



# SRI LANKA

## OFFERING SOME NEW TOOLS TO A NATIONAL WOMEN'S SAVINGS MOVEMENT

### ACCA in SRI LANKA :

#### PROJECT CITIES (total 12)

- Nuwara Eliya
- Kalutara
- Matale
- Batticaloa
- Galle
- Kilinochchi
- Moratuwa
- Wattala Mabola
- Mount Lavinia
- Mullaitivu
- Negombo
- Mannar

#### SMALL PROJECTS

Small projects approved : 71  
In number of cities : 12  
Total budget approved : \$205,000

#### BIG HOUSING PROJECTS

Big projects approved : 14  
In number of cities : 12  
Total budget approved : \$590,000

#### SPECIAL PROJECTS

One flood-rehabilitation project in Batticaloa, budget approved \$20,000

#### SAVINGS (only in 12 ACCA cities)

Savings groups : 1,044  
Savings members : 11,716  
Total savings : \$3,871,029

#### CITY DEVELOPMENT FUNDS

no city-based development funds yet

#### IMPLEMENTING GROUPS

All the ACCA projects in Sri Lanka are being implemented by Women's Co-op, in collaboration with Sevanatha (NGO) and the CLAF-Net Fund.

The ACCA projects in Sri Lanka are being implemented by a country-wide network of women's savings groups, Women's Co-op (formerly "Women's Bank"), in close partnership with the NGO Sevanatha and CLAF-Net (Community Livelihood Action Facility Network) - a national fund set up after the 2004 tsunami, with ACHR support, which is jointly managed by Sevanatha and Women's Co-op. Women's Co-op has 81,000 members, in 24 of the country's 25 districts, with collective savings of US\$ 19.2 million, so this is an organization with the scale and clout to really make citywide, collaborative and community-driven slum upgrading into a national process. In each city, they survey and map all the slums, identify potential vacant land and then present the survey data to the municipality. Then they start setting up savings groups, establish a joint city development committee (usually chaired by the mayor) and prepare citywide upgrading action plans, in which the most urgent housing projects and settlement upgrading needs are prioritized, according to a "scorecard" system.

In theory, the upgrading process which then begins follows these agreed-upon action plans, as do the small and big ACCA projects that have been proposed and approved for each of the nine cities. But in practice, all the ACCA funds (including small and big project funds and city process support) have been added to the CLAF-Net Fund's capital and used to give loans for housing, land, toilets and livelihood to individual Women's Co-op members (who qualify for the various kinds of loans) scattered around different settlements in both ACCA and non-ACCA cities. (see table below) So it demands from Women's Co-op members around the country which have determined how the ACCA funds have been used, more than the priorities of the citywide upgrading action plans. And as the groups have repeatedly emphasized, demand for loans from members is always greater than the capital available in CLAF-Net.

But although there have not yet been any community-wide housing projects or CDFs, the ACCA support has helped Women's Co-op to strengthen their national fund and add the elements of housing, land tenure, settlement upgrading and a more citywide perspective to their already very large and almost entirely women-run program of saving, micro-lending, livelihood, welfare, health, culture, disaster relief and skills training. Groups in other countries have tried repeatedly to persuade them to include non-members in their projects, to demonstrate a more community-wide solution, but the Women's Co-op has stood by their membership-driven system. Their idea is that eventually, all the households in these settlements where a few members have taken loans will be motivated to join the savings groups in order to get housing loans to improve their houses also. This is their long-term system for supporting an incremental upgrading process in these cities, rather than implementing the more comprehensive kind of community-wide housing projects in a single community, as in other countries.

**Lowering the interest rate :** Normally, Women's Co-op charges its members 24% annual interest on loans of any sort. When the ACCA program began, they agreed - after considerable lobbying! - to lower the interest rate for housing loans from ACCA to 18% (of which 8% goes to CLAF-Net and the rest is divided between the branch and national WB). Over the course of the ACCA program, groups from other countries used every opportunity to grill the women about this 18% interest rate, which they still considered to be a burdensomely high rate for the poor. But as Rupa Manel said in January 2011, "In Sri Lanka, where there are no housing loans for the urban poor at all, we feel 18% is reasonable. Also, we usually give only small loans, which enable people to improve their houses incrementally. When a member pays back the first loan, she can get another slightly larger loan. She might use the first loan to build the foundation and the next to build the columns and roof, and the next to fill in the walls. ACCA has persuaded us to relax our requirements so women can get housing loans soon after joining savings groups." But the pressure continued, and finally, in April 2010, the Women's Co-op's national leadership announced it had decided to lower the interest rate for housing loans from CLAF-Net to 12% (of which 2% stays in that member's branch, 5% goes to national Women's Co-op and 5% goes back to CLAF-Net).



**Individual versus collective housing:** It's always cheaper when people plan and build their houses together, and the economics of scale can help them to get more house for less money. Compare that with cases where people build individually, as Ranjani in Moratuwa did (above). She took a large loan of \$2,500 from CLAF-Net, at 18% interest, to build this 40m<sup>2</sup> house, which is very solid, but still only half finished, without flooring, doors, windows or plastering on the walls.

### LOANS FROM THE CLAF-NET FUND

(as of November 2014) (all figures in US\$)

(Numbers in parantheses = numbers of loan beneficiaries)

	Housing loans	Land loans	Toilet & water supply loans	Livelihood loans	Other purpose loans	Total amount given in loans	Approved by ACCA
<b>1. Nuwara Eliya</b>	350,115 (294)	1,932 (1)	10,923 (29)	52,154 (81)	36,846 (300)	451,961 (705)	68,000
<b>2. Moratuwa</b>	205,154 (142)	58,467 (17)	2,731 (8)	15,115 (32)	10,385 (11)	291,852 (210)	68,000
<b>3. Batticaloa</b>	242,214 (193)	0	0	77,731 (752)	24,423 (69)	332,368 (1,014)	118,000
<b>4. Kalutara</b>	133,215 (187)	7,692 (4)	4,038 (10)	7,769 (69)	0	152,714 (270)	58,000
<b>5. Galle</b>	47,030 (32)	0	8,854 (47)	0	0	55,884 (79)	58,000
<b>6. Killinochchi</b>	24,154 (38)	0	21,124 (95)	25,269 (136)	7,308 (95)	77,855 (364)	58,000
<b>7. Matale</b>	41,146 (51)	3,077 (3)	769 (2)	4,231 (14)	5,508 (133)	55,031 (133)	58,000
<b>8. Mabola</b>	49,323 (50)	0	7,077 (18)	2,662 (12)	0	59,062 (80)	58,000
<b>9. Mt. Lavinia</b>	46,308 (48)	0	2,769 (8)	7,415 (14)	2,000 (12)	58,492 (82)	58,000
<b>10. Mullaitivu</b>	18,846 (21)	0	0	923 (2)	2,000 (26)	21,769 (49)	52,000
<b>11. Negombo</b>	0	38,462 (24)	0	0	4,923 (64)	43,385 (88)	52,000
<b>12. Mannar</b>	0	0	0	0	0	0	52,000
<b>SUB TOTAL</b>	<b>\$1,157,505</b>	<b>\$109,621</b>	<b>\$58,285</b>	<b>\$182,269</b>	<b>\$92,693</b>	<b>\$1,600,373</b>	
(only ACCA cities)	(1,056 loans)	(49 loans)	(217 loans)	(1,112 loans)	(710 loans)	(3,144 loans)	
<b>13. Colombo</b>	33,000 (60)	25,385 (15)	1,154 (3)	0	23,423 (69)	82,962 (147)	0
<b>14. Trincomalee</b>	12,692 (10)	0	3,461 (90)	3,846 (6)	12,615 (12)	32,614 (118)	0
<b>TOTAL</b>	<b>\$1,203,197</b>	<b>\$135,006</b>	<b>\$62,900</b>	<b>\$186,115</b>	<b>\$128,731</b>	<b>\$1,715,949</b>	
(ACCA cities + 2)	(1,126 loans)	(64 loans)	(310 loans)	(1,118 loans)	(791 loans)	(3,409 loans)	

	Total capital in the fund	\$ 982,185	(100%)
• from ACCA	725,800	(74%)	
• from other donors	102,747	(10%)	
• from government	0	(0%)	
• from communities	0	(0%)	
• from interest earned	153,638	(16%)	



"ACCA has helped us to reach out to new cities and into war-torn areas where we could never go before, and more than 7,000 new families have become part of our women's savings movement. Because of ACCA, we have stronger social recognition, stronger strength to bargain. We have made many more good links with local governments in the ACCA cities. And the ACCA program has also helped us to build trust and good leadership among our members." (Rupa Manel, one of the Women's Co-op's national leaders)

## New kinds of city collaborations

### Some striking breakthroughs in people-and-city partnerships, even in a very difficult context . . .

There are many different models of how ACCA is being implemented, but Sri Lanka makes a very clear example of a people-driven development process working on a very large scale, with several cases where municipal governments and the people's organization are working well together, with support from the professionals at Sevanatha. Almost 80% of the ACCA funds approved for Sri Lanka have been invested in three cities, which have the strongest and most well-established savings process. It's no surprise that these are the cities which have been the most active, and where some of the most striking breakthroughs in land tenure and partnership building have been seen. In these cities, Women's Co-op members are like the government's front-line troops to develop their city! Here are a few notes on the process in these cities :

#### 1 MORATUWA :

Women's Co-op began in the coastal city of Moratuwa in January 2005, right after the tsunami. The savings was slow at first, but in April 2010, they carried out a citywide survey with Sevanatha, with support from a UN project. They counted some 4,500 families in 90 slum communities - many facing eviction and many without adequate basic services. The survey data they presented to the municipal council was the first-ever information about poor settlements in the city. The survey gave a big boost to the savings process and won the support of the city's mayor, who provided land for their own 2-story community center. During the course of implementing the small upgrading projects, the mayor helped to negotiate for 488 poor families in eight settlements to be granted individual freehold titles to their land. "This was the first time we have been able to give title deeds to shanty dwellers in Moratuwa," Mayor Samanlal Fernando said. "We don't have control over a lot of the land in the city, which is under the control of various central government agencies. But if we have the people's support, our negotiations with the central government are stronger."

#### 2 NUWARA ELIYA :

Many of the 32 slum settlements in the town of Nuwara Eliya, in Sri Lanka's tea-growing highlands, were built originally to house Tamil tea plantation workers, and some are more recent squatter settlements, but none of them have legal tenure and living conditions are bad. Before the ACCA project began in January 2009, the Women's Co-op had started savings groups in only a few settlements, without any relationship with the municipal council, and without any work on land or housing issues. After the survey, they set up a joint city development committee, which is chaired by the Mayor and includes community leaders, Sevanatha and municipal officials. The committee meets once a month, and has become the key platform for discussing and jointly addressing land and housing issues of the poor. The mayor has taken the communities' side in these meetings and helped negotiate with national land-owning agencies for secure tenure in several settlements, and municipal staff now join Women's Co-op leaders when they start savings groups in new areas. As one woman savings leader put it, "The mayor is now aware of our work and our struggles, and he support us - not because he has suddenly become a good man, but because we are now working together as a force!"

#### 3 BATTICALOA :

The small city of Batticaloa, on the eastern coast of Sri Lanka, has been on the front line of the country's just-ended civil war. Most people living in the city's poor communities are Tamils, and besides poverty and lack of tenure and services, they have suffered from decades of ethnic violence and civil conflict. The city was also badly affected by the 2004 tsunami and by some terrible monsoon floods in January 2011. Community-managed savings is relatively new in Batticaloa, but since the tsunami, the Women's Co-op has set up savings groups in all 25 poor communities in the city. The ACCA project in Batticaloa, which was approved in April 2010, allowed many of these communities to start planning small infrastructure upgrading projects. When the floods happened, the savings groups worked with the municipal council staff to survey the damage, zone by zone, and to develop plans for repairing damaged drainage systems and water supply sources, and to help families rebuild their houses on higher above-flood foundations - partly with ACCA support.

