



Cash for Repair and Reconstruction – Sri Lanka



Implementation:

Government of Sri Lanka Swiss Consortium

- Swiss Solidarity
- Swiss Red Cross
- HEKS
- Swiss Confederation

Period:

April 2005 – Dec. 2007

Beneficiaries:

- houses reconstructed by:
- houses repaired by:
- total pay-out:

3'371 house owners
7'320 house owners
USD 15.5Mio (CHF 19.5Mio)

Situation

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 imple-

mentation 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.

Aim

The aim of the CfRR was to empower house owners to rehabilitate or reconstruct their fully or partly damaged houses according to their own ideas, possibilities and needs and to contribute to social and economical recovery.

Design

1st phase: The design of the CfRR is based on multiple cash grants to the house owners whose houses were destroyed or damaged by the Tsunami and were located outside the so called buffer zone, a perimeter of originally 100-200m width along the coast line. Owners of a fully damaged house received in total USD 2'500 in 4 instalments, each instalment being bound to the actual construction progress. This amount is calculated for a reference living space of 46m² according to the construction prices at the time. Owners of partially damaged houses received USD 1'000 in

two instalments. This amount was used for renovation works, as well as for covering losses of furniture and personal belongings.

2nd phase: By the end of 2005 the buffer zone was relaxed by the GoSL which resulted in an extension of the programme to additional beneficiaries.

Results

The total financial commitment of the Swiss Consortium for the two districts and the 2 phases is about USD 15.5Mio. (approx. CHF 19.5Mio.). More than 10'600 Tsunami-affected house owners have rehabilitated their houses. In Matara district 1'391 fully damaged and 4'860 partly were completed when the programme ended on 31 March 2007. The programme in Trincomalee district is still ongoing and planned to be concluded by end 2007. By then, about 1'980 fully damaged and 2'460 partly damaged houses will have been rehabilitated. An external evaluation in November 2006 on the Swiss involvement in the programme draws a highly positive picture of the project in terms of appropriateness, efficiency and impact.



Implementation details

Assessment, project start-up

The rationale for the Swiss Consortium to enter into the GoSL housing scheme was based on the following four objectives:

- § 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;
- § to align Swiss interventions with Government policies;
- § to launch an ethnically balanced approach in 2 districts: Matara in the South (Sinhalese) and Trincomalee in the North-east (Tamils, Muslims, Sinhalese), the latter being heavily affected by the ongoing civil war;
- § to build on SDC's experiences in cash transfer programmes from elsewhere in the world.

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.

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).

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 authorised by the project manager from Switzerland present at district level. Fully damaged cases were paid in 4 equal instalments: 1st upon registration, 2nd 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.

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.

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 construc-

tion 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.

Topping-up mechanism

During the course of the programme it became clear that due to price increases the amount of USD 2'500 would not be sufficient in all operational areas to reconstruct a fully damaged house. Therefore an additional financial contribution (top-up) was introduced into the programme. In general doubling the compensation for a fully damaged house to USD 5'000. The top-up was co-financed by other Red Cross Societies and NGOs, thereby assuring the completion of the houses. In addition, house owners were free to extend the construction works according to their own resources and means.

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.

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.

Further info

For further info see:
www.sdc-cashprojects.ch