

Project Title: Post Tsunami Reconstruction Project for Affected Multi Purpose Co-operatives in Sri Lanka

Duration: 18 Months

Applicant: ICA Asia Pacific, New Delhi

Partners: COOPFED, NCC Sri Lanka

Financial Support Required: 237,930 USD

Project Focus:

The project is aimed at short term rehabilitation of the affected 09 Multi Purpose Cooperatives (MPCS) in Southern Province in Sri Lanka.

North East Province, though affected badly is being left to the Government for rehabilitation action due to ethnic problems and inaccessibility.

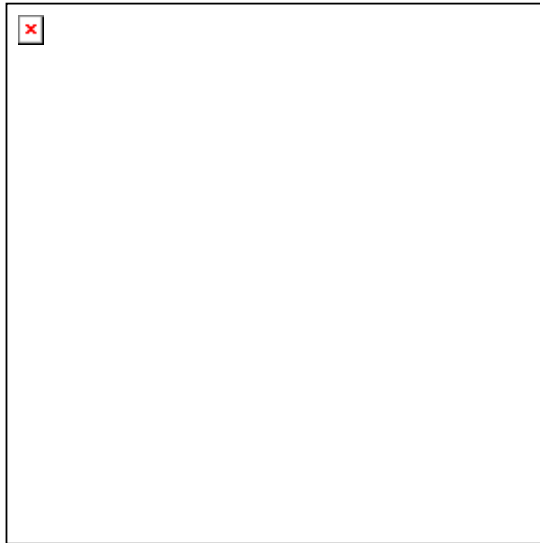
The focus will thus be on repair of office buildings of 09 Multi Purpose Cooperative Societies and their 42 consumer outlets. Revival of consumer activities is being perceived as critical to revival of cooperative action and the financial support being asked for purchase of stocks for the consumer outlets would be the first step towards resurgence of cooperative action after the disaster.

Involvement of women for the back yard support to the cooperatives is also being proposed for a greater solidarity and empowerment of the most vulnerable communities.

Background:

More than 270,000 people have been feared dead in the tsunami disaster of 26 December 2004 in 8 countries. Hundreds of thousands more people are still suffering from psychological trauma, injuries, loss of housing and livelihoods.





Epicentre: 42 kms N of Bazunazerah (Simeulue Island), Indonesia
Origin Time: 00:58:50 UTC (06:28:50 IST)
Latitude: 03.29 N
Longitude: 95.77 E
Depth: 10.0 kms below the surface of the sea
Magnitude: 8.9 on richter scale

Most of the victims of tsunami in Sri Lanka come from resource (capital) deficient sector (best suited to co-operative mode of doing business) and had belonged to 800 cooperatives of SANASA and 200 co-operatives of COOPFED in Sri Lanka. International Community and Sovereign Governments have generously responded to the disaster and have by and large reached to entire affected communities.

Most of the affected areas are being attended to by various departments of the Government and international donors & non-governmental agencies. The project has targeted the victims who have been marginalized either due to inaccessibility or inadequate infrastructure.

Support Extended by Government :

The Government has provided dry rations worth SLRs.175/- to each affected family through the MPCSSs, Rs.2000/- for each family to buy utensils, Rs.200/- per family per month (through People's Bank) till the livelihood is recovered. Government has also promised to repair/rebuild individual houses damaged by Tsunami. Government has also decided to relocate homes which are within 100 mtrs of the shore.

Since most of the families who lost their homes are fishermen, many fishermen

feel this is not feasible as they would have no security for their boats and fishing gear (when boats are available at a future date) if they stay away. The matter is being debated at various forums including cooperatives at the village level.

Support Extended by External Agencies to Co-operatives:

Following agencies have extended relief support to the victims of tsunami in Sri Lanka:

1. Asia-Pacific Health Co-operative Organisation (APHCO) provided relief support to the two co-operative hospitals (Galle and Matara).
2. The JCCU provided 1 million yen each to SANASA, COOPFED and NCC.
3. The Swedish Co-operative Centre provided relief support to Galle Co-op Hospital through Mr. Upali Herath, their resident representative in Sri Lanka. Ms. Brigita Thakkaray and Pol Hokken of SCC visited the MPCSS and collected information.
4. The CCA has sent a team to visit the SANASA co-operatives and they have already sent Can.\$1 million (in 2 instalments) to Sanasa Development Bank (SDB).
5. The DiD sent Can.\$50,000/- to SDB.

CCA, DiD, the WoCCU, ACCU, ICMIF, ICBA, etc. have promised to support efforts of SDB. Dr. Kiriwandeniya has been invited by the Rabobank Foundation to visit Netherlands to discuss about possible support.

Fishery co-operatives have so far not been given direct support by any agency, including the government due to vastness of the problem and need of a policy decision to tackle the disaster of such a gigantic magnitude.

Majority of the fishermen are idling for want of boats and fishing equipment. The possible solution would be to have proper berthing and landing facilities with fishing harbours with security systems, medical facilities, rest rooms, canteens, etc., so that the fishermen could use these harbours when they return from the sea and they can leave their boats and fishing equipment safely and then go to the relocated homes.

As for North-Eastern Province (including Ampara), even basic relief supplies have not reached properly, though the Red Cross, and such organizations have started working there. The problem is limited access.

Damage to Co-operatives:

Co-operatives are widely patronised by the communities of affected areas.

SANASA and COOPFED are national level agencies working for the development and promotion of their member primary co-operatives in Sri Lanka. The extent of damage suffered by these two movements is summarised hereunder:

SANASA:

ICA has made assessment trip to the Southern province to visit the credit co-operatives (under the SANASA umbrella) and seen the efforts of SANASA (especially the SANASA Development Bank, under Dr. Kiriwandeniya). In many areas, they have repaired a number of damaged houses. They are also in the process of building office buildings for the damaged credit co-operatives.

Among ICA members, SANASA was the first to react to help humanitarian and relief efforts as early as December 27, 2004, by setting aside funds from the SANASA Development Bank and the Federation to help the burial of the co-op members, and to distribute relief supplies to surviving members and its communities. Now they have entered the recovery and rebuilding phase. They have a Disaster Management System due to many past disasters afflicting their members.

SANASA has set up a Disaster Management Committee to help tsunami victims.

SANASA sent more than SLK Rs. 2 million worth emergency food items, clothings as well as medical items to affected areas. These activities are being coordinated through SANASA branches.

Southern Province -	Through Galle & Akuressa branches.
Western Province -	Through the Colombo branch & Head Office
North Province -	Through Vavuniya branch.

SANASA was able to send relief aid even in to LTTE controlling areas with the help of LTTE organization and Jaffna, Vavuniya and Mulative SANASA District Unions.

SANASA organized three youth camps to help these victims, and cleared the areas affected by the tidal waves. Specially in Galle and Akmeemana & Hikkaduwa Divisional secretariat.

Following needs are being met through international grant received by SANASA Development Bank:

Re-building of 145 societies (building and parapet walls) shelter units for the disaster affected people (14,500,000 Slk Rupees equivalent to 151,041 USD).

Repair of 205 societies (furniture, computers, office equipments etc.) (Slk Rupees 17,117,500 equivalent to 178,307 USD).

Emergency financial support to 350 co-operative societies @ Slk Rupees 50,000 per society (Slk Rupes 17,500,000 equivalent to 182,291 USD) to restart the business .

COOPFED:

As regards COOPFED, there are 12 most severely affected districts where 49 primary multi purpose co-operative societies (MPCS) have suffered huge losses in terms of stocks, vehicles, buildings and lives of their members.

The spread of affected MPCS is as under:

Southern Province:	14
Northern & Eastern Province:	31
Western Province:	04
Total Affected MPCS	49

Estimated loss of stock is valued at 104.14 million slk Rupees, loss of vehicles is valued at 29.47 million slk Rupees and damage to buildings is valued at 150.63 million slk Rupees.

Total loss to COOPFED members is estimated as 284.25 million slk Rupees corresponding to 29.60 million USD.

It is proposed that the basic facility of running office and consumer cooperative store with the MPCS would be vital in connecting the members of the cooperative for a greater solidarity and action to overcome much larger and difficult problems connected with the livelihood occupation.

Out of 14 MPCS in the Southern Province, 09 MPCS would need 165,000 USD as detailed later in the proposal.

18,000 USD	for repair of 9 offices of MPCS
21,000 USD	for repair of 42 Consumer Outlets and
126,000 USD	for purchase of stocks of the 42 consumer stores to kick start their business operations.

Although the fund requirement for 31 affected MPCS in north eastern part is estimated around 170,000 USD but due to inaccessibility of the cooperatives in the LTTE infested areas the responsibility of reviving the affected MPCSS is being shifted to Cooperative Commissioner of Sri Lankan Government.:

Southern Province Details:

1. Balapitiya MPCS

No. of Members	9670
Caters to	56,000 families
Covering	52 villages
Workers dead	3
Member Dead	1
Houses of members damaged	200
Sectors	Coir Weavers, small shop keepers, Fishermen
Affecting	5000 fishermen
Office and 1 consumer store outlet damaged	
Total loss	20 million Slk Rupees

Repair of the Office & 1 Consumer Outlet	2500 USD
Support required for purchase of Stock	3000 USD

2. Madampe Weragoda MPCs

Damaged	8 retail shops and office
Sectors affected	consumers, agriculture and fishery
People killed	1500
Affected more than	3000 fishermen
Total affected people	21490
Houses damaged	More than 500
Partially damaged	More than 380
Total Loss	More than 65 million Slk Rupees

Repair of the Office & 8 Consumer Outlets **2000 USD for office &
4000 USD for 8 consumer
outlets**

**Support required for purchase of Stock
For 8 outlets** **24,000 USD**

3. Hikkaduwa MPCs

Damage	-	Printing Press, Beer Garden, Rural Banks, Damaged Shops ,Electrical goods showroom, coir weaving facilities, retail out let, office
Total people affected	-	6000
Total Loss	-	More than 35 million Slk Rs

Repair of the Office & 1 Consumer Outlet **2000 USD for office &
500 USD for 1 consumer outlets**

Support required for purchase of Stock **3,000 USD**

4. Habaraduwa MPCs

- Serving 101 villages
- More than 68 villages were affected
- 7 retail shops (out of a total of 38) and office damaged
- Materials stored in 2 wholesales stores were completely lost
- Unit manufacturing surgical gauze (all women industrial unit) completely damaged
- 2 Rural banks partly damaged
- 1 Bakery completely damaged
- 6 vehicles damaged
- Total loss in the vicinity of 24 million Slk Rupees

Repair of the Office & 7 Consumer Outlets **2000 USD for office &
3500 USD for 7 consumer
outlets**

**Support required for purchase of Stock
For 7 outlets** **21,000 USD**

5. Weligama MPCs

- Total members 18000
- Total villages covered 62

- Retail outlets 44
- Business activities Rural banks, consumer stores, hardware stores
Motor cycle agency, Fishery
- Distributed relief material to 26,000 victims
- Completely damaged outlets 2
- Vehicles damaged 4
- Office damaged
- 2600 members affected
- 65 Members dead
- 1 Employee dead
- 20 Employees (out of the total of 185) affected
- 215 Homes completely damaged
- 320 partly damaged
- 6000 members are involved in fishing
- 285 boats damaged
- 40 members who took loans from rural banks lost their boats
- Total damages nearly 85 million Slk Rs.

**Repair of the Office & 2 Consumer Outlets 2000 USD for office &
1000 USD for 2 consumer
outlets**

**Support required for purchase of Stock 6,000 USD
For 2 outlets**

6. Dikwella MPCS

- Total membership 25,684
- Women members 9400
- Main business are, fisheries, coir weaving, fish trading farming, boutiques, etc.
- Society used to run a printing press, a pharmacy, motor cycle sales outlet, paddy milling.
- Most members are farmers
- 142 employees
- 36 retail shops, of which 9 and office are damaged
- No. of villages served – 84
- Affected villages 28
- More than 5280 members affected, of which 522 are females
- 288 houses completely destroyed
- Total loss about Rs.85 million

**Repair of the Office & 9 Consumer Outlets 2000 USD for office &
4500 USD for 9 consumer
outlets**

**Support required for purchase of Stock 27,000 USD
For 9 outlets**

7. Tengalle MPCS

- No. of members 12000
- No. of women members 7200
- Area covered 100 villages
- No. of employees 120 of which 80 are women

- Activities – Rural banks, consumer stores, rice milling, fuel sales, 20 retail shops, specialized shops (milk powder, fishing equipment, etc.)
Retail and wholesale sale of rice.
- One rural bank completely destroyed
- One retail outlet and office damaged
- Stock, building and equipment lost
- 6000 members affected
- 100 members killed
- One employee killed
- More than 500 homes completely or partly damaged
- More than 1000 fishermen as members
- More than 25 loans taken by fishermen members lost as their boats are completely Damaged.
- More than 2000 people cannot payback to rural banks
- Total loss more than 17 million SLK Rs.

**Repair of the Office & 1 Consumer Outlet 2000 USD for office &
500 USD for 1 consumer outlets**

**Support required for purchase of Stock 3,000 USD
For 1 outlet**

8. Hambantota MPCS

- Total members – 29536
- Employees 128
- Retail shops 37 12 damaged and office damaged
- Activities – consumer activities, petrol shed, rural banks (9), rice mill
- Total 70 villages covered
- Office building completely damaged, with complete records and furniture
- Rice mill equipment completely washed away
- Petrol shed washed away
- One rural bank completely destroyed
- Rural banks lost money on account of loans by fishermen members
- 4 vehicles damaged
- Houses completely damaged 26
- Damaged houses 1250
- More than 80 fishermen lost their boats and fishing gear
- Deaths 167 members and 2 employees
- More than 72 women injured
- Total loss more than Rs.45 million
- One insurance claim received of Rs.2.2 million
- Money owed to farmer members – More than Rs.2 million
- Rebuilding office building, rice mill shed, petrol shed urgent priority
- Rice mill restarting urgent since paddy harvesting season and most the members are farmers.

Temporary relief:

**Repair of the Office & 12 Consumer Outlets 2000 USD for office &
6000 USD for 12 consumer
outlets**

Support required for purchase of Stock 36,000 USD

For 12 outlets

9. Hambantota Dairy Producers Multi Purpose Co-operative

- Total members 2103
- No. of employees 29
- Covers 67 villages
- Sales outlets 4
- Collection centre 6
- Rural banks 8
- Trucks lost 2
- Three wheelers lost 1
- Production complex completely wiped out 1
- Total loss Rs.7 million

**Repair of the Office & 1 Consumer Outlet 2000 USD for office &
500 USD for 1 consumer outlet**
Support required for purchase of Stock 3,000 USD

MPCS in North-East Province

(The team of ICA could not visit the North-East Province. However, information has been provided by the Deputy Commissioner for Co-operatives (Mr. Kanthaswamy) who attended the meeting with the Minister for Co-operatives and the following information has been collected from him)

Districts covered:

Ampara	-	1	MPCS badly affected
Kalmunai	-	11	MPCSs were badly affected
Batticaloa	-	7	MPCSs were badly affected
Mullaitivu	-	6	MPCSs were badly affected
Jaffna	-	3	MPCSs were badly affected
Trincomlee	-	3	MPCSs were badly affected

Total MPCS 31

- More than Rs.95 million lost in damages to buildings
- More than Rs.38 million lost on Furniture and equipments
- More than Rs.15 million worth of vehicles damaged or lost
- More than Rs.40 million worth of commodities lost
- Almost all fishing boats, catamarans lost, costing several millions of rupees
- More than 8 employees and officers of the co-operatives/co-op department lost their lives
- No exact figure of deaths of co-operative members is available, but it is believed that the total could be more than 25,000.

Overall Objective of the Project:

To offset the impact of disaster with faster restoration of normalcy in consumer co-operative businesses through revival of cooperative action.

Purpose of the Project:

1. To have restored primary multi purpose co-operative infrastructure at the village level for restart of the cooperative action and businesses
2. To enhance resources of affected primary MPCs for better sustainability & viability of co-operative operations
3. To help women members of the co-operative community to shoulder family responsibilities through micro credit operations

Expected output of the project:

1. Strengthened institutional and community capacity to manage disasters through revived infrastructure
2. Sustainable livelihood support activities put in place
3. Improved Children and old aged members' care in the families of affected cooperative community through women thrift & credit groups
4. Improved distribution network of essential commodities.

Relevance of the project purpose:

The devastation has badly damaged physical structures and the resources of the primary cooperatives. The Government is focussing on individuals and the institutional reconstruction is secondary in the government priority. Temporary shelters have been erected to accommodate uprooted persons and provide essential services.

SANASA sector seems to be self sufficient with the inflow of foreign grant as mentioned above but the consumer movement is in precarious condition and needs emergency support as explained above.

Co-operatives are the most legitimate community owned, controlled and managed institutions with the mandate to promote economic and social well being of the community in the spirit of cooperative values enshrined in the co-operative identity statement of ICA.

ICA's Role and Perception:

In view of such major outpouring of generosity it is even more critical for ICA to safeguard interests of the donors through joint assessment processes in order to avoid the overlap of funding so as to maximize these bilateral efforts.

One of the major gains of the ICA field assessment program in Sri Lanka was the successful meeting with representatives of all ICA members in Sri Lanka. Mr. Bandupala Ranawaka, President, Mr. Madduma Banda, General Manager, both representing the National Co-operative Council of Sri Lanka, Mr. L. Dassanayake, General Manager, SANASA, Dr. P.A. Kiriwandeniya, Chairman, SANASA Development Bank, Mr. Stanley Fernando, Chairman and Mr. DSK Pathirana, General Manager of COOPFED, Mr. Udaya Seneviratne of National Institute for Co-operative Development (NICD), Mr. Fonseka, Commissioner of Co-operatives, Sri Lanka, participated at this meeting.

This was the first ever meeting Sri Lankan Apex Co-operatives had together, and

the ICA facilitation has been much appreciated. Prior to this, these organizations have not had much contact with each other, except for signing a common appeal signed by all the 4 MOs and the Commissioner of Co-operatives.

Discussions with the Sri Lankan Authorities have flagged following issues:

1. While a lot of efforts are being undertaken by, and support received from various agencies, by the SANASA movement, the MPCs and other co-operatives have so far received little support from the International organizations/co-operative movements or the Government of Sri Lanka. JCCU has been the most proactive in providing funds to these ICA member organizations (1 million Yen each), and has contributed scanning machines to the Hospital Co-ops in Galle under the supervision of COOPFED/NCC.
2. Collaboration among all 4 members of ICA (NCC, SANASA Movement, COOPFED and NICD) is critical for long term reconstruction. There is openness on part of SANASA, COOPFED and NICD to work together to help strengthen their members and MPCs, and it is believed NCC would also take an active part in these collaborative efforts with ICA's positive and continuing initiatives;
3. Data collection and swift assessment process have been undertaken quite thoroughly by the SANASA network because of the fact that SANASA has its own network with fulltime staff under the SANASA Development Bank and other subsidiaries of the Movement, which focuses on rehabilitating and rebuilding the strength of their membership at the grassroots level; The good results of their work should be shared with, and appreciated by, other ICA members and co-op federations in order to jumpstart reconstruction programs – there is a dire need to maximize the synergy and avoid unnecessary competition among these co-ops.
4. The emergency, relief and recovery processes are almost over, and efforts must now be focused on rebuilding livelihoods of fisher-folks (most badly affected), dairy farmers, and the agricultural sector as a whole;
5. Women and children are the most vulnerable. Long term reconstruction efforts must ensure the rebuilding of women's livelihoods and children's education; This is where ICA should start working with other Co-op Agencies to design programs that are geared specifically to special livelihood programs for women to regenerate income (that was lost), and to reintegrate school-age orphans into public schools to heal their trauma.

It is recommended that donors, if interested, should field interns with good technical knowledge on women and children to collect the needed data. It is also strongly recommended that the intern should work hand in hand with other interns in Sri Lanka (from CCA, DID, WOCCU) to interchange data and hence form the basis for designing a solid long term rehabilitation program ;

Project Components:

The project is aiming short term rehabilitation of the affected cooperatives and

intends to lay pitch for a long term development focussed rehabilitation programme in the affected areas.

The project intends to create smooth infrastructure for the resurgence of consumer business and delivery of essential services and commodities at the level of affected multi-purpose primary co-operatives.

Following major activities are envisaged under the project:

1. Repair of the office buildings and consumer co-operative store buildings
2. Procurement of stocks and
3. Women empowerment through micro credit operations

Detail of the activities proposed:

1. It is important to repair the 42 consumer outlets of the affected 09 MPCs. As per the explanation given above 39,000 USD would be required to repair 09 office buildings and the consumer retail outlets of the MPCs.
2. 09 MPCs at the primary level would require 126,000 USD to purchase the stocks for consumer activities through 42 outlets.
3. Women folk are the worst sufferers as they are forced to attend to family responsibilities like health and education of children and care of old aged family members since the men folk are running around to get the compensations and also to find alternative livelihood options.

There is a need to involve women in above mentioned 09 cooperatives in the micro income generation activities to at least support the most emergent needs of the families. Women SHGs at this stage could be of immense demonstrative value in re-enforcing the basics of co-operative ideology.

Vocational training programmes suiting to local needs would help women gain confidence and meet their micro credit needs with self respect. A sum of 700 USD per MPCs as revolving fund with 2 women SHGs of 20 members each would set the momentum for micro credit operations. **6300 USD** would be required to involve women in the self pride operation.

NCC would be roped in to organise training programmes on micro credit operations through SHGs for the women members.

Proposed Budget:

- | | |
|--|-------------|
| 1. Assistance to 42 consumer outlets of 09 MPCs to kick start consumer activities | 126,000 USD |
| 2. Repair of 09 cooperative office buildings and 42 consumer outlets of the MPCs | 39,000 USD |
| 3. Revolving Fund to start micro income generation activities for women in 09 cooperatives | 6,300 USD |

4.	Training to women members on the micro credit operations	15,000 USD
		Sub Total 186,300 USD
4.	Personnel Cost (salary & travel)	30,000 USD
5.	Operational Cost	21,630 USD
	Total	237,930 USD

TIME FRAME

Particulars	Months (1- 18)
1. Steering Committee meeting and orientation session for the field staff.	Month one
2. Repair of the damaged buildings.	Month two to six
3. Procurement of furniture and material	Month three to eight
4. Hands on interventions on thrift & micro credit for women	Month two to eighteen
6. Mid-term review by independent agency	Month nine
7. Action oriented learning	Month two to eighteen
8. Reporting	Every quarter

Implementation Mechanism:

It is proposed to initiate all the above activities in an integrated manner in partnership of ICA, COOPFED and NCC.

There will be steering Committee consisting of project partners under the leadership of ICA.

Project will be implemented through following structure:

Steering Committee - to select project personnel and meet every quarter

Project Advisor - ICA

Project Manager - COOPFED

Assistant Project Manager COOPFED

Project Coordinator - NCC

Volunteers at Primary - Primary Cooperative Societies
MPCS

Sector Experts - ICA Asia Pacific

Proposed duration of the project is 18 months and the proposed budget is as under:

Particulars of the Agency Applying for the Reconstruction Project :

ICA Asia & Pacific:

The ICA Asia Pacific is one of the operating regional offices of ICA serving 523 million fraternal cooperative members through 55 member organizations in 22 countries in the region. Cooperatives being member owned, controlled and driven organizations are closest to community and thus possess inherent strength of coping well in post disaster recovery.

ICA AP functions to:

- protect the cooperative identity and image
- create enabling policies and legislation on cooperatives in member countries
- develop leadership and value-based professional management
- utilize information, communication, and technology for development of cooperatives