

SRI LANKA

INNOVATIVE APPROACHES FOR INVOLUNTARY RESETTLEMENT

LUNAWA ENVIRONMENTAL IMPROVEMENT & COMMUNITY DEVELOPMENT PROJECT



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LUNAWA ENVIRONMENTAL IMPROVEMENT & COMMUNITY DEVELOPMENT PROJECT

IN CONJUNCTION WITH THE **DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

 **UNHABITAT**
FOR A BETTER URBAN FUTURE



**MINISTRY OF URBAN DEVELOPMENT
AND SACRED AREA DEVELOPMENT**

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FOREWORD

In Sri Lanka, as in many other developing countries, there is a growing urgency to come up with creative and sustainable solutions to tackle the twin pressures of infrastructure needs and minimizing the negative impact of involuntary resettlement caused by such projects. When a project area covers urban and peri-urban communities, resettlement of such communities is even more complicated, since issues are often related to those of informal settlements where the affected persons do not have ownership of the land they live on.

UN-HABITAT, the United Nations Human Settlements Programme, is mandated to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all. To achieve this goal, we promote the Habitat Agenda, the global plan of action adopted at the Second United Nations Conference of Human Settlements in 1996. Its two main pillars are: 1) promoting security of tenure, and 2) improving urban governance. The Habitat Agenda is closely related to the realization of the Millennium Development Goals, specifically, the goal of “improving the lives of 100 million slum dwellers by the end of 2020”.

In 2002, UN-HABITAT became a partner of the Government of Sri Lanka and the Japan Bank for International Cooperation (now called JICA) in implementing the Lunawa Environmental Improvement & Community Development Project, a canal rehabilitation project within the Colombo Metropolitan region in Sri Lanka. UN-HABITAT had taken the responsibility of assisting the Government of Sri Lanka in the implementation of the involuntary resettlement and slum upgrading component of the project. This was the first time for UN-HABITAT to work with JICA under such an arrangement.

The Ministry of Urban Development and Sacred Area Development, through a strong partnership with local authorities and local NGOs, has implemented various innovative approaches for involuntary resettlement through this Project. Such approaches include ‘ensuring security of tenure for slum dwellers’ and ‘putting affected persons at the centre of resettlement site development’. This publication aims to record the initiatives taken under the Lunawa Environmental Improvement & Community Development Project as a best practice of promoting the Habitat Agenda in the context of involuntary resettlement.

I wish to express my gratitude to the Government of Sri Lanka and JICA for the productive partnership in developing and implementing the innovative approaches for involuntary resettlement under the project. I hope that this publication will be a useful reference for practitioners and policy makers in the field of infrastructure and urban development.

Anna Kajumulo Tibaijuka
Under-Secretary General of the United Nations
Executive Director of UN-HABITAT

INTRODUCTION

Sri Lanka experiences heavy rainfall during monsoon seasons. The Colombo Metropolitan region, the country's political and economic centre, is vulnerable to floods as most areas are less than six metres above sea level, and the flood damage tends to be serious particularly in the areas where adequate drainage systems are lacking.

The Government of Sri Lanka had undertaken various measures to cope with the situation, and general flood control in the Colombo Metropolitan region had improved significantly in 1990s. However, frequent flood damage persisted in certain places including the areas surrounding Lunawa Lake. Thus, adequate flood control and improved drainage system in these areas remained an urgent priority.

The Lunawa Environmental Improvement & Community Development Project was requested by the Government of Sri Lanka to the Government of Japan, and the Loan Agreement to implement this project was signed in December 2001. The objective of the project is to mitigate the flood damage by improving urban drainage and canal systems and to contribute to the improvement of living conditions of the people in the Lunawa Lake catchment area. Under the project, the drainage system has been improved through construction of new storm water drainage systems and rehabilitation of existing canals and streams. The living conditions of the area have been improved through upgrading housing, amenities and solid waste management creating a hygienic and pleasant environment.

In order to achieve the project objective while meeting the livelihood needs of the local residents, the project focused on the community mobilisation. Community Development Committees consisting of the representatives of the affected communities have been formed, and closely involved in the project from the planning process. In order to facilitate such an initiative, United Nations Human Settlements Programme (UN-HABITAT) has participated in the implementation of the project by providing consultancy services for the community development component. NGOs and Japan Overseas Cooperation

Volunteers have also worked under the project to empower the affected communities. Thus, the project has been implemented under the close coordination among the various partners, which added value especially to the improvement of the living conditions of affected communities.

The Lunawa Environmental Improvement & Community Development Project is now approaching completion of its project period, and there has been remarkable achievement particularly in the process of resettlement under the project. The contribution of UN-HABITAT, who has demonstrated superior knowledge and vast experience in supporting involuntary resettlement and community upgrading, is significant for achieving objectives of the project.

I would like to take this opportunity to convey my sincere gratitude to the Government of Sri Lanka, UN-HABITAT, and all the partners under the project, for striving to successfully implement the project. I hope that the achievements and lessons learnt from the resettlement process of the project, which are compiled in this publication by UN-HABITAT, will be widely utilised for future planning of development projects in Sri Lanka and other countries.

Akira Shimura,
Chief Representative of JICA Sri Lanka Office

A MESSAGE FROM THE MINISTRY OF URBAN DEVELOPMENT AND SACRED AREA DEVELOPMENT, SRI LANKA

The Lunawa Environmental Improvement & Community Development Project, funded by the Japan Bank for International Cooperation, was launched in 2002 with an objective to improve the environment and quality of life of people in the Lunawa Lake catchment area in the Colombo Metropolitan Region by alleviating flood, and creating a hygienic and safe environment through improvement of storm water drainage systems. Prior to the project, the catchment area was an environmentally degraded area due to a combination of human and natural factors developed over last few decades. The people living in the Lunawa Lake catchment area had faced continuous suffering from habitual flooding, at a frequency of four to six times per year. The Lunawa Lake, which had significantly supported the fisheries industry and played a key role as the base for a life supporting system in early days, had become devoid of aquatic life and converted into a biologically dead lake contaminated with toxic waste.

The Project consists of two main components: (i) Technical, and (ii) Human Settlements and Community Development. The second component is implemented with the technical assistance of UN-HABITAT. The Government of Sri Lanka has adopted the National Involuntary Resettlement Policy in 2001, after the design phase of the Project, and the scope of the project was revised incorporating the Policy principles with the assistance of UN-HABITAT technical inputs. The Government has provided counterpart funding of Sri Lankan Rupees 600 million (USD 6.0 million) towards meeting the additional cost to provide 'resettlement assistance' as per the National Involuntary Resettlement Policy to those potentially displaced. The Project has undertaken several additional tasks and developed a Project Affected Persons based, pro-poor, Involuntary Resettlement Process with the active participation of all stakeholders, with an objective of making all affected people voluntary partners and beneficiaries of the Project.

The innovative involuntary resettlement approach of the project has drastically changed the original resettlement component with a new look, creating a 'State of the Art' pro-poor development programme.

It translates, for the first time, the National Involuntary Resettlement Policy into practice in a complex high-density urban context with an objective of making Project Affected Persons real beneficiaries and active partners of the entire development process. The participatory approach of involuntary resettlement has ensured the tenure rights of the poor living in slum and shanty settlements with a focus of eliminating poverty.

The project has adopted a flexible implementation strategy, with the technical assistance from UN-HABITAT by creating a learning culture within the project and by making adjustments to project procedures as lessons emerged. The Ministry is deeply grateful to UN-HABITAT for taking this initiative to document the lessons learnt by the Project. This attempt delineates how the innovative approach for involuntary resettlement has been adopted in the project and the results already accomplished by the project. It is hoped that the lessons and insights from this unique experience will prove useful to us in Sri Lanka as well as to other countries and will contribute to the global learning agenda on what works and what does not work in the field of involuntary resettlement.

On behalf of the Government of Sri Lanka, I would like to express my gratitude to the Japan Bank for International Cooperation (JBIC), now Japan International Cooperation Agency (JICA), for their effective partnership and collaboration by providing financial assistance for the implementation of this project and adopting a novel and innovative approach.

Dr. P Ramanujam
Secretary
Ministry of Urban Development & Sacred Area
Development

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ABBREVIATIONS

CBO	-	Community Based Organization
CDC	-	Community Development Committee
JBIC	-	Japan Bank for International Cooperation
JICA	-	Japan International Cooperation Agency
KAP	-	Knowledge, Attitude & Practice
LKR	-	Sri Lankan Rupees (USD 1 = LKR 115 as of June 2009)
Lunawa Project	-	Lunawa Environmental Improvement & Community Development Project
MOU	-	Memorandum of Understanding
NGO	-	Non Government Organization
UN-HABITAT	-	United Nations Human Settlements Programme

PROJECT AREA MAP



Source: Survey Department of Sri Lanka

EXECUTIVE SUMMARY

In Sri Lanka today, as in many other developing countries, there is a growing urgency to come up with creative and sustainable solutions to tackle the twin pressures of infrastructure needs and the interests of communities who are affected by such projects, often losing their homes, land and livelihood in the process.

Rapid industrialization has catapulted Colombo, Sri Lanka's commercial capital, into an economic hub. However, this has also severely damaged the environment, especially the city's peripheral areas abounding in factories. One of the worst victims of industrial wastewater pollution is the Lunawa Lake, south of Colombo. The lake straddles two adjoining Municipal Councils: Dehiwala-Mt. Lavinia and Moratuwa. Barely a decade ago, it was surrounded by a thriving fisheries industry. Continued discharge of waste water into its waters over the years wreaked havoc, killing most of the fish. Moreover, the catchment area suffers from frequent flooding, due to an inadequate drainage system.

SALIENT FEATURES

Today, the Lunawa Lake catchment area is the site of an innovative initiative called the Lunawa Environmental Improvement and Community Development Project that could be a model for infrastructure projects in the developing world. It is especially relevant for densely populated urban areas where significant relocation of population is likely. The project, getting off the ground in 2001, is the first project that translated Sri Lanka's National Involuntary Resettlement Policy into practice. This landmark policy, adopted in 2001, paved the way for the Lunawa model which validates strategies used to combine the twin objectives of environmental improvement and community revitalization.

The project team has proved that the community development component--- uplifting the living conditions of the people living in the Lunawa Lake catchment area through participatory resettlement and upgrading of underserved sites -- is as much of a priority as improving the storm water drainage of the area and Lunawa Lake's eco system. The two-

pronged approach has fostered a win-win situation, benefiting the project affected persons as well as local governments and the project authorities, as beneficiaries with a stake in the project, protest less and are willing to take ownership of the canals and other structures after the construction work is over.

The project has broken new ground in many significant ways. The fundamental difference between the Lunawa Environmental Improvement and Community Development Project and other infrastructure projects lies in its treatment of project affected persons as key stakeholders who participate in the decision-making process. Such an approach involved challenging development orthodoxies and prevailing mindsets among communities living on the margins. Many among those living on the edge said they were used to unfulfilled promises. But with growing trust and goodwill towards the project team, the barriers were overturned, at times to the seeming surprise of the beneficiaries. Indeed, if protests against the project have been mild and few, as compared to many other projects, it is because the project anticipated to some extent the time investment that would be necessary to implement such a participatory approach. In hind sight, it was prudent to have spent considerable time during the preparatory phase, building goodwill and trust among the impacted populace, before any construction work started.

The project's success owes a great deal to strategic partnership. It brought together, for the first time, three key institutions – the Government of Sri Lanka, the Japan Bank for International Cooperation (JBIC)¹ and UN-HABITAT² with the common aim of treating the involuntary resettlement as a development opportunity. For this purpose, the project was pioneering the use of an NGO to socially market a package of interventions to communities who were going to be affected in order to break down the distrust they harboured towards Government agencies. The specific approach that was adopted by the NGO

¹ JBIC has been integrated with Japan International Cooperation Agency (JICA) in October 2008, and now it is called as JICA.

² UN-HABITAT has taken the responsibility of assisting the Project Management Unit (Community Development Component) in project implementation through provision of consultancy and advisory services.

partner involved multiple home visits followed by interactions to boost their confidence and goodwill towards the project.

ACHIEVEMENTS AND PROCESS

Communities which struggled every year with the ravages of flooding and damaged property in many underserved areas now feel more secure. The threat of inundation has receded and with security of tenure, they are busy making long-term plans. Families who lived in shanties previously and who had to move to make way for the project now own their own homes in the resettlement sites; those who were not even part of the formal economy now have bank accounts which they acquired when the entitlement amount was deposited; women in the resettlement sites feel more empowered as joint owners of property to which they now have a legal claim. The project has also led to the creation of many community based organisations (CBOs) and strengthened existing CBOs who received ‘community contracts’ to build drains, service roads, community centres etc within the resettlement sites and other parts of the project area. Apart from providing a sense of ‘ownership’ to the communities, these activities have contributed significantly towards livelihood restoration among the project-affected people. In many cases, individuals and families have been able to improve upon their previous situation tapping into these opportunities.

A diverse array of tools was deployed to achieve these outcomes. Among the most significant are the participation of each project-affected household in working out its entitlement package, and the establishment of a layered grievance redress mechanism which each project affected person could tap. This has contributed to the transparency of the implementation process and kept the number of objectors to the minimum. The participatory nature of the project was enhanced by the creation of a Community Information Centre in the project office which continues to serve as a one-stop shop for enquiries and complaints by the project-affected people. By bringing under one roof, representatives of the government agencies, NGOs, municipalities and technical staff

working in the engineering side of the project, it helped reduce the time an affected family would spend in case it had a problem.

A novel dimension to community consultation was the creation of neighbourhood development forums. The primary objective of these forums is to intensify, broaden and maintain communication links between the re-settlers, residents of the host community in the neighbourhoods and concerned stakeholder agencies.

LESSONS LEARNT AND REPLICATIONS

The successes on the ground have led to other institutions and projects tapping the Lunawa toolkit of good practices, and adapting specific ones, for their own benefit. The most important lesson from this path-breaking project is that investing time and resources in the preparatory phase pays, and it is helpful to have NGO partners who can act as strong links between the urban poor and the project team as well as with local authorities, and help build a cordial working relationship. This can be leveraged later for other development objectives.



Raja Mawatha - N1



Canal bank before and after the resettlement.

Photo © UN-HABITAT/ Lunawa Project

1

THE CONTEXT: MANAGING DEVELOPMENT & DISPLACEMENT

This chapter describes the policy changes in managing infrastructure development and displacement globally and in Sri Lanka.

1.1. THE GLOBAL SCENARIO

CHANGE IN INVOLUNTARY RESETTLEMENT POLICIES

How should adverse consequences of development interventions be addressed? During the 1970s and most of the '80s, little attention was paid to involuntary resettlement. The dominant view in policy circles across the world rested on the belief that the positive aspects of development-induced displacement far outweighed its negative side, and that sacrifice of some people was necessary for the good of the wider public. Typically, resettlement programmes were limited to statutory monetary compensation for land acquired for the project. Occasionally, development of the resettlement site was also considered.

The situation started changing from the 1990s. The debate, initially confined to academia, was strengthened by the wider discussion among public interest groups and NGO activists and the international media. Gradually, the national and international debates melded with the growing political resistance and active opposition in several countries by the most important actors – the populations being forced to move.

Policy makers, planners, and development practitioners were compelled to recognize that inadequate attention

to resettlement does not pay in the long run; and that the long-term cost of forcing people to resettle somewhere without them being participants in the process, and without being sufficiently equipped to integrate into mainstream society far exceeds the cost of planned resettlement. It began to be acknowledged that despite one's best efforts, there can be occasions where an infrastructure project is necessary in the national and community interest, though, potentially, such an intervention could adversely impact some sections of the populace. In such cases, according to the emerging development model, 'Project Affected Persons' -- people who may be adversely affected by the development intervention -- had to be consulted at every stage. This meant fair compensation for their losses; assistance to rebuild their homes and communities, re-establish their enterprises, and develop their potentials as productive members of society at a level generally which is at least similar to what they had earlier.

REFLECTION ON POLICIES OF KEY DONOR AGENCIES

The shift in the policy discourse is reflected in the change in thinking of key donor agencies including the World Bank, the Asian Development Bank and the Japan Bank for International Cooperation (JBIC),

Box1.1: Key concepts of involuntary resettlement policy

- Avoidance of involuntary resettlement wherever feasible, and minimizing of resettlement where population displacement is unavoidable by exploring all viable project options
- Compensation at replacement cost (Replacement cost of an affected asset is equivalent to the amount required to replace the asset in its existing condition)
- Assistance to the affected people for relocation
- Assistance to the affected people to improve their living standards, capacity for income generation, and production levels, or at least to restore to their former levels
- Participation of all stakeholders
- Consultations with project affected persons at every stage
- Grievance redress mechanisms for project affected persons

(Source) Involuntary resettlement policies/ guidelines of the World Bank, the Asian Development Bank and JBIC

which is now known as JICA (Japan International Cooperation Agency). Certain key concepts are common to the involuntary resettlement policy of leading donor agencies today (Box 1.1).

Though there is a growing consensus about the need to consult project affected persons while planning and implementing an infrastructure project which leads to involuntary displacement, much remains to be done on the ground. The legal frameworks of many countries still do not provide compensation at 'replacement cost' including loss of income, and community consultation mechanisms are often not fully operational.

1.2. THE SITUATION IN SRI LANKA

EXISTING LEGAL FRAMEWORK AND TRADITIONAL APPROACH

Traditionally, resettlement of people in infrastructure development projects has been a sensitive issue in Sri Lanka, as in many developing countries in Asia, due to multiple reasons. In Sri Lanka, resettlement programmes in infrastructure development projects are implemented under the existing legal framework of the country namely, the Constitution of Sri Lanka, Land Acquisition Act, National Environmental Act, National Housing Development Authority Act and Urban Development Authority Act. The land acquisition procedure is time consuming and cumbersome within the existing legal framework. This lengthy and complex procedure leads to long delays in paying compensation to affected people, and generates frustration in resettlement activities.

The problems on the ground are compounded by insufficient consultation with the communities that are likely to be affected by the intervention. This breeds distrust and ultimately impacts the project adversely. "Strong resistance from people to move away from their original residences led to long delays in implementing nationally important infrastructure development projects such as construction of highways, power plants, canal development etc," noted Laxman Perera, Additional Secretary in the Ministry of Urban Development & Sacred Area Development .

Until recently, project-affected people received the statutory monetary compensation if they could prove legal ownership of the land or structure that had been acquired by the project. The law was silent on the entitlements of those who did not have legal titles to the land/structures they occupied and which had to be acquired. During the 1970s and 80s, however, humanitarian considerations prevailed and even those without legal rights and squatters who were displaced were given a site or a plot of land with bare minimum facilities.

LESSONS FROM A PREVIOUS FLOOD CONTROL PROJECT

The Greater Colombo Flood Control and Environment Improvement Project implemented from 1991 to 1999 was a milestone. It involved the first large-scale relocation ever experienced in Colombo. There were very few cases of forcible relocation, which was a notable achievement. However, the project had its drawbacks. Residents did not move spontaneously. They moved when they saw no alternatives. International human rights law requires a guarantee that any kind of forced removal will be preceded by negotiations with those to be relocated, in which all possible alternatives will be examined, but it has been seldom practiced in reality. The relocation process within this particular project did not include that kind of participatory discussion, except in areas where National Housing Development Authority had been working for a long time. The relocation of the residents was in line with the technical schedule of the river improvement works. As a result, the living environment for the relocated residents improved, flood damage was reduced, the communities shed the stigma of poor people living illegally by the canal and acquired social recognition. In some instances, there was also a positive impact on earnings. However, the project's key drawback was that it was conceived primarily as an engineering solution to a specific project and relocation support measures came about more because of the flexibility of planning system in Sri Lanka (Hosaka *et al.* 2001).

A classic example is Badowita, a low income settlement that came into existence in the relocation site during

the project. The Badowita settlement consists of squatters who lived along canals of Colombo. 1,141 households were resettled in Badowita in five stages. In the early days, the Badowita community was not provided basic amenities. Each household was only given a 50 sq.m. land lot (on a temporary permit) and a housing loan from the National Housing Development Authority to build their houses. They shared common toilets and taps. It was only around 1996-97, when the project implementing agencies began withdrawing from the site, residents of Badowita turned to the municipality for assistance. The situation subsequently improved in Badowita due to the Urban Settlements Improvement Project of the Ministry of Housing & Urban Development and local NGO called SEVANATHA.

SETTING THE STAGE FOR NEW POLICY (NATIONAL INVOLUNTARY RESETTLEMENT POLICY)

Between late 2000 and mid 2001, Sri Lanka took a lead in the developing world with the formulation of

a National Involuntary Resettlement Policy with the assistance of the Asian Development Bank. The policy, adopted in 2001, aims to avoid, minimize and mitigate the negative impacts of involuntary resettlement (Box 1.2 and ANNEX I)

The most visible illustration of this dynamic policy is the Lunawa Environmental Improvement and Community Development Project. It got off the ground in 2001, when the Sri Lankan Government signed a loan agreement with the Japanese aid agency, JBIC (now JICA), for the implementation of the project. This was, in fact, is the first instance to translate National Involuntary Resettlement Policy into practice. The project is the culmination of many years of sustained struggle and advocacy by many individuals and groups and has drawn substantively from the experiences of the the Greater Colombo Flood Control and Environment Improvement Project.

Box 1.2: Key principles of the Sri Lanka National Involuntary Resettlement Policy

According to the National Involuntary Resettlement Policy, people adversely affected by development projects should be (a) fully and promptly compensated, (b) successfully resettled, and, (c) provided assistance to:

- (i) re-establish their livelihoods,
- (ii) deal with the psychological, cultural, social and other stresses caused by compulsory land acquisition,
- (iii) make them aware of processes available for the redress of grievances that are easily accessible and immediately responsive, and,
- (iv) have in place a consultative, transparent and accountable involuntary resettlement process with a time frame agreed to by the project executing agency and the affected people.

The new policy is based on human and ethical considerations and requires the payment of resettlement value (replacement cost) for all the affected persons. Remarkably, even those without documented title to land should receive fair and just treatment.

(Source) Sri Lanka National Involuntary Resettlement Policy

2 LUNAWA ENVIRONMENTAL IMPROVEMENT & COMMUNITY DEVELOPMENT PROJECT: SALIENT FEATURES OF THE PROJECT

This chapter offers an outline of the Lunawa Environmental Improvement & Community Development Project and salient features of the resettlement process.

2.1. OUTLINE OF THE PROJECT

LUNAWA LAKE CATCHMENT AREA

Lunawa Lake catchment area in the outskirts of Colombo is the site of an innovative initiative that could be a model for involuntary resettlement of other infrastructure projects, especially in densely populated urban areas in the developing world.

Lunawa Lake catchment area is located within Moratuwa and Dehiwala-Mt. Lavinia Municipal Council areas, within the Colombo Metropolitan region in Sri Lanka. The catchment area extends over an area of 6.94 sq. km. The drainage system of the catchment area consists of the Lunawa Lake, the Lunawa sea outfall, three main drains and secondary drains discharging into the lake. A network of tertiary road drains is connected to the lake either through main or secondary drains. Many roads of the catchment area do not have drains at all so that storm

water is discharged into the lake gradually by the flow over the road network.

The population living in the catchment area is estimated at 85,000 covering about 18,000 households and consisting of low-income slum and shanty dwellers as well as lower and upper middle class households. Of particular relevance is the project's success in addressing the needs of this enormously diverse population. Out of the 18,000 families who are directly and indirectly affected by the project, 883 families are entitled for resettlement facilities as per the principles enshrined in the National Involuntary Resettlement Policy, a path-breaking initiative by the Government of Sri Lanka to provide a new, just deal to those affected by infrastructure projects.

GENESIS OF THE PROBLEM

The lake and the surrounding area have been environmentally degraded due to a combination of



Living with flood. Photo © UN-HABITAT/ Lunawa Project



Lake and river became easy place to dump garbage. Photo © UN-HABITAT/ Lunawa Project

human and natural factors over a long period. The catchment area suffers from frequent flooding – around four to six times per year. A large number of industries (reportedly 367 industries) and the commercial establishments located in the catchment area discharge a huge volume of untreated industrial effluents. Illegal encroachment along its banks turned the lake into a dumping ground for sewage, wastewater and garbage along with large quantities of industrial waste. The topography - low-lying land, barely 6 m above sea level - only added to the problem of the residents. Looking at the lake today, it is hard to believe that just a decade ago, it was surrounded by a thriving fisheries industry. Waste water has destroyed most of the fish.

HOW THE PROJECT CAME ABOUT: THE RIGHT TIME, THE RIGHT PEOPLE, THE RIGHT PLACE

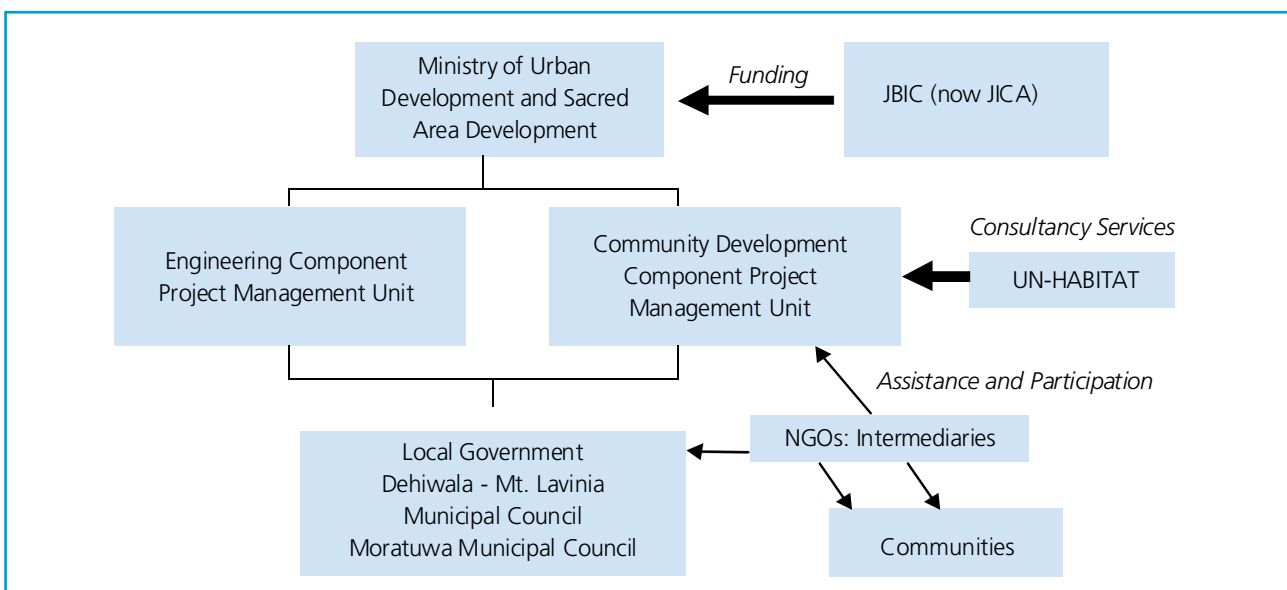
The main component (Engineering Component) of the project is ameliorating the environment in the Lunawa Lake catchment area by reducing floods, through improvement of storm water drainage system and rehabilitating existing canals and streams. The supplementary component (Community Development

Component) aims at uplifting the living conditions of the people living in the catchment area through: a) participatory resettlement, and b) upgrading of underserved sites.

Figure 2.1 shows the key stakeholders of the project. One of the salient features of the project is the strong ‘partnership’ among different stakeholders. The Lunawa Environmental Improvement & Community Development Project is implemented by two Project Management Units in close association with the Ministry as well as two Municipal Councils and the donor (JBIC). In addition, two NGOs assist the Project Management Unit (Community Development Component) and Municipal Councils through directly working with communities.

UN-HABITAT has taken the responsibility of assisting the Project Management Unit (Community Development Component) in project implementation through provision of consultancy and advisory services for community development, social safeguard management and sustainability. These consultancy services include assistance in preparation of resettlement policy framework, project affected

Figure 2.1: Key stakeholders of Lunawa Environmental Improvement & Community Development Project



persons entitlement packages, resettlement plans and implementation guidelines, participatory monitoring and training manuals for stakeholders. UN-HABITAT brought its wide global and local experiences of the agency in adopting innovative participatory approaches in the human settlement development sector. This was the first time for UN-HABITAT to work with JBIC under such an arrangement. Mr. Keiju Mitsuhashi, a Representative in the JBIC Colombo Office, noted “Incorporation of UN-HABITAT into the Lunawa Project added value to the project. UN-HABITAT’s expertise in human settlements and its credibility as a UN agency made things different.”

When the Lunawa Environmental Improvement & Community Development Project was being designed, the National Involuntary Resettlement Policy was not fully enforced. Subsequent to national consultations and meetings after the introduction of the policy, the design of the project was revised to incorporate the changes as stipulated in the National Involuntary Resettlement Policy. This was due to a fortuitous mix of factors - political will within Sri Lanka, the dynamic leadership in the Colombo Office of JBIC, and the wealth of international experience that an agency such as UN-HABITAT brought to the table. As a result, the project expanded its scope. All the key players recognized the momentous opportunity presented by the new policy. Subsequently in 2003, the Government of Sri Lanka and JBIC jointly agreed

to incorporate the National Involuntary Resettlement Policy Principles in the implementation of the project, and the Government of Sri Lanka offered to pitch in with an additional USD 6 million to adequately compensate those likely to be affected by the project. The most remarkable aspect of the compensation package was that it did not discriminate between those who had legal ownership of the land and house they were occupying and those who did not (squatters).

2.2. ACHIEVEMENT OF THE PARTICIPATORY RESETTLEMENT

QUANTITATIVE ACHIEVEMENT IN RESETTLEMENT

Box 2.1 shows the quantitative achievement in resettlement. As at March 2009, 883 households are entitled to resettlement facilities under the project, and almost all of them (880) have agreed with the entitlement package. Out of 883 households, 469 households were affected with house damage and had to be fully resettled or refurbished their houses. Out of these 469 households, 333 were without legal land ownership. There are three options of resettlement: 1) Resettlement in four resettlement sites prepared by the project, 2) Resettlement in the land purchased by project affected persons (self-relocation) and 3) Settled in the original site after regularizing the plots if possible (on-site resettlement).

Box 2.1: Quantitative achievement in resettlement (as at March 2009)

Achievement in resettlement of 883 households

Number of households already provided with resettlement assistance and settled down: 850

Number of households agreed and entitlements under processing: 30

Number of households objected as at present: 03

Resettlement options of 850 households settled down

- 1) Settled in 4 resettlement sites prepared by the project : 88 households
 - All basic infrastructures such as, access roads, water supply, electricity and sewerage facilities have been provided in resettlement sites.
- 2) Settled in lands purchased by project affected persons (self-relocation) : 196 households
- 3) Settled in the original site after regularizing the plots (on-site resettlement): 566 households
 - Out of 566 households, 185 were affected with their house damages, while the remaining affected by other structural damages than their houses.



Polluted lake with illegal encroachment.
Photo © UN-HABITAT/ Lunawa Project



Revitalizing the water bodies.
Photo © UN-HABITAT/ Lunawa Project

RESOLUTION OF COURT CASES

In Sri Lanka, lands required for development purposes in government projects have to be obtained through a procedure stipulated under the ‘Land Acquisition Act’. It is important to note that there is ‘no compulsory acquisition’ of lands for which there is ‘no payment compensation’, simply because it is acquired by the ‘state’ for the benefit of the public. If someone refuses to hand over the possession of lands to the state for any reasons, the project executing authority has to obtain permission from the Magistrate Courts to take over the land.

In the case of the Lunawa Project, only 29 out of 2,552 project affected persons³ refused to hand over the land. This is a miniscule number, only 1.13 % of the total project affected persons. Thus, the project made applications and obtained permission from the Magistrate Courts, and permission was granted to all applicants. However, 12 project affected persons among the above 29 in two occasions appealed the case to the Court of Appeal, which delayed the acquisition

³ 2,552 project affected persons include 1) 883 project affected persons who required partial or full resettlement /replacement assistance, 2) 1,027 project affected persons only whose land is acquired but no need to resettle and 3) 642 state related institutions for which compensation and replacement costs have to be paid by the Project Executing Authority.

of certain segments of canal stretches and consequently delayed the physical work. Year 2007 and 2008 marked a milestone in the resolution of the court cases. The Court of Appeal delivered the favourable judicial verdict after two and half years from application. The ‘Stay Orders’ were dismissed to 12 project affected persons. There are still 3 project affected persons objecting to hand over their lands, occupying only 96m of canal stretches out of 15,000 m. Negotiation process with those project affected persons is under way towards ending the long journey of dealing with objections.

RESETTLEMENT IMPACT ON PROJECT AFFECTED PERSONS

A visit of project affected persons in their new residence is revealing the impact of resettlement.

Mrs. Fernando resettled in Hike Terrace, one of the resettlement sites prepared by the project (Box 2.2). Embedded in their narratives of upward mobility is the story of the project – from the idea to the drawing board to the policy documents and on to the field. A telling symbol of the leap forward in Mrs. Fernando’s life is the change in the name of the site on which their new homes stand.

Box 2.2: From canal bank to Hike Terrace: One widow traces her journey



Jesmin Fernando, 65, is a 'Project Affected Person'. In everyday language, that means she was impacted by the construction activities under the Lunawa Environmental Improvement & Community Development Project. Fernando is a widow and moved from her original home along the canal bank to Hike Terrace, one of the four resettlement sites under the project. For the elderly widow, the move to a new home has been a giant step forward, though the actual distance is barely a kilometre.

For 28 years, Jesmin Fernando had lived with her husband and five children in a ramshackle structure made up of wooden planks and plastic sheets by the canal bank, sharing a toilet with three other families. She had legal ownership of the land on which the makeshift structure stood but it was not much of a life. Every year, when it rained heavily, there were floods in her neighbourhood. With stagnant pools of water and unhygienic surroundings, disease was inevitable. When she first learnt she had to move in order to make way for the work to be undertaken by the project, she was sceptical. Today, listening to Fernando track her journey from the canal bank to Hike Terrace, it is clear that her new home and new neighbourhood have opened up new possibilities.

"The first time the project team came to our area, we had a general discussion. But I had heard rumours. I was terrified that I would be forcibly removed from my home. We were used to politicians making promises which did not come true. But then, the project team came repeatedly to our homes, to our neighbourhood and spoke to us individually as well as in groups. I began to feel reassured. The frequency of visits instilled confidence in us and when I saw that construction had started in one resettlement site, I was convinced about the project's intentions. I was happy when I was told about my entitlement package; 50 sq metres of serviced land with water, electricity and sewerage connections, an approach road and LKR 424,000," Fernando recalls.

Today, Fernando lives in a two-roomed house with a kitchen and toilet. The floors are tiled, there is elegant wooden furniture and Fernando talks excitedly about her future plans. She lost her husband two years ago. Her children live separately with their respective families. But ensconced in her new home, the old woman is busy planning her life. She gets a pension as a widow of a government employee, but Fernando says she does not like to idle. She works part-time as a cleaning lady in a wedding hall. Three years ago, she also took a micro-loan from a local thrift society which has sprung up in Hike Terrace to start a small business in betel nuts. She has paid back the loan and the business is doing well. Fernando wants to diversify into the garments business and also build an upper storey in her new home which can be rented out in the future.

"I feel empowered. When my husband died I was afraid that I would become dependent on my children. Now I know I do not need anyone's support. In fact, I contribute towards my grand children's welfare. My long term plan is to live on the rent that I will get once I build the top storey," she says.

The land known as Higgahawatte was acquired and merged together to form Hike Terrace. In Sri Lanka, most people associate the term ‘watta’ with an unplanned settlement of low income families with limited infrastructure facilities and unhealthy living conditions. So when the Lunawa Project team selected Higgahawatte as a resettlement site, they decided to rename it as Hike Terrace, which had an upmarket ring. The name change has spelt a new identity and brought many benefits.

Another option of resettlement is to settle in lands purchased by project affected persons themselves, so-called self-relocation. Traditionally, government-backed initiatives offered project affected persons no or few options about where they resettled. The Lunawa Project took the initiative to implement a participatory approach, working with the project affected persons, and offering them choices in the sites they constructed their new homes and in the building technologies they used. The project affected persons were told that if they chose to resettle in one of the four official resettlement sites, which had all the facilities, they would be given 50 sq m of land. On the other hand, if



World Habitat Day ceremony in the project area.
Photo © UN-HABITAT/ Lunawa Project

Box 2.3: From tiny hut along the railways to a house in the suburbs



A case in point is Mrs Geethani Peiris, a mother of three school going children. Earlier, Geethani lived with her husband, an auto rickshaw driver, and her children in a tiny hut (15 sq m) cobbled together with metal sheets and planks. Her house had just one room and a kitchen. It was an unauthorized construction, built on land belonging to the Railways in the Ratmalana area. They identified a plot of land in Wijehena Watta. The Lunawa Environmental Improvement & Community Development Project staff checked up on the legality of ownership and suitability for occupation.

The new house is a 80 sq m permanent structure constructed under the supervision of the Lunawa Project technical staff and is conveniently located close to the Southern Expressway. The Peiris family now have a drawing room, a dining room, two bedrooms, a kitchen and a toilet. Geethani and her husband have both found work close to their new home. The surroundings are cleaner and more secure. The fear of floods has evaporated and the children live and study in a clean environment.



Backyard polluted canal. Photo © UN-HABITAT/ Lunawa Project



Transforming backyards to frontyards.
Photo © UN-HABITAT/ Lunawa Project

they opted to go outside, they could have much larger size of land (as land value was higher within the city where the resettlement sites were located). Many (196 project affected persons) took up the option because they wanted a more spacious house and a cleaner, less congested environment. Box 2.3 shows a case story of a project affected person in this category.

As exemplified in the above case stories, families who lived in shanties previously and who had to move to make way for the project now own their own homes in the resettlement sites; those who were not even part of the formal economy now have bank accounts which they acquired when the compensation amounts had to be deposited; women in the resettlement sites feel more empowered as joint owners of property to which they now have a legal claim.

Another critical dimension is the socio-cultural changes in the area, ushered through the social safeguards built-in to the project. The bank accounts for each project affected household are in the name of the husband and wife and neither one can draw money without the consent of the other. The same applies to the ownership title of the new house in the resettlement site. This mechanism was incorporated especially to protect women who otherwise could have

been without their rightful share in the absence of such safeguards.

YEAR 2008: A MILESTONE IN THE HISTORY OF THE LUNAWA PROJECT

The project gained greater political and public recognition in 2008. The Sri Lankan Government programme for the World Habitat Day in 2008 (6th October) was ceremonially held in the Lunawa Lake catchment area by the relevant Ministries, Municipal Councils with support from the project. The celebrations drew widespread attention from the national media. Several press conferences and field visits were organized by the project for journalists and distinguished visitors.

2.3. WHAT SETS THE PROJECT APART?

What sets the project apart is that the Lunawa Environmental Improvement & Community Development Project is the first case of 'translating principles of the National Involuntary Resettlement Policies into practical action'.

Box 2.4 shows the salient features of the Lunawa Project Resettlement Strategy.

Box 2.4: Salient features of the Lunawa Environmental Improvement & Community Development Project Resettlement Strategy

- Redefining of project affected persons according to the National Involuntary Resettlement Policy
- Active participation of project affected persons
- Strong ‘partnership’ among stakeholders
- Effective communication linkages between project affected persons and the project through the Community Information Centre
- NGOs to act as intermediaries
- Determining entitlement with project affected persons through consultation
- Linking up with banks for paying entitlements
- Preparing resettlement sites through community contracts
- Ensuring security of tenure
- Inclusions of host communities in the project



Driving actions for their own future.
Photo © UN-HABITAT/ Lunawa Project

Some of the above features are explained below.

REDEFINING OF PROJECT AFFECTED PERSONS ACCORDING TO THE NATIONAL INVOLUNTARY RESETTLEMENT POLICY

Innovation began with the very criteria used to define project affected persons (Box 2.5).

This inclusive categorization of project affected persons marked a sharp departure from previous practice.

Box 2.5: Who qualifies as a project affected person under the Lunawa Environmental Improvement & Community Development Project?

- Those who have formal legal rights to land/house/assets/business/crop/industry
- Those who do not have formal legal rights to land/house/assets/business/crop/industry, but have a claim to such land/house or assets provided that such claims are recognized under the laws of the country
- Those who have no recognizable legal right or claim to the land/house/assets they had been occupying at the time of the socio-economic survey carried out by the Lunawa Project.

As Thilak Hewawasam, UN-HABITAT Consultant (Social Development Specialist), observes “Before the National Involuntary Resettlement Policy came into existence, only those falling under the first category of people, those with formal legal rights to the land/house/business/assets, got full compensation. Others - people who fell under the second or third category, and who did not have formal legal rights to land/house etc they occupied were given a flat amount. This was 'varied' form project to project and time to time. There was no uniform policy and system in paying compensation to project affected persons.

ACTIVE PARTICIPATION OF PROJECT AFFECTED PERSONS

Another fundamental difference between the Lunawa Environmental Improvement & Community Development Project and other infrastructure projects lies in its treatment of project affected persons as key stakeholders, entitled to full involvement in the decision-making process. Challenging the psychological barriers that divided communities living on the margins and the institutions whose policies affected them has not been easy. In the early days,

many among those living on the edge were sceptical and said they were used to unfulfilled promises. But with growing trust and goodwill towards the project team, the barriers toppled, at times to the seeming surprise of the beneficiaries.

**Box 2.6: Looking at Project Affected Persons differently:
The Lunawa Environmental Improvement & Community Development Project's most striking feature**

"The Lunawa Environmental Improvement and Community Development Project is a flagship project. It is being implemented in a densely populated urban area. The project's goal is not just to build infrastructure but also to involve the community in its maintenance. Earlier projects in canal development, flood control and storm water drainage projects were without the community development component. Consequently, we found that the maintenance of the canals that had been constructed were a problem because of the lack of a sense of 'ownership' of the communities living around them. There were other issues. For example, in a highway project, also funded by JBIC, there were long delays because of protests and protracted court cases. We learnt lessons from these experiences. That is why the Lunawa Environmental Improvement & Community Development Project looked at project affected persons differently. During every infrastructure development project, people who are likely to be affected are worried about getting fair compensation, about being displaced and about the project's impact on their livelihood. In the case of the project, we addressed all these concerns by letting the communities themselves have a say in the decisions that impacted their lives through the community development component.

Laxman Perera, Additional Secretary, Development and Project Coordinator, Lunawa Environmental Improvement & Community Development Project -, Ministry of Urban Development & Sacred Area Development

INCLUSION OF HOST COMMUNITIES IN THE PROJECT

Other critical innovations included extending the ambit of the community development sub-component of the project not just to those who were directly affected by the project's construction

activities but also to others such as host communities living in the Lunawa Lake catchment area with the strategic objective of long-term sustainability. The project has carried out a specific host community impact assessment and introduced additional set of activities to address these impacts and to enhance the quality of life of the host communities to match the new standards of the re-settlers moved in to newly developed resettlement sites. It also worked towards strengthening linkages between the CBOs in the resettlement sites and upgraded settlements and municipal authorities and other institutions.

In addition to the above, a diverse array of approaches and tools were developed and used in the resettlement process of the project, which will be explained step by step in Chapter 3, followed by Chapter 4 which describes the initiatives taken by the project other than 'resettlement'.



Lantern Festival - religious harmony with host communities.
Photo © UN-HABITAT/ Lunawa Project

3

THE PROCESS: TOOLS USED IN THE RESETTLEMENT

This chapter describes the resettlement process followed by the project, listing the tools that came in handy.

The Lunawa Environmental Improvement & Community Development Project has learnt from the past, tapped into national and international expertise from a vast and varied sphere, and created a model that is new, innovative and relevant in the contemporary setting in which infrastructure projects are executed. Its package of good practices offers a tool kit which can be adapted across the developing world. Elements of this tool kit can also be deployed individually to deal with development-induced displacement.

Box 3.1: Steps and tools in resettlement process of the Lunawa Environmental Improvement & Community Development Project

1. Developing the policy framework
2. Dialogue with communities through an NGO as an intermediary
3. Establishing community organizations
4. Setting up the Community Information Centre - the One-Stop Shop for project affected persons
5. Determining entitlement through consultation with project affected persons
6. Customising grievance redress mechanism
7. Linking up with banks for paying entitlements
8. Providing advisory service on housing and legal procedure
9. Ensuring security of tenure: A project affected person's greatest gain
10. Preparing resettlement sites through 'Community Contracts'
11. Restoring livelihood

Note: The above steps are not necessarily in the shown sequence.

The time frame for the above steps and the inputs (human resources and costs) for the resettlement programme are shown in ANNEX II.

STEP 1: DEVELOPING THE POLICY FRAMEWORK

FORMULATING THE POLICY AND GUIDELINES

The project team of the Lunawa Project, with technical assistance from UN-HABITAT, developed three key documents:

- Resettlement Policy Framework,
- Project Affected Persons Entitlement Package, and
- Project Implementation Guidelines.

The purpose of the policy framework was to come up with a clear set of guidelines to all project stakeholders on how the Lunawa Project was adopting the principles of the National Involuntary Resettlement Policies and incorporating lessons from resettlement experiences of the past. The guidelines would ensure that all project affected persons were duly compensated for their losses, at a replacement cost that was in keeping with current market rates and provided with rehabilitation measures to assist them to improve, or at least maintain their pre-project living standards and income earning capacity.

Based on the policy framework, an entitlement package by categories of project affected persons was developed through consultation with stakeholders, and approved by the cabinet. This was the first time to develop an entitlement package according to the National Involuntary Resettlement Policies, through which the policy was translated into practice.

CONDUCTING A KAP SURVEY

Although a socio-economic survey had been conducted in January 2003 to identify 'would be project affected persons,' it was necessary to collect further additional baseline data for a comprehensive community development programme. The assessment of knowledge, attitudes and practices (KAP) of 'would be project affected persons and other stakeholders became

crucial to the realization of complexities of project implementation. The KAP survey undertaken from the late 2003 to the beginning of 2004 undertaken by UN-HABITAT yielded valuable information for policy formulation and on how to put the designed policy into practice, which has been included in the steps listed below.

STEP 2: DIALOGUE WITH COMMUNITIES THROUGH AN NGO AS AN INTERMEDIARY

In recent years in Sri Lanka, as elsewhere, there has been growing awareness about people's economic, social and cultural rights, spurred partly by NGO campaigns. The use of NGOs as intermediaries to interface with communities affected by the project was a strategic component of the Lunawa Project

Resettlement Policy. NGOs experienced in community mobilization were perceived to be more likely to be effective than government agencies in interfacing with project affected persons and minimize conflicts. This device also helped to take on board popular concern during the project implementation and was an integral part of the grievance redress mechanism built into the project design.

The one NGO which served as conduit to the communities was the National Forum of People's Organization with grassroots experience in community mobilization. The National Forum of People's Organization was primarily responsible for social preparation, mobilization/motivation and institutional building among the target communities to ensure their fullest participation in the planning, implementation, operation and management activities of the resettlement component of the project.



Dialogue with people through NGO staff. Photo © UN-HABITAT/ Lunawa Project



Japanese volunteer's involvement in social development. Photo © UN-HABITAT/ Lunawa Project

Box 3.2: Community mobilization through an NGO already known to people

"The Lunawa Environmental Improvement & Community Development Project identified us as capable of community mobilization in the catchment area. We had experience of the terrain, having worked in the Lunawa Lake catchment area earlier promoting health, sanitation and so on and promoting micro-credit among disadvantaged communities. We were aware of the demographic profile of this area -- many families had little formal education, no access to financial institutions, no permanent address nor a permanent income. They worked as labourers, scavengers, construction workers, and carpenters. But not all were from marginalized groups. It was a diverse community. But this was first time our organization worked with project affected people in the start-up, resettlement and rehabilitation phase."

Mr. Dhananjaya Tilakaratne, Executive Director, National Forum of People's Organization

The participatory process adopted in the project to market the 'Entitlement Package' was facilitated by the National Forum of People's Organization in the following sequence (Table 3.1). A remarkable aspect is that the project aimed to develop the understanding of the project among project affected persons at first, and to discuss resettlement issues with project affected persons at a later stage. This process, which was undoubtedly time-intensive, paid rich dividends in terms of minimizing protests and political intervention. The project is now in its 7th year and the National Forum of People's Organization's innovative approach towards resettlement of people who are displaced due to development activities has generated general acceptance and enthusiasm among project affected persons.

The Japan Overseas Cooperation Volunteers also played an important role as a mediator between the project and communities. As two (2) were closely working with people, they were able to facilitate the community mobilization and development activities in the participatory resettlement programme of the project.

Table 3.1: Dialogue with communities through the National Forum of People's Organization

Sequence of Actions	How was it done?
Socio-economic survey	The Lunawa Environmental Improvement & Community Development Project field team led by the National Forum of People's Organization conducted initial field surveys to identify and gather information of households, commercial units and public property that were likely to get affected by the implementation of the project. Apart from details such as number of occupants and extent of land being acquired, socio-economic information was also gathered.
Identifying concerns of 'would be project affected persons	The first conversations between the National Forum of People's Organization field workers and those who would eventually be resettled were aimed at identifying the key concerns of the latter. As the field operatives went from house to house with their survey questionnaires, they asked "What are your problems?" The families were not used to such personalized attention and were keen to share their thoughts. The conversations revealed that some houses had no electricity, some lacked access to regular water supply, many were squatters and could not access credit and most people complained about recurring floods, a particular problem in the underserved settlements. The top three concerns were "lack of security of tenure", "floods", and "garbage".
Community meetings	Community meetings were held to educate people about how they could improve their living conditions, starting with small steps at the family-level. Once the National Forum of People's Organization field workers had established a certain comfort level with the communities, the conversation turned to a broad discussion about the Lunawa Project and how it could help improve their lives. The canals became the common reference point of the dialogue as both the project team and the would-be project affected persons agreed that the canal was too narrow and polluted and something needed to be done. The issue of possible displacement and resettlement elsewhere was not discussed at this stage.
Conducting community-based programmes	The next step involved devising programmes which would invite people's participation in specific community projects. For example, health clinics were conducted with the help of government doctors and medical check-ups took place. There were also special programmes for children on the occasion of national and religious festivals, and informal discussion with the community on how to keep the canal clean. All these steps contributed towards building confidence in the project and partnership with the local authorities gave a further boost to the growing goodwill towards the project.
Explaining the necessity of resettlement	The National Forum of People's Organization field workers stressed the importance of constructing a service road along the canal so that pipelines for improved water supply could be laid and future maintenance work would be facilitated. Then, they explained that in order to make this happen, some families living along the canal bank had to move. This meant that some people would have to move out to another place and some people would have to give up a part of their land.
Explaining the entitlement package	The conversations shifted to actual resettlement and the first to be targeted were those who had to move out completely. The National Forum of People's Organization presented the entitlement package to them and explained the rationale. Some people reacted angrily at the beginning, but the project expected such reactions. The project sent trained social mobilisers to sell the concept of resettlement, which sometimes necessitated 10 to 12 interactions. Then the field workers separately targeted the 'sceptics' – those who appeared to be most resistant to the idea of relocation in small groups. On the issue of entitlement, intensive discussions were held repeatedly to allay doubts and fears. Thus continuous discussions began to bear fruit.

STEP 3: ESTABLISHING COMMUNITY ORGANIZATIONS

Community Development Committees (CDCs) were first formulated representing the affected communities of a particular resettlement site. The formulation



A leading role for women in communities.

Photo © UN-HABITAT/ Lunawa Project

of a CDC started with the formation of ‘a small households cluster group’, and each group elects a member to represent it at the CDC. The CDCs were then formed focusing on a specific community based on the development activities of the project, such as for selected upgrading community, host community, solid waste management etc. CDC members received various capacity-building training to manage the specific activities of the committee and general office management.

Each CDC was registered with the respective municipal council, and it became a legal entity to decide and implement its own development activities. Once the formation of CDCs was completed, the project promoted and facilitated to form a federation of the CDCs for sharing of the experience of each and to increase the negotiation power of the communities. Communities’ influence on the project stakeholders are exemplified in Box 3.3.

Box 3.3: Community influence on government plans: Two examples

‘Community consultation’ is an often-used phrase in development circles. In the case of the Lunawa Environmental Improvement & Community Development Project, not only did community consultation take place at every stage, beginning from the preparatory phase, but there are at least two telling illustrations of the influence of the community on government plans.

Settling not in flats but in single houses

Lunawa Lake catchment area is a densely populated urban pocket and project planners deemed flats to be a logical choice. The National Housing Development Authority had already prepared blue prints for such flats keeping in mind the dense population of the area and the families to be resettled in the first such 52-unit block had also been identified. But as the dialogue with the communities gathered momentum and it became very obvious to the National Forum of People’s Organization field workers that the vast majority of those were opposed to the idea of living in flats, the community sentiments were conveyed to the Lunawa Project National Steering Committee. Despite the cost and inconvenience of having to shelve plans at the last minute, the committee decided to honour community wishes. As a result, it was decided to build single detached houses on a minimum 50 sq m block of land in selected resettlement sites. Subsequently four such sites were developed, and no flats were built.

Redesigning the canal roads to reduce demolition

The second instance involved plans to construct roads on either side of the canals. The roads were meant for multiple purposes --- to facilitate transport vehicles, provide room for operation and maintenance equipment during canal rehabilitation and to prevent encroachment on the canal banks. The communities objected to the idea of two parallel roads and argued that one would suffice for transportation. But since both were necessary to protect the canal bank, a compromise was reached through discussion. The dimensions of one of the roads was scaled down reducing demolition and resettlement costs which would have been incurred had the project followed the original plan.



Discussing the layout plan of a resettlement site.
Photo © UN-HABITAT/ Lunawa Project

Box 3.4: Community Information Centre linked project affected persons with all the stakeholders

A project affected person, Mrs. Jasmine Fernando, vividly remembers their first visit to the Community Information Centre that had been set up in the project office to assist the project affected persons. Gestures like a cup of tea, a welcoming smile, the chance to meet senior staff and the Project Director personally to clarify doubts may seem minor. But they helped buoy her confidence in the project’s intentions. What also impressed her was the fact that everyone she needed to meet was there under one roof, as part of a team. The incidents spun through the looms of memory are still fresh in her mind because the feel was so different from earlier occasions when she and her husband had visited offices and were treated shabbily because they were perceived to be from low-income neighbourhoods.

STEP 4: SETTING UP THE COMMUNITY INFORMATION CENTRE – THE ONE-STOP SHOP FOR PROJECT AFFECTED PERSONS

A key innovation of the project was setting up of the Community Information Centre, which served as a one-stop shop for project affected persons requiring information, and as a site for negotiations about the entitlement package. This generated mutual trust between project affected persons and staff of the Lunawa Project. Once these people were treated with respect and dignity they were willing to listen to and understand the benefits of the project.

The Community Information Centre provided information for people who were affected by the project directly as well as people who lived in the entire catchment area. The Community Information Centre housed the various units of the Luanwa Project under the same roof for the ease of project affected people. Land unit, Community Mobilization Unit of National Forum of People’s Organization, Solid Waste Management Unit, Finance Unit, Office of the Project Director and senior technical and community development officers etc were all housed under the



People at the Community Information Centre. Photo © UN-HABITAT/ Lunawa Project

same roof. Community consultations were held at the Community Information Centre, and it was an open area that welcomed the project affected persons and addressed their need.

The Community Information Centre disseminated information in an open manner. Large maps of the project area were displayed, which indicated the project affected area, the new lake and canal boundaries, the peripheral road. Other maps indicated the plot allocation of the resettlements sites, and yet more maps showed the various designs of houses

available for project affected person’s selection etc.

There was no set time upon which project affected persons were allowed to visit the Community Information Centre. It was considered to be their ‘space’ in the project office and they also had direct access to the senior managers of the Lunawa Project. This also demonstrated the ‘partnership’ element of the project in a successful manner. Table 3.2 shows why the Community Information Centre is innovative in comparison with conventional resettlement approaches.

Table 3.2: Why is the Community Information Centre innovative?

	Conventional Approach	Innovative Approach under the project
Communication with agencies	Project affected persons have to communicate with different stakeholders/ agencies by visiting their offices or waiting for their visits.	Project affected persons can get information and clarify their doubts at one place, saving them the trouble of running around to multiple agencies.
Time setting	Time is set for each project affected person to visit government agencies.	No set time upon which project affected persons are allowed to visit the Community Information Centre.
Attitudes towards project affected persons	Project affected persons often feel that they are not treated properly.	Project affected persons feel that they are welcomed at the Community Information Centre, and treated with dignity.

STEP 5: DETERMINING ENTITLEMENT THROUGH CONSULTATION WITH PROJECT AFFECTED PERSONS

ENTITLEMENT PACKAGE AND CONSULTATION PROCESS

The entitlement package of the project was prepared in close consultation and participation with the project affected persons covering all clusters of affected persons. The project had instituted the Damage Assessment Working Group which were tasked to assess structural damage based on the canal development plan, identify all segments of adverse impact, estimate the replacement cost, and assess livelihood disruption. Respective project affected persons also participated in this process as an ‘observer member’ of the Damage Assessment Working Group. The Damage Assessment Working Group proposed the

entitlement for each project affected persons based on the ‘Entitlement Package’. The proposed entitlement was formally negotiated with the respective project affected persons at the Entitlement Assessment Committee meetings⁴. At the Entitlement Assessment Committee meetings, project affected persons were individually briefed about the rationale used to formulate his/her entitlement package, and given the opportunity to seek clarifications, suggestions and even reject the proposed entitlement. The number

⁴ The Entitlement Assessment Committee is a sub-committee of national level officers, who hold the responsibility of carrying out the key tasks associated with finalizing the replacement costs of building structures and business loss for project affected persons. This committee consists of the following officers: Project Director Lunawa Environmental Improvement & Community Development Project, Deputy Chief Valuer, Deputy General Manager (legal) National Housing Development Authority, Superintendent Surveyor (Colombo), Divisional Secretaries of Ratmalana and Moratuwa, Municipal Commissioners of Moratuwa and Dehiwala-Mt. Lavinia and Lands Consultant of the project.

of Entitlement Assessment Committee meetings per project affected persons was usually limited to three. If both parties failed to agree, the appeal of the project affected persons was submitted to an appeals committee on the entitlement package.

The entitlement package of the Lunawa Project differs for physically displaced project affected persons with and without land ownership as shown in Table 3.3. However, both categories of project affected persons were given options for: 1) resettling in resettlement sites, and 2) self-relocation. Giving such options for each project affected persons regardless of land ownership was one of the innovations of the Lunawa Project.

BOTTOM LINE ENTITLEMENT FOR PROJECT AFFECTED PERSONS WITHOUT LAND OWNERSHIP

What was unique about the project was the concept of a ‘bottom line entitlement.’ This means that project affected persons without land ownership received a

minimum bottom line package, that is: 1) a 50 sq m parcel of serviced land in a resettlement site free of costs, and 2) the minimum amount of LKR 400,000 necessary to build a house with the size of 35 sq m. (If a full replacement cost of the house acquired is higher than LKR 400,000, that amount is paid.) If the family preferred, they could request for the value of 50 sq m serviced land and purchase a piece of land at a desired location.

MARKET-VALUE COMPENSATION FOR PROJECT AFFECTED PERSONS WITH LAND OWNERSHIP

On the other hand, the compensation procedure for project affected persons with land ownership was more complicated. As per the Land Acquisition Act, land is surveyed by the Department of Land and valued by the Department of Valuation. Land is valued at its market value, and then the valued cost is paid by the government. This is normally a very long procedure, taking as long as two to three years. Knowing this issue, the Lunawa Project got a special approval from

Table 3.3: Entitlement package for re-settlers in two categories

	Category A: Project affected persons with legal land ownership		Category B: Project affected persons without legal land ownership	
Resettlement options	Resettling in resettlement sites	Self-relocation	Resettling in resettlement sites	Self-relocation
Replacement land	A block of 50 sq m serviced-land (Note) on free basis (Additional 50 sq m land can be purchased.)	Value of 50 sq m serviced-land	A block of 50 sq m serviced-land on free basis	Value of 50 sq m serviced-land
Replacement cost of the house/ cost of basic house	A full replacement cost of the house acquired OR LKR 400,000 (minimum cost for the basic house), whichever is higher. Note: Other structures than houses are compensated by their replacement costs.			
Value of land	Market value of the land acquired		N.A.	
Resettlement allowance	LKR 15,000	LKR 25,000	LKR 15,000	LKR 25,000
Income restoration grant	LKR 9,000 at minimum			

(Note) ‘Serviced-land’ means land that has access to road ways, drainage, electricity, and water supply.

(Source) Lunawa Environmental Improvement & Community Development Project. 2003. “Resettlement Policy Framework, Project Affected Persons Entitlement Packages and Implementation Guidelines”

the Cabinet of Ministers to pay 75% of the estimated cost valued by the project as an advance payment. Nonetheless project affected persons had to wait for the determination of final land value for a long time, which accumulated frustration among them. In addition, some of them were not satisfied with the amount valued by the Department of Valuation, and brought a case to the court.

STEP 6: CUSTOMISING GRIEVANCE REDRESS MECHANISM

Complaints and grievances related to any aspect of the Resettlement Policy Framework, including acceptability of the entitlement package offered were addressed by a carefully crafted grievance redress mechanism. As a first step, affected or concerned persons were asked to present, verbally or in writing, their complaints to the project field workers at the

Box 3.5: Grievance Redress Mechanism customised to the needs of a project affected persons

In 2003, when the National Forum of People's Organization community facilitators first broached the possibility of her relocation to another place, Mrs. Nigamni Mendis Abaywardhana, 61, was terrified. She had been a squatter and feared losing the roof over her head. Spurred by her sustained objections, the National Forum of People's Organization field workers took her complaint to the project team. The project team stressed that she would get legal land title of her new home in the resettlement site and that the construction design could open up the possibility of building an upper storey in the future. This could be rented out for additional income.

However, she had another problem. Hers was a female headed household and there was no man who could help her supervise the labourers during construction of her new home. The National Forum of People's Organization field workers linked the elderly woman with a contractor who specialised in low-cost building methods. Once these issues had been resolved, she was amenable to resettlement. "Earlier, I had a bigger house but the surroundings were polluted. Here, at the Lakeview Garden, the environment is better. I have regular supply of water and electricity," she says.

Community Information Centre. The concerned person, after consulting the Co-Project Director, Advisors and senior staff of the project, provided a documented response to the claimants within 15 days. If the claimants were not satisfied with the decision, they could submit the case in writing to the National Project Director. Then, the Ministry of Urban Development and Sacred Area Development was expected to provide a documented response to the claimant within 15 days.

As exemplified in Box 3.5, each complaint was attempted to solve in a customised manner to meet the needs of individual project affected persons.

STEP 7: LINKING UP WITH BANKS FOR PAYING ENTITLEMENTS

In the conventional resettlement approaches, entitlement or compensation for each project affected person is often paid through a cheque at one time. Past experience of involuntary resettlement showed that once low income re-settlers received money, some misused it for other purposes and encroached in other lands. For avoiding such problems, a tripartite Memorandum of Understanding (MOU) was signed by each project affected person, the project and a bank selected by the project affected person. This arrangement was introduced only for the project affected persons receiving 'bottom line package', those without land ownership and/ or a proper house. So far, 333 out of 469 project affected persons affected with house damages and physically resettled have received their entitlements under the tripartite MOU.

PROCESS OF OPENING BANK ACCOUNTS FOR PROJECT AFFECTED PERSONS

Entitlements were deposited to the bank at one time, but funds were released to project affected persons based on the progress of the housing construction and this was jointly reviewed by both the project affected persons and the project staff. If a person purchased a land or a built house, the entitlement was released from the bank account at once after the project staff ensured the selected properties were appropriate. The MOUs



Linking affected urban poor with the formal banking sector. Photo © UN-HABITAT/ Lunawa Project

signed between project affected persons, banks and the project helped to ensure that the entitlement money was utilized in a methodical manner. Once the houses were built and the whole family resettled in, project affected persons were able to use the balance money in the bank, if available, for any activities including income generation. In addition, under the MOU, bank accounts were opened in the name of the husband and wife jointly as a social safeguard.

The project first had to ‘sell’ their vision to the banks. Five banks submitted expressions of interest to participate in a collaborative partnership programme with project affected persons for payment of entitlements relating to their resettlement and livelihood restoration. Each bank put up its own promotional campaign. On the basis of these, the project affected persons selected the bank they preferred. The Commercial Bank and the Peoples Bank

were the choice of the majority.

Mr. P. T. Pathiraja, Land and Resettlement Consultant of the project, explained the process. “We had to convene a meeting with bank managers to install confidence among the project affected persons about our commitment towards making arrangements with the banks to expedite disbursing their entitlements. In front of project affected persons we made agreements with bank officers indicating our commitment to deposit specified amounts of money in their accounts. Senior bank officers also addressed project affected persons at the Community Information Centre.”

Many of the project affected persons did not have a bank account earlier but after interacting with bank officials personally, they were reassured that the money – their entitlement – was safe and would be deposited in their accounts, as promised by the project.

BENEFITS OF OPENING BANK ACCOUNTS FOR PROJECT AFFECTED PERSONS

The following points are among the benefits of opening bank accounts under the tripartite MOU.

- Provided opportunities for many project affected persons to enter the ‘formal’ banking system.
- Created value of thrift and money management among project affected persons.
- Safeguarded project affected persons from spending the money recklessly, which could possibly lead to the incompleteness of houses.
- Safeguarded project affected persons from family problems such as misusing the money by either husband or wife.

Eventually the tripartite MOU brought a win-win situation to each party as described in Box 3.6.

STEP 8: PROVIDING ADVISORY SERVICE ON HOUSING AND LEGAL PROCEDURE

HOUSING ADVISORY SERVICE

Many of the project affected persons, especially those from low-income groups, lacked knowledge about construction practices. The National Forum of People’s Organization, the NGO partner, played a pivotal role in providing them necessary information and advice on house designs and low-cost building technologies. This additional service was not envisaged by the project in the beginning. This involved blocking

Box 3.6: Win-win “Tripartite Agreement” between the Project, Bank and a project affected person

Project’s view

“The partnership with the banks - seen as a neutral party - helped us a lot in building goodwill and reducing mistrust among project affected persons. More importantly, it was the first time that many among the project affected communities had visited a bank. Earlier they were used to going to a money lender. It was a conditional bank account and became a free account only on completion of the house. This was necessary to prevent families from spending the money recklessly and unproductively. Simultaneously, our field workers provided community counselling on the values of thrift and money management to the project affected persons.”

Anura Dassanayake, Project Director, Lunawa Environmental Improvement & Community Development Project

Bank’s view

“We had never looked at shanty dwellers as potential customers. But when the project team spoke to us, we understood that the people affected by the project were potential customers for us. The money was substantial. Many banks were competing for the project affected person accounts. For us, it was a new experience to visit homes of project affected persons to persuade them to bank with us. It was a new experience for them too to interact with us. Many of the project affected persons never had a bank account and they were, frankly speaking, quite taken aback when bank officials started courting them to open accounts. There is also a long-term benefit from this initiative because many of those who banked with us may require new loans for home upgrading, education of their children and so on. Today, we have 180 bank accounts belonging to project affected households. For us, this was a good experience because we gained a whole new group of customers, we made money and we inculcated the savings habit in people who were not used to it.”

Amal Alles, Senior Manager, Commercial Bank of Ceylon Ltd (Ratmalana Branch)

Affected person’s view

“My interactions with bank officers had the element of novelty. I did not have a bank account earlier but the misgivings evaporated when a bank account was opened in my

Jesmine Fernando, a project affected person resettled in Hike Terrace resettlement site



Bulk-purchasing by community for home building.
Photo © UN-HABITAT/ Lunawa Project



Resettlers build their houses.
Photo © UN-HABITAT/ Lunawa Project



Beyond conventional resettlement - opportunities for improvement. Photo © UN-HABITAT/ Lunawa Project

out land for those who opted to construct houses in the project-selected resettlement sites, obtaining the necessary approvals from the local authorities, assisting project affected communities to design their own houses and equipping them with skills to supervise the construction work.

LEGAL ADVISORY SERVICE

A legal advisory service was introduced especially for those project affected persons who were buying land outside the resettlement sites. Many project affected persons who had earlier expressed willingness to relocate to the resettlement sites developed by the project opted out mid-course, preferring to take up self-relocation and to purchase properties/plots of lands in places of their own choice. The National Forum of People’s Organization assistance ensured that the properties purchased by project affected persons in their preferred locales were legally authorised plots. The National Forum of People’s Organization assisted in checking out the ownership of the land, preparation of title reports and execution of deeds.

STEP 9: ENSURING SECURITY OF TENURE – A PROJECT AFFECTED PERSON'S GREATEST GAIN

For those who had been living in an unauthorized structure without land ownership and moved to resettlement sites, the project's greatest benefit has been the 'security of tenure' it has facilitated.

Security of tenure means the right of all individuals and groups to effective protection from the state against forced evictions. Without any documents to prove the occupancy of land, people could be evicted from their living premises. In many resettlement experiences in Sri Lanka and other countries, such documents were not issued to project affected persons who moved to resettlement sites. As a consequence, those people could not have secure tenure in a new living place.

In the Lunawa Project, security of tenure for project affected persons was considered as one of the most important issues. Considering the time-taking procedure of obtaining a legal title, the project

facilitated the issuance of following documents in stages.

Entitlement certificate: A document given in recognition of the occupancy of the households until getting the title deed for the plot of land. It can be used to prove the occupancy for various requirements other than mortgaging and selling of property. All the project affected persons have been awarded with an "Entitlement Certificate" as an intermediate solution in the process of securing the tenure.

Title deed: The final legal document issued to the project affected persons, which can be mortgaged and resold. The title deeds are issued under the name of husband and wife so as to safeguard ownership for both.

Under the Lunawa Project, 88 households resettled in four sites. Out of these 88 households, 72 received the Entitlement Certificate, and the procedure for the remaining households is under process. Actions have been initiated to issue title deeds for these households.



Proud of receiving an entitlement certificate. Photo © UN-HABITAT/ Lunawa Project

Box 3.7: Obtaining the security of tenure in a resettlement site

Mrs. Benthatha Silinona, 59, a mother of five had no legal papers to certify ownership of her earlier home. The widow who worked as a labourer in the Dehiwala-Mt. Lavinia Municipality was a squatter earlier. "I lived in an unauthorised structure along the canal. Though I paid municipal taxes, the land was not mine," she says. After settling in Hike Terrace, Silinona is palpably proud of her new address and being able to hold her head high at long last. "Now, I have a piece of paper certifying ownership of the plot on which my new home stands and soon I will have the land deed. I liked my old house. But nothing can beat the pride I feel in living in a legally authorised colony," she says.



Children’s park - inclusive resettlement planning.
Photo © UN-HABITAT/ Lunawa Project

STEP 10: PREPARING RESETTLEMENT SITES THROUGH ‘COMMUNITY CONTRACTS’

PUTTING THE PROJECT AFFECTED PERSONS AT THE CENTRE OF RESETTLEMENT SITE DEVELOPMENT

In the past experiences of resettlement, community feedback was not incorporated into the design of the resettlement site plan. In the case of the Lunawa Project, however, attempts have been made to put project affected persons in the centre of resettlement site development. A Community Development

Committee (CDC) developed a Community Action Plan, where necessary infrastructure and other issues in the resettlement site are identified. To implement the infrastructure development, a CDC entered into ‘community contracts’ with the project. Under a community contract, project affected persons were responsible for construction, while technical inputs were provided by the project technical staff and local authority staff.



Settlement infrastructure improvement through community contracting. Photo © UN-HABITAT/ Lunawa Project



Community contracting community centre – proved capability in building. Photo © UN-HABITAT/ Lunawa Project

Table 3.4: Conventional and innovative approach in resettlement site development

	Conventional Approach	Innovative Approach under the project
Planning of resettlement site development	Decided by government agencies	Decided by people through Community Action Planning
Implementation of resettlement site development	Done by outside contractor	Done by people through community contracts
Results	<ul style="list-style-type: none"> • Dependency on government agencies increases. • Complaints against government agencies increase. 	<ul style="list-style-type: none"> • A sense of ownership is high. • Skills of project affected persons are developed. • Employment is created.

HOW DOES A ‘COMMUNITY CONTRACT’ WORK?

In general, a community contract is a contract awarded to the community organization by a government agency or an NGO to carry out physical works that have been identified in an action plan by a community. In the Lunawa Project, the contract amount is deposited to the bank account of a CDC in instalments, based on the progress of physical works. CDCs were trained in book keeping, store management, construction management and procurement. Based on the progress payment bills submitted by a CDC to the project, each instalment is

deposited in the CDC bank account. The detailed flow of community contracts is shown in ANNEX III.

With technical assistance of the project, the physical works are implemented by project affected persons themselves, often hiring skilled labourers (carpenters and masonries etc) in the community and contributing their labour. This process brought a sense of ownership, and created employment opportunities among project affected persons. Table 3.4 shows the contrast between the conventional and innovative approach for resettlement site development.

Box 3.8: Developing infrastructure through a Community Contract

An example of “Hike Terrace”

“I am a commercial painter. I have worked on many construction sites. But this is the first time I have been elected a chairman of the Hike Terrace Community Development Committee (CDC). Our CDC was founded a year and half ago. We got registered with the municipality some 6 months back. Our CDC has 35 members. Our top priorities are small drains within the resettlement site, a proper solid waste management system and regular water and electricity supply.

Before I came to this resettlement site, I had a house by the canal bank. It was a permanent structure and I had a land deed. My house had to be demolished due to the project activities. In the early days, in Hike Terrace, there were those who protested against the project but while forming the CDC, we made sure that only those with a positive attitude were selected. We held our meetings during holidays so as not to disrupt our work schedules. In Hike Terrace, we have built boundary walls, internal drains and roads through community contracts. We got technical support from the project.

The money was deposited in the People’s Bank in the name of our CDC. Since the community members contributed their labour to the construction, we saved LKR 124,000 in the bank account for future community needs. If we had to hire contractors or labourers from elsewhere, we would not have saved this money.”

Mr Laksiri Mendis, 42, chairman of the Hike Terrace CDC and a father of four children.



Acquiring skills for enhanced household income. Photo © UN-HABITAT/ Lunawa Project

STEP 11: RESTORING LIVELIHOOD

ASSESSMENT OF INCOME/ BUSINESS LOSS

According to the Entitlement Package, income or business loss was assessed for each project affected persons. Thirty nine year-old Ajith Abeysekara had a grocery store which was demolished in order to facilitate the widening of a canal by the project. Abeysekara who declared his average annual income at LKR 300,000 was explained about his entitlements at the Entitlement Assessment Committee meeting. According to the entitlement package, a person holding legal ownership of commercial properties is entitled to: 1) cash compensation for loss of income during the transition period, and 2) initial livelihood/ income restoration grant of LKR 34,000 at minimum, to replace their income loss.

Abeysekara had been reluctant to relocate but today he is happy at the turn of events. With the package

offered to him (LKR 150,000) to make up for his income losses, he has restored his business. His new shop is on the main road in a resettlement site, Lakeview Garden, and attracts a better class of clientele than the one he had when he lived in an unauthorised settlement. Abeysekara has plans for the future. He would like to offer more variety of goods to customers, and build an upper storey.

CREATING A SKILL POOL

A noticeable initiative was to create a pool of project affected persons with varied skill sets, namely 'Istharam Vikasitha Youth Skill Pool'. The concept of the 'Istharam' Programme was developed by an NGO partner, the National Forum of People's Organization, after seeing the potential income earning opportunities in the new resettlement sites. As the construction of houses and community infrastructure got under way, there was a natural demand for carpenters, masons, electricians, plumbers, painters and so on. While some

of the people who came together in this pool were skilled, many others were semi-skilled. There were yet others who had been unskilled helpers at construction sites. The unskilled persons were put through training programmes in various activities. The uniqueness of this initiative is that it provided skills to unemployed youth, connecting the skill pool with specific requirements in the resettlement sites. This provided a livelihood to the people who had thus been trained.

Box 3.9: Istharam Vikasitha Youth Skill Pool: Creating employment among project affected persons

“Istharam was formed in 2004 with 45 members. Out of this, 25 were women. The members were in the 17 to 50 age group, with a majority in their 20’s. When families moved into the new resettlement sites, there was an immediate need for livelihood opportunities. There were many people who had skills. But they needed some capital. So with the help of the National Forum of People’s Organization, we opened a bank account in the name of Istharam Society. The National Forum of People’s Organization gave an initial loan of LKR 45,000. Simultaneously, we organised small savings groups with 5/6 members each with a mandatory contribution of LKR 10 a week. We used this money to give small loans (LKR 5,000) to people who wanted to start a small business. The loan had to be paid back in 10 instalments over 10 weeks.

I came to Riverside Gardens (one of the 4 resettlement sites) in 2005. Before that, I worked LKR 250 a day as a daily wage labourer. But the project generated a lot of work through community contracts. I am among the many people who benefited. My monthly income has doubled since I moved to the resettlement site. Today, I have my own team. I am the master welder and I have three assistants. I am getting work through community contracts not only in my resettlement site but also elsewhere in the Lunawa Lake catchment area. My first assignment was building a roof of a community centre. And then my work became known through word of mouth. You may ask how I made the change from a daily wage earner to an employer. Earlier, I had the skill but not the equipment to take on large scale work. But now there is more work and I can rent equipment and operate on a much larger scale.”

K L Piyaratne, President of Istharam and resident of Riverside Garden



Weaving new livelihoods at spacious home.
Photo © UN-HABITAT/ Lunawa Project

4 REVITALIZING COMMUNITIES: ADDITIONAL ACTIVITIES FOR SUSTAINABILITY

This chapter gives an overview of the additional activities that were undertaken to revitalize families and communities in the project area, aside from managing involuntary resettlement.

4.1. UPGRADING OF UNDERSERVED SETTLEMENTS

The community upgrading sub-programme was a critical part of the Lunawa Environmental Improvement & Community Development Project. If nothing was done to improve the living conditions in the remaining settlements in the Lunawa Lake catchment area, the environmental improvements would not be sustainable in the long-term. Therefore, it was decided to upgrade 15 underserved settlements which have 441 households in total. The process of upgrading underserved settlements is shown in Box 4.1.

Similar to the resettlement component, the project's greatest benefit was the security of tenure it has facilitated. All the residents under the 15 underserved

Box 4.1: The process of upgrading underserved settlements

- 1) Selection of the underserved settlements
- 2) Initial community sensitisation at the settlements
- 3) Formation of a community development organization in each settlement
- 4) Registration of the CBOs with local government
- 5) Preparation of Action Plans by communities
- 6) On-site demarcation of boundaries of plots to regularise settlements
- 7) Provision of community contracts
- 8) Implementation of service improvement i.e. solid waste management, waste water disposal, sewage disposal, renovation of internal roads
- 9) Fostering links between settlements and local authorities
- 10) Issue of land title to the residents of settlements



Flooded settlement before upgrading.
Photo © UN-HABITAT/ Lunawa Project



After upgrading through community contracting.
Photo © UN-HABITAT/ Lunawa Project

settlements were illegal squatters on government lands. Out of the 441 households in these settlements, 'title deeds' were given to 23 households, while 'entitlement certificates' to 124 households. Issuing of balance documents is in progress. As exemplified in Box 4.2, obtaining the security of tenure benefitted not only individuals but communities as a whole.

4.2. NEIGHBOURHOOD DEVELOPMENT FORUMS

While the project assisted directly affected communities in identified settlements and upgrading settlements to form Community Development Committees (CDCs) in resettlement sites, it also recognised the need to encourage the establishment of

Neighbourhood Development Forums, which was a larger community framework encompassing a mixture of low-income, middle-income and high-income residential groups in a geographically defined larger neighbourhood, extending beyond the boundaries of the directly affected settlements. Such Forums have the twin objectives of 1) grouping all residents of the Lunawa Lake catchment area together for project information dissemination, and 2) future operation and maintenance. The Forums are expected to improve coordination with local authorities for improved service delivery.

W. Fernando and Stephen Tiyamage, members of the Kaldemulla Neighbourhood Development Forum, recall the early stages of their interaction with the project team. Both men are past 60 and pensioners

Box 4.2: Obtaining the security of tenure in an underserved settlement

Mrs Anula Gamathige's proudest possession is a piece of paper: a legal document showing that her husband, a mason, and she are the joint owners of their home in Garden 37 (previously called '37 Watta'). There is nothing remarkable about the piece of paper, except that in this underserved settlement in the outskirts of Colombo, it was a rarity till recently. But stirrings of change are wafting through this colony in the Lunawa Lake catchment area ever since it became one of the 15 such settlements to be selected for upgrading under the Lunawa Project. Upgrading such underserved settlements was a critical aspect of the project because the project planners realised that the level of basic services in these settlements was very low and without improvements, their residents would pollute the canals even if they were improved.

"Most people were used to suffering as floods damaged their homes every monsoon. I am lucky because my home was in a slightly elevated area. But even if I did not suffer from floods, I did not feel secure earlier because I did not have a land title – like so many others. Since work on the canal started, the floods have reduced. And many other good things are happening to us. The project staff helped me – and so many others -- to get this piece of paper for example. I never believed this would happen...", "says Gamathige, secretary of the local community-based organization.

The biggest obstacle was the wall of distrust. "When we first got a letter from the project telling us about the canal construction, no one took it seriously. We were used to unfulfilled promises," she says bluntly. But then, the letter was followed by personal visits by the Lunawa Project team members who urged residents of Garden 37 to form a community-based organization. Earlier attempts to register a community organisation of Garden 37 residents with the Dehiwala-Mt. Lavinia Municipal Council had been unsuccessful because it was an unauthorised settlement. But buoyed by the project's assurances, they strengthened their dormant community-based organization and started working out of a community hall inside a temple. The Lunawa Project furnished a letter to Dehiwala-Mt. Lavinia Municipal Council noting that legal land titles were being arranged, and that formed the basis of registering the community-based organization. Due to the Lunawa Project intervention and involvement, the Ministry of Urban Development and Sacred Area Development regularised the colony and provided land titles to many who earlier were 'illegal squatters'.

With the security of tenure, lots of good things have started happening –new sewerage lines are being laid; there are legal water connections and old water pipes are being replaced with new ones; and a Children's Club has been set up. Many women, says Gamathige, have banded together and formed thrift societies.

Mrs Anula Gamathige, secretary of the community-based organization in Garden 37



Children - Change agents for solid waste management.
Photo © UN-HABITAT/ Lunawa Project

today, but both are enthusiastic about the future of the Forum. The spadework for this initiative started in middle of 2006 when the project team, including the National Forum of People's Organization field workers, visited the Kaldemulla temple and called a meeting of the residents of the neighbourhood which the two men attended. Kaldemulla which has a population of about 6,000 and falls in the Morutawa municipality had community based organisations even before the project started. But with floods being a recurring problem, five (5) community-based organizations came together and formed a Federation of community-based organizations, Kaldemulla community-based organizations, to press for action against its ravages. The Kaldemulla community-based organization members were keenly watching the work by the Lunawa Project but till mid-2006, the project had been dealing only with the project affected persons. However during that meeting at the temple, when the project team made a multimedia presentation, the Kaldemulla community members

saw the benefit of forging links with the Lunawa Project and came up with suggestions like constructing tertiary drains which would help people even in areas such as Kaldemulla which were not directly affected by the project. The project team invited the Kaldemulla community-based organization members to the monthly meetings of CDCs of resettlement sites being held at the Community Information Centre. As the links grew, the idea of forming the Neighbourhood Development Forum took shape.

Today, the forum has 12 members. Fernando and Tiyamage have attended more than two dozen meetings of the Forum and speak proudly about their success in influencing the technical design of the project. "Some construction activities which were not included in the original plan were included following our suggestions. Many of the side drains and roads were also repaired in our area at the initiative of the project. We were not only able to influence project design but also monitor the damage as a result of the ongoing construction work. For example, someone's boundary wall could be damaged even if h/she is not in the directly affected area because the construction material that had been used was weak. In the monthly meetings that we attended, we pointed out all these issues."



Meeting of a neighbourhood development forum.
Photo © UN-HABITAT/ Lunawa Project

“Today, we are happy, because our area is flood free as a result of the project. And the value of our land has gone up five times since the start of the project,” said Fernando. Future plans include taking over the day-to-day maintenance and protection of the canals that have been cleaned up and widened. Signboards would be put up cautioning residents not to throw garbage in the water bodies and community vigilance will be instituted to make sure the canals stay clean in the coming years.

4.3. PARTICIPATORY SOLID WASTE MANAGEMENT

Generally speaking about flood control projects, solid waste management is a crucial issue. If people living along the canals throw garbage into rehabilitated canals, the canals get polluted and stagnated, and the project benefits decrease. Before the implementation of the Lunawa Project, the waste was dumped on the wayside in the catchment area. Municipal workers were supposed to collect it from there. But that system was not functioning smoothly and as the population increased, uncollected garbage was strewn around. The Municipal Council was also handicapped due



Composting - home-base solution for solid waste management. Photo © UN-HABITAT/ Lunawa Project

Box 4.3: How to turn trash into cash and keep the surroundings clean

“Our job was to mobilise the community to manage waste but our previous experience taught us that environment was not a priority for most poor people. Our challenge was to make solid waste appear attractive to the communities. A large number of the project affected persons were squatters with no legal rights to the land. Livelihood concerns therefore came before cleanliness. So we promoted the idea of treating waste as money.

As a first step, we identified young women and men from among the beneficiary communities with at least high school qualifications and some work experience in similar areas and made them our social mobilisers. They were trained by us in the basics of solid waste management and then they fanned out in the communities identified by the project.

Next, we conducted a waste audit. Our teams identified the different kinds of waste being generated in the selected areas and then demonstrated how to separate them into different categories and then the people were told how to commercially exploit this waste. 80% of the waste was organic and it could be converted into compost which can be used for home gardens. By developing home gardens, families learnt they could save money. They also realised they could sell the surplus compost in the market.

One major innovation was to identify an agent in each community. The agent collects non-degradable waste from the community. We linked him/her to the big scrap dealers who bought the waste from them. 40 community agents were created in the Lunawa Lake catchment area in the last 3 years.”

Sathis de Mel, Executive Director, Arthacharya Foundation

to shortage of staff, equipment and lack of sanitary landfills.

The Lunawa Project implemented a novel participatory solid waste management project which also served the objective of livelihood generation among those who had been involuntarily displaced. The initiative was coordinated by the Arthacharya Foundation, the project's 2nd NGO partner. The project helped the community recognise solid waste as a saleable product.

A team of Arthacharya Foundation staff, and the Lunawa Project staff formed a solid waste management team. They provide information and awareness about separation of degradable and non-degradable items, reuse and recycling of waste. The team facilitates small group formation and also encourages women to separate and sort their waste and sell recyclable items. The team works in close coordination with the solid waste departments of the Municipal Councils of Dehiwela-Mt Lavinia and Moratuwa and to create awareness and build capacity of the staff of both municipal councils.

Japan Overseas Cooperation Volunteers also played important roles in the solid waste management project. One of their achievements was organising children's programmes in the project area, and in the children's programmes, the Japan Overseas Cooperation Volunteers promoted awareness on waste management among children, the future generation for environmental conservation.

4.4. TSUNAMI RESPONSE IN THE PROJECT AREA

The tsunami that hit the coastal belt of Sri Lanka on December 26, 2004 led to the death of over 30,000 men, women and children in the country. It also rendered more than 100,000 households homeless, out of which around 4,000 households were in the Moratuwa and Ratmalana area where the Lunawa Project was being implemented. Most of the tsunami-affected people in Moratuwa area were part of the local fishing industry or in furniture manufacturing and

related trades. They not only lost their homes but also the tools and equipment they used to earn a living.

UNDP funded UN-HABITAT to implement a project titled 'Tsunami Recovery Housing, Community Infrastructure and Livelihood Restoration Project in Moratuwa-Sri Lanka'. Under the project, recovery of housing and livelihood of 100 households in the Lunawa Lake catchment area was assisted. These 100 families lived in the coastal area where the government declared a buffer zone and prohibited building of any houses.

Under the Lunawa Project, there were around 100 housing plots left in the resettlement sites, since quite a number of project affected persons originally opted for relocation to resettlement sites and later changed their mind for self-relocation. The tsunami-affected 100 households resettled to four resettlement sites and all were provided with an 'entitlement certificate', the document to prove the land occupancy. The project team facilitated community mobilization, the resettlement process, and a livelihood restoration programme for those tsunami-affected families.

5

LESSONS LEARNT AND IDEAS FOR REPLICATION

This chapter synthesises the take-away lessons from the Lunawa model and offers ideas for its applicability.

The Lunawa Environmental Improvement & Community Development Project is the first development project funded by JBIC (now JICA) to have implemented the National Involuntary Resettlement Policy in Sri Lanka. It offers a new vision to people living along the canal banks. People who earlier used to dump garbage in the water ways are now learning to look at their backyards as their front yards. The project's success stems from the lessons it learnt from the mistakes of earlier resettlement programmes and the win-win deal it has offered to all stakeholders.

The project has faced a complex set of challenges, beginning with the sheer heterogeneity of the affected population. Project affected persons included the educated as well as the uneducated, the rich and the poor. The community consultations had to accommodate the varied needs of this diverse populace. That the vast majority of those affected by the project consider themselves better off than they were before the project started, is an indicator of the effectiveness of the participatory process piloted by the Lunawa model.

The project's success validates the proposition that *putting project affected persons centre-stage pays in the long-run*. In the early days of the project, sceptics had pointed to the huge time investment such an approach would necessitate. Consultation with communities likely to be affected by involuntary resettlement is an integral part of the preparatory phase, and indeed requires sufficient time. It is equally true that only through prolonged consultations can a fair, equitable and inclusive entitlement package be worked out. This, as evidence on the ground demonstrates, raises costs in the short-term, but is critical to long-term development objectives and sustainability.

5.1. THE KEY LESSONS OF THE PROJECT

1. *Involuntary resettlement' should not be viewed as a necessary evil to be somehow managed alongside the core task, but it should be treated as a development opportunity.* Involuntary resettlement should be included as an integral component in the project design and implementation process. This primarily calls for a change in mind-set. If resettlement is viewed as an add-on, the efforts to involve project affected persons will be half-hearted. The end-result, then, will not be very different from what has been the case in so many infrastructure projects in the developing world.
2. *An important ingredient of the project's success has been the willingness to learn from past mistakes.* Detailed impact assessment of previous resettlement projects, which were similar in nature, were undertaken, and necessary modifications incorporated in the Lunawa Project design in order to avoid problems. It also led to the close involvement of concerned Ministries, and UN-HABITAT's technical assistance and advisory services to the Community Development Component of the project.
3. *It is crucially important to reach an agreement with all stakeholders on clear resettlement policy framework; resettlement approach and strategy; and participatory and consultative resettlement, before implementation of involuntary resettlement activities. It is also vital to involve local authorities from the project's preparatory stage to instill a sense of ownership in them.* This is critical for the long-term sustainability of the project. In the case of the Lunawa Project, the two Municipal Councils of Dehiwala-Mt. Lavinia and Moratuwa, and other key agencies were part of the project implementation team and all decisions were taken jointly.

4. *A well designed compensation package addressing all aspects of losses and adverse impacts developed in close participation of project affected persons is the key benchmark for an effective resettlement programme.* Proper understanding of project affected persons socio-cultural status and values, as well as active pre-involvement of them paved way for smooth implementation of the resettlement process. Implementing agencies should be realistic about the social strata, resource base, the activities they can support, and the skills and traditions of the re-settlers. The re-settlers are not a homogenous group and thus, a variety of alternate options in their compensation package need to be included.
5. *It is important to involve a partner organization with grassroots experience for social marketing and guided implementation process.* In the Lunawa Project, the National Forum of People's Organization functioned as an interface between the public agencies and project affected persons.
6. *An effective information flow between the project team and project affected persons has been a critical component of a resettlement programme.* In the Lunawa Project, this was achieved through a variety of initiatives such as the creation of the Community Information Centre which was easily accessible and which served as a one-stop shop for project affected persons who wanted information on a specific issue.
7. *Close consultation with project affected persons through listening to them and adopting a responsive approach to project affected persons paves the way for smooth implementation of resettlement component with the high satisfaction.* In the Lunawa Project, the original plan was to build a four storied apartment complex and provide apartments to re-settlers. Once the re-settlers objected, the project let the project affected persons build single/double storey row houses in selected resettlement sites. Thus, *adaptive planning is essential for a client responsive resettlement process.* The executing agency should be flexible enough to change original plans if they prove inadequate in the process of implementation.
8. *Development and strengthening of community institutions and social capital is also a key element of a successful resettlement programme.* The project affected persons of the Lunawa Project established Community Development Committees (CDCs) and then Neighbourhood Development Forums with surrounding communities. Communities were actively involved in construction activities through 'Community Contacting' procedures.
9. *Linking project affected persons with the Bank is one of the key ingredients for the successful resettlement programme.* Once the entitlement package is deposited under the re-settler's name, the re-settler gets motivated to acquire of a new house making the 'involuntary re-settler' a 'voluntary re-settler' with full confidence and courage.
10. *A special facilitation programme is needed for vulnerable project affected persons.* In the Lunawa Project, special social safeguards were built into the entitlement package to protect vulnerable groups among the re-settlers, i.e. elderly persons, widows etc. Furthermore, the project's sensitivity to the gender dimension of the involuntary resettlement experience is reflected in mechanisms such as joint ownership (husband and wife) for the land title and for the bank account. Gender sensitivity is also incorporated in the consultation with project affected persons and decision-making process.

5.2. ISSUES FACED BY THE PROJECT

The issues faced by the project were mainly related to: 1) the land acquisition procedure as per the Land Acquisition Act No. 9 of 1950, which is not yet updated to match the National Involuntary Resettlement Policy, and 2) the institutional capacity to implement the policy.

1. *The long procedure in land acquisition caused delay in project implementation and unrest among project affected persons.*

In Sri Lanka, land required for development purposes in government projects has to be obtained through a procedure stipulated under the 'Land Acquisition Act' which came into effect in 1950. Under this act, land is surveyed by the Department of Survey and valued by the Department of Valuation. Land is valued at its market value, and then the valued cost is paid by the government. This is a time-consuming process, due to undue delays in the process and bureaucratic procedures relating to the valuation methodology. In the Lunawa Project, the land acquisition procedure commenced five years ago, but is not yet fully completed.

Knowing this issue, the Lunawa Project got a special approval from the Cabinet of Ministers to pay an advance payment, which is the 75% of the land cost estimated by the project. Nonetheless project affected persons had to wait for the determination of final land value for a long time, which accumulated frustration and unrest among them. Some of those who were not satisfied with the amount of valuation and went through the long appellate procedure under the Act, and finally brought a case to the court. The court cases further delayed the project implementation.

2. *Since the land acquisition was beyond the purview of the project, it was difficult for the Lunawa Project to fully attend to the complaints of project affected persons with legal land ownership as much as to those of the poor without land title.*

The Lunawa Project offered the bottom-line entitlement package, which is 50 sq m land in the resettlement site (or market value of it for self-relocation) and value of the basic house plus other basic payments. Almost all displaced households with no tenure rights had willingly accepted the entitlement package offered by the project based on the bottom-line entitlement

package, as they were aware that they were not entitled, by law, to any financial value for the land or the house they had. On the contrary, the middle and high income groups, who possessed legal ownership, had to wait for the valuation of land for a long time to get to know how much they would get out of the land acquired.

Generally speaking, involuntary resettlement of the poor living in underserved settlements without proper legal right falls into the most difficult category. In the case of the Lunawa Project, however, it has been proved that a proper guided participatory resettlement process can enhance the quality of such people's life. On the other hand, the Lunawa Project found difficulty in fully attending to the complaints of middle and high income project affected persons due to the constraints of the above-mentioned legal framework.

The advance payment of land value was one of the innovations of the Lunawa Project to ameliorate the above situation. However, the key pre-requisites to address this key issue properly and in time are: (a) to amend the legal framework incorporating the National Involuntary Resettlement Policy principles – especially to amend the Land Acquisition Act, and (b) to strengthen the institutional capacity of public agencies set up to execute the provision of these relevant acts – i.e. Departments of Land, Survey and Valuation; or to delegate full responsibility of land acquisition to the project implementing agency keeping supervision/ monitoring, grievance redress responsibility with respective public agencies.

5.3. REPLICATIONS OF THE 'LUNAWA MODEL'

The Lunawa Environmental Improvement & Community Development Project has pioneered an innovative model for involuntary resettlement but the 'model' is perhaps best viewed as a toolkit of strategies. The tools described in previous chapters can be replicated individually or in combination with others.

EXAMPLES OF REPLICATION

The project's replicability quotient is demonstrated by various projects in Sri Lanka which have subsequently adopted and adapted specific tools used in the Lunawa Project. Some examples are:

- 'Southern Transport Development Project' developed the Entitlement Package by adapting that of the Lunawa Project.
- 'Outer Circular Highway Project' identified project affected persons and assessed their loss by adapting the methodology in the Lunawa Project.
- 'Tsunami Recovery Housing, Community Infrastructure and Livelihood Restoration Project in Moratuwa-Sri Lanka' directly applied the resettlement experience of the Lunawa Project.
- Other UN-HABITAT-assisted tsunami recovery projects adapted the Lunawa Project approaches in resettlement and house/ infrastructure reconstruction.

The examples cited above show that the broad approach and process adopted by the Lunawa Project can be replicated in any development-induced and disaster-induced involuntary resettlement project.

REPLICATION OF THE 'LUNAWA MODEL IN PERI-URBAN CONTEXT

Although the applicability of the approach of the Lunawa Project is high, the 'Lunawa model' is particularly relevant for involuntary resettlement projects involving peri-urban communities. This is because the Lunawa Project is unique in its pioneering attempt to duly incorporate 'involuntary resettlement component' within upgrading of underserved settlements in peri-urban areas. Furthermore, the project has attempted to deal with the complex context of the peri-urban society through consultations with heterogeneous types of people, the uneducated and educated, rich and poor, those who had land tenure previously and those who did not.

One of the innovations to link heterogeneous groups of people was linking the directly affected persons with the host communities through establishing the Neighbourhood Development Forums. Typically,

project planners ignore this constituency but as Mr. Karunasena Hettiarachchi, Chairman of the Sri Lanka Land Reclamation and Development Corporation, pointed out "If the middle class and rich living in the area are not integrated into the project, there can be problems later on. So, to minimize potential conflicts between the host communities and the new settlers, it was strategic to ensure that there was a wide spectrum of stakeholders, including the relatively better-off host communities."

STRATEGIC PARTNERSHIP: UNDERLINING PRINCIPLE FOR REPLICATION

The project's considerable accomplishments are the outcomes of the innovative partnerships that were forged during the preparatory and implementation phase. A key element was the adaptability of the political leadership in the country and those at the helm of key ministries who saw the merit in the arguments underlining the Lunawa approach. To replicate the project's success elsewhere, therefore, the prerequisites are political will and strategic alliances. No one agency alone could have accomplished what the Lunawa Project did. But together, pooling the resources and strengths of all the stakeholders, it was possible to operationalise the policies into good practices that can be replicated in Sri Lanka and other developing countries upgrading their infrastructure.



We create better future. Photo © UN-HABITAT/ Lunawa Project

ANNEX



NATIONAL INVOLUNTARY RESETTLEMENT POLICY: POLICY PRINCIPLES

- Involuntary resettlement should be avoided or reduced as much as possible by reviewing alternatives to the project as well as alternatives within the project.
- Where involuntary resettlement is unavoidable, affected people should be assisted to re-establish themselves and improve their quality of life
- Gender equality and equity should be ensured and adhered to throughout the policy.
- Affected persons should be fully involved in the selection of relocation sites, livelihood compensation and development options at the earliest opportunity.
- Replacement land should be an option for compensation in the case of loss of land in the absence of replacement land cash compensation should be an option for all affected persons.
- Compensation for loss of land, structures, other assets and income should be based on full replacement cost and should be paid promptly. This should include transaction costs.
- Resettlement should be planned and implemented with full participation of the provincial and local authorities.
- To assist those affected to be economically and socially integrated into the host communities, participatory measures should be designed and implemented.
- Common property resources and community and public services should be provided to affected people.
- Resettlement should be planned as a development activity for the affected people.
- Affected persons who do not have documented title to land should receive fair and just treatment.
- Vulnerable groups should be identified and given appropriate assistance to substantially improve their living standards.
- Project Executing Agencies should bear the full costs of compensation and resettlement.

(Source) Sri Lanka National Involuntary Resettlement Policy: Section 4. Policy Principles

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TIME FRAME AND INPUTS OF THE RESETTLEMENT PROGRAMME

No.	Description	Time Frame							Staff Inputs	Resettlement costs
		2002	2003	2004	2005	2006	2007	2008		
1	Developing the policy framework		■						UN-HABITAT Consultant in close consultation with key project staff	
2	Dialogue with communities through an NGO as an intermediary		■	■	■	■	■	■	NGO (National Forum of People's Organization) Community Facilitators in close consultation with UN-HABITAT Consultant, project staff and Japan Overseas Cooperation Volunteers	
3	Establishing community organizations		■	■	■	■	■	■	Project Team including Municipal Councils and NGO staff in close consultation with UN-HABITAT Consultant and Japan Overseas Cooperation Volunteers	
4	Setting up the Community Information Centre and operationalizing it		■	■	■	■	■	■	UN-HABITAT Consultant and key project staff in consultation with the Ministry	
5	Determining entitlement through consultation with project affected persons			■	■	■	■	■	Project Team including Municipal Councils and NGO staff in close consultation with UN-HABITAT Consultant and Japan Overseas Cooperation Volunteers	
6	Customising grievance redress mechanism			■	■	■	■	■	UN-HABITAT Consultant and key project staff in consultation with the Ministry	
7	Linking up with banks for paying entitlements			■	■	■	■	■	Project Team including Municipal Councils and NGO staff in close consultation with UN-Habitat Consultant	
8	Providing advisory service on housing and legal procedure			■	■	■	■	■	Project Team including Municipal Councils, NGO staff and UN-HABITAT Consultant in consultation with the Ministry	
9	Ensuring security of tenure			■	■	■	■	■	Project Team including Municipal Councils, NGO staff, Key project staff in close consultation with UN-HABITAT consultant and Japan Overseas Cooperation Volunteers	
10	Preparing resettlement sites * Land acquisition / Land preparation * Infrastructure improvement through community contracts			■	■	■	■	■	Project Team including Municipal Councils, NGO staff, Key project staff in close consultation with UN-HABITAT consultant and Japan Overseas Cooperation Volunteers	
11	Restoring livelihood							■		

Note: Number of staff is around 20 in the Project Management Unit (Community Development Component), and 8 in the National Forum of People's Organization. One UN-HABITAT consultant has been assigned throughout the project period with additional inputs from short-term consultants and with a continuous backup from the Regional Office for Asia and the Pacific.

These are the human resources not only for the resettlement programme but also for the upgrading programme of the Lunawa Project.

Resettlement costs

Total resettlement cost is LKR 957.47 million which includes: 1) Compensation payment for land acquisition, 2) Structure/ livelihood replacement, 3) Social marketing and community mobilization, 4) Management cost, 5) Consultancy cost, and 6) Infrastructure development in resettlement sites.

ANNEX



FLOW OF 'COMMUNITY CONTRACTS'

HOW A COMMUNITY CONTRACT IS DEVELOPED:

1. Initial consultation with community
2. Identify infrastructure requirement through Community Action Planning
3. The Lunawa Project assesses technical feasibility of infrastructure development activities
4. Capacity assessment of the Community Development Committees (CDC) and identification of training requirements accordingly
5. Consultation with CDC in design development; discussions about their preferences, needs and explaining to CDC the key elements of the community contracting system
6. Preparation of community proposal on priority basis, which contains relevant plans and estimates, with the assistance of the National Forum of People's Organization and Technical Consultants
7. Approval for project proposal by the Lunawa Project
8. CDC selects Construction Committee Members to execute construction works
9. Training by the Lunawa Project / National Forum of People's Organization on book keeping, stores management, construction management, procurement
10. CDC opens a bank account
11. Preparation of contract documents by the project
12. CDC signs the community contract with the project

ONCE CONSTRUCTION STARTS, THE FOLLOWING STEPS ARE TAKEN:

13. Release of 'Mobilization Advance' to CDC (if required) as per the standard procedure
14. CDC submits progress payment bills to the Lunawa Project (timing of each step is explicitly stated in the contract document)
15. Fund is released, once the payment bill is certified by the Lunawa Project
16. CDC deposits check in their bank
17. Periodical technical supervision and monitoring (Lunawa Project/National Forum of People's Organization)
18. Completion of construction
19. Submission of final bill to the Lunawa Project
20. The Lunawa Project makes payment to the CDC
21. Retention money (2.5 % of the total contract value) is released of the defect liability period (6 months)

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IV

LIST OF KEY OFFICIALS INTERVIEWED

Karunasena Hettiarachchi, Chairman, Sri Lanka Land Reclamation and Development Cooperation

Laxman Perera, Additional Secretary, Development and Project Coordinator Lunawa Environmental Improvement & Community Development Project, Ministry of Urban Development & Sacred Area Development

W Samanlal Fernando, Mayor, Municipal Council, Morutawa

Keiju Mitsuhashi, Representative, Japan Bank for International Cooperation (now JICA), Colombo Office

Willie Gamage, Chairman, National Forum of People's Organization

Dhananjaya Tilakaratne, Executive Director, National Forum of People's Organization

W.K. Nandasena, National Forum of People's Organization Task Manager (Lunawa Environmental Improvement & Community Development Project)

Sathis de Mel, Executive Director, Arthacharya Foundation

Amal Alles, Senior Manager, Ratmalana Branch, Commercial Bank of Ceylon Ltd

P K Piyaratne, Manager (Social and Environment), Local Government Infrastructure Improvement Project, Ministry of Local Governance & Provincial Councils

Anura Dassanayake, Project Director (Community Development Component), Lunawa Environmental Improvement & Community Development Project

H M K S Jayawardena, Project Director (Technical Component), Lunawa Environmental Improvement & Community Development Project

P T Prathiraja, Consultant, Land & Resettlement, Lunawa Environmental Improvement & Community Development Project

Ranjith Samarasinghe, Senior Community Development Coordinator, (Community Development Component), Lunawa Environmental Improvement & Community Development Project

Thilak Hewawasam, UN-HABITAT Consultant and Social Development Specialist

Conrad H De Tissera, UN-HABITAT Programme Manager for Sri Lanka

Disa Weerapana, Former Director, UN-HABITAT, Regional Office for Asia and the Pacific

Jan Meeuwissen, Senior Human Settlements Officer, UN-HABITAT, Regional Office for Asia and the Pacific

Yuki Todoroki, Assistant Human Settlements Officer, UN-HABITAT, Regional Office for Asia and the Pacific

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In 2002, UN-HABITAT became a partner of the Government of Sri Lanka and the Japan Bank for International Cooperation (now called JICA) in implementing the Lunawa Environmental Improvement & Community Development Project, a canal rehabilitation project within the Colombo Metropolitan region in Sri Lanka. This publication aims to record the various innovative approaches implemented for involuntary resettlement through this Project, as a useful reference among practitioners and policy makers in the field of infrastructure and urban development.

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