

## 2. Rebuilding permanent houses for those located outside the buffer zone

The government has agreed to provide grants and loans for households outside the zone to rebuild funded by the World Bank and Swiss Development Corporation.

According to TAFREN guidance of 15 March 2005 the following will apply to households outside the buffer zone:

- All affected households outside the buffer zone that are able to demonstrate ownership of land will be entitled to a grant by the State. Households that do not have ownership to the land are not entitled to this assistance.<sup>1</sup>

Extent of damage	Fully damaged	Partially damaged
Definition	Repair cost is more than 40% of replacement cost of house	Repair cost is less than 40% of replacement cost of house
Assistance policy	Grant of Rs 250,000 disbursed in 4 stages	Grant of Rs 100,000 disbursed in 2 stages <sup>2</sup>

- In addition, households that have successfully utilized the grant, will be eligible to apply for a concessionary loan of Rs 500,000. The loans will be disbursed through the Bank of Ceylon and People's Bank. The borrower will have to demonstrate repayment capacity and offer security acceptable to the lending institution. The details of this loan scheme will be published by the participating banks.

This section reviews implementation issues and problems under the following headings:

- Household characteristics outside the buffer zone (of those in unusable house)
- Extent of rebuilding
- Location of rebuilding - preferences
- Type of houses - preferences
- Type of housing assistance - preferences
- Eligibility for rebuilding assistance
- Funds for rebuilding and welfare effects
- Ability for household to rebuild own house
- Ability to rebuild own house in the future through training
- Ability to give a receive help constructing houses for others
- Availability of skilled and unskilled labour in locality and cost of labour
- Assistance for rebuilding from community based organisations
- Availability of building materials especially sand and timber

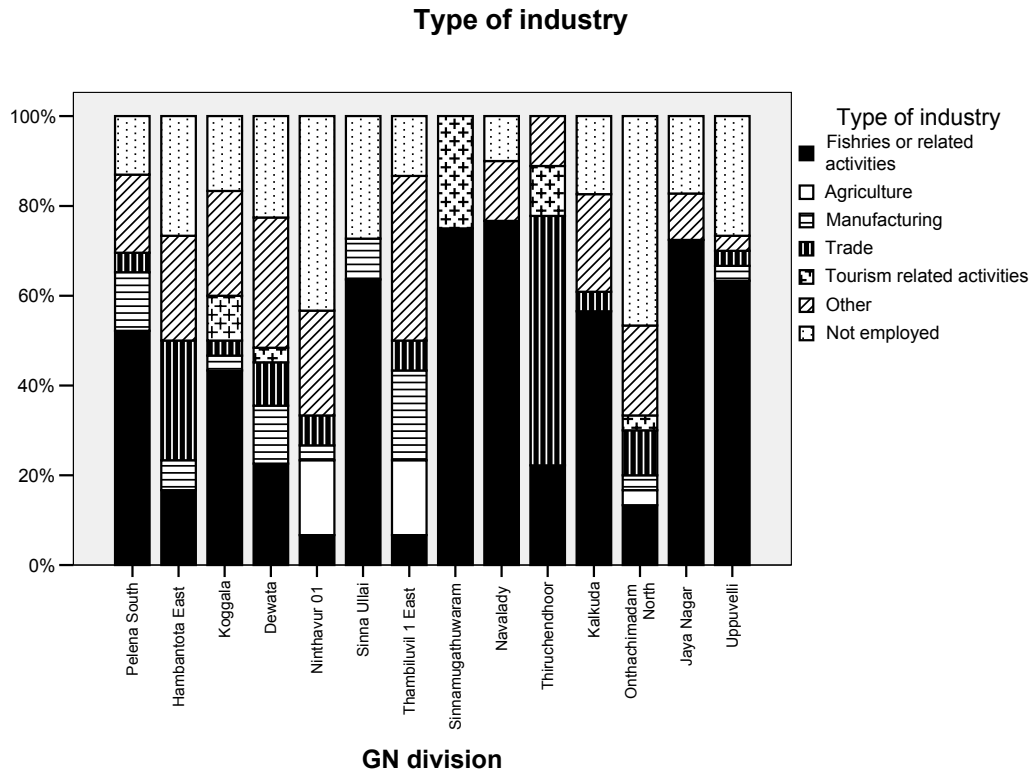
### 2.1 Household characteristics outside the buffer zone (of those in unusable houses)

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<sup>1</sup> However according to TAFREN those legally living on state land will be entitled to financial assistance.

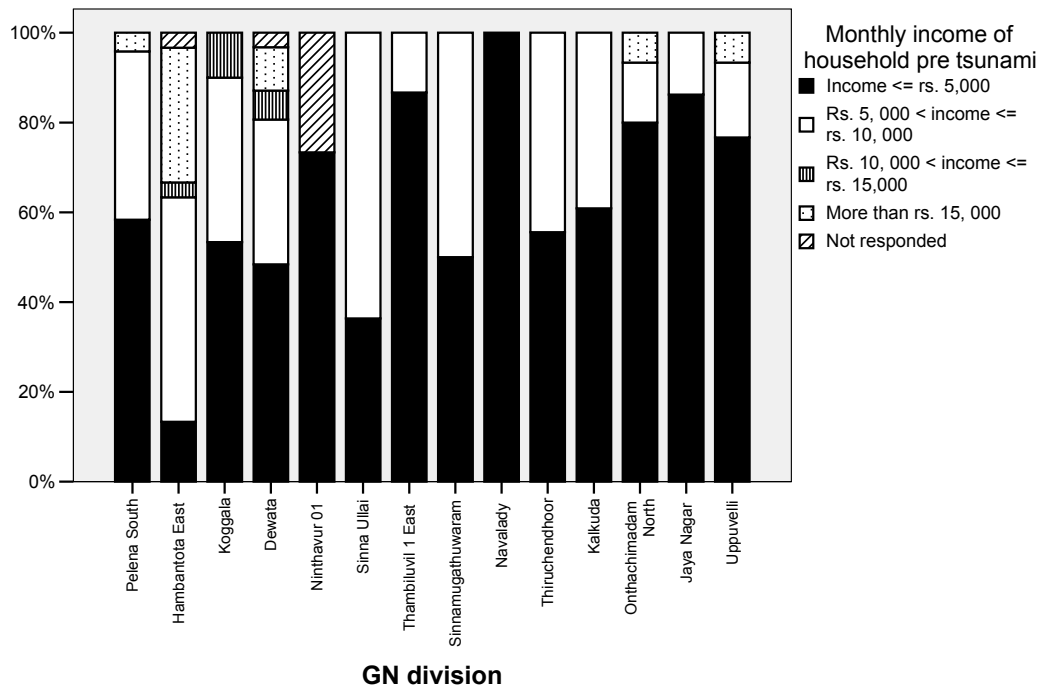
<sup>2</sup> Discussions were underway in early July to consider a smaller one off payment for minor damage.

Livelihood categories: Of the 341 households surveyed outside the buffer zone, the main livelihood categories for the head of household pre-tsunami were 39% in fishing related activities, 23% not working, 8% in trade and 6% in manufacturing. (19% were “other”).



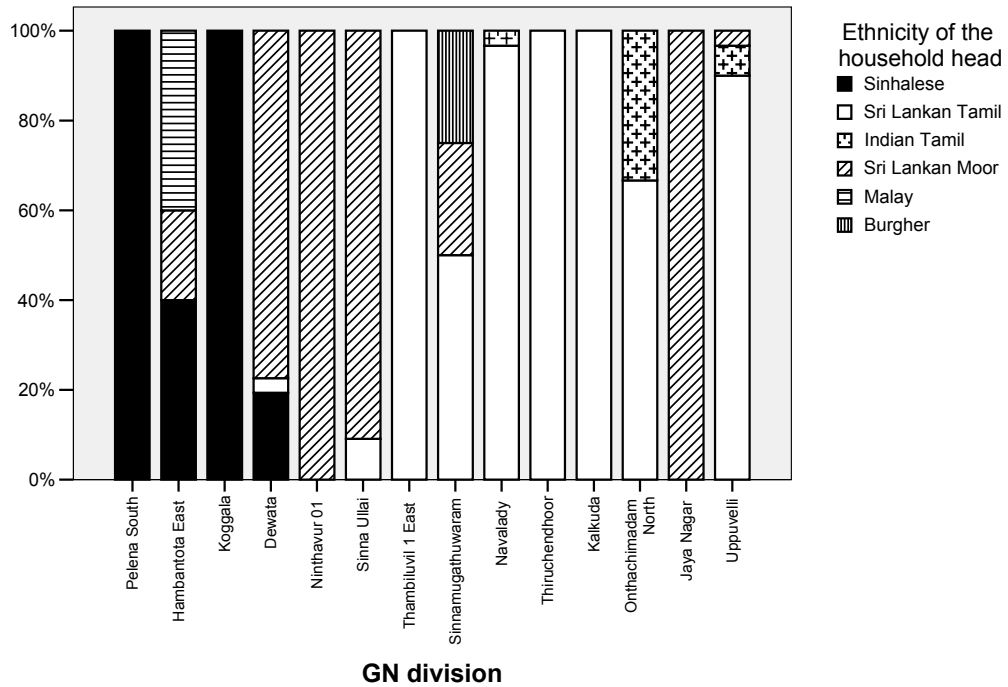
Incomes: Prior to the tsunami the 65% of households were earning Rs 5000 or less, 25% were earning Rs 5000-Rs10,000, 2% were earning Rs 10,000-15,000 and 5% were earning more than 15,000.

### Pre tsunami monthly income of household



Ethnicity: Of the 341 households surveyed outside the buffer zone, 21% were Sinhalese, 42% Sri Lankan Tamil, 4% Indian Tamil, 30% Sri Lankan Moor and 3.5% Malay.

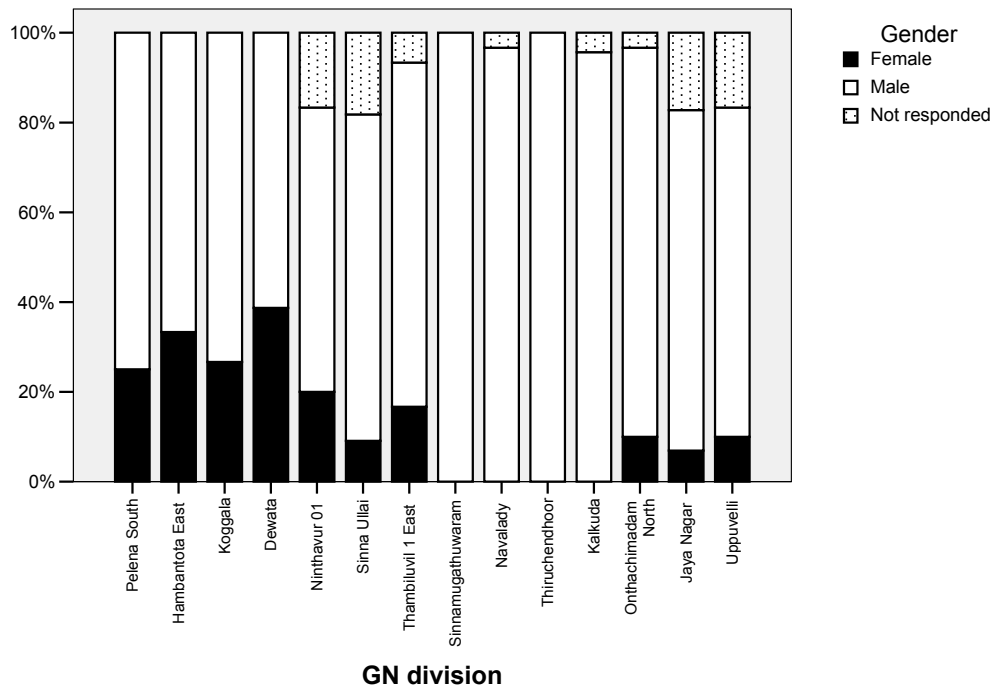
### Ethnicity of Household head



Religion: Of the 341 households surveyed outside the buffer zone, 21% were Buddhist, 39% Hindu, 33% Muslim and 6.5% Christian.

Female headed: 16% of households were female headed pre tsunami.

## Gender of the household head



### 2.2. Extent of rebuilding for those outside buffer zone

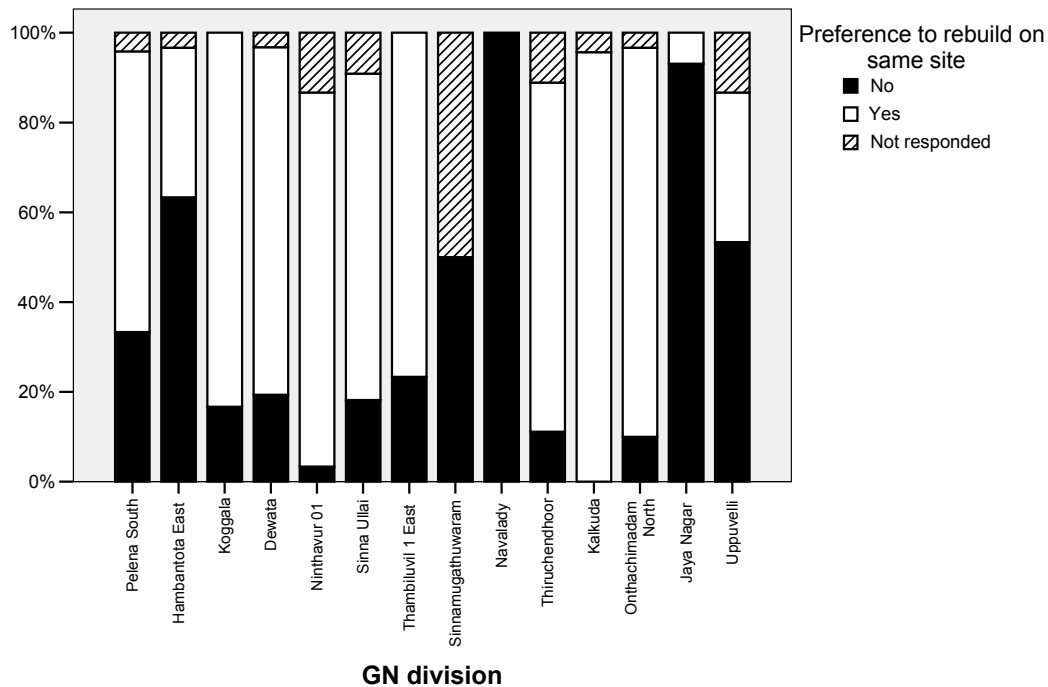
Generally very limited rebuilding of permanent housing has started although 13% of households have been offered the option of pre-built houses by non-governmental organizations and others.

- In Southern Province some surveyed GNDs have started rebuilding with support from NGOs, private individuals and religious groups
- In Ampara District, none of GNDs had yet experienced rebuilding of houses for those outside the buffer zone

### 2.3. Location of rebuilding - preferences

The table shows that a significant proportion of households outside the buffer zone do not want to rebuild on the same site. The average across the 14 GNDs come out as 37% who do not want to rebuild on the same site. In most GNDs this is less than 20%, but in five GNDs, the figure is more than 50%.

### Preference to rebuild on the same site



#### Willingness to rebuild on the same site (table 1, section 6)

A multivariate analysis of willingness to rebuild on the same site revealed the following results. The highlighted points are based on results that were statistically significant at more than 10 percent level (details on the model specification and variable construction are given in section 6):

- Individual characteristics of the head of the household influenced willingness to rebuild: more educated heads of households were less willing to rebuild on the same site
- Exposure to tsunami devastation seems to affect the willingness to rebuild on the same site of individuals. Households where the flood water level reached more than six feet and households that experienced a death due to tsunami were less willing to rebuild on the same site
- Existence of community capacity to rebuild improved the willingness to rebuild on the same site
- Tenure status: Although not allowed by the government, individuals who lived in houses owned by third parties were more willing to rebuild

#### Impact on land prices

This desire to move has led to a major rise in land prices by as much as 5 to 10 times with land slightly away from the sea appreciating most. Indeed many who would like to move are constrained by rising land prices outside the buffer zone.

- In Dewata, Galle District some prices have risen outside the buffer zone and most people have no money to buy land. But some wealthy people in the area have purchased land elsewhere.

*Land prices rising in Dewata Galle as affected people try to move away from sea*

“I live about 300 metres away and the land value has gone up. This is because affected people are looking for land away from the sea”  
participant, Dewata, Galle

- In Thiruchendoor GND, Manmunai North (Batticaloa District) some people would like to move from buffer zone, but cannot afford it (see box)

*Owners of damaged homes outside buffer want to buy land to move from sea, but too expensive in Batticaloa*

“We live beyond 200 metres, we also would like to go to another place. We are remaining here because we do not have the means to buy land in another village. If govt. or any other organisation comes forward to help us get a land then we will also go away from this place. Now the land prices are very high. For example a 20 perches land will cost now around Rs. 500,000.”

Female participant, focus group at Thiruchendoor, Manmunai north, Batticaloa District

#### **2.4. Type of houses - preferences**

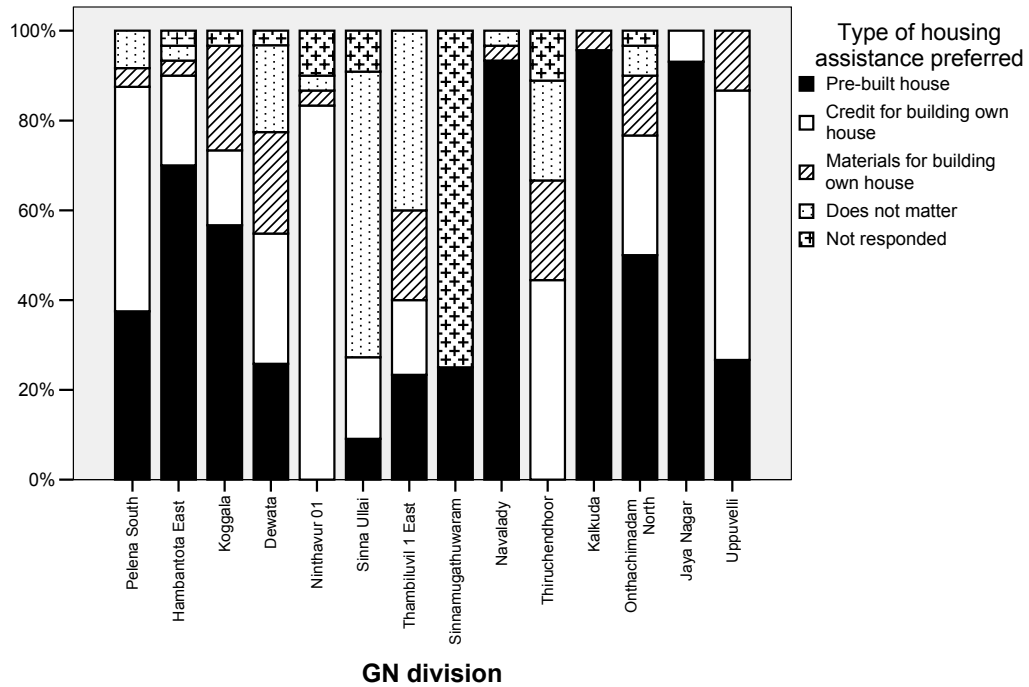
There is a clear concern to have strong houses made of concrete and in some cases of more than one story:

- Request for concrete houses in Kalkudah GND, Batticaloa as more than 500 died in tsunami. As a minimum, it is requested that the school is built of concrete and that one in every 10 houses is a strong multi-storied house where people can shelter
- In Dewata, Galle desire for strong houses with concrete slabs and more than one story

#### **2.5 Type of housing assistance - preferences**

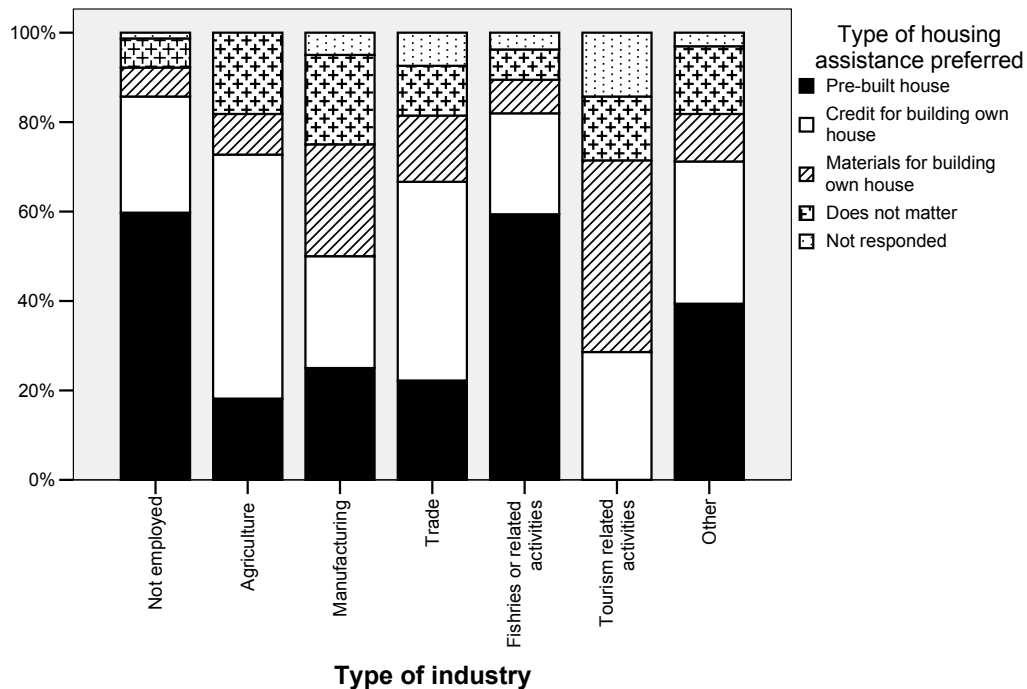
There was a wide variety of views on type of housing assistance. In general 48% of households preferred pre-built houses, another 28% preferred credit, 10% preferred materials and for 10% it did not matter. However these averages concealed wide variation – from Navalady and Kalkudah where almost all the households prefer to have pre-built houses, to Ninthavur where almost all the households prefer credit.

### Type of housing assistance preferred



The reasons for this may be concerns about labour which are reviewed further later on. In a few cases it may be because 13% of households even outside the buffer zone had been offered pre-built houses being put up by NGOs and others. These may seem better value than the government offered grants of Rs 250,000 and Rs 100,000.

### Type of housing assistance preferred - Type of industry



However in the focus groups some concerns with pre-built houses were voiced. These included concerns that houses built by others may be substandard (eg substandard concrete) with inappropriate design (eg insufficient rooms) There was a request in Kalkudah GND, Batticaloa to build own houses as they can do more for the same amount of money.

- Preference in Pottuvil for construction locally rather than by government as this is better standard and more cost effective (see box)

*Preference for using local labour in Pottuvil, Ampara District*

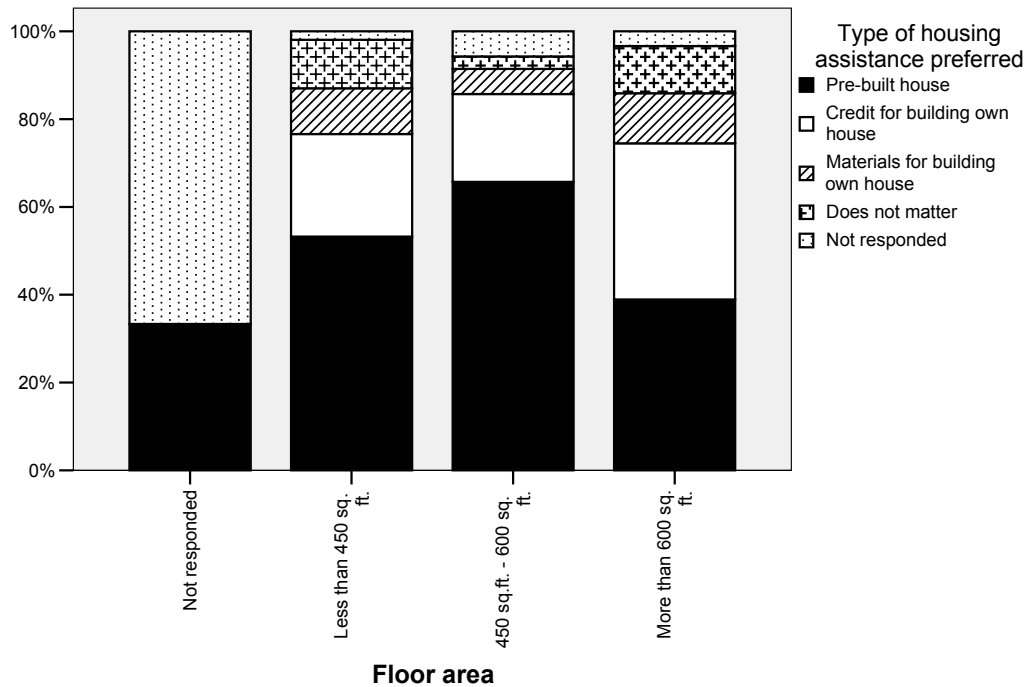
“Instead of giving the contracts to outsiders if the govt. gives the funds we could find the workmen and do it. Giving contract to someone is not suitable. For example recently our school was given a 60 ft. building it was built by a contractor. During the tsunami the old building were not much affected but this new building was completely washed away. . . .

We feel that we should build the houses because if the govt. does it, we are not sure of the quality. If we do it, we will take care to see that house last for 20 – 30 years. Sometimes we can build with three rooms in the extent of land where govt. would build only with two rooms. Therefore we wish we do it ourselves. We need money. The grant of Rs. 250000 is not at all sufficient for us to build our house. I don’t think anyone Sri Lanka will agree to it.”

Focus group, Sinnai Ullai, Pottuvil, Ampara District

However half the sample still prefer pre-built houses.

**Type of housing assistance preferred - Floor area of the house**



Preference to reconstruct own house (table 2, section 6)

A multivariate analysis of preference to reconstruct own house (as opposed to a pre-built house or to being indifferent) revealed the following results. The dependent variable includes both heads of households who preferred credit for building own house as well as heads of households who preferred materials for building own house. The highlighted points are based on results that were statistically significant at more than 10 percent level. (details on the model specification and variable construction are given in section 6). Two sets of regressions were estimated for relocation. One controls for the type of industry (e.g., agriculture, fisheries, etc.) of the livelihood of the head of household, and the other for the type of employment (e.g., casual labour, self-employed, etc.) of the head of the household.

- Individual characteristics of the head of the household influenced the willingness to reconstruct own house in several ways. Relative to Sinhalese heads of households, Tamil heads were more willing to reconstruct own house. Heads of households involved in trade were also more willing to reconstruct own houses. This is perhaps due to the fact that many individuals involved in trade use their houses as business premises. In which case, they would be more concerned of the design of the house. In the regression controlling for type of industry, education of the head of the household also influenced the willingness to reconstruct decision; heads of households who have no schooling were more willing to reconstruct own house.
- Size of damaged house seems to influence willingness to reconstruct own house. Relative to households with medium sized houses - with area between

450 to 600 sq. ft. -, both households with smaller houses – area less than 450 sq. ft. -- as well as bigger houses – area more than 600 sq. ft. preferred to reconstruct their own houses.

- Income was an influencing factor in the willingness to reconstruct own houses. Households with incomes more than Rs.10,000 a month were more willing to reconstruct own houses.
- Composition of the household seems to influence the reconstruction decision of the households. Households that had children between 5 to 16 years were less willing to reconstruct own house.

#### Preference for a pre-built house (table 3, section 6)

A multivariate analysis of preference for a pre-built house (as opposed to reconstructing own house or being indifferent) revealed the following results. The highlighted points are based on results that were statistically significant at more than 10 percent level. (details on the model specification and variable construction are given in section 6). Two sets of regressions were estimated for relocation. One controls for the type of industry (e.g., agriculture, fisheries, etc.) of the livelihood of the head of household, and the other for the type of employment (e.g., casual labour, self-employed, etc.) of the head of the household.

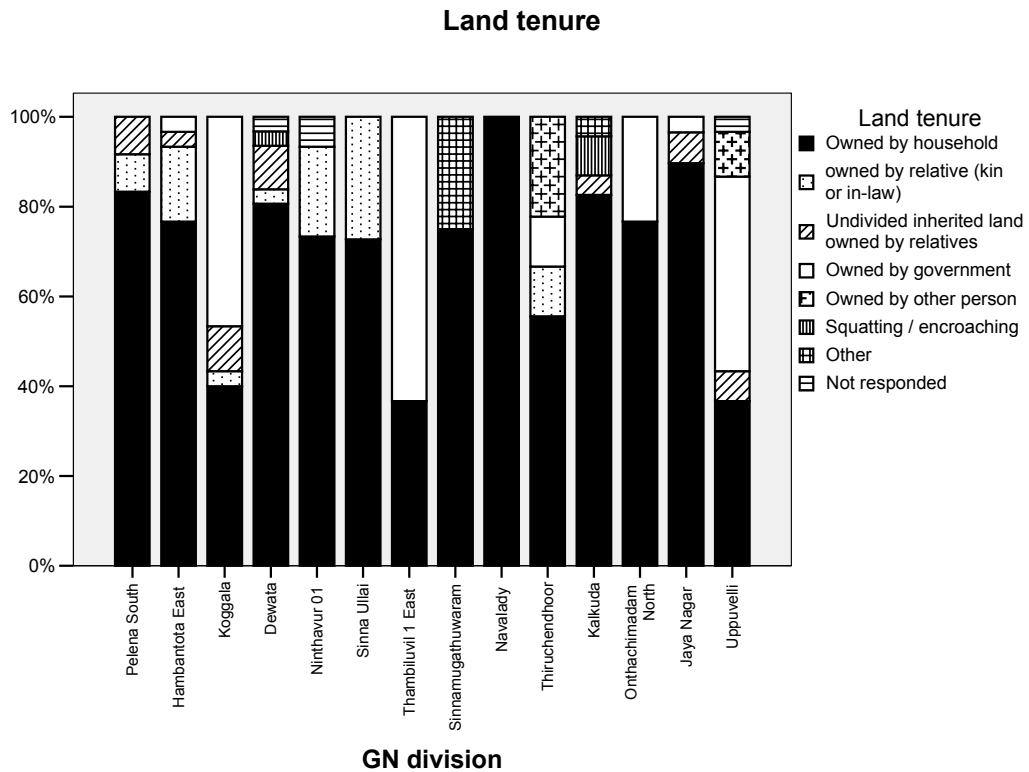
- Individual characteristics of the head of household influenced the preference for a pre-built house in several ways. The preference for a pre-built house was less among Tamil heads of households. In the regression controlling for type of employment, Moor heads of households also significantly showed less preference for a pre-built house. However, this result was not significant in the regression controlling for type-of industry. In the regression controlling for type of industry, heads of households who has had no education revealed a lesser preference for pre-built houses.
- Size of damaged house was influential in the preferences for pre-built houses. Households that had houses with area more than 600 sq.ft. showed less preference for a pre-built house.
- Dwelling tenure influenced the preference for a pre-built house. Relative to households that owned their house, households who did not, showed less preference for a pre-built house.
- Income influenced the preference for a pre-built house negatively. Richer households – with more than Rs.10,000 monthly income – showed less preference for a pre-built house.

## **2.6 Eligibility for rebuilding**

The main criteria for the grant and loan is to demonstrate ownership of land. As the table shows the majority of households in the GNDs do own the land – 70% on average across all 14 GNDs. However there are three GNDs where a considerable portion of the land is owned by the government – 16% of all households across the 14 GNDs.

There are also potential complications over the land in some areas which is undivided inherited land owned by relatives. This applies to 4% of households.

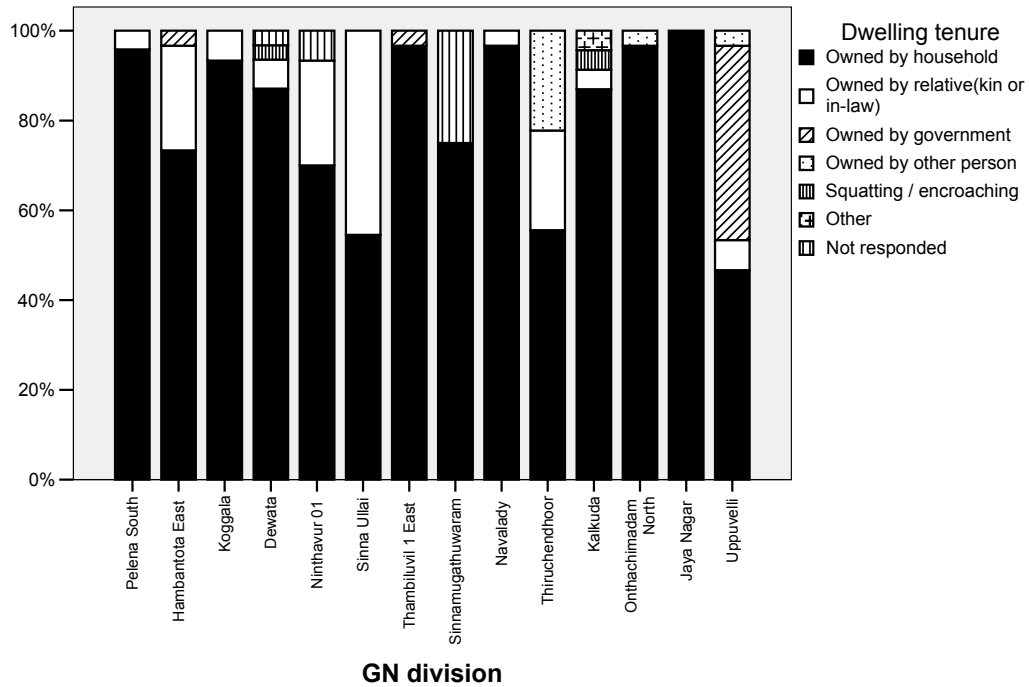
7% of households are tenants and 1% are squatters/encroaches so will not be eligible for grants.



Potential disputes may arise as more people claim to own their house than own the land on which it is situated. While an average of 70% of households own land, 84% own the house. This discrepancy mainly seems to apply to people who own the dwelling but occupy government owned land.<sup>3</sup>

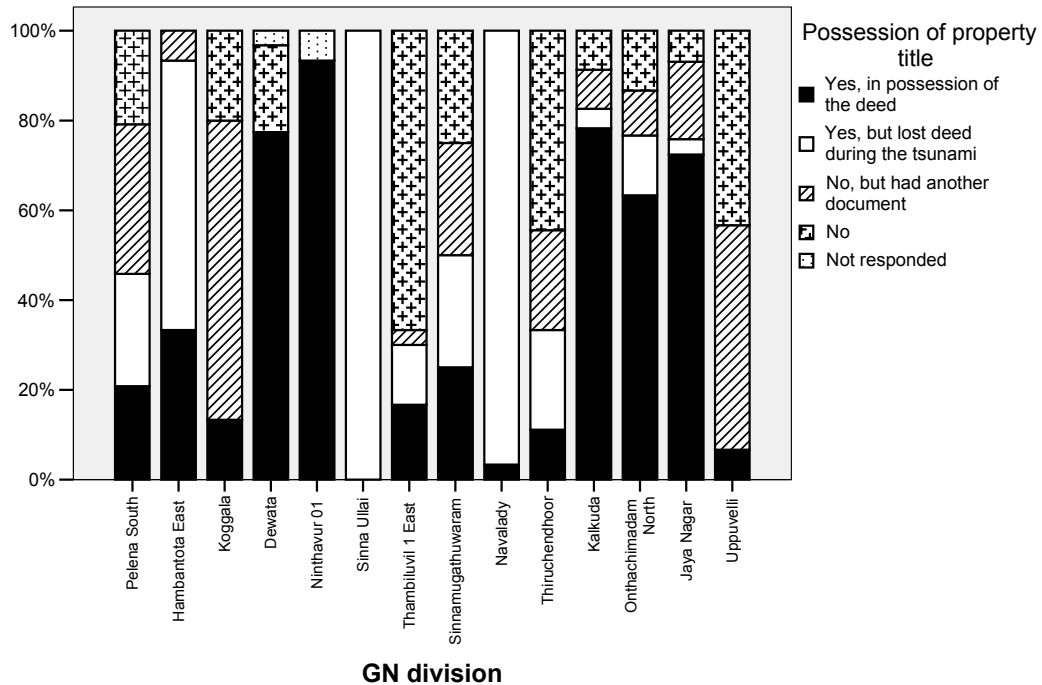
<sup>3</sup> People in some places claim ownership as they pay local taxes and utility bills, but they are living on government owned land.

## Dwelling tenure



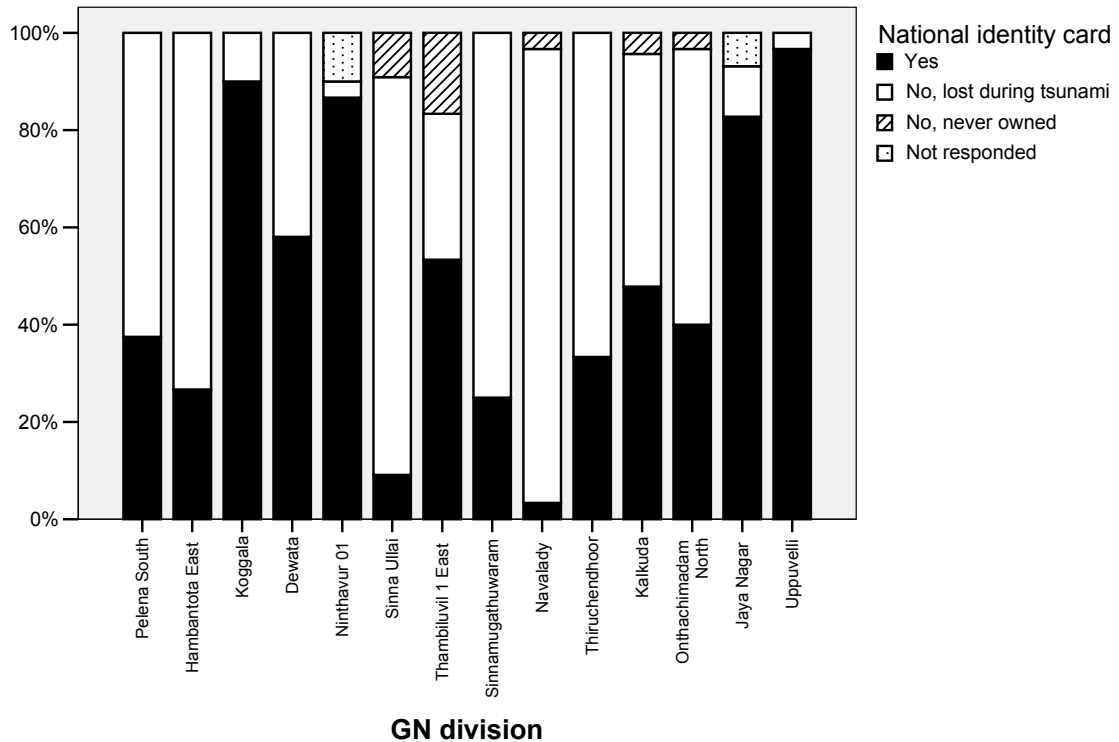
According to the eligibility criteria, there is also need for some proof of identity. 41% were in possession of their deed, while 17% had another document. However 23% had lost their deed during the tsunami. This suggests that this could cause major delays in accessing funds for rebuilding. Government should give priority to re-issuing deeds to those who have lost their deeds during the tsunami, so that they are not unduly delayed in rebuilding their houses.

### Possession of property titles or deeds



Sri Lankan citizenship will be based on one of the following: national identify card, passport, driving license or birth certificate. It is likely that even pre-tsunami many households possessed neither a driving license nor passport, so the ID card and birth certificate will be the key means of identification. However 41% of household heads surveyed lost their ID card during the tsunami. As with reissuing of deeds, issuing of ID cards to those who lost their ID cards during tsunami should be expedited to avoid unnecessary delays in allowing people to rebuild houses. In instances where individuals do not have any proof of identity other means of establishing their identity should be developed. For example, certification by GNs and community level leaders can be considered as proof of identity.

## National Identity Card



### 2.7. Funds for rebuilding and welfare effects

#### Aware of entitlements to funds (ie grant and loan for rebuilding)

Generally several people are aware of entitlement to funds for rebuilding. But there is a concern that even partially damaged houses may not be safe and may need to be rebuilt substantially

#### Problems accessing funds

In several GNDs, people have gone to banks to seek grants but have had problems with documentation, especially from lost deeds (according to their perceptions):

- In Koggala GN, Habaraduwa banks asking for deeds, but people do not have them
- In Onthachimadam GN, Batticaloa District problems of getting funds from Bank.

#### *Problem accessing bank grants in Batticaloa*

“When we ask the bank for money, they ask us to provide guarantors. When we take some guarantors, then they say that these people are not suitable bring better person. We have lost our ID during tsunami, when they ask for our ID what can we do? They ask for our land deed, it is not there. Deeds also have been lost”

Participants at a focus group discussion, Onthachimadam GN, Batticaloa District

- In Ampara also problems of requesting for deeds – in this case deeds for an alternative house in addition to the deeds of the destroyed house

*Problems with bank manager asking for deeds of another house for housing grants in Ampara District*

“The compensation Rs. 250000 given by the govt. for the loss of house is not enough for us and also government says that they will give a loan of Rs. 500000, but when we meet the bank manager he says that the deeds of the destroyed house cannot be accepted and insists that we produce deeds of some other property. This has put us in a difficult position. With Rs. 250000 we cannot even build our kitchen. For a house which is completely destroyed Rs. 250000 is not enough to rebuild. We have seven or eight children. Therefore we have rebuild our house completely. So when the bank manager insists to submit the deeds of some other property how can we do it. Who will help us? We cannot expect someone to give us their property deeds.”

Participant, focus group, Ninthavur, Ampara District

Views of size of grant and loans

There is a concern that grants are too small given rising cost of labour and materials (see below). Loans are often resisted due to fears about getting into debt.

*Concern about grant size and loans, Thirukovil*

“Mostly we cannot afford to pay interest for the loans the govt. give us. It should be a donation. Even to build two roomed house we need at least Rs. 500000.”

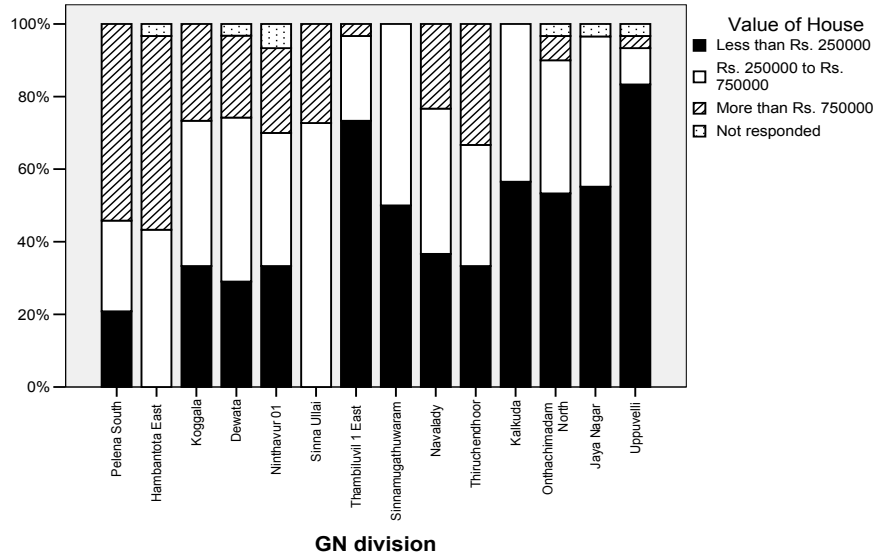
Focus group, Thambiluvil East 1, Thirrukovil

Welfare effects

While there have been complaints about the size of the grant, our survey suggests that just over 40% of the (unusable) households reported having houses worth less than Rs 250,000 before the tsunami. A larger percent of households in the Eastern province reported having houses worth less than Rs.250,000 compared to the Southern Province.

Assuming cost of replacement is equal to the value of the lost house, this indicates that, given the current policy of a grant of Rs.250,000, 40% of households will be able to improve upon their pre-tsunami housing situation (depending on the rise in labour and material costs). The actual percent improvement in housing stock is likely to be higher than the observed value given the likelihood of over-reporting housing values.

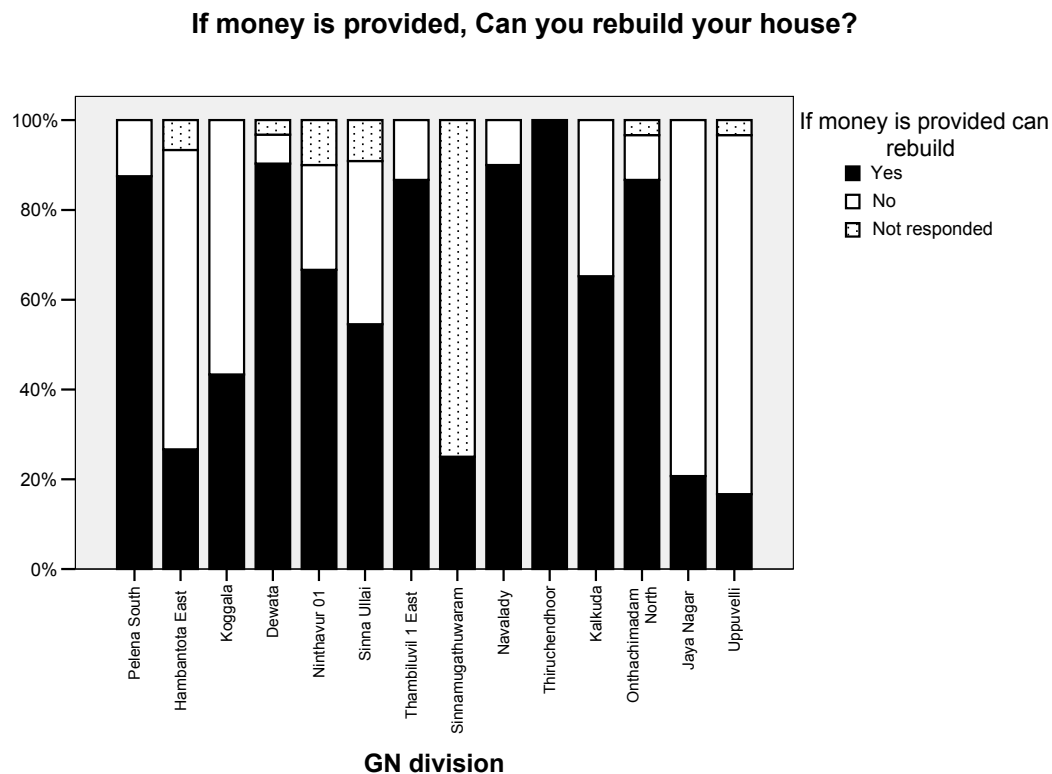
### Value of House - Before tsunami



Some households will be worse off with regard to their housing situation. This is so, even if one takes into consideration both the grant of Rs. 250,000 plus the loan of Rs. 500,000. GNDs in the Southern province are more likely to include households that experience a worsening of housing situation as GNDs in the Southern Province had a higher per cent of houses worth more than Rs.750,000. In the four GNDs surveyed in the Southern Province more than one-fifth of the houses were worth more than Rs. 750,000.

## 2.8 Ability for household to rebuild own household now

If money is provided 62% said they could rebuild their house, but 35% said they could not.



### Ability to rebuild own house (table 4, section 6)

A multivariate analysis that examined the factors influencing the ability to rebuild own house revealed the following results. The highlighted points are based on results that were statistically significant at more than 10 percent level. (details on the model specification and variable construction are given in section 6). Two sets of regressions were estimated. One controls for the type of industry (e.g., agriculture, fisheries, etc.) of the livelihood of the head of household, and the other for the type of employment (e.g., casual labour, self-employed, etc.) of the head of the household. Some variables that were not robust across the two regressions are not highlighted in the following analysis.

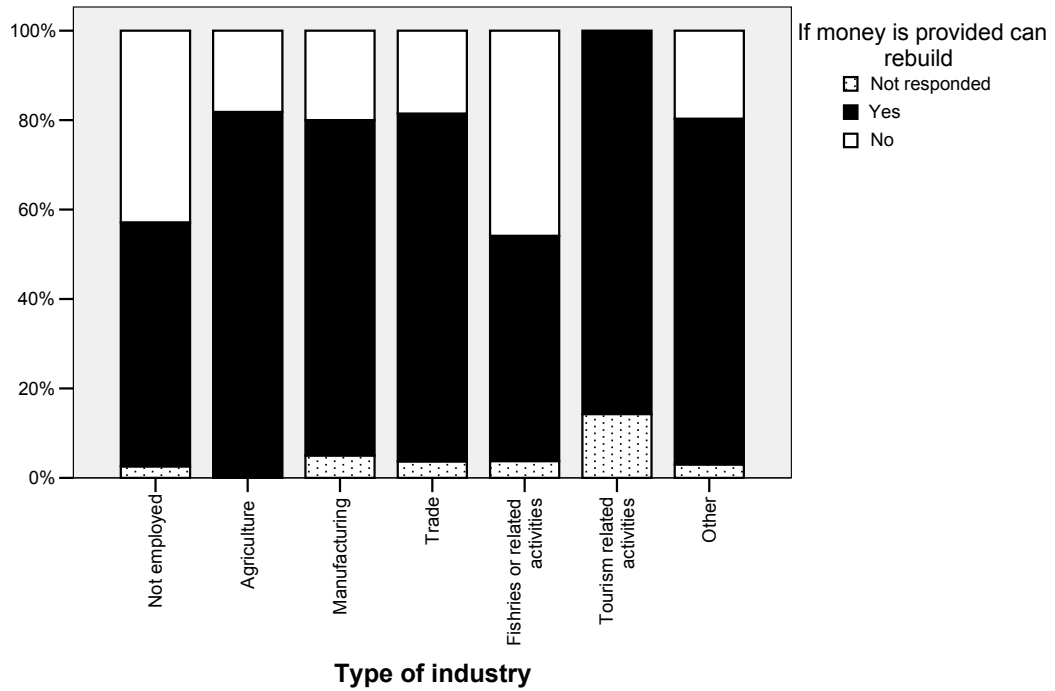
- Characteristics of the head of the household did not strongly influence the ability to rebuild own house. In the regression that controlled for type of industry, heads of households with only a primary school education and heads of households in casual labour indicated that they are less able to rebuild their own house. However, these variables were not significant in the regression controlling for type of industry. In the regression that controlled for type of industry, heads of households that were Moors revealed that they are more able to rebuild their own house.

- Size and quality of damaged house was influential in the ability to rebuild own house. Households that had damaged houses that were small – less than 450 sq.ft. – revealed that they are more able to re-build their own house. Perhaps this is due to the fact that smaller houses are less complicated to build. Households coming from poor quality houses revealed that they were less able to re-build their own house.
- Proof of ownership of property seems to affect the revealed ability to re-build own house. Individuals who said that they lost their deeds during tsunami revealed less ability to re-build their own houses.
- Household capacity to rebuild influenced revealed ability to re-build own house.

Ability to rebuild houses is constrained by several factors:

- lack of skills and equipment within the households
- concerns about assessing funds for rebuilding and whether funds are sufficient
- limited expectations about help for rebuilding from other households and community based organisations
- concerns about the cost and availability of labour and materials
- lack of managerial capacity (measured by level of education and type of occupation) also seem to constrain ability to rebuild, although available evidence for this is not strong.

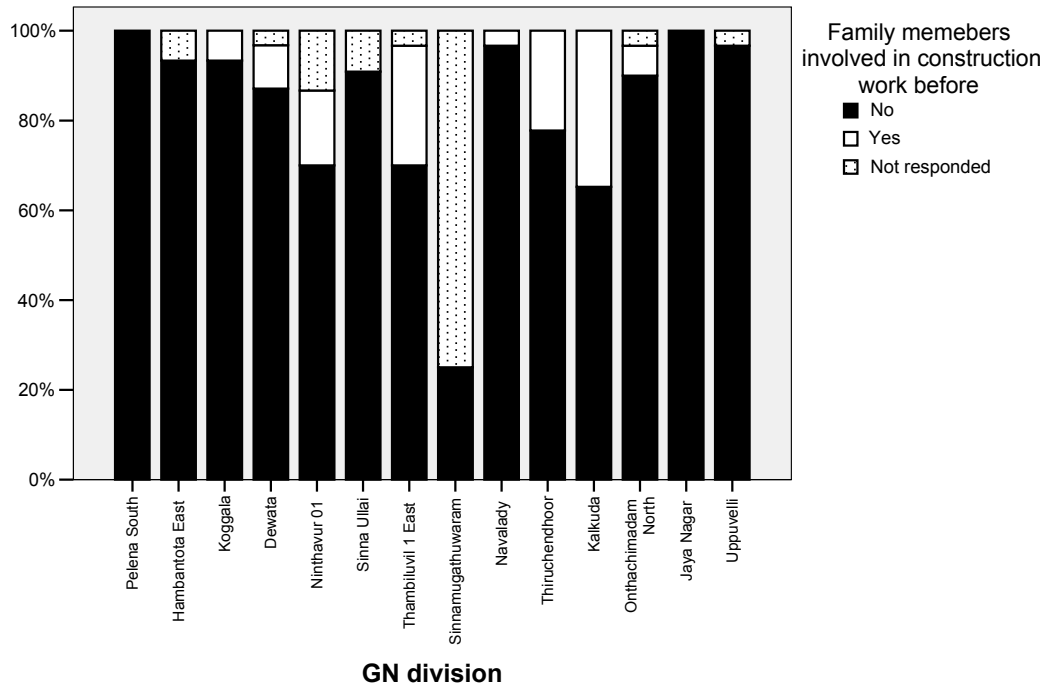
### Ability to rebuild own house - Type of industry



### Family member involved in construction

9% of households had family members involved in construction, while 87% said they did not.

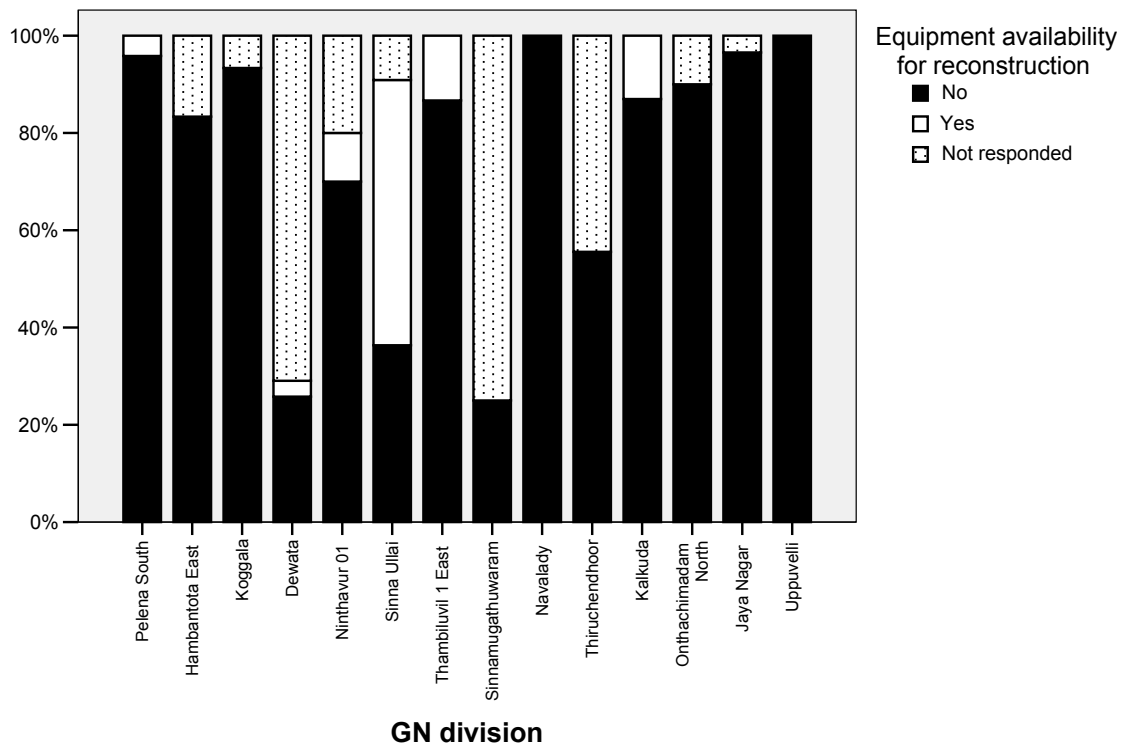
### Family involvement in construction



### Equipment for rebuilding

81% said they did not have equipment for reconstruction, while only 5% said they did (14% did not respond).

### Availability of equipments for reconstruction



#### Replacement equipment lost by construction workers

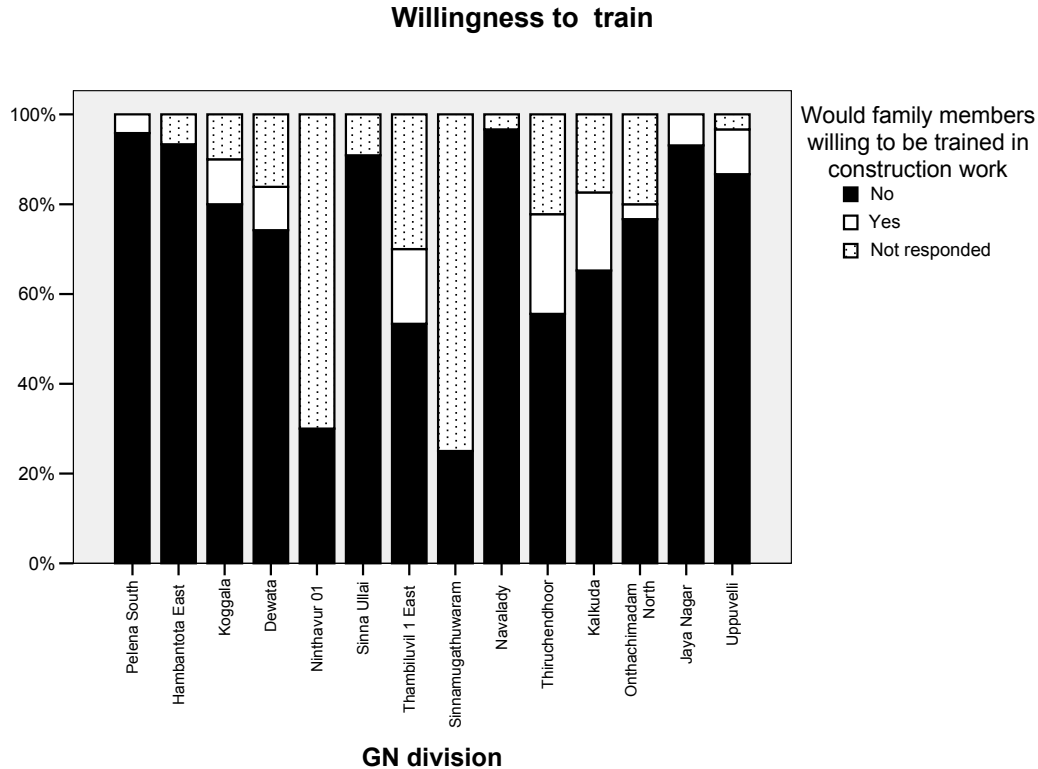
- In Pelena south, Weligama, Matara District existing labourers have lost their equipment and loans have not yet been given

#### *Lost carpentry equipment in Ampara District*

“I am a carpenter. . . . Because of tsunami most of us have lost our employment. All of us have lost all our instruments and equipment. We did not get any instruments from any one. But ZOA has given some instruments to some people. I too got some instruments from them. But many did not get.”

Focus group participant, Sinnamugamuwaram, Alayadiwembu

## 2.9 Ability to rebuild own house in the future through training



### Interest in training for rebuilding

Only 7% of households expressed any willingness to train for reconstruction. But in almost no GNDs has this begun. So far training has started for construction skills in only one of the 14 GNDs. GTZ has begun programme in Kalkuda, Batticaloa where about 30-35 people are now being trained as carpenters and masons

### *Desire for training in rebuilding in Thiruchendoor, Batticaloa District*

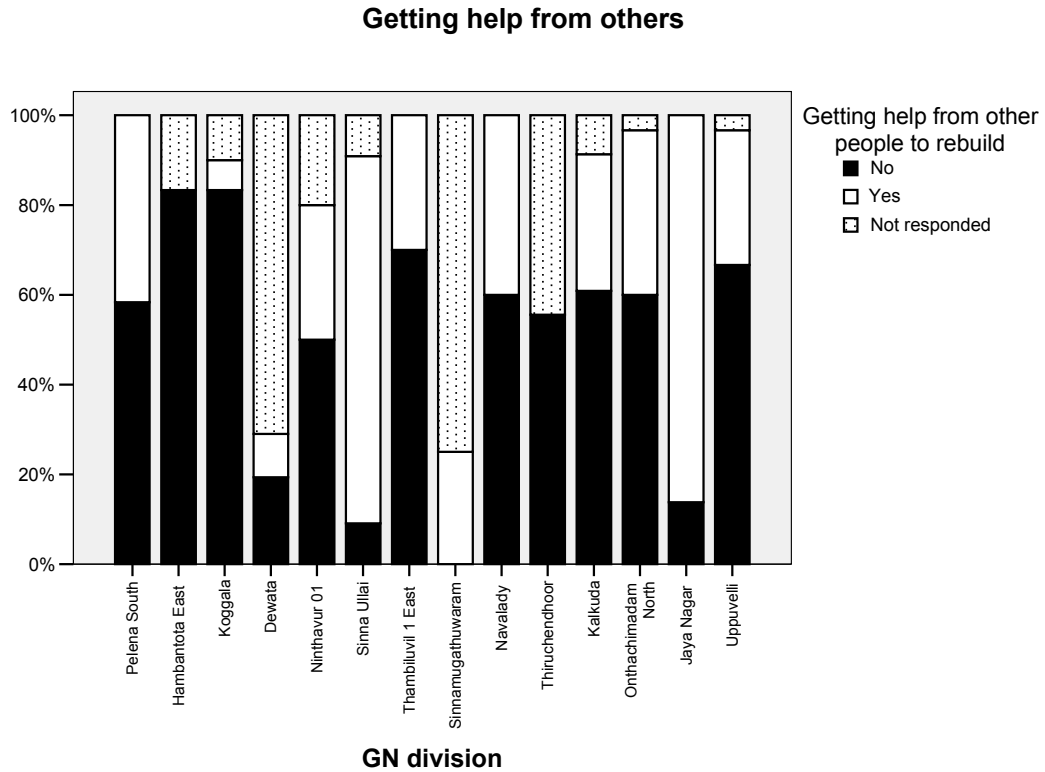
“We have never heard of training. But it should be accepted. There are some people who have partial knowledge of masonry, carpentry, electrical work and plumbing. If such training could be provided it would be welcomed.

Even some girls could undergo training”

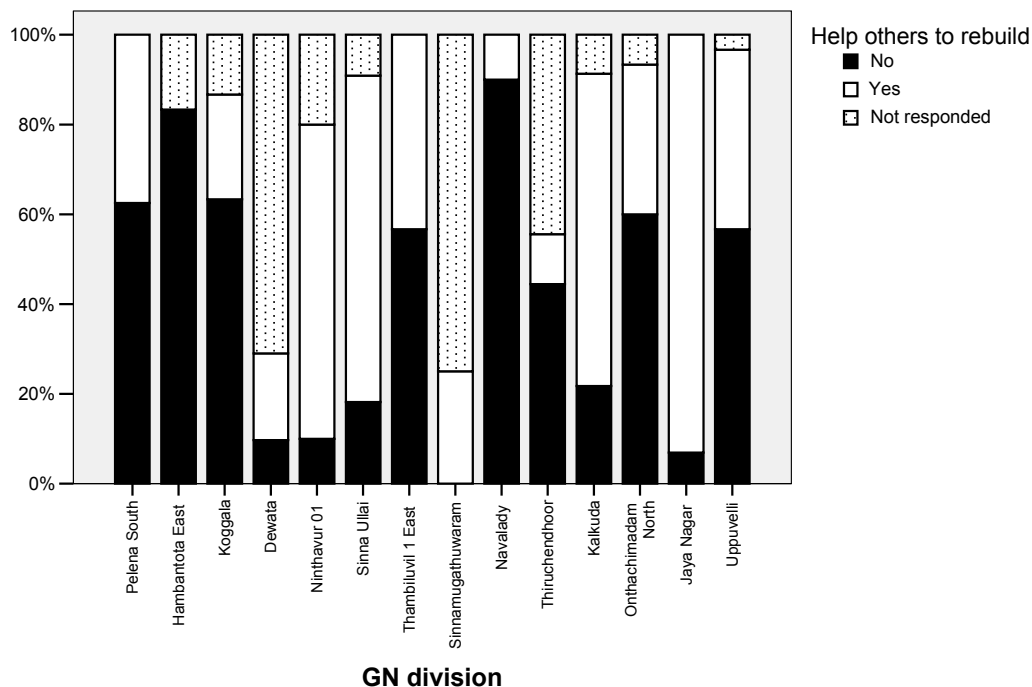
Focus group participants, Thiruchendoor, Batticaloa District

## 2.10 Ability to give and receive help constructing houses for others

31% of households said they could get help from other households to rebuild, while a slightly higher proportion of 39% said they could help others to rebuild. However that still leaves about half households unable to give or get help from others (about 15% of households did not respond to the question.)



## Help others to rebuild



### 2.11 Availability of skilled and unskilled labour in locality, and cost of labour

Availability of unskilled labour good in almost all areas, and unskilled labour available except in a few locations such as Batticaloa .

- Unskilled labour is available in all 14 GNs, except Onthachimadam North
- In 4 GNDs in Southern Province skilled labour is available in all except in Hambantota east
- In all 4 GNDs in Ampara skilled labour generally available
- In Batticaloa, 3 out of 4 GNDs some concern about shortage of skilled labour

#### Cost of labour

Concern expressed that in general that cost of hired labour is going up, although there were also some cases reported where hired labour gangs were brought in and paid below the local wage rate

- In Hambantota East, Sinhala villagers expressed concerns that contractors were rebuilding with their own workers and people were unwilling to work for them as they offered low wages

#### Limited employment opportunities due to external contractors

Concern in some GNs in the south that outside contractors bring in labour and do not use local labour

- In Weligama concern that external contractors do not hire local labour and that many local workers have lost their equipment

*Labour gangs from outside and lost tools limit employment opportunities in Matara District*

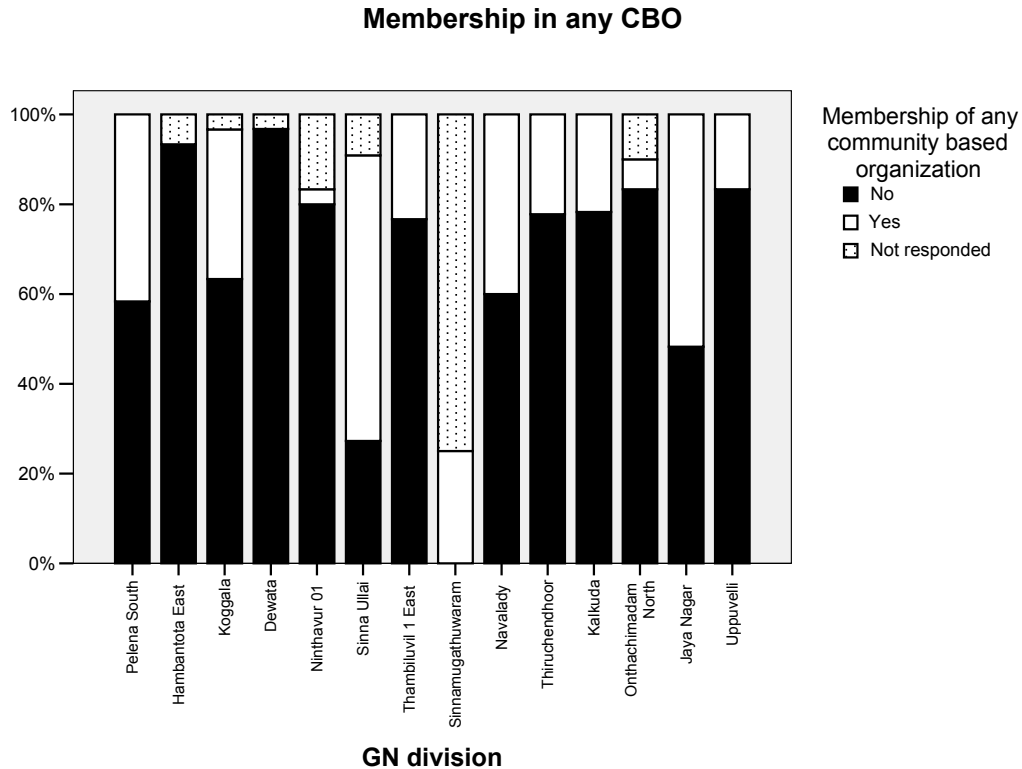
“Present construction work employs labour from outside the division. The contractors have their own labour gangs. Both skilled and unskilled labour is available within the division. But they have lost their equipment. The promised loans to obtain equipment has not been given yet. Technicians are available in sufficient numbers within the community.”

Focus group, Pelana south, Weligama, Matara District

**2.12 Assistance for rebuilding from community based organizations (CBOs)**

Membership of CBOs

Most people in the sample (73%) are not members of any community based organizations. However this conceals major variations. In 6 GNDs more than a quarter of the sample are members of a CBO. There are a range of community based organizations identified by the key informants in each GND. The main ones included cooperative society, religious society, fishery society, rural development societies, village development societies, women society, youth society, sports club and Samurdhi society.



However the representativeness of these societies was seen as much more mixed – with only a few representing half or more of the community. Typically in Muslim

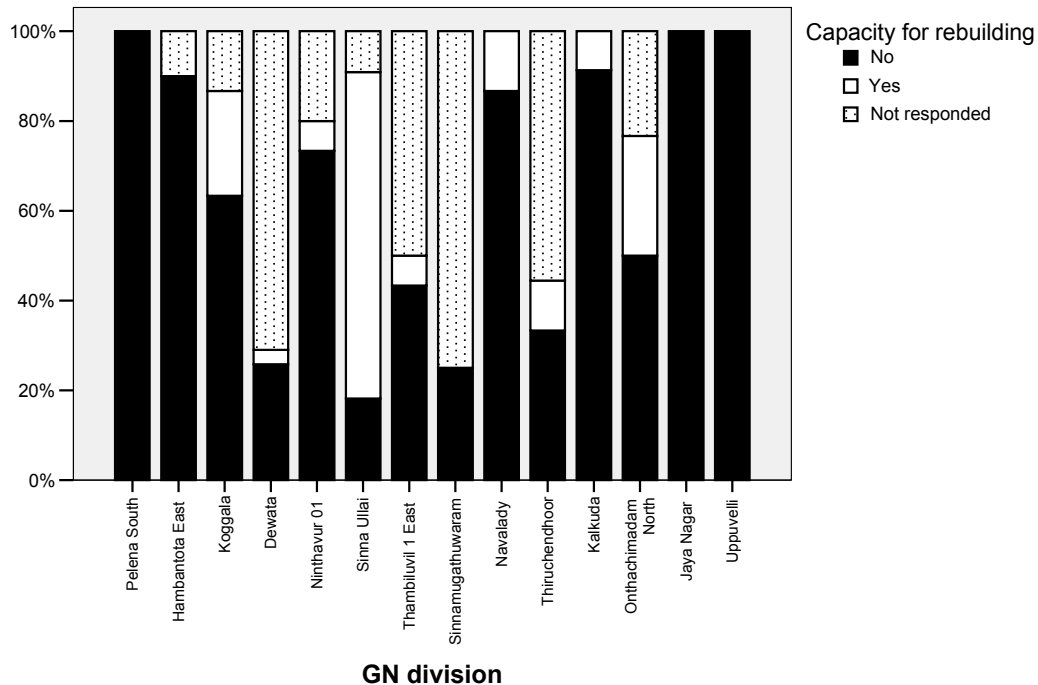
areas, the religious society tended to be representative of the households, while in a few other places cooperative societies and fishing societies were seen to represent at least half the community.

### CBOs and reconstruction

In the east many of the existing CBOs had been involved in reconstruction, which includes transitional shelter. In the southern Province this was generally less so – for example Pelana South, Weligama there was seen to be little involvement by CBOs in construction.

In general key informants thought there was a potential to strengthen CBOs to play a larger role in construction – particularly in the eastern Province, with less support for the idea in the Southern Province. Among households there was more skepticism with only 10% of the sample thinking that CBOs had the capacity for rebuilding.

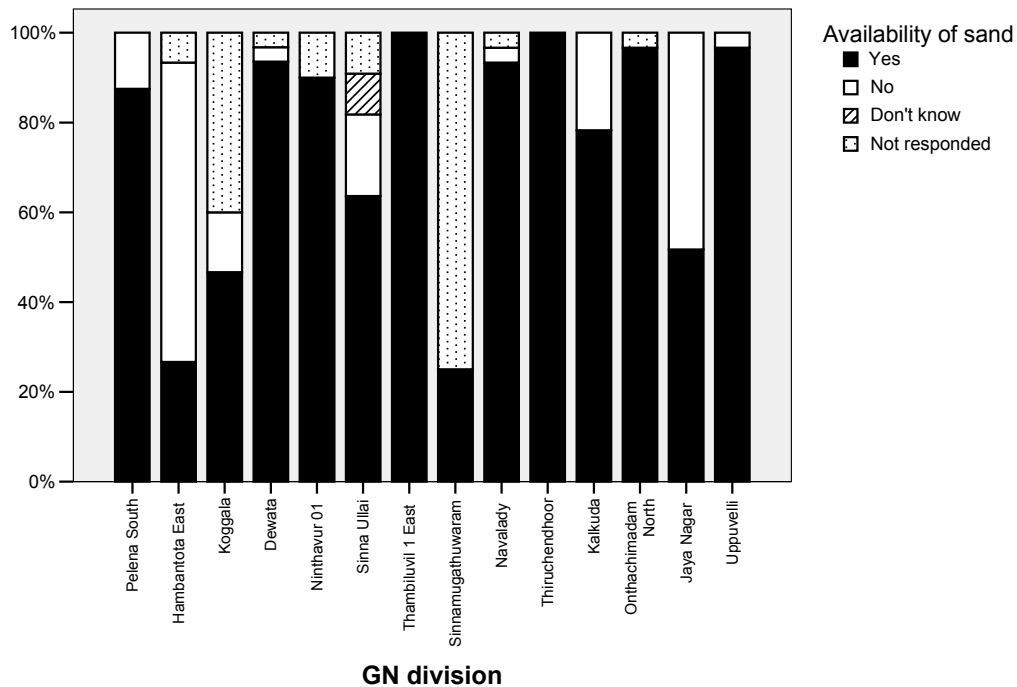
**Capacity of CBOs in rebuilding**



### **2.13. Building materials, especially sand and timber**

About half the 14 GNDs identified some problem obtaining sand and to a lesser extent timber and other materials. 15% of households in the sample said that sand was not available.

## Availability of Sand



### Problem of getting sand in some locations

- In Ninthavur, Ampara District problems due to the bureaucratic process for getting sand

#### *Problems accessing sand in Ninthavur, Ampara District*

“There is difficulty in getting sand. We have to get permission from the govt. otherwise police will take action against us. First we identify where we could get sand and then must go to the Divisional Secretary of that area and get permission to extract sand from that area. Now we have to go places like Ampara to get sand. So we have to get permission from the DS of that area. But when we transport it, then we have to get it loaded before 3.00 pm. and if our vehicle reach that place by 3.15 pm then we are charged by the police. We have go beyond 25 km to get sand. Also there is a demand for timber. A cubic foot is about Rs. 2000.”

Focus group participant, Ninthavur

### Environmental concerns linked to accessing materials, especially sand

When asked about how they would access sand, 43% of households said they would mine it directly without purchasing it. This was particularly high in the Eastern Province. In the Southern Province all households said they would have to purchase it.

Mining from rivers and dunes can often impose major environmental and social costs. For example over half the households questioned in Thiruchdoor said they would get the sand themselves. However during the focus group discussion some participants

highlighted that although Thiruchendoor GND ( Manmunai, North, Batticaloa District) has sand, it is environmentally dangerous to take it from there, so sand should be brought from other locations.

#### Purchasing of materials

In general households in urban areas find it easier to access building materials, but in Hambantota town three building supply shops damaged, therefore some difficulty in assessing materials.

#### Rising cost of materials

About one third of the GNDs identified problems from rising prices of materials. This rising cost of materials for building (eg sand, concrete) raised concerns that grants for rebuilding were too low

- Rising cost of materials reported in Thiruchendoor, Manmunai north (Batticaloa). The grant of Rs 250,000 is not enough to build a house as people reported that a bag of cement is Rs 500 and a brick is Rs 5 so it will cost at least Rs 600,000 to build a house

#### *Concern about rising prices in Thirrukovil, Ampara*

“Everything has gone up in price. Now sea sand which was sold at Rs. 500 per load is now Rs. 1200. Excavation of sea sand is prohibited. One load of metal which was Rs. 600 is now Rs. 1200. Price of cement has gone above Rs. 500. A labourer who worked for Rs. 100 those days will not even come for Rs. 300. As everything has gone up in price even to build a two roomed house we need atleast Rs. 500000.”  
Focus group participant, Thambiluvil East 01, Thirrukovil