

**Post-Tsunami  
Recovery and Reconstruction  
Strategy**

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# 1. Background

Sri Lanka is one of the two countries that were hardest hit by the Tsunami tidal waves that ravaged several countries in the Indian Ocean Rim on December 26, 2004. The Tsunami caused extensive damage and disruption to human life, livelihood, infrastructure, private and public property and economic and social activities in Sri Lanka. The death toll had risen to over 38,000 persons, the second highest after Indonesia. 21,441 people injured and over 5000 are still missing, and nearly one million have been displaced. The total cost of the required relief, rehabilitation and reconstruction effort is provisionally estimated to be around US\$ 2 billion during a period of 3 – 5 years.

The macroeconomic performance for 2004 has not been seriously affected by the Tsunami as the disruption was felt only during the last week of the year. The GDP growth is 5.4 percent. It is estimated that the anticipated growth rate of GDP in 2005 will have to be revised downward by about 1 percent (from 6.5% to 5.5%). The limited impact on the macro economy is due to the fact that, together, the most affected sectors of the economy (fisheries and tourism and related services) contribute only 3 percent of GDP. The rehabilitation and rebuilding of economic and social infrastructure, hotels and houses is likely to offset the losses in fisheries, tourism and services. The construction sector is expected to grow at more than 8 percent per annum as opposed to around 5 percent before the Tsunami.

While the sectors affected by the Tsunami do not constitute a large portion of GDP, the most affected Provinces (Northern, Eastern and Southern) constitute about 18 percent of national GDP and about 25 percent of the population of Sri Lanka. Between 25 percent and 33 percent of the population in the affected Districts live below the national poverty line. Thus the Tsunami has increased the vulnerability of a large proportion of the very people (fishermen, farmers, and small enterprises and service providers in the tourism sector) whose incomes were to be uplifted under the government's poverty reduction programme. The fisheries assets, residential houses, schools, hotels, railways, roads, electricity, ports, health institutions, private commercial buildings on which so many of the vulnerable people depend were severely affected.

By itself, the fisheries sector, along two thirds of the Sri Lankan coastline, has suffered enormous loss. The number of deaths of fishermen has been estimated at around 7500. Rehabilitation and resettlement of the remaining families needs to be done with utmost urgency. There may also be a need to voluntarily relocate families from the coastal belt to nearby safer places. This involves compensation payments for land acquisition. Around 80,000 houses and private commercial buildings have been fully or partly damaged.

There has been considerable damage to the hotels sector with an immediate impact on tourism. The industry is hopeful that the recovery would be faster with timely assistance. Nevertheless, with a reduction in the number of tourists, a net foreign exchange loss of about US\$ 50 million is projected in 2005, which is critical in the context of high cost of petroleum imports. Both the formal and informal financial sectors were affected by the Tsunami. Several commercial bank branches in the coastal areas were directly affected by the Tsunami disaster. The micro finance sector is likely to have been strongly and adversely affected by the Tsunami with the disruption of many micro enterprises.

The Tsunami hit at a time when the country's domestic and foreign resources were under severe strain due to the recent oil price shock, the drought in early part of the year, the critical demand of the post conflict rehabilitation and reconstruction and peace-building efforts as well as the pro-poor growth effort in the whole country. Also there is a large demand for counterpart funding for donor funded infrastructure projects. The country is also facing with additional risks due to phasing out of textiles and apparel quotas in the US and high oil price.

Given the limitations on raising taxes or reducing expenditure, the government, on its own, is not capable of undertaking a reconstruction effort of this scale. Hence a large donor support is necessary in order to maintain a viable medium-term macro economic environment. The availability of a substantial volume of donor assistance by way of outright grants and long-term development assistance will not pose challenges to debt management. The short-term and the medium-term reconstruction program will involve a large foreign exchange component, mainly in the form of capital goods imports. The ability to procure

such imports could be seriously constrained at a time when the additional cost of oil imports is exerting severe pressure on the balance of payments. The added cost of oil imports alone in 2004 and 2005 would be US\$ 550 million. Bilateral debt relief arrangements are expected to provide a 2 - 3 year fiscal space in order to accommodate additional public investments in reconstruction without exerting pressure on domestic borrowings or outward remittances on account of foreign debt servicing. In fact, such medium term relief on foreign debt servicing will enable to reduce domestic borrowings in the National Budget, which will in turn enable the government to reduce debt and facilitate the Central Bank to reposition the stock of reserve money consistent with the monetary growth of around 15 percent in 2005 and 14 percent in 2006. This will also provide domestic counterpart funding, if necessary, without resorting to borrowings. The government is committed to the medium-term fiscal framework that was laid down in the 2005 Budget. The anticipated additional expenditures to be met out of donor support will amount to about 3.0 per cent of GDP. Such expenditures can be accommodated in the medium term fiscal program without compromising macro-economic stability only if concessional funding and debt relief measures are available during the reconstruction period. This is conducive for the private sector to expand their investment profile including investment in Tsunami affected areas. The delayed disbursement of funds thus can undermine the macro economic framework.

## **2. The Damage and Needs Assessment**

### **Damage**

The Tsunami has led to an unprecedented loss of life and severe damage has been caused to the private and commercial property as well as productive assets and livelihoods of people in 13 districts. These losses include:

- Fishing boats, fishing gear, and cold room facilities in fishing industry.
- Tourist hotels, restaurants and shops etc.
- Cottage industry such as coir, clothing and handicrafts
- Industry and Enterprises & Finance
- Houses, furniture and house hold assets.
- Economic and social infrastructure.

### **Immediate Relief and Rehabilitation**

There were around 119,900 reported displaced families. Until the relocation in permanent houses is completed and livelihoods are restored, these families have been provided with basic needs such as food, shelter, clothing, water and medical facilities. Immediate measures have been taken to restore normalcy by providing them with following facilities.

- Livelihood support and compensation for victims.
- Housing
- Restoration of electricity, water supply, transport, road access etc. Restoration of education and health facilities.
- School textbooks and uniforms.
- Compensation for victims
- Counseling and mental therapy programmes
- Safe and healthy environment for women and children. Creation of opportunities for employment.

The Government has already implemented several measures in this regard.

- Provision of monthly livelihood allowance of Rs. 5000 per family (supported by the World Bank).
- Cash grant and food basket worth Rs. 375 per person per week (supported by WFP).
- Provision of Rs. 2500 to buy kitchen utensils.
- Concession on electricity, water and telephone bills.
- Micro and SME credit on concessional terms (supported by ADB/JBIC).
- Temporary housing (supported by UN Agencies and INGOs).
- Grants for individual house construction (supported by the World Bank and the Government of Switzerland)

## Needs Assessment

A provisional estimate of the overall cost of the reconstruction and rehabilitation plan in the affected areas is as follows–

*Table 1*

### Investment Needs of the Post-Tsunami Reconstruction Strategy

Programme/Project	Required Investment (US \$ mn)
Road Development	353
Rail Transport	313
Telecommunication	18
Water Supply and Sanitation	205
Electricity	115
Education	170
Health	100
Housing and Urban Development	400
Fisheries	200
Livelihood and Micro Financing	157
Tourism	58
<b>Total</b>	<b>2,089</b>

## 3. Recovery and Reconstruction Strategy

The reconstruction strategy for the Tsunami affected regions is based on several considerations. Rebuilding is bound to be a long-term task and planning of settlements will also be a time-consuming activity. In this context it is important to incentivize affected families to become key players in their own revival activities. Individual ownership is key to be able to effectively drive many of such activities. The micro enterprise credit scheme, the medium term credit programme and ‘owner-driven’ housing schemes will promote private initiatives in the reconstruction phase, particularly in the reconstruction of lost houses and businesses. The use of banking infrastructure to disburse funds, the use of community organizations to target beneficiaries, the use of professionals to provide field advice and ensure work standards, carrying out periodic audits and regular dissemination of information to ensure good governance, would be critical instrument to ensure a speedy and acceptable implementation process. The planning process also takes into account the non-availability of required skills and building material such as timber, sand and steel. In the context of the large skills requirement, accelerated programmes will have to be undertaken to develop required skills for construction work.

Secondly, the rehabilitation and reconstruction programme will aim at providing livelihood support to kick-start economic activities in the affected areas to minimize post-Tsunami transitional difficulties such as unemployment and poverty. The pre-Tsunami situation in these areas provides some perspectives to the additional burden that is cast upon the people. In the north and east, over 40,000 families were living in relief camps and more than 55,000 houses needed to be constructed. A need may arise to offer rural work programmes for people to engage in earning activities.

Thirdly, the Tsunami affected areas represent the least developed and the worst poverty stricken areas in the country. The north and the east provinces suffer from a long drawn civil war. Post conflict rehabilitation work on housing, health facilities, schools, roads and livelihood support have been in progress at the time the Tsunamis destroyed parts of such areas. Many areas in the south reflect a high level of unemployment and obsolete infrastructure facilities. The reconstruction strategy should aim at attracting long term private investments into these areas to promote development. As such, the reconstruction opportunity should be used to develop modern infrastructure in the affected areas to overcome poverty. The modernization of the Colombo - Matara railway line, upgrading and expansion of the coastal road net-work connecting Trincomalee, Batticaloa, Matara, Galle and Colombo, the development of fisheries harbors and the establishment of well planned townships and tourist resorts have been identified as flagship activities designed to transform the entire affected coastal belt into a developed zone providing lasting solution to regional development and poverty reduction.

Fourthly, the reconstruction will not be based on the replacement cost of what is damaged but on the cost of required infrastructure to support modern development, whilst taking into account the multifaceted risks and vulnerabilities of these areas to possible future disasters. This would involve the development of a scientifically defined buffer zone to protect the coastal environment, its resources, as well as people living in such areas. Consequently, the development in these areas will be confronted with issues relating to relocation of housing settlements as well as community infrastructure. This will necessitate the identification of temporary housing and other facilities for the affected. In certain districts such as Matara, Hambantota, Kilinochchi and Mullativu, such issues may not pose severe problems since vacant land can be easily found and settlement planning is unlikely to suffer from land constraints. However in areas such as Hikkaduwa, Galle and Kalmunai, non-availability of land is likely to pose a severe constraint to settlement planning and reconstruction programmes. As such, alternative strategies may require additional capital expenditure in the reconstruction phase.

Fifthly, the development of community housing, housing settlements and livelihood support and the rehabilitation and reconstruction of schools and hospitals are designed to be completed by the non-governmental sector. Assistance from large donors, both multilateral and bilateral are expected to assist large infrastructure projects such as constructing townships, roads, fisheries harbours and administrative infrastructure. However, the inherent weaknesses in the procurement systems should be removed in order to ensure that implementation is done without undue delays. Towards achieving this, it is essential that a harmonized procurement system be adopted and that transactions be done in a transparent manner adhering to best practices with timely information sharing arrangements in place, to avoid mistrust and misinformation from being developed in the process.

Finally, the reconstruction and development of infrastructure and other community facilities should not overlook future operational and maintenance expenditure needs of such investments. The national budget and the donor community need to take into account the required maintenance expenditure in planning future public investments to ensure sustainable development. This necessitates effective coordination of infrastructure development in the entire area.

In line with the above broad perspectives the following guiding principles will be adopted in the Recovery Plan.

Figure 1

**Guidelines for Recovery Plan**

<b>The Guiding Principles</b>	<b>Related Issues</b>	<b>Response</b>
<p><b>The allocation of resources based on identified needs and local priorities</b></p>	<p>There is a recognized strategic framework that denotes good and reliable road access as a principal key to poverty alleviation, to development, to post-conflict and post-tsunami recovery.</p> <p>Impact on the peace process and equitable provision of road reconstructions.</p> <p>The recovery strategy should seek to build confidence between different actors in the process.</p> <p>Sensitivity to neighboring communities unaffected by Tsunami.</p>	<p>The Tsunami road building fits into this strategic frame work and will, in general, assist the coastal communities, where poverty levels are often most severe, and in particular will directly benefit the tsunami affected communities.</p> <p>The post-tsunami roads rehabilitations will connect and serve all communities without religious or ethnic discrimination, and without regard to the political control exercised over the area through which the roads pass. The roads will be rehabilitated to a uniform national standard in all areas, and with a pavement surface type governed only by the traffic loading. In accordance with the principal of consultation, local communities will be consulted and involved in the planning, prioritization and execution of provincial and local government roads.</p> <p>On going and in-pipeline road projects will be re-examined and re-focused to avoid an imbalance in road investment between tsunami and none tsunami affected areas.</p>
<p><b>The principle of subsidiarity</b></p>	<p>Subsidiarity provides for locally appropriate solutions and allows a rang of sub-national structures and organizations to be directly engaged in the process.</p>	<p>The principals of subsidiaries is well established through the road hierarchy. National roads and connected the principal towns, industrial and service development. Planning and investment in the national road network is the remit of Government, through the Ministry of Highways. The provincial roads serve to connect the national roads with the provincial towns and townships. They are the responsibility of the provincial councils. The non-classified roads are the responsibility of the Municipal Councils and Local Governments. They serve to connect urban, rural, agricultural and fishing communities to the provincial, and hence, the national road network. While Subsidiarity is well established budget allocations serve as a constraint to road rehabilitation and maintenance, at all levels, but most acutely at the provincial and local government levels. It is intended that over 10 percent of the post-tsunami road sector financing will be allocated to rebuilding the provincial and local government roads. Moreover, this funding will be dispersed through the provincial, district, municipal and village councils who will be fully involved in the planning and execution of the work. Due attention will be paid to strengthening the capacity of all implementation agencies, at all levels, to plan, manage, implement and maintain the improved road systems.</p>

<b>The Guiding Principles</b>	<b>Related Issues</b>	<b>Response</b>
<b>Consultation with affected communities and stakeholders</b>	Interventions need to respond to clearly identified and articulated needs of local communities.	To ensure beneficiary participation during project selection, preparation and implementation the provincial and local government roads will be prepared for and approved by a Provincial Project Coordination Committee. These roads would be selected following consultations with the communities served by the roads and the establishment of a simple socio-economic framework to identify priority for implementation. This system is currently operating well in the northeast and it is intended that technical assistance consultants will help to disseminate this system to the Southern Provincial Council.
<b>Communications and transparency in decision making and implementation</b>	Feedback to implementation authorities, grievance redress, transparent resource use and accounting, zero tolerance to corruption.	Existing national and provincial and district level PMU's will be strengthened and utilized to manage and implement the road projects. These PMU's have a proven track record of consultation with communities and transparent implementation. Performance monitoring and accounts monitoring systems will be put in place to oversee all levels of management and implementation.
<b>Reconstruction processes should reduce future vulnerabilities to natural hazards</b>	Coastal roads are subject to seasonal flooding, which causes damage and are subject to erosion by rivers, floodwaters and the sea.	All road design and construction will include measures to prevent flooding and seawater inundation, to improve drainage and to prevent erosion by floods, rivers and the sea.
<b>Analysis of individual interventions</b>	Cease fire and peace prospects.  Sustainability.  Consideration of governance, gender-sensitivity, environment, resettlement/land issues, human rights concerns.	Improved connectivity and access to all areas will enhance peace prospects.  To ensure sustainability it is necessary to provide an adequate maintenance budget for all classes of road and to provide competent well equipped maintenance systems to inspect, budget, implement and supervise routine and periodic maintenance. Existing and future projects will address road maintenance budget provisions and road maintenance capacity building.  The road rehabilitations will be planned to limit environmental and resettlement impacts and monitoring procedures will be implemented to address and mitigate any adverse impacts the road improvements will spread to the lowest level of the road hierarchy to ensure that the economic, social and gender benefits of the rehabilitations are enjoyed by everyone in the communities served.
<b>A coordinated approach to recovery is critical</b>	Coordination should prevent duplication or overlap in activities and minimize the burden on stretched Government Departments.	A national level coordination committee will be formed under the auspices of TAFREN to ensure coordination between all tsunami related projects. The RDA will establish a national level coordination committee covering both national and provincial roads. Provincial and district level committees will also be established to coordinate the recovery process.

## Donor Assistance

The following table indicates the assistance pledged and committed by various donors in terms of the need assessment done by the Department of National Planning, TAFREN and joint study by ADB/WB/JBIC.

Table 2

### Donor Assistance for Post-Tsunami Rehabilitation and Reconstruction Activities

(US \$ mn)

Donor Countries & Agencies	Expected donor assistance	Remarks
<b>a. Bilateral Donors</b>	<b>661</b>	
France	104	Agreements will be concluded in July
Germany	81	Agreements will be concluded in July
India	23	Negotiations underway to allocate US \$ 100 mn for modernisation of Southern Railway line.
Italy	69	Three MOUs signed to use these funds
Japan	181	Grant Aid Agreements signed for US \$ 81 mn. Minutes of Discussions were signed for the balance US \$ 100 mn
Korea	35	Project Proposals have been submitted.
USA	65	Agreements signed for US \$ 39 million
Denmark	8	Agreement signed.
China	18	MOU signed.
UK		
Switzerland	12	Two MOUs signed to use US \$ 10.5 mn.
Canada		
Others	65	Negotiations underway
<b>b. Multilateral Agencies</b>	<b>631</b>	
ADB	157	Agreements signed
World Bank	150	Agreements signed
UN agencies	69	US\$ 6 million has been committed for Strengthening of National to rural level capacities for Relief and Recovery. Proposals are being prepared to utilise the balance funds.
WFP	25	Agreement signed.
UNICEF	21	Agreement signed.
IFAD	35	Negotiations will be held in June.
EU	75	US \$ 40 million will be concluded in June. Negotiations underway for using the balance funds
Others	99	Negotiations underway
<b>Sub Total (a+b)</b>	<b>1,292</b>	
<b>c. NGO &amp; INGOs</b>	<b>853</b>	These are Pledges made in the proposals. Remittances up to now amounts to US\$ 125 million.
<b>*Grand Total (a+b+c)</b>	<b>2,145</b>	

\* emergency relief not included

## 4. Sector Strategies

### Livelihood

The overall strategy of the livelihood support is to advance Tsunami affected communities out of dependency poverty as rapidly as possible by providing support to revive local economies and rebuild livelihoods. Since this can be achieved in the medium-term only, income support will be granted to those who are unable to work or for whom there is no work. Also, immediate income opportunities will be offered through community and public works, which will contribute to local economic revival. The support should meet immediate needs as well as contribute to longer-term local and national development goals and aspirations. Following activities are the elements of the strategy.

- Establish coordination and targeting framework, the Rapid Income Recovery Framework (RIRF) including a management information system at the community, divisional, district, and provincial level that enables communities to communicate their requirements and gain access to assistance and services based on their needs and strengthens capacity at District and Divisional level.
- Develop the capacity and mechanism for participatory and inclusive planning and implementation of local economic development including the resolution of outstanding issues.
- Ensure the best possible targeting assistance to those in need.
- Ensure the adoption of best practice in cash transfer payments policy and systems including the integration of such practices into the social security system as a whole.
- Ensure that cash for work programme operating under the Post Tsunami Recovery maximize opportunities for increased income and for those affected by the Tsunami.
- Support the development and implementation of holistic local economic development plans at the divisional level, to enable communities to gain access to financial services, business development services, skill training and rehabilitation of small infrastructure that meet their immediate construction and long-term development needs.
- Enable communities to identify and assess local economic opportunities, design and deliver community based skill training, and provide post training services.
- Ensure the provision of private and public sector skills training and business development services providers with financial and technical assistance to enable them to increase their out reach and offer more relevant services in the affected districts.
- Develop and strengthen best practice standards of income livelihood protection and delivery of services.

It is estimated that over US\$ 125 mn. has been committed or partly committed by donors for Cash Transfer programmes, US\$ 40 – US\$ 60 mn. for Cash for Work Programms and a further US\$ 65 mn. for economic development services (Total US\$ 250 mn.). Capital for lending is sufficiently available through donors and financial institutions, including microfinance institutions. Donors who have committed finance includes USAID, GTZ, JBIC, SIDA, WB, ADB, IFAD, EU, Norway etc. It is estimated that approximately US\$ 8 mn. will be additionally required by the Rapid Income Recovery Framework (Management Information System, Support Services, strengthened capacity at the District and Divisional level and Administration) to ensure these funds are delivered in an efficient and effective manner over the three years in which support to secure and develop livelihoods is expected to be required.

Delivery of Livelihood interventions will take place through many players to achieve the above status objectives. To ensure effective delivery the RIRF will identify local, divisional, district and national committees operating in the Tsunami affected areas, be suitably resourced and develop a Livelihoods Management Information System. A Program Management Unit and District Support Units will be formed to strengthen the management, coordination and technical capacity at all levels and assist in

information gathering and dissemination under the direction of the Inter-ministerial Steering Committee. Where coordination and management information systems already exist, these will be built upon and strengthened rather than setting up parallel mechanisms.

For detailed tables on estimated resources requirement see Annexure I

## Water Supply and Sanitation

The major objective of the sector strategy is to provide sufficient and sustainable water supply and sanitation services to the affected areas. The following three actions will be implemented.

- **Immediate need fulfillment**

The objective of is to provide adequate water supply and sanitation facilities to meet immediate needs of affected populations. The strategy includes temporary supply of safe water to transit camps, repair of damaged infrastructure and undertaking an assessment on situation of the existing water supply and sanitation situation.

- **Immediate service restoration**

This is to restore the service to similar with the level of prior to the tsunami. This will be achieved to through extensions and increasing the capacity of the existing schemes. Sanitation facilities in the resettle areas will be improved through new installations. However the progress of the achievements will depend on availability on firm resettlement plans.

- **Immediate service expansion**

This is to achieved long -term ambition of meeting the needs of the Tsunami victims with the medium term planning horizon up to 10 years. The components of the strategy includes improvement of the water resources and expansion of the schemes to meet the service requirements of the population in the restored / resettled areas and construction of new schemes in the areas where there are potentials.

The need assessments reveal that the areas to which supply of water be provided should include transit camps, new settlements and newly developed commercial areas. The possible sources of water supply range from pipe bone schemes to protected dug wells depending of the demand and technical viability.

Table 3

<b>Summary of Investment Needs</b>			
<b>District</b>	<b>Phase II</b>	<b>Phase III</b>	<b>Total US \$ Mn</b>
Gampaha	7	0	7
Colombo	4	0	4
Kalutara	8.2	1.9	10
Galle	13.3	14.1	27
Matara	6.8	37.9	45
Hambantota	5.3	13.2	18
Amapara	5.1	16.5	22
Batticaloa	1.5	25.1	27
Trincomalee	8.2	10.7	19
Killinochchi	1.9	8	10
Millaitivu	1.6	4.3	6
Jaffna	1.5	3.9	5
<b>Total</b>	<b>64</b>	<b>136</b>	<b>200</b>

Table 4

**Summary of Investment Needs for Studies  
– Piped Schemes/Centralized Sewers**

<b>District</b>	<b>Allocation for Studies (US \$ Mn)</b>
Colombo	0.2
Gampaha	0.2
Kalutara	0.5
Galle	0.5
Matara	0.5
Hambantota	0.5
Ampara	0.5
Batticaloa	0.5
Mullaitivu	0.5
Trincomalee	0.5
Jaffna	0.2
Puttlam	0.2
Killinochchi	0.2
<b>Total</b>	<b>5</b>

## Health

Entire reconstruction of all damaged healthcare institutions including Aurvedic Centres and supply of medical equipment will be carried out with financial assistance of international and local agencies. Healthcare waste management systems and other related infrastructure of the hospitals in principle towns will also be upgraded to ensure quality health service. The reconstruction activities and supply of equipment will be monitored by the committees chaired by Provincial Health Directors.

In order to ensure the successful completion of the projects within the specified time frame, all donors have entered into agreements with contractors. In the case of supplying medical equipments, the donor is required to work in consultation with the Bio Medical Engineering Services Unit of the Ministry of Health to avoid any conflict in policy.

The Ministry of Health has appointed a committee of officials with experience in project monitoring to monitor the projects in the different districts. This committee will function under the direction of the Provincial Directors, Deputy Provincial Director Health Services (DPDHS), National Health Development (NHDC) and Health Development Committee (HDC) and will report to the Honorable Minister of Health on a regular basis.

The total requirement for reconstruction and rehabilitation in the health sector is estimated at US\$ 68 mn. for the medium term and this amount has been committed by various donors such as Indian Government, UNFPA, German Government, Red Cross, Italian Civil Protection *etc.*

Table 5

**Donor Commitments and MOUs Signed**

District	Estimated Cost (Rs. Mn.)	Donor MOUs Signed	
		Cost (Rs. Mn.)	Donor
Trincomalee	1,090	1,090	India, Red Cross, UNFPA, Italian Civil Protection
Batticaloa	1,268	1,268	Red Cross, UNICEF, MMB ORG., UNFPA, Celltel
Ampara	1,683	1,683	UNICEF, Red Cross, MMB ORG.
Kilinochchi	6.5	6.5	Red Cross
Mullaitivu	462	462	UNICEF, Red Cross, MMB ORG.
Jaffna	17	17	Red Cross, UNFPA
Hambantota	22.5	22.5	Red Cross, UNFPA
Matara	248	248	UNFPA, UNICEF, Italian Civil Protection, Red Cross, Celltel Intersos
Galle	1,990	1990	Germany, AES Kelanitissa, Caritas, Red Cross
Kalutara	28.5	28.5	Red Cross
Colombo	22.5	22.5	University of New Castle
<b>Total</b>	<b>6,338</b>	<b>6,338</b>	

Table 6

**Commitments by Different Governments for Rehabilitation of Key Hospitals**

Hospital	Donor Country
General Hospital, Trincomalee	India
Teaching Hospital, Mahamodara Teaching Hospital, Batticaloa	Germany
District Hospital, Muttur, General Hospital, Matara	Italy

**Education**

The fully and partially damaged schools and vocational training centres within the coastal buffer zone will be relocated in suitable places. The damaged schools and vocational training centres located outside the buffer zone are expected to be repaired. Repairs to the damaged universities are to be undertaken using the allocations made available for 2005.

For the relocation and reconstruction of damaged schools and the schools used as welfare camps will be made with assistance of local and foreign donor agencies. A number of 180 schools 198 schools used for welfare camps, 4 universities and 13 vocational institutions will be rehabilitated or reconstructed as the case may be. The requirement of funds for this work is US\$ 167 mn. and the donor assistance so far committed has amounted to US\$ 146 mn. leaving a resource gap of US\$ 17 mn. Reconstruction and relocation of schools will be implemented by the Ministry of Education and Provincial Education Ministries and monitored through a National Monitoring Committee and Zonal Level Committees. A donor coordination committee will work with the participation of the key donors.

**Table 7**  
**Funds Committed and Additional Funds Required**

<b>Schools/Institutes</b>	<b>Total Requirements (US \$ Mn.)</b>	<b>Commitments Received (US \$ Mn.)</b>	<b>Balance Fund Requirement (US \$ Mn.)</b>
180 Schools	103	101	2
198 IDP Schools	60	40	20
04 Universities	0.72	0.72	–
13 Vocational Centres	3.44	3.44	–
<b>Total</b>	<b>167.12</b>	<b>145.12</b>	<b>22</b>

### Housing

The main objective is to facilitate the reconstruction of the housing stock which has been destroyed by the tsunami disaster. The strategy adopted by the government is to establish a grant scheme for fully and partially damaged houses outside buffer zone and to build housing projects with donor assistance on lands allocated by the government for damaged and destroyed houses within the buffer zone. The requirement of funds for this purpose amounts to US \$ 22 mn. and US \$ 47 mn. for partially and fully damaged houses respectively. The partner arrangement for the grant scheme includes the Government of Sri Lanka, International Development Association and Swiss Agency for Development Corporation.

The grant scheme will be governed by a policy and guidelines agreed by the Consortium of Partners after extensive consultation with all stakeholders.

Under the housing programme with donor assistance, a number of 53,127 houses will be constructed. MOUs have been signed to construct 31,891 houses and donor pledges have been made for the remainder.

*Table 8*  
**Fund Requirements for the Grant Scheme**

	<b>Partially damaged houses</b>	<b>Fully damaged houses</b>
Grant amount	US \$ 1,000/per house	US \$ 2,500/per house
No. of housing units	21,858 houses	18,912 houses
Fund requirement	US \$ 22 mn	US \$ 47 mn

*Table 9*  
**Assistance Pledged by Donors**

<b>Funding agency</b>	<b>Amount pledged</b>
World Bank	US \$ 40 mn
Swiss Agency for Dev. Coop.	US \$ 7 mn
<b>Total</b>	<b>US \$ 47 mn</b>

Table 10

**Pledges for the Donor - Built Housing Projects**

<b>Donor</b>	<b>No. of Houses Pledged</b>	<b>No. of Lands Allocated</b>
CARITAS	26,000	1,346
Red Cross	15,000	9,575
World Vision	10,000	1,935
Care International	6,800	1,715
International Lions Club	4,500	1,930
Tamil Rehab. Org.	1,500	738
Sri Lanka Co-operative	1,400	769
Foreign Ministry	1,200	1,485
SOS Children's Village	1,143	880
TZUCHI Foundation	1,000	1,000
<b>Total</b>	<b>53,543</b>	<b>21,373</b>

**Fisheries**

The strategy for reconstruction of the fisheries sector has been broken into 14 identified projects. This includes mainly repair of boats, supply of nets, replacement of fishing crafts, repair of fishery harbours and anchorages, supply of ice plants, providing assistance for training and research, coast conversation, livelihood support and provision of setting up Tsunami early warning system. It has been planned to complete all the project activities with 18 months.

Total requirement for the reconstruction work in the fisheries sector is estimated at US\$ 201 mn. Commitment so far by various donors and donor countries including China, Japan, ADB, Norway and IFAD has amounted to US\$ 95 mn. leaving a resource gap during the medium term amounting to US\$ 55 mn.

**Roads and Bridges**

The national road network in the coastal areas of the Northeast and Southern Provinces were severely damaged by the tsunami. In addition, extensive damage occurred to the provincial roads and to the local government and municipal roads. Bridges and culverts were displaced and embankments eroded by the advancing and retreating tsunami. The main damage occurred to roads that were already in a greatly deteriorated state due to lack of maintenance and damage during the conflict period. Further, on the east coast, flooding before and after the tsunami caused damage to coastal roads. It is not possible therefore to separate the value of road damage due to the three different mechanisms, *i.e.* conflict, flooding and the tsunami.

It is planned that the temporary repairs will be consolidated by permanent repairs to embankments, drainage systems (including protection measures), and that the temporary bridges and bypasses would be replaced by permanent bridges. There is then a need to bring the tsunami-affected national roads to a maintainable and uniform standard, including embankment and carriageway widening to 2 lanes, repairing pavements, drainage improvements, flood protection measures, culvert and bridge rehabilitations or replacements. In order to reap the economic, commercial and social benefits of rehabilitating the coastal main roads connecting provincial and local government roads will also be fully developed.

The post tsunami recovery in the roads and bridges sector will involve rehabilitation to a continuous network of national roads, over 1000 km. long, and stretching from Kalutara in the southwest to Jaffna in the north. These road rehabilitations will directly benefit the tsunami affected coastal communities by

**Figure 2**  
**Identified Projects - Fisheries**

<b>Project</b>	<b>Funding Required (Approx.) US\$ Mn.</b>	<b>Pledged By</b>	<b>Implementation Arrangement</b>	<b>Estimated Time</b>	<b>Supervising Authority</b>
Repair of Boats	1.0	FAO,Cey.Nor,SLSRT A. J. Fishing	By the NGOs	6 months	–
Supply of Nets	16.2	FAO, S. Korea	By the Donors through Cey.Nor	1 year	Cey Nor
Replacement of Traditional Crafts	4.5	Various INGOs	Ordered through local boatyards	6 months	INGOs
Replacement of Large 3° Ton & Multi day Boats	34.5		Scheme to be worked out with Fisheries Ministry	18 months	Fisheries Ministry
Repair of 12 Fishery Harbours Provide shore based facilities in each Fishery harbour	12.8 50.0	China – 6 harboursJapan – 1 harboursUSAID- 3 harbours	By the Donor Governments	1 year	Fishery Harbours Corporation and Fisheries Ministry
Repairs to 34 Anchorages	4.8	ADB, FAO	By the Donors	1 year	Fishery Harbours Corporation and Fisheries Ministry Fisheries Ministry
Supply of Ice Plants	12.3	Japan	By the Donor Government	1 year	NARA
Training & Research	10.0	Victoria State Government(Not confirmed)	–	1 year	Dept. of Coast Conservation,NARA
Coast Conservation	17.0	INGOs, ADB	–	1 year	Fisheries Corporation
Marketing Programme	8.5		By the Donor	6 months	–
Livelihood Support	15.0	World Vision, FORUT, FAO, ILO, ADB	–	–	Fisheries Ministry
Provision of setting up Tsunami early warning system	5.0	South Korea (Not confirmed)	By the Donor Government	6 months	Fishery Harbours Corporation
Construction of Fishery Harbour of Dickkowitz	9.0	China	By the Donor Government	6 months	
<b>TOTAL</b>	<b>200.56</b>				

providing access to economic opportunities and good quality services; by lowering transport costs and promoting local and regional development.

Table 11

### The Cost of Rehabilitation

Roads and Bridges	Length (km.)	Approximate (US \$ Mn.)
Southern National Roads and Bridges	464	92.0
Eastern National Roads and Bridges	323.3	126.0
Northern National Roads and Bridges	330.3	83.0
Provincial and Local Government Roads and Bridges in all districts	1,480	39.0
<b>Total</b>	<b>1,266</b>	<b>340</b>

The total cost of rehabilitation has been estimated at US\$ 340 mn. Of this, US\$ 318 mn. has been committed by various donors including ADB, World Bank, JBIC, JICA, European Commission, USAID, Saudi Arabia and Spain.

For detailed tables on cost estimates, committed donor funds and the time-bound Action Plans in terms of affected provinces see Annexure II.

### Railway

Railway tracks, signaling and communication system, and building infrastructure on coastal railway line were severely damaged. Also some sections of railway tracks on Trincomalee and Batticaloa lines were partially damaged. In addition engines, carriages, Diesel Multiple Units were also destroyed. For the restoration and improvement of the railway the following strategies will be adopted.

- The coastal railway line is one of the main corridors to enter the capital from the South. Re-recommencement of train services on this coastal railway line will be given high priority.
- Damaged rolling stock, communications and railway stations will be rehabilitated.
- The old coastal railway line will also be converted to modern railway line by providing additional rail track from Kalutara to Matara and development of selected railway stations as commercial centres and development of railway stations as inter-modal transport centres.
- Implementation and monitoring mechanism will be arranged by the government and private sector participation.
- With regards to financing the ADB funds will be made available to restore and improve the tsunami affected areas of the Sri Lanka Railway. This covers Colombo/Matara and the Eastern and northern lines. In addition, improvement to the railway workshops is also included.

The cost of rehabilitation and improvement has been estimated at US \$ 185 mn. Several donors have shown interest in meeting the cost.

The proposed funding by the Indian Government for upgrading and double tracking of the Colombo/Matara rail track will significantly improve the operating speed of the railway and will greatly assist in alleviating traffic congestions and improve the socio economic benefits to the country.

### Tourism

The Sri Lanka Tourist Board has developed a Strategy to restore both tangible and intangible tourism assets in the shortest possible time. This strategy includes following programmes and activities-

- The Marketing Recovery Program: Restoration of the Sri Lanka Tourism Brand (US \$ 5.3 mn).
- Tourism Resort Zoning Plan: 15 tourist towns which were affected have been identified for rehabilitation and reconstruction (US \$ 30 mn).

- Community Restoration Plan: Housing and infrastructure development will take place in the above 15 tourist towns in order to resettle the displaced communities (US \$ 15 mn).
- Incentives to hoteliers and tourism related enterprises:
  - Import duty waiver for hotel refurbishment (US \$ 6.7 mn).
  - Susahana loans up to Rs.10 mn. with no repayment in the first year.

The Funding Consortium /Partner Arrangements are:

- Overseas Tour Operators
- Sri Lanka Tourist Board
- Ministry of Tourism
- Private Sector of the Tourism Industry and
- Government of Sri Lanka

The Monitoring mechanism is spelled out below.

- The Ministry of Tourism and the Sri Lanka Tourist Board (SLTB) will be the monitoring agencies for all future tourism development including the Tourism Zones. Developers will be encouraged to invest within these zones.
- All zones have been given Themes by SLTB and development will have to be based on this Theme.
- All tourist establishments need to possess a license issued by SLTB to carry out tourism business
- A report with development guidelines have already been published by SLTB to assist developers to design their product.
- All project proposals will be studied very carefully by SLTB and only then approvals will be given provided it conforms to the guidelines set out by SLTB.

## **Environment**

The major objective is to achieve environmentally sustainable post tsunami reconstruction planning through the establishment of a cross-sectoral multi stakeholder structure for co-ordinated planning that is based on a Strategic Environmental Assessment.

The following key activities will be implemented:

- Establishment of the multi-stakeholder planning platform to assist in policy review/formulation and preparation of sector plans
- Establishment of an environmental helpdesk to provide guidance on environmental issues
- Conducting a strategic environmental assessment on the post tsunami environmental issues. Detailed action plans per district and per sector will be devised based on the findings of the SEA and the comprehensive physical damage assessment survey conducted along the entire affected coastline.

The Government of Netherlands has pledged support for the Strategic Environmental Assessment with a grant of one million Euros in the year 2005. In addition, the donor community in general has expressed willingness to provide support in the form of finances/expertise/other resources to selected actions/programmes. In the Year 2006, a funding in the form of euros 0.5 million grant would be enabled by the Government of Netherlands in order to continue with the actions/programmes commenced. The Memorandum of Understanding for the proposed Strategic Environmental Assessment to be signed between the GOSL and Government of Netherlands is awaiting finalization.

The key implementation agencies will be the Ministry of Environment and Natural Resources (MENR), Central Environmental Authority (CEA) and the Urban Development Authority (UDA). The proposed multi-stakeholder planning structure would be chaired by the UDA and facilitated by the MENR. The planning platform will strongly collaborate with the CEA for technical and operational direction. The other line agencies, NGOs and business organizations will be members of the multi-stakeholder planning structure contributing towards their relevant sectoral performance. TAFREN will link up with all key partners and provide support to the implementing agencies in the form of facilitation and co-ordination.

## 5. Implementation Mechanism

The programme is rooted in and will strive to promote the principles of good governance. Immediately after the disaster, at the national level, the Centre for National Operations (NCO) was formed under the President's Secretariat to oversee and monitor emergency programmes and liaise with relevant parties to ensure effective implementation of the relief and recovery phase. The NCO was instrumental in ensuring that the relief and recovery measures were implemented in a timely and transparent manner.

The rebuilding operation will be spearheaded by the Task Force on Rebuilding the Nation (TAFREN) to ensure that the relief effort is successful and that social justice is done with respect to the affected people. The major tasks of the TAFREN are to –

- (a) Coordinate, facilitate and assist the implementing organizations i.e. line Ministries, Departments, District and Divisional level Government Institutions.
- (b) Coordinate donor assistance, fund raising activities and other financial avenues to enable implementing organizations to achieve rebuilding implementing organizations to active rebuilding objectives.
- (c) Facilitate expeditious procurement process to commence projects quickly, and
- (d) Enable implementing organizations by capacity building.

TAFREN is organized on sectoral basis with the purpose of focusing on reconstruction and rehabilitation needs in each specific sector. These sectors are housing, education, health, fisheries, power and energy, roads and bridges, SMES and livelihood, water supply and sanitation, tourism, telecommunications and transport. TAFREN has appointed officials to monitor implementation of projects and programmes of national, district and divisional level. Within a short period of time TAFREN has completed an action plan, coordinated donor assistance, provided strong support for Ministries and other agencies in implementing their programmes and made arrangement to pay grants, money for work, and livelihood for affected people.

At the District level, Disaster Management Authorities were appointed to coordinate local relief efforts. Government will continue to maintain a transparent approach through interaction with the high level committee comprising leaders of all political parties, and by making information available in all aspects through mass media and regular briefing of development to donor, NGO and other partners. All operations will be subject to the scrutiny of an especially appointed team of independent auditors and as well as the Auditor General of Sri Lanka.

The planning and implementation of the reconstruction and rebuilding phase will involve all of Government, the private sector, civil society and non-government organizations, with the active participation of the affected people and the support of the international partners. A three tier structure will be used for the implementation of public investments in the reconstruction and rebuilding programme. Projects at the national level will include large scale connective infrastructure such as national highways, railways, harbours and the national electricity grid. The Provincial level, including Districts, Divisions and local authorities, will be entrusted with mandated sub-national programmes such as schools, hospitals, agricultural and fisheries rehabilitation, and Class C, D and E road networks. Communities will be entrusted with implementation of programmes such as housing, enterprise development and micro finance. Communities will be supported to establish skills development and self-employment initiatives. Special programmes will be expanded to ensure the welfare and social security aspects of the affected children, women, and those that are differently abled.

A monitoring system will be designed and implemented to ensure that the programme stays on course, is timely and results-oriented. A Political Committee as well as an Operational Committee will be entrusted to monitor the progress of the rebuilding programme. The monitoring system will be closely linked to the country's National Poverty Reduction Strategy and the Millennium Development Goals (MDGs) Strategy.

## **6. Implementation Issues and Recommendations**

The post-tsunami re-construction process has encountered several challenging issues which have created adverse impacts on the smooth implementation. This section outlines these issues and recommends some remedial measures to overcome them.

### **Procurement**

Selection of consultants and contractors has to undergo a long process which includes several stages such as, prequalification, calling for tenders, bidding, evaluation, obtaining donor concurrence and awarding. This process is highly time consuming and impractical for post-tsunami re-construction activities which has to be completed within a very short period.

Promotion of Turn – Key Approach is an alternative method that can be applied to overcome undue delays in the implementation of projects and programmes implemented with grant assistance. This will enable donors to make decisions at their own with respect to purchase of equipment, selection of contractors/sub contractors and awarding of tenders. Establishment of separate Technical Evaluation Committees for each sector of the Tsunami Reconstruction Plan will facilitate to reduce the time lag of implementation. It is also suggested that special tender guidelines be prepared or the existing such guidelines be modified by the National Procurement Agency enabling the tsunami related projects and programmes be implemented without delays. In addition, a special group of officers should be assigned for the tsunami related activities at ministry and agency level.

### **Land Acquisition**

Dearth of suitable land for re-construction and rehabilitation activities has become a major impediment in the implementation of reconstruction plan and strategies. This is mainly because suitable state lands are not available in close proximity to the tsunami devastated areas. Acquisition of privately owned land has become a difficult task owing to the fact that there is no attractive compensation package based on market value for the lands. The situation has further aggravated due to delay in land clearing, surveying and lack of effective rules and regulations. Most of the projects relating to Housing, Education, Health, Industrial Estates, Townships and Tourist Community Restoration are not in a position to commence owing to this barrier.

It is therefore suggested that prompt actions be taken to expedite releasing of state lands through a coordinated approach between the national public agencies and relevant Local Authorities. State owned lands which have already been allocated for other development purposes in a close proximity to the tsunami devastated areas, can be taken over and reallocated for the priority projects under the tsunami recovery plan. As regards the private lands, an attractive compensation package can be developed in order to expedite the acquisition process. The ways and means adopted in the implementation of foreign funded road development projects are suggested to be adopted in this regard. In the mean time, private land owners can also be encouraged to donate their lands for the government or donor agencies for the purpose of implementing tsunami related projects and programmes.

### **Donor Assistance**

It has been observed that the progress of transforming pledges into real programmes has been slow. Some donors are involved in providing in-kind assistance or undertaking implementation of projects directly by themselves. Moreover, it has been observed that some programmes have not been considered by donors for financing yet. The projects and programmes relating to Regional Industrial Estate Development, Townships Development, Rehabilitation of Schools and Hospitals, Improvement of Water Supply and Sanitation, Promotion of Micro Level Livelihood Programmes and Tourism have been affected adversely due to this situation.

## **Skilled Manpower**

Dearth of skilled manpower and loss of skilled craftsmen/fishermen due to tsunami have become major obstacles to the implementing agencies. The trainee output of the Vocational Training Institutions which is currently available in the labour market does not have enough experience to undertake massive construction activities in a shorter period of time.

As short term remedial measures, it is recommended to promote skilled personnel in non-tsunami affected areas to come and work in the devastated areas through introduction of attractive incentive packages. In the long run, steps can be taken to disseminate labour-saving technologies improved by the Research Institutes like ICTAD and NERD among the tsunami affected communities and to increase trainee intake of the Vocational Training Centres on construction related courses.

## **Disbursement of Funds**

It has been observed that certain projects implemented by donors are standstill due to delay in disbursement of committed funds by respective authorities. For instance, repair of about 6,500 boats by the CEYNOR is not functioning smoothly because of delay in disbursement.

To avoid such delays, the relevant government institutions should take timely actions to translate donor pledges into commitments and then disbursement of funds. At the same time, post-tsunami reconstruction programmes are suggested to be initiated by providing mobilization advances using local funds.

## **Shortage of Construction Materials**

The shortage of construction materials (eg. cement, sand, stone, rubble, bricks, timber *etc.*) in the market has become one of the constraints in the post-tsunami restoration process. This has adversely affected the tsunami reconstruction process in two ways. First, the high prices of building materials which limit the affordability of the affected people. Second deals with undue delays in construction works which will lead to ample socio economic problems. For example, most of the affected families have been living in temporary shelters more than 03 months without access to basic facilities.

The use of new material – saving technologies developed by Research Agencies (eg. ICTAD) among affected families and increase supply of materials by providing fiscal incentives on imports and immediate measure to overcome this issue.

## **Disposal of Debris**

Disposal of debris and waste material brought to the coast by the tsunami is one of the urgent tasks in relation to post-tsunami reconstruction activities. It has been observed that this debris includes plastic materials as well as some hazardous wastes. The accumulation of these materials can lead to severe environmental and health hazards causing serious damages to human beings and the coastal ecosystem.

Relevant national and sub-national institutions including Local Authorities need to take actions to remove the debris and waste lying in the coastal belt in safe manner. Voluntary organization can also be get involved in this task.

## **Resettling the People**

It has been reported that most of the people have expressed their unwillingness to reside in new settlements irrespective of amenities provided. The reason being the close relationship of the livelihood and the residence, and social and culture links that they inherited through generations.

To encourage affected people to re-settle in modern settlements, it is necessary to ensure that there is community participation from the beginning of project cycle relating to tsunami reconstruction related projects. Therefore, an effective mechanism is suggested to be adopted to get the affected people participated in the decision making process at the grass-root level with respect to all stages of the project cycle. This is of vital important because the whole purpose of the reconstruction plan would be futile, if the targeted families refuse to move from the devastated areas.

## **Establishment of Dedicated Management Units**

It has been revealed that non existence of high powered national agency and the absence of dedicated management units to attend post-tsunami reconstruction activities at ministry/agency and district levels have been a major impediment in the achievement of intended results.

TAFREN has the expertise and experience to fulfill the above objectives and tasks. Therefore transforming the TAFREN into a high powered separate national secretariat with a lifespan of 3-5 years is recommended. It is also recommended that dedicated management units relating to post-tsunami construction work should be established at Ministerial, District and Divisional levels. TAFREN will be the apex body in coordinating all work of these agencies at different levels.

## **7. District Implementation Plans and Strategy**

### **Background**

Based on the consensus damage and needs assessments, national plans have been developed for each Sector that outline objectives for the reconstruction effort, action plans tied to specific projects, financial arrangements, and an implementation strategy and process. At this stage, there is a need to disaggregate these national plans into District plans, in order to support a coherent and effective implementation on the ground, which is consistent with the guiding principles as outlined in the beginning of this document. At the same time, it must be recognized that reconstruction projects are already progressing in the Districts. Thus, the District plan should incorporate these activities, as well as facilitate successful and timely completion of these activities consistent with the beneficiary needs.

### **District Implementation Plans**

Disaggregating the national plans into District plans serves multiple purposes. Specifically, it ensures: (i) identification and resolution of inconsistencies across sectors within Districts, (ii) local prioritization and ownership by engaging beneficiaries and other stakeholders, (iii) measurable District targets and timelines exist, (iv) funding gaps are identified locally, and (v) monitoring of progress within and across Districts. By presenting clear local action plans, stakeholders can plan their own activities accordingly (and adjust their expectations), and, importantly, by engaging the beneficiaries in the planning process, ownership of the process is improved and so too the likelihood of a successful and sustainable restoration of affected communities.

### **District Implementation Strategy**

Critically, the implementation strategy within the Districts must address *how* the plans can most effectively be carried out. Specifically:

- Clarify role and responsibilities (who does what). Within each District, clearly spell out which activities that agencies and donors are responsible for, by when the activities must be completed, and how the various parties should interact. In particular, the role and responsibility of governmental agencies and local authorities must be clear. The need for temporary authority changes (e.g. expanded GA authority) must be quickly assessed and implemented.

- Ensure that effective coordination mechanisms for implementation are in place. Establish procedures to bring together the relevant decision makers and stakeholders in the District, so that information is shared and problems are resolved quickly.
- Ensure sufficient capacity. Identify gaps in capacity required to effectively implement, and ensure the corresponding needs (in the form of financial support, personnel, office equipment, and transportation) are communicated to the national government (including TAFREN). Added capacity should allow for establishing dedicated teams to the reconstruction effort in each District.
- Engage beneficiaries. Ensure mechanisms are in place for consultation and participation of beneficiaries and other local stakeholders, which incorporate learnings of existing good practices (e.g., NECORD). Such processes should especially ensure that formal mechanisms are in place that connect Grama Niladari and Division level to the District level (and national level), both during the planning phase, and on an ongoing basis as implementation proceeds.
- Continuously identify and resolve implementation bottlenecks. Establish effective mechanisms in the Districts to identify constraints that impede progress, and that ensure timely resolution. This includes communication to the national level (via TAFREN) of issues as well as proposals for how to solve them.

## **The Process Forward**

In order to facilitate the development of the Districts plans and strategy as well as the expanded capacities of district administration, TAFREN will support the Districts with frameworks and resources. This initiative has been welcomed by the GAs in the affected Districts. The following initiatives are being launched;

- A joint team to develop the District implementation plan and strategy for Matara (followed by a District in the North/East). The Ministry of Finance and Planning and the Matara GA will lead the effort, with the support of TAFREN and donors. This will be concluded by end May and expand to all districts.
- Launch government livelihood programs in all affected Districts, starting with Jaffna, Batticaloa, and Galle. Teams supported by TAFREN and the ILO will identify appropriate mechanisms to establish effective consultation processes on Village and Division level for livelihood, as well as identifying systems needs and specific issues that need resolving. The project will start May 9.
- Establish joint sessions with the GAs from all affected Districts to share good practices. In order to share learning from Districts where consultation mechanisms already are in place (such as Jaffna), and to share findings from the Matara and Livelihood projects, meetings with all GAs will be held on a regular basis.
- Monitoring and follow up meetings will be held at District level with the participation of Secretary to the Treasury, other senior officials from the center and all stakeholders in the Districts to coordinate Provincial and District activities and empowered implementing agencies.

It should be stressed that the proposed process is not meant to introduce rigid processes that delay the implementation on the ground, but attempt to provide common frameworks and structures to the Districts that facilitate coherent, effective, and transparent implementation, as well as quickly identify and fulfill capacity requirements.