



Consortium of Swiss Organisations
Funded by the people of Switzerland

External evaluation report
on the
Cash for Repair and Reconstruction Project
Sri Lanka

commissioned by
the Consortium of Swiss Organisations
(Swiss Solidarity, Swiss Red Cross, HEKS and SDC)



Matara



Trincomalee

Evaluation: November 2006 / Final report: March 2007

By:
Yasemin AYSAN
Muhammed AHEEYAR
Paul HARVEY
Shanthi SATCHITHANANDAM



HEKS 

Schweizerisches Rotes Kreuz 

 **Schweizerische Eidgenossenschaft**
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Management Comment

The Consortium of Swiss Organisations (SC) herewith accepts the report on the external evaluation as performed in November 2006 and submitted in its final version on March 03 / 2007 and wishes to express its appreciation of the professional work carried out by the evaluation team headed by Ms Yasemin Aysan and comprising of Mr Paul Harvey, Mr Muhammed Aheeyar and Ms Shanti Satchithanandam.

The current management comment replaces the first comment from April 2007. The reason is the decision taken by the SC for the publication of the full report. The SC highly appreciates this evaluation since it enables the SC to take necessary measures, to some extent in the current, but also for future projects. As a result, **it seemed appropriate to the SC to respond in more detail and precision to the recommendations and main weaknesses identified by the evaluation team.** In publishing the full report the SC would like to express its commitment for institutional learning and accountability in regard of its current engagement in Sri Lanka according to the international standards on the promotion of the quality of humanitarian action (ALNAP guidelines).

The SC acknowledges the positive general conclusions of the report on the Cash for Repair and Reconstruction Project in terms of appropriateness, effectiveness and efficiency. With this report, the SC has received a confirmation that, in view of the difficult environment, the project contributed significantly to the recovery of the Tsumani-affected population in Matara and Trincomalee.

Rationale of Swiss engagement

Upon request of the Government of Sri Lanka (GoSL) in early March 2005, a Consortium of Swiss Organisations (SC) consisting of Swiss Solidarity (SwS), Swiss Red Cross (SRC), Swiss Inter Church Aid (HEKS) and the Swiss Agency for Development and Cooperation (SDC) was formed to support the **island-wide house owner driven Tsunami recovery (HODR) programme** implemented in totally 12 affected Districts. In fact, the SC took operational and financial responsibility for Matara (south) and Trincomalee (north-east) districts under the so-called "Cash for Repair and Reconstruction Programme" (CfRR). **The rationale for the involvement of the SC in the CfRR was four-fold:** 1) to empower the beneficiaries with cash grants to enable them to rebuild their houses according to their own needs and perspectives, 2) to align Swiss interventions with national government policies, 3) to build on SDC experiences in cash transfer programmes from elsewhere, 4) to balance the engagement in 2 districts, one in the South (mainly Sinhalese communities) and one District in the North-East (mixed communities of Tamil, Sinhalese and Muslim).

Influence of the SC and added value

*The report has identified an **unclear role and influence** of the SC in the CfRR.*

Upon the GoSL's appeal, the HODR was in its initial stage funded by 4 international Organisations: World Bank with USD 40 Mio, the SC with USD 7Mio, the Asian Development Bank with USD 5Mio and the "Kreditanstalt für Wiederaufbau" with USD 6Mio. The SC was aware that its influence on policy matters particularly at GoSL level was limited. In addition, many difficulties during the implementation of the programme were caused by policy changes and lack of guidelines. Amendments to the Memorandum of Understanding (MoU) between Switzerland and Sri Lanka contributed to improve the Swiss position significantly. Nevertheless, valuable lessons have been learned with regard to a better involvement already during project design.

At District and Division levels the SC field teams were successful in effecting a number of programme adjustments in the interest of quality, equity, fairness and transparency. **The introduction and management of the database by the SC** and the authorisation of payments by the SC's field management are highly commended in the report, as it enabled the SC to gain key control over the project including non-authorisation of payments. The established refunding mechanism of beneficiary contributions - advanced by the banks and/or Sri Lankan government - served as an additional tool to secure transparency and **accountability of the Swiss financial contributions.** The SC agrees with the report's remark that more could have been done in monitoring the impact on household level although the SC considers the beneficiary satisfaction within the CfRR as high (see "beneficiary satisfaction" below).

Coordination difficulties within post disaster housing programmes

The report identifies a lack of coordination in the post disaster housing programmes.

In Sri Lanka and particularly in the South of the island, many organisations have taken up operations in the wake of the Tsunami. In view of the immense funding available to them and the lack of proper and timely government guidelines coordination with and between all these actors proved to be very difficult. It has been a considerable success, that many organizations involved in the reconstruction of houses were **using the reliable beneficiary data in SC's CfRR database for coordination**. Unfortunately the same cannot be said about the readiness of some INGO and GO to follow the official top-up or co-financing guidelines of the Sri Lankan government.

As the authors rightly point out, there were and are still as of July 2007 no updated and reliable official beneficiary lists available for donor-driven housing on relocation sites.

In the latter the CfRR is not involved. The quantitative suggestion of an **oversupply of houses in the Southern Districts** can only be a very rough guessing and is mainly due to the fact that the relocation sites are often in areas where people do not want to live. SC has decided to carry out an impact assessment, which will explore also this issue in more detail.

Beneficiary registration

The report questions the broad definition of the damage categories.

Any classification of damages will necessarily be subjective and there is no single way to define a system that could be at once cost efficient, quick, fair, transparent and indisputable. Although the SC has tried to introduce a 3rd category for minor damages, the **two damage categories adopted proved to be simple and efficient**. Resulting targeting errors (including waste of resources, if any) would have to be quantified and compared to errors that more complex systems would generate. Potential for bribery would remain under these circumstances whatever classification system was adopted. Furthermore, the **provision of LKR 100'000 (USD 1'000) to owner of houses classified as partially damaged has proven appropriate in regard of frequent considerable loss of personal belongings as well as damage on external installations (water, sanitation, electricity)**.

However, there are important aspects to be kept in mind for future projects of similar nature:

1) The project area should be surveyed and the final beneficiaries' lists established within the first few weeks of the project - using GPS and Geographic Information Systems. Initial operational delay which this would cause for the operations could undoubtedly be recouped during implementation. 2) It is important that the responsibility for coordination and for communication in the target area be clearly granted to the lead implementing and funding agency – preferably enshrined in the MoU. 3) clear visibility and communication policy and strategy should be envisaged from the start of any programme and also be included in the internal objectives.

These measures could contribute to better **prevent beneficiaries to receive un-coordinated support from different sources** for the reconstruction of their houses.

However during the very difficult and complex post-Tsunami recovery operations with a surplus of actors and funds, such cases could not completely be prevented. The refunding mechanism chosen by the SC for this project served as one helpful tool to exclude these cases from the refunding by the SC.

Sizing of fully damaged house

According to the report many people struggled to complete their houses with the Lanka Rupees (LKR) 250'000 (USD 2'500) and had to take loans from banks/relatives/friends, sell their jewellery or invest own money in order to finish their houses.

While the SC, as well as the other partners involved, does not negate such scenarios, it would like to hint at the fact that **the programme did not distinguish between economic status of the beneficiaries as the cash grant was expected to be sufficient for a core house. The amount of LKR 250'000 per household (fully damaged) was supposed to be complemented by top-up or co-financing provided from NGOs**. Further to this, there is no real evidence available yet, as to what extent debt-making is or has been a problem. The SRC - being the SC's implementing agency in Trincomalee - will address this issue in a study scheduled for November 2007 on its different housing projects in Sri Lanka including the CfRR. However, part of the answer is already provided by the authors themselves when they correctly point out that an insufficient cash grant was not the only reason for debt-making. It is also worth mentioning, that the debt is incurred on a real house with legal property rights and is the equivalent of a mortgage. Any other approach would have violated the "do-no-harm" principle. The

degree to which people were able to complete their houses depended also on the design they chose and on how ambitious they were in terms of size and quality. **Some people had chosen to build houses larger than the standard design, knowing very well that this could take many years to completely finish the house** while others have invested money in decoration work.

Top-up scheme

The authors further point out that the lack of enforcement of the top-up ceiling and standards resulted in a variety of top-up levels and practices, increasing inequity between the well-off and the economically vulnerable, as well as between Matara and Trincomalee beneficiaries.

The vast **majority of beneficiaries appreciated the top-up financing and did not complain about fundamental inequities** within their area or between areas or target groups. Those who did have grievances were carefully listened to and solutions found whenever possible. Even the difference of opportunities between Phase I and Phase II beneficiaries did not create any tensions at field level that could not be sorted out by in-depth discussions.

The authors also state that at the time of their presence in Sri Lanka in November 2006, the SC had still been in the process of finding donors to „top-up“ both the Phase I and Phase II houses in Trincomalee to allow the target groups to finish their dwellings

The SC is pleased to confirm that since the time when the evaluation took place it has been **successful not only in securing all top-up arrangements but also in the release of these top-ups** to the eligible house owner families.

Within Phase I, the needed top-up funds came from the Hong Kong Red Cross. The process of releasing Phase I top-ups will be finalised until fall 2007. Likewise, within Phase II, the necessary funds were provided by the American Red Cross. The Phase II top-up scheme is expected to be finalised within the last quarter of 2007.

Focus on most vulnerable persons

The authors define as one of the weaknesses of the programme that it did not primarily focus on the most vulnerable people, i.e. those who did not have the title deeds or land.

The HODR programme followed a different logic, namely **“a house for a house” rather than “a house for the neediest”**. Nevertheless, **through the intervention of the SC at the local authorities more than 200 formerly landless people in Trincomalee were awarded land titles** and thus were made eligible for support under the government scheme. Many more cases that were stalled with the authorities could be re-activated and successfully integrated into the governmental housing scheme on initiative of the SC. In addition many more **individual hardship cases were directly taken care of by SC staff** by supporting their eligibility for alternative programmes, i.e. donor driven relocation projects sponsored by other organisations.

Beneficiary satisfaction

The authors point out that many people interviewed in Trincomalee “had been unable to complete their houses”. Furthermore, they estimated in November 2006 that 80% of the houses in Trincomalee were unfinished.

By end of June 2007, 78 % of the top-ups funds were released to 800 beneficiaries of the phase I meaning that these houses are inhabited and almost completed. At the same time 90% of the 600 houses of phase II received the last instalment of the base grant of Rs.250'000 and will be completed by October 2007 using the additional top-up funds of Rs.250'000 (see "Top-up scheme" above).

The **high level of beneficiary satisfaction** expressed attests to the appropriateness of the CfRR-approach. The vast majority of beneficiaries felt that cash enabled them to control the quality of their house much more closely than if it had been contractor-built for them. Providing cash assistance made them flexible in the procurement of material and labour which meant that beneficiaries were able to go for cheap and quality materials wherever these were available. In contrast, donor driven housing projects had to go through stringent tender procedures, which delayed the start of construction and restricted participation to large contractors who were often more costly than local builders.

In this regard it should be noted that the western concept of a “finished house” does not necessarily fit into the Sri Lankan context. In Sri Lanka, a house may very well be perceived as habitable if it possesses a roof and a concrete floor whereas in Switzerland, for example, a house will most probably be perceived as being unfinished as long as the outer plastering has not been completed. **Houses**

without wall plastering were a very common image throughout rural and urban areas, districts and regions of Sri Lanka even before the Tsunami. It is not uncommon that the final touches remain undone for years even though the financial means are available. It is also true that **many beneficiaries preferred to have a large “unfinished” house rather than a small “finished” one.**

Internal management of the SC

The report suggests to the SC to perform an internal management review. In this regard the SC held an internal capitalisation workshop in February 2007.

The SC is aware of the fact, that the chosen management set-up comprising 3 hierarchic decision taking levels is rather heavy in operational terms. Nevertheless, the structure lead to efficient use of resources and know-how. The consortium has also taken measures to provide training to staff members engaged with cash transfer programming. Last but not least, the SC maintained a permanent constructive and well set-up steering and communication mechanism.

The report's concern towards frequent changes of staff in the initial phase has to be addressed in the light of the particular dimension of the Tsunami response.

Deployment of staff was highly demanding due to the fast shift from rapid response and assessment missions over emergency assistance to recovery and reconstruction programmes. In view of the difficult post-Tsunami and partially armed conflict environment, the SC's field staff was confronted with very demanding working conditions including stressful situations, tensions and some times overwhelming work load. A high staff turnover was therefore a necessity.

Concerning the SC human resource management, it was foreseen from the beginning to hand over the project management from SDC to HEKS staff in Matara and SRC staff in Trincomalee. This handover took place in October 2005.

Switzerland, July 2007

The Consortium of Swiss Organisations for the CfRR Project in Sri Lanka

Table of Contents

List of Abbreviations.....	2
EXECUTIVE SUMMARY	3
1. Introduction.....	8
2. The Project - description of the project, how it operated and the Consortium's role	11
3. The project process – the main issues and challenges faced by the project	12
4. Appropriateness / Relevance - did the project address the right issue?	14
5. Coverage – did the project address the right people?.....	18
6. Effectiveness	21
6.1 Instalments	22
6.2 Monitoring and Evaluation	23
7. Efficiency.....	25
8. Impact	26
8.1 Tensions and Conflict	29
9. Connectedness – collaboration among international and national stakeholders.....	31
10. Conclusions and Recommendations.....	34
10.1 Next Steps	35
10.2 SWOT on CfRR in Sri Lanka	37
11. Bibliography.....	39
Annex 1: Key Persons interviewed.....	40
Annex 2: Questionnaires	41
Annex 3: Terms of Reference.....	46

List of Abbreviations

ADB	- Asian Development Bank
CfRR	- Cash for Repair and Reconstruction
DS	- Divisional Secretary
FD	- Fully Damaged
GN	- Grama Niladhari
GoSL	- Government of Sri Lanka
HEKS	- Hilfswerke der Evangelischen Kirchen Schweiz
KfW	- Kreditanstalt für Wiederaufbau
LTTE	- Liberation Tigers of Tamil Eelam
MoU	- Memorandum of Understanding
NEHRU	- Northeast Housing Reconstruction Unit
NGO	- Non-Governmental Organization
NHDA	- National Housing Development Authority
PD	- Partially Damaged
RADA	- Reconstruction and Development Authority
SC	- Swiss Consortium
SDC	- Swiss Agency for Development and cooperation
SRC	- Swiss Red Cross
SwS	- Swiss Solidarity Chain
SWHRU	- South West Housing Reconstruction Unit
TAFREN	- Task Force for Rebuilding the Nation
TO	- Technical Officer
WB	- World Bank

EXECUTIVE SUMMARY

The tsunami that struck Asia on 26 December 2004 was one of the worst disasters in recent history. Sri Lanka was among the countries hardest hit, compounding the effects of 20 years of civil war. People's immediate priorities were to find shelter, safety, meet basic needs, trace and mourn loved ones. The population affected took shelter with relatives and friends, in temples, mosques and public buildings such as schools. Subsequently, transition camps and temporary shelters on site were built by various agencies. Permanent housing, however, soon became a key concern. Support to housing in Sri Lanka was characterised by considerable confusion and controversy in the implementation of policy and programmes of assistance. Government imposed a 'buffer zone' – a no-construction zone- of up to 100 in the South and West and 200 m in the North. It took more than a year for the decision to reduce the buffer zone to 35-50m. The Government of Sri Lanka (GoSL) adopted a two pronged approach to housing: Cash assistance to home owners to build their houses on their own plots, known as 'owner driven', or 'Cash for Reconstruction and Repair' (CfRR); Contractor built houses in relocation sites outside the buffer zone or on the original plots of land, known as 'donor driven'.

Before the buffer zone was reduced, many people with houses in the non construction zone were expected to be housed in donor driven houses in relocation sites. The reduction of the buffer zone increased the numbers of potential 'owner driven' beneficiaries as more people were now eligible to receive cash to rebuild their homes. The period before the buffer zone was reduced became labelled Phase I and the expanded programme following the reduction as Phase II. The delayed change, combined with difficulties of finding appropriate land outside the buffer zone to relocate people created difficulties in finalising the number and allocation of beneficiaries eligible for different housing options. A wide array of national and international aid organisations provided temporary shelters as well as a wide range of housing assistance from cash, to materials and labour, contractor built houses or a combination of these, thus creating immense difficulties in coordination, further adding to the confusion.

The Swiss Consortium, constituting of the Swiss Agency of Development and Cooperation (SDC), Swiss Red Cross (SRC), Hilfswerke der Evangelischen Kirchen Schweiz (HEKS) and Swiss Solidarity Chain (SwS), supported the 'owner driven' CfRR programme of the GoSL that was designed with the support of the World Bank and funded by the WB, ADB, KfW and the IFRC. The programme provided the beneficiaries with 2,500USD in four instalments if their house had been completely damaged and 1,000USD in two instalments if their house had been partially damaged. Recipients had to prove that they owned a house and land title before the tsunami. The programme did not distinguish between the economic status of the beneficiaries as the cash grant was expected to be sufficient for a 'core house' to be expanded out of the savings of beneficiaries or the 'top-ups' of agencies. The Swiss Consortium support was unique, in that they provided both funding and direct technical and management support to the GoSL in implementing the project in two districts, Matara and Trincomalee, out of the twelve affected. Other donors involved in the project, supported the GoSL implementation in other affected districts with different levels of technical and management support and through the North East and South West Housing Reconstruction Units of the government in a less 'hands on' approach.

The evaluation was expected to analyse the process and the impact of the Swiss Consortium support to the CfRR Programme of the GoSL, to identify the strengths and the weaknesses of the project and to propose measures for improvement for this and any similar future programmes. Given the political complexities and multiplicity of approaches to housing

reconstruction and the limited time in the field, it is not feasible to present verifiable comparisons across various programmes and districts. The evaluation team is confident, however, that its findings through structured and semi-structured interviews with a representative group of beneficiaries (mixture of gender, age, ethnic background, partially and totally damaged house owners), officials, local and international NGOs reflect verifiable overall trends in the relationship between the programme objectives and its impact. It should be noted that due to the intensified security situation in Trincomalee the team was not able to cover the LTTE areas for comparisons, where the limited access to materials and agency support is known to have further compounded the inequity between the North and the South.

This was a large and ambitious project, implemented in a difficult environment in a sector characterised by confusion, with the Consortium approach adding another layer of management complexity. Given this, the project can be seen in broad terms as a remarkable success. This evaluation provides empirical evidence that the growing trend towards financial support to owner-driven post-disaster housing reconstruction is socially, financially and technically viable. It shows that in a context where people are traditionally involved in organising the building of their own dwellings, given adequate financial and technical support and functioning markets, they have the capacity to construct houses that are more likely to respond to their needs and preferences than houses provided by outside agencies. Moreover, in comparison to the alternative of ‘donor driven houses’, the cash project appears to have been much more effective and efficient. On the whole, people built their own houses more quickly and more cost effectively, than contractor built houses and contributed at the same time to the local economic recovery. The study however also warns of some of the risks associated to this housing reconstruction approach, such as insufficient support to the most vulnerable community members, which may create an important area of intervention for the NGOs. There were also risks relating to increased material and labour costs, which meant that the grant was not always sufficient to complete house rebuilding. In some instances this pushed low income beneficiaries into debt. These risks could perhaps have been better mitigated through good market surveys, close monitoring and more flexibility in the programme to make adjustment as necessary.

Appropriateness: Support to housing was clearly in line with local priorities and assessed need. Housing was consistently seen as a key concern and an important component of the recovery process. The provision of cash rather than building materials or contractor built houses also seems to have been appropriate. The success of cash for housing depends on a number of factors such as a functioning supply of building materials and labour; transport and road infrastructure; the existence of a financial system for the transfer of cash and authorities at the local level to organise the process of reconstruction; the ability to deliver and spend cash safely; secure land tenure and a willingness on the part of beneficiaries to build their own houses. In Sri Lanka most of these factors were present from the start, which provided the most essential basis for the success of the CfRR approach. The main possible caveat to this finding was in LTTE held areas where access to banks and building materials was more difficult. These LTTE held areas could not be accessed by the evaluation team.

From the beneficiaries' perspective, those who participated in the CfRR and managed to complete their houses expressed a preference for an ‘owner driven’ approach. Nevertheless, there were still several among those interviewed that could not complete their houses or got into debt due to price increases who expressed preference for a ‘donor driven’ house. Those who received high quality ‘donor driven’ houses on their land as well as those who received significant agency support in the form of building materials and labour also preferred this

option over only cash. Many of these cases were in Matara where there was an over supply of aid and options were available.

On balance, therefore, it does appear that support in the form of cash for people to rebuild their own houses was appropriate at the time of the project design based on the information available. However, there is a key need in cash based projects to monitor the availability and prices of key goods and services to ensure the ongoing appropriateness of cash and this was arguably not done as well or as systematically as should have been the case. Better monitoring of prices and availability might have led to earlier and stronger identification of the issue of unfinished houses or the risk of getting into debt and stronger advocacy to address the issue.

Coverage: The evaluation team was not able to survey or interview a representative sample of beneficiaries so cannot make any quantitative judgement about the extent of inclusion and exclusion errors. Estimates of targeting errors by the various organisations varied between 9-25%. It is the team's judgement that in general the relative simplicity of the criteria helped to ensure that it was reasonably well targeted and that there were no obvious gender or ethnic discrepancies. Nevertheless several beneficiaries highlighted disputes, tensions and sometimes abuse of power over the issues of , who was classified for partly or fully damaged cash grant; who was eligible for owner or donor options and who received what level of top-ups. The rigour of the Consortium's work and the level of transparency achieved through the database and joint meetings with the local authorities (in Matara) helped to reduce some of these errors. Uncertainty over government policies relating to top-ups meant that in Matara some beneficiaries received both 'donor driven housing' and cash payments. An important concern is what happened to people who did not have title to the land on which they had a house and what happened to people who were renting and did not own land or have a house. These people were clearly excluded from the project and may often have been the poorest. By their nature these groups are often relatively invisible and without a voice and the evaluation team did not manage to interview many people from this group.

Effectiveness: The effectiveness of Swiss support in two districts is shown by the fact that, throughout the process of reconstruction the completion rate has been much more advanced in these districts than elsewhere. In both districts Phase I of the Swiss Consortium programme is largely completed, whereas the implementation of Phase II has been delayed due to late decisions by the GoSL and only recently started. How far the houses were finished differed significantly in the two districts. In Matara, NGOs and other actors have provided additional assistance to different levels to enable houses to be completed for around 80% of houses known as 'top-ups or 'co-financing'. In Trincomalee, over 90% of the 'owner driven' houses were exclusively funded by the Swiss Consortium, where more houses remain unfinished due to price increases and only around 10% of the houses had some form of topping-up by others. It should be noted that 'top-up' was not a part of the Swiss Consortium MoU with the GoSL as steep cost increases were not anticipated at the time but nevertheless added to inequity between the districts.

Due to high demand for building materials and high underlying inflation, materials and labour costs have almost doubled since the start of reconstruction. This meant that Rs. 250,000 was insufficient in many areas to complete houses, particularly those started later in the project. What this meant in practice is that people struggled to complete their houses with the Rs. 250,000 and either had to invest their own resources, go into debt or leave the house unfinished. Many people interviewed in Trincomalee had been unable to complete their houses. Plastering walls, installing windows and doors or durable roofs, were the most frequently uncompleted tasks and 80% of houses in Trincomalee are estimated as unfinished. This was

addressed ,in part, through other aid agencies providing ‘top-ups’ to project beneficiaries but the coverage of this has been disorganised and patchy particularly in Trincomalee where not many INGOs operate, hence few Phase I beneficiaries have received a top-up.

Efficiency: Low overheads, due to more direct implementation; use of local vendors and builders; home owners own labour, and close monitoring of the construction by the beneficiaries, made the CfRR housing more cost effective. In general, ‘donor houses’ were reportedly of poorer quality and significantly more expensive. It should be noted that owner driven approaches other than the CfRR were mostly a mixture of cash and building materials support and required significant time and staffing to manage the process, which increased the programme costs and could only deliver a small number of houses. They sometimes provided better complementary services (such as water and sanitation) and higher financial and material support to the beneficiaries. The WB and KfW did not provide direct management support to the CfRR and had significantly lower rates of completion. The Consortium’s technical and management support seems to have increased efficiency and completion rate.

Impact: The project can claim to have had a positive impact in a number of areas. People largely used the cash provided to repair or rebuild their houses and several thousand people are now living in safe and habitable homes. No other approach to housing was able to achieve similar number of houses constructed in this time frame. The project has also had a positive impact for local businesses, creating demand for both skilled and casual labour and for building materials which were largely purchased locally. The project did not have a major capacity building objective. However, the smooth running and monitoring of the programme by the government required Consortium Offices to augment technical (through training and manuals) and physical capacities (motorcycles, computers, office equipment) of the Technical Officers of the NHDA. Sustainability of this impact however is questionable due to a reported high turnover of officers. A greater capacity building has been achieved for the beneficiaries through the project in inspecting the building quality through technical supervision and explanations on site by the technical officers, which may have a lasting impact. Perhaps the most cited capacity impact of the project is from the database established by the Consortium in both districts. The system, an appreciated contribution of the Consortium by the authorities and the agencies, is also transferred to the IFRC, a recent partner of the CfRR programme. As for the gender impact, female-headed households do not seem to have been particularly constrained in accessing materials or supervising the work. Indeed, some of the most entrepreneurial individuals interviewed who had made the best use of the Rs. 250,000 to largely complete their houses were female headed, perhaps conscious of the need to budget particularly carefully and since they could not utilise their labour to cut costs, they had husbanded the resources with great care.

Connectedness: The way in which the programme was designed and has been implemented by the government has certainly not been ideal. Authority is diluted across too many different parts of government with the agency created to coordinate or determine policy, initially TAFREN then RADA, widely acknowledged to have been ineffective. A key concern from the very inception of the programme was that the respective roles and responsibilities of the Consortium and GoSL were not very precisely defined or clearly set out in subsequent policy and implementation guidelines, resulting in different interpretation of the role in the two districts. The Consortium could perhaps have done more to influence this process, particularly at a national level. There may have been potential to work more closely with other donors involved in the programme and to coordinate more with other international actors involved in the housing sector to attempt to generate support from other actors for additional assistance, or from the members of the Consortium. The huge volume of tsunami assistance and multiple

actors involved meant that international agencies, in general, were in a weak negotiating position with GoSL in building in conditions to their assistance. The prospect of post-tsunami recovery and reconstruction contributing to peace may also have influenced the donor community. Despite the difficulties and frustrations, the opinion of the evaluation team was that the advantages of supporting a national government led programme probably outweighed the disadvantages. More could have been done, however, to give the field offices a clearer role, to influence government policy at a national level and to maximise the experiences and resources of the members of the Consortium.

Conclusions

This was a large scale project, implemented in a difficult environment characterised by multiple actors and diverse options for housing, with the Consortium approach adding another layer of complexity. Given this, support in the form of cash for people to rebuild their houses does seem to have been appropriate. On the whole, people built their own houses more quickly and more cost effectively, than contractors built houses. The effectiveness of Swiss support in two districts is shown by the fact that the project has been much more advanced in these districts than elsewhere.

The relative success of the project does not mean that there were not serious concerns and drawbacks in its implementation and areas where more could perhaps have been done to add to its impact. The role of the Consortium was never clearly enough defined in relation to the government and this put the field offices in a weaker than necessary position in influencing government implementation at district level. More could have been done to attempt to influence government policy in relation to the programme and the housing sector more generally at a national level and more should perhaps have been done to coordinate with other actors at district levels in relation to top-ups and complementary services such as water and sanitation. The monitoring carried out by the project could also have been strengthened to focus on analysing and understanding impact as well as tracking output.

Finally, it will be useful for the Consortium to undertake an internal management review of this cooperation with a view to learning from the 'consortium model' for future partnerships. It is also expected that this CfRR experience adds value to the already extensive cash experience of the SDC to be shared by others in humanitarian work. A thorough SWOT analysis at the end of this Report provides detailed achievements and challenges to the programme.

Cash for Repair and Reconstruction Project Evaluation Report

1. Introduction

The Indian Ocean tsunami caused huge loss of life, displacement and destruction in Sri Lanka. People's immediate priorities were to find shelter, safety, meet basic needs and trace and mourn loved ones. The population affected took shelter with relatives and friends, in temples, mosques and public buildings such as schools. Subsequently, transition camps and temporary shelters on site were built by various agencies. Permanent housing, however, soon became a key concern. People wanted to return to their homes and start the process of rebuilding and needed assistance to do so. Support for shelter and housing in Sri Lanka was characterised by considerable confusion and controversy in the implementation of policy and programmes of assistance. There was ongoing uncertainty over the government imposed 'buffer zone' – a no - construction zone of up to 100m in the South and West and 200m in the North- and how close to the shore houses would be allowed. People who had lived inside the buffer zone remained stuck in temporary shelters and with relatives as projects to build houses in new relocation areas progressed slowly. It took more than a year for the decision to reduce the buffer zone to 35-50m and in some places only down to 100m depending on the location. This delay, combined with difficulties of finding appropriate land outside the buffer zone created difficulties in finalising the number and allocation of beneficiaries eligible for different housing options.

One of the primary distinctions in the approach of the Government of Sri Lanka (GoSL) to housing was whether people were assisted with cash to build their houses on their original plots, known as 'owner driven', or assisted by having a contractor built house in relocation sites outside the buffer zone or on the original plots of land, known as 'donor driven'. There was an array of international aid organisations involved in providing temporary shelters as well as a wide range of housing assistance from cash, to materials and labour, contractor built houses or their combinations, which created immense difficulties in coordination.

The period known as Phase I of the 'owner driven' approach to housing reconstruction extended well into August 2006, and subsequently extended until December 2006. During this period the buffer zone restriction continued to be imposed, except for the tourist industry, hence the number of 'donor driven' houses to be built in relocation sites outside the zone were expected to be higher than those that were 'owner driven'. While the buffer zone restriction was revised in October 2005, reducing it to 50m in Trincomalee and 35m in most of Matara, the official start of Phase II was in May 2006, following the release of the *Revised Housing Policy* by the Presidential Secretariat¹. In Phase II, which still continues, with the reduction of the buffer zone the situation reversed, increasing the possibility for an 'owner driven' approach in the buffer zone.

The Swiss Consortium, constituting of Swiss Development Cooperation (SDC) as the initiator of the programme, Swiss Red Cross (SRC) and HEKS as implementers and Swiss Solidarity (SwS) as the donors, provided support to a national, government led programme which provided cash for the 'owner driven' approach for the repair and reconstruction of damaged houses. In the original project proposal to SwS the proposed timeframe for the project was

¹ Press Release, **Revision of Setback Standards**, October 2005 and **Revised Housing Policy**, May 2006.

from June 1st 2005 to April 30th 2006, later extended by a Consortium decision to the end of December 2006. In all of the tsunami affected districts people were provided with \$2,500 in four instalments if their house had been completely damaged and had to be rebuilt, and \$1,000 in two instalments if their house had been partially damaged. Recipients had to prove that they owned a house and land title before the tsunami and that the house had been fully or partially damaged in the disaster.

The Swiss Consortium support was unique, however, in that they provided both funding and direct technical and management support to the government in implementing the project in two districts; Matara and Trincomalee. Other donors involved in the project, the World Bank (WB), Asian Development Bank (ADB) and KfW (a German development bank), supported the GoSL in implementing the programme in other affected districts with different levels of technical and management support and in a less ‘hands on’ approach.

The Swiss Consortium established field offices in both districts and worked with the local authorities, namely the National Housing Development Authority (NHDA) and the District Secretaries and Divisional Secretaries (DS) to implement the programme including cross-checking registrations; establishing and managing a database of all recipients; technical support to local partners and monitoring progress. The local authorities were responsible for providing the registration of beneficiaries by DS, agreement between beneficiary and construction monitoring teams of NHDA on each step, monitoring of the construction progress by NHDA and clearance of the payment list of beneficiaries eligible for the next instalment. In Matara a MoU was signed with the NHDA office whereas the office in Trincomalee had no such MoU, which allowed greater flexibility for implementation during the latter phases of the project.

Initially, during Phase I the CfRR programme provided support only to people outside the buffer zone. When the buffer zone was reduced a second phase of the programme was announced by the GoSL inside the reduced buffer zone. In both districts Phase I of the Swiss Consortium programme is largely completed, 93% in Trincomalee and 95% in Matara, whereas the implementation of Phase II has been delayed due to late decisions by the GoSL and only recently started. How far the houses were finished differed significantly in the two districts. Steep increases in the costs of building materials and skilled labour meant that \$2,500 was not enough for people to complete their houses and many of the houses in Trincomalee remain unplastered, without windows or doors and occasionally only half finished. In the two districts different opportunities existed to complete the houses in Phase I and progress with Phase II. In Matara, NGOs and other actors have provided additional assistance to different levels, for around 80% of houses known as ‘top-ups or ‘co-financing,’ to enable houses to be completed. In Trincomalee, over 90% of the ‘owner driven’ houses were exclusively funded by the Swiss Consortium. Around 10% of the houses had some form of topping-up by others, usually plastering and painting. It should be noted that ‘top-up’ was not a part of the Swiss Consortium MoU with the GoSL as steep cost increases were not anticipated at the time. Nevertheless, as there is less donor interest in Trincomalee compared to Matara the Swiss Consortium is still in the process of trying to find donors to ‘top up’ both the Phase I and Phase II houses in Trincomalee. The renewed conflict in 2006 in Sri Lanka has seriously affected the project in Trincomalee. Staff had to be evacuated twice and some areas became largely inaccessible. The project has had to be effectively suspended in areas with ongoing conflict and there is uncertainty over what has happened to the houses that have already been built as their inhabitants have fled to safer areas.

This report evaluates this programme in its second year of implementation at a time of important decisions about how best to complete the programme. A four person team of

consultants conducted two weeks of interviews in Colombo, Matara and Trincomalee with the staff implementing the programme, key partners, stakeholders and beneficiaries. The methodology was qualitative through focus group discussions (5 discussion groups with a group of on average 20 people) and in-depth interviews. It needs to be stressed that the short time period in the field meant a relatively limited number of in-depth beneficiary interviews were conducted (about 60) and that it was not a representative or systematic sample. The beneficiaries for the in-depth interviews were selected purposely to represent fully damaged and partly damaged houses from both Phase I and Phase II ; women headed and hardship households; households from different ethnic groups; and the beneficiaries under different top up programmes. The detailed description of the study sites selected for focus group discussions and in-depth interviews are given in table 1.

District	DS Division	Village	Major Ethnic Group
Trincomalee	Town and Gravest	Sumethapura	Sinhalese
		Thirukkadalur	Tamil
	Kinniya	Faizal Nagar	Muslim/Tamil
		Annal Nagar	Muslim
	Kuchchveli	Gopalapuram	Tamil
		Cassim Nagar	Muslim
Matara	Weligama	Iqbal Nagar	Muslim
		Palena	Sinhalese
	Matara	Paranakade	Sinhalese
		Thotamuna	Sinhalese
	Dickwella	Madiha	Sinhalese
		Thudawa	Sinhalese
		Kottagoda	Sinhalese
		Suduwella	Sinhalese

Table 1: Description of the Study Sites

Interviews were conducted with a small group of ‘donor driven’ project beneficiaries. In both districts semi-structured interviews were held with the local government staff at different levels. Two different sets of questionnaires were utilised systematically for the beneficiary and local government interviews (Annex 2). Quality of construction and level of progress were established through internal and external inspections of each house where an interview was held as well as discussions with the technical officers. In addition, a number of houses were observed only from outside providing an opportunity to compare quality and design across different schemes. Specific attention was paid to visiting examples? and interviewing the staff of national and international NGOs undertaking various other forms of cash approach to housing. Interviews were held with other CfRR partners of the GoSL, namely the WB, KfW and IFRC as well as with the SDC staff in Colombo and Bern, and the director of SwS. Key project documents were reviewed and the wider literature on cash assistance in relief and reconstruction, shelter and housing reconstruction approaches and the tsunami aid response drawn upon, where appropriate. The first draft of the report was commented on by the programme manager in Trincomalee and the Consortium members.

The wide ranging ToR are attached as Annex 3. The key questions however were threefold:

- Was it appropriate to provide assistance in the form of cash?
- What were the advantages and disadvantages of being part of a government led programme?
- How effectively was the project implemented and what impact has it had?

2. The Project - description of the project, how it operated and the Consortium's role

The project started in April 2005 with the signing of a cooperation agreement between the GoSL and the Government of Switzerland. Immediately after the tsunami SDC deployed a consultant to consider the possible appropriateness of cash based support as part of the assistance being provided by the Swiss government, drawing on their considerable experience with cash based support in other countries. This meant that SDC was involved in initial policy discussions at a national level about possible cash based support in the housing sector. The Project was conceived in support of the Cash for Reconstruction and Repair (CfRR) approach that was already adopted by the GoSL for post-tsunami housing and supported by the WB, ADB and KfW. The CfRR Programme of the GoSL drew heavily on the WB experience of cash for 'owner driven' housing from Gujarat and upon the GoSL experience of a World Bank supported project to provide assistance for conflict affected displaced people in the North-East provinces of Sri Lanka. Technical and financial standards for the tsunami and IDP programmes were kept the same, in order to avoid future problems of equity, especially in the districts where both type of beneficiaries existed.

SDC decided to explore being part of this GoSL programme and encouraged the other members of the Swiss Consortium to consider joining forces in order to increase the amount of funding (SwS) and operational capacities (SRC and HEKS) that could be committed to the programme. This was somehow a new and an unusual form of cooperation in the sense that public funds were channelled through the government and implemented by INGOs. It was therefore agreed that the project would be managed jointly and at three levels: A Steering Committee of heads of partner organisations; a Project Board of representatives in Geneva; a Project Management Committee made up of project managers in Trincomalee, Matara and SDC Colombo. An initial commitment of 7 million US dollars was made which was extended after the decision to continue supporting Phase II to a maximum ceiling of 15.5 million US dollars in an Addendum to the initial MoU. A consolidated bi-weekly technical report from the CfRR project management teams (HEKS, SDC and SRC personnel) to the SDC and SRC headquarters was the designated steering tool. The report was commented on by the SDC and SRC desks in Switzerland. The contact person for the regular exchange with the field is the SDC representative in Colombo (Desk Tsunami 'Cash Projects').

The GoSL agreed that the SDC, and subsequently the Swiss Consortium, would play a key role in supporting the implementation of the project in the 2 districts out of the total of 12 affected, although whether this role was to support government to implement or to be more directly involved in implementation was arguably unclear. Following the MoU, the SDC opened field offices in the two districts, deployed international staff to manage the programme and eventually hired national staff. The office and implementation in Trincomalee District was handed over from SDC to SRC following the approval of its funding requests to Solidarity Chain in June 2005. Handing over of office and implementation in Matara District took place in September 2005. Following the handing over SDC acted as representative of the Swiss Consortium vis-à-vis GoSL and an SDC CfRR staff member coordinated the activities in the two districts. Others who supported the CfRR such as the World Bank, ADB and the KfW did not set up offices but worked through the North East Housing Reconstruction Unit (NEHRU) in the North and Eastern provinces that already existed for the IDP programme and South West Housing Reconstruction Unit (SWHRU) in the Southern and Western provinces, a new entity.

The key government partner for the Swiss Consortium was initially the Task Force for Rebuilding the Nation (TAFREN), later replaced by Reconstruction and Development

Authority (RADA), the government agencies created after the tsunami to coordinate assistance. The NHDA was an important partner in the two districts as NHDA technical officers (TOs) were responsible for making the initial damage assessment of houses and subsequent inspections to authorise the release of cash instalments. The Consortium also worked closely with local government officials, the District Secretary (Government Agent) at the district level, the Divisional Secretaries (DS) at divisional level and the village level government administrative officer called Grama Niladhari (GN).

Box1-Process of Construction

- Initial damage assessment made by team TOs appointed by NHDA, representative of Village Rehabilitation Committee (VRC) and GN
- Eligibility for assistance based on ownership of land (land title), level of tsunami damage to the house classified as partly (PD) or fully damaged (FD) by NHDA technical officers, local officials and village representatives.
- Swiss Consortium staff enter all beneficiaries into a database
- Swiss Consortium staff conduct checks on this assessment and registration process (in Matara 100% of beneficiary registration was checked, in Trincomalee random checks).
- Those eligible for assistance receive first instalment (Rs.50, 000).
- The next three instalments are conditional on completing construction (foundations, walls and roof with at least one secure room). TOs from NHDA inspect the construction and recommend the release of instalments.
- The DS office and the Swiss Consortium office sign off and agree payments. In Trincomalee, until May 2006, the vouchers were signed by the DS only. Later on Swiss Consortium Office requested that all vouchers are countersigned by their Office.
- Swiss Consortium staff monitors this process and deal with complaints and problems (for example people left off lists, those who felt they were wrongly classified).

Phase I has made substantial progress in both districts with 90% of people having received all their instalments as of October 2006. The sudden announcements by the GoSL giving December 2006 as the deadline for the Phase I instalment created some difficulties, where some beneficiaries had to be moved to the Phase II. Phase II has been more challenging and is ongoing in both districts. This delay has been caused to a large extent by indecision on the part of the government over the 'buffer zone'. Beneficiaries who lived in the 'buffer zone' and could not benefit from the cash payment during Phase I had to make difficult choices about whether to continue to wait for a 'donor-driven house' in a relocated area, whether to accept the offer of a cash payment or see if a donor would build a house for them on their original plot within the former 'buffer zone'. The decision was further complicated by the fact that the initial cash payment of Rs. 250,000 was no longer enough to complete a house and it was not clear if a 'top-up' amount would be provided. This delayed people from coming forward to claim assistance for Phase II of CfRR as they were reluctant to give up the option of a 'donor-driven house' if they were already assigned to a scheme or, hoped to get one.

3. The project process – the main issues and challenges faced by the project

The main issues and problems that have arisen with the programme will be briefly introduced in this section and then discussed in more detail in later sections. They can broadly be divided into:

Uncertainty over the buffer zone and delays in announcing a housing policy: Indecision over the buffer zone for more than a year and the delay by the government to decide or clearly

communicate policies and procedures for Phase II created great confusion among the beneficiaries, as well as the donors who were under pressure to build quickly. There was a ceiling in the guidelines for Phase II implementation for top-ups of 2500 USD, but this was never strictly applied –neither by RADA nor at a local level.² Failure to put a ceiling on the amount of top-ups in the subsequent housing policy meant that the donors had multiple practices and the beneficiaries had too many uncertainties to consider when opting for one or the other housing option. This not only slowed down progress but also resulted in some beneficiaries in Matara – and was reported to be the case in other districts of Southern province- receiving significant top- ups and at times multiple forms of housing assistance such as sizable ‘donor driven houses’ as well as the full grant of Rs. 250,000 CfRR funding.

Weak coordination: Despite regular meetings, at times, relationships between the Swiss Consortium and the government were difficult at both district and national levels with concerns on the part of the Consortium that the government was not implementing the project effectively or with accountability. The central coordinating body, TAFREN and subsequently RADA, were staffed by young executives drawn mainly from the private sector who had no prior experience in social housing. Their capacities were limited, related to documentation and dissemination of data, which are the main tasks in coordination. The local authorities were equally inexperienced in large scale reconstruction the exception being the North-East province due to the ongoing IDP housing programme. It must be said that local authorities in both areas were being overstretched and felt unsupported by the central government establishments. This view of the TAFREN and RADA set up was largely shared by all other international organisations and the local authorities interviewed in this review. The situation was often depicted as ‘the inexperienced private sector people being parachuted onto the senior administrators at the local level’. Despite some claims that RADA is weaker than TAFREN, those interviewed saw no difference in the performance of the two organisational setups.

Incomplete and unreliable damage assessment and beneficiary registration: Issues over the process of damage assessment and beneficiary registration were central to the discontent and delays in delivery by all organisations involved in post- disaster housing. Disputes mainly focussed on unsubstantiated inclusion or exclusion of beneficiaries, and disagreements over full or partial damage categories. The form used for the partial damage category was inadequate, in distinguishing minor from major damage, resulting in disputes by the beneficiaries.³ This also became a protracted process with the government, almost 2 years after the tsunami, still failing to close registration lists and including new beneficiaries who were switching categories from PD to FD throughout the programme, making budgeting and planning difficult and unreliable,

Errors and corruption: Concerns were raised, in both the process of damage assessment and subsequent inspection of progress with construction, about corruption and abuse of power by technical officers (TOs) who were demanding bribes or by the beneficiaries who were putting pressure on the officials to qualify for the FD category. In a number of group interviews some households agreed to have admitted to having paid some form of bribe, sometimes only to get approval for what they qualified for, but it was difficult to establish the extent of it.

Steep increase in the costs of building materials and skilled labour: Due to an over demand and general inflation of the country, materials and labour costs have almost doubled since the early days of reconstruction. This meant that, in many areas, Rs. 250,000 was not sufficient to complete houses. This was addressed in part through other aid agencies providing ‘top-ups’ to

² A circular from the MoFinance and Planning dated 26 August 2005 and TAFREN guidelines of 1 September 2005 on **Homeowner Driven Tsunami Reconstruction Programme** clearly stated this point.

³ Partial damage assessment was based on a point system between 1-39. It is claimed that the form was developed for a similar WB programme in Gujarat. Most disputes over entitlement for the cash grant were related to the assessment, declared by both the authorities and organisations operating in housing, as inadequate.

project beneficiaries but the coverage of this has been disorganised and patchy particularly in Trincomalee where not many INGOs operate, hence few Phase I beneficiaries have received a top-up.

Intensification of conflict in the North-Eastern Provinces: Prior to the Tsunami donor agencies were already under represented in Trincomalee due to the distance from Colombo; lack of political clout of its people in the capital; and the district being labelled as a conflict prone area. After the tsunami few agencies chose to work in this district. Moreover, parts of Trincomalee where the project was being implemented have become inaccessible due to the renewed conflict in December 2006. Project staff had to be evacuated twice, in April 2006 for four weeks and in August/September 2006 for 7 weeks. Return to conflict slowed down the progress as well as affecting the number of INGOs and contractor support to the province, for the 'top ups' and relocation of those with no land in the buffer zone. This situation created an increased risk of inequity between the Southern and North-Eastern provinces.

Politicisation and oversupply of housing in the Southern provinces: In Matara, and in general in the Southern provinces, a huge number of aid agencies involved in the housing sectors, large volumes of assistance and lack of clarity about policies led to a chaotic process of co-financing and the possible excess supply of donor-driven housing.⁴ Proximity of these provinces to the capital, better infrastructure compared to the North-East and the political significance of some of the provinces also affected the concentration of resources in a few provinces risking a further tipping of the balance of equity across the regions.

In evaluating these issues and challenges, however, it is important not to compare the CfRR project to some imagined ideal approaches. Any large-scale government managed programme is likely to face some difficulties in the process of registration and selection as is any large-scale relief programme, whether implemented by government or aid agencies. The project can also be compared to housing support that has attempted to build houses for people using contractors, projects which have run into their own set of, arguably larger, problems and delays. It is therefore fair to say that the challenges faces by the CfRR project were largely shared by most other approaches to housing reconstruction in Sri Lanka irrespective of being owner or donor driven.

4. Appropriateness / Relevance - did the project address the right issue?

This section looks firstly at the assessment of need and whether support for shelter was correctly identified as a priority. It then examines the question of the appropriateness of cash; was the choice of cash appropriate at the time based on what was known about markets, inflation risks and capacities?

The first question is relatively straightforward to address. Support for housing was clearly in line with local priorities and assessed need. Housing was consistently seen as a key concern and an important component of the recovery process. Approach to temporary sheltering in Sri Lanka was praised as being better than in Aceh. Damage to housing was patchy in Sri Lanka. Many public buildings and housing that was not touched by the tsunami provided effective sheltering for the affected population. These were the homes of their relatives and neighbours, temples and mosques. The majority of those interviewed reported that they took shelter in a mixture of schools, temples and with relatives for more than a year. Some eventually left the schools and temples and moved into temporary camps, or had shacks built on their own land,

⁴ According to the RADA Progress Report for Housing of 1.12.2006, the number of donor and owner driven houses built in Matara were 1050 in excess, and in Trincomalee 3103 short of the registered housing need.

an appropriate approach by some NGOs in facilitating rapid return to their own land to organise reconstruction. Wide ranging options of shelter helped people to face the delays of reconstruction. Nevertheless, they understandably wanted to get back rapidly into permanent housing. A great majority of those interviewed stated housing as the top priority with some also mentioning livelihood needs being on a parallel to that.

The second question of the appropriateness of cash is a much more difficult question. It is also one which can be looked at retrospectively; given what we now know. Was cash appropriate, on the basis of information available to people at the time the programme was designed. Success of cash for housing depends on a number of factors such as functioning supply of building material and labour; transport and road infrastructure; existence of a financial system for the transfer of cash; and authorities at the local level to work through to organise the process of reconstruction; low level of crime over cash; interest by the communities in an owner driven process and return to their own land. In Sri Lanka most of these factors were present from the start which provided the most essential bases for the CfRR approach.

Markets in Sri Lanka largely continued to function following the tsunami and certainly by the time people were receiving cash as part of the housing project markets were strongly re-established. People could largely buy the building materials that they needed and access the skilled labour required. The one caveat to this is that access to materials may have been more difficult in rebel controlled (LTTE) areas in Trincomalee. However, lack of security prevented the evaluation team from accessing LTTE held areas and addressing this question. Agencies such as ICRC operating in those areas reported restriction on some materials to be brought into the LTTE areas as well as difficulties of accessing banks outside this zone.

There was, however, serious price rises in the cost of building materials and skilled labour. Costs vary from area to area and had not been systematically tracked. However, a typical range of prices from Trincomalee and Matara are given in the table 2. The table highlights that both prices and price increases in Trincomalee on average are comparatively higher than Matara. In addition to the prices given in the table, beneficiaries in most part of Trincomalee had to pay additional transport costs for the building materials, since the markets were far away from the villages and connected by poor roads and transport. The price differences again raise the question of validity of providing equal amount of cash irrespective of remoteness and disparities in the different areas.

Table 2: Price trend of some key building materials in Trincomalee and Matara Districts⁵

Item	Dec. 2004 (Rs)		Aug. 2005 (Rs)		Oct. 2006 (Rs)		Price Increase %	
	Trinco	Matara	Trinco	Matara	Trinco	Matara	Trinco	Matara
Cement /bag	475	475	520	520	620	620	30	30
Bricks /1000	4000	4000	7000	4800	6000	5520	50	38
Cement block/unit	15	12	18	16	22	20	46	66
Sand/m3	1200	1200	2400	3800	3200	4500	166	275
Rubble/m3	1000	2000	2500	2500	3500	2800	250	40
Mason wage/day	500	500	1000	600	1200	800	140	60

What this meant in practice is that people struggled to complete their houses with the Rs. 250,000 and either had to invest their own resources or leave the house unfinished.⁶ Many

⁵ Based on various interviews with the Consortium offices, local authorities, beneficiaries and the NGOs.

⁶ World Bank reported in August 2005 that price increase was significant due to increased demand. Moreover beneficiaries had higher expectations after seeing houses constructed by NGOs and the private sector to the level

people interviewed in Trincomalee had invested their own money in completing their houses and many had taken loans, pawned or sold jewellery or sold key assets in order to do so. Many had also been unable to complete their houses. Plastering the walls and installing windows and doors or durable roofs being the most frequently uncompleted tasks. It is not always correct to conclude that an insufficient cash grant was the only reason for the unfinished houses but rather that some people had chosen to build houses larger than the standard design and some of them have invested money in decoration work.⁷ The Swiss Consortium project manager in Trincomalee estimates that around 80% of houses were unfinished as of November 2006. This is being addressed by trying to get other agencies to provide co-financing (discussed in detail in a later section). The estimate of what it would cost to build a 500 sqft house to government design and standards, at current prices in Trincomalee, is currently around Rs 500,000. A definition of a finished house varied among the organisations involved in CfRR. For the World Bank it was meant to be a 'core house'; plastered, windowed, one lockable room with the rest to be completed over time. Whereas KfW and some INGOs supporting the CfRR programme aimed for higher standards and raised concerns over the risk of the CfRR approach achieving only partly finished houses.

In Matara, the situation is very different. The vast majority of beneficiaries have received varying forms and levels of additional assistance from a wide range of different aid agencies. The scale and complexity of the houses being built is much greater. Government and aid agencies were encouraging people to build raised houses on concrete pillars as a form of protection from possible future tsunamis or flooding and this greatly increased the costs of a house.⁸ It is also a wealthier district and people have tended to build larger houses. Some Consortium beneficiaries had complete houses built for them by contractors funded by aid agencies, with the government grant effectively acting as a comparatively small additional assistance for minor additions or uses other than the house. For example in one area, Loadstar (a private sector company) had built and furnished houses for people costing about Rs 1.2 million and the cash grant of Rs. 250,000 was spent on other uses. Where this was the case, the Consortium office tried to remove these beneficiaries from the government grant without success. Local administration interpreted that eligibility for cash grant was based only on the criteria of a fully damaged house and ownership of land, irrespective of other forms of housing support received. The same rule was interpreted differently and according to the original Government guidelines in Trincomalee where Phase II beneficiaries could not benefit from an additional cash grant if they were committed to a 'donor driven' house. This resulted in further equity problems between the two districts.

In other cases in Matara, Consortium beneficiaries received additional assistance from other agencies in the form of cash or building materials to enable the house to be built with varying amounts being provided (from 250,000 to 800,000). It is estimated that 650,000 is probably enough to build a 500sqft pillar design house being promoted in the district. Those people who did not receive additional assistance or received relatively modest amounts were therefore put

of 500,000 or more increasing the need for higher co-financing. **Aide Memoire, Sri Lanka Tsunami Emergency Reconstruction Credit, Supervision Mission**, August 16-25 2005, p.2.

⁷ Among the muslim communities some families are extended requiring a larger house. Also, the muslim communities have to give a house as dowry to their daughter during marriage, which in a few examples meant using the cash for two houses instead of one.

⁸ Looked at from the point of view that the East is more vulnerable to natural disasters facing the open sea and had more damage, this development was somewhat incongruous. The evaluation team was under the impression that 'pillar houses' were initially imposed by the INGO as standard house designs and gradually assumed by the beneficiaries as a safer house. The lack of such INGO promotion in the North-East could have been the reason for beneficiaries rebuilding in traditional forms.

in a difficult situation of being encouraged to build to a design, for which the money provided was not nearly sufficient. These beneficiaries have often been unable to complete their houses or have sometimes had to go into debt.

Box2 Beneficiaries in debt

Household 1 (Weligama) had received only the 250,000 and about 175,000 worth of building materials from a local hotel owner. By the time they received the final instalment they had large debts so settled the loans with the final instalment and stopped building. The house is unfinished with only the pillars, concrete slab and walls and no roof. They are living in a makeshift shelter under the concrete slab. They estimated that they needed an additional 200,000 to make the house habitable.

Household 2 (Matara) in buffer zone and Phase II – had received government grant and additional 400,000 from local NGO. They had so far received 2 instalments and the third was approved. The instalments had not been enough to complete the work required. Building materials were got on loan from a supplier and they had had to pawn all their jewellery to complete the work. The husband was an ornamental fish seller with a very seasonal income and they felt that they probably wouldn't be able to complete the house with the money available.

An important question in judging the appropriateness of cash is whether these rising prices were caused by the cash grant itself or were part of a wider process of inflation with multiple causes. Disentangling the reasons for rising prices for building materials is difficult but it is clear that the cash programme is not the only contributory factor. The underlying inflation in Sri Lanka was 17% by October 2006, the time of the evaluation, and ranged from 8 to 17.7% over the course of the programme. Prices for building materials rose beyond this underlying rate due to a hugely increased demand. Aid agency supported 'donor driven' approaches where houses and other buildings such as schools, built by contractors, also contributed to driving up prices as they were also buying materials and labour from local and national markets. There was perhaps scope for aid agencies to conduct better market and supply chain analysis for key goods (discussed further in the monitoring section). There may also have been scope for considering supply side interventions (import waivers, government financed imports of key goods, support to manufacturers) but in a primarily private sector and locally driven materials supply, these interventions would be likely to remain marginal.⁹ It is worth mentioning that some INGOs who were subsequently involved in a mixture of cash and materials supply schemes, tailored their interventions to the specificities of each region, and supplied expensive or difficult to obtain materials to the beneficiaries' directly or through a voucher system. Inevitably, this approach required more agency involvement and higher overhead costs.

Most of the beneficiaries who participated in the CfRR and managed to complete their houses expressed preference for an 'owner driven' approach. They felt that cash enabled them to control the quality of their house much more closely than if it had been built for them. An example given by people who made their own cement blocks is that they made 60 blocks with one bag of cement whereas a contractor would make 120 blocks, meaning that their house was much stronger. Providing cash assistance enabled them to exercise flexibility in the procurement of material and labour which meant that beneficiaries were able to go for cheap and quality materials wherever they were available. In contrast, 'donor driven' projects had to go through stringent tender procedures, which delayed the start of construction and restricted participation to large contractors who often had higher costs than local builders. It can be concluded that cash is also relatively cost effective, especially compared to the range of costs

⁹ There was some plan by the GoSL to control prices of cement, tiles and PVC pipes by subsidies and issuing coupons to donors (see the website of TAFREN and RADA where quantities of building material required were estimated). The CfRR beneficiaries used small local vendors where the impact of these measures on local prices is unclear.

paid by aid agencies for contractor built houses. These amounts varied from 600,000 to 1, 4 million in Trincomalee and in Matara Rs. 800,000 to 1.6 million.

Nevertheless, there were several beneficiaries among those interviewed who could not complete their houses or got into debt due to price increases and expressed a preference for a 'donor driven' house. While, remarkably, single female headed households reached similar levels of completion to others, many expressed a preference for a 'donor driven' house or agency support ,with materials and labour, as the process of managing construction work was significantly more difficult and expensive for these households. Those who received high quality 'donor driven' houses on their original plots as well as those who received significant agency support in the form of building materials and labour also preferred this option over only cash. It should be noted that many of these cases were in Matara where different options were available.

On balance, therefore, it does appear that support in the form of cash for people to rebuild their own houses was appropriate at the time of the project design, based on the information available. However, there is a key need in cash based projects to monitor the availability and prices of essential goods and services to ensure the ongoing appropriateness of cash and this was arguably not done as well or as systematically as should have been the case. Better monitoring of prices and availability might have led to earlier and clearer identification of the issue of unfinished houses or the risk of getting into debt and stronger advocacy to address the issue. Similarly, where multiple approaches to housing exist in the same area and no clear policy and monitoring is exercised as to who is eligible for what form of support, equity between regions and different schemes can become a serious issue of discontent. This was clearly the case between Matara and Trincomalee and between those who received only the CfRR cash support and many other forms of cash and in-kind support. With intensified conflict in the North and Eastern provinces this discrepancy runs the risk of further increases, raising serious questions about the relevance of donors' input into Phase II in the South without insisting on improvements of their operations in the North-East.

5. Coverage – did the project address the right people?

The criteria for selection for the project were relatively simple. There was no attempt to target based on vulnerability or poverty. All tsunami affected households were eligible for assistance if they had previously owned a house and land and it had been damaged. This led to the simple and transparent presentation of the project as 'a house for a house'. Nevertheless this still raised some serious concerns about inclusion and exclusion and considerable disputes, tensions and sometimes abuse of power in deciding whose houses were classified as partly or fully damaged.

An important concern is what happened to people who did not have title to the land on which they had a house and what happened to people who were renting and did not own land or have a house. These people were clearly excluded from the project and may often have been the poorest. By their nature these groups are often relatively invisible and without a voice. The evaluation team did not manage to interview many people from this group.¹⁰ It does seem that following the tsunami the authorities were relatively swift to re-issue people with land title

¹⁰ The few that were interviewed, such as the fishing families occupying the Hungarian built houses in Matara, were content to have a 'donor-house' over an 'owner driven' one despite their poor quality, as they were not confident of having the resources to complete an owner driven process. The close location of the houses to the town centre contributed to their being viewed positively .

deeds that had been lost and sometimes generous in providing land title to people who had not previously had it. In several places, people living in houses on government land without title had been issued with title following the tsunami. It would clearly have been difficult for this particular project to address the needs of this group but other complementary projects and types of support may have been needed for them. While assumed to be a small percentage of the population affected, the Swiss Consortium could arguably have done more to identify the extent to which this was an issue and recommend that other agencies gave support to people excluded from the project because they have neither land nor ownership of a house. The Austrian and Swiss Red Cross have recently decided to provide some assistance to some 100 such families who were not included in any housing assistance programme.

Other people seem to have been excluded because of the chaotic nature of the initial damage assessment and registration process. Although the plan was clear, in theory, with the NHDA TOs accompanied by the GN and a representative from VRC, in practice this was not necessarily the case. In some areas the process seems to have been politicised with local political pressures leading to some people being excluded, or included. In others people appear to have been left out by accident rather than design but since they were missing from the initial assessment it was often difficult for them to get on subsequent lists.

There do not seem to have been major problems with inclusion, although there were occasional rumours and allegations, in the interviews, of people being included who had not been affected by the tsunami. The main source of tensions and disputes, however, was in the classification of whether houses were fully or partially damaged. People whose houses were classified as partly damaged often felt that they should have been assessed as fully damaged sometimes with justification. The process of classification also gave rise to some abuse with NHDA where it was alleged that the TOs filled in the forms without inspection and accepted bribes to classify houses as fully rather than partly damaged. In one division in Trincomalee, a TO was found by consortium officials to have been demanding bribes repeatedly and was transferred from that post. Similar bribery and corruption incidents were reported in many other villages during the interviews. It is important to remember that it was equally difficult and costly to monitor and tackle issues of corruption in donor driven projects. The cash approach also avoided some risks of corruption, notably possible cost-cutting and high profit margins earned by contractors (reported by agencies interviewed to be up to 30 % of total project cost). The CfRR, while open to abuse at the level of beneficiary registration was stated to be better controlled due to close monitoring of quality of materials and builders by the home owners.

The Swiss Consortium's role in the process of assessment and registration was not completely clear. At the start of the process they, in theory, played no role and were only meant to receive the beneficiary lists from the government and enter the information on a database. However, clear problems with the process led to Consortium staff becoming involved in checking assessments and beneficiary selections and attempting to resolve problems in discussions with NHDA and the DSs. In Trincomalee, much of SDC and subsequently SC staff time, in the first year of the project, was taken up with this Huge efforts were made trying to ensure that people that had been unfairly excluded were included on lists, and also in trying to make sure that people whose houses should have been classified as PD were upgraded to FD and refusing to make payments to people that, it was felt, should not have been included. This undoubtedly improved the quality of selection and led to many people receiving assistance that they were entitled to but would not otherwise have received. However, it did end up taking a large proportion of the Swiss Consortium's technical officers and expatriate manager's time. In Matara, the Consortium office systematically checked all of the registered beneficiaries and raised any issues with the appropriate authorities. A meeting every Friday brings together the

District Secretary, DSs, RADA, representatives of state Banks and the Consortium to review collectively the beneficiary lists and the payments. This process is much praised by the local administration, the SDC office in Colombo and the other donors of CfRR as the only way to safeguard transparency and reduce default rates. In Trincomalee, this is achieved by the Consortium office taking over the registration and monitoring process where, unlike in Matara, there was no binding MoU with the NHDA. In fact, in phase II, the Consortium office brought an added requirement, which necessitated the direct approval of the Consortium for release of payments to beneficiaries.

A problem for the Consortium and one that greatly complicated the project was that the process of beneficiary selection has been ongoing throughout the project with no cut-off date for potential beneficiaries to make their claims. Clearly a well communicated cut-off date would have been preferable which the Consortium, as well as other donors and agencies, repeatedly advocated to the government without success.¹¹ Recent pressure by the Ministry of Finance to set 'arbitrary' deadlines for the instalments has forced the closure of the beneficiary list, but this decision is yet to be implemented. At the same time the deadline of 15th December to complete all works, presents a serious problem for those beneficiaries who are behind or stuck due to the reasons explained.

Targeting any large scale relief programme is difficult, particularly if implemented through local government officials, whose capacity was severely overstretched post-tsunami, with a rush of assistance; many different organisations and competing demands. The CfRR project, with problems of both inclusion and exclusion, was certainly not optimally targeted. The evaluation team was not able to survey or interview a representative sample of beneficiaries so cannot make any quantitative judgement about the extent of inclusion and exclusion errors. Based on the interviews conducted, it is the team's judgement that in general the relative simplicity of the criteria helped to ensure that it was reasonably well targeted by the admittedly low standards of large scale relief programmes. This fits in roughly with the results of the 100% audit of beneficiaries of the CfRR support of the World Bank that estimated the percentage of recipients that were not affected by the tsunami to be around 9%. However, it should be noted that the World Bank auditing did not distinguish between the numbers of partially and fully damaged houses, or checked the cases of multiple assistance such as a full 'donor driven house' and CfRR cash grant. According to the Swiss and Austrian Red Cross Societies, the targeting errors are within the 10% range mostly for the PD houses and less than 10% for the FD houses. It is likely that full figures of targeting errors in some of the provinces could be closer to the estimated 25-30% rate for Matara in the Phase II of the project.¹²

The rigour of the Consortium's work and the level of transparency achieved in the process of joint weekly meetings with the local authorities in Matara, in the words of one donor, was 'envied' by the other CfRR partners.

¹¹ In August 2005 the World Bank reported that the number of beneficiaries increased continuously and that their beneficiaries would increase by nearly 48% from the March 2005 estimate. The estimated housing need was also 55% higher than the housing damage estimated for outside the buffer zone by the Department of Census and Statistics. **Aide Memoire, Sri Lanka Tsunami Emergency Reconstruction Credit, Supervision Mission, August 16-25 2005, p.2**

¹² The Consortium programme office in Matara as well as GOAL, an Irish agency operating in the same district mentioned this figure.

6. Effectiveness

This section will look at the process of implementation and post registration. Did people receive the correct amount of cash? How well did delivering cash through banks work; how well was the project communicated to the affected population; did people receive timely instalments and was the project monitoring the right issues?

Prior to the CfRR most beneficiaries were well accustomed to having bank accounts. Once registered it does seem as though the overwhelming majority of beneficiaries received the right amount of cash and that the delivery mechanism of opening bank accounts for people worked smoothly. People did not have to wait too long at the bank and understood how to withdraw cash. The only issue in some more remote areas in Trincomalee District was that it was a long way to travel to the bank and people had to pay for transport. On those days they also lost opportunity to work for an income or work on their house. As previously noted there may have been particular difficulties for beneficiaries in LTTE held areas in Trincomalee, which could not be visited by the evaluation team.

People's understanding of the programme and their obligations was reasonably good, based on the interviews. An overwhelming majority in Trincomalee felt that the programme was well communicated to them. In Matara beneficiaries were more confused due to the overcrowding of agencies with many different forms of cash, housing and great inequalities even in the same neighbourhood. The instalment process linked to the level of completion seems to have been well explained. In Matara the two storey concrete pillar house introduced by the agencies was largely a new type of construction again making it difficult for some beneficiaries to estimate the cost and the length of time required to complete such houses. This was diagnosed as a problem and some NGOs provided closer technical advice on this issue and even went as far as providing cost estimates for different prototypes. Where this was exercised beneficiaries went for realistic designs and the completion rate increased significantly.

The communication to potential beneficiaries of their choices under Phase II was a particular issue. As we noted before, families that had once been in the buffer zone faced difficult choices about whether to opt for the cash option or wait for NGO built houses. The office in Matara drew up some guidelines for the clarification of options in this phase, which subsequently became the RADA Revised Tsunami Housing Policy (April 2006) and the Swiss Consortium, with the CfRR support group did advocate that the government improve communication to beneficiaries. However, there were constraints to doing more because of the fact that the policy was not clearly implemented by the government and there was no systematic sharing of beneficiary lists between 'donor driven houses' in relocation sites and the cash programme. Moreover, an effective public information system was not put into place by the authorities. In the NEHRU project for conflict housing, media, pamphlets and notices, large exhibits and boards explaining the project and its progress were erected in project areas and even street theatre was used for communication. Some of this experience could have also been utilized in the Tsunami housing project.

In Trincomalee people do seem to have spent the cash grant on building or repairing their houses. Almost all of those people who received the grant for full damage certainly seem to have spent it on building a house. The exception is in Matara, where some beneficiaries received both a house built for them by contractors and a government grant, part of which, they could then spend on other priorities. Relatively few failed to complete the four stages and receive all four instalments. In Trincomalee, the main uncompleted instalments are from one area in Kinniya where 213 (65 fully and 148 partly damaged) cases were stalled at the District

Secretaries office over a dispute about eligibility. The Ministry of Finance also stopped 1st and 2nd instalment of phase I on 11th and 31st of August 2006 respectively, leaving some cases stranded. These are now being included in Phase II (Only the fully damaged cases will be shifted into Phase II. And the Consortium office is currently trying to find alternative means to pay the PD which will be kept in Phase I.)

There is also a major difference in the two provinces in terms of what is meant by a 'completed house'. In Trincomalee some of those who received all 4 instalments were not necessarily occupying the houses as they were missing doors and windows, plastering and paint. Instead of wasting money on inferior quality finish the majority of these cases were hoping to save enough for a better quality finish in the future. While it was difficult to ascertain in each case, it was evident that these families were not under great pressure to move into their houses and had alternative accommodation with relatives. As the rumours of top-up spread there was also the hope and expectation that some additional funds would be made available, hence a reluctance to use their own. This was not the case in Matara where larger top-ups resulted in houses being completed to a much higher quality of finish.

The 'partly damaged' category is more difficult. Some houses with minor damage were classified as partly damaged and so spent the Rs 100,000 on other priorities. One household in Trincomalee, for instance, had built a well whilst another had spent it on food. However, we probably picked up less of this in interviews than actually occurred because of the understandable reluctance to admit to spending on other priorities, in case this made them less eligible for future assistance. In Matara, the Consortium office assessments suggest that 90% of the partly damaged category under Phase I had relatively light damage (damage score of 1-10 out of 39) that could be repaired for less than Rs 10,000. The office asked people to at least colour wash their house in order to receive the second instalment. This puts the criteria for and the usefulness of PD category into question.

Once people were registered the process of inspection and release of subsequent instalments does seem to have been relatively timely. However, in some areas capacity constraints on the part of NHDA staff or on the District Secretary offices did create delays. This sometimes created difficulties for beneficiaries who were unable to keep skilled labourers, and were grappling with rising prices for materials therefore sometimes having to take out loans in order to keep work moving.

Both offices seem to have been effectively and efficiently managed with the office in Matara running a particularly efficient system for checking and authorising payments which was highly appreciated by all of the local authorities. In both locations local government officials at district and division level, universally expressed appreciation for the Swiss role in supporting them to implement the programme. There was frequent expression by the local authorities in Matara of being very busy with too many chores and an appreciation of the Consortium office taking the load of their shoulders. In Trincomalee the recently increased independence of the Consortium office raised some concern among the local authorities.

6.1 Instalments

This was a conditional cash project. Beneficiaries were expected to use the money to build or repair houses and received the money in instalments subject to building or repair progress. Government employed TOs from the NHDA inspected progress and authorised each instalment. Those with partly damaged houses received the money in two instalments and were expected to have started repairs in order to receive the second instalment, although in practice this was almost impossible to monitor and the second instalment tended to be automatic. Was

this instalment process appropriate? Should there have been fewer or no instalments and what would have happened if people had just been given the full lump-sum?

Beneficiaries, government officials and other actors in Trincomalee were generally in agreement that the instalments were appropriate and that they helped to ensure that people spent the money provided on the rebuilding process. In Matara, the additional assistance provided by some agencies sometimes meant that people in effect had eight instalments (four for the government grant and four from the co-financing agency) and at times up to 14. They felt that this was too many and created difficulties for them in managing and planning construction. More generally, some beneficiaries in Matara expressed a preference for receiving the grant as one or two instalments in order to avoid delays and construct more rapidly. This may be because people in the district were often better off and constructing more complex, labour and material intensive houses.

The instalment process did create administrative costs and opportunities for corrupt abuse, with the potential for those doing the inspections to demand bribes to receive the next payment. Balanced against this is the fact that it provided some reassurance that beneficiaries would spend the money on housing. Still some of the beneficiaries interviewed stated that had they been given all the money they could have been be tempted to spend some of it on other needs. The conditionality did give the TOs an inspection role that may have made them less likely or able to play a more supportive role of helping beneficiaries to design and plan houses and to access good quality building materials. Given the desire of both the government and donors to ensure that people spent the money provided on housing, instalments probably were needed. It would, however, in future projects be interesting to pilot alternative approaches. It might for instance be possible to provide funds in fewer instalments and to encourage and build the capacity of staff to play less of an inspection and more of a supportive/advisory role to plan for realistic levels of completion. A few INGOs involved in 'owner driven' approaches, having observed the inexperience of some beneficiaries with the construction process, put more effort into this supportive/advisory role with good completion rates.

6.2 Monitoring and Evaluation

The Swiss Consortium has largely monitored inputs – the beneficiary lists and outputs – how many instalments have been paid as a percentage of the total number of beneficiaries registered. Much more could have been done to monitor impact and gaps such as access to adequate water and sanitation. Several houses were still without toilets or electricity. Until recently, the office in Trincomalee had not systematically monitored the extent to which FD houses have been fully completed and lived in; one of the more basic indicators of impact.

Monitoring of cost: A key issue, that should have been more systematically monitored and reported was trends for the price and availability of key building materials and skilled and unskilled labour. The project staff were certainly aware that prices were going up but this information was not being systematically collected or analysed. This meant that the project did not have a clear picture of the extent to which beneficiaries were likely to be able to complete rebuilding their houses and how this was shifting over time. This in turn made the discussion over whether or not to provide top-ups and the process of trying to engage other agencies to provide support to top-ups was much less evidence based than it could have been. Clearer information about prices and the extent to which rising prices made completing houses difficult could have helped to make the case of the need for and the level of top-ups clearer, particularly in Trincomalee. The case for increasing cost of construction and the potential risk of incomplete houses was raised as early as in early September 2005. However, this does not seem to have led to an active policy search for a solution by the Board and the Steering Group

of the Consortium as it was basically supporting a pre-designed Government programme¹³. In fact the issue was addressed, but the government refused changes of the maximum amount of the government programme and instead opted for a regular top-up from NGO in Phase 2, but did not implement it properly. It is understood that the CfRR group that met monthly with the Government where SDC is one member had also discussed the issue several times but the scale of the problem and solutions were not always clear due to constantly changing beneficiary numbers, buffer zone changes and a lack of clear national policy for the 'top-ups'. Instead much was, and still is, left to the local offices to find a solution for such fundamental problems. The project should also have made some effort to monitor the extent to which beneficiaries were investing their own resources in the rebuilding process and where they were getting these resources from. The extent to which families have gone into debt or sold key productive assets is another key factor in the debate about top-ups where there is insufficient information. Understandably it was an issue on which it was very difficult to get precise and reliable answers from the beneficiaries.

Monitoring of needs: The project was specifically focussed on housing with the hope that other agencies would address other needs such as livelihoods, or water and sanitation which was not a required item in the CfRR guidelines for Phase I. Some NGO and private sector programmes were far more integrated in their approach with the objective of providing their beneficiary communities full physical services as well as social and economic support.¹⁴ A major advantage of the CfRR project is that people were rebuilding their houses in the areas where they previously lived, with its pre-existing social and physical infrastructure. This meant that the pre-tsunami infrastructure of schools and health care was still in place or being repaired if damaged. People were also living where they had also lived so were close to the location of their previous livelihoods. However, this was not the case in all areas, especially where the pre-tsunami opportunities and services were already limited. Few agencies were prepared to support beneficiaries outside their target groups, which could easily disadvantage the CfRR beneficiaries. Monitoring of these unmet needs and an advocacy role of persuading other actors to address people's needs for toilets and clean water, livelihood and social services could be an important role. The Consortium, however, played this role less well than they might have done because information on these was not systematically monitored and reported on. This became less of an issue in Matara due to agency interest in supplying such services and support as part of co-financing, though of various quality and expertise

There are many other issues where more monitoring could have been done, including many of the questions in the terms of reference for the evaluation. These would include:

- Gender issues such as whether female headed households were at a particular disadvantage in rebuilding due to lack of labour or skills.
- Elderly and disabled headed households and whether they faced particular difficulties in finding sufficient labour.
- Quality of housing – there is no collated reporting of the number of houses meeting basic quality standards.

In terms of process:, other than the systematic monitoring of numbers of payments made through a database, there was a need for more qualitative and analytical monitoring and reporting on impact and the process of implementation. It is not that there was any lack of

¹³ Ueli Salzman and Hannes Herrmann, **CfRR Project in Sri Lanka, Internal Evaluation based on findings during field visit**, 10.09.2005

¹⁴ Some agencies involved in much more integrated approaches to cash, such as the Belgium RC, GOAL from Ireland and LEAD (a national housing NGO), seem to have addressed these needs as part of their cash programmes from the start.

monitoring being done; both offices spent much of their time following up and checking on government registrations and inspections and attempting to resolve problem cases, but more that this information was not being collected, summarised and reported on. Better monitoring and analysis would probably have required additional capacity, either at the Colombo or district office levels or greater willingness to bring in additional expertise to examine particular issues during the project.

7. Efficiency

Analysing the cost effectiveness of cash projects is always difficult and this project is no exception, because of the diversity of beneficiary choices and shifting prices for materials and labour. Whether or not people were able to complete their house, depended on the design they built; how ambitious individuals were in terms of size and quality, when they received grants and what was happening to prices.

The obvious comparison with the government grant process is with the cost of donor driven approaches where aid agencies hired contractors to build houses, on average at a cost of 6,000-12,000USD. Some of this took place in relocation sites on land allocated by government but some of it also took place in the same areas as the government grant. This is not necessarily comparing like with like, contractor built houses were often larger and so more expensive than the houses being built by beneficiaries using their own money and were more likely to be fully completed, including plastering and services such as toilets, piped water and electricity and even furniture. Relocation schemes also had to grapple with all of the complexities of availability of land, the rules and regulations of new sites and issues around land title and planning, creating delays which escalated costs. In both, Trincomalee and Matara, however, it does seem safe to conclude that beneficiaries that received government cash grants were able to build their houses quicker and more cost effectively than houses being built by contractors.

In Trincomalee, the government cash grant has certainly been quicker than donor driven approaches. Much to the frustration of the government authorities, agencies have succeeded in building remarkably few houses and are struggling with large unmet commitments. This was due, to a large extent, to beneficiaries fleeing from conflict in designated areas and few contractors willing to work in a conflict zone. In Matara, the problem is somewhat different. Large numbers of 'donor driven houses' on relocation sites have been built and there is thought to be an over-supply, estimated by the local authorities and NGOs, where the excess varies from 600 to 1000. The situation is reported to be the same in other Southern Districts of Galle and Hambantota. The problem is that they are often in areas where people do not want to live and that the process of allocating them has been highly politicised with widespread allegations of abuse. A clear problem is the potential for people to receive both Phase II cash grants and houses in relocation sites. This is something that the Consortium office has been doing its best to prevent but has been hampered by a startling lack of information about the beneficiaries of 'donor driven houses' with which to cross-check against cash grant beneficiary lists.¹⁵

A more direct comparison of costs is where people have received both cash grants and building materials supplied by the aid agencies. CARE in Trincomalee was planning to provide co-financing for Phase II beneficiaries of the CfRR programme in the form of in-kind building materials and cash to cover labour costs to the equivalent of Rs 425,000. One of their rationales for doing this, rather than providing only cash, was that bulk purchases of building materials

¹⁵ Despite attempts at local and central government levels it was not possible for the team to obtain an updated official figure for the district numbers of donor driven houses.

might prove more cost effective than home owners buying locally. According to their housing project manager in Trincomalee, however, this had not been the case in practice. Because CARE had to procure through certain authorised suppliers that can provide receipts, their costs were in fact higher per unit than the materials being purchased from small local vendors by beneficiaries as part of the government cash grant. This is why, for example, timber was excluded from the materials package to make it cheaper for the beneficiaries who could buy cheaper locally. CARE estimated the unit cost of their contractor built house to be Rs 675,000, which later increased to Rs 725,000 for a 630sqft house, excluding the cost of clearing the site, drainage and roads, which was estimated to be another Rs 150,000. For Batticaloa Austrian RC and Swiss RC partnership programme provided 4000USD for materials and 1600USD for the labour, in addition to the Government cash grant of Rs 250,000.

It should be noted that owner driven approaches other than the CfRR were mostly a mixture of cash and building materials support and were more 'tailor made' to the specific conditions of each district and the beneficiary needs. This tailor made approach, however required significant time and staffing to manage the process, which increased the programme costs. Due to its relative simplicity the CfRR approach does seem to have been significantly cheaper than the owner driven programme support of other agencies.

8. Impact

In basic terms, the project can claim to have had a positive impact in a number of areas. People largely used the cash provided to repair or rebuild their houses and several thousand people are now living in safe and habitable homes. No other approach to housing was able to achieve similar number of houses constructed in this time frame. The project has also had a positive impact for local businesses, creating demand for both skilled and casual labour and for building materials which were largely purchased locally. The evaluation team did not have time to investigate local multiplier effects more fully and were not able to interview local businesses such as timber yards or cement suppliers that would have benefited from the programme. Aid agencies building houses through contractors were also buying materials locally, so disentangling the effects of the cash grants from donor driven approaches would anyway be very difficult.

Local business impact: It is, however, clear that the project must have had significant positive impact on some local businesses and professions. Building involved in providing labour for constructions (both skilled and unskilled) will have benefited from regularly available employment and rising wages. Local providers of building materials will have benefited from increased trade and higher prices. Some of these suppliers would have been importing goods but many of them are manufactured locally creating additional positive knock-on effects in terms of employment and profitability. For instance cement factories, carpenters who make windows and doors and brick producers would all have benefited from increased demand relating to a combination of the cash support and donor driven approaches.

Capacity building impact: The project did not have a major capacity building objective, however, it was achieved indirectly since the smooth running and monitoring of the programme by the government required Consortium offices building technical (through training and manuals) and physical capacities (motorcycles, computers, office equipment) of the TOs from the NHDA. Sustainability of this impact however is questionable due to reported high turnover of officers. Training in masonry and carpentry could have eased the problem of labour in some conflict areas, which was an approach adopted by KfW in Batticaloa and Ampara. A greater capacity building has been achieved for the beneficiaries through the project in inspecting the building quality through technical supervision and explanations on site by the technical officers, which may have a lasting impact. Perhaps the most cited impact of the

project is from the database established by the Consortium in both districts. In both districts the beneficiary list established by the Consortium is used by the other organisations for the top-ups. The system, by far the most appreciated contribution of the Consortium by all parties, is also transferred to the IFRC, which joined the CfRR group more recently, where the Consortium supplied two staff for three months and the software for the database free of charge. The capacity building impact of the programme on the authorities is more mixed. Having asked about the learning process, authorities in both districts admitted that CfRR is a new approach and most learning occurred in the process of interaction and in doing the work together with Consortium offices. While staff of the NHDA has been trained and closely involved how far, the authorities are likely to replicate the process on their own, is questionable. There are two main concerns about possible negative impact. The possible inflationary impact of the project on prices for materials and labour was discussed earlier. It seems likely that the project played a role in rising building prices but was only one of many causes, with donor driven building playing an equal if not greater role.

Environmental impact: The other main concern is with possible negative environmental impact, through the purchase of timber and sand in particular. There was little monitoring of where beneficiaries were buying timber and sand and no environmental impact assessment carried out by the project. An Environmental and Social Assessment Framework (ESSAF) was prepared by the WB in January 2005 and a questionnaire based on ESSAF to evaluate the environmental impact of owner driven housing programme by the Environmental Unit of TAFREN. However, the Bank assessment in August 2005 identified that officials at all levels were largely unaware of this requirement as well as a lack of high level commitment to it within TAFREN and other GoSL agencies.¹⁶

The evaluation team were limited in their capacity to investigate this issue and the consortium should possibly have given it more attention themselves. One of the arguments used by agencies buying their own building materials was that this meant that they could ensure a sustainable sourced timber. However, this appears to have been far from universal and many contractor driven approaches would have also been buying locally with equal environmental concerns. Timber in Sri Lanka is regulated through the Forestry Commission so an alternative to dealing with environmental concerns through aid agency procurement would have been to strengthen the regulatory capacity of government. Agencies attempting to ensure environmental concerns are addressed through their own procurement have found it difficult, costly and liable to delay projects significantly. CARE, in Trincomalee, for example, has been providing people with building materials except for timber, for which it has been providing cash, because of the lower cost of procuring it locally as opposed to procuring from major suppliers.

Quality of construction: The quality of the housing built through cash support appeared good. Basic visual inspections suggested that they were safe, secure and of reasonable quality. Most beneficiaries interviewed were unanimous in regarding the quality of the houses that they had built as higher than their original house and those built by contractors. They felt that increased use of concrete and cement as well as their ability to supervise the work; to purchase materials; hiring skilful workers and strong interest in ensuring quality, rather than cutting costs, had helped to ensure greater quality. Direct inspection of the progress, with construction and technical advice to beneficiaries, by the Swiss Consortium local offices as (and the way) it was linked to the four instalments also had a positive impact on the quality of construction. In

¹⁶ World Bank, **Aide Memoire, Sri Lanka Tsunami Emergency Reconstruction Credit, Supervision Mission**, August 16-25 2005. The mission also found out that while TAFREN had identified potential sites for sourcing building materials such as sand and timber, the mechanisms to ensure that suppliers used these sites was unclear.

Trincomalee this supervision had improved since the transfer of the TO responsibilities from the NHDA to their office.

Quality of services: An important question, for the wider success and impact of the programme, is the extent to which the houses built with cash support had access to basic services, particularly water and sanitation. The cash donors for the housing project did not insist on access to water and sanitation as part of their basic objectives but it was hoped that other actors (government and aid agencies) would provide complementary interventions. In Trincomalee, the basic design of the house, suggested to people, did not include a toilet. In some cases, other aid agencies had built separate toilets for beneficiaries and in other cases people had used their own resources. However, where people had not received any additional assistance and their resources were constrained, they had not always been able to construct adequate sanitation and this is clearly a major gap, and another argument for top-ups. In Phase 2, a toilet was included in the design being promoted. In Matara, the much greater additional assistance provided meant that people more often had sufficient support to include toilets in the design. An issue in Matara, however, was that the raised concrete pillar design being promoted made the provision of both toilets and water more complex and expensive because of the need for more elaborate piping and plumbing to allow access to water on the second floor. Many beneficiaries have already expressed interest in moving these facilities to the ground floor and some have already built additional ones on the ground floor.

Access to water was patchy. In some areas, wells had been spoiled by the tsunami and it was proving difficult to rehabilitate them. Piped water was now being installed in many areas, particularly in Matara. However, in rural areas in Trincomalee, access to water was still limited for some families. All in all the project could perhaps have done more to coordinate with the appropriate government actors and aid agencies involved in water and sanitation to ensure better coverage of access to these basic services, particularly in Trincomalee. The office in Trincomalee is addressing this need by actively seeking for partnerships and support from the Red Cross and others in Phase II. A water and sanitation expert to be recruited is a correctly identified need in the district where salination of water and sanitation in low lying areas are technically difficult.

Gender impact: There is often concern, in cash based approaches to relief and recovery, about whether men and women will utilise the cash differently. Will women be less able to control and have a say in how cash is spent than in-kind assistance, and will men be more likely to misuse cash than in-kind assistance. In common with most evaluations of cash based assistance this evaluation found very little evidence of misuse. Men do not appear to have spent significant sums on uses that may be labelled anti-social such as alcohol. This finding, however, comes with the normal caveat that these issues are difficult to uncover in short interviews and evaluators are unlikely to be told about misuse in brief interviews.

An important gender concern with regard to the CfRR is whether female headed households had found it more difficult to organise the construction of their houses. Did they have less ability to provide their own labour to work on the house; find it more difficult to access or purchase materials and was it harder to supervise the work of masons and workers to ensure quality? Both female headed and other labour constrained households (notably elderly headed) did sometimes find that they had to hire greater amounts of casual labour to build their house because they had less of their own labour to provide and this was an additional cost. However, this was not universal and depended on the social networks of people, with some labour constrained households able to call on extended family networks for additional labour. Female-headed households do not seem to have been particularly constrained in accessing materials or supervising the work. Indeed, some of the most entrepreneurial individuals interviewed, who had made the best use of the Rs. 250,000 to largely complete their houses, were female headed,

perhaps conscious of the need to budget particularly carefully they had husbanded the resources with great care.

Box3: Single headed household

Saliya Mubarak is 29 years old, separated from her husband, and lives in Kasim Nagar, Trincomalee. During Tsunami her family lost their house. Three months after this calamity she went to the Middle East to earn in order to build back their lost fortunes. While in Saudi Arabia, she heard that her father had died in June 2005 leaving her old mother and younger sister without any help. Hearing that housing assistance was being given and that her mother could not muster enough effort to mobilize this assistance, she returned to Kasim Nagar. Under the cash grant, both mother and Saliya were awarded two houses. They built the first house, which was slightly bigger than what was stipulated in the specifications of the NHDA. It had a spacious hall and a large enough kitchen. However, the funds were not enough to complete all the doors and windows, the plastering and floor being finished. This house was given as dowry for the second daughter who subsequently married and settled down with her husband. The newly wedded couple have pawned jewellery to raise Rs 100,000 to further beautify the house with tiled kitchen and ornamental tiles on the drawing room floor.

Saliya went ahead with the building of the second house for herself. But this time it became much more difficult with the rising inflation. She invested Rs 60,000 additional money brought from Saudi into the house (used for roofing). Yet, the cementing of the floor and plastering of the wall have not been completed even though the house was built to approximately the prescribed 500 sq. ft. She recounted how she had to go from place to place looking for cheaper and good quality labour and materials. It seemed that these were obtained from Horowopothana, a sinhala settlement miles away. All in all, Saliya has achieved much more than average families utilising the cash grant.

In some instances the bank accounts for the housing project were made out jointly to the husband and wife but this was relatively rarely the case. Women do not appear to have felt particularly excluded from the decision making process although the building process was left largely to the husband and women were never involved in providing labour for construction. The evaluation team found no evidence of significant differences in outcome between male and female-headed households or of other negative gender impacts from the cash project.

8.1 Tensions and Conflict

It is important to ask whether the cash for the housing project caused any conflict or tensions within or between communities. This is clearly of particular concern in Trincomalee, where the project was taking place in the context of a long running civil war and the resumption of active conflict in 2006. There was certainly the risk of conflict and tensions at various different levels:

- Tensions within communities between those who received assistance and those who did not and those who were classified as partly or fully damaged.
- Tensions within and between communities between cash support and ‘donor driven’ approaches.
- Tensions between those communities received tsunami assistance and those not and in Trincomalee between the tsunami and conflict affected households.
- Tensions between communities because of real or perceived differences in the receipt of assistance between different ethnic or religious groups.

Box4: Cash grant for housing for equity or inequity

Appuhamy is a 65 year old Phase II beneficiary of ‘Loadstar’ owner driven housing project implemented at Palena, Weligama in Matara district. He has been provided with the materials necessary to build the prototype two storey house and cash to cover labour wages by the company. He has achieved the targets successfully so far and expects to have a completely finished house by the end of 2006. Loadstar is providing money to obtain electricity, water and other additional features such as roof gutters and drainage system. Appuhamy has not borrowed any money for house construction and every aspect of the housing has been taken care of by the company. The house

owner had to co-ordinate the works and supervise the construction project which was assisted by an engineer and TO of Loadstar Company.

At same time, Appuhamy is being registered for a government cash grant and he has already received 3 cash instalments. He told the evaluation team that he plans to deposit about Rs 50,000 of the government cash grant in a bank account for emergency expenses, Rs 100,000 will be used to purchase household furniture and other consumer durables for his new house and rest of the money will be provided to his elder son to purchase land for his future house.

It was difficult for the evaluation team to explore any of these concerns in adequate detail in the time available. Analysing the particular concerns around the conflict in Trincomalee was further constrained by the fact that the most conflict affected divisions in the district remain inaccessible for all humanitarian agencies. It is also important to distinguish between the tensions and difficulties created by tsunami assistance in general and issues that are particular to the cash programme. So for instance, it is undoubtedly the case that the relative generosity of assistance provided to those affected by the tsunami has created resentments for those nearby but unaffected and particularly for those displaced by conflict, but this is not particularly related to the cash project but to the overall levels of assistance.¹⁷ There were some socially or economically vulnerable families in the tsunami affected areas that were not directly impacted by the disaster. Even though their houses were not damaged, disqualifying them for any assistance, some NGOs provided support for such families to ensure greater equity.

A particular concern in Trincomalee is the inequity between provisions for the tsunami affected population and conflict affected IDPs in terms of support for housing. The WB supported programme for housing, for those displaced, by conflict is only providing assistance to the poorest and many of those displaced by the conflict remain in camps in which they have been for many decades. In addition, people displaced by the current conflict have now been added to this caseload. It does seem as though immediately following the tsunami there was a missed opportunity to ensure equity between assistance being provided for the tsunami and conflict affected displaced. The difficult security situation and time constraints meant that the evaluation team was not able to conduct interviews with any conflict affected households to explore these issues further.

In parts of Trincomalee, areas where people had received cash to rebuild their houses have now been affected by the renewed fighting in 2006. Access to these areas has not been possible but it is known that the vast majority of the population in Muthur East and Eachchilampattai Divisions has been displaced. It remains unclear, the extent to which the houses which have been rebuilt have been damaged by shelling and whether or not people will be able to return.

There seemed to be remarkably little tensions or resentment reported by the beneficiaries interviewed over the widely varying different types of support that people had received for housing recovery. Even though 'donor driven houses' sometimes cost much more to build and were more elaborate, people who benefited from the CfRR programme generally expressed a preference for receiving cash to build their own houses. Expressions of interest in 'donor - driven houses' came mostly from those who could not finish their houses, went into debt, or women headed households that found the process of construction difficult.

¹⁷ According to the World Bank the completion rate in IDP housing was higher in June 2005. Since May 2006 this has changed and post-tsunami housing picked up. Price increases have affected the IDP housing in the North-East where the Bank had to change the standard for a completed house from two closed rooms to one.

The hugely variable amounts of additional assistance that people received in Matara was clearly inequitable but people's attitudes towards this seemed to be a resigned acceptance of the fact that it had been a bit of a confused lottery, rather than something that had created active conflict. Within communities, the main tension created was between those whose houses were classified as 'partly damaged' but felt that they should have been classified as fully damaged. Equally those who could not finish their houses for Rs 250,000 complained that some classified as partially damaged and received Rs 100,000 only needed a coat of paint on their houses. According to the beneficiaries interviewed the grievance committee that was supposed to resolve such issues did not function well in Phase II. Nevertheless, the GA in Matara drew attention to the increasing tension between beneficiaries fuelled by the failure of some donors to deliver their promises and the inequity of the arbitrary nature of top- up support.

Rumours of ethnic favouritism in the early stages of damage classification or top- ups could not be substantiated. Those renting property and the landless remained the most marginalised and only began to be addressed at this stage. Any programme, providing such significant levels of assistance (several years' average income) was bound to create difficulties and resentment during the targeting process. The impression (admittedly based on limited time) of the evaluation team was that these had not reached a level of creating deep conflicts and resentment. A social audit could have helped to identify some of the issues of equity and exclusion.¹⁸

9. Connectedness – collaboration among international and national stakeholders

This project was part of a national programme introduced and implemented by the GoSL, across all of the tsunami affected districts. The Swiss Consortium role was to support the government to implement the programme in two of the twelve affected districts. The success of the programme, therefore, depended crucially on the capacity of the government actors involved to effectively implement the project and the success of the Swiss Consortium in supporting this capacity. A critical question for the evaluation was whether or not the decision to work with and through the government was justified.

As we have previously noted the post-tsunami context was one of considerable chaos and confusion, with large numbers of actors making coordination difficult and considerable uncertainty about government policies, especially in relation to housing and shelter. In this chaotic environment there is clearly a strong argument in favour of working with and through a coordinated national level government policy, which might have some impact in reducing the levels of overlap, duplication and contradiction between different agencies competing for beneficiaries and project areas. Had the Swiss Consortium elected not to work with and through the government, they would arguably have been another of the myriad agencies contributing to the chaos at district level. The initial decision to attempt to work as part of a national government programme, given what was known at the time about government capacity and planned housing assistance, does, therefore appear to the evaluation team to have been an appropriate one. There have, however, been serious issues with the capacity of the government at different levels to effectively implement the programme and with the role that the Consortium has been able to play in supporting and influencing the government.

¹⁸ World Bank and KfW are planning to undertake social impact audits of their support to the CfRR programme.

A key concern from the very inception of the programme was that the role of the Consortium was never very precisely defined. Whether the Consortium field offices were meant to be supporting local level government to implement the project or to be more directly involved in implementation was unclear and interpreted differently in Trincomalee and Matara. The original MoU between the GoSL and the Consortium contains no details at all about respective roles and responsibilities, noting merely that the government, ‘guarantees SDC the right to participate at local and national level, at the assessment, verification, monitoring and evaluation teams of the CfRR project during and after implementation’. Arguably the MoU itself should have contained far more precise details about the roles and responsibilities of government and the Consortium. Failing that, they should have been more clearly set out in subsequent policy and implementation guidelines but this also does not seem to have been the case. This left the Consortium staff in the field offices in the difficult position of having to determine and negotiate their responsibilities with respect to government authorities with limited guidance or authority to successfully influence policy or practice.

The evaluation team was not able to interview the staff responsible for the original agreement of the MoU and design of the programme, as the people responsible were no longer in Sri Lanka, so it is unclear the extent to which these issues were discussed or considered at the time and what options were available to modify them. It is also unclear whether or not the Consortium would have been able to insist on a more clearly defined role and authority for the Consortium offices at field level. The huge volumes of tsunami assistance and multiple actors involved meant that international agencies in general were in a weak negotiating position with government to build in conditions for their assistance. The prospect of post-tsunami recovery and reconstruction contributing to peace may also have influenced the donor community.

It also seems clear that the role of the Consortium should have been more clearly defined at the inception of the project and that this lack of clarity inhibited the field offices in their ability to positively influence the way in which the project was being implemented by the government.

In practice, the consortium does seem to have played a positive role in supporting the capacity of government to implement the project. This is supported by the fact that progress with implementation of cash for housing support has been far more advanced in the two districts, being supported by the consortium, than in most of the other districts

Table3 Performance of Cash Transfer for Owner Driven Housing Programme October 2006, Phase I

<i>District</i>	<i>No. of PD houses</i>	<i>% completion of PD houses (2nd instalment)</i>	<i>No. of FD houses</i>	<i>% completion of FD houses (4th instalment)</i>
<i>Ampara</i>	6387	99	3570	26.33
<i>Betticoloa</i>	4810	99	9157	22.73
<i>Jaffna</i>	2108	96	2354	2.68
<i>Mullaithivu</i>	-	-	3357	9.08
<i>Kalutara</i>	2700	100	695	90.22
<i>Galle</i>	5632	98	2270	84.71
<i>Hambantota</i>	1054	100	300	86.67
<i>Trincomalee</i>	2377	87.51	1469	81.69
<i>Matara</i>	4204	98	857	89.00

Source: NEHRU, SWHRU, SDC

The Consortium was able to influence implementation successfully in a number of different ways. Firstly, there was the crucial advantage that ultimately the financing for the project in the

two districts came from the Consortium and so they had to sign for the payment of any instalments and had the ultimate sanction of not authorising payments in the event of disputes or concerns about mismanagement. In the absence of clear agreement about roles and responsibilities, this provided the key lever for influence on the part of the Consortium on the implementation of the project.

The fact that the Consortium managed a database of beneficiary information also gave them a key mechanism of control over the project. The Consortium put significant effort into compiling and inputting information into the database and used it as a reporting and monitoring tool. This gave the government a springboard to effectively coordinate the activities of all the agencies involved in housing, as well as continuously monitoring the progress and impacts.

The Consortium also influenced government's implementation of the project by providing support to the NHDA, the body whose technical officers were responsible for initial damage assessment and subsequent inspections. The Consortium paid allowances for the staff involved and provided motorbikes and computers for local offices. In Trincomalee, however, there were continued problems with the quality of the work being done by the technical officers where the consortium decided to employ technical officers directly for Phase II, rather than working through the NHDA.

The main day to day way in which the Consortium influenced government through the course of the project was a continual process of monitoring, drawing problem cases to the attention of authorities and pushing for these to be resolved. As the Matara manager noted much of his time was spent writing letters to Divisional Secretaries about individual cases. Whilst painstaking and time consuming, this process does seem to have been important in increasing the equity and effectiveness of the programme, and creating a degree of accountability for different government actors. In Matara, in particular, the various government authorities involved in the programme were hugely grateful for the efficient system developed by the consortium office for authorising and processing the payment of instalments, claiming that they had too many other tasks to attend.

The way in which the programme was designed and has been implemented by the government has certainly not been ideal. Authority is diluted across too many different parts of government with no one agency or ministry with the authority to coordinate or determine policy in the housing sector. In theory, this role was initially played by TAFREN and then taken over by RADA. RADA, however, is widely acknowledged to have been ineffective and this has left a vacuum of authority and policy on housing at national and district levels. This probably helps to explain the failure to take certain key decisions such as the closure of beneficiary lists and undertake vital activities, such as the publicising of policies for the second phase of the programme, to potential beneficiaries.

The Swiss Consortium could perhaps have done more to influence this process, particularly at a national level. There may have been the potential to work more closely with other donors involved in the programme and to coordinate more with other international actors involved in the housing sector. More could also perhaps have been done at the Colombo level to attempt to generate support from other actors for additional assistance for Phase I beneficiaries in Trincomalee. The group of donors (Swiss Consortium, World Bank, ADB and KFW) that supported the GoSL CfRR programme met regularly and discussed many of the problems raised in this review. They recommend the necessary changes and actions to the government but their role was weakened by the fact that it was fundamentally a GoSL programme. Partners in the programme set their own standards and had different systems for monitoring results. For

example, KfW would not like their houses to be unfinished and is actively pursuing top-ups with German RC and will continue the programme until 2008. The World Bank made it clear to the government that money will not be transferred to the equivalent of a default rate determined by the audit results. The Consortium, on the other hand, viewed every beneficiary case individually. It appears that the Swiss Consortium was effective in influencing the donor group and the government counterparts in technical areas of work but not as strong in the area of political advocacy and policy influence.

The frustrations of working through government authorities, with sometimes limited capacity and a seeming reluctance to make key policy decisions, has left some of the Consortium staff involved in managing the project wondering if it would not have been more effective just to implement the project directly rather than working as part of a government programme. It is maybe important to say that the field office in Trincomalee felt protected from propaganda against the INGOs operating in the North-East because of the particular place of the Consortium as partner of GoSL. In an ideal world there would certainly be a tighter implementation structure with authority less diluted between different government actors. Whether or not this was even possible is unclear – any Swiss support would probably still have had to take place within the overall framework of a national government led owner driven programme. Despite the difficulties and frustrations, the opinion of the evaluation team was that the advantages of supporting a national government led programme probably outweighed the disadvantages. More could have been done, however, to give the consortium field offices a stronger and clearer role and to influence government policy at a national level.

The terms of reference for the evaluation did not ask us to look specifically at the Consortium structure itself. It is worth noting in brief, however, that there were also issues about the structure of the Consortium which field staff felt may have inhibited effectiveness. In particular the management structure at the Swiss level may have made decision making slower and more difficult and therefore led to frustrations about delays in making key decisions with regard to the project, for example; on when and how to phase out Swiss support, and whether to support top-ups for Phase I in Trincomalee or be involved ? in Phase II. For example had the request for involvement in phase II been granted when the discussions on top-ups started in May 2006, then the programme in Trincomalee could probably have been finished by the end of this year.¹⁹ But the question again was more a question of principle: should the Consortium involve in the top-up or not. A consortium of organisations with very different capacities and characteristics had to balance many factors when making decisions. This at times may have resulted in aiming for the lowest common denominator rather than an effective solution to practical field problems.

10. Conclusions and Recommendations

This was a large and ambitious project, implemented in a difficult environment in a sector characterised by confusion, with the Consortium approach adding another layer of complexity. Given this, the project can be seen in broad terms as a remarkable success. Support in the form of cash for people to rebuild their houses does seem to have been appropriate. In comparison to the alternative of hiring contractors to rebuild houses the cash project appears to have been much more effective and efficient. On the whole, people built their own houses more quickly and more cost effectively, than contractors built houses. The effectiveness of Swiss support in

¹⁹ It should be noted that according to the SRC the written proposal from Project Manager in the field was submitted on 7 August 2006.

two districts is shown by the fact that the project was much more advanced in these districts than elsewhere.

The relative success of the project does not mean that there were not serious concerns and drawbacks in its implementation and areas where more could perhaps have been done to add to its impact. The role of the Consortium was never clearly enough defined in relation to the government and this put the field offices in a weaker than necessary position in influencing government implementation at district level. More could have been done to attempt to influence government policy in relation to the programme and the housing sector more generally at a national level and more should perhaps have been done to coordinate with other actors at district levels in relation to top-ups and complementary services such as water and sanitation. The monitoring carried out by the project could also have been strengthened to focus on analysing and understanding impact as well as tracking output.

There are an important number of key decisions still to be made in thinking about how best to complete the project. These are considered below.

10.1 Next Steps

In Trincomalee it is perhaps helpful to divide the areas of remaining concern into different categories. They are;

- People with ‘fully damaged’ houses from Phase I who have been unable to complete their houses or who have gone into debt or sold key assets in order to complete.
- People who received ‘partly damaged’ grants but who had significant damage and have been unable to complete repairs or gone into debt.
- People who have not yet received any housing support either because of the slow pace of donor driven housing or because of bureaucratic delays, but have not been included in the Phase II cash programme.

In a world of limitless resources it would be possible for the Consortium to address all of these problems; providing top-ups for the part and fully damaged categories and continuing and expanding Phase II if the ‘donor driven housing’ failed to be delivered. However, given limited resources and a desire not to have an ongoing and open-ended commitment there is a need to make choices about what it is feasible to achieve.

The Consortium office in Trincomalee has been trying to generate additional assistance for Phase I from other actors. The top-up is expected to be secured in partnership with Hong Kong Red Cross. All ‘fully damaged’ cases will receive an additional grant of Rs 250’000 to finish their houses. In Kuchchaveli, the Swiss RC is already “topping up” 100 homeowners which were not included in any assistance programme. There is a need to continue and increase these efforts but also perhaps to consider whether the Consortium could deliver the additional assistance needed itself. Some limited number of beneficiaries from the partly damaged category in Trincomalee would ideally also receive additional assistance but this would be very difficult to target successfully. However, if those from the fully damaged category receive additional assistance, this does risk increasing resentment and tensions between the different categories. Given sufficient resources, therefore, a small additional grant could usefully be provided to the selected ‘partly damaged’ category, again labelled and communicated as housing and livelihood assistance, but this may be less of a priority and would be difficult to get agreement for, as it might involve a change of government policy at a national level.

Addressing the people who have not yet received any assistance is possibly beyond the capacity and responsibility of the Swiss Consortium.²⁰ The best way to achieve this would simply be to maintain the office and a commitment to include further beneficiaries in Phase II as the issues as to whether beneficiaries would receive 'donor driven' houses or government cash grants are resolved. However, this would mean keeping the project going well into 2007, something that the Consortium is not very keen on doing.

In Matara, the situation is very different. Most Phase I beneficiaries have received additional assistance and co-financing is agreed for the vast majority of Phase II beneficiaries. The main area of concern is people with 'fully damaged houses' in Phase I who did not receive any additional assistance. They have sometimes been placed in a particularly difficult position because they have been encouraged to build houses (on stilts) to a design that Rs 250,000 is not nearly enough to complete. In completing the programme, the Consortium should try to encourage other agencies to provide additional assistance to this relatively small number of households. In Matara however the GA believes support by the Consortium for the supervision of Phase II is still critical as donors want to give many different forms of top-ups thus complicating the situation.

The continuing failure to close beneficiary lists on the part of the government means that it is very difficult to achieve a neat end-point for the project. Ideally, the Consortium would be able to influence the government to announce a clear date for the closure of the registration process. Failing that, there is probably a need for the Consortium to set a clear date itself as soon as is feasible and communicate to the government that it will not provide any additional support after that date. Any further registrations and payments would not be reimbursed by the Swiss and would be the responsibility of government or other donors. In parallel to this political pressure, in Matara the Consortium should have agreed on a deadline for the handover of the database and a full return of the responsibility for its maintenance to the local authorities before the end of the year. Combined with the delays in communicating a clear picture of funding to the GoSL, the date is now likely to be the end of first quarter of 2007. It is advisable that the time table and a strategy for phasing out in Trincomalee is also developed and communicated to the authorities and co-financers without delay. It is clear that the work in Trincomalee will need to continue well into the first 6 months of 2007. This approach will also be in line with the general feeling of most donors that external support to the South needs to be reduced, while the needs that have not yet been met in the North-East – and the IDP housing situation- deserve increased political pressure and investment to fill these gaps.

Finally, it is advisable that the Swiss Consortium undertakes an internal management review of this cooperation with a view to learning from the 'consortium model' for future partnerships. It is also expected that this CfRR experience adds value to the already extensive cash experience of the SDC. A review of the combined experiences of the SDC, WB, KfW, ADB and others with the CfRR approach, from various post disaster situations, could also benefit similar future operations.

²⁰ UN Habitat estimated that some 75,000 houses will be completed by the end of this year and there will still be some 20,000 houses to be built; of the roughly 12,000 completed by the donors 75% are occupied and a further 7,000 are under construction.

10.2 SWOT on CfRR in Sri Lanka

The SWOT analysis below summarises the achievements as well as the challenges to the CfRR programme of the GoSL in general and the specific Swiss Consortium contributions to this programme.

Strengths	Weaknesses
<p>CfRR Programme</p> <ul style="list-style-type: none"> • Aiming for equity between FD category and the IDP housing programme in the initial design of the CfRR programme in terms of standards, number of instalments and the amount of cash. (IDP housing was only for the poorest) • Simplicity of the process of funding and monitoring • Cost efficient ie. cheaper than donor driven houses due to use of owner own labour, local knowledge, use of local vendors and labour • Support to local economy and recovery of construction business • Support for, diversity of choices for design, materials, speed of construction • High quality of construction due to owner supervision • Possibility of maintaining pre-disaster social and neighbourhood structures • Possibility of utilising pre- disaster social and physical infrastructures where these are adequate, hence increasing speed and reducing cost of construction <p>Swiss Consortium(SC) contribution</p> <ul style="list-style-type: none"> • Speed and higher completion rate in the 2 Swiss Consortium districts compared to the other CfRR partners of the GoSL due to systematic support of the SC offices • SC database that helped coordination of not only the CfRR but also the top -ups from other agencies • Reduction in targeting errors due to systematic recording of beneficiary lists and monitoring of payments against progress • Capacity building support to the 	<p>CfRR Programme</p> <ul style="list-style-type: none"> • Risk of excluding tenants and those who did not have the title deed or land who may have been the most vulnerable • Limited learning from the IDP experience • Uncertainty over the buffer zone hampering the speed and coverage, increasing relocation • Too broad a definition of ‘partial damage’ category resulting in waste of resources, disagreements and possibility of bribery in order to change category • Delays in closing the beneficiary lists • Lack of a timely solution for the increased cost of construction and labour rendering \$2500 inadequate to complete reconstruction of FD houses • Limited implementation of the coordination mechanism for various post disaster housing programmes resulting in frequent changes of beneficiary numbers between ‘donor driven’ and CfRR schemes • Lack of enforcement of the top-up ceiling and standards resulting in a variety of top- up levels and practices, increasing inequity eg. between the well- off and the economically vulnerable; between Matara and Trincomalee, etc. • Inadequate organisational structures of TAFREN and RADA creating tensions with the local authorities <p>Swiss Consortium contribution</p> <ul style="list-style-type: none"> • Lack of clarity of the respective roles and responsibilities between the GoSL and the SDC in the original MoU • Limited policy influence on the GoSL regarding issues critical to the speed and success of the CfRR such as the buffer zone; inadequate damage categories; beneficiary lists; insufficient

<p>GA, DS offices mainly through learning by participating in the process of the SC project office support</p> <ul style="list-style-type: none"> • Technical support to the TOs in monitoring progress with construction • Database capacity building support to other CfRR partners of the GoSL • Good working relationship with the GoSL, and the local authorities particularly in Matara • Lower overheads and simple monitoring process compared to other agency alternatives in cash and ‘donor driven’ reconstruction 	<p>grant; enforcement of top- up standards</p> <ul style="list-style-type: none"> • Reluctance to provide or arrange timely top- ups, particularly in Trincomalee where agency interest was limited; increasing indebtedness and incomplete houses • Emphasis on housing only and no systematic approach to ensuring social and physical infrastructure and livelihood support • Implementing partners of the SC, SRC and HEKS providing limited added value to the CfRR programme from their experiences and general programmes (eg. provision of water and sanitation, livelihood, as well as in the form of top- ups • Substituting for the local administration in managing the database and hiring own TOs (in Trincomalee) –though these were necessary for completion of the programme on time • Sub-optimal HR management early in the programme –frequent changes of staff, too many reporting lines etc)
<p>Opportunities</p>	<p>Threats</p>
<ul style="list-style-type: none"> • Enhanced capacity of the GoSL and the local authorities to manage future CfRR programmes, and possibly other cash approaches • CfRR programme can be linked with the recently launched sustainable livelihoods programme • Partnerships with other agencies for the top- ups in Trincomalee to complete unfinished houses and to provide better infrastructure • Beneficiaries of the programme to gradually improve their houses with their own savings • SDC building on the trust established through the CfRR for future programmes and partnerships with the GoSL and the other CfRR partners • For the Swiss Consortium partners to utilise this experience in future post disaster recovery and reconstruction 	<ul style="list-style-type: none"> • Unfinished houses particularly in Trincomalee • Some beneficiaries going into further debt • Some beneficiaries falling out of all complementary social and infrastructure programmes • Increased tension due to unresolved inequity between beneficiaries in Matara and Trincomalee, CfRR and other housing reconstruction beneficiaries, post-tsunami and IDP CfRR schemes, PD and FD categories • SwS donors questioning limited direct visibility for the SC where others had provided the top- ups • SwS donors questioning the allocation of CfRR grant to those beneficiaries in Matara who also received ‘donor driven houses’

11. Bibliography

1. Adams L. and P. Harvey, **Learning from Cash Responses to Tsunami: Cash and Shelter**, HPG issue paper 4, September 2006
2. Aysan Y. and I. Davis (eds.), **Disasters and the Small Dwelling**, Earthscan, 1992
3. Barakat S., **Housing Reconstruction after Conflict and Disaster**, Network Paper 43, Humanitarian Practice Network, 2003
4. Harvey P., **Cash Based Responses in Emergencies**, HPG Report 24, Overseas Development Institute, 2007
5. Meier S. and R. Knuesel, **Monitoring Report Executive Summary: Post-tsunami in situ Reconstruction Program, Sri Lanka, CfRR Monitoring Mission, 06 December 2005**
6. Ministry of Finance and Planning, **Circular of 26 August 2005**
7. NHDA, **Guidelines for Housing Development in the Coastal Belt of Sri Lanka**, May 2005
8. RADA, **Revised Tsunami Housing Policy**, April 2006
9. Salzman U. and H. Herrmann, **CfRR Project in Sri Lanka, Internal Evaluation Based on Findings During Field Visit**, 10.09.2005
10. SDC, **Monitoring Report:Post-Tsunami in situ Reconstruction Program, District of Matara**, 23 November 2005
11. Swiss Red Cross, **Tsunami Rehabilitation Operation Trincomalee District, Sri Lanka 'Cash for Repair & Reconstruction' (CfRR) 1st March, 2005 – 30th April, 2006**, 29 September 2006
12. TAFREN, **Guidelines for Homeowner Driven Tsunami Reconstruction Programme**, 1 September 2005.
13. Wehrli H., **The Success of Home-Owner Driven Housing in Trincomalee District**, August 2006
14. World Bank, **Aide Memoire, Sri Lanka Tsunami Emergency Reconstruction Credit, Supervision Mission, 16-25 August 2005**
15. World Bank, **Aide Memoire, Sri Lanka Tsunami Emergency Recovery Program, Supervision Mission, 4-13 October 2006**
16. www.rada.gov.lk
17. www.sdc-cashprojects.ch
18. www.odi.org.uk/hpg/Cash_vouchers

Annex 1: Key Persons interviewed

1. Mr. Ranjith Abeywardena, Tsunami Coordinator, KfW office, Colombo
2. Mr. Amarathunga, Additional District Secretary, Trincomalee
3. Mr. Ariyaratne, Additional District Secretary/Tsunami Affairs, Matara
4. Mr. Marc A. Bunzli, Deputy Country Director, Swiss Cooperation Office, Colombo
5. Mr. Lars Buchler, Field Coordinator, Austrian/Swiss Red Cross, Colombo
6. Mr. Reinhard Dalchow, Director of KfW Office, Colombo
7. Mr. Yvonne Dunton, Head, Sub Delegation, ICRC, Trincomalee
8. Mr. Naresh Duraisamy, World Bank Colombo Office, Colombo
9. Mr. David Edirisinghe, National Housing Engineer, LEADS, Matara
10. Mr. David Evans, UN Habitat, Colombo
11. Mr Felix Bollman, Director, Swiss Solidarity, Geneva
12. Mr Toni Frisch, Assistant Director General, Head of Humanitarian Aid Department, SDC, Bern
13. Mr. Marc Gschwend, SDC Programme Manager CfRR, Colombo
14. Mr. Martin Godders, Construction Delegate, Belgian Red Cross, Matara
15. Mr. H.G.S. Jayasekara, District Secretary, Matara
16. Mr. Neil Jebb, Team Leader, GOAL Sri Lanka, Dickwella, Matara
17. Mr. Krishnamoorthy, RADA Representative, Trincomalee
18. Dr. Georg Mayer, Project Manager, CfRR, Matara
19. Mr. Mubarak, Divisional Secretary, Kinniya, Trincomalee
20. Mr. Nadaraja, Additional District Secretary, Trincomalee
21. Mr. A. W. Sarath, Divisional Secretary, Weligama.
22. Mr. Paul Segal, IFRC, Colombo
23. Mr. Ramesh Selliah, Director-Housing, RADA, Colombo.
24. Mr.U. Shanmugana, Coordinator, Infrastructure Development, CARE Trincomalee
25. Mr. Raja, Technical Officer, CfRR Project Office, Trincomalee
26. Ms. Shamlee, Programme Assistant, CfRR Project Office, Matara.
27. Mr. Thirukumar, District Manager, NHDA, Trincomalee.
28. Mr. Christian Ubertini, Project Manager, CfRR, Trincomalee.

selling assets)? Have they received any further top-ups (cash, materials, vouchers, etc.), what and from whom?

9. Who establish land ownership and the degree of building damage; did they agree/ have any say, should there be more damage levels?
10. What has happened to people who didn't own land, were renting or lost their land title?
11. Where did they purchase key building materials (sand, cement, timber etc) for the house- local, far? Did they get any advice on where and what to purchase? Did they face any problems? (establish before and after tsunami trends for availability, price, quality)
12. Did they use their own labour for what parts of construction; did they hire any labour (skilled and unskilled) during the rebuilding process? If so, how many people, for how long, for what parts of construction? Did they face any problems with builders? (establish before and after tsunami trends for availability, price, quality)
13. Did they receive any technical support or advice during reconstruction? (technical, design, building materials, hazard safety, finding builders etc). From whom? (project staff, neighbours, builders, NGOs, media, etc)
14. How were the houses inspected for release of further tranches? Was the inspection process fair? Did anyone have to pay bribes to get further tranches released?
15. What do they think about the house that they have built (quality, size, design, location, safety, services etc)? Is it complete? If yes, do they plan to add to it in the future? If it is unfinished – how do they plan to finance its completion and how long do they think it will take? Where do they live in the meantime?
16. Is there adequate infrastructure (social, physical) in the house/neighbourhood? Access to water and sanitation, schools, local markets, mosques, churches (compare with the original house/settlement)?
17. Is the location close to the source of their livelihood activities (farming, jobs, trading, fishing), has there been any changes to accessing livelihood activities in the new house/settlement, why?
18. If their house is in a new location how do they compare it with the original one? Have their neighbours changed, are they satisfied with the new situation –any conflicts, problems?
19. Did they know where to make complaints if they were unhappy about the grant/support? What is their view of the grievances committee? If they know about the Consortium, what was the role of Consortium representatives within the grievances committees?
20. How would they compare the cash grants to projects where aid agencies have provided building materials or built houses for people using contractors? What do they think are

the pros and cons of the different approaches? Did they prefer to be on a different scheme then and now, or believe this option is better?

21. Any questions they would like to ask us or issues they would like to raise?
22. If they could tell the Swiss organizations who funded and implemented the project three things what would they be? One good thing about the project, one bad thing and one thing they could do better in the next phase.

In Trincomalee:

23. Have they been displaced further due to the conflict since the tsunami?
24. If people were also IDP before the tsunami, how do they compare what they have been receiving with the IDP programme?
25. Has the conflict in the region affected the completion of their house -availability of materials/builders, price changes, delays etc.
26. If we find a way of talking to a few IDP beneficiaries,; what do they think about the tsunami beneficiaries vis-à-vis the IDP beneficiaries, are they better off or not?

Cash for Repair and Reconstruction Sri Lanka: Questions for Interviews with Key GoSL and local authority Informants

1. How were decisions made about the balance between owner and donor driven approaches?
2. Was there the right balance between owner and donor driven approaches?
3. How well were people targeted? What were the main issues with exclusion and inclusion?
4. What happened to people who didn't own land, were renting or lost their land title?
5. How realistic were/are criteria for damage classification and beneficiary selection? Should there have been additional selection criteria (eg. income, loss levels, size of family, most vulnerable, etc.) or additional damage categories?
6. Have there been particular tensions between different communities (religious, ethnic or other backgrounds)?
7. What were the types of problems raised with the grievances committee. What was/is the role of Consortium representatives within the grievances committees? Were people unfairly excluded able to make complaints?
8. How were/are hardship cases handled? What were/are the most difficult hardship cases among the affected population beneficiaries)?
9. Did people spend the money on shelter? Were beneficiaries able to rebuild houses?
10. Did the houses built meet technical requirements?
11. Any information on cost effectiveness of owner vs donor driven approaches?
12. Any particular issues around gender for instance different outcomes between male and female households?
13. Were payments in tranches appropriate? Were there enough inspectors / issues with delays? Would it have been simpler just to make one lump payment?
14. What was happening to prices for key building materials and labour?
15. Was this a result of the CfRR programme in particular or a more general problem?
16. Was anything / could anything have been done about it?
17. How well were prices for key goods and labour being monitored?
18. Was there enough skilled labour available for construction?
19. How well has the top-up scheme worked?

20. Have people also used their own resources for rebuilding? If so, where from (remittances for instance)?
21. How well has assistance in the shelter sector been coordinated?
22. What were the main issues and tensions in relationships between government, donors and aid agencies?
23. In particular how did the Swiss consortium work with different actors (beneficiaries, authorities, government representatives and ministries, NGO's)? What worked well? What were the constraints?
24. How successfully have the Swiss consortium transferred knowledge and capacity to government partners?
25. What instruments suggested by the consortium for implementation have been adopted by government partners?
26. Compared with other options what has been the advantage and disadvantage of this approach? What would you improve or change?

Annex 3: Terms of Reference

24 February 2006

CfRR²¹ Post Tsunami Housing Reconstruction in Sri Lanka - Joint Evaluation - TORS (Terms of Reference)

1. Background Information

The tsunami catastrophe that struck Asia on 26 December 2004 was one of the worst natural disasters in modern history. Sri Lanka was among the countries hardest hit, with approximately 40,000 people killed. Furthermore, damage and destruction to infrastructure destroyed people's livelihoods, and left many of them homeless and often without adequate water, sanitation, food, or healthcare facilities.

The worst hit areas were along the eastern and southern coastline of the island. This natural disaster compounded the effects of 20 years of civil war and there is a big risk that the political fronts could harden as a result. There is also a danger that international aid and reconstruction projects could be misused for political purposes.

RADA the Reconstruction and Development Authority of the Government of Sri Lanka (GoSL) defined the repair and reconstruction of houses as a top priority. With the support of the World Bank (WB), the GoSL-RADA designed a nationwide (12 affected districts) participatory housing scheme namely the CfRR¹ programme.

The Sri Lankan government's CfRR programme aims to assist all house owners affected by the tsunami to repair or reconstruct their houses (both fully- or partially- destroyed) according to established government standards. World Bank, KfW (Kreditanstalt für Wiederaufbau), ADB (Asian Development Bank) and a Consortium of Swiss Organisations fund the programme.

The four Swiss partners of the Consortium are the Swiss Agency of Development and Cooperation (SDC), the Swiss Red Cross (SRC), Hilfswerke der Evangelischen Kirchen Schweiz (HEKS) and the Swiss Solidarity Chain (SwS). The Consortium focuses on two specific districts (Matara and Trincomalee) where it supports the government's CfRR programme financially, and provides technical assistance.

The planned evaluation takes? is taking place (is being carried out at the same time as the CfRR project which is still underway. The TOR has been prepared and approved by the commissioning agencies (SDC, SRC, HEKS and SwS).

2. Goals of Evaluation

The evaluation will analyse the process and the impact of the Swiss support to the CfRR Project in Sri Lanka. Its aim is to further identify the strengths and the weaknesses of the project and to propose measures for improvement.

²¹ CfRR: Cash for Repair and Reconstruction

3. Key issues

- Did the project address the right issue concerning the rehabilitation of Tsunami hit population in SL?
- What are the advantages/disadvantages of participating in the government Cash Programme?
- Did the project's solutions resolve the targeted problems?

3.1 RELEVANCE (Impact)

- a) Are the affected beneficiaries, municipalities and other local and federal authorities satisfied with the results achieved? (Emphasis should be laid on beneficiaries)
- b) Were the financial handouts to the beneficiaries used to rebuild their houses? Did the scheme of multiple conditional cash grants work?
- c) How is "do no harm" compatible with the Cash-approach? How was the money distributed among the different communities (religious, ethnic or other backgrounds)? Assess the medium term risk of tensions between communities benefiting from two different construction approaches ('Owner driven', 'donor driven'). i.e. US\$ 2500 cash grant for a house under the CfRR scheme versus US\$ 8500 for a relocated house.

3.2 EFFECTIVENESS and APPROPRIATENESS (Outcome)

- a) How suitable was the chosen approach with regard to context and in terms of benefit to the populations affected?
Comparison between the:
 - different Cash Methods vs. other approaches.
 - owner driven (CfRR) vs. donor driven approaches.
- b) Is there a difference of Outcome between male and female-headed households?
- c) Has the money been allocated fairly between the different communities (religious, ethnic or other backgrounds)?
- d) To what extent did the Cash Programme have an impact on local markets (availability and costs of material)?
- e) Did the project stimulate a holistic approach (infrastructure such as water and sanitation, schools, etc.)?
- f) To what degree did the CfRR approach allow the beneficiaries to make their houses habitable? If the houses are not finished, from what other sources are beneficiaries taking money to finish the construction? Or do houses remain unfinished? What are possible solutions?

3.3 QUALITY OF HOUSES

- a) Do the houses correspond to local typology?
- b) What is the quality of the houses? To what degree were the technical requirements issued by the authorities complied with?
- c) Cost efficiency of CfRR approach compared with other approaches (m3, m2, labour, material, etc.)?

3.4 BENEFICIARIES

- a) How realistic were/are criteria for damage classification and beneficiary selection? Should there have been additional selection criteria (most vulnerable, etc.) or additional damage categories?
- b) How appropriate and how efficient was/is the registration, selection and appraisal (selection of damage categories) processes?

- c) Assess the performance level of the grievances committee in problem solving. What was/is the role of Consortium representatives within the grievances committees?
- d) How were/are hardship cases handled? What were/are the most difficult hardship cases among the affected population beneficiaries)?
- e) Are the rehabilitated houses functional? What is the owner's satisfaction (How satisfied are the owners?) (face to face interviews)?

3.5 COLLABORATION AMONG INTERNATIONAL AND NATIONAL STAKEHOLDERS

- a) Assess the collaboration of Swiss consortium members with local stakeholders (beneficiaries, authorities, government representatives and ministries, NGO's). What worked well? What were the constraints?
- b) How and which of the Swiss Cash instruments were applied by the government partners?
- c) Assess the impact of the Swiss Consortium with regard to the transfer of knowledge (communication) to local partners and authorities. What is the expected sustainability of the transferred knowledge on approach and methodology?

4. MANAGEMENT OF THE EVALUATION

The evaluation has been commissioned by the CfRR Steering committee and managed by the Project Board and Swiss Solidarity. The Evaluation Managers are: Swiss Solidarity, Héribert Kaeser (SwS), Andreas Sicks (HEKS); Frank Bertelsbeck (SRC); Ivan Hauri (SDC). Christoph Jakob (SDC) the leader(in charge) of the process. The Evaluation is co-financed by the 4 partners in equal parts.

5. EVALUATION METHODOLOGY AND TEAM COMPOSITION

The methodology has to be participative and must focus on lessons learnt.

- a) The team must include men and women, national and international consultants with the following profiles:

Requested for all team members

- Experience in Evaluation
- Independent from commissioning agencies (as according to Alnap guidelines)
- Familiarity with the region
- Excellent English

Requested from at least one team member

- Familiarity with the cash approach in the field and at management level (a)
- Experience in technical and managerial post disaster rehabilitation (architect and or engineer) (b)
- Familiarity of working on policy level (Govern. Departments, IOs, NGOs, etc.) (c)
- Knowledge of financial operations
- Knowledge of Database management (Access)
- Working experience in Sri Lanka
- Fluency in Tamil
- Fluency in Sinhalese

- The team leader should have strong social skills and sensitivity for a complex political and ethnic environment. The leader should also have one of the following backgrounds (a, b, or c).

b) The team will be composed of 2 local and 2 international consultants. The Evaluation Managers will select the 2 international Consultants; the local Consultants will be selected by the Evaluation Managers in consultation with the team leader.

c) **The 4 positions will be published through different channels (Alnap, etc.). Consultants can apply individually or as a team. Applicants have to send their CV and a brief text on proposed evaluation methodology to Christoph.Jakob@deza.admin.ch and Justin.Veuthey@deza.admin.ch**

e) Working days (tentative, including travel)

	Team Leader	2 nd Intntl. Consultant	Local Consultants
Preparation	6	5	
*Field Work	16	16	16
Writing Report, etc.	8	4	2
Total:	30 Team Leader	25 IC	21 LC (2)

*3 days Colombo, 5 days Matara, 5 days Trincomalee, plus 3 days travel within Sri Lanka

6. Tentative Time Schedule

- a) TOR – finalized Wednesday 22nd February 2006 and published for consultants.
- b) Consultants -deadline to apply: Wednesday 6th March.
- c) Field mission is possible between mid-march to end of April 2006.

7. Expected OUTPUT

- a) Submission of initial Draft Report to Evaluation Managers within 1 week of return to CH.
- b) Debriefing with Evaluation Managers and Head of Agencies (SwS, HEKS, SDC; SRC).
- c) Final Draft (within 2 weeks after feed-back from Evaluation Managers).

The final report will have a maximum of 25 pages, including an executive summary of 2 pages, see www.alnap.org.

The report will be available publicly.