



Management Response

to the

Final External Evaluation

of the Cash for Repair & Reconstruction Project CfRR of the Swiss Consortium in Sri Lanka 2005-08

Switzerland, December 2008

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I. Evaluation subject

Evaluation brief

Donors	This evaluation was <u>funded</u> by: SDC (Swiss Federal Ministry of External Affairs) Swiss Solidarity Swiss Red Cross
Report Title	Final external evaluation of the Cash for Repair & Reconstruction Project CfRR of the Swiss Consortium in Sri Lanka with a special focus on Trincomalee District
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Author	Yasemin Aysan

Evaluation purpose

The purpose of this evaluation was to have an overview of the achievements and engagement **after project completion** of the Swiss Consortium between 2005-08 within the island-wide *home owner-driven housing programme (HODHP)* in Sri Lanka.

In particular, the evaluation:

- analysed the relevance, appropriateness and connectedness of the completed CfRR interventions in Trincomalee
 - in relation to needs of the population as well as
 - in view of the capacities of authorities and aid agencies
- analysed the efficiency and effects of the completed CfRR interventions with a special focus on the district of Trincomalee
- outlined the quality of the measures taken in reference to the recommendations made in the ongoing evaluation carried out in November 2006.

Evaluation methodology

- Desk study of relevant documentation on the CfRR project
- Interviews with the stakeholders of the SC in Switzerland
- Field mission to Sri Lanka (Colombo and Trincomalee district) with interviews of national stakeholders such as beneficiaries, local and national authorities as well as other actors.

II. Agreement at Completion Point Stand of the Swiss Consortium (SC)

Stand of the SC

The Swiss Consortium (SC) welcomes the well structured and methodologically sound, coherent and comprehensive report, in particular the merge of findings of the first interim evaluation (2006) with the findings and conclusions of the second and final evaluation (2008) focusing on the implementation in the Trincomalee district.

SC values the fact that both evaluations (2006 and 2008) were carried out by the same international evaluation expert (Yasemin Aysan). This avoided brain drain and made effective knowledge development and management possible.

Senior Management Response

Appropriateness

The SC acknowledges the finding that the cash approach has been highly appropriate in the post Tsunami context. The approach corresponded to the prevailing needs during the recovery process, provided additionally greater choice and flexibility in the implementation and led to a high satisfaction of the beneficiaries.

The appropriateness has also been confirmed with regard to the ongoing conflict in Sri Lanka under which the CfRR approach was occasionally slowed down but never fully interrupted due to the individual capacity of the empowered beneficiaries.

Coverage

The SC acknowledges the finding that there would have been scope for more advocacy in favor of marginalized and more vulnerable groups in the first project phase.

Effectiveness

The SC acknowledges that the overall completion rate of more than 10'500 houses of the project is a highly effective achievement.

Efficiency

The SC acknowledges the finding that the SC cash approach compared to alternative approaches was performed with a high cost efficiency.

Beneficiary targeting could have been improved, for example, by using from the beginning just one single database management system nationwide, e.g. based on the database provided by the SC. Nevertheless, the speed at which individual installments were issued, released and their "proposed use" monitored, was good.

Although the SC's centralized hierarchy might sometimes have slowed down decision making, it nevertheless also proved its high flexibility, e.g. by introducing the payment of top-ups in Trincomalee through 3rd party funding from American Red Cross and Hong Kong Red Cross.

Impact

The SC acknowledges the report's positive findings concerning the beneficiaries' increased construction capacities as well as the influence it had on the implementation of the HODHP in other Tsunami affected districts.

Capacity building on the side of the local authorities did, however, not properly take place. E.g. in Trincomalee the local authorities, for political reasons and out of fear to be blamed by their local constituencies for not receiving the funds, were happy to leave the operational management in the hands of the SC.

Response to the Recommendations (R1- R10)

Recommendation R1 *The simplicity of the CfRR and effective field approach adopted in Sri Lanka should be maintained in future CfRR programming as a starting point, as should the low overhead.*

Agreed - The SC is convinced to have chosen an appropriate approach to efficiently and effectively contribute to the reconstruction of permanent private accommodation.

The SC members will actively promote similar CfRR approaches as experienced in Sri Lanka elsewhere in future where appropriate while respecting:

- adoption of a light management structure by delegating more competences to the field provided the necessary competences are available and
- maintenance of appropriate visibility of the different consortium partners, particularly for the NGOs, to which proper visibility matters.

Recommendation R2 *To the extent possible, supporting national government led programmes in line with the principles of ‘harmonisation and alignment’ of the Paris Declaration should be adopted; capacities of the relevant authorities built to manage the programme and the authorities made responsible and accountable; close monitoring of quality and transparency of delivery to be maintained.*

Agreed - The SC acknowledges the report highlighting the appropriateness of the SC approach to engage in a governmental scheme in respect of the Paris Declaration principles of “harmonization and alignment” of humanitarian aid. The introduction of the database, developed by the SC, increased the effectiveness of the home-owner driven housing reconstruction approach.

Recommendation R3 *Collective weight of the SC partners should be used for post-disaster housing policy influence with the national and local governments and other donors and implementers of housing reconstruction as required for increased impact.*

Agreed - The SC influence in this regard was strong and complementary (e.g. database management) to the GoSL policy at the different levels of cooperation to the extent possible. In addition, many key characteristics of the IFRC/UN Habitat home owner-driven reconstruction and rehabilitation programme in Sri Lanka were shaped and influenced by the SC which had been launched a year earlier.

Nevertheless, there was very limited political willingness on the side of the GoSL to adopt changes on the project design proposed by donors other than the WB. In future, the individual SC members will actively seek to get as early as possible involved in project design and responsibility when approaches similar to the CfRR are allocated.

Recommendation R4 *Special attention should be given to marginalized groups such as renters, squatters, landless who may fall out of schemes as cash approaches often assume access to land. Other vulnerable groups such as single-headed households, orphans and the elderly should be closely monitored and supported as necessary for their ability to access their rights as well as to manage the construction process. The monitoring of programme impact as well as social analysis should be systematically undertaken.*

Partially agreed - The SC took a sensible decision to engage in the HODHP scheme from the beginning, knowing that this approach was not specifically targeting the most vulnerable

population, while respecting the efforts of other humanitarian actors for the most vulnerable and acknowledging the large housing needs after the Tsunami. Nevertheless, the SC's efforts, particularly in Trincomalee, resulted in the inclusion of formally non-eligible most vulnerable households (e.g. households with no land deeds) into the beneficiary list.

Recommendation R5 *Where several approaches exist to housing reconstruction, equity across the beneficiaries of different schemes should be maintained and advocated for with the authorities particularly in conflict areas. Close cooperation should be maintained with other donors and implementers of housing reconstruction to sustain equity.*

Partially agreed - The SC has made strong efforts in this direction but the reality in the given context was very complex. A housing scheme for conflict IPDs was already under way (providing only USD 1'500.- per house) when the Tsunami housing scheme started with USD 2'500.-; an amount which soon turned out to be insufficient due to cost increases for construction material (estimated in 2006 at 30%). There was a lack of coordination by the central government and among the main donors, as well as insufficient information dissemination to the beneficiaries.

Recommendation R6 *The success of cash for housing reconstruction approaches depends on factors such as functioning markets and safe delivery mechanisms. Close monitoring of these factors is crucial for the value of cash support not being eroded. Strong advocacy with the authorities to take measures; and more flexibility in the programme to make adjustments as necessary should be maintained.*

Agreed - Despite the initial strong reluctance of the GoSL, particularly the SC pushed at an early stage for the introduction of a top-up scheme which was finally approved and turned out to be a main factor for keeping the HODHP approach effective and successful.

Recommendation R7 *While maintaining the uncomplicated nature of the CfRR approach, monitoring the need for water and sanitation, livelihood and social services should not be overlooked; addressing these as necessary and an advocacy role of persuading others to address these needs should be considered.*

Partially agreed - The SC agrees that the water and sanitation component is part of any holistic approach to reconstruction and rehabilitation work. While this approach was not systematically introduced during phase I, the introduction of a water and sanitation component became mandatory in phase II of the project, particularly in Trincomalee.

Concerning livelihood and social services, these issues were not within the scope of the project.

Recommendation R8 *In countries where disasters risk is high and frequent, the CfRR approach should employ a stronger technical support and closer monitoring to ensure safer reconstruction than was the case in Sri Lanka; awareness raising and training of the home-owners and the construction sector in safe reconstruction should be considered as additional measures.*

Agreed - The SC refers to the explicit example of a similar home owner-driven rural reconstruction programme adopted by the Pakistani government after the 2006 earthquake, where

extended technical support and training services under the slogan “building back better” was introduced and actively supported by SDC.

Recommendation R9 *The experience from engagement in HODHP in Sri Lanka adds value to the already extensive cash experience of the SDC that should be shared with others in humanitarian work; A review of the combined experiences of the SDC, WB, KfW, ADB and others with the CfRR approach, from various post disaster situations, can benefit similar future operations.*

Agreed - the SC members have accumulated strong institutional capacities needed for the implementation of a CfRR approach, particularly at the operational level. An active learning network is put in place. On the website www.sdc-cashprojects.ch on cash transfer programming extensive documentation is available including the SC approach chosen in Sri Lanka. SDC is in contact with the WB and is ready to engage in one or the other way in an upcoming island-wide evaluation of the HODHP approach in Sri Lanka.

Recommendation R10 *It is advisable that the SC undertakes an internal management review of this cooperation with a view to learning from the ‘consortium model’ for future partnerships for improving its structures and effectiveness particularly and in the field.*

Not agreed - The SC refers here to the management response of the ongoing evaluation in 2006. The SC is aware of the fact that the chosen management set-up comprising 3 hierarchical decision-taking levels has potential for improvement in decision-making. Nevertheless, the structure led to the efficient use of resources and know-how and did at no time lame or hamper the field operations.

The SC has already undertaken active learning and training processes for its staff members engaged in cash transfer programming at several occasions. In future, the organizations’ set-up would have to be defined based on a particular situation, however, certainly taking into account the above said.

III. List of abbreviations

Acronyms

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