



*Photo of a site where AIIB funding will move residents and build high-rise apartments*

# The Urban Regeneration Project

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## Background

Following the end of Sri Lanka’s civil war in May 2009, the Government of Sri Lanka prioritized infrastructure and urban development in its rebuilding process. The capital city of Colombo was the focus of much of the development, with the aim of making it a “world class city”. Urban development was brought under the purview of the Ministry of Defence in 2010 and the Urban Development Authority, the State body to carry out these development plans then came under the newly created Ministry of Defence and Urban Development. This was delinked by the new Government that was elected to power in 2015 and the Urban Development Authority was brought under the Ministry of Megapolis and Western Development.

Post war urban development in Colombo is led by two main projects – (a) the Urban Regeneration Project to be carried out by the Government and (b) the Metro Colombo Urban Development Project by the World Bank and the Government. Under the Urban Regeneration Project framework, a key goal of urban development is “improving under-served settlements in the city of Colombo through private developers and liberate (sic) prime lands for commercial activities. Through this process, under utilized urban prime lands will be utilized for development and commercial purposes by private sector.” There has never been any elaboration of what is meant by “under-utilized”, though a close reading suggests that what this actually implies is that these lands are not available for private commercial exploitation.<sup>1</sup> “Under-utilized urban prime

<sup>1</sup>: Forced evictions in Colombo: The Ugly Price of Beautification,

lands”, are in many cases have been home for the urban poor, or for lower-middle income communities, for decades; and transferring this land to the private sector raised significant concerns regarding equity.

Both the Rajapaksa Government and the Sirisena government saw the urban poor as impediments to development and growth, with goals of a slum free Colombo, but not a poverty free Colombo. The Housing and Relocation of Administration chapter of the Sirisena government’s Western Region Megapolis Master Plan stated that relocation of the urban poor is important in order to “release the economic corridors occupied by them.”<sup>2</sup>

Under Phase 1 and 2 the Urban Regeneration Project has built 15,769 apartment units, out of which 923 units will be completed by 2020 and 515 by 2020.<sup>3</sup> According to recent update on social media by the Urban Development Authority (regarding the commencement of construction under AIIB funding), to date 12,855 families have been relocated into the apartment complexes under Phase 1 and 2.<sup>4</sup>

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- Centre for Policy Alternatives, April 2014 - <https://www.cpalanka.org/forced-evictions-in-colombo-the-ugly-price-of-beautification/>
  - <sup>2</sup>: Making of a world class city, Centre for Policy Alternatives, January 2017 - <https://www.cpalanka.org/forced-evictions-in-colombo-high-rise-living/>
  - <sup>3</sup>: Presentation by Priyantha Godegama, Project Director at the AIIB-URP project launch on July 4, 2019
  - <sup>4</sup>: <https://www.facebook.com/1176203269090372/posts/3359439807433363/>

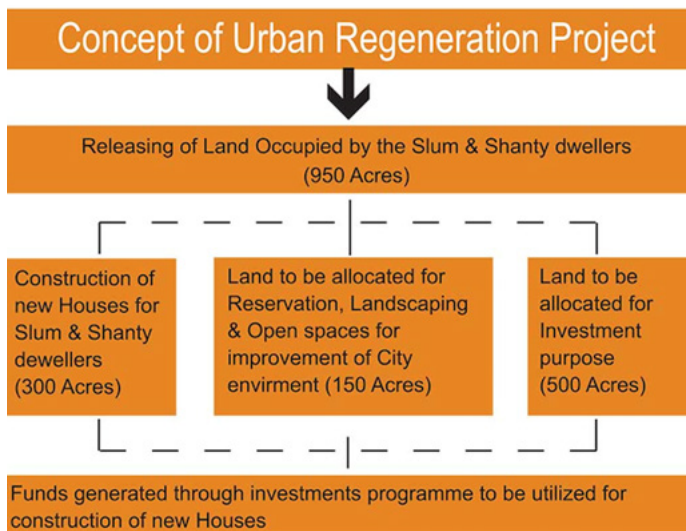
# Objectives and Concept of the Urban Regeneration Project

There has never been detailed plans or frameworks of the Urban Regeneration Project made available to the public since 2010. The only comprehensive documents that were shared on the UDA website was in response to the AIB partnership. Through brochures available for investors and media interviews given by key personnel, information regarding the project was pieced together by civil society. This section gives an overview of the URP as sourced from various UDA documents since 2011.

A brochure regarding the URP that was accessed on the UDA website in 2014 stated that the project vision was 'to eliminate shanties, slums and other dilapidated housing from the city of Colombo by relocating dwellers in modern houses'. The project mission was -

- Construction of 70,000 housing units within the 5 years period
- Identifying all household living in underserved settlements in order to plan and implement a relocation program with better living conditions
- Relocation of 68,000+ households in the newly built houses through a community development and marketing program
- Liberated Land will be utilized for Commercial and Mixed Development purpose in accordance with City Development (language and formatting as in the brochure)

The concept of the URP was explained in a diagram from the same brochure, copied below -



Furthermore, this brochure and other official documents

recognized various social and economic benefits of the project which included legal right and prestige of being an owner of a house; social recognition; a permanent address; children's better access to proper females and youth education; and recognition in the society for females for better marriage prospects.<sup>5</sup>

According to early UDA project documents, "on the direction of the Government, the UDA conducted a survey in the year 2010 and 2011, when it was revealed that approximately 68,000 families were in occupation of approx 900 acres of valuable lands in underserved settlements within the City of Colombo. In response the UDA planned out a program to construct 68,000 housing units for resettlement of these shanty dwellers with a view to liberating the prime lands presently occupied by them as well as uplifting the living conditions of the occupants. This strategy would also help to clear out most of the derelict areas in the city while releasing these lands for urban developments."<sup>6</sup>

An excerpt from an article on the now defunct Ministry of Defence and Urban Development website published July 2, 2013 stated "there are 1499 low facility human settlements distributed around most areas in Colombo. Except Colombo Fort, slums have been recognized in 46 divisions which fall into the category of low facility societies. Most of these houses are illegal structure or squatters. There are about 135000 families dwelling in 68812 houses. Out of those approximately 54000 are children (below the age of 14). Owing to the low literacy rate, most of them are unemployed or under employed."

However, the communities that have been relocated or are due to be relocated did not spring up overnight and Sri Lanka has never had sprawling slums like in Bombay or Dhaka. Majority of the communities have lived in Colombo for decades and consider Colombo to be their hometown. Survey data from the Colombo Municipal Council and Sevanatha Urban Resource Centre show that according to the Underserved Settlements Survey 2012 conducted by them, 54.4% of settlements in Colombo fall into the category of 'upgraded' and 39.3% fall into the category of 'fully upgraded' - which means that almost 94% of the low income settlements in Colombo are of satisfactory conditions and do not fall into the categories 'underserved' (5.9%) or 'extremely poor' (0.3%).

In the Census of Population and Housing 2011 of the Department of Census and Statistics, out of the 555,926 housing units in the Colombo District, only 7979 housing

<sup>5</sup> Ministry of Defence quoted in Forced evictions in Colombo: The Ugly Price of Beautification, Centre for Policy Alternatives, April 2014, pp.18-19 - <https://www.cpalanka.org/forced-evictions-in-colombo-the-ugly-price-of-beautification/>

<sup>6</sup> Prospects of relocating underserved settlements in Colombo suburbs, Ministry of Defence and Urban Development, July 2013

units fall under the category of “hut/shanty.”<sup>7</sup> Of this, 3691 housing units come under the Colombo DS Division. However, according to an article in the now defunct Ministry of Defence and Urban Development website in October 2014, 26,711 housing units within the city of Colombo had been classified as slums and 14,175 housing units classified as shanties.<sup>8</sup> The definitions used by the UDA when these surveys of communities were done have never been disclosed, making it difficult to ascertain the difference between UDA figures and the official census figures.

Furthermore, as the Colombo based think tank Centre for Policy Alternatives noted in a January 2017 report on the URP, ‘it is also worth highlighting that according to the UDA, “Over fifty percent of the Colombo city population lives in shanties, slums or dilapidated old housing schemes, which occupied nine percent of the total land extent of the city” - indicating that even though 50% of the city population occupy only 9% of the land, even that is too much for them and therefore should be further densified in order to release these “economic corridors occupied by them.”

As of June 2020, the UDA website states that ‘Over fifty percent of the Colombo city population lives in shanties, slums or dilapidated old housing schemes, which occupied nine percent of the total land extent of the city. A survey which is being conducted at present by the Urban Development Authority has identified a total number of 68,812 families living in 1,499 community clusters (underserved settlements) which do not have a healthy environment for human habitation and access to basic infrastructure facilities such as clean water, electricity, sanitation etc. Relocation of these families in new housing schemes with acceptable standards will be one major step in the direction of transforming Colombo into a world recognized city with a clean and pleasing environment to cop up the city development plan objectives.’

It also states that its mission is ‘Construction of 30,000 low cost housing units within the next 3 years and another 40,000 units during the following 3 years for relocation of households presently located in undeserved settlements in the city of Colombo. Identifying all households located in undeserved settlements in order to plan and implement a relocation program with better living conditions. Relocation of 70,000 households in the newly built houses through a community development and marketing program.<sup>9</sup>

<sup>7</sup> www.statistics.gov.lk/PopHouSat/CPH2011/index.

php?fileName=hhd61&gp=Activities&tpl=3, Occupied housing units in districts and DS Divisions by type of housing unit, 2012, Department of Census and Statistics, Sri Lanka

<sup>8</sup> Capital city free of squatters by 2020, Ministry of Defence Sri Lanka, October 2014

<sup>9</sup> Urban Development Authority website, access June 2019 - <https://>

## Financing the URP

In order to finance the apartment complexes for the affected communities, the UDA raised 10 billion rupees through a Treasury backed debenture in 2010. The Ports Authority, Bank of Ceylon, Sri Lanka Insurance Corporation, the National Insurance Trust Fund, Seylan Bank, Commercial Bank, Sampath Bank and HNB Assurance were some of the local investors. However the failure of the envisioned financing model, resulted in the Government issuing another 10 billion bond in 2015 to repay local and foreign investors who subscribed to the 2010 UDA debenture.<sup>10</sup>

In the above mentioned brochure (accessed in 2014) regarding investment opportunities, the UDA mentioned the following regarding the construction of 55,000 housing units for “underserved settlement people.”

- 35% of construction cost will be beared by UDA
- Balance 65% of construction cost would be beared by contractor/ investor and this 65% will be reimbursed by the UDA after the handing over the buildings
- UDA will give the UDA guarantee for balance 65% (language and formatting as in the brochure)

The Government of Sri Lanka has invested 70 billion rupees for Phase 1 and 2 to date according to the UDA, while also revealing that the short term financing model, including the contractor financing scheme had not been successful.<sup>11</sup>

## Implementation of the URP and lessons (un)learnt

### 2010 - 2014

Civil society organizations such as the Centre for Policy Alternatives has extensively documented and written about the implementation of the URP under the Rajapakse regime and the Sirisena government. Under the Rajapaksa government, CPA notes that the URP “resulted in large scale eviction and relocation of working class poor away from the city center. The rushed evictions under the previous regime paid scant regard to the rights of affected persons and to the practical impact of evictions on their lives including lack of access to services, loss of shared community, increase in physical and material vulnerability, disruption

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[www.uda.gov.lk/urban-regeneration-programme.html](http://www.uda.gov.lk/urban-regeneration-programme.html)

<sup>10</sup> UDA’s new bond-for-bond to settle earlier debenture, the Sunday Times, 15 November 2015 - <https://www.pressreader.com/sri-lanka/sunday-times-sri-lanka/20151101/282578786911217>

<sup>11</sup> Presentation by Priyantha Godegama, Project Director at the AIB-URP project launch on July 4, 2019

of education and loss or reduction in livelihood options.”<sup>12</sup>

CPA in April 2014 heavily critiqued the URP for lacking ‘a comprehensive framework of entitlements and an involuntary resettlement policy in line with national and international standards, essentially makes accepting relocation a pre-condition for access to better housing and services.’<sup>13</sup>

They have also highlighted the “critical role of the military in the forcible eviction of persons from their homes in Colombo. The use of the military by the previous Government and the response of civilians to force or the mere threat of force must be understood in the context of the war, its aftermath and the level of power and impunity afforded to state security forces.” More commentary on the erosion of rights during that time period CPA notes, “communities explored every avenue in search of relief to keep their homes or obtain a fair deal, whether it was with opposition politicians, the Human Rights Commission, the media or the judiciary. Unfortunately for the communities, in some cases the UDA did not even follow directives of the Supreme Court or the National Human Rights Commission and operated outside of the legal and policy framework of the country.”<sup>14</sup>

With regard to lack of due process in carrying out the URP, “the rush to relocate the communities coming under the URP to Dematagoda was not done with the uplifting of people’s lives foremost in mind, but with the intention of freeing up property with high commercial value. What made this project more problematic was the means used to acquire land. Military force, intimidation and harassment were used to evict people from their homes and the process did not follow Sri Lanka’s laws related to land acquisition.”<sup>15</sup>

The forced nature of the relocations aside, some of the key criticisms of the URP were that;

- The size of the apartments (450 square feet) were too small
- The one million rupee payment for each apartment was beyond the means of most households and no proper assessment of affordability was done
- The URP did not consider those who had bigger

<sup>12</sup> Making of a world class city, Centre for Policy Alternatives, January 2017 - <https://www.cpalanka.org/forced-evictions-in-colombo-high-rise-living/>

<sup>13</sup> Forced evictions in Colombo: The Ugly Price of Beautification, Centre for Policy Alternatives, April 2014 - <https://www.cpalanka.org/forced-evictions-in-colombo-the-ugly-price-of-beautification/>

<sup>14</sup> Forced evictions in Colombo: High rise living, Centre for Policy Alternatives, May 2015 - <https://www.cpalanka.org/forced-evictions-in-colombo-high-rise-living/>

<sup>15</sup> Ibid

houses and multiple families living in one house as eligible for more than one apartment

- Receiving compensation for their land and house was not an option, the relocation to an apartment was the only option given
- Those with tenure were not compensated as per the Land Acquisition Act
- The LKR 100,000 that families had to pay upfront in order to collect keys to their apartment was beyond the means of most households and most often had to borrow that money within a short amount of time at high interest, or pawn assets
- Households had no documents that were given to them regarding their apartment and only had an allotment letter which said they were not allowed to rent, mortgage or sell the apartment until they had paid the one million rupees
- Communities were not given a copy of any of the documents they were asked to sign, furthermore documents were only available in Sinhala and translations were not made available to Tamil communities even though they were forced to sign multiple documents
- Even though the UDA said each apartment is worth seven million rupees and were giving to the people at one million rupees, there was no information available about how the value of seven million rupees was derived and this figure has varied over the years
- Communities had to pick their apartments at random, which meant that existing family and community networks were broken up and distributed all throughout the vast complexes.
- Design wise, the high rise complexes were criticized as unmanageable for communities in the long run with multiple lifts servicing twelve floors breaking down frequently, water shortages due to limited water infrastructure available in some areas, the layout of the complexes made public areas insecure for women and children in particular, no play areas for children, lack of space for shops.

## 2015-2019

Following the change in Government in January 2015, key changes were brought to the UDA and the URP, including the delinking of the UDA from the Ministry of Defence and bringing it under the Ministry of Megapolis and Western Development. President Sirisena’s election manifesto made specific reference to urban evictions stating that “Relief will

be provided to all citizens who were illegally evicted from their houses and land under various grounds. Property of citizens of Colombo who were deprived of their houses and land will be reassessed and their value will be deducted from their present housing loan.<sup>16</sup> This was also explicitly stated in the 100 - day program of the new President and Government. The interim budget presented in January 2015 detailed that in recognition of the “grievances of the people who had to leave their loving homes and native places in the precincts of Colombo just because of the relocation programme stubbornly implemented by the previous government” the government would bear the initial advance of Rs.100,000/- per family and also Rs.250 per month of the rental due.<sup>17</sup> However, this promise never materialized in the way that communities hoped, and instead the LKR 100,000 was offset by the arrears owed by people as well as rent.

With regard to the key issues in the URP noted above, some changes were seen under the Sirisena government. The military was no longer used in the relocation process and evictions did not take place in the same way that it used it. However, civil society and community members noted that ‘old practices, officers and mindsets continue even under the current UDA. The main difference is that military officers now dressed in civilian clothes, continue to make decisions and liaise directly with the public. By training, discipline and competence, the military lack the skills and mindset required of a civilian administrator. The influence of the military has undermined the transparency, accountability and responsiveness of the UDA as a civilian institution to the needs of affected families. It has also negatively influenced the conduct of civilian public officers who for nearly half a decade have grown accustomed to dealing with citizens, emboldened by the political and military might of the Ministry of Defence.’<sup>18</sup>

The floor size of the apartments were also increased 550 square feet in the new complexes, however the design did away with the balcony in each apartment which meant that households then had to dry their clothes in the public access corridor. Most complexes still do not have adequate and safe play areas for children or space for shops, with most people operating small scale or informal businesses from their living rooms. The buildings have continued to deteriorate over time, with little or no maintenance taking place. In most complexes one lift services more than 500 apartments and the cleanliness of the public spaces

is dismal. This level of deterioration is mostly observed in buildings where the apartment sizes are 450 square feet and complex design have long corridors instead of the courtyard style design seen in the newer buildings.

Condominium Management Committees have not yet been set up, as by law each apartment has to be owned by the residents and as the UDA still owns the apartment they cannot legally set up. To avoid the pitfalls of the older more deteriorated buildings, some of the newer complexes have taken the initiative and set up their own ‘building committees’. Furthermore, most time UDA claims it has no funds for building maintenance. Even fire extinguishing equipment have been broken or vandalized, and as one complex found out in 2018, coupled with the absence of smoke detectors in the complexes, this almost proved fatal for one household whose apartment caught fire while they out and destroyed all their belongings. Had a person in an adjoining building not seen the flames from afar, much more damage would have taken place that day.<sup>19</sup>

In a survey conducted in 2016 with 1222 residents in three UDA high rise complexes showed that in less than three years of occupation, there was a ‘considerable deterioration in the quality of life, income mismatch leading to debt, high expression of desire to move, disconnect with the built environment’ and two buildings which were opened in 2014 had ‘rapidly deteriorated in the two years with reports of crime, drug abuse and drug peddling, filthy and unkept public areas, breakdown of maintenance including that of the lifts that services 12 floors - all indications of the creation of vertical slums.’<sup>20</sup> The survey also noted that ‘relocation has improved the housing conditions and lives of some families, the negative effects experienced by others is extremely disturbing.’

Communities still do not have a legally binding document between them and the UDA that lists out the rights and responsibilities of each party. While several versions of this rental agreement have surfaced since 2015, they have all been forced to be rescinded due to pressure by civil society activists who stated that none of the agreements were in line with existing property and condominium laws.

One document that has been signed by a small group of residents has been a ‘conditional title deed’ that was made available to them when they were moved due to some development work in their area. They were informed that the State institution in charge of the project had paid the UDA for the apartments. They were given allotment letters in Sinhala that inform them of this, and the conditional title deed they received subsequently also mention that the

<sup>16</sup> Manifesto - Compassionate Government Maithri, A stable country, p.25

<sup>17</sup> Interim Budget 2015, p.17, quoted in Making of a world class city, Centre for Policy Alternatives, January 2017

<sup>18</sup> Making of a world class city, Centre for Policy Alternatives, January 2017 - [https://www.cpalanka.org/wp-content/uploads/2017/02/The-Making-of-a-World-Class-City\\_Final.pdf](https://www.cpalanka.org/wp-content/uploads/2017/02/The-Making-of-a-World-Class-City_Final.pdf)

<sup>19</sup> The Reality of Sirisara Uyana: Redefining apartment living in Colombo, Iromi Perera, Groundviews, March 2018

<sup>20</sup> ‘Living it down: Life after relocation in Colombo’s high rises’, Centre for Policy Alternatives, December 2016

the apartments have been paid for and that they only need to pay for utility bills and maintenance charges going forward. However, this type of conditional title deed has not been before, and also includes some problematic clauses as identified by lawyers who have seen the document – 1) The document notes that this conditional title deed states it is in effect until the Condominium Management Authority gives the UDA approval, after which the UDA can hand over a title deed to the residents. There is no mention of when this will happen or whether some of the clauses discussed next will be included as well. 2) The document has a clause which states that while the apartments have been paid for in full, the resident cannot sell, mortgage, rent or lease the property, making the apartment a non-asset. 3) Water bills must be settled within ten days of issuing of the bill and if two months of bills go unpaid the UDA has the right to cut the water connection, cease the apartment and rescind the agreement. The UDA also continues to be criticized for not making available documents in both Sinhala and Tamil, as per the Sri Lankan Constitution, and also for not making these documents available to communities and civil society for comment and discussion.

In positive changes, the UDA has attempted to relocate communities on the same floors and give people more of a say in their apartment selections. The house for a house policy has also become more flexible with those who had big houses being eligible for more than one apartment, and those who could demonstrate that multiple families were living in one house as separate entities were also able to make a case for additional apartments. While it has not been easy for communities to deal with the UDA on their various legitimate grievances, there have been positive outcomes for some.

## Overview of the Asian Infrastructure Investment Bank

The Asian Infrastructure Investment Bank (AIIB), which launched in 2016, is the world's newest international financial institution. As of November 2019, the Beijing-based AIIB has 75 members from all regions of the world. China is the AIIB's largest shareholder, and has the most voting power on the Board of Governors; China's voting power is 25.6%.

According to the AIIB's Articles of Agreement, AIIB's purpose is to "foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors." Over the past three and a half years, the AIIB has approved financing for 50 projects. All but two of these projects are in the Asia region, and over one-third of AIIB's projects are in South Asia—there are 12 approved projects in India,

five in Bangladesh, two in Pakistan, two in Sri Lanka, and one in Nepal. Many of these projects are co-financed by other international financial institutions, including the World Bank Group and the Asian Development Bank. Projects span a variety of sectors, including energy, urban development, transport, telecommunications and digital infrastructure, and water. Nine projects are financed through financial intermediaries (FIs),<sup>21</sup> which provide financing to other financial institutions that use the funds to finance sub-projects in a country or region.

Unlike the World Bank and the Asian Development Bank, the AIIB does not have strategies that guide the AIIB's operations in specific countries, and the AIIB does not have country offices. The AIIB's process for project selection is not clear; however, the AIIB has published sector strategies that guide the AIIB's investment strategy in specific sectors. As of the date of this report's publication, the AIIB has published strategies for investments in the energy, urban, and transport sectors, and also is in the process of developing a water sector strategy.

## AIIB and Urban Development

The AIIB's Sustainable Cities Strategy was published in December 2018. The strategy sets out objectives, guiding principles, and the types of projects that the AIIB will prioritize in the urban sector. Under the strategy, AIIB's investments will have the following objectives: green (environmental sustainability), resilient (to sudden shocks and slow-onset impacts), efficient (best possible outputs with least possible inputs), accessible (more access to infrastructure and social services, especially low-income and vulnerable groups), and thriving (sustained economic growth and job creation).<sup>22</sup>

Three main principles will guide the AIIB's investments in urban infrastructure. First, the AIIB will be "financial viability-driven," and "prioritize infrastructure investments in cities that are financially sound and viable." Second, the AIIB will be "client-driven," with a focus on subnational governments, but also "maintain[ing] the flexibility to work with national governments and private sponsors." Third,

<sup>21</sup> The International Finance Corporation defines financial intermediaries as "a variety of financial institutions such as universal banks, investment banks, private equity funds, venture capital funds, microfinance institutions, and leasing and insurance companies, among others." <https://www.ifc.org/wps/wcm/connect/a6de7f69-89c8-4d4a-8cac-1a24ee0df1a3/FI+Interpretation+Note+November+2018.pdf?MOD=AJPERES&CVID=mUtZ0XY>

<sup>22</sup> AIIB Sustainable Cities Strategy, available at [https://www.aiib.org/en/policies-strategies/operational-policies/sustainable-cities/content/\\_download/sustainable-cities-strategy.pdf](https://www.aiib.org/en/policies-strategies/operational-policies/sustainable-cities/content/_download/sustainable-cities-strategy.pdf)

the AIIB will be “outcome-driven” and support projects with a “holistic/integrated approach, such as by being part of a city masterplan and/or by considering strategic/efficient land use.” The AIIB will also “encourage making the best use of low-carbon technologies, renewable energy, cleaner production and energy efficiency, promote the conservation and sustainable management of natural resources and biodiversity, and support sustainable land-use management.” In addition, the AIIB will “be supportive of social development and inclusion” and encourage projects “to build in such considerations where possible.”

The AIIB will prioritize projects that enhance urban mobility, improve basic infrastructure and city resilience, and promote integrated development. Further, “given the large and growing need for more sustainable and more affordable housing in Asia, AIIB will support the development of residential housing with important social value, such as public rental housing and affordable housing, but it will not prioritize investments in residential housing and commercial developments that have largely private benefits and little social value.” As of November 2019, AIIB has financed three urban sector projects—two projects in Indonesia, and the Colombo Urban Regeneration Project.

The AIIB’s Environmental and Social Framework (ESF) applies to these projects. The ESF states that AIIB projects will improve the standards of living of people in urban areas who are displaced by the projects that the AIIB finances, and will provide affected people with “legal and affordable access to adequate housing.”<sup>23</sup> The ESF also requires “meaningful consultation” to be conducted with project-affected people, and states that the AIIB “will not knowingly finance a Project that either involves or results in forced evictions.” However, civil society organizations have criticized the ESF’s lack of specificity and the flexibility of its requirements, especially as compared to other international financial institutions.<sup>24</sup>

## AIIB Projects in Sri Lanka

The AIIB has approved funding for two projects in Sri Lanka: the Colombo Urban Regeneration Project and Reduction of Landslide Vulnerability by Mitigation Measures Project. The AIIB is also considering providing financing for a third project, the Anuradhapura Wastewater Management Project.

<sup>23</sup> ESF, page 40.

<sup>24</sup> See, for example, [https://www.boell.de/sites/default/files/boell\\_aiib\\_studie\\_0.pdf](https://www.boell.de/sites/default/files/boell_aiib_studie_0.pdf)



Anuradhapura Wastewater Management Project is a USD \$120 million project, with \$50 million of financing from AIIB, \$50 million in co-financing from the Agence Française de Développement (AFD), and \$20 million from the Government of Sri Lanka. The project will construct a new sewerage system in Anuradhapura City, and strengthen the capacity of the National Water Supply & Drainage Board for project management and administration. The AIIB has not released detailed information about the potential social risks and impacts of the project, including temporary and permanent resettlement. Documents also note that “a process of meaningful and inclusive stakeholder engagement with respect to both management and mitigation of potential risks and impacts and willingness attention paid to ensuring that women and minority groups are appropriately consulted.”<sup>25</sup> The AIIB expects to approve financing for the project in the second quarter of 2021.

The AIIB approved financing for the Reduction of Landslide Vulnerability by Mitigation Measures Project in April 2019. It is a \$110 million project, with \$80 million in financing provided by the AIIB and \$30 million contributed by the Government of Sri Lanka. The project’s objective is to “reduce risk and damage from landslides through the implementation of mitigation measures and enhancement of policy and to pay for potential increases in tariffs will be required, with regulation associated with landslide management.” The project will improve drainage, modify slopes to increase stability, and implement landslide control measures in 147 sites. 117 sites were “identified by the district offices of the National Building Research Organization;” “10 sites along major roads [were] identified by the Road Development Authority;” and “20 sites along the 208 km of railway line from Rambukkana to Badulla [were] identified by Sri Lanka Railway as being at high risk of landslides.” The project will be implemented in 10 districts—Badulla, Kalutara, Kandy, Kegalle, Kurunegala, Matale, Matara, Nuwara Eliya, Ratnapura and Colombo. The project also will support a “review and strengthening of the policy and regulatory system for landslide management at local and national levels, including “the standardization of procedures for landslide risk assessment;” “the establishment of a landslide data management system;” and “updating the policies and standards for engineering design and environmental and social safeguards, including a review of the policies and procedures to address landslide induced resettlement.”

According to the AIIB, the project “is unlikely to require much, if any, involuntary resettlement.” Although resettlement will occur, where the resettlement “is caused by a natural disaster and is not an impact of the project,” AIIB’s policy

<sup>25</sup> Project Summary Information, page 3, available at [https://www.aiib.org/en/projects/proposed/2018/\\_download/sri\\_lanka/anuradhapura-wastewater-management.pdf](https://www.aiib.org/en/projects/proposed/2018/_download/sri_lanka/anuradhapura-wastewater-management.pdf)

requirements on involuntary resettlement will not apply. Thus, affected people will receive the compensation “due under current government schemes.” In addition, documents note that “various cases were observed of households that remained in areas at high risk from landslides. It should be emphasized that the remediation program will reduce the risk to some of these households but will not completely eliminate all risks to life and property.”<sup>26</sup>

The AIIB approved financing for the Colombo Urban Regeneration Project in April 2019. AIIB provided \$200 million in financing for the project; the Government of Sri Lanka will provide \$82 million; and a “private partner” will provide \$5 million. The project’s objective is “to improve housing conditions of low-income communities and increase land use efficiency in Colombo through investments in the construction of affordable housing and redevelopment of land, with associated policy and system enhancements.” AIIB documents state that the project “will support the continued implementation of URP Phase-III but with significant improvements – such as the improvements in technical design, resettlement and post-resettlement policy, housing maintenance arrangements, innovation in redevelopment approach, and review of longer-term sustainability of public intervention in housing.”<sup>27</sup>

The first component of the project will support “construction of about 5,500 housing units in multi-story apartment buildings in eight or nine residential complexes (sub-projects) with provision of full infrastructure,” including “water supply and sewage, electricity, solid waste management and access to the transports.” These new housing units “will be provided to current residents of selected underserved communities in exchange for their existing housing.” AIIB documents describe the existing housing units as “those provided about four decades ago by the GoSL for low-income households, which have remained little improved, with poor roads and drainage, limited additional infrastructure, and dilapidated construction.” New housing also will be provided “to residents now living in squatter settlements in areas not allowed for development as they are designated for public use or vulnerability to natural hazards.” The documents describe the selection of the communities that will be resettled as “based on, among others, condition of existing infrastructure and housing, residents’ willingness to resettle, and the potential value of the land to be exchanged for public purposes or alternative development.”

<sup>26</sup> AIIB Project Document, page 20 – 21, available at [https://www.aiib.org/en/projects/approved/2019/\\_download/sri\\_lanka/P000124-SL-Landslide.pdf](https://www.aiib.org/en/projects/approved/2019/_download/sri_lanka/P000124-SL-Landslide.pdf)

<sup>27</sup> AIIB Project Document, available at [https://www.aiib.org/en/projects/approved/2019/\\_download/sri\\_lanka/pd-colombo-urban-regen.pdf](https://www.aiib.org/en/projects/approved/2019/_download/sri_lanka/pd-colombo-urban-regen.pdf)

AIIB documents state that “most of the housing units that will be provided are apartments of around 550 square feet (sq. ft) each, which is larger than the housing of most of the beneficiaries, the median size of which is about 450 sq. ft.” “Beneficiary households” will be required to pay LK1.2 million Rupees for these new housing units, “to be made in monthly installments over a period of over 33 years (400 months), without interest. This represents around 20 percent of the estimated construction cost of the apartments.” The documents also analyze the affordability of the monthly payment by comparing the monthly payment with the average monthly household median income in Sri Lanka. Documents state that the monthly payment is equivalent to approximately \$18 per month, and the average monthly household median income in Sri Lanka, according to the 2012/3 Household Income and Expenditure Survey, is approximately \$250 per month (LKR 30,400). Documents also note that there will be “the option of compensation for people whose houses and/or land is of a higher value than the LKR 7 million estimated construction cost of the new apartments.”

The second component of the project “will maximize the revenue from the land that has or will become available after the households in the underserved settlements move.” Approximately 92 acres will be redeveloped—“six acres will be dedicated to public use, such as parks, and the remaining 86 acres will be used for commercial redevelopment. Additionally, about 40 acres are expected to be released from settlements to be selected for which replacement housing would be built.” The AIIB expects that “the largest part will be used for middle and upper middle-income group housing, the large demand for which is unmet due mainly to the scarcity of land bid up by higher-priced property developments.” The project will use three approaches to commercial redevelopment: the first is UDA’s “traditional approach” of auctioning the land to the highest bidder; the second is subdividing and developing infrastructure and improvements on land blocks, and then auctioning or leasing the subdivisions to developers; and the third is “an innovative pilot” under which “UDA will select a private partner who will be responsible for planning, designing, and implementing the subdivision and site improvements, and then selling the subdivisions or plots, under a profit-sharing arrangement.”

The third component of the project will “support project management and other quality enhancement measures to improve the implementation of URP.” These measures include: “capacity building for UDA and updating of the Metro Colombo City Guidance Plan;” “post-resettlement assistance for housing project beneficiaries, including help to adjust to new residential environment and the support for establishment and operation of community associations;” “review and improvement of URP’s policies

and procedures relating to housing allocation, transfer and management;” and “review and improvement of the policies and programs for urban housing, with a focus on increasing the effectiveness and fiscal sustainability as well as equity;” which will be supervised by a steering committee that “will consist of representatives of relevant government’s authorities including National Planning Department, External Resources Department, other relevant departments of Ministry of Finance (MoF), Ministry of the Housing Construction and Cultural Affairs, UDA and CMC.”

AIIB also recognizes some of the challenges under the previous phases of the project. For example, under phases 1 and 2 of the URP, UDA was responsible for building maintenance which AIIB states “has become an unsustainable burden.” Under the AIIB-financed third phase of the URP, “the government is considering the option of transferring ownership of the apartments to residents upon payment of the stipulated portion of the construction cost. Under the project, UDA will undertake a study to clarify the ownership rights and will look for mechanism that will allow the Condominium Association or a similar organization to take over responsibility for the management and maintenance of each residential complex.” In addition, the new buildings will integrate design features “to significantly improve the safety, energy efficiency and durability of the new buildings.” The project also will “take a proactive approach to gender,” including through the review of UDA’s policy on housing allocation, transfer and management. The review will look specifically at the UDA’s existing practice of securing signatures from heads of households (who are typically male) on housing contracts, which has led to the issuance of deeds primarily to men. In addition, AIIB will work with UDA to strengthen “social programs focused on women and children, including education, cultural events and support for women’s income-generating activities.”

## **AIIB support to Colombo URP**

Overall through the AIIB’s Resettlement Policy Framework for the Colombo Urban Regeneration Project dated 5 November 2018 communities being relocated are afforded more rights, benefits and opportunities for redress than previous affected communities.<sup>28</sup> For example, affected communities are entitled to transport allowances, loss of income and income restoration payments etc, and AIIB’s frameworks extend resettlement and rehabilitation assistance to communities without title or ‘unlawfully’ living on State land as well. While on paper there are many safeguards in place that place the well-being of the affected

<sup>28</sup> Available on the UDA and AIIB websites - [https://www.aiib.org/en/projects/approved/2019/\\_download/sri\\_lanka/Resettlement-Policy-Framework-english.pdf](https://www.aiib.org/en/projects/approved/2019/_download/sri_lanka/Resettlement-Policy-Framework-english.pdf)

communities as a key objective, previous experience in Colombo even with donor funded projects with similar safeguards have failed to protect the rights of those affected. The inclusion of the following in the RPF is appreciated given the URP's history, where AIIB states that notwithstanding the various legal powers vested in the UDA, "no household or person affected by the project will be evicted or disturbed in any manner without receiving compensation and/or resettlement and rehabilitation (R&R) benefits as set out in the entitlement matrix provided in this framework."<sup>29</sup>

This section highlights some of the key commitments and gaps in AIIB project documents and implementation, and makes recommendations to strengthen the existing frameworks in order to ensure that communities are not worse off due to the relocation.

## A) HOUSING

- The Resettlement Policy Framework of 5 November 2018 contains two key changes that are recommendations that have been made by civil society since the inception of the URP and the positive change in policy is indeed a welcome one. First, that those who had title deeds to their previous homes would receive an apartment free of charge and if the value of their house exceeds the value of the apartment (said to be seven million rupees in the RPF), the difference would be compensated to them. However, the document states that irrespective of the number of properties a person owns, they would be entitled to only one apartment. This is quite problematic as losing a property, particularly a titled property is a loss of a valuable asset and this policy should be reconsidered. The second change is that the title to the apartment would be given in the name of both husband and wife in the event the head of the household is married.
- The ten year restriction on selling and mortgaging the property after people pay the full amount and receive a deed must be removed. For those who pay the full amount over 30 years, this means it will be forty years before the apartment becomes an actual asset for them. This restriction also applies to those who had title before and for them, this is an additional financial shock as an asset is taken away from them and the new asset does not benefit them in the same way. The reason behind this rule "... is in order to retain the householder in the same premises without moving to another shanty in the Colombo city"<sup>30</sup> - is unacceptable as this does not outweigh the severe financial repercussions that households will face. Communities

<sup>29</sup> Page 14, Resettlement Policy Framework of 5 November 2018

<sup>30</sup> 'General policy – selection criteria for allocation of housing units constructed under URP, UDA Board of Management meeting No 14/2017 on 25 July 2017 (annexed in AIIB RPF 5 November 2018)

must be able to enjoy full autonomy over their new homes and have the freedom to sell, rent, mortgage and use the asset for their means. Furthermore, Article 14.1 (h) of the Sri Lanka Constitution states that citizens have the fundamental right to "the freedom of movement and of choosing his residence within Sri Lanka" and such clauses that trap people in apartments involuntarily goes against the spirit of such rights.

- The Resettlement Policy Framework states that it "recommends that the UDA explores the possibility of handing over a conditional title deed to the recipient upon signing the Transfer Agreement."<sup>31</sup> This has been recommended by civil society since 2015 and should be made possible.<sup>32</sup> However, as noted above on page 5, the conditional title deed that is being used currently by the UDA is wholly inadequate and has been described by practicing lawyers as 'convoluted, unreasonable and arbitrary'.<sup>33</sup>
- A legally binding agreement should be signed with each household before they move into the apartment. At present, communities have no legal document regarding their occupancy of the house that can be used as proof of residence. This legal document should be available in Sinhala and Tamil and communities should be given the opportunity to consult with lawyers to ensure that they are fully informed regarding their occupancy. This document should also be shared at the very first meeting with the community so that they can take an informed decision as to whether to accept an apartment or accept compensation and move elsewhere. Once final, all State Institutions and Ministries should be informed regarding this document. At present, majority of the communities that have been relocated under the URP do not have such a document and only have an allocation letter which is not recognized by all State institutions, schools, banks etc as a valid official document for housing.
- The guidelines for eligibility criteria for households set by the UDA Board of Management and now followed for AIIB funded relocations must be

<sup>31</sup> Page 39, Resettlement Policy Framework for Colombo Urban Regeneration Project, 5 November 2018

<sup>32</sup> Making of a world class city, Centre for Policy Alternatives, January 2017 (See page 17 – 25 for a detailed analysis on existing UDA agreements that include clauses not in line with Sri Lanka law, Condominium management law, and also raises issues regarding restrictions imposed on the apartment with regard to selling and mortgaging. This section also makes recommendations on improving the UDA agreements that will be more acceptable to affected communities - [https://www.cpalanka.org/wp-content/uploads/2017/02/The-Making-of-a-World-Class-City\\_Final.pdf](https://www.cpalanka.org/wp-content/uploads/2017/02/The-Making-of-a-World-Class-City_Final.pdf)

<sup>33</sup> Interviews with lawyers, June 2020

reconsidered.<sup>34</sup> The eligibility for determining a household are a separate entry, separate electricity meter and assessment number. In many working class poor households it is not just the case of extended families living together, it is also expanded families (for example the chief occupant and spouse, and their married children who live there on separate floors with their spouses and/or children) and it is not always the case that their houses have separate electricity meters or allotment numbers as houses expand and develop over the years. Therefore in households that have more than one family living, the allocation of only one apartment will not suffice. The eligibility criteria must be more flexible, and explore other ways to take into account multi family households. This is of particular significance due to the need to have the ability to social distance/ self isolate during the COVID-19 pandemic, but also because unlike traditional houses, apartment cannot be modified or extended to accommodate growing families. One way multi families eligibility can be assessed is through counting each nuclear family as a separate unit eligible for an apartment. While this would increase the number of apartments necessary per community, in the long run it would prevent the issue of over crowding, families refusal to move from original location due to lack of space in the new apartment, reduce burden on the special committee that decide on allocation of extra apartments etc.

- The assessment regarding ability to pay should be more robust and should take into account utility bills and maintenance bills in addition to monthly rent, and should not be based on an assumption that an affected person will be or must be able to take on an additional job. The RPF mentions that the monthly maintenance will vary from building to building but a rough estimate, along with provisional electricity and water bill amounts should be added to the monthly rental amount when making calculations regarding a household's ability to pay.
- Clause 28 of the UDA Installment Transfer Agreement<sup>35</sup> is extremely problematic as it creates the ability for unknown persons to enter apartments on the basis of "proving their identity", making women and children more vulnerable. The power dynamic between UDA officials and communities is already a tense one, furthermore the power to enter an apartment with no prior notification would infringe on resident's right to privacy.

## B) RELOCATION PROCESS

- A comprehensive and participatory consultative process

<sup>34</sup> Page 16 of the Resettlement Policy Framework of 5 November 2018

<sup>35</sup> Page 62 of the Resettlement Policy Framework of 5 November 2018

must be followed in the true spirit of eliciting feedback and commitment to making realistic changes. While this is detailed in the project document, at present, the consultative process regarding the relocations involve a meeting with the community where UDA officials inform the community that they are being relocated to a high-rise complex and that information would be gathered from them in the weeks to come. This excludes communities from any decision making process regarding their future. At the initial meeting itself the UDA should hand over to every single household, in writing and in Sinhala and Tamil, information regarding the URP, the time line anticipated, what their options are in terms of relocation (for example, the RAPs for Madampitiya and Obeysekerapura indicate several options for residents like compensation and finding own accommodation or moving into an apartment which had not been conveyed clearly at the meetings held early on), what the monthly payments they would have to make and other upfront payments, restrictions on their apartments etc. All this is mentioned in the RPF, however up until a few weeks before they move, communities have very little information about the relocation process and their new apartment and this prevents them from making informed decisions, including the ability to consult with lawyers or civil society to ensure their rights are not violated.<sup>36</sup> The UDA should also make available to all households the resettlement frameworks that are in place (in Sinhala and Tamil) so that communities are fully informed about the frameworks that govern their relocation.

- The Grievance Redress Mechanism system must be in place at the time communities are first informed of their relocation. At the very first meeting with the community, the workings of the GRM should be explained to them, and documents in Sinhala and Tamil should be made available with all information about how to access the GRM. Furthermore, the information available regarding the GRM in the AIB project documents does not address how the privacy or anonymity of community members reporting sensitive matters (regarding bribery, harassment etc) would be addressed. In May – June 2019, there was no GRM in place even though two communities were in the process of being relocated to their new housing. The UDA must also ensure that communities feel safe in accessing the GRM and that no harm will come to them should they make a complaint. Furthermore, the UDA should not send official letters threatening communities with legal action (or any

<sup>36</sup> Interviews conducted in April and May 2019 with community members due to be relocated under AIB project from Madampitiya Road and Obeysekerapura

sort of action not included in the safeguards) as a way of coercing the communities to speed up the relocation process instead of giving adequate time to ensure all grievances are met addressed.<sup>37</sup>

- The Condominium Management Committee details must be explained in detail in the relocation process and responsibilities of each member specified. The CMC must be set up as communities move into the apartments and up and running from the first month itself. Our experience has been that complexes with active management committees from the start have a better environment in terms of maintenance and cleanliness and have adjusted to their new surroundings and neighbors better. While the UDA owns the apartments a CMC can't be formed legally, however we recommend that some form of management committee is formed, and a workable model can be devised by studying the existing committees formed by residents themselves in some of the buildings. Older Phase 1 buildings experience significant deterioration in less than 7 years of occupation due to poor on site management and lack of overall maintenance.
- Communities must play an active role in decision making regarding allocation of housing. While the RPF states that all efforts will be made to settle the same communities on the same floors, this would be crucial to maintaining community links and care networks, as well as security for women and children.
- The UDA must improve transparency regarding allocation of housing and non payment of rent. Lack of information regarding why certain communities do not pay rent or why they were allocated certain additional units are cause for tension among residents in the complexes. In consultations with the host community, any information regarding whether or not the newly relocated communities do not have to pay rent and reasons why, and other additional information that would make the relocation more transparent would be greatly beneficial for how different communities adjust and accept each other as neighbors.

- All stages of the relocation process should be complete by the time communities move into their new apartments - mainly the setting up of the condominium management committee, play areas for children and other recreational areas, proposed groups like women's groups and environment groups, fire evacuation training. Our experience has been these additional aspects do not follow relocation and not only do the UDA refuse to take on building management after the first year has passed, it also creates a sense of transition in the communities who do not view the complexes as 'home' but only as a transit point, nor do they feel any ownership over the public spaces.

### C) POST RELOCATION SUPPORT

- The UDA office located in each apartment building should be much responsive to resident's needs, including inability to pay, concerns regarding building quality and other concerns regarding their residence. At present we see that the UDA officials based at these buildings act as payment and bill collectors and are unable to adequately respond to community questions and needs.
- Public transport, mainly buses and bus routes have not been updated based on the influx of people to the apartment complexes. While residents may be moving within a 3km radius according to project documents, this sometimes means a shift from walking to school or to a workplace to taking one to two buses to school or work. The project officials should map where people commute to daily from their original community and compare that with the public transport available at the relocation site and when necessary work with relevant authorities to add more buses or new routes.

### D) MAINTENANCE AND BUILDING DESIGN

- The Resettlement Policy Framework of 5 November 2018 states that the elderly and sick will not get ground floor apartments as there will be elevators that they can access to reach higher floors. This is contingent on the UDA being able to ensure that all elevators are functioning at all times. Many complexes of UDA Phase 1 and 2 have elevators that have not been functioning for years, causing great inconvenience for residents and lack of mobility for disabled and elderly residents.
- The UDA must explore ways in which the apartment complexes can be made more energy efficient and sustainable. For example, if the public spaces and the elevators were powered through solar power, this would reduce a huge burden on monthly

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<sup>37</sup> For example, in April 2019 the residents in the Madampitiya Road community were sent official letters signed by the military brigadier heading the URP stating that they had one month to move their new apartments and if they did not do so, legal action would be taken against them and they would no longer be eligible for an apartment. This was officially brought to AIB's notice by the Bank Information Centre and the letter was rescinded by the UDA as one sent in error, and a clarification letter in Sinhala, Tamil and English, ensuring residents that legal action would not be taken was sent by the Director General of the UDA.

management costs for residents. Furthermore, UDA complexes in Phase 1 and 2 face severe water shortages sometimes lasting for days when there are periodic water cuts across the city. A water conservation project in the complexes or an alternative water harvesting and storage facility would greatly benefit the residents and prevent lack of access to water during city wide water cuts.

- Building design should be reconsidered taking into consideration the problems caused right now due to design element. There is no space within the apartments to dry clothes (the balcony has been removed in the new 550 sq foot apartments) and people have to dry their clothes in the corridors. If there were multiple green spaces on various floors right up to the top floors for people to have home gardens and children to play, it would create a more communal atmosphere within the building. The UDA must work with communities in the future when designing communal spaces in particular to understand what spaces communities need, how they use space, what their preferences and needs are and work those into the building design. This is now of significant importance given the safety precautions to protect against be redesigned for well-being based on the experiences during the March – May 2020 curfew period. Furthermore more facilities for hand washing in public spaces in the corridors would be necessary.

## Key recommendations

### AT A PROJECT LEVEL

- While capacity building is component included in the AIBB funding to the UDA, there are a wide variety of components ranging from resettlement, preparing various action plans, procurement, construction, etc. The AIBB must have strong forms of monitoring and evaluation to ensure that all these components are being adhered to while the capacity of the UDA to carry them all out is also being invested in. Previous experience in Colombo for other donor funded projects has been that the experience on the ground, particularly with communities has been a different reality to what was stated in project documents, at times due to the lack of experience and capacity of UDA staff in carrying out projects at this scale with so many safeguards and checks and balances built in.
- We recommend that the UDA develop a detailed checklist of all the steps and actions that need to take place during the resettlement process and make that document public. This detailed list should include all steps in the RAP in detail, for example distributing simplified material to the community in Sinhala and Tamil. It would also make project implementation uniform across all communities and easy for all staff members to ensure that every aspect of the RAP is addressed during the relocation process.



- At present, if people have to sort out any issues with regarding their housing, obtain approvals or documents, they have to visit the UDA during weekdays (mainly Wednesday which is public day at Government institutions) in order to meet with officials. When UDA requests people to come sign documents or hand over documents they also ask people to travel to the UDA office during weekdays. This means that most people have to take a day off, or women have to sort out childcare and make the journey to the UDA. Therefore the UDA should decentralize much of these services to a project office located in North Colombo which will then be much closer to majority of the high-rise complexes. This office should also be open at least on Saturdays as well to ensure that people do not need to lose a day's wage.
- The ten year restriction on selling and mortgaging the property must be changed and the possibility of handing over a conditional title deed without restrictions on the property must be considered seriously.
- A legally binding document must be signed with each household as they move into the new apartments. This document must be recognized by all State Institutions, banks, schools, foreign missions and must be available in Sinhala and Tamil. As recommended by civil society previously, this document should also recognize if the individual had previously held a property with title deed or another form of official housing recognition.
- The assessment regarding ability to pay should be more robust and should take into account utility bills and maintenance bills in addition to monthly rent, and should not be based on an assumption that an affected person will be or must be able to take on an additional job.
- A comprehensive and participatory consultative process must be followed in the true spirit of eliciting feedback and commitment to making realistic changes. The UDA should make available to all households the resettlement frameworks that are in place (in Sinhala and Tamil) so that communities are fully informed about the frameworks that govern their relocation.
- The Grievance Redress Mechanism system must be in place at the time communities are first informed of their relocation. At the very first meeting with the community, the workings of the GRM should be explained to them, and documents in Sinhala and Tamil should be made available with all information about how to access the GRM. Furthermore, the

information available regarding the GRM in the AIIB project documents should also address how the privacy or anonymity of community members reporting sensitive matters (regarding bribery, harassment etc) would be addressed. The UDA must also ensure that communities feel safe in accessing the GRM and that no harm will come to them should they make a complaint.

- AIIB's RFP (page 8, section 4 on legal framework) states that "All non-AIIB funded activities that in the judgment of the AIIB are (i) directly and significantly related to the AIIB-assisted Project; (ii) necessary to achieve its objectives as set forth in the Project documents; and (iii) carried out, or planned to be carried out, contemporaneously with the Project, are subject to the applicability of this RPF." Such requirements have not been followed previously in other IFC funded projects in Colombo, and is an aspect that AIIB project staff must insist on especially for other communities affected by the URP.

## AT A NATIONAL LEVEL

- Legal rights awareness should be a key component of any project where land acquisition and relocation is involved, irrespective of funding agency or tenure type of community to be resettled. As civil society organizations working on land rights issues for decades have noted, a key issue impacting land rights is the lack of awareness among public regarding their land rights and entitlements, and is an impediment to individuals fully enjoying the benefits of their land.<sup>38</sup>
- Enshrine in law the best principles of the National Housing Policy of January 2017 and adopt consultative, participatory and bottom-up process for providing housing for the urban poor.<sup>39</sup>
- Explore all possible options with regard to housing of the urban poor, including and especially in-situ redevelopment and upgrading, to eliminate and minimize involuntary resettlement. This also includes the options of exploring walk up apartment complexes or low rise apartments instead of high rise complexes that are much more difficult to adapt to and manage in the long term. If high-rise complexes is the only consideration for the

<sup>38</sup> Legal and policy implications of recent land acquisitions, evictions and related issues in Sri Lanka, Centre for Policy Alternatives, November 2014 - <https://www.cpalanka.org/wp-content/uploads/2014/11/Legal-and-Policy-Implications-of-Recent-Land-Acquisitions-Evictions-and-Related-Issues-in-Sri-Lanka.pdf>

<sup>39</sup> National Housing Policy, Revision of January 2017, Ministry of Housing and Construction

URP, it is recommended to have a participatory building design approach together with the affected communities to understand how best the complexes and the apartment configuration should be done. A suggestion would be to look at the building design process of the apartment built for residents of Station Passage and Java Lane after their land was acquired for luxury condominium projects. UDA project officials developed three different sizes of apartments in the complex and people were allocated an apartment that was larger than their existing house and some of the elements of the apartment design were based on people's existing housing design.

- The Policy Principles of the National Involuntary Resettlement Policy must be reviewed, brought up to date with national and international standards and be enshrined in law and made applicable to all future instances of land acquisitions involving relocation. At present it is not compulsory for any State Institution to follow this when relocating communities and the UDA has adapted the AIBB resettlement frameworks only because they are compelled to do so by AIBB. If there was a uniform policy that all resettlement processes had to adhere to, it would not only make the experience uniform across the board but communities would have greater agency and aware of rights.



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