



CIRDAP

**Centre on Integrated Rural
Development for Asia and the Pacific
(CIRDAP)**



**Hector Kobbekaduwa Agrarian
Research and Training Institute
(HARTI)**

POLICY BRIEF

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Women's Economic Empowerment through Community-Driven Livelihoods Lessons from Sri Lanka

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Background

Across the Asia-Pacific region, women continue to face entrenched structural inequalities shaped by socio-economic disadvantage, limited access to educational and employment opportunities, and social norms that limit their participation in economic and governance spheres. Sri Lanka is no exception. In rural Sri Lanka, gender-based inequalities are further intensified by the country's recent economic crisis, which has heightened household vulnerability and deepened reliance on fragile, agriculture-based sources of income.

The Nuwara Eliya District of Sri Lanka is a predominantly agricultural highland where the farm enterprises as main source of livelihoods span from production, processing, value-added manufacturing, and handicrafts to specialty crop cultivation. Despite this diversity, farm enterprises consistently operate at subsistence scale, marked by seasonal income cycles, climate vulnerability, financial exclusion, and limited access to markets and business networks.

Recognizing these intricate challenges, Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) and Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI) launched a Rural Livelihood Project in the Nuwara Eliya District, in 2025, primarily targeting the women beneficiaries. The project adopted a participatory approach to select 22 women entrepreneurs from an initial pool of 32, by assessing their entrepreneurial experience, motivation, resource availability, economic need, business viability, and willingness to participate. The initiative sought to operationalize a community-driven empowerment model to address multiple dimensions of the livelihood's challenges.

The Project Outcomes:

After 1 year of successful implementation, the project generated notable outcomes

01

Enhanced Entrepreneurial Capacity

Beneficiaries gained practical business skills, enhanced technical knowledge, and strengthened market networks.

02

Income Gains

Monthly income improvements ranged from Rs. 2,500 to Rs. 30,000, with the greatest gains in enterprises with higher value addition and stronger market demand.

Improved Food Security

03

The project contributed to greater dietary stability among participating households.

Poverty Reduction

04

12 of 22 households (54.5%) crossed above the national poverty threshold following intervention, with all beneficiaries recording income increases.

Despite these advances, persistent constraints include limited enterprise scale, market access barriers, infrastructure deficits, and rising living costs underscoring that poverty reduction is a gradual process requiring interventions that evolve alongside enterprise maturity.

Policy Insights

- 1. Participatory Beneficiary Selection:** Using transparent, evidence-based selection criteria including entrepreneurial potential, economic need, and business viability ensured the selection of right beneficiaries who were really poor in livelihoods resources the project helped them generate lasting outcomes. Participatory community consultations while selecting the beneficiary group strengthened local ownership and program relevance.
- 2. Integrated Support Packages:** Financial assistance alone is not sufficient. Livelihood interventions bundled with grant supports, technical training, market linkage facilitation, and infrastructure support, worked well in this project. The Nuwara Eliya experience demonstrates that addressing multiple constraint dimensions simultaneously accelerates enterprise growth and income improvement.
- 3. Market Linkages:** Subsistence-level enterprises require structured connections to higher-value markets. The Nuwara Eliya project facilitated the access of beneficiary group to tourist hotels, urban retail centers, and agri-food processors that significantly expanded revenue potential. However, investments in branding, packaging, and product quality was critical to enhance competitiveness beyond local markets.
- 4. Collective Action:** Collective action through producer cooperatives, and peer learning platforms were critical interventions to achieve the project outcomes. Promotion of producer's cooperatives in Nuwara Eliya project enhanced the beneficiary group's collective bargaining power, enabling them in shared use of equipment and infrastructure, and helped build institutional memory beyond the project cycle.
- 5. Flexible Microfinance Support:** Women in seasonal agricultural enterprises are often poorly served by rigid repayment schedules. Therefore, appropriate microfinance products should be developed and introduced that account for income variability, allowing flexible instalments aligned with harvest or production cycles. In this project, we aimed at reducing dependence of the beneficiary group on informal financial sources, by linking them up with appropriate microfinance schemes which was instrumental for enterprise resilience.
- 6. Nutrition-Sensitive Program Design:** Economic empowerment and food security are deeply interconnected. Therefore, the interventions in this project integrated nutrition-sensitive approaches including assistance for vulnerable households during enterprise establishment to ensure income gains that translated into improved household dietary diversity and health outcomes.
- 7. Gender-Sensitive Program Architecture:** Women's dual roles as producers and caregivers create time and mobility constraints. Therefore, the project design consciously accommodated gender concerns such as scheduling of training activities, field visits, and group meetings around domestic responsibilities, and ensuring childcare provision where needed. This significantly improved participation and reduced dropout rates.

Future Directions

- 1. Phased and Differentiated Support Strategies:** Governments and development partners should adopt tiered support frameworks recognizing enterprise diversity and maturity. Early-stage enterprises require accessible capital and basic skills training, while maturing ventures benefit from value chain integration, business development services, and export market facilitation.
- 2. Integrated support mechanism:** Integrating income improvement schemes, market linkage development, and cooperative participation encourages accountability and motivates beneficiaries to treat financial support as investment capital rather than subsistence relief.
- 3. Institutionalize Sustained Capacity Development:** Beyond one-time interventions, poor rural communities require permanent technical support platforms including knowledge portals, helpdesks, and peer-learning networks that provide continuous guidance, preserve institutional memory, and adapt to emerging enterprise needs.
- 4. Strengthen Value Chain Integration:** Subsistence-level enterprises should aim at integrating into structured formal value chains for their growth. National agricultural extension services, rural development agencies, and private sector actors need to co-invest in value chain analysis, producer-buyer matchmaking, and quality certification to enhance rural enterprise profitability.
- 5. Scale Successful Models through Policy Engagement:** The Nuwara Eliya model offers a replicable framework for community-driven women's economic empowerment. National policies should create enabling environment for scaling through dedicated budget allocations, for rural women's enterprise development, and fostering coordination mechanisms between government, NGOs, and development partners.
- 6. Expand Multi-Stakeholder Coordination:** Women's economic empowerment requires consistent efforts in forging coordination across government ministries, rural development agencies, financial institutions, private sector actors, and civil society. Governments can establish inter-agency coordination platforms to align resources, reduce duplication, and amplify collective impact.
- 7. Address Structural Gender Barriers:** Women's livelihood enhancement programs must be complemented by broader policy efforts addressing land rights, legal protection, gender-based violence, and women's access to digital literacy and financial services. Empowerment gains at the enterprise level are constrained when structural gender inequalities remain unaddressed.

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