

CHAPTER NINE

THE WAY FORWARD: CONCLUSIONS AND RECOMMENDATIONS

Almost one year after the tsunami, and despite some setbacks and difficulties, Sri Lanka has made significant progress in tsunami reconstruction. The response from the people and the Government of Sri Lanka — rushing to the rescue and providing relief to tsunami victims without distinction of race or creed — was truly remarkable. The enormity of the event created immense international goodwill, stimulated a large pledging of external assistance, and even signified hope for the revival of the peace process.

With the tsunami reconstruction now entering its second (and arguably more difficult) year, it is possible to learn lessons from the past year's achievements and shortcoming, and define an agenda of actions that must be taken quickly by all partners to move the process forward. There are issues at both the programmatic level as well as sector-specific activities:

- **Equity and Gaps** The first and primary guiding principle of the tsunami programme was that of equity. While there is no evidence of intentional unequal treatment, some communities (notably those in Ampara) are well behind others, deriving notably from different local capacities and the impact of the buffer zone restrictions. As we move forward, it must be ensured that these factors are addressed and that no one is left behind. While overall funding pledges seem adequate, partners must be ready to adjust the location and objective of their efforts. All pledges must be converted into commitments and all commitments into disbursements and results on the ground.
- **Coordination** The sheer number of actors and the size of the reconstruction needs have made coordination a huge challenge, especially between state and non-state actors. While in these circumstances progress has been reasonable, an intensified effort will be needed during this major reconstruction period between agencies, partners and government authorities at the central level, and between officials, development partners and communities at the local level, including in particular representatives of all ethnic groups affected. Strengthening of under-resourced capacity of local and district government levels has to be continued, building on existing programs.
- **Communication** A clear lesson of the first year has been the need to communicate, not just through newspapers and television, but more particularly through greater direct contact with communities. A communication strategy focusing on explaining entitlements, next steps forward, publicizing the complaints and redress procedures needs to be in place by early in 2006. Every affected family in every location of a transitional shelter, and every family staying with friends and relatives should know what is their future, in terms of housing, employment opportunities, ongoing relief support, education for their children and with health care, including counseling where needed.
- **Monitoring and measuring impact** Another emerging lesson from the first year is that it is a huge challenge to monitor inputs — such as all the different sources of funding — and another to measure outputs and the results on the ground. The DAD database offers the means to improve this, and all development partners have to update and improve their inputs into the DAD to facilitate better monitoring and resulting adjustments in programmes

to ensure equity. Information on targets together with transparency in the allocation and in the accounting for the funds spent on the reconstruction activities will need to continue to be enforced. Equally, more regular feedback mechanisms from the affected communities need to be instituted, since the value of the periodic feedback when received has been very high. The Transitional Result Matrix (Annex 1) aims to provide a simple tool for periodic monitoring of progress.

- **Links to Conflict-Affected Communities, the Peace Process and the Rest of the Economy** Much of the tsunami-affected area was also conflict-affected, and reconstruction in the conflict-affected areas was only just under way at the time. In the first year of the tsunami recovery effort, it is clear that the impact on the conflict-affected areas of this massive tsunami effort needs to be carefully considered and monitored, and equity of treatment, at least with respect to standards, needs to be ensured. More particularly, mechanisms to ensure that the potential beneficial impact of the tsunami recovery on the environment for the peace process can be maximized need to be pursued, including efforts to involve representatives of all parties to the conflict and affected communities in the monitoring and oversight of the reconstruction programme. At the same time, other parts of the economy should not be neglected.
- **Gender** The first year has thrown into stark relief some of the gender issues facing Sri Lanka. Benefits, such as cash and housing grants, have gone to the head of household, generally a male. The experience emphasizes the need to address these aspects of the system, and in terms of immediate actions, make sure that ownership of land title deeds of the new land plot is held both by the wife and the husband.

Macro Economy

The estimates made after the tsunami indicated that economic growth would be slowed by about 0.5-0.6 percentage points from the expected 6 percent growth. The negative impact was largely reflected in the GDP for the first quarter of 2005. The economy has started to rebound and poised to register a growth rate of about 5.6 percent in 2005, with tourism and fisheries sectors are yet to fully recover from the impact.

In the immediate aftermath of the shock, the Central Bank responded positively to arrest any adverse impact of the tsunami on the financial markets by adjusting its monetary operations to ensure that the financial system remained sufficiently liquid to meet additional demand. In addition, the considerable amount of foreign assistance received in support of post-tsunami relief and recovery efforts, including in the form of debt relief provided the physical space. These flows combined with the prudent management of monetary and fiscal policies helped to contain inflationary pressures below 10 percent level by November 2005.

The post-tsunami rehabilitation programme will be largely financed through foreign grants and concessionary financial assistance while maintaining overall budget deficit at a manageable level aiming at overall macro-economic stability as the country move forward with the implementation of the post-tsunami development programme.

In addition to these issues that affect the programme as a whole, there are a number of specific issues related to the four programme areas that will receive early priority to ensure that they reflect these concerns fully.

Getting people back to their homes

- Transitional shelters need to be maintained and upgraded until the move to permanent housing is completed.
- Ideally, all households who lost their home, including those living in transitional shelter or with friends and relatives, need to know by the first anniversary or very soon thereafter where their new home will be, how it will be financed and their role in its realization.

- To move the home owner driven housing scheme forward, more technically-trained staff have to be provided to speed up the release of installments.
- Donor funding must be reassessed and adjusted as necessary to address the high increases in the costs of reconstruction, and the ongoing redrawing of the buffer zone.
- Beneficiaries should be involved in planning and implementation process.

Restoring Livelihoods

- People might fall through the cracks of existing programs and join the long-term poor. To prevent this, outreach programs and better communication of all available options (ranging from welfare programs to asset replacement to cash for work to subsidized credit) need to be widely publicized.
- This is an area where improved monitoring, from a bottom-up basis, needs to be in place, with regular surveys of the affected communities. As of now, the distribution of support to livelihoods is unclear, as is the numbers being reached. While we know it is substantial, we do not know the gaps and that must be corrected in the coming months.

Health and education

- Funds have to be identified to rehabilitate some 200 schools used as camps for the displaced.
- As the full-scale reconstruction process unfolds, uniformity of standards will need to be monitored and enforced, and any emerging gaps or delays in construction addressed. There are many different actors undertaking reconstruction of these facilities, so programme oversight is critical.

Infrastructure

- Construction capacity constraints have been emerging as the pace of implementation has increased. Costs for infrastructure supplies are rising much faster than anticipated, especially of sand

and aggregates. Identification and timely licensing of additional quarries (making sure they operate in an environmentally sustainable way) and the expansion of sand mining off shore can address this constraint. More generally, new entrants to construction should be encouraged to expand capacity, and training in both skills and project management must continue to be encouraged.

The first year of the tsunami relief, recovery and reconstruction programme has recorded many successes, but all partners have been aware of the shortcomings and the challenges for the future. The resources and the determination exist to ensure that we can move on together to restore the communities of Sri Lanka and to do so at a better standard than before this terrible event. It is the sincere hope and commitment of all the partners in this historic effort that in the second anniversary report, we will be able to record dramatic progress, and the near completion of this enormous challenge so that the affected communities will be able to look forward to a brighter future as the fitting memorial to all those who perished or whose lives were blighted on December 26, 2004.