

After the Tsunami

Credit Unions Rebuild

Recovering from the Tsunami: An Update on Reconstruction Efforts in Sri Lanka

Just nine months after the devastating tsunami that left more than 31,000 dead and a half million people without homes, the people of Sri Lanka are slowly making their way back to something resembling normalcy with the help of World Council of Credit Unions, Inc. (WOCCU) and their network of primary societies (credit unions).

The power of the credit union difference was seen within 48 hours of the disaster. SANASA, the Sri Lankan credit union federation, worked with primary society volunteers to deliver 200 truckloads of food, water, clothing, medical supplies and other necessary items to the coast. They also built 1,000 temporary shelter units, arranged for the funerals of 650 victims and took guardianship of more than 100 orphaned children. In addition, many of their member organizations offered loan repay-



Primary society (credit union) members line up outside of their newly rebuilt primary society building. For many members the celebration was also the occasion for their first deposit since the Tsunami. In Sri Lanka primary societies are some of the first official buildings to reopen, bringing confidence to the communities they serve.

ment grace periods to help members through the initial recovery phase.

In early January, WOCCU appealed to the international credit union community for funds to assist with SANASA's relief efforts in Sri Lanka. By the end of August, almost US\$750,000 had been donated to the Worldwide Foundation for Credit Union's Disaster Relief Fund, allowing WOCCU staff to travel to the affected areas to begin reconstruction planning. Normunds Mizis, former WOCCU-Sri Lanka project director, was appointed as project manager and was the first WOCCU staff member to arrive in Sri Lanka. After surveying and planning, WOCCU and SANASA began primary society reconstruction efforts in the south; recovery efforts will follow the country's eastern coast.

society's potential for long-term success: the number of active members, the number of years of operation, plans to mobilize new members, financial services that fit member needs and a site location for reconstruction.

These criteria will typically be used for all rebuilding decisions; although the specific needs of a primary society and its community will also be taken into account. For example, if a community has been especially hard hit—say, with a high death toll, a large loss of jobs or overall physical destruction—a rebuild may be approved, even if the primary society did not suffer extensive damage, if it can be shown to be of value to the overall community's rehabilitation. SANASA estimates that rebuilding will take three years.

To be eligible for reconstruction, a primary society must meet certain criteria. WOCCU has pinpointed these factors as indicating the primary

Because the goal of the reconstruction project is to revitalize the movement, not just repair it, consolidation is encouraged in cases where one

Stage One



Stage Two



Credit union and individual donations made to WOCCU's Worldwide Foundation for Credit Unions helped to rebuild this Galle district credit union. Members celebrate the re-opening of their credit union.

primary society, instead of two or three, would offer better scale to support operations and efficiency. In the Ampara district, for example, 18 primary societies have decided to merge to nine, creating greater sustainability and strengthening the credit union movement within their district. These mergers were a great accomplishment for both the primary societies and SANASA, and indicate the willingness of the community to work together in furthering tsunami recovery efforts.

WOCCU has participated in three monitoring trips since June, the third occurred in September of 2005. WOCCU staff reports that reconstruction efforts are slow, which is to be expected given the severity of the catastrophe. Individuals are overwhelmed, as are the government and local district offices that are organizing recovery efforts. Other obstacles include a law prohibiting new construction within 100 meters, and in some places 250 meters, of the coastline, difficulty in securing funds for land acquisition and a high demand for buildable land. With the enormous number of displaced citizens it is difficult to find sites for the coastal primary societies who cannot rebuild in the same location.

To expedite rebuilding efforts each individual primary society is organizing and managing its own construction. This method empowers individual primary societies to rebuild quickly and allows for simultaneous rebuilding along the hard-hit coast. Approved primary societies are receiving project funding to organize local construction workers and to purchase building materials.



To date, the project has seen the full construction of five primary society buildings, with an additional 22 in the building process. The five completed buildings opened in August, each displaying a plaque recognizing contributions made by the Worldwide Foundation for Credit Unions and the international credit union community. During the opening ceremonies members made their first deposits since the tsunami.

SANASA is also working with the primary societies to address problems in reconstructing lost and damaged records. Six SANASA work camps have been set up in the Galle and Matara districts to assist in updating accounting records, restoring balance sheet and income statements, assisting managers in developing a three-year strategic plan and training staff and committee members.

Although the support of the international community has been crucial to Sri Lankan reconstruction efforts, members are very concerned about

becoming donor reliant. Recent donations of rice have led to plummeting rice prices and work slowdowns within the local farming community. As primary societies strengthen their resources, they'll help fellow community members to be self-reliant once again.

As reconstruction efforts continue, and the people of Sri Lanka work together to return their community to its pre-tsunami status, there is daily evidence that the cooperative spirit is alive and well. The many communities are overcoming cultural and religious barriers in order to support one another and to rebuild their lives as well as their communities. One member from the Ampara district summed up the situation perfectly, "The day the tsunami came there was no differentiation between the color of our skins or our religions. Everyone was affected. Now we need to continue to think along these same lines to get our lives back." 🇸🇱

—by Martha Ninichuk
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