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Democratic Socialist Republic of Sri Lanka
Post-Tsunami Coastal Rehabilitation and Resource
Management Programme

PROJECT PERFORMANCE EVALUATION



Independent Office
of Evaluation



Democratic Socialist Republic of Sri Lanka

**Post-Tsunami Coastal Rehabilitation and Resource
Management Programme**

Project Performance Evaluation

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Photos of activities supported by the Post-Tsunami Coastal Rehabilitation and Resource Management Programme, Sri Lanka

Front cover: A typical fisheries landing site in intervention areas.

Back cover: One of the Visma Plus Centers supported by the programme (left); One of the hand pumps installed at Akkaraipattu (right).

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Preface

This report presents the findings of the project performance evaluation of the Post-Tsunami Coastal Rehabilitation and Resource Management Programme in the Democratic Socialist Republic of Sri Lanka, undertaken by the Independent Office of Evaluation of IFAD (IOE).

The programme was designed in response to the tsunami that hit Sri Lanka in December 2004, and aimed to restore assets and regenerate livelihoods of women and men affected by it. The programme undertook a wide range of activities: sustainable management of coastal resources; economic and social infrastructure development; development of artisanal fisheries; and support for microcredit and microenterprise development.

Programme design was flexible, and although this resulted in a degree of success in responding to changing demands, it also led to a series of ad hoc interventions that did not necessarily fit in with the original project components. Targeting was not completely effective, often including non-poor or excluding the poor. Importantly, IFAD engaged in activities which were not part of its core competence – for example, building houses for beneficiaries – and this meant that it could not leverage its expertise and experience to best effect. On the other hand, some of the notable contributions from the programme comprised activities in which IFAD has solid experience, i.e. building public-private partnerships (in the case of shrimp farming) and developing microcredit and microenterprises.

The evaluation argues for re-examining IFAD's role in post-crisis situations, especially in regards to focusing mainly on its core activities with a simpler design and a more flexible operational process, and giving due consideration to the linkages between poverty, gender and crisis in designing the programme targeting strategy.

This project performance evaluation was conducted by Hansdeep Khaira, Evaluation Officer, IOE, in collaboration with Roderick Stirrat, IOE Senior Consultant. Internal peer reviewers from IOE were Miguel Torralba, Lead Evaluation Officer, and Fumiko Nakai, Senior Evaluation Officer, while Fabrizio Felloni, IOE Deputy Director, provided comments on the draft report. Delphine Bureau, IOE Evaluation Assistant, provided administrative support.

IOE is grateful to IFAD's Asia and the Pacific Division and the Government of Sri Lanka, in particular the Ministry of Fisheries and Aquatic Resources, for their insightful inputs at various stages of the evaluation process and the support they provided to the mission. I hope the results generated will be of use to help improve IFAD's operations and development activities in Sri Lanka.



Oscar A. Garcia
Director
Independent Office of Evaluation of IFAD

A house built by the programme in Mutur village.

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Currency equivalent and measure

Currency equivalent

Currency unit = Sri Lankan Rupee (LKR)

1 US\$ = 151.98 LKR (March 2017)

Measure

Metric system

Abbreviations and acronyms

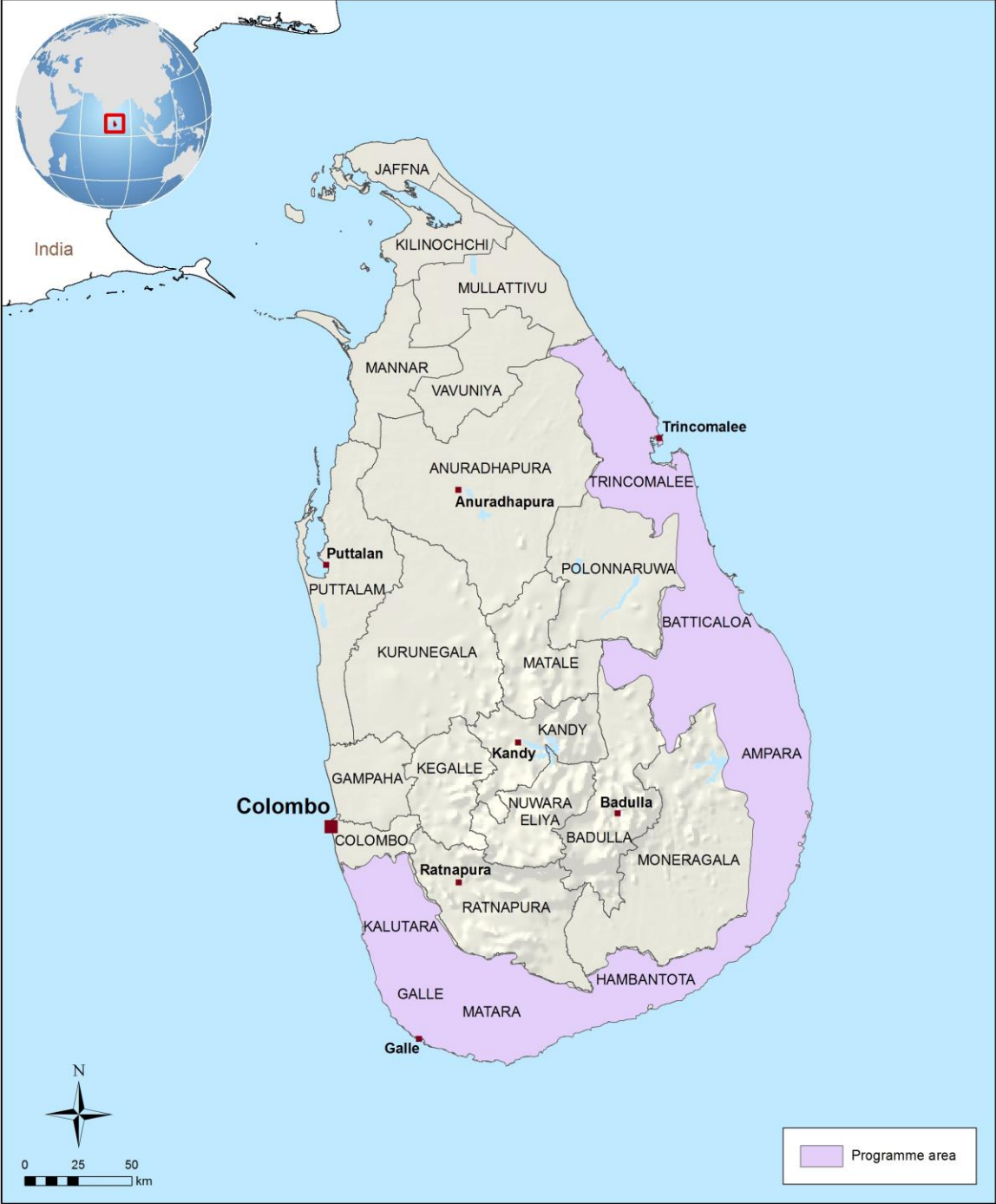
CBO	Community-based organization
CCD	Coast Conservation Department
CFHC	Ceylon Fishery Harbours Corporation
CIDA	Canadian International Development Agency
COSOP	country strategic opportunities programme
DFAR	Department of Fisheries and Aquatic Resources
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environmental Fund
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
MFARD	Ministry of Fisheries and Aquatic Resources Development
MTR	mid-term review
NARA	National Aquatic Resources Research and Development Agency
NGO	non-governmental organization
NHDA	National Housing Development Authority
NIFNE	National Institute of Fisheries and Nautical Engineering
PCR	Project Completion Report
PCRV	Project completion report validations
PPE	Project Performance Evaluation
PT-CRRMP	Post-Tsunami Coastal Rehabilitation and Resource Management Programme
ToC	theory of change
UNOPS	United Nations Office for Project Services

Map of the programme area

Sri Lanka

Post Tsunami Coastal Rehabilitation and Resource Management Programme

Project Performance Evaluation



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 13-06-2017

Executive summary

Background

1. The Independent Office of Evaluation of IFAD undertook a project performance evaluation (PPE) of the Post-Tsunami Coastal Rehabilitation and Resource Management Programme in the Democratic Socialist Republic of Sri Lanka. The main objectives were to: (i) provide an independent assessment of the overall results of the programme; and (ii) generate lessons and recommendations for the design and implementation of ongoing and future operations in the country.
2. The programme was mounted as a response to the Indian Ocean tsunami that hit Sri Lanka on 26 December 2004 and caused massive destruction of property and livelihoods. As far as the fisheries sector was concerned, early estimates indicated that 81 per cent of the national fishing fleet had been lost or damaged, not to mention extensive destruction of shore-based facilities such as harbours, landing sites and ice plants. The programme was the second of the two programmes that IFAD launched in response to the tsunami, and it aimed at longer-term developmental goals for the tsunami-affected. It was undertaken in 565 *grama nilhadari* divisions¹ affected by the tsunami in seven districts.
3. The goal of the programme was to “restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities, while helping them diversify into new and profitable income-generating activities”. The underlying aim to restore livelihoods was reflected in the programme components: a) community-based coastal resource management; b) support to artisanal fisheries development; c) microenterprise and financial services development; and d) social and economic infrastructure development.
4. The programme's cost at appraisal was US\$33.1 million. It was to be funded by two IFAD loans (664-LK and 693-LK) totalling US\$28.4 million, by a grant from the Government of Italy worth US\$1.5 million, by contributions from the Government of Sri Lanka worth US\$3.4 million, and by beneficiary contributions worth US\$0.2 million. Actual costs were slightly higher at US\$33.5 million.
5. A country mission was undertaken by the PPE team in five of the seven project districts between 24 November and 9 December 2016. The mission conducted interviews with various stakeholders (government staff, IFAD staff, programme partners, beneficiaries), undertook group discussions and made direct observations. In addition, as part of the PPE methodology, information was collated through examination of programme documents.

Main findings

6. **Relevance.** The programme adhered to IFAD's policies on post-disaster and emergency crisis and relief and to the country strategic opportunities programme for Sri Lanka. Its emphasis on flexibility was in line with post-emergency situations, which can be fluid and complex. However, the objectives of the programme were vague, and the stress on infrastructure, especially housing, was outside IFAD's core competence. The emphasis on flexibility made the programme a series of *ad hoc* interventions, some added and others dropped, which were often not well integrated into overall programme objectives and components.
7. Further, the programme design lacked an explicit gender strategy, the targeting approach was not satisfactory, and the programme did not sufficiently factor in prevailing institutional capacities. The one area where design was relatively good was in microfinance, where the programme built upon existing organizations. Overall, programme relevance was less than satisfactory, especially given that the

¹ *Grama Niladhari* divisions are the lowest level of the administrative organisation. Above them come Districts.

late entry of IFAD into post-tsunami rehabilitation should have given time and opportunity for a more relevant and better planned intervention.

8. **Effectiveness.** Given the fragmented nature of the programme and the lack of fit between its components and objectives, assessing the degree to which objectives were met is difficult. While some elements of infrastructural renewal probably did have a positive impact on economic recovery (e.g. support for road building and for the reconstruction of the Trincomalee Fish Market), others appear to have had little economic impact (e.g. fish landing sites).
9. Support for microenterprises had mixed results. Although there were some successes, other interventions came too late to have any impact (e.g. Visma Plus, an umbrella organization for cooperative producers). The programme did have a positive effect on the living and social conditions of beneficiaries. The support given for the supply of public utilities such as water and electricity and support for community amenities such as playgrounds and community buildings were also beneficial. However, effectiveness was hampered by the lack of proper targeting of the poor, IFAD's core focus group.
10. **Efficiency.** Programme efficiency was low. Although, at completion, the programme managed to attain full disbursement for most of the targets set after several reallocations, the slow implementation process undermined the programme's original purpose. This was the result of several factors. Staff turnover was high, financial management was weak, key positions often remained unfilled, and procurement was beset with a series of inadequacies and irregularities. However, housing construction was carried out in an efficient and cost-effective manner.
11. **Rural poverty impact.** Overall, the programme's impact on income levels was marginal. As far as sea fishing is concerned, it is difficult to identify any direct impact of the programme on household incomes. The programme's support for shrimp farming had a much clearer impact on rural incomes. The 27 participants in the Vakarai cluster farm reported that their incomes had risen by more than 50 per cent, but this is an isolated case. Home gardening in the new settlements made only a minor impact on food security, as did the programme's support for microcredit and microenterprises.
12. As far as rural assets are concerned, the programme did have a more positive impact. In total, 793 houses were built and 633 rehabilitated. In addition, a range of housing-related services were provided, including toilets, wells and kitchens. The programme also had an impact on improving the asset base of the programme area in general, for instance fish landing sites, two harbours, and the Trincomalee Fish Market. There were also investments in public amenities such as children's playgrounds and parks as well as community halls and facilities.
13. **Sustainability of benefits.** Certain assets supplied by the programme do appear to be sustainable. These include houses, the shrimp farms, the National Institute of Fisheries and Nautical Engineering Training Centre, and the Trincomalee Fish Market. However, there are also problematic areas. No plans have been made to ensure the sustainability of several public and community structures such as community centres and landing sites. Roads constructed by the programme show signs of deterioration as the result of poor maintenance. As far as the microfinance- and microenterprise-related outcomes are concerned, it appears that without programme support, financial institutions have withdrawn from lending to small beneficiaries, and a number of small entrepreneurs have ceased their activities. There are also doubts as to the long-term viability of the fisheries management committees given the lack of ongoing stock assessments.
14. **Innovation and scaling up.** In general, this was not an innovative programme. It followed similar lines to those adopted by other agencies, for instance in housing

and fish landing sites. Other agencies were also involved in supporting road construction and other forms of rural social infrastructure. And many others (especially non-governmental organizations) were involved in microcredit and microenterprise support. However, two aspects of the programme can be considered innovative, at least in the national context, albeit with limited success. One was the formation of fisheries management committees. What distinguishes these committees is that they focus on particular species. The other area of interest, as far as innovation is concerned, is the producers' umbrella organization, Visma Plus. Although unlikely to be successful, it does represent a novel attempt to link together local-level organizations of producers to take advantage of larger-scale markets and to bulk-source inputs.

15. **Gender equality and women's empowerment.** The programme did not undertake a comprehensive gender analysis in its early stages. Therefore programme interventions did little to challenge the many undoubted inequities in gender relations in the country, but rather worked with a set of taken-for-granted stereotypes. A gender specialist was only appointed late during programme implementation. On the other hand, the programme's rural finance-related interventions targeted a large number of women, with the result that women were able to access microcredit and female-headed microenterprises received micro-loans to set up economic activities or to re-establish their existing ones.
16. **Environment and natural resource management.** Although environmental and natural resource issues were major stated interests in the programme, in fact little attention was paid to them. In part this was the result of various elements being transferred to the Global Environment Facility (GEF) project, but even so, those activities which remained within the programme received little attention or were abandoned. Some elements such as the shrimp farms and the harbours seem to have been constructed with minimal environmental appraisal and could have a long-term negative impact on the environment.
17. At a domestic level, the programme did have a positive impact through its support for the construction of lavatories and supply of piped water, thus reducing potentially negative impacts on water quality in residential areas. Unlike other agencies, it does not appear to have supported the introduction of more efficient wood-burning stoves and thus reduce the pressure on fuelwood sources. Although there is mention of solar-powered panels in the planning documents, these plans do not seem to have been realized.

Recommendations

18. Recommendation 1: In a post-emergency context, recognizing the capacity constraints of the government in designing and implementing programmes is a key first step. In addition, weaving increased flexibility into operational processes, including simplified design and procedures that recognize the challenges of such contexts, is a sound approach. This flexibility, however, should be aligned with the programme's overall theory of change. Finally, even in post-crisis situations the focus of IFAD-supported programmes should be on activities in which the Organization has a clear comparative advantage.
19. Recommendation 2: Aim for a targeting strategy that minimizes benefit leakages. In cases where entire areas may have been affected, it is recommended that programmes actively analyse the trade-off between benefits and the resulting costs – both monetary costs of including non-core target group and costs associated with excluding the target group, and if required, either the targeting strategy or the intervention itself be reconsidered. Related to targeting, develop capacity of the programme unit to carry out gender-sensitive poverty and livelihood analyses within the particular context of the programme-supported areas. A gender strategy that treats an entire country as one homogeneous unit will not be effective to achieve objectives in the area of gender relations.

20. Recommendation 3: Build monitoring and evaluation systems that are agile and flexible. This is typical of a post-emergency situation, where it is difficult to establish detailed objectives and indicators, and where the originally planned activities may change. The systems should be proactive and timely in anticipating and keeping abreast of the pace and direction of changes in activities. In addition, reporting frequency should be monthly, or even weekly, in order to facilitate quick decision-making.

IFAD Management's response¹

1. Management welcomes the project performance assessment (PPE) of the Post-Tsunami Coastal Rehabilitation and Resource Management Programme in Sri Lanka and the quality of the report.
2. Overall, Management agrees with the IOE's assessment of the programme's performance.
3. Management appreciates the PPE recommendations which are generally already being internalized and acted upon. Management's detailed views on the proposed recommendations are presented below:

- **Recommendation 1: Within a post-emergency context, first and foremost, recognize the capacity constraints of the government.** A government faces challenges on several fronts in dealing with such a situation, with its human resource capacities over-stretched. As such, designing and implementing IFAD programmes, with their typical requirements of dedicated project units, *after* the emergency measures are in place is a more suitable approach. **Two, focus only on activities in which IFAD has a clear comparative advantage.** This is a related point and argues that IFAD's main strength lies in building the capacity, productivity and market participation of rural people and this should be the main focus of IFAD's programmes in post-crisis situations as well. As outlined in the IFAD Policy on Crisis Prevention and Recovery, IFAD's general policy is to focus on its own core competencies and promote complementary engagement with other agencies in other necessary activities falling outside IFAD's mandate. **Three, weave increased flexibility into operational processes, including simplified design and procedures that recognize the challenges of such contexts.** Flexibility in design and operational procedures is a sound approach in such situations. This flexibility, however, should be aligned with the programme's overall theory of change.

Agreed. Management agrees on the recommendation and has already acted on this in all recent post-emergency designs. IFAD's post-emergency involvement is now based on sensitivity to country capacity, reflects IFAD's comparative advantage, and ensures flexibility in implementation. This is also aligned with the IFAD Policy on Crisis Prevention and Recovery (2006) that put emphasis on the role of IFAD in supporting interventions that promote the process of transitioning from relief to recovery. Moreover, since 2011, the IFAD guidelines for Early Disaster recovery provide for a rigorous internal process ensuring the quality of project design also in case of disaster responses, as well as the inclusion of activities that IFAD should carry out to support the transition from recovery to longer-term development. Additionally, IFAD's strategy on engagement in fragile states and situations takes into account capacity constraints of the government and proposes context specific differentiated approaches for engagement in fragile situations and states with the guiding principle "building institutions, trust and social cohesion". Partnerships with the Rome-based agencies, international financial institutions and other international agencies will be prioritized, as will partnerships with other development partners with strong implementing capacity, such as trusted civil society organizations. The memorandum of understanding recently established between IFAD and the World Food Programme in Sudan is an example of such a partnership.

¹ The final Management response was sent from the Programme Management Department to the Independent Office of Evaluation of IFAD on 2 June 2017.

- **Recommendation 2: Aim for a targeting strategy that minimizes benefit leakages.** Effective targeting in the case of natural disaster situations, where entire areas may have been affected, poses the issue of reaching out to persons who are not IFAD's core target group. In such cases, it is recommended that programmes actively analyse the trade-off between benefits and the resulting costs – both monetary costs of including non-core target group and costs associated with excluding the target group. Whilst some leakages may be unavoidable in the larger interests of development objectives, when these signify a large part of the project costs, it is recommended that either the targeting strategy or the intervention be reconsidered. Related to targeting, develop capacity of the programme unit to carry out gender-sensitive poverty and livelihood analyses within the particular context of the project-supported areas. A one-size-fits-all gender strategy that treats an entire country as one homogeneous unit will not be effective to achieve objectives in the field of gender relations.

Agreed. Management agrees on this recommendation. Project designs now place close attention to targeting and to the risk of leakage of benefits. IFAD project supervision missions now systematically check on the effectiveness of project targeting strategies and recommend remedial and prompt action when required. IFAD's implementation support also provides capacity building to PMU staff to improve targeting during implementation. Additionally, future investments will undertake gender sensitive poverty and livelihoods analysis at design; for ongoing investments, Gender Action Plans, and where possible mainstreaming climate and nutrition, have been initiated to better mainstream gender issues and their monitoring during implementation.

- **Recommendation 3: Build monitoring and evaluation systems that are agile and flexible.** This is typical of a post-emergency situation where it is difficult to establish detailed objectives and indicators, and where the originally planned activities may change. The monitoring and evaluation (M&E) system should be proactive and able to keep abreast of the pace and direction of changes in activities in a timely manner relying on active coordination with project management and with field operations. Similarly, unlike conventional project monitoring which is based largely on economic/social indicators, M&E in case of such programmes should adequately capture disaster-related indicators such as adaptive capacity, resilience, etc. In addition, reporting should be more frequent, monthly or even weekly, in order to aid in quick decision-making.

Agreed. Management agrees on this recommendation. IFAD has recently revamped its approach to M&E capacity, and is providing tailored training courses through the recent global grant for the CLEAR initiative. This initiative coupled with on-going corporate actions, as part of the Development Effectiveness Framework, including: (i) upgrading of the Results and Impact Management System (RIMS); (ii) improvement of key tools to measure and manage for results, including logical frameworks; (iii) establishment of processes to track results in real time through IT systems; and (v) use of broader impact assessments of IFAD activities to maximize learning, will contribute to the implementation of the recommendation.

4. Management thanks IOE for the productive process and is committed to internalize lessons learned and outcomes of this exercise to further improve the performance of IFAD-funded programmes in Sri Lanka and elsewhere.

The Trincomalee Fish Market rehabilitated by the programme.

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Democratic Socialist Republic of Sri Lanka

Post-Tsunami Coastal Rehabilitation and Resource Management Programme

Project Performance Evaluation

I. Evaluation objectives, methodology and process

1. **Background.** The Independent Office of Evaluation of IFAD (IOE) undertakes two forms of project evaluations: project completion report validations (PCRVs) and project performance evaluations (PPEs). The former consist of a desk review of project completion reports (PCRs) and other supporting documents. On the other hand, PPEs, involving country visits, are undertaken for a number of selected projects where PCRVs have already been conducted. The PCRV of the Post Tsunami Coastal Rehabilitation and Resource Management project was published in June 2015. The programme was selected for a PPE because of the learning opportunity it provides in designing and implementing IFAD operations in a post-disaster situation.
2. **Objectives.** The PPE mission was conducted after a desk review of the PCR and other available documents, with the aim of providing additional evidence on project achievements and validating the conclusions of the PCR. In general terms, the main objectives of PPEs are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. **Scope.** In view of the time and resources available, the PPE did not undertake quantitative surveys or examine the full spectrum of project activities, achievements and drawbacks. The PPE took into account the preliminary findings from the desk review of PCR and other key project documents and interviews at the IFAD headquarters. During the PPE mission, additional evidence and data was collected to verify available information and reach an independent assessment of performance and results.
4. **Methodology.** The PPE assessed the project performance based on the evaluation criteria set out in the second edition of IOE's Evaluation Manual, as mentioned in the approach paper and annex II of this report.¹ In line with the practice adopted in many other international financial institutions and United Nations organizations, IOE has used a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 is the lowest score (highly unsatisfactory).
5. **Process.** In addition to the desk review, the methods deployed consisted of individual and group interviews with project stakeholders, beneficiaries, former project staff, local and national government authorities and direct observations. The PPE mission² was undertaken from 24 November to 9 December 2016. After meeting with stakeholders in the capital (Colombo), the team visited five³ of the seven districts where the programme was undertaken.
6. In the field, the team met with representatives of local government units, regional and provincial staff of the Department of Fisheries and Aquatic Resources (DFAR), representatives of the National Housing Development Authority (NHDA), business development service providers (BDS providers), Coast Conservation and Coastal Resource Management Department, Ceylon Fishery Harbours Corporation (CFHC),

¹ Second edition of IOE evaluation manual: <https://www.ifad.org/documents/10180/bfec198c-62fd-46ff-abae-285d0e0709d6>.

² The mission consisted of Hansdeep Khaira (lead evaluator and IOE evaluation officer) and Roderick Stirrat (IOE senior consultant).

³ Matara, Trincomalee, Ampara, Galle and Hambantota.

District Programme Managers of Ministry of Fisheries and Aquatic Resources Development (MFARD), members of a Fisheries Management Coordinating Committee (FMCC) and representatives of the National Institute of Fisheries and Nautical Engineering (NIFNE) and beneficiaries of the project. At the end of the mission, on 9 December 2016, a debriefing meeting was organized at DFAR head office in Colombo for the PPE team to share its preliminary findings with project stakeholders and IFAD. Following the mission, further analysis of the data and findings was conducted to prepare the draft PPE report.

7. Finally, the PPE also made use of additional data available through the programme's monitoring and evaluation (M&E) system and Programme Impact Study carried out in 2014. This study carried out by the programme aimed to assess and measure the attribution of the project. Hence, both beneficiaries and non-beneficiary households were surveyed. Whilst IFAD's standard questionnaire was used to collect Results and Impact Management System data, the programme impact questionnaire was designed to capture variations between beneficiaries and non-beneficiaries (with and without programme) as well as pre and post conditions of the beneficiaries (i.e. before and after programme). In addition, several key informant discussions were carried out with former project staff, administrative staff at village levels, government officials, Fisheries Cooperative Societies, fishers, microentrepreneurs operating in different sub-sectors and other stakeholders. Focus Group Discussions with fishing communities were conducted and field observations were also made. Triangulation was applied to verify findings emerging from different information sources.
8. **Limitations.** Given the limited time and resources, PPEs do not collect their own quantitative data. Instead, PPEs review the project/programme's own M&E system and conduct spot checks in the field. However, this programme's M&E system is found to be weak and lacking in outcome level data in many cases.
9. The Impact Study does not present the methodology used to construct a valid counterfactual. Hence, the internal validity of the findings cannot be commented upon. This is further compounded by the fact that no information on how the sample size was calculated is provided. After the tsunami there was a major influx of local and international donor agencies implementing a wide range of activities in the programme area areas. This led to problems of beneficiary contamination and attribution. There were also places where distinguishing between beneficiaries and non-beneficiaries (e.g. access roads, fisheries roads etc.) was difficult. Further, by the time the Impact study was carried out, the programme staff had been disbanded, making it difficult for the Study team to find the exact locations of programme interventions and beneficiaries.
10. Because of the revisions made in the log-frame, the programme's baseline and mid-term studies used different set of indicators, most of which could not be used as counterfactuals in the present study. The impact study team was supposed to cover a wide range of activities within a limited time, limiting the study team to collect qualitative data. The timing of the impact survey was such that fishers had financial difficulties and other hardships due to reaching the end of the fishing off-season in some areas which could have led to some response bias. To overcome all these constraints, the programme's theory of change (ToC) has been reconstructed and outcomes were tested using the same.

II. The programme

A. Programme context

11. *Country context.* The Democratic Socialist Republic of Sri Lanka is a lower middle-income country in the Indian Ocean to the south of the Indian peninsula. It has an area of around 656,610 km⁴ and an estimated population of 20.8 million. The Gross Domestic Product (GDP) per capita at current prices is estimated to be US\$3,635.⁵ According to the 2015 Labour Force Survey, around 29 per cent of the labour force was involved in agriculture, 26 per cent in industry and the remainder in the service sector⁶. However, these proportions varied greatly between provinces: only 6 per cent of the labour force was involved in agriculture in the Western Province compared with almost 50 per cent in North Central Province. Despite its importance for employment, agriculture only contributed some 10 per cent to the GDP in 2015.
12. Strong economic growth in the last decade has led to improved shared prosperity and an important decline in poverty. Extreme poverty remains low, as the US\$1.90 (PPP 2011) poverty rate fell half a percentage point, from 2.4 to 1.9 per cent between 2009/10 and 2012/13. The real per capita consumption of the bottom 40 per cent increased by 2.2 per cent annually between 2006/07 and 2012/13. However, moderate poverty remains a challenge. In 2012/13, nearly 15 per cent of the population lived on less than US\$3.10 per day.
13. The fisheries sector has a key role to play in the lives of many Sri Lankans. Contributing 1.3 per cent of the GDP of Sri Lanka, the fisheries sector provides 70 per cent of the animal protein intake in the country. In addition to playing a major role by contributing to food security and ensuring the nutrition of the population, the sector provides about 540,000 direct and indirect employment opportunities. Further, it plays a major role in foreign exchange earnings and the present annual contribution is about US\$200 million.⁷ The poorest industry workers are the fishermen who use small traditional boats, fish workers, small-scale vendors and low-paid workers of associated, often labor-intensive industries. Overall, the fishing subsector is one of the most vulnerable communities in Sri Lankan society.⁸
14. *The tsunami.* The Indian Ocean tsunami hit Sri Lanka on 26th December 2004. The most directly affected areas were the eastern, southern and southwestern coasts, causing widespread loss of life and damage to physical resources up to 500 metres from the coast. The death toll is estimated to have been over 36,000, the majority women and children, whilst around 800,000 people were displaced. The Northern and Eastern Provinces were hardest hit, with over 60 per cent of the deaths and a similar proportion of the displaced population coming from these Provinces.⁹ The value of physical assets lost was estimated at around US\$1 billion with housing, fisheries and tourism being particularly badly hit, but roads, water and sanitation, health facilities and education were also severely affected.¹⁰ Agriculture was relatively less affected, the total damage being estimated at US\$3 million. As far as the fisheries sector was concerned, early estimates indicated that 81 per cent of the national fishing fleet was lost or damaged, not to mention extensive destruction of shore based facilities such as harbours, landing sites and ice plants.
15. The scale of the damage triggered a massive international aid response from multilateral agencies, bilateral agencies and international non-governmental organizations (NGOs). By May 2005 a total of around US\$2.2 billion had been

⁴ World Statistics Pocket Book 2016 Edition.

⁵ Ibid.

⁶ Government of Sri Lanka. 2004.

⁷ Government of Sri Lanka. http://www.fisheries.gov.lk/content.php?cnid=abt_mnstry.

⁸ USAID 2008.

⁹ Asian Development Bank Institute 2006.

¹⁰ Asian Development Bank, Japan Bank for International Cooperation and World Bank 2005.

pledged, US\$853 million from NGOs and the private sector, US\$631 million from multilateral agencies and US\$745 million from bilateral donors.¹¹

16. After a joint review with the Government of Sri Lanka in February 2005, IFAD's response was to mount two programmes.¹² The first, the Post Tsunami Livelihoods Support and Partnership Programme, involved a loan of US\$4.7 million to provide rapid assistance to tsunami victims. The second, the Post-Tsunami Coastal Rehabilitation and Resource Management Programme (PT-CRRMP), involving a loan of US\$28.4 million, and which is the focus of this PPE, was oriented to longer term development goals and objectives.

B. Programme design and implementation arrangements

17. *Programme area.* It was agreed with the Government that the programme should focus on the 565 grama nilhadari¹³ divisions affected by the tsunami in seven districts: Kalutara in the Western Province, Galle, Matara and Hambantota in the Southern Province, and Ampara, Batticaloa and Trincomalee in the Eastern Province. It was considered that the Northern Province was sufficiently covered by other donors.
18. With the exception of one district (Galle) poverty rates in these districts were above the national average even before the tsunami. The loss of lives and assets caused by the tsunami had reduced many households to a state of destitution. Thus, assisting these districts was in line with IFAD's Sri Lanka Country Strategy which focused on poor coastal areas.¹⁴ It was estimated that the total population of the programme area was 514,100 persons comprising 141,250 households.
19. *Target group.* The target population consisted of poor women and men in the programme area with special efforts to be made to reach poor artisanal fishers and fishing communities. The programme used a combination of geographic targeting (for community investments) and self-targeting (e.g. through the types of houses and amenities provided). For the selection of beneficiary households, the programme used a government social verification survey. Tsunami-affected households that met a monthly income criterion of LKR 2500 were officially permitted to build or repair houses and confirmed residents were targeted.
20. *Programme objectives.* The goal of the programme was to 'restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities while helping them diversify into new, profitable income-generating activities'.¹⁵ There were three 'immediate objectives':
 - Tsunami affected families provided with essential social and economic infrastructure, particularly housing,
 - Tsunami affected communities are strengthened and are sustainably managing coastal resources, and
 - Women's participation in social and economic activities is increased.
21. *Programme components.* As laid out in the President's Report, the programme consisted of five components:
 - A. Community-based coastal resource management. This involved a series of elements: stock assessment and fisheries management plans; coastal habitat and resource management; a Global Environment Facility sub-component; rebuilding artisanal fisheries infrastructure; and asset recovery.

¹¹ Asian Development Bank Institute 2006.

¹² IFAD 2005.

¹³ *Grama Niladhari* divisions are the lowest level of the administrative organization. Above them come Districts.

¹⁴ IFAD (2003a). IFAD Democratic Socialist Republic of Sri Lanka: Country Strategic Opportunities Paper, April 2003.

¹⁵ Report and Recommendation of the President (EB 2005/84/R.20/Rev.2).

- B. Support to artisanal fisheries development. This included fisheries development and post-harvest handling and marketing of fisheries products.
- C. Microenterprise and financial services development. This component consisted of support for microenterprise development, support for existing financial services, support for women's savings and credit groups and for vocational training.
- D. Social and economic infrastructure development. Here the focus was on housing rehabilitation settlement infrastructure, and social infrastructure and roads in fishing communities.
- E. Policy support and programme management. This consisted of support for policy studies especially concerned with land tenure, fishing and coastal resources. It was envisaged that practically all implementation work be contracted out and thus only a small management team would be required working to a national steering committee. This was to involve a small national programme coordination unit and district management units in each district.
22. *Project costs and financing*. The President's Report states project costs at appraisal to be US\$33.1 million. The programme was to be funded by two IFAD loans (664-LK and 693-LK) totalling US\$28.4 million, by an Italian Government grant of US\$1.5 million, by contributions from the Government of Sri Lanka worth US\$3.4 million, and by beneficiary contributions worth US\$0.2 million.¹⁶ Actual costs are stated as US\$33.5 million, funded by two IFAD loans worth US\$31 million, a Canadian International Development Agency (CIDA) grant of US\$0.96 million, by Government of Sri Lanka contributions worth US\$1.45 million and by beneficiary contributions worth US\$0.19 million. The component wise break-up of project costs at appraisal and at completion are provided in table 1 below. Component B, support to artisanal fisheries, accounted for half of entire project costs.

Table 1

Component-wise programme cost summary (US\$ '000)

<i>Components</i>	<i>At appraisal</i>		<i>At completion</i>	
	<i>Amount</i>	<i>% Cost</i>	<i>Amount</i>	<i>% Cost</i>
A. Community coastal resource management.	2 947	9	2 125	6
B. Support to artisanal fisheries	17 033	51	16 634	50
C. Microenterprise and financial services development	2 673	8	6 540	20
D. Social and economic infrastructure	7 200	22	3 760	11
E. Gender, policy support and programme management	3 249	10	4 427	13
Total costs	33 101	100	33 486	100

Source: GRIPS.

23. Activities to strengthen community-based coastal resource management under project Component A were initially planned to be more significant, with additional support from a grant provided by the Global Environmental Fund (GEF). GEF provided a grant of US\$6.9 million to complement the PT-CRRMP with a global environmental dimension. The grant was implemented under the Participatory Coastal Zone Restoration and Sustainable Management Project.¹⁷ In addition to the two IFAD loans, the social and economic infrastructure development (Component D) also benefited from the IFAD project Post-Tsunami Livelihood Support and

¹⁶ IFAD 2005 (President's Report).

¹⁷ Its objective was to mainstream restoration and management of ecosystems affected by the tsunami into the reconstruction process, to support sustainable livelihoods and to reduce vulnerability to climate change in three Eastern provinces. The grant became effective in September 2009 and was expected to be completed by September 2015.

Partnership Programme that predated the PT-CRRMP. The CIDA grant became effective in August 2009 and closed December 2009. It supplemented the artisanal fisheries Component B, specifically in fisheries development (storage capacities, anchorage sites and fishing activity diversification studies) and post-harvest handling and marketing of fisheries products (recovery of handling infrastructure, fisheries commercial partnerships promotion, and market studies and trials for niche markets).

24. *Timing.* The President's Report and recommendations were presented to the Executive Board in April 2005. In order to fast-track the programme, some of the usual procedures for loan financing were modified. For instance, at the time of presentation to the Executive Board, no negotiations had taken place between IFAD and the Government of Sri Lanka concerning the loan agreement for the programme. It was agreed that such negotiations were to take place as soon as possible and the Executive Board was to be informed of the conclusions reached in due course. The amount approved by the Executive Board at that session was additional to that allocated to Sri Lanka under the PBAS, in order not to unduly disrupt the preparation of the normal country programme. Because there had been insufficient time for thorough consultations with the Government concerning the design of its components and activities, the programme was approved with provision for in-built flexibility during implementation.
25. Even so, the first loan only became effective in October 2006 while the other in 2008, almost two and four years respectively after the tsunami.¹⁸ Furthermore, funds from the first loan only became available to the programme in March 2007.¹⁹ The completion date for the PT-CRRMP was initially set for 31st December 2011.
26. *Agencies involved.* The executing agency was the MFARD; the lead implementing agency was the DFAR. The programme worked with a series of other agencies and organizations which were responsible for delivering elements of the programme. Within MFARD these included the Coast Conservation Department (CCD),²⁰ the National Aquatic Resources Research and Development Agency (NARA), the CFHC, the Ceylon Fisheries Corporation, the NIFNE, and the National Aquaculture Development Authority. The programme also worked with the NHDA which comes under the Ministry of Housing and Construction.
27. In the financial sector, the programme worked with the Central Bank, the Bank of Ceylon, the Peoples' Bank, the Rural Development Bank and the Sri Lanka Women's Development Services Cooperative Society Limited (The Women's Bank). It also worked with a series of private sector service providers in the context of microenterprise and with the *pradeshiya sabhas* at the local level.²¹ The programme also worked with two United Nations agencies (UN-Habitat and the United Nations Office for Project Services [UNOPS]) as well as Food and Agriculture Organization of the United Nations and the United Nations Development Programme. It also had to coordinate with the large number of local and international NGOs active in the programme area.²²
28. *Programme management.* The programme was overseen by a **National Steering Committee** chaired by the Secretary of the DFAR with representatives from relevant ministries (the External Resources department of the Ministry of Finance; the Ministry of Agriculture, Livestock, Irrigation and Lands, and the Ministry of Cooperatives), the Chief Secretaries of the three Provinces in which the programme

¹⁸ IFAD 2006.

¹⁹ UNOPS 2007.

²⁰ The CCD was transferred to the Ministry of Defence and its name was changed to Coast Conservation and Coastal Resource Management Department during the lifetime of the programme although it remained physically located within the MOFAR building.

²¹ Pradeshiya sabhas are the lowest level of elected bodies in Sri Lanka. They have powers over certain local services, e.g. roads.

²² Until 2008 the Programme also had to take cognizance of the LTTE which controlled part of the programme area.

was active, and representatives of NGOs and the Fish Exporters Association. Answering to the National Steering Committee was the **National Programme Coordination Unit** responsible for the overall implementation of the programme. At the District level, there were **District Coordination Committees** chaired by the District Secretaries. These aimed to ensure effective coordination with other agencies at work in the District and oversaw the work of the **District Programme Management Units** which were responsible for planning, implementing and monitoring programme activities. Finally, at the Divisional level, the Divisional Secretary was responsible for coordinating activities within the Division.

29. The first National Programme Coordinator (NPC) was appointed in June 2006. He resigned in April 2008 and a successor was recruited four months later. After a change in government in 2010 the NPC was removed. There was another four-month gap before the final Coordinator was appointed. Many management positions were filled by government officers on secondment for a maximum of two years which led to a continual turnover of staff.
30. *Monitoring and evaluation.* The President's Report envisaged that within 12 months of the programme becoming effective a monitoring system would be established and that this would include data on programme impacts.²³ This position was reiterated in the 2006 Implementation Report but only in 2008 is it reported that M&E officers were in place at the national and district levels. However, the chosen indicators focused on inputs and outputs rather than results or impacts, there was no effective manual, data were not disaggregated in terms of gender, and the baseline study (commissioned in 2007) was only finalized in March 2009. The final Supervision Report (2011) concluded that the 'monitoring of field based activities was weak', that there was no monitoring of the quality of work carried out by the Programme Implementation Units, that data was still not being gender disaggregated, and the work carried out by service providers was not being properly monitored.
31. *Supervision.* Until January 1st 2008 the programme was supervised by UNOPS and one supervision mission was mounted by them in November 2007. From then on, IFAD mounted a series of annual supervision missions plus a Mid Term Review in July 2010 and the completion mission in 2013.
32. *Adjustments.* The President's Report was short on detail but the content of the programme was detailed in the 'Implementation Report' of November 2006.²⁴ In addition, some new elements were added. These included support to build 25 multi-day boats, support for the rehabilitation of the ornamental fish sector and support for establishing linkages between artisanal fishers and large scale commercial and export outlets. In 2008, an element was introduced to support a demonstration shrimp farm on Batticaloa and in 2010 a 'cluster shrimp farm' in Vakaraï. The next year saw an agreement to support the rebuilding of Trincomalee fish market and teaching facilities for NIFNE in Batticaloa. Finally, in 2012 the programme supported the establishment of Visma Plus, an umbrella organization for the small scale producer cooperatives established by the programme.
33. In addition, there were a number of reallocations - the PCR states 25 - of funds within the components during implementation. Furthermore, two loan amendments were made. The first was the 2008 loan amendment permitting IFAD to directly administer its loans and supervise its projects through the approval of an IFAD Policy on Supervision and Implementation Support. This replaced UNOPS as the supervisory agency for the programme (IFAD 2008a; IFAD 2008b). The second change was the 2011 loan amendment, designed to reallocate funds and extend

²³ IFAD 2006.

²⁴ IFAD 2006. Here and elsewhere there is mention of an Appraisal Mission. No documentary evidence of this mission has been found.

loan 664-LK 21 months, so that it would close on the same date as 693-LK (IFAD 2011b).

34. *Project theory of change.* The underlying theory of change for the project was developed using the stated objectives, the outputs emanating from the interventions and the expected outcomes in the short and medium to long term, and is presented in Annex VI.
35. This theory of change is reconstructed (i.e. it does not entirely reflect the project design document) in order to reflect the several changes that occurred during programme implementation (as outlined in the preceding section). Similarly, it also mirrors inputs derived from consultations with project stakeholders during the IOE-conducted visit to Sri Lanka. The project expected to sustainably improve the economic and social conditions of beneficiaries through restoration and/or enhancement of their incomes, strengthening of human and social capital and natural resource management based on increased investment activity and gainful employment, access to premium/niche markets, improved health and social conditions, community and gender development and sustainable management of fishing and coastal habitat.
36. *Programme outputs*
 - Community-based coastal resource management. Stock assessments were carried out for five high value specialist fisheries (chank, sea cucumber, shrimp, ornamental fish and lobsters) in the Eastern and Southern Provinces. Four surveys of deep sea fin fish were carried out and, in conjunction with FAO, a Marine Atlas was published. Twenty-Six Fisheries Management Committees were established to manage the specialist fisheries listed above in four Fisheries Management Areas, two in the Southern Province and two in the Eastern Province.
 - Support to artisanal fisheries development. Some 105 km of fisheries rural roads were constructed (compared with an original target of 100 km). Designs of new multi-day boats were finalized and four boats constructed (compared with an original target of 25). Support was given to the DFAR for the construction or rehabilitation of five Assistant Directors' offices and six Fisheries Inspectors' offices. Two fisheries harbours were built in the Southern Province whilst 18 fish landing sites were constructed, mainly in the Eastern Province. Shrimp farming was supported through the construction of the Demonstration Shrimp Farm in Batticaloa and the Cluster Shrimp Farm in Vakarai. The programme supported the construction of a new fish market in Trincomalee and a new training centre for NIFNE in Batticaloa.
 - Microenterprise and financial services development. A total of 2,924 loans were provided to beneficiaries under the microenterprise development programme, and 3,666 persons were trained in income-generating activities. Repayment rates of borrowers were around 98 per cent. The programme also supported the Visma Plus cooperative initiative to support marketing of microenterprise products.

The Sri Lanka Women's Development Services Cooperative Society Limited (The Women's Bank) was provided with Rs.16.7 million as an institutional support and a capital grant of which Rs.12.4 million (74 per cent) was used for micro credits benefiting 837 women. The institutional support contributed to mobilizing 850 women into small groups and establishing 18 new Women's Bank branches in the programme districts.

- Social and economic infrastructure development. The programme supported the construction of 793 new houses for tsunami victims (against an original target of 1,000); while another 633 houses were rehabilitated (against the target of 1,130). Most of this work was situated in the Eastern Province. In

addition, housing amenities were supported. These included toilets (2,479 units), wells (590), kitchens (858), rainwater harvesting systems (807), drinking water systems (50), electricity schemes (46) and drainage systems (45). In some instances, (especially in the Eastern Province), these were associated with housing construction. Elsewhere (e.g. in Kalutara District) they were additions to pre-existing projects supported by other donors. Finally, 84 km of settlement roads were constructed.

III. Main evaluation findings

A. Project performance and rural poverty impact

Relevance

37. **Relevance of objectives.** The objectives of the programme, as given in the President's Report and as reiterated in the Implementation Report, were to 'restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities while helping them diversify into new, profitable income-generating activities'.²⁵ These objectives were broadly in line with IFAD's strategic approach to Sri Lanka which in part focused on coastal zone management and the role of women.²⁶ The role of women was given explicit prominence by including it as one of the immediate objectives of the programme. The objectives were also in line with IFAD's policies on post-disaster relief as elaborated in the 'Framework for Bridging Post-Crisis Recovery and Long-term Development' and IFADs' Policy on Crisis Prevention and Recovery'.²⁷ And finally, they were in line with the Government's post-tsunami rehabilitation programme.
38. However, there are questions as to the relevance of the 'immediate objectives' of the programme.
 - (i) Providing tsunami affected households with 'essential social and economic infrastructure, particularly housing' raises a series of questions (e.g. what is 'essential'). But, more importantly, housing is not part of IFAD's brief and compared with other agencies IFAD has no clear comparative advantage in this area.
 - (ii) It is unclear what is meant by an objective such as, 'communities strengthened' or how communities might be expected to 'sustainably manage' coastal resources.
 - (iii) The objective of increasing women's economic and social participation is vague. This is particularly significant given the matrilineal and uxori-local nature of society in Eastern Sri Lanka.
39. **Relevance of design.** The 2006 log frame makes a weak attempt to link the various levels of the framework or consider the logical linkages between outputs, objectives and goal. There was little attempt to identify the risks and assumptions implicit in the design of the programme. Furthermore, as is pointed out in the PCR, the various objectives of the programme confuse different levels of the programme logic.²⁸ The shortcomings of the log frame were pointed out by successive Supervision Missions but the opportunity of revising it at the time of the mid-term review (MTR) was not taken up.

²⁵ In the 2006 logframe, the goal of the programme is slightly reworded: 'Social and economic conditions in tsunami affected areas have been re-established and improved over pre-tsunami levels, economic activities are growing, poverty incidence has declined and development is gender positive'.

²⁶ IFAD 2003.

²⁷ IFAD 1998; 2006. IFAD's Policy on Crisis Prevention and Recovery states that IFAD engagement is premised on providing support for the development and restoration of livelihoods, particularly those based on agricultural and rural sectors. In doing so, it will support the recovery of the agricultural production capacity, enhance food security, and help build the capacity of the rural poor people to cope with future crisis by rebuilding their asset base and social capital.

²⁸ IFAD 2015.

40. The delay in the programme becoming effective (the Implementation Mission took place almost two years after the tsunami) was, as the Implementation Report remarks, 'something of a blessing in disguise' in that 'real and remaining needs' could more easily be identified compared with the confusion of the immediate post-tsunami period.²⁹ So for instance, IFAD did not get involved in supplying artisanal fishing vessels and associated gear: there already was an over-supply in Sri Lanka. But rather than take advantage of this situation and design a programme that built upon the work of the many organizations already at work in post-tsunami Sri Lanka, what emerged was a series of ad hoc interventions.³⁰
41. These interventions appear to have been driven by perceived gaps in the previous and planned activities of other donors. This is particularly apparent in three areas:
- (i) *The focus on housing in the Eastern Province.* Activities by previous donors had met most needs in the Southern and Western Provinces: what was left for IFAD was the more difficult Eastern Province which still faced a serious housing problem but where the situation was exacerbated by the civil war and by acute pressure on land.
 - (ii) *Support for 'social infrastructure' such as sanitation and water.* Here there was no overarching strategy but rather a series of responses to scattered requests for assistance. Many of these involved filling the gaps left by other agencies, for instance supplying electricity and water. But in the design of the programme it does not appear that any attempt was made to unify particular housing initiatives with the wider needs for social infrastructure.
 - (iii) *Support for the construction of fish landing sites.* An overall strategy had been developed by FAO, and IFAD appears to have picked up the sites which FAO and the United Nations Development Programme were not covering.³¹ But in general there was little consideration as to how the construction of fish landing sites might be related to other activities such as road building or social infrastructure.
42. More generally, there was insufficient clarity and a lack of consideration as to the viability of various components. These components include:
- (i) Fish landing sites. The identification of venues for fish landing sites was driven by an assessment of tsunami damage rather than livelihoods needs assessments.³² In many cases these involved new sites rather than the rehabilitation of tsunami-affected sites and social needs were not always considered as paramount.
 - (ii) There appears to have been no feasibility studies as to the need for inputs into ornamental fish capture or the proposed linkages between groups of fishers and commercial companies supplying supermarkets and the export market.
 - (iii) The proposal to support the construction of a large number of multi-day boats was politically driven. There was no evidence that there was a demand for these craft especially in terms of the ownership pattern envisaged.
 - (iv) Support for microenterprises and the subsequent effort to establish an overarching sales operation (Visma plus) appears to have been driven by supply side interests rather than by an analysis of the potential market demand.

The one area where design was relatively good was in microfinance, where the project built upon the existing organization of the Women's Bank.

²⁹ IFAD 2006.

³⁰ As the 2008 Supervision Report put it, 'the planning process has followed a piece-meal approach'.

³¹ FAO 2006.

³² Green Tech Consultants 2011.

43. **Relevance of targeting.** In the President's Report, the programme was aimed at rural poor women and men in 565 *Grama Niladhari* divisions directly affected by the tsunami. Targeting was slightly revised in the Implementation Report which defined beneficiaries as 'poor rural women and men in tsunami affected areas that experienced loss of lives and/or loss of physical and financial assets'. These were to be identified using certified beneficiary lists produced at the District level in conjunction with 'estimated household information'. Women were to be prioritized in the microfinance and microenterprise components of the project.³³ Later, the target population was slightly redefined to distinguish between the general tsunami affected population and the 'poor and needy' within that category. The former was targeted as the beneficiaries of housing and associated infrastructure activities; the latter in terms of financial services and support for small enterprise development.³⁴ In addition, the fisheries sector was targeted in terms of support for the revitalization of the fisheries industry.
44. There are some problems with the way in which beneficiaries were targeted in the programme. These include:
- (i) Over reliance on official government figures as to who was or was not affected by the tsunami. These were collated at the divisional level but depended on documentary or other evidence of residence and house ownership prior to the tsunami.
 - (ii) As far as housing was concerned, potential beneficiaries were required to produce documentary evidence of prior ownership or habitation, and this was frequently not available. Support for small enterprise development presupposed a degree of financial resources which the poor generally lacked. Overall, the 'poor and needy' were only one of a series of planned beneficiaries.
 - (iii) The Eastern Province had been a war zone for two or three decades prior to the tsunami and no appreciation of the specific needs of post-conflict societies appears to have been considered.
45. In conclusion, the project adhered well to IFAD's policies on post-disaster and emergency crisis and relief and the COSOP for Sri Lanka. Further, the project's emphasis on flexibility was in line with post-emergency situations which can be fluid and complex. However, insofar as programme activities are concerned, IFAD had solid experience in some, such as micro credit, but for some others, IFAD's role and comparative advantage in emergency relief activities especially in terms of construction of houses, was clearly lacking. The programme design did make gender an explicit focus but it did not have an explicit gender strategy. In addition, several activities across five components were not coherently linked together and the programme did not sufficiently factor in prevailing institutional capacities. The numerous factors mentioned above limited final outcomes and therefore relevance is rated as *moderately unsatisfactory* (3).

Effectiveness

46. Programme effectiveness is assessed by examining both how effective was targeting and to what extent the intended programme objectives were achieved by the time of the evaluation.
47. **Effectiveness of targeting.** The PCR states that targeting was successful since tsunami-affected persons were targeted. Whilst there is merit in this statement, this PPE finds mixed results insofar as *effectiveness* of targeting is concerned both in terms of location of interventions and IFAD's core target group.
48. IFAD supported the construction of two harbours at Nilwella and Suduwella. These two harbours are only 11.6 km apart. Further, and a result, four fisheries harbours

³³ IFAD 2006.

³⁴ IFAD 2012.

now exist along a 25 km stretch of coast.³⁵ In addition, political factors appear to have determined distribution of aid, and such factors were also important in the decision to support the construction of multi-day boats despite the opposition of fisheries experts.³⁶

49. At a local level, similar processes were at work. Detailed ethnographic research into the distribution of relief, including housing, in the Western and Southern Provinces indicates that political linkages and local patronage structures were instrumental in determining who did and did not benefit.³⁷ Parallel research indicates a similar picture in Ampara, Batticaloa and Trincomalee.³⁸ The impact assessment shows that the average total cost of a house was around 35 per cent more than the programme-allocated budget per unit, largely because several beneficiaries had added value to their houses by adding extra rooms and other spaces at their own expense. But this also casts doubt on their true level of poverty. The 2008 Supervision Report commented on the ineffective poverty orientation of the programme and the need to own land before becoming a beneficiary.³⁹ One academic study which examined the distribution of housing in Ampara District concluded that housing reconstruction led to better houses and more egalitarian distribution of housing assets except amongst the poorest.⁴⁰
50. There is also evidence that programme activities at times directly benefitted the relatively well-off. One example of this is the 'cluster shrimp farm' at Vakarai. The 27 members of the local company each invested SLR 100,000 (approximately US\$673) plus a loan of SLR 200,000.⁴¹ All paid back their loans within two production cycles (approximately 18 months). Clearly, as an economic venture the Vakarai cluster farm is a success, but just as clearly the major beneficiaries of the cluster shrimp farm were the relatively better-off.
51. As far as fish landing sites were concerned, results of targeting were mixed: some of the sites visited were being used by fishermen while others showed only limited signs of use. There is evidence that insufficient care was taken to ensure that the construction of these sites did not reinforce existing patterns of inequality. Thus, whilst in some areas a participatory process of deciding on the management of fuel supply points was undertaken, in one landing site visited by the PPE mission (at Kiniya), the president of the local fishing society (who is also a major fisherman owning a beach seine and five or six two-man boats) was in control of the operation.
52. On the other hand, selection of microenterprise beneficiaries was a good example of targeting the poor; it was based on administering a mini survey which included income related data, focusing on "samurdhi" recipients, screening and close consultation of the prospective beneficiaries.
53. **Effectiveness of objectives.** In the case of this programme, there is a series of issues which make an assessment of effectiveness in terms of the originally stated objectives problematic:
 - (i) There is a lack of fit between the components of the programme and the objectives of the programme. How components might generate the desired objectives is left unstated and the emphasis in programme implementation was on the components rather than the objectives.

³⁵ There is also the peculiar case of the open-air theatre and badminton court (complete with lighting and air-conditioning) in Galle which the programme appears to have supported. See 2011 Supervision Report.

³⁶ Unfortunately, the data available to the evaluation team is not disaggregated in terms of districts. This makes it extremely difficult to determine the degree to which resources were skewed to particular regions.

³⁷ Gamburd 2013, Ivarsson 2013; Perera-Mubarak 2012.

³⁸ See McGilvray and Lawrence 2010; de Siva 2007.

³⁹ IFAD 2008.

⁴⁰ Gunawardena and Baland 2016.

⁴¹ The MTR claims that Rs.500,000 was required from each beneficiary.

- (ii) The result is that indicators (when they exist) relate to activities and outputs, not to impact or outcomes.
 - (iii) The addition of new elements to the programme is somewhat random and how they fit into the overall logic is left unclear.
54. Given these issues, the objectives are slightly reformulated, using the reconstructed theory of change as the basis, for evaluating effectiveness.
- Objective1: Re-establish gainful economic activities and employment and provide diversified business opportunities to both women and men.**
55. The programme aimed to achieve this through components B and C (i.e. support for artisanal fisheries and microenterprise and financial services development). The tsunami had rendered impassable the many roads providing access to the coast for both fishers' and traders. Fisheries access roads were expected to make an important contribution towards meeting Objective 1 because most of the new houses built for fisher households were at some distance from the coast and the enhanced trading activity from the rehabilitated fish landing facilities would require better access for commercial vehicles. Project documentation shows that a majority of beneficiaries confirmed the utility of the roads⁴² and the PPE mission noted the same where it visited. Although, in a number of places, the mission observed that roads were in a poor state, reflecting lack of proper maintenance.
56. The objective of providing *Multi-Day Boats (MDBs)* to beneficiaries was to provide opportunities to fishermen to engage in deep sea fishing for high value species, but this was not successful. The concept, strongly backed by the Ministry of Fisheries, was for these boats to be distributed to fisheries co-operative societies which would then repay the Government the cost of the boats. From an original number of 100 MDBs, the fleet was reduced to 25 in the Implementation Report and in the end, only four were built. Of these, only three were operating at the time of this evaluation. The main reason for this failure was the unrealistic expectation, given the general failure of fishery co-operatives in open capture fisheries in Sri Lanka⁴³, that artisanal fishers might own/operate them via cooperatives. Furthermore, the boats were prohibitively expensive costing between Rs. 16,000,000 and Rs. 20,000,000 each (between US\$100,000 and US\$132,000). As a result, these were sold to existing MDB owners who were economically well-off (two boats to the same family of owners). Some marginal impact on employment was attained (say 15 employees hired) but the mission has no evidence that the crews of these boats are tsunami victims.
57. The effectiveness of *rehabilitation of the facilities of DFAR* is unclear. The project documents do not make a link between this and the programme objectives but it can be assumed that this may have been done to better serve the fishermen. The programme constructed or rehabilitated 11 offices of the Department of Fisheries and Aquatic Resources, of which five were District-level Assistant Directors offices and six were offices for Fisheries Inspectors. Interviews by the PPE mission with officials of this department revealed an overall level of satisfaction with the utility of the facilities.
58. The effectiveness of *rehabilitation and/or development of fish landing sites and harbours*, whose aim was to help kick-start post-tsunami activities or to meet the expanding needs of the fishing community, is mixed. This activity had a positive effect on some beneficiaries in terms of restoring economic activity. Some of the shortcomings of the previous landing sites were overcome by building new ones in more accessible and useful sites. The facilities were also useful in terms of well-being i.e. providing fishermen with spaces for mending their nets and for resting.

⁴² Industrial Services Bureau: Activity Cluster Based Evaluation Studies- PTCRRMP, July 2013.

⁴³ There are situations where they do work but these seem to be limited to lagoon fishing where the boundaries are clear. As per PPE mission interviews with Mr Claude Fernando, Secretary, MFAR, and Mr Thissera, one of the project directors.

Facilities for producing ice and building of fuel pumps provided at some landing sites were considered noteworthy by beneficiaries. However, the PPE mission observed that some were not being used. Further, there is no evidence to suggest that there were more boat landings and more buyers than before.⁴⁴ The two harbours built at Suduwella and Nilwella by UNOPS seem of a good quality with many facilities provided for fishermen. However, there were some design issues which also affect the full utilization and capacity of these harbours (in terms of a higher number of boats that could use them and the risk of damage from inundation due to low harbour walls).

59. The demonstration *shrimp farm* built by the project was intended to help beneficiaries diversify into higher value products such as shrimps with good local and export potential and to serve as models. The cluster farm in Vakarai was also designed as a model for public-private partnership with a joint venture between beneficiaries and an established company in trade. The beneficiaries interviewed by the mission were very satisfied and had reported increase in incomes. However, they were only 27 in number and the success of this activity will depend on the rate of its emulation. The *fish market* built at Trincomalee was fully operational and handles around six tonnes of fish per day, with increased capacity and improved infrastructure and hygiene facilities for buyers and sellers. It has also provided employment opportunities to several local people.
60. The effectiveness of the *training centre* (National Institute of Fisheries and Nautical Engineering) partly funded by IFAD with a view to helping dispense improved fisheries practices to the community was found to be good, in terms of its utility to the students interviewed. However, the mission noted that given the remote location of the centre, provision of a shuttle bus facility for ferrying students would have been useful, especially for poorer students who may not own a means of transport.
61. Activities specifically related to women beneficiaries aiming to create an entrepreneurial and savings-oriented culture amongst them through: a) microenterprise development viz., provision of business loans and training in income-generating activities, and b) provision of microcredit, were found to be effective. Over 75 per cent of beneficiaries were women. The PCR states that the repayment rate of borrowers was very high, at around 98 per cent; most of the beneficiaries interviewed by the mission had repaid their loans. Similarly, trainings were generally considered to be of good quality and useful by the participants. The institutional support provided by the programme to The Women's Bank contributed to mobilizing 850 women into small groups and establishing 18 new Women's Bank branches. The Bank branches visited by the mission confirmed that microcredit had been effective in organising women into groups, and that most loans had been repaid. However, some of the beneficiaries met by the mission had used the funds for household consumption whilst others for productive activity (chicken-rearing, for example). Besides, the several NGOs in the tsunami-affected areas had become very active after the disaster, providing similar credit offerings and it is difficult to attribute the effectiveness of credit to the project, given the fungibility of money.
62. In terms of effectiveness of microenterprises, efforts to provide marketing opportunities to beneficiaries by connecting them with buyers through the Visma Plus cooperative initiative launched by the programme failed. Most of the Visma Plus centres visited by the mission were not in operation. Thus, whilst some economic activities were re-generated, they remained localized and an important opportunity to increase incomes through market participation was missed. Two other aspects that affected effectiveness which were noted by the PCR were: (i) most of the loans were used to provide a supplementary income to the

⁴⁴ The PCR also notes that less than 40 per cent of beneficiaries reported an increased number of boats at the programme supported landing sites.

household, and, (ii) even though the enterprises were small, the households that received the loans were not from the lowest income categories. For instance, the average loan amount was Rs. 70,000, much too large for the poorer segments of the population.

Objective 2: Enhance the living and social conditions of beneficiaries.

63. Restoring personal and community assets such as houses and housing amenities, communal roads, schools, parks and community centres that were destroyed by the force of the tsunami was seen as a way to achieve this objective. The PCR reports that beneficiaries⁴⁵ were satisfied with the housing supplied by the programme, an impression which the mission concurs with. The quality of houses constructed was better than those occupied by beneficiaries prior to the tsunami. The owner-driven approach applied by the NHDA had a role to play in this. In some cases, squatters and people living in thatched houses were also provided with more permanent structures; to this extent, the project succeeded in increasing assets of some of the poor. However, in one district, Ampara, the quality of houses was found to be inferior in terms of the small size and quality of construction. The mission did not see evidence of home gardens; these were not promoted by the project.⁴⁶
64. The programme succeeded in both restoring pre-existing electricity supplies to some houses and providing a new service in others. Hygienic toilets in the houses were built; previously, many beneficiaries had external toilets. Water supply was restored, but the mission noted that most of the hand-pumps installed by the programme were not functioning. Overall, the restoration and creation of housing amenities were considered useful to both men and women beneficiaries in terms of convenience, safety and hygiene.
65. However, several of the community buildings built as centres where people could conduct business or hold community meetings buildings were not in use because of their inconvenient locations. A nursery and day-care centre built by the project, and visited by the mission, was found to be useful by the beneficiaries.

Objective 3: Promote sustainable fishing and management of coastal habitat.

66. The achievement of this outcome was based on the principle of community participation and management of resources as a means to ensure the sustainability of coastal resources. Activities undertaken included stock assessment of five fish species which would form the basis for development of Fishery Management Committees (FMCs) that would develop their own fishery management plans. These export oriented species have decreased through over-fishing and habitat destruction and thus need urgent management to sustain both the fishery and the resource.⁴⁷ However, by conducting only a baseline survey without any follow-up activity (survey), it is difficult to surmise how the objective of "sustainable" fishing can be assessed. Only by conducting regular surveys can one assess how sustainable is fishing in the project area, and take further actions for promoting this objective.
67. Several other activities envisaged in the project design report and linked to the achievement of this outcome, such as rehabilitation and management of mangroves and coral reefs and improving awareness of coastal resource

⁴⁵ As per the PCR, some 63 per cent of the beneficiaries had been residing earlier within 100 metres from the coast, the benchmark now used as a policy guideline to restrict construction of permanent structures near the coast. Total or partial damage to the original house had been reported by 95 per cent of beneficiaries, while 81 per cent had been living in temporary shelters until they completed the construction of the Programme-supported house.

⁴⁶ The only exception appears to have been a very small component. The 2011 Supervision Report mentions nine home garden initiatives in the Southern Province.

⁴⁷ Fisheries Management Plan for Selected Fisheries in the East Coast (Batticaloa District), Fisheries Management Area, Fisheries Management Division, Department of Fisheries and Aquatic Resources Development, December 2012.

management through media and exhibitions, were moved to the GEF project. Hence, these are considered beyond the scope of this PPE.

68. To conclude, the programme's performance in terms of its targeting and in achieving its objectives was mixed. Targeting cast in its ambit all tsunami-affected people, in many instances without sufficient focus on poor households and groups. Lack of data makes it difficult to put a number on this but as mentioned earlier, some activities such as shrimp farms were clearly not focussed on the poor. Further, targeting of sites was not always done in a participatory way and political considerations often influenced the locations. The programme managed to perform reasonably well in terms of infrastructure, improving the social and living conditions of the beneficiaries and constructing markets, harbours and roads. Very little activity was performed by the programme in terms of the third objective of sustainable coastal resource management (since its transfer to GEF) and where it was done, such as stock assessment, only the baseline study was completed. In the light of the above, the rating for effectiveness is *moderately unsatisfactory* (3).

Efficiency

69. **Programme cost and disbursement.** Based on data received from the project staff, at completion the costs of the two PT-CRRMP loans reached a total of US\$30.59 million compared to US\$28.4 million at approval (the difference in costs being a result of fluctuation between the SDR: US\$ exchange rate). Fund disbursements only picked up after the mid-term review. For instance, in July 2008, almost two years after becoming effective, disbursement was still at 6.6 per cent whilst at mid-term in 2010, only 39 per cent had been disbursed. However, disbursement rates recovered thereafter and touched 99 per cent at completion.
70. The first loan, 664-LK, was extended for 21 months because of the slow disbursement at the start of the programme. The time that elapsed between the approval and effectiveness of the second loan (693-LK) was almost 18 months. Furthermore, there was a delay in its disbursement, and in 2011 only 35 per cent had been disbursed. In addition to signalling inefficiency, this delay also meant that crucial rehabilitation activities, especially related to civil works, had to be postponed.
71. Several causes can be cited for delays in disbursements: (i) the continuous staff turnover meant adjustment time was required by new staff resulting in delays in implementing activities; (ii) the many cost-reallocations and associated processes took time and delayed disbursements; (iii) the slow implementation of several activities due to the lack of capacity of implementing agencies (e.g. the failure of the CFHC as a constructor of landing sites and the transfer of these to UNOPS); and (iv) misunderstandings in regards to fund flows, with the National Programme Coordination Unit understanding that allocations from loan 693-LK could not be withdrawn until all funds for 664-LK had been exhausted.
72. **Economic Internal Rate of Return.** The project's Economic Internal Rate of Return (EIRR) was calculated neither at appraisal nor at completion. However, this was in line with IFAD – general practice that EIRR is not calculated at appraisal for emergency response projects.
73. **Costs per beneficiary.** The calculation of cost per beneficiary in the case of this programme is not straight forward and the result may not be reliable. The President's Report estimates cost per beneficiary at project design to be US\$139. However, it is not clear how this number was calculated. The Report states that this is based on an estimated 50,000 persons in as many households, or about 42 per cent of the population of the programme area. Using the latter, the cost per beneficiary would be US\$181. At project completion, taking the PCR's beneficiary figure of 65,840 households and converting that into total number of individuals of

236,634⁴⁸, the cost per beneficiary of the project at completion is US\$142. The cost per beneficiary of the PT-CRRMP seems to be in line with other IFAD post-tsunami related projects, such as the Post-Tsunami Agriculture and Fisheries Rehabilitation Programme in Maldives (US\$145).

74. **Financial management.** The project's performance regarding its financial management faced several issues, some of them related to project staff. The absence of full-time accountants at the National Programme Coordination Unit and District Programme Management Units, high staff turnover (reaching the term of their release from public service or by re-assignment outside the programme) and a dearth of trained accounting staff affected the overall quality of financial management. A further issue relating to staff and the accounting system was the manual preparation of information by programme management that was both time consuming and prone to errors. In addition, lack of an expenditure tracking system and absence of periodic internal audit were further shortcomings. However, according to the supervision mission carried out in 2013, most of those issues were addressed by the time of that mission.
75. Some of the activities carried out by the project demonstrated a level of efficiency. For instance, housing construction was supplemented with the use of local labour, collective supply of local materials (obtaining inputs in bulk generating budget savings) and sometimes with direct contracts with local artisans. The PPE mission observed that this was often implemented with a degree of quality and timeliness, and that the efficiency of such construction work was perceptibly higher than in other cases. The owner driven approach adopted by NHDA played an instrumental role in this.
76. **Project management.** The PT-CRRMP loans' contribution is not broken down and management costs therefore cannot be assessed. The component related to project management includes policy support, gender mainstreaming, community sensitization and mobilization, as well as coordination of development efforts with other partners involved in the sector. Hence it is difficult to flesh out the management costs from the component (this component accounted for some 13 per cent of total project financing).
77. Staff turnover was reported as high, particularly amongst key staff. As mentioned earlier, the project saw three programme directors during its life span. Staff turnover is also highlighted in several supervision mission reports, including the 2012 PSR that highlights staff shortages at the programme management level. Another example of staff issues concerns the absence of a gender, microenterprise and rural finance manager until 2010 which must have contributed to absence of an effective gender component in the programme.
78. **Procurement.** Programme procurement was beset with a number of inadequacies and irregularities. For instance, the project sent 30 staff for foreign training in 2011 at a cost of US\$220,452. This activity was not in the approved AWPB and procurement plan of 2011; no budget provision was made for the same in programme design, no IFAD prior concurrence was taken and no documents were sent to IFAD for prior review and for obtaining "No Objection", as required by the Schedule 4 "Procurement", Part F, clause 18 of Programme Loan Agreement.⁴⁹ In addition, a large majority of the civil works contracts under Component D (other than housing) were awarded without a transparent or competitive process. These contracts were awarded at estimated values and were not based on quotations.⁵⁰
79. To conclude, the project suffered from a number of issues which impinged on its efficiency. These were related to several key areas such as financial management,

⁴⁸ Average family size is taken as 3.6 derived from the statement in the President's Report which states that the estimated population of the programme area is 514 100 persons living in 141 250 households.

⁴⁹ IFAD (2012) Supervision report no. 2664LK.

⁵⁰ IFAD (2010) MTR.

procurement, disbursement and staffing. Although, at completion, the project managed to attain full disbursement for most of the targets set after several reallocations, the issues outlined above ultimately contributed to slow implementation process that defied the original purpose of this post-emergency programme. The PPE rates this criterion as *moderately unsatisfactory (3)*.

Rural poverty impact

80. Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. The PT-CRRMP had the goal of sustainably improving the economic and social conditions of project beneficiaries. This section investigates the impact of the project on beneficiaries, as a means of assessing whether, and how, this goal was realized. According to the guidance of the IFAD Evaluation Manual (second edition, 2012), rural poverty impact is to be assessed in terms of four impact domains: (i) household income and net assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies.
81. **Household income and net assets.** The impact of the programme on household income and assets has been mixed. According to the Impact Study carried out by the programme, the difference in household incomes between beneficiaries and non-beneficiaries was statistically not significant. In the three Eastern districts (Ampara, Batticaloa and Trincomalee) poverty levels of the beneficiary sample were found to be lower than those of non-beneficiary sample while in contrast, the beneficiaries in the three Southern districts showed higher poverty levels than their non-beneficiary counterparts.
82. In terms of individual interventions, it is difficult to identify any direct impact of the programme on household incomes related to *sea fishing*. During the life of the programme both the price of fish and the volume of fish caught rose, but this appears to be a general phenomenon and not directly related to programme activities.⁵¹ The construction of landing sites and harbours attracted more traders to these sites, but there is no evidence that prices at the landing sites constructed by the programme rose more than at other sites.
83. The programme's support for *shrimp farming* has had a much clearer impact on incomes. Whilst there is no information on the impact of the demonstration farm in Batticaloa (or indeed whether any shrimp farmers benefitted from visiting this farm) the participants in the Vakarai cluster farm do seem to have benefited. Here the evidence appears to indicate that the incomes of the 27 farmers had increased by more than 50 per cent.⁵²
84. The programme's support for *microcredit and microenterprise* also had some beneficial impact on incomes. Qualitatively, overall, 62 per cent of beneficiary households attributed improved financial services (either fully or partially) and 80 per cent of beneficiaries attributed an increase in savings both due to programme interventions. However, only 58 per cent of beneficiaries had used the credit borrowings for income generating activities, the purpose it was intended for. According to the PCR, the impact on creating new employment under the microenterprise component was minimal.
85. In terms of household assets, the impact was good. The PCR reports that in all, the programme constructed 793 new houses for tsunami victims, and rehabilitated another 633. The houses were found by the PPE mission to be of good quality and the beneficiaries interviewed expressed satisfaction. The beneficiaries reported positive impact also in terms of the supply of toilets, wells, kitchens, water supply

⁵¹ As per the Impact Study, almost half of the beneficiaries interviewed believed that price increase was due to other economic reasons rather than Programme interventions.

⁵² Interview at Vakarai.

and electricity supply. These were not limited to housing schemes supported by IFAD but also supported housing initiatives of other agencies. As per the Impact Study, compared to the baseline, ownership of nine assets⁵³ showed a clear improvement in the beneficiary and non-beneficiary households. However, not much variation was seen *between* the beneficiary and non-beneficiary samples.

86. Could the programme have had more impact on household income and net assets? As far as incomes are concerned, IFAD entered the relief effort too late to have any major role in the rehabilitation of fishing. One area where there was a possibility of improving the incomes of fishers was to engage in the value chain (setting up relations between fishers and supermarkets etc.). But an attempt to improve these relations failed. As far as public assets are concerned, there appears to have been a disjuncture between housing and other investments, with the result that different elements did not always link together (e.g. roads with settlements; housing schemes with water supplies). Greater benefits would possibly have resulted from greater integration of the various elements supported by the programme.
87. **Human and social capital and empowerment.** The programme aimed to increase human capital through supporting a series of *training* initiatives, but these had a mixed effect. Some 2,000 members of the Fisheries Management Coordinating Committees received training, although in what is not clear. There was also training in the programme component concerned with microenterprise development. While some aspects of the training, for instance in leather working, tailoring, and coir based activities, appear to have been seen by trainees as beneficial,⁵⁴ overall, less than 45 per cent of programme beneficiaries viewed the training they had received as useful in expanding their businesses or improving employment conditions.⁵⁵ Thus, it is unclear whether or not and how far the needs or interests of the beneficiaries were considered in the formulation of the training supported by the programme.
88. In terms of increasing social capital, the programme helped form community-based organizations (CBOs) and other groups. The programme, according to the Impact Study, assisted the development of existing CBOs and in establishment of new CBOs where necessary. About 41 per cent of the beneficiaries stated that the programme helped the development of their CBO, mainly the Fisheries Societies. However, no evidence exists on whether or not they increased social cohesion or group identity. Support for the Women's Bank seems to have had some positive impacts. It resulted in the formation of new groups and strengthened pre-existing *local credit organizations*.
89. On the other hand, attempts to establish clusters of producers and organize them into *local level cooperatives* under Visma Plus, an umbrella organization and a brand name for the products of these small cooperatives, appears to have had little lasting effect.
90. In the housing development schemes, it appears that informal women's groups emerged during the construction period. The focus of their activities was on ensuring quality of construction and supply of materials. However, these groups were short-lived single purpose organizations. They were not supported by the programme and did not become some sort of residents' associations. Fishery societies were expected to manage the Fish Landing Sites, and in the process of planning and construction there were consultations with these groups.
91. As far as empowerment is concerned, all the available evidence indicates that the impact of the programme may have reinforced existing power differentials. Thus in the case of some of the Fish Landing Sites, those who already had power continued

⁵³ These nine assets are: electricity, radio, TV, refrigerator, bicycle, motorcycle, four wheeled vehicle, mobile phone and boat/canoe.

⁵⁴ Impact Report p.10.

⁵⁵ Impact Report p. 24. The Impact Report supplies no information on how many people completed the courses.

to exercise it. The fisheries societies that were entrusted with the management of the newly constructed fish landing sites have a long history and often have close links with the fisheries administrative system. However, as per conversations with experts in the country, the PPE mission understood that these societies have a tendency to be under the control of a few dominant individuals, which may be the reason why, according to the PCR, impact surveys show that around half the membership feel excluded from decision-making. Similarly, in the allocation of housing and other forms of infrastructure, there is no evidence that pre-existing form of discrimination were undermined. On the other hand, as far as microenterprise and credit is concerned, the predominant role that women play, at least in the Eastern Province, in terms of using microcredit for petty trading and chicken-rearing, was reconfirmed.

92. **Food security and agricultural productivity.** The Impact Study assessed food security using two indicators: length of hungry season and nutritional status of children, and results of both these indicators were not positive. For instance, nearly half of the beneficiary households experienced a hungry season whilst only 25 per cent of non-beneficiary households experienced the same. Further, more beneficiary households experienced this at completion (6 per cent more) than at the baseline level. Similarly, stunting rates and Composite Index of Anthropometric Failure for children were higher in the beneficiary households as compared to the beneficiary households. The difference between the beneficiary household at completion and at baseline was not statistically significant.
93. In resettled areas, home gardening did reappear but the scale of activities obviously depended on the size of the plot, and in many cases the soil quality was poor. Home gardens are mentioned in some Supervision Reports as are chickens and other small animals. But observations by the PPE mission revealed absence of a systematic approach to micro-agriculture; an insignificant number of beneficiaries (visited by the same mission) had taken up home gardening. Thus, benefits of home gardens on nutritional well-being of the beneficiaries were limited to only a few.
94. **Institutions and policies.** The programme assisted the DFAR through the construction of new premises for DFAR staff. Similarly, it constructed the buildings for the NIFNE establishment in Batticaloa. As far as the CCD and NARA were concerned, the programme supported their activities financially but did not provide other support. There is no evidence of any support for institution building except for some overseas training for DFAR staff.⁵⁶ The exceptions to this were the support to the DFAR to produce fisheries management plans and to support the establishment of Fisheries Management Committees. It is possible that the capacity of CFHC, working closely with UNOPS in the design and construction of landing sites, was strengthened due to the association, but there is no hard evidence to substantiate it.
95. The Participating Financial Institutions in implementing the microenterprise loan scheme reached out to clients some of which had hitherto not been tapped by the formal sector. The business development service providers were effective in mobilizing the target groups, arranging training and liaison with the banks, as gauged by the overall satisfaction expressed by beneficiaries interviewed. Some of the business development service providers interviewed by the mission found the system of credit-rating of rural beneficiaries as very useful and voiced a desire to use the system in their future work.
96. *This PPE considers the overall impact of the programme on rural poverty as moderately satisfactory (4).* The programme made a notable contribution to building household assets for beneficiaries and improving amenities such as

⁵⁶ There is some uncertainty here. It has been claimed that the staff trained were from the service providers employed by the Programme.

electricity, drinking water and sanitation (toilets). Incomes were restored through construction of fish landing sites, roads, harbours and fish markets. Human and social capital was improved through formation of new community based groups and strengthening existing ones and through training in income-generating activities. Some institutional strengthening also took place. On the negative side, there is no evidence to show that beneficiary incomes increased as compared to pre-tsunami levels and whether or not income diversification took place. Microcredit was used for generating income but also for consumption-smoothing and no noticeable improvement in food security was observed.

Sustainability of benefits

97. Sustainability of assets such as houses funded by the project and which were owner-driven and generally found to be of a good quality is expected to be high, the shrimp farms are expected to be commercially viable (unless market dynamics dictate otherwise), the NIFNE Training Center has been handed over to the Ministry of Youth Affairs and Skills Development which will ensure sustainability due to its full integration with the National Vocational Qualifications (NVQ) framework and the Trincomalee Fish Market is functioning under a management committee that includes all relevant stakeholders which should ensure its sustainability.
98. However, there were a number of issues that impinge on sustainability of programme activities and benefits. Capacity building of fishing societies undertaken through the formation of Fishery Management Committees which developed Fishery Management Plans will not be sustainable since most fisheries societies are not currently equipped from either a management or financial perspective to assume such responsibilities.
99. The stock assessment exercise for the specialized fisheries was done only at baseline. No follow-up surveys were undertaken. Unless they are carried out there is no way of ascertaining whether the fishery is being managed in a sustainable manner.
100. The mission noted that no plans are available to ensure sustainability of a number of public or community infrastructures such as community centres or landing sites. This is evident from the poor maintenance or underutilization of some of them, the result in part of the lack of properly formulated processes to hand over facilities to ongoing legally constituted management entities.⁵⁷
101. The mission found numerous instances of poor maintenance of roads, mainly the result of overuse and partial development due to lack of funds and non-construction of side drains. This same conclusion was also reached by a study conducted by the project NCPU.⁵⁸ This clearly indicates that unless community-based organizations are entrusted with maintaining the roads, the decrepit state of some roads may remain a perennial issue.
102. The programme expected to ensure the economic and financial sustainability of the target families through women's bank lending for investments, microenterprise activities, sales centres, Visma Plus, training and capacity building. However, in many instances, financial institutions that gave business loans to beneficiaries had stopped doing so, and many of the income generation and diversification activities started by beneficiaries under this intervention had been discontinued. This has undermined the financial and economic sustainability of the project's intervention. The PCR noted that a considerable proportion of the population, even more than four years earlier, still experienced hardships during the off season.
103. Thus, in conclusion, a number of assets developed by the project such as housing and fish markets are expected to remain in use and be sustainable. But a number

⁵⁷ In one such community centre rehabilitated by the project in Galle, the local authorities had taken back the community centre from beneficiaries stating that the land belonged to government.

⁵⁸ Indra Ranasinghe *et al*- Report on Ensuring Sustainability of Project Outcomes: PTCRRMP August 2013.

of other project outcomes are either clearly not sustainable (Visma Plus) or will require certain conditions, such as government funds, to remain sustainable. In light of the above, the PPE rates sustainability as *moderately unsatisfactory* (3).

B. Other performance criteria

Innovation

104. This was in general not an innovative programme. The major objective was to assist in the recovery from the tsunami, and the programme followed similar lines to those adopted by other agencies. Thus in supporting housing the programme followed the same process as other agencies, using the same house plans and the same methods of involving house owners in the construction process. As far as fish landing sites were concerned, this followed the same patterns as other agencies in the selection of sites, nature of facilities and encountered the same issues in future management of these sites. Other agencies were involved in supporting road construction and other forms of rural social infrastructure as IFAD. And many others (especially NGOs) were involved in microcredit and microenterprise support.
105. However, some of the interventions of the project could be considered innovations in the national context. One aspect of the programme with an element of innovation was the formation of Fisheries Management Committees. Although, there is nothing new about community-based systems which control access to fishery resources in Sri Lanka, what distinguishes the committees established under the programme is that they focus on particular species, and if they get suitable information from agencies such as NARA, this will be an innovative form of management in the Sri Lankan context.
106. The other area of interest is Visma Plus which represented a novel attempt to link together local level organizations of producers to both take advantage of larger scale markets and to bulk-source inputs. However, although an innovative concept, its implementation didn't fall through as expected. The bulk purchasing of inputs, applied at the housing schemes by involving community organizations can be considered innovative. The Cluster Shrimp Farm at Vakaraï introduced an innovative concept of a joint venture between traditional fishermen and a leading private sector exporter of shrimp.
107. To conclude, innovation was not an explicit objective of the programme, which is understandable in a post-emergency context. Nonetheless, the programme incorporated some innovative approaches, some achieved success and others such as Visma Plus did not. The rating for innovation is given as *moderately satisfactory* (4).

Scaling up

108. The definition adopted by IFAD for scaling up is: expanding, adapting and supporting successful policies, programmes and knowledge in order to leverage resources and partners to deliver larger, more sustainable results for a greater number of rural poor.⁵⁹
109. Again, like the case of innovation, scaling-up wasn't an explicit focus of the programme. There are, however, two aspects with the likelihood of being scaled-up. One, the model of the Fisheries Management Committees can be extended to other parts of Sri Lanka and possibly to other species.⁶⁰ Two, the Cluster Shrimp Farming model can be scaled-up based on the lessons learnt from the two model farms commissioned under this programme.⁶¹ Apart from these, no other activity is considered by this PPE as likely to be scaled up. The rating for this evaluation criterion is *moderately unsatisfactory* (3).

⁵⁹ IFAD 2015: IFAD's Operational Framework for Scaling up Results.

⁶⁰ *Fisheries Management Plan for Selected Fisheries in the East Coast Fisheries Management Area*, Fisheries Management Division, Department of Fisheries and Aquatic Resources Development, December 2012.

⁶¹ Based on interviews with project staff.

Gender equality and women's empowerment

110. The programme was designed to benefit both poor men and women, and women were also given prominence in project objectives. Yet despite this, as the PCR points out, there was no specific gender strategy. Furthermore, until May 2009, the gender specialist post remained unfilled, and there was a further gap in 2011. And despite the aim of achieving a 50-50 gender balance amongst programme staff, only 38% of staff was female and none of these at a senior level.
111. IFAD was only one of many organizations working on tsunami relief.⁶² Areas of activity overlapped, and it is difficult to distinguish between the activities and impacts of one agency and another. This is accentuated by the similarities in their programmes as far as gender was concerned: an emphasis on microcredit, on the establishment of micro or small enterprises, and small scale agriculture usually involving chickens, less often goats, and encouragement of home gardens. Thus, not surprisingly what little evidence the PPE mission had indicates little difference between programme beneficiaries and non-beneficiaries. For instance, much the same proportion of beneficiary and non-beneficiary women take loans; there is much the same rate of repayment, and beneficiaries have tended to use loans to support consumption more than non-beneficiaries.⁶³
112. A major weakness here was the failure to recognize that gender relations may be very different in different religio-ethnic groups. In the South of Sri Lanka, most are Buddhist, but in the Eastern Province, especially in the tsunami affected areas, the population is Muslim or Tamil, either Hindu or Catholic. No attempt was made to determine how these differences might lead to variations in gender relations across the programme area. Perhaps the most important of these is that in the Eastern Province (amongst Hindus, Catholics and Muslims) the vast majority of houses are owned by women and residence is uxori-local (men live in their wife's house after marriage).⁶⁴ Thus the problem of housing widowed or single women does not have the same salience as elsewhere in Sri Lanka.⁶⁵
113. The lack of a suitable gender analysis notwithstanding, the programme did take some issues concerning women seriously. Its support for the Women's Bank from 2010 onwards was important in encouraging 850 women to form new savings and credit groups and it advanced 837 loans through the Bank. Similarly, 77 per cent of the loans made through the entrepreneurial development and financial services component of the programme went to women. As per the impact study, the wealth index of female-headed households showed higher proportions in the beneficiaries as compared to the baseline indicating a general improvement in the socio-economic status of women. More generally, the support for housing development and rural infrastructure benefited both women and men, in particular the ease, convenience, safety and hygiene associated with availability of water, toilets and electricity. On balance, therefore, the PPE provides a rating of *moderately satisfactory* (4) for gender equality and women's empowerment.

Environment and natural resources management

114. This evaluation criterion assesses the extent to which a programme contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment.
115. In the President's Report, environmental and natural resource issues were a major interest. As far as fishing was concerned the Report envisaged support for NARA to

⁶² The MTR (para 41) gives a good insight into the range of organizations and their activities.

⁶³ Impact Study pp.20-21. The findings of the Impact Study have to be treated with great reserve. The form of questions is not given, and some at least of the findings may well have been presumed by the question. This is in addition to the limitations of the study pointed out in the Methodology section of this PPE.

⁶⁴ This may account for the activities of groups of women in housing reconstruction: after all, it was their assets which were being restored.

⁶⁵ Interestingly, whilst mention is made of the needs of single mothers who lost their partners to the tsunami, no mention is made of the much larger number of single fathers whose wives had died.

improve their fish catch assessment and stock assessment programme as well as support for community-based management of certain specialized fisheries. Coastal habitats were to be improved through an awareness programme and support for 'community-based replanting of mangroves, repopulation of coral reefs, conservation of salt marshes, restoration of dunes, establishment of dune protection committees and use of natural vegetation for stabilization'.

116. The programme did support some surveys of fin fish resources and, in partnership with FAO, the publication of the 'Atlas of Fishery Resources of Sri Lanka'. There was also support for stock assessments of high value species and the establishment of Committees to manage these resources (see above). How sustainable these initiatives are is difficult to predict but future fin fish assessments (supported by the Norwegians) are planned in the near future which will increase the long term knowledge of fishing stocks in Sri Lankan waters.
117. As far as coastal habitats are concerned, the elements which seem to have been realized concerned awareness building: producing posters and leaflets, producing a short film, and holding consciousness raising sessions. At Bentota (in the Western Province) a visitor centre was constructed focusing on mangrove rehabilitation. There are no impact surveys of this work in awareness building. Some elements (e.g. work with sand dunes; coral reef rehabilitation) were formally dropped. One element which was implemented was water quality monitoring in areas of high tourist interest.
118. Mention should be made of the GEF project supported by IFAD entitled, 'Participatory Coastal Zone Restoration in the Eastern Province of post-tsunami Sri Lanka' which finally got under way in 2010 having been proposed in 2006. This project in effect took over many of the coastal habitat elements of the programme, at least in the Eastern Province.
119. Other areas worth mentioning include the shrimp farms and the impact of anchorages and harbours. There are continuing debates as to the environmental viability of shrimp farming in the Eastern Province but the PCR states that design of the Shrimp Hatchery at Vakaraï is based on sound environmental principles. Whilst the two farms supported by the programme are too small in themselves to have much environmental impact, any scaling up could potentially have a negative impact on the environment unless the National Aquaculture Development Authority can exercise effective control.⁶⁶ As far as harbours and anchorages are concerned, it is not clear how comprehensive were analyses of the likely impact of these constructions on coastal currents and thus on coastal zone erosion.
120. At a domestic level, there was mention of solar powered panels in the planning documents, although these plans do not seem to have been realized. The programme had a positive impact through its support for the construction of lavatories and supply of piped water, thus reducing potentially negative impacts on water quality in residential areas.
121. Overall, the programme's performance on this criterion is seen as heterogeneous, although leaning marginally towards the positive side. This PPE rates environment and natural resource management as *moderately satisfactory* (4).

Adaptation to climate change

122. Given the timing of this project and the focus on quick disaster relief, it is not surprising that there are no mentions of climate change in any documents associated with the project. However, this is unfortunate, especially given that some of the project areas, for instance the densely populated coastal areas of Ampara and Batticaloa districts, are particularly at risk from rising sea levels. The impacts of rising sea water temperatures on fish species and fish stocks is not

⁶⁶ The comparator here is the situation in the North western Province where uncontrolled shrimp farming caused major environmental damage in the 1990s and the early years of the present century.

known and may well affect the long term sustainability of fishing in Sri Lanka and the use of infrastructure supplied by the programme. The PPE rates this criterion as moderately unsatisfactory (3).

C. Overall project achievement

123. The project was designed with five main components, although, the thrust of the project ended up being on three of the five, namely, support to artisanal fisheries development, microenterprise and financial services development and social and economic infrastructure development. In terms of outputs, achievement of targets was above 90 per cent for most indicators for which targets had been set. The project performed less impressively in meeting the housing targets (76 per cent for new houses and only 56 per cent for rehabilitated houses).
124. In terms of outcomes, lack of adequate data hinders the analysis. However, based on what was mentioned in the various project documents and as observed by the PPE mission, it can be surmised that the housing-related intervention performed well. The quality of houses was good and provision of amenities such as electricity made a noteworthy difference in the social conditions of the beneficiaries. Microenterprise development built human capital and connected several beneficiaries to the formal banking sector for the first time.
125. However, the constant changes in the project activities and the resulting cost reallocations affected the overall performance. Several activities could not be undertaken completely (multi-day boats), some of the better performing ones such as housing did not meet their targets, some of the more successful such as shrimp farming had very little outreach and the wrong location of several infrastructure units left some of them unused. Further, no suitable data exists to demonstrate that incomes of beneficiaries rose. In fact, the impact study carried out showed no statistically significant difference in many outcome indicators, including incomes, between beneficiaries and non-beneficiaries. Sustainability could very well turn out to be the project's Achilles' heel, as evident in the failing state of several infrastructure units, several microenterprise development beneficiaries unable to continue activities after the project's exit and lack of continuing support for coastal management (stock assessment only at baseline).
126. Based on the fact that the undesirable achievements outweigh the positive ones, and the lack of reliable data that indicates the depth and extent of achievements and benefits, the PPE's rating for the project's overall achievement is *moderately unsatisfactory* (3).

D. Performance of partners

IFAD

127. In undertaking this project, IFAD entered a very complex situation. By the time the programme was approved there was already a considerable number of agencies including other United Nations agencies, the development banks, bilateral agencies, various large and small scale international NGOs and local organizations. Not surprisingly, a major issue was where to place IFAD's contribution to post-tsunami rehabilitation within this complex and changing environment.
128. In some ways, the decision by IFAD to adopt a flexible approach, willing to adjust spending to meet the changing situation, was correct. The regular supervision missions and the MTR provided opportunities to review progress and reformulate programme activities (IFAD had fielded a total of 12 missions by the time of completion and had provided support through continuous monitoring, assessment and guidance).
129. However, one failing in IFAD's management of the programme was the lack of a satisfactory log frame and failure to revise it when the opportunity arose. The 2008 Supervision Report refers to the 'piecemeal approach to planning' taken by the

programme and the tendency to delay some 'vital components' such as multi day boats and microenterprise to the end of the project.⁶⁷ Thus the relationship between programme activities, outputs and objectives was frequently tenuous and often unclear. It also made the programme vulnerable to pressures which undermined the pro-poor rationale of the intervention, most notably support for multi-day boats.

130. The range and variety of activities supported by the programme also caused problems in supervision. Thus there were problems over the quality of housing in the early years of the programme, some of the works carried out in the fish landing sites and harbour construction had to be replaced, some of the roads funded by the programme were below standard. To its credit, devolving programme implementation to a series of government agencies, parastatal organizations and private sector service providers was laudable.
131. There were some problems in financial control; Supervision Missions frequently remarked on expenditures which had not been approved in advance. Here part of the problem appears to have been poor training of programme staff and a lack of clarity as to the authority delegated to various levels in the administrative hierarchy of the programme. While these aspects were not totally under IFAD's control, IFAD could have been more proactive in pre-empting these, especially the former. On the other hand, there were complaints from one of the programme directors of the time required to gain approval for expenditures from IFAD.⁶⁸
132. These problems were exacerbated by the absence of an effective M&E system. Not surprisingly given that this was a post-disaster rehabilitation programme, there was no baseline study when the programme was established. An M&E officer for the programme was only appointed late into the project cycle. Although, to be fair, these were as much a responsibility of the government as it was of IFAD.
133. In conclusion, the vast bulk of programme expenditure and effort was concerned with housing and social infrastructure, an intervention that was not IFAD's core competency. In the overall context of the programme not much effort was placed on, for instance home gardens, fishing as distinct from shore-based facilities, or environmental activities which could underpin food production. But on the other hand, the fact remains that IFAD had entered a very complex situation, outside of the usual realm of its activities, and so it took some time for it to become effective in post-tsunami relief. To counter the overwhelming situation, IFAD relied on conducting regular and a high number of supervision missions. The flexible approach to respond to a changing context was also a good strategy, although it had its downsides. The PPE rates IFAD's performance as *moderately satisfactory* (4).

Government of Sri Lanka

134. In the aftermath of the tsunami, the Government of Sri Lanka was inundated with offers of assistance and faced major problems in coordinating the activities of donor agencies, identifying suitable staff, and dealing with the drain of competent government servants to short term positions in the donor agencies. Their problems were exacerbated by the continuing civil war in the Eastern Province. These problems notwithstanding, the government worked in close partnership with IFAD to realize the programme.
135. Whether or not the DFAR should have been the implementing agency is a moot point. The vast bulk of programme expenditures and activities were not directly concerned with fishing but with housing and social infrastructure, areas in which the DFAR, like IFAD, had no special competencies. The result was that activities had to be contracted out to a range of other government agencies, and the

⁶⁷ 2008 Supervision Report, Working paper 4.

⁶⁸ Interview with the Project Director by the PPE mission.

performance of these agencies varied greatly. The NHDA appears to have performed its role in supporting housing rehabilitation relatively well and at a reasonable cost. But the performance of the CCD and the CFHC were less satisfactory. There are complaints in the supervision reports that the CCD was not implementing agreed activities such as coral rehabilitation and mangrove planting. The CFHC lacked the capacity to construct landing sites and harbours and this function had to be taken over by UNOPS.

136. Given the numbers of agencies involved, not only in this programme but in other projects and programmes working in the same area, it is not surprising that there were major problems in coordination, especially at the District level.⁶⁹ There were also problems in gaining access to land and obtaining the legally required approvals from agencies such as CCD and the *pradeshiya sabhas*.⁷⁰
137. There were also political issues. At the programme level, the decision to support multi-day boats was driven by political interests and generally opposed by those with knowledge of Sri Lankan fisheries. It appears that some appointments at senior levels were politically motivated and led to gaps in continuity and positions being unfilled for months. On the other hand, the Divisional Secretariats' involvement in the housing programme has been positive, especially in the allocation of land for housing.
138. In conclusion, the PPE gives due cognizance to the difficult post-disaster environment and the challenges provided by an overly complicated programme set up. While the government formally requested IFAD support, a project of this nature and scale overstretched its capacities. It was found wanting on some fronts, but as the project progressed, the government support improved notably. The rating for the government is given as *moderately satisfactory* (4).

E. Assessment of the quality of the Project Completion Report

139. **Scope.** The PCR, although rather concise, by and large covers most of the evaluation criteria, but often with insufficient detail and depth. The only evaluation criterion completely missing is climate change adaptation. Most attention is paid to component outputs. The scope of the PCR is therefore rated as *moderately unsatisfactory* (3).
140. **Quality** (methods, data, participatory process). The PCR contains several inconsistent and missing data with regard to beneficiaries, outcomes and impacts. The scarcity of quantitative data on beneficiaries is troubling, considering the huge number of direct and indirect beneficiaries claimed by the project. There is confusion in costs and financing due to combining the Post-Tsunami Livelihood Support and Partnership Programme loans in the PT-CRRMP PCR, even though these are separate programmes. Appendix 4, which gives an overview of actual programme costs, does not coincide with actual costs and financing as shown in page iii. Data on disbursements and beneficiaries differ from what is included in the IFAD GRIPS system. The economic and financial analysis in Appendix 6 is based on subjective assessments from observations and monitoring data, which had been a constant point of concern for the Supervision Reports investigated. A clearer explanation of the implementation of the programme's organizational procedure, or of what changes were made in the different components throughout the project cycle is desirable. The rating is *unsatisfactory* (2).
141. **Lessons.** The lessons learned included in the PCR are useful. They also include lessons on what did not work well in the programme. The PCR has given attention to flexibility, partner changes, beneficiary consultation, CBO capacity-building, targeting, beneficiary participation, and limited efficiency of small-scale fishery infrastructure as lessons learned. Lessons on the implementation mechanisms

⁶⁹ 2008 Supervision Report, Working paper 4.

⁷⁰ FAO 2008.

(funding, institutional set-up) and lessons tailored to the post-disaster context (e.g. weak institutions, coordination with partners) would have been important for IFAD's learning. The rating is *moderately satisfactory* (4).

142. **Candour.** The PCR comes across as rather superficial and lacking in candour. It does not provide sufficient analytical depth to better understand the difficult situation and the challenges this and other programmes were facing in the post-tsunami context. It mentions some issues in passing, but it is mainly focussed on the positive aspects, especially the microfinance, housing and gender component, to the point that self-criticism on aspects of the programme that changed, were dropped, or scaled down does not emerge. Extensive review of the programme documentation to gain a coherent picture of the programme and on what had actually happened over the course of seven programme years was needed. The rating is *moderately unsatisfactory* (3).

Key points

- The objectives of PT-CRRReMP adhered to IFAD's policies on post-disaster and emergency crisis and relief and the COSOP for Sri Lanka. The emphasis on flexibility is in line with post-emergency situations which can be fluid and complex. However, the numerous aspects in the programme design and implementation arrangements have proven to be less than appropriate within a disaster rehabilitation context.
- Performance in terms of targeting and achieving objectives was mixed. Targeting included non-poor and site selection was not always done in a participatory way. Performance was satisfactorily in terms of infrastructure, improving the social and living conditions of the beneficiaries and constructing markets, harbours and roads.
- A number of issues impinged on its efficiency, mainly related to financial management, procurement, disbursement and staffing. At completion, the project managed to attain full disbursement for most of the targets but the issues outlined above ultimately contributed to slow implementation process that defied the original purpose of this post-emergency programme.
- Notable contribution was made in building household assets and improving amenities, restoring incomes and forming new microcredit groups. However, there is no evidence to show that beneficiary incomes increased as compared to pre-tsunami levels and income diversification was minimal, if at all.
- A number of assets developed by the project such as housing and fish markets are expected to remain on a more permanent level. But a number of other project outcomes are either clearly not sustainable (Visma Plus) or will require certain conditions, such as government funds, to remain sustainable.
- Innovation was not an explicit objective of the programme, which is understandable in a post-emergency context. Nonetheless, the programme managed to incorporate some innovative approaches, although some with limited success.
- There was lack of a suitable gender analysis and strategy, but the project made good strides in supporting women through microcredit and trainings.

IV. Conclusions and recommendations

A. Conclusions

143. **The initial design of the project was poor in terms of an integrated, holistic approach.** IFAD's decision to design and finance the programme was partly due to political pressure to act quickly in the face of an unprecedented disaster. The result was a series of discrete activities only loosely related to each other without a clear-cut logic or theory of change linking them together. The late entry of IFAD into post-tsunami rehabilitation gave time and opportunity for a more relevant and better planned intervention. Further, the MTR presented an opportunity to make more concerted attempts to systematically redesign the programme, but this was also missed. The programme continued to react to the various demands being made upon it with the result that new elements were introduced without going through a satisfactory appraisal process. Continual changes in implementation affected planning and severely limited the effectiveness of the programme.
144. **Given that the focus of the programme was not directly on fishing and marine resources but on housing, social infrastructure and micro entrepreneurial activities, the choice of the Ministry of Fisheries and Aquatic Resources as the sole partner ministry is debatable.** One result of this was that most activities had to be sub-contracted to agencies out with direct MFARD influence (e.g. NHDA; UNOPS; various service providers). This led to problems in managing and monitoring the progress of the programme. There is little evidence that the activities of the programme were integrated with the activities of the many other agencies at work in the same geographical areas and the same types of intervention.
145. **The activities did not all relate to IFAD's core programmatic activities.** Construction of houses and amenities such as toilets and electricity is not part of IFAD's core activities. In fact, some of the activities that were relatively successful were also the ones that were linked to IFAD's core activities, underlining the importance of experience and expertise. For instance, the cluster shrimp farm at Vakarai, based on a public-private-producer partnership approach; the microcredit activities to women; and the owner-driven approach to housing that followed a participatory style giving a sense to beneficiaries of ownership of shelter which was also partially built by them.
146. **The processes giving rise to social differentiation in the programme areas were not well understood.** Despite the stated target of reducing poverty amongst those affected by the tsunami, there is little evidence that this pro-poor strategy was completely followed in practice. A case in point for differentiation was that although the programme aimed to address the needs of women, there was no gender strategy in project formulation, no analysis of the nature of gender relations in programme areas, and a failure to appoint a gender specialist until late in the programme.
147. **The developmental focus of M&E of the programme was found wanting.** Whilst it is common to pay more attention to delivery of activities and outputs in a typical post-emergency situation, not focusing equal attention on evaluating the programme outcomes and on gender-disaggregated data, is neglecting developmental achievements of the programme. M&E components were developed late in the life of the programme, they focused mostly on activities and outputs rather than outcomes, and they failed to provide suitable information for programme management. To its credit though, the programme carried out an impact study at the end including a counterfactual therein.
148. Finally, **some lessons that emerged with regards to the effectiveness of IFAD's response to the post-tsunami situation** included the unique challenges that IFAD's projects face in effectively targeting the poor and women in such

situations, the perceived role of IFAD's projects in helping "fill the void" left by other development entities (and not necessarily in performing its core activities) and the understanding that whilst livelihood *restoration* interventions can be undertaken in the immediate aftermath of a disaster, interventions to *enhance* livelihoods require a longer time gap and a much longer gestation period.

B. Recommendations

149. **Recommendation 1: Within a post-emergency context, first and foremost, recognize the capacity constraints of the government.** A government faces challenges on several fronts in dealing with such a situation, with its human resource capacities over-stretched. As such, designing and implementing IFAD programmes, with their typical requirements of dedicated project units, *after* the emergency measures are in place is a more suitable approach. **Two, focus only on activities in which IFAD has a clear comparative advantage.** This is a related point and argues that IFAD's main strength lies in building the capacity, productivity and market participation of rural people and this should be the main focus of IFAD's programmes in post-crisis situations as well. As outlined in the IFAD Policy on Crisis Prevention and Recovery, IFAD's general policy is to focus on its own core competencies and promote complementary engagement with other agencies in other necessary activities falling outside IFAD's mandate.⁷¹ **Three, weave increased flexibility into operational processes, including simplified design and procedures that recognize the challenges of such contexts.** Flexibility in design and operational procedures is a sound approach in such situations. This flexibility, however, should be aligned with the programme's overall theory of change.
150. **Recommendation 2: Aim for a targeting strategy that minimizes benefit leakages.** Effective targeting in the case of natural disaster situations, where entire areas may have been affected, poses the issue of reaching out to persons who are not IFAD's core target group. In such cases, it is recommended that programmes actively analyse the trade-off between benefits and the resulting costs – both monetary costs of including non-core target group and costs associated with excluding the target group. Whilst some leakages may be unavoidable in the larger interests of development objectives, when these signify a large part of the project costs, it is recommended that either the targeting strategy or the intervention be reconsidered. Related to targeting, **develop capacity of the programme unit to carry out gender-sensitive poverty and livelihood analyses within the particular context of the project-supported areas.** A one-size-fits-all gender strategy that treats an entire country as one homogeneous unit will not be effective to achieve objectives in the field of gender relations.
151. **Recommendation 3: Build monitoring and evaluation systems that are agile and flexible.** This is typical of a post-emergency situation where it is difficult to establish detailed objectives and indicators, and where the originally planned activities may change. M&E system should be proactive and able to keep abreast of the pace and direction of changes in activities in a timely manner relying on active coordination with project management and with field operations. Similarly, unlike conventional project monitoring which is based largely on economic/social indicators, M&E in case of such programmes should adequately capture disaster-related indicators such as adaptive capacity, resilience, etc. In addition, reporting should be more frequent, monthly or even weekly, in order to aid in quick decision-making.

⁷¹ IFAD Document EB 2006/87/R.3/Rev.1

Basic programme data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Asia and the Pacific Region	Total project costs	33.5		34.1	
Country	Democratic Socialist Republic of Sri Lanka	IFAD loan and percentage of total	14.2 (1) 14.2 (2)	84.7%	14.48 (1) 16.57 (2)	n/a
Loan number	664-LK (1) 693-LK (2)	Borrower	3.4	10.1%	1.54	
Financing type	IFAD loans, Government, Beneficiaries	Cofinancier 1				
Date of loan signature	1 Dec. 2005 (1) 18 April 2008 (2)	Beneficiaries	0.2	0.6%		0.62
Date of effectiveness	16 Oct. 2006 (1) 18 Sept. 2008 (2)	Other sources:				
Loan amendments	21 May 2008 17 June 2011	Number of beneficiaries: (if appropriate, specify if direct or indirect)	50,000 households (estimated) 250,000 beneficiaries		65,840 direct beneficiaries 405,820 indirect beneficiaries	
Loan closure extensions	21 months from 30 June 2012 to 31 March 2014 (1)	Loan closing date	30 June 2012 (1) 31 March 2014 (2)		31 March 2014 (1 and 2)	
Country programme managers	Ya Tian ^b	Mid-term review			27 July 2010	
Regional director(s)	Hoonae Kim	IFAD loan disbursement at project completion (%)			97.48%	
		Date of project completion report			30 September 2013	

Note: (1) = Refers to loan 664-LK; (2) = Refers to loan 693-LK.

^a There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of 1 per cent (0.75%) per annum and having a maturity period of 40 years, including a grace period of ten years; (ii) loans on hardened terms, bearing a service charge of three fourths of 1 per cent (0.75%) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of five years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to 100 per cent (100%) of the variable reference interest rate, and a maturity period of 15-18 years, including a grace period of three years.

^b Ya Tian (current) from February 2011; Sana Jatta from March 2005.

Source: GRIPS, IFAD Flexcube system, PCR.

Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
Rural poverty impact	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. <i>Four impact domains</i>	X	Yes
	<ul style="list-style-type: none"> Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time. Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process. Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition. Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor. 		No
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
Other performance criteria			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation and scaling up	The extent to which IFAD development interventions: (i) have introduced innovative approaches to rural poverty reduction; and (ii) have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
Overall project achievement	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation and scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

Rating comparison^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>Project performance evaluation rating</i>	<i>Rating disconnect</i>
Rural poverty impact	5	4	-1
Project performance			
Relevance	5	3	-2
Effectiveness	5	3	-2
Efficiency	5	3	-2
Sustainability of benefits	5	3	-2
Project performance^b	5	3	-2
Other performance criteria			
Gender equality and women's empowerment	6	4	-2
Innovation	5	4	-1
Scaling up ^c	n.a.	3	-
Environment and natural resources management	5	4	-1
Adaptation to climate change	n.a.	3	-
Overall project achievement^d	5	3	
Performance of partners^e			
IFAD	5	4	-1
Government	4	4	0
Average net disconnect	5	3.6	-1.4

^a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.a. = not applicable.

^b Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

^c The PCR has given a combined rating for innovation and scaling-up, but as per the new IOE guidelines these have to be separately rated. The narrative in the PCR was mainly about innovation, and hence this PPE has assumed the PCR rating for innovation alone. Consequently, scaling-up is rated for the PPE and not for PMD.

^d This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation and scaling up, environment and natural resources management, and adaptation to climate change.

^e The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the Project Completion Report quality

	<i>PMD rating</i>	<i>IOE rating</i>	<i>Net disconnect</i>
Scope	5	3	-2
Quality (methods, data, participatory process)	4	2	-2
Lessons	5	4	-1
Candour	4	3	-1
Overall rating of the Project Completion Report	4.5	3	-1.5

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory.

Approach paper

I. Introduction

1. In line with the International Fund for Agriculture Development (IFAD) Evaluation Policy and as approved by the 116th Session of the IFAD Executive Board, the Independent Office of Evaluation (IOE) will undertake a PPE of the IFAD-financed Post Tsunami Coastal Rehabilitation and Resource Management Programme (PT-CRRMP) in Sri Lanka. A project performance evaluation (PPE) is a project evaluation with a limited scope and resources. It is based on the PCRV, with a more complete analysis based on additional information and data collection by IOE at the country level through a short mission. In effect, and importantly, it aims to fill information gaps that emerge during the preparation of the PCRV. The main objectives of PPE are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
2. This Approach Paper is the point of departure in the preparation of the PPE. It presents the overall design of the PPE and contains a summary of the project being evaluated. Further, the paper outlines the evaluation objectives, methodology, process and timeframe of the PPE. The PPE will provide an input into the upcoming Sri Lanka country strategy and programme evaluation (CSPE). The CSPE will cover all operations that have been active under the current COSOP, and this PPE will enable a more in depth analysis of one of the main IFAD operations in Sri Lanka.

II. Overview of the program

3. **Project goal and objectives.** The Post Tsunami Coastal Rehabilitation and Resource Management Programme was a programme aimed at aiding and rehabilitating Sri Lankan fishing communities who were victims of the December 2004 Tsunami. The programme's goal was to "restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities while helping them diversify into new, profitable income-generating activities." Immediate objectives were: (a) women and men in tsunami-affected areas have recovered their assets, have re-established their usual economic activities while diversifying them in other and new profitable income-generating activities; (b) income levels per household member have risen above poverty levels tsunami-affected; (c) communities have been strengthened and are managing coastal resources and have been provided with essential social and economic infrastructure; and (d) the participation of women in social and economic activities has improved.
4. **Project area.** The programme covered 565 tsunami-affected Grama Niladhari divisions¹ located in seven districts: Kalutara in the west, Galle, Matara and Hambantota in the south, and Ampara, Batticaloa and Trincomalee in the east. With the exception of one district (Galle) poverty rates were above the national average even before the tsunami. The loss of lives and assets caused by the tsunami had many households reduced to a destitute state. Furthermore, two of the districts, Ampara and Batticaloa, had also suffered from long years of violent conflict. Assisting the seven districts was therefore in line with IFAD's Sri Lanka Country Strategy (2003) which focused on poor coastal areas.
5. **Project target.** At the time of appraisal, 514,000 people (141,250 households) were estimated to live in the programme area. The project targeted poor rural women and men in these areas, with special efforts made to reach poor artisanal fishers and fishing communities. The programme used a combination of geographic targeting (for community investments) and self-targeting (e.g. through the types

¹ Smallest administrative unit comprising on average 250 households.

of houses and amenities provided). For the selection of beneficiary households, the programme would use a government social verification survey. Tsunami-affected households that met a monthly income criterion of LKR 2500 were officially permitted to build or repair houses and confirmed residents were targeted

6. **Project components.** The programme consisted of the following five components:
- (i) Community-based coastal resource management. Under this component, the project activities involved stock assessment and fisheries management plans; programs for resource conservation; coastal management to restore and conserve the ecosystem; rebuilding artisanal fisheries infrastructure; replacing damaged or lost assets.
 - (ii) Support to artisanal fisheries development. Construction of storage facilities for engines, nets and other gear; activities to diversify fishing activities, rebuilding post-harvest-handling infrastructure, promoting commercial partnerships between fishers and private-sector operators.
 - (iii) Microenterprise and financial service development. Strengthen existing microenterprises and support new, viable economic activities, provide basic business and skills training, access to financing through community-based savings and credit schemes support to women's groups in social and community activities through training for adult literacy, leadership and legal issues.
 - (iv) Social and economic infrastructure development. Support housing rehabilitation, promote installation of solar panels and rainwater-harvesting devices and construction of improved kitchens to increase fuel efficiency and reduce the risk of smoke-induced bronchitis in women and girls, support installation of piped water and household latrines, undertake solid waste management and support the provision of water supply schemes and the repair of access roads and drainage systems for settlement areas. Social infrastructure, such as community centres, day-care facilities, local clinics and Ayurvedic centres will be rehabilitated.
 - (v) Policy support and programme management. Provide resources for the development of policy alternatives that will form the basis for policy dialogue with the relevant government ministries, setting up of national and district programme coordination units for programming, contracting, financial management and monitoring; regular training in participatory approaches and gender issues to all programme and implementing agency staff.
7. **Project costs and financing.** At the time of approval, programme costs were estimated at US\$33.5 million. The programme was to be funded by two IFAD loans (664-LK and 693-LK) totalling US\$28.4 million, by an Italian Government grant of US\$1.5 million, by contributions from the Government of Sri Lanka worth US\$3.4 million, and by beneficiary contributions worth US\$0.2 million. Actual costs are stated by the PCR as US\$38.3 million, funded by four IFAD loans (664-LK, 665-LK, 693-LK and 694-LK) worth US\$35.2 million, a CIDA grant of US\$0.95 million, by Government of Sri Lanka contributions worth US\$1.54 million, and by beneficiary contributions worth US\$0.62 million.

Summary of approved and actual programme costs

Component	Approval US\$'000	Actual US '000*
A. Community-based coastal resource management	2 123.3	993
B. Support to artisanal fisheries development	16 632.9	17 562
C. Microenterprise and financial service development	6 680.5	2 331
D. Social and economic infrastructure development	3 835.2	13 013
E. Policy support and programme management	4 212.7	4 411
Total	33 485	38 310

*The PT-CRRMP Project Completion Report states a total programme cost of US\$38.3 million. This includes the Post-Tsunami Livelihood Support and Partnership Programme loans (665-LK and 694-LK), a CIDA grant, a GEF grant, and contributions from the Government of Sri Lanka and programme beneficiaries.

8. **Time frame.** The IFAD Executive Board approved a loan towards the project, worth US\$28.4 million in April 2005 and the project became effective in October 2006. The project's completion was 30 September 2013 and closed on 30 March 2014. At the time of the loan/grant closing, the disbursement rate was 99 per cent for the loan account.
9. **Implementation arrangements.** The programme was managed by the MFARD and implemented by the Department of Fisheries and Aquatic Resources (DFAR). Implementation bodies ranged from a National Steering Committee, to hierarchically organized bodies whose apex was the National Programme Coordination Unit, descending to District Programme Management Units and District Coordination Committees, and later on Programme Implementation Units. External partners were expected to collaborate with certain components, such as the Asian Development Bank through its coastal resource management project, and the GEF financed Participatory Coastal Zone Restoration and Sustainable Management Project.
10. As the programme developed, the range of interventions required collaboration with more different specialized agencies. In *Component A*, the National Aquatic Research and Development Agency (NARA) and the Coast Conservation and Coastal Resource Management Department implemented the various sub-components. In *Component B*, the CFHC and the United Nations Office for Project Services (UNOPS) collaborated extensively with the construction of fisheries and landing sites. The National Aquaculture Development Authority was involved in the demonstration and cluster shrimp farms construction. In *Component C*, private organizations and the Women Development Cooperative Society of Sri Lanka, also known as the Women's Bank, were involved in the microenterprise training and credit sub-components. In *Component D*, the National Housing and Development Authority (NHDA) was involved in the housing sub-component and UN-Habitat implemented the social infrastructure sub-components.
11. Programming and financial management of resources was decentralized to district and grama nilhadari division levels, and fully coordinated with other donor and government activities. The programme design intended CBOs to participate in and/or execute programme implementations.
12. **Supervision arrangements.** Initially, UNOPS was appointed as a cooperating institution responsible for administering the financing and supervising the programme (as per an agreement letter dated 13 November 2003). However, with an overall corporate shift to direct supervision, IFAD took over the responsibilities from the first supervision mission that was fielded in October 2008.

13. **Significant changes during project implementation.** A significant change was the transfer of the GEF grant into a separate project. Another major change in implementation arrangement included the transfer of responsibility for the construction of the fish landing sites to UNOPS because of insufficient capacities of the original implementation agency CFHC. In addition, there were 25 reallocations of funds within the components during implementation. Furthermore, two loan amendments were made. The first was the 2008 loan amendment permitting IFAD to directly administer its loans and supervise its projects through the approval of an IFAD Policy on Supervision and Implementation Support. This replaced UNOPS as the supervisory agency for the programme. The second change was designed to reallocate funds and extend a loan (664-LK) by 21 months, so as to close on the same date as another one (693-LK).

III. Evaluation objectives and scope

14. **The objectives of the PPE** are to: (i) assess the results and impact of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Sri Lanka; and (iii) provide a deeper understanding of one of the IFAD's operations in Sri Lanka.
15. The **scope** of the PPE has been identified based on the following criteria: (i) areas identified through a desk review – the PPE will review additional evidence and propose a complete list of consolidated ratings; (ii) selected issues of strategic importance for IFAD in Sri Lanka – PPE analysis will feed into the upcoming CSPE and the following COSOP preparation; and (iii) limitations set by the available time and budget – the PPE will have to be selective in focusing on key issues where value can be added, given the limited time and budget.
16. Analysis in the PPE will be assisted by a review of the ToC developed at project design stage in order to assess the extent to which the project's objectives were achieved. The ToC shows the causal pathway from project outputs to project impacts and will also depict changes that should take place in the intermediary stage i.e. between project outcomes and impact. External factors which influence change along the major impact pathways i.e. assumptions on which the project has no control are also taken into account. It is likely that during the course of project implementation, some outputs or even whole components might have been canceled or added to respond to changes. The ToC at evaluation will reflect these changes in consultation with project stakeholders during the in-country visit, and in this case, will be termed as a *reconstructed* ToC. If the changes are minor, these might be indicated using special colors, italic text or any other creative means to show the differences between the original ToC and the reconstructed one.
17. The PPE exercise will be undertaken in accordance with the IFAD's Evaluation Policy and the IFAD Evaluation Manual (second edition, 2015). The following paragraphs provide an overview of the key issues and questions that will be addressed by the PPE.
18. In line with the second edition of IOE's Evaluation Manual (2015), the key evaluation criteria applied in PPEs include the following:
- (i) **Relevance**, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives. The PPE will assess to what extent did the project design help achieve a tangible impact on the livelihoods of the poor, empowering local communities and focusing on the least favoured areas of Sri Lanka in a post-tsunami context.

- (ii) **Effectiveness**, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance. The PPE will review the existing evidence base, including the data collected by the M&E system and supervision reports, to establish the results achieved by the project and conduct further analysis on which parts of the project have been more effective and how and why project activities have achieved the intended results.
- (iii) **Efficiency**, which indicates how economically resources/inputs (e.g. funds, expertise, time, etc.) are converted into results. The PPE will examine the process and system that underpinned the disbursement of funds, as part of the financial management weaknesses identified in the PCR.
- (iv) **Rural poverty impact**, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a results of development interventions. Four impact domains are employed to generate a composite indication of rural poverty impact: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. A composite rating will be provided for the criterion of "rural poverty impact" but not for each of the impact domains. The PPE will review the conclusions and the plausibility of the narrative of the various reports through the evidence provided and combine this will additional evidence from the field.
- (v) **Sustainability of benefits**, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life. The PCR states that over 70 per cent of project funding went to physical assets, both individually owned and community owned. The PPE will visit some of the sites to verify the current situation with regards to the assets, along with the sustainability of microenterprises.
- (vi) **Gender equality and women's empowerment**, indicating the extent to which IFAD's interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making work loan balance and impact on women's incomes, nutrition and livelihoods. The PPE will examine the role of microenterprises in contributing to gender equality and empowerment and reasons for the exclusion of women in fishery generating activities.
- (vii) **Innovation and scaling up**, assessing the extent to which IFAD development interventions: (a) have introduced innovative approaches to rural poverty reduction; and (b) have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and other agencies. The PPE will examine whether some of the approaches such as joint venture between shrimp farmers and exporters, and Visma Plus microcredit groups were innovative in the Sri Lankan context and investigate the extent and nature of the scaling up outside the IFAD portfolio by government, private sector and other development partners.
- (viii) **Environment and natural resource management**, assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resource and the environment. The PPE will examine and the role of GEF funding in supporting conservation efforts.

- (ix) **Adaptation to climate change**, assessing the contribution of the project to increase climate resilience and increase beneficiaries' capacity to manage short- and long-term climate risks. The PPE will examine the extent to which the project carried out coastal rehabilitation to reduce the vulnerability of coastal communities from future disasters.
- (x) **Overall project achievement** provides an overarching assessment of the intervention, drawing upon the analysis and ratings for all above-mentioned criteria.
- (xi) **Performance of partners**, including the performance of IFAD and the Government, is assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle. The PPE will assess IFAD's performance in a context that was outside the regular operations i.e. in an emergency setting. It will also examine the role of government in undertaking the responsibilities towards project management and implementation.

IV. Analytical framework and methodology

19. **Data collection.** The PPE will be built on the initial findings from a review of a variety of project-related documents. Specifically, it will include annual project status reports (along with Project Supervision Ratings), mid-term reviews (MTR), supervision reports, and a project completion report (PCR) prepared at the end of a project jointly with the government, which also includes a set of ratings. The Results and Impact Management System includes a menu of indicators used to measure and report on the performance of IFAD projects – at activity, output and impact level. In order to obtain further information, interviews will be conducted both at IFAD headquarters and in the country. During the in-country work, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative participatory techniques. The methods deployed will consist of individual and group interviews with project stakeholders, beneficiaries and other key informants and resource persons, and direct observations. The PPE will also make use of additional data available through the programme's M&E system. Triangulation will be applied to verify findings emerging from different information sources.
20. **Rating system.** In line with the practice adopted in many other international financial institutions and United Nations organizations, IOE uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 being the lowest score (highly unsatisfactory).
21. **Stakeholders' participation.** In compliance with the IOE Evaluation Policy, the main project stakeholders will be involved throughout the PPE. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with IFAD and the Government. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations.

V. Key issues for this PPE

22. **Project design.** The PCR notes that the project design was intended to be efficient, flexible, and decentralized, to be able to adapt to the post-disaster context. However, this need to maintain flexibility of planning led to the programme becoming an ad-hoc response to emerging demands, without sufficient technical support to fine-tune and improve the responses. Thus, some activities were removed while some others were modified. The PPE will investigate the effect that the changes had on project implementation and outcomes, and what effect

was missed due to removing some activities such as support of private sector partnerships. The PPE will also investigate the issue of home gardens, an area where IFAD could have added value. This activity was mentioned in the implementation document and observed in various supervision reports, but was not further promoted by the programme during implementation.

23. **Gender.** The PCR states that the design process did not envision a specific gender programme. However, objective d) of the project is related to gender - "*the participation of women in social and economic activities has improved*". The PPE will look into the effect of the project in terms of gender, for e.g. with regards to housing committees that were spearheaded by women and increased women's bank credit groups.
24. **Targeting.** The eligibility for programme support required proof of home ownership before the tsunami which excluded homeless people or those without certified home ownership. Further, according to the PCR, loans had been given to beneficiaries with higher incomes and according to the 2013 Supervision Report no corrective action was taken to prevent microfinancing loans being provided to resource rich tsunami affected people. The PPE will seek out the reasons for this, and the likely effect of the situation.
25. **Community-based coastal resource management.** According to the PCR, communities have been strengthened and are managing coastal resources, and they have been provided with essential social and economic infrastructure. However, the Supervision Report (2013) noted that management of marine and social infrastructure is still not adequately organized. The PPE will investigate how the community organization and development approach has strengthened the interaction between communities and local groups. The PPE will gain insights into whether communities have taken responsibility of social assets provided/created by the project.
26. **Sustainability.** Physical assets have used 70 per cent of the programme spending. However, the case of homes standing empty or being sold indicates that the aim of providing shelter for the most vulnerable victims is not fully met. The PPE will seek answers to the question of whether housing is truly intended for tsunami victims when it enters the housing market. The programme has organized the Visma Plus initiative whereby beneficiaries are formed into cooperatives, which in turn are federated into an apex body. The PPE will investigate whether this initiative has been successfully sustained. The PCR focuses on the DFAR taking on responsibilities to sustain the Fisheries Management Coordinating Committee (FMCC) in component A. DFAR is also hoped to continue supporting several subcomponents in Component B (boats, and the handover of infrastructure).

VI. Process and timeline

27. Following a desk review of PCR and other project key project documents, the PPE will involve following steps:
 - **Country work.** The PPE mission is scheduled tentatively for around end of November 2016. It will interact with representatives from the government and other institutions, beneficiaries and key informants, in Colombo and in the field. At the end of the mission, a wrap-up meeting will be held in Lilongwe to summarize the preliminary findings and discuss key strategic and operational issues. The IFAD country programme manager for Sri Lanka is expected to participate in the wrap-up meeting.
 - **Report drafting and peer review.** After the field visit, a draft PPE report will be prepared and submitted to IOE internal peer review for quality assurance.
 - **Comments by Asia and the Pacific Division and the Government.** The draft PPE report will be shared simultaneously with the Asia and the

Pacific Division and the Government for review and comment. IOE will finalize the report following receipt of their comments and prepare the audit trail.

- **Management response by Asia and the Pacific Division.** A written management response on the final PPE report will be prepared by the Programme Management Department. This will be included in the PPE report, when published.
- **Communication and dissemination.** The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.

VII. Evaluation team

28. The team will consist of Mr Hansdeep Khaira, IOE Evaluation Officer and lead evaluator for this PPE, and Mr Roderick Stirrat, IOE senior consultant.

VIII. Background documents

29. The key background documents for the exercise will include the following:

Project specific documents

- IFAD President's Report (2005)
- Implementation document (2006)
- Medium-term report (2010)
- Supervision mission aide memoire and reports
- Project completion report (2014)
- Beneficiary impact evaluation (2014)

General and others

- IFAD (2011). IFAD Evaluation Policy.
- IOE (2012). Guidelines for Project Completion Report Validation and Project Performance Assessment.
- IFAD (2015). Evaluation Manual – Second Edition
- IOE (2015). Project Completion Report Validation of the Rural Livelihoods Support Project
- Various IFAD Policies and Strategies, in particular, Strategic Framework (2002-2006), Rural Finance, Rural Enterprise, Targeting, Gender Equity and Women's Empowerment

List of key persons met

Government

Central ministry

Mrs W.M.M.R. Adikari, Secretary to the Minister, Ministry of Fisheries and Aquatic Resources
Mr Claude Fernando, Special Advisor to the Secretary, Ministry of Fisheries and Aquatic Resources
Mr Prageeth Gunasekara, Assistant Director, Department of External Resources, Ministry of National Policies and Economic Affairs
Mrs Indrani Sooriyaarachchi, Chief Accountant, Ministry of Fisheries and Aquatic Resources

Department of Fisheries and Aquatic Resources

Mr K. Vijayaraghavan, Fisheries Inspector, Kalmunai
Mr M.S.N. Mohamed, Fisheries Inspector, Kalmunai
Mr Y. Yuvaraj, Fisheries Inspector, Akkarapaitu
Mr A.R.M. Nizam, Accountant, Kalmunai
Mr A.M. Najath, Fisheries Inspector, Sainthamaruthu
Mr Ruksan Croos, Assistant Director, Department of Fisheries and Aquatic Resources, Batticaloa
Mr Boyagada, Assistant Director, Department of Fisheries and Aquatic Resources, Trincomalee
Mr U.S. Weerasinghe, Fisheries Inspector, Suduvella, Matara
Mr P.M.W.D. Pgiris, Fisheries Inspector, Trincomalee North East region
Mr Bandara, Fisheries Inspector, Kinniya, Trincomalee
Mr Senarath, Fisheries Inspector, Trincomalee II
Mr N.K. Vipul Jayantha, Development Officer, DFAR
Mr G.S.A. Kumara, Development Officer, DFAR
Mr A.H.S. Ediriweera, Deputy Director (Socio-economic), DFAR

Other government agencies

Mr K. Jaganathann, District Manager, National Housing Development Authority
Mr Balachandran, National Institute of Fisheries and Nautical Engineering, Batticaloa
Mrs Nandani Weerasinghe, Harbour Manager, Sri Lanka Port Authority, Suduvella, Matara
Mr Heshara Sanjeewa, Harbour Manager, Sri Lanka Port Authority, Niluwella, Matara

Private sector

Mr Shantha Jayasurya, Industrial Services Bureau, Kurununegala
Mr Rameshwaran, Former Cluster Facilitator, IDAR, Ampara
Mr S. Ravikumar, Aquaculturist, Shrimp Farming Centre, Batticaloa

Post-Tsunami Coastal Rehabilitation and Resource Management Programme

Mr Thissera, ex-Project Director
Mr Pratapsinghe, ex-Project Director
Mr Bandara Basnayake, ex-project staff
Mr Bodhi Wanninayake, IFAD Country Coordinator
Mr Justin Premathilake, IFAD Project Coordinator (GEF)

International agencies

Mr Sriskandaraje, Senior Programme Manager, UNOPS

Beneficiaries

Mr N. Gamage, President, Women's Bank

Mr Daya Waleboda, Finance Manager, Women's Bank

Mrs Indrani, President, Women's Coop Bank, Anandapuri region

Mrs Zarina Treasurer, Women's Coop Bank

Mr Malar Vannan, Fishery Management Committee Chairman, Batticaloa

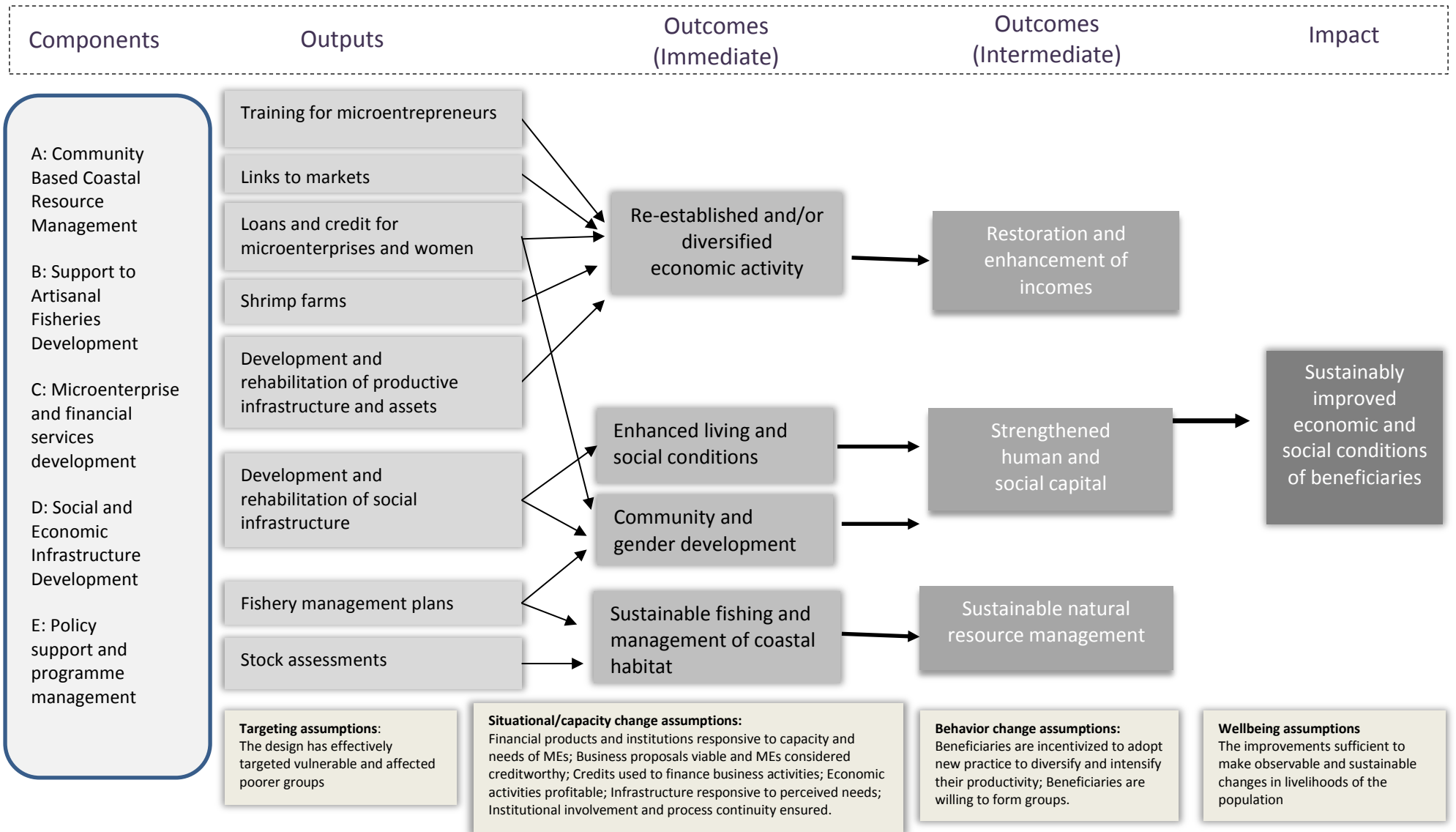
Mr J M Rizvi, Chairman, Fishery Society, Kinniya

Mr Shashi Ranasinghe , Supervisor, Ceylon Fisheries Corporation, Trincomalee Fish
Market

Mr K.H. Keerthiratna, President, Fishermen Coop Society, Nilwella

Reconstructed theory of change

45



Actual physical progress of the programme

<i>Indicator</i>	<i>Unit</i>	<i>Appraisal target</i>	<i>Achieved</i>	<i>%</i>
1. Community-based coastal resources management				
Groups involved in NRM formed/strengthened	Number	15	26	173%
Men trained in NRM	Number	NA	308	
Women trained in NRM	Number	NA	85	
Sites under improved management practices	Number	18	26	144%
Water Quality Monitoring surveys done	Number	6	6	100%
Fish Stock Management Surveys done	Number	5	6	120%
Environmental management plans formulated	Number	6	6	100%
2. Support to artisanal fisheries development				
Number of District Offices newly constructed/ rehabilitated	Number	12	11	92%
Number of men facilitated to advisory services	Number	NA	7 000	
Fisheries roads constructed/rehabilitated	Km	100	105	105%
Fishing boats constructed or rehabilitated	Nos	4	4	
Market, storage, processing facilities constructed and or rehabilitated	Number	NA	41	
Landing sites constructed or rehabilitated	Number	18	18	100%
People trained in fish production practices and technologies	Number	NA	270	
New staff of service providers trained	Number	NA	152	
3. Microenterprise development and financial services				
People trained in Income-generating activities	Number	4 000	3 666	92%
People trained in business and entrepreneurship	Number	4 000	3 500	88%
Modified enterprises accessing facilitated non-financial services	Number	NA	200	
Modified enterprises accessing facilitated financial services	Number	NA	837	
New financial institutions participating in the project		NA	5	
Number of CBOs formed		NA	62	
Savings and credit groups formed and/or strengthened	Number	NA	187	
People in savings and credit groups formed/strengthened	Number	NA	3,000	
Savings and credit groups with women in leadership	Number	NA	260	
Voluntary savers	Number	NA	2 300	
Active borrowers	Number	NA	3 761	
Value of gross loan portfolio- financial services	Rs. Mill.	202	208	103%
4. Social and economic infrastructure				
New houses constructed	Number	1 000	793	79%

<i>Indicator</i>	<i>Unit</i>	<i>Appraisal target</i>	<i>Achieved</i>	<i>%</i>
Houses rehabilitated	Number	1 130	633	56%
People trained in community management topics	Number	NA	1 225	
Community workers and volunteers trained	Number	NA	-	
Community groups formed/strengthened	Number	NA	120	
People in community groups formed/strengthened	Number	NA	-	
Community groups with women in leadership	Number	NA	-	
Toilets constructed	Number	2 400	2 479	103%
Wells constructed	Number	1 350	590	44%
Kitchens constructed	Number	1 200	858	72%
Rainwater harvesting systems constructed or rehabilitated	Number	1 200	807	67%
Drinking water systems constructed/rehabilitated	Number	150	50	33%
Electricity schemes constructed/rehabilitated	Number	34	46	135%
Drainage systems constructed/rehabilitated	Number	50	45	90%
Roads (settlements) constructed/rehabilitated	Km	100	84	84%
Community buildings constructed/ rehabilitated	Number	NA	76	
5. Policy support, programme management and gender				
People trained in (gender related) topics		NA	80	

NA = Not available.

Source: PCR.

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