## 2005-2007

## Post-Tsunami Cash for Repair and Reconstruction in Sri Lanka

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| **Name** | Post-Tsunami Cash for Repair and Reconstruction in Sri Lanka |
| **Period** | April 2005 – December 2007 (2 years) |
| **Location** | Sri Lanka, Trincomalee district and Matara district |
| **Funding and implementation** | Swiss Consortium (SC)<br>• Swiss Solidarity (SwS)<br>• Swiss Red Cross (SRC)<br>• HEKS<br>• Swiss Development and Cooperation Agency (SDC) |
| **Budget** | USD 15.5Mio (CHF 19.5Mio) |
| **Results** | • 3'371 houses reconstructed by house owners<br>• 7'320 houses repaired by: house owners<br>• Approx. 10'600 families |

### Context

The Tsunami of December 26th, 2004 inflicted catastrophic damage to a large part of the coastal belt of Sri Lanka. Leaving more than 30'000 dead it also destroyed or severely damaged tens of thousands of private houses and infrastructure. The Government of Sri Lanka's (GoSL) Task Force for Rebuilding the Nation (TAFREN) – later renamed RADA - with the support of the World Bank launched a nationwide house-owner driven housing rehabilitation scheme and called for donor support. The programme included all 12 Tsunami-affected districts. Initially the World Bank (WB), the Asian Development Bank (ADB), the German "Kreditanstalt für Wiederaufbau" (KfW) and the Swiss Consortium - consisting of Swiss Solidarity (SwS), Swiss Red Cross (SRC), Swiss Inter Church Aid (HEKS) and the Swiss Agency for Development and Cooperation (SDC) under one roof - responded to the GoSL appeal later followed by the Netherlands and IFRC. The Swiss Consortium took on responsibility for the funding and implementation of the programme in two districts: Matara in the South and Trincomalee in the North-east known as the Cash for Repair & Reconstruction project (CfRR) project.

### Rationale

The rationale for the Swiss Consortium to enter into the GoSL housing scheme was based on the following four objectives: i) to empower beneficiaries with cash grants in order to leave the rebuilding of houses in the hands of the beneficiaries, according to their own needs and perspectives; ii) to align Swiss interventions with Government policies; iii) to launch an ethnically balanced approach in 2 districts: Matara in the South (Singhalese) and Trincomalee in the North east (Tamils, Muslims, Singhalese), the latter being heavily affected by the ongoing civil war; iv) to build on SDC's experiences in cash transfer programmes from elsewhere in the world

### Owner driven approach

*a. Phase I (basic grant)*

The ‘owner-driven’ programme provided the beneficiaries with $2,500 in four instalments if their house had been fully damaged (FD) and $1,000 in two instalments if their house had been partially damaged (PD). Recipients had to prove that they owned a house and land title before the tsunami and that the house was damaged or destroyed. The cash grant was expected to be sufficient for a basic "core house" to be expanded out of the savings of beneficiaries or the 'top-ups' of agencies. The Swiss Consortium provided both funding and direct technical and management support to the GoSL in implementing the project in two of the twelve affected districts. These two districts were selected to provide an ethnically balanced approach, Matara in the South (mainly Singhalese communities) and Trincomalee in the North-East (mixed communities of Tamil, Singhalese and Muslim). The resumption of conflict in 2006 and 2007 had an impact on the implementation of the project in Trincomalee with some people forced to flee from houses that had been rebuilt and others unable to complete construction. Some families returned home in July 2007 to complete their houses, and the housing programme restarted in 2008.

*b. Phase II (Top-ups):*

The mid-term evaluation in November 2006 found that people had overwhelmingly used the cash to repair or rebuild their houses. However, significant increases in prices of transport, labour and building materials meant that some people had not been able to fully complete construction and that the base-grant of $2,500 would not be sufficient. A second phase of support from the Swiss Consortium provided additional funds that were known as "top-ups" to house owners in some areas to take into account the rising costs for construction. The top-up increased the total amount received by the beneficiaries to $5,000. The SRC as the implementer of the CfRR in Trincomalee for the Consortium continued to be the implementer of the second phase during 2007. In Trincomalee, additional funds for both Phase II came mainly from the American Red Cross (ARC) and Hong Kong Red Cross HKRC).

**Implementation details**

*c. Registration*

Registration of beneficiaries was performed by the local administration. Each beneficiary was visited by the damage assessment team (DAT). The team estimated the damage, classified it into one of the 2 categories (fully or partially damaged), identified the beneficiary, (incl. identity card number, address, land title, bank relation). Subsequently this information was entered into the database which was provided by the Swiss Consortium. Verification All beneficiaries were visited periodically by Technical Field Officers (TOs). In order to verify the progress of the rehabilitation work, the TOs - supported by experts from Switzerland - made regular field visits. Once a beneficiary successfully completed a construction phase he/she became automatically eligible for the next instalment. This information was entered in the database and the beneficiary would be listed on the next due payment list for the bank branch.

*d. Announcement*

All decisions related to beneficiary registration status and classification (fully damaged or partly damaged) were made public in a transparent manner. Lists were taken from the database only and published on boards at the district and divisional administration offices. The responsibility for announcing policy guidelines and beneficiary entitlements laid with the local authorities. Grievances Grievance committees were set up at village level and divisional level. They consisted of accepted community representatives, officials from the local administration and programme representatives. Most of the complaints were related to category changes (partially / fully damaged).

*e. Payments*

Payments to beneficiaries were released to respective bank accounts of beneficiaries by the designated bank branches upon submission of the official payment list produced by the database. Each payment was authorized by the project manager from Switzerland present at district level. Fully damaged cases were paid in 4 equal instalments: 1st upon registration, 2$^{nd}$ upon finishing of the foundation, 3rd upon finishing the walls, and 4th upon finishing the roof.

Partly damaged cases were paid in two instalments. The money–flow from the Swiss Consortium was arranged in a refunding mechanism. The banks had agreed to pay up-front to beneficiaries according to the payment lists. Verified payments were then reimbursed to the banks through transfers from Switzerland. The money flow, from donor to beneficiary, was audited by international external auditing experts.

*f.* *Monitoring & evaluation*

The monitoring of construction progress was at the core of the management process. The TO carried out regular site visits to monitor the progress and to verify eligibility for successive instalments. Photographic records were included in each beneficiary file. The programme was evaluated externally by a group of international experts in late November 2006.

*g.* *Supporting measures*

Technical assistance and expertise on technical issues was provided by the experts from Switzerland on a regular basis in order to assure quality standards in the construction as well as on the payment process. In particular, the Swiss Consortium introduced a database in order to manage and control the construction verification and payment process. About 50'000 financial transactions have been managed in Matara and Trincomalee alone. In view of its efficiency, the database was also introduced to the other districts.

*h.* *Infrastructure*

In both districts the Swiss expert team consisted of one expatriate project manager and a local team including an IT data management specialist, an administrative assistant and a number of field officers. A Swiss project coordinator was based in Colombo and liaised with involved partners including GoSL, WB, ADB and the International Federation of Red Cross and Red Crescent Societies (IFRC). In Switzerland an operational Project Board and a Steering Committee among the Swiss Consortium partners was set-up.

*i.* *Security measures*

The active war situation in Sri Lanka, particularly in Trincomalee District, imposed very strict security measures. Several times the programme had to be suspended due to insecurity

**Additional documents in the library**

- Powerpoint, March 2008, Christian Ubertini
- Evaluation report, Yasmine Aysan, December 2028
- “Twelfe families”. Publication by David Prêtre and Aline Andrey on the CfRR program. Swiss Red Cross, 2008.