

**SRI LANKA: Integrated Watershed & Water Resources  
Management Project**

**Ministry of Mahaweli Agriculture, Irrigation & Rural  
Development**

**Resettlement Policy Framework**

**26 March 2019 & revised**

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## Executive Summary

### Introduction and background

- I. The emerging economy of Sri Lanka is now facing an additional challenge posed by the global climate change. The country is now facing severe and long duration droughts occurring in the dry zone as well as severe flooding occurring every year in the wet zone of the country. Studies confirm that the wet regions of the country would eventually become wetter while the dry areas become more dry.
- II. The Government's Public Investment Plan (PIP) for 2017-2020, has allocated the second highest resources to the irrigation and water resources sector (over US\$4 billion). Accordingly, the Government has requested the World Bank (WB) to extend assistance to formulate a project on watershed and water resources management under the Ministry of Mahaweli Agriculture Irrigation and Rural Development (MMAI&RD) mainly to address the current challenges instigated by the onset of climate change. The project intervention is termed, "Sri Lanka Integrated Watershed and Water Resources Management Project" (IWWRMP) and has four components as follows:
- Component 1: Watershed and Water Resources Planning  
Component 2: Infrastructure Improvements  
Component 3: Contingency Emergency Response  
Component 4: Project Management
- III. Between these various components, only Components one and two will involve any physical infrastructural works, while Component one will also aims to improve the capacity to plan water resources in the country.
- IV. Both on-farm and off-farm physical works related to reduction of land degradation such as construction of soil bunds, lock and spill drains, leader (Neththi) drains, stone bunds, terraces, contour platforms, single platforms, check dams, slope protection with soil filled bags, construction of side walls by boulders, gabion structure, drop structures, percolation pits, silt traps, gully conservation, stream bank conservation, fill slope conservation, cut slope conservation, agro-road improvement shall be performed with assistance and participation of the people in the project area. These activities shall be carried out under component 1.2 Watershed Restoration

Activities under component 2 will rehabilitate the identified high-risk dams owned by the Irrigation Department (ID), Mahaweli Authority of Sri Lanka (MASL), the Northern Provincial Council (NPC) and Eastern Provincial Council (EPC) to improve the operational efficiency and safety of the Dams. The rehabilitation work will also seek to improve efficiency of other major water assets. These activities shall also involve physical construction works. The dam and irrigation infrastructure work under this component is sub-divided between MASL, ID, NPC & EPC as follows;

ID		EPC		MASL		NPC		Total	
HW/Dams	Canals	HW/Dams	Canals	HW	Canals	HW	Canals	HW	Canals
14	8	5	3	6	2	11	6	36	19

Note: HW = Headworks.

- V. The geographic area of intervention of Component one will be Upper Mahaweli Watershed. The Mahaweli Authority of Sri Lanka and the Forest Department (FD) are key agencies which shall implement Component one. The dam and irrigation infrastructure works under Component two is sub-divided between Sri Lanka Mahaweli Authority (MASL), Irrigation Department (ID), Northern Provincial Council (NPC) and Eastern Provincial Council (EPC). Subcomponents under Component two are located in the provinces of Central, Eastern, North Central, North Western, Sabaragamuwa and Southern (location and intervention details of this component are listed in annex 1.1).
- VI. At the planning stage of the project the MMAI&RD has taken a policy decision not to include any interventions that will require physical displacement of people and causing any permanent loss to productive assets leading to involuntary resettlement (or permanent economic displacement).
- VII. The project is classified as a Category B, the World Bank's Operational Policy (OP) 4.12 on Involuntary Resettlement has been triggered. As it is envisaged that the proposed interventions will be planned and carried out with no physical displacement of people and no permanent loss of their productive assets, the impacts of resettlement shall be "Minor". However, paragraph 23 of Annex A OP 4.12 refers to the need of preparation of a Resettlement Policy Framework (RPF) in the event that a project does not have specific planning information during the project appraisal stage. Therefore, the RPF will clarify the resettlement principles, organizational arrangements and design criteria to be applied to sub-components of the proposed project and this RPF is developed to fulfil the above requirement.

### **Social impacts of proposed interventions**

- VIII. An analysis of the activities supported under IWWRMP suggests that sub-components of components one and two will involve some civil works including constructing lock and spill drains, diversion drains, leader drains, main drains, check dams under component one and rehabilitation works of dams and irrigation infrastructure under component two.
- IX. Project interventions under component 1.2 will be concentrated in the three districts of Central Province and one district in Uva Province. Interventions under component 2 will be carried out in 16 districts located in Central, Sabaragamuwa, Eastern, Northern, North Central, North Western, Uva and Southern Provinces.
- X. Proposed interventions will be designed avoiding any physical displacement or permanently impacting any productive assets of people. However, there can be rare instances where strips from these private land will be required especially in constructing cut and fill slope stabilization structures under the interventions in the Upper Mahaweli watershed. Construction of soil bunds, lock and spill drains, stone bunds and shifting from existing agricultural practices to productive agriculture practices (such as use of organic fertilizer) may incur a temporary loss of income for farmers in the Upper Mahaweli watershed area. Rehabilitation works carried out in the dams of selected tanks under component 2 may require lowering the water levels during rehabilitation works which would affect the farming activities of the farms in the command areas of such tanks. Small shrines and places of worship near the dams and irrigation canals that are earmarked for rehabilitation may get accidentally damaged temporary access blocks during construction works.

## **Existing institutional and legal framework for land acquisition**

- XI. The proposed project has been planned avoiding any physical displacement or permanent loss of assets. However, there can be rare instances of taking strips of land for the development interventions (e.g. in construction of slope stabilization structures). Such acquisition shall be carried out as per the guidance in Land Acquisition Act (LAA) and its regulations. National Policy on Involuntary Resettlement adopted by the government in year 2001 also assist those who have resettlement/ relocation impacts due to acquisition of land.
- XII. Besides the national requirements, the project will also comply with the World Bank's regulations on involuntary resettlement, particularly, Operational Policy 4.12 on Involuntary Resettlement (OP 4.12).

## **Alternate measures for avoiding displacement and entitlements**

- XIII. At the planning stage of IWWRMP, it had been decided by MMAI&RD to exclude any interventions that would lead to physical displacement of people and permanently impacting any productive assets. Following measures will also be adopted to avoid/ minimize impacts on people in each project intervention;
- Timing of the proposed on-farm and off-farm construction activities under component 2 during the off-seasons shall avoid or minimize any loss to livelihood or employment activities of the people.
  - Scheduling the rehabilitation works under component 2 during the off-season shall again avoid or minimize any livelihood or employment of people in the project area.
  - A Livelihood Support Assistance (LSA) programme will be introduced as a measure to mitigate temporary loss of livelihoods as a result of project interventions under component 2.
- XIV. In the circumstance of any private land is permanently required for any project intervention, such land will be taken as per the provisions of LAA and compensation shall be paid based on LAA and its subsequent regulations.
- XV. Entitlements and assistance will also be provided for;
- Temporary loss of agricultural and plantation lands and crops,
  - Damage to private properties and structures,
  - Temporary loss of livelihood and employment (loss of income),
  - Temporary loss of services/ utilities,
  - Special assistance for households,
  - Impacts on community assets, and
  - Unanticipated adverse Impacts.
- XVI. The cut-off date for eligibility for LSA programmes shall be the last date of baseline survey conducted for each sub-component. If in case there is a requirement for land acquisition, the cut-off date for eligibility for compensation for non-title holders shall be the last date of census survey carried out for that proposed project subcomponent. For title holders, the cut-off date will be the date in which section 2 notice under LAA is published.

## **Preparation of the livelihood support assistance/ resettlement plans, its review and approval**

- XVII. Based on the screening results on possible “resettlement impacts”, using the “social screening form” each sub-component of the project shall be categorized as “Significant”, “Non-Significant” or “No resettlement”. A Resettlement Plan (RP) shall be prepared for interventions that are “Significant”, an abbreviated RP shall be prepared for interventions that are “Non-Significant” and Livelihood Support Assistance (LSA) programmes shall be prepared for interventions with “No resettlement” but with possible temporary loss of incomes. LSA programmes shall especially be developed for interventions in component 2 where communities shall need to forego one or two cropping seasons or livelihood activities during rehabilitation and improvement works of dams and canals.
- XVIII. Baseline survey for preparation of LSA programmes or RPs shall be conducted with systematic consultation, disclosure, orientation, and coordination with the Divisional Secretaries, Planning Directors, Grama Niladhari, Community Based Organizations and Non-Governmental Agencies within the relevant project areas.
- XIX. LSA programmes or RPs developed by external consultants shall be first reviewed and approved by the PMU. The revised RPs shall be submitted to the Ministry of Land and Parliamentary Affairs as an attachment if there are any proposals for land acquisition. PMU approved LSA programmes and RPs shall be submitted to World Bank. Once the Government and the Bank have cleared or approve the LSA programmes/ RPs they shall be posted on MMAI&RD website in Sinhala, Tamil and English versions. The Bank will also upload these documents to its own website.

## **Asset valuation and arrangements for funding**

- XX. Any acquisition that may occur in the project shall be done through LAA which consider compensation under three categories: i) compensation for land that has to be acquired; ii) compensation for injurious affection and severance; and, iii) compensation for disturbances and other losses.
- XXI. Livelihood support assistance programmes shall be developed to assist people who will be temporary affected due to some project interventions.
- XXII. Baseline survey conducted covering all affected persons for LSA programmes and RPs shall provide inputs for the cost estimate for each LSA programme or RP.
- XXIII. The budget for executing the LSA programmes, RPs and payment of statutory compensation in the event of any land acquisition will be channeled through government counterpart funds. The funds will be allocated to the PMU initially and then disbursed to each project sub-component.

## **Arrangements for implementation**

- XXIV. The project will be managed by a PMU established within in MMAI&RD. The key government implementing agencies for: a) Component one are the MASL, Water Resources



Board, under MMAI&RD and Department of Agriculture, Forest Department under the Ministry of Ministry of Irrigation, Water Resources and Disaster Management (MIWRDM).

b) Component two are the MASL, ID, (under MMAI&RD) the NPC & EPC under Ministry of

XXV. The PMU established under MMAI&RD will ensure that all project activities are planned, financed, and implemented according to the project, operations manual, the annual work plan and budget; and is in line with WB project implementation procedures.

XXVI. The PMU is headed by a Project Director assisted by a Deputy Project director and a staff including resettlement and social safeguards officers, environment officers and engineers. A National Project Steering Committee (NPSC) has also been established to i) monitor the overall implementation of ongoing sub-projects, based on progress reports; ii) resolve problems of implementation, and iii) to coordinate with other national government agencies connected to project implementation. The NPSC shall convene bi-annually or under special requirements.

### **Grievance redress mechanism**

XXVII. A formal Grievance Redress Mechanism (GRM) will be established under the project with the objective of helping project affected persons with genuine issue to resolve their problems through a process of mutual understanding and consensus with the relevant parties at the level of the project. The GRM shall operate at three levels starting from local (DS level) through regional level (District level) to National level. Entitlement or eligibility for non-cash benefits, dust, noise and vibration nuisance at the construction site, loss of access, damages to public and private property (especially damage caused by vibration/pile driving and removal of religious shrines, statues or trees) are some of the issues that could be taken up at different levels of GRC.

### **Consultation and engagement strategies**

XXVIII. Providing accurate information about the project to stakeholders (including people affected by the Project) from the planning stage onwards shall prevent any misunderstanding and misinformation, and to build trust between the different stakeholders and the project team. The PMU will be responsible for managing and conducting the process of consultation with the affected parties throughout the project cycle. A Public Information Booklet (PIB) will be delivered to each household in the project implementing area.

XXIX. The catchment area of Upper Mahaweli watershed under subcomponent one includes some tea estates and private lands. Coming in to negotiated agreements with estate owners/operators and owners of private lands (through signing of Memorandum of Understanding (MOU)) is one of the more viable options to ensure access to these lands for the proposed interventions such as construction of soil bunds, lock and spill drains, leader (Neththi) drains, stone bunds, terraces, contour platforms, single platforms, Check dams, etc.

### **Monitoring and evaluation**

XXX. Internal monitoring will be the responsibility of the PMU. A Management Information System (MIS) will be established within the PMU to facilitate record keeping, analyzing and generating required information. It will include project specific database system to track the execution of the LSA programmes and RPs.

XXXI. The PMU will engage an external evaluation agency/consultant to prepare independent evaluation reports on the progress of implementing safeguards programmes. The consultant shall produce reports on a semi-annual basis.

## **Glossary of terms**

### ***Affected Person***

Any person, group, community, people who, as a result of the implementation of a project are affected by loss of the right to own, use or otherwise benefit from land (residential, agricultural, commercial), water, livelihood, annual or perennial crops and trees, a built structure, or any other fixed or movable assets, either in full or in part, permanently or temporarily.

### ***Baseline survey***

Baseline survey or census survey is a complete enumeration based on household questionnaire survey that covers all affected persons, irrespective of ownership and entitlement, and their assets. It can be used to minimize fraudulent claims made by people who move into the project affected area in the hope of being compensated or resettled.

### ***Compensation***

Payment in cash or in kind for an asset or a resource that is acquired or affected by a project, at the time the asset needs to be replaced.

### ***Cut-off date***

The Cut-off date for eligibility for entitlement is the date after which any person/s who settle in the project area shall not be allowed to claim compensation or any other form of resettlement assistance.

### ***Encroacher***

Someone who has illegally expanded, or extended the outer limit of his private premises beyond the approved building line or agricultural land and has occupied public space beyond his/her plot of or agricultural land.

### ***Entitlement***

A variety of measures comprising compensation, income restoration, transfer assistance, income substitution, relocation and other benefits which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

### ***Injurious Affection***

Adverse effect to the value of the remaining land due to acquisition of a part of a land.

### ***Involuntary Resettlement***

Resettlement is involuntary when it occurs without the consent of the displace persons or if they give their consent without having the power to refuse resettlement.

### ***Land Lot***

A land lot refers to a portion of land belong to a PAH/PAHH or government institution. The department of surveys, defines a lot as the basic unit of lands after demarcation of their boundaries.

### ***Land Owners***

Owners of land with or without trees, crops or structures affixed to the land with clear title in government records. In some exceptional cases, a person who owns land/s within the project-affected areas regardless of proof of such ownership will also be entitled, provided that such ownership is recognized under law.

### ***Livelihood***

A means of living such as agriculture, animal husbandry, fishing, wage labour, services of various types etc.

### ***Livelihood Support Assistance Plan/ Programme***

A programme developed in consultation with project affected persons and other stakeholders in re-establishing income sources and livelihood of people affected.

### ***Non-Resident Land and Structure Owners***

Legal land owners who are not in possession of their land either because they have rented or leased out their said land and property affixed to it, or such land has been taken possession of by any other person.

### ***OP 4.10***

The OP 4.10 guides projects funded by WB to be implemented through a process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples. Under this policy the bank requires the borrower to engage in the process of free, prior and informed consultations with communities including indigenous peoples if any.

### ***OP 4.12***

World Bank's OP. 4.12 safeguard objective is to avoid or minimize involuntary resettlement, and where it is not feasible, assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

### ***Project Affected Household (PAH)***

Any household or a family that faces an impact as a result of the implementation of the project, subproject activity, etc., loses the right to own, use or otherwise benefit from a built structure, land (residential, agricultural, commercial) annual or perennial crops and trees, or any other fixed or movable assets, either in full or in part, permanently or temporarily that could affect livelihood.

### ***Rehabilitation***

Re-establishing incomes, livelihoods, living and integration with social system.

### ***Resettlement Plan (RP)***

The document in which a project sponsor or other responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by an investment project.

***Squatter***

Someone who has occupied public or private land, developed structures on it and put such land into residential, agricultural or commercial use without obtaining development permission and formal title under law.

***Sub Families***

Second or third family living in the same house registered under the same or separate register of electors at least 3 years prior to the date of the order published under Section 2 Notice of Land Acquisition Process of the LAA.

***Vulnerable Groups***

People who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits. This category specifically refers to families supported by women and not having able bodied male members who can earn; families of physically or mentally challenged, very old and infirm persons, who are not able to earn sufficiently to support the family; and families that are very poor and recognized by the government as living below poverty line. Indigenous Peoples communities are also considered under vulnerable groups.

## Chapter 1: Introduction and background

1. Sri Lanka has shown a promising growth in its national economy and has recorded an average growth rate of 5.8 percent a year during the recent past. Signs of transitions from a predominantly rural-based economy towards a more urbanized one, oriented around manufacturing and services could be observed in the national economy. The country has surpassed most of the Millennium Development Goal targets set for 2015 and was ranked 73rd in the Human Development Index in 2015, and extreme poverty has now become a rare incident. However being a tropical island in the Indian the country is now facing a new challenge due to the global climate change. The Global Climate Risk Index 2018<sup>1</sup>, which analyses to what extent countries have been affected by the impacts of weather-related loss events (storms, floods, heat waves etc.), ranks Sri Lanka as the fourth among the most affected countries of the World. According to information from the Ministry of Disaster Management, the government expenditure on food aid and relief supporting expenses due to natural disasters between years 2007 and 2011 exceeded RS. 1.7 billion. Estimates of Ministry of Disaster Management reflect that the total cost of damages and losses during floods in year 2016 were in the range of Rs. 690 million.

2. Impacts of climate change are evident from the severe and long duration droughts occurring in the dry zone as well as severe flooding occurring every year in the wet zone of the country. It has been observed that the water availability is becoming more variable and uncertain even as demand for bulk water supplies for agriculture, new industries, tourism and clean water for drinking increases. Studies confirm that these impacts are likely to exacerbate where the wet regions of the country would eventually become wetter while the dry areas becoming drier.

3. Considering the importance of sustainable economic growth the Government of Sri Lanka (GOSL) has given a high priority for water resources development and management. In the Government's Public Investment Plan (PIP) for 2017-2020, the allocation of resources to the irrigation and water resources sector (over US\$ 4 billion) is second only to roads, and larger than any other investment in infrastructure. The investment priorities aiming at increasing water storage with construction of new multi-purpose reservoirs and the transfer of water from surplus river basins to water deficit basins. Financing some of the PIP's priority infrastructure investments are underway by the Asian Development Bank, which should create additional water storage and trans-basin diversion canals and tunnels to transfer water especially within the water surplus Mahaweli basin and to adjacent water deficit river basins located in a number of provinces in the northern dry zone of the country. Feasibility studies for several other investments identified in the PIP are also underway.

4. A pragmatic and shared vision for integrated water resources development and management; commitment to the policy and institutional reform process for integrated water resources management and water allocation; adjustments in the institutional mandates; revision of legal provisions; enhancement of capacity and skill mixes; and adoption of new modern information management tools and technology; are considered as changes that need to be brought in to the management of water sector in Sri Lanka<sup>2</sup>.

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<sup>1</sup> <https://germanwatch.org/en/download/20432.pdf>

<sup>2</sup> Project Information Document/Integrated Safeguards Data Sheet (PID/ISDS), 23-July 2018

5. In line with above challenges the GOSL had requested the World Bank (WB) team to extend assistance to formulate a Project on Watershed and Water Resources Management under the MMAI&RD, mainly to address the current issues created by the Climate Change Impact. The project formulated to achieve this objective has four main components with specific sub-components. At the conspetual stage of the project the MMAI&RD has taken a policy decision as not to include any interventions that shall lead to physical displacement of people and permanent loss of productive assets leading to involuntary resettlement.

### **A brief description of the project and interventions**

6. The project intervention is termed as “Integrated Watershed and Water Resources Management Project” (IWWRMP). Main components of the project and their respective sub-components are as follows;

#### ***Component 1: Watershed and Water Resources Planning***

7. There are three sub-components under this component as;
- 1.1 Watershed Management Planning
  - 1.2 Watershed Restoration
  - 1.3 Multi-sector water resources planning

This component seeks to help plan and restore the Upper Mahaweli Watershed. Phase I (Year 1–3, mainly Subcomponent 1.1) of the WSM activities will focus on planning, which will be followed by phase II (Year 3–6, mainly Subcomponent 1.2), which will be for restoration and related infrastructure investments. This component will also support lead WRM agencies—the Mahaweli Authority of Sri Lanka (MASL) and the WRB—on overall water resources planning and management.

8. The geographic area of intervention of component 1 shall be the Upper Mahaweli watershed which is presented in figure 1.1a. The interventions shall be carried out mainly in lands under the purview of Mahaweli Authority of Sri Lanka (MASL) & Forest Department (FD).

9. Activities under subcomponent 1.1 will help to develop the watershed management plan for the upper Mahaweli watershed through a consultative approach, with activities to be implemented at mini-watershed levels. These activities will in turn make the residents of the targeted watersheds more resilient to climate-related floods and landslides. Improved WSM planning will help ensure soil and vegetation that sequester CO<sub>2</sub> will be better protected. The subcomponent seeks to increase women’s voices in WSM committees and leadership to ensure that the needs, priorities, and knowledge of both women and men are considered in the WSM plans.

10. The subcomponent 1.2 will be confined to the Upper Mahaweli Watershed with the intention of demonstrating a scaled approach for future replication in adjacent watersheds. The subcomponent will finance the works, goods, and services required to implement prioritized on- and off-farm WSM activities in the WSM plans to restore the hydrological and ecological functioning of watersheds and enhance the sustainability of existing land uses.

11. The subcomponent 1.2 will support the water agencies in Sri Lanka to shift toward an integrated water management approach with the participation of key stakeholders. As IWRM offers various tools to optimize access to water and protect the environment (facilitating the

restoration of basins), it is central to enhancing communities' adaptive capacity to climate change, particularly floods and droughts. Moreover, involving key stakeholders will also facilitate water conservation efforts.

12. Under sub component 1.3, existing Hydro-Meteorological Information System (HMIS) network will be expanded by establishing 120 HMIS stations to obtain the real-time hydrometric data for forecasting and planning for the Irrigation Department (ID) and MASL. Modern Hydro-Meteorological Information System (HMIS) stations will only be installed within lands belonging to MASL, ID, NPC & EPC and will not involve any acquisition of land.

13. Both on-farm and off-farm works related to reduction of land degradation such as construction of soil bunds, lock and spill drains, leader (Neththi) drains, stone bunds, terraces, contour platforms, single platforms, check dams, slope protection with soil filled bags, construction of side walls by boulders, gabion structure, drop structures, percolation pits, silt traps, gully conservation, stream bank conservation, fill slope conservation, cut slope conservation, agro-road improvement shall be performed with assistance and participation of the people in the project area.

**Component 2: Infrastructure Improvements**

14. Following sub-components shall be executed under this component;
- (a) Canal rehabilitation and dam safety remedial works, which could not be funded by the previous Dam Safety and Water Resources Planning Project (DSWRPP, P093132). The works involve dams and irrigation structures to be rehabilitated by the ID, Eastern Provincial Council (EPC), Mahaweli Authority of Sri Lanka (MASL), and Northern Provincial Council (NPC) and preparing and updating their operation and maintenance (O&M) manuals. Altogether 55 subprojects have been proposed for rehabilitation;
  - (b) Emergency Preparedness Plans (EPPs) for select high risk dams;
  - (c) Support to farmer organizations (FOs) to carry out the O&M of the rehabilitated canal systems

15. The dam and irrigation infrastructure works under component 2 is sub-divided between MASL, Irrigation Department (ID), NPC & EPC as follows;

ID		EPC		MASL		NPC		Total	
HW/Dams	Canals	HW/Dams	Canals	HW	Canals	HW	Canals	HW	Canals
14	8	5	3	6	2	11	6	36	19

Note: HW = Headworks.

16. These dams and irrigation infrastructure are located in the provinces of Central, Eastern, North Central, North Western, Sabaragamuwa and Southern. Please see figure 1.1b for the geographic area of intervention of component 2.

17. This investment is aimed only at rehabilitating the selected dams to achieve their Full Supply Level (FSL). No increase in reservoir capacity shall be undertaken which would lead to land acquisition and resettlement. Rehabilitation of irrigation structures, especially the water

conveyance canals, will not include any increase in capacity that may lead to land acquisition and resettlement.

18. Modern Hydro-Meteorological Information System (HMIS) stations will only be installed within lands belonging to MASL, ID, NPC & EPC and will not involve any acquisition of land.

**Component 3: Contingency Emergency Response**

19. This contingent emergency response component will allow for rapid reallocation of project proceeds in the event of a natural or man-made disaster or crisis that has caused or is likely to imminently cause a major adverse economic and/or social impact. To trigger this component, the Government of Sri Lanka (GoSL) would need to declare an emergency or a state of a disaster or provide a statement of fact justifying the request for the activation of the use of emergency funding. Funds can be reallocated to this subcomponent following a joint decision by the GoSL and the World Bank. This subcomponent will finance expenses on a positive list of goods, works, services, and emergency operation costs required for emergency recovery, as detailed in the Project Implementation Manual (PIM), prepared for the project

**Component 4: Project Management**

20. The Project Management Unit (PMU) established under the MMAI&RD has planned to implement components 1, 2 and 3 on a parallel basis. Within component 1 the PMU plans to give priority to the establishment of plant nurseries as it is a time consuming activity compared to the physical works. The PMU shall directly operate with WMS and Water Resources Board under component 1, PMU will coordinate with MASL, ID, NPC, EPC, relevant District Secretaries, Divisional Secretaries, Grama Niladhari and Community Based Organizations (CBOs) including Farmer Based Organizations (FBOs) at project sites of sub-components 1.2 and 2. The PMU at MMAI&RD will be assisted by a team of consultants when required.

21. At this stage of the project it is envisaged that all above interventions will be carried out without involving any physical displacement of people or having any permanent loss to productive assets. However, there may be some temporary impacts to livelihoods of some people in the project intervention areas.



### Upper Mahaweli Catchment Area - Administrative Boundary

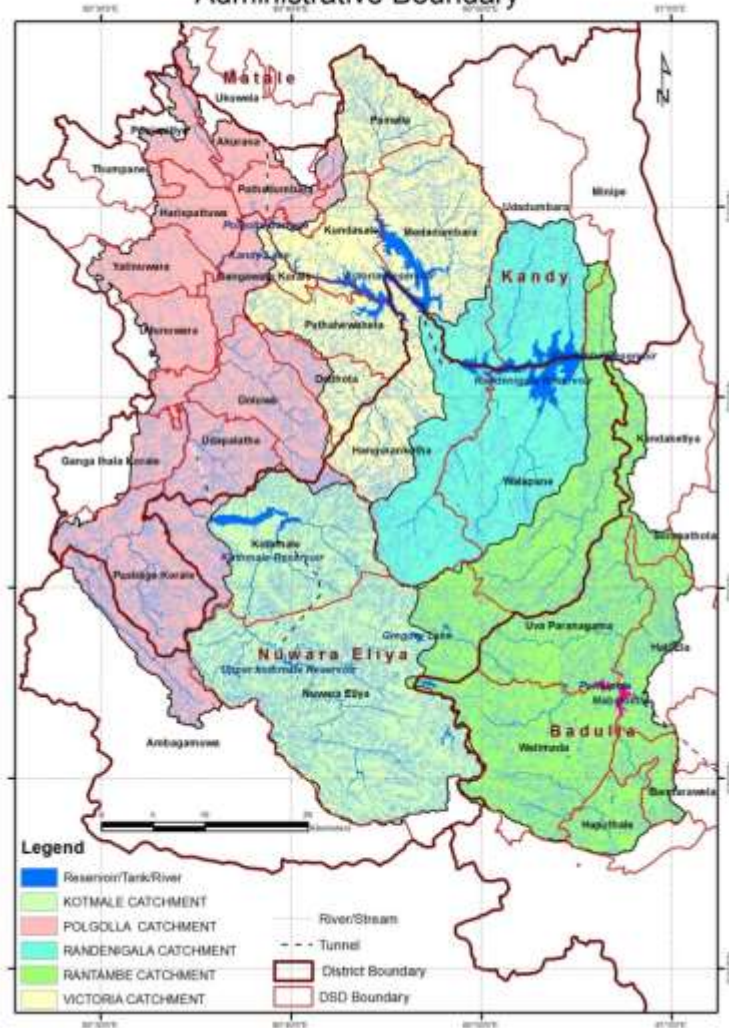


Figure 1.1a Map showing the project area catchments and the administrative boundaries for Component 1

# IWWRM PROJECT - COMPONENT 2

27

### Legend

#### Component 2 Implementing Agency

- ▲ Irrigation Department
- ★ Mahaweli Authority
- ◆ Northern Provincial Council
- ◆ Eastern Provincial Council
- Canal
- Tank
- Province Boundary
- District Boundary
- Tank/River

No	Location	Agency	Type
1	Bathalagoda Scheme	Irrigation Dept	Canal
2	Muhathankulam Scheme	Irrigation Dept	Canal
3	Viyadikulam Scheme (near RB sluice)	Irrigation Dept	Canal
4	Hurukawewa Scheme (RB Sluice)	Irrigation Dept	Canal
5	Ilukachena Unit	Irrigation Dept	Canal
6	Waduwawala Scheme	Irrigation Dept	Canal
7	Hathota Anicut Scheme	Irrigation Dept	Canal
21	Dewahawa Scheme (near sluice)	Irrigation Dept	Canal
8	Semanyaka Samudaya Reservoir	Irrigation Dept	Tank
9	Mahalinawewa Tank	Irrigation Dept	Tank
10	Nagadeepa Tank	Irrigation Dept	Tank
11	Wadamunni Tank	Irrigation Dept	Tank
12	Vahanery Tank	Irrigation Dept	Tank
13	Hali Ela Tank	Irrigation Dept	Tank
14	Lunagamwaha Reservoir	Irrigation Dept	Tank
15	Dewahawa tank bund	Irrigation Dept	Tank
16	Akathimuruppu Tank	Irrigation Dept	Tank
17	Pavabulum Tank	Irrigation Dept	Tank
18	Mavilaru Headworks	Irrigation Dept	Tank
19	Peramadu Tank	Irrigation Dept	Tank
20	Arawatta tank bund in Nagadeepa Scheme	Irrigation Dept	Tank
22	Bathalagoda Anicut	Irrigation Dept	Tank
23	Victoria Reservoir	Mahaweli	Tank
25	Rantambe Tank	Mahaweli	Tank
24	Kothmale Dam	Mahaweli	Tank
28	Uda Walawe Reservoir	Mahaweli	Tank
29	Polgolla Barrage	Mahaweli	Tank
30	Randeniya Reservoir	Mahaweli	Tank
26	Uda Walawe Scheme	Mahaweli	Canal
27	Kala Wewa	Mahaweli	Canal
42	Akaravan Kulam Tank	NPC	Tank
45	Kolmadu Tank	NPC	Tank
40	Kulamuruddy Tank	NPC	Tank
55	Kanyola Nagapoduvan Kulam	NPC	Tank
41	Wellmaruthamadu Tank	NPC	Tank
43	Periyamadu Tank	NPC	Tank
47	Manuthankulam	NPC	Tank
49	Malai Kulam	NPC	Tank
51	Nittakki Kulam	NPC	Tank
54	Pramarithaluru Kulam	NPC	Tank
39	Muthuayyanakadu Tank	NPC	Canal
46	Pramarithaluru Tank	NPC	Canal
44	Kankambikai Kulam	NPC	Canal
50	Malai Kulam	NPC	Canal
52	Wellmaruthamadu Tank Scheme	NPC	Canal
53	Kalmodu Scheme	NPC	Canal
31	Melankai Scheme	EPC	Tank
34	Adachchakal Tank	EPC	Tank
35	Chadayantalawa tank	EPC	Tank
36	Paratpantaru Tank	EPC	Tank
37	Pulukunawa Tank	EPC	Tank
56	Poonery Tank	EPC	Tank
33	Pulukunawa Scheme	EPC	Canal
38	Adachchakal Scheme	EPC	Canal
32	Melankai Scheme	EPC	Canal

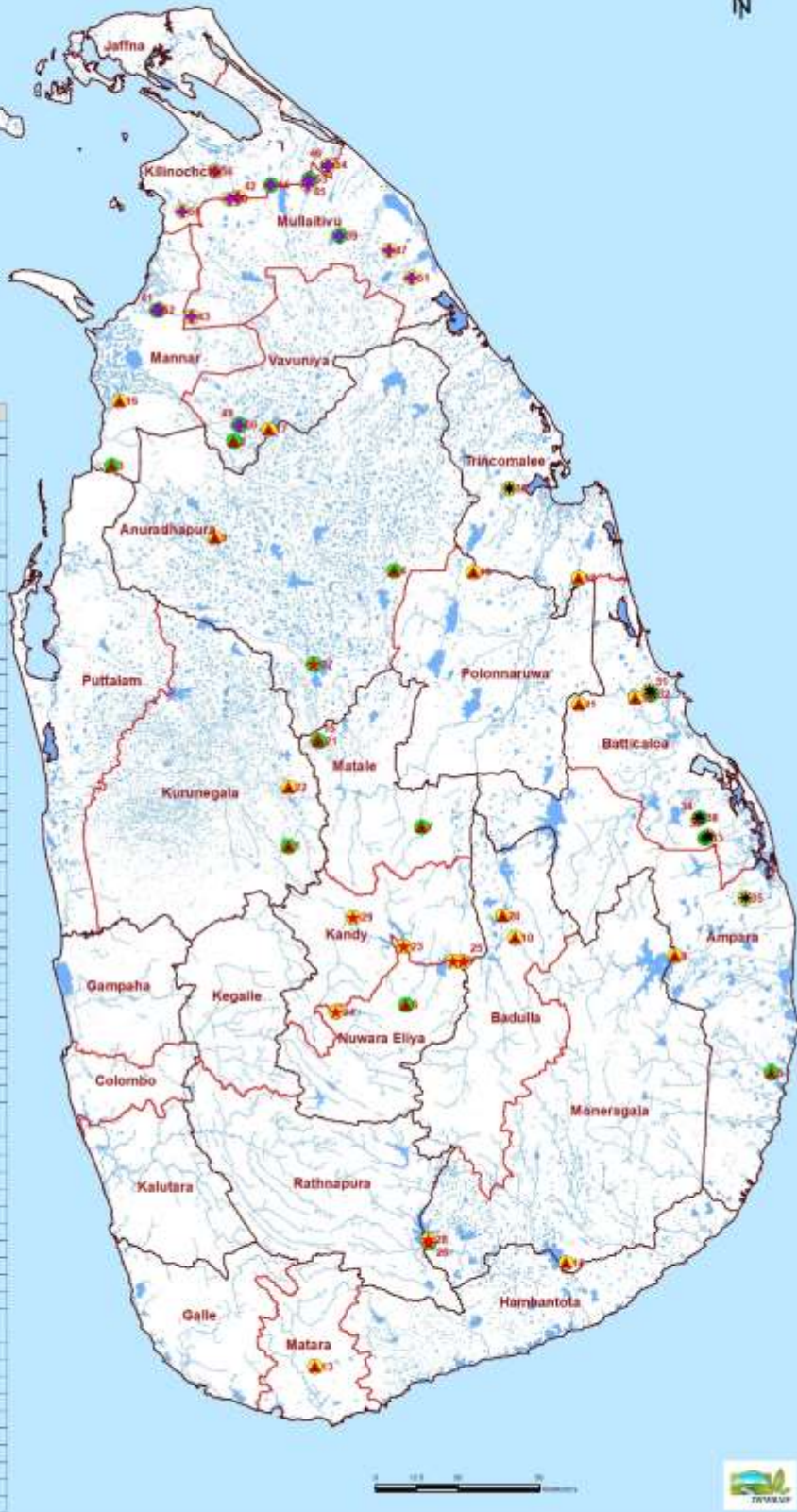


Figure 1.1b Map showing the project area catchments and the administrative boundaries for Component 2

## **Objective and purpose of the Resettlement Policy Framework (RPF)**

22. The WB has in principle agreed to finance these interventions under a IWWRMP. Therefore, it is important that the project interventions comply with the World Bank's environment and social safeguards policies. The proposed project is yet to develop specific project planning information but as indicated in paragraph 20, it is envisaged that the proposed interventions shall be planned and carried out with no physical displacement of people and there shall be no permanent loss of their productive assets.

23. However, the possibility of temporary impacts during the interventions cannot be ruled out. Especially, there may be impacts on some of the farming activities in the watershed area due to construction of soil bunds, lock and spill drains, leader drains and stone bunds. There may be restriction of access to sources of livelihood and resources (during dam and canal rehabilitation) in the project intervention areas. Overall, the project has been classified as a Category A project. Although the World Bank's Operational Policy (OP) 4.12 on Involuntary Resettlement has been triggered, the impacts of involuntary resettlement are expected to be minor as there will be no physical displacement or permanent loss of productive assets.

24. Paragraph 23 of Annex A OP 4.12, refers to preparation of a Resettlement Policy Framework (RPF) to clarify the resettlement principles, organizational arrangements and design criteria to be applied to subprojects (sub-components in the case of this project) if specific project planning information is not available at project appraisal stage.

25. This RPF is developed to fulfill the above requirement and shall guide the project in screening all interventions for possible impacts including loss of livelihoods, as well as to guide the PMU in developing appropriate Livelihood Support Assistance Programmes or Resettlement Plans (RPs) to address specific impacts, establish the Grievance Redress Mechanism, carry out information dissemination and conduct stakeholder consultations and engagements.

26. The RPF is based on the Sri Lankan laws and regulations pertaining to Land Acquisition (LA) and resettlement, and the World Bank's policies including OP 4.12 on Involuntary Resettlement.

## Chapter 2: Social impacts of proposed interventions

27. Interventions under the subcomponents 1.2 and 2 of IWWRMP shall involve some civil works such as construction of side walls by boulders, gabion structure, drop structures, percolation pits, silt traps, renovation and improvements to irrigation structures, canals and rehabilitation of reservoir bunds.

28. This chapter first discusses the socio-economic profiles of the districts in which the civil works are intended to be carried out that will cause some impacts to the people living in the land areas of project interventions. These districts are thus considered as the immediate project impacted/ influenced areas. The chapter also discusses on a broader sense about the potential social impacts (especially impacts on livelihood) that could arise due to proposed interventions.

### Demographic information about the project influence areas

29. Proposed project interventions under component 1.2 are concentrated in to three districts in Central Province and one district in Uva Province. Interventions under component 2 are located in 16 districts under Central, Sabaragamuwa, Eastern, Northern, North Central, North Western, Uva and Southern Provinces. Table 5.1 below presents these districts with respect to each subcomponent. This section describes some key demographic and socio-economic information in each of these districts. The information is based on the Census and Statistic Department information.

Table 5.1 Project influenced Districts with respect to each subcomponent

Project subcomponent	Influenced District	Influenced Province
<i>1.2 Upper Mahaweli Watershed Area</i>	Kandy	Central
	Matale	
	Nuwara Eliya	
	Badulla	Uva
<i>2.1 Rehabilitation of dams and irrigation structures</i>		
Under Irrigation Department	Ampara	Eastern
	Anuradhapura	North Central
	Badulla	Uva
	Batticaloa	Eastern
	Galle	Southern
	Hambantota	
	Kandy	Central
	Kurunegala	North Western
	Mannar	Eastern
	Matale	Central
	Polonnaruwa	North Central
	Puttalam	North Western
	Trincomalee	Eastern
	Vavuniya	Northern
Mahaweli Authority	Kandy	Central
	Matale	
	Nuwara Eliya	
	Ratnapura	Sabaragamuwa
	Anuradhapura	North Central

Project subcomponent	Influenced District	Influenced Province
Northern Provincial Council	Kilinochchi	Northern
	Mannar	
	Mullaitivu	

30. Table 5.2 below presents the population in each district segregated in to sex and population above 15 years and their economic activity status.

Table 5.2 Population in each district segregated in to sex and economic activity status

District	Population by sex			Population above 15 years and economic activity status		
	Male	Female	Total	Employed	Unemployed	Economically not active
Kandy	655791	719591	1375382	462795	35926	525767
Matale	233657	250874	484531	175747	9870	172944
N'eliya	340347	371297	711644	274954	23115	212442
Badulla	391948	423457	815405	312293	19573	264497
Ampara	314352	335050	649402	195838	21946	240468
Anuradhapura	420100	440475	806575	336930	16074	276660
Batticaloa	250676	275891	526567	150516	17724	196485
Galle	509902	553432	1063334	370017	31852	397409
Hambantota	294736	305167	599903	213946	19875	211099
Kurunegala	777201	841264	1618465	595155	34990	593177
Mannar	50053	49517	99570	31601	3439	35802
Polonnaruwa	200780	205308	406088	147767	9026	148205
Puttalam	368971	393425	762396	271137	13830	268215
Trincomalee	187472	192069	379541	113734	10348	136078
Vavuniya	84715	87400	172115	52926	8084	64112
Ratnapura	536401	551606	1088007	430023	30131	364635
Kilinochchi	55783	57727	113510	31448	3924	41285
Mullaitivu	46036	46202	92238	28735	2816	32581

Source: Census data 2012, Department of Census and Statistics

31. Information in above table show that the male to female ratio of all project influenced districts are less than one, and the employed and economically not active population is almost equal in each district.

Table 5.3 Education attainment of population above 5 years

District	Primary	Secondary	GCE O/L	GCE A/L	Degree and above	No schooling
Kandy	283119	484045	218398	179335	40262	52486
Matale	114634	189599	63379	44902	8217	19672
N'eliya	218139	245305	81569	42500	7159	48890
Badulla	205737	303460	99433	70091	14156	50267
Ampara	178073	226427	78398	58015	11383	30467
Anuradhapura	195372	357279	112479	70200	13085	26356
Batticaloa	163169	168785	59453	38980	10613	34239
Galle	222726	410128	161243	127206	22423	31831
Hambantota	141148	231069	83921	52013	10827	25020
Kurunegala	345522	608409	253520	189300	38488	45338
Mannar	26786	39826	11613	8449	1610	1917
Polonnaruwa	96901	175078	48207	28339	4572	14144
Puttalam	195964	308892	94820	58074	10349	23049
Trincomalee	100442	141291	45863	27551	6370	16718
Vavuniya	40982	67364	25554	14425	3833	4631
Ratnapura	259530	419668	142942	100620	16546	57298

District	Primary	Secondary	GCE O/L	GCE A/L	Degree and above	No schooling
Kilinochchi	31588	47903	12416	5620	1006	2169
Mullaitivu	25900	39581	9603	4259	970	1949

Source: Census data 2012, Department of Census and Statistics

32. Above table indicates that there is a significant number of individuals who have attained education beyond secondary education, which could be considered a positive aspect for the project. This is because it would be easy to communicate the project related information to such populations.

Table 5.4 Land tenure by district

District	Owned by household member	Rent/ lease on government land	Rent/ lease on private land	Rent free occupant	Encroached	Other (Not defined)	Total
Kandy	285467	12297	19562	21843	3724	5126	348019
Matale	11946	3191	5034	7112	1037	1390	129710
N'eliya	89509	5626	10327	70212	3106	2402	181182
Badulla	163194	4056	8336	33773	3898	1643	214900
Ampara	151233	3219	3004	4653	2128	929	165166
Anuradhapura	210971	4080	5351	5832	3475	1547	231356
Batticaloa	122731	1679	4056	6108	154	238	134966
Galle	242815	4104	9571	9007	3362	4281	273140
Hambantota	143640	1873	3393	3813	2581	1176	156476
Kurunegala	404591	4623	11661	14032	2911	5531	443349
Mannar	19952	694	1064	1847	213	205	23975
Polonnaruwa	95763	2628	2531	4750	4530	808	111010
Puttalam	173151	3018	9747	12015	2433	2432	202796
Trincomalee	81590	3068	4844	4781	1933	735	96951
Vavuniya	31183	2232	3550	1992	1122	1829	41908
Ratnapura	239635	6606	10538	20777	5914	2423	285893
Kilinochchi	25055	499	542	1643	485	145	28369
Mullaitivu	22426	337	477	1356	183	117	24896

Source: Census data 2012, Department of Census and Statistics

## Possible adverse impacts due to proposed interventions

### *Land acquisition and related impacts*

33. As stated in chapter one, the proposed interventions will be designed avoiding any physical displacement of people. Figure 2.1 below presents the present land use in the watershed areas considered under component one, which indicates a number of settlements and home gardens. There can be a few rare instances where strips from these private land will be required especially in constructing cut and fill slope stabilization structures. Although a strip of land shall be taken the benefit of such structure shall be for the owner of such land. The impact of land acquisition will not arise under component 2 as all activities will be conducted within the specific reservations.

### *Potential impacts on livelihoods and employment*

34. Construction of soil bunds, lock and spill drains, leader (Neththi) drains, stone bunds and terraces within the farm land and shifting from existing agricultural practices to productive agriculture practices (such as use of organic fertilizer) may incur a temporary loss of income for farmers in the Upper Mahaweli watershed area. Rehabilitation works (e.g. rip-rap protection works) carried out in the dams of selected tanks under component 2 may require lowering the water levels during rehabilitation works which would affect the farming activities of the farms in the command areas of such tanks. Such effects to farming will again lead to a temporary loss of livelihood of most of the farmers. The same impact will be caused during rehabilitation of irrigation infrastructure (especially the water conveyance canals). Some of these tanks and conveyance canals are used for inland fisheries as well as rural water supply schemes and the lowering of water is likely to have a temporary impact on such fishing activities and drinking water supplies.

### ***Impacts on infrastructure***

35. Many of the tank bunds form part of the village access roads and any rehabilitation works done on the dam may cause temporary hindrances to the movement of public and their vehicles (mostly bicycles and three wheelers). The same issue may prevail when canal banks are rehabilitated as most of the canal bunds also form part of village roads. The watershed management interventions may impact tea plantations and associated infrastructure. It is unlikely that the proposed interventions will have any significant impact on infrastructure facilities such as schools, hospitals and main roads.

### ***Impacts on cultural heritage and other socially important sites***

36. Based on the preliminary information available at the PMU there are no significant sites with archeological or cultural significance located within any project site. However, there can be small shrines and places of worship especially near the dams and irrigation canals that are earmarked for rehabilitation. These structures need not to be shifted, but accidental damages could be caused to such shrines during construction works. There is also the possibility of chance find of archeological monuments when rehabilitation works of bunds are undertaken especially in North Central Province.

### ***Vulnerable groups, indigenous peoples and gender issues***

37. There are a range of socially and economically vulnerable persons and households that may suffer disproportionately due to proposed interventions. This category would include some households headed by women that have no adult male support, families headed by elderly, extremely poor families living below the official poverty line and families that are headed or have family members with disabilities. It is expected that some families living in the Upper Mahaweli watershed area may have such vulnerable families. However, the proposed interventions shall bring in benefits to them rather than any adverse impacts. For example, assistance given for developing community water supply schemes, improvement to

Upper Mahaweli catchment Area Landuse

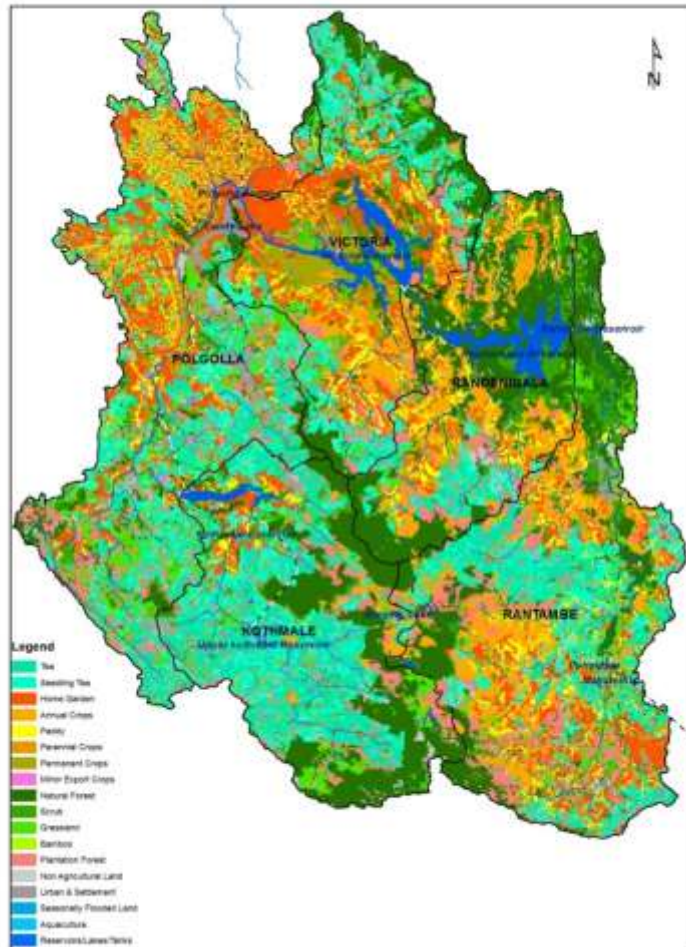


Figure 2.1. Present land use under Upper Mahaweli Watershed



roads, introduction of floriculture, improve crop production and livelihoods through Bee keeping shall act as avenues to improve their living standards.

38. Interruption of access to bathing and washing points along the irrigation canals and reversions by women and children shall be a temporary impact that would be specific to women and children.

## **Chapter 3: Existing institutional and legal framework for land acquisition**

39. Although it is anticipated that the proposed project interventions under IWWRMP will not lead to physical displacement of people, there can be rare instances where land acquisition will be required (as stated in paragraph 32). This RPF, as the guiding document for social safeguards of the proposed project, analyze and discuss the existing institutional and legal framework for land acquisition and involuntary resettlement. World Bank Policy on Involuntary Resettlement (OP 4.12) is also discussed, as are the gaps between national laws and policies and OP 4.12, along with proposals to overcome or mitigate these gaps.

### **The legal and regulatory framework in Sri Lanka**

40. There are a number of laws and policies governing land acquisition for public purposes, the recovery of state lands, rights of acquisitive prescription, the declaration of reservations, compensation for property losses and compensation for improvements. The principal legislative enactments relevant to the proposed project are discussed below.

41. The Cabinet also approved the National Involuntary Resettlement Policy (NIRP) in 2001 with the aim of ensuring that people faced with involuntary resettlement are treated in a fairer and more equitable manner.

#### ***The Land Acquisition Act No. 9 of 1950***

42. The acquisition of land for public purposes is guided by the provisions and procedures outlined in the Land Acquisition Act No. 9 of 1950 (LAA) and its subsequent amendments. The Act provides a framework for land acquisition and guarantees that no one can be deprived of land except under the provisions of the LAA, and it entitles Affected Persons (APs) to a hearing before acquisition. The acquisition of land for public purposes is a time-consuming process and can take anywhere between a few months to about 2-3 years to complete. The main features like the minimum time period for the tasks, and the procedures involved in acquiring land for public purposes are set out in Annex 2.1. The Act discourages unnecessary acquisition and lands that have been acquired for one purpose cannot be used for a different purpose and lands that remain unused have to be returned to the original owners.

43. A major cause of delay in land acquisition arises is the compensation procedure and attendant legal proceedings. There is also a provision under section 38A of the LAA to acquire lands under an urgency clause.

44. One of the inadequacies of the LAA is that the onus to prove ownership or interest in, to demonstrate clear title to, and to gather all the information and submit a claim for compensation for the land to be acquired, rests with the affected persons. The people being displaced are often unaware of their rights or the time frames that have to be observed under the LAA, or they are aware, but are ill equipped to deal with the required procedures and lack experience in dealing with government officials and providing the necessary documentation.

45. Under the LAA, the Ministry of Land is responsible for land acquisition, which is carried out by acquisition officers who are appointed by the Minister of Lands, and gazetted for the

information of the public. All Divisional Secretaries are ex-officio Acquisition Officers, whereas the Valuation Department is responsible for the valuation. The law only provides for compensation to affected persons who are in possession of valid titles, and have their titles registered in the respective Land Registries. It does not recognize the rights of the non-title holders such as squatters, who do not possess legal title to the lands they live in or make a living from. There is no provision to mitigate the impacts on non-owners under the LAA.

46. The LAA provides for compensation for lands and other fixed assets built and grown on them (structures, trees and orchards and crops). It also covers loss of income for people who can provide documentary proof of their losses, up to a maximum of their average net profit for the three years immediately preceding publication of the Section 07 Notice under the LAA. The 2008 Regulations has introduced provision to compensate for loss of income and other impacts based on furnishing other evidence in lieu of the documentary proof of payment of income tax. However, the 2008 Regulations do not cover people that cannot produce any documentary evidence of loss of income.

### ***The Land Acquisition Regulations of 2008***

47. Several progressive provisions have been made to modify the LAA. The 2008 Regulations, issued under Section 63 (2) (f) of LAA 1950, were passed in Parliament on March 17, 2009 and were made effective by Government Gazette No. 1596/12 of April 7, 2009. They provide revised guidelines for the statutory payment of compensation that go beyond the depreciated value of a land or structure and consider the principle of current market value, and provide for payment of compensation for injurious affection<sup>3</sup> and severance, equivalent to the full cost of the damage, based on the market value of the land to be acquired. They were designed to incorporate the concept of replacement cost in the valuation of land and other assets. The regulations require compensation for land to be paid at market rates, along with the cost of reconstruction for houses and other structures, without taking into account depreciation of the buildings. The 2008 Regulations also provide for the valuation and compensation of the whole plot of land when determining the proportional cost of the affected land parcel, and include provision to compensate for loss of business income, as well as relocation assistance and other benefits.

48. The 2008 Regulations provides for affected persons to be entitled for a hearing before their land is acquired. However, the level of compensation can only be determined by the Valuation Department. The Regulations stipulate minimum time periods for specific tasks, elements and the procedures for land acquisition.

### ***The Land Development Ordinance No. 19 of 1935***

49. This ordinance deals with the systematic development and alienation of Crown Land of Ceylon and comprises 12 chapters.

50. Chapter 7 of the Land Development Ordinance (LDO) sets out the procedure for cancellation of a right to state land given on permit or grant due to non-compliance of the conditions of permit. Section 106 gives notice to the permit holder where there has been a

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<sup>3</sup> This is the adverse affect to the value of the remaining land due to acquiring a part of the land. The value may not always be on a monetary value but also on the basis of usefulness to the owner.

breach of the condition of permit. If a person fails to appear before the inquiring officer, provision is made under Section 109 to cancel the permit. Section 110 lays down the procedure where the permit holder appears and shows cause for the failure to develop the land as per provision of the permit given to him. Section 112 prescribes the order of Government Agent to be served on the permit holder and to be posted on land. Section 113 provides for an appeal to the Land Commissioner against the order of the Government Agent.

51. The procedure for eviction of a person occupying state land that has been given on a grant is spelt out in Chapter 9 of the LDO. Section 168 of the LDO stipulates the offences in regard to state land. It says that if any person clears or prepares any state land for cultivation or erects any building or structure on any state land, fells any trees standing on such land or otherwise encroaches on such land without the permission of the Government Agent they will be guilty of an offence and subject to fine and imprisonment. Thus, under the laws of Sri Lanka, the rights of a 'mala fide possessor' are not recognized and no compensation can be paid for the improvements.

#### ***The State Lands Act No. 13 of 1949***

52. This Act provides for the grant and disposition of state lands in Sri Lanka; for the management and control of such lands and the foreshore; for the regulation of the use of the water of lakes and public streams; and for other matters incidental to or connected with the aforesaid matters.

53. The Act comprises of 14 parts. Section 51 stipulates that title to state reservations cannot be acquired by possession or usage. Section 53 exempts the state from any liability to pay compensation for improvements effected on reservations. It states that no person shall be entitled to any compensation from the state in respect of any improvements effected at any time after the commencement of this Ordinance on any State land reservation; nor shall any claim for any such compensation be at any time entertained by any court. Section 54 provides for summary eviction of offenders in unlawful possession of state land reservations.

54. Section 103 of the State Lands Act provides that no person can, by possession or the use of land, acquire any prescriptive title against the Crown if such land is (a) after the commencement of the ordinance declared to be the property of the Crown under the Land Settlement Ordinance, or (b) is acquired by the Crown under the LAA after such date, or (c) after such date resumed by the Crown under the Land Redemption Ordinance and has at any time prior to or after the declaration, acquisition or redemption, been delimited with boundary markers by or under the authority of the Surveyor General.

#### ***The State Lands (Recovery of Possession) Act No. 7 of 1979***

55. The provisions for the recovery of possession of State lands from persons in unauthorized possession or occupation thereof are contained in the State Lands (Recovery of Possession) Act No. 7 of 1979. Furthermore, Section 10 stipulates that no appeal is maintainable against an order of eviction by a Magistrate. Section 13 provides for reasonable compensation for damages sustained by reason of the affected person having been compelled to deliver up possession of such land.

### ***The Crown Lands Ordinance***

56. The ordinance makes provision for the grant and disposition of Crown lands in the country; for the management and control of such lands and the foreshore; for the regulation of the use of the water of lakes and public streams; and for other matters incidental to or connected with the matters aforesaid.

57. The ordinance includes 14 parts of which Part IX refers to the "Regulation and control of the use of water of lakes and public streams". Section 74 (1) of the ordinance refers to the right of the owner of any land on the bank of a public lake or public stream to use the water in that lake or stream for any purpose on that land. And if the right acquired under any law relating to the acquisition of rights by virtue of user, is extinguished by the operation of Section 72 of this ordinance, such owner shall be entitled for a claim of compensation from the Crown for the actual loss suffered by him as a result of the extinction of such right.

### ***Prescription Ordinance No. 22 of 1971***

58. This is an Ordinance that confers rights on people who have had unencumbered possession of private lands for over 10 years.

59. Section 15 of the Prescription Ordinance states that nothing herein contained shall affect the rights of the Crown (State). Thus prescription does not run against the State. Prescription Ordinance No 22 of 1971 made express provision with respect to the means by which a person may acquire the ownership of a block of land through the peaceable and uninterrupted possession of it for a period of ten years. Section 3 of the Ordinance provides as follows: "Proof of the undisturbed and uninterrupted possession by a defendant in any action, or by those under whom he claims, of lands or immovable property, by a title adverse to or independent of that of the claimant or plaintiff for ten years previous to the bringing of such action, shall entitle the defendant to a decree in his favor with costs."

### ***Land Settlement Ordinance No 20 of 1931 and subsequent amendments***

60. Developed after Crown Lands Ordinance No. 12 of 1840, this act allows members of the public to put forth claims to land (by showing a legal document such as a title deed). Any unoccupied lands or cultivated lands which were not claimed by the public were published by the Land Settlement Officer, and if no claim to such land or to any share of or interest in such land is made to him within a period of three months from a date to be specified in the notice, the land was declared as state/ crown land under this act. If no claim is made within a period of three months from the date specified in any settlement notice to any land specified therein or to any share of or interest in any such land, the Settlement Officer shall make a declaration in writing, that such land to which or to any share of or interest in which no claim has been made is the property of the State. Provided that if at any time within the said period of three months that any person has a claim to any such land or to any share of or interest in any such land and that such person is then absent from Sri Lanka and was so absent at the date of the first publication in the Gazette of the notice aforesaid, the Settlement Officer shall not make a declaration that such land is the property of the State until after the expiry of a further period of six months commencing from the day on which the said period of three months expired.

61. If in pursuance of the settlement notice a claim is made to any land specified therein or to any share of or interest in any such land, either within the aforesaid period of three months or, in any case in which within the said period of three months, it is brought to the knowledge of the Settlement Officer that some person who is absent from Sri Lanka has a claim to any such land or to any such share or interest, within the further period prescribed by the proviso to subsection (I), the Settlement Officer shall proceed to hold an inquiry into such claim and for that purpose may with such assistants as may be required enter upon any land to which the claim relates and make such inspection as may be necessary.

62. For the purpose of the inquiry the Settlement Officer shall call upon every claimant, by summons in writing served upon him, to appear before the Settlement Officer within the administrative district in which the land is situated and to produce the evidence and proof of his claim. Every settlement notice shall be published in the Gazette in the Sinhala, Tamil and English languages, and copies thereof shall be posted within the village in which the land is situated and on or near the land to which the notice relates and shall also be affixed to the walls of the several Kachcheri and of the several courts, including the Primary Courts of the province.

### ***Forest Ordinance as Amended***

63. Land declared as “forest land” is administered by the Department of Forest Conservation (DFC). The department has no authority to release land on long-term lease, and can release land only on renewable annual permits. Land within conservation and strict reserves cannot be released by the Department of Forest Conservation for other purposes. However, land required for public purposes can be released by the DFC when requested by the relevant state agency, providing it satisfies the conditions laid down in the NEA for prescribed projects. The construction of new road over 10km in length or the conversion of more than one hectare of land for non-forest activity is considered as a prescribed project. If the development is taking place within 100m of the boundary of a reserved forest, an EIA has to be prepared by the respective Project Partner Agency (PPA).

### ***Land Commissioner General’s Circular 2014/02***

64. The Land Commissioner issued instructions to the Divisional Secretaries, Deputy Land Commissioners and Assistant Land Commissioners by Circular No. 2013/01 dated 31 January 2013 to solve the problem of loss or damaged documents experienced by people due to the conflict. However, in the implementation process several complications arose. Further instructions were issued by Circular No. 2014/02, dated 23 January 2014, which provides clarification to help officers settle the issues encountered.

### ***National Environmental Act No. 47 of 1980***

65. The National Environmental Act (NEA) was introduced in 1980 as an umbrella legislation to provide a holistic framework for the protection and improvement of the environment. The 1988 Amendment vested the Central Environmental Authority (CEA) with the legal authority to protect, manage and enhance the environment, and specifically to control pollution. CEA has introduced an environmental licensing scheme aimed at all polluting projects and helped establish pollution mitigation regulations (1990) and a statutory

requirement for Environmental Impact Assessment (EIA). The Act requires environmental clearances to be sought for specific types of new projects.

66. The EIA requires development projects to be screened for their potential impacts. Legal provision for EIA in Sri Lanka was first included in the Coast Conservation Act No. 57 of 1981. These provisions were restricted to the coastal zone. EIA was mandated island wide by the 1988 amendments to the NEA and the CEA was assigned regulatory functions. Accordingly, the EIA process in Sri Lanka applies only to “prescribed projects”, which have been published in the Gazette under Section 23 Z of the NEA. This order lists two groups of projects that require an Initial Environmental Examination (IEE/EIA) before they can be implemented. Part IV C of the Amendment Act of 1988 mandated the CEA to require an EIA for all “prescribed” development project proposals. The EIA should identify the potential adverse and beneficial impacts of the proposed projects, together with measures to minimize such adverse impacts. Based on the initial screening, a full (EIA), partial (IEE) or no environmental assessment may be required.

67. The National Environment Act No. 47 of 1980, as amended in 1988, also refers to involuntary resettlement. The Minister has by Gazette notifications 772/22 published on 24 June 1993 and No 859/14 of 23.02.1995, determined the types of projects for which an EIA is required under Part IV (c) of the Act. The prescribed project schedule requiring EIA includes item 12, which refers to “involuntary resettlement exceeding 20 families, other than resettlement resulting from emergency situations”. The Minister by order published in the Gazette has specified the projects and undertakings in respect of which approval should be obtained from the Project Approving Agency (PAAs). Typically, the PAA is also the project proponent and is required to prepare an IEE or EIA according to CEA guidelines.

#### ***Sri Lanka Land Reclamation and Development Corporation Act No. 15 of 1968***

68. The purpose of this Act is to provide for the establishment of a Corporation, to be known as the Sri Lanka Land Reclamation and Development Corporation (SLLRDC), for the development and reclamation of areas declared by order of the Minister, which the corporation requires for construction work and consultancy assignments and for matters connected therewith or incidental thereto. The Ordinance came into operation on September 22, 1968 and comprises five parts in total.

#### ***Temple and Devalagam Act***

69. This Act deals with lands donated to the temples and Devala (Places of religious significance) by rulers under a deed of dedication or ‘Sannasa’ (Order) for the maintenance of such institutions. The rights of the custodian of temples and Devala for the receipt of compensation in the event of land acquisition for public purposes are spelt out in this Act in addition to the other provisions

#### ***Estates (Control of Transfer and Acquisition) Act (No. 2 of 1972)***

70. Under this Act, the government can acquire and transfer ownership of estate land under the prudence of the Minister if deemed necessary to be in the national interest. Whether such estate is or is not an estate in respect of which an application has been made under

section 3, he may by Order (hereinafter referred to as a "vesting Order ") published in the Gazette, vest such estate in the Crown with effect from such date as shall be specified in the Order. The amount of compensation to be paid under this Act in respect of any estate vested on any date in the Crown shall be such sum as in the opinion of the Chief Valuer constitutes the reasonable value of such estate as on such date. The Chief Valuer shall, before making his determination of the compensation payable in respect of any estate vested in the Crown, give the person from whom that estate was acquired as well as the Permanent Secretary, an opportunity to adduce before such Valuer, by himself or by a representative authorized by him in that behalf, evidence with regard to the value of that estate.

71. Any compensation payable, less any deductions that may be made from such compensation under this Act, shall carry interest, as from the date on which it accrues due until payment, at such rate as may be determined by the Minister with the concurrence of the Minister of Finance. The Permanent Secretary will publish in the Gazette and in at least one Sinhala newspaper, Tamil newspaper and English newspaper, specifying the compensation to pay in respect of the estate, being the compensation determined by the Chief Valuer, and inviting any person who had any interest in that estate, immediately before that estate was vested in the Crown and who claims any compensation in respect of that estate to communicate to the Permanent Secretary his claim in writing, stating the nature and basis thereof, before such date as shall be specified in the notice.

#### ***Agrarian Development Act***

72. This act deals with construction, maintenance, and administration of the water conveyance systems and regulation of the functions of farmer organizations within administrative district.

#### ***Irrigation Ordinance (Chapter 453) and subsequent Act***

73. Section 113 of Part IX (general) refers to land required for development works under the Irrigation Department. The section states that land required for such purposes shall be deemed to be land required for public purposes within the meaning of Land Acquisition Act.

#### ***Mahaweli Authority Act No. 23 of 1979***

74. Section 3 (1) of the Act empowers the minister (with the approval of President of the Country) to Gazette and declare any area which in the opinion of the Minister can be developed with the water resources of the Mahaweli Ganga or of any major river to be a special area. Such area shall be referred to as "Special Area ".

75. Section 13 (3) of this act refers to taking measures as may be necessary for watershed management and control of soil erosion. Section 13 (4) directs the Authority to promote, assist in, and secure the settlement of persons on lands, farms and properties in any special area and to make, advance to and pay for or contribute to the expenses of, and otherwise assist persons settling, farming or otherwise developing any such lands, farms and properties or are desirous of so doing and to take steps as are necessary or are connected such assistance.



76. Section 24 (1) of the Act provide guidance on taking of possession of land in “Special Area” otherwise than LAA, while section 25 (3) and (4) refers to compensating of persons eligible for such compensation.

## **National policy on involuntary resettlement and payment of compensation**

### ***National Involuntary Resettlement Policy 2001***

77. The National Involuntary Resettlement Policy (NIRP 2001) set out in Annex 2.2, was approved by Cabinet to address the shortcomings of the LAA and is designed to treat affected people in a fairer and more equitable manner. It calls for a protective framework for people displaced by development projects, to ensure that their rights are respected and that they are not impoverished or do not suffer unduly as a result of public or private project implementation. Under the NIRP, displaced people are assured of a living standard comparable to that at the time of displacement. The main principles or features of NIRP include the minimization and mitigation of negative impacts. This means steps must be taken to avoid involuntary resettlement by reviewing alternatives to the project. NIRP guarantees that affected persons are adequately compensated in a timely manner. Compensation is based on full replacement value, including transaction costs, and is calculated to include loss of land, and loss of structures and other assets, and income. Compensation is not limited to persons that have documentary evidence of their rights to land. The policy provides for the authorities to re-establish the livelihoods and income of affected persons and to include them in the design and implementation of the relocation and resettlement process.

78. The policy provides guidelines for resettlement plans of varying levels of detail, depending on the numbers of people being displaced. The plans have to be published and made available to the public. A comprehensive resettlement plan is prepared for any project requiring the displacement of 20 or more families. If the number of families affected is less than 20, a RP with less detail can be prepared. The NIRP provides for affected persons to be fully involved in the selection of relocation sites and to be stakeholders in the development and implementation of the resettlement plan.

79. The Policy is intended to guarantee that: (i) project affected persons are adequately compensated, relocated and rehabilitated; (ii) delays in project implementation and cost overruns are reduced; and (iii) better community relations are restored. It aims at ensuring that people affected by development projects are treated in a fair and equitable manner and are not impoverished in the process. The Policy also enables a framework for project planning and implementation that is comparable with international best practices in involuntary resettlement. The responsibility for reviewing and approving the resettlement plans is vested with the Ministry of Lands.

80. NIRP has yet to be formally incorporated into law, and implementing agencies are not under obligation to apply the principles enshrined in NIRP. Therefore, affected persons cannot rely on NIRP principles as a matter of right if their land is acquired. Full compliance would require the government to amend the existing laws. However, NIRP is official and workable, and is capable of offering effective solutions to the ethical and practical dilemmas involved in land acquisition and involuntary resettlement.

## ***National Policy for the Payment of Compensation***

81. In November 2008, the Cabinet of Ministers approved a national policy to establish a uniform system of compensation payment, which at that time was carried out under different Land Acquisition and Resettlement Committees (LARC) systems. It superseded all other ad hoc and special compensation packages that existed on the date of the Cabinet approval of the policy. However, projects that had already introduced such schemes, and that had published Section 2 under the LAA before 1st September 2008, were allowed continue with the existing packages. Under this policy, parties that were dissatisfied with LARC decisions were permitted to appeal to a Review Board of Compensation.

## **National institutional capacity**

82. The Ministry of Land and Parliamentary Reforms is the key government institute responsible for land acquisition and for administering the National Involuntary Resettlement Policy. Activities related to land acquisition and involuntary resettlement are carried out in collaboration with a wide network of public and civil society organizations, which include the project implementing agencies and their relevant ministries, the government printer, the Valuation Department, the Survey Department and Divisional Secretariats.

## **World Bank policies applicable to the project**

### ***OP 4.12 - Involuntary Resettlement***

83. World Bank has identified that involuntary resettlement in any development project, if unmitigated, often gives rise to severe economic, social, and environmental risks. Many of the involuntarily resettled people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority and the potential for mutual help are diminished or lost. The bank policy OP. 4.12 includes safeguards to address and mitigate these impoverishment risks. OP 4.12 states that a Resettlement Policy Framework should be prepared for programmatic projects, where the sub-projects or components that have not been fully prepared could potentially have a negative effect on people's assets and livelihoods.

84. OP 4.12 states that a Resettlement Policy Framework should be prepared for programmatic projects, where the sub-projects or components that have not been fully prepared could potentially have a negative effect on people's assets and livelihoods.

85. The principles set out in OP 4.12 emphasize the need to avoid, where feasible, or to minimize the need for involuntary resettlement by exploring viable alternative project designs. Where resettlement is unavoidable, the resettlement planning has the objective of providing displaced persons with a standard of living equal to, if not better than, the levels prevailing prior to the beginning of project implementation. A Resettlement Plan or RPF is required in order to ensure that displaced persons are informed about their options and rights pertaining to resettlement and consulted on and provided with technically and economically feasible resettlement alternatives, and are provided with compensation at full replacement cost. Where

the impacts include physical relocation the RPF or RP must include measures to ensure displaced persons are given moving allowances and residential housing.

86. Where the impacts on the entire displaced population are minor, or fewer than 200 people are displaced, an abbreviated resettlement plan may be agreed with the borrower. Impacts are considered “minor” if the affected people are not physically displaced and less than 10 per cent of their productive assets are lost.

### ***Gaps between World Bank and national legal requirements and mitigation measures***

87. The country’s legal system evolving from the British colonial period has been developed to manage land acquisition and regulate land use. It has an advanced system for valuation of properties, which involve different methods. However the existing system is geared to compensate only those who possess legal title to a given plot of land. The existing legal system is non-responsive to involuntary resettlement especially “economic displacement” caused by the land acquisition process. Table 3.1 below provides a comparative analysis on the Gaps between the current GOSL Laws/Policies and the World Bank’s Operational Policy on Involuntary Resettlement (OP.4.12).

Table 3.1. Comparative analysis on the gaps in the GOSL Laws & Policies and the World Bank's OP.4.12

Aspect	GOSL Laws/Policies	WB.OP.4.12	Measures to Bridge the GAP
Avoid where feasible or minimize involuntary resettlement, exploring all viable alternative project designs.	<ul style="list-style-type: none"> <li>LAA consider preliminary investigations of a land to identify its suitability for a public purpose</li> <li>Objectives of NIRP include avoid, minimize and mitigate adverse impacts of IR by facilitating the reestablishment of affected persons on a productive and self-sustaining basis.</li> </ul>	<ul style="list-style-type: none"> <li>Avoid where feasible or minimize involuntary resettlement, exploring all viable alternative project designs.</li> </ul>	<ul style="list-style-type: none"> <li>The MMAI&amp;RD at project inception stage have not considered any project interventions that would lead to physical displacement and permanent loss of any productive asset.</li> </ul>
Compensation for non-title holders	<ul style="list-style-type: none"> <li>LAA consider only titleholders and tenants protected under Rent Act 1972</li> <li>NIRP policy principles states that affected persons who do not have documented titles to land should receive fair and just treatment.</li> </ul>	<ul style="list-style-type: none"> <li>Entitlements will be provided to those who have no-title to the land or structures in the project area prior to the cut-off date for eligibility or resettlement assistance.</li> </ul>	<ul style="list-style-type: none"> <li>LSA programmes and RPs developed for project sub-components consider non-title holders</li> </ul>
Requirement of a RP/ LSA programme	<ul style="list-style-type: none"> <li>Not required under the LAA. NIRP requires a comprehensive RP for projects requiring the displacement of more than 20 families.</li> <li>A project affecting 100 families is considered as a prescribed project under the NEA.</li> </ul>	<ul style="list-style-type: none"> <li>A comprehensive RP is required for any project exceeding displacement of more than 200 people.</li> <li>If the number of displaced is less than 200 and the impacts are less significant an abbreviated plan can be developed.</li> </ul>	<ul style="list-style-type: none"> <li>The LSA programmes/ RPs shall be developed according to the guidelines of this RPF for each sub-component.</li> </ul>
Consultation with stakeholders	<ul style="list-style-type: none"> <li>Not required under the LAA. It is a requirement under NIRP.</li> </ul>	<ul style="list-style-type: none"> <li>Consultation is required with stakeholders including displaced persons (Same as NIRP).</li> </ul>	<ul style="list-style-type: none"> <li>The PMU shall conduct a continuous consultation process throughout the project cycle which shall include all stakeholders (including project affected persons)</li> </ul>
Participation of affected persons in planning, implementation and	<ul style="list-style-type: none"> <li>Not require under the LAA. The full participation of the provincial and local authorities in the planning and</li> </ul>	<ul style="list-style-type: none"> <li>Participation of affected persons in the planning, implementation and monitoring of involuntarily</li> </ul>	<ul style="list-style-type: none"> <li>The PMU shall bring in all stakeholders in developing sub-component interventions. The LSA programmes shall be</li> </ul>

Aspect	GOSL Laws/Policies	WB.OP.4.12	Measures to Bridge the GAP
monitoring of involuntarily resettlement	implementing process is a requirement under NIRP.	resettlement is a requirement of OP 4.12.	developed in consultation with affected persons and communities.
Identification of affected people through initial baseline survey (both title and non-title holders)	<ul style="list-style-type: none"> <li>No stipulation for the Identification of affected people through an initial baseline survey.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of affected people through initial baseline survey is required.</li> </ul>	<ul style="list-style-type: none"> <li>PMU with assistance from the consultants and MASL, ID, NPC &amp; EPC shall conduct baseline surveys covering all project intervention areas.</li> </ul>
Cut-off date	<ul style="list-style-type: none"> <li>No stipulation for the cut-off date.</li> </ul>	<ul style="list-style-type: none"> <li>The establishment of the eligibility cut-off date is required.</li> </ul>	<ul style="list-style-type: none"> <li>Each project sub-component will determine and publicize the cut-off date for eligibility of entitlements.</li> </ul>
Information disclosure to public including the Resettlement Plans and LSA programmes	<ul style="list-style-type: none"> <li>LAA statutorily imposes all communication to be publicly announced through legal notifications in print media, and through GN officers.</li> <li>Under the NIRP, if the project is subject to an IEE or EIA, the report should be made available for the information of the public and for public comments.</li> <li>There is no requirement for public disclosure of the RP.</li> </ul>	<ul style="list-style-type: none"> <li>Public disclosure is required.</li> </ul>	<ul style="list-style-type: none"> <li>The RPs and LSA programmes shall be displayed in MMAI&amp;RD and WB websites in Sinhala, Tamil and English.</li> </ul>
Income Restoration	<ul style="list-style-type: none"> <li>LAA regulation 2008 has considerations for transitional expenses related to loss of income while moving to alternative accommodation, etc.</li> <li>NIRP provides for income restoration and reestablishment of livelihoods.</li> </ul>	<ul style="list-style-type: none"> <li>Income should be restored,</li> </ul>	<ul style="list-style-type: none"> <li>Livelihood Support Assistance programmes shall be developed and executed by the PMU.</li> </ul>
Grievance Redress Mechanism	<ul style="list-style-type: none"> <li>LAA has provisions for formal appeals in accordance with the country's legal system.</li> <li>Establishment of a project based GRM is an explicit objective of NIRP.</li> </ul>	<ul style="list-style-type: none"> <li>Requirement under the OP.4.12.</li> </ul>	<ul style="list-style-type: none"> <li>A GRM shall be established under three levels.</li> </ul>
Replacement Cost	<ul style="list-style-type: none"> <li>LAA new regulations (2008) have provisions for paying compensation at replacement cost.</li> </ul>	<ul style="list-style-type: none"> <li>The borrower will compensate them for the loss of assets other than land such as dwellings and</li> </ul>	<ul style="list-style-type: none"> <li>The payment of compensation for any project sub-component (if</li> </ul>

Aspect	GOSL Laws/Policies	WB.OP.4.12	Measures to Bridge the GAP
	<ul style="list-style-type: none"> <li>• Provided in the NIRP.</li> </ul>	<p>also for any other improvements to the land at the full replacement cost.</p>	<p>required) will follow LAA and its regulations.</p>
Assistance for vulnerable people	<ul style="list-style-type: none"> <li>• LAA is silent on this aspect. NIRP requires special treatment for vulnerable groups.</li> </ul>	<ul style="list-style-type: none"> <li>• OP.4.12 requires a special assistance for the vulnerable people.</li> </ul>	<ul style="list-style-type: none"> <li>• The LSA programmes and RPs for project sub-component will contemplate special assistance for vulnerable people who are affected.</li> </ul>

88. As noted above, the LAA is unresponsive to the land occupant's present socio-economic conditions or to the long-term adverse impacts on incomes and livelihood that acquisition may have on affected people. For the purpose of the determining compensation, the market value of a land is generally the amount that the land might be expected to have realized if sold by a willing seller in the open market as a separate entity on the date of publication of the notice in the gazette. Strips of land on stream/ road reservations were earlier assessed as narrow "separate entities" realizing a low market value. For marshy lands and encroached lands the encumbered value was computed realizing a low market assessment. This method of valuation has changed with the introduction of the 2008 Regulations, which provide for the unit value of the affected area to be calculated by taking into consideration the whole plot of land and not the narrow strip required for the project.

#### **OP 4.10 - *Indigenous Peoples Policy***

89. The policy does not define "Indigenous Peoples" (IP) due to the varying and changing context of this term and as there is no universally accepted definition. Some countries identify these communities as "indigenous ethnic minorities," "aboriginals," "hill tribes," "minority nationalities," "scheduled tribes," or "tribal groups". The OP 4.10 guides projects funded by WB to be implemented through a process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples. Under this policy the bank requires the borrower to engage in the process of free, prior and informed consultations with communities including indigenous peoples if any.

90. This policy recognizes that the identities and cultures of Indigenous Peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. These distinct circumstances expose Indigenous Peoples to different types of risks and levels of impacts from development projects, including loss of identity, culture, and customary livelihoods, as well as exposure to disease<sup>4</sup>.

91. "Veddass" or "Wanniya la etto (forest dwellers)" who are considered as indigenous peoples in Sri Lanka. "Vedda" is a Dravidian word meaning "hunter." Contemporary Vedda culture is strongly marked by prolonged interaction both with the Sinhalese and with the Tamils, the two largest ethnic groups in Sri Lanka; but the Vedda people themselves are generally reputed to be descended from the aboriginal population of the island and to have maintained until recent times a distinctive way of life based on hunting and gathering. The Veddass are divided into three regional groups (the Bintenne Veddass, the Anuradhapura Veddass, and the Coast Veddass) whose members have little or no contact with one another, although they acknowledge a remote kinship.

92. Veddass constitute only a very small proportion of the total population of Sri Lanka. Current estimates is between 5,000 and 10,000. However, due to the fact that the criteria used to identify Veddass vary widely, there is no consensus as to how accurate this population estimate is. Over the last decades, Veddass have gradually shifted from their traditional hunting, gathering and shifting cultivation practices to more current economic practices.

Based on the information in literature and field observations during the preliminary study conducted in preparation of this RFP, it could be stated that the proposed sub-project

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<sup>4</sup> OP 4.10 - Indigenous Peoples Policy, July 2005 revised April 2013

interventions areas of IWWRMP are not habitations of these “Vedda” communities. Therefore, the bank policy OP 4.10 on Indigenous Peoples is not triggered under the proposed interventions. However, if such communities are observed during detailed designs of any sub-project component this policy shall be triggered and tools such as “vulnerable group development plans” shall be developed and implemented in accordance with OP. 4.10.



## **Chapter 4: Alternate measure for avoiding displacement and entitlements**

93. The internationally accepted best practice in development projects is to avoid or minimize the need for physical and/or economic displacement of people. Proposed IWWRMP from the time of its planning stage has not considered any interventions that would lead to physical displacement of people and has included interventions such as on-farm activities that would improve soil fertility, improve productivity in the watershed area and rehabilitation of dams and irrigation canals again leading to higher productivity.

94. This chapter outlines few additional approaches and measures to reduce impacts on livelihood activities especially of the water users in the tanks and irrigation canals considered for rehabilitation works. The chapter sets out a list of entitlements which considers the types of impacts that will occur and the parties that would be affected.

### **An outline of alternative measures to reduce livelihood impacts**

#### ***For interventions under subcomponent 1.2***

95. Timing of the proposed on-farm and off-farm construction activities during the off-seasons shall avoid or minimize any loss to livelihood or employment activities of the people. Scheduling the activities to off-season can bring these people as labour force for the construction activities which will bring about an alternate income for them.

96. Conducting on-farm training programs shall provide the opportunity to the farmers to continue their work in field even during the training.

#### ***For interventions under component 2***

97. Scheduling the rehabilitation works during the off-season shall again avoid or minimize any livelihood or employment of people in the project area. Again such timing shall allow these people (mainly the farmers) to work as labourers in the constructions works which shall bring them an additional income. Full drawdown shall not be done for reservoirs which also support drinking water schemes. For small tanks the scheduling of rehabilitations works shall be targeting the dry season where most of these tanks get totally dried.

98. It is also important to discuss with any fishing communities in the project intervention areas and schedule the works so that their livelihoods are also affected only to the least possible extent.

99. Any change in existing practices conducted in the watershed (including farming) will only be brought after extensive discussions with the people and only after making them aware of the benefits of the new intervention. Based on the past experience of MMAI&RD on dam safety project, the PMU will sign a Memorandum of Understanding (MOU) with such parties before introducing such changes.

100. A Livelihood Support Assistance (LSA) programme will be introduced as a measure to mitigate temporary loss of livelihoods as a result of project interventions under components 1 and 2. The LSA programme, in general, will consist of (i) Wage assistance plan; (ii) Drinking

water supply plan; (iii) Replenishing fish stock with fingerlings. In preparation of the LSA programme, a comprehensive Information, Education and Communication (IEC) campaign will be carried out to create greater awareness among the project affected communities, facilitated by a comprehensive consultation process.

### Proposed entitlements for affected parties

101. In the circumstance of any strip of private land is permanently required for any project intervention, such land shall be taken as per the provisions of LAA and compensation shall be paid based on LAA and its subsequent regulations.

102. Based on the impacts as discussed under chapter two of this RPF, the following entitlements have been developed to address the different types of losses that are expected in the project.

Table 4.1 Types of entitlements for possible impacts

	Type of Loss	Entitled Persons	Entitlements
<b>A. Temporary loss of agricultural and plantation lands and crops</b>			
A1	Loss of agricultural or plantation crop  Loss of access to agricultural/ plantation land	Owner with title deeds or registration certificate;  Tenant, leaseholder or <i>Ande</i> farmer  Non-title user or encroacher on private land or state land	Wage assistance under the LSA programme,  Reasonable time shall be given to harvest the crops,  Assistance in diversifying the cropping and establishment of Fruit Orchards (fruits with export markets and super foods),  Assistance in animal husbandry and fodder and pasture development,  Assistance in Vegetable cultivation on permanent terraces and floriculture,  Assistance to improve crop production and livelihoods through Bee keeping,  Assistance to adopt precision agriculture.
<b>B. Damage to private properties or structures</b>			
B1	Damages to properties or structures due to construction works	Owners of structures (regardless of the ownership of land)	Repair the structure to original or better condition by contractor under the supervision of PMU and consultant.
B2	Loss of statues, tombs or graves	All owners	Relocate the monument and remains in a cemetery identified by PMU.
<b>C. Temporary loss of livelihood and employment (loss of income)</b>			
C1	Until rehabilitation works are completed.	All affected persons, wage or daily laborers	Wage assistance under the LSA programme;  Assistance from the fish-fingerlings programme;

		Fishermen dependent on fishing as primary source of income	Training for up to two members of affected households to receive skills and vocational training;  Assistance in securing employment in the project civil works.
<b>D. Temporary loss of services, utilities</b>			
D1	Loss of drinking water	All affected persons	Drinking water program under the LSA programme
<b>E. Special assistance for households</b>			
E1	Effects on vulnerable DPs	Vulnerable households (Including IP if any)	Assistance from the LSA programme
<b>F. Impacts on community assets</b>			
F1	Loss of small scale community buildings such as shrines, community halls and other facilities, such as access roads.	Divisional Secretary division, local community or local authority owning or benefiting from community property.  Chief priest of religious institutions.	Restoration in the existing location of affected community buildings, structures, infrastructure and common property resources. The restoration will be to the original or better condition;  Or relocate at alternative location identified in consultation with affected communities and relevant authorities.
G2	Loss of local infrastructure such as local roads, play grounds, footpaths, bridges, irrigation, water points or communal hand pumps etc.	Divisional Secretary division, urban ward, local community or local authority owning or benefiting from community property.	Restoration in existing location of the affected community buildings, structures, infrastructure and common property resources to original or better condition;  Or replacement in an alternative location identified in consultation with the affected communities and relevant authorities.
<b>H. Unanticipated adverse impacts</b>			
H1	Any unanticipated adverse impact due to project intervention	Any unanticipated consequence of the project will be documented and mitigated based on the spirit of the principles agreed upon in this policy framework.	

## Cut-off date

103. The cut-off date for the eligibility for LSA programmes will be the last date of baseline survey conducted for each sub-component.

104. In the event that there is a requirement for land acquisition, the cut-off date for eligibility for compensation for non-title holders shall be the last date of census survey carried out for that proposed project subcomponent. For title holders, the cut-off date shall be the date in which section 2 notice under LAA is published.

## Chapter 5: Preparation of the livelihood support assistance/ resettlement plans, its review and approval

### Screening for involuntary resettlement

105. International development partners such as World Bank require projects to conduct social assessments and screen for potential social impacts. The social screening form presented in Annex 5.1 shall be completed by the social and resettlement staff of PMU with assistance from consultants, MASL, ID, NPC and EPC for all sub-components that shall require physical work. Based on the outcome of this screening process each sub-component shall be categorized as follows:

**Significant resettlement impact** - as a result of the sub-component, 200 or more people will experience major impacts, such as being physically displaced from their housing, or losing 10 per cent or more of their productive (income-generating) assets. A full resettlement plan will be required.

**Non-significant resettlement impact** - involuntary resettlement impacts that are deemed non - significant. An abbreviated resettlement plan will be required.

**No resettlement impact** - the sub-component does not physically displace people or lead to permanent loss of more than 10% of their productive assets. However, for the loss of temporary income, a Livelihood Support Assistance (LSA) Plan is required.

106. The preliminary assessments conducted during preparation of this RPF and information from the PMU indicate that all sub-components of the proposed interventions shall not require any physical displacement of people or any permanent loss of productive assets. Therefore, it will be more appropriate to develop LSA programmes than RPs. LSA programmes shall especially be developed for interventions in component 2 where communities shall need to forego one or two cropping seasons or livelihood activities during rehabilitation and improvement works of dams and canals. However, this decision will be further verified through conducting the social screening using the form in Annex 5.1.

107. The LSA programmes and RPs will be shared with the World Bank for review and clearance prior to the award of any civil works contracts.

### Preparation of livelihood support assistance programmes

108. The projects envisaged under IWWRMP may have a temporary impact on the livelihoods and sources of income of people living in the project area. Past projects that required resettlement have experienced the following issues in relation to developing livelihood support assistance programmes.

- Inadequacy or unavailability of replacement land or land suitable for agricultural activities to replace areas of farmland affected in rural areas
- Inadequate compensation that fails to cover the full loss of economic assets, particularly the livelihood assets of non-title holders

- Lack of the necessary skills that would allow affected people to engage in alternative types of employment
- Unwillingness of affected people to replace or diversify their traditional livelihood activities to include more of the non-agricultural/off-farm activities introduced under income restoration programs
- Inadequate budget allocation for LSA programmes
- Delays in starting the LSA programmes and establishing adequate implementation and monitoring mechanisms for the programs

109. In order to achieve a successful LSA programme, it is essential for the programme to be designed and integrated through an ongoing process of community participation. The NIRP recognizes and acknowledges this approach by stating that: “resettlement should be planned as a development activity for the affected people” and should be based on the principle that the affected people should be engaged in the planning and implementation of the LSA programmes.

110. One of the objectives of the LSA programme should be to identify the people whose livelihood and income will be affected by the project interventions and to provide them with assistance that will allow them to regain or improve their livelihoods and levels of income. The PMU will be responsible for developing and executing the livelihood and income improvement programmes.

111. A comprehensive assessment of the possible impacts on livelihoods and incomes will have to be carried out as part of the census survey (Baseline survey) conducted for each subcomponent of the project. However as most of the project subcomponents have already included measures to improve the livelihood of people (e.g. Establishment of Fruit Orchards fruits with export markets and super foods, Introduction of Floriculture, Introduce inland aquaculture, Improve crop production and livelihoods through Bee keeping and providing other alternative livelihoods to keep people committed for watershed management in a participatory manner, etc.), it is equally important to assess the public view on such interventions and consider their suggestions.

112. The assessment must provide information on livelihood/income related losses and offer a realistic assessment of how such losses will be compensated and what income restoration strategies will be needed. The information gathered during the baseline survey will provide a baseline standard or benchmark data for subsequent monitoring exercises. The livelihood support assistance programme must include specific measures or components for the most vulnerable households, such as female-headed households, families that include members with chronic illness or disability, households living below the poverty line (beneficiaries of Samurdhi and similar programs) and Indigenous Peoples communities (if any).

113. The following principles should be followed in developing LSA programme.

- Design, plan and implement the LSA programmes prior to commencement of civil works,

- Consider both short-and long-term strategies for effective livelihood support,
- Consult project-affected groups including women, and assess their needs prior to planning any livelihood support strategy,
- Develop multiple options and diverse interventions with different time frames for livelihood support assistance,
- Develop special measures for affected persons who are most disadvantaged in terms of income generation and employment, e.g., very poor families, families headed by women or elderly persons, etc.,
- Assess the adaptive and absorptive capacity of the people affected by the project, especially their interest and willingness to engage in new income generating activities, and to consider the availability of raw materials and other inputs and the markets for such ventures,
- Complement skills training programmes with the other kinds of support required for livelihood support, such as access to credit or cash grants, equipment, access to market information and linkages,
- Ensure that adequate resources are allocated (financial, material and human) for the effective and efficient implementation of the LSA plan,
- Design, plan and establish a comprehensive monitoring system that measures the processes, outputs and outcomes of the LSA programmes,
- Consider inclusion of Corporate Social Responsibility (CSR) programmes with assistance from civil works contractors such as construction/ rehabilitation of roads, schools and hospitals in the respective project area,
- Continue the programme after the civil works that have affected the people have been completed, since some livelihood support strategies such as replenishing fish fingerlings will require support over a longer period.

### **Preparation of resettlement plans**

114. Based on the social screening some project subcomponents shall require abbreviated RPs. If such necessity arise the abbreviated RPs shall be developed based on the guidelines given in annex A of OP 4.12.

115. The PMU could hire external consultants/resource persons to help develop the LSA programmes and RPs.

116. Baseline survey shall be required for preparation of LSA programmes or RPs. Such survey shall be conducted with systematic consultation, disclosure, orientation, and coordination with the Divisional Secretaries, Planning Directors, Grama Niladhari, Community Based Organizations and Non-Governmental Agencies within the relevant project areas.

117. Notices and leaflets shall be posted in villages and circulated among potentially affected persons in the area where the survey is to be carried out. This must be done to inform the public and to facilitate data gathering.

118. It is important that the team conducting the baseline survey provides correct information in the proposed interventions, in order to avoid confusion and/or raise unrealistic expectations. The consultant should respect people's right to be informed about the project and its sub-components and should provide general information their entitlements for assistance/compensation, as well as the people/units they can contact if they have questions, concerns or complaints about the project.

119. Ideally, the baseline surveys should be conducted only after a clear understanding of the interventions has been agreed. The surveys should be conducted once the project boundaries have been established and marked on the ground which shall ensure the accuracy of the survey.

120. The LSA programmes and RPs shall be translated into Sinhala and Tamil for local disclosure. An information booklet including following information extracted from the LSA programmes, RPs could also be developed as a tool to disseminate information about the project;

- Brief description of the project component or sub-component
- Types of impacts expected
- Basic compensation policy, entitlements and special provisions (including provisions for livelihood restoration, and assistance to vulnerable groups)
- Grievance procedures (including who to contact in case of queries or complaints)
- Implementation schedule

### **Review of LSA programmes/ RPs, clearance and disclosure**

121. If the LSA programmes or RPs are developed by external consultants, they will be first reviewed and approved by the PMU. Once the initial review has been completed, the revised RPs shall be submitted to the Ministry of Land and Parliamentary Reforms as an attachment if there are any proposals for land acquisition. The LSA programmes/ RPs will be submitted to the ministry by the PMU through MMAI&RD.

122. In parallel, the PMU approved LSA programmes and RPs shall be submitted to World Bank, since the project will be financed by the World Bank, and the project must comply with the World Bank's Operational Policies and Procedures (especially OP 4.12). Once the Government and the Bank have cleared or approved the LSA programmes/ RPs, they shall be posted on MMAI&RD website in Sinhala, Tamil and English versions. The Bank will also upload these documents to its own website. The uploaded version must NOT include any lists of affected people and their compensation or entitlements (this could be a confidential annex). Any changes to the approved LSA programmes/ RPs would have to follow the same clearance/ approval procedures and disclosure.



## Chapter 6: Asset valuation and arrangements for funding

123. Proposed interventions will not lead to any physical displacement or permanent loss of productive assets. However, as indicated in chapter one, there may be instances of acquiring strips of land for some project activities. Such acquisition will be carried out as per the guidelines in LAA and its subsequent regulations. This chapter outlines the principles used and practiced in the valuation of affected land and structures, and in assessing other payments as per the LAA. The chapter also discuss on the funding arrangements for assisting affected persons through LSA programmes and RPs.

### Valuation of privately-owned land and structures

124. The procedures for the compulsory acquisition of private land and payment of compensation have a history that goes back to the Land Acquisition Ordinance No. 3 of 1886, which was later replaced by the Land Acquisition Act (LAA). Payment of compensation can take place under three categories: i) compensation for land that has to be acquired; ii) compensation for injurious affection and severance; and, iii) compensation for disturbances and other losses. The second category above shall apply to some of the interventions. Statutory compensation payments for land and structures are determined according to the following principles, as stipulated under the 2008 LA Regulations:

125. The basis of assessing the market value of any land or the compensation for any injurious affection caused by the acquisition of any land shall be:

(a) Where part of a plot of land is acquired and when the value of that part as a separate entity is deemed to be proportionately lower than the market value of the main plot, the compensation should be proportionate to the value of the plot as a whole.

(b) Where, at the date the intention to acquire was published, the building was used for residential and/or business purposes or was intended to be used for residential and/or business purposes, the difference between the cost of re-building and the current value of the building, as determined under Section 1.1, should be paid as **additional compensation**.

### Calculating compensation payments, entitlements and related considerations

126. In 2013 the Ministry of Land with assistance from the ADB published a guide for public officials on good practices on land acquisition and implementation of the national involuntary resettlement policy. Chapter 5 of this guide is “Determining compensation for private land acquired”. Section 5.7 of this chapter covers “Key components of the Land Acquisition Regulations” and section 5.8 covers “additional compensation”. The sections shown below are extracts from sections 5.7 and 5.8 of the guide, which refer to the calculation of compensation payments, entitlements and related considerations.

### Box 5a: Tips and guides for valuation

#### Scenario 1: When strips of commercial/residential lands are acquired

Irrespective of the size of the main land, determine the site value of a buildable front block and adopt the same rate for acquired portion uniformly subject to the five conditions given under "explanatory notes" in the table appearing under section 5.7.1.2 above.

#### Scenario 2: When strips of coconut lands with site value are acquired

Here, the provisions in the *Tea and Rubber Estates (Control of Fragmentation) (Amendment) Act No: 20 of 2005 - Sec. 10* applies.

If the extent of the main land is less than 10 acres (4 hectares) and a part of it is acquired, site value could be paid, subject to availability of evidence of demand in the open market.

#### Scenario 3: When strips of coconut lands with site value are acquired, where extent of some of the main lands are over 10 acres

Compensation should be based on site value for parts of main land below 10 acres in extent when evidence is available as to the market value of the land. Prevailing market value for commercial and residential plots will be paid for lands below 10 acres in extent.

#### Scenario 4: When extent of the main land is less than the minimum plot size (6 perches) and part of it is acquired

Value the main land as it is and apportion the amount for the acquired portion. Compensation may be based on, (a) 75 percent of site value of a buildable block subject to the five conditions given in explanatory notes and (b) Rate based on Existing Use Value (EUV) if there is a building.

#### Scenario 5: Identification of main land when two lands have been amalgamated to form a buildable plot having a minimum plot size of 6 perches, where the extent of the main land of the acquired portion as a separate entity is less than 6 perches.

Both title deeds should be scrutinized and the total extent of the amalgamated two lands is to be taken together in order to determine the size of the main land.

#### Scenario 6: Lands with various shapes

When the front land is a narrow strip used as access/garden to rear main land and part of the front land is acquired, valuation should be based on 'Use' subject to highest and best use, but should not be below agricultural value.

#### Scenario 7: When a part of a building is acquired and the remaining part is still usable

Compensation should be based on DRC value (Depreciated Replacement Cost) only for the part acquired. Reinstatement cost [explained later] should be paid for the balance part of the building etc.

#### Scenario 8: - When a part of a building is acquired and the remaining part is unusable

Justification is required that the balance part cannot be used further. After justification, DRC value of the entire building should be paid. Reinstatement cost [explained below] should be paid subsequently as additional compensation.

Source: A guide for public officials on good practices in land acquisition and implementation of the National Involuntary Resettlement Policy, 2013.

127. The LAA prescribes that compensation for acquired land should be based on its 'market value' [Section 46(1)]. In instances where there are several interested parties, the compensation calculated on market value and payable to each party should be proportionate

to the respective interests based on their type of ownership. A “person interested” is defined in Section 65 of the LAA.

**Valuation of a servitude (easement)**

128. When a servitude or easement is acquired, it has to be determined whether the impact or damage is temporary or permanent, and the compensation should be assessed accordingly. If the damage is permanent, a ‘Before and After Method of Valuation’ should be adopted to calculate the level of compensation to be paid.

**Additional Compensation**

129. Structures that are used for occupation and or business purposes or are intended to be used for occupation and or business purposes at the date on which the intention to acquire is published are entitled to compensation based on reinstatement value.

130. According to regulations 2008 buildings and/or structures that are fully or partially completed and that appear to have been abandoned will not be compensated on the basis of their reinstatement value/re-construction cost. In verifying whether a building/structure is abandoned or not, the valuation must take into account: (a) evidence from visits to the site, (b) whether there is an approved building plan, and (c) the date on which construction of the building was stopped as a result of the intended acquisition. Dates of the Sections 2 or 4 Notices can be used as points of reference.

2008 Regulations	Explanatory Notes
<p>1.2 Where at the date of intention to acquire was published, the building is used for occupation and or business purposes or is intended to be used for occupation and or business purposes, the difference between the cost of re-construction and the value of building based for determination of Market Value under Section 1.1, should be paid as an additional compensation.</p>	<p>A building will qualify for payment of any additional value based on cost of reinstatement if and only if it has not been abandoned.</p>

Source: A guide for public officials on good practices on land acquisition and implementation of the National Involuntary Resettlement Policy, 2013.

**Compensation for paddy lands - Value based on development potential**

131. The Land Acquisition Regulations of 2008 also set the provisions for determining compensation for paddy (rice) lands.

2008 Regulations	Explanatory Notes
<p>1.3 Value based on development potential could be considered for paddy lands acquired where permission to fill such lands have been granted by the Agrarian Services Commissioner General.</p>	<p>Officers designated should:</p> <ul style="list-style-type: none"> <li>• Review Section No: 32, 33 &amp; 34 of Agrarian Development Act No: 46 of 2000 and the procedure for obtaining filling permission laid down in the Circular No: 4/8/9 dated 13.5.2005 by the Secretary to the Ministry of Agriculture, Livestock, Lands &amp; Irrigation addressed to the Agrarian Services Commissioner General</li> <li>• Obtain copies of formal approval for filling</li> <li>• Ensure that permit is produced at Section. 9 inquiry</li> <li>• Base the valuation on conditions pertaining to: <ul style="list-style-type: none"> <li>■ permitted use (residential, commercial and any other)</li> <li>■ extent of the land allowed for filling</li> <li>■ time validity of filling permission – Special attention should be drawn to stop filling due to intended acquisition – i.e. date of Sections 2 or 4.</li> </ul> </li> </ul>

Source: A guide for public officials on good practices on land acquisition and implementation of the National Involuntary Resettlement Policy, 2013.

**Payment of compensation for tenant/ statutory tenant**

2008 Regulations	Explanatory Notes
<p>1.4 When an acquired building is occupied by a tenant / statutory tenant, protected under the provisions of the Rent Act No: 7 of 1972 (as amended thereafter) the compensation should be ascertained in proportion having regard to the provisions of Rent (Amendment) Act No. 26 of 2002.</p>	<p>Four steps should be followed</p> <p><b>Step I</b> Unencumbered freehold interest should be calculated</p> <p><b>Step II and III</b> The statutory entitlement of the landlord and the tenant under Rent Amendment Act No.26 of 2002 should be calculated</p> <p><b>Step IV</b> Unencumbered value should be apportioned between tenant and the landlord accordingly</p>

Source: A guide for public officials on good practices on land acquisition and implementation of the National Involuntary Resettlement Policy, 2013.

## **Estimates, source and allocation of funds**

### ***Estimation of budget to cover LSA programmes/ RPs***

132. The baseline survey of all affected persons for LSA programmes and RPs will provide inputs for the cost estimate for each LSA programme or RP. The final estimate will also need to consider the cost for monitoring and evaluation. If land acquisition is involved, then the cost for acquisition will be based on the valuation reports which should also be included in to the budget.

133. At this preliminary stage of the project the cost estimate for interventions under component one is considered to be about 7.7 million USD, for component two about 59.2 million USD, and the WB has principally agreed to provide funds for these interventions. As stated in chapter one, the proposed interventions will provide long term benefits to the people. Establishment of fruit orchards, introduction to floriculture, introduction to precision agriculture and support to water supply schemes are some of the interventions under component one that would provide direct benefits to the people.

### ***Identification of funding sources and allocation of funds***

134. The budget for executing the payment of statutory compensation in the event of any land acquisition will be channeled through government counterpart funds. The funds will be allocated to the PMU. The fund for the LSA / RP programme will be budgeted under the project. For component one activities, the funds will be directly disbursed through the PMU while component two funds will be channeled through the PMU in collaboration with MASL, ID, NPC & EPC. The Water Resources Board will also receive funding for component 1.3 through the PMU.

## Chapter 7: Arrangements for implementation

135. The project will be managed by a Project Management Unit established within the Ministry of Mahaweli Agriculture, Irrigation and Rural Development . The lead government implementing agencies for: a) Component 1 are the MASL, are part of the MMAI&RD; b) Component 2 are the MASL, ID, NPC & EPC. The project is fully integrated in the GoSL administration, and the project implementation is designed to capitalize on existing government agencies at all levels. Below is a brief summary of each of the above agencies involved in this investment programme.

### Regulatory role of relevant agencies

#### ***The Ministry of Mahaweli Agriculture Irrigation & Rural Development , and Mahaweli Authority of Sri Lanka***

136. The ministry is responsible for management of environment and the Mahaweli Development Programme, as well as the general development of the Mahaweli River, its environs and communities living within defined 'Mahaweli development zones'. The ministry executes these responsibilities through the agencies under its purview, which include the Sri Lanka Mahaweli Authority, the Central Environment Authority and Department of Forest Conservation.

137. The Sri Lanka Mahaweli Authority established under Mahaweli Authority Act No 23 of 1979 is entrusted with developing 365,000 ha of land for of Agriculture in 13 Systems identified under the by the Mahaweli Development Programme. The Authority's current task is to implement the envisaged project plan in the balance areas proposed by the Master plan and also Gazetted areas. This includes rehabilitating and maintenance of the irrigation network, administration of the land, enhancing the production of agriculture and the post settlement process. Further, MASL is responsible for managing irrigation water for 101,526 ha. of Irrigable land in the dry zone.

138. The Ministry is responsible for the management of river basins, groundwater sources and irrigation systems, for the conservation and protection of sources of water (including groundwater), for monitoring pollution levels and ensuring water quality, as well as preventing salt water intrusions into fresh water sources. The management of natural disaster related aspects have also been entrusted upon this ministry.

139. Under the ministry the Irrigation Department operates to fulfill the following functions;

- Preparation of Master plan for development of the different river basins for the optimum utilization of land and water resources;
- Project formulation and detail designs of Irrigation, Hydro-power, Flood control and Reclamation Projects;
- Construction of Irrigation and Settlement Projects for the conservation, diversion and distribution of water under gravity and lift Irrigation to new and existing lands for cultivation by farmers for food crop production;

- Construction of Drainage, flood protection and salt water exclusion projects for the protection of cultivable land to enable the cultivation of such lands with rainfall for food crop production with minimized risk;
- Operation, Maintenance, Improvements, Rehabilitation and Water Management for Medium and Major Gravity, Drainage and Lift Irrigation Projects;
- Research in Hydraulics, Hydrology, Soil Mechanics, Engineering Geology, Geographic Information System (GIS), Engineering Materials and Land Use as applied to Water Resources Development Projects;
- Human Resources Development for optimum utilization of Human Resources;
- Operation and Maintenance of Financial Management System, Accounting, Reporting, Auditing Systems of Irrigation Department in accordance with the Financial Regulation of the Government of Sri Lanka;
- Providing Consultancy Services to Government Departments, Statutory Boards/Corporation, public and private institutions and individuals; in the fields of Water Resources Development, Foundation Engineering, Quality Control of Earth work and Concrete, Hydraulic Model Testing and Land Use Planning.

### ***Department of Forest Conservation***

140. Established under the Forest Ordinance the Forest Department is entrusted with conservation and development of national forest reserves in the country.

### ***Water Resources Board***

141. Established in year 1966 under the parliament Act No. 29 of 1964, the Water Resources Board operates with the mandate to conserve and sustainably utilize water resources of the country by using new technologies and management tools. Hence, the services of the WRB extends to develop the water resources to meet the growing demands of the country in domestic, industrial and agricultural sectors. The WRB is presently operating under the purview of MIWRDM.

### ***Local Government Institutions***

142. Northern Provincial Council (NPC) established in terms of 13th Amendment to the Constitution and the Provincial Councils Act. No. 42 of 1987. The provincial council cover the administrative districts of Jaffna, Kilinochchi, Mullaitivu, Vavuniya and Mannar of the Northern Province. According to the information in the official web site of NPC there are five ministries and 16 departments which oversee different sectors.

143. Eastern Provincial Council (EPC) established in terms of 13th Amendment to the Constitution and the Provincial Councils Act. No. 42 of 1987. The provincial council cover the administrative districts of Trincomalee, Batticaloa and Ampara of the Eastern Province. According to the information in the official web site of EPC there are five ministries and 17 departments which oversee different sectors.

144. The MMAI&RD and has developed strong working partnerships with the World Bank and demonstrated their technical capacity for planning and implementation of recent, ongoing

and planned water sector projects such as DSWRPP, ongoing Climate Resilience Improvement Project (CRIP) and the follow-on project (CRes) which is under preparation.

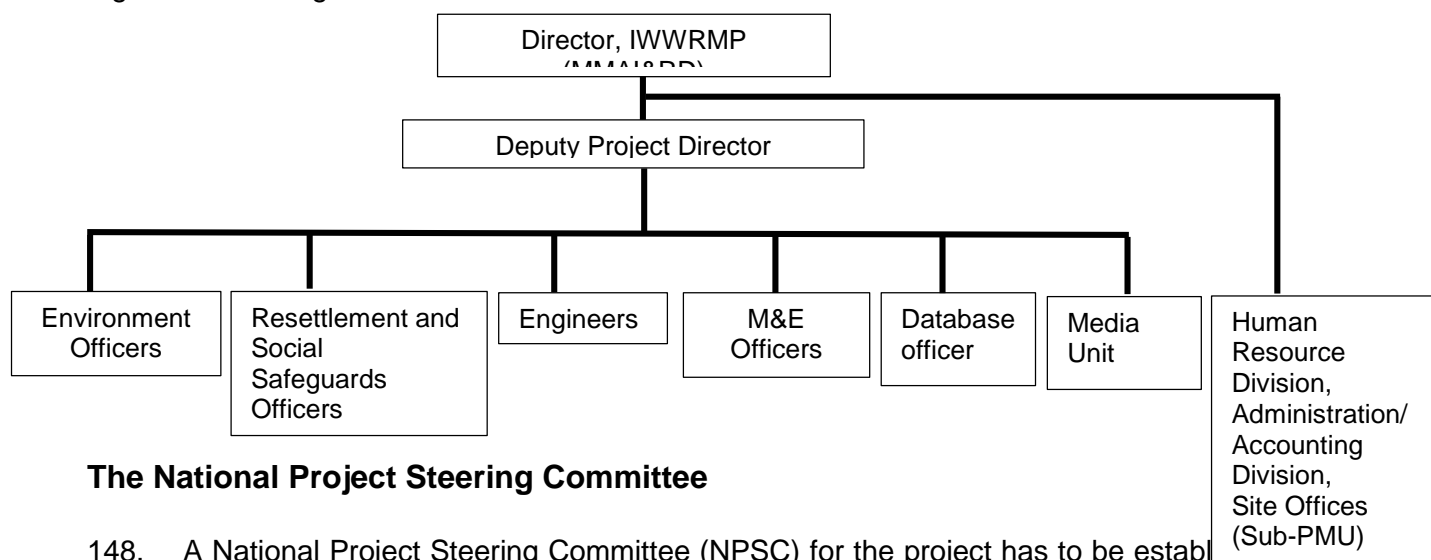
### Organizational structure of the PMU

145. The PMU established under MMAI&RD will ensure that (a) all project activities are planned, financed, and implemented according to the project, operations manual, the annual work plan and budget; (b) project implementation is in line with the Project Implementation Manual (PIM); (c) project procurement activities are carried out on time according to the World Bank’s Procurement Regulations, the project fiduciary manuals of the PIM, and the Procurement Plan (PP); and (d) social and environmental safeguards applicable to the project are fully complied with. The PMU is also responsible for monitoring project activities, preparing the quarterly and annual project progress reports, and ensuring that all reports (including financial reports) are submitted to the World Bank on time.

146. The PMU shall coordinate, facilitate and monitor the implementation of the likely social safeguards activities including LSA programmes. A set of resettlement and social safeguards officers will work in the PMU for implementing social safeguards activities. A database officer will be appointed to manage the Management Information System (MIS) for the project and will also report to the PD.

147. Any information on social and resettlement matters will be securely stored and managed in a systematic manner in the MIS, allowing lists and consolidated reports on the progress of implementing social and resettlement to be generated as and when required. The MIS will also be used to manage information on the Grievance Resolution Mechanisms (GRM). The organizational structure within the PMU is presented figure 7.1.

Figure 7.1 Organizational structure of the PMU



### The National Project Steering Committee

148. A National Project Steering Committee (NPSC) for the project has to be established. Following officers have been included in the NPSC;

- The Secretary of MMAI&RD
- Chairman NPC or a nominated officer
- Chairman EPC or a nominated officer
- Director General of Irrigation Department or a nominated officer



- Director General of Forest Department or a nominated officer
- Chairman of the Water Resources Board or a nominated officer
- Director General Mahaweli Authority

149. The NPSC shall be convened bi-annually or under special requirement to i) monitor the overall implementation of ongoing sub-projects, based on progress reports; ii) resolve problems of implementation, and iii) to coordinate with other national government agencies connected to project implementation.

### **Institutional capacity enhancement mechanisms**

150. The social and resettlement staff of PMU will require additional training and capacity enhancement. The Project should incorporate a series of awareness and training workshops and programs, as well as visits to and workshops with resettlement and social safeguards specialists working in other projects that require land acquisition and resettlement. Following themes should be considered as training and capacity enhancement;

- Focus workshops to gain experience from other projects,
- Attending to workshops and awareness training programs organized by international funding agencies,
- Training on social safeguards including post resettlement programs and income restoration.

### **A summary of key tasks and schedule on social safeguards**

151. The PMU of IWWRMP shall be responsible for social and environment safeguards activities at each stage of the project. The timeline for these activities shall be determined by the availability of funds for the investments and by the availability of resources and resource persons in the PMU. Table 7.1 below summarizes the key tasks and time schedule with respect to key activities related to social safeguards.

Table 8.1 Key tasks and responsibilities with respect to social safeguards

<b>Task</b>	<b>Responsibility</b>	<b>Scheduled minimum time period</b>
Recruitment of Social and resettlement staff and initial training	PMU at MMAI&RD	One month
Conduct of baseline survey and input of data and analysis (developing LSA programmes/ RPs)	PMU and consultants contracted by the PMU	4 – 6 months
Land Acquisition – Process <b>(if required)</b>	Divisional Secretaries, Land Ministry, Valuation Department, Government printer, Survey Department; with assistance from local consultants and PMU at MMAI&RD	Minimum of 72 weeks
Livelihood support assistance (LSA) programmes	Social safeguards team in PMU at MMAI&RD with assistance from external consultants	Minimum of 12 months

Task	Responsibility	Scheduled minimum time period
Management Information System	MIS unit in the PMU at MMAI&RD, with consultant support as needed	Until completion of all LSA Programmes, RP implementation and any land acquisition
Grievance Redress	Grievance Redress Mechanism and other state institutions	From start of each project sub-component to completion
Internal Monitoring	MIS and social safeguards team in the PMU at MMAI&RD	From project initiation stage until 2 years after completion of all social and resettlement related activities
External Evaluation	Independent consultants contracted by PMU at MMAI&RD and funding agencies	From project initiation stage until 2 years after completion of all social, livelihood and resettlement related activities

## Chapter 8: Grievance redress mechanism

152. Large-scale development projects can affect people in many ways. The problems arising shall include social, environmental issues and claims relating to entitlement to resettlement benefits. There may also be concerns related to the construction activities such as site clearing, excavation, and compaction and blasting. These issues can to some extent be resolved by good planning and good project implementation, and above all by ensuring full and honest participation and consultation with the people that will be affected by the project, supported through regular interaction between the community and project staff, transparency and monitoring. However, it is almost inevitable that there will be some complaints and grievances that cannot be addressed at this level (i.e. at site level) and it is strongly recommended that a formal Grievance Redress Mechanism (GRM) be set up to resolve these concerns rather than leaving them to the often time-consuming and expensive procedures of the formal legal system.

153. The objective of the GRM is to help project affected persons/ communities to resolve their problems through a process of mutual understanding and consensus with the relevant parties at the level of the project. This is in addition to the formal legal channels for resolving unsatisfied appeals from the public.

154. The proposed three-tier grievance redress system for the project would function at local (DS level) and regional level (District level), with recourse to a national-level body for appeal and for ensuring high-level government commitment, policy support and coordination for the process (a three level GRM). The Proposed Grievance Redress Mechanism is implemented through Grievance Redress Committees (GRC) appointed as follows.

### **Composition of Grievance Redress Committee (GRC) – Grama Niladhari Level**

155. This is the most basic, first level committee that will operate at site level, most likely as a committee at GN Division level. The Committee will try to resolve the grievances of persons who live in the immediate project area. The proposed composition of the committee would include a combination of government and community representatives who would try to resolve grievances in an amicable manner through a process aimed at achieving consensus.

Grama Niladhari of the area	Chairman
Representative from the local PMU Site Office	Secretary
Representative of Supervision Consultant (as appropriate)	Member
Representative of Contractor (if required)	Member
Representative of a local social organization (NGO/CBO)	Member
A representative of the community or local religious leader	Member

### **Composition of Grievance Redress Committee (GRC) – Divisional Secretary Level**

156. This committee is expected to address complaints and disputes that cannot be resolved by the Grama Niladhari level committee. In addition to hearing appeal cases coming from lower level (GN level) committees, this committee could support the national level committee, providing information and administrative support. This committee will review decisions coming from GN level committees within 15 working days and will communicate its decision to the claimants and GN level committee within five working days for follow-up actions. The committee consists of following members:

Divisional Secretary of the area or a representative nominated by the DS	Chairman
Representative from the PMU Head Office	Secretary
Grama Niladhari of the area from which the grievance was registered	Member
A representative from an NGO/CBO operative in the area	Member
A respected religious leader/clergy of the area or Community Leader	Member

### **Composition of Grievance Redress Committee (GRC) - National level**

157. This GRC should be located in the Ministry of Mahaweli Agriculture Irrigation & Rural Development and shall be chaired by an Additional Secretary of the Ministry or a designated representative. The Project Director would serve as the secretary to the committee. As well as guiding and supervising the grievance system, this committee would review appeals from people who are not satisfied with the decisions of the lower level committees. The committee would comprise the following members:

Additional Secretary/ MMAI&RD	Chairman
Project Director (of the PMU)	Secretary
Representative of the Supervision firm	Member
Representative from construction firm (if necessary)	Member
District Secretary of the District or a representative nominated by the	Member
Divisional Secretary of the area or a representative nominated by the DS	Member
Representatives from a Social Organization (if necessary) (A national level NGO/CBO operating in the field and have operations in project area)	Member

158. The national level GRC will only be convened when a complaint or grievance is raised by an affected person that cannot be resolved at the lower levels.

159. The following are some issues that could be taken up at different levels of GRC:

- Entitlement or eligibility for non-cash benefits
- Dust, noise and vibration nuisance at the construction site
- Loss of access
- Damages to public and private property (especially damage caused by vibration/pile driving)
- Removal of religious shrines, statues or trees
- Problems caused to public due to road closure
- Storage of construction material obstructing community activities

160. For the GRM to be effective, it will be necessary to explain and publicize the procedures. The General Public, Public Officers, Social Organizations, Contractors and Divisional Secretaries in the respective areas should be aware of the procedures for GRM.

161. The GRM has to be explained to the relevant stakeholder groups, including people affected by the project, government agencies, and civil society organizations. If people are aware of the procedures and their options, the GRM should be more manageable and should help to avoid conflicts and litigation. It will also be essential to offer clear explanations of the

criteria for eligibility for resettlement benefits, and this has to be pro-actively communicated to people living in the project area.

162. The communication program should cover the following components:

- The scope of the project, planned construction phases, etc.
- The GRM, its purpose and procedures
- Types of grievances that can and cannot be considered under the GRM
- Eligibility to access the GRM
- Reporting procedures for the GRM and contacts: e.g. phone, postal and email addresses, and websites of the GRM as well as details of the information that should be included in a complaint
- Procedures and time frames for initiating and concluding the grievance redress process; boundaries and limits of GRM in handling grievances; and roles of different agencies such as project implementer and funding agency.
- A variety of methods can be adopted for communicating information to the relevant stakeholders. These methods could include display of posters in public places such as in government offices, project offices, community centers, hospitals and health clinics of the area.
- Procedures for appeal against the decisions of the first and second levels of the GRC

163. The awareness program should also cover the following:

- Members of the GRC and its location/s
- Methods of complaining or reporting the grievance
- Participation in the GRC meetings
- The steps for resolving complains and the timeline
- Documentation and other evidence required to support a complaint

164. This information can be presented in a simple brochure, which will constitute the basic reference document for the GRM. This would be a simple leaflet, with versions in Sinhala, Tamil and English, that provides clear information about the GRM and GRCs and their scope and working procedures. The brochure will be intended to clarify the aims and procedures, with a view to preventing misunderstandings or ambiguities. However, the document will have to be backed up with a series of other interventions, including explanation of the process in public meetings, easily accessible on-line information and the use of social media.

165. The GRM must be included as part of the project's monitoring system. All complaints must be registered and tracked in the system. The system should provide quarterly and annual summaries of the GRM covering the following issues:

- How many complaints have been raised?
- What types of complaints have been raised?
- What is the status of the complaints (rejected or not eligible, under assessment, action agreed upon, and action being implemented or resolved)?
- How long did it take to resolve the problems?
- How many people have used the grievance redress procedure?

- What were the outcomes?

166. An evaluation system should assess the overall effectiveness and the impact of the GRM. The evaluations should be carried out bi-annually, and the results should contribute to improving the performance of the GRM and should provide valuable feedback to project management. The following questions can be addressed in such evaluations:

- Is the GRM effective in realizing the stated goals, objectives, and principles?
- Is the GRM capable of responding to the range of grievances specified in their scope?
- Is the GRM equipped with an adequate and diverse set of resolution approaches?
- Has the GRM adopted measures to improve the resolution approaches, e.g., capacity building, consultation, with technical experts, etc.
- Was the GRM effectively integrated into overall project management?

## **Chapter 9: Consultation and engagement strategies**

167. It is essential to provide accurate information about the project to stakeholders (including people affected by the Project) from the planning stage onwards in order to prevent misunderstanding and misinformation, and to build trust between the different stakeholders and the project team. A solid and comprehensive consultation program will help the project team to engage in more effective and focused discussions with the stakeholders, to share ideas about planning and implementation, to benefit from local knowledge and to take more informed decisions. This chapter outlines the consultations that will be conducted from project inception stage through construction stage especially with subcomponents 1.2 and 2. The chapter offers guidelines to help the PMU engage with stakeholders during project planning and implementation.

### **Consultations with relevant government agencies**

168. Consultations and awareness programmes shall be conducted with Divisional Secretaries of Kandy, Matale, Nuwara Eliya, Badulla, Kurunegala, Ampara, Anuradhapura, Polonnaruwa, Vavuniya, Batticaloa, Galle, Hambantota, Mannar, Trincomalee, Puttalam, Kilinochchi and Mullaitivu. These consultations shall be conducted on a periodic manner until all construction works are completed and continued for another year (post construction). Grama Niladhari Officers and members of Community Based Organizations in the project implementing areas will also be called for these programmes.

169. The objectives of these consultations is to acquire information about the following themes:

1. To understand the socio-economic situation within the administrative boundaries of these divisions
2. To identify any stakeholder organizations in the project influence areas such as Community Based Organizations and Farmer Based Organizations
3. To verify the roles and responsibilities of different stakeholders
4. Find ways to obtain assistance from the respective Divisional Secretary on issues related to social and resettlement.

### **Consultation and stakeholder engagement during the project**

#### ***Notification procedure***

170. The PMU will be responsible for managing and conducting the process of consultation with the affected parties throughout the project cycle.

171. The PMU and consultants will have to conduct different types of consultation sessions, organizing public meetings, holding focus group discussions and carrying out household surveys and engaging in direct one-to-one consultations, above all with the people that will be directly affected by the project. Further detailed consultations will be held with the people living in the project areas to discuss the inventory and verification of their losses and their assets that are affected.

172. Information about each subcomponent of the project shall be provided to the public through flyers, public notices put up at strategic locations such as Divisional Secretariat offices, Grama Niladhari offices and at any site offices established by the PMU.

173. A Public Information Booklet (PIB) will be delivered to each household in the subcomponent intervention area. The PIB shall include relevant information on the particular intervention and shall explain the rights of the affected people, including the livelihood support assistance measures, and provide information on who to contact in case of doubts or queries. The PIB shall be in Sinhalese and Tamil.

### **Stakeholder engagement**

174. Stakeholders are the people who can affect or who may be affected by a project or who have an interest in the project. A stakeholder may be able to affect the project and at the same time be affected by the project. Further, it is important to recognize that every situation is unique. At the initial level of stakeholder analysis (i.e. during preparation of this RPF), steps were taken to identify the broad categories and types of stakeholders that be involved. During preparation of the LSA programmes or RPs, a more detailed stakeholder mapping will have to be undertaken by the PMU (with the assistance from the consultants engaged for preparation of the LSA programmes/ RPs). The mapping will rely on the information gained through baseline survey of the affected persons, and will have to consider the relative social and economic power of the different groups of stakeholders. The analysis should consider pro-active measures to ensure that the poorer, more vulnerable sectors of the population can have their voices heard. The approach to stakeholder identification and analysis at this preliminary level is summarized below.

Table 9.1 Identification of stakeholders

<b>General Category</b>	<b>Sub Categories</b>	<b>Types of Individuals and Groups</b>
<b>People and agencies that may affect the project</b>	Agencies and individuals involved in project delivery	MMAI&RD
		PMU at the Ministry
		World Bank as potential financing agency
		Design consultants
		National political authorities
	Other government ministries and departments at central, district and divisional Levels (District Secretary, Divisional Secretary, Grama Niladhari, MASL, FD, Water Resources Board, CEA, Plantation Companies, Agriculture Department, ID, NPC, EPC, CBOs and FBOs)	
<b>Those who are affected by the project</b>	Directly affected	Project Affected Persons (especially those with temporary livelihood losses)
		Users of infrastructure / facilities/ spaces (e.g. fishermen, CBOs and FBOs)
	May be directly or indirectly affected, depending on the context	Communities in the project area and surroundings



General Category	Sub Categories	Types of Individuals and Groups
		Community groups and Associations, including service groups
		General public
<b>Others who may be interested in the project</b>		Environmental and social campaigning organizations
		International Non-Government Organizations (NGOs)
		National NGOs
		Business community organizations / federations including Banks
		Academics and researchers
		Media
		Potential clients and users for future projects

### ***Public Consultation***

175. Consultation is aimed at obtaining stakeholder cooperation and community engagement throughout the project cycle, providing both primary and secondary stakeholders with opportunities to meaningfully contribute to the development process. These processes should be undertaken during project identification, project planning and implementation. A potential model for stakeholder consultation and participation for each subcomponent under IWWRMP is discussed below.

### ***Project planning***

176. Information on each stage of the project must be disclosed to the affected communities in order to inform them and ascertain their potential roles and responsibilities. At the planning stage, the participants should be engaged in an interactive process that allows the affected communities, project design team and planners to identify the most appropriate alternatives and options for finalizing the detailed designs. The analysis of who will be affected by the project, and consultation with the affected people are mandatory for preparation of the LSA programmes/ RPs, which must be carried out in parallel during this stage.

### ***Project implementation***

177. The PMU will have to interact closely with the affected communities during project implementation. Much of the discussion will focus on the issues relating to relocation, loss of livelihood, vulnerabilities and assistance to minimize the impacts on livelihoods and on the resources that may be affected during implementation of the project. The PMU will also have to coordinate closely with the relevant line agencies responsible for land acquisition, recovery and improvement of livelihoods and income generations.

178. Table 9.2 indicates the key activities that will be undertaken during project identification, planning, design and implementation. The exact timing of these activities will be determined by factors that include progress of the general and detailed designs for each intervention, the prioritization of the project activities and the staffing and resources available to the PMU.

Table 9.2 Consultation activities for various stages in project cycle

Project Stage	Consultation Activities
<b>Project identification</b>	<ul style="list-style-type: none"> <li>• Identify the project stakeholders (primary and secondary)</li> <li>• Engage stakeholders in the consultation process</li> <li>• Organize information material and plans means of dissemination</li> <li>• Organize and document public meetings, and</li> <li>• Identify the need for preparation of LSA programmes or RPs</li> </ul>
<b>Project planning and Design</b>	<ul style="list-style-type: none"> <li>• Consult with affected people about social issues and livelihood support options</li> <li>• Involve APs in assessing project impacts</li> <li>• Institutionalize a participatory framework for livelihood support and resettlement</li> <li>• Establish Grievance Redress Committee procedures, with representatives of the people affected</li> </ul>
<b>Implementation</b>	<ul style="list-style-type: none"> <li>• Involve CBOs, FBOs and other suitable institutions in LSA programmes</li> <li>• Involve affected people in decision-making committees</li> <li>• Ensure that GRC procedure is functional; and</li> <li>• Involve affected people in monitoring and evaluation.</li> </ul>

179. The PMU organized and conducted several formal and informal consultations at national level and at sub-project level in order to facilitate the requirement of consultations required in developing this RPF and Environment and Social Management Framework (ESMF) of IWWRMP. The sub-project level consultations were conducted on a sample basis representing interventions areas of components 1 and 2. A sample of community in Teldeniya Divisional Secretary Division were consulted who represented the geographic area under intervention on “Watershed restoration and related infrastructure investment”. A sample community including farmers and fishing community of Dewahuwa irrigation scheme were consulted who represents the investments under component “Water resources management and infrastructure rehabilitation”. Table below provides a summary of the consultations carried out and a detailed accounts of the consultations are provided in annex 9.1.

Table 9.3 Summary of formal and informal consultations

Consultation	Nature of consultation	Key stakeholder /participants	Key findings
<p><b>1. Sri Lanka Watershed and Water Resources Management Project (P166865) Component 1; Watershed Management</b></p> <p>07<sup>th</sup> January 2019, at National Agricultural Information and Communication Center</p>	<p>National level Stakeholder consultation with government agencies and Academia.</p>	<p>MMAI&amp;RD, MASL, IWWRMP, CEA, Land Use Planning Department (LUPD), NWSDB, IWMI, Open University, Peradeniya University, Survey Department, Land Reform Commission (LRC), Forest</p>	<p>Road map for Component 1 needs to be consolidated with supportive information and field visits</p> <p>Suitable institutional mechanism for coordination need to be developed.</p> <p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• Identify watershed issues from analytical data inputs from stakeholders and past experiences.</li> <li>• Need to identify physical dimension and characteristics of selected watershed.</li> </ul>

		<p>Department of Plantation Industry, Department of Agriculture, ,Central Province Health Department, Department of export agriculture, Divisional Secretary Kandy and CEB.</p>	<ul style="list-style-type: none"> <li>• The identified interventions should be climate resilient.</li> <li>• Most of the project area shows lands with lesser vegetation cover, moderate to steep slopes and moderate to high erosion hazard zones.</li> <li>• In addition the following environmental issues were flagged at the consultation: <ul style="list-style-type: none"> <li>• No alternative water sources.</li> <li>• Degradation and pollution of water quality.</li> <li>• Issues and lack of capacity of water purification process.</li> <li>• Illegal land clearing and encroachment.</li> <li>• Excessive soils, sand and mineral extraction.</li> <li>• Bush Fires (human induced)</li> <li>• Cultivation of Erosive Crops</li> <li>• Poor land management practices</li> <li>• Lowering forest cover and clearing for laying electric lines.</li> <li>• Imbalance in water use and extraction</li> <li>• Soil pollution and erosion</li> <li>• Spread of IAS (Invasive Alien Species)</li> <li>• Eucalyptus cultivation / unproductive tea above 5000 ft</li> <li>• Land ownership related issues</li> <li>• Garbage management and sanitation.</li> </ul> </li> </ul> <p>Interventions were proposed for the above issues which are presented in annex 9.1.</p> <p><b>Social:</b></p> <ul style="list-style-type: none"> <li>• Lack of sanitation facility was identified as an issue by the Health Department.</li> <li>• No other burning social issues were identified during this consultation, there affected parties consultation should be carried out once the sub project areas are identified.</li> </ul> <p><b>Other:</b></p> <ul style="list-style-type: none"> <li>• Lack of capacity in terms of investigation technologies was identified.</li> <li>• Lack of capacity in terms of staff to implement the interventions was also identified.</li> <li>• Lack of funds (in a timely manner) was also identified as a bottleneck. Watersheds located under the</li> </ul>
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			<p>LRC lands in project area should be identified.</p> <ul style="list-style-type: none"> <li>Survey Department offered assistance with any survey work under the project. For further information refer Annex 21-1.</li> </ul>
<p><b>2. Training and Demonstration Centre for Conservation Farming in Doragala, Nuwara Eliya district.</b></p> <p>11<sup>th</sup> January, 2019</p>	<p>Field level consultation providing insight to soil conservation practices implemented under an FAO project.</p>	<p>MASL, MMAI&amp;RD, FAO, LUPD, WB Consultants</p>	<ul style="list-style-type: none"> <li>Training centre is run by MASL with support from FAO.</li> <li>They provide in situ best practices for soil conservation (SALT) and organic farming.</li> <li>Farmers are provided with training in Good Agricultural Practices (GAP) and are provided with financial support packages to encourage adoption of these practices in their own farms.</li> </ul>
<p><b>3. Meeting at Divisional Secretariat Office in Doluwa, Kandy district</b></p> <p>11<sup>th</sup> January, 2019</p>	<p>On-going progress review of FAO's demonstrational project</p>	<p>Farmers involved in conservation farming including a few organic farmers, MASL, MMAI&amp;RD, FAO, LUPD, WB Consultants</p>	<p><u>Environmental issues:</u></p> <ul style="list-style-type: none"> <li>Bore holes being dug indiscriminately for the extraction of drinking water (mainly for bottling purposes) is creating water scarcity issues;</li> <li>Wild animals pose a serious concern as they destroy the crops.</li> </ul> <p><u>Social issues:</u></p> <ul style="list-style-type: none"> <li>Markets have not been linked to provide way for organic farming so people are scared to take the risk.</li> <li>Need financial support or request for retaining walls to be established to address erosion in the area.</li> </ul>
<p><b>5. Rehabilitation of Dewahuwa Irrigation Scheme</b></p> <p>13<sup>th</sup> February, 2019</p>	<p>Village level – Focussed group discussion</p>	<p>Dewahuwa Farmer Organization officers (representing 8 ), Tank fisheries association, Irrigation Department, IWWRMP PMU, WB Safeguards consultants.</p>	<p>District Irrigation Engineer, stating that the inadequacy of the 2 months during the dry season for the successful completion of headworks (in particular the rip-rap and sluice rehabilitation). – farmers were willing to forego a season. They also involve in other field crop cultivation along with paddy.</p> <p><u>Environment:</u></p> <ul style="list-style-type: none"> <li>No major environmental concerns were identified for the area. Only concern was the lack of access to potable water to some of the farmer community. This should be further investigated.</li> </ul> <p><u>Social:</u></p> <ul style="list-style-type: none"> <li>On the sale of the produce, the farmers are faced with severe problems in reaching a fair price as they have to give most of their produce to private mills. The government does not have capacity to buy all the produce.</li> </ul>

			<ul style="list-style-type: none"> <li>• Women have a major role in these communities through the ownership of the land is with male parties (this is the village tradition as land gets handed down). In 3 of the FOs women have leadership roles. And whenever the men are not available the spouses will be the representatives. There are women's farmer organizations working with the Agrarian Services which supports their livelihoods</li> <li>• Tension was noted between the FOs and the fisheries association. It is important that that all stakeholders are included in the discussions. While the IE stated that legal status is with the Irrigation Department, there is a clear need for more coordination between the responsible authorities (Irrigation, Fisheries and Agriculture), both at the higher level and the field level.</li> <li>• There was a request for skilled and unskilled employment during the rehabilitation work in the tank and Canal system.</li> </ul>
<p><b>4. Consultation meeting on Component 1</b></p> <p>Held at the Teldeniya District Secretariat</p> <p>13<sup>th</sup> February, 2019</p>	<p>Consultation with the tea small holders.</p>	<p>Farmers from the tea smallholder committees in the region, MMAI&amp;RD, TSHDA, MASL, PMU, WB safeguards consultants</p>	<p>Altogether, 207 Team Small-Holder Committees in operation in the region and only handful attended the meeting.</p> <p><u>Environment:</u></p> <ul style="list-style-type: none"> <li>• Some of the Tea Small-Holders are currently engaged in soil conservation activities, using various methods, and with the financial support (albeit a fraction - 25%- of the cost) of the Tea Small-Holders Authority. However the remaining cost that is left for them to cover prevents them all getting involved in the proper way.</li> <li>• They are faced with wildlife conflicts as they come in and dig and destroy some of the crops and also some of the soil conservation practices.</li> <li>• Potable water is also an issue in some of the areas.</li> </ul> <p><u>Social:</u></p> <ul style="list-style-type: none"> <li>• Tea plucking should be carried out once a week but it sometimes extends to 10 days to 2 weeks due to lack of labour resources. This has become a serious concern. This is mainly associated with the low wage rate.</li> </ul>

			<ul style="list-style-type: none"> <li>• Machine plucking may have to be considered.</li> <li>• It was discussed as to the need for a special workforce to be established for tea plucking like for coconut plucking at a higher wage.</li> <li>• The produce is usually sold to private traders (intermediaries) who frequently play out the small-holders. There was a request for transport support under the new project to be able to get a better price.</li> <li>• The need for improved access (roads) was identified to facilitate better marketing and livelihood opportunities.</li> <li>• Though there is no representation of women in the committees, however, when the men are busy they step in (this is most of the time).</li> <li>• About 50% of the women are without jobs and they identified the need for more opportunities for home based/ village activities for them.</li> </ul>
<p><b>5. National Consultation for Environmental and Social Safeguards inclusion on the proposed Sri Lanka Water Resources Management Project</b></p> <p>Monday 18<sup>th</sup> February, 2019, 2 – 3.45pm</p> <p>Venue: Mahaweli Authority, 500 T B Jayah Mawatha, Colombo 01</p>	<p>National level consultation where more than 100 stakeholders from Government institutions, NGOs, relevant research organizations, women's organizations, academia, etc. were invited.</p> <p>Only three invitees participated.</p>	<p>MASL, EFL, WB, University of Peradeniya, University of Jayawardenapura and University of Colombo.</p>	<p>Though the forum was meant for a diverse set of stakeholders, participation was low. The project interventions by component were presented by the PMU Project Director. Thereafter, the purpose of the meeting was explained briefly by the WB Environmental Safeguards officer and opened for discussion. The key points that were raised at the meeting were:</p> <ul style="list-style-type: none"> <li>• In water resources management of forested areas, DWLC involvement is crucial as animals do not set boundaries in their movements. RDA was another agency identified as another very important participant as they often work in isolation and contribute large scale soil erosion and degradation. DMC was also highlighted as an important entity. These are in addition to the usual stakeholders – ones that are usually not involved in a integrated manner.</li> <li>• Secretary to the MMAI&amp;RD reiterated that there are about 20 agencies represented in the committees.</li> <li>• It was questioned as to whether there a climate risk assessment being done under the project to which WB consultant responded</li> </ul>

			<p>positively. Climate change modelling will be done for flood and droughts.</p> <ul style="list-style-type: none"> <li>• The need to learn from similar projects to ensure we correct things that had gone wrong was highlighted. Need to assess the capacity to implement and follow for continuity was highlighted. Since this is a comprehensive project – it was identified as a good opportunity ensures a robust program.</li> <li>• The need for a more integrated approach was identified where all key stakeholder agencies coordinate and work together.</li> <li>• Some implications of reforestation were discussed. It will be a long term process and introduction of native species will require protection and care for at least 5 years so constraints and practical issues will have to be addressed. More details are provided in Annex 21-7.</li> </ul> <p>The final outcomes were that technical consultations should be carried out from time to time to bring in the local experiences and expertise. The ESMF and RPF with all other project relevant documentation will be disclosed within a few weeks. These documents will be sheared via email to those present at the meeting.</p>
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***Direct negotiation with estates and owners of private lands***

180. As noted earlier, there are some tea plantations in the project implementation area of Upper Mahaweli Watershed. One of the more viable options to ensure access to the land that is owned and occupied by these companies would be to develop negotiated agreements (through signing of Memorandum of Understanding (MOU)), which will allow the project to access such lands to construct soil bunds, lock and spill drains, leader (Neththi) drains, stone bunds, terraces, contour platforms, single platforms, Check dams, etc. The same approach will be adopted in cases where same interventions are applied in private owned lands.

181. The PMU will be responsible for initiating these discussions at an early stage, ideally during preparation of LSA programmes or RPs, and shall work towards signing such MOUs.

## **Chapter 10: Monitoring and evaluation**

### **Monitoring and reporting formats**

182. A monitoring system has to be established to track the progress of LSA programmes or RPs. It will include information on every person/ household assisted with livelihood and/ or resettlement support. The monitoring system must be capable of generating real-time consolidated reports on the livelihood and/ or resettlement support programs. The monitoring system will serve as the basic point of reference on the affected people and properties. The system will be housed in the office of the PMU but must be accessible from the project's site offices. The information on the individuals, households and plots that are affected will be accessible to project staff and relevant government agencies but will be confidential and will NOT be accessible to the public. However, the consolidated reports on the progress of the resettlement and livelihood support programs shall be made available on the project website.

183. The key outputs of the monitoring programme will comprise:

- Updated information on the individuals and households affected by the project, and on the progress of resettlement and livelihood support programmes,
- Periodic Reports (monthly internal reports for the PMU, and quarterly progress reports for the National Steering Committee and the World Bank),
- Ad hoc reports on particular issues, generated at the request of management, and
- Internal summaries for formal and informal management review.

184. The reports on the progress of the resettlement and/or LSA programmes will be presented in a standardized format to be developed by the PMU to facilitate comparison with earlier reports. The format for the reports should be precise (applying clear definitions) and timely and should allow management to quickly recognize and highlight any exceptions or departures from the project's plans and schedules.

### **Monitoring and evaluation indicators**

185. The key activities that will have to be monitored by PMU and evaluated by an external independent consultant or agency shall include:

- Programme to determine entitlements under LSA programmes/ RPs
- Programme on valuation and payment of compensation under LAA
- Programme on monitoring social and economic impacts of implementing LSA programmes/RPs
- Programme for restoration of cultural and community property resources
- Programme for the management of grievances
- Programme for partnership engagement and consultation
- Participation of women, IP and any other vulnerable groups
- Programme for capacity building and training



- Labour management including hiring of local labour and management of labour camps (if any)
- Programme for disclosure and reporting

186. These monitoring indicators shall form the context for the periodic monitoring reports.

## **Roles and responsibilities**

### ***The Management Information System (MIS)***

187. Internal monitoring will be a responsibility of the PMU. A MIS will be established within the PMU to facilitate record keeping, analyzing and generating required information. It will include a project specific database system to track the execution of the LSA programmes and RPs.

188. The system shall follow the status of the individuals and households included in resettlement or livelihood support activities, starting from determination of eligibility for benefits, through to disbursement of entitlements, etc. The internal monitoring will be used to generate reports on the following:

- Consolidated progress reports on the efficiency and effectiveness of the day-to-day planning and implementation of the programmes,
- Efficient and transparency in disbursement of benefits,
- Identification of bottlenecks and troubleshooting,
- Registration and resolution of the grievances presented to the Grievance Resolution Mechanism.

### ***External Evaluation***

189. The PMU will engage an external monitoring and review agency/consultant to prepare an independent evaluation of the safeguard implementation programme. The objective of the evaluation is to determine whether the broader goals are being achieved in each subcomponent of the project, and if not, what corrective actions are needed. The objectives of the external evaluation will include the following:

- To verify that the safeguard programme is being implemented in accordance with the plans and procedures set out in the RPF, LSA programmes and RPs,
- To verify that the affected households and communities are able to manage the negative impacts of the project and have either improved or at least restored their livelihoods and living standards, including the re-establishment of incomes,
- To ensure that the most vulnerable households, groups and persons have been included in the benefits of the project,
- To obtain the views of the affected households on their entitlements,

- To review the performance of the implementing agencies including the PMU, registered civil societies, CBOs and other government agencies involved in implementation of the project,
- To review the performance of the Grievance Redress Mechanism

190. The external evaluation agency/consultant shall carry out a stratified sample survey (to establish the baseline) prior to implementation and carry out periodic updates as agreed. The findings of external monitoring will be submitted to the PMU and relevant funding agencies on a semi-annual basis.

# Annexes



## Annex 2.1 - Land acquisition process as per LAA

Stage and activity/ role	LAA Section	Responsible unit/ Institution	Role of concerned units and institutions
<b>Stage I: Preparation of Acquisition Proposal</b>			
1. Identification of a suitable land after preliminary investigation. 2. Preparation of rough sketch of land. 3. Arrangement of funds by obtaining approval from the Treasury under F.R.53. This fund should be 25% of the rough estimate of the budget or Rs. 50,000.00 whichever is higher. This amount should deposit by the Project Executing Agency in each Divisional Secretariat Divisions for their official expenses	248	Project Executing Agency	PPA prepares and submits a request to the PMU at MMAI&RD. The PMU ensures that the RP is also attached to the request as annex.  PMU ensures that budget for the land acquisition for the project/subproject is included in the annual plan and funds are available from the relevant Ministry and from the donor agency (if available) to implement these activities.
4. Preparation of application for acquisition. (to be submitted to the Land Acquisition Division of the Ministry of Land) <ul style="list-style-type: none"> <li>• Application</li> <li>• Detailed Statement</li> <li>• Tenement list and rough sketch or survey plan</li> <li>• Approved RP</li> </ul>	2 (1)	Project Executing Agency through MMAI&RD	PMU to prepare the application and follow-up with various agencies involved in the land acquisition process.  PMU recruits Land Acquisition Officer/Land Assistants to assist the process  PMU maintains its own file copy of the application and supporting documents (including RP)
<b>Stage II: Publication of 1st notice and Preparation of Advanced Tracing</b>			
1. Registration of acquisition proposal and obtaining approval from the Hon. Minister of Land	248	Land Acquisition Division, Ministry of Land	PMU follow up and report on action taken by the Ministry of Land.

Stage and activity/ role	LAA Section	Responsible unit/ Institution	Role of concerned units and institutions
2. Issuing of Section 2 order to Divisional Secretary by the Ministry of Land	2	Director of Lands, Ministry of Land	<p>PMU ensures that funds are deposited in the account of each Divisional Secretariat Office to cover their expenses in land acquisition activities.</p> <p>(The amount should be 25% of the rough estimate of the budget or Rs. 50,000.00 which ever is higher. This amount should be deposited by the Project Executing Agency in each Divisional Secretariat Divisions for their official expenses. This can be replenished based on actual requirements and submission of documents)</p>
3. Exhibition of Section 2 notice in three languages in the relevant land and in some conspicuous places in that area, Handing over to relevant persons including claimants.	249	Divisional Secretary	<p>PMU assist the Land Acquisition Officers of the Divisional Secretariat Offices in the translation of the notices in three languages and in the dissemination of information to APs.</p> <p>PMU assists in orienting the Land Acquisition Officers and appointed staff from the Grama Niladhari on the project and land acquisition/resettlement issues.</p>
4. Sending of Survey requisition to the Survey Superintendent to survey and prepare the advanced Tracing		Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries
5. Preparation of Advanced Tracing and sending it to Ministry of Land and Divisional Secretary		Survey Superintendent	<p>PMU follow up and report on action taken by the Survey Department.</p> <p>PMU conducts field visits to get feedback/consult with APs.</p>

Stage and activity/ role	LAA Section	Responsible unit/ Institution	Role of concerned units and institutions
6. Confirmation of receipt of Advanced Tracing by the Ministry of Land		Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretary and ensure that advanced tracing is properly received by the Ministry of Land
<b><u>Stage III: Investigation and calling for objections</u></b> <sup>5</sup>			
1. Issuing of Section 4 Order to Divisional Secretary	4, 250, 4.3	Ministry of Land	PMU follow up and report on action taken by the Ministry of Land  PMU conducts field visits to get feedback/consult with APs.
2. Preparation of Section 4 notice in three Languages (Sinhala, Tamil, and English) and exhibition		Land Acquisition Officer and Grama Niladhari of relevant Grama Niladhari Divisions	PMU assist the Land Acquisition Officers of the Divisional Secretariat Offices in the translation of the notices in three languages and in the dissemination of information to APs.  PMU keeps a copy of the notices in its files.
3. Reporting to the Ministry of Land as above		Divisional Secretary	PMU coordinates with the Divisional Secretaries on complaints or objections received from the public.
4. Investigation of objections received according to the Section 4 notice and sending recommendations to the Ministry of Land	251,252, 4.4	MMAI&RD and Executing Agency	PMU to report to Ministry of Land the status and resolution of cases/complaints received (whether to proceed or not in the land acquisition).
<b><u>Stage IV: Deciding to acquire the land</u></b>			
1. Refer to the Divisional Secretary regarding the declaration by the Hon. Minister of Land under Section 5	5, 253	Ministry of Land Assisted by the Land Acquisition Officer	PMU follow up and report on action taken by the Divisional Secretaries.

<sup>5</sup> Stage III applies to the normal land acquisition process. However, Section 38 (a) of the Land Acquisition Act allows for skipping this step. Under such section, publication of Section 38 (a) proviso in the Gazette can be done immediately after the receipt of the advanced tracing from the Survey Department.

Stage and activity/ role	LAA Section	Responsible unit/ Institution	Role of concerned units and institutions
		from the Divisional Secretariat Office	
2. Publication of Section 5 declaration in the Government Gazette in three languages	254	Divisional Secretary / Government Press	PMU follow up and report on action taken by the Divisional Secretaries and the Government Press  PMU keeps a copy of the publication in its files.
3. Exhibition of the Gazette among the conspicuous places and interested persons		Divisional Secretary (through the Grama Niladhari)	PMU follow up and report on action taken by the Divisional Secretaries and assists in the dissemination of information and consultation of APs.
4. Sending a copy of the Gazette to Survey Department, Ministry of Land and MMAI&RD		Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries
5. Issuing of Survey requisition to Survey Superintendent to prepare a final plan	6	Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries and ensure that the request is properly received by the Survey Superintendent.
6. Surveying the land, preparation of Preliminary Plan, laying of boundary stones by the Survey Superintendent and forwarding of plan to Divisional Secretary and Ministry of Land	255	Survey Superintendent of Survey Department	PMU follow up and report on action taken by the Survey Superintendent and ensure that the plans are properly received by the Divisional Secretaries.  PMU conducts field visits to get feedback/consult with APs.
7. Sending a copy of Preliminary Plan to the Ministry of Land		Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries and ensure that the plans are properly received by the Ministry of Land.
<b>Stage V: <u>Inquiry into claims and payment of compensation</u></b>			



Stage and activity/ role	LAA Section	Responsible unit/ Institution	Role of concerned units and institutions
1. Preparation of Sec.7 notice in three languages and publication in the Gazette. • Call for claims for compensation (both for title holders and non-title holders) • Deciding of dates & places for inquiries	7  255 7.2	Divisional Secretary / Government Press	PMU follow up and report on action taken by the Divisional Secretaries and the Government Press and assists in the translation and dissemination of information to APs.  PMU conducts field visits to get feedback/consult with APs.  PMU keeps a copy of the publication in its files
2. Sending a copy of the Gazette to Chief Valuer, Ministry of Land and MMAI&RD	9	Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries.
3. Holding of inquiries into claims and compensation	256, 10 (1) (a)	Divisional Secretary	PMU recruits and orients additional staff to support the activities, if necessary.  PMU assist the APs in the completion of necessary documentation to expedite payment of compensation.  PMU mobilizes the external evaluation agency.
4. Issuing of decision under 10 (1) decision	257	Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries
5. Refer to Valuation Department for valuation		Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries
6. Issuing of valuation report to Divisional Secretary		Valuation Department	PMU follow up and report on action taken by the Valuation Department
7. Declaration of the award	17	Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries
8. Issuing of award under Sec. 17 award	259	Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries
9. If the owner agrees to obtain the compensation, payment of the compensation from the funds obtained through the treasury	261	Divisional Secretary, MMAI&RD, Treasury	PMU follow up and report on action taken by the Divisional Secretaries and the processing of cheque.

Stage and activity/ role	LAA Section	Responsible unit/ Institution	Role of concerned units and institutions
<ul style="list-style-type: none"> <li>- Divisional Secretary sends the request to MMAI&amp;RD</li> <li>- MMAI&amp;RD issues the cheque in favor of the Divisional Secretary through PMU</li> <li>- Divisional Secretary pays compensation</li> </ul>			<p>PMU tracks and reports on status of compensation payments and livelihood restoration assistance.</p> <p>External evaluation agency monitors and report on compensation payments and rehabilitation assistance provided to the APs.</p>
10. Payment of interest (For the period from the date publication of 38 (a) to the date of compensation paid @ 7% per annum)		Divisional Secretary, MMAI&RD, Treasury	<p>PMU follow up and report on action taken by the Divisional Secretaries and the processing of cheque.</p> <p>PMU tracks and reports on the status of compensation payments and livelihood restoration to donor agency.</p>
<b><u>Stage VI: Taking over of possession after the acquisition</u></b>			
1. Apply for 38 (a) after the completion of payment of compensation	262	Divisional Secretary, MMAI&RD, Treasury	PMU follow up and report on action taken by the Divisional Secretaries
2. Publication of Sec. 38 (a) order in the Gazette and giving instructions to Divisional Secretary to take over the possession	38	MMAI&RD / Government Press	<p>PMU follow up and report on action taken by the Ministry of Land and the Government Press.</p> <p>PMU keeps a copy of the publication in its files.</p>
3. Handing over the possession to PMU and reporting to the Ministry of Land and MMAI&RD		Divisional Secretary	PMU follow up and report on action taken by the Divisional Secretaries
<b><u>Stage VII: Vesting of Certificates</u></b>			
<p>1. Vesting of land through the vesting certificate in the local authority after taking over the possession under Sec. 38 (a) or Sec. 38 (a) proviso for PMU:</p> <ul style="list-style-type: none"> <li>• Obtaining the required full amount of funds from the relevant organization, obtaining approval from the Ministry of Land for vesting</li> </ul>	44 (1), 267	<p>Divisional Secretary (assisted by its Land Acquisition Officer)</p> <p>Ministry of Land</p>	<p>PMU tracks and reports on the completion of land acquisition activities.</p> <p>External evaluation agency monitors activities and submits a report.</p>

Stage and activity/ role	LAA Section	Responsible unit/ Institution	Role of concerned units and institutions
<ul style="list-style-type: none"> <li>• Mentioning of imposing of conditions and units in the Vesting Certificate</li> <li>• Registration of Vesting Certificate in the District Land Registry</li> <li>• Sending of copy of Vesting Certificate to Ministry of Land and MMAI&amp;RD</li> </ul>		Divisional Secretary  Divisional Secretary  Divisional Secretary	

## **Annex 2.2 - National Involuntary Resettlement Policy (NIRP)**

(Reviewed and approved by the Steering Committee on March 5, 2001)<sup>6</sup>

### 1. Rationale

Public and private sector development projects increasingly involve acquisition of land. People whose homes and lands are acquired then have to move elsewhere and resettle in locations that may be unfamiliar. In general, resettlement has not been very successful and there are several recent examples in Sri Lanka where people have shown resistance to projects that cause displacement. Among the significant consequences of poor resettlement has been impoverishment of affected people due to landlessness, homelessness, joblessness, relatively higher mortality and morbidity, food insecurity, lack of access to common property and public services, and disruption of the existing social organization. International, regional and national experience with resettlement has generated considerable knowledge on the planning and implementation of involuntary resettlement and this experience if used effectively can ensure that adverse impacts on affected people are fully addressed in terms of established policy objectives.

In Sri Lanka the Land Acquisition Act of 1950 as amended from time to time only provides for compensation for land, structures and crops. It does not require project executing agencies (PEA) to address key resettlement issues such as (a) exploring alternative project options that avoid or minimize impacts on people; (b) compensating those who do not have title to land; (c) consulting affected people and hosts on resettlement options; (d) providing for successful social and economic integration of the affected people and their hosts, and (e) full social and economic rehabilitation of the affected people.

The National Environmental Act (NEA), No. 47 of 1980, amended by Act, No. 56 of 1988 has some provisions relevant to involuntary settlement. The Minister has by gazette notification No. 859/14 of 23.2.1995 determined the projects and undertakings for which Central Environmental Authority (CEA) approval is needed in terms of Part IV C of the NEA. The schedule includes item 12, which refers to *involuntary resettlement exceeding 100 families*, other than resettlement resulting from emergency situations. However these provisions do not adequately address key resettlement issues mentioned in paragraph 2 above.

To ensure that people affected by development projects are treated in a fair and equitable manner, and that they are not impoverished in the process, it is necessary that Sri Lanka adopts a NIRP. Such a policy would establish the framework for project planning and implementation. Subsequently, it will be necessary to prepare guidelines on resettlement planning and implementation to be used by PEAs.

People have moved voluntarily, mainly to the dry zone, starting from colonial days. These were state sponsored settlement programmes aimed at developing and exploiting land resources in that region, while relieving pressure on land in the wet zone. There are many commonalities in the objectives and implementation of voluntary and involuntary settlement and re-settlement programmes.

Nonetheless, the policy proposed here refers only to development-induced involuntary resettlement, where the option to stay behind does not exist. It does, however, also apply to cases where people do not have to be physically relocated.

### 2. Objectives of the Policy

- avoid, minimize and mitigate negative impacts of involuntary resettlement by facilitating the reestablishment of the affected people on a productive and self-sustaining basis. The policy should also facilitate the development of the project-affected people and the project.
- ensure that people adversely affected by development projects are fully and promptly

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<sup>6</sup> Source: Resettlement Policy Framework, National Highways Sector Project, RDA 2005

compensated and successfully resettled. The livelihoods of the displaced persons should be re-established and the standard of living improved.

- ensure that no impoverishment of people shall result as a consequence of compulsory land acquisition for development purposes by the State.
- assist adversely affected people in dealing with the psychological, cultural, social and other stresses caused by compulsory land acquisition.
- make all affected people aware of processes available for the redress of grievances that are easily accessible and immediately responsive.
- have in place a consultative, transparent and accountable involuntary resettlement process with a time frame agreed to by the PEA and the affected people.

### 3. Scope

- The policy will apply to all development-induced land acquisition or recovery of possession by the State.
- A comprehensive Resettlement Action Plan will be required where 20 or more families are affected.
- If less than 20 families are affected the policy still applies but a plan can be prepared to a lesser level of detail.
- The policy will apply to all projects regardless of source of funding.
- The policy will apply to all projects in the planning phase on the date this policy comes into effect, and all future projects.

### 4. 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.

### 5. Institutional Responsibilities

- The Ministry of Land Development (MLD) will be responsible for the implementation of the NIRP.
- The Project Executing Agencies (PEAs) will be responsible for complying with all the requirements for planning and implementing resettlement according to the NIRP.
- The PEAs (like the Road Development Authority) that have significant resettlement in their projects will establish Resettlement Units with adequately trained staff.
- The CEA will be responsible for the review of impacts and mitigating measures of projects

involving involuntary resettlement.

- The CEA's capacity will be strengthened so that it could provide the necessary guidance to public and private sector agencies undertaking projects that have involuntary resettlement impacts.
- The MLD will prepare regulations and guidelines on involuntary resettlement planning, implementation and monitoring.
- The MLD and the CEA will conduct training courses in resettlement planning, implementation, monitoring.
- The CEA will review and approve the Resettlement Action Plans prepared by PEAs, and make plans publicly available.
- The MLD will draft amendments to the Land Acquisition Act in order to bring the law in line with NIRP
- Following consultations with stakeholders, MLD will submit a final draft of the amended Land Acquisition Act for government approval
- MLD will prepare the necessary implementation guidelines based on the amended LAA
- A Steering Committee will be formed comprising the MLD, CEA, PEAs and other relevant agencies to exchange experience on resettlement, and coordinate and oversee the implementation of the policy

## 6. Monitoring and Evaluation

- A system of internal monitoring should be established by PEAs to monitor implementation of Resettlement Action Plans, including budget, schedule, and delivery of entitlements, consultation, grievances and benefits.
- PEAs should make adequate resources available for monitoring and evaluation.
- A further system of external monitoring and evaluation by an independent party should be established to assess the overall outcome of resettlement activities.
- Monitoring and evaluation reports should be reviewed by the PEA, CEA and MLD and action taken to make improvements where indicated.
- Affected persons and other stakeholders should be consulted in monitoring and evaluation.
- Lessons thus learned from resettlement experiences should be used to improve resettlement policy and practice.

### Summary of Institutional Responsibilities for Involuntary Resettlement

Function	Responsibility
Overall Policy Implementation	MLD
Preparation (Planning)	Project Proponent (can be contracted to consultants, Universities, NGOs)
Review of Resettlement Plans	Project Approving Agency (PAA) and CEA
Approval of RAPs	PAA and CEA
Implementation	(PEA), Divisional Administration, Provincial Administration, Local Government
Monitoring	PEA, with review by CEA and MLD
Evaluation	Independent organization on behalf of MLD, PEA and CEA

## 7. Definitions of Terms Used

- Affected Person** – person affected by changes to use of land, water or other resources caused by development projects
- Compensation** – cash or payment in kind made to affected persons to replace assets, resources or income.
- Emergency Situation** – natural disasters, civil and political conflict situations.

<b>Expropriation –</b>	government taking possession of property or changing property rights in order to execute or facilitate development projects.
<b>Entitlements –</b>	a variety of measures including compensation, income restoration and interim support, transfer assistance, relocation and other benefits that are due to affected people, depending on the nature of their losses, to improve their economic and social base.
<b>Gender Equity –</b>	recognition of both genders in the provision of entitlements, treatment and other measures under the Resettlement Action Plan.
<b>Host Population –</b>	households and communities residing in or near the area to which affected people are to be relocated.
<b>Income Restoration –</b>	re-establishing income sources and livelihoods of people affected.
<b>Involuntary Resettlement –</b>	unavoidable displacement of people arising from development projects that creates the need for rebuilding their livelihoods, incomes and asset bases in another location.
<b>Rehabilitation –</b>	re-establishing and improving incomes, livelihoods, living, and social systems.
<b>Relocation –</b>	moving affected persons and their moveable assets and rebuilding housing, structures, improvements to land, and public infrastructure in another location.
<b>Replacement Cost –</b>	the level of valuation for expropriated property sufficient to actually replace lost assets, or to acquire substitutes of equal value or comparable productivity or use; transaction costs are to be included
<b>Resettlement Action Plan –</b>	a time-bound action plan with budget setting out resettlement strategy, objectives, options, entitlements, actions, approvals, responsibilities, monitoring and evaluation.
<b>Resettlement Budget –</b>	a detailed breakdown of all the costs of a resettlement action plan phased over the implementation period
<b>Resettlement Effect –</b>	loss of physical and non physical assets including homes, communities, productive land, income earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity and mutual help mechanisms.
<b>Settlement –</b>	voluntary movement of people to a new site where they re-establish their livelihoods as in the case of the Mahaweli Scheme
<b>Social Preparation –</b>	process of consultation with affected people undertaken before key resettlement decisions are made; measures to build their capacity to deal with resettlement, taking into account existing social and cultural institutions.
<b>Vulnerable Groups –</b>	distinct groups of people who might suffer disproportionately from resettlement effects such as the old, the young, the handicapped, the poor, isolated groups and single parent households

## Annex 5.1 - Screening Form for Involuntary Resettlement

### Screening Form for Involuntary Resettlement

Project :

Province:

Subproject :

District::

Level of Project

Design:

Potential for Involuntary Resettlement Effects*	Not Known	Yes	No	If yes, consider potential scope of resettlement effects
Will the project include any new physical construction work?				
Does the project include upgrading or rehabilitation of existing facilities?				
Are any environmental effects likely which may lead to loss of housing, other assets, resource use or incomes?				
Is land acquisition likely to be necessary?				
Is the site for land acquisition known?				
Is the ownership status and current usage of the land known?				
Will easements be utilized within an existing site or Right of Way?				
Are non-titled people present on the site/within the Right of Way?				
Will there be loss of housing?				
Will there be loss of crops, trees, and other fixed assets through land use related changes?				
Will there be loss of incomes and livelihoods?				
Will people lose access to facilities, services, or natural resources through land use-related changes?				
Will any social or economic activities be affected through land use-related changes?				
<b>Affected Persons and Severity of Impacts</b>				
Any estimate of the likely number of those affected by the project? No ( ) Yes ( )				
If yes, approximately how many?				
Any estimate of the severity of impact at the household level?				
If yes, what?				



Any of these people poor, indigenous, or vulnerable to poverty risks? No ( ) Yes ( )
If yes, how?

**DECISION ON CATEGORIZATION**

200 or more people will be severely affected (displaced from housing or losing 10% or more of their productive/income-generating assets). A full resettlement plan is required.

Less than 200 people will be severely affected (displaced from housing or losing less than 10% of their productive/income-generating assets). An abbreviated resettlement plan is required.

The project sub-component does not physically displace people or lead to permanent loss of more than 10% of their productive assets. A Livelihood Support Assistance Plan required.

Screening Checklist Prepared By:

\_\_\_\_\_

Name and Signature

Position:

\_\_\_\_\_

Date Prepared:

\_\_\_\_\_

## ***Annex 9.1 – A detailed account of formal and informal consultations conducted by PMU***

### **1. Sri Lanka Watershed and Water Resources Management Project (P166865) Component 1; Watershed Management**

#### **Stakeholder Meeting**

**07<sup>th</sup> January 2019, at National Agricultural Information and Communication Center Meeting Minutes**

#### **Participants.**

1. Mr. Ariyaratne Hewage, Consultant–Policy, MMAI&RD and Focal Person for World Bank Project
2. Mr. W.Disanayake, Addl. Secretary, Ministry of Mahaweli Agriculture Irrigation & Rural Development .
3. Dr. S. Thikawala, Senior Lecturer, Open University of Sri Lanka.
4. Mr. B. Marambe, Professor, University of Peradeniya.
5. Dr. Ajantha De Silva, Director (Natural Resources Management), Department of Agriculture.
6. Mr. Nimal Gunawardhana, Professor, University of Peradeniya.
7. Mr. V.J. James, Consultant, World Bank.
8. Mr. A.M.S.B.Adhikari, Deputy Director, Sri Lanka Mahaweli Authority.
9. Mr. W.A.C.Weragoda, Conservator of Forest, Forest Department.
10. Mr. H.C. Palamakumbura, Deputy Conservator of Forest, Forest Department.
11. Mr. Sampath Manthreenayake, Director, Ministry of Plantation Industry.
12. Mr. K.A.I.D.Silva, Director, Land Resources.
13. Mrs. Udayanga Basnayake, Deputy Project Director, IWWRMP
14. Mr. Manjula Amararathna, Deputy Director, Department of Wildlife Conservation.
15. Dr. S.K.Weragoda, Chief Engineer, National Water Supply and Drainage Board.
16. Mr. Ashoka Jayawardhana, Chief chemist, National Water Supply and Drainage Board.
17. Dr. H.Manthreethilake, Chief- Sri Lanka Program, International Water Management Institute.
18. Mr. B.A.Jayananda, Director, Land Use Policy Planning Department.
19. Mr. H.D.Sisira, Assistant . Director, Land use Policy Planning Department.
20. Mrs. Priyangani Gunathilake, Director (Natural Resources Management and Monitoring), Central Environment Authority.
21. Mr. P.G.C.Senarath, Assist. Director, Land Reform Commission.
22. Mr. P. Plallemulla, Project Director
23. Dr. S.E.Weerasinghe, Professional Consultant, Health Department – Central Province.
24. Dr. H.M.P.A.Subasinghe, Director (Re), Department of Export Agriculture.
25. Mr. T.M.A.Tennakoon, Assist. Director, Ministry of Mahaweli Agriculture Irrigation & Rural Development
26. Mrs. Ramya Wijesundara, Director (Planning), District Secretariat – Kandy
27. Mr. J.M.P.P.Jayasuriya, Survey (Central Province), Survey Department.
28. Eng. A.M.T.N.Bandara, Procurement Specialist, IWWRMP.
29. Mr. W.B.M.L.I.Weerakoon, Senior Chemist, National Water Supply and Drainage Board.
30. Mr.R.M.S.N.Rajapaksha, Senior Hydrologist, National Water Supply and Drainage Board.
31. Mrs. C. Senevirathna, Assit. Director ( Land use and planning department) – District Secretariat, Kandy

32. Mr. K.N.J.N.Kuruppu, Chief Engineer, Sri Lanka Electricity Board.

33. Mr. R.V.Kulawardhana, Civil Engineer, Sri Lanka Electricity Board

Mr. Ariyaratne Hewage, Consultant–Policy, MMAI&RD and the Focal Person for World Bank Project welcomed all the members who attended the meeting and explained the objectives of the meeting.

Professor Nimal Gunawardane, Senior Professor, Faculty of Agriculture, University of Peradeniya introduced the project, reasons to select Upper Mahaweli watershed as the area of proposed project and road map of the project.

Dr. Viju James, consultant, World Bank explained the expectations of World Bank which need to be considered on proposal preparation.

Key points of the meeting which were highlighted by the institutes and participants are indicated below.

<b>Institute/Person</b>	<b>Key Points</b>
Professor Nimal Gunawardhana	<p><b><u>Road Map</u></b></p> <ul style="list-style-type: none"> <li>• Propose or Agree on activities to be undertaken through the project</li> <li>• Verify and consolidate them through information and field visits.</li> <li>• Prepare cost estimates including counterpart funding.</li> <li>• Propose suitable institutional mechanism for coordination.</li> <li>• Work with the World Bank /Local consultants to prepare the final proposal.</li> </ul>
Dr. V.J. James	<ul style="list-style-type: none"> <li>• Project proposal should be submitted to the World Bank before 15<sup>th</sup> March 2019.</li> </ul> <p>In the project preparation following expectations should be considered.</p> <ul style="list-style-type: none"> <li>• Need to identify physical dimension and characteristics of selected watershed.</li> <li>• Issues of the watershed. (Come from analytical data and come from local stakeholders).</li> <li>• Identify past experience.</li> <li>• Suggestions for identified issues.</li> <li>• Make estimates according to the interventions.</li> <li>• Should find economically viable funding sources.</li> <li>• Project cost and expected benefits.</li> <li>• Inputs to the watershed manual.</li> <li>• Inputs to the project appraisal documents.</li> <li>• Draft TOR.</li> <li>• Climate Resilient.</li> </ul>
Natural Resource Management Center	<ul style="list-style-type: none"> <li>• Complete Project Area Comes under the Declared Soil Conservation Region under the Soil Conservation Act.</li> <li>• Considerable Portion of the project area is above 1500 m Elevation Range.</li> <li>• Most of the project area shows lands with lesser vegetation cover, moderate to steep slopes and moderate to high erosion hazard zones.</li> </ul>
National Water Supply and Drainage Board.	<p><b><u>Issues</u></b></p>

	<ul style="list-style-type: none"> <li>• No alternative water sources.</li> <li>• Degradation of water quality has been observed.</li> <li>• Issues and lack of capacity of water purification process.</li> </ul> <p><b><u>Interventions</u></b></p> <ul style="list-style-type: none"> <li>• River reservation demarcation.</li> <li>• Preparation of river management plan.</li> <li>• Operate time water quality monitoring stations.</li> <li>• River modeling on weather and climate resilient factors.</li> <li>• Establish Water storage reservoir for drinking purposes</li> <li>• Application of Water Safety Plans</li> </ul>
Land Use and Policy Planning Department	<p><b><u>Issues</u></b></p> <ul style="list-style-type: none"> <li>• Illegal Land Clearing.</li> <li>• Excessive soils, sand and mineral extraction.</li> <li>• Bush Fires (human induced)</li> <li>• Cultivation of Erosive Crops</li> <li>• Poor land management Practices</li> <li>• Lowering Forest Cover</li> <li>• Imbalance in Water use and Extraction</li> <li>• Soil and water pollution</li> </ul> <p><b><u>Interventions</u></b></p> <ul style="list-style-type: none"> <li>• Preparation of District / Divisional Level Land Use Plans.</li> <li>• Preparation of Micro Watershed Level Land Use Plans.</li> <li>• Facilitate to land rehabilitation.</li> <li>• Planning at river basin level by mainstreaming BD conservation.</li> <li>• Identification, Demarcation (mapping) and water sources their catchments and helping to declaration.</li> </ul>
Sri Lanka Mahaweli Authority	<p><b><u>Issues</u></b></p> <ul style="list-style-type: none"> <li>• Harmful farming practices.</li> <li>• Spread of IAS (Invasive Alien Species).</li> <li>• Lack of staff.</li> </ul> <p><b><u>Interventions</u></b></p> <ul style="list-style-type: none"> <li>• Preparation of GIS &amp; Land Use Planning.</li> <li>• Provide Environment Education &amp; Trainings</li> <li>• Conduct On farm &amp; off farm Soil Conservation</li> <li>• Undertake Tree Planting Activities under Catchment Management programme</li> <li>• Implement Invasive Alien Species control and Management programs.</li> <li>• Maintain Plant nurseries and plant Tissue culture laboratory.</li> <li>• Conduct Water Quality Monitoring Program and Hydrological Monitoring : Flow Measurement, Sediment Monitoring.</li> </ul>
Ministry of Plantation Industries	<p><b><u>Issues</u></b></p> <ul style="list-style-type: none"> <li>• Soil erosion</li> <li>• Encroachments</li> <li>• Pressure on other kind of land use</li> <li>• Eucalyptus cultivation / unproductive tea above 5000 ft</li> </ul> <p><b><u>Proposed solutions</u></b></p>

	<ul style="list-style-type: none"> <li>• Relocate vegetable plantations.</li> <li>• Terracing and other method of conservation</li> <li>• Establish Sign boards and conduct other kind of awareness</li> <li>• Declaration of protected area under National Environment Act.</li> <li>• Replanting forest destroyed in colonial era above 5000ft</li> <li>• Managed by Regional Plantation companies) RPCs with assistance of Forest Department.</li> <li>• Replanting forests in identified lands.</li> </ul>
Forest Department	<p><b><u>Issues</u></b></p> <ul style="list-style-type: none"> <li>• Forest encroachments.</li> <li>• Forest fire.</li> <li>• Soil erosion.</li> <li>• Land ownership related issues</li> <li>• Forest clearing for laying electric lines.</li> </ul> <p><b><u>Interventions</u></b></p> <ul style="list-style-type: none"> <li>• Conduct Forest boundary demarcation.</li> <li>• Preparation of forest management plans.</li> <li>• Conduct forest restoration activities.</li> <li>• Establish and maintain fire belts.</li> <li>• Establish firewood plantations.</li> </ul>
Central Environment Authority	<p><b><u>Interventions</u></b></p> <ul style="list-style-type: none"> <li>• Establish/ declare Environment Protection Areas (EPAs). (“Warathanna Hathkinda” EPA located along the Mahaweli River).</li> <li>• Conduct awareness programs.</li> </ul>
Department of Wildlife Conservation	<ul style="list-style-type: none"> <li>• Issues and interventions are same as the issues of Forest Department</li> </ul>
Health Department	<p><b><u>Issues</u></b></p> <ul style="list-style-type: none"> <li>• Lack of water quality assessment techniques.</li> <li>• Lack of sanitation facility.</li> <li>• Lack of chemical investigation facility.</li> </ul>
Department of Export Agriculture	<p><b><u>Issues</u></b></p> <ul style="list-style-type: none"> <li>• Soil erosion.</li> <li>• Decreasing of soil moisture.</li> <li>• Lack of funds for soil quality improvement programs.</li> </ul> <p><b><u>Interventions</u></b></p> <ul style="list-style-type: none"> <li>• Conduct training and awareness on soil conservation and soil quality improvement.</li> <li>• Provide planting materials for farmers.</li> </ul>
Land Reform commission	<p><b><u>Issues</u></b></p> <ul style="list-style-type: none"> <li>• Watersheds located under the LRC lands in project area should be identified. (If these watersheds identified, LRC will provide required assistances).</li> </ul>

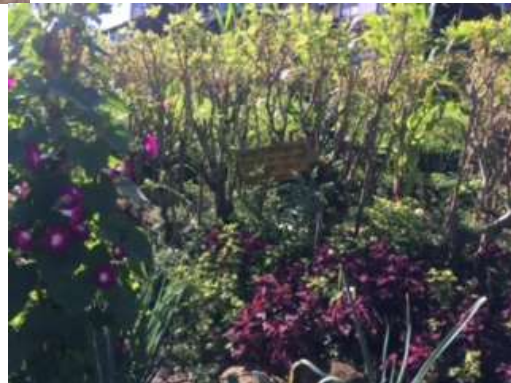
	<ul style="list-style-type: none"> <li>LRC do not take action to lease lands which has pines plantation. (If LRC decided to lease these lands it is mandatory to obtain recommendations from CEA, Divisional Secretary and GSMB).</li> </ul>
District Secretariat- Kandy	<ul style="list-style-type: none"> <li>All these issues related to Kandy district. Coordination facility can be done by the District Secretariat, Kandy.</li> </ul>
Survey Department	<ul style="list-style-type: none"> <li>If the proposed project needs survey facility, the Survey Department can provide that facility with modern techniques. (For private land survey it needs to gazette first).</li> </ul>
Dr. Mantheethilake	<ul style="list-style-type: none"> <li>Should include specific objectives of the proposed project.</li> <li>Should have strong coordination mechanism.</li> <li>Should have strong monitoring, supporting and capacity building agency /system.</li> <li>There are no major offenders in the discussion they should be in the discussion floor.</li> <li>Economic component should include to the proposed project.</li> <li>Should have involved and get the information and support of Sri Lanka Mahaweli Authority and Mahaweli Headwork Division.</li> </ul>
Mr. S.R.K. Aruppola	<ul style="list-style-type: none"> <li>Water quality of the Mahaweli River is degrading. Amount of floating sediments is increasing and it makes some problems.</li> <li>Should have laws, a plan and conduct hydrological surveys.</li> </ul>
Dr. A.J.James	<ul style="list-style-type: none"> <li>Project should have Project Development Objectives (PDO). It is an overarching objective and under this there should have 3 -4 sub objectives.</li> <li>Coordination mechanism needs to be clear.</li> </ul>
Professor Buddhi Marambe	<p><b><u>Common issues and interventions</u></b></p> <ol style="list-style-type: none"> <li>Land use and management at mini and micro watershed level.</li> <li>Land ownership and encroachment.</li> <li>On farm and off farm pollution and soil conservation. Stream bank conservation.</li> <li>Garbage management and sanitation.</li> <li>Real time assessment and monitoring of water quality.</li> <li>Biodiversity conservation.</li> <li>Awareness and peoples participation.</li> </ol>
Mr. Wasantha Dissanayake, Additional Secretary, Ministry of Mahaweli Agriculture Irrigation & Rural Development .	<p><b>Way forward</b></p> <ul style="list-style-type: none"> <li>Take action to involve all the relevant and important stakeholders in future discussions and get their views and inputs.</li> <li>Proposal preparation task should have to complete before 15<sup>th</sup> March 2019. For the Project proposal preparation it needs more information and it leads better planning.</li> <li>In future there will be few stakeholder meeting and discussions taking place to prepare comprehensive and technically sound proposal.</li> </ul>
First field visit	<p>Proposed date - 11<sup>th</sup> January 2019 (8.30 am – 4.00 pm)  Proposed sites - water board, garbage disposal sites, LUPPD sites, soil erosion sites etc.  Coordination – Mr. Ajith Silva (Director- Land Resources)  Mr. Anuruddha Tennakoon (Assistant Director)</p>

## **2. Training and Demonstration Centre for Conservation Farming in Doragala, Nuwara Eliya district and tea small holder (organic) visit.**

Field notes from informal consultations on 11<sup>th</sup> January, 2019

### Participants

1. Mr. Nimal Gunawardhana, Professor, University of Peradeniya
2. Mr Ajith Silva – Director MMAI&RD
3. Mrs. Udayanga Basnayake, Deputy Project Director, IWWRMP
4. Dr Viju James, consultant
5. Representative from LUPPD
6. Representatives from FAO
7. Mr Susrutha Goonesekera
8. Mr Saranga Gajasinghe
9. Dr. Sithara Atapattu



The field trip started by a visit to the Training and Demonstration Centre for Conservation Farming in Doragala. The Centre is run by the Mahaweli Authority with support from the FAO.

This is a demonstration farm where soil conservation practices (SALT – Sloping Agricultural Land Technology) is practiced and maintained for training of farmers in good agricultural practices (GAP).

They said that currently they provide packages where certain rates are provided establishing stone bunds, SALT hedges, etc. They also promote and provide organic farming technologies including livestock rearing.

FAO representatives stated they are looking into connecting GAP farmers directly with supermarkets so that farmers benefit with better prices.

Second visit was to a tea small holder farmer at Doluwa. The farmer grows 1 acre of tea and some spices around his house (home garden). This area of tea is totally organic and the tea is bought by BioFoods. He had a period of 3 years of transition time in converting his land to organic status during which Biofoods continue to purchase his tea. This farmer is preparing his own bio fertilizers and pesticides and he believes it is very successful and he is happy with the profit. He also says the production matches the non organic production. He believes the lack of conversion to organic farming is due to the un-certainty of the market.



Organic tea receives a price than conventional tea. He believes encouragement and securing a market will promote more and more people to convert. Already about 5 families have converted to organic production in the area. This area is a low pest area, so currently there is no application of any pesticides only the application of organic fertilizers.



### **3. Meeting at Divisional Secretariat Office in Doluwa**

Field notes from informal consultations on 11<sup>th</sup> January, 2019

#### Participants

1. Mr. Nimal Gunawardhana, Professor, University of Peradeniya
2. Mr. Ajith Silva – Director MMAI&RD
3. Mrs. Udayanga Basnayake, Deputy Project Director, IWWRMP
4. Dr. Viju James, consultant
5. Representative from LUPPD
6. Representatives from FAO
7. Mr. Susrutha Goonesekera
8. Mr. Saranga Gajasinghe
9. Dr. Sithara Atapattu

The field mission attended an ongoing progress review of FAO's demonstrational project and interacted with the participants including farmers involved in conservation farming. Some of the points raised are highlighted below:

- Issues raised by women – Not receiving a good price for their produce, hence not able to carry out soil conservation practices; Help sought to get an appropriate price for their organic produce;
- A major issue faced by the farmers is their produce being destroyed by animals, i.e. wild boar, monkeys and porcupines;
- Only a few organic farmers as the others are unsure of marketing their products. Market (Bio-foods) only buys produce that are organically produced;
- Both types of fertilizers face attacks by wild animals. Only solution is to fence off the cultivated land;
- Request investments for construction of retaining walls and drains to engage in soil conservation practices;
- Request for proper training and knowledge in conservation practices as some have tried and it has been ineffective.
- Serious problem of bore holes being dug indiscriminately for the extraction of drinking water for consumption (mainly for bottling purposes);
- Help is also sought for the protection of head-waters to provide for sufficient drinking water. Ambadeniya, Gurukelle and Nawagurukelle were mentioned here.



#### **4. Rehabilitation of Dewahuwa Irrigation Scheme (Component 2)**

Meeting held at Dewahuwa on 13<sup>th</sup> February 2019.

##### Participants

A.G. Gunadasa, Chairman United Farmer Organization Dewahuwa Yaya 3  
A.G. Kumarsinghe, Yaya 1 and 2 Gamunu Farmers Organization  
D.M.S. Dasanayake, Yaya 1 and 2 Gamunu Farmers Organization  
R. Senrathna United Farmer Organization Dewahuwa Yaya 8  
K.A. Herathbanda Yaya 1 and 2 Gamunu Farmers Organization  
M.A.R. Karuanthilaka, Yaya 3 United Farmer Organization  
G.G. Abeyratne, Chairman Yaya 4 United Farmer Organization  
P.A. Wijesinghe, Secretary Yaya 4 United Farmer Organization  
W.S. Warnakulasooriya, Yaya 5 Parakum Farmer Organization  
M.P. Dissanayake, Yaya 5 Parakum Farmer Organization  
P.P.C.R. Pathirana, Yaya 6 Middle Farmer Organization  
M.T.B Karunasena, Yaya 3 Farmer Organization  
A.M. Jayarthna, Chairman Yaya 9 Manel Farmer Organization  
D.M. Sisira Samintha, Secretary Yaya 9 Manel Farmer Organization  
M.S. Mahinda Rathna, Secretary, Yaya5 Farmer Organization  
I.G. Upasena, Chairman Yaya5 Farmer Organization  
H.M. Seneviratne, Secretary Yaya 8 United Farmer Organization  
B.G. Victor Rathnayake, Secretary Yaya 7 Farmer Organization  
A.A. Sirisena, Treasurer Yaya 7 Farmer Organization  
C.P. Kulasuriya, Treasurer Yaya 6 United Farmers Organization  
K.G.L.C.Rajapakshe, Treasurer Yaya 4 united Farmers Organization  
A.G. Aberatne, Secretary Yaya 4 United Farmers Organization  
E.AG.Thilakasooriya, Chairman Fisheries Cooperative Society Dewahuwa  
M.A.Gunawardena, Treasurer Fisheries Cooperative Society Dewahuwa  
A.M. Abeykoon, RMP office Development Officer  
Y.M.V.Rathnayake, Development Officer Irrigation Department  
K.M. Wijeratne, Environmental Assistance Irrigation Department  
R.P.Weerasooriya, Divisional Irrigation Engineer Irrigation Department  
M.Gamsaranthan, Project engineer Project management Unit Irrigation Department  
Sithara Atapattu, WB Consultant  
Susrutha Goonesekera, WB



Meeting was commenced at 8.30 am and the District Engineer started the meeting by stating the reason for the meeting with requirement of gathering social and environmental issues in the area. The participants present were predominantly male with only one female office bearer. We were informed that there are 3 women leaders who were unable to attend due to other commitments. Susrutha Goonesekera put forward the idea of having to reduce water levels in order to carry out rehabilitation work on the main canal and the tank headworks. Also put forward the idea of doing the work during 2 off seasons so that cultivation is not affected.

District Irrigation Engineer, stated that the inadequacy of the 2 months during the dry season for the successful completion of headworks (in particular the rip-rap and sluice rehabilitation). He said that this will not be practical. This year canal rehabilitation can be managed with intermittent release of water thus not impacting significantly on the water requirement. However, when rip-rap and sluice rehabilitation is done, there may be requirement to forego a season.

The farmers are willing to forego a season as this will benefit them in the long term. They are also involved in other field crop cultivation along with paddy so suggested some support to maximise on other similar activities.

#### Environment:

The following questions were posed:

Are there any environmental concerns in the area?

The answers were typically focussed around the issue of the canal system and the need for rehabilitation. They are losing a lot of water due to leaks in the canal system this reducing productivity. Bridges need to be made to fit former widening of canals.

How will waste disposal be handled – will this pose a threat to the community?

There are demarcated land to be used for disposing of this kind of waste by the government so this will not be a concern. The community said they have no issues on the use of these lands for this purpose.

Is there sufficient potable water in the area and will it be affected by reduced water flows during rehabilitation?

This was somewhat controversial as it was said the cultivation areas were separate from the dwelling areas so there is no link. However, some argued that the reduced water flows will affect their wells. Some stated that they have difficulty in access to water.

No major environmental concerns were identified for the area. Only concern was the lack of access to potable water to some of the farmer community. This should be further investigated. Also the waste disposal sites need to be looked as long term disposal may lead to environmental health and safety hazards if not disposed of properly.

#### Social:

Suggested queries during public consultations

For the upper watershed region

1. *Any on-site measures currently adopted by community for soil conservation?*
2. *Any assistance/ incentives given by government in conservation of land?*
3. *Number of cropping seasons/ year and most prominent crops grown in a season (other than tea)?*
4. *Current issue people face in practicing farming and marketing their produce.*
5. *Perception of public on soil conservation and its impacts on crop productivity*

For the WRM infrastructure rehabilitation

1. *Activities of people with respect to canals and reservoir and there frequency?*
2. *Do people get any income from these activities or are they just for subsistence?*
3. *Any perceived issues the people would think of due to any possible drawdown of water in the canals and reservoir?*
4. *If drawdown is required what would the best time to do so?*
5. *People's perception on proposed canal and reservoir rehabilitation?*

Proposed interventions – Rehabilitation of D-canal, sluice, rip-rap, river bank erosion, curtain wall, as well as rehabilitation of canal broadened under GoSL funds.

In addition to the paddy cultivation over the Yala and Maha seasons, fishermen (who are resident upstream of the river) are involved in their fishing activities as a sole livelihood.

Having explained the proposed activities and the proposed process adopted for carrying out the rehabilitation, i.e. the proposal to carry out the tank and canal related activities during the dry season, there was an overwhelming response by those gathered, incl. the District Irrigation Engineer, stating that the inadequacy of the 2 months during the dry season for the successful completion of headworks (in particular the rip-rap and sluice rehabilitation). The farmers' solution to this was that they were happy to forego the Yala season in return for a completed rehabilitation of their irrigation system. This, they said, was not a huge problem for the farmers as they have already missed and managed 4 seasons due to the recent drought. Other coping mechanisms already in place.

3000 Acres of paddy land being cultivated. 1 acre derives approximately 80 Busal per season (1 Busal = 22 Kg).

8 Farmer Organizations (FOs) with total membership of 1439 families (approx.).

On the sale of the produce, the farmers are faced with severe problems in reaching a fair price. The farmers can sell only a fraction of their produce to the Government retail outlets (@ Rs38/= per Kg) due to lack of storage facilities and is compelled to sell their produce to private retailers (namely, Nipuna and Araliya) at a reduced price of Rs27/= per Kg).

Out of the produce,  $\frac{1}{4}$  for consumption and the rest is sold.

Discussing more on the coping strategies during the drought (over the last 4 seasons), the farmers stated that almost all paddy farmers also cultivate other field crops (OFCs). All vegetables, except for carrot and leaks, are being cultivated here with the help of dug-wells, throughout the year. Hence, not affected by a drawdown of the tank. The produce is taken to the Dambulla Economic Centre but sold at the asking price (usually very low but still more profitable than paddy).

A request was made for the marketing of paddy and vegetables.

A request was also made for the hiring of local labour in construction activities during implementation as some HHs were identified as very poor.

Some farmers claimed that a few villages had a drinking water problem when the canals run-dry and, as a result, requested for a drinking water program during the rehabilitation works.

Fishing community (62 families) – Having joined the consultation meeting late, there was a late focus on the impacts of the proposed repair works on the fishing community solely dependent on the income derived from fishing activities on the Dewahuwa tank. The fishermen stated that they had just introduced 150,000 fingerlings to the tank and have a total capacity of about 400,000 in total. They do not envisage any impact if the water-level is not drawn-down to zero. At this point, the IE intervened to state that the water level will only be drawn down to a level where the sluice can be repaired and confirmed that it will not be fully emptied and that there should be no concern for the fishing community as well as the owners of the dug-wells.

There fisheries society is male dominated with no women members. When asked as to whether there is no female participation, we were informed that the wives all play a supportive role in their activities.

It was, however, evident to the Bank team that there was a clear tension between the farmers and the fishermen as to who owns the right to the tank. While the IE stated that legal status is with the Irrigation Department, there is a clear need for more coordination between the authorities (Irrigation, Fisheries and Agriculture) concerned, both at the higher level and the field level.



## **5. Consultation meeting on Component 1**

Held at the Teldeniya District Secretariat  
13<sup>th</sup> February, 2019

### **Participants:**

Ajith Silva, Director MMAI&RD

R.G. Jayarathna, MMAI&RD

R.G. Darmathunga, MMAI&RD

A.G. Piyadasa, Secretary Udirajanduwa Karowana Farmer Organization

T.B Ekanayake. Secretary Dunhigaha Werapitiya Farmer Organization

A.B. Werapitiya, Member Werapitiya Farmers Organization

A.G. Nawaratne Dunhigaha. Werapitiya Farmer Organization

D.G.S. Shayamala, Land Use Planning Officer Divisional Secretariat Mada Dumbara Kandy

R.P.P.M. Ratnayake ,Tea Propagation Officer Smallholder Tea Developers Authority

T. Amerasekara, Extension Officer Smallholder Tea Developers Authority

Susrutha Goonesekera, WB

Sithara Atapattu, Consultant, WB

The consultation was carried out with a handful of representatives from the Team Small-Holders Committees in the region. Altogether, 207 Team Small-Holder Committees in operation in the

region. The meeting was attended by representatives of the Tea Small Holders Authority and the Ministry of Mahaweli Agriculture Irrigation & Rural Development (MMAI&RD).

The Tea Small-Holders are currently engaged in soil conservation activities, using various methods, and with the financial support (albeit a fraction -25%- of the cost) of the Tea Small-Holders Authority.

Tea is cultivated throughout the year and leaves plucked every 7 – 8 days. The produce is usually sold to private traders (intermediaries) who frequently plays out the small-holders. Some committees, have purchased own vehicle, and delivers the tea leaves direct to the factory and, as a result, gain a higher rate for their produce. In this regard, some members of the small-holder representatives requested for support under the project for the delivery of their produce direct to the tea manufacturer as they felt that there was a need to create a competitive environment for the sale of their produce. Currently, they are compelled to sell to the sole trader.

On the subsidy offered by the Tea Small-Holders Authority, currently Rs500,000 is being offered for every Hectare as they see this segment of Tea producers as an important one, i.e. producing 75% of good quality tea. Tea small-holders also has a land coverage of almost 60% (opposed to 40% of land cultivated by regional plantation companies (RPCs).

The representative from Dunhinna also raised issue that they did not have drinking water for consumption, adding that NWSDB only provides water thrice a week to their houses.

OFCs only being cultivated at the home-garden level but a few have expanded this to 3-4 acres. Sell their produce direct to whole-sale traders in town. Use their own resources to conserve the soil in these areas and continue as best they can. Poor HHs, however, find it difficult to spend extra for conservation purposes.

One small-holder claimed that the thousands of acres (plantations) being abandoned by the Government is the biggest contributor for soil erosion and that the project should focus more on these.

Issues of labour for plucking is also a sticking point for these tea small-holders. The Authority intervened to state that the introduction of mechanized plucking had been introduced for owners of 5 Acres and above. The fact remains, however, that these types of land-owners were just a handful (with only 4 being identified for the region).

Another important issue, raised during the closing stages of the consultation, was the rehabilitation of agriculture or farm roads under the project. This was considered important by the entire forum as the price for the produce was determined by accessibility, i.e. access to markets.



## **6. National Consultation for Environmental and Social Safeguards inclusion on the proposed Sri Lanka Water Resources Management Project**

Held at Mahaweli Authority of Sri Lanka  
Monday 18<sup>th</sup> February, 2019, 2 – 3.45pm

Though the forum was meant for a diverse set of stakeholders, participation was low. The project interventions by component were presented by the PMU Deputy Project Director. The consultation was chaired by the Secretary MMAI&RD. Thereafter, the purpose of the meeting was explained briefly by the WB Environmental Safeguards officer and opened for discussion.

The key points that were raised at the meeting were:

In water resources management of forested areas, DWLC involvement is crucial as animals do not set boundaries in their movements. RDA was another agency identified as another very important participant as they often work in isolation and contribute large scale soil erosion and degradation. DMC was also highlighted as an important entity. These are in addition to the usual stakeholders – ones that are usually not involved in a integrated manner.

LRC should be brought in and it was highlighted that working with them was very difficult as they behave like they have their own rules – experience presented by Dr Pallewatte.

Secretary to the MMAI&RD reiterated that there are about 20 agencies represented in the committees including LRC. Infact LRC is going to be an active partner in this project.

It was questioned as to whether there a climate risk assessment being done under the project to which WB consultant responded positively. Climate change modelling will be done for flood and droughts.

The need to learn from similar projects to ensure we correct things that had gone wrong was highlighted. Need to assess the capacity to implement and follow for continuity was highlighted. Since this is a comprehensive project – it was identified as a good opportunity ensures a robust program.

The need for a more integrated approach was identified where all key stakeholder agencies coordinate and work together.

The project plans to reforest unproductive tea plantations, pine and eucalyptus plantations. Some implications of reforestation were discussed including the fact that this is good move supporting the national objective of increasing forest cover. It will be a long term process and introduction of native species will require protection and care for at least 5 years so constraints and practical issues will have to be addressed. This will be done for government lands. It was questions as to what the incentives for the private sector to do such conversions would be. Dr Viju specifically responded to this by saying that WB will not fund any activities of the private sector. However, discussions with them have shown that some places have already started converting unproductive land to forested areas. This would form part of their global marketing strategy.

Dr. Hemanthi said that the FD is already working with the private sector and NGOs in creating and safeguarding bio-corridors. She however, highlighted the need for incentives for these to be sustainable.

The meeting was concluded with a summary of the discussion by the WB Environment Officer. Technical consultations should be carried out from time to time to bring in the local experiences and expertise.

Need to come to a conclusion on LSA – if it is going to be included as this needs to be then taken up in the RPF.

The ESMF and RPF with all other project relevant documentation will be disclosed within a few weeks. These documents will be sheared via email to those present at the meeting.

Communication is an important factor to consider. The former Dam Safety website should be an example and continued. This was an extremely effective platform with regular updates on activities.



