



The Asia Foundation



Developing Case studies on Provision of Seed Grants to Promote Inter-Community Collaboration and Social Cohesion

Looking back, moving forward

Compiled by:



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Executive Summary

The Initiative for Sustained Peaceful Inter-Ethnic Relations for Economic Development (INSPIRED) project, conducted by The Asia Foundation (TAF), provided 92 Seed Grants to Micro and Small entrepreneurs residing in the Ampara, Batticaloa, and Trincomalee districts of Sri Lanka. Community-Based Organizations (CBOs) comprising of the Group Action for Social Order (GAFSO), Eastern Self -awakening Community Organization (ESCO), and Sarvodaya worked in collaboration with The Asia Foundation in the Ampara, Batticaloa, and Trincomalee Districts, respectively. Selected grantees, monitored the progress of the project and provided necessary support services. Good Market and the Federation of Sri Lankan Local Government Authorities supported the grantees to enhance the status of their businesses by fulfilling legal requirements, expanding professional networks and attracting more customers, including those from other communities.

The CBO partners organized intra-community and inter-community, district and divisional, and public-private dialogues for project beneficiaries including the grantees. Additionally, the CBO partners also organized Trade Fairs to promote social cohesion and highlight the links being forged between local businesses from different communities as well as to link beneficiaries -including grantees- with new markets and opportunities.

TAF assigned the Marga Institute to select five grantees from each of the three districts and research the grantees' businesses to draw out social cohesion and economic benefits achieved through the grant project. The Institute presents 15 case studies in this report with observations on critical lessons-learned with recommendations to improve future programming.

Main Findings

The dialogues and training programs have enabled grantees to acquire knowledge on conflict sensitivity, gender equality, business administration, knowledge on financial management and social media marketing and sales promotion. Furthermore, the grantees have a better understanding of the value of interacting with other communities through inter-community dialogues.

There were clear examples of grantees who had changed previous misplaced and negative perceptions of other communities after participating in inter-community dialogues.

The grantees have used Seed Grants to purchase equipment and/or renovate their business premises. By purchasing new equipment, it was evident that grantees were able to increase output, thus widening their volume of supplies and increasing their consumer base.

Grantees have been able to improve the quality of their products and services by registering their business and obtaining licenses from local government authorities (such as Pradeshiya Sabha), periodic supervision and monitoring by officials (agriculture officials, public health officers, etc.) and engaging with communities.

Grantees who had participated in trade fairs organized by CBO partners stated that they were able to broaden their customer base across Sinhala, Tamil and Muslim communities.

Overall, the grantees acknowledge that the networking opportunities resulting from the inter-community dialogues and exhibitions, exposed them to new ideas to improve their businesses moving forward. But, most importantly, they were collectively able to recognize the economic value of peaceful coexistence and social cohesion as a more favorable alternative to competition between different communities.

The grantees mentioned several external challenges they had faced, such as growing competition within the market, the socio-economic impact of the Easter bombings (particularly the subsequent curfew/ security checks imposed by the authorities), COVID-19 lockdowns and travel restrictions which placed constraints on their businesses. However, it was apparent that grantees have overcome these challenges and maintain a positive outlook on the future of their businesses.

The CBO partners mentioned that most of the grantees used to only network with people from their own ethnicity. This resulted in people from similar ethnic background, residing as a cluster instead of merging with people from other ethnic background within the Eastern Province. However, the TAF project and dialogues have created opportunities for grantees to sell their products and services to customers in other communities. All grantees stated that they saw an increase in their monthly sales after the grant.

Background

Inter-ethnic interaction as a vehicle for economic empowerment has resulted in social cohesion among many communities. Available literature indicates several ways in which social cohesion links to economic development. A key link between the two concepts is social capital. Social capital is “the ability of actors to secure benefits by virtue of membership in social networks or other social structures” (Portes, 1998). Social networks between ethnic groups have the potential to strengthen social cohesion and facilitate economic activity; which consequently leads to economic development. One way in which it occurs is through trust. In societies where trust between ethnic groups is low, transaction costs will be high, thereby inhibiting economic activity (Foa, 2011). Societies with high levels of social capital have been characterized by the presence of trust between ethnic communities. Increasing trust between social groups is vital for economic growth (Zak and Knack, 2001).

On that basis, the Initiative for Sustained Peaceful Inter-Ethnic Relations for Economic Development (INSPIRED) conducted by The Asia Foundation focuses on promoting social cohesion by providing Seed Grants to the inter-ethnic communities living in Sri Lanka’s Eastern Province. 92 Seed Grants were distributed among grantees from the following 9 locations within the Eastern Province to encourage social cohesion through inter-community collaboration and engagement in the business sector;

- Trincomalee district: Trincomalee Town & Gravets, Thambalangamuwa, and Kanthale
- Batticaloa district : Koralai Pattu, Eravur Pattu, and Manmunai North
- Ampara district: Karaitheevu, Addalachchenai, and Pottuvil

The grants were distributed among the grantees under two rounds. The first and second rounds consisted of 45 and 47 grantees, respectively, from the above locations. The breakdown of the instalments was;

First round

- 1st instalment 80%
- 2nd instalment 20%

Second round

- 1st instalment 60%
- 2nd instalment 40%

The second round of instalments were distributed differently in comparison to the first round for effective monitoring and evaluation. The Asia Foundation had not transferred the second instalment of the second round to the grantees at the time of the interviews.

In addition, TAF carried out capacity building activities for the CBO partners. This was accomplished as follows:

- Organizational assessment by The Asia Foundation
- Providing training on facilitation skills, peacebuilding, online surveying, gender and business management to build confidence and provide them with relevant knowledge. Thus, supporting the implementation of inter-community dialogues in the selected locations
- Create synergies between partners to ensure that learnings and skills are shared across project districts.

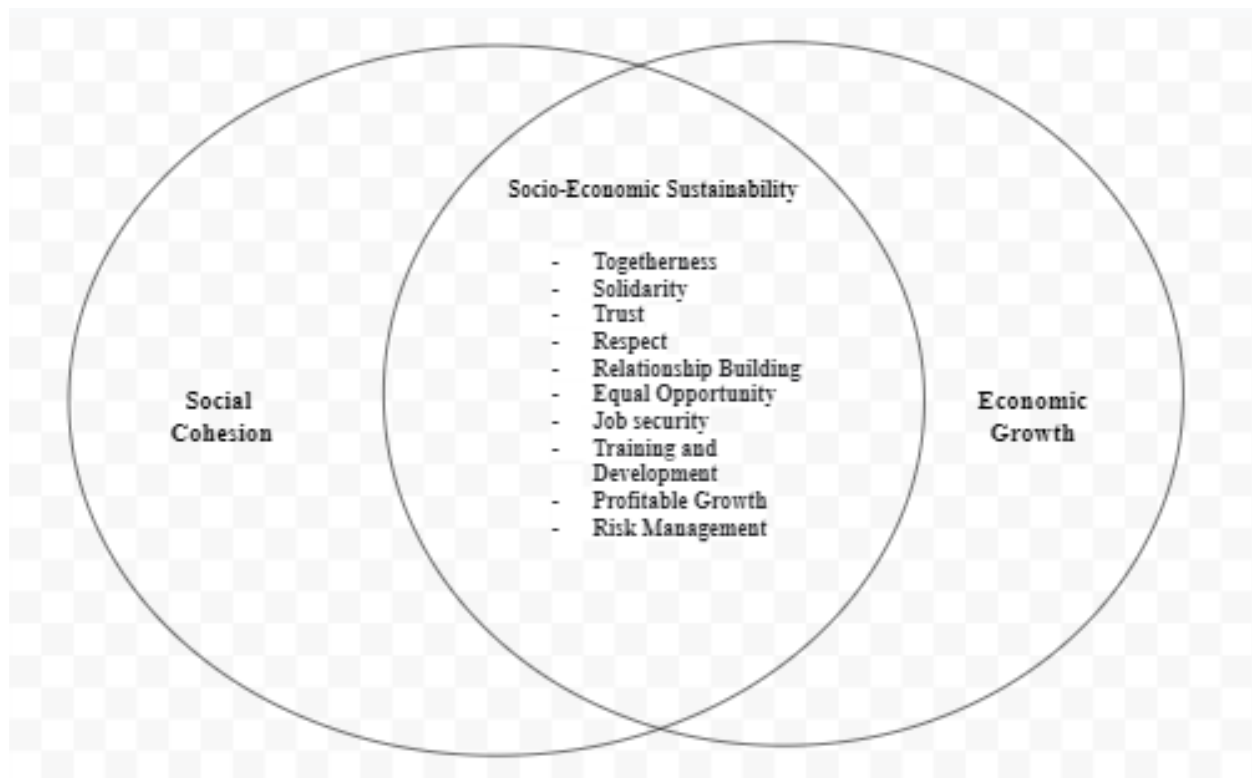
The CBO partners organized three types of dialogues, namely, intra-inter, divisional-district and private-public dialogues. The dialogues focused on providing training programs, workshops and exhibitions to transfer knowledge and practices to individual business development. The programs were conducted to achieve an interaction between the inter-ethnic community, influence and create a positive change in people's attitude, create an atmosphere through which a diverse community can live together, aid economic development, improve productivity, promote businesses, and enhance market reach. It should be noted that the seed grants activity was not mentioned to the participants until the end of the training sessions, to ensure the potential grantee's commitment towards promoting social cohesion rather than obtaining the economic/ financial benefit under the project.

The dialogues aim to proceed in the following direction;

- Applying a gender-sensitive approach to suit the audience, which includes primarily businesswomen
- Promoting local businesses
- Sharing inter-community concerns and discussing problems to generate an inclusive and sustainable solution
- Creating a platform through which business people from various ethnic and religious groups interact and network together
- Strengthening relationships between local governments and the MSMEs
- Supporting the process of recovering post-COVID-19

In addition, digital platforms such as the Good Market have supported inter-community interactions among the selected small and medium scale business communities (SME). The Good Market has provided advice to assist the grantees in upgrading, producing, distributing, and promoting their products to the local, national and international markets.

Methodology



The above Venn Diagram describes how social and economic factors strengthen socio-economic stability via economic growth and social cohesion.

Especially in the Eastern Province with its diverse cultural setting, there is untapped social capital that can contribute towards economic and social growth. The following social and economic factors need to be rooted firmly through natural and ongoing processes for diverse communities to absorb and practice their routine lifestyle.;

- Togetherness
- Solidarity
- Trust
- Respect
- Relationship Building
- Equal Opportunity
- Job security
- Training and Development
- Profitable Growth
- Risk Management

Justification for the Research Tool

A case study is a research approach used to generate an in-depth, multi-faceted understanding of a complex issue in its real-life context. It is an established research design used extensively in various disciplines; particularly in the social sciences. It results in an illustrative depiction of theories, highlighting relationships between the cases and generating new perspectives.

This study focuses on the generation of economic empowerment via social cohesion in which the grantees' stories capture the processes and issues related to this through anecdotal, real-life contexts. In this manner, the effectiveness and efficiency of the distributed grants are highlighted by comparing the status of the respective businesses before and after receiving the grant.

Sample and the Selection Process

The study includes fifteen (15) case studies. These case studies are drawn from nine locations, representing the three districts in the Eastern Province.

The sample selected includes nineteen (19) grantees from the 1st round and seven (07) from the 2nd round. This variation is due to grantees of the 2nd round not having yet received both instalments at the time of the study.

The selection was from these strata spreading the total sample among these categories on a predetermined basis.

Interviewing Process

These case studies were captured through a discussion guide. The discussion guide for the case studies and the questionnaires are attached in the annexure.

The field officers completed adequate training prior to commencing fieldwork. In addition, a pilot study was conducted on a selected case study to test the reliability and validity of the research design.

Case Studies: Ampara

“Stepping up with a great vision”

Case Studies: Ampara 01

Name of Grantee: Herath Mudiyanalage Priyadarshani

Type: Sole Grantee

Business: Mushroom Production

Location: Addalachenai Divisional Secretariat, Ampara

Background - Priyadarshini is a Sole Seed Grantee from the Pottuvil Divisional Secretariat within the Ampara District in Sri Lanka. She is a mushroom producer who cultivated mushrooms with her mother prior to 2018, after which she started her own business.

Status - Before receiving the grant in 2020, Priyadarshani and her mother used to mix mango sawdust (which was required for the production process) by hand and prepare it before cultivating mushrooms. She mentioned that manual preparation was inefficient due to the number of labour hours required to prepare the raw material. She also complained that as she was constantly involved in such work, she was progressively experiencing body ailments such as aches and pains.



Priyadarshani is a member of the Village Women’s Association, which is predominantly comprised of Sinhalese women. Thus, she would more often market her products only among the Sinhalese community before participating in INSPIRED.

Dialogues - After attending the training programs and exhibitions organized by GAFSO, Priyadharshani was able to reach out to a larger customer base due to her interactions with people from the Sinhalese, Tamil, and Muslim communities. She also understood the importance of interacting and supplying items to the Tamil and Muslim communities instead of supplying only to the Sinhalese residents in the region. Furthermore, she stated that participation at exhibitions aided the widening of her customer base and she was able to supply mushrooms to the Tamil and Muslim communities as well. The grantee highlighted that training sessions, inspections by field officers of the Group Action for Social Order (GAFSO), workshops on financial and business management, and exhibitions, helped her become a successful businesswoman.



Social and Economic Benefits Achieved by the Grantee - The grantee highlighted several social and economic benefits of the seed grant. Priyadharshani mentioned that purchasing a sawdust mixing machine with the funds received under the seed grant helped improve productivity.



Secondly, obtaining utilities such as water supply and electricity resulted in a smoother production process. She was able to increase the monthly supply of mushrooms, distributed mushrooms to local Food City Outlets, and catered to a diverse community instead of the Sinhalese community alone.

Lastly, the dialogues provided advice related to social media advertising using Facebook and WhatsApp, as well as direct advertising using leaflets and brochures in Sinhala and Tamil languages. She was able to advertise her product among the Tamil and Sinhalese communities. In addition to the information on improved marketing techniques, the grantee received instructions on financial management, which she was able to incorporate when maintaining financial records for her business.

Challenges and Support - Although Priyadharshani has been able to work on the quality and quantity of her cultivation with the aid of the grant, she stated that she faced various challenges. The ban for polythene imposed by the Sri Lankan government due to environmental concerns is one such problem that affected her business due to the increase in the price of thick polythene. She stated that thick polythene is

essential to reduce the growth of infectious bacteria. Thus, purchasing such polythene will eventually increase the cost of production, although she cannot increase the product's price to match. However, Priyadarshani is working on this issue and expects to find a solution to access an alternative to thick polythene, as this is essential to cultivate mushrooms.

Priyadarshini reported that she faced a reduction in demand for her products for around 3-4 months due to tense situations arising within the Eastern Province in the aftermath of the Easter attacks. However, the Sinhalese, Tamil and Muslim communities uniting against the extremists was indicated as a reason which helped resolve this animosity within a short period of time. The business resumed regular activities and was profitable after this period ended.

Thereafter, COVID-19 had a negative impact on her business due to the lockdown and travel restrictions. As she did not have a vehicle with a travel permit issued from the local police, she was not able to continue the supply of fresh mushrooms. Instead, she was forced to store them in open spaces for three days and thereafter, seven days in a refrigerator. This had a negative impact on her business.

The travel restrictions also led to a short supply of mango sawdust, and the business was severely affected by grinding mills being shut down during the lockdown. Having to bear a high transportation cost when purchasing the raw material from other districts resulted in the inability to depend on purchasing and transporting material from the surrounding districts. This led to a temporary interruption in the production processes after the lockdown imposed upon the 3rd wave of COVID-19 on the 20th of August 2019, which greatly reduced her monthly income.

The Future as she sees it - Economic and Social Development - The grantee aspires to achieve individual economic prosperity and provide mushrooms to diverse communities instead of solely supplying products to the Sinhalese community. First, she aims to grow other varieties of mushrooms with the aid of imported mushroom seeds such as American Oyster and Abalone, to cater to both the local and foreign markets. In addition, the grantee intends to diversify the products by producing pickles, snacks, and sandwiches out of mushrooms for tourist hotels in the region. Furthermore, she aspires to open several cultivation centers within the Ampara district to increase produce and supply to a broader customer base. Finally, Priyadarshini emphasizes the importance and necessity of needing more refrigerators and space to preserve the products.

She aims to train other women, (especially young girls and widows) to create new job opportunities and help them earn a living for themselves and their families. She specifically stated that she prefers to work with the Asia Foundation to help them support other mushroom cultivators with her knowledge and practical experience in the field. Her long-term plan is to be involved in international mushroom cultivation-related workshops or training programs to gain advice and guidance on organic mushroom production, to share knowledge with other local or regional producers.

“Significant Changes Start with Small Steps”

Case Studies: Ampara 02

Name of Grantee: Johnathan Pradeepa Vinodhini

Type: Sole Grantee

Business: Beauty Salon

Location: Pottuvil Divisional Secretariat, Ampara

Background - Johnathan Pradeepa Vinodhini is a sole grantee from Kundumadu within the Pottuvil Divisional Secretariat, Ampara. Before opening her salon in 2019, she was involved in animal husbandry; she owned a chicken and goat farm in Kundumadu. Vinodhini aspired to open a salon as she understood the demand for beauty culture by women in the Sinhala, Tamil and Muslim communities in Pottuvil. Therefore, she obtained the necessary training and qualifications after realizing the demand for beauticians and hairdressers. She opened a small-scale salon at her house to provide hair and make-up services to customers from the Sinhalese, Tamil, and Muslim communities in Kundumadu.



Status - Vinodhini aspires to expand her parlor and provide services to customers from all ethnic groups, namely, Sinhalese, Tamil and Muslim communities, as well as to foreign tourists visiting Pottuvil. Her fluency in Sinhala, Tamil, and English was one factor that encouraged her to provide beauty services to different ethnicities in Sri Lanka and foreign tourists. She mentioned that GAFSO encouraged her to apply

for the grant as they understood the demand for her services by the multi-ethnic communities residing in the region.

Dialogues - Vinodhini participated in inter-community and intra-community, divisional-district, and private-public dialogues organized by GAFSO. She mentioned she received information on business administration and financial management through the training programs. Furthermore, she highlighted that constant support and regular investigation from GAFSO encouraged her to work hard to fulfil the demands of the Sinhalese, Tamil and Muslim customers. This has helped her increase her monthly income as well. In addition, she states that the organization provided the necessary marketing expertise, in order to promote her products and services among potential customers. It introduced her to e-advertising through Facebook and WhatsApp, and direct marketing and advertising through printed leaflets. Furthermore, she mentioned that the exhibitions organized by GAFSO helped promote her beauty parlor and attract more customers from other areas of Ampara through the exposure received during the exhibition. She emphasized that GAFSO greatly supporting the development and promotion of her business to reach its current status.

Social and Economic Benefits Achieved by the Grantee - Vinodhini mentioned that she was able to achieve both social and economic benefits as a result of the grant. Firstly, the grant helped purchase equipment such as Face Steamer, Head Steamer, creams for facials and cosmetics, through which she was able to provide efficient and effective services to her clients. Being able to offer services with new equipment and a variety of products, helped attract more customers as well.

She stated that participating in the workshops organized by GAFSO provided her with business-related training that she could not receive as a member of other associations related to Beauty Culture. Thus, she emphasized that the knowledge helped enhance the quality of work at the salon. Furthermore, the training provided her with a range of skills. She was able to comprehend the importance of dedication, patience, and customer satisfaction through the provision of efficient and effect services.



The grantee highlighted that the exhibitions introduced her services to a different audience which attracted more customers. In addition, she mentioned that the exhibitions, which were open to the public, attracted new female customers from all ethnicities.

Having designed the promotional material in both Sinhala and Tamil caught the attention of customers from various ethnic groups. The advertisements conveyed how the customers were free to explain their requirements and share their ideas as the beautician was conversant in all local languages. Therefore, she emphasized that trilingual language abilities helped attract customers from different cultural backgrounds, including foreign tourists.

Attracting many customers due to increased equipment, cosmetic products, and advertisements has helped enhance her monthly income. She mentions that she is grateful to The Asia Foundation for enabling her to obtain the tools and techniques she needed to make her business profitable, and thereby use a higher percentage of her income to support her daughter's future endeavors.

Challenges and Support - Vinodhini mentioned that she faced several challenges in the process of developing her business to its current situation. She emphasized the spread of COVID-19 as one of the main challenges faced during this period. Due to the social-distancing requirements, using common equipment to provide services effectively and not being able to direct work with the customers, was a challenge she faced during this period. She mentioned that she overcame this issue by sanitizing all her equipment for hygiene and safety reasons, after it had been used on a customer.

Vinodhini highlighted that the travel restrictions negatively affected the demand for her services due to both parties' inability to travel. However, she was able to recover a certain percentage of the income by coordinating appointments with other beauticians and hairdressers in the region. Hence, she assigned the task to the nearest beautician or hairdresser based on the customer's request, primarily if the customer's residence was located away from Kundumadu. The profit was divided among Vinodhini and the beauticians or hairdressers who provided the service to the customer.

It is interesting to note that her business was not affected post the Easter attacks as she maintained a strong relationship with her customers. Customers from the Sinhalese Tamil and Muslim communities used to visit the salon to obtain necessary services regardless of the inter-ethnic tension in the region.

The Future as she sees it - Economic and Social Development - Vinodhini aspires to develop the quality and quantity of her services in the future. She aims to build a marketplace with the capacity to provide all wedding services under one roof. She aspires to provide bridal dressing, cake making services, bridal sarees, bridal clothing, and dressmaking in one market within the Ampara district.

Furthermore, she desires to develop a salon where men, women, and children could simultaneously obtain services. She has understood the demand for beauty culture from men and children and aspires to provide services to them.

The grantee mentioned that she would train around ten women and men to fulfil the customers' demands and thus create job opportunities for the unemployed sector in Ampara.

Next, she aspires to develop a beauty parlor with modern facilities, including a CCTV system, WIFI, and air conditioners. The grantee emphasizes the necessity to obtain a WIFI connection to provide internet facilities to local and foreign customers while they get their treatment. Furthermore, she identifies the importance of air conditioning in the parlor as Ampara belongs to the dry zone, which is humid and warm throughout the year; an air-conditioned salon would ensure her customer's comfort and provide a better service.

The grantee is strongly motivated to open several branches of the parlor around Ampara and aims to create more jobs for unemployed youth from the Sinhalese, Tamil, and Muslim communities. Furthermore, she aims to obtain foreign training in the field of beauty culture to fulfil the needs of the foreign tourists, as she does not have training on particular hair and make-up methods used in other countries.

After developing her business, she aspires to become an ambassador who will symbolize the idea that hard work and dedication can realize dreams and goals. She states that she will be able to showcase the importance of satisfying the needs of all ethnic groups instead of limited the provision of products or services for a particular sector of society.

“Perseverance –the key to success”

Case Studies: Ampara 03

Name of Grantee: Firthous Mohammad Rafee

Type: Sole Grantee

Business: Owns a Communication Center

Location : Sainthamaruthu, Malikaikadu, Karaitivu Divisional Secretariat, Ampara

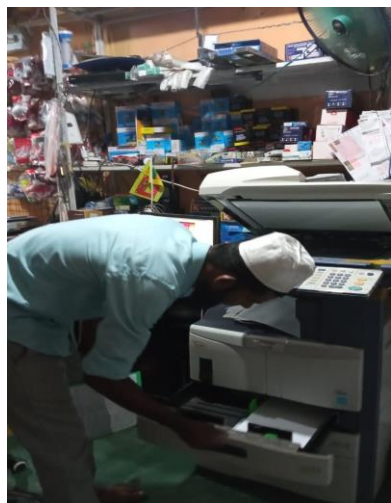
Background - Firthous Mohammad Rafee, residing in Malikaikadu within the Karaitivu Divisional Secretariat, Ampara, is a sole grantee under The Asia Foundation Seed Grants project. The grantee was an electric bulb vendor prior to 2015. However, he aspired to provide communication services to fishermen visiting his region, namely printing and photocopying facilities. His ultimate vision was to open a



communication center for inter-ethnic customers (Sinhalese, Tamils, and Muslims) with a special focus on providing photocopy, laminating, binding, printing, and internet facilities to local fishermen travelling to his residential area. The ability to converse in Tamil and Sinhala was an added advantage that encouraged him to proceed with this project. As a result, he realized his dream by opening a communication center in Sainthamaruthu in 2015.

The grantee was known for his genuine and efficient service as both a bulb vendor and a social worker. As a member of the ‘All Ceylon Funeral Service’, he has provided lights, chairs, and food to the Muslim community prior to receiving the seed grant. His social service to the community had drawn social acceptance and increased his customer base throughout his career.

Status - The grantee stated that his communication center in Sainthamaruthu did not possess adequate equipment to provide communication services to the people within the region. He aspired to purchase essential machines to provide relevant facilities for individuals who were unable to visit town with the sole



purpose of obtaining communication facilities. Rafee added that the grant helped him purchase crucial equipment such as a photocopier, paper cutter, stapler, and other stationery. He mentioned that issuing photocopies, laminating, binding, printing, and internet services with improved facilities at a reasonable price helped attract many customers from private and government organizations within the region. He also mentioned that completing bookwork such as photocopying and printing allowed him to learn new things as he would often read sections of the content printed on the documents. He was able to improve his English and derive a basic understanding of subjects such as science and environmental sciences through the paperwork done by school children

visiting the shop. Furthermore, he highlighted that his customers highly appreciate his services; especially young girls who cannot visit the town around 300m away from Sainthamaruthu.

Role of the Dialogues - Rafee emphasizes the importance of the knowledge and skills received under different dialogues by stating that the programs empowered him to think beyond the current status of the business. The grantee acknowledges that he attended the workshops based on the advice and encouragement given by GAFSO and highlighted that the exposure through training programs and exhibitions transferred business-related knowledge, economic empowerment, and social integrity; which aided both economic prosperity through inter-ethnic interaction. In particular, he stated that the private-public dialogues allowed him to understand the relationship between legalities and business administration, while putting into practice the knowledge received during the workshops.



Social and Economic Benefits of the Grant - Rafee mentioned that the divisional-district, public-private, and inter-community dialogues assisted the expansion of his knowledge on business administration and working with people from the Sinhalese, Tamil and Muslim communities residing within the region. As previously mentioned, he emphasized that the training programs encouraged him to build a relationship with the Tamil community living in the region instead of the bonds created with the Muslim community before the knowledge transferred through the dialogues. He didn't emphasize on the experience of creating bonds with the Sinhalese in his village as only 2-3 Sinhalese families reside in the outskirts of Sainthamaruthu, Malikaikadu. However, he aims to eventually do so when he opens a shop near the main road which consists of residential areas which are home to a Sinhalese majority. Thereby, a change in his attitude towards working and creating a bond between Tamil and Sinhala groups of society has come about specifically due to the workshops focusing on transferring practical knowledge on the importance of social cohesion. Hence, he is focused on providing his services to the Tamil and Sinhalese customer base instead of transferring his services only to a majority of Muslim customers as per usual. He stated that the training taught him to use social media (such as WhatsApp and Facebook) as well as hard copy leaflets in both Sinhala and Tamil to advertise his business among the Sinhala and Tamil communities.

In addition, he stated that the exhibitions aided the process of reaching out to a broad community of men and women involved in the business and attracted new customers. The grantee highlighted that the training programs facilitated relationships among the business community and added that the network motivated him to improve his business further. Furthermore, he mentioned that frequent training programs and meetings organized by GAFSO resulted in establishing strong relationships with the other participants. As a result of understanding the necessity and importance of connecting with people from various ethnic groups, he looks forward to building his relations with people from different communities in the future.

The grantee stated that constant monitoring by officers motivated him to work hard and improve his business further. Additionally, he stated that the training programs transferred business, educational, and general knowledge, which improved his finance and accounting skills to self-evaluate his business. Thus, he can evaluate the direction and progress of his business on a weekly and monthly basis.

Next, the grantee stated that the funds provided funds to purchase items and transfer services smoothly. Furthermore, having purchased the photocopier from a Muslim businessman, photocopy paper from a Tamil businessman, and laminating machine from a Sinhala businessman created an opportunity for social cohesion through economic empowerment. He purchased the following items from multi-ethnic business

vendors after understanding the importance of creating relationships with people from other communities instead of providing and obtaining services from Muslims, as emphasized during the dialogues.

A change in his attitude towards building a relationship with the multi-ethnic community resulted in him informing and serving the entire community instead of the Muslims in the region as a member of the All Ceylon Funeral Service. Thus, helping to provide funeral services to people from the Hindu, Christian and Buddhist communities, as opposed to helping only the Muslim families, before the training programs organized by GAFSO.

Finally, he highlighted that completing legal tasks based on the approval of the Pradeshiya Sabha and following government protocols as informed regarding such formalities during the dialogues resulted in people recognizing the honesty of his business which attracted more customers.

Challenges and Support - Rafee stated that he faced several challenges for three months since the Easter attacks due to ethnic divisions between the Sinhalese, Tamil and Muslim communities. The curfew imposed in the Eastern province affected his business to a certain extent as people were required to remain indoors, which resulted in a reduction in the demand for photocopying, printing and laminating services. Thus, it had affected his monthly income negatively. However, a few customers visited him personally to obtain the facilities mentioned above. Rafee stated that he could recover the income by providing electric and plumbing services to this neighborhood during the curfew. He highlighted that he charged a reasonable amount for his services considering the individual's economic status and provided free services to those who couldn't afford to pay his daily wage. Furthermore, he emphasized that providing a guarantee for the work completed resulted in many customers investing in his service during this period. Further, selling electric bulbs to those in his neighborhood had aided the process of recovering a portion of the income.

However, he stated that the tensed community was able to unite, regardless of such disputes owing to people from various cultural backgrounds working together, as per the advice given by religious organizations within the region. Hence, he was able to conduct his business and provide services to his usual customer base in the usual manner. He stated that the Easter Attacks' demand for his services was not affected, as the society had reunited post understanding the difference between Muslims and the extremists.

Coping with COVID-19 - The grantee highlighted that his business was not affected by the lockdown imposed due to the spread of the virus. His shop, located within the village, continued to function after receiving permission from the police throughout the lockdown. Thus, he provided services such as printing by receiving the documents via email or WhatsApp and delivering it to the customer's residence. He did not mention any other challenges faced when conducting the business.

The Future as he sees it - Economic and Social Development -When inquiring about his future plans, Mr. Rafee mentioned that the grant not only enhanced his career but positively impacted his personal life as well. Thus, he looks forward to taking care of his family, educating his children, and saving additional income.

However, his remarkable journey doesn't stop here. He aims to improve his economic gains whilst providing for people from various communities regardless of their cultural background due to the positive change in his attitudes, creating a sense of brotherhood and sisterhood among the Sinhalese and Tamils, which was not the case before the workshops. Hence, he aims to increase his profits whilst providing communication services to the other parts of Ampara by opening several branches of his current business and creating employment opportunities for the multi-ethnic community residing within the district.

Furthermore, he focuses on opening branches close to the highway. Thus, he will provide services to people from various cultural backgrounds, including the majority of the Sinhala community. However, he is currently unable to provide his services to the Sinhalese citizens, as they do not reside in Sainthamaruthu, Malikaikadu or surrounding areas of the village. Thus, he aspires to serve the Muslims and Tamils as he does now and the Sinhalese community after opening communication centers close to the main road. He mentioned that such financial aid would help realize his future plan by which he will be able to earn a higher income and support a larger community with his services.

Mr. Rafee wishes to train 10 Muslim and Hindu school girls living in Ampara. He mentioned that the seed grant paved the way for creative thinking. He also aspires to further contribute to educational services by establishing a publication house, bookshop, and a store that will provide natural food to school children and open a shop to sell items for women, men, and toddlers. Coming from a background related to providing electric services, he aims to start a business to provide decoration lights, LED bulb coverings for fishermen (for protection against rain and water). He also plans to computerize his current and future businesses. In addition, the grantee plans to transfer knowledge regarding electrical wiring, water supply, and house

maintenance due to his expertise in the electronics department. Thus, he desires to expand his business whilst building a strong bond with people from various communities.

“If There Is No Struggle, There Is No Progress”

Case Studies: Ampara 04

Name of Grantee: Mooththan Manjula

Type: Sole Grantee

Business: Food production

Location: Pottuvil Divisional Secretariat, Ampara

Background - Mooththan is a sole grantee involved in food production from the Pottuvil Divisional Secretariat, Ampara. She started producing dry red chili powder in 2013. The production process involves purchasing a variety of red chilies and other spices, after which the ingredients are cleaned. The red chilies and spices are then ground, mixed, and packed. The packets are finally distributed among customers and wholesale vendors in Ampara.



Status - Mooththan mentioned that she was not financially stable enough to purchase raw materials for the production process. Therefore, she agreed with the neighboring wholesale businessmen to purchase red chilies and spices and pay them after obtaining profits from ground red chilies. She mentioned that he used to travel far to grind and sell the products. Moreover, stated that she did not have the necessary knowledge or experience in marketing, financial management, and accounting before obtaining the Seed Grants.

Mooththan Manjula was a part of two economic centres, Mahalir Ani and Samurdi. Mahalir Ani encouraged female interaction, after which she was able to share spice business-related experiences with other businesswomen, which allowed her to promote her product before obtaining the grant.

Dialogues - She mentioned that the dialogues helped her obtain knowledge and develop creative thinking skills. Hence, she attended all three dialogues organized by GAFSO: inter-community & intra-community, district-divisional, and public-private dialogues. She mentioned that through the workshops, GAFSO, Divisional Secretariat, and Grama Niladhari provided knowledge on various aspects of maintaining a business. She highlighted that the training



programs transferred essential skills necessary to maintain the business, as she used to run her business based off of a basic set of skills she received while schooling. Through the training programs, she was able to get a thorough understanding of finance and accounting, networking, and marketing products. She mentioned that her daughter helps maintain accounting records. She particularly highlighted her attendance at the Valantina NGO Training program as she was able to gain skills in business management through the workshop.

Mooththan Manjula mentioned that she interacts with other businesswomen based on guidelines provided through the workshops. Hence, she seeks their advice when resolving a problem and promoting the products. She uses a variety of mechanisms to market the products among a wider community, such as visiting the customers to understand, discuss and supply chili powder based on their preference. She also provides samples to attract new customers.

Lastly, she highlighted that the dialogues opened her mind to working and interacting with people from various communities, namely, the Sinhalese, Tamils and Muslims. This was a result of the partner organizations advising the participants to interact with people from other communities. She emphasized that this positively influenced her thinking as they were advised to work with other communities. Thereby, she provided to the Sinhalese, Tamil, and Muslim communities based on their preference. Hence, she provided chilli powder with a lower concentration of spice for Tamils and a higher concentration of spice for Muslims.

Social and Economic Benefits Achieved by the Grantee - The grantee highlights a variety of



social and economic benefits of the Seed Grants. Firstly, she was able to purchase a grinding machine with the money obtained from the grant. As mentioned before, she had to travel 5km to grind the red chilli before receiving the grant. However, she can now produce chilli powder at home as a result of purchasing a machine.

Secondly, she highlighted that the dialogues provided knowledge on business administration, financial management, networking, and advertising. She mentioned that she was not aware of the importance of these subjects before the training programs were provided under the grants. She further understood the importance of interacting and obtaining advice on problems faced by people.

She stated that she could incorporate the advice received from the community when moving ahead with the production process. She was also able to gain knowledge on efficient production techniques, leadership, meal preparation and punctuality.

Thirdly, the grantee highlighted that she could cater to a greater customer base since receiving the seed grant. This resulted from the advice given by GAFSO to interact with the Sinhalese, Tamil and Muslim communities, which resulted in multi-ethnic interactions and financial benefits. She mentioned that the exhibitions paved the way to meet with Tamil and Muslim customers who preferred a variety of tastes instead of the same taste. Thus, she understood this regard and catered to different customers, such as Tamil Hotels and Muslim Hotels, based on their preferences. She mentioned that sharing ideas on their food preference and the process of preparing for their favor united both the customer and the producer.

Next, the grantee emphasized that frequent examinations done by the visitors motivated her to work hard and maintain or upgrade the current status of her business.

Furthermore, she mentioned that she could support the poor and underprivileged sections of society due to the economic benefits of the grants. Thereby, she was able to provide chilli in smaller quantities to those who cannot afford the large packets. In addition, she has agreed to supply the products to other female vendors who pay her after selling the packets to customers. Thereby, both Mooththan Manjula and the other ladies involved can obtain economic benefits through this cooperative method. Her involvement in the business was a result of her passion for contributing to social service, which has led to villagers recognizing

her genuine desire to help society. She specifically mentioned that economic benefits and social cohesion go hand in hand as she was able to help people regardless of their ethnic background.

Furthermore, she received various production tips when interacting with Sinhalese, Tamil and Muslim communities. This is due to promoting the products among other people from the ethnic groups mentioned above. She was then able to market her product by differentiating it based on various preferences. Hence, she provides chilli powder with a low level of spice to Tamils (for the preparation of vegetables) and a high level of spice for Muslims (for the preparation of beef curry).

However, she mentioned that providing additional training on promotional activities will help add value to their production services and stated that the organizers of the exhibitions should have allowed them to bring food items for the exhibitions. She noted that the language barrier might result in difficulties for some of the communities to interact with each other. Hence, this may act as a barrier against social cohesion among the Sinhalese, Tamil and Muslim sectors of society.

Challenges and Support - The inadequacy of money to purchase raw material in bulk was a challenge she faced before receiving the grant. She mentioned that she took items based on trust from neighboring wholesale vendors and returned the money after selling the final product.

She also mentioned a few instances where people did not repay the money after giving the spices in spite of an agreement to pay back after profit. However, she mentioned that it didn't affect her income as she was still able to attract new customers daily.

Mooththan Manjula stated that the Easter Sunday attacks did not affect her business. This was a result of the strong relationships she had developed with different ethnic communities regardless of the tension created by the Easter attacks. Similarly, she mentioned that the business was conducted without interruptions as business people transported the products during this period.

The Future as she sees it- Economic and Social Development - The grantee underlines that she would like to support widows who lost their husbands due to the civil war; she would like to get women involved in the production process and employ men to market the products.

Secondly, she plans to produce a range of food items such as pepper powder, turmeric powder, manioc products, and rice flour products. Furthermore, she aims to apply for approval from the Health Authorities

to be able to supply products throughout the island. After that, she hopes to export the products to foreign countries. Finally, she mentioned that increasing supply would demand other improvements such as purchasing machinery, standard packaging, transportation, and advanced promotions.

The grantee further aspires to extend her knowledge and practical experience to other people interested in preparing spices regardless of their ethnic background.

“In Diversity, there is Beauty, Support and Strength /Three wise men”

Case Studies: Ampara 04

Name of Grantees: M.L.S. Arifdeen, K.G. Ariyasena, and H.W. Rosanth De Silva

Type: Joint Grantee

Business:

- M.L.S. Arifdeen - Poultry farm
- K.G. Ariyasena - Beach hotel
- H.W. Rosanth De Silva - Grocery shop

Location: Pottuvil Divisional Secretariat, Ampara.

Background - M.L.S. Arifdeen, K.G. Ariyasena, and H.W. Rosanth De Silva are joint grantees under the Seed Grants Project from Pottuvil, Ampara. Arifdeen, Ariyasena, and Roshanth manage a poultry farm, beach hotel, and grocery shop, respectively. All three grantees applied, intending to gain finances to develop their businesses further.

Status -Arifdeen, a Muslim, has been managing a poultry farm since 2018 that supplies meat and eggs. He aspired to open a country poultry farm, based on the guidelines shared by the health authorities, as there was an increase in demand for eggs and broiler chicken. Furthermore, he mentioned that he was a part of the Sports Club through which he was introduced to several other Muslim communities. He did not have an opportunity to interact with people from other communities before receiving the grant. Arifdeen was encouraged to apply for the grant through GAFSO.

Ariyasena, a Sinhalese gentleman, runs a beach hotel near Arugambay with his family. The hotel is named “Thaththa Tea Shop.” He prepares different dishes for the seven days of the week, including Parata, Coconut Roti, and Sambol. As a result of working in the Middle East, he is able to speak Sinhala, Tamil, English, Arabic, and Hindi. His family is fluent in Sinhala, Tamil and English. He states that their combined language proficiency is a great asset when communicating with people from various cultural backgrounds. He is able to understand and fulfill the requirements of Muslims, Sinhalese, Tamils, local and foreign tourists who visit the hotel.



Roshanth, a Sinhala gentleman, owns and manages a grocery store that was founded by his father. However, after his father died in 2004, Roshanth took over managing the family business. He mentioned that those around him did not support him when he was facing financial hardships. Hence, he considers the grant offered by the Asia Foundation as a blessing to help him overcome his financial difficulties and continue to run his father’s business.

Dialogues - Arifdeen stated that he attended all workshops organized by GAFSO. He highlighted meeting people from various ethnic backgrounds as the main advantage of the workshop as he was able to interact with people from various ethnic groups, which gave him hands-on experience on the necessity to be empathetic and understanding when working with a mix of Sinhalese, Tamil, and Muslim people. After participating in the workshop, he has been able to create a network with people from various ethnic backgrounds. His multilingual abilities made these interactions easier, as he could understand who he was speaking to and vice versa. He, therefore, introduced his products to a diverse customer base which includes Sinhalese, Tamils and Muslims. He also mentioned that GAFSO transferred knowledge on financial management and marketing strategies. As a result, it enabled him to maintain his accounts by himself. He was also trained to market his product through Facebook and WhatsApp. At the same time, the inspection done by the Public Health Inspectors was highlighted as a benefit of the dialogues as he was able to gain necessary advice from the inspectors to maintain a hygienic environment in his workspace. Furthermore,

registering at the Pradeshiya Sabha resulted in the formal recognition of his business. The exhibitions had widened his customer base due to his products' promotion among new people outside his residential area.

Ariyasena mentioned that he applied as a joint grantee to work with people from various cultural backgrounds. He was keen on sharing business-related experiences and skills to promote each other's businesses. Furthermore, as someone who has not received a grant from other organizations, he emphasized that the grant received under the Seed Grants project motivated him to do better and develop the business further.

Roshanth stated that the dialogues were helpful and productive and that he was able to gain information on business management and accounts through them. In addition, he stated that he learned techniques, skills and methods to run a successful business. The grantee mentioned that speaking both Tamil and English helped him interact with people from multi-ethnic groups. Thus, he was able to create his network with people from various industries and ethnic backgrounds. Roshanth now has friends from Pottuvil, Addalachenai, Kalmunai, Ninthavur, Karaithivu, Sammanthurai and other parts of the district.

Social and Economic Benefits Achieved by Grantees- Arifdeen had utilized the money received by the grant to build chicken sheds, purchase country chicks, chicken food, feeding bowls, water cans, and a safety net to secure his livestock from snakes and mongooses. The sessions helped him understand the impact of weather on the birds. Therefore, he stated that the health official who visited him after acquiring the grant provided necessary advice to treat sick birds. He was able to understand the health hazards, diseases and treatments from the health inspectors and was thereby able to maintain hygienic and healthy living conditions for the animals.

Ariyasena purchased a couple of items to improve the efficiency of the food production process. He purchased an oven and paid electricity and water bills using the finances received from the grant. The grantee had also focused on diversifying the production of cakes by baking banana cakes, cupcakes, and coconut cakes for tourists. He mentioned that the grant motivated him to try new dishes such as avocado cake and natural soft drinks to meet the demand of foreigners.

Roshanth, who faced several issues due to the lack of capital to run the business, stated that the money was used to stabilize the status of his business. He used the grant money to purchase the grocery items for sale, obtain the license from the Pradeshiya Sabha, pay electricity bills and create name boards. In addition, he stated that he could save a certain amount of his profit for further developments owing to an increase in his

income as a result of receiving the grant. In addition, he stated that the grant helped strengthen his business and his relationship with other grantees from various ethnicities, namely, the Sinhalese, Tamil, and Muslim communities. As mentioned in the previous section, the dialogues allowed inter-ethnic communication whereby it wasn't long before the grantees began to consider themselves as one big family.

Challenges and Support -All three participants mentioned that lack of finances to develop their business had halted potential development and lead them to apply for the grants.

Arifdeen mentioned that the business was negatively affected due to the imposition of a strict curfew after the Easter attacks in 2019. However, the situation eased and reached normalcy within 6-8 weeks. In comparison, his business was more affected due to the pandemic. However, in spite of the challenging situation, his customers had contacted him over the phone to place their orders in advance, and he was able to deliver items to their doorstep.

During COVID-19, his hotel was closed for some time, after which the Health and Police authorities advised him to provide takeaway services. He received orders by phone, and he was able to provide contact services to the customers. He purchased the necessary items from a Muslim wholesale businessman who gave him a loan based on trust during this period. However, it should be noted that banks had not passed his request for a loan.

Roshanth stated that his shop was closed due to curfews and highlighted that Muslim customers did not visit his shop due to the fear of security checks. The situation was later normalized once the curfew was lifted. He mentioned that the shop was closed after the imposition of the lockdown during the spread of COVID-19. However, he could supply products to a few people in the village as there was a reduction in the demand for groceries. Nevertheless, he mentioned that he did not stock many products as he was afraid they would be wasted by expiration due to the lack of demand. Hence, his business was affected due to the reduction in demand and the absence of tourists in the region. Lastly, he highlighted the lack of a refrigerator as a challenge as he requires one to store certain items for longer periods of time. He stated that he does not sell chicken or beef because he doesn't possess a refrigerator.

The Future as They See It - Economic and Social Development - Arifdeen aims to increase the number of birds on his farms. Furthermore, he aspires to build a farm shop to sell eggs and chicken produced by his farm. He also aims to establish another source of income by supplying organic fertilizer made within his farm to other farmers. Furthermore, Arifdeen plans to improve infrastructure by constructing a tube well, water tanks, or deep well within the farm. In addition, he aims to create job opportunities for both males and females in the future. He plans to train females on farming activities, including maintaining a vegetable garden, feeding the birds, and producing organic products. In addition, he aspires to hire males for sales activities in the future.

Ariyasena mentioned that he aims to build a new hotel with better facilities. He aims to purchase permanent refrigerators to store food safely and hygienically. He aspires to introduce a new range of food items and natural organic food to attract foreign tourists. Through experience, he has understood that he should not give products on mutual trust so that the customer can pay later, as he has experienced losses having previously done so.

Roshanth aspires to continue the current business. However, he is planning on using his savings to develop the business. He aspires to build a wholesale shop that will help attract more tourists in the future. Although he does not have the relevant funds at present he mentioned that he aspires to gain the funds from another grant. Similar to Ariyasena, Roshanth mentioned that he understood his weakness in providing items to customers on mutual trust to pay once they receive money. He states that he will not continue this practice, as most customers do not settle their bills.

Case Studies: Batticaloa

“An innovative woman of great strength”

Case Studies: Batticaloa 01

Name of Grantee: Velautham Sandiravanthany (Chandravathany on Database)

Type: Sole Grantee

Business: Production and Trade of Handicrafts

Location: Koralai Pattu Divisional Secretariat in Batticaloa

Background - Sandiravanthany is a sole grantee involved in producing and trading handicrafts under the Seed Grants project initiated by The Asia Foundation. She is from the Koralai Pattu Divisional Secretariat in Batticaloa. Her journey dates back to 2013. She started a small-scale business by producing palmyra products at home. However, she has since diversified her production to manufacturing various handicrafts using seashells, coconut shells, wooden items and palmyra based products.

Status -At present, Sandiravanthany sells products at a small shop that is built on her brother's land. Hence, she emphasized her brother's support to develop the business to its current status. She mentioned that UNDP provided her with a grant to expand the business by upgrading the shop and purchasing necessary raw materials. However, she stated that the cash and training received under the Seed Grants helped develop the business further.

Dialogues -The grantee was only able to participate in the divisional-district level dialogues. Hence, she was able to get a thorough understanding of financial management through the training programs organized by ESCO. In addition, she stated that the discussions highlighted alternative production methods.

Secondly, the workshops had provided her with an opportunity to talk about common problems in the region. Hence, she had taken the opportunity to highlight personal and professional difficulties faced due to the absence of essential infrastructure. One of the problems she discussed was the lack of electricity in Pasikuda.

Sandiravanthany stated that the meetings helped create networks among people from various cultural backgrounds, which helped her to build a network with businessmen and businesswomen from the Sinhalese, Tamil and Muslim communities. She emphasized the importance of social cohesion as it creates a sense of unity among the multi-ethnic communities and highlighted the economic benefits of interacting with people from various communities as well. One such benefit of the networking activities was connecting with other vendors who sell raw materials at a cheaper cost.

Lastly, Sandiravanthany stated that the grantees received training from Good Market and FSLGA and that the latter had provided information to support her business management activities. Good Market had ordered her palmyra baskets however she was unable to deliver them on time due to COVID-19-related lockdowns.

Social and Economic Benefits Achieved by Grantee - The grantee highlighted several social and economic benefits of the seed grant. First, she stated that she was able to renovate her roof and attach two gates to her shop, which helped create a secure space for her to store raw materials. Second, she mentioned that being able to improve the shop by establishing necessary infrastructure gave her a formal work and storage space. Prior to this, she had to both produce and store her handicrafts in her own residence.

The grantee used a portion of her grant to purchase raw material stored to manufacture products in the future. She mentioned that working together with various communities cleared several misunderstandings about the Sinhalese community. For example, before receiving the grant, she believed that the Sinhalese were not friendly. However, contrary to her misconceptions, interactions with the grantees in the workshops showed that the Sinhalese community is friendly and approachable.

In addition, she stated that the development of the business had enhanced social cohesion among communities. She mentioned that most of her products are sold to different dealers from multi-ethnic communities, with a majority belonging to the Sinhalese and Muslim communities.

She also added that the networking opportunities created during the workshops helped her find contacts and provide goods easily during the lockdown.

Challenges and Support - Sandiravanthany explained that her supplies dealer from Kinniya recently passed away, which was a terrible loss and also negatively affect her business due to the limited number of handicraft dealers in the area. As a result, she is currently seeking to form a new partnership with a new dealer.

Competition is one other challenge that she had to face in the past. However, she was able to overcome this challenge by initiating new businesses. An example of this, is how she started preparing and selling food parcels to workers in the vicinity to recover some of the income lost due to competition.

Furthermore, she mentioned that both the Easter attacks and COVID-19 negatively affected her business. The Easter attacks resulted in losses for two months due to the lack of demand for handicrafts., She highlighted that inter-ethnic relationship were not affected due to the attacks.

The spread of COVID-19 has resulted in an unexpected reduction in the demand for her products unexpectedly. Sandiravanthany mentioned that she works from home, although there is no demand for the products. Hence, this has adversely affected her monthly income.

The Future as she sees it - Economic and Social Development - Sandiravanthany aspires to expand her shop by adding a few more features such as building huts outside the shop for guests to enjoy a cup of tea or coffee. The huts will be used as a visual element to attract customers to her shop. She is additionally hoping to build a dressing room for female tourists. With the intention of creating an alternative source of income, she is also looking to purchase a motorbike which can be rented out by tourists for a small fee.

“The Comfort Zone is a Beautiful Place, But Nothing Grows There”

Case Studies: Batticaloa 02

Name of Grantee: Subramaniam Vijeyaratnam

Type: Sole Grantee

Business: Production of ‘mixture’

Location: Eravur Pattu Divisional Secretariat in Batticaloa

Background - Subramaniam Vijeyaratnam is a sole grantee under the Seed Grants project funded by the Asia Foundation. He is a Tamil involved in the production of ‘mixture’ (Cocktail Bites). The grantee is from the Eravur Pattu Divisional Secretariat in Batticaloa.

Status - The grantee has been producing ‘mixture’ since 1990. The sole grantee stated that he started his business with the savings from his previous job in Colombo. He applied for the grant to purchase a Manioc Slicing Machine to improve the productivity and efficiency of the production process.

He mentioned that over time, he has been successful in improving the status of his business. Products which were previously hand-made are now produced with the aid of machinery for optimum efficiency and productivity. After production, the mixture packets are distributed among vendors from Chenkalady to Pullumalai.

Dialogues -Subramaniam Vijeyaratnam had participated in the inter-community and divisional-district level dialogues. He stated that the intra-inter dialogues taught modern production methods including importance of using organic fertilizer for agriculture. Furthermore, he stated that the divisional-district level dialogues transferred tips on how to fulfil individual needs after visiting a government organization. He stated that close interaction with representatives from Good Market helped enhance the quality of his products and he was able to understand how to use specific colours to enhance the appearance of the mixture.

Social and Economic Benefits Achieved by Grantee -The grantee identified several economic and social benefits of the seed grant, citing the ability to purchase a Manioc Slicing Machine as the main benefit of the grants. This enabled him to increase his weekly production of manioc chips from 5kgs to 15kgs with the support of the machine.

He mentioned that the training programs encouraged the participants to interact with each other resulting in the grantees exchanging their personal experiences. In addition, he mentioned that networking helped participant exchange contact details which were helpful when seeking business-related support. Such an instance was highlighted when Subramaniam Vijeyaratnam mentioned that he could purchase raw material from people he met during the training programs. Similarly, he was able to purchase dried fish from a Sinhalese vendor he met during the training. In addition, he was able to exchange contact details and maintain stable relations with representatives who participated in the workshops from Kandy and Matale. Furthermore, the training program allowed him to interact with other communities, namely, Sinhalese, Tamil and Muslim communities. Thereby, the training program created a sense of oneness and unity among the grantees.

Challenges and Support -Subramaniam Vijeyaratnam mentioned that the Easter attacks did not affect his business. He continued to provide his products to the inter-ethnic communities of Sinhalese, Tamils and Muslims regardless of the inter-ethnic tension following the attacks. However, in contrast, he emphasized the negative impacts of the spread of the virus which had led to a reduction in demand for products. As a result, he does not produce and distribute the products as often as he did before, and this has had a negative impact on his monthly income.

The Future as he sees it - Economic and Social Development -Vijeyaratnam aspires to expand his current business by introducing a range of new products in the future. The grantee states that he will use the contacts received during the dialogues to connect with people from other parts of Sri Lanka, such as Anuradhapura, Kandy and Matale. This will also strengthen inter-ethnic ties and market his products among other communities. He mentioned that he plans to develop the business once the economic situation settles, post-pandemic.

“We Need Diversity of Thought in The World to Face the New Challenges”

Case Studies: Batticaloa 03

Name of Grantees: Saminathan Manoharan, Pakeerathan Sasikala, and Farook Aamina Ummahare

Type: Joint Grantee

Business:

- Saminathan Manohara -Production and Trade of Ice Cream
- Pakeerathan Sasikala - Production and Trade of Breakfast Items and Juices
- Farook Aamina Ummahare - Production and Trade of Sweets

Location: Manmunai North Divisional Secretariat in Batticaloa.

Background - Saminathan Manoharan, Pakeerathan Sasikala, and Farook Aamina Ummahare are three joint grantees under the Seed Grants project offered by The Asia Foundation. All three grantees are from the Manmunai North Divisional Secretariat in Batticaloa. Manoharan, Sasikala, and Aamina produce and trade ice cream, breakfast items / fresh juices, and sweet items, respectively. All three grantees are involved in production and trade.

Status -Manoharan is a male Tamil-Hindu who started his ice cream business in 2012. He had registered his business under the Divisional Secretariat Office in 2016 and managed to develop his business by incorporating better infrastructure and facilities. He mentioned that he self-financed all developments before receiving the grant. This included opening a shop space, buying a vehicle and purchasing around five fridges to store the food items. The grantee had purchased a vehicle on lease to sell short eats before converting it into a mobile ice cream shop. The mobile ice-cream shop is used to serve ice cream for festivities in the region, which are predominantly organized by the local temple. The necessity to buy a cool fridge encouraged him to apply for the grant.

Sasikala is a female Tamil-Hindu who has produced variety of food and beverages in her cafe since 2016. This includes fresh juices, milk rice, string hoppers, idli, and pittu are a few items produced and sold in her cafe. She initially started by opening a cafe near the Kallandy bridge where she used to sell fresh milk. She mentioned that the business was funded by borrowing money from parties known to her, and she paid it back once she earned adequate profits. In this manner, she was able to also purchase a freezer to store fresh

milk. Her application for the grant was made on the necessity to be able to afford machinery to enhance productivity.

Aamina makes sweet items such as Vaddalappam, Muscat, and Dhodol and embarked on her business in 2014. She sells the food items at her cafe, then distributes a portion among other vendors. She takes orders and produces sweets based on the customer's preference. This allows her to sell many sweets based on the festival or occasion. She mainly supplies food items to weddings. Her application for the grant was being able to purchase utensils and ingredients to make the food items.

Dialogues -Manoharan mentioned that he participated in the inter-community dialogues and had received advice on how to develop a business through the training program organized by ESCO. During these sessions he observed active female participation where they shared their ideas during the dialogues. He had not participated in the divisional-district or public-private dialogue.

Sasikala had attended all three dialogues: the inter-community, divisional-district, and public-private dialogues. She mentioned that the workshops organized by the Hindu Women's Association gave them knowledge on how to gain a profit by putting their skills to good use. This helped change the mindset of most women and empowered them to think of creative ways to earn a living and how to overcome challenges they face. This was facilitated by the stories and experiences shared by the participants Through the public-private dialogues she was able to attend a workshop organized by the Municipal Council which focused on steps towards business development. She found all three dialogues to be valuable and productive.

Aamina had participated in the inter-community and divisional-district level dialogues. She mentioned that the intra-community/inter-community dialogues gave her an understanding of COVID-19 safety measures. Furthermore, she stated that the divisional and district level dialogues allowed them to discuss business management related issues. However, she found that some of the points were unclear, therefore, she had not attended the private-public dialogues.

Social and Economic Benefits Achieved by Grantees -The grantees emphasised a variety of economic and social benefits of the seed grant. Manohan expressed that being able to purchase a fridge was the main advantage of the seed grant. He mentioned that the fridge provided more space to store ice cream and helped save electricity as well.

Additionally, networks formed during the workshops have increased his customer base as he can take orders from other businessmen and businesswomen who participated in the workshops. He mentions that he has been able to cater to a large Muslim community due to maintaining a healthy relationship with individuals from this community. He stated that the Muslim customers have also shared his contact details with their friends. He noted that this was an example of how that economic empowerment and social cohesion goes hand in hand, as connecting with people regardless of their ethnic background builds long term relationships among vendors and customers.

Sasikala stated that the transfer of funds to purchase a juice machine was the prime benefit of the grant. Producing juice using an advanced juice machine has improved the productivity of the juice bar. She also utilized the remainder of the finances to purchase raw materials in bulk (which is cheaper in comparison to purchasing in small quantities), thus increasing the profit margin.

Sasikala also mentioned that she was able to advance her knowledge of business management during the workshops where she was taught about book-keeping and how to interact with customers. She mentioned that networking with other businessmen and businesswomen helped her understand the importance of earning from more than one income source especially in the face of socio-political uncertainty. This gave her an additional understanding about how she could successfully manage several businesses. Lastly, she mentioned that she could help the other joint-grantees, Manoharan and Aamina, by purchasing their products and selling them at her outlet. For example, she purchases ice cream from Manoharan and Vaddalappam and Dhodol from Aamina and aims to continue her business partnership with the other grantees.

Aamina mentioned that she used the grant money to develop her business further. She built a small hut to sell the products and utilized the remaining portion to purchase ingredients. She mentioned that since receiving the grant, she doesn't have to take an advance payment once customers place their orders, as she now is able to purchase a significant quantity of ingredients from the portion of finances allocated for this purpose. Furthermore, she intends to communicate and maintain a strong relationship with the network of businesspeople she meets during future workshops and mentions that the people from her network order

food regularly. There is evidence of how maintaining these relationships have helped develop both social cohesion and economic benefits.

Challenges and Support -Manoharan mentioned that competition is one of the main challenges he faces. To counter competition, he uses various methods to attract customers by providing hot beverages alongside the sale of ice cream. Another challenge is the high cost of rent to sell food as festivals, which he now mitigates by refraining from selling products at certain festivals. Furthermore, he mentioned that he would have to increase the price of his products if the price of the ingredients continues to increase. He is aware that this might reduce the demand for his products, although he feels that there is no option.

The Easter attacks had not affected his business. However, the spread of COVID-19 had adversely affected his business as he could not travel to sell his items. During this period, he was able to sell items at his shop while adhering to health guidelines.

Sasikala highlighted that paying rent for the shop is a challenge. Hence, she sought her husband's support instead of employing an assistant to save money to pay the rent. She mentioned that both the Easter attacks, as well as the pandemic, negatively affected her business. Prior to the attacks, she used to sell products at a music college that stopped functioning after the attacks. The shop at Kallandy was affected as no one visited the area as they feared another bomb blast. She stated that while the lack of sales adversely affected her income, inter-community relations were not affected due to the Easter attacks. During the pandemic, she stopped producing all juices and limited her services to a few customers whom she was able to cater to base on their requests.

Aamina highlighted that natural disasters affected her business from time to time. She stated that the demand for her products reduced due to regular hurricanes. This is a result of natural disasters affecting the income of certain sections of society. However, she has recovered the income by selling essential food items such as string hoppers. She further stated that the uncertainty of another bomb blast resulted in many shops closing down for about a month after the Easter attacks. This affected her business as she was not able to supply to vendors during this period. However, similar to Shashikala's understating, she mentioned that the attacks did not affect the relationship among the Sinhalese, Tamil and Muslim communities. The lockdown due to the spread of COVID-19 had adversely affected her business, as she could not get many orders. She notes that overall, the demand for sweets has reduced since the pandemic.

The Future as They See It - Economic and Social Development -Manoharan mentioned that he wants to develop his business step by step. As the first step towards development, he aspires to attract more customers in the future. Furthermore, he mentioned that he desires to work with people from different communities and build strong relationships with people from different cultural backgrounds.

Sasikala aims to open a small shop by the lake road. This way, she aspires to attract more customers from the auto park, hospital, and offices around the area. She aims to introduce more products such as packaged food items and Palmyra juice in the future. Furthermore, she plans to focus on producing juices under the government health guidelines to ensure the hygiene and quality of the products. Sasikala also hopes to sell them at a reasonable price.

Aamina aspires to get her license from the Divisional Secretariat in order to expand her business further. She aspires to build friendly relations with people from all ethnic groups, as she believes that both economic empowerment and social cohesion goes hand in hand. She further aspires to widen her customer base by providing her products to people from various communities.

“Diversity Is About Embracing One Another’s Uniqueness Which Results in Creativity”

Case Studies: Batticaloa 04

Name of Grantee: Kayaththu Mohammodu Kainoon Nisha and Joseph Preamila

Type: Joint Grantees

Business:

- Kayaththu Mohammodu Kainoon Nisha - Buying and reselling clothing and other items
- Joseph Preamila - Tailoring shop

Location: Manumunai North Divisional Secretariat in Batticaloa

Background -Kayaththu Mohammadu Kainoon Nisha and Joseph Preamila are joint grantees under the Seed Grants the Asia Foundation offers. Both female grantees are from the Manumunai North Divisional Secretariat in Batticaloa. Kayaththu Mohammadu Kainoon Nisha, a Muslim, is engaged in buying and reselling clothing and other items. Joseph Preamila is a Tamil-Christian involved in tailoring.

Status - Kayaththu Mohammadu Kainoon Nisha has been involved in the resale of clothes, mats, and hand fans for the past ten years. She has sold these items by visiting houses in Polonnaruwa, Sammanthurai, Ampara, and Kalmunai. She mentioned that she had made a deal with the vendors to pay an advance and obtain the clothing, mats and hand fans, after which she pays the remainder after making profits.



Joseph Preamila stitches women's' clothing such as saree

blouses and dresses. She mentioned that she established and financed her production entirely through her savings. She was able to purchase a small Singer sewing machine and start her business. However, the grantee mentioned that she did not have a workplace to conduct tailoring activities and sell the final product. Therefore, she used a small section of her house to stitch, store and sell the clothing. Instead, the lack of a shop or workspace motivated her to apply for the grant.



Dialogues - Both participants had participated in the inter-community and divisional-district dialogues organized by ESCO. In addition, the workshops gave the participants an understanding of the clothing and cooking industry.

Both grantees mentioned taking part in the Valavithatha training program under the divisional-district dialogues at the Divisional Secretariat office. They discussed matters related to cake making, handicrafts, and candle making. Both participants stated that knowledge transferred through the program was helpful as they understood different production processors. However, Nisha mentioned that some of the raw materials used to enhance the quality of clothing and food during the workshop are unavailable at regular markets.

This was highlighted as a weakness of the dialogue as there was a disconnect between the proposed materials and its availability in local markets.

They both mentioned participating in training programs organized by Good Market. Nisha states that the participants were advised on the production of pickles and production of items with palmyra. Premila highlighted that the representatives from Good Market have volunteered to help make and sell her products. However, she has not been able to supply the products due to the spread of COVID-19.

Both grantees had not participated in the private-public dialogues as they were not aware of the date and time of the training/workshops.

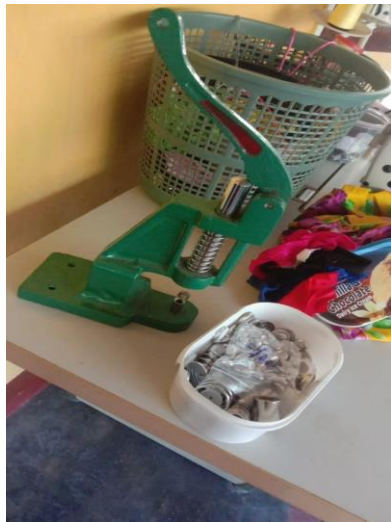
Social and Economic Benefits Achieved by Grantees -Both parties mentioned various economic and social benefits of the grant. For example, Nisha mentioned that the grant allowed her to create a workspace to sell her clothes. Furthermore, she has used the remaining portion to buy clothes and other materials to be sold in her shop. Thereby, she was able to expand the range of products displayed at the shop.



Nisha stated that she was able to network with other businessmen and businesswomen during the workshops; regardless of their ethnic background. Furthermore, it was highlighted that she could get their help to sell products during the pandemic.

Nisha mentioned that the training transferred skills on organizing and sorting items in the stall. It allowed her to interact with Samurdi members and as a result, she was able to create a strong relationship with the members as well. She

mentioned that the grant strengthened her relationship with Premila and the inter-ethnic community. She aspires to do so as she identifies the importance of social cohesion.



Premila highlighted that the grants helped her purchase new sewing machines to supply more women's clothing. She mentioned that the Easter attacks broke the trust among the Sinhala, Tamil and Muslim communities and emphasized the importance of working together with inter-ethnic people because it results in economic benefits and social cohesion in the long run. She mentioned that joining the workshops created a network with those involved in similar businesses which helped her stay in contact with them for support, thus strengthening the relationship between the grantees and resulting in long term economic benefits. Using such networks, she was able to connect with another grantee to purchase material.

Challenges and Support - Nisha highlighted different challenges which have adversely affected her business. She states that she is worried about the continuation of her business as she is a heart patient and that therefore she won't be able to complete the orders due to her deteriorating health condition. She aspires to see her children taking over the business and developing it further.

She stated that the Easter attacks did not affect her business or the unity among the communities, however, the pandemic had impacted her buying and selling business. This is due to the lockdowns, which resulted in many shops temporarily shutting down as per the guidelines imposed by the government. Nevertheless, she mentioned that she had been able to provide a living for a family with her savings throughout this period.



Premila states that she considers competition with other similar businesses as the main challenge. However, she mentioned that she could recover a portion of the lost income due to competition by engaging in alternative businesses. She was able to manage this by also being involved in cake making. She notes that there have been instances where she gets orders for both cakes and dresses due to both businesses going hand in hand. A challenge she faces is in relation to language barriers, which obstruct her ability to interact

with certain communities. She admits that her poor Sinhala literacy is often a barrier to communicating with Sinhalese vendors and customers.



Furthermore, the Easter attacks and the spread of COVID-19 had negatively affected her business. She stated that the inter-ethnic tensions affected her safety while travelling and she was unable to travel to Kattankudy to purchase material used when stitching women's' clothing. She was only able to resume normal travel around 3-4 weeks after the attacks.

The pandemic had affected her business due to the lack of orders from people. She stated that this situation has continued throughout the past year due to the repeated lockdowns imposed by the government.

The Future as They See It - Economic and Social Development -Nisha aims to expand her business further by opening a tailoring business in the future. She desires to maintain a healthy relationship with the inter-ethnic community, the grantees, and Premila. This way, she expresses the importance of a business network stating that she will obtain advice for her tailoring business from Premila and sell the products among the inter-ethnic community. This is to sell most of her items to the network created during workshops during the pandemic.

Premila aims to purchase more sewing machines and hire female employees in the future and provide employment opportunities for the unemployed sections of society. She mentioned that she aspires to overcome the challenge due to competition from other parties by attracting more customers in the future. She mentioned that she is willing to support the other grantees develop their business, thereby strengthening inter-ethnic relationships.

“Society Is Unity in Diversity”

Case Studies: Batticaloa 05

Name of Grantee: Nilmini Cooray and Nagaledsumi

Type: Joint Grantees

Business:

- Nilmini Cooray: - Production and Trade activities related to food preparation and guest house management
- Nagaledsumi: - Production and Trade, related to managing a food shop

Location: Koralai Pattu Divisional Secretariat in Batticaloa

Background - Nilmini Cooray and Nagaledsumi are joint grantees of the Seed Grant project under The Asia Foundation. Both female grantees are from the Koralai Pattu Divisional Secretariat in Batticaloa. Nilmini Cooray is a Sinhala-Buddhist involved in production and trade activities related to food preparation and guest house management. Nagaledsumi is a Tamil-Christian involved in the production and trade related to managing a food outlet.

Status - Nilmini Cooray owns a restaurant on the Kalkudah beach. The restaurant is in a location frequented by both local and foreign nationals. Hence, she was seeking opportunities to finance a few urgent renovations and add several modifications. Thus, she applied for the seed grant in 2019.



Nagaledsumi has a restaurant that serves food items such as Kottu, String Hoppers and Vegetable Rolls. She mentioned that her family opened a small food stall in a thatched shop 37 years ago. Thereby, she developed the business and built a brick building with the profit collected over the years. The grantee mentioned that they renovated the shop with a loan before receiving the grant. However, she applied to Asia Foundation for a grant to purchase a few items and renovate the shop. Thus, she aspired to use the funds transferred under the grant to buy containers, a gas cylinder, and a stove and renovate the floor.

Dialogues - Nilmini attended all three dialogues: the inter-community, divisional-district, and private-public dialogues. The dialogues had given her knowledge on business management, working with people from diverse communities, and the creation of networks. Furthermore, she mentioned that she could get a thorough understanding of financial management completed by herself and her husband. Hence, the workshops have given her an understanding of profit and loss management.



Furthermore, she emphasized that the trade fair helped attract more customers from various communities, namely, the Sinhalese, Tamil, and Muslim communities. Thereby, she mentioned that she understood the necessity to serve various dishes with different flavours to suit the preference of people from various cultural backgrounds.

Nagaledsumi stated that she participated in the inter-community dialogues. Thereby, she stated that she was able to understand dealing with customers with different preferences. Thus, she gained practical knowledge on satisfying customer demands. She stated that she could not participate in the trade fair as she received the grant after the conclusion of the fair.

Social and Economic Benefits Achieved by Grantees -Nilmini Cooray highlighted a combination of economic and social benefits of the grant. First, she stated that a portion of the funds was used to complete the earth filling at the entrance of her restaurant. The rest was used to purchase an umbrella and decorate the entrance to attract more customers. Secondly, she believes that applying for the grant as a joint applicant with Nagaledsumi highlights unity and social cohesion among two communities, namely, the Sinhalese and Tamil citizens in society. Thus, she states that her joint venture with Nagaledsumi will inspire people in their neighborhood / residential areas to unite and work with other communities regardless of their ethnic background. Finally, she states that networking among people from various sections of society, namely, the Sinhalese, Tamil and Muslim sections of society, will result in reconciliation.

Nagaledsumi highlighted several economic and social benefits of the grant. First, they purchased containers and cooking utensils which are essential for production and storage purposes. Furthermore, she stated that a certain percentage of the grant would be used to renovate the floor. However, she has not been able to do so due to the spread of COVID-19. Secondly, she stated that the training programs taught them business



management, networking and customer service. Hence, she mentioned that creating a network with fellow business people resulted in a strong relationship.

Nagaledsumi highlights that ESCO provided relevant advice on marketing products. She mentioned that ESCO guided the participants on designing a sticker to label the products. Thus, stickers are used as a marketing mechanism at present. She mentions that

she is aware of ensuring customer satisfaction, as the customers' word of mouth and posts on social media/ internet plays a significant role when promoting a business.

The grantee was happy to apply as a joint applicant as it allowed her to interact with people from the Sinhalese community. Hence, people from the Sinhalese community helped her improve her Sinhala language skills. Furthermore, she mentioned that interacting with people from multicultural backgrounds allowed her to study different cultures. Thus, she can cook a few Sinhalese dishes as well.

Challenges and Support -Nilmini mentioned that her business was affected negatively due to both the Easter attacks and COVID-19. She mentioned that she is not aware of the direction of the business nor its future due to the current situation. The grantee stated that this is a result of the lack of tourists visiting the region and the imposition of lockdowns from time to time.

Nagaledsumi mentioned that she did not face any challenges during the Easter attacks. Hence, she stated that the attacks did not reduce the demand for the items sold at the stall. However, the lockdown imposed due to the spread of the virus negatively impacted the business.

She continues to face hardships although the lockdown has been lifted. This is a result of following the pandemic guidelines by which she allows only three customers at a time. Hence, this reduces the daily income due to the inability to accommodate the optimum number of customers. However, she stated that her self-confidence helped her hustle through the challenging times and continue running the shop during the pandemic.

Furthermore, she stated that the increasing price of ingredients is a challenge due to the inability to increase the price of products. She added that she had not increased the price of many food items regardless of the continuous increase in the price of ingredients.

The Future as They See It - Economic and Social Development - Although the current situation has negatively impacted Nilmini's business, she aspires to develop the restaurant once the situation stabilizes. Thus, she aims to develop the shop by improving facilities to attract tourists.

Note: The second phase grants LKR 40,000 has not been used as the carpenter has delayed the completion of the task due to the lockdown period.

Nagaledsumi main aim is to ensure the stable continuation of the shop. Thereby, she aspires to expand and decorate the shop to attract more customers

Case Studies: Trincomalee

“Where There Is No Struggle, There Is Absolutely No Progress”

Case Studies: Trincomalee 01

Name of Grantee: Ajees Jabarulla

Type: Sole Grantee

Business: Dairy production

Location: Thambalangamuwa Divisional Secretariat in Trincomalee

Background - Ajees Jabarulla is a sole grantee from the Thambalangamuwa Divisional Secretariat in Trincomalee. He is involved in animal husbandry and owns a herd of cows. His entire family is involved in dairy farming and aids in the production process. A portion of the cow’s milk is collected by the milk collection centres, while the rest is used to produce homemade ghee and curd.



Status - Ajees Jabarulla mentioned that he was facing financial hardships owing to which he was not able to purchase essential items to provide a living for his family. The level of financial instability motivated him to apply for the grants provided by The Asia Foundation. He used the money transferred under the grant to enhance his family business, increase profit, and work with other communities, namely, the region's Sinhalese, Tamils, and Muslims.



Dialogues - The grantee participated in all three types of dialogues: inter-community & intra-community, divisional-district, and private-public dialogues. He emphasised that the divisional and district level dialogues helped him develop his business due to financial, management, and communication-related knowledge transfers to the beneficiaries who participated in the workshops. He also mentioned that the

dialogues transferred more knowledge than what he had learned throughout his life. Most importantly, he stated that the frequent gatherings created a sense of brotherhood among the beneficiaries who participated in the dialogues.

Social and Economic Benefits Achieved by

Grantees - Jabarulla highlighted the ability to purchase five cows as the primary outcome of the grant. Thereby, he was able to milk six cows instead of only one due to the grant. Hence, he can distribute around 900 litres of milk instead of 40 litres of milk per month.

Furthermore, he emphasizes the importance of female participation in economic activities. He gets advice from his wife and daughter to improve his production



and product diversification. For example, he stated that they play a significant role in preparing ghee and curd from fresh milk. He also highlighted the benefits whilst encouraging more female participation in economic activities.

Jabarulla mentioned that he could save a certain percentage of cash due to the increased income due to his business development. He highlighted this as another vital economic benefit of the seed grant. Furthermore, he mentioned that the trade fair organized by Sarvodaya attracted more customers who appreciated his products. He eagerly awaits future exhibitions to provide for Sinhalese, Tamil and Muslim sections of society.

Furthermore, he highlighted the benefits of networking with people from various ethnic and business backgrounds. He also pointed out that tapping into a network and collaborating with people saves cost. This is a result of sharing advice and experience based on prior incidents.

Jabarulla has been able to maintain a strong relationship with Tamil and Sinhalese communities before the grants. He emphasised that many Tamils and Sinhalese persons purchase his products to date, regardless of their ethnic background and confirms that his products are sold at Sinhalese, Tamil, and Muslim shops.

Challenges and Support - Jabarulla did not highlight any challenges as he is satisfied with the support provided through the grant. When inquiring about his experience during the Easter attacks and the spread of COVID-19, he mentioned that he was mentally prepared for a sales drop from the Sinhalese and Tamil communities owing to him being a Muslim. However, they purchased his products regardless of the tension between communities during this period as well. He mentioned that the COVID-19 pandemic didn't affect his business as the milk collecting centres collected milk under the pandemic guidelines.

The Future as he sees it - Economic and Social Development - He dreams to share his success story with other businessmen and businesswomen to inspire and motivate them. He hopes to market his range of products around Trincomalee and the Eastern Province.

“Where There Is No Struggle, There Is Absolutely No Progress”

Case Studies: Trincomalee 02

Name of Grantee: Charles Jeroni

Type: Sole Grantee

Business: Candles

Location: China Bay, Town and Gravet, Trincomalee

Background -Charles Jeroni is a sole applicant from China Bay, Town and Gravet, Trincomalee. She is a candle producer under The Asia Foundation seed grant. The Grantee started producing candles in 2011 and supplies candles to the local markets in Trincomalee, Kinniya, Kantale, and Mutur Divisional Secretariats. Noticeably she is the only female producing candles within the Trincomalee district.



Status -Jeroni’s husband and child assists with managing the business. She stated that she was dealing with financial hardships before receiving the grant. Therefore, she decided to apply for the seed grant provided by The Asia Foundation= to obtain economic benefits through which she will be able to improve



production. She was able to build a cordial relationship with people from the Sinhalese, Tamil and Muslim communities.

Dialogues - The Grantee confirmed her participation in all the dialogues: inter-community & intra-community, divisional-district, and private-public dialogues. She mentioned that the dialogues transferred skills in

business management and administration and helped her better understand how to cooperate with other communities. This resulted in inter-capacity development among beneficiaries through divisional-level dialogues. Furthermore, the Grantee stated that the dialogues transferred skills on business management, ethics in business, and the importance of establishing and maintaining a bond with people from various communities. She mentioned that she could attract many customers due to producing a variety of candles with different shapes and sizes based on the customer's preference.

Social and Economic Benefits Achieved by

Grantees -The main economic benefit of the grant was the ability to purchase candle moulds which helped increase production and her overall income. She mentioned that she used to produce around 10kg per month before receiving the grant. However, she can now produce approximately 300kg of the candles per month since receiving the seed grant. She mentioned that this has helped



recover personal financial hardships and helps her save around LKR 10,000 every month.

In addition, the Grantee mentioned that the Divisional Secretariat and Sarvodaya assisted and guided her through selling candles in the local market which helped her sell the bulk of candles post-production instead of stocking them up.

The Grantee also stated that this business has allowed her to interact with Sinhalese, Tamil, and Muslim communities; shop vendors from other communities now reach out to her to order relevant products. Furthermore, she mentioned that the Tamil and Muslim shop vendors call and order the relevant products. She has also started attending religious festivals organized by the Sinhalese community helps enhance trust between the parties.

Challenges and Support - Jeroni mentioned that both the Easter attacks as well as COVID-19 negatively impacted the business. The Easter attacks affected the demand for candles as most chapels and churches were closed after the attacks thus affecting the demand for her products for around three months. However, the demand for candles gradually increased once the churches reopened. Similarly, the demand for candles reduces owing to the lockdown during the spread of COVID-19. This was a result of a majority of the shops being closed and people not visiting religious places.

The Future as she sees it - Economic and Social Development -Jeroni aspires to develop the production of candles with advanced infrastructure, completion of renovations, and introduction of new technologies in order to produce attractive candles to enhance her customer base. However, she states that the lack of finances to develop the business has prevented her from further development.

“Strength Lies in Differences, Not in Similarities”

Case Studies: Trincomalee 03

Name of Grantees: Jaweera Patabadige Chandra Padmini Jayaweera, A. Jeravajani and Wijja Pedige Ranjani Samarathunga

Type: Joint Grantee

Business:

- Jaweera Patabadige Chandra Padmini Jayaweera: Production and Trade of Dairy Products
- A. Jeravajani: Production of Rice Flour and other Spices
- Wijja Pedige Ranjani Samarathunga: Production and Trade of Dairy Products

Location: Kantale Divisional Secretariat in Trincomalee

Background - Padmini Jayaweera, A. Jeravajani and Ranjani Samarathunga are joint grantees from the Kantale Divisional Secretariat in Trincomalee. Padmini and Ranjani produce and trade dairy products, while A. Jeravajani is involved in producing spices and rice flour.

Status - Padmini, a Sinhala-Buddhist female, started dairy farming in 2012. She owns a small-scale dairy farm and sells curd made from fresh milk at her curd shop located in Kantale, Trincomalee. Padmini mentioned that she had several ideas to improve production and income before receiving the grant, however she was not able to develop her business due to the lack of finances. Therefore, Padmini applied for a Seed Grant of LKR 100,000 from the Asia Foundation.

Jeravajani had received LKR 60,000 from the grant. She mentioned that the grant was used to introduce a new product. She purchased rice and produced rice flour which was sold at Padmini's shop. The grantee mentioned that she is satisfied with the output at the moment. Both Jeravajani and Padmini organize a monthly meeting to discuss the status and progress of the business.

Ranjani manages a dairy farm. She produces and distributes dairy products such as fresh milk, ghee, and curd among vendors within Trincomalee. She was unable to develop her business without sufficient capital. Ranjani was allocated LKR 40,000 under the grant.

Dialogues -Padmini stated that she attended the divisional-district dialogues through which she gained knowledge on marketing strategies and social cohesion and is appreciative of the guidance given by Sarvodaya during the training programs. She also stated that she was able to network with other people and share mutual business-related experiences. This resulted from her participation in the intra-community and inter-community dialogues, which encouraged the grantees to interact with people from various ethnic groups. She mentioned that discussions between people from various cultural backgrounds created a mutual understanding among the parties.

Jeravajani had attended the divisional-district level dialogues through which she was able to gain knowledge on customer service, maintaining profit, and business management. She stated that the intra-community and inter-community dialogues helped network with businessmen and businesswomen involved in diverse businesses while already creating a sense of unity among the Sinhalese, Tamil and Muslim communities.

Ranjani also participated in the divisional-district level dialogues. Her main takeaway was the importance of social cohesion. Therefore, she highlighted the need for all communities, Sinhalese, Tamil, and Muslims, to reconcile post the civil war.

Padmini and Ranjani exhibited a range of daily products such as milk toffee, curd, and ghee at exhibitions. In addition, Jeravajani exhibited packed rice flour and Sri Lankan spices such as chilli powder. They stated that the trade fair created a platform to market their products to new customers and the participants mentioned that they were able to gain additional knowledge on marketing techniques as well.

Social and Economic Benefits Achieved by Grantees -Padmini purchased another cow after receiving the grant and mentioned that she could produce around 50 litres of milk per week due to owning five cows. The shortage of milk powder has increased the demand for fresh milk and increased her profit margin over the past few months. She highlighted using a portion of fresh milk to produce curd as another economic benefit of the grants. Her children are distributing the curd in Kanthale.

Moreover, Padmini also mentioned that she could advertise her products using the brand name "Thilini Milk", using a label to attract many customers as well. Overall, Padmini states that the grant motivated her family members to contribute to the business's development and appreciated the opportunity given by Sarvodaya to work with people from various cultural backgrounds.

Padmini stated that she purchases fresh milk from a Muslim vendor, which highlights the positive impact of inter-cultural interaction. She expresses her understanding that communities should work together to build a peaceful environment. This way, she emphasised her contribution towards social cohesion.

Although Jeravajani expected a higher amount under the grant, she mentioned that she could produce rice flour using the amount granted. Additionally, through the joint grant, she was able to sell Padmini's curd shop products. She does this by promoting her products to a new customer base, resulting in more significant monetary gains. In addition, she highlighted the ability to work with another businesswoman from a different ethnic background as a benefit of the grant. Thus, it acts as the first step towards social cohesion among the community.

Lastly, Ranjini states that the grant gave her the ability to purchase another cow and she can now collect around 40 litres of milk per week from the four cows on her farm. In addition to distributing fresh milk, she produces curd and ghee and sells the same in her village. She is also in the process of cultivating green grams and states that she has expanded her business by producing and selling different products due to the seed grant.

Ranjini mentioned that she could use her smartphone for advertising her products based on the advice given by Sarvodaya. In addition, Ranjini identified that selling products to customers regardless of their cultural

background (both Sinhala and Muslim customers) has resulted in social cohesion among those residing in the area.

Challenges and Support -Padmini mentioned that the curfew after the Easter Attacks affected her business to a certain extent. However, it did not adversely affect her business as she could sell products in Kantale Town. In addition, she states that COVID-19 had negatively impacted her business, as the majority of the shops were closed during the repeated lockdowns. Nevertheless, she had transported the fresh milk to milk collecting centres.

Jeravajani mentioned that the spread of COVID-19 adversely affected her business. This was a result of the expiration of raw materials and packaged food. Jeravajani mentioned that the rice flour displayed and stored for sale at Padmini's curd shop had rotten during the lockdown. Furthermore, most of the ingredients were thrown away as they had expired. Hence, she highlighted that she faced a financial crisis after the Pandemic. However, the Easter Attacks and the Pandemic did not affect Ranjini's business and she confirmed that she could conduct her business as she used to before the incidents mentioned above.

The Future as They See It - Economic and Social Development - Padmini states that she aspires to expand her business by producing yoghurt and ice cream in the future, with the support of a grant.

When questioning their aspirations for the future, all three grantees mentioned that they are likely to seek help from the Asia Foundation to develop their small-scale business to large scale business in the future.

“Friendship Is the First Step Towards A Successful Business”

Case Studies: Trincomalee 04

Name of Grantees: Thanuja Kumari and Jeyamaladevi

Type: Joint Grantee

Business:

- Thanuja Kumari - Sewing
- Jeyamaladevi - Sewing

Location: Thambalangamuwa Divisional Secretariat in Trincomalee

Background -Thanuja Kumari and Jayamaladevi are joint grantees involved in sewing. Both grantees are females, and they live within the Kantale Divisional Secretariat in Trincomalee. Thanuja Kumari is a Sinhala-Buddhist, and Jeyamaladevi is a Tamil-Hindu. Thanuja Kumari started her business five years ago and opened a display for her shop in 2019, while Jeyamaladevi embarked on her journey in 2015.

Status - Thanuja Kumari has been stitching clothes from home and selling the final product through her textile shop. She mentioned that her friends encouraged her to apply for the grant as they understood that it would help overcome her financial difficulties. Prior to receiving the grant, she had used an old sewing machine that would malfunction on a daily basis. As a result, it affected the productivity and efficiency of stitching and the outcome of the final product the grantee mentioned that she could was able to



overcome this burden using the 100K LKR received through the seed grant. By utilizing the grant money, she purchased a new Juki machine that would guarantee effective stitching and no malfunctions.

Jayamaladevi is also involved in stitching saree blouses and making hoppers as a side business. She mentioned that she aspired to obtain a loan to purchase the necessary equipment to expand her business. However, she was unable to overcome her grievance. Therefore, she applied for the seed grant, which helped her purchase a Juki machine through which she stitches blouses for women. She mentioned that obtaining the Juki machine changed her life, as she was on the verge of giving up making hoppers as most hotels (to which she was supplying the hoppers to) were closing down due to COVID-19 lockdowns, which resulted in lesser demand for hoppers. It was then that she was offered the grant.

Dialogues -Thanuja had participated in all three dialogues: the inter-community & intra-community, divisional-district, and private-public dialogues. She stated that the dialogues transferred knowledge on subjects such as networking, marketing, and business management. Therefore, she understood the importance of networking with people from all communities regardless of their ethnic or religious background. For instance, she highlighted that working with a group of other beneficiaries from the Sinhalese, Tamil and Muslim communities during a workshop resulted in knowledge sharing on business management, experiences, and agreeing on common factors when making decisions. In addition, she stated that the group activity gave the grantees hands-on experience of working together regardless of their ethnic backgrounds. She further mentioned that the exhibitions helped market products to a broader customer base.

Jayamaladevi had participated in all three dialogues: the inter-community & intra-community, divisional-district, and private-public dialogues. She highlighted that they received relevant training on career guidance which inspired her to develop and advance her business to its current status. Furthermore, she stated that working together as a group with beneficiaries from the Sinhalese, Tamil, and Muslim communities resulted in social cohesion among the communities. Thus, it gave her an understanding of the importance of building networks to share ideas and experiences on various business-related topics.

Social and Economic Benefits Achieved by Grantees -

Thanuja highlighted her ability to purchase a new Juki machine as the main benefit of the grant. She stated that this enabled her to work in partnership with her husband and use the new Juki machine to stitch frocks and baby suits. In this manner she was able to improve her financial stability by selling clothes to customers. Additionally, she was also able to sell clothes by sending them to a textile shop.



The grantee stated that diverse communities were brought together as a result of the grant. She stated the importance of beneficiaries from multi-ethnic backgrounds participating in the workshops under the dialogues. This resulted in beneficiaries from different backgrounds and ethnicities working together for various activities organized by Sarvodaya. This created an understanding that people from various backgrounds can work together towards achieving a common goal. She further highlighted that the grantees understood the necessity for reconciliation among communities in the aftermath of social

tensions generated since the civil war and after the Easter attacks. In addition, she stated that the dialogues provided her with knowledge on business management, promotions, and marketing. Therefore, she could use the advice shared during the workshops to develop her business further. She emphasised that her business is quite popular in Kanthale due to her marketing her product among the community; she can now cater to a greater customer base.

The grantee emphasised the importance of applying for the grant application with another person as it promoted a business within a different community. She mentioned that Jayamaladevi purchases clothes from her and resells them within the former individual's neighborhood, resulting in social cohesion between different communities and creating a relationship with another businesswoman. Thanuja Kumari stated that she was able to bring both the Sinhalese and Tamil communities together through this transaction. Sinhalese designs were appreciated and in high demand among the Tamil community in Jayamaladevi's neighborhood.

Jayamaladevi highlighted the economic benefits of the grant. Firstly, she stated that the grant gave her the ability to purchase a new Juki machine; enabling her to stitch saree blouses more efficiently. As a result, she could sell around 5-6 blouses daily. Secondly, she mentions that the grant has helped develop her small-scale business, overcome the poverty trap, and live a reasonably comfortable life with increased income. This is a direct result of improved infrastructure and having received business-related knowledge. Thirdly, she mentioned that the dialogues inspired the creation of other sources of income.

Through innovate means of production, Jayamaladevi produces Aloe Vera juice and soap to earn an additional income. Finally, she mentioned that the business, which started on a small scale, has developed to an extent where she sells around 36 cakes of soap in three days.

According to Jayamaladevi, the grant has created networks among people from different cultural and ethnic backgrounds. She emphasised that the joint grant has resulted in creating networks that are beneficial for business people. For instance, she sends certain outfits stitched by her to Thanuja Kumari, who then sells them at the latter's shop. This is beneficial for both parties as they share the profit based on their mutual understanding.

The ability to work with people from other cultural backgrounds is another benefit of the grant. Providing for people from diverse cultural backgrounds based on their preference was skill transfer during the dialogues. This way, she can sell her products among the Tamils and Muslims based on their preferences

Challenges and Support - Although the Easter attacks did not affect Thanuja Kumari, she mentioned that COVID-19 affected her business and monthly income as a result of the textile shops being closed during this period. She stated that the lack of demand for products resulted in the absence of necessary finances to meet her household requirements. During this period, Jayamaladevi helped market and sell the products in her region.

Jayamaladevi mentioned that she did not face many challenges during the past two years. The grantee highlighted that she did not witness any particular difficulties in the aftermath of the Easter attacks. However, she mentioned that the lockdown and travel restrictions imposed during the spread of COVID-19 affected her business as she could not market her products among the customers. This was a result of most of the shops being closed during the lockdown. However, she overcame this challenge by taking orders and delivering the products to the customer's doorstep with the help of other family members.

The Future as They See It - Economic and Social Development -Thanuja expressed her willingness to expand her business by purchasing new machinery.

Jayamaladevi aims to expand both the tailoring business and the production of items from aloe Vera. Furthermore, she aims to use organic products when producing aloe Vera juice and soap in the future to enhance its health benefits. Jayamaladevi, together with Thanuja, aims to inspire people from different cultural and ethnic backgrounds to unite and work together. This is a result of identifying the benefits of networking between different communities.

“When Everyone Is Moving Forward Together, Success Takes Care of Itself”

Case Studies: Trincomalee 05

Name of Grantees: Wickremasinghe Senanayakelage Rathnamali Wettegedara and P. Vijayarani

Type: Joint Grantee

Business:

- Wickremasinghe Senanayakelage Rathnamali Wettegedara - Production of spices
- P. Vijayarani - Production of ground flour

Location: Kantale Divisional Secretariat in Trincomalee

Background -Vijayarani and Rathnamali are joint grantees under the Seed Grant program from the Kantale Divisional Secretariat in Trincomalee. Vijayarani is involved in producing ground flour, while Rathnamali is engaged in producing spices. When the Asia Foundation called for Seed Grant applications both grantees had applied for the grant as they faced financial hardships. Hence, they utilized the grant money to develop the business and reach a higher standard of living. The increased income allowed both grantees to provide their families with daily essentials.

Status - Vijayarani is a Tamil-Hindu and has been engaged in ground floor production since 2015. She conducts the business by purchasing grains and grinding and distributing them to the market. Before receiving the grant, she used to purchase 50kgs of raw rice per week. She states that building a healthy relationship with people regardless of their ethnic background results in a loyal customer base. Vijayarani further states that her family has supported the completion of the production process throughout the years.

Rathnamali is a Sinhala-Buddhist producing a variety of spices and has been distributing her produce to the market since 2016. Her products include pepper, chilli powder, chilli cut pieces, and coriander powder. Since the products manufactured by both parties are similar, both grantees have collaborated to sell the end-product. Thereby, Vijayarani purchases products from Rathnamali and helps her sell spices to a wider community. Having understood the favor done by Vijayarani, Rathnamali ensures to sell the packets of spices keeping a small profit margin as opposed to the regular price of spices.

Dialogues -Vijayarani had participated in the divisional-district level dialogues. She emphasized that the dialogues transferred tips on developing small scale industries. Furthermore, she stated that she shared information and knowledge transferred during the workshops with her family members. This has given them an understanding of grant management, as they are actively involved in the production process. The grantee has participated in the trade fair held in Trincomalee. She exhibited both her products as well as Rathnamali's products. Therefore, they exhibited items such as packed rice flour and Sweet Murukku from her line of products and pepper, chilli powder, chilli cut pieces, and coriander powder from Ranthnamali's line of products.

Vijayarani emphasizes that two grantees from different ethnic backgrounds have resulted in social cohesion in society. She mentioned the importance of such interactions between Sinhalese, Tamils, and Muslims as Sri Lankans have been reconciling since the civil war.

Rathnamali had participated in the divisional-district level dialogues. She stated that the dialogue allowed her to interact with people from various ethnic backgrounds, namely, Sinhalese, Tamil and Muslim communities. She mentioned that the discussions were very relaxed and allowed an opportunity to network. Unfortunately, however, she was not able to participate in the exhibition as she was ill.

Social and Economic Benefits Achieved by Grantees -Vijayarani highlighted the transfer of funds to purchase essential equipment as the main benefit of the seed grant. Thereby, she purchased a packaging machine, a digital scale, a big pan and raw material. The new machinery has improved the efficiency of the production process. Hence, she now buys around 150kgs of rice per week to grind and distribute it within the market. Therefore, it has helped increase her monthly income, as before receiving the grant, she used to rely on profits from only around 50kg of rice flour per week.

Vijayarani mentioned that increased production results in the ability to supply to a greater customer base. Although she used to supply to a multiethnic community before the grant, she mentioned that the grant helped provide to more customers. She stated that she could supply a greater customer base from the Sinhala, Tamil, and Muslim communities. Therefore, now she can gain monetary benefits while developing a sense of trust among other communities.

Furthermore, the grantee stated that she could create a business network with the others who participated in the workshops. Thereby, interact with businessmen/ businesswomen from various communities and gain advice on overcoming challenges through their experience.

Rathnamali stated that she was able to increase the productivity and efficiency of producing spices. Hence, she could produce 25kg of spices instead of the 7kgs per week before the grant. Furthermore, the grantee stated that she could exercise female leadership and independence within the family due to earning to provide for the children. Therefore, she doesn't have to depend on the husband's income to support the family. She emphasized that regular training programs and seminars transferred knowledge on business management. Hence, she has developed the ability to maintain accounts and calculate the profit by herself. She also mentioned that the networks created during the training programs resulted in sharing their experience.

Rathnamali mentioned that she applied as a joint grantee to work with another party. Therefore, she is happy to see the economic benefits and the development of a strong bond between Vijayarani as they are from different communities. Therefore, she is glad to contribute towards social cohesion.

Challenges and Support - Both grantees state that the Easter attacks did not affect their production or customer base. Furthermore, they mentioned that the attacks did not affect the cordial relations between their inter-ethnic community. However, the grantees highlighted that COVID-19 negatively affected their businesses. This was a result of the shops being closed due to the lockdown. They were able to distribute the products among customers by delivering them to their doorstep. Both grantees stated that this was a possibility as the products sold, namely rice flour and spices, were essentials. Hence, they were able to recover the income lost although the shops were closed during this period.

The Future as They See It - Economic and Social Development - Vijayarani and Rathnamali state that they hope to develop the business and enhance their monthly income in the future. They aim to maintain a healthy relationship with the inter-ethnic customer base in the future as well.

Both grantees expressed gratitude to The Asia Foundation for “changing their destiny” and improving their living standards in the face of financial difficulties. When questioned about their future, they requested that The Asia Foundation continues to support business people under the poverty line into the future.

Observations

A positive change in mindset and perception concerning other communities is quite evident among all grantees. This could be attributed to the inter-community dialogues. There was also a sense of camaraderie among grantees that can be leveraged to build social cohesion.

Grantees acknowledge the importance of engaging with other communities to develop their businesses. However, some grantees residing in villages live among homogenous communities and do not generally interact with other communities. Such grantees would benefit by either relocating their businesses in suburban areas or networking with other communities to expand their business outside their usual parameters.

Grantees generally display confidence in their abilities and indicated willingness to train others to expand their business.

Quality assurances and constant improvement of the quality of products and services are imperative if grantees wish to expand their business. Monitoring and evaluation of projects are essential to ensure compliance with industry quality standards.

In some cases, concerning joint grantees, greater integration between businesses was needed. Where integration wasn't as strong, participating businesses were more likely to move towards independently conducting their businesses instead of considering their partner's plans and ideas. This was noted as an area which required a framework for joint grantees to be able to engage and interact more frequently with the grant.

A majority of the grantees were aged 35 and above. However, there is a need to work with younger participants as the frontrunners of the country's future and need to be directly involved in matters related to social cohesion so that they carry that ethos with them in all forms of engagement.

All grantees have established businesses, or they have started their ventures before the seed grant. Therefore, Seed Grants have not been given to startups.

Recommendations

- a) Creating a relationship between seed grantees and experts in the field (this refers to experienced business persons and those who can provide technical advice in a particular field)

There is a necessity to create a relationship between relevant experts and seed grantees in the field. This will encourage interactions that will transfer knowledge and advice from the experts to the seed grantees. Furthermore, it will provide first-hand, anecdotal advice from people working within the same field, in order to mitigate and maneuver through unprecedented challenges. (E.g. A mushroom vendor would be able to overcome the challenge of accessing mango sawdust if they had spoken to a peer or expert about its availability).

- b) Establishment of a local market

There is a necessity to open a local market through which the grantees can sell their products within the three districts of Ampara, Batticaloa, and Trincomalee. This will provide a sustainable platform through which they can promote goods and enable sales to attract a new customer base. Furthermore, it will also provide an opportunity for economic recovery in the face of COVID-19, as the markets will provide an avenue through which the grantees can sell their products.

Good Market identified the importance of a regional market as well. They stated that this would allow the grantees to receive feedback on the quality and quantity of their products from regional customers before introducing the products to national markets in the future. Thereby, the grantees will be able to address the errors pointed out by the customers and CBO offices to improve the standard of their product. This provides them the opportunity to introduce a competitive item to the national market with the help of Good Market in the future.

- d) A network of grantees

A network needs to be established among grantees of a particular district for to create support systems, provide information and enable knowledge and experience sharing, decision making, and problem-solving. This creates an enabling environment for grantees to learn and grow with the support of their peers.

- e) Inclusion of youth

It is vital to utilize the potential of young persons in the country, so that they are directly involved in matters related to social cohesion. Being engaged with such ethos is a vital element of their contribution to the country's future. ethos with them in whatever they are engaged.

f) Attract new businesses

Encourage new business ventures that incorporate the core values of social cohesion. New businesses have the potential to overcome archaic social practices which may be detrimental to social cohesion and can be structured to ensure social cohesion and economic growth.

h) Interdependence of Joint Grantees

Proposals of joint grantees should display interdependence between each other and each business should be integrated into the project. Therefore, the joint grantees should be part of a joint venture.

i) Mentoring Centre for grantees

A mentoring operation center should be established for grantees to manage the production quantities, promote diversification, cope with competition and, most importantly, ensure that there are no disputes among communities

Recommendations: CBO Partners

a) Restructuring the dialogues based on their purpose;

- TAF should encourage regular inter-community & intra-community dialogues as it has the potential to build trust and unity among the grantees in the long run
- The dialogues should be structured in a format that attracts greater participation
E.g. Integrating the dialogues with cultural events in the region to attract more participants
- The dialogues should be led by official and experts. selected based on the background of the participants. This will increase the relatability of the content and examples shared during the dialogues. Ex: The majority's ethnic background should be considered when choosing officials to conduct dialogues in a particular location. This will result in the transfer of relatable information and experiences

b) Industry experts are required to advise the grantees on coping with periodic economic, political, and social changes in society.

Conclusion

The concluding results of the study indicate that the Seed Grant have had a positive economic and social impact on the grantees. The grants have resulted in economic empowerment through which the grantees were able to enhance the quality of production, sales, marketing, finances and distribution. Similarly, the support provided by The Asia Foundation and the CBO Partners have enabled greater instances of social cohesion among the diverse communities. The workshops, training programs, exhibitions, business transactions, networking, and multi-ethnic interactions have resulted in greater social cohesion due to a positive change attitudes within communities towards each other. Furthermore, monitoring processes, inspections and advice provided by partner organizations' have empowered participating business persons from an economic perspective. Thus, achievements made in social cohesion and economic empowerment have also resulted in greater socio-economic sustainability among the community.

Nonetheless, the recommendations should also be considered to improve the productivity and efficiency of the grants transferred to the grantees. From a sociological perspective, there is an increasing necessity to inform and introduce practices that will result in social cohesion among the youth. The approach to achieve socio-economic sustainability should be deep-rooted among the youth instead of solely as inter-ethnic cohesion among adults. This will generate further economic growth due to changes in the attitudes of the youth from various communities and enable formal and informal relationships between communities and institutions.

Annexure

Methodology

Discussion Guide: Grantees

Background prior to the grant and application process related to the grant

1. What motivated them to apply for a grant of this nature?
2. In what ways is this grant different to other grants you have received before?
3. How was the business financed before the grant?
4. What purpose was to be fulfilled in the business if the proposal was successful?
5. Why did you opt to be a sole grantee?
6. Why did you apply as a group?
7. Who helped the grantees to develop a proposal as per the TOR?
8. Have they had any connection with the partner organizations prior to this initiative?
9. Did they have any experience in carrying on a business?
10. If they did, what type of business.

The seed grant and business

1. In the case of joint grants, were there agreements on how the grant was managed?
2. Who guided you in finance management, accounting, networking, product standards, marketing etc.?
3. Were you able to keep your initial plan, or did you have to change?
4. If there was a change, what was the reason?
5. How did you reach the other communities through the business?
6. What were your experiences working with other communities;

a. Positive

b. Negative

7. Were you able to experience any personal benefits due to the transfer of seed grants? If yes, what are they?

8. Do you believe that economic growth and social cohesion go hand in hand?

Please share your experience with the transfer of Seed Grants.

9. Have all those who received the Seed Grants been able to experience economic benefits and related development?

10. How has inclusive economic development strengthened/ supported ties among the community?

11. Which areas in the value chain were you able to expand to other communities through the grants?

12. Were there any difficulties in working with other communities?

13. If so, in what areas –economic, social?

14. In what aspects did you benefit - education, skills, technology, money management, social networking, cultural and religious interaction?

15. What was the role of the partner organizations?

16. How did you manage your business during the Pandemic?

17. Was the outreach and the network helpful to sustain your business during the Pandemic and, if yes, explains in which ways?

18. Did the monitoring mechanism help to achieve targets?

Sustainability of the business

1. What are your plans for the future?
2. Do you intend to develop further? If so, how?
3. What are the lessons learned through economic empowerment and social cohesion?
4. What are your strengths, weaknesses & opportunities?
5. How will you overcome future challenges?
6. How do you intend to sustain and expand the inter-community relationships built through this seed grant?

Discussion Guide: Partner Organizations

- a) Training or awareness among the grantees
- b) Value addition provided through the CBOs (e.g. support in financial literacy or sustainable development)
- c) Monitoring and evaluation
- d) Challenges faced
- e) Recommendations

Questionnaire : Grantees

Key

AA - Questions to sole grantees only

AA - Questions to joint grantees only

AA - Batticaloa only

AA - follow-up question. Should be selected based on their answer to the question above

Background prior to the grant and application process related to the grant

The section focuses on identifying the background of the businesses that the Seed Grants have supported. Please note that the questions do not recognize the location, type of application, type of business, year of commencement, grant amount, gender, ethnicity, and religion, as The Asia Foundation shared relevant information.

1. What is the type of business you conduct?
2. Brief background of the work completed under your business
3. Why did you apply for this grant?
4. Was this different to the other grants(s) you have received before?
 - If yes, how?
5. How did you get money to finance your business before you received the grant?
6. Why do you apply as a sole grantee?
7. Why did you not apply as a group?
8. Why did you apply as a group?
9. Why did you not apply as a sole grantee?
10. Did you get help to compile the proposal, or did you do it alone?
11. How did you ensure it relates to the TOR?
12. Did you work with any partner organizations before?
 - If yes, what sort of assistance did you get from them before they started working with the grantees?
13. Are you a member of any other economic organization?
 - If yes, how have they benefited the business?
 - Did they support you under the Seed GrantsSeed Grants project as well?
14. Did you have experience in carrying out a business?
 - If yes,
 - What type of business? (production, service)
 - What type of experience did you obtain when conducting the business? (financial, technical, management)
15. What is your idea about increasing female participation in the economic sector?

The seed grant and business

The section focuses on retrieving in-depth information regarding the grantees' businesses and recognizing the relationship between economic integration and social cohesion. It also identifies the impact of the Seed Grants on improving the interaction between the diverse communities residing within the Eastern province.

1. In the case of joint grants, were there agreements with the partners on how the grant will be managed (how did you divide the grant among the parties)?
2. Who guided you with business management?
3. How do you manage your business?
4. Who guided you in finance management and accounting?
5. How do you manage your finances?
6. Who guided you in networking?
7. How do you network with diverse communities involved in similar business activities?
8. Who guided you in marketing the products?
9. What mechanisms do you use for marketing products?
10. Did you change your initial plan? (yes/no)
 - If yes, why did the changes take place?
11. How did you build a relationship with the other communities because of the business?
12. Were there any groups built to network before the Seed Grants were offered to the people?
 - If yes, how was it organized? (economic sector (production, trade, service), DS division-wise)
13. Was your experience
 - Positive
 - Negative
14. What were the benefits of working with other communities? (education, skills, technology, money management, social networking, cultural and religious interaction)
15. Personally, are you willing to work with a person or group of people from diverse ethnicities /religions?
16. How did the partner organization help with creating a bond between the communities?
17. What were the aspects the grant money was spent on? (Machinery, inventories, new staff, new business from the current business, renovations)
18. Were you able to experience any personal benefits due to the Seed Grants?

- If yes, what are they? (profitable, learnings)
19. Do you believe that economic growth and social cohesion go hand in hand?
 - If yes, why? Share your experience.
 - If not, why? Share your experience
 20. Have you been able to achieve economic benefits through Seed Grants?
 - If yes, why? Share your experience.
 - If not, why? Share your experience
 21. Have the others who have received the Seed Grants received economic benefits?
 - If yes, why? Share your experience.
 - If not, why? Share your experience
 22. Has inclusive economic development built/ strengthened ties among the diverse community?
 - If yes, how? Share your experience.
 - If not, how? Share your experience.
 23. How did the partner organizations help achieve economic benefits?
 24. Which areas in the value chain were you able to expand to other communities through the grants?
 25. Was it difficult to work with other communities?
 - If yes, related to which sector? (social, economic)
 26. How did you manage your business during the pandemic?
 27. Did the network (created due to social cohesion) help sustain your business during the pandemic?
 - If yes, explain in which ways?
 28. How was the progression of the business monitored?
 29. How did the monitoring mechanisms help achieve targets?
 30. What are the challenges you faced when conducting the business?
 31. How did you overcome the challenges?

Easter Attacks and COVID-19 (Considering they do not mention these two points when discussing challenges faced from their end)

1. How did the Easter Sunday attacks affect your business?
 - Did it affect the bonds between diverse communities in the region?
 - Were there similar events that affected bonds between diverse communities?
2. How did the spread of COVID-19 affect your business?

Dialogues

The section focuses on identifying the impact of the divisional-district, inter-intra, and public-private dialogues in the Eastern province. The segmental divisions aim to get an in-depth understanding and support given to the grantees through the activities conducted under the dialogues, such as training programs, workshops and exhibitions.

1. Did you participate in the divisional and district level dialogues?
 - If yes, what were the learnings of the dialogue?
 - If yes, what were the weaknesses of the dialogue?
 - Overall, do you think it was helpful?
 - If not, why couldn't you participate in the dialogues?

2. Did you participate in the inter and intra-dialogues?
 - If yes, what were the learnings of the dialogue?
 - If yes, what were the weaknesses of the dialogue?
 - Overall, do you think it was helpful?
 - If not, why couldn't you participate in the dialogues?

3. Did you participate in the public-private dialogues?
 - If yes, what were the learnings of the dialogue?
 - If yes, what were the weaknesses of the dialogue?
 - Overall, do you think it was helpful?
 - If not, why couldn't you participate in the dialogues?

4. What are the benefits of maintaining the public-private relationship?

5. Have the dialogues been gender-sensitive? (Did they provide information, assistance and motivation for both males and females)
 - If yes, how?

6. Were there any tensions created due to the interaction between multiple ethnic groups during the dialogues?
7. Did you participate in activities organized by Good Market?
 - If yes, explain their impact on your business? (positive/ negative)
8. Did you participate in activities organized by FSLGA?
 - If yes, explain their impact on your business? (positive/ negative)
9. Did you participate in activities organized by Who we Sri Lanka?
 - If yes, explain their impact on your business? (positive/ negative)
10. Were there any exhibitions organized to assist and motivate the seed grantees?
 - Were you able to participate in exhibitions?
 - If yes, did you add any exhibits or visit the exhibition?

Contributed to the exhibits

- If you added any exhibits, please give the background of the item/ services?
- What were your learnings from the exhibition?
- If yes, what were the weaknesses of the exhibition?

Visiting Exhibitions Only

- If you only visited the exhibition,
 - What were your learnings from the exhibition?
 - If yes, what were the weaknesses of the exhibition?
- If not, why couldn't you participate in the exhibitions?

Sustainability of the business

The section identifies the Seed Grants' overall outcome to promote social cohesion within a diverse community through economic integration. Furthermore, discusses the future of the businesses conducted by the grantees.

1. What are your future plans?
2. Do you intend to develop further?
 - If yes, how?
3. Do you think the program enhanced social cohesion (as a result of attending sessions and networking with people from various communities)?
4. What are the lessons learned through economic empowerment and social cohesion?
5. How do you intend to sustain and expand the inter-community relationships built through this seed grant?
6. What are your strengths? (in an economic perspective)
7. What are your weaknesses? (in an economic perspective)
8. What opportunities has the business opened up?
9. What are a few potential challenges that you will face in the future?
10. How will you overcome such challenges?

Questionnaire: CBO Partners

Background and Scope

- a) Please share the name, background, and work conducted within your organization.
- b) Please explain the background of the projects and groups involved in the past.
- c) Name key challenges faced when conducting the above projects.
- d) How did you overcome such challenges?
- e) Why should one focus on social cohesion through economic integration?

- f) In your perspective, what is the current status of social cohesion among ethnic groups in *Trincomalee/ Batticaloa/ Ampara*?
- g) How has economic integration (under the distribution of Seed Grants) helped achieve social cohesion among ethnic groups in the *Trincomalee/ Batticaloa/ Ampara* district?
- h) What was the process used to implement inter-community dialogues within *Trincomalee/ Batticaloa/ Ampara*?
- i) Did you use any methods to share learnings and skills between partners across the districts?

Inter and Intra- Group Dialogues

- a) In your perspective, what is the purpose of inter and intra-group dialogues?
- b) Has it helped transform attitudes among the beneficiaries? If so, how?
- c) What are the advantages and disadvantages of inter and intra-group dialogues?
- d) Would you please explain the procedure followed under the divisional-level dialogues?
- e) Would you please explain the procedure followed under the district-level dialogues?
- f) What were the outcomes of the inter and intra-group dialogues?
- g) What are the impacts and correlation of the divisional and district level dialogues on the effectiveness of the Seed Grants?

Private and Public Dialogues (PPD)

- a) Would you please describe the organization/ methods used under the public-private dialogues?
- b) What are the aims of the public-private dialogues?
- c) What were the social cohesion-related challenges faced when conducting the public-private dialogues?
- d) What are the solutions utilized to mitigate or resolve the challenges mentioned above?
- e) How did the PPDs apply a gender-sensitive approach to address economic matters in the region?

Other

- a) What are the organizations which helped with training programs?
- b) Explain the value addition through the CBOs (e.g. support in financial literacy or sustainable development)
- c) How do you monitor and evaluate the output?
- d) How have they impacted the distribution and productivity of seed grant allocations?
- e) Name a few challenges faced during the process.
- f) Name a few recommendations that should be considered during similar projects in the future.

List of Case Studies

| District | Round | Name | Location | Sole/ Joint | Business Type | Gender | Religion | Ethnicity |
|------------|-----------|---|------------------|----------------|-------------------------------------|--------|----------|-----------|
| | | | | | | | | |
| Ampara | 1st Round | Herath Mudiyansele Priyadarshani Sharmila Herath | Attalacheeni | Sole | Producer - Mushroom | Female | N/A | Sinhala |
| | | Johinathan Pradeepa Vinodhini | Pottuvil | Sole | Service - Beauty Salon | Female | N/A | Tamil |
| | | Firhous Mohammad Rafee | Karaitivu | Sole | Service - Communication | Male | Islam | Muslim |
| | | Mooththaan Manjula | Pottuvil | Sole | Production - Spices | Female | N/A | Tamil |
| | 2nd Round | M.L.S. Arifdeen | Pottuvil | Joint | Production - Chicken Farm | Male | N/A | Muslim |
| | | K.G. Ariyasena | Pottuvil | Joint | Service - Hotel | Male | N/A | Sinhala |
| | | H.W. Rosanth De Silva | Pottuvil | Joint | Service - Grocery Shop | Male | N/A | Sinhala |
| | | | | | | | | |
| Batticaloa | 1st Round | Velautham Sandiravanthany (Chandravathany on Database) | Koralai Pattu | Sole | Production - Handicraft Items | Female | Hindu | Tamil |

| | | | | | | | | |
|-----------------|--------------|---|---------------------|-------|--|--------|-----------|---------|
| | | Subramaniam Vijeyaratnam | Eravur Pattu | Sole | Production - Mixture Products | Male | Hindu | Tamil |
| | | Saminathan Manoharan | Manmuna i North | Joint | Production - Ice Cream | Male | Hindu | Tamil |
| | | Pakeerathan Sasikal | Manmuna i North | Joint | Production - Dairy Products | Female | Hindu | Tamil |
| | | Farook Aamina Ummah | Manmuna i North | Joint | Trade - Small Grocery | Female | Islam | Muslim |
| | | Joseph Preamila | Manmuna i North | Joint | Production - Sewing | Female | Hindu | Tamil |
| | | Kayaththu Mohammadu Kainoon Nisha | Manmuna i North | Joint | Production - Pan Mat Weaving | Female | Christian | Tamil |
| | 2nd Round | Pestheruwe Liyanaralalage Nilmini Cooray | Koralai Pattu | Joint | Production/T rade -Food and Guest House | Female | Christian | Tamil |
| | | Yokitharasa Nagaedsumi | Koralai Pattu | Joint | Production/T rade -Food shop | Female | Hindu | Tamil |
| | | | | | | | | |
| Trinco malee | 1st Round | Ajees Jabarulla | Thambala gamam | Sole | Production - Dairy | Male | Islam | Muslim |
| | | Charles Jeroni | Town and Gravets | Sole | Production - Candles | Female | Christian | Tamil |
| | | Jaweera Patabadige Chandra | Kanthale | Joint | Production - | Female | Budd | Sinhala |

| | | | | | | | | |
|--|------------------|---|-------------------------------|-------|--|------------|---------------|---------|
| | | Padmini Jayaweera | | | Curd | e | hist | |
| | | A.Jeravajani | Kanthale | Joint | Production - Rice Flour | Femal e | Chris tian | Tamil |
| | | Wijja Pedige Ranjani Samarathunga | Kanthale | Joint | Production - Cattle Management | Femal e | Budd hist | Sinhala |
| | | M Thanuja Kumary Munasinghe | Kanthale | Joint | Production - Sewing | Femal e | Budd hist | Sinhala |
| | | V.Jeyamaladevi | Barathipu ram, Kanthale | Joint | Production - Sewing | Femal e | Hind u | Tamil |
| | 2nd Roun d | Wickramasinghe Senanayakelage Rathnamali Wettegedara | Agbopura | Joint | Products - Spices | Femal e | Budd hist | Sinhala |
| | | P.Vijayarani | Murugapu ri | Joint | Production - Products Using Mill | Femal e | Hind u | Tamil |

The Role of Partner Organizations: Other CBO Partners

Good Market

The Good Market is a platform that creates market channels for individuals or groups focusing on sustainable product and/or service development across Sri Lanka. They also focus on capacity building for entrepreneurs based in rural locations. Additionally, they aspire to help develop businesses to reach surrounding markets in the region, including, primary and export markets.

The Asia Foundation (TAF) issued an invitation to Good Market to be a part of the Seed Grants project. The seed grantees from Ampara, Batticaloa and Trincomalee were requested to fill an application issued by the Good Market prior to joining platform. When filling the applications, the grantees arrived at the realization that their products did not meet the required baseline standard.

Included below are a few gaps identified by Good Market as a result:

Gaps

- How to best preserve products (Kithul treacle)
- Standardized packaging (the Kithul treacle was packaged in reused oil and arrack bottles)
- Lack of = diversity in the food that was produced
- Unhealthy standards practiced in the production of food items (the yoghurt was made out of milk powder)
- Stitching was done according to locally popular styles (the types of stitches used did not match the market nor the market demands as the manufacturers were not exposed to trends outside their parameters).

Taking these gaps into account, TAF requested Good Market to help with capacity building. Through this process, Good Market was able to help the grantees improve product and service development to an extent where they were able to standardize their products as per the requirements of a competitive marketplace.

Strategies for Capacity Building

1. Conducted an observation across the three districts to obtain a better understanding about the product, services and the current context in which it is produced
2. Created a report highlighting the gaps with regards to each business
3. Developed training programs to facilitate the current TAF project. The training programs were conducted under the following categories;
 - Art and handicraft group
 - Craft group
 - Food processing group.

Contact details of the grantees and the Good Market representatives were shared to facilitate future correspondence

4. The representatives had spent some time addressing the product and service developments on an individual basis as well

Post Capacity Building

At the moment, the following suppliers from the districts are providing the products mentioned below.

- Sanitary pads - Trincomalee
- Palmyra baskets - Batticaloa

Good Market focuses on obtaining products from the Eastern province based on the demand for products derived from consumers in Colombo

Capacity building activities resulted in the following value additions

- Diversification of products; enabling producers to think creatively during the production process (eg: jack fruit chips were made using spices instead of serving it as a sweet fruit)
- Provide solutions for food waste

Challenges

- As the Good Market representative is based in Colombo, follow-ups have to be well coordinated. The current monitoring process and close relationships maintained by the various CBOs have helped maintain a steady system of coordination and follow-ups which have helped the grantees resolve their problems.

WhatsApp has also been used for communication purposes, although not everyone has access to the application. Tamil translators are coordinating with Tamil-speaking grantees

The Good Market representative mentioned that she experienced a few lapses in coordination with Ampara and Trincomalee. She further mentioned that the CBOs motivation has been essential to support the grantees overcome the challenges of the lockdown.

- Transportation issues due to Covid-19 lockdowns
An order for Palmyra baskets was issued by the Canadian High Commission in Sri Lanka to be sent to Canada, but this was disrupted due to the lockdown.
Previous plans involved using buses or the train to transport the shipment to Colombo. \ This issue will be resolved with the added involvement of TAF.

Packaging (glass bottles) which needs to be sent from Colombo has not been transported as yet due to the lockdown.

- Increased unemployment due to lack of demand for products due to the pandemic.

Recommendations

- Good Market is coordinating the establishment of markets in Ampara, Batticaloa and Trincomalee, to facilitate the sale of goods in those locations during the lockdown.
- To enable eco-friendly product development, such as bio-degradable packaging to find eco-friendly product development (packaging)

- To work in cooperation as a community
- To work towards the transition from the regional market to the Colombo market
- Sourcing raw materials from the Eastern province or neighboring areas, isn't profitable; materials should be transported directly from Colombo instead.
- Instead, it would be beneficial to bring the suppliers down to Colombo once a month so that items can be sold within Colombo.

Federation of Sri Lankan Local Governments Authorities

Federation of Local Government Authorities (FSLGA) is a platform that conducts capacity building and awareness programs. The Federation which was established in 2007 has maintained a close relationship with the Asia Foundation. FSLGA had prepared a proposal on their work plan prior to being selected as a partner under the Seed Grants project. After being selected FSLGA was able to reach out to the local authorities in the selected division in which the Seed Grants project was underway. This was done with the aim to facilitate the services provided from the councils to the business community. The Federation provided a platform through which the grantees can complete business related formalities parallel to their business activities.

The Federation notes that the business community did not have an understanding about the importance of maintaining a working relationship with the councils. As a result, most of them had not even visited the councils. Furthermore, the Federation stated that the council was also unaware of several businesses as they had no connection with them. Therefore, the purpose of the private-public dialogues was to generate a connection between the councils and the participants. The representatives from FSLGA highlighted that the private-public dialogues were a useful tool to connect the councils to the local business community. Throughout this activity, the role of the representatives from FSLGA were to function as mediators, associators and stimulators. The representatives made a clear indication that they did not directly intervene when creating networks among participants. Instead, they enabled required connections through the councils.

The representatives prepared questionnaires to obtain information from the small and medium scale Business owners. They were also involved in facilitating the private-public dialogues. This provided them with an opportunity to obtain direct information on the challenges faced by the participants. The Foundation

also gave the participants an opportunity to submit suggestions on actions that should be implemented by the Foundation in order to provide better support in the future. This further reinforced the Federation's capacity to provide necessary solutions to the participants, where possible. Taking all forms of feedback into account, the FSLGA was able to create an action plan together with the council to address future challenges highlighted by the participants.

The Foundation participated in inter-dialogues, which were conducted at a divisional level. They further facilitated dialogues under the councils. The representatives noted that social cohesion and economic empowerment are two elements which go hand in hand. This is a result of economic empowerment enabling wider networking among communities regardless of their cultural background. This results in social cohesion.

The representatives also mentioned that the business community and the council have greatly benefitted from the Seed Grants projects. The benefits take the form of financial gains and an increase in networks between businesses.

Challenges

- Certain councils were not interested in participating in the dialogues
- Developing a working relationship with the new Chairman (appointed to the councils) was not an immediate process, as there was a need to communicate the need to create better bonds between the councils and the business community
- Challenges in coordination as a result of administrative and political constrictions within and among councils

Recommendation

- Change attitudes among young people
Inter-ethnic collaboration towards development is an idea that should be promoted among the community, especially among youths.
- Educating the youth on the difference and actualities of a government, politicians and related administration. This is noting that most youngsters dread being involved in politics due to current situation in the country.