

DEMOCRATIC SOCIALIST REPUBLIC  
OF SRI LANKA

MINISTRY OF HIGHWAYS

**RESETTLEMENT IMPLEMENTATION  
PLAN (RIP)**

FOR THE

SOUTHERN TRANSPORT  
DEVELOPMENT PROJECT (STDP)

KOTTAWA TO MATARA (128 KM)

OCTOBER 2002

**VOLUME -2  
APPENDICES**

ROAD DEVELOPMENT AUTHORITY

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# **APPENDIX - A**

# SRI LANKA

## NATIONAL INVOLUNTARY RESETTLEMENT POLICY

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2. *ප්‍රවේශනා මාරු කිරීමේ පනත 2000*
3. *සංස්කෘතික උරුමයන් සහ ස්මාරක සංරක්ෂණ පනත 2000*
4. *ස්වයංපෝෂිත නිවැසිණ මාරු කිරීමේ පනත 2001*
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FEBRUARY 2001

# SRI LANKA NATIONAL INVOLUNTARY RESETTLEMENT POLICY (NIRP)

## 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 have 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 settlement 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:

- To 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.
- To ensure that people adversely affected by development projects are fully and promptly compensated and successfully resettled. The livelihoods of the displaced persons should be reestablished and the standard of living improved.
- To ensure that no impoverishment of people shall result as a consequence of compulsory land acquisition for development purposes by the State.
- To assist adversely affected people in dealing with the psychological, cultural, social and other stresses caused by compulsory land acquisition.
- To make all affected people aware of processes available for the redress of grievances that are easily accessible and immediately responsive.
- To 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 Project Executing Agencies (PEAs) will be responsible for planning and implementing resettlement.
- 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 assessment of impacts and mitigating measures of projects involving involuntary resettlement.
- The CEA's capacity can be strengthened so that it could provide the necessary guidance to public and private sector agencies undertaking projects that have involuntary resettlement impacts.
- The Ministry of Land Development (MLD) will be responsible for the implementation of the NIRP.
- 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 the 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)
Review of RAPs	Project Approving Agency (PAA) and CEA
Approval of RAPs	PAA and CEA
Implementation	(PEA) and Divisional Administration
Monitoring	PEA, with review by CEA and MLD
Evaluation	Independent organization on behalf of MLD, PEA and CEA

## 7. Resettlement Terms:

- **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.
- **Expropriation** – government taking possession of property or changing property rights in order to execute or facilitate development projects.
- **Entitlements** – a variety of measures including compensation, income restoration and interim support, transfer assistance, relocation and other benefits which are due to affected people, depending on the nature of their losses, to improve their economic and social base.
- **Gender Equity** – recognition of both genders in the provision of entitlements, treatment and other measures under the Resettlement Action Plan.
- **Host Population** – households and communities residing in or near the area to which affected people are to be relocated.
- **Income Restoration** – reestablishing income sources and livelihoods of people affected.
- **Involuntary Resettlement** – unavoidable displacement of people arising from development projects that creates the need for rebuilding their livelihoods, incomes and asset bases in another location.
- **Rehabilitation** – reestablishing and improving incomes, livelihoods, living, and social systems.
- **Relocation** – moving affected persons and their moveable assets and rebuilding housing, structures, improvements to land, and public infrastructure in another location.
- **Replacement Cost** – the level of valuation for expropriated property sufficient to allow to actually replace lost assets, or to acquire substitutes of equal value or comparable productivity or use; transaction costs are to be included.
- **Resettlement Action Plan** – a time-bound action plan with budget setting out resettlement strategy, objectives, options, entitlements, actions, approvals, responsibilities, monitoring and evaluation.

- **Resettlement Budget** – a detailed breakdown of all the costs of a resettlement action plan phased over the implementation period
- **Resettlement Effect** – 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.
- **Settlement** – voluntary movement of people to a new site where they reestablish their livelihoods as in the case of the Mahaweli Scheme
- **Social Preparation** – process of consultation with affected people undertaken before key resettlement decisions are made, and measures to build their capacity to deal with resettlement, taking into account existing social and cultural institutions.
- **Vulnerable Groups** – 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