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External Evaluation of the Swiss Consortium's Cash for Repair and Reconstruction Project in Sri Lanka 2005-08

Final Report

Commissioned by the Swiss Consortium of Swiss Solidarity, HEKS,
Swiss Red Cross and SDC

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HEKS 

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This report is based on the findings of the final evaluation of September 2008 undertaken by Yasemin Aysan in Trincomalee with logistic and information support from Christian Ubertini in the field, and technical support by Paul Harvey from London, as well as drawing from the mid-term evaluation carried out in October 2006 by Yasemin Aysan (team leader), Muhammed Aheeyar, Paul Harvey, Shanthi Satchithanandam in Matara and Trincomalee. I would also like to thank all the beneficiaries and authorities in Sri Lanka who generously participated in the interviews; SC members, SDC and SRC staff in Bern as well as in Sri Lanka who provided valuable support and information.

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Acronyms

ADB	Asian Development Bank
ARC	American Red Cross
CfRR	Cash for Repair and Reconstruction (program of Swiss Consortium)
DAT	Damage Assessment Team
DGC	Division or District Grievance Committee
DS	Divisional Secretary
FD	Fully Damaged
FO	Field Office
GA	District Secretary
GoSL	Government of Sri Lanka
GN	Grama Niladhari
HEKS	Hilfswerk der Evangelischen Kirchen Schweiz
HKRC	Hong Kong Red Cross
HODHP	Home Owner Driven Housing Project (of Sri Lankan Government)
IDP	Internally Displaced People
IFRC	International Federation of Red Cross and Red Crescent Societies
KfW	Kreditanstalt für Wiederaufbau
MoU	Memorandum of Understanding
NEHRU	North East Housing Reconstruction Unit
NHDA	National Housing Development Authority
PD	Partially Damaged
RADA	Reconstruction and Development Agency (replaced TAFREN)
SC	Swiss Consortium
SDC	Swiss Agency for Development and Cooperation
SRC	Swiss Red Cross
SwS	Swiss Solidarity Chain
TAFREN	Task Force for Rebuilding the Nation
TEC	Tsunami Evaluation Coalition (July 2006)
TO	Technical Officer
VRC	Village Rehabilitation Committee
WB	World Bank

Executive Summary

Introduction

The tsunami that struck Asia on 26 December 2004 was one of the worst disasters in recent history. Sri Lanka was among the countries hardest hit, compounding the effects of 20 years of civil war. The tsunami became the most rapidly and generously funded disaster response in history, with \$13.5 billion pledged or donated for relief and reconstruction. Once immediate needs were met, finding permanent shelter and rebuilding destroyed or damaged houses soon became a key concern. A proliferation of aid actors led to massive challenges in coordinating the response and large numbers of actors became involved in support to permanent housing (TEC 2006). The total financial commitment of the Swiss Consortium (SC) to housing reconstruction was around CHF 21 million that provided support to more than 10,500 households in two districts, Matara in the south and Trincomalee in the north east to rebuild their homes. Over 90% of the SC funds went directly as payments to beneficiaries and field operations. Personnel support costs were 9.7%, an impressively low figure.

There were two broad approaches to permanent housing in the shelter sector. One of the policy choices of the Government of Sri Lanka (GoSL) was to provide cash grants to enable people to reconstruct their homes on their land, designed with the support of the World Bank and funded by a variety of donors, including the Swiss Consortium (SC). This was complemented by international aid agencies involved in building houses usually through contractors either in relocation sites or on the original land of the beneficiaries. The 'cash grant approach' officially known as Home Owner Driven Housing Project (HODHP) was called in short 'owner-driven' in contrast to 'donor-driven' or 'contractor-built' approaches, where houses were built for people. This report gives an overview of the HODHP implementation of the SC which was evaluated against standard OECD DAC evaluation criteria, based on a field assessment in September 2008 in Trincomalee and referring to findings of a first mid-term evaluation in 2006 (Aysan et al 2006) in both districts.

Housing policy of the GoSL determined the speed and nature of reconstruction. A 'buffer zone' (a no-construction zone of up to 100-200 metres from the coastal line as a measure for future protection) was initially imposed but then dropped after a year in response to heavy criticism about its appropriateness. During this first year, described as Phase I, uncertainties relating to the buffer zone policy and difficulties in finding appropriate land for relocation sites caused significant delays in the shelter sector and created problems in finalising the number of beneficiaries receiving different forms of housing support. In Phase II, the reduction of the buffer zone increased the possibility of beneficiaries going back to their original land for an 'owner-driven' house.

It was in this complex environment that Swiss Agency for Development and Cooperation (SDC), Swiss Red Cross (SRC), Hilfswerke der Evangelischen Kirchen Schweiz (HEKS) and Swiss Solidarity (SwS) formed the SC to support to the government's 'owner-driven' housing policy by providing technical support and conditional cash grants to people through the GoSL, an approach that was in line with the Paris Declaration¹ principles of 'harmonisation and alignment' of humanitarian aid. The HODHP provided people with \$2,500 if their houses had been destroyed (a category described as fully damaged) and \$1,000 if their houses had been damaged by the tsunami (partially damaged category). By 2006, significant increase in prices of transport, labour and building

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1 The Paris Declaration, endorsed on 2 March 2005, is an international agreement to which over one hundred Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators.

materials meant that the grant was not sufficient to complete reconstruction. Phase II provided additional funds that were known as 'top-ups' to beneficiaries in some areas to take these rising costs into account.. The top-up increased the total amount received by the beneficiaries to \$5,000.

Findings

Appropriateness: The provision of cash rather than building materials or contractor built houses was appropriate as it provided greater choice and speed in design and size. Most owner-driven beneficiaries interviewed were satisfied with the quality of housing built with the cash grant as they supervised the construction. The success of this approach depended on a number of factors that were largely present in Sri Lanka; a functioning market for building materials; availability of labour; transport infrastructure; a financial system for the transfer of cash; local level authorities able to organise the process; an ability to deliver and spend cash safely; secure land tenure and a willingness of beneficiaries to build their own houses. Originally the HODHP was designed by the WB and the GoSL based on the model developed for people displaced by conflict. The objective of equity in support between those affected by the conflict and the tsunami proved difficult to realise. NGOs introduced many different standards for donor-driven housing and costs varied widely creating an initial financial inequity between donor and owner-driven approaches, and between the Southern and Northern districts. Despite such complications, HODHP appeared to be more appropriate in conflict affected areas than donor-driven approach to housing as people could continue work during periods of insecurity, while NGOs and contractors were reluctant to work during conflict.

Coverage: In general, it appears that the close monitoring of the SC helped to ensure that the beneficiaries were reasonably well targeted and that there was no obvious gender or ethnic discrepancies. The rigour of the Consortium's work and the level of transparency achieved through the database and joint meetings with the local authorities (in Matara) helped to reduce some of the targeting errors to a minimum. In Trincomalee this was achieved by gradually creating a more independent registration and monitoring structure. An important concern was what happened to people without title to the land on which they had a house and what happened to renters and those who did not own land. They were by definition excluded from the project which had land title as criteria for eligibility. A major achievement of SC in Trincomalee was the inclusion of some of these people as well as those who were not able to register for various reasons through negotiations with the local authorities. The Consortium could perhaps have done more to highlight the needs of these groups and advocate for changes to housing reconstruction policy.

Effectiveness: The Completion rate was initially higher for the 'owner-driven' approach than the 'donor-driven' housing provision, with the SC areas being particularly successful, despite interruptions in parts of Trincomalee due to conflict. It was, however, slower than it might have been because of the uncertainty over the buffer zone, government slowness in finalising beneficiary lists and delays in agreeing a policy for 'top-ups'.. The gap was closed by 2008, with both approaches making good progress. The initial base-grant of 2,500USD was not raised soon enough to protect beneficiaries against rising prices. An earlier GoSL policy to raise the grant could have increased the speed of completion significantly and reduced the risk of borrowing. The management structure of the SC in Switzerland was complex and decision making rather centralised. More devolvement of decision making authority to the SC office in Colombo and to the field offices could also have increased speed and effectiveness.

Efficiency: Low overheads; the use of local vendors and builders; home owners own labour; and close monitoring of the construction by the beneficiaries, made the SC housing more cost effective than alternative approaches. In general, donor-driven houses were significantly more expensive, estimated by the evaluation team as between two to three times the cost. Another advantage of the HODHP project was that people were rebuilding their houses in the areas where they previously lived, with its pre-existing social and physical infrastructure. In areas where the availability of services and infrastructure were already limited before the

tsunami, the HODHP approach did need to provide support for people to have access complementary services such as water and sanitation. In Trincomalee the lack of services was an issue in 2006 but during Phase II, the SRC effectively advocated to attract support. This was less of an issue in Matara due to surplus of funding and other agency interests in supplying such services.

The Consortium's attentive monitoring and technical and management support seems to have increased efficiency and the completion rate. All HODHP and national partners were very appreciative of the SC approach and regarded it as the most effective implementation model. Nevertheless, slightly more capacity for field monitoring and support could have increased effectiveness.

Impact: The original SC programme did not have a major capacity building objective but gradually it became an important and valued component. Promoting the smooth running and monitoring of the programme required SC Offices to augment local government technical (through training and manuals) and physical capacities (motorcycles, computers, office equipment). SC offices also established a database in both districts for the registration of beneficiaries. In Matara, this capacity building support and promotion of ownership by the local government partners was explicitly aimed for and successfully implemented. In Trincomalee, programme implementation gradually became more independent due to capacity and commitment issues within the local government partners, which compromised local capacity building in order to improve the efficiency of the programme. The HODHP did not have any social criteria for the selection of beneficiaries. The SC also did not conduct special monitoring or analysis of gender constraints. In Trincomalee more emphasis was placed on identifying hardship cases and gender issues. Perhaps a more regular monitoring of gender constraints and other vulnerable groups such as the landless and the renter as part of the programme could have identified the special cases earlier and advocated for their timely inclusion in the programme. In interviews by the evaluation team, in general, the female-headed households were not found to be disadvantaged in terms of ability to access labour, purchase materials and successfully get houses built to a good standard. 'Building back better' was an objective of post-tsunami reconstruction. In Sri Lanka some NGOs built or promoted raised houses against future tsunamis, however this model was not widely preferred over traditional styles. Sri Lanka is not frequently affected by large scale disasters, therefore, safety and quality measures introduced by the SC were sufficient to resist local disasters. The owner-driven approach also facilitated closer supervision of construction quality. In highly disaster prone countries additional awareness raising and training in safety measures would be necessary.

Connectedness: The SC decision to engage in a government scheme together with other international actors rather than to implement its own bilateral projects is very much in line with the Paris Declaration on aid effectiveness and its commitments to harmonisation and alignment. This compliance provided some level of coherence among the donors to HODHP that was useful in an environment of multiple housing actors and oversupply of funds for housing. The opinion of the evaluation team was that - despite the difficulties and frustrations - the advantages of supporting a national government led programme probably outweighed the disadvantages. The SC perhaps missed an opportunity to build stronger links with the North East Housing Reconstruction Program (NEHRP) that is in charge of the conflict IDP housing and built significant number of houses in Trincomalee. NEHRP adopted the database developed by the SC and unlike the local authorities has the capacity to sustain it electronically. These initial exchanges were not sustained.

Conclusions

- In a complex and difficult operating environment, the SC programme was successful in delivering financial and technical support in a reasonable time frame that helped the beneficiaries rebuild their houses successfully.
- In a context where people were traditionally involved in organising the building of their own dwellings, and markets are functioning; a cash grants approach within the owner-driven post-disaster housing reconstruction was socially, financially and technically viable.

- In comparison to the alternative of 'donor-driven' houses, the HODHP appears to have been much more effective and efficient. The SC could have delivered the programme even quicker if key GoSL shelter policy decisions had been more timely
- Risks arising during the programme implementation such as insufficient support to vulnerable people without land title, and incomplete houses due to increased construction costs were recognised and overcome.
- Beneficiaries were satisfied with the programme and the authorities and partners regarded the SC approach to HODHP as particularly effective; At District and Division levels the SC field teams were successful in carrying out a number of programme adjustments in the interest of quality, equity, and transparency that increased effectiveness.
- The SC database and close monitoring support for the programme was effective in improving the process of targeting, reducing inclusion and exclusion errors and corruption risks and speeding up the process of implementation. The database was appreciated and adopted by a number of partners and local governments. However, its long-term sustainability by the local governments is questionable. Capacity building of the local government partners was particularly successful in Matara, but had to be scaled back in Trincomalee to allow timely completion of reconstruction through more direct implementation.
- Building back better' was relatively less important in Sri Lanka compared to other tsunami affected countries as it is not frequently affected by large scale disasters. The improved quality of new houses will increase safety to some degree. Stronger emphasis on disaster safety would require additional components to the programme such as awareness arising and training on safety measures.
- Inequities between the south and the north and between tsunami and conflict IDP beneficiaries are likely to remain while the differences between the 'owner-driven' and 'donor-driven' are less visible.
- The Consortium as a new idea worked well in this situation and also built capacities of partners in CfRR. Working as a consortium reduced the individual visibility of its partners as the programme was widely associated with SDC, and in Trincomalee increasingly with SRC. Signs attached to houses rebuilt with SC support read, 'from the 'People of Switzerland' in support of the people of Sri Lanka'. This was a novel approach and appropriately low key given the proliferation of agency signs in tsunami affected areas but did again reduce the visibility of individual organisations within the Consortium.

Recommendations

The findings of the final evaluation highlighted the fact that SC took note of the conclusions from the mid-term evaluation in 2006 and acted on many of its recommendations. Among the most significant ones, despite some delays, the Consortium successfully engaged partners for 'top-ups' and assisted the beneficiaries in completing their houses. In Trincomalee, it also put significant effort into the inclusion of renters and landless people and other hardship cases who had not been able to register as beneficiaries. A number of recommendations remain to be addressed. These and other recommendations from the final evaluation highlight learning from this experience in Sri Lanka and are expected to inform the SC members in future programming.

1. The effective field approach adopted in Sri Lanka should be maintained in future CfRR programming as a starting point, as should the low overhead costs.
2. To the extent possible, supporting national government led programmes in line with the principles of 'harmonisation and alignment' of the Paris Declaration should be adopted and capacities of the relevant authorities built.
3. The weight and field experience of the SC partners should be used to advocate and influence the post disaster housing policy of national and local governments and other donors where appropriate.
4. Special attention should be given from the start to marginalised groups. They should be closely monitored and supported as necessary.

5. Where several approaches exist to housing reconstruction, equity across the beneficiaries of different schemes should be maintained and advocated for with the authorities and other organisations particularly in conflict areas.
6. Ongoing monitoring should track the functioning of markets, prices of materials and labour, and safety of delivery mechanisms in order to assure that the conditions for cash grant continue and that the value of cash is not being eroded. Programmes need to build in enough flexibility to make adjustments to changing circumstances such as adjusting the value of cash provided to allow for higher prices.
7. While maintaining the uncomplicated nature of the CfRR approach, monitoring the need for infrastructure and social services should not be overlooked and addressed.
8. In countries where disasters risk is high and frequent, the CfRR approach should employ a stronger technical support and closer monitoring to ensure safer reconstruction. Awareness raising and training of homeowners and the construction sector in safe reconstruction should be considered.
9. The experience from engagement in HODHP in Sri Lanka adds value to the already extensive cash experience of the SDC that should be shared with others in humanitarian work; A review of the combined experiences of the SDC, WB, KfW, ADB and others with the CFRR approach, from various post disaster situations, could also benefit future operations.
10. It is advisable that the Swiss Consortium undertakes an internal management review of this cooperation with a view to learning from the 'consortium model' for future partnerships for improving its effectiveness particularly in decision making.

Swiss Consortium Cash for Repair and Reconstruction Project (CfRR) Evaluation Report

1. Introduction

The tsunami that struck Asia on 26 December 2004 was one of the worst disasters in recent history. Sri Lanka was among the countries hardest hit, compounding the effects of 20 years of civil war. Housing was badly damaged and shelter became one of the immediate priorities of the affected population. People took shelter with relatives and friends, in temples, mosques and public buildings such as schools and later in temporary shelters and transitional camps supported by the government and aid agencies. Finding longer term housing soon became a key concern for both the disaster affected population and the wide range of stakeholders attempting to support relief and recovery.

The tsunami became the most rapidly and generously funded disaster response in history, with \$13.5 billion pledged or donated for relief and reconstruction. A proliferation of aid actors led to massive challenges in coordinating the response and large numbers of actors became involved in support to permanent housing (TEC 2006). The Tsunami Housing Reconstruction Unit noted that 258 organisations had committed themselves to building houses but that at the end of 2005 most had not completed a single house (THRU 2006; Christoplos 2006). A reliable figure is not available but permanent housing attracted a significant amount of post-tsunami funding.

The total financial commitment of the Swiss Consortium (SC) to housing reconstruction was around CHF 21 million, which helped to support more than 10,500 Tsunami-affected households when the programme ended in Matara district on 31 March 2007 and in Trincomalee district at the end of September 2007.²

1.1. Methodology

This report gives an overview of the CfRR programme implementation of the SC against standard OECD DAC evaluation criteria, based on a field assessment in September 2008 in Trincomalee and referring to the findings of a first mid-term evaluation in 2006 (Aysan et al 2006). The mid-term evaluation in 2006 reviewed the programme in its second year of implementation at a time when important decisions were being made about how best to complete the programme in both districts. The final evaluation in September 2008 focussed only on Trincomalee, where most of the programme implementation had taken place since the mid-term evaluation.

It needs to be stressed that the short time period in the field meant that both evaluations depended on figures and reports from GoSL, SC and other organisations such as the WB and KfW for statistical information. These were verified and triangulated where possible through interviews. Focus group discussions and in-depth interviews purposively selected representative beneficiaries from fully damaged and partly damaged houses; from Phase I and Phase II including those who received top-up grants; women headed and hardship households; renters and landless people; households from different ethnic groups; and beneficiaries from various other owner driven schemes and top-up programmes. Comparisons between 'donor-driven' and 'owner-driven'

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² \$19.5 million was directly invested in favour of beneficiaries (cash grants); total spending was \$21 million (including operations and personnel).

approaches are drawn from interviews with the relevant GoSL officials, agency representatives that operated in the shelter sector and from the household interviews. Particularly during the final evaluation in Trincomalee, where the two schemes existed in close proximity, beneficiaries were systematically interviewed from both. A field based comparison between areas supported by the SC and other districts was not possible. Information was obtained through reports and interviews with officials from the GoSL, and other owner-driven partners.

During the mid-term evaluation in 2006 Matara district was fully covered but some conflict affected areas in Trincomalee were inaccessible for security reasons. The final evaluation of September 2008 revisited the sites in Trincomalee that were visited during the 2006 mid-term evaluation, (Town and Gravets, Kuchchaveli and Kinniya) and also covered Eachilampattai where Swiss Consortium had supported beneficiaries during phase I but could not continue as they fled the conflict during April-September 2006 and returned home only in July 2007.

1.2. Housing reconstruction Policy of the Government of Sri Lanka (GoSL)

This section briefly highlights some of the key shelter policies of the GoSL in the post-tsunami period which created the context in which the Swiss Consortium was operating. A number of policy choices by the GoSL influenced the nature and speed of housing reconstruction.

- An assessment of damage to housing formed the basis of beneficiary selection; the decision was to provide 'house for a house' irrespective of family size and income.
- There were two broad approaches to permanent housing in the shelter sector. The government policy was to provide cash grants to enable people to reconstruct their homes, designed with the support of the World Bank and funded by a variety of donors, including the Swiss Consortium.³ This was complemented by international aid agencies involved in building houses usually through contractors either in relocation sites or on the original land of the beneficiaries. The cash approach officially known as Home Owner Driven Housing Project (HODHP) was called in short 'owner-driven' in contrast to 'donor-driven' approaches, where houses were built for people in various ways.

Box 1: Actors Involved in the HODHP

- The Swiss Consortium (SC) was made up of the Swiss Agency of Development and Cooperation (SDC), the Swiss Red Cross (SRC), Hilfswerke der Evangelischen Kirchen Schweiz (HEKS) and Swiss Solidarity (SwS)
- The HODHP was a GoSL programme managed by the Task Force for Rebuilding the Nation (TAFREN) later renamed as RADA designed with the support of the World Bank.
- It was initially funded by the World Bank, the Asian Development Bank, the German Kreditanstalt für Wiederaufbau (KfW), and the Swiss Consortium.
- Later, funding was provided by the Netherlands and IFRC. In Trincomalee, funding for Phase II and Phase I of 'top-ups' to complete the SC houses came from the American Red Cross and Hong Kong Red Cross.

- The GoSL imposed a 'buffer zone' -a no-construction zone of up to 100 metres from the coastal line in the South and West, and 200 metres in the North as a measure for future protection, a decision that was heavily criticised as inappropriate. After a year, the GoSL reduced it to 35 to 50 metres and then dropped it altogether. This delay, combined with difficulties in finding appropriate relocation land outside the buffer zone created problems in finalising numbers of beneficiaries receiving different forms of housing support.

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³ The cash for housing scheme was originally designed for the conflict IDPs with support from the World Bank. As the tsunami affected also the conflict areas, for the reasons of equity between the tsunami victims and the conflict IDPs, HODHP was designed on similar principles and standards to the conflict IDP scheme.

- The period of buffer zone restriction was known as Phase I, during which the numbers of 'donor-driven' houses to be built in relocation sites outside the zone were expected to be higher than those that were 'owner driven'. The buffer zone restriction was revised in October 2005 and the official start of Phase II was in May 2006, one and a half years after the tsunami. This followed the release of the *Revised Housing Policy* by the Presidential Secretariat⁴. In Phase II, the reduction of the buffer zone reversed the situation, increasing the possibility of beneficiaries going back to their original land for an 'owner-driven' house. This fluctuation in beneficiary numbers and change of locations for reconstruction created significant confusion, planning difficulties and subsequent delays in the delivery of support for housing.
- The new policy adopted a decentralized monitoring and coordination structure whereby the District Authorities were responsible for allocating resources, with the overall support of a newly created agency, RADA that replaced the earlier coordination organisation TAFREN. The new policy also endeavoured to formally take into account the coordination of "top-up" grants provided by other donors to complement the Government grant allocated to 'owner-driven reconstruction beneficiaries. (GoSL, Revised Tsunami Housing Policy, April 06). 'Top-up' grants were additional grants to cover rising costs for building materials and labour and are described and discussed more fully below.

Box 2: Timeline

26 December 2004	Tsunami hit
February 2005	HODR project was launched island wide
March 2005	Project started in two districts
April 6 th 2005	MoU between GoSL and GoSwitzerland signed to support the government CfRR project
Late 2005	Revision of buffer zone strategy
April 2006	New housing programme guidelines published and housing requirements revised upwards
August 2006	Renewed fighting in Trincomalee interrupts progress; suspends activity in Eachilampattai and Muthur divisions
2006 and 2007	Phase II of the project catering for additional beneficiaries within original buffer zone and providing top-ups for housing completion
March 2007	Project completed in Matara by HEKS
September 2007	Project completed in Trincomalee by SRC

1.3. Project Description

It was in this complex environment that a Consortium of Swiss agencies (SC) came together to support to the government's 'owner-driven' housing policy by providing technical support and cash grants to people through the GoSL. The project was called 'Cash for Repair and Reconstruction' (**CfRR**). Operating through and in support of the GoSL was in line with the principles of 'harmonisation and alignment' of the Paris Declaration on aid effectiveness (OECD 2005) The 'owner-driven' programme provided the beneficiaries with \$2,500 in four instalments if their house had been fully damaged (FD) and \$1,000 in two instalments if their house had been partially damaged (PD).⁵ Recipients had to prove that they owned a house and land title before the tsunami and that the house was damaged or destroyed. The cash grant was expected to be sufficient for a basic 'core house' to be expanded out of the savings of beneficiaries or the 'top-ups' of agencies. The Swiss Consortium provided

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⁴ Press Release, **Revision of Setback Standards**, October 2005 and **Revised Housing Policy**, May 2006.

⁵ Fully damaged category was where repair cost was more than 40% of replacement cost of the house, and partially damaged was where repair cost was less than 40% of replacement cost. Most disputes over entitlement for the cash grants were related to the assessment of these two categories, declared by both the authorities and organisations operating in housing, as inadequate.

both funding and direct technical and management support to the GoSL in implementing the project in two of the twelve affected districts. These two districts were selected to provide an ethnically balanced approach, Matara in the South (mainly Singhalese communities) and Trincomalee in the North-East (mixed communities of Tamil, Singhalese and Muslim). The resumption of conflict in 2006 and 2007 had an impact on the implementation of the project in Trincomalee with some people forced to flee from houses that had been rebuilt and others unable to complete construction. Some families returned home in July 2007 to complete their houses, and the housing programme restarted in 2008.

Box 3: Project Process

- An initial damage assessment made by team Technical Officers (TO) appointed by National Housing Development Agency (NHDA), representative of Village Rehabilitation Committee (VRC) and GN
- Eligibility for assistance based on ownership of land (land title), level of tsunami damage to the house classified as partly (PD) or fully damaged (FD) by NHDA technical officers, local officials and village representatives.
- Swiss Consortium staff entered all beneficiaries into a database
- Swiss Consortium staff conducted checks on this assessment and registration process (in Matara 100% of beneficiary registration was checked; in Trincomalee random checks were conducted for Phase I and upon learning from this Phase checking was increased to 100% coverage for Phase II).
- Those eligible for assistance received their first instalment through the bank (for fully damaged houses this was Rs.50,000, or \$500).
- The next three instalments were conditional on completing construction (foundations, walls and roof with at least one secure room). Technical Officers from NHDA inspected the construction and recommended the release of instalments.
- The DS office and the Swiss Consortium office signed off and agreed payments. In Trincomalee, until May 2006, the vouchers were signed by the DS only. Later on Swiss Consortium Office requested that all vouchers were countersigned by their Office.
- Swiss Consortium staff monitored this process and dealt with complaints and problems (for example people left off lists and those who felt they were wrongly classified).

1.3.1. Project management

The Swiss Consortium was made up of the Swiss Agency for Development and Cooperation (SDC), Swiss Red Cross (SRC), Hilfswerke der Evangelischen Kirchen Schweiz (HEKS) and Swiss Solidarity (SWS). Among the partners SDC provided support at policy level and coordination with GoSL and other partners in Colombo, as well as initial technical knowledge on cash transfer programming. Financial support from funds raised by SWS went through SRC and HEKS for implementation. The Consortium provided technical support and monitoring through a project coordinator based in Colombo and field offices in Matara and Trincomalee managed respectively by SRC and HEKS on behalf of the Swiss Consortium. They were staffed by an expatriate project manager and a local team including data management specialists and Technical field officers (TO). The two offices in the field were responsible for setting up and managing a database of beneficiaries; checking of assessment and registration of beneficiaries, dealing with complaints; monitoring of progress with construction and technical advice to the builders and home owners.

In Switzerland an operational Project Board responsible for management and a Steering Committee for policy and strategy was set up among the Swiss Consortium partners. The Consortium introduced database was used to manage and control the construction verification and payment process. Local banks made up front payments to beneficiaries according to payment lists and the banks were then reimbursed through transfers from Switzerland.

1.3.2. Phase I, Phase II and Top-ups

The mid-term evaluation in November 2006 found that people had overwhelmingly used the cash to repair or rebuild their houses. In Matara around 90% and in Trincomalee 82% of people eligible in Phase I had received all of their instalments by October 2006. The evaluation team was concerned at the time that significant increases in prices of transport, labour and building materials meant that some people had not been able to fully complete construction and that the base-grant of \$2,500 would not be sufficient for the Phase II beneficiaries added to the programme.

A second phase of support from the Swiss Consortium was introduced to cater for new beneficiaries resulting from the relaxation of the buffer zone. This second phase also provided additional funds that were known as 'top-ups' to beneficiaries in some areas to take into account the rising costs for construction. The top-up increased the total amount received by the beneficiaries to \$5,000. In addition, house owners were free to extend their houses according to their own resources and means. In Matara, there was far more housing support available from other organisations. The main top-up donor was the Belgian Red Cross and some smaller NGOs also made contributions. The SRC as the implementer of the CfRR in Trincomalee for the Consortium continued to be the implementer of the second phase during 2007. In Trincomalee, additional funds for both Phase I and II came mainly from the American Red Cross (ARC) and Hong Kong Red Cross HKRC).

1.3.3. Housing output and accountability by the Consortium

The Consortium provided support to 10,629 households in rebuilding or repairing their houses, amounting to a total cost of around CHF 21 million. Over 90% of the project funds went directly as payments to beneficiaries and field operations. All support costs were 9.7%, an impressively low figure. Two audits were carried out which concluded that the payments made to beneficiaries were fully accounted for. The breakdown of support between the two districts, between phase one and phase two and between fully and partially damaged houses is given in table 1.

Table 1. Number of houses built by the Swiss Consortium

	Number of partly damaged houses rebuilt		Number of fully damaged houses reconstructed	
	Phase I	Phase II	Phase I	Phase II
Matara	4,205	655	856	535
Trincomalee	2,242	186	1,355	595
Totals	7,288		3,341	
Total supported	10,629			

2. Findings

2.1. Appropriateness

2.1.1. Appropriateness of cash approach to housing

Housing was consistently seen by the authorities and the beneficiaries as a key concern and an important component of the recovery process. Support to housing was clearly in line with local priorities and assessed need. Shelter is recognised to be an important part of enabling people to rebuild livelihoods, and in Sri Lanka a house is part of the dowry for the daughters and so is a socially important asset to replace. The provision of cash rather than building materials or turn-key, contractor built houses was appropriate as it provided greater choice,

speed and flexibility for design and size. The success of cash for housing depends on a number of factors; a functioning market for building materials; the availability of unskilled and skilled labour such as masonry; an adequate transport and road infrastructure; the existence of a financial system for the transfer of cash; authorities at the local level to organise the process of reconstruction; the ability to deliver and spend cash safely; secure land tenure and a willingness on the part of beneficiaries to build their own houses. In Sri Lanka these factors were present from the start, which provided the essential basis for the success of the cash approach.

2.1.2. Appropriateness of CfRR in conflict areas

Originally the HODHP was designed by the WB and the GoSL based on the model developed for people displaced by conflict. Sri Lanka also had previous experience with owner-driven approaches in the late 1980s during president Premadasa's time, and the Swiss Consortium had good knowledge of cash approach from previous programmes in conflict areas⁶. The idea behind using the same model and similar standards for the post- tsunami housing was for reasons of equity as the North and North-East were affected by both the tsunami and the conflict. The objective of equity in support between those affected by the conflict and the tsunami proved difficult to realise. NGOs introduced many different standards for the donor-driven housing and costs varied widely (estimated at between \$10,000-15,000) creating a financial inequity between donor and owner driven approaches, and the Southern and Northern provinces.

Equity in Trincomalee between conflict and non-conflict beneficiaries changed significantly in 2008 as the conflict eased off. Those organisations still with funds to spend turned their attention to areas that could not be reached previously. For example, in Eachilampattai CfRR houses with various levels of top-ups by agencies, donor-driven houses that cost up to \$15,000 and conflict IDP houses of around \$3,500 all co-exist in the same area. Despite great inequality in what they had received those households interviewed in Eachilampattai expressed acceptance of this reality. Both conflict and the tsunami affected beneficiaries interviewed conveyed a sense of relief that they were able to return to their land and start their lives again and the differences in support mattered less than the chance to rebuild livelihoods. It was however visible that the conflict IDP houses were significantly lower in standard than those of the tsunami beneficiaries, which in a way defies the whole purpose of modelling the HODHP after the conflict IDP scheme.

Despite such complications, the cash approach appeared to be appropriate for the tsunami beneficiaries in conflict affected areas. Occasional material and labour shortages and difficulty in getting access to banks were reported to slow down progress in Trincomalee. The conflict interrupted the programme in two of the five divisions, Muthur and Eachilampattai. In the other three divisions, the program was slowed down but not completely interrupted, although expatriate programme staff had to leave the district for some time. Even in Eachilampattai, it was evident from the interviews that despite the conflict many families managed to complete their houses up to lintel or roof level before they fled the conflict in 2006. Some reported that they stayed on and continued work on their house, while NGOs and contractors that worked on donor-driven houses were reluctant to work during conflict.

2.1.3. Appropriateness for the beneficiaries

Both owner-driven and donor-driven house beneficiaries were systematically asked about their level of satisfaction with their own house and what they felt about the other options. During the mid-term evaluation 2006 responses were mixed. In Matara, where more choices were available those CfRR beneficiaries who completed their houses expressed a preference for an 'owner-driven' approach. Whereas, those that could not complete

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⁶ For examples see the SDC web site: www.sdc-cashprojects.ch

their houses or got into debt due to price increases expressed at the time a preference for a 'donor-driven' house. Receivers of high quality 'donor-driven' houses on their land as well as those who received significant agency support in the form of building materials and labour also preferred the donor option over only cash. Many of these cases were in Matara where there was an over supply of aid and more options were available. In Trincomalee, on the other hand, the 'owner-driven' approach was more popular as progress with 'donor-driven' houses was initially limited. During the final 2008 evaluation in Trincomalee, practically all beneficiaries expressed that they were happy with what they had and did not envy the other schemes irrespective of the differences of approach, quality, cost and speed of delivery. Practically all owner-driven beneficiaries believed that the quality of their house was high as they had supervised the construction. Recipients of donor driven houses were more sceptical of quality, especially if they were absent while their houses were built.

2.1.4. Appropriateness of the amount

The amount of cash provided does appear to have been appropriate at the time of the project design. Over time it proved to be inadequate due to increasing prices for transport, building materials and skilled labour. There is a need in cash based projects to monitor the availability and prices of key goods and services to ensure the ongoing appropriateness of cash. Better monitoring of prices and the availability of materials and labour might have led to earlier and stronger identification of the issue of delays, unfinished houses and the risk of getting into debt. Stronger advocacy with the authorities and the other CfRR partners for an earlier policy for the 'top-ups' might also have increased the speed of reconstruction. The Swiss Consortium did attempt to influence government policy around top-ups and in Phase II enabled people to complete their houses. Better monitoring data might have enabled them to make a stronger case.

Based on the interviews during the mid-term evaluation in 2006 the 'partly damaged' category that received \$1,000 was a much disputed classification. Some houses with minor damages were classified as partly damaged so beneficiaries spent the money on other priorities. Other partly damaged beneficiaries with badly maintained, poor quality houses also objected the classification as the amount was claimed to be inadequate to make their houses safer. Some recipients of grants for fully damaged houses who could not complete their houses at \$2,500 also complained that some partly damaged beneficiaries that received \$1,000 only had to pay for a new coat of paint. In Matara, the Swiss Consortium office assessments suggested that 90% of the partly damaged category under Phase I had relatively light damage (damage score of 1-10 out of 39) that could be repaired for less than \$100. A better classification nationwide could have been more time consuming for the GoSL. It was also felt that, even where damage was relatively light, people receiving the partly damaged grants had many other livelihood and shelter related needs on which the balance of the money was being spent and having positive impacts. On the other hand, the partly damaged category consumed a significant part of the Swiss Consortium funds, and better targeting could have been advocated for with the authorities.

2.1.5. Appropriateness of the Consortium approach

The Consortium as a new idea worked well in this situation and brought together complementary capacities and roles of the partner organisations under an umbrella initiative. The partners in the Consortium developed their capacity in the CfRR approach through the course of conceiving and implementing the programme. At the onset of the programme, SDC's technical capacity in cash approaches enabled it to play a strong and important role. The decision making structure of a consortium approach was also new. It was consultative and increased synergies among the partners. However, being centralised in Switzerland it sometimes slowed down the operational effectiveness in the field due to indecisions and a lack of decentralisation of authority to the field.

Working as a consortium compromised the individual visibility of its partners. In Sri Lanka the SC programme was widely associated with SDC and in Trincomalee it was increasingly recognised as an SRC programme. t.

Unlike others, the Consortium took a novel approach to visibility and highlighted, on signs attached to the houses, only the support of 'People of Switzerland' to the people of Sri Lanka, rather than flying the flag of the organisations. Good documentation, high quality reports and well disseminated posters in Trincomalee gave the Swiss Consortium good visibility with donors, authorities and partners. Nevertheless, within these innovative dissemination and communication strategies, individual partners were inevitably less recognisable.

2.2. Coverage

2.2.1. Beneficiary targeting

The evaluation team was not able to survey or interview a representative sample of beneficiaries so cannot make any quantitative judgement about the extent of inclusion and exclusion errors. In general, it appears that the relative simplicity of the HODHP criteria and close monitoring of the Swiss Consortium helped to ensure that it was reasonably well targeted and that there were no obvious gender or ethnic discrepancies. Nevertheless several beneficiaries highlighted disputes, tensions and sometimes abuses of power over the issues of who was classified for partly or fully damaged cash grants; who was eligible for owner or donor options and who received what level of top-ups. The rigour of the Consortium's work and the level of transparency achieved through the database and joint meetings with the local authorities (in Matara) helped to reduce some of these errors. Uncertainty over government policies relating to top-ups meant that in Matara some beneficiaries received both 'donor-driven' housing and cash payments. In Trincomalee moving towards a monitoring and registration system in Phase II that was more independent of the NHDA improved targeting of those previously excluded. It seems likely that the more direct Swiss Consortium support and monitoring helped to identify targeting errors earlier in the process than in other districts.⁷

Table 2. Beneficiaries excluded from official DS lists and identified by SC in Trincomalee

Area	Phase 1	Phase 2	Total
<i>Senthoor</i>	40	90	130
<i>Kuchchaveli</i>	20	20	40
<i>Town & Gravets</i>	50	10	60
<i>Kinniya</i>	50	130	180
<i>Eachilmappatai</i>	0	0	0
<i>Muthur</i>	0	0	0
Total	160 % 12 of FD	250 % 47 of FD	= 410 = 20% of the fully damaged

2.2.2. Coverage of the vulnerable

An important concern was what happened to people who did not have title to the land on which they had a house and what happened to people who were renting and did not own land or have a house. They were by definition excluded from the project which had land title as criteria for eligibility.

A major achievement of the Swiss Consortium was the inclusion of some of these vulnerable people in Trincomalee. Beneficiary targeting was much better for Phase II as the process of identification and verification was carried out by the Swiss Consortium and not by the local authorities as in Phase I. The number of beneficiaries that opted for phase II were less than the original numbers suggested by the government as some

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⁷ For example, the World Bank used the auditing results to identify targeting errors and did not transfer the amount for these cases to the GoSL.

stayed with donor-driven housing schemes. This released some funds for the Swiss Consortium to cover families who were left out such as the landless, squatters and those who had been unable to register. Practically all beneficiaries in this category were very poor, some were single mothers or lone elderly households and many were encroachers on government land. SRC on behalf of the Swiss Consortium negotiated with the authorities for their inclusion on the list and for a certificate to recognise their right to live on that land. This provided not only a good quality house but also better security to these marginalised people who could have otherwise fallen out of all schemes. However, the Swiss Consortium could perhaps have done more earlier to highlight from its experience the needs of these groups and advocate for changes to the housing policy of the GoSL.

Table 3. SC Beneficiaries who lived in huts without title to land or house before the Tsunami in Trincomalee

Area	Phase 1	Phase 2	Total
<i>Senthoor</i>	41	90	131
<i>Kuchchaveli</i>	200	100	300
<i>Town & Gravets</i>	70	10	80
<i>Kinniya</i>	50	130	180
<i>Eachilmappatai</i>	396	-	396
<i>Muthur</i>	88	-	88
Total	845 % 62 of FD	330 % 55 of FD	1175 = 60% of the fully damaged (FD)

2.3. Effectiveness

2.3.1. Completion rate

The effectiveness of SC support in the two districts is exemplified by the fact that, throughout the process of reconstruction the completion rate (houses built to a satisfactory and habitable standard) has been advanced in these districts. During the 2006 mid-term evaluation, the completion of CfRR houses differed significantly in the two Swiss Consortium assigned districts. In Matara, NGOs and other actors provided additional 'top-ups' or 'co-financing' assistance to different levels to enable houses to be completed for around 80% of those eligible. In Trincomalee, where there was a more limited NGO presence due to conflict and over 90% of the CfRR houses were exclusively funded by the SC, more houses remained unfinished due to price increases. Only around 10% of the houses had some form of topping-up by others. It should be noted that 'top-up' was not a part of the Swiss Consortium MoU with the GoSL as steep cost increases were not anticipated at the time but nevertheless added to inequity between the districts.

During Phase II, this discrepancy was tackled through the efforts of SRC in finding top-ups for the beneficiaries in Trincomalee. As a consequence, the completion rate of the house was close to full with both phase II and the top ups of the unfinished houses from Phase I in Town and Gravets, Kuchchaveli and Kinniya. It should be noted that some home owners also invested their own funds. During this evaluation it was observed that in the conflict affected area of Eachilampattai, some of the Swiss Consortium funded houses in Phase I were completed by other agencies to different standards or by giving plaster and paint (World Vision). Some houses remained incomplete as beneficiaries were still absent due to the conflict.

Table 4. Performance of Cash Transfer for HODHP October 2006 (phase - 1)

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

Source: NEHRU, SWHRU, SDC

2.3.2. Effectiveness of the grant

From interviews in Trincomalee during the second evaluation and a review of the SC database, around 25% of Phase II beneficiaries are estimated to have managed to fully construct a modest house with the official \$5,000 (\$2,500 base-grant+\$2,500 top-up) funds. From the interviews it is estimated that on average the beneficiaries invested another \$1,000 to \$1,500 from their own savings but mostly by pawning their jewellery with the Peoples Bank –a common practice of collateral in Sri Lanka- to complete and improve the house to a good level of finishing. While in some cases the extra money was used for higher quality windows, doors or kitchen tiles in many cases it was used for finishing the house to a good standard and size. Most of these houses had no furniture, an indication that there was not much surplus money left after building the house. A grant of \$6,500 per house would have been more appropriate to make up for the labour and material costs that continued to increase during the period of implementation.⁸ Most beneficiaries interviewed in Trincomalee lived in a simple two room house out of poorer materials prior to the tsunami, hence the new house was a major improvement in their living conditions and an important asset for the future.

2.3.3. Speed of SC approach

The cash approach enabled people to rebuild their houses more quickly than donor driven alternatives. It was, however, slower than it might have been because of the uncertainty over the buffer zone, government slowness in finalising beneficiary lists and delays in agreeing a policy for top-ups. In spite of a delayed start and many interruptions, beneficiaries were, on average, able to build up to lintel level in a total of 3-6 months, then many stopped. In Trincomalee, they reported three reasons for stopping: increasing prices and insufficient money to continue; conflict; and rumours that there would be additional money coming hence they did not want to borrow. They were able to wait because there was no significant pressure for housing. Many built a temporary shelter on their plot of land. Though flimsy structures, most beneficiaries covered in the final evaluation reported that they lived in much poorer housing prior to the tsunami and were prepared to wait for the additional funding for a better house. An approach that could have supported the building of large number of houses in a short period of time ended up taking much longer due to the various factors listed above. Nevertheless, no other approach was able to deliver cheaper, faster and to higher standards. The management structure of the Swiss Consortium in Switzerland was complex and decision making was rather centralised within the Steering Committee. More devolvement of decision making authority to the SC office in Colombo and to the field offices could have increased the negotiation power of the field structures and their effectiveness.

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⁸ North East Housing Reconstruction Programme (NEHRP) office in Trincomalee estimate 2008 inflation at %27.

2.4. Efficiency

2.4.1. Efficiency of the CfRR approach

Low overheads, due to direct implementation; use of local vendors and builders; home owners own labour, and close monitoring of the construction by the beneficiaries, made the SC housing more cost effective than alternative approaches. In general, donor driven houses were reportedly of poorer quality and significantly more expensive, estimated between two to three times the cost excluding management and agency overheads⁹. It should be noted that most other owner-driven approaches, other than the HODHP, were mostly a mixture of cash and building materials support and required significant time and staffing to manage the process, which increased the programme costs and could only deliver a smaller number of houses. On the other hand, they sometimes provided better complementary services (such as water and sanitation) and higher financial and material support to the beneficiaries.¹⁰

Originally the Swiss Consortium programme was specifically focussed on housing as was required by the HODHP guidelines by the GoSL, with the hope that other agencies would address other needs such as livelihoods, and services such as water and sanitation. A major advantage of the HODHP project was that people were rebuilding their houses in the areas where they previously lived, with its pre-existing social and physical infrastructure. This meant that the pre-tsunami infrastructure of schools and health care was still in place or being repaired if damaged. People were also close to the location of their previous livelihoods. In some areas, however, pre-tsunami access to services and livelihood opportunities were already limited. . Initially, few agencies were prepared to support beneficiaries outside their target groups, which could have easily disadvantaged the Swiss Consortium beneficiaries. This was less of an issue in Matara due to a surplus of funding and other agency interests in supplying such services and support as part of co-financing, though of various quality and expertise. In Trincomalee there was a visible gap in access to complementary services during the mid-term evaluation in 2006. However, during Phase II SRC advocated well and managed to attract such support. While maintaining the uncomplicated nature of the CfRR approach, monitoring of such needs and a stronger advocacy role in persuading other actors to address needs such as for water and sanitation, livelihood and social services could have been undertaken by the Consortium from the start.

2.4.2. Efficiency of the SC approach to HODHP

The HODHP was implemented at different levels of success in Sri Lanka. For example, during the early stages WB and KfW -which later significantly strengthened its monitoring, did not provide strong technical support to the programme and had lower rates of completion. The Consortium's attentive monitoring technical and management support seems to have increased efficiency and the completion rate. All HODHP and national partners were very appreciative of the Swiss Consortium approach and regarded it as the most effective implementation. Within the central government, the Ministry of Finance preferred the Swiss Consortium arrangement of direct transfer of funds through them, as opposed to the practise of other HODHP partners who went through RADA, as this was regarded more transparent. The National Planning Office visited the SC programs in Matara and Trincomalee and concluded in a written report that this was the best implementation of the HODHP and that it should be used

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⁹ Evaluation could not make a review of comparative costs. These figures were reported by GoSL officials at local and central levels; top-up partners of SC such as ARC, HKRC as well as the SRC from its other variety schemes.

¹⁰ Some agencies implemented more integrated approaches to cash, e.g. Belgium RC, Irish GOAL and LEAD (a national housing NGO), IFRC seem to have addressed these needs as part of their cash programmes from the start.

as the model by the GoSL.¹¹ Local authorities, despite their reduced role during Phase II and the top ups remained positive about the SC implementation.

2.4.3. Efficiency of top-ups

The ARC as a top up partner appreciated the speed and efficiency of the programme delivery. It was a very low cost programme and that there were no overheads charged by the SRC. They were particularly happy about being able to pay into the beneficiaries' accounts as it looked the most direct way of supporting the beneficiaries, though this direct payment created some delays. HKRC was equally appreciative of this partnership and praised the good and regular reporting of progress and excellent financial accounting. They also expressed a preference for the simpler approach of the Swiss Consortium over their other partners, for example, the more complicated IFRC approach to HODHP.¹² Top-up partners raised the issue that the technical support to the programme could have been better in Trincomalee and that there were too few teams for the scale of the programme. This was a well founded observation which was also recognised by the SRC as the implementing organisation. However, increasing the number of teams required additional cars fully equipped with HF and VHF radio, a requirement for Red Cross members, for which it was difficult to obtain permission from the Ministry of Defence. In both Matara and Trincomalee there was a balance to be struck between maintaining the admirably low operating and overhead costs and having sufficient capacity for implementation and monitoring. The project was perhaps too lean and slightly more capacity for monitoring and support could have increased effectiveness¹³.

2.5. *Impact*

2.5.1. Impact on the beneficiaries

The project can claim to have had a positive impact in a number of areas. People largely used the cash provided to repair or rebuild their houses and over ten thousand people are now living in safe and habitable homes. Beneficiary capacities in construction may also have been increased through technical supervision and explanations on site by the TOs whilst inspecting building quality, which may have a lasting impact. The project also had a positive impact for local businesses, creating demand for both skilled and casual labour and for building materials which were largely purchased locally. Builders also learned from the technical supervision of government officers some skills for quality construction. People were able to use their own labour that indirectly had an impact in generating income. On average families reported to have saved \$1,000-1,500 on labour by performing some of the menial jobs.

2.5.2. Impact on the governmental partners

The original Swiss Consortium programme did not have a major capacity building objective. However, the smooth running and monitoring of the programme by the government required Swiss Consortium Offices to augment technical (through training and manuals) and physical capacities (motorcycles, computers, office equipment) of the TOs of the NHDA. This capacity support and regular monitoring became an appreciated quality of the Swiss Consortium approach. The sustainability of this impact on local authorities is questionable, however,

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¹¹ Department of National Planning, GoSL, **Assessment of the Tsunami Housing Project covering the Districts of Matara and Trincomalee funded by the Swiss Agency for Development and Cooperation**, October 2007.

¹² NEHRP that operates in the same conflict affected areas and HKRC, a partner of both SC and IFRC in owner driven approach, reported that IFRC had too many installements, several community meetings processes and a higher amount of top-up than others', but still preferable to donor driven approach.

¹³ NEHRP ratio of TOs was around 100-150households/ officer in the same area a much better ratio than the SC.

due to the reportedly high turnover of officers. Perhaps the most cited capacity impact of the project was from the database established by the Swiss Consortium in both districts. The system was an appreciated contribution of the Consortium by the authorities and the agencies and was transferred to the IFRC with accompanying training. Both in Matara and Trincomalee the authorities had an interest in sustaining this database but they had difficulties in hiring qualified staff for electronic database management.

In Matara, capacity building and ownership of the local government partners was explicitly aimed for and successfully implemented. In Trincomalee, programme implementation gradually became more independent due to capacity and commitment issues within the local authorities. After October 2006, SRC set up its own implementation structure, which compromised capacity building of local authorities in order to improve the efficiency of the programme. It is important to note that such a change in the setup was made possible because of the low involvement and general disinterest of local government partners in taking the lead in implementing the programme. The Assistant GA for Trincomalee went as far as expressing a preference for this more detached arrangement for implementation as this would 'shield' them better from the political implications of any decisions in an ethnically mixed conflict area. He also believed that NHDA and the local authorities in Trincomalee had limited capacities to take on this extra work load.

2.5.3. Gender impact

As for the gender impact, the HODHP design did not have any social criteria in the selection of beneficiaries. The Swiss Consortium implementation also did not have special monitoring or analysis of gender constraints, except for the Phase II implementation in Trincomalee where more emphasis was placed on identifying hardship cases and gender issues. Perhaps a more regular monitoring of gender constraints as part of the programme could have better identified the special cases and advocated for their earlier inclusion. Nevertheless, from the interviews of both evaluations female-headed households did not seem to have been particularly constrained in accessing materials or supervising the work. Indeed, some of the most entrepreneurial individuals interviewed who had made the best use of the original grant of \$2,500 to largely complete their houses were female headed, perhaps conscious of the need to budget particularly carefully and since they could not utilise their labour to cut costs, they had husbanded the resources with great care. Strong family ties also played a significant support role. Practically all single-female headed households and lone elderly women reported labour support from relatives and neighbours.

2.5.4. Impact on risk reduction

'Building back better' was an objective of post-tsunami reconstruction in all affected countries. In Sri Lanka, including in Matara, some NGOs built or promoted raised houses against future tsunamis. This model, however, was not widely preferred by the SC beneficiaries as it is not so suitable for their traditional life styles. In Matara, several ground floor areas were already closed in, toilets and cooking areas were already moved to the ground level during the mid-term evaluation of 2006.¹⁴

The quality of the housing built through cash support appeared good. Basic visual inspections suggested that they were safe, secure and of reasonable quality. Most beneficiaries interviewed were unanimous in regarding the quality of the houses that they had built as higher than their original house and those built by contractors.

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¹⁴ East being more vulnerable to natural disasters facing the open sea and had more damage, this development was somewhat incongruous. The evaluation team was under the impression that 'pillar houses' were initially imposed by the INGO as standard designs and gradually assumed by the beneficiaries as a safer house. The lack of such INGO promotion in the North-East could have been the reason for beneficiaries rebuilding in traditional forms.

They felt that increased use of concrete and cement as well as their ability to supervise the work; to purchase materials; hiring skilful workers and strong interest in ensuring quality, rather than cutting costs, had helped to ensure greater quality. Direct inspection of the progress, with construction and technical advice to beneficiaries by the Swiss Consortium local offices and the way it was linked to the four instalments also had a positive impact on the quality of construction. Sri Lanka is not frequently affected by large scale disasters, therefore, safety and quality measures introduced by the Swiss Consortium were sufficient to resist local floods and high winds. In highly disaster-prone countries the HODHP approach may require additional safety measures such as training of beneficiaries and builders in safe construction principles. Training was an approach adopted by KfW in Batticaloa and Ampara to meet the shortage of quality labour and access the beneficiaries to trained masons and carpenters for quality construction.

2.6. Connectedness

2.6.1. With the government authorities

The Swiss Consortium decision to engage in a government scheme together with other international actors rather than to implement its own bilateral projects is very much in line with the Paris Declaration on aid effectiveness and its commitments to harmonisation and alignment of international aid with government priorities. This compliance provided some level of coherence among the donors to HODHP that was useful in an environment of multiple housing actors and oversupply of funds for housing. At the national level, the Government integrated SDC, World Bank, KfW and ADB as partners for the management and the implementation of the programme. At the same time, crucial decisions such as changes to deadlines and guidelines were taken by GoSL without adequate consultation and coordination with the donors, reducing the benefit from this partnership. A key concern from the very inception of the programme was that the respective roles and responsibilities of the SC and GoSL were not very precisely defined or clearly set out in subsequent policy and implementation guidelines, resulting in different interpretation of the role in the two districts. The Consortium could perhaps have done more to influence this process, particularly at a national level. For this purpose it could have worked more closely with other partner donors and coordinated more with other international actors involved in the housing sector to attempt to generate support. However, the huge volume of tsunami assistance and multiple actors involved meant that international agencies in general were in a weak negotiating position with GoSL in building in conditions to their assistance. The prospect of post-tsunami recovery and reconstruction contributing to peace may also have influenced the donor community. Despite the difficulties and frustrations, the opinion of the evaluation team was that the advantages of supporting a national government led programme probably outweighed the disadvantages. More could have been done, however, to give the field offices a clearer role to maximise the experience and resources of the members of the Consortium and more authority could have been given to the Swiss Consortium Office in Colombo to influence government policy.

2.6.2. With the IDP cash for housing programme

The Swiss Consortium perhaps missed an opportunity to build stronger links with the North East Housing Reconstruction Program (NEHRP) that is in charge of the conflict IDP housing. It has built significant number of houses in Trincomalee province since 2004 and appeared to have the capacity and the human resources to manage and monitor such a large scale programme. NEHRP officers were trained with support from the WB and received programming support from a similar CfRR programme officers in Gujarat. NEHRP has been the partner for WB CfRR implementation in a number of districts in the Northern provinces that were affected both by the conflict and the tsunami upon the insistence of the WB with the central government. There was some interaction with the Swiss Consortium staff during the early stages of implementation. NEHRP adopted the database developed by the Swiss Consortium and unlike the local authorities has the capacity to sustain it electronically.

These initial exchanges were not sustained. By the time implementation reached Phase II there was no longer any knowledge of the NEHRP role or any interactions, limiting any possible connectedness.

3. Conclusions

- **In a complex and difficult operating environment, the Swiss Consortium programme was successful in delivering financial and technical support in a reasonable time frame that helped the beneficiaries rebuild their houses successfully.** Despite the difficult security situations in the Trincomalee district that interrupted the programme in two out of five districts and the complexities of the overall post-tsunami shelter sector, the SC programme completed its commitments in a reasonable time frame. This was a large and ambitious project, implemented in a difficult environment, in a sector characterised by limited coherence and several policy changes, with the Consortium approach adding another layer of management complexity. Given these complications, the project should be seen as a success.
- **The cash approach to owner-driven post-disaster housing reconstruction was socially, financially and technically viable.** The two evaluations carried out provided empirical evidence that the growing trend towards financial support to owner-driven post-disaster housing reconstruction can be appropriate and effective. It shows that in a context where people are traditionally involved in organising the building of their own dwellings, markets are functioning and they are given adequate financial and technical support, they have the capacity to construct houses that are more likely to respond to their needs and preferences than houses provided by outside agencies.
- **In comparison to the alternative of 'donor-driven' houses, the HODHP appears to have been much more effective and efficient.** On the whole, people built their own houses more quickly and more cost effectively; contributed to local economic recovery as the majority employed local labour and procured locally; indirectly generated income as beneficiaries used their own labour for part of the construction especially when there was no paid work available. The Consortium could have delivered the programme more quickly if policy decisions by the GoSL had been timelier and if there was a better ratio of monitoring and technical support teams to the beneficiaries.
- **Risks arising during the programme implementation such as insufficient support to some vulnerable groups and incomplete houses due to increased construction costs were recognised and overcome.** An important issue faced by both owner-driven and donor-driven approaches to shelter resulting from the 'house for a house' government policy was the potential for exclusion of people without land title -renters and the landless. A particular concern relating to cash grant support was whether people with limited labour such as widows or female-headed households would find it difficult to purchase materials and organise construction. In some areas these concerns were addressed by NGOs operating in the same area, whilst the Consortium in Trincomalee also identified and provided support for some of these marginalised families.
- **Beneficiaries were satisfied with the programme and the authorities and partners regarded the Swiss Consortium approach to HODHP as particularly effective.** On the whole, the beneficiaries interviewed were very proud of their achievements and expressed great satisfaction with the programme and the house that they had been able to build. The close monitoring and rigorous approach adopted by the Consortium was commended by the authorities and HODHP partners such as KfW and WB for its effectiveness. At District and Division levels the Swiss Consortium field teams were successful in carrying out a number of programme adjustments in the interest of quality, equity, and transparency that increased effectiveness.
- **The Swiss Consortium approach to HODHP influenced a number of partners and organisations.** The database developed by the SC programme was much praised by the authorities and HODHP partners and adopted by a number of partners and local governments. However, its long-term sustainability by the local governments is questionable. The database served to significantly reduce possible errors of duplications

across the various databases. The evaluation concluded that the SC database and close monitoring support for the programme had been effective in improving the process of targeting, reducing inclusion and exclusion errors and corruption risks and speeding up the process of implementation.

- **Capacity building of the local government partners was particularly successful in Matara, but had to be scaled back in Trincomalee to allow timely completion of reconstruction through more direct implementation.** In Trincomalee there were good reasons for gradually moving the implementation of the programme away from the authorities and creating a more independent structure. While in Matara the program was implemented more closely with the local authorities, which increased their ownership and accountability as well as contributing to building their capacities.
- **Stronger emphasis on disaster safety would require additional components to the programme.** 'Building back better' was relatively less important in Sri Lanka compared to other tsunami affected countries as is not a country that is frequently affected by large scale disasters. The improved quality of new houses will increase safety to some degree. However, in high-disaster risk countries stronger technical support to beneficiaries and closer monitoring of reconstruction of houses will be necessary to ensure safe houses.
- **Inequities between the south and the north and between tsunami and conflict IDP beneficiaries are likely to remain while the differences between the 'owner-driven' and 'donor-driven' are less visible.** Attempts have been made to reduce these inequities by the Swiss Consortium in Trincomalee. However, the risk of potential tensions remains in the areas where conflict IDPs have returned. Nevertheless, the conflict IDP beneficiaries interviewed in the conflict affected area did not raise the differences and expressed acceptance of their situation.
- **The Consortium as a new idea worked well in this situation and also built capacities of partners in CfRR.** Working as a consortium reduced the individual visibility of its partners as the programme was widely associated with SDC, and in Trincomalee increasingly with SRC. Signs attached to houses rebuilt with SC support read, 'to the 'People of Switzerland' in support of the people of Sri Lanka'. This was a novel approach and appropriately low key given the proliferation of agency signs in tsunami affected areas. Good documentation, high quality reports and well disseminated posters in Trincomalee gave the SC good visibility with the donors, authorities and partners. The decision making structure of a consortium approach was consultative but being centralised in Switzerland it sometimes slowed down the operational effectiveness in the field due to a lack of decentralisation of authority for decision making to the field.

4. Recommendations

The findings of the final evaluation highlighted the fact that Swiss Consortium took note of the conclusions from the mid-term evaluation in 2006 and acted on many of its recommendations. Among the most significant ones, despite some delays, the Consortium successfully engaged partners for 'top-ups' and assisted the beneficiaries in completing their houses. In Trincomalee, it also put significant effort into the inclusion of renters and landless people and other hardship cases who had not been able to register as beneficiaries. . It was not able to complete the programme in the districts of Trincomalee where people fled the conflict, as peace was resumed close to the end of Swiss Consortium engagement in the district. The issue of inequity between the conflict IDPs and the tsunami beneficiaries also remains but is beyond the capacity of the Swiss Consortium to address other than through political advocacy with donors and the authorities that remains weak. A number of recommendations remain to be addressed. These and other recommendations from the final evaluation highlight learning from this experience in Sri Lanka and are expected to inform the Consortium members in future programming.

1. The simplicity of the CfRR and effective field approach adopted in Sri Lanka should be maintained in future CfRR programming as a starting point, as should the low overhead costs.

2. To the extent possible, supporting national government led programmes in line with the principles of 'harmonisation and alignment' in the Paris Declaration should be adopted; capacities of the relevant authorities built to manage the programme and the authorities made responsible and accountable. Close monitoring of quality and transparency of delivery should be maintained.
3. The weight and field experience of the Swiss Consortium partners should be used to advocate and influence the post disaster housing policy of national and local governments and other donors where appropriate.
4. Special attention should be given to marginalised groups such as renters, squatters, landless who may fall out of schemes such as cash approaches that often assume access to land. Other vulnerable groups such as single-headed households, orphans and the elderly should be closely monitored and supported as necessary for their ability to access their rights as well as to manage the construction process. The monitoring of programme impact as well as social and gender analysis should be systematically undertaken.
5. Where several approaches exist to housing reconstruction, equity across the beneficiaries of different schemes should be maintained and advocated for with the authorities particularly in conflict areas. Close cooperation should be maintained with other donors and implementers of housing reconstruction to sustain equity.
6. Ongoing monitoring should track the functioning of markets, prices of materials and labour, and safety of delivery mechanisms in order to assure that the conditions for cash to be appropriate continue to be met and that the value of cash is not being eroded. Programmes need to build in enough flexibility to make adjustments to changing circumstances such as adjusting the value of cash provided to allow for higher prices. Where governments are responsible for key policy decisions a strong advocacy role needs to be built into the project.
7. While maintaining the uncomplicated nature of the CfRR approach, monitoring the need for water and sanitation, livelihood and social services should not be overlooked; addressing these as necessary and an advocacy role of persuading others to address these needs should be considered.
8. In countries where disasters risk is high and frequent, the CfRR approach should employ a stronger technical support and closer monitoring to ensure safer reconstruction. Awareness raising and training of home-owners and the construction sector in the principles of safe reconstruction should be considered.
9. The experience from engagement in HODHP in Sri Lanka adds value to the already extensive cash experience of the SDC that should be shared with others in humanitarian work; A review of the combined experiences of the SDC, WB, KfW, ADB and others with the CFRR approach, from various post disaster situations, could also benefit future operations.
10. It is advisable that the Swiss Consortium undertakes an internal management review of this cooperation with a view to learning from the 'consortium model' for future partnerships for improving its structures and effectiveness particularly in decision making and in the field.

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