

**Assistance Policy &  
Implementation Guidelines**

**Housing & Township  
Development**

**Ministry of Urban Development  
and Water Supply**

**Ministry of Housing and  
Construction Industry**



**Presidential Secretariat**



# Assistance Policy & Implementation Guidelines

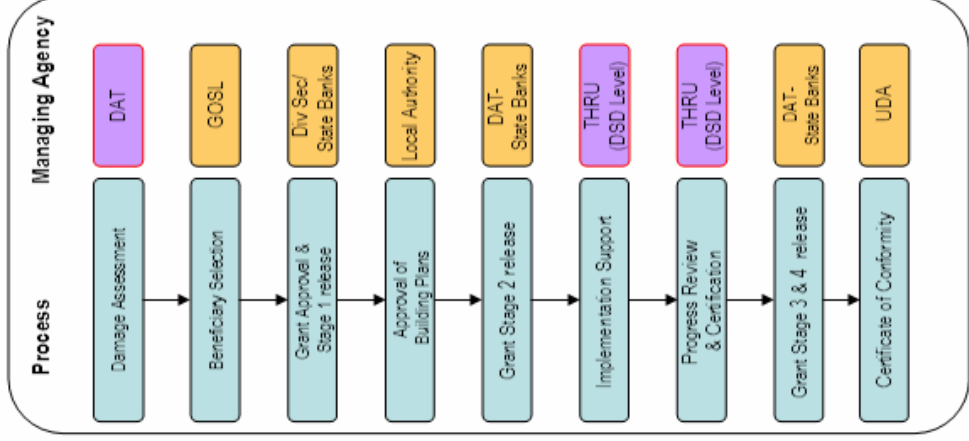
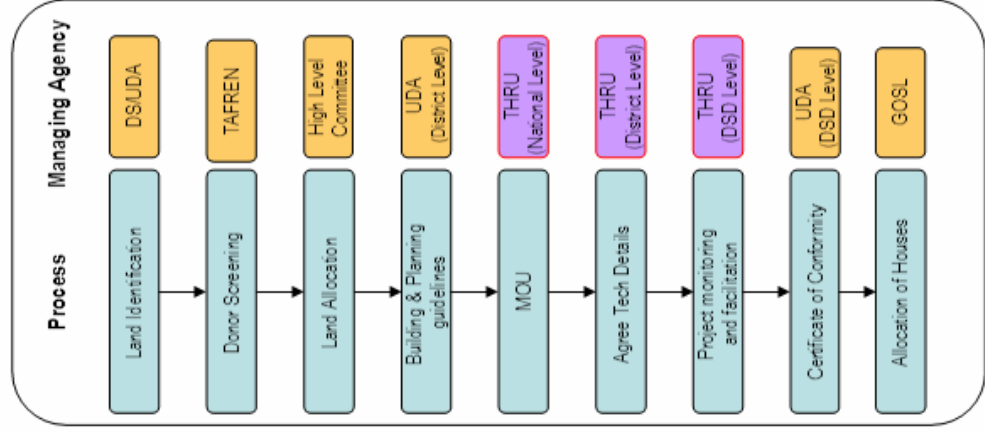
15<sup>th</sup> March 2005

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**Housing Reconstruction**  
Process Flow & Managing Agency

**Donor Built**  
(New houses/New Land)

**Reconstruction**  
(Old houses/Existing Land)



**Legend**

GOSL - Govt. of Sri Lanka

UDA - Urban Dev Authority

THRU - Tsunami Housing and Resettlement Unit

DS - District Secretary

DSD - Div Secretary Division

DAT - Damage Assessment Team

Div Sec - Divisional Secretary

# 1. The Buffer Zone

## 1.1 Definition of Buffer Zone

- **Zone 1** – 100m landwards from the mean high water line (Kilinochchi, Mannar, Puttlam, Gampaha, Colombo, Kalutara, Galle, Matara, Hambantota)
- **Zone 2** – 200m landwards from the mean high water line (Coastal belt within the Jaffna, Mullaitivu, Trincomalee, Batticaloa and Ampara District)
- The Physical demarcation will be done by the Survey Dept. in association with the Urban Development Authority (UDA) and Coast Conservation Department (CCD)
- The initial demarcation by wooden pegs will be done by the Survey Department and the Coast Conservation Department will replace the demarcations with permanent concrete markers

## 1.2 Not allowed within Buffer Zone

- Construction of new buildings (temporary or permanent)
- Re-construction of completely or partially damaged buildings
- Additions and alterations to existing buildings that require planning approval by the UDA/CCD
- All repairs, re-construction and additions after 26<sup>th</sup> Dec 2004 will be deemed as unauthorized structures

## 1.3 Allowed within the Buffer Zone

- All buildings not damaged by the Tsunami that complied with relevant building regulations as at 25<sup>th</sup> Dec 2004.
- Exempted activities listed below

## 1.4 Land ownership within Buffer Zone

- Current legal owners would continue to have title to the land. The Govt. will not claim ownership to the land

## 1.5 Administration & Enforcement of the Buffer Zone

- All new buildings to be constructed within the Buffer Zone (for permissible uses) will require approval by the UDA/CCD

## 1.6 Exemptions

### **A - Hospitality Industry –**

In recognition of the importance of the tourism industry in Sri Lanka the following additional exceptions will apply to businesses in the Hospitality industry *approved by the Sri Lanka Tourist Board and have obtained all necessary regulatory approvals before 26<sup>th</sup> Dec 2004.*

### **Hospitality Business Premises not damaged by the Tsunami**

- Such buildings will be allowed to remain within the Buffer Zone provided they had approval from all relevant regulatory authorities including the Sri Lanka Tourist Board prior to 26<sup>th</sup> Dec 2004.

### **Hospitality Business Premises partially damaged by the Tsunami**

- A building is deemed to be partially damaged if the cost of repair is below 40% of the replacement cost of the building
- Such buildings will be allowed to be re-constructed within the Buffer Zone provided they had approval from all relevant regulatory authorities including the Sri Lanka Tourist Board prior to 26th Dec 2004. Furthermore, they would be required to comply with any new regulations published subsequently.

### **Hospitality Business Premises completely destroyed by the Tsunami**

- A building is deemed to be completely destroyed if the cost of repair exceeds 40% of the replacement cost of the building
- Such buildings will not be permitted to be reconstructed within the Buffer Zone. The Govt. together with the Tourist Board will establish special Tourism Zones. Businesses that are prevented from re-building within the Buffer Zone will be given preference in allotment of land with similar or better facilities within the Tourism Zones to re-build their businesses. The land will be provided free of charge

### **Hospitality Business Premises under construction as at 25<sup>th</sup> December 2004**

- Buildings under construction that were not damaged by the Tsunami will be allowed to complete provided they had approval from all relevant regulatory authorities prior to 26th Dec 2004
- Buildings under construction (with all relevant approvals) that were damaged by the Tsunami will be allowed to complete provided the cost of completing the building does not exceed 60% of the cost of the building when completed
- Establishments that are not entitled to complete the buildings, will be entitled to land in the Tourism Zones described above
- The same privilege (land in Tourism Zones etc.) will be afforded to those who have already obtained all relevant approvals to construct new buildings but have not commenced construction before 26th Dec 2004

### **Other Conditions**

- The assessment and certification of the level of damage (below/above 40%) will be done by the Sri Lanka Tourist Board

### **B - Fisheries Industry**

- All activities in connection to the fisheries industry such as harbours, piers, anchorages, warehouses and ancillary facilities (except housing and temporary settlements)
- All new projects to be located in the Buffer Zone would require approval by the UDA/CCD and the Ministry of Fisheries and Aquatic Resources

### **C- Religious buildings and places of worship**

- All buildings that remain in the Buffer Zone will require approval by the relevant ministry and the UDA/CCD

### **D- Infrastructure facilities catering to permissible uses**

- All structures/buildings remaining within the Buffer Zone would require approval by the UDA/CCD

### **E- Historic monuments and archeological sites**

- All buildings/structures that remain in the Buffer Zone will require approval by the Ministry of Cultural Affairs and the UDA/CCD

# Housing Reconstruction Assistance Policy

## Within Buffer Zone

No reconstruction is permitted

New house on land allocated by the State

Beneficiaries are not required to demonstrate ownership to land

A "house for a house"

*extended families that lived in the same house are not entitled to more than one house*

## Outside Buffer Zone

Fully Damaged if repair cost is more than 40% of replacement cost of house

- Fully Damaged Grant of 250,000/-
- Partially Damaged Grant of 100,000/-

Concessional Loan of Rs 500,000/- for those who have successfully utilized the Grant

All beneficiaries must demonstrate ownership to land

## 2. Assistance Policy

The Government's assistance policy will encourage *Household-driven housing reconstruction*. Affected families on eligible locations will be provided phased cash grants and the reconstruction process will be managed by the individual families. This approach will assist the revival of local economies through expansion of industry, creation of jobs and active involvement in re-constructing one's own home.

In locations where construction is not allowed, the Government will identify *land closest to the affected village* and provide houses to affected families. As far as possible, the relocation process *will attempt to keep communities intact*.

### 2.1 Entitlement –

All 'households' that suffered damage to the house would be entitled to assistance under one of the schemes detailed below.

*In the case of extended families living in the same house, such households will not be entitled to more than one house.* The priority of the GOSL is to replace the damaged housing stock. However, in instances where the property has been issued more than one assessment number by the Local Authority, such families are entitled to claim assistance for more than one house.

### 2.2 Assistance policy- Households within the Buffer Zone

- No reconstruction of houses (partially or fully damaged) will be allowed within the Buffer Zone
- All affected Households will be provided with a house built with donor assistance on land allocated by the State. Households ***will not be required to demonstrate ownership to land***.
- The new houses will be built in line with guidelines issued by the UDA and will have a floor area of 500 sq. ft. and would be provided with electricity, running water, sanitation and drainage facilities
- The proposed houses in urban and rural settlements will have facilities such as road systems, recreation etc.

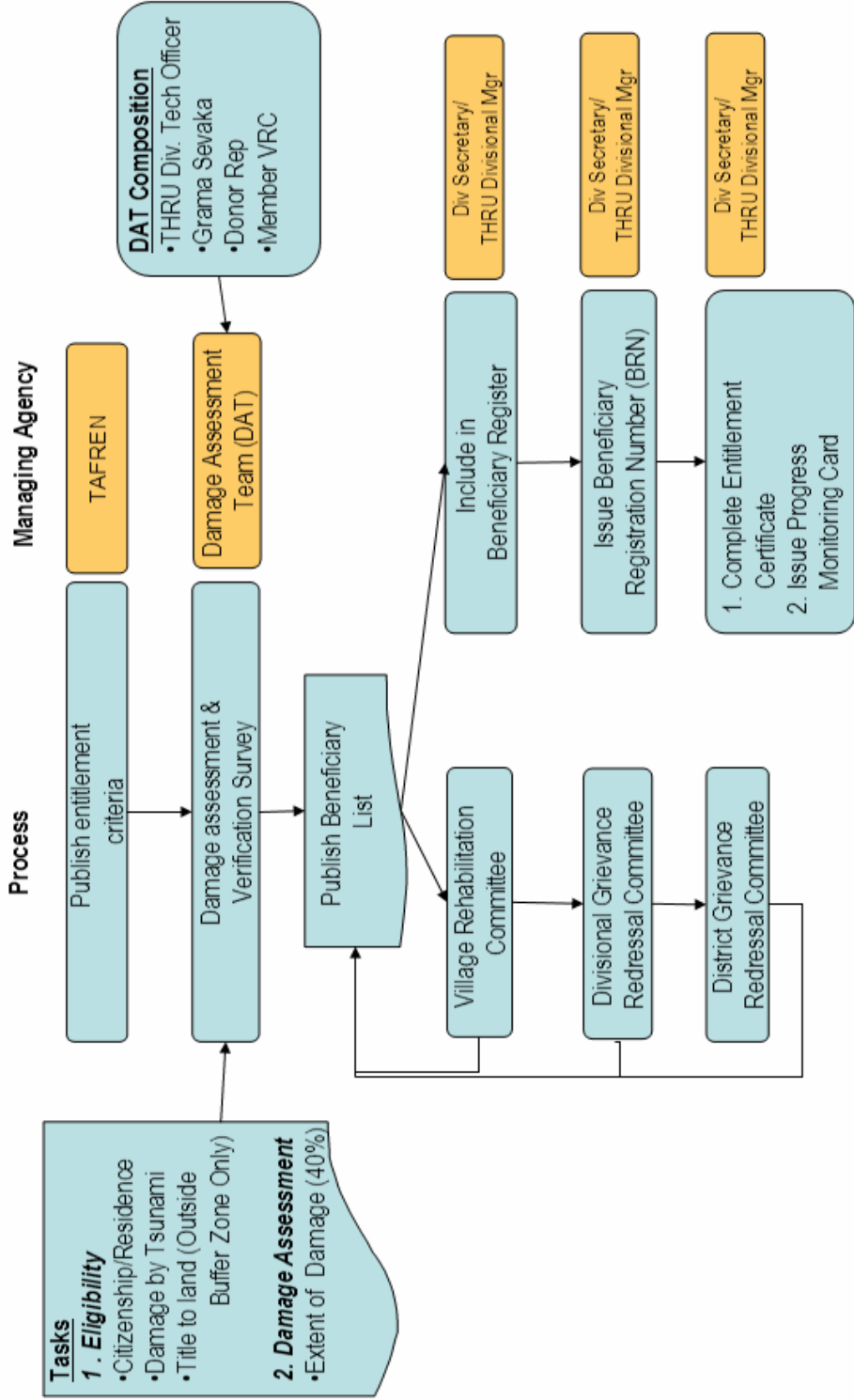
### 2.3 Assistance policy- Households outside the Buffer Zone

- All affected households outside the buffer zone ***that are able to demonstrate ownership to land*** will be entitled to a Grant by the State. Households that do not have ownership to the land are not entitled to this assistance.

<b>Extent of Damage</b>	<b>Fully Damaged</b>	<b>Partially Damaged</b>
Definition	Repair cost is more than 40% of replacement cost of house	Repair cost is less than 40% of replacement cost of house
Assistance Policy	Grant of Rs 250,000/- disbursed in 4 stages	Grant of Rs 100,000/- disbursed in 2 stages

- Households that are within the buffer zone can also utilize the above grant to build on alternate land *owned by them* outside the buffer zone, but within the same Divisional Secretariat Division. Families that choose this options will forfeit the right to receive a house built on land allocated by the State
- In addition, Households that have successfully utilized the grant, will be eligible to apply for a concessionary loan of Rs 500,000/- . The Loans will be disbursed through Bank of Ceylon and Peoples Bank. The borrower would have to demonstrate repayment capacity and offer security acceptable to the lending institution. The details of this loan scheme will published by the participating banks.

# Beneficiary Selection Process





### 3. Beneficiary Selection Process

The following process will be followed in selecting beneficiaries that would receive assistance under this scheme.

#### Step 1 – Conduct Damage Assessment and verification survey

This Survey would be conducted by a Damage Assessment Team (DAT) established by the Divisional Secretary in each GS Wasama under his purview. The four member team of the DAT would consist of

- i. Divisional Technical Officer appointed by the NHDA in consultation with the THRU
- ii. Grama Niladari
- iii. A donor representative appointed by the District Secretary in association with the District Donor Consortium
- iv. One member of the Village Rehabilitation Committee (VRC)

The DAT would then visit each household affected by the Tsunami and authenticate the following eligibility criteria. The DAT would strictly abide by the eligibility criteria and acceptable evidence given below. Any revision/exceptions to the eligibility criteria, if deemed necessary will be made by the THRU Steering Committee. Such revisions/exceptions may be limited to a specified administrative division (i.e. Grama Niladari, Divisional Secretaries, and District Secretaries division)

	<b>Eligibility Criteria</b>	<b>Accepted evidence</b>
1	Be a citizen of Sri Lanka	<ul style="list-style-type: none"> <li>▪ National ID card</li> <li>▪ Driving License</li> <li>▪ Passport</li> <li>▪ Birth Certificate</li> </ul>
2	Permanently settled in the Grama Sevaka Divisions affected by the Tsunami	<ul style="list-style-type: none"> <li>▪ Inclusion in the electoral register</li> <li>▪ Electricity or water bill</li> </ul>
3	Able to demonstrate title to the land on which the construction is to take place	<ul style="list-style-type: none"> <li>▪ Title deeds</li> <li>▪ Land Permits registered with the Land Registry</li> <li>▪ Any other document included on the Damage Assessment and Verification Survey Form</li> </ul>
4	Damage sustained should be due to the Tsunami	<ul style="list-style-type: none"> <li>▪ Inspection and certification by Damage Assessment Team</li> </ul>

- ❖ A family will not be entitled to receive assistance for more than one house
- ❖ Households within the buffer zone that do not have title to the property (unauthorized habitats); will be eligible for assistance under section 2.2 above. In this case, the eligibility criteria (3) will not be applicable. These households should, however, fulfill all other conditions
- Once the basic eligibility criteria have been established, the DAT would assess the extent of damage to the house based on guidelines stipulated by the NHDA
- The Damage Assessment and Verification Survey will be strictly guided by the assessment criteria published by the National Housing Development Authority (NHDA)
- On completion of the damage assessment survey the DAT would establish the following in relation to each affected household that has met the stipulated eligibility criteria
  - a) Nature of assistance entitled i.e. house built by State or Grant
  - b) The trigger points at which each tranche payment will be released. This information would be the criteria against which the Divisional Technical Officer would measure the extent of work completed prior to authorization of progress payments.

## Facilitating Agencies/Committees

Village Level

THRU – Grama Niladari

Village Rehabilitation  
Committee (VRC)

Damage Assessment  
Team

Divisional Level

THRU – Divisional

Divisional Grievance  
Committee

District Level

THRU – District Office

District Grievance  
Committee

District Donor  
Consortium

National Level

Tsunami Housing  
Reconstruction Unit - THRU

**Step 2 - Publication of the preliminary beneficiary list and resolution of grievances**

- On completion of the Damage Assessment and Verification Survey, the Grama Niladari together with the Divisional Secretary will publish a provisional list of beneficiaries
- Upon publication of the provisional beneficiary list, all members of the Grama Sevaka Division will be entitled to make written representation to the VRC in relation to any grievances relating to the assessment made by the Damage Assessment Team
- Within a period of one week from publication of the provisional beneficiary list, the THRU Divisional manager or the Divisional Secretary will convene a meeting of the VRC to address the grievances recorded
- On completion of this first meeting, the list of beneficiaries will be updated to reflect any rulings by the VRC. This list certified by a majority of members of the VRC will be forwarded to the Divisional Secretary for inclusion in the beneficiary register
- Any grievances unresolved at the VRC will be referred to the Divisional Grievance Committee for ruling. There will be a two-week time line between the public posting of the beneficiary list and the ruling of the Divisional Grievance Committee
- Grievances referred to the Divisional Grievance Committee, if unresolved, will be escalated to the District Committee whose decision will be final

Petitions cleared by a grievance committee would be certified by a majority of the members of that committee and submitted for inclusion in the beneficiary register.

The Village Rehabilitation, Divisional and District Grievance Committees will be established by the District Secretary and will consist of the following persons

<b>The Committee</b>	<b>Main Functions</b>	<b>Composition</b>
Village Rehabilitation Committee	<ul style="list-style-type: none"> <li>▪ Facilitating village reconstruction</li> <li>▪ Verifying beneficiary list</li> <li>▪ Ruling on complaints on beneficiary selection, administration and disbursement of the grant</li> <li>▪ Resolution of disputes during construction process</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grama Niladari</li> <li>▪ NGO/Donor rep</li> <li>▪ Rep from each ethnic community</li> <li>▪ A Public Servant respected by the community (School principal/Doctor etc.)</li> </ul>
Divisional Grievance Committee	<ul style="list-style-type: none"> <li>▪ Ruling on unresolved complaints referred by the VRC</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Divisional Secretary</li> <li>▪ Heads of the all VRCs in the Division</li> <li>▪ Regional Manager (THRU)</li> <li>▪ Representative of Donor Consortium</li> <li>▪ District Engineer (Buildings)</li> </ul>
District Grievance Committee	<ul style="list-style-type: none"> <li>▪ Ruling on unresolved complaints referred by the Divisional Grievance Committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ The District Secretary</li> <li>▪ District Manager (THRU)</li> <li>▪ Representative of Donor Consortium</li> <li>▪ The District Registrar of Lands</li> </ul>

\* In the event the District Secretary is unable to attend the District Grievance Committee proceedings, he will nominate the Additional District Secretary as his alternate

### Step 3 – Issuance of Beneficiary Certificates

- The finalized beneficiary list will be included in the Beneficiary Register maintained by the Divisional Secretary/THRU Divisional Manager
- Each beneficiary included in the Beneficiary Register would have a unique identification number in the following format

District Code/Div Code/GS Code/Running Number

Ex- AMP/UHA/KUM/00001

- The Divisional Secretary/THRU Divisional Manager would then complete the entitlement certificate included as per Part 6 of the Damage Assessment and Verification Survey form. This form is in triplicate

*Original (White)* – To be surrendered to the Bank by the beneficiary. The Banks will not release the grant in the absence of a duly certified original Damage Assessment and Verification Survey form

*Copy 1(Blue)* – Retained by the beneficiary

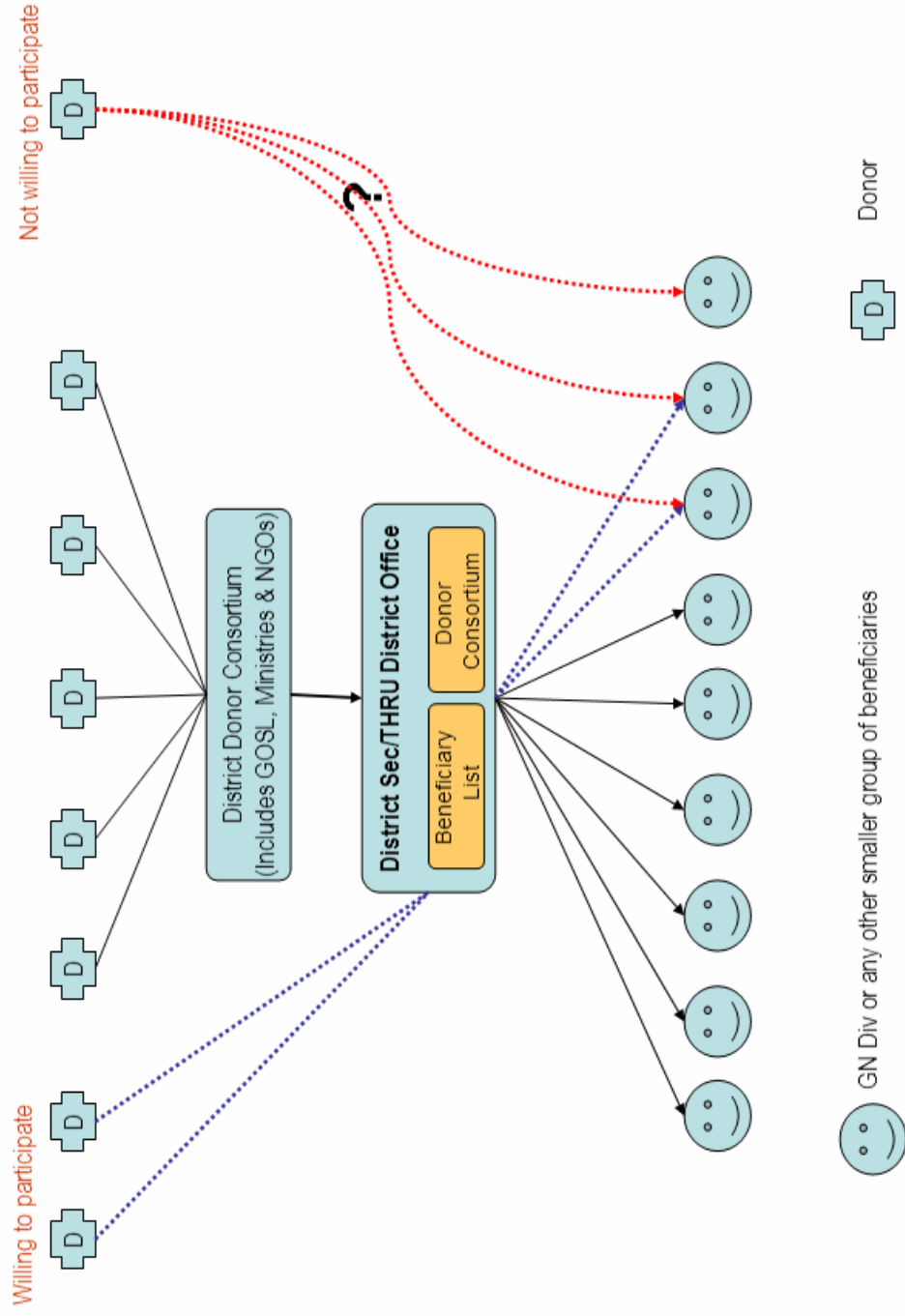
*Copy 2(Pink)* – Retained at the Divisional Secretaries Office/THRU Divisional Office

- ❖ The Banks will open joint accounts in the names of two adults nominated to operate the account and all grant proceeds would be credited to this account
- Each beneficiary will also be given a progress monitoring card
  - Original** - Retained with the beneficiary - This will be used by the Banks and other donors to endorse the details of assistance provided to the Households
  - Copy** – Retained with the THRU Project Manager – This will *be used for progress reporting to the TAFREN/THRU/Presidential Secretariat*

### v) Auditing and Transparency

- A panel of auditors nominated by the GOSL/TAFREN will conduct the following audits
  1. Process Audits – To confirm that the stipulated process has been duly followed in beneficiary selection and disbursement of funds
  2. Financial Audit – To confirm proper stewardship of funds and compliance with accepted accounting standards

**Multi-Donor Facilitation**  
*How do we avoid duplication?*



## 4. Facilitation of Multi Donor assistance

All donors engaged in housing reconstruction in a given District are required to register with the District Secretary of that District.

### **District Donor Consortium**

- All ministries, bilateral, multi-lateral agencies, individuals and other agencies including the GOSL are deemed to be a donor for this purpose
  - The District Donor Consortium will consist of all donors engaged in housing reconstruction within the District and have consented to adopt the Assistance and Beneficiary Selection Policy of the Government
  - The District Secretary will invite all major donors that have consented to adopt the policy of the Government to establish a Consortium. The Consortium would then nominate a 3 member working committee that would represent all members of the Consortium
  - The working committee will then nominate the representatives to function in the following committees
    - I. One member for every Village Rehabilitation Committee (VRC). This member would also represent the Donor Consortium in the Damage Assessment Team (DAT)
    - II. One member for every Divisional Grievance Committee
    - III. One member for the District Grievance Committee
  - In addition to being part of the Damage Assessment Teams and the Grievance committees, they would assist the District Secretary in matching individual donors to beneficiaries to ensure that
    - a) Duplication of assistance is minimized.
    - b) To ensure the consistency in the level / value of assistance afforded to beneficiaries.
  - Any donor that wishes to engage in housing reconstruction outside the policy announced by the GOSL shall be required to register with the District Manager of the THRU/District Secretary
- 
- ❖ In the event a given household has already received assistance form another donor, *that household would not be excluded from receiving assistance under this scheme*
  - ❖ No donor will be allowed to provide assistance to households within the Buffer Zone to reconstruct damaged/destroyed houses

## 5. Housing Reconstruction - Financial Assistance Schemes

### 5.1 Grant

#### Details of scheme

<p><b>Eligibility</b> A beneficiary would be required to satisfy the eligibility criteria listed in Section 3 above.</p> <p>❖ A family will not be entitled to receive assistance for more than one house</p> <p><b>Amount &amp; Disbursement</b></p> <table border="1"> <thead> <tr> <th></th> <th>Fully Damaged</th> <th>Partially Damaged</th> </tr> </thead> <tbody> <tr> <td>Amount</td> <td>Rs 250,000</td> <td>Rs 100,000</td> </tr> <tr> <td>Disbursement</td> <td>In 4 stages as determined by the NHDA.</td> <td> <ul style="list-style-type: none"> <li>▪ 50% on signing grant agreement</li> <li>▪ 50% for completion of work</li> </ul> </td> </tr> </tbody> </table>				Fully Damaged	Partially Damaged	Amount	Rs 250,000	Rs 100,000	Disbursement	In 4 stages as determined by the NHDA.	<ul style="list-style-type: none"> <li>▪ 50% on signing grant agreement</li> <li>▪ 50% for completion of work</li> </ul>
	Fully Damaged	Partially Damaged									
Amount	Rs 250,000	Rs 100,000									
Disbursement	In 4 stages as determined by the NHDA.	<ul style="list-style-type: none"> <li>▪ 50% on signing grant agreement</li> <li>▪ 50% for completion of work</li> </ul>									
<p>➤ All beneficiaries will be allowed 6 months for the completion of construction to minimize risk of funds being used for other purposes</p>											

#### The Process

- 1. Approval and Disbursement of Phase 1**  
The following documents should be submitted to the Banks prior to the release of the 1<sup>st</sup> Grant installment
- a. The original (white copy) Damage Assessment and Verification Survey form duly certified by the Divisional Secretary or the THRU Divisional Manager
  - b. One of the following to prove *identity*
    - National Identity Card/Passport/Driving License
- Banks will process and prepare all documents required for disbursement within a maximum period of 5 working days from receipt of the Damage Assessment and Verification Survey form
- 2. Disbursement of phases 2, 3 & 4**
- Disbursement of subsequent installments will be against the recommendation of the Divisional Technical Officer who will inspect and certify progress made in relation to criteria set out in the Damage Assessment and Verification Survey form
- In addition to the above, all households would have to submit a building plan approved by the UDA/Local Authority prior to the release of the 2<sup>nd</sup> Installment.
- In instances where the house is being reconstructed according to a plan that has already been approved by the UDA/Local Authority, fresh approval will not be required. However, the beneficiary will be required to submit a letter confirming that reconstruction will be according to the plan already approved by the UDA/Local Authority

#### Enhancement of facilities at Banks

- All branches of Peoples Bank and BOC will provide a dedicated service on Saturdays and Sundays in addition to normal banking hours during the week

## 5.2 Concessionary Loan – Details of scheme

- This scheme will be offered only to Households that have successfully completed reconstruction of damaged houses under the grant scheme
- The concession would apply only to the rate of interest. The borrower would have to establish repayment capacity, offer collateral acceptable to the bank and satisfy any other lending criteria imposed by the Banks
- The details of the Loan Scheme will be finalized by the participating banks by 15<sup>th</sup> April 2005
- The following details of the loan scheme are provisional and is subject to revision by the participating banks and the GOSL

### Eligibility

1. Be a citizen of Sri Lanka and be permanently settled in the Grama Sevaka Divisions affected by the Tsunami
2. Able to prove that the house was damaged by the Tsunami
3. Possess formal right to the land on which the construction is to take place
4. Age should not exceed 65 yrs at the end of the repayment period. In the case of co-borrowers, at least one should be below 65 years of age at the end of the repayment period.
5. Able to establish clear title to land outside the Coastal Conservation Zone.
6. Satisfy the lending institution on capacity to repay loan and interest.

**Amount** - Maximum of Rs 500,000/-

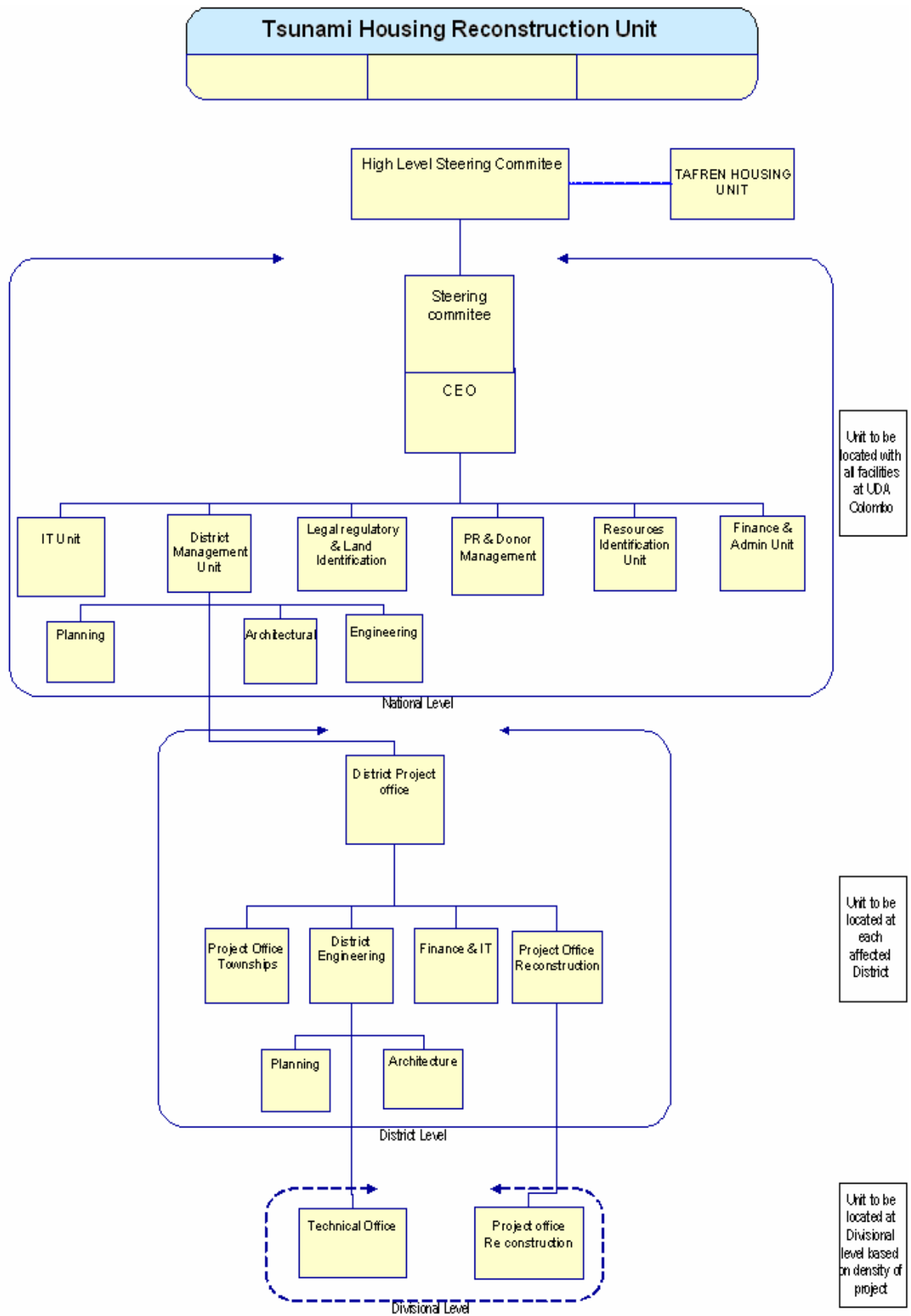
**Disbursement** - In 4 stages. Value of disbursements will be determined by the lending bank.

**Repayment period** - 20 years including a maximum grace period of 24 months on capital and interest.

**Interest rate** - to be notified.



## 6. Tsunami Housing Reconstruction Unit - THRU



# THRU – Organization / Functions (National)

## Function

- Special Purpose Vehicle for construction of houses and townships in affected districts

## Objectives

- Assist Line Ministries and other agencies engaged in housing construction in affected areas
- Facilitate Donor assistance

## Finite existence (Sunset Clause)

- Agency would wind up on completion of housing & township construction
- Employment on fixed term contract
- Limited asset ownership (lease where possible)
- All non-core functions outsourced

## Key Success Factors

- Professional management
- Empowerment under TAFREN & UDA Act
- Professional Public Relations management
- Coordination with other regulatory bodies (UDA, CCD, CEA, Utility agencies, Local Authorities etc.)
- Centralized database

## High Level Committee

### Composition

- President of Sri Lanka
- Minister of Housing & Construction Industry
- Minister of Urban Development & Water Supply
- Sec to Min of Housing & Construction Industry
- Sec to Min of Urban Dev & Water Supply
- Chairman TAFREN
- Chairman UDA
- Chairman NHDA
- DG National Physical Planning Authority
- Member TAFREN – Housing, Urban Dev and Env

## Steering Committee

### Composition

- Secretary - Ministry of Urban Development and Water Supply - To Chair
- Additional Secretary to the President
- Chairman UDA
- Chairman NHDA
- Member TAFREN – Housing, Urban Dev and Env.
- CEO – THRU

### Functions

- Policy decisions
- Progress monitoring
- Other supervisory functions
- Allocation of land to donors

## TAFREN Housing Unit

### Functions

- Advising the President on policy issues related to reconstruction of housing.
- Attending to all Donor enquiries received directly by the TAFREN office.
- Coordination of all activities between the Presidential Secretariat and the THRU.
- Recount to the President on the progress of all housing construction projects.
- Attending to all information requirements of the Presidential Secretariat in relation to housing reconstruction.
- To act as the channel of instructions from the President to the THRU Steering Committee.