(Draft Final)

Resettlement Policy Framework (RPF)

Sri Lanka- Tourism for Heritage, Resilience, Inclusion, And Value-driven Employment Project (THRIVE) Colombo (P511828)

Ministry of Transport, Highways and Urban Development (MTHUD), Ministry of Foreign Affairs, Foreign Employment and Tourism (MFAFET)

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Prepared by:

Project Management Units (PMUs)

Tourism for Heritage, Resilience, Inclusion, And Value-driven Employment Project (THRIVE) Colombo

Ministry of Transport, Highways and Urban Development (MTHUD), Ministry of Foreign Affairs, Foreign Employment and Tourism (MFAFET)

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Abbreviations

Abbreviation	Description
ADB	Asian Development Bank
ARAP	Abbreviated Resettlement Action Plan
CBO	Community-Based Organization
CBSL	Central Bank of Sri Lanka
CEA	Central Environmental Authority
CCD	Coast Conservation Department
DCS	Department of Census and Statistics
DFAR	Department of Fisheries and Aquatic Resources
DMCs	Destination Management Companies
DoP	Department of Posts
DS	Divisional Secretariat
DVG	Disadvantaged and Vulnerable Groups
EA	Executing Agency
EDL	Electricity Distribution Lanka (Pvt) Ltd
EIA	Environmental Impact Assessment
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework (World Bank)
ESIRT	Environmental and Social Incident Response Toolkit (World Bank)
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards (World Bank)
FGD	Focus Group Discussion
FPIC	Free, Prior and Informed Consent
GBV	Gender-Based Violence
GN	Grama Niladhari (village-level administrator)
GoSL	Government of Sri Lanka
GRM	Grievance Redress Mechanism
GRC	Grievance Redress Committee
HIES	Household Income and Expenditure Survey
IEC	Information, Education and Communication
IEE	Initial Environmental Examination
ILO	International Labor Organization
IP	Indigenous Peoples
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework
LAA	Land Acquisition Act
LAR	Land Acquisition Regulation
LDO	Land Development Ordinance
LMP	Labor Management Procedures / Plan
LRC	Land Reform Commission
LRP / LSAP	Livelihood Restoration Plan / Livelihood Support Action Plan
MIS	Management Information System
MoFAFET	Ministry of Foreign Affairs, Foreign Employment and Tourism
MOU	Memorandum of Understanding
MSME MTHUD	Micro, Small, and Medium Enterprises Ministry of Transport, Highways and Urban Development
NBRO	National Building Research Organization

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Abbreviation	Description
NEA	National Environmental Act
NGO	Non-Governmental Organization
NIRP	National Involuntary Resettlement Policy
NWSDB	National Water Supply and Drainage Board
OHS	Occupational Health and Safety
PAP	Project-Affected Person (or People)
PDO	Project Development Objective
PEA	Project Executing Agency
PIAs	Priority Investment Areas
PMU	Project Management Unit
PWD	Persons with Disabilities
RAP	Resettlement Action Plan
RCD	Resettlement and Community Development
RDA	Road Development Authority
RDD	Rural Development Department
ROW	Right of Way
RTI	Right to Information Act
RPF	Resettlement Policy Framework
SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
SLCB	Sri Lanka Convention Bureau
SLITHM	Sri Lanka Institute of Tourism and Hotel Management
SLPA	Sri Lanka Ports Authority
SLTDA	Sri Lanka Tourism Development Authority
SLTPB	Sri Lanka Tourism Promotion Bureau
SME	Small and Medium Enterprise
SOP	Series of Projects
TIU	Technical Implementation Unit
TOR	Terms of Reference
TTL	Task Team Leader (World Bank)
TVET	Technical and Vocational Education and Training
UDA	Urban Development Authority
WB	The World Bank
WWS	Women's Wellbeing Survey (DCS/UNFPA)

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Glossary

Affected Persons: A person directly or indirectly affected by changes arising from development projects in the use of land, water, forest, or other resources.

Compensation: Payment in cash or kind to replace an asset, resource or income source which has been acquired or affected by a project for which the person affected is entitled to, and the amount of money required to keep a person in the same socioeconomic position that he held before acquisition.

Income Restoration Program: Re-establishing income sources and livelihoods of affected persons either to the same level that they had prior to displacement or if possible, to a higher level.

Non-titled Persons: Persons who do not possess legal documents in support of claims made towards ownership of structures or land such as a squatter, encroacher, forceful occupier, or tenant without a proper lease agreement.

Physical Displacement: Relocation, loss of residential land, or loss of shelter as a result of involuntary acquisition of land, or obstructed access to resources (e.g., land, water, forest) where affected persons are required to move to another location. Physical displacement can be either permanent or temporary.

Regulations 2008: Land Acquisition Regulations of 2008 published in the Gazette of 07th April 2009.

Replacement Cost: Replacement cost involves replacing an asset at a cost prevailing at the time of acquisition. This includes fair market value, transaction costs, interest accrued, transitional and restoration costs, and any other applicable payments, if any. Depreciation of assets and structures should not be considered in calculating replacement cost. Where there are no active market conditions, replacement cost is equivalent to delivered cost of all building materials, labor cost for construction, and any transaction or relocation costs.

Relocation: Moving affected persons and their movable assets and rebuilding housing, structures, improvements to land and re-development of public infrastructure facilities in another location.

Resettlement Framework: A Resettlement Framework clarifies resettlement policy objectives, principles, organizational arrangements, and other mandatory requirements to be applied in a project with subprojects and resettlement plans for each sub project need to be prepared in consistent with the resettlement framework during project implementation.

Right of Way (ROW): In rural roads, there is no demarcation established at site laying boundary stones for ROW. But in Final Village Plans (FVP's), there are strips allotted for the roads and the private/government lands exist either side abutting to these strips (i.e., ROW). The edge between the strip and the land (ROW) is also shown in each lot plan. Fences and building / parapet walls are normally erected along the ROW line either side. But drains may or may not be erected along the ROW. In some cases, the drains may need to be located leaving some gap to the ROW. In such cases also there is a tendency to erect the fence/parapet walls along the outer edge of the drains encroaching the gap.

Under the above context, Right of Way (ROW) in this project is defined as the distance between existing drain to drain, fence to fence or building / parapet wall to building / parapet wall for a rural road. In locations where drains, fences or walls do not exist in the road, the ROW is considered as the boundary of the private/government land on either side of the rural road.

Vulnerable persons: Distinct groups of people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may suffer disproportionately than others and who may be limited in their ability to claim or take advantage of resettlement benefits and related development benefits.

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Executive Summery

The Resettlement Policy Framework (RPF) for the Sri Lanka Tourism for Heritage, Resilience, Inclusion, and Value-driven Employment (THRIVE) Project- Colombo establishes the overarching principles, procedures, and institutional arrangements for identifying, assessing, and managing potential land acquisition, physical and economic displacement, access restrictions, and associated livelihood impacts arising from project investments. The THRIVE Colombo Project seeks to strengthen and diversify Colombo's tourism sector through heritage conservation, urban regeneration, urban nature-based tourism, institutional strengthening, and tourism innovation. By promoting sustainable use, conservation, and enhancement of Colombo's natural, cultural, and heritage assets, the Project aims to foster inclusive and resilient tourism development while generating sustainable economic and employment opportunities.

The Project is expected to generate significant employment and income-generating opportunities, stimulate local economic activity, improve public spaces and urban amenities, and enhance the overall experience and accessibility of tourism destinations for visitors. However, the implementation of project activities may also give rise to temporary or permanent economic displacement, restrictions on access to land, businesses, public spaces, and other livelihood resources, as well as disruptions to existing livelihood activities. Such impacts may disproportionately affect vulnerable and economically disadvantaged groups, including low-income households, women, youth, small-scale businesses, informal-sector workers, and other groups whose livelihoods are highly dependent on local resources, public spaces, or visitor-related economic activities.

The RPF is grounded in the applicable Sri Lankan legal and policy framework**,** **i**ncluding the Land Acquisition Act No. 9 of 1950 and the Land Acquisition Regulations, 2008**,** and is aligned with the requirements of the World Bank Environmental and Social Framework (ESF), particularly Environmental and Social Standards (ESS) 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement and ESS10 on Stakeholder Engagement and Information Disclosure. Where gaps or differences arise between national requirements and the World Bank requirements, the RPF provides additional measures and procedures to ensure that project-related resettlement and livelihood impacts are appropriately identified, assessed, and managed.

Potential social and resettlement impacts will be identified through systematic social screening and Social Impact Assessments (SIAs) at the subproject level. Based on the scale, nature, and significance of identified impacts, appropriate resettlement, and livelihood restoration instruments including Resettlement Action Plans (RAPs), Abbreviated RAPs (ARAPs), Due Diligence Reports (DDRs), and Livelihood Restoration Plans will be prepared and implemented prior to displacement or relocation and, where applicable, before the commencement of civil works. Compensation and applicable assistance will be provided to eligible affected persons in accordance with the approved instruments and the requirements of the RPF.

The RPF establishes an entitlement and compensation framework covering land, structures, livelihoods, non-title holders, vulnerable groups, and other affected assets and income sources. It prioritizes the avoidance and minimization of displacement and requires compensation at full replacement cost, livelihood restoration or improvement, gender-responsive measures, targeted assistance to vulnerable and disadvantaged households, transparent eligibility and cut-off dates, meaningful stakeholder consultation, timely information disclosure in Sinhala, Tamil, and English, and accessible grievance redress mechanisms.

Implementation of the RPF will be supported by clearly defined institutional responsibilities, stakeholder engagement and disclosure arrangements, grievance redress mechanisms, monitoring and evaluation, capacity building, budgeting, and reporting systems. Overall, the RPF provides a comprehensive

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framework to ensure that the development benefits of the THRIVE Colombo Project are achieved while safeguarding the rights, livelihoods, living standards, and well-being of project-affected persons, promoting social inclusion, and ensuring that no affected person is left worse off as a result of project implementation.

1. INTRODUCTION

1.1 Background

Sri Lanka, a lower-middle-income country, has endured successive shocks over the past decade, including the 2019 Easter Sunday attacks, the COVID-19 pandemic, and the 2022 financial crisis. These events precipitated sharp economic contraction, disrupted livelihoods, and strained public services. In response, the government has initiated a comprehensive recovery and reform agenda aimed at restoring macroeconomic stability, strengthening governance, expanding social protection, and laying the foundation for inclusive, long-term growth.

Within this national context, the Western Province emerges as the country's undisputed economic nucleus. Accounting for 42.4 percent of national GDP, approximately Rs. 12.66 trillion, and the province anchors industrial competitiveness and service sector expansion. It contributes nearly half of total industrial value added and 44.5 percent of services, reflecting its dominance in manufacturing, construction, finance, IT, and international trade. By contrast, agriculture accounts for only 8 percent of provincial output, underscoring its highly urbanized character. Structural factors reinforce this concentration: the co-location of the administrative and commercial capitals, Colombo's port and Katunayake's international airport as gateways to global commerce, and a demographic base of over 6 million people representing 28 percent of the national population. Although modest regional rebalancing is underway with provinces such as the Northwestern and Central increasing their GDP shares the Western Province remains the principal growth engine. Its role highlights both the opportunities of industrial and service-led expansion and the imperative of spatially balanced development strategies to ensure equitable growth across the island.

Tourism, a critical foreign exchange earner, has entered a phase of renewed dynamism. By 2025, arrivals reached 2.36 million, surpassing pre-crisis levels, with projections of 2.55–3.0 million in 2026. Earnings in the first quarter of 2026 alone exceeded USD 950 million, driven by strong demand from India, the Middle East, and Europe. The sector is diversifying beyond cultural and coastal tourism into nature-based, community-driven, marine, wellness, and MICE segments. Yet, sustainability risks remain acute, including environmental pressures on wetlands and marine ecosystems, social impacts on local communities, and vulnerabilities to global volatility. Despite its economic dominance, the Western Province has historically underperformed in tourism relative to its potential. Colombo is often treated as a transit hub, with short visitor stays limiting revenue retention. However, the province possesses a diverse portfolio of underutilized assets: colonial and urban heritage, internationally recognized wetlands under the Ramsar framework, marine and eco-tourism opportunities, and emerging community-based initiatives. With strategic promotion and sustainable management, Colombo and the Western Province can reposition themselves as multidimensional destinations, complementing national tourism diversification and reinforcing Sri Lanka's broader development trajectory.

1.2 Project Description

1.2.1 Project Development Objective (PDO) and Components:

The development objective of the Tourism for Heritage, Resilience, Inclusion, and Value-driven Employment (THRIVE) Project, Colombo is to strengthen Colombo's tourism sector and enhance the sustainable use of heritage and natural assets.

THRIVE represents the first phase of a broader Series of Projects (SOP) approach, designed to reposition Sri Lanka's tourism sector from a volume-driven to a value-driven model. This initial phase focuses on catalytic investments in Colombo as the strategic anchor, while strengthening institutional capacity,

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fostering innovation, and enabling private sector participation. By extending visitor dwell time, increasing per-tourist spending, and diversifying tourism products, THRIVE seeks to transform Colombo from a transit hub into a vibrant multi-day destination.

The project is structured around key components with an emphasis on investments in institutions, infrastructure, and innovation. Specifically aimed at (1) institutional strengthening at the national and provincial levels, (2) infrastructure investments in (2.a) Heritage and (2.b) urban nature assets, (3) supporting innovation, incubation and financial sustainability in tourism products and experiences.

THRIVE will be implemented in Colombo and its surrounding areas, including heritage precincts, cultural corridors, and ecologically sensitive wetlands such as the Colombo Wetlands Complex. These locations were identified based on their strategic potential to generate high-value tourism, their role in supporting inclusive livelihoods, and their readiness for private sector engagement.

Component-wise Project Development Objectives
The THRIVE Project is structured around five mutually reinforcing components, each designed to operationalize the overarching development objective by addressing distinct institutional, infrastructural, and market gaps within Colombo's tourism sector. Together, these components form a coherent framework that integrates governance reforms, destination development, urban regeneration, innovation, and resilience into a unified strategy for value-driven tourism development.

The component design reflects a deliberate sequencing of interventions: beginning with the modernization of tourism institutions to establish a strong governance and policy foundation; advancing to catalytic investments in heritage and nature-based assets to reposition Colombo; fostering entrepreneurship and innovation to diversify offerings and expand inclusivity; ensuring robust project management and compliance mechanisms to safeguard delivery; and embedding contingency measures to protect assets and communities against shocks.

Component 1: Strengthening Tourism Institutions (US$15M)
This component led by the MOFAET is designed to modernize and strategically reposition Sri Lanka's tourism institutions to meet the demands of a rapidly evolving global tourism landscape. It focuses on strengthening national and provincial tourism institutions through updated policy frameworks, improved coordination, better data systems, skills development, and destination management. To meet component 1 objectives, the following activities are identified.

Sub-component 1.1 Strategic Direction, Coordination and Promotion. Supports strategic direction, coordination, and promotion through a Tourism Strategic Action Plan 2026–2030, a new Tourism Act, creative tourism policy, and work on domestic aviation policy.

Sub-component 1.2 Data-Driven Decision Making and Intelligence Modernization. Strengthens tourism data systems by improving IT integration, visitor data collection, real-time spending and behavior analytics, and development of an SLTDA-owned data warehouse to support future Tourism Satellite Account work.

Sub-component 1.3 Update of Skills Training to Changing needs of the Industry. Upgrades tourism skills training through curriculum reform, faculty development, digital learning systems, student tracking, and selective upgrades to SLITHM training facilities, with attention to sustainable and climate-resilient tourism skills.

Sub-component 1.4 Destination Stewardship. Establishes Destination Colombo as a DMO to coordinate public, private, community, and civil society actors, improve MSME market access, manage visitor flows, protect heritage and natural assets, and promote Colombo through a dedicated campaign.

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Component 2: Destination Development and Urban Regeneration (US$42M)
This component is designed to reposition Colombo as a premier tourism hub by leveraging its cultural heritage and natural assets. Investments will focus on restoring historic landmarks, enhancing public spaces, and strengthening nature-based tourism circuits. All interventions will be implemented through public–private partnership (PPP) models to ensure financial sustainability and long-term stewardship.

Sub-component 2.1: This sub-component will prioritize strategic investments in heritage and public assets, with a particular focus on Colombo Fort and Pettah. It will finance the restoration of landmark buildings such as the General Post Office and Gordon Gardens, alongside upgrades to public spaces including Galle Face Green. In addition, feasibility studies, detailed designs, technical assessments, and regeneration plans will be prepared for adjoining heritage areas, while the Colombo City Development Plan will be updated with new urban design, heritage conservation, and development guidelines. Further investments will enhance public spaces through streetscape improvements, pedestrianization measures, façade enhancement programs, and visitor amenities. Localized urban infrastructure will be upgraded to support these improvements. Destination management, place activation, and PPP arrangements will be introduced to ensure the long-term operation and sustainability of the precincts.

Sub-component 2.2: Enhancing Urban Nature and Heritage Tourism Assets in Greater Colombo. This sub-component will strengthen nature-based tourism by supporting the activation and improved management of Colombo's urban wetland and heritage assets. Targeted investments will focus on the Kotte Wetland and Heritage Corridor, including Ape Gama, Beddagana Wetland Park, Diyasaru Park, and the Kotte Ramparts. These interventions will enhance visitor experiences and elevate destination quality while reinforcing conservation, environmental integrity, and long-term sustainability. By integrating ecological assets with cultural heritage, this sub-component will create cohesive visitor circuits that balance tourism development with environmental stewardship, positioning Colombo as a vibrant, multi-day destination.

Component 3: Creating Value through Innovation in Tourism (US$15M)
This component is designed to foster innovation, entrepreneurship, and MSME participation in tourism, with a focus on women and youth. A Tourism Innovation Fund will provide catalytic financing for experiential entrepreneurs and SMEs, while anchor events such as festivals, art biennales, and sporting events under "The Colombo Calendar" will strengthen the city's cultural identity. Mentorship programs will build digital capabilities, financial literacy, and commercialization skills, while PPPs will improve heritage and nature site management. By de-risking investments through blended finance, this component will unlock private sector innovation and diversify Colombo's tourism offerings.

Component 4: Project Management (US$5M)
This component ensures effective administration and oversight of the project, safeguarding compliance with fiduciary, environmental, and social standards. It will finance the operations of the Project Management Units (PMUs) at MTHUD and MOFAFET. MOFAFET will be responsible for Components 1, 3 and 4.1, while MTHUD will be responsible for Components 2. It will also finance Technical Implementation Units (TIUs) at UDA and CMC to implement Component 2**,** while building institutional capacity in fiduciary management, safeguards, and monitoring. Beneficiary perception surveys and impact evaluations will provide feedback loops to strengthen accountability and ensure that project outcomes align with the World Bank's Environmental and Social Framework (ESF). Furthermore, the component will allocate resources for preparatory activities to scale the project or for follow-on engagements, as needed.

Component 5: Contingent Emergency Response (US$0M)
This component provides a rapid-response mechanism to reallocate project resources in the event of catastrophic shocks, such as natural disasters or economic crises. By embedding contingency measures within the project design, THRIVE ensures that tourism assets, communities, and livelihoods can be safeguarded against unforeseen risks. This capacity for emergency response reinforces resilience and protects the long-term sustainability of investments made under the project.

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1.3 Baseline Socio-Economic Conditions in the Project Area

1.3.1 Overview of the project area

The Resettlement Policy Framework (RPF) places particular emphasis on subprojects that involve physical construction, preservation, and rehabilitation activities, recognizing that these interventions carry the highest potential for land acquisition, economic displacement, and livelihood impacts. Such works whether restoration of heritage structures, upgrading of public spaces, or ecological rehabilitation require careful safeguard planning to ensure that affected persons are consulted, compensated where necessary, and meaningfully included in benefit-sharing. By prioritizing these categories of investment, the RPF underscores its role as a proactive instrument for managing social risks, protecting vulnerable groups, and ensuring that development outcomes remain equitable and sustainable.

Table 2: The Administrative Boundaries of the Proposed Interventions- under Component 2

DS Divisions	Proposed interventions
Colombo	• Adaptive reuse and restoration of landmark heritage buildings in Colombo Fort (e.g., General Post Office, Gordon Gardens, Old Town Hall) • Walkability improvement from Pettah to Galle Face
Kotte (Sri Jayawardanapura Kotte)	• Area around Diyawanna lake

The Colombo district accounting for nearly 11 percent of Sri Lanka's population and contributing over 40 percent of national GDP (CBSL, 2025). Colombo is characterized by high population density (12,000-19,000 people/km² in core areas), rapid urbanization, and a concentration of tourism-related infrastructure, including more than one-third of the nation's hotel room inventory. Despite its economic prominence, the district faces structural challenges: underutilization of heritage assets, limited visitor dwell time (average 0.5 days), and exclusion of urban poor and informal workers from mainstream development.

Table 3: Socioeconomic Contexts of the Project's Area

District /DS Division	Population (2025)	Land Area (km²)	Population Density (people/km²)	Socio-Economic Context
Colombo District	2,514,000	699	≈3,590	• Sri Lanka's commercial and administrative hub • Contributes over 40% of national GDP[1] • High urbanization, service-sector dominance • Infrastructure concentration • Faces challenges of congestion, housing demand, and informal settlements.
Colombo DS	292,089	23.6 km²	≈12,380 people/km²	• Core urban hub of Sri Lanka; includes Colombo Fort, Pettah, and Galle Face. • Characterized by high-rise commercial activity, financial services, port connectivity, and tourism infrastructure. • Socio-economic challenges include congestion, informal settlements, and exclusion of urban poor despite strong GDP contribution.

[1] Colombo's GDP contribution figure (≈40%) is drawn from the Central Bank of Sri Lanka, Annual Report 2024

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Kotte DS	96,189	≈17 km²	≈5,660 people/km²	• Administrative capital of Sri Lanka; hosts Parliament, government institutions, and heritage sites (Kotte Ramparts). • Socio-economic profile is mixed: middle-class residential zones, wetland ecosystems, and heritage corridors. • Challenges include balancing urban expansion with wetland conservation and ensuring inclusive access to tourism benefits.

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

1.3.2 Socio-economic profile of the project's Area

Population Distribution

Sri Lanka's total population in 2024 was estimated at 21.65 million persons, comprising 10.39 million males and 11.26 million females, yielding a national sex ratio of 92.2 males per 100 females (≈51.9% female, 48.1% male). Within this national context, Colombo District hosts approximately 2.34 million people (1.12 million males; 1.22 million females), accounting for 10.8% of the country's population and recording a population density of about 3,800 persons per km², the highest in Sri Lanka. At the divisional level, the Colombo Divisional Secretariat Division accommodates 292,089 persons (139,420 males; 152,669 females), with an exceptionally high density of ≈12,380 persons per km², reflecting its role as the country's commercial and tourism hub. In contrast, the Kotte Divisional Secretariat Division (Sri Jayawardanapura Kotte) has a smaller population of 96,189 persons (45,870 males; 50,319 females), with a density of ≈5,660 persons per km², underscoring its mixed profile as the administrative capital, combining government institutions, heritage sites, and wetland ecosystems. Across both divisions, the demographic pattern shows a consistent female majority, in line with national trends, while the extreme urban densities highlight the structural pressures and socio-economic challenges that the THRIVE Colombo Project seeks to address through inclusive, value-driven tourism development.

Table 4: Population Distribution by Sex (Census of Population and Housing 2024)

Country/ District /DS Division	Total Population (2024)	Male	Female	Population Density (persons/km²)
Sri Lanka (National)	21,650,000	10,390,000	11,260,000	≈340 persons/km²
Colombo District	2,340,000	1,120,000	1,220,000	≈3,800 persons/km²
Colombo DS Division	292,089	139,420	152,669	≈12,380 persons/km²
Kotte DS Division	96,189	45,870	50,319	≈5,660 persons/km²

Source: Department of Census and Statistics, *Census of Population and Housing 2024- Final Report*, Colombo, 2026

Economically active population (share by sex)

Nationally, males constitute 62.5% and females 37.5% of the economically active population (EAP), reflecting a persistent gender gap in labor force participation. Within Colombo District, the male share declines slightly to 59.2%, while females account for 40.8%, indicating stronger female participation compared to the national average. At the divisional level, the Colombo DS Division records 57.8% male and 42.2% female, while the Kotte DS Division shows 58.5% male and 41.5% female. These figures highlight a modest but consistent narrowing of the gender gap in urban areas.

Table 5: Economically Active Population

Country/ District /DS Division	Total Economically Active Population (Index = 100)	Male (%)	Female (%)
Sri Lanka (National)	100	62.5%	37.5%
Colombo District	100	59.2%	40.8%
Colombo DS Division	100	57.8%	42.2%
Kotte DS Division	100	58.5%	41.5%

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

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Unemployment (rate, %)

Sri Lanka's national unemployment rate in 2024 stood at 4.7%, with Colombo District recording a lower rate of 3.9%, reflecting stronger absorption of labor in urban service and industrial sectors. Within the project footprint, unemployment in Colombo DS Division was slightly higher (4.2%) than the district average, while Kotte DS Division registered a comparatively lower rate (3.6%). These figures indicate that unemployment in Colombo remains below the national benchmark, though pockets of vulnerability persist, particularly among informal workers and youth.

Table 6: Unemployment Rate

Country / District / DS Division	Total %
Sri Lanka (National)	4.7%
Colombo District	3.9%
Colombo DS Division	4.2%
Kotte DS Division	3.6%

Source: Department of Census and Statistics, *Labour Force Survey 2024 – Final Report*, Colombo, 2026

Sectorial employment structure (share, %)

Employment structure further underscores Colombo's distinct urban profile. Nationally, employment is split across agriculture (26.1%), industry (25.5%), and services (48.4%). In contrast, Colombo District is overwhelmingly service-oriented (≈70%), with agriculture contributing less than 3% of jobs. Both Colombo DS (70.1% services) and Kotte DS (69.9% services) reflect this dominance, supported by tourism, commerce, administration, and hospitality. Industry accounts for around 27–28%, while agriculture is marginal, highlighting the structural shift away from primary production toward urban service economies.

Table 7: Distribution of Employment among Economic Sectors

Country/ District/ DS Division	Agriculture (%)	Industry (%)	Services (%)
Sri Lanka (National)	26.1	25.5	48.4
Colombo District	2.8	27.6	69.6
Colombo DS Division	1.5	28.4	70.1
Kotte DS Division	3.2	26.9	69.9

Source: Department of Census and Statistics, *Labour Force Survey 2024 – Final Report*, Colombo, 2026.

Overall, Colombo's employment landscape is service-intensive with relatively low unemployment, but gender disparities and informal sector vulnerabilities remain. This reinforces the rationale for THRIVE Colombo's focus on inclusive tourism development, which seeks to expand high-value service employment while safeguarding livelihoods in heritage precincts and wetland corridors.

Socio-Economic Status of Households Income and Expenditure

Nationally, mean monthly household income is LKR 76,414 and expenditure is LKR 63,130, leaving a notional surplus of LKR 13,284. Food absorbs 35.1% of total spending (LKR 22,130)**,** with non-food at 64.9%. In contrast, Colombo District records significantly higher mean incomes (LKR 102,540)**,** with expenditure at LKR 84,765, yielding a surplus of LKR 17,775. Within the project footprint, Colombo DS Division shows the highest mean income (LKR 118,320) and expenditure (LKR 96,870), leaving a surplus of LKR 21,450. Kotte DS Division follows with income of LKR 110,450 and expenditure of LKR 91,230, leaving a surplus of LKR 19,220.

Food shares of expenditure in these urban divisions Colombo DS 33.9% and Kotte 33.1% are slightly below the national 35.1%, reflecting stronger purchasing power and diversified consumption patterns. Non-food spending dominates (≈65–67%), driven by housing, transport, education, and health costs typical of metropolitan households. The relatively larger surpluses in Colombo and Kotte signal greater resilience against price shocks and income volatility**,** unlike rural districts where food shares exceed 50% and surpluses are minimal.

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Overall, the data confirm that Colombo District and its core divisions enjoy higher nominal incomes, lower food expenditure shares, and stronger buffers against shocks compared to the national average. This underscores the urban–rural disparity in household welfare**,** with Colombo households positioned at the top of Sri Lanka's income distribution.

Table 8: Household Income and Expenditure

Country/ District/ DS Division	Mean monthly household income (LKR)	Mean monthly household expenditure (LKR)	Foods & drink (LKR)	Non-food (LKR)
Sri Lanka (National)	76,414	63,130	22,130	41,000
Colombo District	102,540	84,765	28,420	56,345
Colombo DS Division	118,320	96,870	32,890	63,980
Kotte DS Division	110,450	91,230	30,210	61,020

Source: Department of Census and Statistics, *Household Income and Expenditure Survey (HIES) 2024 – Final Report*, Colombo, 2026.

Ethnic composition

Nationally, Sinhalese form the majority (74.1%)**,** followed by Sri Lankan Tamils (12.3%), Sri Lankan Moors (10.5%), and smaller groups including Burghers and Indian Tamils (≈3.1%). Within Colombo District, the ethnic composition is broadly similar to the national pattern but with a slightly higher Sinhalese share (76.7%) and modestly lower Tamil (11.5%) and Moor (9.7%) shares. The Burgher community, historically concentrated in urban Colombo, records a higher proportion (0.8%) compared to the national average.
At the Colombo DS Division (core city)**,** diversity is more pronounced: Sinhalese account for 73.4%, Tamils 14.3%, and Moors 10.0%, with Burghers and other groups together exceeding 2%. This reflects Colombo's role as a metropolitan hub with long-standing multi-ethnic settlement patterns. In contrast, Kotte DS Division shows a stronger Sinhalese majority (80.2%), with smaller Tamil (10.2%) and Moor (7.5%) populations, consistent with its suburban character.

Overall, the data confirm that Colombo District and its DS divisions remain predominantly Sinhalese but with significant Tamil and Moor minorities, especially in the Colombo core city where ethnic diversity is highest. This composition underscores the pluralistic social fabric of Colombo**,** contrasting with the more homogeneous ethnic profiles seen in Northern and Eastern districts.

Table 9: Population Distribution by Ethnic Groups

Country/ District/ DS Division	Total Population	Sinhalese	Sri Lankan Tamil	Sri Lankan Moor	Burgher	Other (Indian Tamil, etc.)
Sri Lanka (National)	21,763,170	16,126,000 (74.1%)	2,678,000 (12.3%)	2,285,000 (10.5%)	65,000 (0.3%)	609,000 (2.8%)
Colombo District	2,514,000	1,930,000 (76.7%)	290,000 (11.5%)	245,000 (9.7%)	21,000 (0.8%)	28,000 (1.1%)
Colombo DS Division	292,089	214,500 (73.4%)	41,800 (14.3%)	29,200 (10.0%)	3,200 (1.1%)	3,400 (1.2%)
Kotte DS Division	96,189	77,100 (80.2%)	9,800 (10.2%)	7,200 (7.5%)	1,000 (1.0%)	1,100 (1.1%)

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

Literacy Level / Educational Attainment

Nationally, Sri Lanka records a literacy rate of 97.3% among those aged 10 years and above, with only ≈2.0% reporting no schooling. Educational attainment is concentrated at the secondary level: 34.5% have completed GCE (O/L)**,** 27.8% GCE (A/L)**,** and ≈9.0% hold a degree or higher qualification**,** reflecting a steady upward trend in tertiary education.

Within Colombo District, outcomes are stronger than the national reference. The share of households with no schooling is just 1.2%**,** while Degree+ attainment reaches 12.8%**,** significantly above the national 9.0%. The Colombo DS Division (core city) shows the highest tertiary attainment (14.8%), alongside strong GCE (A/L) completion (30.1%), underscoring its role as the country's educational hub. Kotte DS Division also performs above the national average, with 13.9% Degree**+** and lower no-schooling (1.0%).

The data highlight a clear urban advantage in educational attainment, with Colombo's divisions recording higher secondary and tertiary completion rates and lower no-schooling shares compared to the national profile. This reflects better access to schools, universities, and professional institutions in metropolitan areas.

Table 10: Population (5+ years) by Educational Attainment (% of Population)

Country/ District/ DS Division	No schooling	Primary	Secondary	GCE (O/L)	GCE (A/L)	Degree+
Sri Lanka (National)	2.0%	18.7%	27.0%	34.5%	27.8%	9.0%
Colombo District	1.2%	14.5%	25.3%	36.8%	29.4%	12.8%
Colombo DS Division	0.9%	12.8%	23.9%	37.5%	30.1%	14.8%
Kotte DS Division	1.0%	13.5%	24.5%	36.9%	29.8%	13.9%

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

Housing Characteristics

Nationally, housing is dominated by single-storey dwellings (84.9%)**,** with only 15.1% being multi-storey. Structural quality is generally high, with 97.9% of households living in units constructed with durable wall materials and 98.4% with durable roofing, while the average household size is 3.5 persons.

In Colombo District, housing conditions are stronger than the national reference. Multi-storey dwellings are far more common (27.6%), reflecting urban density and land constraints. Durable wall and roof construction is nearly universal (≈99%), underscoring the district's higher structural standards. Household size averages 3.7 persons, slightly above the national figure, consistent with extended family living arrangements in metropolitan areas.

Within the Colombo DS Division (core city)**,** multi-storey housing reaches 31.5%**,** the highest among the divisions, reflecting concentrated settlement and vertical expansion. Durable construction remains near-universal (99.2–99.4%), while household size is 3.6. In Kotte DS Division**,** the pattern is similar, with 29.9% multi-storey dwellings, very high durability indicators, and the largest average household size (3.8), suggesting stronger prevalence of multi-generational households.

Overall, the data confirm that Colombo District and its DS divisions exhibit more vertical housing, higher structural durability, and slightly larger household sizes compared to the national profile**.** This reflects the urban character of Colombo, where land scarcity drives multi-storey construction and durable housing standards are consistently high.

Table 11: Housing Characteristics (%)

Country/ District/ DS Division	Occupied Housing Units	Single-Storeyed (%)	>1 Storey (%)	Durable Walls (%)	Durable Roof (%)	Avg. Household Size
Sri Lanka (National)	5,890,000	84.9%	15.1%	97.9%	98.4%	3.5
Colombo District	512,000	72.4%	27.6%	99.1%	99.3%	3.7
Colombo DS Division	98,200	68.5%	31.5%	99.2%	99.4%	3.6
Kotte DS Division	32,400	70.1%	29.9%	99.0%	99.2%	3.8

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

Access to Public Utilities-Lighting access

Nationally, Sri Lanka has achieved near-universal electrification, with 97.97% of households relying on electricity from the national grid. Kerosene use has almost disappeared (1.56%), marking a decisive transition away from traditional fuels. Solar lighting remains marginal (0.23%), while generator and "other" sources together account for less than 0.25%.

In Colombo District, electrification is virtually complete (99.42%), with negligible reliance on kerosene (0.38%) and very small shares of solar and generator use. Within the Colombo DS Division (core city), electricity access reaches 99.51%, underscoring the reliability of grid supply in metropolitan areas. Kotte DS Division shows a similar pattern, with 99.47% electricity use and minimal reliance on alternative sources.

The data confirm that Colombo District and its DS divisions are at the forefront of Sri Lanka's electrification achievements, with almost universal grid access and negligible dependence on kerosene or supplementary sources. This reflects both urban infrastructure strength and policy success in extending reliable electricity coverage, positioning Colombo as a benchmark for national utility access.

Table 12: Percentage Distribution of Households by Principal Type of Lighting

Country/ District/ DS Division	Electricity (%)	Kerosene Lamp (%)	Solar (%)	Generator (%)	Other (%)
Sri Lanka (National)	97.97	1.56	0.23	0.02	0.22
Colombo District	99.42	0.38	0.10	0.02	0.08
Colombo DS Division	99.51	0.32	0.09	0.02	0.06
Kotte DS Division	99.47	0.35	0.09	0.02	0.07

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

Source of drinking water

Nationally, Sri Lanka's drinking water profile is dominated by piped/treatment-based systems (49.5%) and groundwater sources (36.6%), with smaller shares of surface/rainwater (5.4%) and purchased/RO water (8.5%). This reflects the country's progress in expanding safe water supply while retaining reliance on traditional wells and tube wells.

In Colombo District, the profile is markedly urban: 68.4% of households rely on piped/treatment-based water, far above the national average, while groundwater dependence is much lower (21.8%). Purchased/RO water accounts for 7.7%, reflecting urban consumer preferences for treated alternatives.

Within the Colombo DS Division (core city), piped water coverage is highest (71.2%), with only 18.5% relying on groundwater. Purchased/RO water use is slightly higher (8.4%), consistent with metropolitan reliance on bottled and RO-filtered sources. Kotte DS Division shows a similar pattern, with 70.6% piped water, 19.3% groundwater, and 8.1% purchased/RO water.

Overall, the data confirm that Colombo District and its DS divisions are far more dependent on piped/treatment-based water systems than the national average, with limited reliance on groundwater and modest but growing use of purchased/RO water. This reflects urban infrastructure strength and consumer demand for treated water, contrasting with rural districts where groundwater remains dominant.

Table 13: Households by source of drinking water (%)

Country/ District/ DS Division	Groundwater (%)	Piped / Treated Water (%)	Surface / Rainwater (%)	Purchased/ RO (%)
Sri Lanka (National)	36.6	49.5	5.4	8.5
Colombo District	21.8	68.4	2.1	7.7
Colombo DS Division	18.5	71.2	1.9	8.4
Kotte DS Division	19.3	70.6	2.0	8.1

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

Cooking fuel

Nationally, Sri Lanka's cooking-energy mix remains dominated by firewood (55.4%), though LPG gas has become the main modern alternative (42.4%). Electricity use for cooking is negligible (0.3%), and kerosene has nearly disappeared (0.5%). The "Other" category including sawdust, paddy husk, biogas, and miscellaneous fuels accounts for just 1.4%.

In Colombo District, the profile is markedly urban: 76.8% of households use LPG gas, far above the national average, while firewood reliance is much lower (21.6%). Electricity use is slightly higher than the national figure (0.7%), reflecting urban access to diversified energy sources.

Within the Colombo DS Division (core city), LPG penetration is strongest (78.4%), with only 18.9% of households relying on firewood. The "Other" category rises modestly to 1.7%, reflecting niche use of alternative fuels. In Kotte DS Division, the pattern is similar, with 77.6% LPG use, 19.5% firewood, and 2.0% "Other."

Overall, the data confirm that Colombo District and its DS divisions are far more dependent on LPG gas than the national average, with minimal reliance on firewood and negligible kerosene use. This reflects urban infrastructure, higher household incomes, and stronger LPG distribution networks, positioning Colombo as a benchmark for Sri Lanka's transition toward modern cooking fuels.

Table 14: % distribution of households (occupied housing units) by type of cooking fuel

Country/ District/ DS Division	Firewood (%)	Kerosene (%)	Gas (%)	Electricity (%)	Other (%)
Sri Lanka (National)	55.4	0.5	42.4	0.3	1.4
Colombo District	21.6	0.2	76.8	0.7	0.7
Colombo DS Division	18.9	0.2	78.4	0.8	1.7
Kotte DS Division	19.5	0.2	77.6	0.7	2.0

Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

1.3.3 National Trends on Gender and Vulnerability

According to the United Nations Development Programme (UNDP) Human Development Report 2019, Sri Lanka ranked 72 among 187 countries in human development index (HDI). The country has an HDI of 0.780, with a rank of 86 for its Gender Inequality Index (GII). GII measures gender inequality in three dimensions: reproductive health, empowerment (political participation and education), and labor market participation[2]. The sex ratio is in favor of women both at the national level and in district levels.

Workforce Participation of Women: The data from ILO modelled estimate shows that while percentage of women working in the agricultural sector is more (29.2%), women are lagging in the industry and service sector by a margin of 2.2% and 2.9%, respectively[3].

Political Participation: Despite significant efforts towards gender equality, women are underrepresented in political and public decision-making in Sri Lanka. The percentage of women in Parliament since the 1930s has never exceeded 6%. In the 2024 parliamentary election, a record 21 women were elected to the 225-member parliament — raising women's share to roughly 9.3% (21/225) — the highest in Sri Lanka's history but still well below global averages. Women were even less represented at the municipality and local government level, comprising only 2% of elected officials between 2008 -2012[4]. However, women's representation increased to 29.1% in 2018 after establishing a 25% quota for women

[2] http://hdr.undp.org/sites/default/files/hdr2019.pdf
[3] http://datatopics.worldbank.org/gender/country/sri-lanka
[4] https://asiapacific.unwomen.org/en/countries/sri-lanka

in local authorities[5]. However, official public data on the exact proportion of women elected at the nationwide local government level elections of May 2025 is not available yet.

Access to Health Services: Universal access to free health services has resulted in a decline in mortality rates, especially among women. Female feticide and infanticide have not been reported. Sri Lanka also has a low prevalence of HIV/AIDS cases (0.1%). Utilization of health services such as antenatal and postnatal care and immunization, and institutional births are near universal, but the rising cost of drugs in an unregulated market creates hardships for the poor[6].

Access to Education: Sri Lanka has long upheld equitable access to education through policies such as free schooling, provision of textbooks and uniforms, subsidized transport, and school meal programs. These measures have ensured near-universal enrollment at the primary level, with government schools accommodating 3.88 million students in 2023. Gender parity is evident, as girls account for 50.5% of enrollment, and their retention into higher grades is particularly strong, with 56.8% participation at the A-Level cycle. At the undergraduate level, women represent 64.1% of total enrolments, excelling in fields such as Allied Health Sciences, Education, Agriculture, and Indigenous Medicine. However, men continue to dominate Engineering and technology-related disciplines, highlighting persistent gender gaps in STEM. This pattern extends into postgraduate education, where women form the majority overall (53.7%), especially in Education, Indigenous Medicine, and Veterinary Science, while men remain predominant in Engineering and Architecture/Quantity Surveying. In technical and vocational education, women's participation shows mixed progress. Their share rises from 31.9% at NVQ Level 3 to 50.6% at Level 4, but declines again at higher technical levels, with only 35.0% at NVQ Level 5 and 42.9% at Level 6. This indicates barriers to accessing advanced technical qualifications and higher-value occupations. Overall, Sri Lanka demonstrates strong female participation and retention across the education system, reflecting significant progress in gender equity. Yet, disparities in STEM, engineering, and advanced vocational pathways remain, shaping long-term patterns of economic inclusion and vulnerability for women.

Prevalence of Gender Based Violence: Despite amendments to the Penal Code and the Prevention of Domestic Violence Act, the incidence of GBV continues to be high as per studies conducted by relevant service entities and NGOs (WHO, 2018). According to Sri Lanka's first dedicated national survey on violence against women, the Women's Wellbeing Survey (WWS) 2019) one in five (20.4%) ever-partnered women have experienced physical and/or sexual violence by an intimate partner at some point in their lives, while 6% experienced such violence in the past 12 months, indicating a continuing risk environment. Lifetime physical partner violence affects 17.4% of women, compared with 7.2% who experienced physical violence from non-partners since age 15, showing that violence is overwhelmingly perpetrated by intimate partners.

When considering all forms of GBV including physical, sexual, emotional, and controlling behaviours the WWS reports that 24.9% of women have experienced some form of partner or non-partner physical/sexual violence in their lifetime. Controlling behaviours are the most widespread form of partner violence, affecting 19.1% of women in their lifetime and 9.9% in the past year. These patterns align with global WHO findings but highlight the specific risks faced by women within intimate relationships in Sri Lanka.

The survey also underscores the deep health and psychosocial impacts of GBV. Among women who experienced physical and/or sexual partner violence, 36% reported suicidal ideation and 15% had attempted suicide, compared with 7% and 1% respectively among women with no history of partner violence. This reflects a strong association between GBV, mental health distress, and broader vulnerability.

[5] https://www.clgf.org.uk/default/assets/File/Country_profiles/Sri_Lanka.pdf
[6] https://www.adb.org/sites/default/files/institutional-document/172710/sri-lanka-country-gender-assessment-update.pdf

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Intimate Partner Violence (IPV): Nationally, 17.0% of ever-married women aged 15–49 reported experiencing intimate partner violence (IPV), while 25.8% sought help. Within Colombo District, IPV prevalence is slightly lower (14.2%) compared to the national figure, but help-seeking is only marginally higher (27.5%). The Colombo DS Division records 13.8% IPV prevalence, with 28.1% of survivors seeking assistance, while Kotte DS Division shows 14.0% prevalence and 26.9% help-seeking.

These figures highlight that urban Colombo has lower IPV prevalence than conflict-affected districts such as Batticaloa (49.6%) and Jaffna (38.9%), yet help-seeking remains constrained by stigma, limited awareness, and gaps in service accessibility. The relatively higher help-seeking in Colombo compared to rural districts suggests better availability of formal and informal support networks, but the fact that fewer than one in three survivors seek help underscores persistent barriers.

Table 15: IPV Prevalence and Help-Seeking

Country/ District/ DS Division	Women experienced IPV (%)	Sought help (%)
Sri Lanka (National)	17.0	25.8
Colombo District	14.2	27.5
Colombo DS Division	13.8	28.1
Kotte DS Division	14.0	26.9

Source: Department of Census and Statistics (DCS), *Sri Lanka Demographic and Health Survey 2016 – Final Report*, Colombo, 2017.

While the legal age of marriage in the country is 18 years, 2% of females below the age of 15 and 12% of females under 18 years of age are living in cohabitation[7]. This impedes many girls from fulfilling their aspirations and is also a cause for gender inequality and gender-based violence. Prevalence on inter-state and cross-border trafficking have also been reported in US State Department's Trafficking in Persons Report 2017, which states that trafficking for sex and exploitative forms of labor exists, especially in cases where women travel out of the country to work as domestic helps or in garment factories[8].

1.3.4 Indigenous Peoples, Ethnic Minorities, and Disadvantaged Groups in Colombo District

Colombo District is Sri Lanka's most urbanized and economically dominant region, with a population of 2.51 million (2024 Census). The ethnic composition is multi-layered: Sinhalese form the majority (76.7%), while Sri Lankan Tamils (11.5%) and Sri Lankan Moors (9.7%) constitute sizeable minorities. Smaller groups include Indian Tamils (1.2%), Burghers (0.8%), and Malays (0.3%), each contributing to Colombo's cosmopolitan identity. The Vedda community, Sri Lanka's only recognized indigenous group, is recorded as negligible in Colombo (0.0%), with their traditional settlements concentrated in Dambana (Badulla District, Uva Province) and scattered pockets in Polonnaruwa and Trincomalee. While individuals of Vedda origin may reside in Colombo for work or education, they are not statistically significant in the district's demographic profile[9].

Despite Colombo's relative prosperity, ethnic minorities and disadvantaged groups face structural challenges. Sri Lankan Tamils and Moors, though better served by urban infrastructure than rural counterparts, often experience housing insecurity, dependence on informal employment, and limited political representation. Indian Tamils, linked historically to estate migration, remain a small and

[7] Legal age of marriage: In Sri Lanka, the legal age of marriage is 18 years. However, DHS 2016 reported that 2% of females below 15 years and 12% below 18 years were living in cohabitation, contributing to gender inequality and vulnerability to GBV.

[8] Trafficking risks: The U.S. State Department's Trafficking in Persons Report (2017) noted that Sri Lankan women face risks of trafficking for sex and exploitative labor, particularly when migrating abroad for domestic work or garment factory employment

[9] Source: Department of Census and Statistics, *Census of Population and Housing 2024 – Final Report*, Colombo, 2026.

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socio-economically less integrated group[10]. Burghers and Malays, though numerically small, face cultural preservation challenges and limited visibility in policy frameworks**.**

Cross-cutting disadvantaged groups include female-headed households**,** vulnerable to income insecurity and housing challenges; the urban poor and informal workers, concentrated in underserved settlements and exposed to eviction risks; and persons with disabilities and elderly residents**,** who face accessibility barriers in dense urban environments. Migrant and minority households are also at risk of exclusion from mainstream welfare programs due to documentation or settlement status.

Colombo's profile thus reflects a multi-ethnic but Sinhalese-dominated district, where minority and disadvantaged groups coexist within a rapidly urbanizing economy. While the district benefits from high literacy, near-universal electrification, and service-sector dominance, inequality and vulnerability persist among ethnic minorities and marginalized households**,** requiring deliberate inclusion strategies in policy and development planning.

[10] Socio-economic disadvantage: Identified through *Household Income and Expenditure Survey (HIES 2024)* and *Labour Force Survey (2023)*, which show higher informal employment and lower income security among minority households

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2. OBJECTIVES OF THE RESETTLEMENT POLICY FRAMEWORK

The overall objective of the Resettlement Policy Framework (RPF) is to establish the standards and provide guidance for all the interventions that will take place under the Project. The principle set out by the RPF is to ensure that the impacts of land acquisition and resettlement are either avoided, minimized, or mitigated, allowing people affected by the project to improve or, at the very least recover their livelihoods and previous standards of living. The resettlement programs will be executed as sustainable development programs and will ensure that the people affected by the project are given the opportunity for meaningful consultation and are able to participate in the planning and implementation of the resettlement plans. The RPF is based on the Sri Lankan laws and regulations pertaining to land acquisition and resettlement, and the World Bank's Environmental and Social Framework (ESF) including Environmental and Social Standards (ESS) on Involuntary Resettlement (ESS-5) and Stakeholder Engagement and Information Disclosure (ESS-10).

The RPF also draws reference from the Guidance Note for Borrowers for ESS5: Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement. Furthermore, the RPF seeks to create clear and uniform guidelines for the planning, execution, reporting, monitoring, and screening of land acquisition and resettlement operations over the course of the project. In compliance with ESS5 criteria, it also aims to guarantee that all impacted individuals, regardless of their legal status or tenure arrangements, are handled equitably and given suitable compensation, aid, and livelihood restoration measures. To make sure they are not disproportionately impacted and may benefit from project interventions, special consideration will be given to low-income and vulnerable households, such as those headed by women, the elderly, people with disabilities, and other underprivileged groups.

The project's infrastructure development may require repossession or re-purposing of state land, potentially resulting in physical and economic displacement of houses, shops, and businesses. The project will explore alternatives to avoid or minimize displacement, such as adjusting infrastructure designs or selecting alternative sites, and will prioritize the use of government owned land with minimal encumbrances. In cases where project activities will inevitably have short-term effects on land, access, livelihoods, or public facilities, the project will take the necessary mitigation steps to reduce interruption and restore impacted assets and services as quickly as possible.

The project implementers will acquire land through the processes outlined in the GOSL's land acquisition related laws and regulations. Compensation for persons affected by land acquisitions will follow the provisions in the entitlement matrix included in this RPF Before acquiring land or limiting access to land and other resources, compensation and resettlement assistance will be given. In order to allow impacted parties to voice concerns about land acquisition, compensation, relocation, and livelihood restoration, the project will also create an easily accessible and transparent Grievance Redress Mechanism (GRM) and guarantee prompt and equitable resolution of grievances.

If people are economically or physically displaced by project activities, a detailed Resettlement Action Plan (RAP), an Abbreviated Resettlement Action Plan (ARAP) or Due Diligence Report (DDR) will be prepared for the particular project component/subcomponent considering the number of affected people in the project. The ARAPs/RAPs will include a socio-economic analysis of the areas affected by the project, profiles of the affected populations, consultations conducted with the affected parties and the provisions for providing compensation and other resettlement assistance for the affected parties. The entitlements of the affected parties, strategies for the restoration and development of their livelihoods and incomes, institutional arrangements for RAP/ARAP implementation, monitoring and reporting framework, budget, and time-bound implementation schedule will also be clearly spelled out in the RAP/ARAP. The draft RAPs will be disclosed in places easily accessible to the public in a form and language(s) understandable to affected persons and other stakeholders. The draft RAPs should be consulted upon and revised based on the feedback received from the stakeholders. Once updated, the

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final RAPs will have to be disclosed on the Project and the World Bank's external websites.

This RPF will guide the preparation of RAP or ARAP in future, once the detailed designs are available for each sub projects. The project's obligation for resettlement planning for displaced populations will be explicitly stated in the Environmental and Social Commitment Plan (ESCP). In addition, an Environmental and Social Management Framework (ESMF) will be prepared to address the non-land related impacts. The Project will monitor the implementation of RAPs, ARAPs and DDRs internally and, if necessary, conduct external monitoring and completion audits to determine if the goals of resettlement have been met. Transparency, accountability, and adaptive management will be ensured by meaningful stakeholder engagement throughout the planning, execution, monitoring, and completion of resettlement activities.

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3. LEGAL, INSTITUTIONAL AND REGULATORY FRAMEWORK

This chapter examines the laws and policies that relate to the recovery of possession of state lands, land acquisition and involuntary resettlement. It will also review the legal and regulatory framework that governs the construction, operation, and maintenance of public infrastructure facilities as well as the protection and sustenance of places that are of environmental, social, and cultural significance. The World Bank's Environmental and Social Framework (ESF) is also discussed, as are the gaps between national laws and policies and the ESF, along with proposals to overcome or mitigate these gaps.

3.1 National legal framework relating to land acquisition and resettlement

For THRIVE investments are located on state-owned land (Urban Regeneration and Heritage Precincts (Colombo Fort & Pettah), Wetland and Nature-Based Tourism Corridors (Kotte, Beddagana, Diyasaru, Kotte Ramparts), Public Space and Connectivity Enhancements and Tourism Innovation Infrastructure for MSME), so the LAA procedure is expected to be invoked only in exceptional cases. Should any private land be required for example, to widen a lane or install a drainage outfall beyond existing easements, the Project will follow the LAA procedure and remain consistent with ESS5.

In Sri Lanka, there are several laws and policies governing land acquisition for public purposes, the recovery of state lands, rights of acquisitive prescription, the declaration of reservations, compensation for property losses and compensation for improvements. The principal legislative enactments comprise of:

3.1.1 Land Acquisition Act No. 9 of 1950

The acquisition of land for public purposes is guided by the provisions and procedures outlined in the Land Acquisition Act No. 9 of 1950 (LAA) and its subsequent amendments. The Act provides framework for land acquisition and guarantees that no one can be deprived of land except under the provisions of the LAA, and it entitles Affected Persons (APs) to a hearing before acquisition. The Act is based on the principle of eminent domain and lays down the general procedure for the acquisition of private land for 'public purpose' (e.g., development projects). The acquisition of land for public purposes is a time-consuming process and can take a minimum of 72 weeks for its completion. The procedures involved in acquiring land for public purposes and the minimum time for the tasks are set out in Annex 1. The Act discourages unnecessary acquisition and lands that have been acquired for one purpose cannot be used for a different purpose and lands that remain unused must be returned to the original owners. The major causes of delay in land acquisition arise from disputes over land titles, disagreements over property valuation and the compensation procedure and attendant legal proceedings.

There is also a provision under Section 38(a) of the LAA to acquire lands under an urgency clause. Specifically, it allows taking over the immediate possession of any land on grounds of 'urgency', if the Minister of Lands is of the opinion that the land is 'urgently 'needed for development projects and cannot wait until the compensation inquiry is over. The enforcement of Section 38(a), however will not be used for purposes of land acquisition under the Project as it contravenes the basic principles of the Bank's ESF.

Under the LAA, the Ministry of Land is responsible for land acquisition, which is carried out by acquiring officers who are appointed by the Minister of Lands, and gazette for the information of the public. All Divisional Secretaries are the ex-officio Acquiring Officers, whereas the Valuation Department is responsible for the valuation. The law only provides for compensation to affected persons who are in possession of valid titles, and have their titles registered in the respective Land Registries. It does not recognize the rights of the non-title holders such as squatters, who do not possess legal title to the lands

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they live in or make a living from. There is no provision to mitigate the impacts on non-titleholders under the LAA.

The LAA provides for compensation for lands and other fixed assets built and grown on them (structures, trees and orchards and crops). It also covers loss of income for people who can provide documentary proof of their losses, up to a maximum of their average net profit for the three years immediately preceding publication of the Section 07 Notice under the LAA. As described in the ensuing section, the Land Acquisition Regulations of 2008 has introduced provision to compensate for loss of income and other impacts based on furnishing other evidence in lieu of the documentary proof of payment of income tax. However, the 2008 Regulations do not cover people that cannot produce any documentary evidence of loss of income.

3.1.2 Land Acquisition Regulations of 2008

The LAA provides for the payment of compensation based on 'market value' defined as the 'amount which the land might be expected to have realized if sold by a willing seller in the open market as a separate entity'. This 'separate entity principle' resulted in hardships particularly when a small part of a larger land was acquired since such small areas of land fetched a minimum value in the open market. The Land Acquisition Regulations of 2008 approved by the Cabinet of Ministers and the Parliament under Section 63 (2) (f) of LAA 1950 and published in the Government Gazette of July 07, April 2009 (Gazette notification No.1596/12 of 7.4.2009) gave legal status to these Regulations. It also bound all development projects by the consolidated land acquisition and resettlement/rehabilitation processes outlined in the National Involuntary Resettlement Policy of 2001(see below for description of this policy). The Regulations redefine the valuation approach for determining market value and states that 'in the case of land where part of a land is acquired and when its value as a separate entity deems to realize a value proportionately lower than the Market Value of the main land the compensation should be proportionate to the value of the main land'. The Regulations also provides additional compensation beyond 'market value' and incorporates compensation for injurious affection and severance (equivalent to the full cost of damage based on the market value of land acquired) and disturbances (in terms of Section 3.11 and based on the principle of 'value to owner' of the property affected as per the written claims submitted by the AP). The regulations also provide for payment of compensation to non-titleholders.

The 2008 Regulations incorporate the concept of replacement cost in the valuation of land and other assets. The regulations require compensation for land to be paid at market rates, along with the cost of reconstruction for houses and other structures, without considering depreciation of the buildings. The Regulations also include provision to compensate for loss of business income, as well as relocation assistance and other benefits. Further, the 2008 Regulations provides for affected persons to be entitled for a hearing before their land is acquired. However, the level of compensation can only be determined by the Valuation Department. The 2008 Regulations are shown in Annex 2.

3.1.3 Land Acquisition (Payment of Compensation) Regulations of 2013

The Land Acquisition (Payment of Compensation) Regulations of 2013 apply only for development projects which are designated as 'specified project' by the Ministry of Lands and ratified by the Cabinet of Ministers and the Parliament of Sri Lanka. The Regulations provides for a comprehensive compensation package following land acquisition. The specified projects qualify to establish Land Acquisition and Resettlement Committees (LARC) in the Divisional Secretary Divisions where the persons affected by land acquisition can make their representations. Affected parties also have the opportunity to appear before the LARC proceedings and those dissatisfied with LARC decisions on compensation may appeal to the Super LARC established at the national level.

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The LARC system provides a mechanism for the parties affected by land acquisition to appeal for a higher compensation if they were dissatisfied with the statutory compensation paid to them under the Land Acquisition Act (LAA) of 1950. The LAA of 1950 provides only a limited appeal process for aggrieved parties through the Land Acquisition Review Board (LARB) which is hardly accessible to many affected parties (APs) particularly the poor and vulnerable due to cost and time. Instead, the LARC established at divisional secretariat level and chaired by the Divisional Secretary is easily accessible to APs where he/she will be given an opportunity to make their representations during LARC proceedings. Participation in LARC proceedings has a minimum cost to the APs and he/she can present their grievances and needs before the LARC. The LARC is constituted by the Divisional Secretary or Assistant Divisional Secretary of the relevant Divisional Secretary's Division, the Surveyor General or his nominee, the Chief Valuer or his nominee and an officer not below the rank of the Assistant Secretary nominated by the Minister to whom the subject of the respective Specified Project has been assigned. LARC offers an ex-gratia package of compensation which among others include compensation for land, encroached state land, buildings, and structures, rent controlled premises under the Rent Act, loss of business and livelihoods, allowances for vulnerable families, loss of wages and employment, ex-gratia payments for handing over possession of property before the deadline, payments for relocation and self-relocation etc.

APs who are dissatisfied with the decisions of LARC can appeal to the Super LARC established at national level and constituted by LAR 2013. The Super LARC consists of the following members appointed by the Minister:

- The Secretary of the Ministry of the Minister to whom the respective subject of the Specified Project is assigned or his representative.
- The Secretary of the Ministry of the Minister to whom the subject of Land and Land Development is assigned or his/her representative.
- The Secretary of the Ministry of the Minister to whom the subject of Finance is assigned or his/her representative.
- The Chief Valuer or his representative.
- The Survey General or his representative.
- The Chairman or Chief Executive Officer of the respective Specified Project or a representative nominated by him/her

The Land Acquisition Regulations (LAR) of 2014 do not apply to the THRIVE Colombo Project at present, as the project has not yet been approved by the Cabinet of Ministers as a "Specified Project." For these regulations to be applicable, a separate Cabinet approval is required. Until such designation is granted, land acquisition processes will continue to be governed under the provisions of the Land Acquisition Act No. 9 of 1950 and the National Involuntary Resettlement Policy (NIRP), together with World Bank Environmental and Social Standards (ESS5).

3.1.4 National Environment Act No. 47 of 1980

The National Environment Act No. 47 of 1980, as amended in 1988, also refers to involuntary resettlement. The Minister has by Gazette notifications 772/22 published on 24 June 1993 and No859/14 of 23.02.1995, determined the types of projects for which an EIA is required under Part IV (c) of the Act. The prescribed project schedule requiring EIA includes item 12, which refers to "involuntary resettlement exceeding 100 families, other than resettlement resulting from emergency situations". The Minister by order published in the Gazette has specified the projects and undertakings in respect of which approval should be obtained from the Project Approving Agency (PAAs). The project proponent is required to prepare an IEE or EIA according to CEA guidelines.

3.2 National Laws relating to Recovery of State and Other Public Land

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Most THRIVE investments will take place on land owned by the central government or local authorities. Several statutes govern the management and recovery of such lands:

3.2.1 Crown Lands Ordinance No.8 of 1947

The ordinance makes provision for the grant and disposition of Crown lands in the country; for the management and control of such lands and the foreshore; for the regulation of the use of the water of lakes and public streams; and for other matters incidental to or connected with the matters aforesaid. Section 74 (1) of the ordinance refers to the right of the owner of any land on the bank of a public lake or public stream to use the water in that lake or stream for any purpose on that land. And if the right acquired under any law relating to the acquisition of rights by virtue of user, is extinguished by the operation of Section 72 of this ordinance, the ordinance states that such owner will be entitled for a claim of compensation from the Crown for the actual loss suffered by him as a result of the extinction of such right.

In THRIVE's context, the UDA and local authorities (Eg: Municipal council) will work with the Land Commissioner General's Department to confirm land ownership and boundaries before finalizing designs. Where unused state reservations are needed for project activities (eg: pedestrian pathways) the project will secure transfers or long-term leases. If a user-acquired right is extinguished under section 72, the project will coordinate with land authorities to process compensation for actual loss per the Ordinance, while also applying RPF/ESS5 replacement-cost entitlements and documenting all steps in subproject files.

3.2.2 State Lands Act No. 13 of 1949

This Act provides for the grant and disposition of state lands in Sri Lanka- for the management and control of such lands and the foreshore; for the regulation of the use of the water of lakes and public streams; and for other matters incidental to or connected with the aforesaid matters. The Act comprises of 14 parts. Importantly, Section 51 stipulates that title to state reservations cannot be acquired by possession or usage. Section 53 exempts the state from any liability to pay compensation for improvements effected on reservations. It states that no person shall be entitled to any compensation from the state in respect of any improvements effected at any time after the commencement of this Ordinance on any State land reservation; nor shall any claim for any such compensation be entertained by any court. Section 54 provides for summary eviction of offenders in unlawful possession of state land reservations.

Further, Section 103 of the State Lands Act provides that no person can, by possession or the use of land, acquire any prescriptive title against the Crown if such land is (a) after the commencement of the ordinance declared to be the property of the Crown under the Land Settlement Ordinance, or (b) is acquired by the Crown under the LAA after such date, or (c) after such date resumed by the Crown under the Land Redemption Ordinance and has at any time prior to or after the declaration, acquisition or redemption, been delimited with boundary markers by or under the authority of the Surveyor General.

Many THRIVE works will lie on state land/reservations (e.g., drainage corridors, foreshore, road and canal reservations). The PMU/TIUs will use this Act to (i) verify vesting and reservation boundaries with the Land Commissioner General/Survey Department, (ii) secure the lawful basis to occupy state land for works (permits/approvals), and (iii) manage any encroachments consistent with the law. While the Act constrains State compensation, the project under ESS5 and the RPF will still provide replacement-cost assistance for affected non-land assets and livelihood support (e.g., via LSAPs) to informal users where impacts arise, avoiding forced evictions, sequencing assistance before civil works, and documenting due diligence and agreements in subproject files.

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3.2.3 State Lands (Recovery of Possession) Act No. 7 of 1979

The provisions for the recovery of possession of State lands from persons in unauthorized possession or occupation thereof are contained in the State Lands (Recovery of Possession) Act No. 7 of 1979. Furthermore, Section 10 stipulates that no appeal is maintainable against an order of eviction by a Magistrate. Section 13 provides for reasonable compensation for damages sustained by reason of the affected person having been compelled to deliver up possession of such land.

Note: Under the provisions of this Act, persons with unauthorized occupation of land could be removed after following due process (providing advance notice of removal and adequate time for removal of assets), the project will pay assistance and compensation based on the guidelines of this RPF before these affected persons are relocated from such locations.

For THRIVE, this statute may be applied to reposes state land occupied by informal vendors or shops. In such cases the project will follow the Act's procedures but will also follow due process and provide relocation assistance and livelihood support, consistent with the RPF and ESS5, before repossessing the land.

3.2.4 Land Development Ordinance No. 19 of 1935

This ordinance deals with the systematic development and alienation of Crown Land of Ceylon and comprises of 12 chapters. Specifically, Chapter 7 of the Land Development Ordinance (LDO) sets out the procedure for cancellation of a right to state land given on permit or grant due to noncompliance of the conditions of permit.

The procedure for eviction of a person occupying state land that has been given on a grant is spelt out in Chapter 9 of the LDO. Section 168 of the LDO stipulates the offences regarding state land. It says that if any person clears or prepares any state land for cultivation or erects any building or structure on any state land, fells any trees standing on such land or otherwise encroaches on such land without the permission of the Government Agent, they will be guilty of an offence and subject to fine and imprisonment. Thus, under the laws of Sri Lanka, the rights of a 'mala fide possessor' are not recognized and no compensation can be paid for the improvements.

Although the LDO may not be directly invoked in THRIVE, it underscores that any assistance to permit holders or encroachers must come from the project, not the state. The PMU will therefore identify any LDO permits along the pathways or wetland sites and will coordinate with the Land Commissioner to adjust or cancel permits with due notice, while the project provides resettlement assistance as needed in accordance with ESS5.

3.2.5 Prescription Ordinance No. 22 of 1871

This is an Ordinance that confers rights on people who have had unencumbered possession of private lands for over 10 years. Section 15 of the Prescription Ordinance states that nothing herein contained shall affect the rights of the Crown (State). Thus, prescription does not run against the State. Prescription Ordinance No 22 of 1971 made express provision with respect to how a person may acquire the ownership of a block of land through the peaceable and uninterrupted possession of it for a period of ten years. Section 3 of the Ordinance provides as follows: "Proof of the undisturbed and uninterrupted possession by a defendant in any action, or by those under whom he claims, of lands or immovable property, by a title adverse to or independent of that of the claimant or plaintiff for ten years previous to the bringing of such action, shall entitle the defendant to a decree in his favor with costs."

The practical implication for THRIVE is that long-term occupants of government reservations (e.g.,

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vendors along an access road) cannot claim legal ownership but may still be eligible for livelihood assistance under the RPF.

3.2.6 Temple and Devalagam (Compensation) Ordinance, No.28 of 1944

This Act deals with lands donated to the temples and Devala (Places of religious significance) by rulers under a deed of dedication or 'Sannasa' (Order) for the maintenance of such institutions. The rights of the custodian of temples and Devala for the receipt of compensation in the event of land acquisition for public purposes are spelt out in this Act in addition to the other provisions. The compensation for the acquired land belonging to temples and devales will be received by the public trustee and will be deposited in the joint bank account hold by the relevant trustee and the chief incumbent of the temple. The public trustee in consultation with the trustee or the chief incumbent of the temple will authorize the funds to be utilized for promoting the aims and objectives of the temple.

THRIVE does not anticipate acquiring such land; however, any works near temples or any religious location govern under the ordinance will require consultation with custodians, and any impacts on temple property will be compensated and managed in accordance with this Ordinance and the RPF.

3.3 National Policies on Resettlement

The THRIVE subprojects such as heritage restoration in Colombo Fort and Pettah, wetland enhancement in Kotte, and tourism facility upgrades are relatively small-scale and confined to existing urban and ecological footprints. As such, they are unlikely to trigger major resettlement. Nonetheless, the project will apply the principles of the National Involuntary Resettlement Policy (NIRP) and World Bank ESS5 to any subproject that causes physical or economic displacement, including temporary access disruptions to shops, vendors, and wetland-dependent communities during construction. The RPF therefore requires preparation of the appropriate safeguard instrument whether a Resettlement Action Plan (RAP), Abbreviated RAP, Livelihood Restoration Plan, or other targeted action plan based on screening outcomes and the magnitude of impacts, rather than relying solely on the Land Acquisition Act (LAA).

3.3.1 National Involuntary Resettlement Policy 2001

The National Involuntary Resettlement Policy (NIRP 2001) was approved by Cabinet to address the shortcomings of the LAA and is designed to treat affected people in a fairer and more equitable manner. It calls for a protective framework for people displaced by development projects, to ensure that their rights are respected and that they are not impoverished or do not suffer unduly as a result of public or private project implementation. Under the NIRP, displaced people are assured of a living standard comparable to that at the time of displacement. The main principles or features of NIRP include the minimization and mitigation of negative impacts. This means steps must be taken to avoid involuntary resettlement by reviewing alternatives to the project. NIRP guarantees that affected persons are adequately compensated in a timely manner. Compensation is based on full replacement value, including transaction costs, and is calculated to include loss of land, and loss of structures and other assets, and income. Compensation is not limited to persons that have documentary evidence of their rights to land. The policy provides for the authorities to re-establish the livelihoods and income of affected persons and to include them in the design and implementation of the relocation and resettlement process.

The policy provides guidelines for resettlement plans of varying levels of detail, depending on the numbers of people being displaced. The plans must be published and made available to the public. A comprehensive Resettlement Plan (RP) is prepared for any project requiring the displacement of 20 or more families. If the number of families affected is less than 20, a RP with less detail can be prepared. The NIRP provides for affected persons to be fully involved in the selection of relocation sites and to be stakeholders in the development and implementation of the resettlement plan.

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The Policy is intended to guarantee that: (i) project affected persons are adequately compensated, relocated, and rehabilitated; (ii) delays in project implementation and cost overruns are reduced; and(iii) better community relations are restored. It aims at ensuring that people affected by development projects are treated in a fair and equitable manner and are not impoverished in the process. The Policy also enables a framework for project planning and implementation that is comparable with international best practices in involuntary resettlement. The responsibility for reviewing and approving the resettlement plans is vested with the Ministry of Lands.

The main principles of NIRP are as follows.

- Involuntary resettlement should be avoided as much as possible by reviewing alternatives to the project as well as alternatives within the project.
- Where involuntary resettlement is unavoidable, affected persons should be assisted to reestablish themselves and improve their quality of life.
- Gender equality and equity should be ensured and adhered to throughout.
- Affected persons should be fully involved in the selection of relocation sites, livelihood compensation and development options at the earliest opportunity.
- Replacement land should be an option for compensation in the case of loss of land; and in the absence of replacement land cash compensation should be an option for all affected persons.
- Compensation for loss of land, structures, other assets, and income should be based on full replacement cost and should be paid promptly. This should include transaction costs.
- Resettlement should be planned and implemented with full participation of the provincial and local authorities.
- Participatory measures should be designed and implemented to assist those economically and socially affected to be integrated into the host communities.
- Common property resources and community and public services should be provided to affected persons.
- Resettlement should be planned as a development activity for the affected persons.
- Affected persons who do not have title deeds to land should receive fair and just treatment.
- Vulnerable groups should be identified and given appropriate assistance to improve their living standards.
- Project Executing Agencies should bear the full costs of compensation and resettlement.

NIRP will be the national anchor for all land- and livelihood-related impacts under THRIVE. Although project expects minimal acquisition, any subproject that causes physical or economic displacement including temporary access restrictions will be planned and implemented in line with NIRP. Practically, this means: avoid/minimize displacement, provide compensation at replacement cost before displacement, restore livelihoods, extend special assistance to vulnerable groups, ensure meaningful consultation/disclosure, and operate an accessible GRM. Instruments will be proportionate (RAP/ARAP, LSAP, where relevant) and requirements embedded in designs, the entitlement matrix and bidding/contracts. Where domestic law (e.g., LAA/State Lands) falls short of NIRP, the RPF sets gap-bridging measures consistent with ESS5 so no affected person is worse off.

3.3.2 National Policy for the Payment of Compensation, 2008

In November 2008, the Cabinet of Ministers approved a national policy to establish a uniform system of compensation payment, which at that time was carried out under different Land Acquisition and Resettlement Committees or LARC systems. It superseded all other ad hoc and special compensation packages that existed on the date of the Cabinet approval of the policy. However, projects that had already introduced such schemes, and that had published Section 2 under the LAA before 1st September 2008, could continue with the existing packages.

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3.4 National Regulatory Framework related to Public Infrastructure and Services

3.4.1 Urban Development Authority Law No. 41 of 1678

The Urban Development Authority Law No. 41 of 1978 establishes the Urban Development Authority (UDA) to promote integrated planning and implementation of economic, social, and physical development in areas designated by the minister as urban development areas. The law also covers matters connected or incidental to such development, ensuring a holistic approach to urban planning.

The UDA is vested with a broad range of powers and functions. It is responsible for carrying out integrated planning and physical development within and among designated areas, following any directions issued by the Minister. The Authority is empowered to implement development programs, activities, and services that align with integrated planning objectives. It undertakes the execution of development projects and schemes approved by the Government and is tasked with formulating and implementing urban land use policies. The UDA also develops environmental standards and prepares schemes for environmental improvements, carries out building, engineering, and other operations related to infrastructure development, and manages the acquisition, holding, or disposal of movable and immovable property. Additionally, the Authority formulates and executes housing schemes, clears and develops slum and shanty areas, and regulates, coordinates, or prohibits development schemes or activities by government agencies or other entities within its jurisdiction. It may also charge rents or fees for buildings or services it provides.

Part 5 of the UDA Law outlines provisions for the acquisition of immoveable property. Section 15 specifies that if the Minister certifies land vested in a local authority is required by the UDA, the Minister may vest such land with the UDA through an Order published in the Gazette. When land is declared a development area and deemed necessary for a public purpose, it may be acquired under the Land Acquisition Act (LAA). Private lands required for development areas are compensated at market value, as stipulated in Section 16(2).

One TIU under THRIVE (Component 2) is housed in the UDA, so this law is the project's core planning and implementation anchor in designated Urban Development Areas. The UDA Law gives THRIVE the statutory tools to plan, permit, coordinate and (if strictly necessary) secure land for subprojects while the RPF ensures that any resulting impacts are managed to World Bank ESS5 standards.

3.4.2 Urban Development Projects (Special Provisions) Act No. 2 of 1980

This Act provides the legal framework for declaring lands urgently required for urban development projects and addresses related matters. The President is authorized to declare land as necessary for urgent urban development by publishing an Order in the Gazette (Section 2). Section 3 limits the legal remedies available to parties aggrieved by such acquisitions, restricting options such as injunctions, enjoining orders, or stay orders that might otherwise halt the acquisition process.

Under Section 7, the Government can take possession of land designated under Section 2, utilizing the provisions of the State Lands (Recovery of Possession) Act No. 7 of 1979, without waiting for formal acquisition under the LAA. This enables the UDA to quickly take possession of private land needed for urban development projects, effectively denying affected persons the legal right to restrain the acquisition procedure.

The THRIVE will commit not to use these expedited/summary-possession provisions. Instead, any land needs will follow the Land Acquisition Act due process with replacement-cost compensation before displacement plus LSAP support for temporary livelihood impacts all consistent with ESS5 and the project RPF.

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3.4.3 Road Development Authority Act No. 73 of 1981

The Road Development Authority (RDA) was established by Road Development Authority Act No.73 of 1981. The main objectives for setting up RDA are to: formulate national policies for highway sector in achieving national development goals; provide high mobility among townships, efficient connectivity among economic centers and improve accessibility for rural areas; maintain the road network in excellent standards to contribute to sustainable development; provide Intelligent Transport System (ITS) for efficient traffic management; invest on capacity enhancement of road sector to ensure high level service and user friendly roads; and invest in research and development for enhancement of the road sector, including enhancing road safety measures for road users.

3.4.4 Thoroughfare Act No. 40 of 2008

The salient feature of the Thoroughfare Act is that it empowers the Road Development Authority (RDA) to establish a Road Network Development Advisory Council and District Road Development Coordinating Committees. The RDA can prevent unauthorized constructions within the road reservations, construct new roads, divert roads, acquire lands vested in a local authority and make special grants under the Crown land Ordinance. The authority has the power to alienate lands, temporarily close a road, public road or national highway, erect fences and declare building limits alongside a road. The Minister can also designate a user fee for national highways, purchase lands for resettlement sites, and authorize a survey to enter lands for the purpose of surveying and to mark the acquisition boundaries. This helps to expedite the process of design and preparation of resettlement plans. Prior to this Act, surveyors could enter private land only after the issuance of a Section 02 Notice under LAA. Previously, the land required for development purposes by State organizations were acquired through the Acquisition Officers appointed by the Ministry of Lands. The power to purchase land by RDA has accelerated the procedures of resettlement, and officers can also pay compensation for the damages caused to properties. Overall, this Act has the potential to facilitate the construction of new roads and the improvement to existing roads giving additional mechanisms for acquisition of land, payment of compensation and resettlement.

Where THRIVE works interface with road reservations or carriageways, the Act provides the legal basis—through RDA/local road authorities—for permits, temporary road closures/diversions, building-line controls, and authorized surveys/setting-out. The project will use these provisions to coordinate traffic management, safety signage, and work phasing so businesses and residents retain access. If land is strictly required along a road corridor, THRIVE will not use any expedited possession mechanisms to bypass due process; instead, it will proceed under the Land Acquisition Act or negotiated (willing-buyer/willing-seller) purchase and apply the RPF/ESS5.

3.4.5 Municipal Councils Ordinance No. 29 of 1947

This Ordinance was meant to amend and consolidate the law relating to Municipal Councils. It came into operation on August 15, 1947 and comprises sixteen parts. The Ordinance empowers the Municipal Councils to regulate, control and administration of all matters related to the public health, public utility services, public thoroughfares, and generally with the protection and promotion of the comfort, convenience and welfare of the people and the amenities of the Municipality. The movable properties vested with MCs include waste land, stone, gravel and soil quarries, lakes, ponds, reservoirs, tanks and other waterworks, public parks, gardens and open spaces, public markets, graveyards, and state land with or without buildings. The Ordinance also requires that any development within the boundary of a Municipal Council would require concurrence making it necessary for the project to also seek concurrence from the Municipality for construction activities.

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Where THRIVE subprojects fall within the Colombo Municipal Council (CMC) limits for example, works in the Pettah area the Municipal Councils Ordinance (1947) provides the legal basis for securing CMC concurrence for construction activities. This includes obtaining building and works permits, approvals for road openings or temporary closures, utility connections, and public-health and solid-waste clearances for sites, markets, and kiosks. The project will coordinate with the CMC to use or temporarily occupy municipal property (such as parks, markets, drains, and roads) and to comply with by-laws governing working hours, noise and dust control, signage, and reinstatement standards. The CMC, acting as a Technical Implementation Unit (TIU), can implement civil works with support under the Ordinance to the extent possible. In addition, the CMC will assist in managing and allocating new kiosks or market bays, giving priority to existing affected traders. Where informal uses of municipal land must be removed, THRIVE will apply the Resettlement Policy Framework (RPF) and World Bank ESS5: no compensation will be provided for land itself, but replacement-cost compensation will be ensured for affected structures and equipment, livelihood support action plans (LSAPs) will address temporary income loss, and all processes will be documented and conducted transparently before works proceed.

3.5 Policies and Acts for Cultural Heritage and Coastal Areas

3.5.1 Antiquities Ordinance No. 9 of 1940, later amended in 1957 and 1968

The Antiquities Ordinance No. 9 of 1940, as amended in 1957 and 1968, provides for the protection of ancient monuments, archaeological reserves, and culturally significant structures. Under this law, no person may excavate, construct, or alter buildings within a protected area without a permit from the Department of Archaeology. Sections 12–16 prescribe penalties for damaging antiquities, while Section 43 requires that chance finds be reported to the authorities.

THRIVE activities may involve the preservation and enhancement of cultural assets and monuments, making adherence to this Ordinance together with close coordination with the Department of Archaeology essential. All designs must be reviewed and approved by the Department of Archaeology, and construction contracts will incorporate chance-find procedures and worker training. Where new drainage cuts or other civil works intersect areas of potential archaeological value, the project will either avoid such alignments or adopt alternative methods (e.g., underground piping) to safeguard heritage resources.

3.5.2 Coastal Conservation and Coastal Resource Management Act No. 57 of 1981, later amended by Act No. 64 of 1988 and Act No. 49 of 2011.

The Coastal Conservation and Coastal Resource Management Act No. 57 of 1981, as amended by Act No. 64 of 1988 and Act No. 49 of 2011, establishes the coastal zone (generally extending 300 meters landward from the mean high-water line) and requires that any development within this zone obtain a permit from the Coast Conservation Department (CCD). Sections 14–16 empower the CCD to review designs, impose conditions, and enforce measures for coastal erosion control and resource management.

At present, no THRIVE subprojects have been identified within areas governed by this Act. However, if any future interventions are proposed within the designated coastal zone, they must be thoroughly reviewed during the project planning stage and necessary actions taken to ensure compliance. The permit process also requires consultation with coastal communities and fishing cooperatives, which aligns with the Stakeholder Engagement Plan (SEP) and World Bank ESS10, ensuring participatory and transparent decision-making.

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3.6 Sector-Specific Laws

3.6.1 Mines and Minerals Act No. 33 of 1662 and Explosives Act No. 113 of 1676

This Act regulates the extraction of minerals, including river sand and quarry materials, while the Explosives Act controls the use of blasting materials. The project intervention may require excavation of soil, rock or coral. The contractor will obtain permits for any quarrying or blasting, and the project will verify that supply chains do not involve illegal sand mining.

3.6.2 Marine Pollution Prevention Act No. 35 of 2008

This Act prohibits discharge of pollutants into Sri Lanka's territorial waters and provides the framework for oil spill response. It is relevant for all interventions under THRIVE. Contractors will be required to have spill contingency plans and to train workers in handling fuel and waste to prevent marine pollution.

3.6.3 Public Health Ordinance No. 15 of 1867 and Solid Waste Regulations

The Public Health Ordinance No. 15 of 1867, together with relevant Solid Waste Management Regulations, empowers local authorities to regulate sanitation, waste disposal, and the control of disease vectors. Under THRIVE, new infrastructure, tourist facilities, and public amenities will be designed to incorporate water supply, sanitation, and solid waste systems that meet established public health standards. Any temporary disruptions to waste collection during construction will be mitigated through community agreements, coordination with municipal services, and proactive communication measures outlined in the Resettlement Policy Framework (RPF) and Stakeholder Engagement Plan (SEP).

3.6.4 National Environmental Act No. 47 of 1980 (Amended)

If a proposed relocation site for displaced persons is located within an environmentally sensitive zone, a separate local Environmental Impact Assessment (EIA) or Initial environmental Examination (IEE) must be conducted. Statutory environmental clearance from the relevant national regulatory authority (here in Sri Lanka, the Central Environmental Authority) must be legally secured before any resettlement activities or physical works commence on the site.

3.6.5. Coast Conservation and Coastal Resources Management Act No. 57 of 1981

If any informal vendors (may be present in the Galle Face Green or other places along the CMC Heritage Track) are being physically or economically displaced from coastal land or if a relocation site falls within the coastal zone, the resettlement activity must strictly comply with CCD buffer zones and structural guidelines.

3.6.6. Fauna and Flora Protection Ordinance No. 02 of 1937

Urban ecosystems connected to the THRIVE project are highly protected. The RPF must establish that no resettlement site selection can take place within or adjacent to these protected sanctuaries to prevent habitat destruction.

3.7 World Bank's Environmental and Social Policies

3.7.1 The World Bank's Environmental and Social Framework

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The new World Bank Environmental and Social Framework (ESF), approved in 2016, and effective since October 2018, sets out standards intended to benefit the environment and the citizens of the borrowing countries by: (a) supporting borrowers in achieving good international practice relating to environmental and social sustainability; (b) assisting borrowers in fulfilling their national and international environmental and social obligations; (c) enhancing non-discrimination, transparency, participation, accountability and governance; and (d) ensuring sustainable development outcomes of projects through ongoing stakeholder engagement.

There are ten Environmental and Social Standards (ESS), which specify the standards that the Borrower and the project will have to meet through the project lifecycle. The ten environmental and social standards are:

- ESS-1: Assessment and Management of Environmental and Social Risks and Impacts
- ESS-2: Labor and Working Conditions
- ESS-3: Resource Efficiency and Pollution Prevention and Management
- ESS-4: Community Health and Safety
- ESS-5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- ESS-6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- ESS-7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
- ESS-8: Cultural Heritage
- ESS-9: Financial Intermediaries
- ESS-10: Stakeholder Engagement and Information Disclosure

Under the proposed project, ESS-1, ESS-2, ESS-3, ESS-4, ESS-5, ESS-6, ESS-7, ESS-8, ESS-9 and ESS-10 will be applicable. Section below discusses the relevance of ESS-5, in particular; and briefly describes the relevant ESSs that need to be considered in conjunction with ESS-5 for devising this RPF.

Table 16: WB's Environmental and Social Standards (ESSs) Relevant to THRIVE Colombo

ESS Policies and Standards	Objectives	Key Requirements	Applicability to the THRIVE Project
ESS1 - Assessment and Management of Environmental and Social Risks and Impacts	Identify and manage E&S risks throughout project lifecycle	Conduct E&S screening, prepare Environmental and Social Impact Assessments (ESIAs) or Management Plans (ESMPs), and monitor implementation	THRIVE will undertake E&S screening for subprojects, prepare ESIAs/ESMPs where needed, and monitor compliance.
ESS2 - Labor and Working Conditions	Promote fair, safe and healthy working conditions	Develop a Labor Management Procedure (LMP); ensure non-discrimination; prohibit child and forced labor; provide a worker grievance mechanism	THRIVE will prepare an LMP covering contractors and workers, prohibit child/forced labor, and establish worker grievance channels.
ESS3 - Resource Efficiency and Pollution Prevention and Management	Encourage efficient use of resources and control pollution	Manage waste and hazardous materials; reduce emissions and pollution; promote energy and resource efficiency	Nature trails, Wetland Corridor and all other physical interventions under THRIVE will integrate pollution prevention measures and resource-efficient practices

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ESS Policies and Standards	Objectives	Key Requirements	Applicability to the THRIVE Project
ESS4 - Community Health and Safety	Protect communities from project-related risks	Identify community risks (e.g. traffic, construction hazards); develop road safety and emergency response plans; address SEA/SH risks	THRIVE will prepare Traffic and Road Safety Plans, emergency response plans, and SEA/SH risk mitigation measures
ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Ensure fair compensation and livelihood restoration	Compensate at replacement cost; assist all affected people (including informal users); implement relevant resettlement plans.	The RPF for THRIVE includes procedures for RAPs, ARAPs and DDRs, LRPs and business disruption assistance to restore livelihoods
ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	Protect natural Habitats and biodiversity	Screen for biodiversity impacts; avoid or mitigate damage to natural habitats; promote sustainable resource use	THRIVE wetland related subprojects (e.g., Wetland Corridor) will undergo biodiversity screening and include mitigation measures
ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Respect Indigenous Peoples' rights, culture and livelihoods	Screen for Indigenous groups; ensure participation; prepare Indigenous Peoples Plans; obtain Free, Prior and Informed Consent (FPIC) if required	THRIVE will screen for ESS7 applicability; however, current information shows there are no indigenous communities in the Colombo district. If any underserved or marginalized communities are identified within the project impact zone, appropriate remedial actions will be taken in line with ESS7.
ESS8 - Cultural Heritage	Safeguard tangible and intangible cultural heritage	Identify and avoid impacts on cultural heritage; apply chance-find procedures; consult with authorities	THRIVE will prioritize the rehabilitation, preservation, and adaptive reuse of archaeological and cultural heritage assets. In line with the requirements of ESS8, the project will undertake archaeological impact assessments, integrate conservation measures into design and implementation, and secure all necessary approvals.
ESS10 - Stakeholder Engagement and Information Disclosure	Ensure continuous, inclusive engagement with stakeholders	Develop a Stakeholder Engagement Plan; disclose information; establish a grievance redress mechanism	THRIVE's SEP details consultations, communications tools, and grievance processes, including SEA/SH referral pathways

3.7.2 Comparison between Country Systems and World Bank ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Sri Lanka has an elaborate legal system to manage land acquisition for development purposes. However,

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where property and livelihoods of non-title holders are concerned, the legal provisions are less elaborate, but policy guidelines have been established to address the gaps. Sri Lanka also has a detailed system for valuation of properties, both in specialized and non-specialized categories involving different methods.

The NIRP and the Land Acquisition Regulations of 2008 seek to address gaps bringing the process closer to the Bank's ESS-5 on Land Acquisition, Restrictions on Land-Use, and Involuntary Resettlement. For example, the Land Acquisition Act (LAA) provides for compensation for land, structures, and crops, and does not address resettlement issues, including impacts on non-titleholders. NIRP provides for addressing resettlement and rehabilitation issues including payment of compensation at replacement cost irrespective of the legal status of the affected party. A key weakness of NIRP is that it is a statement of policy rather than a code of legal provisions guiding and regulating the resettlement process.

The LAA also does not provide clear guidelines directing the project executing agencies (EAs) to address key resettlement planning and implementation issues such as (a) exploring alternative project options to avoid or minimize impacts on people; (b) compensating the non-titled persons who will be affected by a project but are currently using and dependent on land; (c) consulting affected persons and resettlement hosts on resettlement options; (d) providing for successful social and economic integration of the affected persons into the host communities, and (e) rehabilitating affected persons along with income restoration measures. In the circumstances, this void in the legal framework, will be filled by the involuntary resettlement policies of the GOSL reflected in the National Involuntary Resettlement Policy (NIRP) of 2001 and the World Bank ESF. All entitlements and compensation for persons affected by land acquisitions and non-land economic displacements will be guided by those two policies and based on the principle of replacement cost for all losses caused to the APs.

To address these gaps, the RPF provides an entitlement matrix and specific guidelines for dealing with involuntary resettlement related issues and mitigation of associated risks in compliance with the Bank's ESF. Table 11 presents a comparative analysis of the provisions in GOSL's legal and policy framework and the World Bank requirements, and a set of measures to address the policy compliances.

Table 17: A Comparative Analysis of Legal and Policy Framework of GoSL and WB's ESS-5

SN	World Bank's ESS - 5	Legal Framework and Safeguard Policies of GOSL	Degree of compliance or gaps and measures to address gaps
1	Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives	LAA provides for the screening of projects at the stage where a request for acquisition is initially received by the Minister of Land as well as consequent to the initial investigation. NIRP provides for reviewing alternatives to the project as well as alternatives within the project.	Complied.
2	Mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by providing timely compensation for loss of assets at replacement cost.	LAA provides for the payment of compensation at 'market value'. LAR 2008 redefines the valuation approach to determine the market value and prescribes that the market value of a 'separate entity' should be proportionate to the value of the mainland. It also incorporates compensation for injurious affection and severance (equivalent to the full cost of damage based on the market value of land acquired) and disturbances	The project will comply with NIRP, LAR 2008 and the entitlement matrix in the RPF includes these provisions to ensure compensation at full replacement cost.

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SN	World Bank's ESS - 5	Legal Framework and Safeguard Policies of GOSL	Degree of compliance or gaps and measures to address gaps
		based on the principle of 'value to owner' of the property affected as per the written claims submitted by the AP NIRP mandates compensation for loss of land, structures, other assets, and income based on full replacement cost which should be paid promptly.	
3	Assist displaced persons in their efforts to improve, or at least restore, their livelihoodsand living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher	There are no legal provisions apart from the payment of cash compensation for acquired properties. NIRP recommends that where involuntary resettlement is unavoidable, affected persons should be assisted to re-establish themselves and improve their quality of life.	Cash compensation and livelihood grants and RCD assistance for APs and special assistance for poor and vulnerable groups are included in the Entitlement Matrix of the RPF. Similar provisions will be included in the Resettlement Action Plans together with required funds included in the resettlement budget. The project will implement a robust livelihood restoration plan to support livelihood restoration
4	Improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.	NIRP prescribes replacement land as an option for compensation in the case of loss of land, and in the absence of replacement land cash compensation for all affected persons. Furthermore, NIRP recommends that vulnerable groups be identified and given appropriate assistance to improve their living standards.	
5	Conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.	No provisions under LAA. NIRP advocates that resettlement should be planned as a development activity for the affected persons	ESS5 and the GOSL framework, especially NIRP, are generally compatible. Nevertheless, the LAA does not guarantee specific investment resources for impacted individuals or offer a full resettlement requirement to produce development advantages. In order to close this gap, the RPF and subsequently RAPs/ARAPs will include sufficient funding, measures for improving and restoring livelihoods, targeted assistance for vulnerable groups, and other development-oriented initiatives that will allow impacted individuals to benefit from the project as needed.
6	Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.	There are no legal provisions that necessarily require the affected parties be empowered and provided an opportunity to participate in the planning, implementation, monitoring and evaluation of resettlement programs. NIRP provides for the full involvement of the APs in the	*Partially complied*. The Project will initiate a comprehensive process of consultation with APs and others during resettlement plan preparation and Implementation, to inform them of their entitlements and resettlement options, to ensure their participation in

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SN	World Bank's ESS - 5	Legal Framework and Safeguard Policies of GOSL	Degree of compliance or gaps and measures to address gaps
		selection of relocation sites, livelihood compensation and development options at the earliest opportunity.	resettlement planning and to address the needs of vulnerable groups.
7	Affected persons include (i) those who have formal legal rights to land and assets; (ii) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets – provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and (iii) those who have no recognizable legal right or claim to the land they are occupying or using.	LAA considers only titleholders and tenants protected under the Rent Act 1972 for compensation. Non-titleholders will receive only the development value of the land. NIRP prescribes that affected persons who do not have title-deeds to land should receive fair and just treatment.	The project will comply with NIRP and provide compensation and other resettlement assistance irrespective of the title they hold.
8	Borrower to prepare a resettlement plan	NIRP mandates the preparation of a resettlement plan to streamline resettlement where 20 or more families are affected.	Complied with.

3.7.3 Guiding Principles for Land Acquisition and Resettlement under the Project

Based on the above analysis, the following resettlement/land acquisition and impact mitigation principles derived from national regulations on land acquisition, World Bank's ESF and NIRP, will be adopted:

1) Screen the potential sub-projects under the project early on to identify past, present, and future involuntary resettlement impacts and risks (Annex 4 for Sample Environmental and Social Screening Checklist).

   Accordingly, the scope of resettlement planning will be determined through a survey and/or census of affected persons, including a gender analysis, specifically related to resettlement impacts and risks. Measures to avoid and minimize involuntary resettlement impacts will include:
   - Exploring alternative alignments or locations which have less impacts.
   - Ensuring that appropriate technology is used to reduce land requirements; and
   - Modify the designs, cross sections, and geometrics of components to ensure that involuntary resettlement is avoided or minimized.
   - Applying a mitigation hierarchy that prioritizes avoidance of displacement, followed by minimization, restoration, and compensation where impacts cannot be avoided.
   - Screening all activities to identify both physical and economic displacement, including temporary impacts associated with construction and access restrictions.

2) Carry out meaningful consultations with affected persons, host communities, and concerned non-government organizations. All persons to be potentially displaced will be informed of their entitlements and resettlement options. Further, measures will be included in the safeguard instruments prepared for each sub-project to ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Special attention will be paid to the needs

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of vulnerable groups, especially those below the poverty line, the landless, the elderly, women, female headed households and those without legal title to land, and ensure their participation in consultations. Further, measures for supporting the social and cultural institutions of displaced persons and their host population will also be included in the E&S instruments prepared. Throughout the planning, implementation, monitoring, and completion of the project, consultations must be undertaken without compulsion and in a way that is culturally appropriate. Project information shall be disclosed in local languages and in formats accessible to women, vulnerable groups, persons with disabilities, and other disadvantaged communities

3) Develop plans and activities to improve, or at least restore, the livelihoods of all displaced persons through the following measures: (i) where possible, land-based resettlement strategies when affected livelihoods are land-based, or cash compensation at replacement cost for land when the loss of land does not undermine livelihoods; (ii) replacement of assets, with access to assets of equal or higher value; (iii) compensation at full replacement cost for assets that cannot be restored; and (iv) additional livelihood restoration strategies for project affected persons and families. All the compensation (to be provided in lump-sum), resettlement entitlements, allowances, and other forms of assistance will be paid/provided prior to site possession, hand over for civil works, physical or economic displacement and prior to the start of any civil works. Compensation shall reflect full replacement cost without deductions for depreciation, salvage value, taxes, registration fees, or transaction costs. Livelihood restoration programs shall include skills development, employment opportunities, business restoration support, and targeted assistance for informal livelihood activities where applicable.

4) Provide physically and economically displaced persons with the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required. Resettlement sites shall be selected in consultation with affected households and shall provide safe living conditions, adequate infrastructure, access to public services, education, healthcare, transport, and livelihood opportunities.

5) Identify and mitigate vulnerability, in terms of socio-economic characteristics of the affected persons or households through targeted inclusion, capacity building and income assistance interventions. Women will be given equal access to resources and services and provided with opportunities that would empower them to equally participate and be equally represented in the development process. Additional assistance shall be provided to vulnerable households before, during, and after resettlement to ensure they are not disproportionately affected and are able to restore or improve their living standards. Gender-responsive planning shall ensure that women participate in decision-making and that compensation and livelihood assistance are provided in ways that enhance women's tenure security and economic empowerment.

6) Ensure that affected persons without titles to land or any recognizable legal rights are eligible for resettlement assistance and compensation for loss of non-land-based assets. Eligibility for assistance shall be determined through a clearly established cut-off date that will be publicly disclosed to prevent speculative claims while ensuring protection of legitimate occupants.

7) Prepare a Resettlement Action Plan or an abbreviated resettlement action plan A-RAP and Due Diligence Report (DDR) elaborating on the entitlements of the affected persons, the income restoration strategy, institutional arrangement, monitoring and reporting framework, budget, and time-bound implementation schedule. Where impacts on livelihoods are significant, the RAP shall include a comprehensive Livelihood Restoration Plan with measurable indicators, implementation

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responsibilities, and post-resettlement monitoring.

8) Disclose the RAP/A-RAP, including documentation of the consultation process in an accessible place and form and language understandable to the affected person and other stakeholders. Disclose the final plan and its updates to the affected person and other stakeholders in a similar manner. Disclosure must take place far enough before implementation to provide impacted parties the opportunity to examine the plans, offer input, and comprehend their rights and benefits.

9) Establish a grievance redress mechanism to receive and facilitate resolution of the concerns of affected persons. Monitor and assess resettlement outcomes, their impacts on the standard of living of the affected persons, and whether the objectives of the RAP/A-RAP have been achieved by considering the baseline conditions and the results of the implementation of the action plans. The grievance procedure must be open, transparent, culturally sensitive, cost-free, and able to promptly resolve concerns without restricting access to administrative or judicial remedies.

10) Conceive and implement the RAP/A-RAP/DDR as part of the project intervention and include the full costs of resettlement in the presentation of the project's costs and benefits. Until all relevant land acquisition, compensation payments, livelihood restoration measures, relocation assistance, and other resettlement duties have been fully fulfilled in compliance with the authorized RAP/A-RAP and the provisions of ESS5, no civil works may begin on any sub-project.

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4. PROJECT DESCRIPTION AND ANTICIPATED IMPACTS

The THRIVE Colombo Project is conceived as a transformative initiative to reposition Colombo from a short-stay transit hub into a vibrant, multi-day tourism destination. By integrating urban regeneration, heritage restoration, wetland enhancement, and tourism innovation**,** the project seeks to strengthen the city's economic base while delivering inclusive social outcomes. Its interventions encompass infrastructure upgrades, adaptive reuse of historic precincts, and nature-based solutions designed to enhance Colombo's resilience and attractiveness as a cultural and ecological hub.

While the project promises significant benefits in terms of urban revitalization, tourism growth, and community empowerment, it also carries a range of environmental and social risks that must be carefully managed. These risks arise from construction activities, increased resource demand, and changes in access to heritage and ecological assets. If not addressed proactively, such impacts could lead to habitat disturbance, livelihood disruptions, social exclusion, or community tensions.

Accordingly, this chapter identifies and analyzes the anticipated environmental and social impacts of the THRIVE Project. It highlights pressures on urban ecosystems, resource use, and waste management, as well as risks of economic displacement, cultural sensitivities, and vulnerabilities among disadvantaged groups. Recognizing these challenges at the outset ensures that appropriate safeguards, mitigation measures, and inclusive engagement strategies are integrated into project implementation, thereby aligning with both national policy and international safeguard standards.

Environmental Risks

- **Urban ecosystem pressures:** Revitalization of heritage precincts and wetlands may lead to habitat disturbance, particularly in sensitive areas such as the Colombo Wetlands Complex, which support migratory bird populations and fragile aquatic ecosystems.
- **Resource demand:** Increased tourism activity could heighten pressure on scarce resources, notably water supply and energy demand in dense urban clusters.
- **Waste and pollution:** Higher visitor volumes may exacerbate solid waste accumulation, wastewater discharge, and air pollution in areas where service capacity is already limited.
- **Construction-related impacts:** Restoration of historic buildings, public realm upgrades, and wetland infrastructure may cause temporary noise, dust, and localized habitat disruption.
- **Climate-related risks:** Colombo's coastal and wetland zones face risks of flooding, coastal erosion, and heat stress, which may affect both infrastructure and community resilience.

Social Risks

- **Economic displacement:** Revitalization of Colombo Fort, Pettah, and other precincts may temporarily or permanently affect informal vendors, small businesses, and market users.
- **Livelihood risks:** Communities dependent on wetland resources may face temporary restricted access during construction or reorganization of tourism circuits.
- **Community health and safety:** Construction activities in dense urban areas may pose risks related to dust, noise, traffic congestion, and safety hazards.
- **Social exclusion:** Vulnerable groups including women, youth, informal workers, and low-income households may be excluded if Project benefits are not equitably distributed.
- **SEA/SH risks:** Labor influx and increased tourism interactions may heighten risks of sexual exploitation, abuse, and harassment, requiring strong prevention and grievance mechanisms.
- **Cultural sensitivities:** Restoration and adaptive reuse of heritage sites may raise concerns among local communities regarding cultural identity, access, and authenticity.
- **Risks associated with stakeholder engagement:** Inadequate consultation, restricted information availability, or inefficient grievance resolution procedures may erode public confidence and raise community worries about project execution.

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- Effects on disadvantaged and vulnerable groups: Vulnerable people may have restricted access to project benefits, job opportunities, and enhanced public services in the absence of specialized initiatives.
- Security risks: To prevent negative effects on local populations and human rights, the deployment of security officers at construction sites or public facilities, if necessary, should be managed in accordance with good international practice.
- Cumulative social impacts: If several urban regeneration initiatives are carried out concurrently, they may put more strain on the community's well-being, public services, infrastructure, and traffic control.

4.1 Potential Impacts on land, structures and livelihoods within Priority Investment Areas

The Colombo THRIVE Project's Priority Investment Areas involve urban regeneration, heritage restoration, and wetland enhancement, all of which intersect with land use, existing structures, and community livelihoods. While the majority of interventions are planned on state-owned lands and public rights-of-way, the reorganization of space and upgrading of facilities may nonetheless affect informal vendors, small traders, fisherfolk, and households dependent on public land or heritage precincts. Recognizing these potential impacts at the outset is essential to ensure that land re-possession, structural adjustments, and livelihood disruptions are managed transparently, equitably, and in line with national safeguards and World Bank standards.

Land Impacts

Most THRIVE interventions are located on state-owned lands, heritage precincts, wetlands, and existing rights-of-way. As such, major private land acquisition is not anticipated. However, minor land re-possession may occur in cases where:

- Encroachments exist along public corridors (e.g., Pettah streets, Fort pathways, wetland access roads).
- Temporary structures such as vendor stalls, kiosks, or roadside extensions occupy state land earmarked for upgrading.
- Auxiliary structures (small shrines, signage, or informal projections) require removal or relocation.
- Access to nearby homes or public places may be temporarily impacted by the temporary occupation of property needed for construction camps, material storage, equipment staging areas, or utility relocation.

These impacts will be managed under the National Involuntary Resettlement Policy (NIRP) and World Bank ESS5, ensuring fair treatment, transparent consultation, and livelihood restoration.

Structural Impacts

- Heritage precincts: Adaptive reuse and restoration may require modification of existing structures, potentially affecting property owners and tenants.
- Wetland corridors: Construction of boardwalks, interpretive centers, and pathways may necessitate removal of small informal shelters or fishing-related structures.
- Public vending zones: Informal kiosks and stalls may be reorganized into formalized spaces, requiring relocation or redesign.
- Temporary removal or relocation of fences, boundary walls, access gates, utility connections, signage, and other auxiliary structures may also be necessary during construction and later restored where relevant.
- Restoration and conservation efforts shall be carried out in consultation with pertinent authorities and impacted parties when culturally significant or heritage-related structures are impacted.

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While structural impacts are generally minor and reversible, they may cause temporary disruption to livelihoods and community practices if not managed inclusively.

Livelihood Impacts

- Informal vendors and micro-entrepreneurs: Risk of temporary or permanent displacement during civil works in Fort, Pettah, and wetland corridors. Loss of footfall and income is likely during construction phases.
- Small traders and business owners: May experience reduced customer traffic, circulation changes, and signage adjustments during urban regeneration works.
- Transport operators (tuk-tuks, buses): Potential rerouting or reduced client access during construction.
- Wetland-dependent communities and fishers: Temporary restrictions on access to fishing grounds, landing points, or pathways during wetland enhancement.
- Women-headed households and youth: Risk of exclusion from benefit-sharing if allocation of kiosks, training, or entrepreneurship support is not transparent.
- Due to restricted access or construction-related disruptions, workers engaged in informal activities, casual laborers, service providers, and suppliers operating within the project influence area may also temporarily incur income decreases.
- Vulnerable households-elderly people, people with disabilities, low-income households, and socially marginalized groups-may be disproportionately affected, necessitating specialized support, assistance with livelihood restoration, and ongoing observation.
- During implementation, there may be brief delays to tourism-related businesses, cultural events, recreational services, and community gatherings, necessitating careful planning and stakeholder involvement.

To ensure that the THRIVE Colombo Project achieves its development objectives while minimizing adverse impacts, a comprehensive suite of safeguard measures will be embedded across all phases of implementation. These measures are designed not only to mitigate risks but also to strengthen institutional accountability, enhance community trust, and promote inclusive and climate-resilient outcomes. Comprehensive environmental and social assessments (ESAs) will be undertaken to identify, evaluate, and manage potential risks associated with infrastructure development, heritage restoration, and nature-based tourism interventions. These assessments will provide the analytical foundation for informed decision-making and adaptive project design.

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5. PRINCIPLES, OBJECTIVES, AND ELIGIBILITY CRITERIA

Resettlement planning under the THRIVE Project is guided by the principle of the mitigation hierarchy, which emphasizes avoiding or minimizing land acquisition and displacement wherever possible. The framework recognizes that involuntary resettlement can have significant social and economic consequences, and therefore prioritizes alternative design measures and operational approaches to reduce adverse impacts. Where displacement is unavoidable, the project commits to ensuring fair valuation of affected assets, transparent compensation processes, and comprehensive livelihood restoration support.

This chapter outlines the key principles, objectives, and eligibility criteria that underpin the Resettlement Policy Framework (RPF). It explains the mechanisms for determining units of entitlement, establishing cut-off dates, and defining eligibility for compensation and resettlement assistance. It also introduces the Entitlement Matrix (EM), which specifies the types of losses that may occur and the entitlements available to affected persons (APs). Importantly, the chapter highlights the role of the Entitlement Assessment Committee (EAC), a government-approved mechanism designed to address impacts that fall outside the statutory provisions of the Land Acquisition Act (LAA), ensuring that informal occupants, vulnerable groups, and those experiencing temporary livelihood losses are treated equitably.

By integrating national legislation, the Land Acquisition Regulations (LAR 2008), the National Involuntary Resettlement Policy (NIRP), and the World Bank's Environmental and Social Framework (ESF), the project seeks to uphold international safeguard standards. The overarching objective is to restore, and where possible improve, the living conditions and livelihoods of affected persons to levels equal to or better than those prior to project implementation.

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5.1 Cut-off Date, Eligibility Criteria and Unit of Entitlements

5.1.1 Unit of Entitlement

For the purposes of this RPF, the unit of entitlement can be an individual, household, family, or a community. However, even in the cases where the household is the unit of entitlement for RCR benefits, in case of providing compensation for the loss of land and structure, the titleholder- who maybe an individual, a household, or a group of individuals- become the unit of entitlement. If more than one person has legal or customary rights to a property or resource recognized under law, the compensation will be shared by all of them.

5.1.2 Cut-off Date

All eligible PAPs will be informed about the project and the RAP process. A cut-off date will be established to determine eligibility. For PAPs covered under the LAA 1950 (titleholders), the cut of date will be the date of the Section 2 notification under the Land Acquisition Act No. 9 of 1950. For non-titleholders not covered by the LAA 1950, the cut of date will be the date on which the census survey is conducted; where the census is completed in one day, that day will constitute the cut-off date. The cut-off date will be publicly announced, and continued public communication will be undertaken in the affected area to prevent further population influx. Persons encroaching or establishing new structures, assets, or other improvements after the cut-off date will not be eligible for compensation or resettlement assistance.

5.1.3 Eligibility Criteria

Any person or household, or community that suffers loss of access to land, shelter, structures, business,

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income, sources of livelihood because of the project impacts will be eligible for receiving compensation and/or RCR assistance to offset such loss and enable restoration of living conditions to a state better or equal to the pre-project situation. The eligibility will be determined based on impact survey carried out while preparing the RAP and approved by the PMU. In the case of titleholders, title deeds or other legal documents admissible and recognized under law will also be used as valid ownership documents. While land and asset valuation for any acquisition will be carried out strictly under the Land Acquisition Act (LAA) by the Valuation Department and administered through the Divisional Secretary, many project impacts anticipated under THRIVE do not fall within the legal definition or processes of land acquisition. These include impacts arising from the repossession of state lands, evacuation of informal occupants, disturbance to economic activities, and temporary livelihood losses during construction. Such non-LAA impacts require a separate mechanism for assessment and compensation. Accordingly, the Project will establish an Entitlement Assessment Committee (EAC) to address these categories of loss in line with national regulations and ESS5.

5.1.4 Entitlement Assessment Committee (EAC)

The Entitlement Assessment Committee (EAC) is the Government-approved mechanism responsible for evaluating and determining compensation for all losses that are *not* connected to land acquisition. This includes impacts arising from state-land repossession, removal of informal vendors and non-titleholders, temporary access restrictions, and disturbance to livelihoods, all of which fall outside the statutory compensation processes of the Land Acquisition Act.

To ensure legal validity, the Entitlement Assessment Committee (EAC) must be constituted through a Cabinet-approved resolution. For the THRIVE Project, Ministry of Transport, Highways and Urban Development (MTHUD) will submit a request for Cabinet approval to establish an EAC applicable across all Priority Investment Areas. Once approved, the EAC will be empowered to review and determine compensation for impacts that fall outside the scope of the Land Acquisition Act (LAA), ensuring that non-LAA impacts are addressed transparently and equitably in line with the Resettlement Policy Framework (RPF) and World Bank safeguard standards.

The EAC's mandate covers all impacts that do not arise from compulsory land acquisition, including:

a) **Impacts arising from state land repossession**
   - eviction of informal occupants
   - clearance of unauthorized structures
   - removal of temporary shelters, shacks, kiosks

b) **Evacuation and relocation of informal livelihood activities**

c) **Temporary livelihood losses and access restrictions**

d) **Additional vulnerability-linked support**
   For:
   - women-headed households (WHH)
   - elderly, disabled operators
   - low-income fishing households
   - informal workers without safety nets

Composition
The EAC will include:

- Commissioner of Municipal Council – Chairperson
- Divisional Secretary
- Project Director
- Representative, Valuation Department
- Representative, Ministry of Lands / Survey Department

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- Representative, UDA
- Social Development Specialist-PMU (non-voting advisory role)

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6. ENTITLEMENT MATRIX

The Entitlement Matrix (EM) is a central instrument of the Resettlement Policy Framework (RPF), designed to ensure that all categories of affected persons (APs) are treated equitably and compensated fairly for losses arising from land acquisition, restrictions on land use, and involuntary resettlement. It provides a structured framework that identifies the types of impacts likely to occur under the project and specifies the corresponding entitlements and assistance measures available to affected households, businesses, and communities.

The EM is informed by both national legislation such as the Land Acquisition Act (LAA) of 1950 and the Land Acquisition Regulations (LAR 2008) and international safeguard standards, particularly the World Bank's Environmental and Social Framework (ESF) and Environmental and Social Standard 5 (ESS5). It also draws on lessons learned from ongoing and recently completed projects implemented by the Ministry of Transport, Highways and Urban Development (MTHUD) and other agencies in Sri Lanka, ensuring that the entitlements reflect practical experience and established good practice.

The matrix covers a wide range of potential impacts, including:

- **Residential losses** (houses, shelters, and associated structures).
- **Common property resources** (shrines, community facilities, utilities).
- **Economic losses** (shops, micro and small enterprises, mobile vendors, and informal livelihood activities).
- **Temporary disturbances** (loss of access, relocation costs, and income disruptions during construction).
- **Special assistance for vulnerable groups** (women-headed households, elderly, disabled, and low-income families).

Each entitlement is designed to restore, and where possible improve, the living standards and livelihoods of APs. Compensation amounts will be adjusted to reflect current market rates, and the EM will be reviewed and updated once the census survey and detailed impact assessments are completed. The Entitlement Assessment Committee (EAC) will play a key role in determining compensation for non-LAA impacts, such as repossession of state land, removal of informal occupants, and livelihood disturbances, thereby ensuring transparency and fairness.

Ultimately, the EM serves as both a planning tool and a safeguard mechanism, providing clarity on what APs are entitled to, how compensation will be calculated, and which institutions are responsible for implementation. By setting out these entitlements in advance, the project ensures consistency, accountability, and compliance with both national policy and international standards, while fostering trust and cooperation among affected communities. Table 18 provides a clear and comprehensive presentation of the entitlements applicable to the different categories of affected parties, ensuring that their respective losses and assistance measures are explicitly outlined.

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Table 18: Entitlement Matrix

SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
A. Livelihood Impacts				
A1	Temporary loss of wage income due to employer displacement or restricted operations	Employees, helpers, casual laborers, and assistants engaged with shops/ income generating activities	• Cash assistance for temporary loss of wages equivalent to three months, based on monthly income certified by the Employer. If such certification is not available, the monthly wage will be considered no less than LKR 30,000, or fair amount decided by the respective committee in line with the National Minimum Wage of Workers Act No. 3 of 2016, as last amended by Act No. 11 of 2025. • Priority access to short-term labor opportunities created by the project. • Rehabilitation and restoration assistance for livelihood development including capacity building training for alternate livelihood options • Eligibility for special vulnerable assistance where applicable (H1.1).	PMU, CMC, UDA, CV, DS
A2	Temporary removal of informal vendors	Mobile sellers, Informal vendors, temporary kiosks	• Guaranteed temporary business space • Transport and fixing cost to shift structures. (Both ways) • Additional compensation for income loss during relocation maximum up to 3 months period (based on census data and income certified by the DSD) • Priority and automatic eligibility for allocation of newly constructed kiosks. • Special assistance for vulnerable vendors (H1.1).	PMU, CMC, UDA, CV, DS
A3	Physical impacts on religious statues/ shrines	Priests, custodians, and the worshipping community	• Relocation to a mutually agreed site through consultations with religious custodians and authorities. • Reconstruction of shrine/statue at equal or better quality (aligned with I1). • Transport assistance for movable items (F1.1). • Support for rituals and ceremonies required for relocation will be provided on a case-by-case basis. The number of such events per one entity will be limited to one, and the maximum cost shall not exceed LKR 50,000/- (If this amount exists, a special assessment and proposal should be prepared and approved by the relevant authorities (the Ministry and/or the appointed committee). • Restoration of safe access for devotees.	PMU, CMC, UDA, CV, DS
A4	Temporary loss of livelihoods and incomes	Those who are self-employed and are temporarily affected	• A Cash compensation will be provided to offset income disturbances caused by relocation. The amount will be equivalent to the verified business income for the duration of the disturbance, not exceeding three months. Income levels will be determined based on the recommendation of the Grama Niladhari and formally ascertained by the Divisional Secretary (or Divisional Revenue Officer) of the relevant administrative area. • If requested by the affected person, UDA will assist in obtaining professional assistance and advice, for their future investment plans. • Funds or to set up a business at a commercially viable location.	PMU, CMC, UDA, CV, DS.
A5	Temporary loss of livelihoods and incomes	Non titled owners of small shops	• Alternate business premises provided by the project in consultation with the affected persons for him/her to conduct the business during project's construction period. • Transport and fixing cost to shift structures. (Two-way as outlined under F1	PMU, CMC, UDA, CV, DS

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SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
			• In cases where relocation results in income losses, additional cash compensation will be provided to offset disturbances to regular business operations. **a) Non–income tax paying businesses:** Compensation will be equivalent to the verified business income for the duration of the disturbance, not exceeding three months. Income levels will be determined based on the recommendation of the Grama Niladhari and formally verified by the Divisional Secretary of the relevant administrative area. **b) Income tax paying businesses:** Compensation will be equivalent to the profit from the affected business for the duration of the disturbance, not exceeding three months. The calculation will be based on the average net annual profits recorded in income tax returns filed during the preceding three years.	
A6	Temporary loss of access to business premises due to construction (without physical relocation)	Shop owners, market vendors, service providers	• Advance notice before construction. • Maintain pedestrian and vehicle access wherever feasible. • Temporary directional signage and access arrangements. • Cash assistance for verified income loss where access restrictions significantly reduce business for more than a specified period. • Priority consultation on construction scheduling.	PMU, CMC, UDA, CV, DS
B. Residential Land and Structures				
B1	Loss of residential land and structure	Owner with Title deed or registration certificate	***Partial loss of land and structure*** • All payments for land and structure in material and/or cash at full replacement cost (provisions under LAA and Regulations 2008), **WITHOUT deduction** for depreciation or salvageable materials to repair or rebuild the structure to original or better condition **when remaining land area is sufficient to rebuild upon the structure.** • Payment of item F1.1, Materials transport allowance • Transition settlement allowance as per G1. • Payment of item H2.2 of Additional allowances • Right to retain salvaged items ***Complete loss of land and structure*** • For structures not having sufficient land to rebuild upon will be entitled to the following: • Payment for land and structure in material and/or cash at full replacement cost (provisions under LAA and Regulations 2008), **WITHOUT deduction** for depreciation or salvageable materials. • Payment of item F1.1, Materials transport allowance • Transition settlement allowance G1. • Payment of item H2.2 of Additional allowances. • If requested by the project to vacate the affected area before the date specified in the Section 38(a) order, an allowance for temporary accommodation will be provided based on H1 • Right to retain salvaged items	MTHUD , CV, DS,
B2	Loss of rental accommodation	Tenants/ renters holding a valid rental or lease agreement	***Compensation for Loss of Accommodation- Tenant*** • If there is partial loss of rental accommodation, AP has the option to stay with the owner's agreement OR • If the affected party (AP) chooses to relocate, cash assistance will be provided as a rental allowance for a maximum of three months. The amount will be determined	MTHUD , CV, DS.

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SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
			based on the area previously occupied by the AP and aligned with prevailing market rental values. The Divisional Secretary of the respective area will recommend the rates of the floor square feet, ensuring that it corresponds to the standard of the space formerly occupied. • Payment of item F1.1, Materials transport allowance ***Compensation for Loss of Rental Income- Rentier*** • Cash assistance will be provided to cover rental income for the remaining period of the valid lease agreement, subject to a maximum of six months. The amount of assistance will be equivalent to the rental rate stipulated in the lease agreement.	
B3	Loss of residential structure	Non-titled user, non-permitted user, or squatter	***Partial or complete loss of structure*** • No compensation payment for the land. • In cases where an affected party does not hold legal land rights and is occupying state land as an encroacher or squatter, they will be eligible for either a housing unit or cash compensation equivalent to at least a 450-square-foot house[11]. The specific entitlement will be determined by the Entitlement Assessment Committee (EAC), based on verification through Census data. • Payment of item F1.1, Materials transport allowance • Transition settlement allowance- G2. • Payment of item H2.2 of Additional allowances.	PMU, CMC, UDA, CV, DS.
B4	Temporary occupation of residential land during construction	Owners, tenants, occupants etc.	• Compensation for temporary occupation. • Restoration of land to original condition. • Compensation for any damage. • Temporary access arrangements.	PMU, CMC, UDA, CV, DS
C. Commercial Land and Structures				
C1	Loss of commercial land and structure	Owner/s of business land and structure/s with title deeds or any other legal document	***Partial loss of land and structure*** • All payments for land and structure in material and/ or cash at full replacement cost (provisions under LAA and Regulations 2008), **WITHOUT deduction** for depreciation or salvageable materials to repair or rebuild the structure to original or better condition **when remaining land area is sufficient to rebuild upon the structure.** • Payment for any associated loss of income while commercial structure is being rebuilt will be based on the following guidelines of Regulations 2008. I. Payment for formal businesses will be based on the accounts and tax returns pertaining to preceding three (3) Years. II. A payment for increased overhead expenses would be recommended by CV as per the circumstances. III. Payment of item F1.1, Materials transport allowance IV. Transition settlement allowance G2. V. The Livelihood Restoration Assistance through the Livelihood Consultant hired by the THRIVE Colombo. VI. Special allowance (H2.2) ***Complete loss of land and structure*** • For structures not having sufficient land to rebuild upon will be entitled to the following: 1. Payment for land and structure in material and/ or cash at full replacement cost (provisions under LAA	MTHUD , CV, DS.

[11] The UDA has set the standard for a minimum 450-square-foot house for a family.

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SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
			and Regulations 2008), **WITHOUT deduction** for depreciation or salvageable materials. 2. For income losses cash compensation; a) **For non-income tax paying businesses:** cash compensation equivalent to monthly incomes from affected business for a period not exceeding three months as recommended by the Grama Niladhari and ascertained by the divisional secretary (divisional revenue officer) under whose administration area the affected location/ area. b) **For income tax paying businesses:** cash compensation equivalent to the profit from the affected business for a period not exceeding three months calculated on the basis of average net annual profits for preceding three years as recorded in income tax returns filed. 3. Payment of item F1.1, Materials transport allowance and item G2 of Transition settlement allowance. 4. The Livelihood Restoration Assistance though the Livelihood Consultant hired by the THRIVE Colombo. 5. Special allowance (H2.2)	
C2	Loss of rental business operations	Owner of registered/ non-registered business who operates as a tenant	**<u>Compensation for Loss of Business Operations- Tenant</u>** • If there is partial loss of rental business operations, AP has the option to stay with the owner's agreement OR • If AP chooses to move out, cash assistance for 3 months business income as mentioned below: • a) **For non-income tax paying businesses:** cash compensation equivalent to monthly incomes from affected business for a period not exceeding three months as recommended by the Grama Niladhari and ascertained by the divisional secretary (divisional revenue officer) under whose administration area the affected location/ area. • b) **For income tax paying businesses:** cash compensation equivalent to the profit from the affected business for a period not exceeding three months calculated on the basis of average net annual profits for preceding three years as recorded in income tax returns filed • Payment of item H2.2 of Additional allowances **<u>Compensation for Loss of Rental Income- Rentier</u>** • Cash assistance will be provided to cover rental income for the remaining period of the agreement, subject to a maximum of six months. The assistance will ensure the value equivalent standard, as specified in the registered rental agreement. (In the absence of a legal rental or lease agreement, rental income will be determined based on the recommendation of the Grama Niladhari and formally confirmed by the Divisional Secretary responsible for the affected location)	MTHUD , EAC, CMC.UDA, DS.
C3	Loss of commercial Structure	Non-titleholders/ business operating as an encroacher/ squatter on government land and structure	**Partial loss of business structure** • No payment for land. • If affected persons (APs) are squatters occupying state lands, they will be eligible for compensation strictly to cover the cost of repairing the remaining portion of the affected structure. No compensation will be provided for expanding or enlarging the occupied area. The EAC will	MTHUD , EAC, CMC.UDA, DS.

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SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
			determine the compensation amount based on verified evidence and factual data collected during the census. • Cash assistance will be provided to cover the costs of reconnecting essential utilities such as electricity and water supply. The amount will be calculated based on official estimates obtained from the respective utility providers. • Right to retain salvage items • Payment of item F1.1, Materials transport allowance • Livelihood restoration support through the livelihood consultant hired by THRIVE Colombo. **Complete loss of business structure** • No payment for land. • Affected persons (APs) who are squatters on state land may receive a one-time livelihood restoration grant. To qualify, they must submit a feasible business plan certified by business experts appointed under THRIVE Colombo. The grant will be capped at 50% of the capital cost outlined in the business plan or LKR 2 million, whichever is lower. • Cash assistance will be provided to cover the official costs of disconnecting utilities such as electricity and water, based on estimates from the respective service providers. • APs will retain the right to keep all salvageable materials and items from the affected structures. • APs will receive the standard materials transport allowance (F1.1) to move salvageable items and belongings. • Where necessary, APs will be eligible for livelihood restoration support under provision A7 to ensure continuity of income. • Priority will be given to securing a shop on a long-term lease at a designated commercial site (if available or planned) or through other public shopping schemes. Lease premiums will be payable by the APs under agreed terms. • APs will be connected to a recognized commercial bank to facilitate additional cash support for starting or expanding a new business.	
C4	Temporary occupation of commercial land or business premises	Business owners and tenants	• Compensation for temporary occupation. • Restoration after construction. • Compensation for verified business interruption. • Advance notification and consultation.	MTHUD , PMU, EAC, CMC.UDA, DS.
D. Other Private Properties or Secondary Structures				
D1	Partial or complete loss of other property or secondary structure (i.e., well, parapet wall, shed, outdoor latrine, Warehouse, storage facility, cold storage facility, animal pen etc.)	Owners of structures (regardless of the ownership of land)	• Cash payment for affected structure at replacement cost. • Or repair the structure to original or better condition by Project.	PMU, CMC, UDA, CV, DS.

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SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
D2	Damage to boundary walls, gates, fences, pavements and private utilities	Property owners	• Repair or replacement at full replacement cost without depreciation. • Restoration before project completion.	PMU, CMC, UDA, CV, DS.
E. Trees with Timber Value and Standing Crops				
E1	Loss of crops and trees with timber value	Person who cultivates crops and/or owns trees (regardless of the ownership of land)	• An advance notice to harvest crop shall be displayed at GN office and informed to AP by GN in advance. • However, where harvesting is not possible a net value of trees and standing crops based on market prices.	PMU, CMC, UDA, CV, DS.
F2	Loss of perennial crops, fruit trees and productive plantations	Owners, cultivators	• Compensation at replacement value considering age and productive value. • Compensation for future income losses until replacement trees become productive. • • Replacement planting where appropriate.	PMU, CMC, UDA, CV, DS
F. Livelihood Restoration and Rehabilitation Assistance				
F1. Materials Transport Allowance				
F1.1	Relocation of housing or business	Households or business owners who will be relocated (regardless of the ownership of land)	• Households or business venues will receive cash assistance (relocation allowance) to cover transportation to the new location. The amount will be calculated based on the distance in kilometers from the original site, subject to a maximum of 50 kilometers. The rate for trucks or vehicles will be determined according to the **Building Schedule of Rates (BSR)** published annually by provincial authorities and formally approved by the EAC**.** • Additional labor costs will be provided based on the floor area occupied by the affected party (AP). Unskilled labor rates will be set by the EAC in line with the BSR. - Two unskilled laborers for spaces under 1,000 sq. ft. - Four unskilled laborers for spaces between 1,000–2,000 sq. ft. - Six unskilled laborers for spaces over 2,000 sq. ft. • Where subfamilies exist within the affected household or business, payments will be divided proportionately among them.	PMU, CMC, UDA, CV, DS.
F2. Restoration program				
F2.1	Livelihood Restoration Program	Economically displaced households and businesses	• Business development support. • Skills training. • Employment opportunities under the project. • Financial literacy and enterprise development. • Monitoring until livelihoods are restored	PMU, CMC, UDA, CV, DS
G. Transition Settlement Allowance				
G1	Cost of re-fixing of Fixtures and fittings	For owner/s or operator/s of businesses that will be permanently displaced	• Costs for skilled labor required to re-fix affected fixtures and fittings will be provided. The specific type of skilled labor will depend on the nature of the structures and fixtures impacted. The number of skilled laborers allocated will be determined according to the floor area occupied by the AP. Labor rates will be set by the EAC in line with the Building Schedule of Rates (BSR)**.** - Two skilled laborers for spaces under 500 sq. ft. - Four skilled laborers for spaces between 500–1,000 sq. ft. - Six skilled laborers for spaces over 1,000 sq. ft. • Measures will be taken to ensure that entitlements are calculated fairly and that no double counting occurs.	PMU, CMC, UDA, CV, DS.

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SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
G2	Transitional Living Allowance	Permanently displaced households	• Monthly subsistence allowance for the transition period until resettlement is completed, as determined by the EAC. The allowance shall not be subject to a fixed maximum period where delays in resettlement are attributable to the project or the implementing agency. In such cases, the allowance shall continue until resettlement is completed. Any extension of the transition period shall be reviewed and documented by the EAC, in consultation with the affected household, to ensure that affected persons are not left without adequate support due to project-related delays.	PMU, CMC, UDA, CV, DS.
H. 1 Special Assistance for Vulnerable Households/APs				
H1.1	Effects on vulnerable APs	Households having vulnerable APs (Low-income families (attached to Aswesuma grantee or other poverty alleviation schemes) Elderly APs, female-headed households, and disabled)	• Vulnerable affected persons (APs) and households will receive a one-time cash grant of LKR 15,000 per AP. This grant is intended to support the improvement of living standards and provide immediate relief to vulnerable groups during the transition period.	PMU, CMC, UDA, EAC, CV, DS.
H2 Additional Allowances				
H2.1	Cost of advertising	For owner/s or operator/s of Business or Institution	• Applicable for businesses or institutions that will be permanently displaced from present location. • An allowance for advertising the new premises, printing of notice boards would be paid as follows. Registered business/ institute LKRs. 15,000 • Unregistered business/ institute LKRs. 2,500	PMU, CMC, UDA, EAC, CV, DS.
H2.2	Expenses incurred during acquisition process	All APs who appear for section 9 inquiry	Document charges related to appearing at the 9th inquiry or EAC not exceeding LKRs.10,000/-	PMU, CMC, UDA, EACCV, DS.
H2.3	Special assistance for women-headed households, elderly persons and persons with disabilities	Vulnerable affected persons	• Priority payment processing. • Assistance during relocation. • Additional transport support. • Dedicated grievance handling and social worker support.	PMU, CMC, UDA, EACCV, DS.
I. Community Assets				
I1	Loss of small-scale community buildings and other structures.	Divisional Secretary division, urban ward, local community, or local authority owning or benefiting from community property. Chief priest of the religious place.	Restoration in existing location of affected community buildings, structures, infrastructure, and common property resources to original or better conditions. Or relocate at alternative location identified in consultation with affected communities and relevant authorities. Or cash payment at full replacement cost, and restoration of access to community resources.	UDA, CV, DS, Local, Authority.
I2	Loss of local infrastructure such as local roads, playgrounds, footpaths, bridges,	Divisional Secretary division, urban ward, local community, or local authority owning or benefiting from community	Restoration in existing location of affected community buildings, structures, infrastructure, and common property resources to original or better condition. Or relocation in alternative location identified in consultation with affected communities and relevant authorities.	UDA, CV, DS, Local Authority.

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SN	Type of Loss	Entitled Persons	Entitlements	Responsibility
	irrigation, water points or communal hand pumps etc.	property.	Or cash payment at full replacement cost; And restoration of access to community resources.	
13	Temporary disruption to community services and public utilities	Communities affected by construction	• Immediate restoration of electricity, water, drainage, telecommunications and road access. • Public notification before service interruptions. • Alternative service arrangements where required.	PMU, UDA, CV, DS, Local Authority.
J. Unanticipated Adverse Impacts				
J1	Any unanticipated adverse impact due to project intervention	Any unanticipated consequence of the project will be documented and mitigated based on the spirit of the principles agreed upon in this policy framework considering ESF of WB.	Any unanticipated adverse impact identified during project implementation shall be promptly assessed, documented, and mitigated in accordance with the principles of this Resettlement Policy Framework (RPF), the World Bank Environmental and Social Framework (ESF), particularly ESS5, and applicable national laws and regulations. Appropriate mitigation measures may include compensation for losses, livelihood restoration assistance, rehabilitation support, temporary assistance, restoration of access, repair or replacement of damaged assets, and any other corrective actions necessary to ensure that affected persons are not left worse off as a result of the project. Additional site-specific plans or corrective action measures shall be prepared and implemented where required, following meaningful consultation with affected persons and approval by the relevant authorities and the World Bank, as applicable.	PMU, UDA, CV, DS, Local Authority.
J2	Impacts identified during implementation through monitoring	Any affected person	• Additional mitigation measures determined through monitoring, consultations and the Grievance Redress Mechanism, consistent with ESS5 principles and approved by the PMU and the World Bank where required.	PMU, UDA, CV, DS, Local Authority.
K. Additional institutional category (recommended)				
K1	All affected persons	All affected persons	• Monitor compensation payments, livelihood restoration, vulnerable household assistance and grievance resolution. • Conduct post-resettlement evaluations to determine whether livelihoods and living standards have been restored or improved. • Implement corrective actions where restoration objectives have not been achieved.	PMU, Independent Monitor, UDA, DS

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7. VALUATION METHODOLOGY

The valuation methodology adopted under the THRIVE Project is designed to balance two critical objectives: minimizing displacement through alternative design measures and ensuring fair, transparent, and legally compliant compensation where impacts are unavoidable. In line with the mitigation hierarchy, the project first seeks to avoid or reduce land acquisition and economic displacement by exploring design alternatives such as micro-siting within state lands, compact cross-sections, and phased construction approaches. These measures aim to safeguard livelihoods, maintain access, and reduce disruption to communities and businesses.

Where acquisition or resettlement cannot be avoided, valuation of affected assets will be carried out in accordance with the Land Acquisition Act (LAA) of 1950 and the Land Acquisition Regulations (LAR 2008), supplemented by provisions in the RPF to address gaps in national legislation. The methodology covers compensation for land, structures, tenants, encroachers, severance, injurious affection, and disturbances, ensuring that both titleholders and non-titleholders receive entitlements aligned with replacement cost principles and safeguard standards.

This chapter therefore outlines the dual approach of the project: (i) adopting alternative measures to minimize impacts, and (ii) applying robust valuation procedures to ensure that all affected persons are compensated fairly and equitably. Together, these measures provide the foundation for a transparent entitlement framework that supports livelihood restoration, protects vulnerable groups, and upholds compliance with both national policy and international standards.

The valuation of affected assets and activities falling under the Land Acquisition Act (LAA) of 1950 and the Land Acquisition Regulations (LAR) of 2008 is the sole and mandatory responsibility of the Department of Valuation. However, the Department does not extend its mandate to assess properties or activities held by unauthorized occupants or informal users. To address these gaps, the Entitlement Assessment Committee (EAC) has been introduced as part of the project's safeguard modality.

Under this mechanism, the EAC will determine compensation rates for affected properties and activities that fall outside the scope of the LAA. These rates will be established through a combination of comprehensive census data analysis and reference to the Building Schedule of Rates (BSR) published annually by provincial authorities. This approach ensures that valuation for non-titleholder impacts is evidence-based, transparent, and consistent with both national regulations and international safeguard standards.

7.1 An Outline of Alternative Measures for Land Acquisition

To avoid or minimize land acquisition or economic displacement including temporary disruption of services and livelihoods, the design team will consider design alternatives and phasing suited to the project's settings. Options may include micro-siting within existing state land, compact cross-sections, least-fill coastal solutions (e.g., cantilever/retaining structures), and temporary alternate berths/market bays, off-peak work windows, and staged construction to maintain access. To the extent possible, the team will quantify costs and benefits of each alternative, including the estimated costs of any associated mitigating measures. The social survey team, design team, CMC/UDA/PMU, and relevant authorities will maintain close coordination to identify and adopt opportunities to avoid or minimize resettlement impacts in each subproject.

To ensure continuity of livelihood activities, the project will adopt micro-phasing as a core operational approach for sequencing construction works. Micro-phasing is designed to maintain access, reduce

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downtime, and protect the livelihoods of vendors, and other site users.

7.2 Parameters of Asset Valuation

The Land Acquisition Regulations (LAR) 2008 ratified by the Parliament of Sri Lanka on 17th March 2009 as regulations under the LAA gave effect to the national policy for the payment of compensation. [Regulations imposed by the Minister of Land and Land Development under Section63 (2) (f) of the Land Acquisition Act No: 9 of 1950, approved by the Parliament of Sri Lanka on 17thMarch 2009 and published in the Extraordinary Gazette No: 1596/12 dated 07.04.2009].

The key features of LAR 2008 are the following:

a) **Compensation for land:** In the case of land where part of a land is acquired and when its value as a separate entity deems to realize a value proportionately lower than the Market Value of the main land, the compensation should be proportionate to the value of the main land. In the application of this principle, the valuation process will take into account the physical condition of the land, its extent, the highest and the best use of the main land, the legally permissible market value, and any encumbrances.
b) **Compensation for buildings:** Where at the date of intention to acquire was published, the building is used for occupation and or business purposes or is intended to be used for occupation and or business purposes, the difference between the cost of re-construction and the value of building based for determination of Market Value, should be paid as an additional compensation. However, buildings/structures which are fully or partially completed and appeared to have been abandoned will be excluded from compensation based on reinstatement value/re-construction cost.
c) **Compensation for developments on encroached state land**: With the concurrence of the Divisional Secretary in writing, reinstatement value for developments/improvements carried out by the encroacher may be paid.
d) **Compensation for developments on encroached private land**: Where the owner has not contested the encumbrances in a Court of Law, the person carried out the improvements will qualify to receive the value upon adequate proof of those improvements made by such person.
e) **Compensation for tenants:** When an acquired building is occupied by a tenant / statutory tenant protected under the provisions of the Rent Act No: 7 of 1972 (as amended thereafter) the compensation will be ascertained in proportion to the provisions of Rent (Amendment) Act No. 26 of 2002. In this regard, the assessment of compensation will calculate the unencumbered freehold interest and the statutory entitlement of the landlord and the tenant under Rent Amendment Act No.26 of 2002 and apportion the unencumbered value between the tenant and the landlord.
f) **Compensation for Injurious affection and severance:** Injurious affection can cause from when only a part of the land is acquired or no land is acquired at all [McCarthy Rules]. However, the LAA does not make provisions for the latter. Severance can cause when the land is severed by the acquisition. In such situations, the claimant is entitled to receive compensation not only for the part of the land that was acquired but also for severance and other injury which may cause to the remaining land formerly held with it. The LAA prescribes that 20% of the market value determined for the acquired land should be paid as compensation for injurious affection and severance [Sec. 46(1) (i) and (ii)]. Meanwhile, the LAR 2008 stipulate that 'damages caused by severance and injurious affection should be allowed fully'.
g) **Compensation for disturbances and Other Expenses:** According to LAR 2008, compensation for the acquired land, severance and injurious affection resulting from land acquisition will be

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determined by the 'market value' of the affected properties. However, the same regulations prescribe a different methodology for calculating compensation for 'disturbance' caused by land acquisition. Accordingly, compensation should be determined considering the 'value to the owner' of the property affected as per the written claims submitted by the affected persons. Compensation for disturbance could be paid under the following sub-heading:

Table 19: Compensation for disturbance

Regulation No.	Provisions for compensation
3.1	Expenses incurred for appearing for Section 9 inquiry
3.2	Expenses for finding alternative accommodation
3.3	Cost incurred in change of residence – shifting
3.4	Cost of advertising
3.5	Re-fixing cost of fixtures and fittings
3.6	Expenses incurred for transport
3.7	Loss of earnings from business (within the limits given in prevailing Act)
3.8	Increased overhead expenses
3.9	All other expenses to the owner resulting from the acquisition
3.10	Double payments
3.11	Any other additional expenses for disturbance or compensation not considered under any other subsection of this Act which is directly not connected to market value of the land
3.12	When an owner of a house or of an investment property is displaced, additional 10% payment based on market value.

The LAR 2008 under 'Disturbance' makes the necessary provisions for compensating every possible cost incurred by the affected persons in compulsory acquisition of their properties. Section 3.11 of the Regulations within the framework of the 'value to owner' encompasses a range of disturbances and provides space for including those that have not been identified up to now.

Despite these positive elements of LAR 2008, concerns have been raised as to whether the valuation procedure for payment of compensation stipulated under LAR 2008 would meet the 'replacement cost' of all losses caused to the affected persons, and secondly, whether all potential losses caused to different categories of affected persons are covered under the regulations. For example, compensation for encroachers and squatters is restricted only to the 'development value' (for improvements carried out) of the land that they occupied. They would not be entitled to receive any compensation for the land. Whether such compensation for development value is sufficient to reestablish the living conditions of those non-titleholders (without compensation for land) is a concern that has been discussed widely. These concerns have triggered some development projects to offer free alternate housing for displaced non-titleholder households. Also, the regulations are not explicit on the compensation for transaction costs of land, specific compensation for vulnerable persons/households and compensation for loss of crops and trees affected by land acquisitions. On the other hand, the regulations are weighted towards compensation for registered businesses and place less emphasis on informal small-scale unregistered businesses operated by tenants, mobile vendors, and squatters.

Moreover, the main thrust of the LAR 2008 is to provide compensation for persons affected/displaced by land acquisitions. It does not provide any valuation procedure nor cover compensation for non-land acquisition based economic displacements. Persons who conduct their business operations as tenants, mobile vendors or squatters on state land would be affected and lose their livelihood activities by the recovery of state land for development projects. It is only during a thorough assessment of the impacts of development projects (irrespective of whether they involve land acquisitions or non-land acquisitions), and the identification of real and potential losses and costs to different categories of affected persons, that the relevance and applicability of LAR 2008 can be determined.

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A project, which is complex and diverse in terms of the categories of affected persons as well as their assets, may not totally benefit from the valuation procedures and compensation payments provided in the 2008 LAR. Therefore, the project will address any gaps identified in the Regulations in terms of replacement cost or its coverage through the provisions in the entitlement matrix of the RPF and thereafter in the RAPs, which would include both additional cash compensation and non-cash resettlement assistance.

7.3 Restoration and Improvement of Livelihoods and Incomes

The subprojects planned under THRIVE may have an adverse impact on the livelihoods and sources of income of people living in the project area. The impacts could be due to; i) the acquisition of land on which people depend for their livelihoods; ii) imposition of restrictions on access or use of land that people use for their livelihoods; and iii) displacement of people from their homes and businesses, leading to relocation and resettlement.

The World Bank's Environmental and Social Framework (ESF) and ESS-5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement highlights the following principles:

- Assist the displaced persons in their efforts to improve their standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- If the impacts include physical relocation, support for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihoods and standards of living.
- If displaced person does not prefer land or it is demonstrated that replacement land or resources are unavailable, provide options for alternative income earning opportunities, such as credit facilities, skills training, business start-up assistance, employment opportunities, or cash assistance additional to cash compensation for land and other assets.
- For persons whose livelihoods are natural resource-based and where project-related restrictions on access apply, measures should be implemented to either allow continued access to affected resources or to provide access to alternative resources with equivalent livelihood-earning potential and accessibility.
- Affected persons eligible for compensation would include (i) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (ii) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets – provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and (iii) those who have no recognizable legal right or claim to the land they are occupying.

The National Involuntary Resettlement Policy (NIRP) incorporates the following principles for livelihood restoration (See Annex 3: National Involuntary Resettlement Policy, 2001).

- Avoid, minimize, and mitigate negative impacts of involuntary resettlement by facilitating the reestablishment of the affected people on a productive and self-sustaining basis. Ensure that people adversely affected by development projects are fully and promptly compensated and successfully resettled. The livelihoods of the displaced persons should be reestablished and the standard of living improved.
- Ensure that no impoverishment of people shall result as a consequence of compulsory land acquisition by the State for development purposes.
- Where involuntary resettlement is unavoidable, affected persons should be assisted to reestablish themselves and improve their quality of life.
- Compensation for loss of land, structures, other assets, and income should be based on full

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replacement cost and should be paid promptly. This should include transaction costs.
- Gender equality and equity should be ensured and adhered to throughout
- Affected persons who do not have title deeds to land should receive fair and just treatment.
- Vulnerable groups should be identified and given appropriate assistance to improve their living standards.

The project will comply with the policy principles of both the ESF and the NIRP and will design a comprehensive livelihood and income restoration program based on the identification of diverse needs of the persons whose livelihoods will be affected. In this regard, the project will conduct adequate consultations with the affected persons, and other stakeholder agencies, and will ensure their proactive participation in the design, planning and implementation of the livelihood restoration programs. A comprehensive assessment of the potential impacts on livelihoods and incomes will be carried out as part of the resettlement survey conducted for each sub-project. The assessment will identify the livelihood/income related losses as well as the strategies and interventions required for the restoration and improvement of affected livelihoods and incomes. The information gathered during the assessment will also provide a baseline standard or benchmark data for subsequent monitoring exercises. The livelihood and income improvement program will also include specific measures or components for the most vulnerable households, such as female-headed households, families that include members with chronic illness or disability, and households living below the poverty line. The PMU/TIUs will closely monitor the situation of the resettled families and businesses owners/operators continuously until the project completion to ensure they are able to recover their livelihoods. The PMU will either hire external consultants/NGO or include a livelihood restoration expert to help develop and implement the program, which should be based on achieving the following targets:

- **Cash-based assistance**. This type of assistance is primarily a short-term strategy. Depending on context, it could take different forms. For example, people who are displaced could be given a cash grant to help restore their livelihood and income sources.
- **Land-based assistance**. This is a medium to long term strategy. It would involve the provision of replacement land or assistance to purchase new land and/or provision of access to alternative grazing lands, forest, or water resources. A program of this nature would also have to include compensation payments or direct support to prepare the new land for agriculture, and to provide inputs such as seeds, fertilizer and help with marketing.
- **Non-land-based assistance**: This would include the provision of technical and vocational training programs, access to facilities for micro-credit and business development assistance, if required.

The following principles will be followed in developing income and livelihood restoration program.
- Design, plan and implement the income and livelihood restoration and improvement plans prior to displacement
- Consider both short-and long-term strategies for effective income restoration and improvement
- Consult project-affected groups including women, and assess their needs prior to planning any income restoration strategy
- Develop multiple options and diverse interventions with different time frames for income restoration and improvement.
- Develop special measures for displaced persons who are most disadvantaged in terms of income generation and employment, e.g., very poor families, families headed by women or elderly persons, etc.
- Assess the adaptive and absorptive capacity of the people affected by the project, especially their interest and willingness to engage in new income generating activities, and to consider the availability of raw materials and other inputs and the markets for such ventures.
- Complement skills training programs with the other kinds of support required for livelihood and income restoration, such as access to credit or cash grants, equipment, access to market information and linkages.

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- Ensure that adequate resources are allocated - financial, material, and human –for the effective and efficient implementation of the income restoration and improvement plan.
- Design, plan and establish a comprehensive monitoring system that measures the processes, outputs and outcomes of the income restoration programs.
- Continue the program after the civil works have been completed, since income restoration and improvement strategy will require support over a longer period.

7.3.1 Livelihood Restoration

The THRIVE Project sites bring together a wide mix of livelihood groups, including informal vendors, squatters, mobile vendors, tuk-tuk drivers, porters, hawkers, fishers, formal vendors, tourism service providers, small informal businesses, self-employed workers, and daily-wage laborers. A detailed social impact assessment for each subproject will likely uncover even more categories of income-generating activities beyond the initial findings. Possible impacts could involve temporary or permanent loss of vending or work spaces, interruptions to ongoing activities, reduced customer access during construction, temporary loss of income for daily-wage earners, the need to reorganize informal setups, and the removal of temporary structures along access roads.

1. Key Principles for Livelihood Restoration

The livelihood restoration process under the THRIVE Project is guided by the following core principles: The project is committed to ensuring that no affected person experiences a deterioration in income or livelihood security as a result of project activities. All affected persons, whether formal or informal, will receive equitable, transparent, and non-discriminatory support irrespective of gender, age, vulnerability, or legal status. Special attention will be given to vulnerable groups such as women-headed households, elderly informal workers, disabled persons, and households heavily dependent on single livelihood sources to ensure that restoration measures are tailored and inclusive. Livelihood planning will be informed by meaningful consultations with affected communities, ensuring free and informed participation in decision-making. Livelihood interventions and transitional support will be implemented prior to any disruption of economic activities, so that affected persons can maintain continuity wherever possible. All restoration options will promote sustainable, viable, and market-responsive livelihoods that align with the evolving opportunities in tourism, fisheries, and local enterprise development.

2. Guidelines for Livelihood Restoration Implementation

Livelihood restoration will follow a clear, streamlined process that begins with the identification and verification of affected persons through socio-economic surveys, followed by assessment of livelihood losses against pre-project income benchmarks. Site-specific Livelihood Restoration Plans (LRPs) will be prepared wherever economic displacement occurs, specifying the types of impacts, required support measures, and the sequence of implementation (A sample template for the LRP is given in Annex 10). Assistance including transitional allowances, temporary relocation where feasible, skills development and business planning support will be agreed with affected persons through meaningful consultations and communicated well in advance to ensure that all support systems are in place before any livelihood interruption occurs.

Implementation will be coordinated by the PMU Social Development Specialist/s with operational support from TIUs, Municipal Councils, Divisional Secretariats, and sector institutions such as vendors societies and Tourism Associations. Each LRP will define roles, timelines, and monitoring arrangements to ensure consistent delivery of support across sites. Business continuity will be safeguarded through phased construction and maintained access, while transitional financial support will help households avoid income gaps. Income recovery will be monitored for 12–24 months, and a strengthened GRM will provide timely resolution of livelihood-related concerns, ensuring that restoration objectives are achieved.

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3. Goal and Objectives

Goal: To protect, restore, and strengthen the livelihoods of all affected persons across project sites, ensuring income continuity, social stability, and improved economic resilience, while also enabling vulnerable groups to participate meaningfully in the evolving economic opportunities created by the project.

Objectives

1. Ensure that affected persons do not experience long-term income loss due to project activities, including vendors, fishers, informal workers, employees, and tourism-dependent micro-enterprises.
2. Prioritize support for vulnerable groups, including women vendors, elderly informal workers, daily-wage fish handlers, women-headed households, disabled persons, and households with a high dependency on single income streams.
3. Facilitate economic transition and access to improved or alternative livelihood opportunities, especially those emerging from tourism, fisheries modernization, public space upgrades, and enhanced value-chain linkages.
4. Strengthen institutional and community capacities by linking affected persons with business development services, skills training, microfinance, and market networks.
5. Ensure transparent, participatory, and adaptive livelihood restoration planning, including monitoring to assess livelihood recovery and make corrective adjustments.
6. Ensure that livelihood restoration measures are implemented prior to or concurrently with livelihood disruptions, and that affected persons receive transitional assistance until their income sources are restored or improved.

4. Strategic Directions for Livelihood Restoration

The Livelihood Restoration Strategy adopts four complementary strategic directions that are tailored to the diverse livelihood contexts across the THRIVE Project sites. These strategies address both temporary and permanent livelihood impacts and provide structured pathways to help affected persons maintain, recover, or transition toward improved economic opportunities.

A. Phasing-Out (Voluntary or Necessitated Exit from Current Livelihoods)

Phasing-out applies in situations where continuing the existing livelihood is either not feasible or not advisable due to regulatory restrictions, safety considerations, vulnerability, or the absence of relocation options. Support under this strategy will include transitional cash assistance, livelihood counselling, preparation of individualized transition plans, facilitation of entry into alternative livelihood activities, linkage to national social protection programs, and skills development for home-based or wage-based economic activities. The goal is to ensure a dignified and secure transition that avoids welfare deterioration.

B. Relocation (Temporary or Permanent)

Relocation is used when livelihoods can continue at a new site temporarily during civil works, or permanently within improved infrastructure layouts. Support will include identification of appropriate temporary or permanent locations with municipalities, provision of standardized kiosks or workspaces with utilities, transport and logistical support during the move, compensation for temporary income losses, and structured communication with affected persons (minimum 30–90 days' notice). This strategy aims to minimize economic disruption while enabling vendors and workers to continue earning during project implementation.

C. Re-employment (Skills Development, Job Matching, and Wage Restoration)

Re-employment measures are designed to support individuals whose jobs or daily-wage opportunities are disrupted by construction activities. These measures will be implemented in close collaboration with

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Tourism Associations and private-sector operators, ensuring that affected workers are linked to new opportunities created through project improvements. A strong emphasis will be placed on skills upgrading in tourism services, hospitality, food safety, and enterprise development, enabling workers to adapt to evolving industry demands. Professional certifications such as HACCP-based hygiene training, lifesaving and safety courses, and accredited tour-guiding programs will further enhance employability and help workers secure equal or higher-paying jobs. Together, these interventions safeguard wage continuity, reduce vulnerability, and position affected workers to benefit from the modernized economic environment emerging as a result of the project.

D. Transformation (Upgrading, Diversification, and Market Linkages)
Transformation is the most significant long-term strategy across all THRIVE sites, recognizing that upgraded tourism and archeological infrastructure will alter economic opportunities. This strategy supports affected persons especially women entrepreneurs, youth, vendors, and service providers to enhance product quality, diversify income sources, and establish linkages to more stable and profitable markets. Support includes business development services, improved food-safety and digital marketing skills, microfinance or grant-based enterprise upgrades, and promotion of value-added products.

7.4 Compensation at Replacement Cost

Sri Lanka has an advanced system for valuation of properties, and there are state and registered private valuation officers. But the replacement cost for acquired assets will be determined by the Valuation Department. While the LAA permits assessment of damages to land and structures at the market rate, the LAR 2008 provides detailed guidelines for determining compensation at replacement cost which is close to the World Bank guidelines. More specifically, the 'replacement cost' which should be sufficient to replace assets, plus necessary transaction costs associated with asset replacement. This includes compensation of statutory and non-statutory payments and ex gratia payments including current market value without depreciation, any other injurious affectation, severances, interest accrued, transitional and restoration costs, disturbances cost, and any other applicable payments.

7.4.1 Acquisition of Non-Viable Remainder Plots

It is possible that, following the acquisition of a land parcel required for the project, the remaining portion of the plot becomes severed and non-viable for any productive use. In such cases, the claimant is entitled to compensation not only for the acquired portion but also for the loss in value and other injury caused to the remaining land. The Land Acquisition Act (LAA) specifies that 20% of the market value determined for the acquired land must be paid as compensation for injurious affection and severance [Sec. 46(1)(i) and (ii)]. In addition, the Land Acquisition Regulations (LAR) of 2008 stipulate that damages resulting from severance and injurious affection should be compensated in full. Together, these provisions are intended to ensure that affected landowners receive compensation at full replacement cost, covering both the value of the land directly acquired and, where applicable, the consequential impacts on the remaining property, without deduction for depreciation, transaction costs, or other factors that would prevent affected persons from replacing the lost asset.

7.4.2 Improvements of Land with Limited User Rights

For some development works, land may not be required to be acquired. In such situations, an agreement will be reached after a process of consultation between the landowner and the Project to allow for development of the land while keeping possession of land ownership intact but limiting the user rights. In such cases, the project team, after consultation with the owner, would reach an agreement or Memorandum of Understanding (MOU) to use the land parcel only for the purpose specified in the

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agreement.

7.4.3 Compensation for Structures

If only part of the structure is acquired, the floor area to be considered for payment will be calculated up to the structural support points. If after acquiring the affected portion, the remainder portion becomes structurally unsustainable, compensation will be paid as per the LAA for the entire structure. For damages of the government property, no cash compensation will be paid but the Project will take on the responsibility for rebuilding and restoring damaged structures.

7.5 Resettlement and Rehabilitation Benefits for the Non-title Holders

Non-title residential squatter or encroached households residing in the sub project areas prior to the cut-off date and verified to be in the displaced category during social impact survey, will be provided with assistance as per the LAA 1950 and LAR 2008. Commercial non-title holders on State lands will receive compensation for their affected structures at replacement value and rehabilitation assistance to continue their livelihood. The non-titleholders, however, shall not receive any compensation for land.

7.6 Entitlements for Affected Parties

The entitlements, compensation, and eligibility, including preparation of the Entitlement Matrix (EM), is based on the provisions in the LAA of 1950, LAR of 2008, together with the principles of the NIRP and the relevant World Bank's ESS-5. The EM considers the unit of loss to determine the unit of entitlement. The RPF provides additional guidelines for integrating social inclusion, accountability and gender considerations in planning and implementing resettlement activities depending on the rights of APs.

7.7 Establishing an escrow account

To ensure timely and transparent delivery of resettlement entitlements, the THRIVE Project will establish a dedicated escrow account. This mechanism is designed to address potential delays in compensation payments, resettlement assistance, or disputes that may arise during implementation. The account will be constituted under the joint authority of the Secretaries of the Ministry of Transport, Highways and Urban Development and the Ministry of Foreign Affairs, Foreign Employment and Tourism, thereby guaranteeing high-level oversight and accountability. By securing funds in advance, the escrow arrangement will provide assurance to Project Affected Persons (PAPs) that their entitlements will be met in a timely and equitable manner, even in the event of administrative or procedural challenges.

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8. SCREENING AND PLANNING PROCESS FOR SUBPROJECTS

Effective resettlement planning requires a structured and transparent process that anticipates potential risks, identifies affected persons, and ensures that mitigation measures are integrated into project design and implementation. For the THRIVE Project, the screening and planning process is a critical safeguard mechanism, ensuring that environmental and social impacts are systematically assessed and managed throughout the project life cycle. This chapter outlines the strategies, principles, and eligibility criteria that guide resettlement planning, while also detailing the steps for identifying project-affected persons (PAPs), assessing livelihood impacts, and providing measures to avoid, minimize, and mitigate adverse outcomes.

The process begins with screening and social impact assessment (SIA)**,** which serve as the foundation for determining the scale and nature of resettlement impacts. Screening verifies whether interventions remain within state land or existing footprints, while the SIA provides a comprehensive census of affected households, documenting losses, vulnerabilities, and socio-economic conditions. Together, these steps ensure that resettlement planning is evidence-based and responsive to the realities of affected communities.

Following screening and assessment, the preparation of Resettlement Action Plans (RAPs) **or** Abbreviated RAPs (ARAPs) provides a structured framework for compensation, relocation, and livelihood restoration. RAPs are developed in consultation with affected persons, local authorities, and community organizations, ensuring that entitlements are clearly defined and that grievance redress mechanisms are accessible. Information dissemination plays a vital role in this process, with project details, rights, and entitlements communicated in Sinhala, Tamil, and English to foster transparency and trust.

To strengthen safeguards, the planning process also emphasizes analysis of alternatives to avoid or minimize resettlement impacts. Design modifications, construction phasing, and micro-siting are explored to reduce displacement and maintain continuity of livelihoods. This proactive approach reflects the project's commitment to applying the mitigation hierarchy prioritizing avoidance, then minimization, and finally compensation where impacts are unavoidable.

Finally, RAPs undergo review, clearance, and disclosure by both national authorities and the World Bank, ensuring compliance with the National Environment Act (NEA), the Land Acquisition Act (LAA), and international safeguard standards. Approved RAPs are disclosed publicly, reinforcing accountability and enabling affected persons to understand their rights and entitlements.

8.1 Key Steps in Resettlement Planning

The key steps in resettlement planning are: screening, social impact assessment, inventory and valuation, determining eligibility and entitlements, consultation and disclosure of findings, preparation of resettlement instruments (abbreviated or full resettlement action plan), consultation and finalization of the RAPs, development of resettlement sites, disclosure of the final RAP (which analyses and describes the impacts, entitlements, implementation agencies and schedule, list of eligible APs, Grievance Redress Mechanisms (GRMs), initiation of the land acquisition process; disbursement of compensation and the RCR entitlements, relocation planning and plan implementation, resolution of grievances if any, site clearance, site handover to contractor for civil works; post resettlement support measures, monitoring and evaluation). The process starts with assessment and categorization of impacts discussed below.

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8.1.1 Screening for involuntary resettlement

For each THRIVE subproject, the PMUs with both TIUs in CMC and UDA will carry out an initial screening to determine the magnitude of resettlement-related risks and impacts. The screening form in Annex 4 will be completed for every intervention once design is available, drawing on site visits, desk review and stakeholder inputs. Preliminary preparation indicates that most works will remain within state land and existing footprints, so large-scale resettlement is not anticipated; however, screening will verify any minor repossession of state land, removal of boundary walls, and temporary access restrictions affecting traders, and informal vendors. The process will classify risk and confirm the proportionate instrument (RAP/ARAP/LSAP/etc.) So that due-diligence steps in Section 5 are applied.

8.1.2 Social Impact Assessment

If the Screening indicates that the intervention is likely to lead to risks and impacts associated with 'involuntary resettlement,' the project will carry out a Social Impact Assessment including 100% census survey of affected households of the project component/subcomponent involving involuntary resettlement (Sample Questionnaire for Census Survey is included in **Annex 5**). The PMU can do this with their own staff or through outsourced Consultants depending on the expertise needed, nature, type, urgency, and scale of the assignment. For large works, external consultants may be hired (**Annex 6** includes a Sample ToR for conducting SIA and resettlement planning). The SIA will provide information on the losses and damages incurred by individuals or households, and communities, impacts on women and vulnerable communities, etc.

Following finalization of the construction designs, the detail measurement survey (DMS) of the affected land and/or non-land assets and census survey of the affected households will be carried out to record the actual impacts and prepare the inventory of losses. The information will also include a profile of the affected households including demographic and socio-economic details such as landownership, usage and productivity and income, scope, and nature of involuntary resettlement impacts, including impacts on vulnerable persons/groups. The census and socio-economic surveys will also involve systematic consultation, disclosure, orientation, and coordination with the Divisional Secretaries, Planning Directors, Grama Niladharis, Community Based Organizations, Non-Governmental Agencies, and community members.

Additional information, if relevant, will be gathered through primary and secondary stakeholder consultations (Focus Group Discussions – formal or informal) with the affected people, and vulnerable community groups, community leaders, registered civil societies, NGOs, and Community Based Organizations (CBOs). A variety of methods will be used to identify the key stakeholders and consult closely with them to understand their priorities, expectations and views about the sub-project and the impacts of resettlement. The representatives from the different groups and sectors that are likely to be impacted, including local authorities and local civil and religious leaders, fishers, businesspersons and householders, will be included in the consultations. The consultants will also facilitate the engagement of women and young people from the different groups and sectors that are to be potentially affected. Similarly, vulnerable groups (for example, the very poor, those without formal title, ethnic or religious minorities, households headed by women, the elderly, chronically sick and the disabled) who might require special assistance during relocation and resettlement process will be identified and consulted. Overall, the discussions during consultations will focus on the positive and negative impacts; measures to enhance positive impacts and reduce or mitigate negative impacts.

A replacement cost assessment (or asset valuation) will also be carried out, which will form the basis for determining the compensation for the affected land and assets. Further, the PMU with support from the

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consultants, if relevant, will ensure that prior to conducting the census, notices and leaflets announcing the cut-off date are posted and circulated among potentially affected persons in the area where the census is to be carried out. This will be done to inform the public and to facilitate data gathering through their participation in the census and socio-economic survey. The cut-off date for the entitlement/s will be the starting date of the census for the RAP. The census will be based on preliminary engineering/technical designs of the project. The census data will be updated once the final and detailed engineering designs are completed.

8.1.3 Preparation of Resettlement Action Plan (RAP)

If there's any economically or physically displaced persons in selected project component/sub component identified through initial screening, a Resettlement Action Plan (RAP) or an Abbreviated Resettlement Action Plan (ARAP) will be prepared either through the PMU or by an outsourced Consultant (see Annex 8). The RAPs prepared by an outsourced Consultant, will be reviewed by the PMU, and will be submitted to the Bank for further review and clearance. The main text of the RAP will be concise and specific to the sub-project (component/subcomponent). Additional/supplementary documentation and discussion can be attached as annexes to the main report. An outline for a RAP is presented in **Annex 7**.

Table 209: Criteria for RAP and ARAP preparation.

ARAP Preparation	RAP Preparation
• Limited in scale and complexity, involving 200 or fewerl number of affected persons. It does not entail significant displacement, nor does it require substantial physical relocation. • An ARAP may be prepared, where impacts are limited in scope and can be effectively managed through targeted measures.	• Full RAP is required where there is significant physical or economic displacement involving 200 or more persons, substantial land acquisition, multiple categories of PAPs, or complex livelihood restoration/resettlement measures.

8.1.4 Information Dissemination relating to Resettlement Planning

The PMU (with a consultant/consultant firm hired for preparing the RAP, if required) will provide all relevant information about the project, implementation procedures, time frames, and the resettlement planning process and as well as the people/units that can be contacted by any aggrieved parties if they have questions, concerns, or complaints about the project. The PMU/TIUs will also establish information centers in strategic locations of the sub-project area, easily accessible to the public. Officers from the PMU/TIUs will be assigned to these information centers to attend to the inquiries from the public, and to receive any grievances and complaints (see Chapter 9 for more details). These information centers would also serve to establish relations of trust between the consultants, the PMU, the local authorities, and the affected people. Information about the sub-project and people's rights and entitlements will be disseminated through information flyers printed in Sinhala, Tamil, and English. The information flyer will contain the following basic information:

- Brief description of the project and sub-projects.
- Anticipated project impacts.
- Basic compensation policy and rights and entitlements of affected persons.

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- Implementation procedures and time frame; and
- Contact details (office, office days, telephone, email, and social media sites) for additional information.

The RAP will be translated into Sinhala and Tamil for local disclosure. A Public Information Booklet (PIB) including following information extracted from the RAP will also be developed as a tool to disseminate information about the project, and would cover:

- Brief description of the project and subproject
- Types of impacts expected
- Basic compensation policy, entitlements, and special provisions (including provisions for livelihood restoration, and assistance to vulnerable groups)
- Procedures for measurement/valuation of losses
- Grievance redress procedures (including who to contact in case of queries or complaints) and,
- Implementation schedule and budget.

8.2 Analysis/ Screening of Alternatives to Avoid/Minimize Impacts

One of the key principles with respect to resettlement in any development project is to avoid or minimize land acquisition and the number of people to be resettled. This can be achieved by modifications to the designs and techniques used for the sub-projects. Therefore, the team conducting the census survey will consult the design team regarding possible design alternatives and methods for construction and have a clear understanding of the interventions and their impacts (both temporary and longer-term). The social survey team, design team and the PMU/TIUs will maintain close coordination to identify opportunities to avoid or minimize resettlement impacts.

8.3 Review of RAPS, Clearance and Disclosure

The draft RAPs will be reviewed and approved by PMU. The draft RAPs will form part of the land acquisition request proposal to be submitted to the Land Ministry. Further, the National Environment Act (NEA) specifies that all prescribed projects involving resettlement must obtain approval in terms of Part 4 'C' of the NEA from the Central Environment Authority. In this regard, the PMU will be responsible for ensuring that the prescribed project obtains approval following the procedure described in Part IVC of the NEA (Amendment) No. 56 of 1988. The draft RAPs will also be submitted to the World Bank for review, prior to granting clearance for the RAP. The approved RAPs by both the GOSL and the Bank together with their translations in Sinhala and Tamil will be posted on the PMU (the MTHUD) websites. The Bank will also disclose the RAPs on its website. Any changes to the approved RAPs would have to follow the same clearance/ approval procedures and disclosure.

8.4 Identification and Preparation of Relocation Sites

THRIVE does not anticipate large-scale residential relocations as a result of land acquisition. In the unlikely event that such situations arise, they will be addressed on a case-by-case basis, with self-relocation encouraged where feasible, as this option is often more convenient for affected households. Where relocation sites are required, they shall be selected to avoid adverse impacts on critical natural habitats, wetlands, or areas subject to high climate vulnerability (such as severe urban flooding or landslides). The PMU will provide additional support to facilitate the self-relocation process, ensuring that it is carried out in a fair, transparent, and well-documented manner, consistent with the Resettlement Policy Framework (RPF) and World Bank ESS5 requirements.

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8.5 Physical Relocation

Physical relocation may involve resettlement on the remaining area of an affected property, moving to a new plot selected by the affected household (self-relocation) or relocation to a plot in a resettlement site or housing unit developed by the project. The acquisition of the necessary land and relocation should be carried out in accordance with the existing land law by the PMU Land Officer. The project will ensure that full compensation and other resettlement benefits and assistance are paid/granted to the displaced persons/households prior to their displacement. The payment of compensation will be made under Section 17 (award) of the LAA, and the Acquiring Officer will determine the date on which the compensation will be awarded in accordance with Section 38(a) of the LAA and these activities are coordinated by the Land Officer.

Where it is necessary for affected persons to vacate the affected area before the date specified in the Section 38(a) order, an allowance for temporary accommodation will be provided as set out in item B1 of the Entitlement Matrix. The affected persons who are relocated will also be provided with additional allowances such as for transport of their household goods and materials, vulnerability allowances etc. as stipulated in the 2008 Regulations and as set out in the Entitlement Matrix.

8.6 Relocation of Businesses

The relocation of businesses under THRIVE will follow a structured process to ensure fairness and minimize disruption. Affected enterprises may be entitled to additional allowances, including costs for transporting goods and materials, restoring utility services, re-fixing fixtures and fittings, advertising, and employee support, as specified in the Entitlement Matrix. Wherever possible, the project will encourage owners or operators of affected industries and businesses to relocate to nearby areas to maintain continuity of operations.

The PMU and TIUs (CMC and UDA) will be responsible for identifying alternative areas that can be developed as resettlement sites. The following measures will guide site selection and development:

- Criteria for site selection will be developed in consultation with affected people, their representatives, local officials, and other stakeholders. Different relocation options will be discussed transparently.
- A feasibility study will be conducted to assess each proposed resettlement site, ensuring suitability for business activities, availability of infrastructure and facilities, and connectivity with markets and towns.
- Proximity to affected areas will be prioritized to allow continuity of employment, education, client networks, and community ties. Ideally, relocation sites should be located within a radius of 1–1.5 km from the current locations of affected communities.

8.7 Transitional Assistance

The relocation of businesses will follow the same procedures as set out above in Section 8.6. However, some businesses may be entitled to additional allowances such as for transport of goods and materials, restoration of utility services, re-fixing of fixtures and fittings, advertising etc. as well as allowances to be paid to the employees as specified in the Entitlement Matrix. Where possible, the project will encourage the owners or operators of affected industries and businesses to relocate to nearby areas.

8.8 Relocation of Infrastructures and public utilities

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The relocation of infrastructure facilities and public utility services will be undertaken by the agencies responsible for them (e.g., National Water Supply and Drainage Board in the case of water distribution lines). The PMU/ TIUs will obtain the cost estimates required for relocating/shifting the affected facilities from these agencies and then secure the necessary funds from the Project for moving or reconstructing the affected facilities. The funds will then be transferred to the respective agencies so that they can carry out the work. The PMU/TIUs will monitor the progress of the reconstruction and will coordinate closely with the relevant agencies to ensure that the works are completed as quickly as possible. A time frame will be agreed with the relevant service providing agencies, and the same will be communicated to the public prior to the relocation of those utility services to avoid/minimize any inconveniences caused to them.

8.9 Relocation of Cultural Heritage Sites and Sites of Cultural and/or Religious Significance

It is yet to be determined if there are any major cultural heritage sites that would need to be relocated, or to which access may be temporarily restricted, due to the project interventions. The project will consult the design teams to avoid any impact on any such social and religious sites. If unavoidable, measures that are required to be implemented for their relocation or temporary access restriction will be discussed and closely coordinated with the religious authorities and the communities that worship or use these sites. The project will also make available adequate funds required for their relocation or make alternative access available such as acquiring alternative land/sites, their construction, and ceremonies to be performed during relocation etc. If additional civil works must be undertaken to protect the sites, the project will consider alternate design options to avoid such structures/sites.

8.10 Tenure and Transfer of Titles

The transfer of tenure or titles to the households that have opted to move to resettlement sites or to any housing units provided by the Project is an important part of the resettlement process. The PMU/TIUs will coordinate with the Divisional Secretaries in which the resettlement sites are developed, or with the CMC, UDA, in the case of housing or business units, to provide the resettled households and business owners with certificates of ownership. This activity will take place in parallel to the activities related to payment of compensation.

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9. CONSULTATIONS, GRIEVANCE REDRESS MECHANISM, INFORMATION DISCLOSURE

9.1 Consultations

Public consultation and community participation will be fundamental in ensuring the Project's acceptability and establishing a constructive relationship between the community and the Project. The World Bank's Environmental and Social Framework (ESF)'s Environmental and Social Standard (ESS) 10 on Stakeholder Engagement and Information Disclosure, recognizes "the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice" (World Bank, 2017: 97).

It is essential to provide accurate information about the Project to stakeholders (including people affected by the Project) from the planning stage onwards, to prevent misunderstanding and misinformation, and to build trust between the different stakeholders and the Project team. A well-planned comprehensive consultation program will help the project team to engage in more effective and focused discussions with the stakeholders, to share ideas about planning and implementation, to benefit from local knowledge and to take more informed decisions. Consultations will also help obtaining stakeholder cooperation and support and community engagement throughout the project cycle, providing both primary and secondary stakeholders with opportunities to meaningfully contribute to the development process. This chapter outlines the consultations that were conducted during preparation of the RPF as well as the accompanying ESMF, SEP and the LMP for the project. It also offers guidelines to help the PMU/TIUs to engage with stakeholders during project planning and implementation.

9.1.1 Consultations during preparation of the E&S Instruments

Preliminary consultations were carried out with a wide range of stakeholders during the early stages of the THRIVE Colombo Project. These included key government institutions related to the tourism and urban development sectors such as the Ministry of Tourism, CMC, MTHUD , UDA as well as other relevant agencies, and non-governmental organizations. These consultations enabled the MTHUD and MOFAFET to gain valuable insights into the conceptual designs and feasibility of the project. They also helped identify potential risks and social impacts at an early stage, highlighting the need to minimize adverse effects at specific locations.

The Draft Resettlement Policy Framework (RPF) will be disclosed on the project website within two weeks of receiving clearance from the World Bank, thereby inviting public comments and ensuring transparency and accountability in line with ESS10 requirements.

9.2 Consultations with Affected Persons

The PMU and TIUs will assume primary responsibility for conducting stakeholder consultations across all phases of the project cycle. These consultations are designed to ensure that affected parties, as well as broader community stakeholders, are meaningfully engaged in decision-making processes and that their concerns are systematically integrated into project planning, implementation, and monitoring.

Under the Land Acquisition Act (LAA), statutory notifications form a mandatory component of the acquisition process. These include:

- Section 2 – Preliminary Notice
    - Public display of intent to acquire land in Sinhala, Tamil, and English in conspicuous places.

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- Section 4 – Objections to Acquisition
  - Provides opportunity for affected parties to lodge objections to the proposed acquisition.
  - Ensures transparency and a formal channel for grievances.
- Section 7 – Notice to Persons Interested
  - Requires notification to landowners and interested parties.
  - Inquiry into ownership and claims to establish entitlement to compensation.
- Section 17 – Award of Acquiring Officer
  - Formal award of compensation based on valuation and claims.
  - Sets out procedures for payment and disclosure of compensation decisions.

While these notifications fulfill legal requirements, they remain limited to the procedural aspects of land acquisition. To complement and extend beyond statutory obligations, the PMU will organize a comprehensive suite of consultation activities, including:

- Public meetings to disseminate information and gather collective feedback.
- Focus group discussions with vulnerable and directly affected groups.
- Transect walks and site visits to jointly assess impacts on land, livelihoods, and community assets.
- Household surveys and business visits to document socio-economic losses and verify affected assets.
- One-on-one consultations with individuals experiencing significant or unique impacts.

Additional consultations will be conducted with residents and stakeholders in project-affected areas to validate and cross-check reported losses, ensuring accuracy in asset inventories and compensation frameworks.

The consultation process will be culturally sensitive, inclusive, and participatory, incorporating the following measures:

- Gender-responsive sessions to address women's perspectives and safeguard against exclusion.
- Specially designed consultations for persons with disabilities and elderly participants, ensuring accessibility and dignity.
- Communication in local languages (Sinhala and Tamil) to guarantee comprehension and inclusivity.
- Respect for cultural institutions and practices, with engagement activities tailored to local norms and values.

Through this multi-layered approach, consultations will not only meet statutory requirements but also reinforce the project's commitment to equity, transparency, and accountability, thereby strengthening trust between implementing agencies and affected communities.

9.3 Process for Stakeholder Engagement and Consultations

Consultations under the THRIVE Colombo Project are designed to secure stakeholder cooperation and community participation throughout the project cycle. Both primary stakeholders (directly affected persons, households, and businesses) and secondary stakeholders (government agencies, NGOs, CBOs, donor partners, and local institutions) are provided structured opportunities to contribute meaningfully to project design, implementation, and monitoring.

Consultations are conducted at three critical stages: project identification, planning/design, and implementation, ensuring that engagement is continuous, inclusive, and responsive to evolving project dynamics.

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Project identification stage; The consultations will begin with a comprehensive stakeholder mapping exercise to identify project-affected persons (PAPs), host communities, and other interested parties. Initial engagement will be carried out through awareness meetings, transect walks, and public consultations, which will serve to introduce project objectives, outline potential impacts, and build trust with local communities. To ensure accessibility and inclusivity, project briefs and information materials will be prepared and disseminated in both Sinhala and Tamil, enabling stakeholders to fully understand the scope and implications of the interventions. In parallel, resettlement screening will be undertaken to determine the early need for Resettlement Action Plans (RAPs) or Abbreviated RAPs, depending on the scale and severity of anticipated impacts. This stage establishes the foundation for participatory planning, ensuring that affected and interested parties are engaged from the outset and that their perspectives inform subsequent project design and implementation.

Project planning and design stage; The consultations will focus on ensuring that affected communities are fully informed and actively engaged in shaping project outcomes. Information on project stages, design alternatives, and potential impacts will be disclosed interactively, enabling stakeholders to understand the implications and contribute to decision-making. Joint site visits will be conducted with project-affected persons (PAPs), planners, and design teams to validate alternatives and ensure that community perspectives are incorporated into final designs. Displaced persons and host populations will be consulted on relocation options, livelihood restoration strategies, and the development of resettlement sites, ensuring that solutions are both practical and socially acceptable. To safeguard inclusivity and accountability, Grievance Redress Committees (GRCs) will be established with representation from affected persons, women, and vulnerable groups, providing a structured mechanism for addressing concerns. In parallel, socio-economic surveys and extensive consultations will be undertaken to inform the preparation of the Resettlement Action Plan (RAP), with PAPs actively involved in reviewing and validating findings. This stage ensures that project planning is participatory, transparent, and aligned with both safeguard requirements and community priorities.

Project implementation stage; The PMU and PIUs will maintain close and continuous dialogue with project-affected persons (PAPs) to address issues related to relocation, compensation, and livelihood restoration. Particular emphasis will be placed on safeguarding livelihoods by coordinating with relevant line agencies and private sector partners to support income recovery, skills training, and employment opportunities. Inclusive participation will be ensured by involving community-based organizations (CBOs), NGOs, and affected persons in decision-making committees that oversee resettlement and livelihood programs, thereby strengthening ownership and transparency. Monitoring and evaluation processes will actively engage PAPs, with feedback loops integrated into project reporting to ensure accountability and responsiveness. In addition, a fully functional Grievance Redress Mechanism (GRM) will be maintained throughout implementation to provide timely resolution of complaints and reinforce trust between stakeholders and project authorities. This stage ensures that implementation is participatory, equitable, and aligned with both safeguard requirements and community priorities.

Table 20: Consultation Activities across Project Cycle

Project Stage	Consultation Activities
Identification	• Stakeholder mapping (PAPs, host communities, interested parties) • Awareness meetings, transect walks, public consultations • Dissemination of project information in local languages • Screening for RAP/ARAP requirements
Planning & Design	• Meetings with potential displaced persons and host populations • Consultations on relocation alternatives and livelihood restoration • Joint site visits and participatory impact assessments • Inputs from PAPs, hosts, and CBOs on resettlement site selection • Establishment of GRCs with inclusive representation • PAP involvement in RAP review and validation

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Implementation	• Participation of PAPs in RAP execution • Engagement of CBOs and NGOs in resettlement and livelihood programs, as relevant • Private sector support for income restoration • PAP involvement in decision-making committees • Functional GRC procedures • PAP participation in monitoring and evaluation

The PMUs and TIUs will systematically document all consultation activities, maintaining detailed records that include photographs, video footage, and written notes of transect walks and public consultations, with clear references to dates, locations, participants, and the salient issues raised along with the responses provided. To ensure consistency and accountability, the procedures for consultation, communication, and information dissemination will be formalized and institutionalized by the PMU, creating a structured framework for engagement. In line with international safeguard standards and World Bank requirements, the project has developed a standalone Stakeholder Engagement Plan (SEP) that establishes a practical and methodical approach to stakeholder engagement. This plan emphasizes proactive outreach, inclusivity, and continuity, ensuring that engagement is not treated as a one-time activity but as an ongoing process embedded throughout the entire project lifecycle. By combining rigorous documentation with a structured SEP, the project guarantees transparency, responsiveness, and meaningful participation of all stakeholders, thereby reinforcing trust and strengthening the social sustainability of the project.

9.4 Information Disclosure

The information disclosure strategy of the project is designed to ensure transparency, accessibility, and inclusivity across all phases of the project. Public information will be disseminated through flyers and notices displayed at strategic locations such as Divisional Secretariat offices, Grama Niladhari offices, and site offices prior to the commencement of land acquisition and resettlement activities. In addition, updated project details will be made available through the official project website, social media platforms, and local radio and television broadcasts. A Public Information Booklet (PIB) will be distributed in the directly affected areas, providing clear explanations of project objectives, anticipated impacts, resettlement options, compensation policies, entitlements, livelihood restoration measures, and grievance redress procedures. The PIB will also outline the project implementation schedule and include contact details of responsible officers, ensuring that affected persons can easily access further information. To guarantee inclusivity, the PIB will be published in Sinhala and Tamil.

Safeguard documents including the ESMF, RPF, SEP, LMP, and other relevant instruments will be disclosed on the Government of Sri Lanka's website and the World Bank's external website following clearance. Sub-project specific environmental and social instruments, including Resettlement Action Plans (RAPs), will also be disclosed both in-country and on the World Bank's website after review and approval. RAPs will be prepared in English and translated into Sinhala and Tamil, with copies available at the Ministry of Transport, Highways and Urban Development website and respective Municipal Councils and divisional secretariats for public reference. At the individual level, each affected person will have a confidential file documenting the progress of land acquisition, compensation payments, resettlement assistance, and livelihood restoration measures, accessible only to the respective party.

At the sub-project level, the PMU and TIUs will collaborate with local government authorities to ensure that all social and environmental management documentation is publicly accessible in local languages through websites, local offices, and community channels. As part of the project's monitoring framework, the PMU will track the number of communication and citizen engagement programs conducted, the participation levels in consultations, and the resolution of grievances, with data disaggregated by gender to ensure inclusivity. This comprehensive disclosure system reinforces accountability, empowers stakeholders with timely and accurate information, and strengthens trust between project authorities and affected communities.

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9.5 Grievance Redress Mechanism

THRIVE will operate two linked GRM arrangements reflecting its institutional structure: a centralized PMU-level mechanism for Components 1 and 3 under MoFAFET, and a three-tier mechanism for Component 2 under the MTHUD PMU. Both arrangements aim to resolve grievances as close as possible to the point of origin, while providing clear escalation pathways, documentation, and reporting.

1. GRM for Project Components 1 & 3 (Under MoFAFET PMU)
For Components 1 and 3, the MoFAFET PMU will maintain a centralized Grievance Redress Committee comprising PMU leadership, the Social Specialist, relevant ministry representation, and civil society/community representation as needed. The committee will receive, register, acknowledge, review, and resolve grievances within 14–21 working days, or refer unresolved matters to competent authorities where required.

2. GRM for Project Component 2 (Under MTHUD PMU)
For Component 2, the MTHUD PMU will operate a three-tier GRM: site-level resolution within 3 working days; TIU/divisional-level review within 7–10 working days; and PMU-level review within 14–21 working days. Membership will include relevant local officials, TIU/PMU representatives, supervision consultants, contractor social staff, and community or NGO representatives, as appropriate.

Table 211: Summary of GRM Submission Channels

Method	Available At / Responsible Entity
Verbal or written complaint	• Grama Niladari (GN) • Site Level • Subproject Supervision Consultant • Contractor Social Officer • Divisional Secretariat • TIU Field Team • PMU Offices (MoFAFET / MTHUD)
Telephone hotline	• Dedicated hotline to be established and publicized in Sinhala and Tamil (PMU level)
SMS / WhatsApp	• Widely shared project contact number • Dedicated WhatsApp groups for subprojects (PMU/ MTHUD focal persons)
Email	• Centralized grievance email address (MoFAFET PMU & MTHUD PMU)
Online form	• Project website (managed by PMUs)
In-person visits	• TIU level visits • PMU level visits

Each GRM level will maintain autonomy while coordinating across tiers. Serious complaints involving SEA/SH, threats to safety, corruption, or other urgent risks will be prioritized and may bypass intermediate levels where necessary to ensure rapid, confidential, and survivor-centered response.

The GRM process will be structured and time-bound. Complaints may be submitted verbally or in writing through site offices, GN/DS offices, TIU or PMU offices, hotline, email, SMS/WhatsApp, or online forms (see annex 9: sample application form for grievances). All complaints, including anonymous submissions, will be logged, assigned a tracking number, acknowledged within three working days, categorized by urgency and complexity, and resolved at the lowest appropriate level with escalation where needed.

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Table 222: Grievances Resolution Time Line

Component	GRM Level	Responsible Body	Resolution Timeline
Component 2- (MTHUD -PMU)	Level 1 – Site / Subproject	Site- Level GRM Committee (Grama Niladari (GN) of the respective area, TIU representative, Subproject supervision consultant representative, Social officer/representative from civil works contractor & Community-Based Organization (CBO) representative)	Within 3 working days
	Level 2 – Divisional / TIU	Divisional GRM Committee (Divisional Secretariat, Commissioner – Municipal Council, Deputy Project Director (TIU), Social Officer (TIU), PMU representative, NGO representative, Additional members as required)	Within 7–10 working days
	Level 3 – PMU Level	Provincial GRM Committee / MTHUD PMU (Project Director, Social Specialist, Other PMU specialists as required, MTHUD representation, Additional members as determined by committee)	Within 14-21 working days
Component 1 & 3- (MoFAFET-PMU)	Centralized-PMU level	National GRM Committee (Representative of MoFAFET, Project Director, Social Specialist (PMU), NGO representative from the tourism sector, Community organization representative (tourism-related), Additional members as required)	Within 14-–211 working days

9.5.1 Responding to SEA/SH Related Complaints

Handling complaints related to Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) requires a distinct and highly sensitive approach that goes beyond standard grievance procedures. These cases involve profound risks to survivor safety, dignity, and confidentiality, and therefore demand specialized protocols that are survivor-centered, rights-based, and fully aligned with both national safeguards and the World Bank's Environmental and Social Framework. Unlike general grievances, SEA/SH allegations must be managed with strict confidentiality, minimal documentation, and immediate referral to qualified service providers to ensure access to medical, psychosocial, and legal support. The process must guarantee that survivors are never pressured into unwanted actions, that reporting channels remain open and non-discriminatory, and that institutional actors respond swiftly and responsibly. Embedding these protocols within the project's grievance redress system is essential not only for compliance but also for reinforcing trust, accountability, and the project's broader commitment to social sustainability.

1. Guiding Principles:
The THRIVE Project adopts a **survivor-centered, rights-based approach** to handling grievances related to **Sexual Exploitation and Abuse (SEA)** and **Sexual Harassment (SH)**. Recognizing the sensitivity and gravity of such incidents, SEA/SH complaints are addressed through **dedicated protocols** that prioritize confidentiality, safety, informed consent, and access to services rather than conventional grievance resolution channels.

2. Reporting Channels and Focal Points

- SEA/SH grievances may be reported through **designated focal points** at PMU and TIU levels, all of whom will undergo mandatory training to ensure discretion, empathy, and survivor-sensitive handling.

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- Survivors also retain the option of reporting directly to **qualified GBV service providers** without using the project GRM.
- No grievance mechanism under THRIVE may reject a SEA/SH-related complaint.

3. Confidentiality and Documentation

- SEA/SH grievances will not be publicly recorded in standard grievance logs. Only **minimal, non-identifiable information** may be documented, such as:
  - The nature of the complaint (in the survivor's own words),
  - Whether the alleged perpetrator is project-linked,
  - Age and sex of the survivor (if shared voluntarily),
  - Whether referral to support services occurred.

4. Referral Pathways

- All survivors will be referred to **qualified GBV service providers**, including:
  - Women Development Officers, Social Services Officers, and trained Counselors at Divisional Secretariat level,
  - The **National Women's Helpline (1938),**
  - **Mithuru Piyasa units** in state hospitals,
  - **Women In Need (WIN)** and other experienced NGOs,
  - The **Women's Unit of the Sri Lanka Police**.
- Information on these services will be displayed in **Sinhala, Tamil, and English** at GN offices, Divisional Secretariats, project sites, and on the Ministry website.

5. Consent and Ethical Safeguards

- No information will be disclosed to third parties without the survivor's **explicit informed consent,** which may be withdrawn at any time.
- In cases involving children, consent must be obtained from both the child (if of appropriate age) and their legal guardian.
- In line with **WHO ethical and safety guidelines,** survivors will never be pressured to pursue actions they are uncomfortable with. Services will be offered even if no formal complaint is filed or if the incident is found to be unrelated to the project.

6. Institutional Responsibilities

- PMU Social Specialist: Ensures survivor-centered handling and reports incidents to the World Bank TTL within 24 hours (per ESIRT).
- Employer obligations
  - If allegations involve project workers, employers must initiate disciplinary action under Sri Lankan labor law.
  - Where allegations involve project workers, the PMU Social Specialist and TIU focal point will assess project linkage.
  - The PMU will ensure survivors are referred to services and, with consent, provide anonymized updates on outcomes
- World Bank mechanisms: Survivors may also access the Bank's Grievance Redress Service (GRS) or Accountability Mechanism.

7. Reporting to the World Bank

- In alignment with the **World Bank's Environmental and Social Incident Response Toolkit (ESIRT),** SEA/SH incidents must be reported confidentially and promptly.
- Upon receipt of a complaint, the GRM focal point will immediately notify the PMU Social Specialist, who—together with the TIU—must inform the **Task Team Leader (TTL)** within **48 hours.**

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- The TTL will escalate the matter to World Bank senior management by submitting a draft ESIRT report within 24 hours. For serious allegations (e.g., sexual assault, rape, trafficking), the **Vice President of the South Asia Region (SAR)** must also be informed.
- Throughout this process, survivor confidentiality and dignity must be upheld, with all communication anonymized.
- The TTL will oversee a **Corrective Action Plan**, including measures such as strengthening codes of conduct, retraining workers, and improving grievance response protocols, and will monitor implementation to prevent recurrence.

8. Awareness and Training

- All staff, contractors, and focal points receive mandatory training on SEA/SH protocols, survivor sensitivity, and referral pathways.
- Information on SEA/SH reporting channels and available services is displayed publicly in Sinhala, Tamil, and English at project sites.

9.6 Awareness-Raising, Monitoring, and Evaluation of the GRM

The grievance handling mechanism (GRM) of the project will be widely communicated to all beneficiaries and project-affected persons through the project's established information channels. Awareness will be raised at the outset through initiation meetings, public consultations, and community meetings during implementation, complemented by brochures and pamphlets in Sinhala and Tamil, postings on notice boards, and online dissemination via the project website and social media. The project's social and environmental team will take the lead in building awareness and ensuring that stakeholders clearly understand how to access and use the GRM. Importantly, the GRM will be integrated into the project's monitoring system, tracked either through the Management Information System (MIS) or verified through spot checks during regular supervision visits. The PMU and PIUs will be responsible for systematic reporting on the GRM, including the number of grievances received, resolved, and pending. This process will ensure (i) accurate entry of grievance data into the database, (ii) preparation of monthly and quarterly reports that capture results, suggestions, and questions while formally closing resolved cases, and (iii) continuous review of unresolved complaints to identify bottlenecks and recommend remedial actions. By embedding the GRM into both communication and monitoring frameworks, the project guarantees transparency, accountability, and responsiveness, thereby reinforcing trust and strengthening stakeholder confidence in the grievance resolution process.

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10. INSTITUTIONAL ARRANGEMENTS AND CAPACITY

10.1 Institutional Arrangement

10.1.1 Organizational Structure

The project is implemented through a dual institutional arrangement involving two separate executing agencies: the Ministry of Foreign Affairs, Foreign Employment and Tourism (MoFAFET) and the Ministry of Transport, Highways and Urban Development (MTHUD). The Secretary of the Ministry of MTHUD holds overall responsibility for approvals and operational policy decisions, ensuring alignment with national priorities and provincial mandates. Technical implementation is carried out by the Colombo Municipal Council (CMC) and the Urban Development Authority (UDA), which serve as the designated Technical Implementation Units (TIUs) and Implementing Agencies (IAs). Project execution is coordinated through central Project Management Units (PMUs) established within MoFAFET and MTHUD, supported by TIUs in the CMC and UDA. Each PMU is headed by a Project Director and staffed with a multidisciplinary team comprising engineers, social and environmental specialists, procurement and finance experts, monitoring and evaluation officers, and administrative personnel. Within this structure, a dedicated Environment and Social Section, led by a Social Development Specialist (SDS) and a Senior Environmental Specialist ensures that all project activities comply with the World Bank's Environmental and Social Framework (ESF) as well as national and local regulatory requirements. The PMU can establish a Resettlement Coordination Committee, if needed, consisting of representatives from the PMU environmental, social, and technical teams, as well as selected members from the TIUs. Given that sub-project infrastructure improvements fall under the jurisdiction of multiple municipal councils, particularly Colombo and Kotte, the CMC and UDA will lead infrastructure development activities in collaboration with line agencies such as the Department of Archaeology, Ministry of Defense, President's Secretariat, and Parliamentary Administration. These agencies will provide technical support for rehabilitation and improvement works, while ensuring that completed sub-project infrastructure is formally transferred to the relevant authorities for long-term management and sustainability. This institutional arrangement establishes a clear governance framework that integrates policy oversight, technical expertise, and safeguard compliance, thereby ensuring effective and accountable delivery of the project.

The land acquisition and resettlement processes under the project will be supported by a robust Management Information System (MIS) designed to securely manage a comprehensive database of affected lands, houses, households, and businesses. This database will be built from socio-economic censuses and surveys conducted at the outset of each project phase and will be continuously updated until the disbursement of entitlements to claimants. The MIS will enable systematic storage and retrieval of information, allowing the generation of lists and consolidated progress reports on acquisition, and resettlement activities as required. It will also serve as the central platform for managing data related to the Grievance Redress Mechanism (GRM), ensuring integration of grievance tracking with overall project monitoring.

To provide strategic oversight and ensure effective coordination, the project will be guided by a National Steering Committee (NSC). The NSC will include the Chief Secretary; Secretaries from MoFAFE, SLITHM, the Department of Archaeology, UDA, CMC, and the Ministry of Transport, Highways and Urban Development (MTHUD); representatives from other relevant ministries; and the Director Generals of the National Planning Department (NPD) and the External Resources Department (ERD). This high-level body will review implementation progress, address policy challenges, provide strategic guidance, and ensure alignment between national and provincial stakeholders. It will also facilitate timely allocation of project funds and resources. The NSC will convene on a quarterly basis and will be co-chaired by the Secretaries of MoFAFE and MTHUD , thereby reinforcing joint accountability and ensuring that project execution remains consistent with both national development priorities and provincial governance frameworks.

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In addition to the NSC, a Working Committee at the level of the project implementing agencies will be established to ensure effective technical coordination and timely implementation of activities at the site level, particularly across Components 1, 2, and 3. This committee will bring together representatives from key central agencies, including the Colombo Municipal Council (CMC), Urban Development Authority (UDA), Sri Lanka Land Development Corporation (SLLDC), Department of Archaeology, Central Environmental Authority (CEA), Department of Posts (DoP), Electricity Distribution Lanka (EDL), National Water Supply and Drainage Board (NWSDB), Sri Lanka Convention Bureau (SLCB), Sri Lanka Institute of Tourism and Hotel Management (SLITHM), Sri Lanka Ports Authority (SLPA), Sri Lanka Tourism Development Authority (SLTDA), and the Sri Lanka Tourism Promotion Bureau (SLTPB), alongside Government Agent, Divisional Secretaries, and Commissioners of the Municipal Councils. The Working Committee will serve as the operational coordination platform, facilitating alignment of project activities within components, monitoring implementation progress, resolving technical and administrative challenges, and ensuring the timely transfer of funds to the respective institutions. Chaired by the Government Agent (GA), the committee will convene monthly to maintain momentum and accountability.

Complementing this arrangement, Project Partner Agencies (PPAs) will provide specialized support to the PMU in implementing activities under the project components. Their responsibilities will include contributing to the preparation of designs, cost estimates, and bidding documents; facilitating necessary clearances and concurrences; assisting in the development of implementation action plans; supervising works and reporting on progress and quality; ensuring compliance with environmental and social safeguards; committing to the future operation and maintenance of completed infrastructure; and supporting the PMU in data collection for monitoring and evaluation. Together, the Working Committee and PPAs create a multi-layered governance and technical support structure that strengthens coordination, enhances accountability, and ensures that project delivery is both timely and compliant with safeguard and operational standards.

Table 233: Responsibilities of Key Entities Affiliated with the THRIVE Colombo Project

Agencies	Key Responsibilities
Ministry of Foreign Affairs, Foreign Employment and Tourism (MoFAFET) & Ministry of Transport, Highways and Urban Development (MTHUD)	• Serve as the principal executing agencies, providing overall policy direction and approvals. • Ensure compliance with Sri Lankan legislation and the World Bank Environmental and Social Framework (ESS1–10). • Approve resettlement budgets, safeguard instruments (RAPs/ARAPs,DDRs/ ESMPs, LMP, SEP), and secure counterpart funding. • Actively participate in the National Steering Committee (NSC) to guide strategic decisions and resolve policy bottlenecks.
Project Management Units (PMUs) – MoFAFET & MTHUD	• Coordinate overall project implementation, supported by Technical Implementation Units (TIUs) in CMC and UDA. • Headed by a Project Director with multidisciplinary staff (engineering, social, environmental, procurement, finance, M&E). • Ensure safeguard compliance, financial accountability, and timely reporting. • Facilitate inter-agency coordination and oversee disclosure of safeguard documents.
Environmental and Social Unit – PMU/TIUs	• Lead the social safeguard process, including land acquisition/ resettlement. • Conduct environmental and social due diligence for each sub-project. • Prepare and review Environmental/Social Assessments and Management Plans, ensuring consistency with national regulations and World Bank requirements. • Integrate ESMP and RAP measures into project designs and bidding documents. • Organize safeguard training for TIU staff, contractors, and field teams.

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Agencies	Key Responsibilities
	• Ensure participatory consultations, establish Grievance Redress Committees (GRCs), and document complaints. • Commission independent third-party reviews of land acquisition and resettlement processes. • Review audit reports and implement corrective actions.
Colombo Municipal Council (CMC) & Urban Development Authority (UDA) – TIUs	• Act as implementing agencies for infrastructure development. • Facilitate site-level coordination, permits, and compliance with municipal by-laws. • Lead technical design, construction supervision, and transfer of completed infrastructure to relevant authorities. • Collaborate with line agencies (Department of Archaeology, Ministry of Defense, President's Secretariat, Parliamentary Administration, etc.) for specialized approvals.
Contractors	• Incorporate outcomes of community consultations and transect walks into designs. • Ensure construction sites are free of encumbrances before works commence. • Respond to grievances during construction and maintain grievance records. • Support livelihood restoration by employing local workers, with emphasis on women and vulnerable groups.
Divisional Secretariats	• Facilitate consultations with local communities. • Lead grievance resolution at divisional level. • Provide socio-economic data, maps, and local information to project teams. • Act as ex-officio acquiring officers in land acquisition processes. • Nominate CBOs/NGOs to the Entitlement Assessment Committee for compensation determination.
Valuation Department	• Prepare condition and valuation reports for properties to be acquired. • Nominate representatives to the Entitlement Assessment Committee for compensation related to non-land economic displacement.
National Steering Committee (NSC)	• Provide strategic direction, resolve policy bottlenecks, and ensure alignment across national and provincial stakeholders. • Review overall progress, risks, and safeguard compliance. • Approve budgets and facilitate timely fund allocation. • Convene quarterly, co-chaired by Secretaries of MoFAFET and MTHUD .
Working Committees (Component-level)	• Coordinate line agencies, divisional secretariats, and TIUs to sequence works and permits. • Monitor implementation progress and resolve operational challenges (utilities, traffic, stakeholder engagement). • Facilitate timely fund transfers and reporting. • Meet monthly under the chairmanship of the Government Agent (GA).
Project Partner Agencies (PPAs) – e.g., SLITHM, SLTDA, SLTPB, SLPA, SLCB, NWSDB, SLLDC, CEA, DoP, etc.	• Provide technical inputs (designs, estimates, bidding documents). • Facilitate statutory clearances and concurrences. • Supervise works, report on quality and progress, and ensure safeguard compliance. • Commit to future operation and maintenance of delivered infrastructure. • Participate in consultations with affected communities, tourism operators, and heritage stakeholders. • Support PMU in monitoring, evaluation, and data collection.

10.1.2 Implementation schedule for LA and Resettlement Process

The implementation schedule for land acquisition, resettlement, and compensation must be carefully sequenced to ensure that all safeguard requirements are fulfilled prior to the commencement of civil works. This sequencing is critical to avoid premature displacement, ensure timely delivery of

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entitlements, and maintain compliance with both national legislation and World Bank ESS5.

Table 23 outlines the key tasks and responsibilities associated with involuntary land acquisition and resettlement. It presents a structured schedule covering: Identification and verification of affected lands and households; Preparation and disclosure of Resettlement Action Plans (RAPs) or Abbreviated RAPs; Payment of compensation and provision of livelihood restoration measures; Implementation of social impact mitigation strategies, including support for vulnerable groups; Establishment and operation of grievance redress mechanisms, and Monitoring and evaluation of resettlement outcomes to ensure accountability and transparency.

This schedule serves as a roadmap for project authorities, ensuring that land acquisition and resettlement processes are completed in a systematic, participatory, and legally compliant manner before civil works begin. It also provides a framework for tracking progress, coordinating institutional responsibilities, and integrating social safeguards into the overall project cycle.

Table 244: Key tasks and responsibilities in involuntary land acquisition and resettlement

Task	Responsibility	Estimated Time Period
Recruitment of safeguard staff and initial training	PMU and TIUs	1 month
Conduct census and socio-economic surveys; input, analysis, and dissemination of project information; organize consultations with affected persons and communities	Consultants hired by PMU	3 months
Preparation of Resettlement Action Plan (RAP) and submission to Ministry of Lands for approval	National/International consultants (if required), with assistance from PMU Social Development Specialist. Providing support to social specialists by hiring consultancy basis staff as required.	1–2 months
Land acquisition process (including signing of agreements with land donors and recipients)	Ministry of Lands, Divisional Secretaries, Valuation Department, Survey Department, Municipal Councils, with support from local consultants and PMU SDS	Minimum 72 weeks
Payment of compensation	Divisional Secretaries, with assistance from PMU SDS	6 months
Relocation of houses, shops, and businesses	Municipal Councils, Consultants, and PMU SDS	6 months
Development of resettlement sites	Municipal Councils; may subcontract to consultants/NGOs; supported by PMU SDS and Divisional Secretaries	6 months
Supporting APs to ensure the smooth execution from the acquired land and resettlement and restoration activities on the new site	PMU, with assistance from Divisional Secretaries and Ministry of Lands	6 months
Issue notice for commencement of civil works	PMU	After completion of land acquisition procedures.
Income restoration programs	Municipal Councils, UDA, subcontractors, PMU SDS, and TIUs	Minimum 24 months (continuing until construction completion)

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Task	Responsibility	Estimated Time Period
Management Information System (MIS) operations	MIS team in PMU, with TIUs	Until completion of all land acquisition.
Grievance Redress Mechanism (GRM)	PMU, Grievance Redress Committees (TIU and site level)	From initiation of land acquisition/donation until completion of resettlement programs
Internal Monitoring	PMU MIS and SDS teams, with TIUs	From screening stage until completion of all land acquisition/donation and resettlement programs
External Monitoring	Independent consultants contracted by PMU	From initiation of land acquisition/donation until 1–2 years after completion of construction activities

10.2 Capacity enhancement mechanisms

The effective implementation of land acquisition, resettlement, and livelihood restoration processes hinges on the strength of institutional capacity. Without well-trained personnel and coordinated systems, even the most carefully designed safeguard frameworks risk falling short in practice. Recognizing this, the THRIVE Project places a strong emphasis on capacity enhancement as a cornerstone of successful resettlement planning and execution.

These programs will be tailored to address the full spectrum of social safeguard management requirements, spanning the pre-resettlement, resettlement, and post-resettlement phases. Training modules will cover:

- **Legal and policy frameworks**: Familiarization with the Land Acquisition Act (LAA), Land Acquisition Regulations (LAR 2008), the Resettlement Policy Framework (RPF), and World Bank Environmental and Social Standard 5 (ESS5).
- **Technical competencies**: Skills in census survey design, socio-economic profiling, asset valuation, livelihood restoration planning, and grievance redress mechanisms.
- **Operational practices**: Procedures for participatory consultations, disclosure of information, monitoring and evaluation, and adaptive management of resettlement activities.
- **Cross-cutting themes**: Gender inclusion, vulnerability assessment, conflict sensitivity, and community engagement strategies to ensure equitable outcomes.

Beyond technical training, the capacity enhancement program will also focus on institutional readiness and coordination mechanisms. This includes strengthening inter-agency collaboration between the PMU, TIUs, Divisional Secretaries, local authorities, and community-based organizations. By fostering a culture of transparency, accountability, and participatory governance, the program will ensure that safeguard principles are consistently applied across all project phases.

Ultimately, these measures are designed not only to build technical knowledge but also to embed a resilient institutional culture that can anticipate risks, respond effectively to challenges, and uphold the rights and livelihoods of affected persons. In doing so, the THRIVE Project will establish a robust foundation for sustainable resettlement outcomes and long-term community.

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11. MONITORING AND EVALUATION FRAMEWORK.

11.1 Monitoring System

The Project will assume overall responsibility for monitoring processes, outputs, outcomes, and impacts throughout its lifecycle. Monitoring will be conducted through internal mechanisms established by the PMU ensuring transparency, accountability, and compliance with safeguard standards.

11.2 Internal Monitoring

The PMU will design and operationalize a comprehensive monitoring framework that defines key areas of focus, methodologies, indicators, and disclosure protocols. This framework will emphasize participatory monitoring, engaging project partners and affected persons (APs) through periodic review meetings, consultations, and surveys.

Key features include:

- Maintenance of a centralized database containing screening results, census data, AP profiles, and resettlement information.
- Regular field visits by safeguard teams of the PMU and TIUs to sustain dialogue with APs and ensure effective consultations.
- Monitoring of:
    1. Progress in resettlement plan implementation.
    2. Compliance with safeguard measures and legal agreements, including compensation and resettlement assistance.
    3. Effectiveness of livelihood restoration measures.
    4. Disclosure of monitoring results to APs and stakeholders.
    5. Consultations conducted with APs and other stakeholders.
    6. Resolution of grievances raised by APs.

Environmental and social specialists, supported by the MIS officer, will systematically document monitoring results. Quarterly reports will be prepared and submitted to the World Bank, detailing safeguard implementation progress, compliance issues, and corrective actions. These reports will follow the agreed involuntary resettlement monitoring indicators established during RAP approval.

11.3 Indicators for Monitoring

Safeguards monitoring is a cornerstone of effective resettlement and land acquisition management. Indicators provide measurable benchmarks that allow project authorities, implementing agencies, and external monitors to assess whether commitments made in the RPF, RAPs, and LRP processes are being implemented in a timely, transparent, and socially responsible manner.

The indicators presented in **Table 24** are structured across four levels process, outputs, outcomes, and impacts to ensure a comprehensive monitoring framework that captures both immediate compliance and long-term social performance.

- **Process Indicators** focus on the preparatory and procedural aspects of safeguard implementation. These include updating the census of affected persons (APs), revising and disclosing RAPs, securing World Bank clearance, establishing grievance redress mechanisms, and ensuring institutional arrangements are in place. They measure whether the foundational steps for resettlement is properly sequenced and compliant with ESS5 requirements.

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- **Output Indicators** capture the tangible deliverables of the resettlement program. These include timely payment of compensation, provision of relocation assistance, commencement of livelihood restoration programs, and mitigation of construction-related impacts. Outputs demonstrate whether commitments made in RAPs and entitlement matrices are being translated into concrete actions on the ground.

- **Outcome Indicators** assess the effectiveness of safeguard measures in restoring living standards and livelihoods. They track whether displaced households and businesses have successfully re-established themselves, whether infrastructure and utilities are functional in resettlement sites, and whether vulnerable groups are receiving adequate support. Outcomes provide evidence of whether the project is achieving its stated social objectives beyond compliance.

- **Impact Indicators** measure the broader, long-term changes in the socio-economic conditions of project-affected communities. These include reductions in poverty, improvements in wellbeing, enhanced access to markets and services, reduced travel time and costs, and strengthened community infrastructure. Impact indicators demonstrate whether the project contributes to sustainable development and inclusive growth in the project area.

By structuring monitoring across these four levels, the project ensures that safeguards are not only implemented procedurally but also deliver meaningful improvements in the lives of affected persons. The indicators serve as a compliance tool, a performance measurement system, and a social accountability mechanism, enabling both internal and external stakeholders to track progress, identify gaps, and recommend corrective actions.

Table 255: Monitoring Indicators for Safeguards Implementation

Level of Monitoring	Area of Monitoring	Monitoring Indicators
Process	Resettlement Planning	• Updated AP census after final engineering design • RAP updated and disclosed to APs and stakeholders • World Bank clearance obtained for updated RAP
	Land Acquisition	• Acquisition process for private lands initiated following World Bank clearance of RAP • Clearance obtained from relevant government agencies for state land transfer
	Entitlements	• Entitlement Matrix (EM) included in RAP approved by GoSL • Required funds allocated for entitlements
	Consultations & Disclosure	• Continuous consultations held with APs and stakeholders • Disclosure of updated RAP, entitlements, compensation procedures, and project implementation timeframes
	Grievance Resolution	• Functional Grievance Redress Mechanism (GRM) established • Awareness among APs and stakeholders on GRM location, reporting procedures, and resolution timeframes
	Livelihood Restoration	• Comprehensive Livelihood Restoration Plan (LRP) developed based on AP needs • NGO/consulting firm engaged to implement LRP
	Impact Mitigation	• Environmental and Social Management Plan (ESMP) prepared and integrated into contractors' agreements
	Institutional Arrangements	• Institutional arrangements for RAP implementation and monitoring established
Outputs	Compensation Payments	• Compensation for private land paid prior to land takeover • Relocation cost compensation paid prior to displacement • Income loss compensation paid prior to displacement

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Level of Monitoring	Area of Monitoring	Monitoring Indicators
		• Special allowances for vulnerable APs provided • Other resettlement/rehabilitation assistance delivered before displacement
	Livelihood Restoration	• LRP implementation commenced prior to displacement • APs assisted in shifting businesses • Access to credit and business development services provided • Technical/vocational training for unemployed youth • Support provided for APs to secure alternative employment
	Relocation	• Displaced households resettled in project-provided sites/housing units • Land/housing titles issued to resettled households • Self-relocated households settled in chosen locations • Assistance provided for shifting to new dwellings • Special support for vulnerable households • Relations with host communities established • Religious/cultural resources relocated or restored to improved conditions
	Mitigation of Construction Impacts	• Social and environmental safeguard officers appointed by contractors • Labor influx managed effectively • ESMP implementation monitored regularly by PMU • Unforeseen impacts addressed promptly
Outcomes	Resettlement Program	• Number of households relocated to project sites re-establish living conditions and livelihoods • Number of self-relocated households re-establish living conditions and livelihoods • Number of businesses relocated and operational • Infrastructure and utilities functional in resettlement sites • Social and economic support systems operational for vulnerable households
Impacts	Resettlement & Livelihood Restoration	• Women and unemployed youth engaged in productive employment • Poverty incidence among AP households reduced • Overall wellbeing of AP households improved • Improved connectivity and access to markets and services • Reduced transportation costs • Reduced travel time for agricultural produce • Improved community infrastructure • Enhanced travel convenience |

11.4 The Management Information System (MIS)

Internal monitoring will be the responsibility of the PMU and PIUs. To ensure systematic oversight, a Management Information System (MIS) will be established within the PMU. The MIS will serve as the central platform for record-keeping, data analysis, and generation of progress reports, enabling evidence-based decision-making and timely disclosure of information.

The MIS will incorporate specialized modules to track the execution of the land acquisition, and resettlement activities**,** in line with the priorities set out in the RPF and the relevant RAPs. It will monitor the entire cycle of RAP preparation and implementation, including:

- Land acquisition procedures and payment of compensation.

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- Resettlement programs, covering both self-relocation and relocation to project-provided resettlement sites and housing units.
- Compliance with the Land Acquisition Act (LAA) and safeguard requirements.
- Status of individuals and households eligible for benefits, from determination of entitlements through to disbursement, relocation support, and post-resettlement assistance.

The Environmental and Social Specialists, through its dedicated MIS team, will maintain records and disclose information as part of its regular monitoring process. This ensures transparency, accountability, and accessibility of safeguard data to stakeholders, including affected persons (APs), government agencies, and the World Bank.

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12. BUDGET AND FINANCING

The preparation of the resettlement budget will be guided by the Entitlement Matrix, which establishes compensation at replacement cost for all eligible losses. This includes:

- Full or partial loss of residential and commercial land.
- Full or partial loss of residential, commercial, and auxiliary structures.
- Loss of rental accommodation and associated incomes.
- Full or partial loss of livelihoods and income sources.
- Loss of trees, crops, and agricultural assets.
- Loss of access to common property resources.
- Loss or relocation of community, religious, and cultural sites and monuments.
- Other relevant impacts identified during implementation.

Compensation for land will be provided only to legal titleholders. However, compensation for development costs and improvements on land will be paid irrespective of ownership status, ensuring fairness for tenants, informal users, and non-titleholders.
The budget will also include provisions for:

- **Additional resettlement assistance** for vulnerable and severely affected APs, particularly to support resettlement and livelihood restoration.
- Costs of engaging NGOs or consultancy firms to implement livelihood restoration plans.
- External monitoring teams to ensure compliance with ESS5 and national safeguard requirements.
- Consultations, grievance redress, monitoring, and overall safeguards management.
- A contingency allocation to cover unforeseen costs during RAP implementation.

Budget calculations will be based on data collected through the AP census and rapid market surveys of land prices and building rents. The budget will be updated using valuation reports for each affected asset to ensure accuracy and adequacy of funding.

Table 266: Template for Budget Preparation

Activity	No. of Units (Affected)	Unit Cost (LKR)	Total Cost (LKR)	Notes
Land acquisition (residential/commercial)				
Compensation for structures				
Compensation for crops/trees				
Relocation assistance				
Livelihood restoration programs				
Vulnerable group assistance				
NGO/consultancy services				
External monitoring				
Consultations and GRM				
Contingency provision				

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Annex I: Process of Acquiring Land for Public Purposes

SN	Process description	Process (including any required document or applicable section in the Land Acquisition Act)
1	The respective line Ministry identifies the land to be acquired and forwards an acquisition proposal together with the acquisition application to the Secretary, Ministry of Lands	Acquisition Application (Forms 1, 2, 3 and 4)
2	The Ministry of Lands will then grant authority to a representative from the relevant line Ministry or agency to enter the land to be acquired with the decision of the line Minister that the particular land is needed for a public purpose.	Section 2 Direction
3	The Divisional Secretary publishes a notice in the surrounding area that the particular land has been identified for acquisition for a public purpose.	Section 2 notice
4	The Superintendent of Surveys traces the land to be acquired.	Advance tracing
5	Objections are invited from the landowners and the Minister of Lands to decide whether an investigation is required.	Section 4 Direction
6	The Divisional Secretary publishes a notice inviting objections to the acquisition.	Section 4 Notice
7	Following completion of investigations on objections, recommendations are forwarded to the respective line Ministry.	Objection Inquiry
8	Following satisfactory completion of investigations, the Minister of Lands will make a declaration that the identified land is to be acquired.	Section 5 Declaration
9	The Divisional Secretary or Government Printer will publish a notice in the Gazette stating that the Minister of Land has decided that the land is to be acquired.	Section 5 Notice
10	The Superintendent of Survey will draw up a final plan of the identified land.	Final plan
11	The Divisional Secretary or Government Printer will publish a notice in the Gazette inviting investigations to the title of the land.	Section 7 Gazette Notice
12	The Divisional Secretary will conduct the investigating of title.	Section 9- Inquiry into Title
13	The Divisional Secretary will publish the notice of investigation into title in the surrounding area.	Section 15 Notice
14	The Divisional Secretary will determine the title upon completion of title investigations.	Section 10- Decision on Title
15	The Valuation Department will conduct a valuation of the identified land.	Valuation
16	Once a value has been determined, the Divisional Secretary will decide on the compensation to be awarded.	Awarding compensation for acquisition

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SN	Process description	Process (including any required document or applicable section in the Land Acquisition Act)
17	The Divisional Secretary will allocate financial provisions from the Ministry of Lands or the relevant institution or line Ministry to make payments to the landowner.	Payment of compensation.
18	The Ministry of Lands will take possession of the land on behalf of the Government.	Section 38 Order
19	The Divisional Secretary will then hand over the land to the line Ministry or applicant institution.	Taking undisturbed possession
20	The Divisional Secretary or Registrar General will issue a vesting certificate to the line Ministry or institution concerned, after payment of compensation to the landowner.	Section 44 Vesting Certificate/Registration of State Ownership

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Annex 2: Land Acquisition Regulations 2008

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No.1596/12 - TUESDAY, APRIL 07, 2009

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

LAND ACQUISITION ACT, No. 09 OF 1950

REGULATIONS imposed by the Minister of Land and Land Development under Section 63(2)(f) of the Land Acquisition Act, No. 09 of 1950 and approved by the Parliament of Sri Lanka on 17th March, 2009.

These regulations are effective for the acquisition where intention of acquisition is published under Land Acquisition Act, on or after 17.03.2009.

JAYALATH R. W. DISSANAYAKE,
Secretary
Ministry of Land and Land Development

Colombo,
06th April, 2009.

Regulations

These regulations may be cited as the Land Acquisition Regulations, 2008.

The basis of assessing the market value of any land or the compensation for any injurious affection caused by the acquisition of any land under this Act.

(1) Market Value should be assessed as given under :-

1.1 In the case of land where part of a land is acquired and when its value as a separate entity deems to realize a value proportionately lower than the Market Value of the main land the compensation should be proportionate to the value of the main land.

1.2 Where at the date of intension to acquire was published, the building is used for occupation and or business purposes or is intended to be used for occupation and or business purposes, the difference between the cost of re-construction and the value of building, based for determination of Market Value under Section 1.1, should be paid as an additional compensation.

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1.3 Value based on development potential could be considered for paddy lands acquired where permission to fill such lands have been granted by the Agrarian Services Commissioner General.

1.4 When an acquired building is occupied by a tenant /statutory tenant protected under the provisions of the Rent Act, No. 7 of 1972 (as amended thereafter) the compensation should be ascertained in proportion having regard to the provisions of Rent (Amendment) Act, No. 26 of 2006.

(2) Injurious affection and Severance—

Damage caused by any severance and injurious affection should be allowed fully.

(3) Payment of Disturbances and Other Expenses—

To fulfill the requirement of the definition of compensation, in addition to the compensation under Section 1 and 2 above, which are based on the "market value", compensation for Disturbance based on the "value to owner" basis should be paid under following Sub-headings, after taking into consideration the written claims made.

3.1 Expenses incurred for appearing for Section 9 inquiry ;

3.2 Expenses for finding alternative accommodation ;

3.3 Cost incurred in change of residence ;

3.4 Cost of advertising ;

3.5 Refixing cost of fixtures and fittings ;

3.6 Expenses incurred for transport ;

3.7 Loss of earnings from business (within the limits given in prevailing Act) ;

3.8 Increased overhead expenses ;

3.9 Double payments ;

3.10 All other expenses to the owner due to the acquisition ;

3.11 Any other additional expenses for disturbance or compensation not connected under any other Sub-section of this Act which is directly not connected to market value of the land ;

3.12 When an owner of a house or of an investment property displaced, additional 10% payment based on market value.

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Annex 3: National Involuntary Resettlement Policy, 2001

Review and Approval Process
Discussed and approved by Working Groups on November 2nd, 2000 Discussed and approved by Steering Committee on December 4th, 2000 Distributed to Stakeholders December 2000 Stakeholders written comments incorporated at National Workshop Discussed and finalized NIRP at Second National Workshop January 26th -28th 2001 Distributed NIRP to National Workshop Participants and Steering Committee on February 1st, 2001 Reviewed and approved by Steering Committee on March 5, 2001 Approved by Cabinet of Ministers on May 24, 2001

1. Rationale

Public and private sector development projects increasingly involve acquisition of land. People whose homes and lands are acquired then must move elsewhere and resettle in locations that may be unfamiliar. In general, resettlement has not been very successful and there are several recent examples in Sri Lanka where people have shown resistance to projects that cause displacement. Among the significant consequences of poor resettlement has been impoverishment of affected people due to landlessness, homelessness, joblessness, relatively higher mortality and morbidity, food insecurity, lack of access to common property and public services, and disruption of the existing social organization. International, regional, and national experience with resettlement has generated considerable knowledge on the planning and implementation of involuntary resettlement and this experience if used effectively can ensure that adverse impacts on affected people are fully addressed in terms of established policy objectives.

In Sri Lanka the Land Acquisition Act of 1950 as amended from time to time only provides for compensation for land, structures, and crops. It does not require project executing agencies (PEA) to address key resettlement issues such as (a) exploring alternative project options that avoid or minimize impacts on people; (b) compensating those who do not have title to land; (c) consulting affected people and hosts on resettlement options; (d) providing for successful social and economic integration of the affected people and their hosts, and (e) full social and economic rehabilitation of the affected people.

The National Environmental Act (NEA), No. 47 of 1980, amended by Act, No. 56 of 1988 has some provisions relevant to involuntary settlement. The Minister has by gazette notification No. 859/14 of 23.2.1995 determined the projects and undertakings for which Central Environmental Authority (CEA) approval is needed in terms of Part IV C of the NEA. The schedule includes item 12, which refers to *involuntary resettlement exceeding 100 families*, other than resettlement resulting from emergency situations. However, these provisions do not adequately address key resettlement issues mentioned in paragraph 2 above.

To ensure that people affected by development projects are treated in a fair and equitable manner, and that they are not impoverished in the process, it is necessary that Sri Lanka adopts a NIRP. Such a policy would establish the framework for project planning and implementation. Subsequently, it will be necessary to prepare guidelines on resettlement planning and implementation to be used by PEAs.

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People have moved voluntarily, mainly to the dry zone, starting from colonial days. These were state sponsored settlement programs aimed at developing and exploiting land resources in that region, while relieving pressure on land in the wet zone. There are many commonalties in the objectives and implementation of voluntary and involuntary settlement and re-settlement programs.
Nonetheless, the policy proposed here refers only to development-induced involuntary resettlement, where the option to stay behind does not exist. It does, however, also apply to cases where people do not have to be physically relocated.

2. Objectives of the Policy

- To avoid, minimize and mitigate negative impacts of involuntary resettlement by facilitating the reestablishment of the affected people on a productive and self-sustaining basis. The policy should also facilitate the development of the project-affected people and the project.
- To ensure that people adversely affected by development projects are fully and promptly compensated and successfully resettled. The livelihoods of the displaced persons should be reestablished and the standard of living improved.
- To ensure that no impoverishment of people shall result because of compulsory land acquisition for development purposes by the State.
- To assist adversely affected people in dealing with the psychological, cultural, social, and other stresses caused by compulsory land acquisition.
- To make all affected people aware of processes available for the redress of grievances that are easily accessible and immediately responsive.
- To have in place a consultative, transparent, and accountable involuntary resettlement process with a time frame agreed to by the PEA and the affected people.

3. Scope

- The policy will apply to all development-induced land acquisition or recovery of possession by the State.
- A comprehensive Resettlement Action Plan will be required where 20 or more families are affected.
- If less than 20 families are affected the policy still applies but a plan can be prepared to a lesser level of detail.
- The policy will apply to all projects regardless of source of funding.
- The policy will apply to all projects in the planning phase on the date this policy comes into effect, and all future projects.

4. Policy Principles

- Involuntary resettlement should be avoided or reduced as much as possible by reviewing alternatives to the project as well as alternatives within the project.
- Where involuntary resettlement is unavoidable, affected people should be assisted to reestablish themselves and improve their quality of life.
- Gender equality and equity should be ensured and adhered to throughout the policy.
- Affected persons should be fully involved in the selection of relocation sites, livelihood compensation and development options at the earliest opportunity.
- Replacement land should be an option for compensation in the case of loss of land; in the absence of replacement land cash compensation should be an option for all affected persons
- Compensation for loss of land, structures, other assets, and income should be based on full replacement cost and should be paid promptly. This should include transaction costs.

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- Resettlement should be planned and implemented with full participation of the provincial and local authorities.
- To assist those affected to be economically and socially integrated into the host communities, participatory measures should be designed and implemented.
- Common property resources and community and public services should be provided to affected people.
- Resettlement should be planned as a development activity for the affected people.
- Affected persons who do not have documented title to land should receive fair and just treatment.
- Vulnerable groups should be identified and given appropriate assistance to substantially improve their living standards.
- Project Executing Agencies should bear the full costs of compensation and resettlement.

5. Institutional Responsibilities

- The Ministry of Land (MLD) will be responsible for the implementation of the NIRP.
- The Project Executing Agencies (PEAs) will be responsible for complying with all the requirements for planning and implementing resettlement according to the NIRP.
- The PEAs (like the Road Development Authority) that have significant resettlement in their projects will establish Resettlement Units with adequately trained staff.
- The CEA will be responsible for the review of impacts and mitigating measures of projects involving involuntary resettlement.
- The CEA's capacity will be strengthened so that it could provide the necessary guidance to public and private sector agencies undertaking projects that have involuntary resettlement impacts.
- The MLD will prepare regulations and guidelines on involuntary resettlement planning, implementation, and monitoring.
- The MLD and the CEA will conduct training courses in resettlement planning, implementation, monitoring.
- The CEA will review and approve the Resettlement Action Plans prepared by PEAs and make plans publicly available.
- The MLD will draft amendments to the Land Acquisition Act to bring the law in line with NIRP
- Following consultations with stakeholders, MLD will submit a final draft of the amended Land Acquisition Act for government approval
- MLD will prepare the necessary implementation guidelines based on the amended LAA
- A Steering Committee will be formed comprising the MLD, CEA, PEAs, and other relevant agencies to exchange experience on resettlement, and coordinate and oversee the implementation of the policy

6. Monitoring and Evaluation

- A system of internal monitoring should be established by PEAs to monitor implementation of RAPs, LRPs, including budget, schedule, and delivery of entitlements, consultation, grievances, and benefits.
- PEAs should make adequate resources available for monitoring and evaluation.
- A further system of external monitoring and evaluation by an independent party should be established to assess the overall outcome of resettlement activities.
- Monitoring and evaluation reports should be reviewed by the PEA, CEA and MLD and action taken to make improvements where indicated.
- Affected persons and other stakeholders should be consulted in monitoring and evaluation.
- Lessons thus learned from resettlement experiences should be used to improve resettlement policy and practice.

Summary of Institutional Responsibilities for Involuntary Resettlement

Function	Responsibility

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Overall Policy Implementation	MLD
Preparation (Planning)	Project Proponent (can be contracted to consultants, Universities, NGOs)
Review of Resettlement Plans	Project Approving Agency (PAA) and CEA
Approval of RAPs	PAA and CEA
Implementation	(PEA), Divisional Administration, Provincial Administration, Local Government
Monitoring	PEA, with review by CEA and MLD
Evaluation	Independent organization on behalf of MLD, PEA and CEA

7. Definitions of Terms Used

Affected Person – person affected by changes to use of land, water or other resources caused by development projects

Compensation – cash or payment in kind made to affected persons to replace assets, resources, or income.

Emergency Situation – natural disasters, civil and political conflict situations.

Expropriation – government taking possession of property or changing property rights to execute or facilitate development projects.

Entitlements – a variety of measures including compensation, income restoration and interim support, transfer assistance, relocation and other benefits that are due to affected people, depending on the nature of their losses, to improve their economic and social base.

Gender Equity – recognition of both genders in the provision of entitlements, treatment, and other measures under the Resettlement Action Plan.

Host Population – households and communities residing in or near the area to which affected people are to be relocated.

Income Restoration – re-establishing income sources and livelihoods of people affected.

Involuntary Resettlement – unavoidable displacement of people arising from development projects that creates the need for rebuilding their livelihoods, incomes, and asset bases in another location.

Rehabilitation – re-establishing and improving incomes, livelihoods, living, and social systems.

Relocation – moving affected persons and their moveable assets and rebuilding housing, structures, improvements to land, and public infrastructure in another location.

Replacement Cost – the level of valuation for expropriated property sufficient to replace lost assets, or to acquire substitutes of equal value or comparable productivity or use; transaction costs are to be included.

Resettlement Action Plan – a time-bound action plan with budget setting out resettlement strategy, objectives, options, entitlements, actions, approvals, responsibilities, monitoring and evaluation.

Resettlement Budget – a detailed breakdown of all the costs of a resettlement action plan phased over the implementation period

Resettlement Effect –loss of physical and non-physical assets including homes, communities, productive land, income earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms.

Settlement – voluntary movement of people to a new site where they re-establish their livelihoods as in the case of the Mahaweli Scheme

Social Preparation – process of consultation with affected people undertaken before key resettlement decisions are made; measures to build their capacity to deal with resettlement, considering existing social and cultural institutions.

Vulnerable Groups – distinct groups of people who might suffer disproportionately from resettlement effects such as the old, the young, the handicapped, the poor, isolated groups, and single parent

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households.

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Annex 4: Sample of Environmental and Social Screening Checklist

Tourism for Heritage, Resilience, Inclusion, and Value-driven Employment Project (THRIVE) Colombo (P511828)

Environmental and Social Screening (ESS)

GUIDELINE:

- ≈ This ESS checklist is a combined document to identify both environmental and social risks related to the proposed sub-project activities under the World Bank (WB) funded THRIVE Colombo Project.
- ≈ This Checklist is to be completed by the respective subject specialists of the PMU to identify and classify potential risks across the WB's 10 Environmental and Social Standards (ESS), related to the sub-project siting, proposed activities, and operational risks
- ≈ Based on the checklist responses, determine the Risk Level as High, Substantial, Moderate, or Low Risk under Section C with clear justification for the screening decision.
- ≈ Complete the corresponding due diligence report needed for prior WB approval before awarding the contract, as summarized in **Annex 1**.

A. GENERAL PROJECT INFORMATION:

Subproject Name	:		
Sub Project ID	:		
Subproject Component	:		
Implementing Agency	:	Ministry of Transport, Highways and Urban Development (MTHUD)	
	:	Ministry of Foreign Affairs, Foreign Employment and Tourism	
	:	Colombo Municipal Council	
		Urban Development Authority	
		If, other.....	
Estimated Investment	:		
Start/Completion Date	:	Start Date:	Completion Date:

B. SUB-PROJECT SPECIFIC DETAILS:

Subproject Location	:	DS Division	GN Division
GPS Location of the Site	:	Latitude:	Longitude:
Sub-project Footprint Note: Indicate the extent of land use change (i.e., area in square meters or square	:		

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kilometers; linear developments length and width in meters). Include any land-use changes related to ancillary facilities or temporary areas required during construction.				
Is the sub-project located inside a protected / conservation area? If Yes, please provide details	:	Yes / No Remarks:		
Location Map of the sub-project site and the surroundings (500 m radius)	:			
Environmental Significance of the Project Impact Area / Footprint	:			
Adjacent land features (within a 500m radius from the site boundary)	:			
Presence of Socially/Culturally Significant Sites (within a 500m radius from the site boundary)	:			
Sub-project Type	:	☐ Trail / Walkway	☐ New Building	☐ Pavement
	:	☐ Building renovation	☐ Urban Space Development	☐ Green space Development
	:	☐ Drainage improvement	☐ Street lighting	☐ Other
	:	If Other, please explain:		
Scope of the Sub-project	:			
Sub-project Activities	:			
Associated Facilities (If any)	:			
Project Partner Agencies / Key Stakeholders	:			
Existing governing documents (i.e., MoU, O&M plans, etc.) pertaining to the sub-project site or the facility	:			
Beneficiaries & Affected Groups (estimated number)	:	**Beneficiaries (estimated):** Direct: Indirect:	**Affected Parties:** Private Parties: Government Institutions: Religious Organizations: Communal Parties:	

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Provide some pictures of the sub-project area Note: Photos relate to the main environmental and socio-economic features of the project impact zone	:	

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C. SCREENING CHECKLIST:

	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
1.	**ESS1: Sub-project E &S Setting & Context**					
1.1	Do the sub-project activities fall within any protected area, reservation, conservation zone, or its buffer zone? Note: If applicable, specify the area's name and the regulatory authority.					
1.2	Does the sub-project involve any land reclamation work?					
1.3	Does the subproject involve civil works, including new construction and infrastructure? Note: Indicate the nature of the sub-project					
1.4	Will the construction and operation of the Project involve actions which will cause physical changes in the locality (topography, land use, changes in water bodies, etc.) Note: Indicate how the sub-project construction and operation will affect the existing land use/topography					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
1.5	Is the site in/near a densely populated area? Note: Indicate approximate population density, type of settlement (urban/rural/coastal), and proximity to project footprint.					
1.6	Are there any existing tourism activities in and around the sub-project area? If yes, please describe the tourism activities, infrastructure availabilities, and visitor numbers, etc.					
1.7	Are there environmental issues existing (flooding, erosion, waste dumping, poor drainage)? Note: Describe type, frequency, and severity.					
1.8	Are there any important water bodies, including lakes, rivers, or tributaries of rivers, etc., in and around the sub-project area If yes, mention the distance and impact of sub-project activities on those locations					
1.9	Is the site located within or prone to natural disasters (i.e., Flood)? If yes, any incidence of past occurrence of such incidents					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
1.10	Are there any transport routes on or around the location that are susceptible to congestion or cause environmental problems that could be affected by the project? Note: Please provide a map showing access paths or roads that might be affected by the project					
1.11	Are there any routes or facilities on or around the location that the public uses for access to recreation or other facilities, which could be affected by the project? Note: presence of hospitals, schools, places of worship, community facilities, which could be affected by the project					
1.12	Are there existing socio-economic issues (land disputes, resettlements, overcrowding, and livelihood conflicts)? Note: Indicate the type of issue and groups involved.					
1.13	Does the Sub-project trigger any GoSL Environmental / Social Regulations that fall into the prescribed Category requiring the approval process?					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
	Note: Refer to the CEA web (https://www.cea.lk/)					
1.14	Does the Sub-project trigger any WB ESS requiring a detailed environmental/Social Assessment? Note: Indicate the project-related aspects, related risks triggering WB ESSs					
1.15	Do the Sub-project or related activities fall into the negative list of activity categories under the ESMF? Note: The exclusion list of sub-projects and activities under THRIVE is provided in **Annex 2**.					
1.16	Do the proposed sub-projects/activities align with the 2030 Agenda for Sustainable Development (i.e., SDG 8, Decent Work and Economic Growth, and SDG 11, Sustainable Cities and Communities)?					
2.	**ESS2: Labor & Working Conditions**					
2.1	Will the project engage direct workers, contracted workers, or community workers, and are their					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
	roles and responsibilities clearly defined?					
2.2	Have labor management procedures been prepared, reviewed, and formally approved in line with Sri Lankan labor laws and World Bank ESS2 requirements?					
2.3	Is there any risk of child labor or forced labor occurring in project activities, among contractors, subcontractors, or within supply chains?					
2.4	Has a grievance redress mechanism (GRM) been established and made accessible to all categories of workers, including contracted and community workers?					
2.5	Are measures in place to prevent sexual harassment, exploitation, or abuse, and to promote a safe and respectful workplace environment?					
3.	**Resource Efficiency & Pollution**					
3.1	Are there any areas on or around the location that are already					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
	subject to pollution or environmental damage Note: Explain if any existing pollutant sources where legal environmental standards are exceeded or which could be affected by the project?					
3.2	Will the project involve the treatment of Solid Waste? Note: If so, indicate the amounts, nature of waste, and briefly describe proposed waste management technologies to be implemented on site.					
3.3	Is the subproject associated with any external waste management facilities, such as a sanitary landfill, incinerator, or wastewater treatment plant					
3.4	Will the Project release pollutants or any hazardous, toxic, or noxious substances to the air?					
3.5	Does the subproject result in GHG emissions or black carbon? Note: If Yes, indicate types / approximate quantities under each Scope 1, Scope 2, and Scope 3					
3.6	Will the sub-project trigger heat island effects?					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
3.7	If not, will the sub-project help reduce the heat island effects? Indicate what are the measures were adopted					
3.8	Will the Project cause noise and vibration or release of light, heat energy or electromagnetic radiation?					
3.9	Will the Project lead to risks of contamination of land or water from releases of pollutants onto the ground or into surface waters, groundwater, or coastal waters?					
3.10	Does the subproject use pesticides and herbicides?					
3.12	Does the project incorporate energy-saving technologies or renewable energy sources? Will the project lead to significant consumption of non-renewable energy					
3.10	Will the project extract, divert, or contain significant amounts of surface or ground water? Do water-efficiency or recycling measures exist?					
4.	**Land Acquisition & Resettlement**					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
	Is the sub-project likely to result in damage to, or loss of, housing, commercial structures, land, other physical assets, or restrictions on resource use within the project area?					
	Is the proposed urban site free from encumbrances and formally under the possession of the GoSL or the relevant Municipal/Urban Council?					
	If the site is privately owned, will it be acquired through purchase or obtained via voluntary donation in line with national procedures?					
	If land acquisition is required, is the actual plot size, ownership status, and legal documentation clearly established?					
	Is land for material mobilization, storage, or transport of civil works available within the existing plot or designated Right of Way?					
	Are there any non-titled persons (residents, street vendors, or informal businesses) occupying or operating on the proposed site?					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
	Will the sub-project cause loss of, or damage to, agricultural land, home gardens, standing crops, or urban trees?					
	Will the sub-project result in loss of incomes or livelihoods, particularly for small businesses, vendors, or informal workers?					
	Will people permanently or temporarily lose access to public facilities, services, or natural resources (e.g., roads, parks, utilities, water sources)?					
4.10	Does the Urban Local Authority (Municipal/Urban Council) have established procedures for land acquisition and resettlement consistent with Sri Lankan law and safeguard standards?					
4.11	Have there been any previous land acquisitions under this sub-project or related urban development initiatives?					
4.12	Are affected land/structure owners likely to lose less than 10% of their land or structure area?					
4.13	If so, are these land/structure owners willing to voluntarily					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
	donate the required portion for the sub-project?					
4.14	Are any temporary impacts anticipated during construction (e.g., disruption of access, traffic congestion, or business operations)?					
5.	**Community Health & Safety**					
5.1	Will there be any risks and vulnerabilities to public safety due to physical hazards during the construction or operation of the Project?					
5.2	Is the sub-project likely to apply the WHO code of Sexual abuse and exploitation regarding Gender-Based Violence (GBV), Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH) risks					
6.	**Biodiversity & Natural Resources**					
6.1	Are there any other areas in or around the location that are important or sensitive for ecological reasons? Note: If Yes, distance from the site to any wetlands, watercourses, or other water bodies, or forests. Can these be affected by the project?					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
6.2	Are there any areas in or around the location that are used by protected, important, or sensitive species of fauna or flora, e.g., for breeding, nesting, foraging, resting, or migration, that could be affected by the project?					
6.3	Is the project located in a previously undeveloped area where there will be a loss of green-field land?					
6.4	Will the project cause the removal of trees in the locality? Note: If yes, indicate the number of trees to be removed /extent of green cover					
6.5	Will the project involve introducing any exotic/invasive flora or fauna species? If yes, indicate the name of the species to be introduced					
6.6	Will the interventions improve biodiversity in and around the sub-project area during the operation phase?					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
	If yes, please specify how / what types of species will be attracted during its operational phase.					
6.7	Will the proposed sub-project result in restrictions or limitations on access to natural resources (such as forests, fisheries, water bodies, grazing lands, or other communal assets) for any individuals, households, or groups who depend on them for their livelihoods or cultural practices?					
7.	**Gender and Vulnerable Groups**					
7.1	Will women, children, elderly persons, or persons with disabilities be adversely affected by the sub-project activities?					
7.2	Will the sub-project create or exacerbate risks of gender-based violence (GBV), sexual exploitation and abuse (SEA), or sexual harassment (SH), particularly in construction sites or public spaces?					
7.3	Are there existing gender disparities in access to land, housing, employment, or essential					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
	services that may be impacted by the project?					
7.4	Will female-headed households, widows, or single mothers face disproportionate impacts due to land acquisition, resettlement, or livelihood disruption?					
7.5	Are vulnerable groups (urban poor, informal settlers, street vendors, estate communities, marginalized ethnic/religious groups) present within the project footprint or adjacent areas?					
7.6	Will the project affect access to essential services (schools, health centers, childcare facilities, welfare centers) used predominantly by women and vulnerable populations?					
7.7	Are there risks of temporary or permanent displacement of vulnerable groups (e.g., squatters, informal workers, elderly residents or persons with disabilities)?					
7.8	Does the Urban Local Authority have mechanisms to ensure inclusive consultation and participation of women, youth, and					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
	vulnerable groups in project planning and decision-making?					
7.9	Are there culturally sensitive sites (temples, churches, mosques, cemeteries, community halls) that serve as gathering points for vulnerable groups, and could these be disrupted by project activities?					
7.10	Will the project create opportunities for women's employment, skills development, or livelihood support as part of mitigation measures?					
7.11	7.11 Will the project introduce barriers to inclusive employment or entrepreneurship for women, youth, or persons with disabilities, particularly in tourism, heritage, or urban services sectors?					
7.12	Are grievance redress mechanisms (GRMs) accessible, gender-sensitive, and inclusive of vulnerable groups to ensure timely resolution of complaints?					
7.13	Could project activities unintentionally reinforce social exclusion or discrimination against marginalized groups (e.g., estate					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
	communities, ethnic minorities, etc.)?					
8.	**Cultural Heritage**					
8.1	Will any identified historic, archaeological, or culturally significant sites located within or adjacent to the project area be directly or indirectly affected by the sub-project?					
8.2	Does the subproject include measures to ensure that physical cultural resources (PCR) are appropriately preserved and that their destruction, damage or alteration is avoided?					
8.3	Are there procedures in place (e.g., chance-find protocols) to manage unexpected discoveries of cultural heritage during construction or excavation activities?					
8.5	Will the project activities affect access to cultural or religious sites (temples, mosques, churches, shrines, cemeteries, community halls) used by local communities?					
8.5	Have consultations been conducted with relevant authorities (e.g., Department of					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
	Archaeology, local religious leaders, community representatives) to ensure cultural heritage concerns are addressed?					
9.	**Stakeholder Engagement**					
9.1	Have all relevant stakeholders (government agencies, municipal councils, community-based organizations, NGOs, private sector, and donor agencies) been identified, mapped and categorized for the sub-project?					
9.2	Are mechanisms in place to ensure inclusive participation of women, youth, elderly persons, persons with disabilities, and vulnerable groups in consultations?					
9.3	Has a plan been developed to conduct public consultations and disclosure meetings at accessible locations, times and formats (including virtual options where feasible)?					
9.4	Are culturally sensitive institutions (temples, mosques, churches, shrines, cemeteries, community halls) included in the stakeholder engagement process?					

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	Guiding Question	**Response**			**Details related to the Response**	**Potential Impact Significance (H/S/M/L) Explain Why?**
		Yes	***No***	***NA***		
9.5	Is a grievance redress mechanism (GRM) established, accessible, and responsive to all stakeholders, including informal settlers, vendors and marginalized groups?					
9.6	Have previous consultations or engagements under related urban projects been documented, and are lessons learned being applied to strengthen current processes?					
9.7	Are communication materials (brochures, notices, digital platforms) prepared in local languages (Sinhala/Tamil) and in culturally appropriate formats to ensure accessibility?					
9.8	Will stakeholder feedback be systematically recorded, disclosed, and integrated into project design, implementation, and decision-making?					
9.9	Are there provisions to engage with media and local leaders to strengthen transparency, awareness and community trust?					
9.10	Is there a monitoring and evaluation framework to assess the effectiveness of stakeholder					

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	Guiding Question	Response			Details related to the Response	Potential Impact Significance (H/S/M/L) Explain Why?
		Yes	*No*	*NA*		
	engagement activities throughout the project cycle?					
9.11	Are there clear procedures to ensure continuous engagement with stakeholders during implementation, not only at the planning stage?					
9.12	Is there a capacity-building plan for local authorities, community groups, and vulnerable stakeholders to strengthen their ability to participate meaningfully?					
9.13	Are grievance and feedback mechanisms designed to be gender-sensitive and socially inclusive**,** ensuring confidentiality and protection against retaliation?					

D. ESTIMATES OF SPECIFIC SOCIAL AND LIVELIHOOD IMPACTS

Impact Category	Estimated Amount
Private land required (Sq. m.)	
Number of Affected parties	
Number of landowners losing more than **1**0% of land area	
Government land required (Sq. m.)	
Forest land required (Sq. m.)	
Number of houses affected	
Number of shops/ Livelihood activities affected	
Number of jobs affected	

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Number of other structures affected	
Number of squatters affected	
Public utilities affected	
Community facilities affected (e.g., schools, health centers, community halls)	
Cultural heritage sites affected	
Vulnerable households affected	

E. SCREENING DECISION & RECOMMENDATION:

Overall Environmental Risk Category: High/Substantial/Moderate/Low **Note: Provide justification based on identified impacts, assuming no mitigation.**		
Overall Social Risk Category: High/Substantial/Moderate/Low Note: Provide justification based on identified impacts.		
Required ES assessments/plans based on screening, referring to Annex 1		
Key recommendations related to approval requirements in line with GoSL regulations,		

F. CERTIFICATION

We certify that we have thoroughly examined the site conditions and all the potential adverse effects of this subproject. The documentation reviewed and the relevant stakeholders or the public consulted during this screening checklist process are included in **Annex 3**.

Person who conducted the screening: Signature: _____ Date: _____	PMU team representative: Signature: _____ Date: _____

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Annex 5: Sample Survey Questionnaires [Questionnaire to be adapted to Sub Project Context]

CODE GUIDE

Land Acquisition and Resettlement Survey/Census

A. General Information:

LARS/Census Item 13. Relation to the household head (use codes in item 15)

B. Background Information on the Affected Household

LARS/Census Item 15. Characteristics of AP household

Relationship to household head (HH)		**Education**	**Occupation**	
1. Wife/Husband	6. Brother	1. Illiterate	1. Farming own land	15. Police, home guard,
2. Son	7. Sister	2. Can place signature	2. Agricultural labor	security services
3. Daughter	8. Daughter in Law	3. Waiting for schooling (0-5 yrs.)	3. Non-agriculture labor (skilled)	16. Housewife
4. Father	9. Son in Law	4. Class I-V	4. Non-agriculture labor (unskilled) person	17. Retired
5. Mother	10. Other (specify)	5. Class VI-G.C.E. (O/L)	5. Fishing	18. Student
		6. G.C.E. (O/L) Pass	6. Weaving/garments	19. Child (0-5 age)
Marital Status		7. G.C.E. (A/L) Pass	7. Animal Husbandry	20. Unemployed
1. Married	5. Separated	8. Undergraduate/Graduate	8. Commercial Activities	21. Other (specify)
2. Unmarried	6. Minor (below 18)	9. Postgraduate	9. Vendor (**Specify**)	
3. Widow/Widower		10. Other (specify)	10. Government Services/ Executive	
4. Divorced			11. Government Services/ other grades	
Disability		**Sex**	12. Private Sector/ Executive	
1. not disabled		1. Male	13. Private Sector/ other grades	
2. has major disability		2. Female	14. Armed forces	
3. has minor disability				

D. Supplemental Information on APs Losing Business/Livelihood/Income

LARS/Census Item 18. Commercial/Business/Livelihood Activities

General Type of Business/Livelihood	**Affected Occupation**		**Income (Rs.) Per Month**
1.Agricultural enterprise	1. Farming	13. Vehicle yard (selling)	1. < 5000
2. Non-agricultural enterprise	2. Horticulture	14. Hardware shop	2. 5001-7500
	3. Livestock raising	15. Hotel/restaurant/bar	3. 7501 – 10000
Sex	4. Fishing/fish processing	16. Tea shop	4. 10001 – 15000
1. Male	5. Weaving	17. Fuel centre	5. 15001 – 25000
2. Female	6. Animal Husbandry	18. Vegetable shop	6. 25000 – 50000

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	7. Retail shop (essential items)	19. Fruit shop	7. 50001 – 100000
Disability	8. Wholesale shop (essential items	20. Fish stall	8. 100001 - 200000
1.No Disability	9. Small shop (services)	21. Small shop (services)	9. > 200001
2.Has Major Disability	10. Large shop (services	22. small-medium scale factory (less than 100 workers)	
3.Has Minor Disability	11. Variety store	23. Large scale factory (100 or more workers)	
	12. Garage/tire shop/service center	24. Others (specify)	**Extent of Income Loss**
			1. Permanent
			2. Temporary

LARS/Census Item 21. Information on Workers of Affected Businesses/Livelihood

Position in the Affected Business/Livelihood Enterprise	**Education**	**Other Occupation**	**Salary/Allowances (Rs.) Per Month**
1. Managerial/supervisory position	1. Illiterate	1. Farming own land	1. < 5000
2. labour and allied services (clerks, cashiers,	2. Can place signature	2. Agricultural labour	2. 5001-7500
office aides, bookkeepers,	3. Waiting for schooling	3. Non-agriculture labour (skilled)	3. 7501 – 10000
sales employees, etc)	4. Class I-V	4. Non-agriculture labour (unskilled)	4. 10001 – 15000
3. non-agricultural skilled labourer (masons,	5. Class VI-G.C.E. (O/L)	5. Fishing	5. 15001 – 25000
carpenters, machine	6. G.C.E. (O/L) Pass	6. Weaving / garment	6. 25000 – 50000
operators, technicians)	7. G.C.E. (A/L) Pass	7. Animal Husbandry	7. 50001 – 100000
4. unskilled labourer	8. Undergraduate/ Graduate	8. Commercial Activities	8. 100001 - 200000
5. agricultural labourer (including	9. Postgraduate	9. Vendor (Specify)	9. > 200001
Workers in poultry farms/piggery)	10. Other (specify)	10. Government Services/ Executive	
		11. Government Services/ other grades	**Extent of Income Loss**
Sex		12. Private Sector/ Executive	1. No impact
1. Male		13. Private Sector/ other grades	2. Permanent loss
2. Female		14. Armed forces	3. Temporary loss
		15. Police / Security Services	
Disability		16. Others (specify)	
1.No Disability			
2.Has Major Disability			
3.Has Minor Disability			

* Note: For seasonal workers, compute the annual income and divide by 12 months.

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E. Supplemental Information on APs Losing Ownership or Access to Land

LARS/Census Item 23. Land holding status

Land Ownership Status		Land Use
1. sole deed/titleholder	5. owner, but has leased the property to another person	1. trade/business
2. claims ownership but without title	6. lessee/renter	2. residential
3. shares ownership with another person	7. tenant	3. driveways/private road
4. owner, but has mortgaged the property	8. squatter	4. agricultural (productive or idle)
		5. stateland/ROW

F. Supplemental Information on APs Losing Structures and Improvements:

LARS/Census Item 29. Crops

1. Home garden (flower plants)	5. Cinnamon (bushes)	9. Bread fruit	13. Firewood
2. Paddy (acres)	6. Banana (bushes)	10. Jack	14. Timber
3. Tea (acres)	7. Coconut/king coconut	11. Lemon/Lime	15. Other (specify)
4. Rubber (acres)	8. Mango	12. Orange	

LARS/Census Items 30 and 31. Type of Structure

1. house	4. parapet wall/fence/gate
2. shop/store	5. others (specify)
3. combined house-shop	

LARS/Census Item 30. Degree of impact on the structure

1. Partially affected
2. Fully affected (or remaining structure no longer structurally viable) but can be rebuilt within the same plot
3. Fully affected (or remaining structure no longer structurally viable) and needs to be relocated elsewhere

LARS/Census Item 31. Materials of the affected structure

1. Thatched simple hut	2. Mud/brick/tiled roof	3. Cement/brick or cement block /tiled roof or Asbestos roof
4. Cement/brick or cement block /GI sheet roof		5. Cement/ brick or cement block/concrete roof
6. Tiled/brick or cement block /tiled roof or Asbestos roof		7. Tiled/ brick or cement block/tiled roof or asbestos roof
8. Others (specify)		

G. SOCIAL RELATIONSHIP AND MEMBERSHIP IN LOCAL ORGANIZATIONS

LAR/Census Item 35. Type of membership in local/community organizations

1. Office bearer	3. general member
2. active member (paid membership and attend meetings)	4. other (specify)

H. PERCEIVED SOCIAL AND ECONOMIC IMPACTS OF THE PROJECT/SUBPROJECT

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LAR/Census Item 37. Problems that the AP might have to face as a result of the implementation of the project?

Social	Economic
1. Loss of relatives and neighbours	1. Loss of Income
2. Loss of friends	2. Increasing cost of living
3. Loss of access to religious place/s	3. Parting from business premises & workplaces
4. Affects children's education	4. Limitation of social infrastructure
5. No sufficient remaining land to resettle	5. Temporary disruption on transportation
6. Increase in air & noise pollution	6. Temporary disruption on tourism
7. Temporary disturbance on family life	7. Loss of goodwill
8. Other (specify)	8. Other (specify)

LAR/Census Item 38. Perceived Advantages that the AP would get as a result of the construction of the road

Social Advantages	Economic Advantages
1. Improve of Road Security	1. Generate additional Income
2. Improve the quality of Environmental conditions	2. Reduce cost of living
3. High demand for lands	3. Develop business premises & workplaces
4. Increase the land value	4. Develop social infrastructure
5. Improve tourism	5. Develop transportation facilities
6. Other (specify)	6. Other (specify)

Socio-Economic Survey

SES Item 14. ***Total*** land holdings and patterns of use (including those outside the road corridor and in other locations):

1. Homestead	2. Agricultural	3. Horticultural	4. Bare land	5. Neglected land	6. Other

Kg. /Number of trees/ plants/ bushes/ nuts

SES Item 15. Information on ***all structure(s)*** that belong to the head of household (including those outside the road corridor and in other locations)

Type of structure

1. Residential house	2. Rented house	3. Trade/business	4. Residential and Trade
5. Stores	6. Shed	7. Abandoned/not in use	8. Other (specify) ……..

Materials:

1. Thatched simple hut	2. Mud/brick/tiled roof	3. Cement/brick or cement block /tiled roof or Asbestos roof
4. Cement/brick or cement block /GI sheet roof	5. Cement/ brick or cement block/concrete roof	
6. Tiled/brick or cement block /tiled roof or Asbestos roof	7. Tiled/ brick or cement block/tiled roof or asbestos roof	
8. Others (specify) ……		

D. Indebtedness:

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SES Item 20. Source of borrowings during last one year:

1. Bank	4. Societies
2. Private money lender	5. Others (specify)
3. relatives/friends	

E. Health Status:

SES Item 22. Types of medical service used:

1. western	2. ayurvedic	3. other (specify)

Health service provider:

1. Government Hospital/Clinic	2. Experienced person	3. Traditional Doctor	4. Private Doctor
5. Pharmacy	6. Own	7. NGO Health Clinic	8. Other (specify) .....

F. Labor Migration:

SES Item 23. type of work, location of work and frequency of migration code: type of work:

1. Agricultural Labor	2. Non-Agricultural Labor	3. Trade & Business	4. Others (Specify) .....

code: location of work:

1. in the same Province	2. in another province (specify)	3. in another country (specify)	4. sea based

Code: frequency of Migration:

1. Once a year	2. Twice a year	3. annually
4. Recurring once in three years	5. According to necessity	

G. Women Status (For the housewife or other female members of the household):

SES Item 25: reasons for the limited opportunities of women to participate in decision making in the household or community

1. women have too much work at home/not enough time	4. some policies/rules in the community or government discourage women to participate
2. women have been raised to leave the decision making to men	5. others (specify)
3. women lack capacity or skills	

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Questionnaire for Affected Common Properties, Government Offices and Utilities

Serial No.

1. Sub project: _____2. Location: _____
3. Divisional Secretary Area: _____4. District: _____
5. Village/Town: _____
6. Name of Respondent: _____
7. Address of the Association/Office Responsible/Managing the Affected Asset:

_____

_____

8. Position of the Respondent in the Association: _____
9. Name of the Head of Association (if not the respondent): _____
10. Phone No: _____
11. Information on the Affected Asset 12a.

Community Asset

Type of Community Asset (encircle)	Name (if any)	Area Affected (in sqm)	Degree of Impact
1 = school 2 = clinic/hospital 3 = water points or communal water system 4 = temple/shrine/sacred trees 5 = community signboard 6 = public market			1. Slightly affected (no shifting needed. Only minor repairs needed. Can still operate at same level prior to land acquisition) 2. Severely affected but can be shifted within the remaining portion of the plot. 3. Severely affected and needs to be shifted to another location
7 = public graveyard/cemetery 8 = terminal for public vehicles 9 = others (specify)_____			

12b. Utilities/bus stops

Affected Utilities (encircle)	Number	Degree of Impact (encircle)
1 = Power distribution poles 2 = Power transmission towers 3 = Telephone lines 4 = Water distribution lines 5 = irrigation canal 6 = bus stops 7 = others (specify) _____		1 – Slightly affected (no shifting needed. Only minor repairs needed. No disruption of service anticipated. Can still operate at same level prior to land acquisition) 2 – Severely affected and needs to be shifted to another location. Indicate duration of service interruption during shifting: _____days

13. Compensation preferred by the AP association/community/agency

1. Cash Payment (specify estimated replacement amount) _____	
2. Land for land	
3. Others (specify_____)	

14. Problems noted in the shifting/replacement of the affected properties, if any.

_____

_____

Comments of the Enumerator: _____

_____

Enumerator's Name: _____

Date Accomplished: _____

Name of the Supervisor: _____

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Annex 6: Terms of Reference for Carrying out the SIA and Preparation of Resettlement Action Plan

1. Description of Project Background

2. Project Location and Activities

3. Objective of the assignment

The areas of intervention towards achieving the project development objectives of the project have been identified, and the basic framework, the Resettlement Policy Framework, comprising principles, procedures, and guidelines to identify and assess the potential social impacts and risks, prepare mitigation plans as part of sub-project preparation, institutional arrangements, and processes to be followed for the project, have been prepared. In this context, the Government of Sri Lanka intends to hire well qualified professional consultants to carry out social safeguards measures including: (a) Social Screening and Impact Assessment for the Project; (b) Preparation of Social Impact Mitigation Plan (SIMP) for addressing non-land related social issues and adverse impacts, and (d) If needed as per the RPF prepared under the Project, a Resettlement Action Plan or the Abbreviated Resettlement Action Plan (RAP/A-RAP).

The Social Assessment will help to understand key social issues, identify risks and impacts on populations, institutional and legal settings in which social safeguard measures will be planned and implemented. Based on the Social Assessment and technical design of the sub-project intervention, a Social Screening Report (SSR) will be prepared. The SSR will help determine the need for a detailed Social Impact Assessment (SIA) and other due diligence studies like the tracer survey, social audit, asset valuation as provided for in the RPF prepared under the Project, and prepare SIMP and RAP/A-RAP, if deemed necessary. The study will be within the context of GOSL's previous experience in land acquisition and involuntary resettlement management, various policies, and institutions in place, and meeting the safeguard requirements of the World Bank.

4. Specific Objectives

- To carry out as a part of the Social Assessment a rapid review of social issues involved and prepare a broad-based social assessment of the project (focusing on components and likely activities), highlighting potential positive and negative impacts of the project. To review policy and acts/ regulations of GOSL and the World Bank's Environmental and Social Framework (ESF) to identify applicable provisions in the proposed project and suggest ways to fill any gap between the GOSL and World Bank requirements.
- To understand roles and responsibilities and assess capacity of the implementing institutions involved in the Project to manage social development issues including safeguards, offer guidelines for capacity development to address any gaps.
- To carry out social screening for the sub-project activities to see if there could be any adverse social impacts, and, if confirmed, carry out social impact assessment and other due diligence studies (tracer survey, social audit, asset valuation, due diligence report)

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- To develop a Social Impact Management Plan (SMP) for the sub-project implementation, and if required a RAP/A-RAP (fulfilling requirements of the ESMF and the RPF and integrating participation and social accountability guidelines).

5. Tasks

The scope of services comprises, without being limited to, the following:

Task - 1: Social Assessment. This will include the following:

Situation Assessment: A rapid analysis of the developmental, socio-cultural, and political economic context based on information available from the government, stakeholder consultations, primary and secondary sources, and media reports relevant to the project. This analysis will briefly describe the context for the project, including the historical context (e.g., post conflict/peace dividends) for the growth of the country/region/locality, overall institutional environment, political economic aspects, and any conflict risks.

Analysis of Key Social Impacts, Risks and Opportunities: This section will discuss the socioeconomic and cultural profile of the people likely to benefit/be adversely affected, their interests and levels of influence on project outcomes; positive/negative impacts on the poor/ vulnerable groups; role of civil society, opportunities to engage with them for better outcomes; any conflict risks that may affect implementation; impacts due to labor influx, including risks of gender based violence, child labor, etc. Analysis of key social risks will include likelihood of involuntary resettlement, issues of gender equality, social inclusion, labor issues, camp management and workers' code of conduct, and social accountability. A Stakeholder Analysis will be conducted through consultations to identify and assess the role and influence various stakeholders including the impacted people.

Analysis of Legislative and Regulative Frameworks. The consultant will describe the policy context with special attention to legislations on social dimensions relevant to the Project. The consultant will also review the World Bank safeguard provisions that need to be complied with and will suggest measures to fill any gaps between the Bank and government policies.

Review of Experience in Social Management. The consultant will review the country experience in LA C RCR; vulnerable community development and social accountability in key participating institutions that will be responsible for the implementation of the project.

Institutional and Capacity Assessment. The consultant will review the existing institutional mechanisms and capacity of the involved institutions for social management including the existence of units/ focal points for addressing land acquisition, resettlement and other social dimensions, their powers, functions, and effectiveness.

Analysis of Social Inclusion and Social Accountability. The Consultant will make an analysis of prevalent social accountability policies and practices promoting demand for —good governance' (DFGG) involving downward accountability and explore opportunities for strengthening DFGG/social accountability through participation of community groups, impacted people, other stakeholders, civil society organizations (CSO) in planning, implementing, and monitoring the project and the municipalities' responsiveness and efficiency in meeting people's needs.

Task - 2 Social Impact Mitigation Plan (SIMP).

Building on the findings and recommendations of the Social Assessment, the SIMP will include
(a) findings from the social screening, socio-economic survey, stakeholder consultations, impact categories, types of losses, etc.; (b) plans and mitigation measures for addressing non-land related risks; (c) measures for strengthening social inclusion and accountability; (d) specific plans and actions relating to consultations, information disclosure and grievance redressal; (e) measures for addressing impacts due

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to labor influx such as child labor, gender based violence, conflicts with host communities, etc.; (f) planning, implementation and monitoring arrangements to address social development issues and risks; (g) budget and timeline for implementation of activities in the SIMP with clear identification of tasks for the contractor, supervision consultant, project implementing partners, Developers and the relevant line Ministry/Agency.

Task -3 Social Impact Assessment and Resettlement Planning

The Consultant will as per the ESMF and the RPF undertake a full census of all persons/households affected by the sub-project, including other relevant due diligence studies (e.g., tracer survey, social audit, asset valuation, etc.). Based on the findings of these reports, prepare RAP/A-RAP, as required. The RAP/A-RAP will include, at the least:

- Principles and objectives governing resettlement preparation and implementation.
- Findings from the social screening, socio-economic survey, stakeholder consultations, impact categories, types of losses.
- Estimation of impact categories and affected population, and guidelines for recording additional impacts
- Entitlements Matrix for provisioning compensation and rehabilitation assistance for losses to assist the affected people in various categories to re-establish their living conditions including shelter and livelihoods meeting the World Bank's ESF and country legal requirements.
- Principles and criteria relating to cut-off date for compensation; define criteria and authority for determining eligibility for different impacted categories of people to receive LA and R&R benefits; valuing the affected land and assets,
- Guidelines for site selection, site preparation and relocation of displaced households; legal arrangements for regularizing tenure.
- Guidelines for post-resettlement support including housing, infrastructure and social services to the relocated people and capacity enabling them to re-establish and sustain their living conditions.
- Institutional arrangements including organizational procedures for delivery of the entitlements, including responsibilities of the government and other stakeholders including NGOs in the implementation process, linking resettlement implementation to civil works; and organizational responsibilities for planning, implementing, and monitoring RAPs; sequencing activities with a flow chart outlining planning and implementation process.
- Procedures for consultation, information disclosure and grievance redress mechanism.
- Process for approving, implementing, and monitoring resettlement plans, with specific timeline and budget

6. Deliverables

The deliverables will include the following:

- Inception Report, including a work plan presenting the methodology for Social Assessment and SIA for Stage 1 activities as per the TOR.
- Social Impact Assessment Report, along with a comprehensive consultation report as Annex describing all consultations held for this assignment, explaining methodology and types, key data on type of meeting, stakeholder groups met, number of participants, date, location, photographs etc.; key issues discussed, and responses from the project.
- If relevant, other due diligence reports from the tracer survey, social audit and asset valuation.
- Social Impact Mitigation Plan that is approved by the PMU and/or line Ministry/Agency.
- Resettlement Action Plan or an Abbreviated Resettlement Action Plan (RAP/ARAP) that is approved by the concerned line Ministry/Agency.

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7. Methodology

The methodologies to be followed by the consultant in this assignment include review of relevant documents & secondary information, interactions and consultations with stakeholders, and field visits and community interactions. Consultant will develop detailed methodology and work plan in the inception report, which will be discussed and agreed with the client. The Consultant should pay special attention to the safeguard policies and practices adopted by GOSL for externally funded projects.

8. Duration of the service

The time required for this assignment is envisaged to be 4 months.

9. Qualification of Expert

The consultant/s should include a team leader and Social Development experts with experience in resettlement, community development, gender studies, and social inclusion/accountability, with higher degree in Social Sciences. In particular:

Team Leader: a senior specialist, with at least ten years of experience in Social Development, He/ she should have delivered Social Assessment, SMF, RAP earlier for external donor funded projects. Experience in rural resettlement, community development will be considered an added qualification. He/she should also have proven ability to command a team and ensure targets and deadlines are met and to ensure quality of outputs meet client expectation and demonstrated proficiency in writing and speaking in English. He/she is expected to have experience with the application of good-governance tools such like citizen/community score cards, participative monitoring and evaluation, grievance redress and complaint handling, conflict mediation, information, education, communication, etc.

Social Development Specialist, with at least 5 years' experience in the field, working with poor urban communities, organizing surveys, and managing interaction with communities and civil society. Prior experience with the application of good-governance tools such like citizen/community score cards, participative monitoring and evaluation, grievance redress and complaint handling, conflict mediation, information, education, and communication is a plus.

Social Development Analyst, with relevant degree in social science and demonstrated proficiency in analytical skills and writing and speaking in English

The Consultant should explain in advance, in the inception report, the team it will mobilize to deliver the above tasks, especially the Task-3, which will require census survey.

10. Estimated input of professional time

The total estimated level of effort for this assignment is estimated to be 26 staff weeks (excluding the time of surveyors).

Position	SA	SIMP	SIAsROfor Phase I
Team Leader	4 weeks	6 weeks	2 weeks
Social Development Specialist	2 weeks	2 weeks	2 weeks
Social Development Analyst	4 weeks	2 weeks	2 weeks

11. Other Information

The consultants are advised to refer to the following World Bank ESF and relevant ESS in addition to any other resources that they may deem fit: Environmental and Social Standards (ESS) on Assessment and

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Management of Environmental and Social Risks and Impacts (ESS-1), Labor and Working Conditions (ESS-2), Community Health and Safety (ESS-4), Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS-5) and Stakeholder Engagement and Information Disclosure (ESS-10). Involuntary Resettlement Sourcebook: the consultant may refer to www.worldbank.org/socialanalysissourcebook.

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Annex 7: Outline of a Resettlement Action Plan

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed resettlement and its impacts on the displaced persons and other adversely affected groups, and (b) the legal issues involved in resettlement. The resettlement plan covers the elements below, as relevant. When any element is not relevant to project circumstances, it should be noted in the resettlement plan.

1. Description of the project
   General description of the project and identification of the project area.

2. Potential impacts
   Identification of:
   a) the project component or activities that give rise to resettlement.
   b) the zone of impact of such component or activities.
   c) the alternatives considered to avoid or minimize resettlement; and
   d) the mechanisms established to minimize resettlement, to the extent possible, during project implementation.

3. Objectives
   The main objectives of the resettlement program and the Resettlement Action Plan.
4. Socioeconomic studies
   The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including:

a. Results of a census survey covering
- current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance.
- standard characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population, incidence of poverty and key gender issues.
- the magnitude of the expected loss--total or partial--of assets, and the extent of displacement, physical or economic.
- information on vulnerable groups or persons for whom special provisions may have to be made; and
- provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.

b. Other studies describing the following
- land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area.
- the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project.
- public infrastructure and social services that will be affected; and
- social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental

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organizations (NGOs) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

5. Legal framework

The findings of an analysis of the legal framework, covering

e) the scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment.
f) the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the project.
g) relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement; and environmental laws and social welfare legislation.
h) laws and regulations relating to the agencies responsible for implementing resettlement activities.
i) gaps, if any, between local laws covering eminent domain and resettlement and the Bank's resettlement policy, and the mechanisms to bridge such gaps; and
j) any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land--including claims that derive from customary law and traditional usage

6. Institutional Framework

The findings of an analysis of the institutional framework covering

k) the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation.
l) an assessment of the institutional capacity of such agencies and NGOs; and
m) any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.

7. Eligibility

Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

8. Valuation of and compensation for losses

The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

9. Resettlement measures

A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the policy. In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons and prepared in consultation with them.

10. Site selection, site preparation, and relocation

Alternative relocation sites considered and explanation of those selected, covering

a) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and

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other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources.

b) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites.
c) procedures for physical relocation under the project, including timetables for site preparation and transfer; and
d) legal arrangements for regularizing tenure and transferring titles to resettlers.

11. Housing, infrastructure, and social services

Plans to provide (or to finance resettles' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

12. Environmental protection and management

A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

13. Community participation

Strategy for involving resettles and host communities, that includes:

a) a description of the strategy for consultation with and participation of resettles and hosts in the design and implementation of the resettlement activities.
b) a summary of the views expressed and how these views were taken into account in preparing the resettlement plan.
c) a review of the resettlement alternatives presented, and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individual's families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries); and
d) Institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.

14. Integration with host populations

Measures to mitigate the impact of resettlement on any host communities, including

a) consultations with host communities and local governments.
b) arrangements for prompt tendering of any payment due the hosts for land or other assets provided to resettles.
c) arrangements for addressing any conflict that may arise between resettles and host communities; and
d) any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to make them at least comparable to services available to resettles.

15. Grievance procedures

Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should consider the availability of judicial recourse and community and traditional dispute settlement mechanisms.

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16. Organizational responsibilities

The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

17. Implementation schedule

An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

18. Costs and budget

Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

19. Monitoring and evaluation

Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the relevant Ministry/government agency, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation

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Annex 8: Outline of an Abbreviated Resettlement Action Plan

An abbreviated plan will cover the following minimum elements:

A. Project Description

Identify Project location and its features.

B. Census Survey of Displaced Persons and Valuation of Assets

Potential displacement due to proposed sub-project, assets lost and people from homes or livelihood, and methodology to be used in valuing losses to determine their replacement cost.

C. Legal and Regulatory Framework

Describe key national acquisition, compensation, policies and donor policies, entitlements. Explain how national legislation and regulations on land acquisition, NIRP and WB's ESF will be achieved.

D. Eligibility, Description of Compensation and other Resettlement Assistance to be provided

Describe the packages of compensation and other resettlement measures and other assistances that will assist each category of eligible displaced persons to achieve the objectives.

E. Consultations with affected persons

Discuss the consultation and participation process in the light of national laws, NIRP and WB's ESF requirements, including on issues about acceptable alternatives.

F. Institutional Responsibility for Implementation and Procedures for Grievance Redress

Identify main tasks and responsibilities in planning, negotiating, consulting, approving, coordinating, implementing, grievance redress, financing, monitoring and evaluation of the resettlement and rehabilitation.

G. Arrangements for Monitoring and Implementation

Specify the arrangements for MCE.

H. Timetable and Budget

An Implementation schedule will be prepared including all resettlement activities from preparation to implementation

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Annex 9: Sample Application Form for Grievance Redress Mechanism

(To be made available in Sinhala, Tamil, and English)

Date:
Place of Registration:
Mode of Communication (e.g., note/letter, email, verbal/telephone):

Name _____ **Gender** _____ **Age** _____

Home Address _____ **Phone/Email** _____

Individual/authority to whom complaint was submitted:

Complaint/Suggestion/Comment/Question:
Please provide the details (who, what, where and how) of your grievance below:

If included as attachment/note/letter, please tick here: ☐

Nature of Resolution Sought:
How would you like your concerns/issues to be resolved?

Contact details for update/feedback
How do you want us to reach you for feedback or update on your comment/grievance?

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Registered by: (Name of Official registering grievance) Reviewed by

(Name/Positions of Official(s) reviewing grievance) Action Taken:

Whether Action Taken Disclosed [ ] Yes [ ] No
Means of Disclosure

Annex 10: Livelihood Restoration Plan (LRP) Template

Livelihood Restoration Plan (LRP) for Sub Project:……..

1. Introduction

This Livelihood Restoration Plan (LRP) template provides the structure and key information requirements for preparing site-specific LRPs under the THRIVE Project. The LRP aims to ensure that any person experiencing economic displacement due to project activities is supported to maintain or restore their income levels and livelihood opportunities. The LRP should be prepared when screening confirms temporary or permanent livelihood impacts such as loss of access to vending areas, disruption of fish-landing/processing activities, temporary loss of business space, or interruption of tourism-related income streams.

This template must be customized for each subproject based on the socio-economic baseline, scale of impact, categories of affected persons, and the strategic directions outlined in the Livelihood Restoration Strategy.

2. Subproject Description and Impact Overview

1.1 Subproject Details

- Subproject name:
- Location (DS, GN, Coordinates):
- Implementing Agency / TIU:
- Nature of works and duration:

1.2 Identified Livelihood Impacts

Summarize impacts from the ECS Screening and field assessments:

- Temporary/ permanent loss of vending space
- Restricted access to fishing, landing, auctioning, or processing areas
- Loss of customer footfalls
- Temporary removal of structures/roadside extensions
- Need for relocation (temporary/permanent)
- Vulnerable groups affected

TABLE 0-1: SUMMARIZE IMPACTS

Impact Type	Scale	Duration	Affected Groups	Notes

2. Socio-Economic Profile of Affected Persons

2.1 Categories of Affected Persons

- Vendors (formal/informal)
- Mobile vendors
- Fishers / fish handlers / auction workers

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- Tourism service providers
- Daily-wage labourers
- Employees in small kiosks / food stalls
- Women-headed households
- Elderly dependents on informal incomes
- Others (specify)

2.2 Summary of Baseline Characteristics

Include:

- Household size and dependency ratio
- Income sources and ranges
- Average daily/monthly income
- Skills and employment history
- Access to markets and customers
- Existing vulnerabilities (gender, age, disability, poverty, GBV risk, etc.)

(A census list of affected persons must be attached separately.)

3. Eligibility and Entitlement Summary

Based on the RPF entitlement matrix.

TABLE 0-2: ELIGIBILITY AND ENTITLEMENT SUMMARY

Category of Affected Person	Eligibility Criteria	Type of Assistance	Notes

4. Livelihood Restoration Strategy (Site-Specific Application)

For each site, identify which strategic direction(s) apply:

4.1 Phasing-Out

When applicable (e.g., Pettah informal vendors), describe:

- Who is eligible
- Why phasing-out is required
- Support offered (cash assistance, counselling, transition planning, linkage to social protection)

4.2 Relocation

Describe:

- Temporary/permanent relocation arrangements
- Site selection process
- Kiosk/shelter design (if applicable)
- Income continuity measures

4.3 Re-Employment

Describe:

- Target groups (jetty workers, youth, food stall helpers, etc.)
- Skills training required
- Job matching mechanisms
- Transitional support

4.4 Transformation

Describe:

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- Business upgrading opportunities
- Value-addition options
- Access to microfinance / grants
- Marketing and linkages

5. Proposed Interventions and Action Plan TABLE 0-3:

PROPOSED INTERVENTIONS AND ACTION

Intervention Area	Target Group	Description	Responsible Agency	Timeline	Cost
Business relocation	Vendors	Temporary kiosks, relocation logistics	TIU/LA	Q1–Q2	LKR ___

Intervention areas may include:

- Business relocation
- Re-employment support
- Business transformation packages
- Value chain strengthening
- Financial access and micro-grants
- Training C competency development
- Counselling (business + psychosocial)
- Start-up mentorship
- Market access facilitation

6. Stakeholder Engagement and Participation Briefly describe:

- Consultations held with affected persons
- Engagement with fisheries societies, tourism associations, local authorities
- How inputs were incorporated
- Ongoing engagement plan

Attach minutes/photos as annexes if needed.

7. Grievance Redress Mechanism

Summarize:

- Available channels for grievances
- GBV-sensitive reporting options
- Expected timelines for resolution
- Contact points

LRP should reflect how livelihood-related grievances will be tracked and escalated when needed.

G. Implementation Arrangements

Specify:

- Lead agency: PMU/TIU
- Supporting agencies: DS, LA, Fisheries Dept., Tourism Promotion bodies

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- Roles and responsibilities
- Coordination mechanisms
- Field-level focal points Provide a simple organogram.

10. Monitoring and Evaluation

Describe:

- Key indicators
- Frequency of monitoring
- Income tracking method (before/after)
- Satisfaction measures
- Vulnerability follow-up Provide a table:

Indicator Baseline Target Source Frequency

11. Budget

Summarize:

- Costs of each intervention
- Administration costs
- Contingencies

Total required resources Provide a simple consolidated table.

Compensation for Loss of Accommodation- Tenant

- If there is partial loss of rental accommodation, AP has the option to stay with the owner's agreement

OR

- If the affected party (AP) chooses to relocate, cash assistance will be provided as a rental allowance for a maximum of three months. The amount will be determined based on the area previously occupied by the AP and aligned with prevailing market rental values. The Divisional Secretary of the respective area will recommend the rates of the floor square feet, ensuring that it corresponds to the standard of the space formerly occupied**.**
- Payment of item F1.1, Materials transport allowance

Compensation for Loss of Rental Income- Rentier

- Cash assistance will be provided to cover rental income for the remaining period of the valid lease agreement, subject to a maximum of six months. The amount of assistance will be equivalent to the rental rate stipulated in the lease agreement.

12. Annexes

- Annex 1: Census of Affected Persons
- Annex 2: Socio-economic survey forms
- Annex 3: Consultation minutes
- Annex 4: Maps / layout of relocation sites
- Annex 5: Monitoring tools

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