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Social Management Framework Final Report

Social Assessment and Social Management Framework (SMF)
Proposed Metro Colombo Urban Development Project

Resources Development Consultants (Pvt) Ltd
55-2/1 Galle Road Colombo 03

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Capacity Building and Training

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**ABBREVIATIONS**

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<th>Full Form</th>
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<tr>
<td>APs</td>
<td>Affected persons</td>
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<tr>
<td>CBO</td>
<td>Community Based Organization</td>
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<tr>
<td>CEA</td>
<td>Central Environment Authority</td>
</tr>
<tr>
<td>CMC</td>
<td>Colombo Municipal Council</td>
</tr>
<tr>
<td>CMR</td>
<td>Colombo Metropolitan Region</td>
</tr>
<tr>
<td>DMMC</td>
<td>Dehiwela-Mt Lavinia Municipal Council</td>
</tr>
<tr>
<td>DMS</td>
<td>Detail Measurement Survey</td>
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<td>DS</td>
<td>Divisional Secretary</td>
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<td>EA</td>
<td>Executive Agency</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EM</td>
<td>External Monitoring</td>
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<td>FC</td>
<td>Family Card</td>
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<tr>
<td>GN</td>
<td>Grama Niladari</td>
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<tr>
<td>GOSL</td>
<td>Government of Sri Lanka</td>
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<td>GRC</td>
<td>Grievance Redness Committee</td>
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<td>GRM</td>
<td>Grievance Redness Mechanism</td>
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<tr>
<td>IC</td>
<td>Information Center</td>
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<td>IEE</td>
<td>Initial Environmental Examinations</td>
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<td>IM</td>
<td>Internal Monitoring</td>
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<td>KUC</td>
<td>Kolonnawa Urban Council</td>
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<tr>
<td>LAs</td>
<td>Local Authorities</td>
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<td>LDO</td>
<td>Land Development Ordinance</td>
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<td>LIC</td>
<td>Low Income Communities</td>
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<tr>
<td>LAA</td>
<td>Land Acquisition Act</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<td>--------------</td>
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<tr>
<td>LRC</td>
<td>Local Resettlement Committee</td>
</tr>
<tr>
<td>MCUDP</td>
<td>Metro Colombo Urban Development Project</td>
</tr>
<tr>
<td>MDSF</td>
<td>Metro Development Stakeholder’s Forum</td>
</tr>
<tr>
<td>M &amp; E</td>
<td>Monitoring &amp; Evaluation</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>MLD</td>
<td>Ministry of Land</td>
</tr>
<tr>
<td>MOD &amp; UD</td>
<td>Ministry of Defence and Urban Development</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NEA</td>
<td>National Environment Act</td>
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<td>NGOs</td>
<td>Non Government Organizations</td>
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<td>NIRP</td>
<td>National Involuntary Re-Settlement Policy</td>
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<td>NPSC</td>
<td>National Project Steering Committee</td>
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<tr>
<td>PD</td>
<td>Project Director</td>
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<tr>
<td>PPAs</td>
<td>Project Partner Agencies</td>
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<tr>
<td>PMU</td>
<td>Project Management Unit</td>
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<tr>
<td>PIB</td>
<td>Public Information Booklet</td>
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<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
</tr>
<tr>
<td>LRC</td>
<td>Local Resettlement Committee</td>
</tr>
<tr>
<td>RDA</td>
<td>Road Development Authority</td>
</tr>
<tr>
<td>RUSP</td>
<td>Resettlement of Underserved Settlement Project</td>
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<tr>
<td>SA</td>
<td>Social Assessment</td>
</tr>
<tr>
<td>SDO</td>
<td>Social Development Officer</td>
</tr>
<tr>
<td>SEMU</td>
<td>Social and Environmental Management Unit</td>
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<tr>
<td>SJKMC</td>
<td>Sri Jayawardanapura Kotte Municipal Council</td>
</tr>
<tr>
<td>SLOR</td>
<td>Special Land Acquisition Act</td>
</tr>
<tr>
<td>SLLRDC</td>
<td>Sri Lanka Land Reclamation &amp; Development Corporation</td>
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<td>SM</td>
<td>Samatha Mandalaya</td>
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<tr>
<td>SMF</td>
<td>Social Management Framework</td>
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<td>S/MOF</td>
<td>Secretary Ministry of Finance</td>
</tr>
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<td>S/MOD &amp; UD</td>
<td>Secretary Ministry of Defense and Urban Development</td>
</tr>
<tr>
<td>SS</td>
<td>Social Safeguard</td>
</tr>
<tr>
<td>UDA</td>
<td>Urban Development Authority</td>
</tr>
<tr>
<td>VI</td>
<td>Variable Indicators</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
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GLOSSARY OF TERMS

1. **Compensation** – Payment in cash or in kind for an asset or a resource that is acquired or affected by a project at the time the asset needs to be replaced.

2. **Cut-off date** – Date of the completion of the census and assets inventory of persons affected by the project. Persons occupying the project area after the cut-off date are not eligible for compensation and/or resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and wood lots) established after the date of completion of the assets inventory, or an alternative mutually agreed on date, will not be compensated.

3. **Host Population** – People living in or around areas to which people physically displaced by a project will be resettled who, in turn, may be affected by the resettlement.

4. **Involuntary Resettlement** – Resettlement is involuntary when it occurs without the informed consent of the displace persons or if they give their consent without having the power to refuse resettlement.

5. **OP 4.12** – The World Bank group operational directive on involuntary resettlement. OP 4.12 embodies the basic principles and procedures that underlie IFC’s approach to involuntary resettlement associated with its investment project.

6. **Affected Person** – Any person who, as a result of the implementation of MCUDP etc., loses the right to own, use or otherwise benefit from a built structure, land (Residential, agricultural) annual or perennial crops and trees, or any other fixed or movable assets, either in full or in part, permanently or temporarily.

7. **Replacement Cost** – The rate of compensation for lost assets must be calculated at full replacement cost, that is, the market value of the assets plus transaction cost.
8. **Resettlement action plan (RAP)** - the document in which a project sponsor or other responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by an investment project.

9. **Resettlement Assistance** - Support provide to people who are physically displaced by a project. Assistance may include transportation, food, shelters, and social services that are provided to affected people during their relocation. Assistance may also include cash allowances that compensate affected people for the inconvenience associated with resentment and defray the expenses of a transition to a new locale, such as moving expenses and lost work days.

10. **Stakeholders** - Any and all individuals, groups, organizations and institutions interested in and potentially affected by a project having the ability to influence a project.

11. **Vulnerable Groups** – People who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

12. **Entitlement** – Range of measures comprising compensation, income restoration, transfer assistance, income substitution and relocation which are due to affected people, depending on the nature of the their losses, to restore their economic and social base.


14. **Relocation** – Rebuilding housing, assets including productive land and public infrastructure in another location.

15. **Rehabilitation** – Re-establishing incomes, livelihoods, living and social system.

16. **Implementation Schedule** – Time frame of activities of the project

17. **Family Card** – is a printed document in which details about the AP and Family and their entitlements are entered. This will be printed in duplicate. Original will be given to the AP and duplicate will be kept at the office of the PPAs. When ever an entitlement is granted the AP will acknowledge receipt by signing on the card as received for transparency and record purposes.
EXECUTIVE SUMMARY

1. The Social Assessment for MCUDP was prepared after a rapid review of social issues and a careful study of potential positive and negative impacts likely to be generated as a result of the implementation of Phase I sub projects in consultation with the affected communities. Based on the social assessment, this Social Management Framework (SMF) addresses the issues and negative impacts resulting from the implementation of this project. In Chapter one, the basic information such as objectives of the Report, a brief description of the Project, purpose of the SMF and guiding principles are explained.

2. Chapter two highlights the regulatory and policy framework which includes the laws governing the project’s land acquisition and resettlement procedures. It explores the procedures relating to acquisition of private lands, occupation of state reservations, rights of non-title holder possessors of state lands and the laws of acquisitive prescription. In addition, under the administrative framework, the agencies responsible for planning, implementation and monitoring of the subprojects are elucidated including the MOD & UD&UD and Apex agencies such as UDA and SLLRDC. The Chapter also constitutes the policies which guide the implementation of the project activities based on a participatory approach. NIRP and World Bank safeguards explained here are of prime importance in this regard.

3. Situational analysis of the project area and potential impacts are analyzed in Chapter Three. The types of losses consequent to these developments faced by the affected population are also identified in this Chapter for which compensation needs to be paid as entitlements.

4. Chapter four explains how compensation payments will be implemented for the losses suffered by the affected persons. “Entitlement matrix” in this chapter includes the type of losses and the entitlements to be paid to each eligible person. This section highlights the basis of compensation an affected person is entitled to obtain for the losses suffered as a result of the project.

5. Institutional arrangement for implementation of the Project and social management are explained in Chapter five, which proposes a five-tier project management structure. The project management system will be structured at five levels in order to execute an effective management of social safeguard policies throughout the project.

6. Consultation and participation explained in Chapter six highlight the need to consult all stakeholders especially the affected people on resettlement and compensation options. Consultation with the affected parties should be the beginning of the participatory process of
a development project where people are the primary concern. If projects are implemented without consultation of the affected population, they may end up with inappropriate and inapplicable strategies and decisions which will generate non-cooperation by the public and delays in implementation.

7. Chapter seven is a guide to the relocation process which is the most difficult and sensitive task of involuntary resettlement. The living pattern differs from individual to individual and family to family. Relocation planners need to consider all the aspects of community living and closely understand the settlement pattern before executing resettlement and regeneration of living environment. Resettlement options, location and community preservation awareness for condominium living and the importance of income restoration, rehabilitation are explained in addition to building of amicable relationships with the host population.

8. Involuntary resettlement inevitably generates grievances among the affected population over issues pertaining to compensation and eligibility criteria and timely redress of such grievances will be important for smooth implementation of the project. The grievance redress mechanism which is explained in Chapter eight gives the institutional arrangements and procedures for such grievance redress process.

9. In Chapter nine, the cost estimate for implementation of the Social Management for involuntary resettlement is explained giving anticipated expenditure for various activities involved.

10. The most important aspect of the SMF is the monitoring and evaluation of the entire process of involuntary resettlement and social management, which gives the project proponent the feedback on the status of implementation. This will give access to early identification of problems and successes to make possible adjustments, if there are any deficiencies of the system. This process is explained as Chapter 10 of the Social Management Framework.
CHAPTER 01

Introduction & Background

Objectives of the Report
1.1. On the basis of the social assessment study executed earlier the social Management Framework (SMF) sets the principals and guidelines to address the potential impacts and risks generated by involuntary resettlement. SMF stipulates a more participatory approach through strengthening social inclusion and accountability. The report will also suggest mitigation strategies and measures for the negative impacts identified.

1.2. The basic environmental issue in the Colombo Metropolitan Region (CMR) is the lack of consideration of the region’s natural structure and its natural drainage in particular. The CMR receives an average 2400 mm of rainfall each year. Whenever there is heavy rain, the Colombo water basin gets flooded due to:
   1. Spread of urban/industrial development
   2. Infilling of land for housing and increased run off from impervious surfaces
   3. Uncontrolled filling of low lying lands
   4. Siltation and blocking of water ways
   5. Inadequate and poorly maintained drainage systems
   6. Encroachment of canal banks by squatter settlements
   7. Poor solid waste management
   8. Formation of sand bars at sea outlets

1.3. Firstly, the report will provide an introduction to the project and the communities that are likely to be impacted by the project. Following these introductory sections, the report will begin its main discussion on impacts and strategies for their mitigation. Finally, all the mitigating strategies and measures discussed throughout the report will be summarized.

Brief Description of the Project

1.4. Flooding in and around the Colombo City has been occurring for many years and causes considerable economic disruption and social hardship to a large segment of the population. The urban poor, who mostly live in low-lying areas prone to flooding, are particularly hard hit by the problems caused by flooding. MCUDP aims to improve the flood control and drainage infrastructure and management system of the Colombo water basin and enhance the competence of central and local governmental authorities to deliver and manage infrastructure and services in the Colombo Metropolitan area.

1.5. There are four main components of the proposed MCUDP which will be implemented by Project Partner Agencies (PPAs), namely, the SLLRDC, UDA, Colombo Municipal Council (CMC), Sri Jayewardenena-Kotte Municipal Council (SJKMC), Dehiwala-Mount Lavinia Municipal Council (DMMC), and Kolonnawa Urban Council (KUC) under the directions of the Project Management Unit (PMU) located in the Ministry of Defense and Urban Development (MOD & UD & UD). The two main components are as follows:

1.6. Component 1: Flood and Drainage Management. This comprises the following four sub-components:
   I. Improvements to main canals and lakes
   II. Improvements to secondary canals
   III. Improvements and rehabilitation to storm water drainage
IV. Road improvements and other social and physical infrastructure

1.7. Component 2: Institutional Strengthening for Sustainable Metropolitan and Local Infrastructure and Service Provision and Implementation Support. This component aims at strengthening institutional capacity at metropolitan and local level and support project implementation. Sub-project 2-1 supports improved metropolitan planning through the preparation of a strategic development plan for Metro Colombo. Sub-project 2-2 supports Local Authorities, particularly the Colombo Municipal Council, DMMC, SJKMC and the KUC to deliver sustainable local services. Sub-component 2-3 comprising implementation support will be provided in the areas of project management, monitoring and evaluation, procurement, financial management and environmental and social safeguards to support the broader urban regeneration agenda such as urban transport, solid waste management and sewerage system.

1.8. Project area: The Metro Colombo urban region constitutes the project area which comprises the jurisdictions of the Colombo Municipal Council, Dehiwala-Mount Lavinia Municipal Council, Sri Jayewardena-Kotte Municipal Council and Kolonnawa Urban Council. (See Location Map). The project locations within this area will be constituted by the specific sub-projects that will be taken up during Stage I and Stage II are listed in Appendix I and II respectively.

Project Location Map

Purpose of the SMF

1.9. The Social Assessment has shown the socio-economic, cultural and physical characteristics of the Project-affected area. The sample social survey, focus group discussions, interviews with identified community members and observations by the project
staff and consultants enabled an understanding of the potential socio-economic, cultural and physical impacts that the project affected persons will have to undergo as a result of implementation of the MCUDP. These potential negative and positive impacts were highlighted in the Social Assessment Study.

1.10. This Social Management Framework lays down the principles and guidelines for addressing the social impacts due to the implementation of the MCUDP. It intends to predict and indicate responses for the common and specific social impacts that may occur throughout the operational activities of the project. Careful attention has been made by the project planners, especially to the negative social impacts that are likely to emanate as a result of implementation of the Project and mitigation strategies and measures have been suggested. Accordingly, the current report on the Social Management Framework contains the measures which will be implemented during different stages of execution or operation of the Project enabling to promote positive outcomes and reduce or minimize the adverse impacts that will arise through the Project’s development interventions.

Guiding principles

**Project Resettlement /Land Acquisition Principles**

1.11. MCUDP will select development interventions and activities that will take into consideration alternative designs with an emphasis on avoiding or minimizing adverse impacts on private landowners and those non-title holders who have been using state lands with or without authorization. To minimize adverse impacts, the MCUDP will adopt the following principles:

- Avoid or minimize acquisition of private lands unless absolutely required,
- Minimize involuntary resettlement and loss of land, structures, other assets and incomes by exploring all viable options
- Use as much state lands as possible
- Avoid or minimize displacement from homesteads
- Alternative designs will be considered in order that the project may not affect objects and sites like places of worship, cemeteries and structures that are considered socially and religiously important.

**Impact Mitigation Principles**

1.12. Where adverse impacts are found unavoidable, the MCUDP will plan to mitigate them in accord with the following principles:

- MCUDP will undertake social screening- followed by social impact assessment as screening suggests, of all development activities to identify potential social safeguard issues and plan and implement impact mitigation measures consistent with the social safeguard policies of GOSL and the World Bank.
- Resettlement of the project affected persons will be planned and developed as an integral part development interventions
- Absence of legal titles in cases of public land users will not be considered a bar to assistance, especially for the socio-economically vulnerable groups
- Vulnerability, in terms of socio-economic characteristics of the affected persons/households will be identified and mitigated.
- Women will be given equal access to resources and services and provided with opportunities that would empower them to participate in the development process.
Gender equity principles will be enshrined in the policy. For instance, ensure that land titles and compensation entitlements are issued in the name of both spouses.

- Homestead losers, including the poor and vulnerable households squatting on state lands, will be assisted with physical relocation with the provision of houses, basic facilities like water supply and sanitation.
- Where development interventions affect community facilities such as social, religious and cultural facilities will be restored in the relocation areas in consultation with the relocatees and the host community.
- Alternative housing and shops will be provided to the displaced residents and shops irrespective of their ownership status if they are found eligible.
- Consultation and disclosure requirements will be adapted to meet the special needs of the project

CHAPTER 02

Existing Policy and Regulatory Framework

2.1. All activities under the proposed project must be consistent with applicable laws, regulations and notifications that are relevant in the context of the resettlement effort. It is the responsibility of the PMU and the PPAs to ensure that project activities are consistent with the legal/regulatory framework. Additionally, it is also to be ensured that activities are consistent with World Bank policies and guidelines. This section discusses the gaps in legislation, regulation, policies and institutions for social management framework and resettlement. Additionally, an outline of the social safeguard policies of the Bank is presented. This framework addresses the gaps to ensure conformity to the World Bank safeguard policies while adhering to the national policies.

Sri Lankan Legal and Regulatory Framework

2.2. The current Sri Lankan laws governing matters relating to land, such as land acquisition, recovery of state lands, claiming rights of acquisitive prescription, declaration of reservations,
compensation for property losses and compensation for improvements in Sri Lanka are enshrined in a number of legislative enactments, namely:

a)  Land Acquisition Act No 9 of 1950
b)  National Environmental Act No 47 of 1980
c)  Road Development Authority Act No 73 of 1981
d)  State Lands Act No 13 of 1949
e)  State Lands (Recovery of Possession) Act No 7 of 1979
f)  Urban Development Authority Law No 41 of 1978
g)  Municipal Councils Ordinance No 29 of 1947
h)  Urban Development Projects (Special Provisions) Act No 2 of 1980
i)  Sri Lanka Land Reclamation and Development Corporation Act No 15 of 1968
j)  Land Development Ordinance No 19 of 1935
k)  Prescription Ordinance No 22 of 1971
l)  Law of Compensation for Improvements

The implications of the above Laws were discussed fully in the Social Assessment Report.

Land Acquisition

2.3. The private land acquisition for public purposes is guided by the provisions and procedures outlined in the Land Acquisition Act (LAA) No. 9 of 1950. It was amended several times thereafter, the latest being the Amendment Act No 13 of 1986. The Act provides a framework for facilitating land acquisition within the country. It also guarantees that no person is deprived of land except under the provisions of the LAA and entitles affected persons to a hearing before acquisition. Usually, the land acquisition is time consuming and may take anywhere between a few months to about 2-3 years to complete the process. A major cause of delay in the land acquisition arises with respect to the compensation procedure with its attendant legal proceedings. There is also provision under section 38A of the LAA to acquire lands under an urgency clause. Minimizing land acquisition: The law only implicitly discourages unnecessary acquisition, as lands acquired for one purpose cannot be used for a different purpose, and lands that remain unused be returned to the original owners. However, there are no mechanisms to monitor if these conditions are actually adhered to.

2.4. One of the inadequacies of the LAA is that the onus to prove ownership or interest in, demonstrate clear title to, gather all information and submit a compensation claim in respect of, land to be acquired, is on the AP. Often displaced persons are not aware of their rights or time frames to be observed under the LAA, or they are aware but are ill-equipped to deal with the procedures required and are also not experienced in dealing with various officials and documentation. To counter this, the project will be required to assist displaced persons in making their claims under the LAA as part of the consultation and participation process.
2.5. Displaced persons often face serious delays in the land acquisition process due to inquiries that can go on for several days, and the fact that they are conducted by Divisional Secretaries who often do not have experience or are unable to interpret legal documents or decide complicated ownership issues. The minimum time period for the tasks involved in the process of requiring land for public purposes is listed in Table 2.1.

**Table 2.1: Process for Requirement of Land for Public Purpose**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Minimum Period for tasks (weeks)</th>
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<tr>
<td>Acquisition Proposal</td>
<td>Prepare land acquisition proposal</td>
<td>Project Director</td>
<td>02 weeks</td>
</tr>
<tr>
<td>Approval of proposal</td>
<td>Submit to the Head of Department for approval</td>
<td>Project Director</td>
<td>01 week</td>
</tr>
<tr>
<td>Line Ministry Approval</td>
<td>Head of Department submits Proposal with draft gazette notification to Secretary of Line Ministry</td>
<td>Secretary to the Ministry</td>
<td>03 weeks</td>
</tr>
<tr>
<td>Minister’s Approval</td>
<td>Secretary, Line Ministry obtains Minister’s approval</td>
<td>Secretary, Line Ministry</td>
<td>03 weeks</td>
</tr>
<tr>
<td>Publication of intent</td>
<td>Secretary to the Ministry gets the Gazette notification published</td>
<td>Government Printer</td>
<td>06 weeks</td>
</tr>
<tr>
<td>Forward Gazette notification to Lands Ministry</td>
<td>Secretary, Line Ministry submits proposal with the Gazette notification to Secretary, Lands Ministry</td>
<td>Secretary, Line Ministry</td>
<td>04 weeks</td>
</tr>
<tr>
<td>Approval of proposal</td>
<td>Lands Minister approves proposal</td>
<td>Lands Minister</td>
<td>04 weeks</td>
</tr>
</tbody>
</table>

The main elements and the procedure involved in the Land Acquisition Act are outlined in Table 2.2.

**Table 2.2: Procedural steps in the land acquisition process**

<table>
<thead>
<tr>
<th>Section</th>
<th>Aspect</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Minimum period for tasks (weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2</td>
<td>Notice</td>
<td>Secretary, Lands Ministry issues Section 2 notice to the Divisional Secretary specifying the area in which a land is required for a public purpose, and that notice permits authorized personnel to undertake investigations to determine whether the land is suitable for the public purpose.</td>
<td>Secretary, Lands Ministry</td>
<td>03 Weeks</td>
</tr>
<tr>
<td>Section 4 (1)</td>
<td>Publication of Notice</td>
<td>Notice affords an opportunity for</td>
<td>Ministry of Lands</td>
<td>06 weeks</td>
</tr>
<tr>
<td>Sections</td>
<td>Opportunity</td>
<td></td>
<td>Secretary,</td>
<td>12 weeks</td>
</tr>
<tr>
<td>Section</td>
<td>Aspect</td>
<td>Activity</td>
<td>Responsibility</td>
<td>Minimum period for tasks (weeks)</td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
<td>----------</td>
<td>----------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>4 (2) and 4 (4)</td>
<td>for Objections</td>
<td>the owner / occupiers to make written objections to the intended acquisition.</td>
<td>Line Ministry</td>
<td></td>
</tr>
<tr>
<td>Section 5</td>
<td>Declaration published in Government Gazette</td>
<td>Where Minister decides that a particular land should be acquired, he shall make a declaration that is gazetted.</td>
<td>Minister of Lands</td>
<td>05 weeks</td>
</tr>
<tr>
<td>Section 7</td>
<td>Notice to Persons interested</td>
<td>Describes the land and the intention to acquire it and directs any persons with any interest in the land to appear before him on a specified date, time and place and make their claims for such interest and compensation.</td>
<td>Acquiring Officer (Divisional Secretary)</td>
<td>06 weeks</td>
</tr>
<tr>
<td>Section 9</td>
<td>Inquiry into claims for compensation</td>
<td>Inquiries into the respective interests of the claimants, ascertains the market value of the land, the claims for compensation and any other relevant matters provided for in the LAA. At the conclusion of the inquiry, the acquiring officer makes a decision on the claims.</td>
<td>Acquiring Officer</td>
<td>08 weeks</td>
</tr>
<tr>
<td>Section 10 (1)</td>
<td>Reference to Court</td>
<td>Refers the claims with disputes to the District Court or the Primary Court for determination.</td>
<td>District Court / Primary Court</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Sections 10 (3) 10 (4) 10 (5)</td>
<td>Reference to Court</td>
<td>Determines the persons who are entitled for compensation, the total amount of compensation for the acquisition and the apportionment of such amount between several persons with interest in the land.</td>
<td>District Court / Primary Court</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Section 17</td>
<td>Award of acquiring officer</td>
<td>After enquiry, the acquiring officer determines the persons who are entitled to compensation, the total amount of compensation for the acquisition and the apportionment of such amount between several persons with interest in the land.</td>
<td>Acquiring Officer</td>
<td>05 weeks</td>
</tr>
<tr>
<td>Section 22</td>
<td>Right of Appeal</td>
<td>If parties disagree, an appeal lies to the Board of Review.</td>
<td>APs / Board of Review</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Section 28</td>
<td>Appeal to Supreme</td>
<td>Review to the Court of Appeal on questions of law. Legal</td>
<td>Supreme Court</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Section</td>
<td>Aspect</td>
<td>Activity</td>
<td>Responsibility</td>
<td>Minimum period for tasks (weeks)</td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
<td>----------</td>
<td>----------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Court</td>
<td>provisions applicable to the assessment of compensation are included in Part VI of the LAA. After an award is made and compensation paid, the Minister publishes an order under Section 38 of the LAA directing the acquiring officer to take possession of the land.</td>
<td>Acquiring officer</td>
<td>04 weeks</td>
<td></td>
</tr>
<tr>
<td>Section 29</td>
<td>Payment of Compensation</td>
<td>The Acquiring Officer tenders to each person, the amount of compensation allowed to him by that award.</td>
<td>Acquiring officer</td>
<td>04 weeks</td>
</tr>
<tr>
<td>Section 38A</td>
<td>Notice</td>
<td>A notice under Section 38A is gazette. This is a vesting order. The Implementation Agency requests the Land Minister to take over the land.</td>
<td>Minister of Lands</td>
<td>06 weeks</td>
</tr>
<tr>
<td>Section 44 (1)</td>
<td>Vesting of Land</td>
<td>After taking possession of the land, the Divisional Secretary hands over to the respective Government Institutions and issues Section 44 (1) Vesting order.</td>
<td>Divisional Secretary</td>
<td>03 weeks</td>
</tr>
</tbody>
</table>

2.6. Currently the legal framework that governs land acquisition in Sri Lanka is the LAA. However, its provisions are not adequate to address adverse impacts associated with land acquisition and involuntary displacement and do not fully satisfy the requirements of the Bank’s Operational Policy (OP 4.12) on involuntary resettlement. Basically, the law is indifferent to the landowner’s present socio-economic conditions or the long term adverse impacts on incomes and livelihood that the acquisition may cause on the affected people. Some of the salient gaps in the existing legal framework are summarized below.

2.7. The normal land acquisition process from the initial request to acquire land up to the taking over possession and registration of vesting certificates is a long one. The PMU will closely follow up with the concerned authorities to see that the task is completed within the minimum time required. To facilitate the affected persons to restore their livelihoods within a shortest possible time, the payment of compensation and allowances must be effected in a lump sum.

2.8. For the purpose of the assessment of compensation, the market value of a land is generally the amount which the land might be expected to have realized if sold by a willing seller in the open market as a separate entity on the date of publication of the notice in the gazette. Strips of land on canal reservations are assessed as narrow “separate entities” realizing a low market value. For marshy lands and encroached lands the encumbered value is computed realizing a low market assessment. 

2.9. Displaced persons often face serious delays in the land acquisition process due to inquiries that can go on for several days, and the fact that they are conducted by Divisional...
Secretaries who often do not have experience or are unable to interpret legal documents or decide complicated ownership issues complicates matters. There are also issues associated with payment of compensation.

2.10. The law stipulates compensation only for the persons who appear in the land administration records as the owners. It does not recognize the rights of those, such as squatters, who do not possess legal title to the lands they live in or make a living from. There is thus no provision to mitigate the adverse impacts they suffer. One of the inadequacies of the LAA is that the onus to prove ownership or interest in, demonstrate clear title to, gather all information and submit a compensation claim in respect of, land to be acquired, is on the affected party. Often APs are not aware their rights or timeframes to be observed under the LAA, or they are aware but are ill-equipped to deal with the procedures required and are also not experienced in dealing with various officials and documentation. To counter this, the project will be required to assist APs in making their claims under the LAA as part of the consultation and participation process.

2.11. People who are impacted through loss of income are not recognized. The LAA provides for compensation for lands and other fixed assets built and grown on them (structures, trees and orchards and crops). However, there is no provision to assess the impacts on people’s income, livelihood, loss of employment and business for mitigation measures to restore loss of incomes and livelihood.

Reservations on State Lands

2.12. State reservations are provided for in Part VI of the State Lands Act No 13 of 1949. Section 51 stipulates that title to state reservations cannot be acquired by possession or user. Section 53 exempts state from liability to pay compensation for improvements effected on reservations. It states: Subject as hereinafter provided, no person shall be entitled to any compensation from the state in respect of any improvements effected at any time after the commencement of this Ordinance on any State reservation; nor shall any claim for any such compensation be at any time entertained by any court. Section 54 provides for summary ejectment of offenders in unlawful possession of state reservations.

2.13. Section 103 of the State Lands Act provides that no person can by possession or user of land acquire any prescriptive title against the crown if such land is (a) after the commencement of the ordinance declared to be the property of the crown under the Land Settlement Ordinance, or (b) after such date acquired by the crown under the LAA, or (c) after such date resumed by the crown under the Land Resumption Ordinance and has at any time prior to or after the declaration, acquisition or resumption been land marked with boundary marks by or under the authority of the Surveyor General.

Recovery of Possession of State Lands

2.14. The provisions for the recovery of possession of state lands from persons in unauthorized possession or occupation thereof are contained in the State Lands (Recovery of Possession) Act No 7 of 1979. Further Section 10 stipulates that no appeal is maintainable against an order of ejectment by a Magistrate. Section 13 provides for reasonable compensation for the damage sustained by reason of his having been compelled to deliver up possession of such land.

2.15. Chapter VII of the Land Development Ordinance (LDO) sets out the procedure for cancellation of a state land given on a permit or grant for non-compliance of the conditions of permit. Section 106 gives notice to permit holder where there has been a breach of the condition of permit. Section 109 makes provision for order cancelling permit if permit holder fails to appear. Section 110 lays down the procedure where permit holder appears and shows
cause. Section 112 prescribes the order of Government Agent to be served on the permit holder and to be posted on land. S.113 provides for an appeal to the Land Commissioner.

2.16. The procedure for ejectment of a person in occupation of a grant of a holding of a state land is spelt out in Chapter IX of the Land Development Ordinance. Section 168 of the LDO stipulates the offences in regard to state land. It says that if any person without the permission of the Government Agent clears or breaks up for cultivation any state land or erects any building or structure on any state land, fells any trees standing on such land or otherwise encroaches on such land is guilty of an offence and subject to fine and imprisonment. Thus, the rights of a mala fide possessor are not recognized for compensation for improvement under the laws of Sri Lanka.

Law of Prescription

2.17. Can a person acquire prescriptive title to state land in Sri Lanka? Section 15 of the Prescription Ordinance enacts ‘nothing herein contained shall affect the rights of the crown (state)’. Thus prescription does not run against the state. Acquisitive prescription is a MOD & UD of acquiring ownership of immoveable property. Prescription Ordinance No 22 of 1871 made express provision with respect to the means by which a person may acquire the ownership of a block of land through the peaceable and uninterrupted possession of it for a period of ten years. Section 3 of the Ordinance provides as follows:

“Proof of the undisturbed and uninterrupted possession by a defendant in any action, or by those under whom he claims, of lands or immoveable property, by a title adverse to or independent of that of the claimant or plaintiff for ten years previous to the bringing of such action, shall entitle the defendant to a decree in his favour with costs.”

2.18. Prescriptive title to chena (slash and burn) lands cannot be set up against the state, the reason being that section 7 of the Crown Lands Encroachment Ordinance created a presumption that all waste lands, forests, unoccupied and uncultivated lands belonged to the state (then crown) until the contrary was proved. In the case of such lands, this could only be done by the production of sanassasor grant by proof that customary taxes for services were rendered to the crown or other persons as in the case of similar lands held by private proprietors.

Law of Compensation for Improvements

2.19. A person who enjoys possession can be either bona fide or mala fide. A mala fide possessor is one who knows that the land is not his property and that his possession is unlawful. Most of the dwellers around the canal reservations and Beira Lake reservation are accordingly mala fide possessors. The rights and remedies of a mala fide possessor in respect of improvements differ from that of a bona fide possessor. The general rule is that a mala fide possessor is not entitled to compensation for useful improvements. Thus Sri Lanka’s laws such as the Land Development Ordinance do not recognize the right to compensation for improvements done by a mala fide possessor or occupier of a state reservation.

Environmental Impact Assessment

2.20. The National Environmental Act (NEA) was introduced in 1980 as an umbrella legislation that provides a holistic framework for the protection and improvement of the environment. The 1988 Amendment vested the CEA with the legal authority to protect, manage and enhance the environment, and specifically to control pollution. CEA has introduced an environmental licensing scheme aimed at all polluting projects and helped establish pollution mitigation regulations (1990) and a statutory requirement for EIAs. The Act requires environmental clearances to be sought for specific types of new projects.

2.21. The Environmental Impact Assessment (EIA) requires that development projects be screened for their potential impacts. Legal provision for EIA in Sri Lanka was first included in the Coast Conservation Act No 57 of 1981. These provisions were restricted to the coastal zone. EIA was mandated island wide by the 1988 amendments to the National
Environmental Act and the CEA was assigned regulatory functions. Accordingly, the EIA process in Sri Lanka applies only to “prescribed projects”, which have been published in the gazette under section 23 Z of the NEA. This order lists two groups of projects that require an IEE/EIA before they can be implemented. Part IVC of the amendment Act of 1988 mandated that CEA require “prescribed” development project proposals to be subjected to EIA, where adverse and beneficial impacts of the proposed projects on the environment would be identified together with measures to minimize such adverse impacts. Based on the screening full (EIA), partial (IEE), or no environmental assessment may be required.

2.22. National Environment Act No 47 of 1980 as amended in 1988 also refers to involuntary resettlement. The Minister has by gazette notifications 772/22 published on 24 June 1993 and No 859/14 of 23.02.1995 determined the types of projects for which an environmental impact assessment is required under Part IV (c) of the Act. The prescribed project schedule requiring EIA includes item 12, which refers to “… involuntary resettlement exceeding 100 families, other than resettlement resulting from emergency situations”. The Minister by order published in the gazette has specified the projects and undertakings in respect of which approval should be obtained from the PAAs. Typically, the Project Approving Agency (PAA) is also the project proponent. The PAA is required to prepare an IEE or EIA according to CEA guidelines.

Regulatory Role of Relevant Agencies

2.23. Project management arrangements reflect the present Government administrative structures that impact on the sub-project activities.

Urban Development Authority

2.24. The principal activity of the UDA is to promote and regulate the integrated planning and physical development, having regard to the amenities and services provided to the community, prepare development plans for such development areas. Further, it formulates and implements urban land use policies and development of environmental standards and implementation of such schemes. Part V of the Urban Development Authority Law, No 41 of 1978 lays down the provisions relating to acquisition of immoveable property.

2.25. Section 15 stipulates that where the Minister certifies that any land vested in a local authority is required by the UDA, the Minister may by Order published in the Gazette vest such land in the UDA. Where any land is declared as a development area that land is deemed to be required for a public purpose and may be acquired under the Land Acquisition Act by the Government. Lands declared for a development area is paid the market value for the purpose of determining the amount of compensation (section 16 (2).

2.26. Urban Development Projects (Special Provisions) Act No 2 of 1980 provides for the declaration of lands urgently required for carrying out urban development projects. The President may by Order published in the Gazette declare a land required for implementing an urgent urban development (section 2). Section 3 restricts the remedies available to an aggrieved party by such acquisition such as injunctions, enjoining order or a stay order to restrain the acquisition of such land. Under section 7 of the Act, the Government can take possession of such land in respect of which an Order has been made under section 2 under the provisions of the State Lands (Recovery of Possession) Act No 7 of 1979 without waiting for its acquisition under the Land Acquisition Act. This act enables the UDA to take speedy possession of a private land required for urban development projects where the affected persons are denied the legal rights in a court of law to restrain acquisition procedure.

Sri Lanka Land Reclamation and Development Corporation
2.27. The Corporation is the authority responsible for the maintenance of canals in Colombo and in any area declared. The Colombo District Low-lying Areas Reclamation and Development Board was established in 1968 by Act No. 15 of 1968 with the twin objectives of reclaiming and developing marshy and low-lying areas declared under Section 2 of the Act No. 15 of 1968 and to retain the custody, management and control of such vested lands. In 1979, the activities of the organization which had been limited to the Colombo District since its inception, extended beyond Colombo District extending the benefits of planned reclamation to the whole island. The organization was re-designated as “Sri Lanka Land Reclamation and Development Corporation” with the amending Act No. 52 of 1982 to the Colombo District (Low Lying Areas) Reclamation and Development Board Act No. 15 of 1968, and the scope of activities was extended to include construction work and consultancy services in the field of engineering.

2.28. As per the recent amendment by Act No.35 of 2006 the Corporation is empowered to take legal action against unauthorized reclamation activities and pollution of water bodies. The penal provisions are incorporated under Sections 20C and 22A. The amendments to the Principal Act by Act No.35 of 2006 are:

a) To have the custody, management, improvement, maintenance and control of canals and prevention of pollution of canals.

b) To prohibit filling or developing any area of land declared to be a Reclamation and Development Area under section 2 and 2b of the Act, without the written approval of the Corporation.

c) To declare any area of land other than an area declared to be a Reclamation and Development Area under section 2, as a low lying marshy, waste or swampy area.

d) To declare any area of land on a canal bank as a “Canal Reservation” and prohibiting the construction of buildings or structures in such area without the written approval of the Corporation.

e)

2.29. The strengths of the Corporation include:

a) The powers vested with the Corporation by the act of Parliament to acquire, reclaim and develop lands in any part of Sri Lanka and to engage in diversified activities.

b) The availability of expertise knowledge and machinery for land development, storm water drainage designing, civil engineering construction, inland dredging, fabrication work and environmental studies.

c) The achievement of ICTAD – M1 registration enabling the Corporation to engage in construction projects with unlimited value.

d) Ability to take legal action against unauthorized reclamation & development of areas and canal reservations declared under the act.

2.30. The Agency’s opportunities include:

a) The increasing demand for buildable lands by different users.

b) The emerging demand for recreational facilities in and around water bodies.

c) The increasing demand for inland dredging where the Corporation has a monopoly.
d) Supply of sea sand to the construction industry by dredging off – shore sand due to environmental hazards caused by sand mining in the rivers.

e) Creation of land by sea reclamation

2.31. SLLRDC has been engaged in design of drainage plans for marshy lands and structural designs for multi storied buildings and hydraulic structures for the last 40 years. SLLRDC has acquired specialized knowledge on hydrology and hydraulics required for design and analysis of storm water drainage systems in Sri Lanka.

2.32. A step was taken to demarcate canal reservations by an order by the Minister under Section 4 (a) 1 of the Sri Lanka Land Reclamation and Development Corporation Act No 15 of 1968 as amended by Act No 52 of 1982 and Act No 35 of 2006. It declares the surface width for all canal, sub canal and feeder canals as reservation areas required from the bank within the Western Province. The Table 2.3 specifies the limits in gazette No 1662/17 of 14 July 2010.

2.33. In case where lengths declared by the Urban Development Authority, Irrigation Department, Central Environment Authority, Agrarian Services Department and Local Government Institutions regarding the reservations mentioned below exceed the lengths given in this statement, the lengths declared by the said institutions shall be accepted.

Table 2.3: Width of Canal Reservations

<table>
<thead>
<tr>
<th>Surface width of the canal (meters)</th>
<th>Reservation from the canal bank (meters)</th>
<th>For open canals (meters)</th>
<th>For surface covered canals (meters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 - 1.2</td>
<td></td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>1.3 - 3.0</td>
<td></td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>3.1 - 4.5</td>
<td></td>
<td>2.75</td>
<td>1.0</td>
</tr>
<tr>
<td>4.6 - 6.0</td>
<td></td>
<td>3.5</td>
<td>1.5</td>
</tr>
<tr>
<td>6.1 - 9.0</td>
<td></td>
<td>4.5</td>
<td>1.5</td>
</tr>
<tr>
<td>More than 9.0</td>
<td></td>
<td>6.5</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Source: Government Gazette Extraordinary No. 1662/17, July 14, 2010

Local Government Institutions

2.34. Section 97 of the Municipal Councils Ordinance No 29 of 1947 empowers a Municipality to construct through or under any enclosed or other land, alter or extend such public mains or other drains, sewers and water courses necessary for the effectual draining of the municipal area. Section 100 authorizes an MC to cause all public drains, culverts, gutters and watercourses to be so constructed and maintained and kept as not to be a nuisance or injurious to health and to be properly cleaned and emptied. Any person who fills up or obstructs with the free flow in, any public drain is liable for conviction. (Section 102). No person is permitted to erect any building over any public drain, culvert, gutter or watercourses without the written consent of the Council. (Section 104 (4)).

2.35. Sections 104 to 109 of the Urban Councils Ordinance No 61 of 1939 incorporate provisions with respect to drainage within the area of its authority. Section 104 authorizes an Urban Council to layout, make, alter or extend any drain for effectual draining of any area within the town. Section 105 empowers it to maintain, repair, enlarge or alter any public drains, culverts, gutters and water courses so that no nuisance is created by such act. No new building can be erected over any public drain, culvert or water course which further prohibits the obstruction and building over drains.

National Policy on Involuntary Resettlement
2.36. The policy framework governing the above matters with respect to the MCUDP is contained in the following instruments:

a) National Involuntary Resettlement Policy (NIRP)

2.37. In Sri Lanka, the LAA only provides for compensation for land, structures and crops. It does not require project executing agencies to address key resettlement issues such as exploring alternative project options that avoid or minimize impacts on people, compensating those who do not have title to, but are currently using and dependent on, land, or implementation of income restoration measures aimed at the social and economic rehabilitation of displaced persons. It does not deal adequately with the impacts on those occupiers of lands who are not legal owners but whose lands are taken over for development purposes.

2.38. To ensure that displaced persons are treated in a fair and equitable manner, and to particularly ensure that people are not impoverished or suffer unduly as a result of public or private project implementation Sri Lanka has adopted a national policy to protect the rights of all people affected by development projects. To remedy the current gaps in the LAA in addressing key resettlement issues, the Cabinet of Ministers approved on 16 May 2001, the National Policy on Involuntary Resettlement and enunciated its adoption to all development induced resettlement. The Ministry of Lands has the institutional responsibility for implementing the NIRP. The newly adopted policy, principled on human and ethical considerations entails the payment of resettlement value (replacement cost) and arranges for their resettlement and where necessary even their rehabilitation. The Sri Lanka National Involuntary Resettlement Policy (NIRP) is given in Appendix III.

2.39. Resettlement can have a number of adverse social and cultural effects and impacts including:

- Impoverishment of displaced persons due to homelessness and landlessness,
- Joblessness
- Economic marginalization
- Increased morbidity
- Food insecurity
- Lack of access to common property and public services
- Disruption of existing community networks.

2.40. The NIRP seeks to:

a) Avoid, minimize and mitigate negative impacts of involuntary resettlement by facilitating the reestablishment the affected people on a productive and self-sustaining basis. The policy should also facilitate the development of the APs and the project;
b) Ensure that APs are fully and promptly compensated and successfully resettled. The livelihoods of any and all displaced persons should be re-established and their standard of living improved;

c) Ensure that no impoverishment of people shall result as a consequence of compulsory land acquisition for development purposes by the state;

d) Assist APs in dealing with the psychological, cultural, social and other stresses caused by compulsory land acquisition;

e) Make all APs aware of processes available for the redress of grievances that are easily accessible and immediately responsive, and

f) Have in place a consultative, transparent and accountable involuntary resettlement process with a time frame agreed to by the project executing agency and APs.

2.41. It is envisaged that NIRP enables the establishment of a framework for planning and implementation of the MCUDP. It should ensure that project affected persons are adequately compensated, relocated and rehabilitated. Accordingly, the GOSL has directed that the scope of NIRP applies to all development induced land acquisition, or recovery of possession, by the state. The NIRP requires that a comprehensive resettlement action plan be prepared where twenty or more families are affected. Even for instances where less than 20 families are affected, the NIRP still requires a plan which may be prepared in less detail. The policy applies to all projects regardless of the source of funding.

World Bank Social Safeguard Policies Applicable to the Project

2.42. The SMF seeks to sustain a due diligence process, to avoid exacerbating social tensions and to guarantee unfailing treatment of social issues across all development interventions. All projects funded by World Bank must comply with the Bank’s social safeguards. OP 4.12 Involuntary Resettlement is one of the most important safeguards guiding land acquisition and related resettlement /compensation issues during project implementation. It assists the Project Partner Agencies in screening the sub-projects for social impacts in conformity with applicable laws and regulations and the Bank’s safeguard policies. In order to eliminate or reduce the adverse effects of developmental projects, the World Bank has ten safeguard policies.

1. BP/OP 4.01: Environmental Assessment
2. BP/OP 4.12: Involuntary Resettlement
3. OP 4.04, BP 4.04: Natural Habitats
4. OP 4.09: Pest Management
5. OPN 11.03: Cultural Property
6. OD 4.20: Indigenous Peoples
7. OP 4.36, BP 4.36: Forestry
8. OP 4.37, BP 4.37: Safety of Dams
9. OP 7.50, BP 7.50: Projects on International Waters
10. OP 7.60, BP 7.60: Projects in Disputed Areas

2.43. The World Bank’s safeguard policies, ten of them, are meant to ensure that operations of the Bank do not cause harm or lead to adverse impacts. The following four out of the ten are relevant for the MCUDP:

- OP 4.01: Environmental Assessment
- OPN 11.03: Cultural Property
- OP 4.04, BP 4.04: Natural Habitats

2.44. The basic resettlement policies and principles to be followed by this project are spelt out in the World Bank operational manual OP 4.12 on involuntary resettlement. (December 2001) MCUDP potentially triggers two of the above policies, namely, environmental assessment and involuntary resettlement. Involuntary displacement occurs when the decision of moving is imposed by an external agent and when there is no possibility to stay. Involuntary displacement can be caused by environmental degradation, natural disasters, conflicts or development projects. It is associated with loss of housing, shelter, income, land, livelihoods, assets, access to resources and services, among others. Resettlement is a process to assist the displaced persons to replace their housing, assets, livelihoods, land, access to resources and services and to restore their socioeconomic and cultural conditions.

2.45 Indigenous People: Indigenous people refer to a population with social, cultural, economic and political traditions and institutions distinct from the dominant society or culture. The Vedda community in Sri Lanka maintains cultural, social and linguistic identities different from that of the dominant society and as such are considered indigenous people. They wish to preserve their identity and seldom participate in the development processes. However, the World Bank’s ‘Indigenous People’ safeguard policy is not triggered in the MCUDP, as the Vedda community is not located in the project area.
Involuntary Resettlement covers situations where a project must compensate people for loss of land, other assets, livelihood, or standard of living. The MCUDP may not require any major acquisition of private lands. However, it involves the recovery of possession of state lands which form canal embankments and reservations. Most MCUDP sub-projects may adversely affect the assets of people occupying these strips of land. In these situations, the involuntary resettlement safeguard policy could be triggered.

Bank policy states that a Resettlement Policy Framework should be prepared for projects of this nature where the sub-projects could potentially have a negative effect on people’s assets and livelihoods. This framework sets out the principles, organizational arrangements and design criteria for providing any compensation or other assistance that becomes necessary in the course of implementing sub-projects. The MCUDP Resettlement Policy Framework is being prepared and disclosed as a separate document. A template for such a Plan is included in Appendix III.

The WB’s operational policies seek to avoid where feasible or minimize involuntary resettlement, exploring all viable alternative project designs. Resettlement planning has the objectives of providing displaced persons with a standard of living equal to, if not better than, their pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. The required measures to address the impacts resulting from involuntary taking of land a resettlement policy framework is required to ensure that the displaced persons are informed about their options and rights pertaining to resettlement; consulted on and provided with technically and economically feasible resettlement alternatives and provided compensation at full replacement cost. Where the impacts include physical relocation the resettlement policy framework includes measures to ensure that the displaced persons are provided moving allowances and provided with residential housing.

The World Bank involuntary resettlement policy states that project planning must avoid and minimize involuntary resettlement, and that if people lose their homes or livelihoods as a result of Bank-financed projects, they should have their standard of living improved, or at least restored. The policy was designed to address the plight of millions of people around the world whose homes are destroyed or whose livelihoods are adversely affected as a result of Bank-financed projects. Where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, an abbreviated resettlement plan may be agreed with the borrower. Impacts are considered “minor” if the affected people are not physically displaced and less than 10 per cent of their productive assets are lost.

Most of the development interventions take place in critical natural habitats such as, Wetlands, Sanctuaries, Lakes, flood retention areas and the coastal zone. It is imperative to implement environmentally and socially sound options for disposal of canal dredging material and construction debris during maintenance and construction activities. (A separate environmental assessment report is being done by another group of consultants and hence will not form a part of this report.)
2.51. OP 4.11: Cultural Property: According to the Bank, the term "cultural property" includes sites having archeological (prehistoric), paleontological, historical, religious, and unique natural values. The World Bank’s general policy regarding cultural properties is to assist in their preservation, and to seek to avoid their elimination. Specifically, the Bank normally declines to finance projects that will significantly damage non-replicable cultural property, and will assist only those projects that are sited or designed so as to prevent such damage. The development interventions along lake and canal banks may pose a minimal risk of damaging cultural property such as religious buildings located fully or partly on the reservations. The MCUDP will avoid any demolition of such property by alternate designs.

2.52. OP 4.04, BP 4.04: Natural Habitats: The construction of new settlements for displaced persons will require a large extent of land. The MCUDP will avoid using the available natural habitats such as forest and wildlife reserves and sanctuaries for this purpose. For instance, the minimum buildings required for the Information Centre, bird watching towers and viewing desks at the Beddagana Biodiversity Park are designed to be constructed on stilts to keep full use of the wetlands.

CHAPTER 03

Situational Analysis and Potential Social Impacts
3.1. The List of Sub-project activities identified for development in two phases under MCUDP amount to 126 of which 71 sub-project activities are expected to be implemented during Phase I. The six project partner agencies SLLRDC, UDA, SJKMC, DMMC, CMC and Kolonnawa UC will implement these sub-project activities under the direction of the PMU which functions under the MOD & UD.

Situational Analysis

3.2. Out of the 71 sub-project activities identified for Phase I, none will involve any involuntary resettlement impacts. Some sub-projects that will generate relocation needs for the implementation of the proposed development have been scheduled to be implemented in Stage-II after adequate social impact assessment and mitigation planning. Discussed below are a few sample sub-projects to provide a picture of the nature and scope of IR impacts that the Project will have in the Stage-II.

Beira Lake

3.3. Beira Lake dredging, restoration of embankments and development of Linear Park will require relocation of families under involuntary resettlement policies. The sample survey carried out by the project preparation team have identified 165 households as potential numbers affected, of which 133 households and 4 business units are identified as fully affected which require resettlement facilities. The partly affected 28 households also may have significant impacts as these are temporary structures.

Secondary Canals

3.4. The other subprojects which have potential relocation impacts are improvements to secondary canals. The Consultants visited all four secondary canals and identified Sri Wickrama Canal and Sarana Mawatha Canal to have potential resettlement impacts while Poorwarama Canal will have minor impacts in the process of improvements. Sethsiripaya Canal may require one informal sector temporary unit to be slightly shifted to make the improvements considering the required reservation areas from the canal bank. She is one Mrs Chulawathi running this informal sector unit for several years, but agreed to shift the temporary unit when required.

3.5. Sri Wickrama Canal is covered with water plants and filled with sand. It is not possible to identify the canal presently as some temporary housing units have been constructed. There are 79 residential units and business units identified as potential structures which will affect as a result of improvements to this canal in which 47 households and 2 business units may require to
resettle, as fully affected structures.

3.6. Sarana Mawatha Canal improvements also will have potential resettlement impacts for 8 households. Majority of them are casual labourers living in extremely substandard housing conditions. There are also 13 partly affected households, who have encroached the canal reservation, but among them, five households belong to the upper class of Colombo, living in large houses. They have erected their parapet walls without leaving any reservations to the canal banks.

3.7. Poorwarama Canal (Colombage Mawatha) improvements will have potential slight impacts to 11 households. Among them, 5 households will have side effects and 6 units may need to remove their parapet walls.

Embankment Protection and Demarcation of Reservations

3.8. This activity which will be carried out in four main canal areas will generate significant impacts to the population living along the reservations. A large number of families are residing along St. Sebastian’s Canal and they have erected structures encroaching the standard reservation lands stipulated by the SLLRDC. Wellawatte and Dehiwela Canal
banks have been encroached by the residents living around. It was observed that embankments of Wellawatte and Dehiwela canals are fairly maintained in most of the parts, but in Kolonnawa Canals, these embankments are not satisfactorily maintained as there are encroachments.

![Colombo Canal System](image)

**3.9.** If Wadugodawatha Ela and Kambikotuwa Ela are included for Kolonnawa Canals, a large number of families may have serious impacts as a large number of units are located on the embankments. There are nearly 50 units located on Wadugodawatha embankments in which it may need to resettle at least 50% of them in restoring embankments.

**Localized Flood Issues**

**3.10.** Encroachments to Norris Canal have created serious flooding issues to the Colombo City. The SLLRDC and CMC are engaged in designing a viable solution. There are 12 units constructed encroaching the canal and covering the canal by concrete works. Unless these families are resettled, development activities cannot be preceded. As discussed with these
families, if they are provided with housing in the vicinity, they are willing to resettle. Involuntary resettlement policies need to be carried out in consultation with the families.

**Social Screening**

3.11. During the initial social examination conducted in the sub-project areas, the Consultants understood that resettlement or demolition of residential and business units are confined to several project activities and a large number of project activities identified for Stage I are generating only minor impacts. The Social Screening process conducted for Stage I also confirms this. Accordingly, out of 71 project activities identified to be implemented on Phase I, potential resettlement requirements will be needed for only four project activities and 67 project activities are having only minor impacts which can be meaningfully managed with the assistance of the PMU, project partner agencies and other stakeholders in accordance with safeguard policies and principles. The social screening form is given as Annex IV. The site conditions, potential social impacts and resettlement effects as a result of implementation and assessment of the project and categorization depending on the nature of impacts and number of affected persons need to be done in social screening process as indicated in the social screening checklist form.

3.12. Mitigation measures for all impacts would be provided in accordance with the NIRP and World Bank Safeguard policies. In order to ensure that all sub-projects require land regularization or acquisition of lands, making any restrictions to community and cultural properties and affecting livelihood of the people, it is required to complete the social screening process and keep the records in project documents for any review by the World Bank.

3.13. The Social Screening process is the first step to be followed in the Social Management Framework process. This process will rapidly identify those sub-projects which have little or no social issues, so that the projects having less social impacts can be moved for early implementation.

**Identification of Potential Impacts**

3.14. The sample surveys carried out in three different settlements which require involuntary resettlement indicate the nature of the population living in these settlements, what they are doing for their living and what they are likely to lose due to development of these proposed sub-projects, are some of the important areas that need to be identified in the process of identification of impacts.

**Potential Negative Social Impacts**

3.15. Beira Lake Sample Survey of the settlement clearly highlights that according to the employment pattern, a majority of the household heads is engaged in the informal sector, and their livelihood is closely related to with the city economy. Accordingly, their present location is the most important factor to earn their living. Location advantage, therefore, is a prime need and losing the location is a severe impact to this community.
3.16. The sample survey of the other two settlements located on the canal banks of Sri Vickrama Canal and the Sarana Mawatha Canal also confirm the locational advantage as the settlers in both of these settlements are finding their livelihood from the informal sector of Colombo. When they were asked to comment on the nature of seriousness of their impacts according to their priority resulting from this proposed development, over 80% of Beira Lake affected household heads have answered as losing the house and partial damage to the house, as most significant impacts. This location advantage also denotes the accessibility to schooling, health facilities, and marketing too.

3.17. This Project will not have major land acquisition impacts, especially there shall be no LA or IR impacts in Stage-I, but regularization process of State Lands for project development will generate potential resettlement impacts for the affected persons located in canal banks. 161 households living within 6.5 meters from the bank around Beira Lake and canals may be subject to involuntary resettlement. Approximately 99% of the Beira Lake residents mentioned that they like to leave their unhealthy environment, but losing the houses they lived for many years hurt them very much. These activities will be taken up in Stage-II.

3.18. Dislocation of houses which lived together for many years and shared resources is an impact among the settlers. A significant feature among Beira Lake and other two communities, is irrespective of race, religion and culture, they have many common relationships. They share resources, food and many things. This resettlement process will dislocate these cherished relationships.

3.19. Dislocation of social and ethnic groups’ maybe a potential impact among the residents subject to involuntary resettlement. There are social / ethnic groups living in adjoining houses as one community group on shared customs, obligations, religious beliefs and other elements which made a social or ethnic group distinct.

3.20. During the Social Survey it was observed that in some houses the Chief Occupant had gone out for their livelihoods and the adjoining houses were looking after their children. If all such families are not considered to live together in new resettlement sites as one cluster, their social and personal ties will break.

3.21. Loss of community living maybe a potential impact for most of the elderly population who lived many years in these locations at the Beira Lake Settlement. There are families who possess a long period of stay in these settlements and they may suffer from greater health and psychological impacts than the other groups as a result of community dislocation.

3.22. Presently, in most of these settlements, residents enjoy free water in common gardens. Garden taps and common sanitation facilities have been provided. They do not pay any rates or taxes to the CMC, but once they are resettled in formal housing, they will be subjected to pay for all these services. Water, electricity, maintenance and payment of rates will be mandatory. Therefore, losing these free services maybe a potential impact.

3.23. It is observed that both husband and wife are engaged in some livelihood activity to supplement the home budgets. Most of the women engage in ad-hoc work in the city homes and earn their living for the family. Whether such opportunities will be available in the newly relocated areas is doubtful. This also maybe a potential negative impact of the residents subject to involuntary resettlement.
3.24. There are several NGOs working in these settlements providing various services. These NGOs will lose their services after resettling them in formal housing in a different area. In addition, there are close relationships with political authorities built over a long period of time by the residents of these settlements. These are strongholds of many of them. Their shifting from these locations will badly affect their political agendas. The settlement planners always face the objections of the politicians when they are going to be resettled in other locations.

*Potential Positive Social Impacts*

3.25. The most significant positive impact of this resettlement exercise is that the residents who live in marginal lands presently identified as squatters or illegal occupants of the City will become house owners, who own houses of 400 sft carpet area worth over Rs 2.5 million each. In other words, they will not be treated as underserved settlers. This will be a drastic change of their lifestyles. They will not only be residentially stable, but also be motivated to contribute productively to the City economy. Separate residential facilities and amenities in these formal housing, will enhance their quality of life. They will have the opportunity to live in a healthier environment. Their feeling of insecurity (as squatters) will disappear and they will face life in a more organized and planned manner.

3.26. Social recognition to them will be another motivating factor, particularly in obtaining permanent addresses that make more comfortable in getting access to their children’s education. The younger generation will also benefit more from the new lifestyles in a formal housing environment. One of the serious drawbacks they have as illegal occupants is that their status is not recognized by the banking system to obtain loans, even though they have the ability to pay. But with this acquisition of ownership to a house, the banks will encourage executing loan facilities and that will enhance their credit-worthiness.

3.27. Besides everything, the MCUDP contributes to upgrading the living standards of the settlers in underserved settlements. This process not only provides formal housing and empowers, then economically and socially, but also upgrades the environment of the city and makes Colombo an amiable city where the residents could live in a healthier environment.

3.28. The Government has assured that these settlers will be relocated within Colombo under the MCUDP and the construction work of the resettlement sites have commenced. These resettlement sites are not far from the locations where they presently stay. The resettlement will be around maximum 3 – 4 kms from the present locations, and the project has considered their locational advantages. The present regulations generally consider a 3 km radius in admitting children to schools as one of the criteria. Like any other children travelling 3 – 4 kms to their schools, the relocated children too can travel this distance. Hence, schooling for children from the new resettled locations will not be an issue and most of the children may continue to attend the same school.

3.29. As the relocation will take place within Colombo, hardly anyone will lose the present employment that they are engaged in. Many of them who are contributors to the informal sector will continue in their present functions. The travel time between the new resettlement areas and places of employment will be within half an hour of travel time. As such, the probability of losing employment by the potential relocated persons will be very remote and marginal. Some self-employed persons such as providing processed food to the presently
residing locations may lose their market temporarily. But they may be able to recapture their activities in a better way as they are going to be resettled in large housing complexes where marketing and business opportunities will emerge with the influx of a large number of families. They will also continue to enjoy health facilities presently provided by Colombo hospitals.

3.30. In addition, welfare measures such as Samurdhi and other assistance packages will not be curtailed from the residents who are presently receiving them, as a result of their relocation. They will continue to receive such assistance. Having considered this background; the resettlement programme will empower them in a much more rate than they are presently thinking. Training for youth, capacity building programmes planned under the involuntary resettlement process planned will make a drastic change of their socio-economic and living environment and quality of life will be enhanced in the formal housing environment, which would ultimately result in contributing to poverty alleviation.

Table 3.1: Guidelines for Screening Social Impacts

<table>
<thead>
<tr>
<th>Project</th>
<th>Sub Project and Type of Activities</th>
<th>Potential Impacts and Social Concerns</th>
<th>Typical Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCUDP</td>
<td>Improvement of main canals and lakes</td>
<td>• Loss of public buildings, houses, business units and other structures • Loss of access to livelihoods • Loss of access to common property resources • Impacts to non-title holders on public land • Loss of integration with host communities • Dislocation of groups (ethnic) living together • Loss of community living • Loss of locational advantage</td>
<td>• Rehabilitation and resettlement assistance • Resettlement in planned housing, free of flooding • Assistance for temporary loss of lands and crops • Participatory approach during preparation of mitigation plans including disclosure and annotation • Non-title holders will be house owners. • Measures to integrate with host communities • Identify the requirements of APs and to accommodate them as far as possible in the new relocation sites • Consultation process will help identify the requirements • Capacity building and training for income generating activities</td>
</tr>
</tbody>
</table>

Table 3.1: Guidelines for Screening Social Impacts

Example of a table to show guidelines for screening social impacts.
<table>
<thead>
<tr>
<th>Project</th>
<th>Sub Project and Type of Activities</th>
<th>Potential Impacts and Social Concerns</th>
<th>Typical Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• Loss of free access to basic utility services such as public stand posts for water</td>
<td>• Improved living standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Disturbance to community population and neighbouring residential communities</td>
<td>• Project intervention will mitigate the negative impacts.</td>
</tr>
<tr>
<td>Improvement of secondary canals</td>
<td></td>
<td>• Loss of structures</td>
<td>• Resettlement and rehabilitation assistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Damages to standing crops</td>
<td>• Assistance for temporary loss of lands and crops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Loss of community living</td>
<td>• Disclosure and consultation during preparation of mitigation plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Loss of mutual neighborhood assistance</td>
<td>• Resettlement in planned housing, not prone to floods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Loss of locational advantage for livelihood</td>
<td>• As far as possible, accommodate the requirements of the neighborhood families in the relocation sites</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Loss of free access to basic public utilities</td>
<td>• Generating livelihood opportunities in the new location sites by means of the provision of social infrastructure by the PPAs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Loss of usufructuary rights</td>
<td>• Capacity building for livelihoods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Impacts to non-title holders on public land</td>
<td>• Non-title holders will be home owners</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Lack of integration with host communities</td>
<td>• Measures to integrate with host populations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Disturbance to communities and population in the vicinity.</td>
<td>• Project intervention helps mitigate the negative impacts.</td>
</tr>
<tr>
<td>Improvement of storm water drainage</td>
<td></td>
<td>• Partial damage to housing and other structures</td>
<td>• Improve storm water drainage along 11 CMC identified locations</td>
</tr>
</tbody>
</table>
### CHAPTER 04

Social Management and Mitigation Measures

#### Involuntary Resettlement

4.1. Involuntary Resettlement Policy is one of the safeguard policies to be followed in development projects where relocation of people is involved. The World Bank Operational Policy 4.12 describes the objectives and guidelines to be followed in situations involving involuntary taking over of lands for development projects where World Bank assistance are expected. This policy also covers direct economic and social impacts that both resulting Bank assisted investment projects and we are caused by involuntary taking over of land resulting relocation or loss of shelter, loss of assets or access to assets and loss of income sources or means of livelihood. These policies also aim to avoid involuntary resettlement to the extent feasible or minimize and mitigate the adverse social and economic impacts. Further, the World Bank policies promote the participation of the displaced people in resettlement planning and implementation. The key objectives in the policy are to assist the displaced persons in their efforts to improve or at least restore their income and standard of living after displacement. Close consultation of the affected population and suitable mitigation measures need to be taken for the potential negative impacts generating as a result of development, according to these policy guidelines. The policy also specify the importance of giving attention to potential negative impacts of ethnic, gender and other vulnerable group issues.

4.2. The WB policies also require grievance redress mechanisms, monitoring and evaluation and capacity building of the stakeholder agencies are followed in the Involuntary Resettlement Policy effectively.

4.3. The National Involuntary Resettlement Policy (NIRP) guidelines which is also explained before has similar approach specially pertaining to non-title holders losing their lands and

<table>
<thead>
<tr>
<th>Project</th>
<th>Sub Project and Type of Activities</th>
<th>Potential Impacts and Social Concerns</th>
<th>Typical Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Tertiary canals)</td>
<td></td>
<td>• Commuters and resident population in the vicinity are affected by flooding of roads&lt;br&gt;• Flooding of KimbulaEla area affects the dwellings of nearly 5000 people where houses go under 3 feet of water.</td>
<td>identified locations&lt;br&gt;• Improved drainage by improvement to roadside drains will remove obstructions to mobility&lt;br&gt;• Improved drainage will enhance public health of the residents&lt;br&gt;Improvement to Kimbul Ela flow prevents flooding of KimbulaEla settlement.</td>
</tr>
</tbody>
</table>
shelter presently occupied but which are not addressed by the Land Acquisition Act (LAA) in payment of compensation. The Government of Sri Lanka adopted this policy to ensure that affected persons by development projects are treated in a fair and equitable manner and to ensure that they are not impoverished in the development process.

4.4. The Involuntary Resettlement Policy of the World Bank is the most effective and relevant safeguard measure to be applied in the MCUDP in planning and development. Elaborated Involuntary Resettlement Policy of the World Bank and NIRP Policy are given in Annex III. Among the other safeguard only physical cultural resources screening is relevant to this MCUDP. In this regard the project will investigate and provide an inventory of cultural resources that are potentially affects, and take mitigation steps to relieve the affected parties in the involuntary resettlement implementation process. Table 4.1 below provides a general guideline for determining the type of Social Safeguard documents required according to the number of affected persons and the degree of social and economic impacts.

**Table 4.1: The Type of Social Safeguard Documents required preparing for the Project**

<table>
<thead>
<tr>
<th>Coverage of Negative Social Impacts</th>
<th>Type of Documents Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. For investments of sub projects which will result in affecting less than 200 people, but not physically displaced and less than 10% of their productive assets are lost. (WB – OP 4.12)</td>
<td>Abbreviated RAP is Required</td>
</tr>
<tr>
<td>Abbreviated RAP is Required Outline of an abbreviated Resettlement Action Plan is provided in Appendix V.</td>
<td></td>
</tr>
<tr>
<td>2. Investment in sub projects of the MCUDP that may result in more significant impacts, displacement of more than 200 people, and more than 10% of their productive assets are lost. (WB – OP 4.12)</td>
<td>RAP is required to be prepared. Outline of the Resettlement Action Plan (RAP) is shown at Appendix VI. Socio-economic Survey and income restoration measures need to be covered by the Plan. The Social survey questioner is given at Appendix VII</td>
</tr>
<tr>
<td>4. Adverse Impact on Indigenous People (OP 4.10)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>As there are no indigenous people within the sub project sites or in the vicinity Indigenous People’s Development Plan is not applicable.</td>
<td></td>
</tr>
</tbody>
</table>

**Entitlements and Eligibility**

**Table 4.2: Potential Individual and Community Losses**

<table>
<thead>
<tr>
<th>Category</th>
<th>Types of Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Losses By Individuals</strong></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>- House plot (owned or occupied)</td>
</tr>
<tr>
<td></td>
<td>- Business premises (owned or occupied)</td>
</tr>
<tr>
<td>Structures</td>
<td>- House</td>
</tr>
<tr>
<td></td>
<td>- Partial loss of housing</td>
</tr>
<tr>
<td></td>
<td>- Other physical structures</td>
</tr>
</tbody>
</table>
4.5. Unit of entitlement may be an individual, household, family or a community. The concept of household has been accepted by most of the planning exercises for data collection and impact assessment. As a policy the unit of loss has been considered to determine the unit of entitlement. If more than one person has customary rights to a property or resource the compensation may be showed by all of them.

4.6. All losses as a result of implementation of the MCUDP will be compensated. The acquired properties will be compensated based on the prevailing market rates in order to reflect the cost of replacement of the properties to be acquired. NIRP and World Bank policies on involuntary resettlement mandate that the compensation payable to APs should be adequate enough to replace their loss assets. Project has take into consideration those policy guidelines in determining the relevant rates.
4.7. Non titled households who are presently residing in the sub project areas of the MCUDP identified for relocation will be housed in resettlement sites in consultation with them. The “Entitlement Matrix” below has taken into consideration all potential losses and stipulated the compensation that needs to be paid to them to mitigate their impacts.

**Cut-off Date for Qualifying Displaced Persons**

4.8. The cut-off date is normally set according to the State procedures to establish displaced persons who are eligible to receive compensation and resettlement assistance by the project. Any person who purchases or occupies land in the identified project area after the cut-off date is not eligible for any compensation or resettlement assistance. Fixed assets such as built structures or planted trees after this date will not be compensated. The accepted good practice is to use the completion date of the census of the displaced persons as the cut-off date. This needs careful thoughts before disclosure. The cut of date will be the date of notification for this project. The eligibility criteria will be determined by the updated voters list as on the cut-off date.

**Allocation of Houses**

4.9. Under the direction of the MOD & UD, the UDA will be responsible for the relocation and allocation of the houses. The UDA will prepare a relocation schedule in consultation with the AP’s including the date of time and time of the movement, how information on the relocation will be disseminated to the APs, logistics of transportation of people and belongings to the sites, MOD & UD of payment of transition allowances to APs and other necessities.

4.10. Each household which loses its house due to involuntary resettlement will be allocated a new house in a new location. A house with a floor area of 400 sq feet costs Rs.2.5 million exclusive of land value with electricity, water supply and sanitation facilities. The APs will be given legal ownership of the houses, but they cannot sell the houses for ten years. In order to safeguard the rights of women, it is suggested that the land titles are issued in the name of both spouses if both are living. The APs who obtain houses should pay Rs.300 per month for 30 years for establish and maintenance.

4.11. The MOD & UD has already identified lands suitable for the construction of houses within Colombo area which are within a half an hour drive from AP’s original place of residences. MOD & UD has planned to construct condominium for APs of many projects of which 10,000 housing units have been already commenced. Adequate number of houses will be allocated by the MOD & UD to the APs by this project.

4.12. The resettlement condominiums will have some basic facilities for the APs including shopping and community facilities such as community hall, children parks, day care centers, recreational area etc. The architects will take special attention in identifying the needs of the APs. Allocation will be done through a process of consultation. In determining the allotment
of floors, preference will be given to vulnerable groups (physically challenged, aged and infirm), size of the existing house and the number of years of stay in the older location will be considered in making such decisions.

4.13. Relocation will avoid breaking of communities so that the social net works linking members of the affected communities will be maintained. Management Corporation will be established for the maintenance of the condominiums with the participation of the occupants. A Post resettlement support strategy will be prepared to help the affected households restablish their lives in the resettlement sites before the actual relocation starts. MoD&UD may undertake analytical work in order to develop guidelines for ensuring post resettlement sustainability.

4.14 The Entitlement Framework has been worked out considering the analysis of impacts and the nature of the losses that the APs under this project will face. The “Entitlement Matrix” proposes eligibility and payments for all kinds of losses and sets standards for compensation. As the LAA does not address all types of losses, the involuntary resettlement policies (NIRP and World Bank safeguards) have been applied to address such issues. The Entitlement Matrix explains the category and type of loss and the eligible category for entitlements. The compensation policy describes the compensation and rehabilitation measures for each type of loss.

The “Entitlement Matrix” proposed for the project is at Table 4.3.
## Entitlement Framework

### Table 4.3: Entitlement Matrix

<table>
<thead>
<tr>
<th>Category and Type of Loss</th>
<th>Application</th>
<th>Eligible Category</th>
<th>Compensation Policy</th>
</tr>
</thead>
</table>
| 1. Permanent loss of land | Lands identified by the MCUDP for project development activities. | • Title Holders  
• Non title holders | • Compensation at replacement cost for title holders, as per LAA  
• No compensation will be paid for non title holders. |
| 2. Completely affected dwelling units in Private lands (over 50% affected, or if the remaining plot is not developable under existing regulations, or is less than 2 perches residential land or less than 1 perch commercial plot) | Dwelling units located in the project area. | Owners of dwelling units located in private lands | • Compensation at replacement cost without deduction of depreciation.  
• In the alternative provision of  
• a house in the condominium will be considered. |
<p>| 3. Loss of rented accommodation | Dwelling units located within the MCUDP area. | Tenants (Rented or lessees) | No compensation for the lands, but the owners who obtain compensation for the Dwelling units should pay the tenant the value of three months rentals to the tenant. |
| 4. Partially affected dwelling units | Dwelling units located in the project area (MCUDP) | Owners of the dwelling units in the private lands | Cost of replacement of the property to original or better condition. If the Household shifts to another location shifting allowances will have to be paid until the dwelling unit is restored. |
| 5. Partial loss of rented accommodation | Dwelling units located in the project area (MCUDP) | Tenants (Rented or lessees) | Tenant’s have the option to stay with the owner’s agreement or three months rental to be paid by the owners. |
| 6. Squatters on state lands | Squatters residing in state lands in the project area. | Persons illegally occupied the state lands in the project area before the cut off date. | 1. A house worth of Rs 2.5 million in the newly constructed condominium with full ownership on condition that each household agrees to pay Rs. 300/= per month for a period of 30 years as establishment and maintenance charges. Owners of these houses are not permitted to self or sublet these houses for ten years except transferring to their children. |</p>
<table>
<thead>
<tr>
<th>Category and Type of Loss</th>
<th>Application</th>
<th>Eligible Category</th>
<th>Compensation Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Transition allowance of Rs.3000 to be paid after occupying the new house.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Right to salvage material, but they will not be permitted to take them to new condominium housing sites.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. The houses in the condominium properties will be with all facilities and amenities.</td>
</tr>
<tr>
<td>7. Loss of Structures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.1. Commercial or Business</td>
<td>Structures located in lands identified for MCUDP development</td>
<td>• Legal owners of the structures in private lands</td>
<td>1. Compensation for structures full replacement cost for structures on private lands in accordance with LAA.</td>
</tr>
<tr>
<td>7.2. Other structures</td>
<td></td>
<td>• Owners of the structures occupied in encroached state lands</td>
<td>2. APs who have established business structures on state lands will be considered for small business units on rental basis on an annual renewable contract in the condominium Owners of other structures in state lands will be allowed to take the salvaged materials.</td>
</tr>
<tr>
<td>8. Loss of Income and Livelihood</td>
<td>Identified families which have lost their income/livelihood due to relocation under MCUDP.</td>
<td>• As the relocation will take place within the Colombo city limits, and the travel time between the newly relocated area and place of employment will be less than half an hour, chances of losing the present employment opportunities are very remote except the Beria lake fishermen..</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Some self employed persons may lose the markets they enjoyed due to the distance between the original place of residence and the new relocated sites. But when thousands are relocated in the new resettlement sites, new markets will emerge.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Due to unforeseen circumstances a few families may lose income/livelihood .</td>
<td>• Training for capacity building, and skill training for youths from resettled families and the host community will also be considered.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• APs who received Samurdi and other state assistance will continue to</td>
<td>• If any household loses their income or livelihood some form assistance will be considered.</td>
</tr>
<tr>
<td>Category and Type of Loss</td>
<td>Application</td>
<td>Eligible Category</td>
<td>Compensation Policy</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>9. <strong>Loss of Community/Cultural Structures</strong></td>
<td>Located in the project area</td>
<td>Divisional secretary and local authorities of the areas where the resettlements sites are located.</td>
<td>• Relocation of community/cultural structures at the relocated sites depends on the need taking into consideration what are available in the host community.</td>
</tr>
<tr>
<td>10. <strong>Impacts on vulnerable displaced persons</strong></td>
<td>Effects on vulnerable APs including poor, elderly, female headed households and disabled, living in the MCUDP areas.</td>
<td>Vulnerable APs including poor, elderly, disabled and female headed families</td>
<td>• All households in the MCUDP areas subject to relocation will be provided with a house where most of these vulnerable families, elderly, disabled and poor are included. Any assistance granted by State or NGOs to the vulnerable persons before relocation will be continued.</td>
</tr>
</tbody>
</table>
| 11. **Temporary loss of land**                   | Land temporarily taken over by the MCUDP for development activities.         | Legal owners with titles to their properties, tenants, leaseholders, squatters/encroachers | • Rent during the period of use of land to households affected.  
• Provision of temporary access where possible to the land  
• Restoration of affected land |
| 12. **Loss of tombs or graves**                  | Payment for loss and location                                                | All owners (not identified during screening process)                               | • A cash payment an amount of Rs 3000 – 20000 to cover the cost of exhumation including any religious ceremonies is required, accordingly to prevailing laws and regulations.        |
| 13. **Temporary loss of income/livelihood**      | APs who suffer loss temporarily due to project activities.                  | Business owners, tenants, leaseholders, hawkers / vendors                          | • 30 days notice regarding construction activities for the vacation of the site and removal of structures.  
• Payment of an allowance until the individuals restore their livelihood  
• Restoration of affected land, property, resources. |
<p>| 14. <strong>Loss of crops and trees regardless of land ownership</strong> | Crops and trees identified during the DMS (Detail Measurement Survey) of the project area | Affected APs                                                                       | • Cash compensation for loss of crops at replacement cost if sown or standing crops are damaged or uprooted the owner of the affected crops will be compensated in cash |</p>
<table>
<thead>
<tr>
<th>Category and Type of Loss</th>
<th>Application</th>
<th>Eligible Category</th>
<th>Compensation Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>for the loss of un-harvested crops, at the mature crop value to be assessed on the basis of current market rates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Compensation for the loss of trees at replacement cost which is based on the present income and crop bearing capacity.</td>
</tr>
</tbody>
</table>
Cultural & Community Properties

4.15. The consultants have observed hardly any cultural property that would be fully affected by the activities of phase 1 of the project, except for several small Buddhist shrines and Bo Trees located on the canal bank reservations. PPA will pay special attention in dealing with them according to safeguards and religious rights.

Vulnerable Families,

Women Headed & Disabled

4.16. There are 32 Samurdhi recipients within the three areas covered by the sample survey. These Samurdhi recipients are considered as the poorest families in the settlement and need special attention in new locations. They will continue to obtain Samurdhi assistance even in their new settlement sites. Special programmes should be organized for disabled and elderly persons coupled with empowerment of women.

4.17. The following table 4.4 Indicates that out of 133 households 25 households or 19% of the total households identified for resettlement from Beire Lake and 7 HH out of 47 or 15% HHs from Sri Vikramapura canal are Samurdhi recipients.

<table>
<thead>
<tr>
<th>Category</th>
<th>Geographic Location</th>
<th>Beire Lake</th>
<th>Saranamawatha Canal</th>
<th>Sri Vikramapura Canal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>%</td>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td>25</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>108</td>
<td>81</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>133</td>
<td>100</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: These figures are only for comply damages HHs

4.18. According to the sample survey there are 45 woman headed households, 30 at Beire lake, one at Sarana Mawatha and 14 at Sri Vikrama Canal settlement.
Table 4.5: Women headed HHs

<table>
<thead>
<tr>
<th>Category</th>
<th>Geographic Location</th>
<th>Beira Lake</th>
<th>Saranamawatha Canal</th>
<th>Sri Vikramapura Canal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>%</td>
<td>No</td>
</tr>
<tr>
<td>Women Headed Families</td>
<td>30</td>
<td>19</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Other Families</td>
<td>131</td>
<td>81</td>
<td>20</td>
<td>95</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td>100</td>
<td>21</td>
<td>100</td>
</tr>
</tbody>
</table>

4.19. According to the sample survey there are 7 disabled persons at Beire lake settlements, 2 at Saranamawatha and 4 at Sri Vikramapura settlement.

4.6: No. of Disabled persons

<table>
<thead>
<tr>
<th></th>
<th>Beira Lake</th>
<th>Saranamawatha Canal</th>
<th>Sri Vikramapura Canal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

4.20. Gender: Gender is a key issue in social safeguard management in view of the differential vulnerabilities of affected men and women. The Social Action Plans prepared for the Project will include a section on gender based on findings of the SA. Some of the gender considerations that need to be addressed in the SAP include: (a) provision of title of the alternative house in the joint name of spouses and in the name of the mother, in case of the husband is dead; (b) special attention to women headed households in the relocation and post resettlement process; (c) gender sensitive provision of civic infrastructure including sanitation, transport furniture, and facilities for women in recreational places created as a part of the project.

CHAPTER 05
Implementation Arrangement

5.1. The design of project implementation arrangements will have two objectives. First is to ensure accountability of the project implementation authorities, sector service providers as well as non-government and private organizations partnering project implementation in regard to the delivery of the social safeguards as well as resettlement entitlements. Second is to provide for the required capacity in terms of organizational arrangements, systems and procedures as well as knowledge, skills, and attitudes for efficient and effective project delivery.

5.2. The principle of subsidiarity which retains decisions at the lowest appropriate level will underpin the institutional arrangements for the practice of the social safeguards and implementation of the resettlement plan. The delivery of social safeguards and resettlement will be linked to the implementation of sub-project civil works.
Roles, Responsibilities and Accountabilities

5.3. The project will bring together a network of stakeholders for project delivery. It is therefore necessary to establish clarity in regard to their roles, responsibilities and accountabilities. It will be necessary to establish one system of management in which all stakeholders develop a consensus on the problems, objectives and required actions. As such all the stakeholders will need to have clearly differentiated roles, with clearly specified responsibilities.

Key Institutions Involved

5.4. The institutions involved are as follows:

a. The Ministry of Defence and Urban Development (MOD & UD) as the project EA, with overall implementation responsibility assigned to the Project Management Unit (PMU).

b. The Project Partner Agencies (PPAs) will include UDA, SLLRDC, CMC, KMC, DMMC, SJKMC and K/UC.

c. Relevant Social Sector Agencies (SAs) and Government Departments providing services to support the safeguard program. These will include central and provincial service providers. The local authorities will have a dual role as service providers as well.

d. Non Government Organizations (NGOs), Community Based Organizations (CBOs) and consultancies, that may be engage in the safeguard program.

e. Private sector organizations that would be providing services for the safeguard program.

f. The institutional network will also provide for the engagement of the APs, households and settlement communities through community representatives.

Tasks and Responsibility

5.5. Several agencies, institutions and individuals will be involved in the implementation of social safeguards and mitigation measures. The sub project will be broken-down in to series of activities or tasks that must be performed to accomplish the subproject. There will be institutions, individual, CBOs, NGOs, and Private sector organizations that will be responsible to perform the task. The task and positions will be identified and the functions to be assigned to each position with regard to a specific task will be determined. This will facilitate easy identification of position which should be contacted in case of any problems such as delay in movement of people, payment of compensation etc. Tasks identified and Agencies responsible to execute the tasks are given in Appendix VIII.

5.6. The implementation network will function at five levels

a. The total stakeholder network, both primary and secondary, constituted as a Metro Colombo Stakeholders Forum.

b. The project management steerage, constituted by the project authorities as National Project Steering Committee

c. Project Management Unit at MOD & UD

d. Implementation units in the PPAs

e. The Sub-project cells and Local Resettlement committees

Institutional Roles and Responsibilities
5.7. In order to implement the program according to the agreed terms and conditions, a formal understanding is required between the institutional partners in regard to their roles, responsibilities and relationships in regard to planning, implementation and monitoring of the delivery of social safeguards and resettlement plan. This understanding will be set out in terms of a **Memorandum of Understanding (MOU)*** between the PMU and stakeholders in regard to tasks, responsibilities, schedules, procedures, deliverables etc., required for preparation and implementation of the social safeguards and resettlement program.

*Organization for Implementation*

5.8. The overall project management structure will enable effective communication and distribution of responsibilities amongst different stakeholders at all the different levels for the delivery of social safeguards and resettlement entitlements. The overall project management system is set out in **figure 1. (Please see Appendix IX)**

5.9. A five-tier project management structure will be established to ensure effective communication and distribution of responsibilities between the three primary stakeholders, MOD & UD, the PPAs and the Settlement Communities. Accordingly project management system will be structured at five levels and specific responsibilities for the delivery of the social safeguard and resettlement program assigned to all five levels. A “**Metro Development Stakeholder Forum**” (MDSF) will be constituted to provide for partnership all project actors including the affected settlement communities.

*Project Management Unit*

5.10. A Project Management Unit (PMU) has been established in the MOD & UD to manage and coordinate the Project’s sub projects through the Implementing Agencies. A PD has been appointed to head the PMU who would report directly to Secretary MOD & UD. The PMU will function as the secretariat for the Project Steering Committee. The PMU is responsible for the day to day implementation of the Project with the assistance of the PPAs. According to the proposed implementation structure by the MOD & UD, the PD will be supported by one Deputy Director, a financial Controller, a Procurement Specialist, an Environmental Specialist, a Social Specialist and two engineering specialists. Adequate technical and administrative staff will be recruited to support project implementation. The implementation structure proposed by the MOD & UD is given in **(Please see Appendix X)**

5.11. The PMU and the PPAs will be adequately staffed for technical, administrative and financial operation. Adequate number of Social Development Officers (SDOs) will be appointed to the PPAs to liaise with the APs, communicate with them and discuss all aspects of the project and obtain their views and, suggestions to implement the project effectively, efficiently and smoothly. **Appendix XI describes the scope of activities of PMU:**

5.12. The project implementation will be done through the existing government structures and their capacity will be strengthened with additional man power, machinery and equipment.

5.13. **A National Project Steering Committee (NPSC)** will be established, consisting of;
   a. Secretary of MOD & UD
   b. Additional Secretary (Technical), Ministry of Defence & Urban Development
   c. Additional Secretary (LG & PC), Ministry of Local Government & Provincial Council
   d. Director General, Department of External Resources
e. Chairman, UDA
f. Director General, UDA
g. Chairman, SLLRDC
h. General Manager, SLLRDC
i. Chairman, Sri Lanka Ports Authority
j. Municipal Commissioner Colombo Municipal Council
k. Deputy Municipal Commissioner (Engineering Services), CMC
l. Municipal Commissioner, Sri Jayawardenapura Kotte, Municipal Council
m. Municipal Commissioner, Dehiwala Mount Lavinia MC
n. Secretary, Kolonnawa Urban Council
o. DG, Coast Conservation Department
p. General Manager, Ceylon Electricity Board.
q. General Manager, Water Supply & Drainage Board
r. Director General, Central Environment Authority
s. Director, Department of National Budget
t. Director (Planning), Ministry of Plan Implementation
u. Project Director (PD) and others as and when necessary will be co-opted as the members of the committee.

Among other responsibilities, the NPSC will a) review and approve the project proposals to ensure that they comply with the subproject selection criteria; b) monitor the overall Project implementation based on progress reports; c) resolve implementation problems and d) Coordinate with other National Government Agencies which are connected to project implementation. NPSC will meet bi-monthly.

Responsibilities and Organizational Procedures for Delivery of Entitlements

5.14. The PMU and PPAs will be responsible for delivery of entitlements to the APs. The PMU will be responsible for approving the final list of eligible APs, their entitlements and provision of funds for payment of entitlements. The PPAs will establish organizational procedures for delivery of entitlements. They should ensure that all sub project implementing partners adhere to the procedures, and entitlements are made available on time.

Project Partner Agencies (PPAs)

5.15. Responsibilities of the PPAs shall include inter alia:

a) Preparation of proposals for approval for implementation of activities

The PPAs will prepare proposal for activities in a format acceptable to PMU and WB (see Appendix-XII for sample format). The activity proposals will be submitted to the PMU by PPAs and PD with his observations will submit the proposals to the NPSC for approval. The proposals should be circulated among the members of the committee two weeks before the NPSC meeting. On acceptance by the committee the project proposals will be implemented by the PMU and PPAs. The PMU will be responsible
for the establishment of a Management Information System to track subprojects through their preparation, submission, approval, implementation and evaluations stages.

**b) Creation of sub project cells**

A sub-project cell at each of the sub-projects will be provided for the project interface with the affected persons, households and the communities in delivering the social safeguard program. The sector service providers, non-government and private sector organizations that would be providing services for the safeguard program would be represented at the Sub-project Cell level as well. Sub-project cells will also be established in the host community locations to take care of the post resettlement needs of the affected persons and households. The SDO will be the liaison officer.

**c) Establishment of Information centres (ICS) and conducting Awareness Programmes**

Information centres will be established to disseminate all information to all stakeholders. A SDO will be in charge of the IC. The IC will be responsible for ensuring timely and complete dissemination of information in accordance with agreed practice. Dissemination of information about the safeguards program and its implementation would include

- a) Safeguard specific information need to be made available to all APs
- b) Project Information brochures to be made available from the PPAs
- c) Reports and publications, as deemed fit, for public dissemination

PPAs through Information Centers under the directions of the PMU will conduct awareness programs for APs, Field officers, NGOs, CBOs, Sectorial Heads and Private sector organizations involved in delivery procedures, and APs entitlements, to ensure that all, especially APs will become aware of their entitlements and how the entitlements have been worked out. This will remove the misunderstanding and minimize grievances.

**d) Formation of LRCs**

In each of the sub project site, a LRC of the APs will be formed for the purposes of consultation, participation and resolution of grievances. The membership of the LRC will consist of:

1. Five Members elected by the APs; one of them as Chairman
2. SDO
3. GN; either GN in charge of the original place of residence or relocation site
4. Priests; depends on the religious composition of APs
Membership of the priests and GN will change when the APs are relocated. The project management should share all aspects of the sub project with the committee. The committee will assist project management in collecting information about the effectiveness of the implementation of the sub project and disclosing of all aspects of the sub project to APs especially the social impacts and social safeguards. Participation and consultation with the APs facilitate development of entitlement options and ownership of the people. It will also play an important role in negotiating settlement compensation with project management, designing strategies for restoration and development of livelihood and monitoring overall implementation of the RAP. The committee’s feedback on project implementation will contribute to effective monitoring. The continuous dialogue with the committee will ensure smooth implementation of the project and minimize grievances. The LRCs will function as one of the instruments of grievance redress mechanism

e) Payment of entitlements

Responsibilities of the UDA in regard to payment of entitlements shall include:

- Establishment of a time table for the payment of entitlements

- Each eligible AP is issued a brochure, “Public Information booklet”. The brochure will describe the entitlements available to an AP for losses sustained due to involuntary resettlement

- Basing on the Detailed Measurement Survey and Socio Economic Survey, a Register is prepared enumerating the personal details and the entitlements of each AP

- The UDA will make arrangement to publish a certified list of the eligible APs and their entitlements in public places at the Beria Lake site for public scrutiny of the genuineness of APs and their entitlements. If anyone raise objections or make observations in writing to UDA about a APs eligibility, it should be inquired into and appropriate decisions taken before commencing payment to the contested AP.

- Each of the AP is sent a “FAMILY CARD” (FC) giving all their entitlements and eligible compensation for his or her concurrence. FC will be printed in duplicate, original issued to the AP and duplicate retained at the office of the UDA for record and audit purposes. (see Appendix XIII for a sample FC)

- On receipt of the concurrence, accepting the correctness of their entitlements, a payment voucher for the amounts will be prepared. If an AP contests the entitlement/compensation immediate action to redress the grievances will be taken through the grievance redress instruments. Payments for such APs will be made only after the resolution of grievances. APs who have concurred with their entitlements will be paid as scheduled without any delay.

- The AP will be informed through a personal messenger by the UDA to collect the entitlement within ten days of the receipt of his acceptance of the entitlements.
• Most of the entitlements will be deposited into AP’s bank account. The AP has to open a joint account with his or her spouse and if the spouse is not living with another member of the family and give the Bank account number to the UDA to be entered in the FC and payment voucher. Payments through bank are much more “corruption resistant” than payment by cash. Cash payments of this nature by Government Departments had been subjected to many abuses in the past.

• Payments made directly to a joint account of the AP and spouse (if living) or any other member of the family, so that accessibility to the funds is not restricted to one member of the family. This will also help to develop banking habits among the vulnerable groups. When joint account is operated, the female spouses will feel confident and empowered by playing a role in financial management of the family.

• When the AP acknowledges receipt of the payments of entitlement, the AP will sign on the payment voucher and FC, and prove his identity. The GN or a priest or any other Government officer has to identify the recipient. A letter will be issued to the AP to have access to cash in AP’s bank account after forty eight hours of signing the voucher.

f) Movement of APs to relocation sites

Based on a time table prepared in consultation with the APs, they will be moved to new relocation sites.

g) Preparation of Resettlement Action Plans (RAP)

RAP is a document in which EA specifies the procedures that it will follow and the actions that it will take to mitigate the adverse effects compensate losses and provide development benefits to persons and communities in MCUDP. where the displacement of individuals is 200 and above a detailed RAP, timetable and budget are required. If the individuals relocated are less than 200 appropriate compensation for assets logistical support for moving, and relocation grant may be the only requirement. However, the principles on which compensation is to be based are the same as for larger groups.

h) Land acquisition

Acquisition of private lands will be avoided and if it becomes absolutely necessary it will be acquired under Land Acquisition Act No.9 of 1950 amended by Act No 13 of 1986.

Social Development Officers (SDOs)
5.16. A number of SDOs will be appointed by the PMU as per requirement of the sub project. It is suggested that one SDO is appointed to service approximately 30 affected families. (Please see Appendix XIV for the functions of the SDO.) However the EA would decide on the number of families to be managed by SDOs depending on the volume and intensity of work.

5.17. As the services of SDOs will be required for few months, may be less than a year, it is advisable to recruit officers who are in government service on release on a temporary basis. The Development officers of the Ministry of Planning and Social Service officers of the Ministry of Social Services are suitable candidates for SDOs posts. Their experience in development and social work will be very valuable to the effectiveness of project implementation. There is provision in the Management circular No.33 (1) of 5.4. 2007 issued by the General Treasury for the release of officers from public service and payment of additional allowances to the officers released on full time basis. It will be difficult to recruit officers outside the public service for few months on a temporary basis with suitable qualifications and experience to effectively implement the sub project.

Linking Relocation Implementation to Civil Works

5.18. In Stage I of the project, civil works will be undertaken in 71 sites. Relocation is very much linked to implementation of civil works because; unless and until the APs vacate the lands, civil work construction cannot be commenced, and if commenced will have many adverse implications which would affect the APs.

5.19. There are several factors which could cause delay in relocation which would impact the civil works construction. Some of them are;

a. Delays in payment of entitlements

b. Delays in resolution of complaints and grievances. Sometimes if APs resort to courts for resolution of grievances, the AP cannot be moved out until the court decides on the matter. As a result of this, relocation may get delayed for number of months. Consequently the civil works construction will get affected.

c. Delays in construction of houses at the new site. APs may refuse to get accommodated in temporary relocation centres.

d. If relocation takes place in phases, it can affect the civil work construction.

e. If the APs do not get their preferred new locations they may delay the relocation.

f. Relocation will be delayed if the APs feel the education of their children will get disrupted.

5.20. If civil works construction is commenced before or during relocation, many safety and health problems may arise. Due to road construction, canal dredging or damn construction, APs access to their houses may get blocked and road deviation and traffic controls may become necessary. Safety measures have to be taken to avoid accidents and hardships to pedestrians. Temporary storage of materials, cutting of trees may block transportation. Water supply, electricity, telephone and sewerage facilities may get affected. There can be noise and air pollution. Vibration due to blasting may affect the houses. As a result of these, the health and living conditions of the APs may deteriorate. All in all the APs day to day life...
will get affected. These factors should be carefully taken into consideration in resettlement planning and timing of the civil works construction.

**Host Population**

5.21. “In resettlement planning, the APs cannot be considered in isolation. The relocation of APs is likely to have impacts on the host population in many areas, including employment, use of common property resources, and pressure on natural resources or social services. Conflicts between hosts and resettled population may arise if the resettlement implementation agency assists only the APs. Infrastructure and support services at the relocation sites can be shared with the host community and the hosts can participate with relocates in programs for economic development and social integration. The host population should not feel that they are being discriminated against in the distribution of non-compensation entitlements. The deserve access to training, employment, and other benefits generated by the project”.

**Accountability framework**

5.22. Accountability in the delivery of the social safeguard program will be ensured by disclosures and access to information in the public interest. It will be the responsibility of the PMU to take specific actions to further enhance governance and accountability. It would include:

a. An independent and credible system to deal with external complaints.

b. Delivery timelines, standards and targets in regard to the delivery of agreed safeguards.

5.23. Information shall be provided in a timely and regular manner to all stakeholders, affected parties, and the general public. Access by the public to information and documentation held or generated by PMU and implementing agencies will facilitate the transparency, accountability and legitimacy. There will be a designated Information Officer who will be responsible for ensuring timely and complete dissemination in accordance with agreed practice.

**Capacity Building and Training**

5.24. The PMU will establish a Capacity Building and Training Cell within the PMU to formulate and deliver a program for establishing the required capacity for the implementation of, inter alia, the social safeguards program. The establishment of proper systems and procedures, the creation of awareness and understanding, and the provision of knowledge and skills for the effective delivery of safeguard actions would be necessary to ensure the efficient functioning of the safeguard network in the delivery of safeguard measures to address the needs of affected persons, households and communities. The Capacity Building and Training Cell will be headed by a Human Resources Development Specialist. The Cell would work through the PPAs in supporting the establishment of systems and procedures as well as the design of the processes for their operation and practice. The Cell will bring in required expertise in the form of External Resource Persons to deliver the technical inputs in capacity building and training inputs.

5.25. The Cell will carry out a formative needs assessment in preparing the capacity building and training plan. The needs assessment will study the design of the safeguard program, define the implementation procedures and practices, and identify the capability requirements
of the safeguard functionaries as well as the orientation and attitudes for the effective engagement of the stakeholders in the delivery of the safeguard program.

2.26. The PPAs will be mainly responsible for the implementation of the subprojects. An assessment is required to address “their mandate, functions, and human and financial resources addressing social management functions, keeping in view the incremental works load from the Metro Colombo project”. When discussions were held with the Local Bodies, it was revealed that there are capacity constraints due to under staffing and lack of experience in resettlement activities The project provides for the enhancement of the capacity of the Colombo Municipal Council and other peripheral local authorities to coordinate at Metropolitan level and deliver sustainable local services.

5.27. The UDA and SLLRDC too have similar capacity constraints and require due attention.

5.28. To enhance the knowledge and experience in resettlement, the officers may be given exposure of successful projects such as Lunawa Environmental Improvement and Community Project by tours to project sites .Training and workshops should be arranged for officers in the areas of project management, monitoring & evaluation, procurement, financial management and environmental and social safe guards.

**Capability Building**

5.29. The knowledge, skills and attitudes of the core operational social safeguard network, the project officials, PPA coordinators, sector officials, non government agents and community leaders, will be critical to the effective delivery of safeguard actions in a coherent manner. It is necessary to establish a baseline of knowledge and skill in the following areas.

   a. Social management measures and methodologies.
   b. Social safeguard program and process.
   c. Program delivery and implementation mechanisms.
   d. Social management good practices
   e. Accountability and reporting measures

**Project Orientation**

5.30. All levels of the project management system will be introduced to the social safeguard aspect of the project as a general orientation to establish a consistent and coherent baseline of understanding of the project objectives, social issues and safeguard approaches. The orientation will also cover the following aspects of the project.

   a. Policy, legal and administrative framework.
   b. Project interventions and social impacts.
   c. Social management measures to safeguard affected communities against negative impacts.
   d. The institutional arrangements for project management.
   e. Approach to implementation and management of the delivery of the social safeguard program.

**Systems Design**

5.31. The social safeguard program will involve the provision of multiple services by a network of service providers extending from the project staff, public sector agencies, financial institutions, non-government and private sector organizations. The coordination of the multiple services at the point of delivery to settlements will be critical to ensure that the affected persons and households are able to make the best use of the safeguard measures. It is the effective design of coordination that will link up the affected persons and households with services that will be required for the renewal of their social and economic situation.
5.32. Capacity building for the delivery of the social safeguard program will establish systems, procedures and practices for linking up the affected persons and households with services that will be required to support the transition and create the opportunities to renew the social and economic status of the affected persons and households.

Process Facilitation

5.33. In the final analysis the efficiency of the social safeguard measures will depend upon the effectiveness of the delivery processes. It is the delivery processes that will link the safeguard services with the affected persons and households. Therefore capacity building should extend to review and renewal of processes to meet any gaps in delivery of safeguards. The Capacity Building and Training Cell will provide process consultation support to the safeguard delivery system. Such process consultation will be provided on an outsourced basis.

Grievance Redress Mechanism

5.34. Please see Chapter 8 Checklist

5.35. Please see Appendix XV

CHAPTER 06
Consultation and Participation

1.1. Consultation with the affected parties should be the beginning of a Consultation and Participation Process of a development project where people are affected by implementation. Donor Agencies including the World Bank, in extending their assistance for such development projects, insist that affected people need to be fully informed and closely consulted on resettlement and compensation options. Dissemination of information which is the key to consultation and participation refers to transfer of information of the project from officials to the affected population. Participation in planning of such projects helps to reduce fear of APs and gives them an opportunity to participate in key decisions that will affect their lives. If projects are implemented without consultation of the affected population, it may lead to formulation of inappropriate and inapplicable decisions which will eventually end up with protests by the public and as such delays in implementation.

6.2. Accordingly, providing accurate information from the planning stage early to the affected population prevents misconception and builds trust between the affected population and the project officials in addition to enhancing transparency. Consultation is to have joint discussions between the officials and the affected population, in sharing ideas of planning and implementation of the project. Consultation can be executed in different forms, Ex:Organizing public meetings, organizing focus group discussions, household surveys or even having direct consultations. Collaboration also refers to joint decision-making.

Stakeholder Consultation and Participation

6.3. Stakeholders are those who have direct interest in the development of the project and who will be participating in the consultative process. As the initial step it is necessary to identify the primary and secondary stakeholder.
6.4. Primary stakeholders include the affected persons, the beneficiaries of the project, the host population of the transit and resettlement sites, the project partner agencies such as SLLRDC, UDA, LAs and more importantly the project proponent and the Ministry of Defence & Urban Development and Ministry of Finance. The secondary stakeholders are the others who have an interest on the project such as the National Government, the political authority, policy-makers, advocacy groups, NGOs and other private and public sectors which have indirect involvements with the project.

6.5. The next step in this process will be to prepare a description of all stakeholders who will participate in the consultative process including the NGOs and others who have potential to act effectively and efficiently in achieving positive results in the project. A carefully planned consultation and participation process need to be formed with the stakeholders thereafter, agreeing on an information dissemination strategy.

6.6. Affected persons should be fully informed of their rights and responsibilities from the very beginning of the process to achieve transparency and understanding between the affected persons and the project implementers. In order to achieve this, the information should be made accessible and understandable and where necessary, information must be translated into the mother languages of the affected population. Information also can be disseminated by public media and public notice boards, newspapers, leaflets and flyers, door to door canvassing but besides all, a Public Information Booklet (PIB) which needs to be delivered to each household where all relevant information and rights of the APs are recorded, will be more effective.

Public Information Booklet (PIB)

6.7. In addition to all other forms of disclosure, the project will adapt the PIB as an effective media of communication of project information to the affected persons. The PIB will be translated into Sinhalese and where necessary into Tamil and distributed to the affected persons in the project areas, in order to fully understand the details of the project including the compensation and rehabilitation measures which can be applied to the project affected persons.

The PIB may include the following information:
- Brief Account of the Project
- Potential impacts which can be expected during the project
- Basic compensation policy and entitlements
- An outline of livelihood restoration measures
- Consultation and participation of APs and communities including the host
- Implementation Schedule
- Persons to be contacted for further information with contact details.

Stages of Community Participation

6.8. Community participation can be undertaken by stages such as Prioritization Stage, Project Planning Stage and Implementation Stage.
Prioritization Stage: The Project Partner Agency (PPA) can disseminate project information to the affected communities and stakeholders during the project initiative or preliminary stage. The community as a whole shall be made available and the project alternatives and necessary feedback could be obtained.

Project Planning Stage: Sub-project information could be disclosed to the affected communities towards increasing their awareness and to ascertain their roles and responsibilities. As this planning stage will be involved in more interactive process with the communities, project designer and planners can have direct interactions with the communities in finalizing the best fit alternatives and options in finalization of the detailed designs. This nature of consultation with the project affected persons and their profiling are mandatory as per the requirements of preparing the RAP, which needs to be carried out as socio-economic and census surveys as an integral part of detailed designing.

Implementation Stage: The Implementing Agency of the project can have direct interactions with the affected communities more closely during this stage. Mostly, the interactions and dialogue will be on relocation and cultural properties and towards impacts related to their livelihood and resource structures which are going to be distracted as a result of the development which is anticipated. Therefore, Project Partner Agencies need to be assisted more closely in explaining and guiding them in resolving the issues in a more productive manner more favourable to the affected persons, as per involuntary resettlement principles and guidelines.

6.9. The Table given in the next page indicates the key activities which need to be carried out during the preliminary, planning and designing and implementation stages.

<table>
<thead>
<tr>
<th>Project Stage</th>
<th>Key Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project Identification and</td>
<td>- Identify project stakeholders (primary and secondary)</td>
</tr>
<tr>
<td>Preliminary Stage</td>
<td>- Involve stakeholders in the consultation process</td>
</tr>
<tr>
<td></td>
<td>- Organize information material and plans for dissemination</td>
</tr>
<tr>
<td></td>
<td>- Organize and document public meetings</td>
</tr>
<tr>
<td></td>
<td>- Identify needs for a social preparation programme if Involuntary Resettlement</td>
</tr>
<tr>
<td></td>
<td>impacts are going to be generated</td>
</tr>
<tr>
<td>2. Project Planning and</td>
<td>- Convene and record meetings with potential displaced persons and or potential</td>
</tr>
<tr>
<td>Designing Stage</td>
<td>host population</td>
</tr>
<tr>
<td></td>
<td>- Consider alternatives to avoid, minimize resettlement in consultation with</td>
</tr>
<tr>
<td></td>
<td>affected persons</td>
</tr>
<tr>
<td></td>
<td>- Involve affected persons in assessing project impacts</td>
</tr>
<tr>
<td></td>
<td>- Arrange APs inputs to entitlements, income restoration and resettlement options</td>
</tr>
<tr>
<td></td>
<td>- Institutionalize a participatory framework for compensation, income restoration</td>
</tr>
<tr>
<td></td>
<td>and resettlement</td>
</tr>
</tbody>
</table>
| 3. Implementation Stage | - Social preparation for sensitive sub-projects  
- Obtain inputs from potential displaced persons, hosts, NGOs on selection and development of resettlement sites  
- Involve displaced persons and NGOs on developing income restoration strategies  
- Establish GRC procedures, representatives of affected persons  
- Involve potential displaced persons and NGOs in preparing the Resettlement Plan  
- Review Participatory Mechanisms given in the Resettlement Plan. |

3. Implementation Stage | - Organize participation of the potential displaced persons in implementation of the Resettlement Plan  
- Involve NGOs and other suitable institutions in resettlement efforts  
- Support from NGOs and Stakeholders / Private Sector in livelihood and income restoration efforts  
- Involve affected persons in decision-making committees  
- Ensure that GRC procedure is functional  
- Involve affected persons in monitoring and evaluation. |

**CHAPTER 07**

**Guide to Post Resettlement and Rehabilitation Strategy**

7.1. Relocation is the most difficult and sensitive task of the involuntary resettlement process as the regeneration of living conditions differ from family to family and community to community. Relocation planners accordingly should closely understand the settlement pattern of communities identified for relocation. The ethnic and other social differences, the facilities and services presently enjoyed should be understood so that similar or better living environments could be generated in the new relocation sites in the planning stage.
Relocation Options

7.2. Relocation options need to be disclosed to the affected persons in a detailed form. As participation and consultation is mandatory in the involuntary resettlement process, affected persons identified for relocation need to be consulted from the planning stage of the resettlement sites. If a project can be implemented without relocation, it is the best option. Otherwise, on-site relocation, self-relocation, relocation to housing complexes developed by the State, are the other possible options which could be made available. **The MOD & UD is mainly focusing on resettling urban settlers presently located in marginal lands and dilapidated high-rise housing complexes.** Having understood the scale of the problem, the state has commenced the construction of approximately 10,000 housing units in and around Colombo out of the 35,000 units planned for Stage 1. Relocation of the families under this MCUDP will be in those complexes, which will be high-rise apartments, in good formal housing.

7.3. The affected families will be resettled in these newly constructed housing complexes in Colombo with full titled ownership. The households will be informed of their entitlements before they are requested to shift to resettlement sites by form of registration. Each affected household will obtain a booklet at the registration in which a brief account of the project, the type of impacts which could be expected, the compensation policy and entitlements, outline of the livelihood restoration etc., and the person to be contacted for further information, are explained. In addition, relocation options and support will also be notified to the affected person as indicated in the following Table.

<table>
<thead>
<tr>
<th>Type of Relocation</th>
<th>Payment of Compensation</th>
<th>Transfer Allowance</th>
<th>Subsistence or Resettlement Allowance</th>
<th>Site Planning and Development</th>
<th>Assistance to Host Population</th>
<th>Capacity Building, Monitoring and Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Relocation</td>
<td>If Assets are lost only.</td>
<td>Not Required.</td>
<td>Not Required.</td>
<td>Not Required.</td>
<td>Not Required.</td>
<td>Yes</td>
</tr>
<tr>
<td>On-site Relocation</td>
<td>If Assets are lost only.</td>
<td>Yes</td>
<td>Minor</td>
<td>Not Required.</td>
<td>Not Required.</td>
<td>Yes</td>
</tr>
<tr>
<td>Self-Relocation</td>
<td>Yes. Compensation will be paid.</td>
<td>Yes</td>
<td>Yes</td>
<td>Not Required.</td>
<td>Minor</td>
<td>Yes</td>
</tr>
<tr>
<td>Relocation to High-rise Housing Complexes developed by the State</td>
<td>Yes. Compensation will be paid.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Guide to Post-Resettlement**
7.4. Resettlement Planners need to understand that displaced householders have lost their living environment, employment and livelihood in addition to their fixed assets. They need to be assisted and guided to recover from psychological stress and transitional shock. If they are exposed to transit arrangements proposed under MCUDP, also they will not be in a position to ascertain consolidation in their living environment. They may have to stay till the Housing Complexes are ready for another period of time. An office in the relocation sites of the transit camps need to be established with full scale assistance by experienced staff.

*Transit Housing*

7.5. Temporary resettlers in transit housing need to be provided with all necessary basic facilities and amenities which include water, sanitation, electricity, solid waste disposal and surface drainage, etc. If health education programmes could be organized it will be very effective to minimize health impacts. It is also the responsibility of the settlement planners to see that their children’s schooling and transport facilities are adequately looked after without any interruptions, and possible guidance and assistance need to be extended to prevent school dropouts. This is really a dedicated nature of service which needs tolerance and highly trained staff with rare skills. Therefore, management has to carefully select the staff to man the transit housing sites.

7.6. It is also proposed that transit housing be constructed on a permanent basis rather than with temporary material as this transit arrangement needs to be continued for many more years in resettling nearly 68,000 households under the State-sponsored Underserved Settlements Re-housing Programme. In all these transit housing, separate residential units for each family enabling them to maintain ethnic / cultural privacy has to be ensured. Separate toilets for males / females need to be provided. This needs consideration of the settlement planning authorities. It was also understood that the affected households will be provided with resettlement houses directly without giving transit housing as far as possible. List of original sites at residence and resettlement sites are given in table 7.2.

<table>
<thead>
<tr>
<th>Original Site of Residence</th>
<th>Name of the Resettlement Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beire Lake Settlement</td>
<td>Maligawatha C.G.R. land</td>
</tr>
<tr>
<td>Sarana MAwatha</td>
<td>Dematagoda resettlement site</td>
</tr>
<tr>
<td>Sri Vikramapura Canal Settlement</td>
<td>54 Watta site-Borella</td>
</tr>
<tr>
<td>Noris Canal Settlement</td>
<td>66 Watta site – Borella</td>
</tr>
</tbody>
</table>

Note: The affected households will have the option of selecting resettlement sites.

*Condominium Living*

7.7. The proposed resettlement process expected to be implemented by the MCUDP will be to re-house the affected household population in transit housing and provide permanent resettlement in high-rise complexes after completion. The vertically developed houses which are condominium properties have an entirely different way of living than the ground floor living in underserved settlements. Unless continuous awareness programmes are not conducted effectively, the complexes will shortly be converted into future slums due to disorganization and mismanagement as experienced in “Sahaspora” complex, in spite of conducting several awareness programmes.
**Income Restoration and Rehabilitation**

7.8. Income restoration and improvements to their livelihoods are very crucial to recover the affected householders from stress and economic difficulties. The displaced persons who lose housing as well as employment and livelihood may suffer from impoverishment, if not income restoration and improvement strategies are not implemented from the planning stage of the project. This area is considered a priority activity under the involuntary resettlement policy of the World Bank. NIRP also requires resettlement to be considered and planned as a development activity for the affected persons. Those affected persons who are faced with the burdens of displacement deserved to be beneficiaries of the projects rather than becoming victims of its negative impacts. Resettlement plans accordingly should provide opportunities for increasing the income levels and living standards of the affected people.

**Assistance to Youth, Women and Vulnerable Groups**

7.9. Affected persons in resettlement sites must be assured of some minimum employment duration in order to acquire necessary skills and re-establish living standards. Payment of fair wages and at least a minimum period of three years of employment may be reasonable to generate upliftment of their economic levels. If these resettled APs could be employed by project sites it will at least be a temporary relief for them.

7.10. Capacity building and skill training for youth will be another important area of attention. If youth and school drop-outs are ignored in these programmes, they will become unmanageable and may be a threat to the society. They should be provided with some training to productively contribute to the city economy. At least, two youth from resettled families should be given employment oriented training to become marketable skilled persons to make contributions to their family budget.

7.11. If resettlement is badly planned and executed, the women, youth and vulnerable groups may suffer. Women need to be provided with some activity to generate funds for their daily budget as gender discrimination may affect women’s access to resources and opportunities which can support to improve the living standards of families. Increasing income by establishing credit, skill training and providing markets for their products, will be of prime importance.

7.12. Vulnerable families may consist of women-headed households and families with elders and poor as well as the families with disabled persons. These categories need special attention in providing services and income-generating activities, as support is extremely needed to re-establish their living environments.

**Host Population**

7.13. The affected persons under the MCUDP may be subject to relocation twice. First is to the transit housing and secondly, to their permanent formal housing complexes. Accordingly, they will face different host populations. In resettlement planning, it is understood that APs cannot be considered in isolation. The relocated communities will make use of common facilities and amenities. Not only the economic and social infrastructure, may they compete with the host population for employment and natural resources. Accordingly, conflicts between the host and the resettled population may arise if the resettlement implementing agency starts to assist only the affected, resettled population. The host population should not
feel that they are being discriminated against making non-compensation facilities. The Project needs to make infrastructure and support services to be shared with the host communities.

Resettlement and Rehabilitation Issues

7.14. The MOD & UD has undertaken to relocate thousands of families from various underserved settlements in condominiums that are being constructed by the ministry. Approximately 200 families will be relocated in these condominiums under MCUDP. A package of assistance to APs includes a house worth of RS 2.5 million, transportation allowance of Rs 3000 from the original place of residence to the relocation sites, compensation for all losses sustained as a result of involuntary resettlement, infrastructure facilities at relocated site, capacity building for the affected persons and hosts and other required facilities. There will be an influx of households in the condominiums from various underserved settlements, which may be alien to each other and have ethnic, religious, cultural political and social differences. All the households have to be brought in as one community by consolidating the required ties and harmony among them. The resettlers should find unity in diversity to live in peace with dignity.

7.15. On account of the above said differences, some issues may arise and disturb the harmony of the place. To avert such adverse consequence, an appropriate strategy has to be designed to address the issues and strengthen the relocation and rehabilitation process. Some issues identified are:

b. Lack of unity and trust among relocated households.
c. Formation and proliferation of cliques and vested interests.
d. Reverse migration of a section of the relocated APs
e. Deep rooted “dependency syndrome” on the MOD & UD, PPAs and other implementing partners.
f. Communication problems/miscommunication among the households
g. Personal choices, communal, religious, political and cultural preferences.
h. Problem of collective decision making.
i. Improper utilization of common assets.
j. Poor awareness on the “DOs” and “DONTs” of society management.
k. Problems in the continuity of poverty alleviation programmes to the relocated households. Eg: Samurdhi, Old aged assistance, assistance for sickness etc.
l. Income and livelihood restoration
m. Proper schooling for children
n. Link between the host community and the resettled families.
o. Sharing and strain on the resources used exclusively by the host communities.

7.16. New institutions or extensions of the already existing institutions and mechanisms are required to address the above enumerated issues. The strategy should facilitate participatory and community based approach to mitigate or eradicate the negative impacts of the above
issues and achieve sustainability of a system which could contribute to the solidarity, trust, harmony familiarity, brotherhood and democratic way of life.

**Post Resettlement and Rehabilitation Strategy**

7.17. Awareness programmes:
As resettlers are from underserved settlements, they may not have the correct perspective about living in a condominium. To the extent they enjoy certain specific rights by being an owner of a flat, they also share some common utilities and services with the neighbours. When sharing the common facilities they too have certain responsibilities to each other for a good neighbourly living and to maintain the common assets. To create such conducive environment for peaceful existence, the PPAs should conduct awareness programmes amongst the APs on the following aspects.

- Collective living in condominium
- Respect for each others, communal, religious, cultural and social values.
- Usage of facilities, management of condominium
- Living with host communities
- “DOs” and “DONTs”

7.18. Formation of Management Corporation (MC) for each condominium, under the Apartment Ownership law:
The objective of the MC is to maintain and manage the condominium property. All chief occupants of the households and tenants of the commercial property will be the members of the MC. The chief occupants, tenants and MOD & UD will contribute for an initial capital, which would be invested and the income from the investment will be utilized for the management and maintenance.

The management committee of the MC will consists of officials nominated by the MOD & UD and the representatives of the households.

7.19. Formation of a Thrift and Credit cooperative Society (TCCS) by the Department of Co-operative Development:
To develop thrift and saving habits and to avail small credit, formation of thrift and credit society is a pre-requisite. Under the supervision and guidance of the Department of Cooperatives, the resettlers should form a co-operative society and register with the department for it to become a legal entity. Once the society is registered, it can obtain credit facilities from financial institutions. When the TCCS becomes a member of “Sanasa”, the apex body of the TCCSs in Sri Lanka, the resettlers as members of the TCCS will be able to obtain credit facilities from “Sanasa” for micro enterprises and self employment.

7.20. NGOs:
The NGOs which were implementing partners of the project should continue their engagement in the new locations, so as to enable APs to attain self sustenance in the following manner.

- Facilitating income generating activities/micro enterprises and micro credit facilities
7.21. Poverty alleviation measures (PAM):
The APs who were enjoying state support, such as Samurdhi, Old aged pension, Sickness assistance etc., should be ensured that they continue to receive them. Change of residence, different GN division and DS area can cause disruptions to the delivery mechanism. This should be avoided by appointing a special officer to resolve issues arising due to relocation.

7.22. Income from common assets:
Income from common assets such as leasing of commercial units and community halls etc. should be accounted well and used for welfare of the occupants of the condominium.

7.23. Opening a branch of the Multi Purpose Cooperative Society (MPCS) of the area:
There will be around 3000 relocated persons in a condominium and for them to buy goods mainly consumer items of good quality at reasonable prices, a co-operative outlet is a necessity. A branch of the area MPCS will be opened to cater to the needs of the resettlers. Each head of the household will become a member of the MPCS and participate in the management of the MPCS and the branch.

7.24. Need based Task committees:
An Environment committee, Women’s welfare committee and a Community welfare committee will be established in each condominium.

1. Environment Committee (EC)
The EC will be responsible for the cleaner and green environment surrounding of the condominium. The EC will educate resettlers through awareness programs to manage the environment properly to prevent any health hazards such as malaria, dengue and contiguous diseases. It will also train the resettlers to respond to natural disasters such as flood, cyclone etc. The EC will coordinate with the Local Bodies to keep the water supply, waste disposal system drainage and sewerage system etc, functions without disruption.

2. Women’s Welfare Committee (WWC)
The WWC is committed to the empowerment of women through education and communication. It will organize assistance for the women in need in liaison with Department of Women Affairs and NGOs. It will arrange for legal assistance to the women who need protection from the harassment by anti-social elements. It will organize Health care clinics for pregnant and lactating mothers, children, and sick and elderly women. It will assist the women to start micro enterprises and self employment projects.

3. Community Welfare Committee (CWC)
It will organize community welfare measures such as providing basic necessities to the physically and mentally affected persons in liaison with Government Departments and NGOs which support such measures. It will maintain playgrounds, children’s parks and
community centers; conduct awareness programmes for the prevention of drug abuse, consumption of liquor, smoking; conduct medical clinics to wean away the victims of drugs from consumption. Keep the members informed of their rights, eligibilities obligations and all matters related to the development of the condominium.

As the resettlers are pluralistic in nature, the CWC will endeavor to find ways and means to bring unity in diversity. This could be achieved through organizing collective religious, cultural festivals and sports programmes to create interaction opportunities through community participation. The leadership qualities among youth will be developed through youth programmes. Take measures to ensure the safety and security of the persons and property.

Support to Host Community

7.25. Host community is a key actor in the relocation process and the success of relocation will much depend on the attitude and approach towards the resettlers. At no time the host community should feel they are not benefited by the project, but they are compelled to share their resources with the resettlers. To avoid such feelings they should be given the same non compensatory benefits and facilities enjoyed by the resettlers, such as infrastructure facilities, capacity building, empowerment of women, employment opportunities of youth etc. By providing these to them the harmonious atmosphere will emerge and contribute to the success of relocation.

Issus of title deed for the houses

7.26. The title deed for the houses should be issued to APs without delay to avoid any misunderstanding and suspicion which may lead to unnecessary agitation and upset the community.

Conclusion

7.27. The above strategies proposed when implemented are expected to strengthen the relocation and rehabilitation process in the condominiums. Given the limited exposure of the resettlers from the underserved settlements to the formal function of the institutions, it may be necessary to provide inputs for a prolonged time for the translation of these suggestions into action. However over “dependency syndrome” factor of the community should be avoided and the community should be transformed into self reliant society. The intervention of external agencies is indispensable until the community becomes self reliant.
CHAPTER 08
Grievances Redness Mechanism

8.1. GRMs are institutions, instruments, methods and processes by which a resolution to a grievance is sought and provided. Adequate care should be taken to prevent grievances through careful design and implementation of projects. However grievances are inevitable when complex projects are implemented, and affected persons (APs) or groups should be provided with an institutionalized GRM for them to submit their grievances and obtain redress to achieve their aspirations and satisfaction of needs or to be satisfied that justice has been dealt with in an equitable manner. Timely redress through such mechanism creates trust and confidence in the minds of the APs which is vital to the satisfactory implementation of resettlement and to completion of the project on schedule. It is important that the GRM should be easily accessible to APs and should be transparent, cost effective, and efficient and provide quick response for resolution of grievances.

8.2. Five project specific (internal) grievance redress instruments;
   a) Social Development Officers (SDOs) appointed by the PPAs;
   b) Local Resettlement committees (LRCs) formed at the resettlement locations by PPAs;
   c) Grievance Redress Committees (GRCs) appointed by PPAs;
   d) Project Director and
   e) Secretary/MOD & UD,
Under MCU DP and two external instruments namely Samatha Mandala (conflict resolution committees) appointed by the Ministry of Justice and Courts are available for the APs to obtain redress.

8.3. The APs can opt to have recourse to any of these instruments. A grievance redress process is given in Appendix XVI. All the grievance redress instruments should ensure that the complete proceedings of each case is registered and recorded.

8.4. To resolve grievances and complaints, each PPA will establish a Grievance Redress Committee (GRC) common to all sub projects coming under its purview. The composition of the GRC could be changed to suit AP’s location from where the grievance emanates. (see Appendix XVII for membership of GRCs). It is essential to ensure that gender balance in the composition of the membership. Membership of the priests and GN will change when the APs are relocated.

8.5. Members of the committee should be knowledgeable about the project and they are able to ensure proper presentation of grievances and complaints and as well as impartial hearings and transparent decisions. The PPAs should conduct workshops for the members of the GRCs to enrich them with knowledge on the project; organization of GRC, its objectives, conducting the deliberations and arriving at balanced resolutions.
8.6. The GRC will have a well defined structure coupled with GRIEVANCE REDRESS RESOLUTION PROCEDURE. Wide publicity will be given about the composition of members, the procedure adopted to receive complaints and grievances, holding inquiries and arriving at transparent decisions. The SDOs, NGOs and CBOs will be used for this purpose. In this project, grievances may arise due to dissatisfaction over rates of compensation, eligibility criteria, locations of resettlement sites, quality of services at resettlement sites etc, and in application of the guidelines adopted in the SMF for assessment and mitigation of adverse social impacts.

8.7. The GRC will establish a GRIEVANCE REDRESS RESOLUTION PROCEDURE. The procedure will include provisions inter alia for:

(a) A prescribed form for APs to report grievances; (see Appendix XVIII for sample application form for grievance redress)

(b) Recording of the proceeding of the hearings, registering and sorting grievances; GRC will record the reasons that led to the acceptance or rejection of the particular cases and the decision agreed with the complainants;

(c) Guidelines for determining resolution process for consistent decision making;

(d) Implementing decisions; and

(e) Tracking, monitoring, documentation and evaluation

8.8. In this project, issues related to disputed assessments, entitlements, disputes between APs could be easily solved with the assistance of the GN, who is very knowledgeable about the people and the area. Two GNs will be involved in relocation, one at the original settlement and other at the relocated site. Resolution of grievances will be handled through negotiations aiming to achieve consensus between the PPA and the AP

8.9. In the first instance, the AP should bring the grievance to the notice of the SDO. If an amicable settlement is not reached within a week, SDO will submit the grievance to the LRC. All endeavors should be made by the LRC to settle the grievance with the help of the Grama Niladari (GN). If a grievance cannot be resolved at the LRC level within a week, it should be submitted to the GRC for adjudication with all related documents within a week. Meantime the AP also should be advised to submit the grievance in the prescribed form to the GRC within a week.

8.10. The APs should make their grievances preferably in writing. If they are illiterate to do so, an officer at the GRC should record the grievance in the prescribed form and obtain the AP’s signature before the proceedings of the resolution process.

8.11. The deliberations of the GRC will be transparent and the hearings will be public. Resolution of the grievance should be made within a week. The GRCs will record the details of grievance that led to acceptance or rejection of the particular case and the decision agreed with complainants.

8.12. If the AP is not satisfied with GRC’S decision, the grievance could be submitted to the PD within a week. The PD will take a decision in consultation with the PPA concerned within a week. If PD’s decision too is not acceptable to the AP, he or she can appeal to the S/MOD & UD. If the decision given by S/MOD & UD is not acceptable to the AP, the AP can have recourse to SM or Courts. Thus the AP has five internal grievance redress instruments to resolve his or her grievances.

8.13. In addition to the RO, LRC, GRC, PD and S/MOD & UD, the APs could make use of the Samatha Mandala, (SM), the conflict resolution committee appointed by the Ministry of
Justice to resolve grievances or as a last resort the Courts. The APs will not be charged any fees related to redress resolution by the Project except court expenses.

8.14. It is not mandatory that the APs should follow the redress process given in the Appendix 1. The AP has the right to seek redress from any of grievance redress instrument convenient to him or her.

CHAPTER 09
Guide to Cost Estimation and Funding
9.1. In order to implement the social management measures suggested above budgetary provisions should be made available, in terms of each sub projects. Budgetary estimates for sub project where resettlement implementation is necessary including resettlement management should be incorporated in to the cost estimates.

9.2. Accordingly, land acquisition and resettlement expenses for consultation and participation, grievances redness, cost for relocation, Income restoration and livelihood programme, monitoring and evaluation etc. should be included as cost estimates for social management.

9.3. The cost estimate can be finalized following the detailed design; DMS based design and replacement cost survey. The costing shall make adequate provision for contingencies and cost for administration which could be around 20%. The following is a format to be used for cost estimation.

9.1: Format- Cost Estimate for Social Management

<table>
<thead>
<tr>
<th>Project Sup Project</th>
<th>Activity</th>
<th>Land Acquisition and Resettlement</th>
<th>Consultation &amp; Participation, Grievances Redness</th>
<th>Cost for Relocation</th>
<th>Income Restoration and Rehabilitation</th>
<th>Monitoring and Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9.4. The following cost estimate has been prepared based on the identification of the financial requirement through social screening for stage 1 of the MCUDP.

9.2: Format- Cost Estimate

<table>
<thead>
<tr>
<th>Activity</th>
<th>Rate (Rs.)</th>
<th>Total Cost (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Re-settlement of 161 families</td>
<td>2,500,000.00</td>
<td>xxxxxxxxx</td>
</tr>
</tbody>
</table>
2. Transitional Allowance for 161 Households 3000.00 xxxxxxxx
3. Compensation for losses of assets other than dwelling units Lump sum 10 000, 000.00
4. Administration cost 10% xxxxxxxx
5. Communication 10% xxxxxxxx

CHAPTER 10
Monitoring and Reporting

Monitoring and Reporting
10.1. The project management system will establish a monitoring and reporting system which will be organized as a functional cell in the PMU. The monitoring and reporting system will have purview of the social safeguard program and will establish a monitoring and reporting system for ensuring efficient and effective implementation performance of the delivery of the project social safeguard program. A Monitoring and Evaluation Cell will be established to perform the monitoring and reporting function.

10.2. The monitoring and reporting system will be responsible for the systematic collection of information on the progress of the application of the social safeguards program and reporting the findings to the stakeholders through the PMU. Overall the objective of monitoring and reporting will be to ensure that the proposed mitigation measures are producing the intended results.

The Monitoring System

10.3. The design of the monitoring system will involve the delineation program around the following elements.
   a. Monitoring indicators to be measured for evaluating the performance of each mitigation measure.
   b. Monitoring mechanisms and methodologies.
   c. Monitoring frequency.
   d. Monitoring locations and linkages.
   e. Documentation and reporting requirements.

10.4. Monitoring will be both internal and external.
   a. Internal Monitoring
      The PMU through the Monitoring and Evaluation Cell will be responsible for internal monitoring. Internal monitoring will be at two levels.
      i. The sub-project level in respect of output indicators carried out through the Social Safeguard Officers.
      ii. Service provider level in respect of the relevant output indicators related to services provided by the sector agencies, non-government organizations, and private sector agencies.

The IM will include inter alia:
   ● The efficiency and effectiveness of the day to day planning and implementation of the Resettlement plan (RP).
- Budgetary requirements; timely receipt of imprest; financial allocation to the PPAs; effectiveness of disbursement and reimbursement. Disbursements are done in timely cost-effective and in transparent manner

- Effectiveness of Data collection, feedback information, identification of bottlenecks and trouble shooting,

- Ensure that the program managers have adequate information to respond quickly, efficiently and effectively to problems and opportunities in project implementation.

- Maintenance of each APs entitlement updated file

- Field studies collecting information to compare with the baseline information on socio economic conditions of the APs, to access whether the socio economic conditions improve and income and living standard improve restored

- Review of progress reports

- Review of coordination of the activities inside within the implementing organization as well as with outside agencies.

b. External Monitoring

The PMU will engage an independent external monitoring agency for independent review of the safeguard implementation program to determine whether intended goals are being achieved, and if not, what corrective actions are needed. External monitoring will have two objectives.

i. Verify if the safeguard program is being implemented in accordance with the approved framework.

ii. Verify whether affected persons, households and communities are able to address negative impacts and restore their livelihoods and living standards.

External Monitoring is intended to:

a) Verify that the RP has been implemented according to approved plans and procedures.

b) Assess that the objectives of the RP has been achieved.

c) Determine that APs livelihood and living standards have been restored or improved and if not suggesting ways and means of improving performance.

d) Obtain views of the APs on their relocation, entitlements and Grievance Redress committee’s performance.

e) Evaluate the performance of the all implementing Agencies including PMU, PPAs, NGOO, CBOO and other Government Agencies associated with the implementation of the project.

f) Review of all reports by the internal monitoring agencies.
10.5. The external monitoring agency will carry out a baseline survey prior to implementation and carry out periodic updates as agreed. The findings of external monitoring will be submitted to the PMU and considered at the Project Steering Committee.

10.6. The design of the monitoring system will also involve the delineation of the monitoring roles and responsibilities and mechanisms for coordination of monitoring. The monitoring system will provide for both internal and external monitoring and reporting. Social audits on the progress of the safeguard program will be conducted as an integral part of external monitoring.

Monitoring Roles and Responsibilities

10.7. There will be several monitoring roles and responsibilities in the delivery of the social safeguard program. The monitoring roles and responsibilities will follow the overall project management system and be organized as a two-way reporting to the implementing partnership and the affected households and communities.

Metro Development Stakeholder Forum

10.8. In order to establish a partnership in social management a “Metro Development Stakeholder Forum” will be constituted to bring together all stakeholders including representatives of affected settlement communities. The Forum would meet bi-annually. The Monitoring and Reporting Cell will prepare a bi-annual Report on the status of the social safeguards program incorporating the program for the next reporting period and submit the same to the Stakeholder Forum. The monitoring role of the Stakeholder Forum will be to consider the report, identify gaps and propose remedial measures and consider partnership linkages.

Project Management Unit

10.9. The PMU will function as the overall review body and receive monthly monitoring reports from the Monitoring and Evaluation Cell that will be submitted to the monthly meetings of the Project Steering Committee. The Project Steering Committee will be guided by the recommendations of the Stakeholder Forum in reviewing reports being submitted by the Monitoring and Evaluation Cell. The Project Steering Committee will be responsible for:

   a. Review progress on the delivery of social safeguard program.
   b. Review status of the partnership arrangements for the delivery of the safeguard program.
   c. Identify policy and technical initiatives to support the efficient and effective implementation of the safeguard program

Monitoring & Evaluation Cell

10.10. The Monitoring and Evaluation Cell will be responsible for the operation of the monitoring and reporting system. The responsibility of the Cell would include the following.

   a. Provide program communications and technical support to the PMU.
   b. Establish and maintain data base and reporting system on the social safeguard program.
c. Co-ordinate with the Project Divisions, PPAs, Sector Service Providers, Non-government and Private Sector partners in following up on implementation gaps and issues.

d. Prepare and submit reports as per monitoring design.

e. Arrange for external monitoring especially for reporting to the stakeholder forum.

**Sub-Project Cell**

10.11. Monitoring at the sub-project level will be direct and focus on the implementation status of safeguard actions and the progress in respect of the affected persons and households in addressing negative impacts. A sub-project safeguard group will be constituted drawing representatives from the settlement and the non-government and private sector organizations providing services for the safeguard program. The subproject group will monitor progress on a monthly basis.

**Reporting**

10.12. Feedback mechanisms to inform the relevant parties on the progress and effectiveness of the safeguard measures would be specified. Guidelines on the type of information wanted and the presentation of feedback information would also be specified.

10.13. The key output of Monitoring will consists of various types of written and oral reporting. They include

1) Periodic Reports (Monthly, Quarterly, Semiannual Reports);

2) Ad hoc Reports, especially on particular subject at the request of the management; and

3) Internal notes or oral presentation for informal management review sessions.

10.14. The reports will be on a standardized format so that information received could be easily compared with previous reports. It should be precise and concise; timely and highlight exceptions and departure from plans and schedules.

10.15. **Reporting Responsibilities**

a. Reporting to Settlements

   Reporting to the APs will constitute an important element of the accountability arrangements. The reporting mechanisms at this level would be simple and be accessible to all. Reporting will consist of briefing material, notices in regard to safeguard measures, and leaflets that can be distributed to persons and households. The monthly progress review meetings of the NPSC will also constitute the reporting mechanism.

b. Reporting to the PMU and NPSC and MDSF

   The Monitoring and Evaluation Cell will report to the PD who will in turn report monthly to the NPSC and MDSF bi-annually.

**Monitoring Framework**
10.16. The range of activities to be monitored would include the following.
   a. Program for partnership engagement
   b. Program for capacity building and training.
   c. Program for grievance redressal.
   d. Program for participation and consultations.
   e. Program for disclosure and reporting.
   f. Program for involuntary resettlement.
   g. Program for entitlements and payment of compensation.
   h. Program for restoration of cultural and community property resources.
   i. Program for vulnerable households, groups and persons.
   j. Program for re-establishment of incomes.
   k. Status of re-establishment of incomes.
   l. Status of vulnerable households, groups and persons

10.17. Internal and external monitoring will be carried out in respect of above safeguard program activities. Monitoring will follow a framework of process, output and outcome indicators.

**Table 10.1: Framework of Process, Output and Outcome Indicators**

<table>
<thead>
<tr>
<th>Type of Indicator</th>
<th>INDICATORS</th>
<th>Suggested Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Partnership engagement</td>
<td>Stakeholder Organizations, services provided, staff deployed by gender</td>
<td>Participation at stakeholders meetings and consultations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Field visits by stakeholder organizations</td>
</tr>
<tr>
<td>b. Capacity building and training</td>
<td>Training programmes conducted for the stakeholders and number of participants. Training programmes conducted for staff and other officers and number of participants. Systems and procedures designed and introduced.</td>
<td></td>
</tr>
<tr>
<td>c. Grievance redressal</td>
<td>Number of grievances received and resolved by all internal instruments of GRC by type; redressal provided, timeliness of response. Number of grievances went to SM and Courts and number resolved.</td>
<td></td>
</tr>
<tr>
<td>d. Participation and consultations</td>
<td>Number of participations and consultations by purpose, venue, attendance</td>
<td>Number and type of handbooks and informative bulletins distributed.</td>
</tr>
<tr>
<td>e. Disclosure and reporting</td>
<td>Number of disclosures and reporting to Resettlement Committees, PMU, and MDSF Forum</td>
<td></td>
</tr>
<tr>
<td>Type of Indicator</td>
<td>INDICATORS</td>
<td>Suggested Variables</td>
</tr>
<tr>
<td>-------------------</td>
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</tr>
</tbody>
</table>
| **Output**        | f. Involuntary resettlement | Number of households affected.  
Number of houses built and allocated to households.  
Number of households occupied.  
Number of households received titles for the houses.  
Housing and related infrastructure completed.  
Relocation of people completed. |
|                   | g. Entitlements and payment of compensation | Number of compensations made by type of loss, MOD & UDe/amount and timeliness. |
|                   | h. Restoration of cultural and community property resources | Number of cultural and community resources restoration required and made |
|                   | i. Vulnerable households, groups and persons | Numbers of vulnerable (poor, women, children and disabled) requiring assistance, type of assistance provided, numbers utilizing assistance provided |
|                   | j. Restoration of incomes | Number requiring income opportunities, type of income opportunities provided, agency supporting |
| **Impact**        | k. Re-establishment of incomes | Number of persons/households economically active following relocation or re-adjustment |
|                   | l. Vulnerable households, groups and persons | Changes in status of vulnerable by type of service provided eg., training, microfinance, schooling, jobs etc. Number of households lost access to informal credit and number regained. Number of households lost access to informal credit and how many regained access |

10.18. Sampling Format for Monitoring –Please see Appendix XIX (ME-1, ME-2, and ME-3)