

MINISTRY OF TRANSPORT HIGHWAYS & URBAN DEVELOPMENT

SUPPORT TO COLOMBO URBAN REGENERATION PROJECT

RESETTLEMENT POLICY FRAMEWORK

May 2026

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List of Abbreviation

AIIB	Asian Infrastructure Investment Bank
CBO	Community Based Organization
CSO	Civil Society Organization
CMC	Condominium Management Committee
DDG	Deputy Director General
DS	Divisional Secretary
EAC	Entitlement Assessment Committee
ERM	External Resettlement Monitor
GN	Grama Niladhari
GOSL	Government of Sri Lanka
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
IGP	Independent Grievance Panel
LAA	Land Acquisition Act
LDO	Land Development Ordinance
LO	Land Officer
M&E	Monitoring & Evaluation
MIS	Management Information System
MLLD	Ministry of Land & Land Development
MTHU	Ministry of Transport Highways & Urban Development
NGOs	Non-Government Organizations
NIRP	National Involuntary Resettlement Policy
PD	Project Director
PMU	Project Management Unit
RAP	Resettlement Action Plan
SIA	Social Impact Assessment
SCURP	Support to Colombo Urban Regeneration Project
UDA	Urban Development Authority

EXECUTIVE SUMMARY

Project description: The Urban Regeneration Program (URP) implemented by the Urban Development Authority (UDA) under the Ministry of Transport, Highways and Urban Development (MTH & UD) aims to resettle 50,000 lower and lower-middle income households living in underserved areas in high-rise apartments. The Support to Colombo Urban Regeneration Project (SCURP) financed by the Asian Infrastructure Investment Bank (AIIB) and include three components. The Project commenced in April 2019 following the establishment of SCURP, with the original loan agreement stipulating completion by 30 June 2025. Owing to delays across several components and construction contracts, the implementation period has since been extended to 31 December 2027. Component 1 (US\$220M) finances the construction of housing for approximately 4,500 families, under which six condominium housing complexes comprising 4,074 housing units are at an advanced stage of completion. The additional sub-projects will be identified during Project preparation or once the project is in implementation. Component 2 (US\$50M) supports the redevelopment of the areas made available by the housing program, including the provision of public amenities in these areas. Ten potential areas have been identified, from which a majority of the people have already moved, and the Project will also finance the redevelopment of some of the areas vacated when households move into the housing to be provided under Component 1. Component 3 (US\$10M) finances additional technical support and project management.

The Resettlement Policy Framework (RPF) has been updated to reflect experience gained during project implementation and preparation of the Resettlement Action Plans (RAPs), incorporate additional safeguard measures, and align the framework with the current implementation arrangements of the SCURP and the AIIB Environmental and Social Standard 2 (ESS2). The revisions include clarification of the legal and policy framework, refinement of the Entitlement Matrix, introduction of institutional mechanisms such as the Entitlement Assessment Committee (EAC) and Appeal Committee, reference to the Livelihood Development Program (LDP) and Stakeholder Engagement Plan (SEP), strengthening of the Grievance Redress Mechanism (GRM), and the addition of a chapter on Institutional Arrangements for safeguards implementation. The Entitlement Matrix (EM), the Entitlement Assessment Committee (EAC), and the Appeal Committee have been incorporated in the RPF in accordance with the approval granted by the Cabinet of Ministers through Cabinet Paper No. 26/0268/809/041 dated 05 February 2026.

Social impacts: As the UDA has decided to develop the new housing units on available public land, the issues that remain to be addressed are mainly related to the resettlement and rehabilitation (R&R) of the occupants of the sites identified for construction and the occupants of the underserved settlements that will be resettled once the new housing complexes are completed. Key social risks and impacts associated with the proposed investments include the resettlement of households living in underserved settlements, loss of potential income sources, dislocation of social and ethnic groups, and possible issues resulting from unfamiliarity with high-rise living.

Legal framework: All activities under the proposed Project will be consistent with the laws, regulations and notifications that are relevant to the resettlement efforts. It is the responsibility of the Project Management Unit (PMU) of SCURP to ensure that Project activities are consistent with the legal/regulatory framework of Sri Lanka. Additionally, the Project activities will also be aligned with AIIB's Environmental and Social Policy (ESP) and Environmental and Social Standards (ESS).

Eligibility criteria, entitlements and definitions: This framework, in addition to setting out the principles and guidelines, elaborates on the key steps to be taken in involuntary resettlement planning and execution. For example, the cut-off date for eligibility for entitlements for titleholders is the date of notification under the Land Acquisition Act (LAA) and the date of resettlement impact survey for non-titleholders. Persons who encroach on the area after the cut-off date are not entitled to claim compensation or any other form of resettlement assistance. Similarly, the Entitlement Matrix explains the category and type of loss and the eligible category for entitlements. As the LAA does not address all types of losses, the relevant involuntary resettlement policies (Government of Sri Lanka's NIRP and AIIB's ESP and ESS, revised and updated in 2024) have been applied to address such issues. All losses as a result of implementation of the Project will be compensated.

Consultation and stakeholder engagement: Stakeholder consultation is an important part of Project preparation and implementation. Consultations will ensure active participation and will reduce the potential for conflicts and minimize the risk of Project delays. Stakeholder consultations will also enable the Project to better design the Rehabilitation and Resettlement (R&R) measures and livelihood restoration programs as a comprehensive development program to suit the needs and priorities of the affected households, thereby maximizing the economic and social benefits of GoSL investments.

Pre and post-resettlement programs: As the relocated families are from underserved settlements, they may not understand high-rise living. They will enjoy certain rights by being an owner of a housing unit, but they will also share common utilities and services with their neighbors. When sharing common facilities, these residents have obligations to each other to ensure cordial relationships. Thus, to promote peaceful co - existence, the UDA (with the help of hired consultants) will undertake programs of community mobilization, capacity development and livelihood restoration planning and support.

Income restoration and improvements to their livelihoods are crucial to enable the relocated families to recover from the stress and economic difficulties of relocation and to re-establish their lives. As a result, the entitlement matrix provides for income restoration measures that will be implemented as part of the resettlement strategy. Resettlement Action Plans (RAPs) will accordingly provide opportunities for increasing the income levels and living standards of the affected people. Government and external agencies will be hired to provide the necessary skills training.

Grievance Redress Mechanism (GRM): The Project has established a Grievance Redress Mechanism (GRM) to provide an accessible, transparent, and time-bound process for receiving and resolving concerns raised by project-affected persons and other stakeholders. The GRM operates through a three-tier structure, beginning at the site level and escalating to the project and ministry levels if required, ensuring that grievances are addressed at the lowest possible level while providing opportunities for higher-level review. The mechanism is managed by the PMU of SCURP under UDA and is accessible to all affected persons, including vulnerable groups. Following relocation, the GRM will continue to function independently of the Condominium Management Corporations (CMCs) for issues related to resettlement commitments, compensation, housing allocation, and livelihood restoration, while CMCs will address matters related to condominium management. The GRM will remain operational for three years after relocation to ensure that residents have continued access to grievance resolution during the post-resettlement transition period. If the decision issued at the third tier is not acceptable to the aggrieved party, the complainant may seek legal redress through the courts of law in accordance with the applicable laws of Sri Lanka.

Institutional Arrangements for Safeguards Implementation: The implementation of environmental and social safeguards under the Project will be carried out through a coordinated institutional framework led by UDA through its PMU established for the SCURP. The PMU will be responsible for overall safeguards implementation, including resettlement planning, stakeholder engagement, livelihood restoration, grievance redress, and monitoring and reporting. The PMU will work in close coordination with relevant government agencies, including the Ministry of Transport, Highways and Urban Development (MTH&UD), Valuation Department, Condominium Management Authority (CMA), National Housing Development Authority (NHDA), Municipal Councils, Divisional Secretariats, and the Condominium Management Corporations (CMCs) to be established within the housing complexes. The PMU's social team, supported by the RAP preparation consultants, will oversee the implementation of social safeguard activities and ensure compliance with the provisions of the RPF and subsequent RAPs. Institutional mechanisms such as the GRM, the Entitlement Assessment Committee (EAC), and the Appeal Committee will support transparent decision-making and the resolution of grievances related to compensation, housing allocation, and resettlement assistance. This institutional framework ensures effective coordination, accountability, and compliance with national regulations and the AIIB Environmental and Social Policy and Standards throughout project implementation.

Monitoring and evaluation: Monitoring is a continuous process during project implementation. It will determine the Project's actual progress, its likelihood of success, any difficulties arising, and facilitate adjustments to implementation of the Project implementation as soon as possible. It consists of internal and external monitoring. Similarly, evaluation will be carried out under the Project in the form of an assessment at a specified time on the impact of relocation and whether the

resettlement objectives have been achieved. An independent, evaluation specialist (individual or firm) will be hired to assess all resettlement activities at mid-term and at Project completion.

Chapter 1

1.1 Background

The Support to Colombo Urban Regeneration Project (SCURP) (hereinafter referred to as the “Project”) supports the implementation of the second phase of the Government of Sri Lanka’s urban regeneration program led by the Urban Development Authority (UDA) under the Ministry of Transport, Highways and Urban Development (MTH&UD). The Project aims to improve housing conditions for low-income communities living in underserved settlements in Colombo by developing high-rise housing and redeveloping vacant land. Project investments include the construction of condominium housing units for resettlement, the redevelopment of released land for public amenities and urban infrastructure, and technical assistance to strengthen institutional systems, housing management, and urban development policies. The total estimated cost of the Project is US\$280 million, comprising a US\$200 million loan from the Asian Infrastructure Investment Bank (AIIB) and US\$80 million in counterpart funding from the Government of Sri Lanka (GOSL). The Support to Colombo Urban Regeneration Project (SCURP) commenced in April 2019 following the establishment of the Project Management Unit (PMU) under the MTH&UD. The Project was originally scheduled for completion by 30 June 2025. However, due to delays in several project components and construction contracts, the implementation period has been extended up to 31 December 2027 to enable completion of the remaining construction, relocation, and safeguard implementation activities.

This Resettlement Policy Framework (RPF) has been updated to reflect the evolving context of SCURP and to incorporate experience gained during project preparation, stakeholder consultations, and the preparation of Resettlement Action Plans (RAPs). The revision was undertaken to address observations made during safeguard review processes and to ensure alignment with the AIIB Environmental and Social Policy and Environmental and Social Standard 2 (ESS2), as well as with applicable national policies and institutional arrangements. The updated RPF clarifies aspects of the legal and policy framework, including the relationship between the Land Acquisition Act, the National Involuntary Resettlement Policy (NIRP), and AIIB ESS2, and refines the Entitlement Matrix (EM). It also introduces additional institutional mechanisms to strengthen resettlement implementation, including the Entitlement Assessment Committee (EAC) to address entitlement and compensation matters not fully covered under existing legislation, and the Appeal Committee to review housing allocation appeals. The Entitlement Matrix (EM), the Entitlement Assessment Committee (EAC), and the Appeal Committee have been incorporated into the RPF in accordance with the approval granted by the Cabinet of Ministers through Cabinet Paper No. 26/0268/809/041 dated 05 February 2026. Furthermore, the updated RPF incorporates references to the standalone Livelihood Development Program (LDP) and the Stakeholder Engagement Plan (SEP), strengthens the Grievance Redress Mechanism (GRM), and includes a dedicated chapter on Institutional Arrangements outlining the roles and responsibilities of the Project Management Unit (PMU), UDA, and other relevant agencies involved in safeguards

implementation, thereby enhancing transparency, accountability, and effectiveness in the implementation of resettlement and social safeguard measures.

The overall program aims to move 50,000 lower and lower-middle income households living in underserved areas into high-rise apartments. The AIIB Project includes three components. Component 1 (US\$220M) finances the construction of housing for approximately 4,500 families. Six sub-projects are at an advanced stage of preparation and will provide 4,074 housing units. The additional sub-projects will be identified during Project preparation or once the project is in implementation. Component 2 (US\$50M) supports the redevelopment of the areas made available by the housing program, including the provision of public amenities in these areas. Ten potential areas have been identified, from which a majority of the people have already moved, and it is envisaged that the Project will also finance the redevelopment of some of the areas vacated when households move into the housing to be provided under Component 1.

Component 3 (US\$10M) finances additional technical support for project management, including systems to improve the sustainability and quality of apartment building maintenance, and support to strengthen the capacity of the UDA to manage environmental issues. It will also support the review and improvement of the current public programs and policies for low- and middle-income housing.

The GoSL has established the Colombo Urban Regeneration Project with the aim of resolving issues of poor urban housing and services, leading to an efficient use of urban land. The program is designed to resettle low and lower-middle-income households, currently living in identified underserved settlements provided by GoSL or occupied by squatting, into new high-rise apartment buildings. The land released is intended to be used for public purposes such as urban infrastructure or parks as well as for higher-value redevelopment.

The GoSL and AIIB do not endorse informal settlement, however, they recognize that significant populations already inhabit both urban and rural land without title or recognized land rights. Given this situation, the AIIB requires GoSL to ensure that all displaced persons, including those without title or any recognizable legal rights to land, are eligible for, and receive, resettlement assistance and compensation for loss of non-land assets, in accordance with cut-off dates established in the resettlement plan, and that they are included in the resettlement consultation process.

The URP is consistent with GoSL's housing policy of ensuring affordable access to adequate housing for everyone and with the Megapolis Master Plan, which envisages the relocation of households from underserved settlements into new housing schemes with adequate standards. This would lead to the optimization of a thus far neglected national asset - urban land - for higher economic returns and sound urban planning, as well as an important step in transforming Colombo into a futuristic city with a clean environment and a model for national development. The program is also consistent with AIIB's Environmental and Social Policy/Standards (ESP/ESS) that provides guidance on avoiding

or minimizing the need for resettlement and states ‘where avoidance of Involuntary Resettlement is not feasible, to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-Project levels. The URP aims to enhance social benefits, especially for low-income communities, through the provision of new housing units with adequate urban infrastructure and services. In addition, economic benefits are expected through the implementation of its land redevelopment program, improving the efficiency of the city’s land use and attracting more private or foreign investments to Colombo.

A major component of the Project intervention involves the construction of new condominium housing units on lands that are already cleared and vested with the State. These housing developments are intended to accommodate households currently living in underserved settlements within the project area. A total of 4,074 households is yet to be resettled in the condominium housing units constructed on the identified lands. No private land acquisition is required for these developments. The six identified locations for the construction of the housing units are Apple Watta, Colombage Mawatha, Obesekarapura, Madampitiya 318 Watta, Stadiumgama, and Ferguson Road. The households to be resettled in these housing schemes will be selected from underserved settlements located within an approximate 3 km radius of the respective development sites.

Table 1. Details of project sites, numbers & location for resettlement

Resettlement Site	Extent of the Land (Perches)	Land Ownership	No. of Housing Units to be Constructed	No. of Households to be Resettled	Name of the Community to be Relocated
Apple Watta Land	643	State land; action has been taken to vest the land with UDA	700	700	Apple Watta (120 Watta) Part of Kettarama
Colombage Mawatha	320	UDA	624	624	Purwarama Janapada Land, Sanagiwatta (Narahenpita) and Samagi Watta (Kirimandala Mawatha)
Ferguson Road Land	480	UDA	750	750	Samithpura (Sammanthranapura)
Stadiumgama Land	640	UDA	1000	1000	765 Watta, Bodhiraja Mawatha, Huwamaru Niwasa at Kettarama
Obesekarapura (Arunodaya Mawatha) Land	223	State land; action has been taken to vest the land with UDA	300	300	Obesekarapura, Arunodaya Mawatha and surrounding settlements
Madampitiya Road Land	480	UDA	700	700	361 + 95 Watta, 75 Watta, 33 Watta, 381 Watta, 391 Watta at Nagalagam Weediya

With the objective of improving the living conditions of Colombo city's low-income communities taking centre-stage, it can be assumed that the cleanliness and the livability of the city will be improved. However, the resettlement of the above underserved settlements in the new housing units may give rise to possible negative social impacts, some of which would be temporary and others permanent. To mitigate such impacts, the Project will follow appropriate measures to ensure safeguards compliance in line with GoSL's legal framework and AIIB's ESP/ESS.

Chapter 2

2.1 Description of the affected population and potential social impacts

The households affected under the Project are primarily residents of underserved settlements within the Colombo Metropolitan Area, where an estimated 1,500 informal settlements accommodate nearly 50% of the city's population. These settlements are characterized by high population density, congested housing, and limited access to basic urban infrastructure and services, collectively defining the multidimensional nature of urban poverty in the project area.

Based on findings from the Socio-economic Surveys conducted for RAP preparation, the affected population largely comprises low- and lower-middle-income households, with an average household size of 4–5 members. The demographic structure reflects a relatively young population, with children and youth accounting for approximately 30–35%, elderly persons (age 60+) accounting for approximately 8–10%, and persons with disabilities accounting for about 2–4%. Female participation in household decision-making and income generation is significant, particularly among economically vulnerable households, where women are actively engaged in domestic work, informal labor, and small-scale enterprises.

Housing conditions are typically constrained and overcrowded, with most households occupying small semi-permanent or permanent structures (approximately 200–600 sq. ft.) on state-owned or encroached land. Limited space, inadequate ventilation, and lack of privacy are common issues that also restrict home-based economic activities and social functions. While access to services such as water, sanitation, electricity, and roads exists, these are often shared, informally connected, or insufficient, reflecting infrastructure deficits typical of underserved settlements.

Livelihoods are predominantly informal and diversified, with households engaged in daily wage labor, self-employment, micro and small enterprises, transport services, construction work, and domestic employment. A smaller proportion (approximately 20–30%) is engaged in formal employment, including government and private sector jobs. Many households adopt multiple income strategies, combining stable low-income employment with higher-risk informal activities to manage economic vulnerability. Foreign employment also contributes to income stability for a segment of households. However, income insecurity persists due to seasonality of work, limited skills, health constraints, and weak access to formal employment opportunities.

A defining feature of these settlements is their central location within Colombo, which provides residents with proximity to employment opportunities, markets, schools, health services, and public transport networks. This locational advantage is a critical determinant of household income and livelihood sustainability. At the same time, limited space and inadequate infrastructure constrain living conditions and economic mobility. These characteristics underscore the importance of designing resettlement interventions that not

only improve housing conditions but also maintain access to livelihood opportunities and essential services.

The socio-economic profile highlights a highly urbanized but economically vulnerable population, where livelihoods are closely tied to the central location of settlements. While proximity to Colombo's economic hubs enables access to employment and services, the physical constraints of settlements, particularly limited space and inadequate infrastructure, restrict both living conditions and income-generating opportunities. Households rely heavily on informal and diversified livelihood strategies, making them sensitive to disruptions caused by relocation. These findings underscore the importance of ensuring that resettlement interventions maintain access to employment networks, services, and income opportunities, while improving housing and infrastructure conditions.

Table 2. Socio economic profile of the affected population

Indicator	Description
Total Communities Covered	15 underserved settlements within the Colombo Metropolitan Area
Average Household Size	Approximately 4–5 persons per household
Population Composition	Children and youth: 32–36%; working-age population: 55–58%; elderly (60+): 7–9%; persons with disabilities: 2–3%
Gender Profile	Both men and women contribute to household livelihoods; approximately 45–55% of women are engaged in income-generating activities, mainly in informal sectors such as domestic work, small-scale trade, and home-based enterprises
Housing Conditions	Predominantly semi-permanent or permanent structures on state or encroached land; typical unit size 200–500 sq. ft., with overcrowding and limited ventilation
Land Tenure Status	Approximately 85–90% of households are non-title holders occupying state land; 10–15% have documented ownership or occupancy rights
Main Livelihood Activities	Informal sector dominant: daily wage labour (25–30%), self-employment/small business (20–25%), domestic work (10–15%), construction (10–15%), transport and services (10–15%); formal employment present in 20–30% of households
Income Characteristics	Majority of households fall within low-income brackets; over 70% rely on multiple income sources

Major Household Expenditures	Food (45–55% of total expenditure), education (10–12%), transport (10–12%), utilities including water and electricity (8–12%), healthcare (5–8%)
Access to Water Supply	Approximately 85-90% have individual household connections; 10–15% rely on share with neighbors
Sanitation Facilities	Around 80-85% of households have private; 15–20% households use shared sanitation facilities (often with space and drainage limitations)
Electricity Access	Approximately 90–95% of households have access to electricity; a portion (5–10%) rely on informal or shared connections
Solid Waste Management	Municipal collection services available in most areas; however, frequency and reliability vary, leading to localized disposal issues
Access to Services and Facilities	Settlements are typically located within 1–3 km of employment centers, transport nodes, schools, health facilities, and markets

Access to basic services varies across settlements. While electricity is available to most households, water supply is often obtained through shared standpipes or communal connections. Sanitation facilities may be shared among several households, and solid waste disposal services are sometimes irregular. Limited space within settlements restricts the provision of adequate drainage, recreational areas, and community facilities.

The relocation of these households to newly constructed condominium complexes is expected to significantly improve housing quality and access to urban services, including individual water connections, sanitation facilities, electricity, and organized waste management. However, relocation may also result in temporary disruptions to livelihoods, social networks, and established economic activities, particularly when residents depend on proximity to city employment opportunities. These potential impacts will be addressed through resettlement planning, livelihood restoration measures, and post-relocation support programs implemented under the Project.

While relocation to newly constructed housing complexes is expected to significantly improve housing quality, access to services, and tenure security, the transition may also create temporary social and economic adjustments for affected households. The Project will address these risks through the implementation of resettlement assistance, livelihood restoration measures, and continued social support programs to ensure that affected households are able to restore or improve their living standards following relocation.

Chapter 3

3.1 Potential social impacts on the Project affected households

As the Urban Development Authority (UDA) has decided to develop new housing units on available public land, the primary issues to be addressed relate to the resettlement and rehabilitation of occupants in the identified project sites. This includes households currently residing in three of the six sites where condominium construction is ongoing or nearing completion, as well as additional households from underserved settlements who will be relocated once the housing complexes are completed. As no private land acquisition is required, the Project focuses on managing the social transition associated with relocation.

A key characteristic of underserved settlements is their strategic urban location, which enables residents to sustain diversified livelihoods through proximity to employment, markets, transport, and services. While the Project seeks to maintain relocation within urban areas, any shift in location may require adjustment of existing livelihood patterns, particularly for households dependent on neighborhood-based or proximity-driven income activities. This highlights the importance of incorporating livelihood restoration and adaptation support measures into the resettlement process.

Another important feature of these communities is the presence of strong social networks and shared community identity, which function as informal support systems for childcare, economic cooperation, and social well-being. Relocation may pose a risk to these networks if not carefully managed. Accordingly, the Project will adopt measures to retain community cohesion, including relocating households from the same settlements into the same housing schemes where feasible.

The transition from informal settlements to formal condominium housing will also change household financial responsibilities. While current access to services such as water and sanitation is often shared and low-cost or informal, relocation will introduce regular payments for utilities, maintenance, and municipal services. This represents a shift in expenditure patterns that will require household-level financial adjustment.

At the same time, the relocation offers significant long-term socio-economic benefits. Households currently residing as informal occupants will gain access to secure housing tenure in formal condominium units, improving residential stability and social status. Formal ownership is also expected to enhance access to institutional credit and financial services, which have historically been limited for households without recognized property rights. This transition is likely to contribute positively to household asset accumulation, financial inclusion, and overall quality of life.

3.2 Potential Social Impacts on Project-Affected Households

The implementation of the Project will result in the relocation of households currently residing in underserved settlements within the Colombo metropolitan area to newly constructed condominium housing complexes. The social impact assessment conducted as

part of the preparation of Resettlement Action Plans (RAPs) indicates that while the relocation will generate significant long-term benefits, it may also entail short-term social and economic adjustments for affected households.

3.3 Housing and Living Conditions

A major positive impact of the Project is the improvement in housing quality and living conditions. Many households currently reside in congested settlements characterized by small housing units, poor ventilation, and limited access to sanitation and drainage infrastructure. Relocation to purpose-built condominium housing will provide secure units with improved structural quality, access to individual water connections, sanitation facilities, electricity, and organized solid waste management. These improvements are expected to enhance the overall health, safety, and well-being of the affected households.

3.4 Livelihoods and Income Sources

The socio-economic surveys conducted for the RAPs indicate that a large proportion of affected households rely on informal and semi-skilled employment such as daily wage labor, domestic work, small-scale trading, transport services, and construction-related jobs. The central location of many underserved settlements enables residents to access employment opportunities within nearby commercial areas of the city. Relocation may therefore result in temporary disruptions to livelihood activities, particularly for households whose income sources depend on proximity to their current place of residence. However, the Project aims to minimize such impacts by relocating households within urban areas with continued access to employment opportunities and public transport networks. In addition, livelihood restoration measures under the Livelihood Development Program (LDP) will support affected households in restoring and improving their income sources.

3.5 Social Networks and Community Cohesion

Residents of underserved settlements often maintain strong social networks and community relationships that provide informal social support systems. These networks play an important role in childcare, livelihood support, and collective problem-solving. Relocation may initially affect these social structures if households are dispersed across different housing complexes. To mitigate this risk, the Project will prioritize relocating households from the same communities into the same housing complexes or floors wherever possible in order to maintain existing community ties and social cohesion.

3.6 Changes in Cost of Living

Following relocation, households will experience changes in their expenditure patterns. Unlike their current settlements, residents of condominium housing complexes will be required to contribute to the cost of housing and building maintenance, including monthly management fees and utility payments. While these costs represent a new financial obligation for many households, they are associated with improved housing quality and access to reliable services such as water supply, sanitation, electricity, and waste management. Awareness programs and community orientation initiatives will be implemented to help households adapt to condominium living and financial management requirements.

3.7 Access to Urban Services and Infrastructure

The relocation process is expected to improve access to urban infrastructure and public services significantly. Current underserved settlements often lack water supply, sanitation facilities, drainage systems, and waste disposal services. The new housing complexes are designed to provide improved infrastructure, including reliable water supply systems, sanitation facilities, electricity connections, drainage networks, and organized waste management services. Access to community facilities such as open spaces, community halls, and childcare facilities will also contribute to improving the quality of life of relocated households.

3.8 Impacts on Vulnerable Groups

Certain categories of households, including female-headed households, elderly persons, persons with disabilities, and economically vulnerable families, may face greater challenges during the relocation. These groups may require additional assistance to adjust to the new housing environment and restore their livelihoods. The Project will therefore provide targeted support measures for vulnerable households, including assistance during relocation, priority consideration in housing allocation where appropriate, and access to livelihood and social support programs.

Table 3: Summary of Potential Social Impacts on Project-Affected Households

Impact Category	Positive Impacts of Resettlement	Negative / Adverse Impacts of Resettlement
Housing Conditions	Access to improved, structurally sound housing with secure tenure, better ventilation, sanitation, and utilities	Adjustment to condominium living; reduced flexibility for space use (e.g., home-based activities)
Livelihoods and Income	Opportunities for livelihood improvement through better infrastructure and urban access	Temporary disruption of income sources, particularly for proximity-based and informal livelihoods
Access to Employment	Continued access to employment opportunities within Colombo and surrounding urban areas	Possible increase in commuting time or cost for some households
Social Networks and Community Cohesion	Potential to maintain community ties if households are relocated together	Risk of disruption to existing social networks and informal support systems
Access to Urban Services	Improved access to water supply, sanitation, electricity, drainage, and waste management services	Adjustment to formal service systems and payment mechanisms

Health and Environmental Conditions	Improved living environment, reduced overcrowding, and better sanitation contributing to improved health outcomes	Initial adjustment challenges to new living conditions and environment
Vulnerable Groups	Improved housing and service access for vulnerable households	Greater difficulty in adapting to relocation and condominium living without targeted support

Overall, while the Project may create temporary social and economic adjustments for affected households during the relocation process, the long-term impacts are expected to be significantly positive. The provision of improved housing, enhanced urban services, secure tenure arrangements, and targeted livelihood support programs is expected to contribute to improved living standards and social well-being of the affected communities.

Chapter 4

4.1 Legal and Policy Framework

All activities under the proposed Project must be consistent with the laws, regulations and notifications that are relevant to the resettlement efforts. It is the responsibility of the PMU to ensure that Project activities are consistent with the legal/regulatory framework of Sri Lanka. Additionally, the Project activities must be aligned with AIIB's ESP and ESS. This section discusses the applicable national policy and regulatory framework and the AIIB standards applicable to the Project. This framework addresses the gaps to ensure conformity to AIIB's ESP/ESS while adhering to the national policies.

The current Sri Lankan laws governing matters relating to land, such as land acquisition, recovery of state lands, compensation for property losses and compensation for improvements in Sri Lanka are enshrined in a number of legislative enactments, namely but not limited to:

- A. *Land Acquisition Act No. 9 of 1950 as amended, and Land Acquisition Regulations of 2008 and 2013*
- B. *State Lands Act No. 13 of 1949*
- C. *State Lands (Recovery of Possession) Act No. 7 of 1979*
- D. *Land Development Ordinance No. 19 of 1935*
- E. *Prescription Ordinance No. 22 of 1971*
- F. *Law of Compensation for Improvements*
- G. *Land Commissioner General's Circular- 2014/02*
- H. *National Environment Act No. 47 of 1980*
- I. *Road Development Authority Act No. 73 of 1981*
- J. *Urban Development Authority Law No. 41 of 1978*
- K. *Municipal Councils Ordinance No. 29 of 1947*
- L. *Urban Development Projects (Special Provisions) Act No. 2 of 1980*
- M. *National Involuntary Resettlement Policy*
- N. *Temple and Devalagam Act*
- O. *Rent Control Act 1972 and Rent Amended Act of 2006*
- P. *Thoroughfare Ordinance*
- Q. *Crown Land Encroachment Ordinance*
- R. *Mahaweli Authority Act of 1977*
- S. *Forest Ordinance as amended and all other relevant legislations*
- T. *Tesawalamai Law*

4.1.1 Land Acquisition Act No. 9 of 1950

The Land Acquisition Act (LAA) No. 9 of 1950, together with its subsequent amendments and the Land Acquisition Regulations of 2008, provides the principal legal framework governing the acquisition of private land for public purposes in Sri Lanka. The Act establishes procedures for land acquisition, including notification of intended acquisition,

inquiries into ownership and compensation claims, valuation of affected assets, payment of compensation, and appeal procedures available to affected persons. The LAA also guarantees that no person shall be deprived of land except under the provisions established by law and provides affected persons an opportunity to be heard during the acquisition process.

The Land Acquisition Regulations of 2008 introduced several progressive provisions relating to compensation and resettlement assistance, including compensation for land at market value, valuation of structures without depreciation, compensation for business losses where documentary evidence is available, and relocation assistance. The Act also includes provisions under Section 38 (a) proviso for urgent land acquisition in special circumstances. However, land acquisition under the LAA is often time-consuming due to procedural requirements associated with ownership verification, valuation, compensation inquiries, and legal appeals.

Under the LAA, compensation for acquired land and assets is generally determined based on the market value assessed by the Government Chief Valuer. However, the compensation principles under the LAA differ from the requirements of the Asian Infrastructure Investment Bank (AIIB) Environmental and Social Standard 2 (ESS2), which requires compensation at full replacement cost, including associated transaction costs and measures necessary to restore affected persons to their pre-project living conditions. In addition, while the LAA primarily recognizes persons with legal title or recognized ownership rights, AIIB ESS2 also requires support for non-title holders, informal occupants, and vulnerable groups affected by involuntary resettlement.

The relevance of the LAA to the Support to Colombo Urban Regeneration Project (SCURP) arises from the fact that, although most of the land required for the Project is State-owned, there may be instances in which privately owned land, structures, or assets belonging to titleholders or persons with recognized ownership rights are affected. In such cases, acquisition of private land and compensation for affected assets will be carried out in accordance with the procedures established under the LAA and its regulations. To address gaps between national legislation and AIIB ESS2 requirements, the Project will additionally apply the principles of the National Involuntary Resettlement Policy (NIRP) together with the entitlements and assistance measures provided in this Resettlement Policy Framework (RPF) and its Entitlement Matrix (EM). Accordingly, affected persons, including vulnerable households and non-title holders, will receive compensation, resettlement assistance, and livelihood restoration support consistent with the principles of fair treatment and restoration of living standards.

4.1.2 Procedures for the Acquisition of Privately-Owned Land

Where the acquisition of privately-owned land becomes necessary under the Project, the process will be undertaken in accordance with the provisions and procedures stipulated in the Land Acquisition Act No. 9 of 1950 and the Land Acquisition Regulations of 2008. The process includes preliminary administrative approvals, publication of statutory notices, inquiries into ownership and compensation claims, preparation of survey plans, valuation of affected assets, payment of compensation, and appeal procedures available to affected

persons. The acquisition process may also involve court procedures in cases relating to ownership disputes, title disputes, or compensation disagreements.

The land acquisition process involves coordination among several government institutions, including the Ministry of Lands, Divisional Secretaries acting as Acquiring Officers, the Survey Department, the Valuation Department, the Government Chief Valuer, and the relevant implementing agencies. The Project Management Unit (PMU) will coordinate closely with these agencies to facilitate implementation of the acquisition process, support timely resolution of procedural issues, and assist affected persons in accessing their entitlements and grievance redress mechanisms.

Although the acquisition of private land is expected to be limited under SCURP, the Project recognizes that affected persons may face procedural difficulties in demonstrating ownership, submitting claims, or navigating administrative processes. Accordingly, the PMU and the social safeguards team, supported by RAP consultants where necessary, will assist affected persons during consultations, compensation inquiries, and documentation processes to ensure that the acquisition process is implemented in a transparent, fair, and efficient manner. The key procedural steps involved in the acquisition of privately-owned land under the LAA are summarized in Table 5 below.

Table 4: Procedures for the acquisition of privately-owned land and agencies involved

Section of LAA	Procedure / Key Activity	Responsible Agency	Minimum Period (Weeks)
Preliminary Administrative Step	Project implementing agency submits proposal requesting land acquisition for a public purpose to the Ministry of Lands	Implementing Agency / Ministry of Lands	Not fixed
Preliminary Administrative Step	Review of land requirement, project justification, and authorization to proceed with acquisition process	Ministry of Lands	Not fixed
Section 2	The Secretary of the Ministry of Lands issues a notice to the Divisional Secretary specifying the area where land is required for a public purpose and authorizes preliminary investigations	Ministry of Lands / Divisional Secretary	3
Sections 2 & 4	Preparation of Advance Tracing and Preliminary	Survey Department	Variable (typically 4–8 weeks)

	Survey Plans for the land proposed for acquisition		
Section 4(1)	Publication of notice informing the public that the land is likely to be acquired for a public purpose	Ministry of Lands	6
Sections 4(2) & 4(4)	Opportunity for landowners and occupants to submit written objections to the proposed acquisition	Ministry of Lands / Divisional Secretary	12
Section 5	Declaration published in the Government Gazette confirming that the land will be acquired for a public purpose	Minister of Lands	5
Section 7	Notice issued to persons having an interest in the land requiring submission of ownership and compensation claims	Divisional Secretary (Acquiring Officer)	6
Section 9	Inquiry into ownership and compensation claims; determination of interests and assessment of compensation	Divisional Secretary (Acquiring Officer)	8
Sections 9 & 17	Valuation of affected land, structures, and other assets for compensation determination	Valuation Department / Chief Valuer	Variable (typically 4–12 weeks)
Section 10	In cases of disputes relating to ownership, title, or compensation entitlement, matters may be referred to the District Court or Primary Court	District Court / Primary Court	Not fixed
Section 17	Acquiring Officer issues award determining compensation payable and eligible claimants	Divisional Secretary (Acquiring Officer)	5
Section 22	Persons dissatisfied with the award may appeal to	Affected Persons / Board of Review	Not fixed

	the Land Acquisition Board of Review		
Section 28	Appeals on questions of law may be made to the Court of Appeal	Court of Appeal	Not fixed
Section 31	In cases where compensation cannot be paid due to ownership disputes, title disputes, or refusal to accept payment, compensation may be deposited in court	Divisional Secretary / District Court	Not fixed
Section 29	Payment of compensation to affected persons in accordance with the award	Divisional Secretary (Acquiring Officer)	4
Section 38A	In urgent cases, a vesting order may be issued allowing the Government to take possession before completion of acquisition	Minister of Lands	6
Section 44(1)	After possession is taken, the land is formally vested in the relevant Government institution	Divisional Secretary / Implementing Agency	3

The normal land acquisition process, from the initial request to acquire land up to the taking over possession and registration of vesting certificates, is a long one. The URP PMU will need to closely follow up with the concerned authorities to see that the task is completed within the minimum time required. To facilitate the affected persons to restore their livelihoods within a shortest possible time, the payment of compensation and allowances must be affected in a lump sum prior to site possession and hand over for civil work.

Procedures for repossession of Government-owned lands

4.1.3 State Lands Act No. 13 of 1949

Section 103 of the State Lands Act No. 13 of 1949 provides that no person can by possession or user 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) after such date acquired by the crown under the LAA, or (c) after such date resumed by the crown under the Land Resumption Ordinance and has at any time prior to or after the declaration, acquisition or resumption been land marked with boundary marks by or under the authority of the Surveyor General.

4.1.4 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. Further, Section 10 stipulates that no appeal is maintainable against an order of ejectment by a Magistrate. Section 13 provides for reasonable compensation for the damage sustained by reason of his having been compelled to deliver up possession of such land.

4.1.5 Land Development Ordinance (LDO) No. 19 of 1935

Chapter VII of the Land Development Ordinance (LDO) *No. 19 of 1935* sets out the procedure for cancellation of a State land given on a permit or grant for non-compliance of the conditions of permit. Section 106 gives notice to permit holder where there has been a breach of the condition of permit. Section 109 makes provision for order cancelling permit if permit holder fails to appear. Section 110 lays down the procedure where permit holder appears and shows cause. Section 112 prescribes the order of Government Agent to be served on the permit holder and to be posted on land. S.113 provides for an appeal to the Land Commissioner.

The procedure for eviction of a person in occupation of a grant for the holding of a State land is spelt out in Chapter IX of the Land Development Ordinance. Section 168 of the LDO stipulates the offences regarding occupation of State land. It says that if any person without the permission of the Government Agent clears or breaks up for cultivation any State land or erects any building or structure on any State land, fells any trees standing on such land or otherwise encroaches on such land is guilty of an offence and subject to fine and imprisonment. Thus, the rights of a mala fide possessor are not recognized for compensation for improvement under the laws of Sri Lanka.

Notwithstanding the above provisions relating to occupation of State lands and recovery of State lands, no person affected by the project shall be evicted from his/her residence or business irrespective of his/her status without, if eligible, being provided with appropriate compensation and resettlement and rehabilitation (R&R) assistance as spelt out in the entitlement matrix provided in this framework.

4.1.6 Prescription Ordinance No 22 of 1971

Further, section 15 of the Prescription Ordinance enacts “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 immoveable 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 favour with costs.

A person who enjoys possession can be either bona fide or mala fide. A mala fide possessor is one who knows that the land is not his property and that his possession is unlawful. Most of the residents within the underserved settlements are accordingly mala fide possessors. The rights and remedies of a mala fide possessor in respect of improvements differ from that of a bona fide possessor. The general rule is that a mala fide possessor is not entitled to compensation for useful improvements. Thus, Sri Lankan laws such as the Land Development Ordinance do not recognize the right to compensation for improvements done by a mala fide possessor or occupier of a State land.

Notwithstanding these legal provisions, the entitlement matrix under this framework provides for extending appropriate resettlement and rehabilitation (R&R) assistance to the eligible residential and commercial squatters, who may be legally classified as mala fide possessors of State land.

4.1.7 Urban Development Authority Law No 41 of 1978

The principal activity of the UDA is to promote and regulate integrated planning and physical development, having regard to the amenities and services provided to the community, and to prepare development plans for such development areas. Further, it formulates and implements urban land use policies and development of environmental standards and implementation of such schemes. Part V of the Urban Development Authority Law No 41 of 1978 lays down the provisions relating to acquisition of immoveable property.

Section 15 stipulates that where the Minister certifies that any land vested in a local authority is required by the UDA, the Minister may by Order published in the Gazette vest such land in the UDA. Where land is declared as a development area, that land is deemed to be required for a public purpose and may be acquired under the Land Acquisition Act by the Government. Lands declared for a development area is paid the market value for the purpose of determining the amount of compensation (section 16 (2)).

Urban Development Projects (Special Provisions) Act No 2 of 1980 provides for the declaration of lands urgently required for carrying out urban development projects. The President may by Order published in the Gazette declare that an area of land is required for implementing an urgent urban development (section 2). Section 3 restricts the remedies available to an aggrieved party by such acquisition such as injunctions, enjoining order or a stay order to restrain the acquisition of such land. Under section 7 of the Act, the Government can take possession of such land in respect of which an Order has been made under section 2 under the provisions of the State Lands (Recovery of Possession) Act No 7 of 1979 without waiting for its acquisition under the Land Acquisition Act. This act enables the UDA to take speedy possession of privately-owned plots of land required for urban development projects and the affected persons are denied the legal rights in a court of law to restrain the acquisition procedure.

Notwithstanding the above powers of the UDA under the legal provisions cited above, no household or person affected by the project will be evicted or disturbed in any manner without receiving compensation and/or resettlement and rehabilitation (R&R) benefits as set out in the entitlement matrix provided in this framework.

4.1.8 National Involuntary Resettlement Policy (NIRP)

NIRP (2001) was approved by the Cabinet of Ministers to address the shortcomings of the LAA and treat affected persons in a fair and equitable manner. It called for a protective framework for people who are displaced due to development projects, to ensure their rights are respected and that they are not impoverished or do not suffer unduly because of public or private project implementation. Through the NIRP, the displaced people are assured of a living standard comparable to that of the time of displacement. The main principles or features of NIRP may be stated as follows:

- Involuntary resettlement should be avoided or reduced as much as possible by reviewing alternatives to the project and alternatives within the project.
- Where involuntary resettlement is unavoidable, affected people should be assisted to re-establish themselves and improve their quality of life.
- Gender equality and equity should be ensured and adhered to throughout the policy.
- Affected persons should be fully involved, at the earliest opportunity, in the selection of relocation sites, livelihood compensation, and development options.
- In cases of land loss, replacement land should be an option for compensation; where replacement land is unavailable, 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, including transaction costs, and should be paid promptly.
- Resettlement should be planned and implemented with the full participation of provincial and local authorities.
- Participatory measures should be designed and implemented to assist affected people to be economically and socially integrated into host communities.
- 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.
- Non-title holders, affected persons who do not have documented title to land should receive fair and just treatment.
- Vulnerable groups should be identified and provided with appropriate assistance to improve their living standards substantially.
- Project Executing Agencies should bear the full costs of compensation and resettlement.

The policy provides for resettlement action plans (RAPs) of varying levels of details depending on the number of people being displaced, to be published and to be made publicly available. RAPs must be prepared for any project requiring displacement of 20 or more persons. If the number of displaced is less than 20 persons, a RAP with less details is prepared. Further, it provides for the affected people to be fully involved in the selection

of relocation sites. Through this process, the affected communities are made stakeholders of the entire process.

4.1.9 AIIB Environment and Social Framework (ESF) ESS2 Involuntary Resettlement

AIIB's ESS2 on Involuntary Resettlement: ESS2 aims to avoid Involuntary Resettlement wherever possible; to minimize Involuntary Resettlement by exploring Project alternatives; where avoidance of Involuntary Resettlement is not feasible, to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-Project levels; to improve the overall socio-economic status of the displaced poor and other vulnerable groups; and to conceive and implement resettlement activities as sustainable development programs, providing sufficient resources to enable the persons displaced by the Project to share in Project benefits.

ESS 2 applies if the Project's screening process reveals that the Project would involve Involuntary Resettlement (including Involuntary Resettlement of the recent past or foreseeable future that is directly linked to the Project). Involuntary Resettlement covers physical displacement (relocation, loss of residential land or loss of shelter) and economic displacement (loss of land or access to land and natural resources; loss of assets or access to assets, income sources or means of livelihood) as a result of: (a) involuntary acquisition of land; or (b) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers such displacement whether such losses and involuntary restrictions are full or partial, permanent or temporary.

This Project will not require any major acquisition of private land except in a few cases, but largely involves the recovery of possession of State lands. Component 1 may adversely affect the assets of people occupying underserved settlements. In these circumstances, AIIB's ESP, including ESS, would become applicable.

AIIB's ESS2 states that a RPF should be prepared If (a) the Project is likely to involve Involuntary Resettlement but consists of a program or series of activities whose details are not yet identified at the time the Project is approved by the Bank, or (b) in exceptional circumstances, duly justified by the Client, the Bank determines that the environmental and social assessment of identified Project activities involving Involuntary Resettlement may be conducted using a phased approach under paragraph 50 of the ESP.

Associated Facilities: All non-AIIB funded activities that in the judgment of the AIIB are (i) directly and significantly related to the AIIB-assisted Project; (ii) necessary to achieve its objectives as set forth in the Project documents; and (iii) carried out, or planned to be carried out, contemporaneously with the Project, are subject to the applicability of this RPF. To this end, screening will be carried out during the preparation of the RAP for each such sub-project and where relevant, mitigation measures will be subsequently developed and integrated in each RAP.

4.1.10 Gaps between National Policies and Regulatory Framework and AIIB Policy and Standards

While Sri Lanka's national policies have made progress through NIRP, several gaps remain when compared to the AIIB's ESF. SCURP explicitly bridges these gaps through enhanced entitlements, structured planning, robust monitoring, and stakeholder engagement mechanisms, ensuring that all affected persons, especially vulnerable groups, are protected and supported in line with international best practices.

Table 5: Key Gaps Between National Policy Legal Framework / and AIIB Policies and Standards

Aspect	National Policy and Legal Framework (NIRP / State Land (Recovery of Possession) Act, LDO, UDA Law)	AIIB Environmental and Social Framework (ESF)	SCURP Measures to address the gaps
Compensation for informal settlers (non-title holders)	The LAA 1950 has no provision to pay compensation for non-titleholders. Under the State Land (Recovery of Possession) Act (1979) , occupants of state land without formal titles are considered unauthorized occupants and are not entitled to compensation for land or structures. However, under the NIRP , non-title holders are entitled, compensation for structures and resettlement/livelihood assistance to minimize hardships even when legal title is absent, while excluding land compensation	AIIB recognizes all Project-Affected Persons (PAPs) , including informal settlers and tenants, as eligible for compensation for loss of structures and for livelihood restoration assistance.	Under SCURP, all non-title holders and informal settlers are provided with alternative housing units , transitional allowances, and livelihood restoration assistance , fully aligning with AIIB's ESF and NIRP's intent of supporting all affected persons irrespective of the title they hold to their properties.
Livelihood restoration	Sri Lankan laws allow eviction of State land occupants but provide no livelihood restoration—only limited compensation for damages during land recovery (State Lands Act 1979), no compensation for mala fide possessors (LDO 1935), no aid for non-title holders (UDA Law 1978), and no ownership rights through long-term occupation (Prescription Ordinance 1971). The UDA Law (No. 41 of 1978) does not include	AIIB requires restoration and improvement of income and livelihood sources, particularly for displaced and vulnerable households.	A Livelihood Development Plan (LDP) has been developed as part of the RAP to restore and improve the livelihoods of affected households, prioritizing women-headed, elderly, and low-income families. Measures include skills training, microenterprise support, and employment facilitation.

Aspect	National Policy and Legal Framework (NIRP / State Land (Recovery of Possession) Act, LDO, UDA Law)	AIIB Environmental and Social Framework (ESF)	SCURP Measures to address the gaps
	provisions for livelihood restoration. Similarly, the Land Acquisition Act (LAA) does not provide livelihood restoration support. However, the Land Acquisition Regulations (2008) introduced compensation provisions for livelihoods, particularly for affected formal businesses and titleholders impacted by involuntary land acquisition. Thus, Sri Lankan laws lack structured livelihood restoration mechanisms. The NIRP recommends livelihood restoration and improvement measures for affected persons but lacks detailed implementation guidance.		
Valuation and replacement cost	National laws applicable to state land recovery (e.g., State Land Recovery Act and LDO) do not prescribe compensation for non-titleholders. The compensation under the LAA is primarily based on market value, although subsequent regulatory provisions in 2008 have sought to broaden the scope of compensation for titleholders to approximate replacement cost.	Requires compensation at full replacement cost , including transaction and transfer costs, without any depreciation.	All affected assets are valued at full replacement cost , with no deductions for depreciation. The valuation approach ensures parity with AIIB's standards and NIRP principles.

Aspect	National Policy and Legal Framework (NIRP / State Land (Recovery of Possession) Act, LDO, UDA Law)	AIIB Environmental and Social Framework (ESF)	SCURP Measures to address the gaps
Consultation and participation	The LAA does not require the project implementing agencies to undertake consultations with persons affected by land acquisitions. The UDA Law allows public consultation during the planning stages, but does not mandate project-level resettlement consultations. NIRP emphasizes consultation and participation but leaves modalities to project authorities.	Requires meaningful consultation and participation throughout project preparation, implementation, and monitoring.	SCURP ensures inclusive, meaningful and continuous consultation through household discussions, focus group discussions (FGDs), and stakeholder meetings during planning and implementation of the RAP, ensuring informed participation, decision-making, and transparency.
Grievance Redress Mechanism (GRM)	National legislation does not require a formal grievance system. Complaints are typically handled administratively through the UDA or Divisional Secretariat.	Requires an accessible, transparent, and responsive multi-tier GRM	A multi-tier GRM is established under SCURP, with defined procedures, time-bound responses, and escalation procedures. It includes confidential channels for handling GBV (Gender-Based Violence), SEA (Sexual Exploitation and Abuse), and SH (Sexual Harassment) complaints.
Monitoring and evaluation	National legislation does not include provisions for post-resettlement monitoring or evaluation.	Requires internal and external monitoring of resettlement implementation,	The RAP provides for internal monitoring by the PMU and external independent evaluation to assess RAP implementation, effectiveness of

Aspect	National Policy and Legal Framework (NIRP / State Land (Recovery of Possession) Act, LDO, UDA Law)	AIIB Environmental and Social Framework (ESF)	SCURP Measures to address the gaps
		outcomes, and disclosure of results.	livelihood restoration, and satisfaction of affected households.
Resettlement planning and documentation	National laws governing state lands (State Land Recovery Act, LDO, and UDA Law) do not require the preparation of a Resettlement Action Plan (RAP) . NIRP, however, encourages resettlement planning to mitigate adverse impacts.	Requires preparation, approval, and disclosure of comprehensive RAPs for all projects involving physical or economic displacement.	RAPs will be developed for all affected communities, outlining entitlements, compensation, resettlement assistance, livelihood measures, and monitoring arrangements prior to their resettlement.

Chapter 5

5.1 Eligibility Criteria, and Entitlements

The Support to Colombo Urban Regeneration Project (SCURP) adopts the policy framework and UDA Board of Management–approved selection criteria currently applied under the Urban Regeneration Program (URP) to determine household eligibility for housing. Accordingly, SCURP will apply the same URP policy and selection criteria to identify beneficiary families for resettlement into newly constructed housing units. The following section introduces the eligibility criteria currently adopted by the UDA and proposes a set of recommended entitlements and criteria for the Project.

5.2 Current eligibility criteria under the Project

Non-titled squatter households occupying lands that are required to be released for future development under the Project will be eligible to receive a new housing unit in accordance with UDA policy. Beneficiary households receiving a 450-550-square-foot housing unit are required to contribute towards the cost of housing through an upfront payment of LKR 350,000. This amount may be paid either as a lump sum or in installments over up to 5 years, as determined by the UDA. In addition, households will be responsible for paying monthly condominium management and maintenance charges associated with living in the new housing complexes. This contribution forms part of the housing program's cost-sharing mechanism, intended to ensure beneficiary participation while maintaining affordability for low-income households.

Commercial non-titled squatters occupying State land will receive compensation for affected structures at replacement cost and may be provided the opportunity to obtain an alternative commercial unit within the new housing complex or another designated commercial scheme on a long-term lease basis, subject to their willingness to bear the applicable lease premium and maintenance and management charges. Non-title holders will not receive compensation for the land, as the land is State-owned.

A house with a floor area of 405 - 550square feet costs approximately LKR 10 million (calculated by taking the total construction cost divided by the number of housing units) exclusive of the cost of the land and provision of the electricity, water supply and sanitation facilities. The affected households will be given legal ownership of the house but cannot sell the property for the first ten years. To safeguard the rights of women, the house will be allotted in the name of both the spouses and in the name of the wife in the event of a death of the husband. The eligible households that received houses will have to contribute to the Condominium Maintenance Fund and monthly management charges as decided by the Project. The payment shall be made in favor of the UDA and this will be kept in a separate joint account to be managed by the Condominium Management Committee for the respective buildings.

The new housing complexes will have basic facilities for the resettled households, including individual water supply, toilets and electricity, shopping and community facilities such as community hall, open space for children to play, day care centres and

common room for women, condominium office and primary schools. The facilities proposed are in line with the basic facilities required for healthy condominium living.

According to the UDA's Board of Management approved selection criteria (see annex 1) for the UDA approved selection criteria), only one housing unit (apartment) will be allocated for each affected household. However, for larger households, an Appeal committee consisting of the Additional Secretary (Development), Director General (Project), Chief Financial Officer of the relevant ministry, Sociologist (SCURP) Assistant Director (housing UDA) can determine the allocation of an additional housing unit taking into consideration the extent of the floor area, its structure (standard) and the extent of land occupied.

The following guidelines have been formulated to define an eligible household: (a) A housing unit should have a separate entry/exit door, kitchen, separate electricity meter and assessment number. Internal partitioning to separate an additional household will not be considered as a separate house; (b) If an additional family lives with the chief occupant, those additional families will not be considered as a separate family and the said additional family will not be eligible for a new house under the Project, except in the case of larger households where a special committee will determine the allocation of an additional housing unit considering the extent of the floor area, its structure and the extent of the land area occupied. Additionally, if a person or family occupies a house on rent or lease, the occupant will not be eligible for a new house.

In addition to the above conditions, the physical existence of the house and permanent occupation should be verified during the preliminary survey / census as well as during subsequent field inspections to prevent a new housing unit be allocated to people who can only demonstrate their ownership through documentation, without physical occupation. Moreover, persons who claim ownership of more than one house, even if

they are located at two different settlements, will only be eligible for one housing unit under the Project.

The following method of selection will be used for the allocation of floors and housing and/or commercial units: (a) A community that has lived as one distinct group, in one particular geographical location will be housed in one or adjoining floors depending on the number of families to be resettled. The selection of which floor to be housed in is decided through a raffle draw; (b) Housing allocation for the individual families will be carried out under a separate raffle draw within the group. Mutual transfer of housing units will be accommodated within justifiable reasoning; (c) Priority will be given to families that include people with disabilities when allocating housing units on the ground floor. The elderly and sick, however, will not be considered for ground floor units as elevators will be made available for ease of access to all floors; and (d) The allocation of areas for commercial purposes will give priority to the establishment of cooperatives/groceries (for the sale of essential goods) and service providers (such as barbers, tailors and pharmacies).

The new housing units are to be given on the basis that a portion of the total capital cost of relocation (including the cost of construction) will be recovered from the recipients of the new apartments in the following manner:

For families who can prove their ownership to a property that they occupy (by means of a condominium title deed or private title deed in their name), the UDA selection criteria proposes the following: (a) a housing unit is to be allotted free of charge as compensation for their freehold/condominium ownership for the house/land; However, (b) those families who become eligible for two houses for an existing single house, only 01 house will be allotted free of charge and the additional house would come under the existing payment scheme. In case it is necessary to accommodate other requirements of the Government/Ministry/UDA, the relevant Government agency or the recipient should reimburse the cost of such apartment units to the UDA at a rate decided by the UDA. The UDA will also allow affected families to value their affected structures and if it's worth can be proven to exceed the cost of a housing unit offered, i.e. Rs 107 million, the excess will be compensated at replacement cost.

For households that can demonstrate legal ownership of the residential property they occupy through a condominium title deed or other legally recognized ownership documents, entitlements will be determined in accordance with Clause 1.1 of the Entitlement Matrix, which addresses the permanent and full loss of private residential land and structures. Owner-occupants with legally recognized title or ownership documents will be eligible to receive cash compensation at replacement cost for the acquired land and structure in accordance with the provisions of the Land Acquisition Act No. 9 of 1950 and the Land Acquisition Regulations of 2008, with valuation determined by the Government Chief Valuer. Alternatively, where land is acquired through a negotiated settlement, compensation will be based on the market value determined by the Government Chief Valuer. Affected households may also opt to receive a new condominium housing unit, or a housing unit together with additional cash compensation commensurate with the value of the affected land and structure, in accordance with the approved Entitlement Matrix. Households receiving replacement housing units will additionally be eligible for a shifting allowance of LKR 10,000 and a payment of LKR 20,000 for obtaining an electricity connection to the new housing unit.

A housing unit will be handed over to a recipient upon receiving the upfront payments and signing the Rent Purchase Agreement with the UDA. The ownership of the housing unit will be transferred only upon full payment by the respective householders prior to receiving their apartment unit or a staggered payment over a period of 5 years. However, householders who settle the total payment before the specified timeframe will be entitled to receive a title deed to the housing unit within 6 months from the date of full payment but subject to the following condition: The ownership of the housing unit will not be transferable to a third party within a 5-year period from the date of receiving the transfer deed. This, the selection criteria note, is in order to retain the householder in the same premises without moving to another shanty in the Colombo City.

Recommended principles and guidelines for mitigating social impacts

In an attempt to improve on UDA's approved selection criteria, this framework adopts the following resettlement principles based on GoSL and AIIB policy frameworks. The principles that will guide the management and mitigation of social impacts under this Project are summarized in Table 3 below.

Table 6: Principles and Guidelines for Mitigation of Social Impacts

Principles	Guidelines
Principle 1: Minimize human displacement and resettlement wherever possible.	Land acquisition and involuntary resettlement will be avoided where feasible or minimized to the extent possible through the incorporation of social considerations into project design options. For example, in the case of any activities where land acquisition may be required, and land, house or assets may be affected, while selecting the sub- project, the Implementing Agency will explore design and site alternatives and opt for the design and site alternative involving minimum land and resettlement impacts. While the primary objective of the Project is to resettle people from underserved areas to improved housing, the principle should be to avoid or minimize impact on productive land and economic assets, shelter and cultural properties.
Principle 2: Identify all project impacts and record all losses properly.	• As soon as the site is identified for the construction of housing units, a Social Screening will be undertaken to broadly estimate the involuntary resettlement impacts. • Based on the findings of the Social Screening, if the impacts are minimal, an abbreviated Resettlement Action Plan (ARAP) will be prepared recording impacts in detail through a Census Survey. • If the Social Screening shows substantial impacts, a full RAP will be prepared, including a Social Impact Assessment (Census Survey supplemented by a Socio-Economic Survey) that will be carried out to record all the impacts in detail.

	• A detailed database of all project Affected Persons/Families will be established which will include information on the following: • landholdings; non-retrievable loss of buildings and structures to determine fair and reasonable levels of compensation and mitigation; • census information, detailing household composition and demography; and • Current income streams and livelihood of the families. • The asset inventories will be used to determine entitlements of individual families/persons; severely project affected persons/families; • The socio-economic census data will be used to monitor how the affected households are able to re-establish their shelter and livelihoods with the resettlement and rehabilitation benefits provided by the project. • All information will be entered into the database to facilitate planning, implementation, and monitoring and evaluation.
Principle 3: Plan and implement land acquisition and resettlement activities as an integral part of the Project.	• Land acquisition and involuntary resettlement activities will be an integral part of the project planning and implementation through the following steps: • Land acquisition and resettlement costs will be built into the overall project budget as an upfront cost; • The design and site layout will be prepared with social screening in order to avoid/minimize LA and IR impacts; Detail Project Report (DPR) for the sub-projects will incorporate Social Screening/SIA findings and the RAP; • An organizational framework will be established ensuring coordination of the roles and responsibilities of the social development and engineering units so that the schedules for LA and R&R and the civil works are properly linked; These arrangements should ensure that payment of compensation, resettlement are completed before site clearance; • LA process and key resettlement actions must be completed • prior to award of civil works

Principle 4: Include gender considerations into social management and resettlement planning	• Preparation of a gender strategy and action plan • Adopt a gender responsive consultation strategy and gender disaggregated data during Census and socio-economic survey; • Include the following gender considerations during resettlement planning: • Special attention to women headed households in the relocation and post resettlement process with targeted livelihood assistance; • Gender sensitive provision of civic infrastructure including sanitation, transport, furniture, and facilities for women in recreational places created as part of the project; and • Encourage women participation in management of resettlement buildings.
Principle 5: Assist the affected persons/families to restore, and ultimately to improve, their livelihoods to conditions equal or better than their earlier status.	• The project implementing agencies will take the following steps to enable the affected families to restore and improve their livelihoods through the following provisions: • Provide compensation at replacement rates for all loss and damage caused to land and assets; • Offer fair, equitable and prompt compensation and R&R assistance for the loss of assets attributable to the project including to those without title to land where such asset is established provided that their eligibility for such assistance has been confirmed with the local community; • Support to re-establish lost or damaged shelter/shop any other structure through cash and/or, alternative site and/or, building at replacement cost (which will be building alternative residential housing sites with shops and basic amenities and services to resettle the affected households and commercial units; • Offer relocation assistance including transport allowance where physical relocation is required; • Support for livelihood restoration and community development; • Offer post-resettlement programs to ensure the long-term sustainability of the housing program
Principle 6: Special support to enhance project benefits for the vulnerable households.	• Pay special attention to adverse impacts on vulnerable households (elderly, physically disabled and female-headed households without any external support) who may be vulnerable to changes brought about by project activities or excluded from its benefits. Members of these groups are often not able to make their voice heard effectively, and therefore may need special support in accessing their entitlements and getting their grievances redressed; • The Project will assess and compensate for loss of economic activities, shelter, access to welfare benefits.

Principle 7: Grievance and monitoring procedures will be in place.	• Establish grievance mechanism at the local and implementation agency levels and institute an Independent grievance panel comprising representatives from civil society; Independent monitoring agency (consultants) will be instituted to carry out periodic review of social due diligence with regard to land acquisition, resettlement and livelihood restoration. • Monitoring will involve ongoing internal and quarterly external monitoring exercises and annual quality review exercises using quantitative and qualitative methods.
Principle 8: Resettlement planning will take account of the local socio-economic development context.	• Resettlement planning will take account of: • any current/planned development scheme in the project area, including initiatives to address poverty targeted at vulnerable households; and any current/planned NGO/funding agency initiatives in the area, and try to facilitate their continuation.
Principle 9: Resettlement planning and implementation will comply with the legal and policy provisions of Sri Lanka and AIIB Environmental and Social Policy (comply with the latter in case of conflict between them)	• Resettlement planning and implementation will comply with project policies and the provisions of relevant national legislation and AIIB's ESP pertaining to: • Environmental management; • Public participation and disclosure; • Land tenure, occupation, acquisition and compensation; • Local government, development and service provision.
Principle 10: Establish mechanisms to ensure sustainable self- management of the resettlement sites.	• Adopt participatory planning of relocation process to ensure that the social networks of affected groups are not adversely affected; • Institute condominium management committees and train them in management of finances, assets and services for the resettled households; • Provide capacity building and hand holding support to the management committees of the resettled households; • Provide the basic amenities and services including day care center for children, common room for women, office for the management committee; open space, storm drainage, sanitation facilities, etc. • Where possible, re-house the people displaced due to the project in the same locality.

5.3 Recommended entitlements and eligibility criteria

Based on the above principles, this framework and the Entitlement Matrix (EM), agreed by the UDA, offers improvements on the current procedures adopted by the URP. It outlines possible types of losses that could result and the provisions for compensation and R&R benefits for the various categories of affected people. The EM will apply to all components entailing involuntary resettlement impacts, irrespective of the size and extent of impact. If, at any stage, additional resettlement impacts are identified, the RAPs may need to be updated by the PMU making provisions for mitigating such impacts with compensation and R&R benefits in line with this EM. The EM attempts to be exhaustive and has been prepared

considering all possible categories of losses and impacts based on available information. A summarized list of possible losses is shown in the table below.

Table 7. Potential losses to be incurred by households and communities

Category	Types of Losses
Losses incurred by individuals/households	
Land	• Agricultural or horticultural land (owned or occupied) • House plot (owned or occupied) • Business premises (owned or occupied)
Structures	• Complete loss of House • Partial loss of housing • Other physical structures • Structures used in commercial / manufacturing activities • Displacement from rented or occupied residential units • Displacement from rented or occupied Manufacturing unit
Income and Livelihood	• Income from rent of housing units • Income from renting other structures • Income from wage earnings • Income from economic activities
Location	• Access to employment, schools, hospitals, markets • Available income/ employment opportunities • Access to informal credit within community • Access to free or subsidized services, e.g. water, electricity
Losses incurred by the community	
Community used Land	• Land

Community and Cultural Site	• Schools, health and community centers, markets, children's parks • Shrines, other religious symbols or sites • Places of worship – church, temple, mosque • Dislocation from familiar neighborhoods • Dislocation of social / ethnic groups • Community living • NGO and other welfare support
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The EM is based on applicable Sri Lankan laws, the NIRP and has been developed to comply with AIIB's Environment and Social Policy, including the Environmental and Social Standards. The EM offers, among other things, compensation for land and structures at replacement cost (to be set off against the nominal purchase price of new housing unit), alternative housing for non-titled, squatter families in multi-story housing complexes, shops on long-term lease for displaced shop-owners, assistance for temporary loss of incomes, additional benefits for vulnerable displaced households, re-establishment of community facilities, and mitigation measures for temporary impacts. This framework provides additional guidelines for integrating social inclusion, accountability and gender considerations while planning and implementing resettlement activities.

5.4 Eligibility criteria for the Project

Any person or household (whether titled or non-titled) or community that suffers loss of access to land, shelter, structures, business, income, sources of livelihood as a result of the Project should be eligible for receiving compensation and / or R&R assistance to offset such loss, enabling restoration of living conditions to a state better or equal to the pre- Project situation. Eligibility should be determined on the basis of an impact survey carried out while preparing the RAP. Whereas the eligibility list provided in the RAP will remain the basis for providing entitlements to non-titleholders, the eligibility of titleholders will be determined through the scrutiny of title deeds or other legal documents admissible and recognized under law as valid ownership documents.

The following categories are recommended as eligible to receive entitlements:

Landowner: Owners of land with or without trees, crops or structures affixed to the land with clear title in Government records. In some exceptional cases, a person who owns land/s within the Project-affected areas regardless of proof of such ownership will also be entitled, provided that such ownership is recognized under law.

Squatters: People who have occupied land and have erected structures on it for the purpose of residence / income activities without legal title/rights are not entitled to compensation for lost land. However, if displaced, they should be entitled to R&R assistance as per this EM.

Project Affected Household: All members of a Project affected household residing under one roof, using one kitchen and operating as a single economic unit, who are adversely affected by the Project.

Vulnerable Households: Socially and economically distressed households who may suffer disproportionately due to relocation. They may include very poor, disabled, elderly and women-headed households.

Non-residential Structure Owner: Legal land owners who are not in possession of their land either because they have rented or leased out their land and property affixed to it, or such land has been taken possession of by any other person. S/he will be eligible to receive compensation and allowances for loss of income from his/her affected land and structure, but no rehabilitation assistances meant for the displaced families.

Business Owner: A person who owns or conducts a business within the Project area, the operation of which will be disrupted by the construction of the Project. S/he can be a legal owner, non-titled structure owner or tenant and will receive different compensation and R&R packages as per the EM.

Community: A community who owns or utilizes building structures and / or resources within the Project area.

Cut-off dates: The cut-off date for eligibility in the case of non-titleholders/ encroachers will be the date of the resettlement / census survey. The current practice of adopting the voter registry 5 years back from cutoff date is considered unreasonable, especially for those HHs that had moved into a site in more recent years. The cut-off date will be made public and provided in the RAP. Persons who encroach on the area after the cut-off-date will not be entitled to claim compensation or any other form of resettlement assistance. Fixed assets such as built structures or planted trees after this date should not be compensated.

Impact Measurement and Valuation: Following the finalization of design, a detailed measurement survey 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. As part of the resettlement process, a replacement cost survey (or asset valuation) will be carried out and will form the basis for determining the compensation for the affected land and/or assets. This information will then be used for determining compensation for the land and/or assets to be acquired. All acquisitions will be compensated at replacement cost (to be set off against the nominal purchase price of new housing unit) and the affected persons will be assisted to re-establish their living standards (affected shelter and incomes) to a level equal to or better than their living condition prior to the Project.

R&R Benefits for Non-Title Holders: Non-titled squatter households residing in the Project areas prior to the cut-off date will be relocated to a new housing unit in accordance with UDA policy, subject to their willingness to bear the costs associated with condominium living. Beneficiary households receiving a housing unit will be required to contribute LKR 350,000 towards the cost of the unit, which may be paid as a lump sum or in installments,

as determined by the UDA. In addition, households will be required to make a one-time contribution of LKR 50,000 to the Condominium Maintenance (sinking) Fund to support the long-term maintenance of the housing complex. Households will also be responsible for paying monthly condominium management and maintenance charges following relocation. Squatter households will be compensated for the affected structure at replacement cost and will be given the option to set this off against the nominal purchase price of the new housing unit. Similarly, commercial non-titled squatters on State lands will be given compensation at replacement cost (to be set off against the nominal purchase price of new housing unit) for their affected structure or the opportunity to obtain an alternative shop, if possible at the same housing complex or any other shopping scheme on a long-term lease basis, subject to their willingness to bear the cost of lease premium, maintenance and management charges. Non-title holders will not receive any compensation for land.

Allocation of Alternative Housing Units: The UDA will be responsible for the relocation and for the allocation of new housing units. The UDA will prepare a relocation schedule in consultation with the affected households, covering the date and time of the proposed movement, how information on the relocation will be disseminated, logistics of transportation of people and belongings, payment of transport allowances and other necessities.

Relocation should avoid breaking up communities and should ensure that the social networks linking members of the affected communities can be maintained. A Condominium Management Committee will be established for the maintenance of the condominiums with the participation of the occupants. A post resettlement support strategy will be prepared prior to the actual relocation of the affected households and will be implemented with the help of external actors, possibly including CSOs and government agencies. This strategy will involve training and support to help affected households re-establish their lives following relocation.

The following EM responds to the nature of losses incurred under this Project. The EM contemplates eligibility and payments for all possible losses and set outs the standards for compensation and R&R. As the LAA does not address all types of losses, the principles of NIRP and AIIB's ESP/ESS have been applied to address the gaps.

The Entitlement Matrix (EM) outlines the categories of losses that may arise under the Project, the eligible affected persons, and the corresponding compensation, resettlement assistance, and rehabilitation measures that will be provided. The EM has been developed in accordance with the provisions of the Land Acquisition Act No. 9 of 1950, the National Involuntary Resettlement Policy (NIRP), and the Environmental and Social Policy (ESP) and Environmental and Social Standard 2 (ESS2) of the Asian Infrastructure Investment Bank (AIIB). While the Land Acquisition Act provides the legal framework for acquiring private land and compensating titleholders, certain types of losses, such as livelihood disruption, relocation impacts, and assistance for non-titleholders, are not fully addressed under national legislation. Therefore, the principles of NIRP and AIIB ESS2 have been

applied to bridge these gaps and ensure that all affected persons receive fair compensation and appropriate resettlement assistance.

The Entitlement Matrix addresses a range of potential losses, including private land, residential structures, commercial properties, livelihood sources, and community infrastructure, as well as providing special assistance for vulnerable households. For legal titleholders losing private land, compensation will be provided at replacement cost in accordance with the Land Acquisition Act and the Land Acquisition Regulations of 2008, with valuation determined by the Government Chief Valuer. Alternatively, the Project may acquire land through negotiated settlement between the Urban Development Authority (UDA) and the affected titleholder, in which case compensation will be paid based on the replacement value determined by the Government Chief Valuer.

For owner-occupants losing residential land and structures, the Entitlement Matrix provides several options, including cash compensation at replacement cost, negotiated settlement, or relocation to a new condominium housing unit provided under the Project. In cases where relocation is provided, the affected household may receive a housing unit of approximately 450 or 550 square feet, with the possibility of additional housing units or additional cash compensation depending on the value of the affected property as determined by the Government Chief Valuer. Households opting for relocation will also receive relocation assistance, including transportation allowances and financial support for obtaining electricity connections.

The Entitlement Matrix also recognizes the rights of non-titleholders occupying residential land and structures. Although such households do not possess formal legal title to the land, they will be eligible to receive resettlement assistance under the Project. This may include the allocation of a housing unit in the condominium housing scheme together with relocation allowances or compensation for the development value of the structure, as determined by the Government Chief Valuer.

For commercial property owners, the EM provides the option of either receiving cash compensation at replacement cost for the affected land and structures or obtaining an alternative commercial unit within the new development. Non-titleholders operating businesses or kiosks will also receive assistance to restore their livelihoods, including cash grants or material assistance such as mobile vending facilities, depending on the nature of the impact.

In addition, the Entitlement Matrix includes provisions for livelihood restoration assistance for households whose income sources are affected by relocation. Affected persons may receive compensation for income loss during the relocation period, livelihood restoration grants, skills training, and support for establishing alternative income-generating activities.

The Entitlement Matrix (EM) also provides for the replacement of affected community infrastructure and common property resources, ensuring that communities continue to have access to essential facilities following relocation. Special provisions are included for

vulnerable households, including women-headed households without support (limited to legally divorced women, widows, women aged 80 years and above, and women with disabilities), elderly household heads above 80 years of age without support, household heads with disabilities, and households living below the poverty line. These households will receive additional financial assistance and targeted support measures to facilitate their adjustment and livelihood stabilization during the resettlement process.

Overall, the Entitlement Matrix provides a comprehensive framework for addressing the full range of impacts arising from land acquisition and resettlement under the Project, ensuring that affected persons receive fair compensation, resettlement assistance, and livelihood restoration support, consistent with national regulations and AIIB safeguard requirements.

5.5 Entitlement Assessment Committee (EAC)

The existing regulatory frameworks in Sri Lanka do not provide explicit provisions for determining compensation or assistance for non-land economic displacement, such as loss of income or assets experienced by tenants of state land, mobile vendors, squatters, and other informal operators affected by recovery of possession or relocation under urban development initiatives. To address this gap, the Support to Colombo Urban Regeneration Project (SCURP) Resettlement Policy Framework (RPF) provides for the establishment of an Entitlement Assessment Committee (EAC) as a dedicated institutional mechanism to assess and determine appropriate compensation and resettlement assistance for such cases.

The establishment of the Entitlement Assessment Committee (EAC) was proposed under the SCURP Resettlement Policy Framework (RPF) as part of the Project's resettlement safeguard framework and subsequently approved by the Cabinet of Ministers of the Government of Sri Lanka through Cabinet Paper No. 26/0268/809/041 dated 05 February 2026, thereby providing formal institutional legitimacy for the Committee to carry out its functions. The EAC is mandated to assess and determine appropriate compensation and assistance for project-affected persons experiencing impacts that are not fully addressed under the existing legal provisions of the Land Acquisition Act or other applicable legislation. These may include transitional or alternative housing support, assistance for loss of business structures, livelihood disruptions, and other non-land acquisition-related impacts affecting project-affected persons.

Through this mechanism, the Project ensures that affected persons who are not covered under conventional land acquisition legislation receive fair and equitable assistance in accordance with the principles of the National Involuntary Resettlement Policy (NIRP) and the AIIB Environmental and Social Standard 2 (ESS2). The EAC will be guided by the entitlement parameters and procedures set out in the SCURP RPF and its Entitlement Matrix.

For cases involving valuation of affected assets or properties, the Government Chief Valuer will determine the value of the affected property and the amount of compensation in accordance with applicable national regulations.

In addition to its assessment function, the EAC will also serve as the appellate body for entitlement-related grievances that cannot be resolved through the Project's Grievance Redress Mechanism (GRM). The Committee will review such cases and make decisions to ensure that compensation and assistance are determined in a fair, transparent, and consistent manner.

The Committee will be chaired by the Additional Secretary of the Ministry of Transport, Highways and Urban Development, and will comprise the following members:

- 1) Additional Secretary – Projects (Ministry of Transport, Highways and Urban Development (MTH&UD) Chair)
- 2) Project Director –SCURP - Member
- 3) Additional Project Director – Social, SCURP, Member
- 4) Chief Financial Officer – (Ministry of Transport, Highways and Urban Development) , Member
- 5) Representative from the Ministry of Finance, Member
- 6) Director (Housing) – Urban Regeneration Project, UDA, Member
- 7) Director – (Legal), UDA, Member
- 8) Government Chief Valuer or his/her representative, Member
- 9) Divisional Secretary of the relevant project implementation area

This Committee will function as the key decision-making body for determining compensation and resettlement assistance in cases not covered under existing legislation, ensuring that all affected persons receive fair, consistent, and transparent support in line with the principles of the SCURP RPF.

5.6 Appeal Committee

In addition to the Grievance Redress Mechanism (GRM) and the Entitlement Assessment Committee (EAC), the Project provides for the establishment of an Appeal Committee appointed by the Secretary to the Ministry of Transport, Highways and Urban Development (MTH&UD) under the directives of the Cabinet of Ministers of the Government of Sri Lanka, in accordance with the approval granted through Cabinet Paper No. 26/0268/809/041 dated 05 February 2026. The purpose of this Committee is to review and decide on appeals or exceptional cases arising in relation to additional housing allocation and related matters that cannot be fully resolved through the standard GRM procedures or the EAC. This Committee serves as an additional institutional safeguard to ensure fairness, transparency, and consistency in the implementation of additional housing allocation decisions under the Project.

The Appeal Committee will review such appeals in accordance with the approved criteria and procedures set out in the Entitlement Matrix. The Committee will assess requests for additional housing units based on established eligibility criteria, including the size and condition of the existing structure and the number of sub-families residing within the

property. A household may be considered eligible for one additional housing unit if the following criteria are satisfied:

- **Plinth Area Requirement:** The existing house must have a plinth area exceeding 750 square feet, including multi-story structures such as Ground +1 or Ground +2 buildings, where the combined floor area exceeds 750 sq. ft.
- **Quality of Construction:** The structure must be a permanent building constructed using solid and durable materials, and must include essential utility services and appurtenances such as water supply, sanitation facilities, and electricity connections.
- **The affected property must be valued by the Government's Chief Valuer to determine eligibility and compensation.**
- **Verification of Sub-Families:** The Appeal Committee appointed by the Secretary to the Ministry of Transport, Highways and Urban Development (MTH&UD) will review and verify the number of sub-families and household members residing in the property to ensure fairness and transparency in housing allocation decisions.

The Appeal Committee will be appointed by the Secretary of the Ministry of Transport, Highways and Urban Development (MTH&UD). The members of the Committee will be formally appointed prior to the relocation of affected households. The Committee will comprise the following members:

1. Additional Secretary (Development) – Ministry of Transport, Highways, Urban Development & Housing (Chairperson)
2. Director General (Projects) – Urban Development Division, Ministry of Transport, Highways, Urban Development & Housing (Member)
3. Chief Financial Officer – Ministry of Transport, Highways, Urban Development & Housing (Member)
4. Sociologist – Support to Colombo Urban Regeneration Project (Secretary)
5. Assistant Director – Housing (UDA) (Member)

Through this mechanism, the Appeal Committee will serve as a dedicated review body for housing allocation appeals, ensuring that decisions on the allocation of additional housing units are transparent, fair, and consistent.

5.7 Entitlement Matrix

The Entitlement Matrix table provides a comprehensive framework for determining the compensation and assistance strategies for all affected households. The Entitlement Matrix is designed to ensure alignment with the National Involuntary Resettlement Policy (NIRP)

and the Environmental and Social Standards 2 (ESS2) established by the Asian Infrastructure Investment Bank (AIIB) regarding Involuntary Resettlement. By clearly outlining the principles and provisions for support, the Entitlement Matrix aims to facilitate a just and equitable approach to resettlement, ensuring that the rights and needs of the affected communities are prioritized and addressed throughout the project lifecycle.

5.8 Proposed Entitlement Matrix for the SCURP

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
1. Private Land without Structures with Title					
1.1	Loss of land due to Project related activities	Legal title holders/ affected parties with land use rights recognized under the law	Cash compensation at replacement cost/market value for acquired/purchased land by UDA as determined by the Government Chief Valuer. Compensation cost will bear by the project	1.1.1 Cash compensation at replacement cost for the acquired land following the provisions in the Land Acquisition Act No.9 of 1950 and Land Acquisition Regulations of 2008 as amended. The valuation of the subject land should be determined by the Government Chief Valuer. (G.C.V) OR 1.1.2 Market value, as determined by the Government Chief Valuer (GCV), shall be applied for the land if it is purchased by the UDA through a negotiated settlement between both parties. The consideration for the relevant land should be paid by the project	
2. Private Residential Land and Structures with Title					

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
2.1	Permanent and full loss of private residential land and structure	Owner - occupants with title or other ownership documents recognized under the law	Cash compensation at replacement cost/market value for acquired/purchased land by UDA as determined by the Government Chief Valuer. Compensation cost will bear by the project .	2.1.1 Cash compensation at replacement cost for the acquired land and structure following the provisions in the Land Acquisition Act No.9 of 1950 and Land Acquisition Regulations of 2008 as amended. The valuation of the subject land should be determined by the Government Chief Valuer. (G.C.V) OR 2.1.2. Market value, as determined by the Government Chief Valuer (GCV), shall be applied for the land if it is purchased by the UDA through a negotiated settlement between both parties. The consideration for the relevant land should be paid by the project OR .	-

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
				2.1.3. A new housing unit in a condominium project with a floor area of 450 or 550 square feet and an additional housing unit or housing units will be conceded. OR 2.1.4.A new housing unit in a condominium project and additional cash compensation in commensurate with the value of the land and house as determined by the Government Chief Valuer. 2.1.5 Shifting/ Transportation allowance of LKR 10.000 (applicable only to 2.1.3 and 2.1.4) 2.1.6. Payment of LKR. 20,000 to get the electricity connection to the new housing unit (applicable only to 2.1.3 and 2.1.4)	
2.2	Permanent and full loss of private residential structure	Owner non-occupant of land and structure with	UDA will acquire purchase the land and the structure.	2.2.1 UDA will acquire purchase the land structure based on the Chief Valuer's valuation.	Transport allowance and electricity connection payments will not be

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
		title or other ownership document recognize under the law	as determined by the Government's Chief Valuer. Compensation cost will bear by the project.	Or 2.2.2. Offer a new housing unit 450 or 550 square feet and additional house or many housing units based on the property value determined by the Government Chief Valuer. 2.2.3. Transportation allowance of LKR 10000 2.2.4. Payment of Rs. 20,000 to get the electricity connection Or 2.2.5. Offer a new housing unit and additional compensation based on the property value as determined by the Government Chief Valuer. 2.2.6. Transportation allowance of LKR 10000 2.2.7. Payment for Rs. 20,000 to get the electricity connection	provided for additional houses.

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
3. Residential Land and Structures without Title					
3.1	Loss of residential land and structure	Non-titleholders of land and structure	A new housing unit in a condominium project. OR Development value of the land and structure of the occupant. as determined by the Government's Chief Valuer. Compensation cost will bear by the project.	3.1.1 A new housing unit with a floor area of 450 or 550 square feet in a condominium project with basic and common facilities 3.1.2 Shifting/Transportation allowance of LKR 10,000 3.1.3. Payment for Rs. 20,000 to get the electricity connection. OR 3.1.4. Cash compensation for the development value of the structure as determined by the Government's Chief Valuer	Households which are having more than 750 sq. ft plinth area or having Ground +1 or Ground +2 cumulating to more than 750 sq. ft in area shall be given one additional housing unit provided that: (a) such buildings are permanent constructions having all the necessary utility services and appurtenances (b) built with solid and permanent materials, and © subject to the property valuation determined by the Government's Chief Valuer Additionally, the number of subfamilies and the number of family members inhabiting such household will be

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
					reviewed and determined by through the Grievance Redress Mechanism (GRM)¹ process. . In case the owner did not agree with the compensation amount offered to him/her under 3.1.4, the Entitlement Assessment Committee (EAC) has the authority to increase the compensation amount maximum up to 10% based on the valuation of the Government Chief Valuer. The final decision will be taken by the EAC.
4. Commercial land and Structures					
4.1	Permanent and full loss of commercial property	Titleholders of commercial land and structures	An alternate commercial unit OR Cash compensation at replacement	4.1.1 A new commercial unit under the infrastructure Development project. OR 4.1.2 Cash compensation at replacement cost for the acquired	-

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
			cost/market value for the acquired/purchased property by UDA as determined by the Government's Chief Valuer. Compensation cost will bear by the project. .	land as per the provisions in the Land Acquisition Act No.9 of 1950 and Land Acquisition Regulations of 2008 as amended. the valuation of the subject land determined by the Government Chief Valuer. OR 4.1.3 Market value of the land if purchased by UDA through negotiated settlement between both parties. The Consideration for the subject land should be paid by the project	
4.2	Permanent and full loss of commercial property	Non-titleholders of commercial land and structures	An alternate commercial unit OR One-time cash grant	4.2.1 A commercial unit in same location or ground floor in new housing apartment OR 4.2.2 Cash grant to help recommence the business operations that will be calculated	-

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
				based on three months of net income of the business	
4.3	Loss of commercial kiosks	Vendors operating kiosks with or without permission	Onetime cash grant OR material assistance	4.3.1 One-time cash grant of LKR 50,000 OR 4.3.2. A mobile vending cart as replacement based on availability.	-
5. Loss of Livelihood					
5.1	Loss of livelihood due to relocation	lost income due to relocation of the beneficiaries	Cash compensation or training and skill development support	5.1.1. In the event of any income loss during the relocation period, the affected person shall be entitled to compensation for the loss of income, calculated on the basis of the net monthly income over a maximum period of six months. 5.1.2 If the affected person is unable to continue with his/her existing livelihoods after relocation and requiring to commence an alternative livelihood he/she shall be eligible to receive one-time	-

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
				livelihood restoration compensation of LKR 50,000, OR 5.1.3. A commercial space to commence a new business activity. 5.1.4. Training and skill development support, for livelihood strengthening 5.1.4. Facilitating linkages with government and other agencies providing business support services.	
6. Loss of Community Infrastructure/Common Property Resources					
6.1	Loss of common property resources	Affected communities and custodians of the common properties	Alternative facility	6.1.1 Provide alternative facility in new location with condition in according facilities in the condominium property or surrounding area.	
7. Special Assistance for Vulnerable Households					
7.1	Vulnerable households (Chief Occupant)	Chief occupant with	Vulnerable allowance	7.1.1 One-time cash grant of LKR 50,000	Physically or mentally disabled status must be

No.	Type of loss	Affected person/s	Entitlement	Details	Additional Notes
	disproportionately affected by relocation/resettlement	physical/mental disabilities Elderly persons without any support Women headed households without any support Households living below the poverty line			proven with valid medical reports. The poverty lines. (Rs. 16,397/= Department of census and statistics, report published on August 2025) Elderly people over 80 years.

¹ The grievance Redress Mechanism is consistent following 3 levels. Such as tier 1, tier 2, Tier 3, Tier 4 with Judiciary power

Chapter 6

6.1 Consultation and stakeholder engagement

This section briefly describes how stakeholder consultation should be conducted. The following steps have been agreed with the UDA and will form the consultation strategy for the Project.

Stakeholder consultation and engagement are integral to the Project's environmental and social safeguard framework. In addition to the consultation processes described in this Resettlement Policy Framework (RPF), a standalone Stakeholder Engagement Plan (SEP) has been prepared for the Project in accordance with the AIIB Environmental and Social Policy and Environmental and Social Standards. The SEP identifies key stakeholders, outlines methods for information disclosure and consultation, and establishes procedures to ensure continuous engagement with affected communities, government institutions, civil society organizations, and other relevant stakeholders throughout the Project lifecycle. The Project Management Unit (PMU) established under the Urban Development Authority (UDA) will be responsible for implementing and monitoring stakeholder engagement activities in accordance with the SEP, including organizing consultations, facilitating community participation, and ensuring that project-related information is disclosed in an accessible and timely manner to all stakeholders, particularly project-affected persons and vulnerable groups.

Stakeholder consultation is an important part of Project preparation and implementation. Consultations will ensure active participation and will reduce the potential for conflicts and minimize the risk of Project delays. Stakeholder consultations will also enable the Project to better design the R&R and livelihood restoration programs as a comprehensive development program to suit the needs and priorities of the affected households, thereby maximizing the economic and social benefits of GoSL investments. The objectives of undertaking stakeholder consultations are as follows:

- To ensure that all stakeholders, including the affected households, will be included in the planning and decision-making processes;
- To share information about the Project components and activities;
- To obtain information about the needs and priorities of all stakeholders as well as receiving feedback about their reactions to the proposed interventions;
- To ensure that stakeholders can take informed decisions on activities that will directly affect their incomes and living standards;
- To obtain the cooperation and participation of stakeholders in resettlement planning and implementation.

Stakeholders are those who have direct interest in the Project and who will be participating in the consultative process. As the initial step, it will be necessary to identify the primary and secondary stakeholders. Primary stakeholders include the affected persons, the beneficiaries of the Project, the host population of the new housing sites, and any Project

partner agencies. The secondary stakeholders are those who have an interest in the Project such as the National Government, the political authority, policy-makers, advocacy groups, NGOs and other private and public sectors which have indirect involvements with the Project.

The next step in this process will be to identify the stakeholders that will participate in the consultative process including NGOs and others who have potential to help achieve positive results in the Project. A carefully planned consultation and participation process needs to be developed, including an information dissemination strategy.

Affected persons will be fully informed of their rights and responsibilities from the very beginning to achieve transparency and understanding between the affected persons and the Project implementers. To achieve this, the information will be made accessible and understandable and should be made available in both Sinhala and Tamil. Information will also be disseminated by public media and via public notice boards, newspapers, leaflets, flyers and door to door canvassing.

Community participation can be undertaken in stages, during project identification, planning and design, and implementation. The table below highlights the key activities that needs to be carried out during community consultation and participation.

Table 8: Key activities under community consultation and participation

Project Stage	Key Activities
1. Project Identification Stage	• Identify Project stakeholders (primary and secondary) • Involve stakeholders in the consultation process • Organize information material and plans for dissemination • Organize and document public meetings • Identify needs for a social preparation program if involuntary resettlement impacts are going to be generated
2. Project Planning and Design stage	• Convene and record meetings with potential displaced persons and/or potential host population • Consider alternatives to avoid, minimize resettlement in consultation with affected persons • Involve affected persons in assessing Project impacts • Arrange affected population's inputs to entitlements, income restoration and resettlement options

	• Institutionalize a participatory framework for compensation, income restoration and resettlement • Social preparation for sensitive sub-projects • Obtain inputs from potential displaced persons, host communities, NGOs on selection and development of resettlement sites • Involve displaced persons and NGOs on developing income restoration strategies • Establish grievance procedures with representatives of affected persons • Involve potential displaced persons and NGOs in preparing the Resettlement Plan • Review Participatory Mechanisms given in the RAP. • Disclosure of the draft RAPs before their finalization in • consultation with the stakeholders and communities
3.Implementation stage	- Organize participation of the potential displaced persons for implementation of the RAP - Involve NGOs and other suitable institutions in resettlement efforts - Support from NGOs and Stakeholders / Private Sector in livelihood and income restoration efforts - Involve affected persons in decision-making committees - Ensure that grievance procedure is functional - Involve affected persons in monitoring and evaluation.

Chapter 07

7.1 Relocation of the Affected Households

The Project, in its earlier phase, had the following temporary relocation options that were used when people had to be moved to liberate the areas needed for the re-housing sites. These included (i) the provision of a monthly rental allowance for those households that wanted to temporarily self-relocate; (ii) the provision of an allowance to build their own on-site temporary accommodation in a demarcated and planned manner; and (iii) the option of being housed in UDA managed transit housing. Given that the last two options led to scores of other issues, including encroachment into the transit housing once vacated, the Project no longer continues with the above arrangements as there is now sufficient stock of newly built housing units within the Colombo metropolitan area.

As a result, the arrangements to re-house the affected households under the Project will not involve putting them in transit housing as they will move directly to permanent housing in high-rise complexes. If they so wish, these households can continue in the given housing unit or can later opt to move to their choice of housing complex once construction is completed.

Housing units are allocated for eligible families as per the approved General Policy of the UDA with suggested revisions under this framework. Once a housing unit is allocated, the UDA facilitates the electricity connection by supporting the recipient family with filling application forms and other necessary documentation including a lump-sum payment of LKR 20,000 to cover the cost of electricity connections provided by the Ceylon Electricity Board. Water supply to the housing complex is provided through a bulk connection from the National Water Supply and Drainage Board (NWS&DB). Water received through the bulk connection is then distributed within the housing complex to individual housing units through an internal distribution system, with each unit having its own meter. During the initial stage, meter reading and related management functions may be facilitated by the Property Management and Portfolio Division of the UDA. Once the Condominium Management Corporation (CMC) is established for the housing complex, these responsibilities will be transferred to the CMC in accordance with the condominium management arrangements. The UDA also takes action to forward the list of new householders to the relevant Grama Niladhari Division and Police station so that these families can be registered as official residents of the area.

The SCURP will hold an awareness raising program for all eligible families prior to handing over the keys to the new housing units. This program will inform the recipient families that they have two (02) weeks to relocate to the new housing unit. In preparation for this, the UDA will inform its Land Division to secure the property to be vacated by enclosing the land by a fence and by displaying a public notice to state that this land belongs to the UDA. Following this initial set of actions, the Land Division will take further necessary action to ensure that the land remains protected.

For the removal of ineligible families from the areas to be vacated (e.g. people that have moved to the site after the cut-off date is declared, newly established households, etc.), the UDA will usually take legal measures to evict them. However, this is seen as a last resort as the UDA has set up an Appeals Committee to hear and review all cases of ineligible families. If the Appeals Committee decides that a family deserves to be eligible for a housing unit, the UDA will respect the decision taken and follow the General Policy in allocating a new housing unit.

As the agency responsible for the relocation and allocation of the new housing units, the UDA will prepare a relocation schedule in consultation with the affected households. It will set out the date and times for the proposed movement, how information on the relocation will be disseminated, the logistics of transportation of people and belongings, payment of transport allowances and other necessities. As part of the relocation schedule, the UDA will also be required to discuss and allow time for the affected families to salvage any materials (except asbestos sheets) from their old housing but with the understanding that these may not be allowed into the new housing complex.

7.2 The housing contract, contractual conditions and ability to pay

The Transfer Agreement (see annex 2) imposes a number of conditions on the recipient of a housing unit. These conditions include the dismantling and removal of old housing, a prohibition on the sale, lease or mortgage of housing unit, or provision of false information, non-payment of water, electricity and relevant taxes on time, and the obligation to keep the housing unit and its environments clean, establish a society for the benefit of residents, to name but a few of the main conditions covered.

While all these conditions seem imposing, the fact remains that the UDA needs to reserve the right to take legal action if a recipient family does not follow rules and guidance laid down for ensuring peaceful co-existence. While this may be a necessary evil, the UDA is also recommended to follow the post-resettlement programs proposed in the next section to ensure compliance of the conditions but in a more informative manner.

Chapter 8

8.1 Post-Resettlement Programs

Construction related issues are the sole responsibility of the contractor as there is a one-year defects liability period following the handing over of the building. All defects and maintenance of the building will be the responsibility of the contractor during this one-year period. Beyond this period, the Maintenance unit established under the Project will take over responsibility for maintenance and repair.

As the relocation is limited to a 3 Km radius, disruption to educational, health and social service facilities is not envisaged. Nevertheless, on a case by case basis, the UDA has undertaken to inform the Ministry of Education on the status of the relocated family. Similarly, measures have been taken by the UDA to establish Condominium Management Corporations and programs have been held to educate the new relocatees about fire and safety and other potential hazards.

8.2 Recommended pre-resettlement programs

As participation and consultation is mandatory in the involuntary resettlement process, affected persons identified for relocation need to be consulted from the planning stage of resettlement. Under this Project, GoSL is implementing an urban housing program, which involves the construction of new housing complexes with housing units of 550 sq. ft. each in several locations in the Colombo Metropolitan area to re-house people living in selected underserved settlements.

The affected families will be resettled in these newly constructed housing complexes in Colombo and will eventually receive title deeds to the housing units. The affected households will be informed of their entitlements before they are requested to shift to resettlement sites by form of registration. Each affected household will receive an information booklet at registration in which a brief account of the Project, the type of impacts to be expected, the compensation policy and entitlements, outline of the livelihood restoration etc., and the person to be contacted for further information, are explained. The UDA will also assign officers to the resettlement sites. It is envisaged that the officers will operate from local offices located close to the sites that will be open for one or two days a week to receive people and listen to their concerns and respond to their questions.

8.3 Awareness raising programs for resettled households

There will be an influx of households in to each of the proposed housing complexes from various underserved settlements. The households may be unknown to each other and come from different ethnic, religious, cultural, political and social backgrounds. The UDA must ensure that all households be brought in, to the extent possible, from one community, considering the above differences. The new residents of a housing complex should be able to live in peace and with dignity.

The vertically developed housing units in the new housing complexes have an entirely different way of living than the ground floor living that is familiar to most of the affected underserved settlers. This will require a sustained post resettlement support that should be provided with the help of external actors, possibly including both CSOs and government agencies, to build awareness, capacity and affect a behavioral change in the lifestyle and livelihoods of the relocated families, helping them to manage their own affairs in the new high-rise environment.

As the relocated families are from underserved settlements, they may not understand high-rise living. They will enjoy certain rights by being an owner of a housing unit, but they will also share common utilities and services with their neighbors. When sharing common facilities, these residents have obligations to each other to ensure cordial relationships. Thus, to promote peaceful co-existence, the UDA (with the help of hired consultants, CSOs) will undertake programs of information, education and communication (IEC) campaigns, covering the following:

- Collective living in the new high-rise environment
- Respect for each other, communal, religious, cultural and social values
- Usage of facilities and management of the condominium
- Relations with the host communities
- “DOs” and “DON’Ts”

8.4 Livelihood restoration programs

To support sustainable income recovery and economic resilience among resettled households, the Project has developed a standalone Livelihood Development Program (LDP). The LDP provides a structured framework to assist affected households in adapting their livelihoods to the new condominium housing environment while strengthening long-term economic opportunities. The program aims not only to restore pre-resettlement income levels but also to enhance productivity, skills, and market integration for affected households.

The LDP is based on a comprehensive livelihood needs assessment carried out across the resettlement communities. The assessment identified a predominantly informal micro-enterprise economy, with a large proportion of households engaged in food preparation and sale, small retail trade, tailoring, and other home-based livelihood activities. Many of these activities rely on flexible use of residential space, proximity to neighborhood customers, and informal local markets. The transition from low-rise settlements to high-rise condominium housing introduces several structural challenges that may affect these livelihood activities. These include restrictions on certain home-based enterprises, limited space for production and storage, reduced ground-level customer access, and compliance requirements related to safety, hygiene, and condominium management regulations. These constraints may particularly affect female-managed enterprises, which constitute the majority of livelihood activities within the affected communities.

To address these challenges, the LDP adopts a business development–oriented livelihood strategy focused on adaptation, upgrading, and diversification of income sources. The program prioritizes the strengthening of existing livelihoods through technical skills upgrading, productivity improvement, business management training, and improved market access. These interventions aim to help existing enterprises adjust to condominium living conditions by promoting space-efficient production methods, improved tools and equipment, and alternative marketing approaches such as order-based production and online sales platforms.

The program also supports new livelihood and enterprise development for individuals interested in initiating income-generating activities following relocation. This component includes structured training, enterprise screening, and business planning support to guide beneficiaries toward viable and market-responsive livelihood options. In addition, the LDP provides youth employment and entrepreneurship pathways, including vocational training, apprenticeship opportunities, and structured enterprise development support to facilitate access to sustainable employment and self-employment.

Recognizing that certain livelihood activities depend on physical workspace and customer visibility, the LDP also addresses the needs of space-dependent enterprises, particularly food production and retail trade. Where feasible, the program promotes shared space facilities, designated commercial areas, community markets, and cooperative enterprise arrangements within or near resettlement sites to support continuity of such activities while ensuring compliance with condominium management requirements.

Capacity development is a central element of the LDP. Training programs covering technical skills, entrepreneurship development, financial literacy, and business management will be delivered through partnerships with vocational training institutions and relevant development agencies. The program also incorporates gender-responsive measures and youth-focused initiatives, including targeted support for women-led enterprises and a proposed youth enterprise revolving facility to improve access to startup capital.

The LDP will be implemented over a three-year period under the coordination of the Urban Development Authority (UDA) through the Project Management Unit (PMU), in collaboration with relevant government institutions, training providers, and community organizations. Overall, the program aims to ensure that the transition to condominium housing not only improves living conditions but also enables affected households to sustain, adapt, and strengthen their livelihoods within the new urban residential environment.

8.5 Institutional strengthening

To ensure proper management of the new housing complex, a Condominium Management Corporation (CMC) will be formed for each condominium as per the Apartment Ownership

Law. The objective of the CMC is to maintain and manage the condominium property. All heads of households, their spouses and the tenants of the commercial properties will be members of the CMC. The residents and tenants of each of the housing complexes, together with UDA, will contribute an initial capital that will be invested in a long-term deposit so that the income received can be utilized for the management and maintenance of the respective housing complex. The management committee of the CMC will comprise officials nominated by the representatives of the respective households and the UDA.

Small community groups have been formed within the affected settlements as part of the community mobilization process facilitated by the RAP preparation consultants, the Project Management Unit (PMU), and the Social Development Team. These groups have served as important platforms for community consultation, dissemination of project information, discussion of resettlement-related issues, and communication between residents and project authorities. The groups have also promoted inclusive participation by encouraging women, youth, and elders to engage in community discussions and local initiatives. In addition, they have supported community coordination through savings and mutual support activities, identification of community concerns, and collective action related to relocation and housing matters.

Following relocation to the condominium housing complexes, these small groups are expected to continue functioning as important community-level structures within the new residential environment. Their functions will include supporting communication between residents and the Condominium Management Corporations (CMCs), encouraging resident participation in condominium management activities, assisting in addressing minor community-level issues, promoting responsible use and maintenance of common facilities, and mobilizing residents for activities related to environmental cleanliness, social welfare, and community well-being. Representatives from these groups will form part of, or be represented within, the governance arrangements of the CMCs, thereby helping to sustain community cohesion, strengthen resident participation, and institutionalize the social support networks developed within the original settlements.

Chapter 9

9.1 Conflict resolution and grievance procedures - Grievance Redress Mechanism (GRM)

9.1.1 Introduction and Objective

1. The Grievance Redress Mechanism (GRM) forms a central component of the Environmental and Social Safeguard Framework of SCRUP, implemented by the Urban Development Authority (UDA) under the Ministry of Transport, Highways and Urban Development (MTH&UD). The mechanism provides a transparent, accessible, and time-bound system for receiving and resolving concerns or complaints raised by individuals or groups who believe they have been adversely affected by the Project's environmental or social impacts.
2. The GRM has been established in line with the Asian Infrastructure Investment Bank (AIIB) Environmental and Social Policy (ESP, 2024) and its Environmental and Social Standards (ESSs) and RPF of SCURP, which require that a suitable mechanism be in place to facilitate the resolution of grievances fairly, promptly, and without cost to the complainant. The GRM aims to strengthen accountability, minimize social risks, and promote constructive engagement between the Project and affected persons (APs).
3. The mechanism ensures that affected people, including women, vulnerable households, tenants, landowners, informal settlers, and small business operators, can seek resolution through multiple tiers of administrative and independent bodies. The system also includes referral pathways for cases related to Gender-Based Violence (GBV), Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH).

9.1.2 Scope of the GRM

The GRM covers all Project activities under SCURP and addresses grievances that may arise during the preparation, implementation, and operation stages. These include, but are not limited to:

- Eligibility or entitlement disputes related to resettlement or compensation;
- Disagreements over valuation and replacement cost of assets;
- Complaints regarding resettlement site quality, allocation, or accessibility;
- Issues concerning livelihood restoration or income loss;
- Conflicts between relocated and host communities; and
- Alleged misconduct, negligence, or non-compliance by Project staff or contractor.

The mechanism is open to all Project-Affected Persons (PAPs), regardless of gender, ethnicity, religion, age, or socio-economic status. Grievances related to contractor performance, labor issues, or construction impacts will be addressed jointly by the PMU and the contractor, with corrective actions enforced through contractual obligations.

9.1.3 Guiding Principles

The GRM will operate in accordance with the following guiding principles:

- **Transparency:** All procedures and decisions will be documented, and information on how to complain will be publicly disclosed.
- **Accessibility:** The mechanism will be simple, free of charge, and available in local languages through multiple channels (verbal, written, digital).
- **Confidentiality and Non-Retaliation:** Complainants' identities will be protected, particularly in sensitive cases such as GBV, SEA, and SH, and no retaliatory action will be tolerated.
- **Timeliness:** Defined timeframes at each tier will ensure prompt review and resolution.
- **Fairness and Accountability:** All decisions will be based on objective assessment, ensuring impartial treatment and equal opportunity for redress.
- **Inclusiveness:** Special assistance will be provided for vulnerable persons to ensure equal access to the grievance process.
- **Anonymity:** Anonymous complaints will be accepted and processed to the extent possible, particularly for sensitive issues such as SEA/SH, corruption, or misconduct.

9.1.4 Structure of the Grievance Redress Mechanism

The GRM is structured across three tiers, allowing grievances to be resolved at the lowest possible level, while providing higher-level review if needed.

Tier 1 – Grievance Redress Committee (GRC) at site level

Objective: To provide immediate and informal resolution at the community level.

Nodal Contact: An Assistant Sociologist assigned to the particular resettlement site by DPD -Social Division to coordinate resettlement activities. This person will collect information, coordinate with stakeholders, and report to the Project Director.

9.1.5 Committee Composition:

- GN officer – Chair
- Assistant Sociologist (Secretary)
- Land officer- (UDA / Divisional Secretariat – as applicable)
- Community Leaders – Member

GRM Operational Process - The grievance resolution process involves several key steps:

I. **Grievance Receipt**

Complaints can be submitted via the following channels:

- Verbal or written submission to GN Office, Divisional Secretariat, Project Office, or Site Office or using a Tier 1 Complaint Form

- Telephone hotline, SMS, email, postal letter
- Social media platforms or mobile apps (if applicable)
- Assistance is provided to illiterate or physically challenged persons in filling out the form.

Complaint forms are available at field-level project offices and can be downloaded from the URP/MTH&UD websites.

ii Grievance Registration

All grievances will be entered into a centralized **Grievance Log**, assigned a unique reference number, and acknowledged within 3 working days.

iii Verification and Assessment

The Assistant Sociologists and Field Coordinators will assess the complaint under the guidance of the Senior Sociologist to understand its nature, legitimacy, and urgency. Site visits or discussions may be conducted.

iv Resolution and Decision-making

- A written response must be issued within **15 working days**.
- If more time is required, an extension of another **15 working days** may be granted with the written consent of the complainant.
- The complainant has **10 working days** to acknowledge and respond to the decision.
- If a grievance cannot be resolved at this level within three weeks, it is escalated to **Tier 2 – Grievance Redress Committee (GRC)**
- Level 1 GRC will meet bi-weekly (or as needed) at the GN Office or an identified place by PMU

9.1.6 Tier 2 - Project-Level Grievance Redress Committee (GRC)

Objective: To handle grievances unresolved at the field level and ensure impartial review.

Nodal Contact: Additional Project Director, Project Management Unit (PMU)

Committee Composition:

- Project Director (SCURP) – Chairperson
- Deputy Director General (Planning, UDA) – Member
- Additional Project Director (Planning) – Member
- Director (Land Division, UDA) – Member
- Director (Legal Division, UDA) – Member
- Divisional Secretary (relevant area) – Member
- Sociologist / (PMU) – Secretary

Procedure:

- Complainant submits the Tier 2 Complaint Form, along with the Tier 1 form.

- PMU screens the complaint and determines whether it relates to the project.
- If not project-related, the complainant is referred to the relevant authority in writing.
- GRC may conduct site visits, consult stakeholders, and facilitate discussions.
- Decisions are to be issued within 15 working days, with a possible extension of another 15 days.
- The complainant may request reconsideration of a Tier 2 decision once, based on new evidence, before escalation to Tier 3.
- Complainant must acknowledge the response within 10 working days.

Closing the Feedback Loop

Once resolved, the complainant will be informed of the final decision and action taken. Complaints are closed only upon confirmation from the complainant or after three follow-ups.

Tier 3: Grievance Redress Committee (GRC) at the Ministry of Transport, Highways and Urban Development (MTH&UD) Level

Objective: The primary objective of Tier 3 – National level or ministry level Grievance Panel is to provide a final, impartial, and independent platform within the administrative framework for resolving grievances that could not be satisfactorily addressed at the field level (Tier 1) or by the Grievance Redress Committee at the Project level (Tier 2). This tier serves as an institutionally autonomous mechanism to review complex, sensitive, or contested grievances, particularly those involving land disputes, compensation disagreements, eligibility challenges, relocation dissatisfaction, or perceived procedural injustices. It is designed to ensure that no complainant is left without a fair hearing due to administrative delays, conflicts of interest, or institutional limitations in the earlier stages.

Nodal Person: Additional Secretary (Project), MTHUD

9.1.7 Panel Composition:

- Additional Secretary (Project), MTHUD – Chairperson
 - Project Director Secretary
 - Additional Project Director (Social)
- Representatives from:
- Ministry of Agriculture, Livestock, Land, and Irrigation
 - Ministry of Women, Child Affairs and Social Empowerment
 - Department of Valuation
 - District Secretary
 - Legal professional UDA
 - Representative from a recognized civil society organization

Procedure:

- The committee meets whenever a complaint is submitted for its review and decision-making.
- Site visits, interviews, and consultations may be undertaken as needed.

- The final decision is communicated via the PMU within **15 working days**.
- If needed, an extension of 15 days can be requested with the complainant's consent.
- The decision is considered final within the administrative process if accepted.

Special Provisions for GBV, SEA, and SH Cases

The GRM includes confidential channels and trained focal points for handling Gender-Based Violence (GBV), Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH):

- A dedicated **Gender and Safeguard Focal Point** within the PMU will receive and manage such complaints confidentially.
- No details of the survivor will be disclosed without explicit consent.
- Cases will be referred promptly to appropriate service providers and law enforcement agencies following established Referral Pathways coordinated with the Ministry of Women, Child Affairs, and Social Empowerment.
- All GRM members will receive sensitivity and survivor-centered training to ensure respectful handling of such cases.

To ensure inclusive and equitable participation, GRM committees will be established with a focus on gender balance. Efforts will be made to include women as active members of each committee, promoting their representation in decision-making and grievance handling. Special attention will be given to encouraging female representatives to participate, ensuring that the GRM process is accessible, responsive, and sensitive to the needs of all community members.

9.1.8 Right to Judicial Redress

The Grievance Redress Mechanism (GRM) developed for this project is aligned with the environmental and social safeguard requirements of the Asian Infrastructure Investment Bank (AIIB), ensuring transparency, accessibility, and fairness in addressing project-related complaints and disputes.

While the GRM is designed to provide an effective platform for resolving grievances through its three-tier system, it is acknowledged that some Affected Persons (APs) may remain dissatisfied with the outcome of the resolution process. In such cases, and in accordance with both national laws and the safeguard policies of AIIB, APs retain the fundamental right to seek redress through the formal judicial system of Sri Lanka.

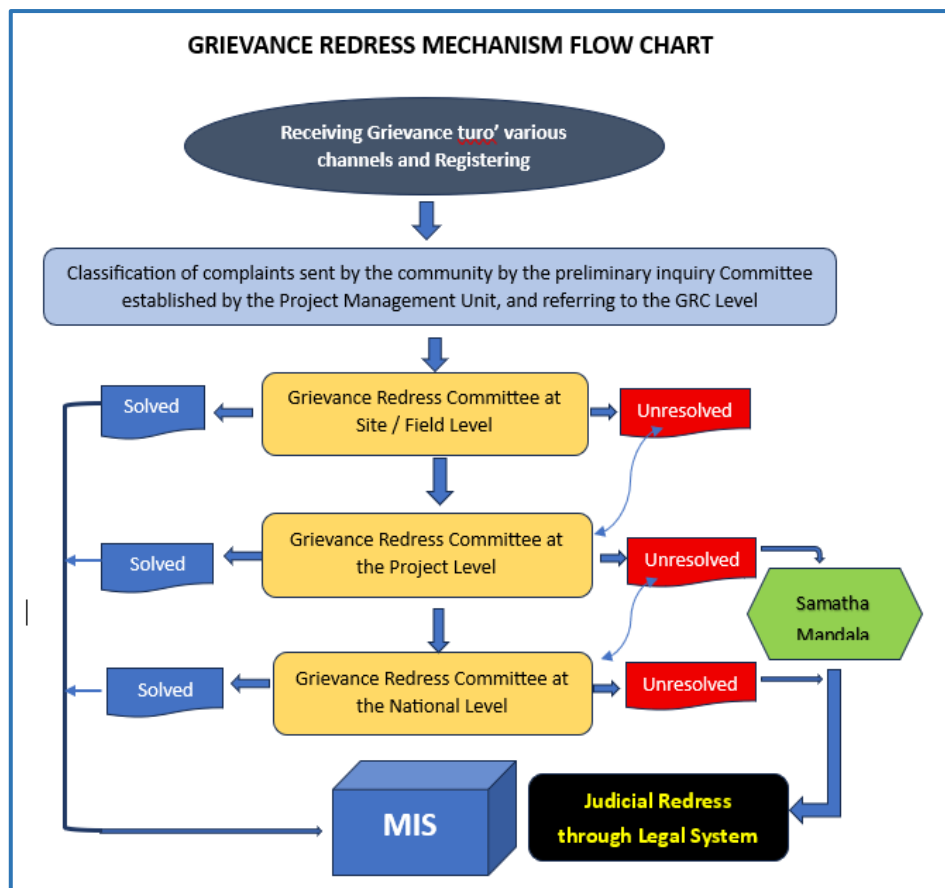
Legal Recourse Procedure:

- If an AP is not satisfied with the final outcome of the GRM, they may pursue legal redress by submitting their case to a court of law under the jurisdiction of the Sri Lankan legal framework.
- Judicial procedures will be carried out in accordance with established national laws and legal norms, ensuring due process and equal treatment.
- The verdict issued by the court shall be considered final and binding on all parties involved, including project authorities.

This provision reflects the safeguard principles of both AIIB, which uphold the rights of affected communities to access impartial and independent mechanisms of grievance resolution. The judicial option serves as a critical safeguard to ensure that APs can pursue justice through formal legal avenues when administrative grievance redress mechanisms do not result in satisfactory outcomes.

By maintaining this right, the project ensures full alignment with international best practices and demonstrates its commitment to the rule of law, human rights, and accountability

Figure 1 GRM Flow Chart



9.1.9 Additional Support Mechanisms

1. Complainants may also use the Mediation Board (Samatha Mandala) established by the Ministry of Justice. This provides an alternative, community-based dispute resolution platform with no charge to the complainant.
2. Project-affected People's Mechanism. In addition, affected persons may access the Asian Infrastructure Investment Bank's (AIIB) Project-affected People's Mechanism (PPM). The PPM provides an independent, transparent, and accessible avenue for project-affected people to raise concerns regarding environmental and social issues associated with AIIB-financed projects. People who believe they have been or are likely to be adversely affected by a failure of the Bank to implement the ESP may submit complaints

to the Bank's PPM in accordance with the Policy on the PPM, when their project-related concerns cannot be addressed satisfactorily through Project-level GRMs. The Bank requires all Clients to inform Project-affected people about the availability of the PPM. Information on the availability of the PPM is provided in an accessible and understandable manner in locally appropriate language(s), including on the Client's (or beneficiary's) Project-related website.

3. The PMU is mandated to assist in form submission and communication, ensure that no cost is imposed on these individuals during the grievance process and facilitate their access to legal or mediation services as required

9.1.10 Awareness and Communication Strategy

4. To maximize accessibility, the following awareness measures will be adopted:

- GRM procedures and contact information will be publicly displayed at:
- All construction and relocation sites
- Condominium offices
- Websites of UDA, URP, and Minister of Transport, Highways, and Urban Development
- Community orientation sessions will be organized to educate beneficiaries and stakeholders.
- GRM details will be incorporated into communication materials such as brochures, posters, and flyers.

9.1.11 Documentation and Monitoring

5. A robust documentation system is key to transparency and learning:

- **Complaint Registries:** Maintained at each tier, detailing type, status, and resolution.
- **Complaint Tracking System:** Digital tracking of each case from submission to resolution.
- **Monthly/Quarterly Reports:** Submitted by PMU to UDA and AIIB summarizing complaint trends and system performance.

9.1.12 Monitoring Indicators

6. To assess the effectiveness of the GRM, the following indicators will be tracked:

- Total number of grievances received, resolved, and pending
- Percentage resolved within defined timeframes
- Types of grievances and their frequency
- Number of grievances by vulnerable group category
- Complainants'/aggrieved persons' satisfaction levels
- Number of cases escalated beyond Tier 1

7. The Grievance Redress Mechanism (GRM) established under SCURP provides a comprehensive, transparent, and inclusive system for addressing social and environmental grievances arising from project implementation. Through its multi-tiered structure, the

GRM ensures timely, fair, and accessible resolution of complaints while safeguarding the rights of project-affected persons, particularly vulnerable groups. By integrating administrative remedies, alternative dispute resolution, and access to judicial and AIIB-level mechanisms, the GRM strengthens accountability, reduces social risks, and enhances stakeholder confidence. The effective implementation of this mechanism underscores the Project's commitment to inclusive, equitable, and sustainable urban regeneration in full alignment with the AIIB Environmental and Social Policy and national legal frameworks.

9.1.13 GRM Functioning After Establishment of Condominium Management Corporations (CMCs)

Following the relocation of households to condominium housing complexes, Condominium Management Corporations (CMCs) will be established to manage building operations, common facilities, and day-to-day maintenance of the housing complexes. The establishment and operation of CMCs will be carried out in accordance with the provisions of the Condominium Property Act No. 12 of 1970 (as amended) and the Condominium Management Authority Act No. 24 of 2003, which provide the legal framework for the management, maintenance, and administration of condominium properties in Sri Lanka. Under these Acts, a CMC is formed as the legally recognized body responsible for representing unit owners and managing the common elements and shared services within a condominium property.

The project-level GRM will continue to operate independently of the CMCs for issues related to project implementation, resettlement assistance, and safeguards obligations. However, the CMCs will play an important supporting role in facilitating communication of grievances between residents and the project authorities. Residents may initially raise concerns with their CMC representatives or community groups, who may assist in forwarding the grievance to the appropriate GRM tier if the issue relates to the Project or resettlement process.

Issues related to condominium management and maintenance, maintenance of common areas, or internal condominium governance will normally be handled by the CMC in accordance with condominium regulations. However, grievances related to resettlement commitments, housing allocation, compensation, livelihood restoration, or other safeguard obligations will continue to be handled through the Project GRM managed by the PMU and UDA.

This arrangement ensures there is no duplication or overlap in responsibilities while maintaining a clear, accessible grievance system for residents during both the resettlement phase and the post-relocation period.

Chapter 10

10.1 Institutional Arrangements for safeguards implementation

The Support to Colombo Urban Regeneration Project (SCURP) is a dedicated component of the Urban Regeneration Program under the Ministry of Transport, Highways and Urban Development (MTH&UD) and serves as the implementing agency for the Project. SCURP, through its Project Management Unit (PMU), is responsible for the overall coordination and management of environmental and social safeguard activities, stakeholder engagement, and resettlement implementation across the 15 designated settlements. The PMU coordinates with relevant government institutions, local authorities, consultants, and community organizations throughout the various stages of RAP implementation and safeguard management. While the Urban Development Authority (UDA) is responsible for housing construction, relocation logistics, and land recovery, SCURP retains overall responsibility for safeguard compliance, implementation coordination, monitoring, and reporting to AIIB. Among its core responsibilities, the PMU of SCURP oversees the overall coordination, supervision, and monitoring of the project's compliance with social safeguard requirements. These include resettlement planning, fund disbursement, coordination of RAP implementation activities, and progress reporting. The Project Director (PD) also liaises with MTH&UD and the Asian Infrastructure Investment Bank (AIIB) on all matters related to safeguards management and reporting. The PD is supported by the Additional Project Director (Social) and other Social Unit staff.

The PMU has established a dedicated Social Unit, headed by the Additional Project Director (Social), to manage and implement all safeguard-related activities across the 15 settlements. The core team of the Social Unit consists of a Senior Sociologist, along with six Assistant Sociologists. The Additional Project Director (Social) is supported by this team in implementing safeguard measures, disseminating information, facilitating communication, undertaking social mobilization and capacity building, conducting community consultations, and addressing grievances.

A team of consultants has been engaged by SCURP to provide specialized technical services, including the preparation of RAPs, social mobilization, capacity development, and livelihood enhancement activities in the 15 settlements. This consultant team comprises a Team Leader, a Resettlement Expert, a Community Development Expert, and a Livelihood Development Expert. To facilitate direct field engagement, Site Coordinators have been assigned to individual settlements, working in seamless coordination with SCURP's Social Unit to manage day-to-day social safeguards and resettlement processes.

An Independent External Monitor will be engaged by the Project to conduct periodic assessments of RAP implementation and safeguard compliance. The monitor will evaluate compensation and resettlement assistance, livelihood restoration, grievance redress, stakeholder consultation, and post-relocation living conditions. It will also ensure adherence to the Resettlement Policy Framework, RAP provisions, Government of Sri Lanka regulations, and AIIB Environmental and Social Standard 2. Findings and recommendations will be submitted to the PMU and AIIB to enhance transparency and accountability in RAP implementation.

The National Project Steering Committee (NPSC), chaired by the Secretary of MTH&UD, convenes periodically to monitor overall project implementation progress, including the management of social safeguards. The committee addresses implementation challenges and facilitates coordination with other government agencies involved in the project.

outlines the roles and responsibilities of the relevant line agencies and SCURP team involved in the preparation and implementation of the RAP, as well as the roles of and institutional mechanisms established to support RAP implementation.

Table 8: Roles, responsibilities and reporting of SCURP staff in safeguard management

Agency / Institution	Principal Roles and Responsibilities
Ministry of Transport, Highways and Urban Development (MTH&UD)	Provides overall policy direction for housing and involuntary resettlement; ensures compliance with national policy and AIIB requirements; approves Entitlement Matrix and budgets; appoints Entitlement Assessment Committees (EACs) and Grievance Redress Committees (GRCs); guides the PMU in resolving implementation-level issues.
Urban Development Authority (UDA)	Responsible for planning, design, and delivery of resettlement housing; coordinates relocation from underserved settlements; recovers state land; procures resettlement-related goods and services; monitors implementation risks and progress; supports conflict resolution during relocation.
Project Management Unit (PMU) – SCURP	Manages day-to-day project implementation; implements the resettlement process in accordance with the RPF and RAPs; coordinates RAP preparation and implementation; facilitates compensation and R&R assistance; establishes and oversees GRCs; ensures transparent housing allocation; coordinates independent external monitoring; supports long-term sustainability mechanisms such as O&M and sinking funds.
RAP Consultants	Conduct socioeconomic census and Inventory of Losses surveys; prepare and update RAPs; lead community consultations, social mobilization, capacity building, and livelihood restoration activities; establish and strengthen CMCs; support vulnerable households; maintain project databases;
Condominium Management Authority (CMA)	Facilitates registration and formalization of Condominium Management Corporations (CMCs); provides regulatory oversight and technical guidance; oversees sinking fund

Agency / Institution	Principal Roles and Responsibilities
	arrangements to ensure long-term condominium sustainability.
National Housing Development Authority (NHDA)	Resolves land, lease, and structure-related claims; addresses disputes linked to previous housing arrangements affecting resettlement eligibility.
Divisional Secretary (DS) and Line Agencies	Support entitlement verification and income certification; participate in EACs and Tier-2 GRCs; link vulnerable households to government welfare programs; facilitate skills training, employment placement, legal aid, and inclusion in local development programs.
Valuation Department	Provides independent valuation of structures, assets, and non-land acquisition -based losses; supports the determination of replacement cost in accordance with national standards and RAP requirements; advises the Entitlement Assessment Committee (EAC) during compensation assessment.
Municipal Council	Provides municipal services to resettled communities, including solid waste management, environmental health services, pest control, and public health clinics; conducts hygiene and environmental awareness programs; monitors upkeep of condominium premises and surrounding areas.
Police Department	Ensures public safety and law enforcement within resettlement sites and condominiums; supports the maintenance of violence-free and drug-free environments; facilitates community policing mechanisms such as Community (Praja) Police Committees; supports emergency response and conflict prevention.
Grama Niladhari (GN)	Assists the resettlement and land reclamation process at community level; supports affected households in obtaining administrative certifications, including income verification where required; facilitates information dissemination and coordination between households and government agencies.
Independent External Monitor	Conducts third-party monitoring of RAP implementation; assesses compliance with AIIB and GoSL frameworks; evaluates compensation delivery, grievance resolution, and livelihood restoration; recommends corrective actions.
Condominium Management Corporation (CMC)	Manages and maintains condominium assets and common facilities; administers O&M and sinking funds; supports vulnerable households through welfare mechanisms; generates income from commercial units; progressively

Agency / Institution	Principal Roles and Responsibilities
	transitions into a self-sustaining community-managed entity.
Community / Community-Based Organizations (CBOs)	Participate actively in resettlement and condominium governance; comply with agreed rules and payment obligations; support collective management, social cohesion, and safeguarding of common property; collaborate with SCURP and CMCs for transparent housing allocation and long-term sustainability.
Entitlement Assessment Committee (EAC)	Verifies Inventory of Losses; determines and approves individual compensation packages in line with the approved Entitlement Matrix; discloses compensation decisions to affected households.
Appeal Committee	In line with the directive of the Cabinet of Ministers, Appeal Committee will be constituted by the Secretary of the Ministry of Transport, Highways and Urban Development (MTH&UD) to review and adjudicate appeals submitted by affected households requesting the allocation of additional housing units beyond the standard single-unit entitlement. The Committee will ensure that such appeals are assessed in a transparent, consistent, and equitable manner, based on established eligibility criteria which are included in the entitlement matrix.
Grievance Redress Committee (GRC)	Receives, records, and resolves resettlement- and entitlement-related grievances; facilitates consultations; seeks amicable resolutions; reports grievance outcomes to the PMU.

Chapter 11

11.1 Monitoring and Evaluation

Monitoring is a continuous process during project implementation. It will provide concerned agencies with updated information on the Project's status. It will determine the Project's actual progress, its likelihood of success, any difficulties arising, and facilitate adjustments to implementation of the Project implementation as soon as possible. Monitoring consists of internal and external monitoring.

Internal Monitoring: Internal monitoring of RAP implementation is one of the main responsibilities of the PMU (with the establishment of a management information system (MIS) and support of Project consultants) and will be regularly carried out through progress reviews to be made by the PMU. The IT specialist at the PMU will be responsible for setting up a database on all affected families with the initial information taken from the resettlement survey. Subsequently, an MIS will be developed to track the affected households, from the initial surveys, through the application procedures, approval, review, signature of contracts, move to new housing, receipt of apartment and participation in post-resettlement activities (including training). These findings will be consolidated in quarterly reports that will be submitted to the UDA and AIIB. Internal monitoring reports will include, but not be limited to, the following information:

- Details of the affected HHs according to different impact types and entitlements, status of the payment of compensation, relocation and income recovery of the affected HHs;
- Fund allocation to the resettlement activities or payment of compensation and the reimbursed budget for each activity;
- Status of each household in relation to the resettlement process (survey, determination of eligibility, choice of housing scheme, allocation of housing unit, relocation, acceptance/signature of housing agreement, handover of original house, demolition of original house, participation in training courses, etc.)
- Record of all complaints redressed and any remaining complaints that require elevation to higher levels of authority;
- Issues raised during implementation;
- Implementation schedule for the updated, actual resettlement;
- Any other issues.

External Monitoring: An independent, monitoring consultancy firm will be hired by the PMU to monitor the implementation of the RAP. The consultancy can be referred to as the External Resettlement Monitor (ERM). The ERM can be a research institution/company, a non-governmental organization or an independent consultant. The ERM must have expertise in the social sciences and considerable experience in independent, benefit monitoring of RAP implementation. The hiring of the ERM should be based on a terms of reference (ToR) approved by AIIB. The external monitoring should commence work as soon as Project implementation starts.

The overall objective of external monitoring is to provide a periodic, independent evaluation of the results of implementing the resettlement programs, the changes in living standards and employment, income rehabilitation and the social basis of those relocated, the need for additional measures to minimize adverse impacts (if any), and identifying strategic lessons for making and planning policies in the future.

In addition to the evaluation of the information provided in the assessment report of the internal monitoring unit, the ERM will carry out six monthly qualitative assessment to:

- Determine if the procedures for the participation of affected people, and procedures for compensation and R&R for affected households matches the policy framework and resettlement action plan;
- Ensure the process of Project implementation, procedures for consultation and participation, and compensation policies is adhered to and is transparent;
- Evaluate whether the objectives of this policy framework of improving or at least recovering the income and living standards of affected persons are being met;
- Propose amendments, where required, during the process of implementing the RAP to achieve the principles and objectives of this policy framework;
- The level of satisfaction of affected persons on different aspects of RAP implementation will be monitored and recorded. The operation of the grievance redress mechanism and the time required to resolve a complaint may be monitored;
- During the process of implementation, trends in living standards are observed and investigated. Any potential problems in the restoration of living standards are reported;
- The ERM must submit periodic reports annually, outlining the findings of the monitoring process. This monitoring report will be discussed with PMU before submission to AIIB.

Evaluation will be carried out under the Project in the form of an assessment at a specified time on the impact of relocation and whether the objectives have been achieved. An independent, evaluation specialist (individual or firm) will be hired to assess all resettlement activities at mid-term and at Project completion.

If through the evaluation, the affected households are found not to have recovered their livelihood accordingly, and the objectives of the Project have not been achieved, the affected households may have to be supported with additional funding. The independent evaluation report should be sent to the PMU and the AIIB in order to monitor/supervise the progress and effectiveness of compensation and R&R.

The evaluation will include a socio-economic survey of around 10% of the affected households, to be conducted at the start of the project, at mid-term (ideally about six months to a year after the households have moved) and at the end of the Project. The criteria that need to be considered and evaluated should, at a minimum, include:

- The appropriate policies on compensation, R&R assistance and resettlement have been applied;

- The promulgation of information;
- The consultation of stakeholders;
- The implementation of compensation, R&R assistance and resettlement;
- The existing problems;
- Standard of living and restoration of the lives of the affected people;
- Implementation capacity;
- Claims and claim settlement;
- Comparison of entitlements and actual implementation to evaluate the degree of compliance and achievement of Project objectives.

To evaluate the performance of the entire resettlement process, a sample survey of the socio-economic profile of affected households, an assessment of the affected households and a post-assessment for the Project will need to be carried out in line with the above-mentioned criteria within 6 months to 1 year after the completion of all resettlement activities. A selected sample survey of households should be taken from the list of households in the baseline survey prior to the implementation of compensation and site clearance. This would help to compare the change in status before and after the impact of the Project. The household sample survey needs to ensure adequate representation of affected persons and must include at least 10% of households affected and 100% of households severely affected.

Chapter 12

12.1 Preparation and approval of the Resettlement Action Plans

Under the Support to Colombo Urban Regeneration Project (SCURP), 99 households from two underserved settlements have already been resettled into newly constructed condominium housing complexes under the initial phase of implementation. The resettlement was carried out in accordance with the applicable RAPs and the provisions of the original Resettlement Policy Framework (RPF).

Table 4 Households Already Resettled under SCURP

Original Settlement	New Housing Complex	No. of Households Resettled
Obesekarapura	Siyapath Sewana	38
Madampitiya	Helamuthu Sewana	61
Total		99

The remaining households and communities identified under SCURP are planned to be resettled into condominium housing complexes currently under construction or planned under the Project. A total of 4,074 households remain to be resettled under the Project implementation program.

The identified resettlement housing sites include Apple Watta Land, Colombage Mawatha, Ferguson Road Land, Stadiumgama Land, Obesekarapura (Arunodaya Mawatha) Land, and Madampitiya Road Land. The affected communities to be relocated to these housing complexes are drawn from underserved settlements located within the Colombo Metropolitan Area.

Resettlement Site	No. of Housing Units to be Constructed	Name of the Community to be Relocated
Apple Watta Land	700	Apple Watta (120 Watta), Part of Kettarama
Colombage Mawatha	624	Purwarama Janapada Land, Sanagiwatta (Narahenpita) and Samagi Watta (Kirimandala Mawatha)
Ferguson Road Land	750	Samithpura (Sammanthranapura)
Stadiumgama Land	1000	765 Watta, Bodhiraja Mawatha, Huwamaru Niwasa at Kettarama
Obesekarapura (Arunodaya Mawatha) Land	300	Obesekarapura, Arunodaya Mawatha and surrounding settlements
Madampitiya Road Land	700	361 + 95 Watta, 75 Watta, 33 Watta, 381 Watta, 391 Watta at Nagalagam Weediya
Total	4074	

Site-specific Resettlement Action Plans (RAPs) for the remaining settlements will be prepared and implemented in accordance with the provisions of this revised/updated Resettlement Policy Framework (RPF), the approved Entitlement Matrix (EM), and the requirements of the AIIB Environmental and Social Standard 2 (ESS2). The resettlement planning process will continue to be implemented in phases, aligned with the completion schedules of the housing complexes and the readiness of the respective relocation sites.

The key steps in resettlement planning are: social screening, census survey/impact assessment, consultation and disclosure of findings, preparation of resettlement instruments (abbreviated or full resettlement action plan), consultation and finalization of RAP, development of resettlement site and disclosure of the final RAP. The process starts with an assessment and categorization of impacts as discussed below.

Screening of all sub-projects for assessing their potential resettlement impacts will be carried out by the PMU during the preparation using a social screening format specifically designed for the Project. Based on the screening data on the extent of likely resettlement impacts, the sub-project safeguard requirements will be categorized as follows: (i) no resettlement impact; (ii) non-significant resettlement impact; and (iii) significant resettlement impact. Based on this social screening, Social Impact Assessments (SIAs) will

be commissioned through external consultants or carried out in-house by the Social Specialists at the PMU. Using the information gathered, RAPs will then be prepared in consultation with the affected communities. If, however, a sub-project has no adverse impact, a due diligence report (DDR) will be submitted confirming the same and also stating reasons for the same. The social DDRs and RAPs will be shared with the AIIB for review and clearance prior to the award of any civil works contracts.

The scope and details of a RAP will depend on the scale and complexity of resettlement, and the two widely used resettlement instruments are: abbreviated RAP or full RAP. However, due to the scope of resettlement issues in each site under the Project, a full RAP should be prepared for each of the six sites under the Project. The PMU and the consultant(s) hired will prepare a RAP for each of the resettlement planning phases (I, II or III above) and submit it to **MTHUD** for review and approval. The RAP will subsequently be submitted to the AIIB for review and clearance before a final approval will be issued by the **MTHUD**. The personnel responsible for this task will cooperate with the population of the selected underserved settlements, relevant Government agencies, and local civil society organizations in implementing the RAP.

Preparation of a Full RAP: When the impact involves more than 200 project affected persons and there are households losing 10% or more of their productive assets or having to be relocated, a full RAP should be prepared according to the terms and conditions of this framework, and it must be approved by **MTHUD** and cleared by the AIIB. A full RAP needs to have the following sections: Executive Summary; (1) Introduction incl. description of the Sub-project, potential impacts and objectives of RAP; (2) Land acquisition impacts; (3) Socio-economic studies; (4) Legal framework; (5) Eligibility and entitlement policy; (6) Income restoration measures (7) Resettlement arrangements; (8) Community consultation and participation; (9) Grievance redress mechanism; (10) Organizational responsibilities; (11) RAP implementation plan; (12) Implementation schedule; (13) Costs and budget; and (14) Monitoring and evaluation.

The RAP preparation requires community participation at all levels and the following procedures are recommended during the planning phase:

Step 1. Based on the preliminary design of the Project, the sub-project will be screened and categorized as one of the following types (according to the magnitude of impact): (i) no resettlement impact; (ii) Non-significant resettlement impact; and (iii) Significant resettlement impact. Both (ii) and (iii) will require a full RAP;

Step 2. Completion of the preliminary designs based on visits by the Project engineers to already existing UDA housing to understand the complexities and the kinds of issues faced in moving people from underserved settlements.

Step 3. If the proposed Project falls into (ii) and (iii) above, the PMU should undertake a SIA. The SIA should include, but not be limited to, a profile of the affected households including demographic and socio-economic details, landownership – usage, productivity

and income, types of impact and magnitude of impact. If new types of impact arise during implementation, the PMU should update both the RPF and RAP.

Step 4. In parallel with the above assessment, consultations should be undertaken to determine the affected persons' expectations and demands. The results of these consultations should be considered in preparation of the RAP. Replacement cost survey for land (if any), structures and assets on each Project site will be the foundation for estimating the costs in the RAP.

Step 5. Preparation of Resettlement Action Plan: the possible entitlements under this Project are summarized in the Entitlement Matrix under Chapter 5 of this framework. The number of Project affected persons, their assets and the total amount of compensation should be determined for each type of impact.

Step 6. Disseminate the draft RAP at community meetings and any comments received should be reviewed and considered in preparation of the final RAP.

The draft RAP should be submitted to the AIIB for review and clearance. Activities for compensation and support can only be started once the AIIB and **MTHUD** have cleared and approved the RAP, respectively. The payment of compensation, allowances and other support or assistance should be completed prior to the start of civil works under the Project.

MTHUD will be the responsible agency for approval of each sub-project RAP for each of the six sites selected for investment under the Project. Following the release of the number of Project affected families, compensation for all types of impacts, and levels of allowance or support will be reviewed and updated according to the results of the replacement cost survey. Following AIIB's clearance of the RAP, **MTHUD** will take overall responsibility for the implementation of the RAP.

Following clearance and approval of the RAP by the AIIB and **MTHUD** respectively, the contents of the RAP should be summarized, translated into both Sinhala and Tamil and disclosed to the identified underserved settlers for their information. A copy of the translated RAP should be kept at all six sites so that the affected persons can easily access the information contained in the RAP. The final RAP should also be publicly available and disclosed.

Chapter 13

13.1 Implementation Schedule

As part of the resettlement activities undertaken 99 households from the Obesekarapura (38 households) and Madampitiya (61 households) settlements were relocated to newly constructed housing complexes. The remaining resettlement activities under SCURP will be implemented in phases, linked to the completion of housing construction under Component 1. The remaining underserved settlements identified under the Project will be resettled upon completion of the planned condominium housing complexes. Site-specific Resettlement Action Plans (RAPs) for the remaining communities will be prepared and implemented in accordance with the provisions of this revised/updated RPF, the approved Entitlement Matrix (EM), and the requirements of AIIB Environmental and Social Standard 2 (ESS2).

For each sub-project, resettlement implementation schedules will be closely coordinated with construction schedules to ensure that compensation, relocation, and livelihood restoration activities are completed prior to the commencement of civil works. No individual or household will be physically displaced due to Project activities until compensation has been paid in full and replacement housing or other agreed resettlement assistance has been provided. Demolition of affected structures will only be carried out after relocation of affected households and completion of the required preparatory activities for construction. Accordingly, the resettlement implementation schedule will ensure that affected households:

- are adequately consulted regarding the Project, its impacts, and their entitlements;
- receive compensation and resettlement assistance promptly;
- are provided with adequate time and support for relocation; and
- receive assistance for restoration of livelihoods and living conditions.

Where temporary relocation arrangements are necessary, affected households will be consulted regarding available relocation options, including rental assistance or temporary self-relocation arrangements until permanent housing units are ready for occupation. Relocation to newly constructed housing complexes will occur only after the housing units and associated infrastructure are completed and suitable for habitation.

To facilitate the implementation of resettlement activities in coordination with construction schedules, the PMU will prepare detailed implementation plans and monitoring schedules for each RAP, including:

- dates for commencement and completion of civil works;
- schedules for handover of completed housing units to affected households;
- timelines for payment of compensation and resettlement assistance; and
- dates for handover of vacated land required for Project activities.

Chapter 14

14.1 Resettlement Budget

All RAP preparation and implementation costs, including the cost of compensation and administration, will be considered an integral part of Project cost and will be contributed as a counterpart fund by the Sri Lankan Government. As this is primarily a resettlement Project, the main cost is the US\$220M to finance the construction of housing for approximately 4,500 families under Component 1. Each RAP will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all compensation expenses including administrative costs and contingencies.

The budgets will give itemized amounts for the different categories of compensation and allowances, post resettlement strategies, provision for inflation, administrative costs, estimated implementing costs, and any contingencies. Once the budgets for the respective sub-projects are finalized, they will be subject to review by the AIIB and approval by **MTHUD**. Table 7 shows an indicative outline of a RAP budget.

Table 10. Indicative outline of a RAP budget

Budget Item	Description	Units	Unit Cost (LKR)	Months/Qty	Total (LKR)
Compensation for land loss					
Income Loss Compensation					
Livelihood Restoration Training					
Transport Allowance					
Vulnerable Household Support					
Electricity Connection					
Grievance management					
External Monitoring					
Subtotal					
Contingency (10%)					
Total Budget					

Annexures

UDA Board of Management Approved Selection Criteria BOM meeting No: 14/2017 on 25.07.2017

General Policy - Selection Criteria for allocation of housing units constructed under Urban Regeneration Project (URP)

Introduction

Taking into considerations of the objectives of the Government which is to provide affordable housing for under privilege city dwellers who needs government intervention/assistance /subsidy a Cabinet decision taken on 02/10/ 2012 states that the Project is meant for the families living in underserved settlements in the city of Colombo and the UDA should allocate the housing units to recipients without the recovery of the value of the land at the time of allotment of the relevant housing units to them.

In this context, the major share of the UDA cost is to be recovered through alienation of the liberated lands from prospective investors and minimum affordable amount to be recovered from the beneficiary families.

1. **Eligibility** Families who are occupying in lands identified to be liberated for future developments under URP and families who lives in UDA Transit Camps or on rent as a result of early recovery of lands by UDA will become eligible for a new housing unit under this scheme.

2. **General Criteria for Selection**

2.1 The beneficiary should have been registered as an eligible voter in the year 2009 vote register in the given address. However, if the beneficiary have not registered in the 2009 vote register, registration in year 2008/2010 vote register could be considered for special cases.

2.2 The beneficiary should have participated/included in the preliminary survey conducted by the UDA.

2.3 As a policy only one house will be allocated for each household when allocating from the existing place. However, for larger households the following special Committee can determine to allocate an additional housing unit considering the extent of the floor area of the house, its structure (standard) and extent of the land occupied.

Project Director URP
Director Land (or DD Land nominated by the Director Land)
Director Legal (or Legal officer nominated by the Director Legal)

2.4 Following guidelines will be adopted to define a one household for eligibility.

(1) A housing unit should have a separate entry/exit door, kitchen, separate electricity meter, and house number (assessment number). Internal partitioning made to separate an additional household will not be considered as a separate house.

(2) If an additional family (those who have been registered as a separate family in the Voter Registrar) lives with the chief occupant, those additional family/ families will not be considered as a separate family and the said additional family will not be eligible for a new house under this scheme.

(3) Each and every member resides in a house is not entitled for a new housing unit under this scheme.

2.5 If anyone occupies in a house, (situated on a land which is identified to be liberated) on rent or lease which is owned by another person, the present occupier will not be entitled for a new house.

2.6 If a person occupies a place which is being used only for commercial purposes he/she could be considered for a new house upon their request as an alternative arrangement. In such an event he/she will not be entitled for an alternative commercial unit afterwards.

URBAN DEVELOPMENT AUTHORITY
Urban Resurgent Project – Colombo City

“ ” Housing Project
Installment Transfer Agreement

Urban Development Authority, having established its general in 6 and 7 stories in Sethsiripaya Kotte in Sri Jayawardanapura Kotte, Battaramulla, in Accordance as amended by Urban Development Authority Act made in 1978 by No. 41 as one party including subtitles and agents, Make this Agreement with.....of National Identity No..... (Hereafter mentioned as

“Second Party”... and his/her heirs executors and Administrators. The main aim of the aforesaid first party Urban Development Authority, is making plans for declared areas to develop them in amalgamation economically in addition to this in carrying out development projects, and housing development works. urban development authority gives a prominent place for development of the city and housing development projects.

To achieve those aims and objects the Urban Development Authority the said first party having obtained the approval of the Ministers at the meeting for AMP/14/0259/503/029 on 28th February 2014.

The Urban Development Authority have launched a housing project of Apartments (Hereafter known as Housing project) for residents to be resettled with less facilities with housing units. Hence, in the said housing unit No..... (in future mentioned as “Housing Unit”) described fully housing and with right to use public facilities and to grant to second party and carry out the operations systematically and to have the transfer and possession accurately subject to conditions from.....day.....month.....year, the two parties have signed this instrument.

The conditions and limits are as follows;

1. The first party grants to second party.....in housing project House No:.....worth about Rupees Seventy (70) Lakhs for all residents of No... who had been living in the house mentioned. Hence, after taking in charge of the keys of the house mentioned about within seven days the house where the second party had been living should be dismantled and removed and should hand over the land to the first party and keep the land as a peaceful area with no encumbrances. At no time should the second party ask for compensation from the first party and agrees after seven days at any time when they refuse to vacate the former housing unit the second party have agreed and accepted that the first party have power

to cut water supply and other facilities and have power to get other facilities and have power to get back everything to the first party use.

2. Although the second party has no legal rights, taken into consideration of the period of living without obtaining the full value of the new housing unit its name value, taken into consideration as twelve lakhs (Rs. 1,200,000.00) to be obtained as installments from the second party. Accordingly, its monthly installment will be three thousand rupees and number of months is 400. The second party agrees to pay installments before 28th of each month. According to abilities. If the second party pay rupees twelve lakhs (Full amount) (Rs. 1,200,000.00) as one payment the transfer deed for the new housing unit will be granted according to priority.

3. This agreement with amendments with No. 41 in year 1978 is subject to conditions of housing ordinance assistant authority ordinance and during the period when this agreement is continuing if the second party has leased a part of the housing unit, mortgaged, renting, transfer or making the ownership to any others or agree with any others party is completely forbidden.

4. As mentioned according to above No. 03 if housing unit is sold, leased, rented, mortgaged or making possessed by others by any other means held and occupied the occupation of this housing unit legally will own by the first party. This installment agreement will be cancelled if such a thing has happened, considering it as a violation of the agreement, the second party agree that the first party has the power to get an order to expel the second party with the ordinance of acquiring State lands. Until the eviction order is obtained legally in the said housing unit water and other facilities will be stopped.

5. The second party will be given the housing unit solely based on the information given by the second party. If it is found that the information given by the second party is incorrect and false, the first party has legal power to make the agreement null and void from the time of revelation, from that date the ownership to housing unit will be nullified to the second party. The first party has power to cancel the ownership of the second party and the second party has agreed.

6. The second party should use the housing unit only for purpose of living. It is completely forbidden to use the housing unit for any other purpose (Selling of liquor, narcotics, trade or manufacturing, betting or any other illegal activity).

When it is informed as water bill, within ten days of receiving the bill, the second party has agreed and accepted to pay, according to number of units of the meter to the first party. If the first party has not been paid for two consecutive months, and if in the third month if the second party has not paid all the arrears before the due date of payment the first party has the power to cut the supply of water and the second party has agreed.

7. The second party has agreed and accepted that if it is found that the supply of tap water has been misused or supplying or selling water supplied to any other person or disturbing supply of water to others of the second party or increasing pressure the first party has the power to cut off water supply.
8. The second party has to pay monthly the electricity bills relevant to the housing unit and if it has neglected payment or if electricity has been cut off for any other reason, It is forbidden to get electricity from public electric connections.
9. Relevant to housing unit the second party agree to pay direct to the relevant institution, the state, Provincial council, the premises tax and other payments.
10. The second party should keep the housing unit clean and maintain it hygienically. The second party has to co-operate to maintain a public system removing garbage. The second party has agreed to above the second party should be personally responsible for any case filed.
11. The second party is bound to keep garbage in separate containers until the workers remove them.
12. It is forbidden to power spices, Paddy, rice or allowing it or running other machines so as to disturb people living above or under floors.
13. The second party accept and agree that firewood should not be used in cooking or open hearth should not be used fanning for fire for housing units and cooking can be done by using kerosene gas or electricity and use a suitable instrument the second party should be personally responsible for any sudden fire that happen in a housing unit and second party accept and agree that the first party is free of any responsibility.
14. The second party accept and agree that the second party should not make any structures permanently or temporarily to public spaces of housing units. If any unnecessary structures have been built and the first party order to dismantle it and the second party does not remove the structures making no compensation and to get back the expenses incurred by the first party to dismantle and remove structures. For this the second party agree and accept.
15. The second party should not make any physical alteration of housing unit and if there is any change necessary it should be informed to the first party and get the approval in writing. And with the approval given by the first party and with their guidance the second party agree and the outside walls of the housing complex should appear equal and this is a public necessity and the second party should not use different colors for each housing unit

16. The second party accept and agree that if it is disclosed that the second party has done damage to the housing unit purposely or accidentally or to electric running steps or any other instrument of the housing unit the second party has to bear the complete damages.

17. The two parties accept that common entrances of the building, car parks, steps, places electric lamps and all property of the premises belong to the first party and as they are public places for the use of all residents and the second party agree to protect them and not to block the entrances.

18. It is forbidden to park vehicles to block between housing units or trade so as to disturb daily routine of residents or repairing vehicles or do any other business or blocking keeping status of any religion or possessing any part or building such places.

19. The second party should not at any and at any time block the corridor or other instrument or keep for use privately or claim ownership or if such thing happen the first party has power to eject such encroachers the second party accept and agree to it.

20. The second party should not remove implements to be used to extinguish a sudden fire. They should neither remove pipes, buckets or taps. If such a thing happens the first party has power to take legal actions against the second party.

21. The Second party should not do damage to pipes and tanks which are used for supplying water to housing units and the second party should not trespass to water tanks kept in higher stories.

22. From the time the second party has been given permission to live in housing units, they should form a society for the benefit of the residents and with the consent of the majority of residents they should select aboard of officers for resolving the following likely issues: .

22.1 It is forbidden to spit out betel chew on steps to housing units, electric lifts, urinating, throwing litter or throw waste or any others on to stories down or to any other place.

22.2 It is forbidden to make any noise when travelling in the corridor in day or night disturbing residents, do damage to electrical items and doors and windows of other houses.

22.3 It is forbidden to use TV or Radio or any other instrument so as to disturb residents of the housing units.

23. The second party has accepted and agreed that the prime responsibility of all residents is not to do any damage to lifts or travelling in the lifts they should not sexually abuse any others physically or mentally or if any family member of a family do harm to

majority of residents and if proved guilty, the first party has power to remove all residents of a housing unit and transfer to any other housing scheme.

24. All residents of the housing project have freedom to believe any religious activities so as not to disturb others holding functions disturbing others and the second party agree not to use loudspeakers making big noise.

25. Nobody should be playing, cycling, parking vehicles, having parties, etc. so as to disturb residents. The second party has accepted and agreed not to behave in corridors so as to disturb the residents of each story.

26. The second party has accepted and agreed that the first party has power to take decisions until a condominium management committee is formed to maintain common reservation and public property the membership of it is given to all members compulsorily for the maintenance and management of public property, a capital will be formed. The second party has agreed to pay the monthly maintenance fee regularly to the management committee.

27. The second party agree with the first party that on the basis of a certain reason the second party should allow first party to supervise the housing unit at any time to the first party or to an agent authorized after proving his identity.

28. The second party agree to transfer back to the first party to have this agreement cancelled and empty the housing unit and getting back its ownership legally on the following grounds.

- i. To break any clause of the agreement or all clauses.
- ii. Non-payment of monthly installment for more than three months.
- iii. For getting the housing unit after forwarding false information.
- iv. Non-payment of water bill for more than three months.
- v. The second party agree that in the event of informing the resident for emptying the housing unit and handing over to the first party and if three months have passed after warning and if the resident has failed. The second party accept and agree that the first party has power to cancel all the claims for owner ship after pre- written information before 14 days.

29. After receiving certificates of Co-Authority by first party from the management authority and after the second party has paid twelve lakhs (Rs. 1,200,000.00) fully the second party is given the full ownership of the housing unit on conditions, with a transfer deed. The expenses for stamps of the deed, chargers for notary and legal fees to be borne by the second party. The second party agrees for this. (This should be decided according to law of decoy) when there is a last will it will be decided according to it. When there is a

problem of not having a last will and if a dispute arises, the verdict given by the judiciary about the title is accepted as final and the two parties accept it and agree as final.

30. For national and timely necessities for the project and for the benefit of the project if any new clause is to be added during the limited period of this agreement or to make any amendments of this agreement and come to a new agreement, that power remains completely with the first party. The second party accepted this agree to it.

As witness for the first party, the Chairman of Urban Development Authority and Director General, and for the second party for this instrument and two letters with the same date Urban Development Authority Signed on day..... month in 2018.

The aforeaid Schedule

Urban Development Authority for the first party,

.....
Chairman
Urban Development Authority

.....
Director General
Urban Development Authority

Witness :-

1.....
Signature

Name :-.....
Post :-.....

2.....
Signature

Name :-.....
Post :-.....

The Second Party

.....
Signature

Name :-

.....
Address :-

N.I.C.No :-

Witness :-

1..... Signature 2..... Signature

Name :-..... Name :-.....

Address :-..... Address :-.....

N.I.C.No :-..... N.I.C.No:-.....

Annex-3

1) Tier 1 Complaint Form (Community/Field Level)

Grievance Registration Form

Project:

Date Received:

Complaint Reference No.:

Name (or Anonymous ID)	.....
Gender	☐ Male ☐ Female ☐ Prefer not to say
Address / Location	.....
Contact Number / Email	.....
Are you a Project-Affected Person (PAP)?	☐ Yes ☐ No ☐ Not sure
Is this complaint related to GBV/SEA/SH?	☐ Yes* ☐ No ☐ Prefer not to disclose

*If “Yes”, the form will be immediately referred to the trained GBV Focal Point for confidential handling and referral to appropriate services. Do not record identifiable details here.

Nature of Complaint

Type of Issue	☐ Land/Asset ☐ Construction ☐ Employment ☐ Livelihood ☐ Environment ☐ Social Conflict ☐ GBV/SEA/SH ☐ Other
Description of the complaint	..... .....
Location / Date of issue	..... .....

Actions Taken (Tier 1 GRC)

Date received by Tier 1 GRC	.....
Name of officer receiving	.....
Initial review completed on	.....
Immediate action taken (if any)	.....
Proposed resolution / next steps	.....
Feedback provided to complainant	.....

2) Tier 2 Complaint Form (Project-Level GRC)

Escalated Grievance Form

Complaint Reference No. (from Tier 1):

Date of Submission to Tier 2:

Name / ID	.....
Address / Contact	.....
Handled at Tier 1?	☐ Yes ☐ No
Tier 1 Decision Date	.....
Satisfied with Tier 1 Response?	☐ Yes ☐ No

GRC Review and Decision

Date received	.....
Review meeting date	.....
Decision / Recommendation	.....
Responsible party for follow-up	.....
Time frame for resolution	.....
Communicated to complainant on	.....

3) Tier 3 Appeal Form (Project Director / AIIB-Level Referral)

Final Appeal Submission

Complaint Reference No.:

Date Submitted to Tier 3:

Name / ID	.....
Have you submitted this complaint at lower tiers?	☐ Yes ☐ No
Copies of previous responses attached?	☐ Attached ☐ Not available

Tier 3 Review and Decision

Date received	.....
Review conducted by	.....
Decision / Resolution	.....
Communicated to complainant on	.....

Note: If dissatisfied after Tier 3, the complainant may contact AIIB's Project-Affected People's Mechanism (PPM) at ppm@aiib.org or visit <https://www.aiib.org/en/policies-strategies/download/project-affected/ppm-2024.pdf>

4) Grievance Register Format

#	D a t e R e c e i v e d	C o m p l a i n t R e f · N o	C o m p l a i n a n t (I D / A n o n)	N a t u r e o f C o m p l a i n t	L o c a t i o n	C a t e g o r y	T i e r	A c t i o n s T a k e n	S t a t u s	R e s o l u t i o n D a t e	R e m a r k s

Note: For GBV/SEA/SH complaints, only coded data should be entered. The GRM Secretary must update this register monthly and report to the Project Director and M&E Unit.