Enterprises can be key change-makers for sustainable development and inclusive governance. They can contribute to the rehabilitation of the economy after a disaster, to a peaceful socio-economic environment, and to women’s empowerment with economic opportunities. Therefore, ACTED engages with the private sector throughout all its programming to ensure their meaningful participation in all aspects of local governance and development.



### Rationale

Sri Lanka is acutely vulnerable to natural disasters, which have been increasing in intensity and frequency as a result of climate change. Yet, the limited sense of responsibility from the various stakeholders involved, coupled with the lack of funding for comprehensive DRM initiatives and limited community consultations, have resulted in the absence of any coordinated, integrated approach to disaster risk management. As a consequence, the government, civil society and the private sector all have limited understanding of disaster



risks. Therefore, when disasters strike, these stakeholders are not sufficiently prepared and often fail to have the right information at the right time, leading to the unnecessary loss of lives, livelihoods and assets, as well as severely impacting the country's sustainable development.

#### IMPACT STATEMENT

**Communities and the private sector as well as government and local authorities have increased understanding of disaster risks and are therefore better prepared to respond to extreme weather events.**

## 1.1. Disaster Risk Management

### Approach

With a view to promoting an integrated approach to DRM, ACTED will mainstream disaster risk management across all sectors and stakeholders, especially private sector actors who are often left out of DRM initiatives. As such, ACTED will focus on comprehensive, macro-level solutions with potential for large-scale replicability across Sri Lanka.

### Key Activities

In line with ACTED's global priorities under Pillar 1, ACTED in Sri Lanka will focus on three priority areas – mitigation and prevention; preparedness; and emergency response, with the aim of building the adaptive capacities of communities, the private sector as well as local and government authorities.

#### 1. Mitigation and Prevention:

- Elaborate risk-sensitive village development plans
- Develop risk-sensitive, climate-resilient economic development plans at the DS level
- Support to District Disaster Management Coordination Units (DDMCUs) to gear weather-related warning and forecasting tailored to the needs of the private sector
- Support the development of disaster-resilient business and continuity plans for micro, small, and medium enterprises (MSMEs)



## 2. Preparedness:

- Provide scalable disaster preparedness solutions through the use of Information and Communication Technology (ICT)
- Establish and train District Training Resource Centres
- Provide technical training and mentoring to local authorities on disaster preparedness and resilience

## 3. Emergency Response:

- Respond to emergencies as and when required
- Provide technical support to Ministry of Industry and Commerce including collaboration on the development of Building Back Better Guidelines for the private sector

## Innovation

ACTED will promote the use of ICT to mainstream DRM into non-traditional areas and to provide scalable solutions that can be rolled out country-wide.

## Partnership Strategy

To implement the proposed activities, ACTED will build on its relationships with the Ministry of Disaster Management and its District Disaster Management Coordination Units. In addition, ACTED will work closely with the National Enterprise Development Authority, the Ministry of Industry and Commerce, Traders Associations, and the Federation of the Chambers of Commerce and Industry of Sri Lanka in order to mainstream DRM into the private sector and build the disaster resilience of MSMEs. ACTED will also engage with universities to develop innovative technology solutions that will enhance disaster resilience and preparedness.

## Program Pillar 2



## Co-constructing Civil Society and Effective Governance

### Rationale

After decades of civil war, coupled with the politicisation of civil society, social divisions as well as repression and surveillance in past years, Sri Lankan civil society organisations (CSOs) remain weak. The lack of community consultation and participation in decision-making processes, due to the lack of political will, has resulted in CSOs lacking the capacity, independence and access to resources to effectively voice the needs and concerns of their communities. In addition to that,



CSOs often operate in isolation without any integrated platform which would strengthen their ability to collectively act as watchdogs and to drive good governance and reconciliation efforts. Ultimately, these issues have created an environment where the government is not held accountable for corruption and human rights violations. Moreover, the political marginalisation of minorities, language barriers, and geographical divides further exacerbates the challenges in inclusive governance and therefore undermines peacebuilding and reconciliation efforts. This often manifests itself through inter-ethnic resentment and limited socio-economic justice and opportunities for minorities, which ultimately furthers discrimination, fuels social unrest, and impedes economic development.

**IMPACT  
STATEMENT**

Citizens and duty bearers have increased awareness of their roles and responsibilities, thereby contributing more effectively towards ongoing reconciliation and social cohesion efforts in Sri Lanka.

## 2.1. Good Governance

### Approach

To achieve a positive transformation of power relations, ACTED will promote a rights-based approach to good governance, aiming at both strengthening the capacity of duty bearers and empowering the rights holders. As such, ACTED will encourage the engagement of vulnerable and marginalised groups by empowering civil society organisations. ACTED will also build the capacity of duty bearers –local authorities and decentralised government officials in particular– to meet their obligations.

### Key Activities

- Conduct e-grassroots organisation capacity assessments (GOCA) and associated tailor-made trainings for CSOs
- Hold training to CSOs on the Right to Information (RTI), freedom of expression, and good governance tools
- Facilitate the formulation of Village Development Plans and provide grants to address immediate development needs
- Establish and train District Training Resource Centres
- Support the technical and institutional capacity building of local authorities
- Support local authorities to establish citizen complaint response systems, citizen charters and by-laws/statutes
- Conduct social audits to improve the accountability and transparency of public service delivery
- Support the establishment of e-governance systems to improve the provision of public services to citizens
- Conduct awareness sessions about existing e-governance systems

### Innovation

ACTED will use the organisation's global Grassroots Organisation Capacity Assessment (GOCA) tool to identify and address the organisational and management needs of CSOs. Social audit tools such as the Community Report Card and Community Score Card will be implemented to enhance the accountability of service providers towards their constituents. ACTED will also promote the awareness and use of e-governance systems.

### Partnership Strategy

To ensure a comprehensive approach to good governance, ACTED will work closely both with duty bearers and rights holders. As such, ACTED will work together with the Federation of Sri Lankan Local Government Authorities (FSLGA), the Sri Lankan Institute of Local Governance (SLILG), the Bar Association of Sri Lanka (BASL), and the Sri Lanka Press Institute (SLPI). ACTED will also collaborate with the Community Governance Platform of Sri Lanka and CSOs – including CIRCLE, a local organisation established by ACTED in 2015 to act as a resource centre for CSOs in Northern Sri Lanka.

## 2.2. Peacebuilding and Reconciliation

### Approach

With a view to ensuring that conflicting groups are brought together to have meaningful interactions and build mutual understanding for reconciliation, ACTED will adopt a people-to-people approach to peacebuilding and reconciliation efforts. In particular, ACTED will mainstream peacebuilding initiatives through working with CSOs, youth, the private sector, local and decentralised authorities, citizen journalists and the wider media.

### Key Activities

- Establish and support co-existence societies
- Conduct exchange visits between different communities, CSOs and private sector actors such as traders associations
- Set up early warning systems that identify vectors of potential conflicts
- Raise awareness for media and citizen journalists on the Right to Information (RTI) and the role of media in peacebuilding processes
- Hold awareness raising sessions for local authorities and decentralised government officials about national laws on religious freedom
- Facilitate roundtable discussions between government authorities and communities
- Provide grants to CSOs for implementing small scale reconciliation projects
- Promote job creation, particularly for youths
- Strengthen value chains across different ethnic and religious groups

### Innovation

ACTED will engage the private sector as a key constituent of any peacebuilding activities as MSMEs have the potential to play a positive role in easing tensions and increasing the dividends of peace. ACTED will also facilitate the development of early warning and prevention mechanisms to inhibit tensions and conflicts from escalating further.



### Partnership Strategy

In order to bring all peacebuilding stakeholders together, ACTED will build partnerships with the Ministry of National Integration, Reconciliation and Local Languages; the Federation of Sri Lankan Local Government Authorities (FSLGA); Traders Associations; the Business for Peace Alliance (BPA); the Sri Lanka Press Institute (SLPI); the Press Complaints Commission of Sri Lanka (PCCSL); the Sri Lanka College of Journalists (SLCJ), the Ministry of Finance and Mass Media, as well as civil society organisations working across the country.



### Rationale

Micro, small and medium enterprises (MSMEs) are a major source of employment and income in many communities across Sri Lanka. Yet, many MSMEs are weak and not yet sustainable. Owners and managers lack basic entrepreneurship skills and financial literacy, leaving them with limited ability to expand their businesses and create meaningful employment opportunities. Often operating in their immediate surroundings only, MSMEs lack access to markets as well as adequate market information to ensure they meet changing consumer demands. Limited access to finance has also led to MSMEs being unable to invest in the latest technology, leading to low quality production, high production losses and a lack of competitiveness compared to Sri Lanka's regional neighbours. Furthermore, many MSMEs, especially those involved in agriculture, are highly vulnerable to disasters and the impact of climate change as they fail to adequately put in place mitigation plans and invest in insurance. As for women's economic contribution, although they are particularly engaged in the MSME sector, female owners and managers need specific support to increase their confidence as entrepreneurs, overcome gender discrimination and allow them to move outside the traditional roles assigned to them by society. More generally, women's participation rate in the labour force remains alarmingly low, as they are offered only limited career opportunities, which ultimately hinders women's economic empowerment.

### IMPACT STATEMENT

**An increased proportion of Sri Lankan women and men benefit from decent and sustainable income generating opportunities, meeting their basic demands through greater incomes, job security, and increased resilience of their livelihoods.**

## 3.1. Climate Smart Agriculture

### Approach

As agriculture remains at the heart of the Sri Lankan economy, emphasis will be placed on ensuring that agricultural MSMEs and subsistence farmers have improved resilience to changing weather patterns. ACTED will also support the introduction and scale up of eco-friendly farming practices to improve rural economies.



### Key Activities

- Establish farmers field schools to promote eco-friendly farming practices, the introduction of climate-resilient crops, as well as new technologies to improve farming practices and increase disaster resilience
- Conduct business counselling for farmers to harness market and business linkages
- Support linkages to insurance schemes and business development services for farmers
- Organise exposure visits for farmers to showcase best practices and new technologies
- Support farmers to harness alternative energy sources for their farming activities

### Innovation

ACTED will encourage the engagement of Sri Lankan youth in the agriculture sector through the introduction of appropriate new technologies where feasible. ACTED will also raise awareness of clean

energy practices to farmers, thereby not only helping farmers to save money but also reducing the environmental footprint of farming practices.

### Partnership Strategy

ACTED will engage with the Ministry of Agriculture, the Department of Animal Production and Health, Department of Meteorology, Land Use Policy Planning Department, Ministry of Disaster Management, Farmers Associations, universities and research institutions, insurance companies, and the Three Zero Global Alliance.

## 3.2. Micro, Small and Medium Enterprises

### Approach

In order to create new and sustainable employment opportunities, increase income levels and reduce poverty, it is essential to take an integrated approach to MSME development by engaging not only the MSMEs but also business development services (BDSs) and the broader community. ACTED will support MSMEs so that they have the knowledge and necessary skills to expand and diversify their businesses, thereby creating new job opportunities. Particular focus will be paid to female centric MSMEs to ensure women benefit from economic development activities. ACTED will also support BDSs so that they improve the quality and relevancy of the services they deliver to MSMEs. More broadly, ACTED will aim to create an enabling business environment to the private sector by engaging with communities, CSOs, as well as district, national and local authorities.



### Key Activities

- Conduct business management and finance training for business owners/managers
- Hold business clinics for MSMEs
- Organise technical and marketing training to improve quality of products and access to markets for MSMEs
- Support business registration of MSMEs to improve access to government services
- Provision of equipment, assets and investment to support the expansion of businesses and the creation of new job opportunities
- Hold awareness sessions for MSMEs on sustainable consumption and production practices
- Support the development of inclusive economic development plans at the DS and district level
- Support business development services through social accountability tools and technical trainings
- Establish business start-up accelerators and incubators for young entrepreneurs

### Innovation

ACTED will use its locally developed Enterprise Capacity Assessment Tool (ECAT) to identify the specific needs of each individual business and provide tailor-made trainings to address them. ACTED will also support businesses to develop disaster resilient business plans, including business continuity plans, so that when disasters strike, businesses will be better prepared and be able to bounce back quickly. Looking to the future, ACTED will help businesses to access e-commerce platforms to further market penetration beyond their immediate locality.



### Partnership Strategy

ACTED will partner with the Ministry of Industry and Commerce, the National Enterprise Development Authority (NEDA), relevant business development services, the Business for Peace Alliance, insurance companies, the Federation of Chambers of Commerce and Industry of Sri Lanka, CEFE NET, the Asian Development Preparedness Centre, and the Three Zero Global Alliance.

## 3.3. Women's Empowerment

### Approach

Women are key agents in the development process of any country and can play a catalytic role. As such, women's empowerment will be a central feature of ACTED in Sri Lanka's country programme strategy with a three-pronged approach being taken. ACTED will engage with (1) families and the wider community to address cultural barriers and traditional stereotypes limiting women's participation in the country's labour force; (2) young women and girls to enhance their confidence and awareness of available career prospects and market trends; (3) employers to reduce gender discrimination in the workplace and to promote a positive work environment for women.



### Key Activities

- Conduct awareness sessions to employers, families and communities about gender equality and women's empowerment
- Conduct Science, Technology, Engineering, Arts and Mathematics (STEAM) camps to expose young women and girls to non-traditional employment sectors and create a culture of curiosity
- Provide entrepreneurship support and mentoring for women-led micro and small enterprises
- Hold awareness sessions for businesses to create women-friendly working environments
- Support businesses to develop and implement innovative practices and approaches to improve female employment rates
- Showcase best practices and innovations addressing women's employment to encourage replication by the wider business community

### Innovation

ACTED will support and encourage young women and girls to explore non-traditional career pathways through mentoring programmes and STEAM camps. Female entrepreneurs will be identified and provided with specific coaching in order for them to successfully set up and run their own businesses. ACTED will also promote role models for female innovators and entrepreneurs to share their experiences and support one another.

### Partnership Strategy

To promote women's economic empowerment, ACTED will engage with the Ministry of Industry and Commerce, the Ministry of Women and Child Affairs, the Federation of Chambers of Commerce and Industry of Sri Lanka, the Women's Chamber of Commerce, business development services, and the Business for Peace Alliance.



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