

Sri Lanka: Post-Tsunami Housing Reconstruction and Rehabilitation Programme

Ex post evaluation

OECD sector	73010/Reconstruction relief and rehabilitation	
BMZ project ID	2005 65 614	
Project executing agency	National Housing Development Authority (NHDA)	
Consultant	Grontmij/BGS	
Year of ex-post evaluation report	2009 (sample 2009)	
	Project appraisal (planned)	Ex-post evaluation (actual)
Start of implementation	3 rd quarter 2005	4 th quarter 2005
Period of implementation	36 months	27 months
Investment costs	EUR 10 million	EUR 26.7 million
Counterpart contribution	-	EUR 5.4 million
Financing, of which Financial Cooperation (FC) funds	EUR 10 million	EUR 10.63 million
Other institutions/donors involved	World Bank, Asian Development Bank, Swiss Agency for Development and Cooperation	
Performance rating	2	
• Relevance	2	
• Effectiveness	2	
• Efficiency	3	
• Overarching developmental impacts	2	
• Sustainability	2	

Brief description, overall objective and programme objectives with indicators

The Post-Tsunami Housing Reconstruction and Rehabilitation Programme formed part of the Homeowner Driven Housing Reconstruction Programme (HODP) launched by the Sri Lankan Government to promote the reconstruction of housing destroyed by the tsunami. The government programme was refinanced by the World Bank (leading agency), the Asian Development Bank (ADB), the Swiss Agency for Development and Cooperation (SDC) and by German Financial Cooperation (FC).

The FC programme area comprised two divisions in the two most devastated districts Ampara (Kalmunai Muslim Division) and Batticaloa (Mammunai North Division) at the East coast of the island. Building activities, such as planning, procurement of requisite building materials and additional services by building firms, were to be organised and directed by the home-owners themselves. To finance the reconstruction measures, they were to receive blanket compensation amounting to about EUR 2,100 for fully destroyed houses and about EUR 800 for partially destroyed houses, which was to be paid out to them in instalments in keeping with works progress. The programme objective was the short-term provision of housing for the population affected by the tsunami in the programme area and the permanent use of the houses as living space.

This was intended to make a contribution to speedy reconstruction, the stabilisation of the region and improving the conditions of life of the population (overall objective).

Programme design/major deviations from original planning and main causes

Responsible for the local implementation of the FC programme were the two Sri Lankan agencies, the Reconstruction and Development Agency - RADA (until March 2006, the Tsunami Housing and Resettlement Unit – THRU) and the National Housing Development Authority - NHDA. NHDA was entrusted with the technical side of programme implementation, THRU/RADA with the management side. NHDA and THRU/RADA were assisted by an international consultant from the engineering firm BGS/Grontmij with a team of engineers in a consultative function, who were financed by KfW and tasked with supporting the implementing agencies in technical and management questions.

The HODHP reconstruction programme of the Sri Lankan Government was demarcated from the so-called donor-driven housing construction programmes, which primarily concentrated on the construction of new settlements and the resettlement of affected sections of the population, particularly in the buffer zone. The centrepiece of HODHP was the strategy of assigning responsibility for supervising reconstruction work, purchasing building materials and hiring craftsmen to the home-owners (and/or families). This afforded the advantage of enabling them to rebuild the houses in line with their own preferences but also entailed the need for technical advice and quality assurance, which was jointly provided by the Sri Lankan implementing agencies and the donors.

The following measures were planned in the programme appraisal report:

- (a) Financial support to home owners directing their own in-situ measures to reconstruct their damaged or destroyed houses outside the buffer zone
- (b) On-site advisory services by independent consultants
- (c) Material support for the programme implementing agencies where necessary

The result of the measures as anticipated in the appraisal report was the repair or construction of up to 3,200 houses with FC funds. Accounting for revised statistics on needs, a target of 6,700 houses was, however, set at ex-post evaluation. With the reconstruction of 5,353 and the repair of 3,426 houses (altogether 8,779 houses, about 6,800 of which financed by the FC share) by the end of 2007, the original target of 3,200 houses as well as the envisaged target of 6,700 houses were ultimately exceeded.

Key results of impact analysis and performance rating

The programme appraisal report estimated the minimum share of the poor at 50% of the target group, as the incidence of poverty was considerably higher in the coastal regions Amparas and Batticaloas than in the rest of the country. The promoted owner-driven in-situ reconstruction programme under HODHP, however, did not initially include the poorest sections of the population affected by the tsunami at all (landless people, squatters). This was identified as a weakpoint of the programme in the evaluation of HODHP by all donors involved in the programme and by RADA itself.

Altogether in retrospect, the programme had positive and negative impacts on gender equality. Beneficial effects include the empowerment of women in the supervision and management of the reconstruction measures, further training in construction, financial management and teamwork and opening a joint bank account with the husbands for

administering the subsidies. On the deficit side, the new property titles were frequently issued and the bank accounts opened in the man's name only.

The appraisal report did not expect the programme to have any environmental impacts. This assessment is not supported by the evaluation of the World Bank, which ascertained heavier pressure on the environment and unsustainable exploitation of natural resources as building materials due to the 'building boom' in the districts affected by the tsunami.

Even though the promotion of participatory development was not cited in the set of programme objectives, target-group participation was a major component of the implementation procedure. The owner-driven approach explicitly sought to integrate the home-owners into the reconstruction measures as agents of change, to empower them and provide them with technical qualifications as building supervisors.

In the following, we assess the developmental efficacy of the programme, applying the criteria relevance, effectiveness, efficiency, overarching developmental impacts and sustainability:

Relevance: The FC programme responded to a core problem of the destruction caused by the tsunami and was therefore highly relevant. The figures on destroyed housing and homeless families speak for themselves. The results chain logic of making a contribution to speedy reconstruction and the improvement in the conditions of life by providing housing for the population affected by the tsunami was plausible. A contribution to regional stabilisation by reducing political-ethnic conflicts was not expected. The FC programme was assimilated into the reconstruction programme of the Sri Lankan Government and coordinated with other donors (World Bank, SDC, ADB). The joint commitment of the donors in a programme launched by the government is in line with the Paris Declaration on Aid Effectiveness and the obligation of donor harmonisation, coordination and partner involvement. This does not apply to the same extent for the coordination with various NGOs, which was needed in the course of programme implementation to provide additional finance for the reconstruction measures. In the German context, the programme formed part of the development cooperation priority of post-tsunami emergency assistance. Altogether, we assess the relevance of the programme as good (Rating 2).

Effectiveness: Based on the higher needs estimate and the accordingly amended target of at least 6,700 rehabilitated houses, the approx. 6,800 repaired and rebuilt houses, which are still used as living space, attests to the high effectiveness of the FC measure. This is subject to some reservations, however. The FC funds per house, which were capped in line with fixed government subsidies, were not sufficient to meet increasing building costs for reconstruction as such and required additional finance from third parties. The target achievement of 6,780 houses cannot therefore be attributed to FC alone but also to cofinance from the NGOs. Furthermore, there are a number of positive as well as negative, direct and indirect impacts connected with housing reconstruction. The measure had a beneficial effect on the local building trade and qualified it. The owner-driven approach also contributed to capacity development among women and men in financial management, building, teamwork and leadership qualities. On the negative side, building costs doubled and additional finance had to be provided by the NGOs, which undermined the principle of equality under HODHP and resulted in social disparities at the expense of poor families, widows or single-women households. Altogether, we assess the effectiveness of the programme as still good (Rating 2).

Efficiency: Despite the doubling of building costs per house, the efficiency of the programme was satisfactory. The building measures were completed in a shorter time than planned. The number of houses repaired and rebuilt met almost all needs and the amended target of about 6,700 houses. Only 1% of the damaged houses and 11% of the fully destroyed houses had not yet been completed up to the end of the measure. In view of the higher costs, the input (financial subsidies) by KfW had to be raised by 6.3%. Additional cofinance was required to cover building costs. In comparison with other donors, however, these kept to the local average. In addition, the owner-driven approach proved to be the most economical option by far compared with donor-driven approaches. As the rebuilt houses are still being used by the owners as living space, allocative efficiency can rate as good. We therefore assess the efficiency of the programme as satisfactory (Rating 3).

Overarching developmental impacts: At overall objective level, the FC measure made a contribution to the main objectives. It contributed to speedy reconstruction and also to improving the conditions of life of the population affected by providing improved housing. Due to the renewed outbreak of political-ethnic hostilities, the programme could not make any contribution to regional stabilisation. Other impacts are ascertainable at overall objective level. Reports from other project areas indicate that involvement in reconstruction and teamwork helped the families concerned to cope with their traumatic experience. In addition, the World Bank reports the emergence of a 'bank culture' in the target groups. Whether and to what extent these impacts also occurred in the programme area is not evident from the documents. Altogether, we assess the overarching developmental impacts as good (Rating 2).

Sustainability: The programme can be expected to be highly sustainable, even though no new data has been obtained since 2008 on the quality of the houses and their use as living space. We may, however, assume that the families and owners concerned will continue to live in them. The risk of renewed destruction due to the armed ethnic-social conflict is no longer acute for the moment following the military victory over the Liberation Tigers of Tamil Eelam. We therefore assess the sustainability of the programme as good (Rating 2).

In all, we assess the developmental efficacy of the programme as good (Rating 2).

General conclusions

The owner-driven approach proved effective for capacity development of the owners/families concerned as did the flanking measures of technical advice and education by consultants on site, which was co-planned from the outset.

Already identified at appraisal as a high risk, the cost explosion in the building sector actually occurred as expected. Nevertheless, no precautions were taken in advance in financial planning to deal with this risk. Future programmes should already cater for expected cost increases when costing.

Consideration should be given to better coordination with similar relief actions by NGOs on site as well as in Germany and planned from the outset in future to ensure a more concerted procedure on site. The formation of the Swiss syndicate can provide an example of good practice here.

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being relevance, effectiveness (outcome), “overarching developmental impact” and efficiency. The ratings are also used to arrive at a final assessment of a project’s overall developmental efficacy. The scale is as follows:

- 1 Very good rating that clearly exceeds expectations
- 2 Good rating fully in line with expectations and without any significant shortcomings
- 3 Satisfactory rating – project falls short of expectations but the positive results dominate
- 4 Unsatisfactory rating – significantly below expectations, with negative results dominating despite discernible positive results
- 5 Clearly inadequate rating – despite some positive partial results the negative results clearly dominate
- 6 The project has no positive results or the situation has actually deteriorated

A rating of 1 to 3 is a positive assessment and indicates a successful project while a rating of 4 to 6 is a negative assessment and indicates a project which has no sufficiently positive results.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability)

The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected.)

Sustainability level 3 (satisfactory sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability)

The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and an improvement is very unlikely. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. A rating of 1 to 3 indicates a “successful” project while a rating of 4 to 6 indicates an “unsuccessful” project. In using (with a project-specific weighting) the five key factors to form an overall rating, it should be noted that a project can generally only be considered developmentally “successful” if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“overarching developmental impact”) and the sustainability are considered at least “satisfactory” (rating 3).