
World Bank Provides More Support to Sri Lanka's Poorest People

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Press Release No:2010/062/SAR Washington, September 10, 2009: The World Bank today approved a US\$75 million IDA credit to Sri Lanka, which will support the second phase of a community driven development program that has touched the lives of nearly one million poor Sri Lankans in the three provinces of Uva, Southern, and Sabaragamuwa. The Second Community Development and Livelihood Improvement Project, known also as Gemi Diriya or "the strength of the villages," is active in over 1,000 villages, helping communities identify, prioritize, plan, fund, and implement their own development needs. About 870,000 people in the most remote and poorest villages have benefited from community infrastructure and productive investments such drinking water, access roads and bridges, ICT centers, access to credit, markets, skills and income generation. The second phase of Gemi Diriya will help expand its reach to two more provinces (North Central and Central) and also broaden and deepen the achievements to date. It will especially focus on linking the community institutions to the local governments and addressing accessibility and connectivity constraints that hamper sustainable livelihoods.

New to this phase is the support that Gemi Diriya will provide to two major national programs—Gamaneguma and Samurdhi—which are adopting the community driven development approach and the local governance systems of the project, specifically participatory procedures, community contribution, devolving greater power to communities and building a holistic village development. "Despite an encouraging drop in poverty, considerable regional disparities remain between the wealthier Western Province and the lagging regions," said Naoko Ishii, World Bank Country Director for Sri Lanka. "Gemi Diriya has proven remarkably successful in empowering the poor and raising incomes in some of Sri Lanka's poorest provinces. Key to its success is the focus on social services, skills development, access to micro-finance for small businesses and micro-enterprises, and partnerships with the private sector." To date, the program has financed 2,140 community infrastructure subprojects, generated about 18,500 jobs, and provided livelihood activities to 140,000 households. It has mobilized substantial resources by promoting savings and village credit, and by linking communities to financial institutions and private sector. The private sector now sees village communities as an untapped supply source and consumer market. Gemi Diriya has also been instrumental in forging partnerships between the rural youth and key industries with employment potential, especially textile, food retail and the ICT sector. "The Gemi Diriya approach proved extremely successful in transferring control over decision-making and financial resources to rural communities, and in building community institutions that are empowered and able to negotiate with the government and private sector on an equal footing," said Meena Munshi, World Bank team leader for the project. "Our goal in the second phase of the program is for these community institutions to graduate into federations to facilitate better market and financial sector linkages, improving the delivery of livelihood support services, and improving technology." Gemi Diriya is a 12 year program and is expected to benefit 7 million people in 5,000 villages by 2016. The World Bank supported the first phase of the program with a US\$51.0 million IDA grant. The credit from the International Development Association (IDA), the World Bank's concessionary lending arm, has 20 years to maturity with a 10-year grace period. For more information about World Bank activities in Sri Lanka, visit: www.worldbank.org/lk For more project information, visit:<http://www.worldbank.lk/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=233047&menuPK=287064&Projectid=P087145> Courtesy: [worldbank.org](http://www.worldbank.org)