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E2208

Sri Lanka Sustainable Tourism Development Project

Social Management Framework (SMF)

Sri Lanka Tourism Development Authority
Ministry of Tourism, Sri Lanka
July 12, 2009

List of Contents

	Page
List of Tables	iv
List of Maps	iv
Abbreviations Used in this Report	v
Executive Summary	1
1.0 Introduction and Background	3
1.1 Objectives of this Report	3
1.2 Components of the Project	4
1.2.1 Component 1	4
1.2.2 Component 2	4
1.2.3 Component 3	5
1.3 Sustainable Tourism and Sri Lanka	6
1.4 World Bank Safeguard Policies	6
1.5 Identification of Project Clusters	7
1.6 Socio-geographical Profile of Proposed Tourism Clusters	9
1.6.1 Trincomalee/ Nilaveli	9
1.6.2 Arugam Bay	10
1.6.3 Passikudah/ Kalkudah	10
1.6.4 Kalpitiya	11
1.7 Profile of Local Communities in TDAs	12
1.8 Nature of Land Tenure in the TZs	13
2.0 Potential Impacts of the Project Components and Mitigation Strategies	14
2.1 Impacts of Component 1	14
2.1.1 Issues arising due to devolution of authority	14
2.1.2 Issuing of licenses and approvals	14
2.1.3 Listing of products on the Sri Lanka Tourism Promotion Bureau (SLTPB) booking website	15
2.1.4 Public Private Partnership (PPP) Model	15
2.2 Mitigating Strategy and Guidelines	15
2.2.1 Improve awareness and transparency	15
2.2.2 Training and capacity building	16
2.3 Impacts of Component 2: Primary Issues	16
2.3.1 Zoning	16
2.3.2 Land Use Plans	17
2.4 Impacts of zoning and land use plans	18
2.4.1 Increase in land prices	18
2.4.2 Uninformed land transactions	18
2.4.3 Restriction of livelihoods	18
2.4.4 Pressure on resources	19
2.4.5 IDP claims on land ownership in the tourism zones	19
2.5 Mitigating Strategy and Guidelines	19
2.5.1 Consultations with stakeholders	19
2.5.2 Identify issues through community participation	20
2.5.3 Work with local government on mitigating measures	20
2.5.4 Communication and awareness activities	21
2.5.5 Provide support for those with changes in livelihoods	21
2.5.6 Establish a Grievance Redress Committee (GRC)	21
2.5.7 Social Impact Assessments (SIAs)	22
2.6 Investment in tourism in the project areas	22

2.7 Mitigating Strategy and Guidelines 23
2.7.1 Identify and work with Micro, Small and Medium Enterprises (MSMEs) that can supply the tourism cluster 23
2.7.2 Provide skills training to local people to find employment in the tourism sector 23
2.7.3 Hire an NGO to work with local communities 24
2.7.4 Encourage the purchase of local products and services for sub-projects 24
2.7.5 Communication and awareness 24
2.8 Cultural Impacts 24
2.8.1 Tourists may not be aware of local customs and traditions 24
2.8.2 Harassment of tourists 24
2.8.3 Sexual and other risks of tourism 25
2.9 Mitigating Strategy and Guidelines 25
2.9.1 Communication and awareness 25
2.9.2 Coordinate with other organizations undertaking related activities 26
3.0 Impacts of Component 2: The Secondary Issues 26
3.1 Land- related issues 26
3.1.1 No involuntary land acquisition 26
3.2 Mitigating Strategy and Guidelines 27
3.3 Development of cultural sites 28
3.3.1 Promotion of cultural sites 28
3.3.2 Selection of cultural sites 28
3.4 Mitigating Strategy and Guidelines 28
3.4.1 Communication and awareness campaigns 28
3.4.2 Training and employment for local community 29
3.4.3 Obtain consensus on site selection for sub projects 29
3.4.4 Develop cultural sites in line with internationally recognized guidelines 29
3.5 Vulnerable groups 29
3.5.1 Exclusion of vulnerable groups 29
3.6 Mitigation Strategy and Guidelines 30
4.0 Impacts of Component 3 30
4.1 Assistance for compiling applications for matching grants 30
4.2 Mitigating Strategy and Guidelines 30
4.2.1 Improve awareness and transparency 30
4.2.2 Recruitment of a Process Consultant 30
4.2.3 Grievance Redress Mechanism (GRM) 31
5.0 General mitigating Strategies to adopt throughout the project 31
Work Process Map 33

Appendices
Appendix A: Land Acquisition, Related Acts/ Policies and Procedures 34
Appendix B: Generic Guidelines/ TOR for Social Impact Assessment 42
Appendix C: Generic Guidelines for Continuous Social Impact Assessment (CSIA) 44
Appendix D: UNESCO guidelines on Protection and Management of World Heritage Sites 45
Appendix E: Details of Project Components and Sub-Projects 48
Appendix F: Terms of Reference (TOR) given to the social consultant responsible for compiling this report 53
Appendix G: Terms of Reference of Grievance Redress Committee (GRC)

and Staffing Specifications 58
Appendix H: National Program on HIV/AIDS 59
Appendix I: Maps of Tourism Zones chosen for the Project 61

List of Tables

	Page
Table 1: Details of TDAs which form Project Clusters	7
Table 2: Tourism Sites in Trincomalee	9
Table 3: Tourism Sites in Arugam Bay	10
Table 4: Ethnic Composition in the Districts in the East	12
Table 5: IDPs in the Eastern Province in 2007	13

List of Maps

Map 1: Tourism Zones 8

Abbreviations Used in this Report

CBO	Community Based Organization
CSIA	Continuous Social Impact Assessment
DMS	Destination Management System
DS	Divisional Secretariat
DSOs	Divisional Secretariat Offices
GN	Grama Niladhari
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
HIES	Household Income and Expenditure Survey
HIV	Human Immune Deficiency Virus
HSZ	High Security Zone
IDPs	Internally displaced persons/people
LAA	Land Acquisition Act
LDO	Land Development Ordinance of 1935
LTF	Local Tourist Forum
MoU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
NCACP	National STD and AIDS Control Program
NGO	Non Governmental Organization
NIRP	National Involuntary Resettlement Policy
PAPs	Project Affected Persons/People
PCRs	Physical Cultural Resources
PCU	Project Coordinating Unit
PIU	Project Implementation Unit
PPF	Project Preparation Facility
PPP	Public Private Partnership
PS	Pradeshiya Sabha
RP	Resettlement Plan
RDA	Road Development Authority
RCF	Resettlement Compensation Framework
RMU	Resettlement Monitoring Unit
SIA	Social Impact Assessment
SLTDA	Sri Lanka Tourism Development Authority
SLTPB	Sri Lanka Tourism Promotion Bureau
SMEs	Small Medium Enterprises
SMF	Social Management Framework
STDs	Sexually Transmitted Diseases
STIs	Sexually Transmitted Infections
TDAs	Tourist Development Areas
TZs	Tourism Zones
WB	World Bank

Executive Summary

This Social Management Framework (SMF) is for a sustainable tourism project under the Sri Lanka Tourism Development Authority (SLTDA) of the Ministry of Tourism. It outlines the major impacts of the project on local communities and points out possible mitigatory strategies for the identified impacts. It addresses the impacts that would be felt by local citizens in general, and local businessmen, potential external and internal investors etc., in specific. The SMF forms an integral part of the Project Implementation Manual of the Sustainable Tourism Project.

The project is an attempt to bring the concept of sustainability to the tourism industry in Sri Lanka. As a result, the project aims to build upon the recommendations of the World Summit on Sustainable Development to 'develop community based initiatives on tourism to build the capacities to diversify tourism products, while protecting culture and traditions and effectively conserving and managing natural resources.' The project will be implemented under the purview of SLTDA with the support of the provincial governments. The authority vested in the central government will be devolved to the provincial governments in order to obtain efficiency in service delivery. Further objectives of the project are the development of highly localized tourism-related infrastructure and the improvement of product content and supply chains that are aligned with sustainable tourism.

The project comprises three main components each dealing with the above three objectives. The components and their sub-projects can be summarized as follows:

1) Improving efficiency of the institutional framework: Component 1 will develop an efficient institutional framework that involves the devolution of authority to the provincial governments in issuing permits, approvals etc.
2) Establishment of tourism related local infrastructure: Component 2 of the project is likely to have the strongest impact on the local community. It involves the development of master plans, establishment of Project Preparation Facility (PPF) and financing tourism related infrastructure facilities.
3) Supporting business models that are the basis of sustainable tourism through matching grants.

The major negative impacts of Components 1 are related to communication and knowledge. These issues can be summarized as follows:

1. Miscommunication between central and provincial governments in the process of devolving powers of issuing permits, licenses etc.
2. Lack of clarity between the SLTDA and Provincial councils on the roles and functions.
3. Delays in obtaining licenses and permits due to ignorance of applicants about the procedures involved.
4. Inability to reach standards required for getting listed on the Sri Lanka Tourism Promotion Bureau (SLTPB) booking website due to ignorance of businessmen about the criteria involved.
5. Disadvantages caused for some stakeholders through the Public Private Partnership (PPP) model.

Methods of improving awareness and transparency of the processes involved in obtaining permits and in getting listed on the SLTPB website, and training and capacity building of relevant individuals and groups are suggested as mitigatory strategies for the first three impacts listed above. The PPP model per se is not expected to disadvantage certain groups/ individuals in the community. However, the zoning and land use frameworks that would be

developed with the assistance of the PPP unit would place certain limitations on people's livelihoods, ability to benefit from rising land prices and put pressure on resources in a given region. Mitigation of these is related to Component 2 and is discussed below.

Component 2 can lead to three primary issues caused by sub-projects, namely,

1. Negative impacts of zoning and land use plans,
2. Private investments in tourism related activities and
3. Cultural impacts.

In addition to the above primary issues, few secondary issues are likely to emanate through Component 2: land-related issues, issues caused by the promotion of certain cultural sites over others and issues for certain groups who are more vulnerable than the other members in a given community. Negative impacts of zoning and land use planning are outlined below:

1. Increase in land prices and the possibility of individuals selling their land at prices less than market price due to lack of knowledge/non-transparent market
2. Restriction of livelihoods
3. Pressure on resources
4. Claims of land ownership in the zones by IDPs who are not currently in the zones.

Stakeholder consultations, community participation, working closely with local governments, communication and awareness activities, providing support for those experiencing restrictions on their livelihoods and the establishment of a Grievance Redress Committee (GRC) for complaints to be reported to are suggested as mitigatory strategies for the above. Another aspect that may lead to negative impacts is the private investments in tourism that would be promoted under Component 2. However, these can be mitigated through identifying and working with Micro, Small and Medium Enterprises (MSMEs) that can supply the tourism cluster, providing skills training to local people to find employment in the tourism sector, hiring an NGO to work with local communities, encouraging the purchase of local products and services for sub-projects and through communication and awareness programs.

Furthermore, certain negative impacts on traditional culture may also occur due to the influx of tourists. Tourists being ignorant about Sri Lankan/ regional culture and tourism being associated with drugs and certain sexually transmitted diseases such as HIV/AIDS are among these negative impacts. Communication and awareness programs are recommended as mitigatory strategies for these envisaged negative impacts. Though land use issues and their mitigation have been discussed in this report, such issues are not at all envisaged due to project activities. All land used for project activities will be acquired through market transactions or through a Memorandum of Understanding (MoU) with land owners. Communication and awareness campaigns, employing locals at cultural sites (with training), obtaining consensus of all stakeholders in the selection of cultural sites, and the development of these sites along internationally accepted guidelines are recommended for the mitigation of any issues that may develop due to the promotion of certain cultural sites over others.

Under Component 3, the strongest negative impact is likely to be caused by information/awareness or inability of community members to apply for matching grants. The appointment of a Process Consultant who can help community members in this regard is a mitigatory strategy which is built into the project design itself. Additionally, communication and awareness campaigns can also help avoid these negative impacts.

In summary, consultations with relevant stakeholders and community participation at all levels of decision making are strongly recommended for the successful mitigation of possible negative impacts of the project. These would undoubtedly contribute to the strengthening of sustainability of the project.

Sri Lanka Sustainable Tourism Development Project
Social Management Framework (SMF)

1.0 Introduction and Background

The Sri Lankan tourism industry has the capacity to earn billions of Rupees and employ at least a million people if its growth rate matched the global average since the 1980s. However, the tensions in the country that erupted in the late 1970s and early 1980s have pushed the tourism sector to the fourth place among the main income generators of the island. Currently, tourism contributes around Rs. 42 billion per annum to the national income[1]. The new Tourism Act of 2007 and the Sri Lanka Tourism Strategic Plan for 2009-2012 are geared towards improving this figure to reach the industry's maximum potential. These official documents have recognized the fact that tourism can generate trade, jobs and development while also promoting cultural sustainability and peace in the country. The current proposal which is part of the strategic plan is an attempt to revitalize the industry which was hampered by the ethnic tensions since the 1980s. For example, prior to the ethnic tensions, the Eastern province had three key tourism centers, namely Nilaveli, Passikudah and Arugam Bay that operated very successfully during the 1960s and 1970s. With excellent beaches, cultural and natural tourism resources that have remained relatively untouched over the last 26 years the industry now has the opportunity to learn from the lessons of unplanned tourism development on the South-west coast and develop a model for sustainable tourism. This project for tourisms development will provide assistance to develop tourism on a sustaining basis in selected locations in Sri Lanka.

1.1 Objectives of this Report

The current report, which puts forward the social management framework for this project intends to identify the impacts of the project on local communities, prospective small and large scale investors, businessmen and other stakeholders. Particular attention will be placed on its negative impacts and the report will also suggest mitigatory strategies for the negative impacts identified. However, it must be noted here that the project designers have paid careful attention to the social impacts that are likely to emanate from this project and certain mitigation strategies have been already built into the project description (See Appendix E).

The report will firstly provide an introduction to the project and the communities that are likely to be impacted by the project. It will also provide socio-cultural and tourism related information on the locations chosen for project activities. Following these introductory sections the report will begin its main discussion on impacts and strategies for their mitigation. The three project components, from 1 to 3, will be taken up for discussion in that sequence. The impacts of each component will be discussed first followed by suggested mitigating strategies. Finally, all the mitigating strategies discussed throughout the report will be summarized. The report will from an integral part of project implementation.

[1] Sri Lanka Tourism Development Authority (2009), *Tourism for All: National Strategy for Sri Lanka Tourism,* Author publication.

1.2 Components of the Project

The proposed Sustainable Tourism Development project is designed with three main components which are summarized below in terms of specific outputs (for more details See Appendix E).

1.2.1 Component 1

The objective of Component 1 will be to reduce the time required for issuing permits, approvals etc., increase the number of registered hotels and increase the capability of public institutions. The key outputs of this component will be to;

1) Develop a business model for the Sri Lanka Tourism Development Authority (SLTDA) to support the provision of tourism related services at the local, provincial government and central government levels.
2) Establish a one stop center at the provincial level as a primary interface for tourism related investment to coordinate with other agencies outside of the tourism cluster.
3) Strengthen Governance and Accountability, through a web based portal and call center.
4) A Performance Management System (PIS) will be developed linking the corporate plan and the detailed work plans to the periodic reports to the Board of Directors and a public report to stakeholders.
5) Establish a Public Private Partnership (PPP) service unit at the SLTDA. The project will provide technical assistance required to establish a unit capable of planning, tendering and monitoring public private partnerships arrangements. The focus will be on the development of new locations and associated infrastructure investments.
6) Local Tourism Forum: The project will support the establishment of a regional cluster based policy dialogue between all parties required to ensure the development of sustainable tourism; these may include local government, investors, non government organizations, community representatives, and environmental regulators like the Coastal Conservation Department, the Central Environmental Authority and any other party with an interest in tourism. The Forum will monitor the tourism development and raise critical issues that need to be addressed.
7) Establish sustainable centers of excellence and train at least 500 students over the project period, primarily from the underdeveloped regions in the East and North and developing centers of excellence in ecotourism such as *Ayurveda*.
8) Establish a coherent marketing strategy: The project will provide support and technical assistance to develop and strengthen its country level brand, while integrating the regional level product/destination branding.
9) Establish a sustainable, high performance PMU for SL Tourism, to drive and champion new initiatives facilitated by GoSL or Ministry of Tourism (MoT) or any of its agencies. Identify the best institutional model for the PMU, make it accessible to the relevant stakeholders, and give it the flexibility to hire appropriately skilled people at competitive salaries.

1.2.2 Component 2

The objective of this component is to provide essential local tourism related infrastructure based on a well planned and managed natural resources development strategy in identified locations. The key outputs are summarized below.

1) Develop Tourism Cluster Concepts at the local level: The project will provide support to the provincial and local Government, communities and stakeholders to develop an overall master plan. The master plan will include a market survey; identification and description of the tourism attraction potentials of the area; identification and description of tourism products that can be provided by communities; identification, description and analyses of major infrastructure systems and other public services now serving or planned and capable of expansion to serve the potential tourism cluster; review adequacy and implementation of the current physical and environmental regulations[2] and assess the capacity of the institutions responsible; develop a land-use plan with zoning regulations that conforms with coastal zone protection plan and other; identify prime sites for tourism accommodation and service investments; develop measures to stop unsightly, partial constructions for speculative purposes on potential tourism sites; review fees and other forms of revenue to maintain service provision; recommend measures to ensure the incorporation of local villages and communities in the tourism product as a means to extend the benefits of tourism more directly to local communities; documentation and analysis of environment and resources, and cultural heritage sites of value, concern, and or sensitivity; and documentation of conflict, social, or cultural issues that need to be addressed or taken into consideration. These documentations will be developed during the designing of highly localized master plans for each TDA selected for the project. For example, there will be special documentations and analyses incorporating the above aspects done separately for Arugam Bay and Nilaveli. These will be conducted by specialist consultants recruited through the project by SLTDA and in consultation with WB to approve quality of the reports.
2) Establish and operate a Project Preparation Facility (PPF): The Project Implementation Unit (PIU) will provide a PPF for infrastructure projects to undertake a pre-feasibility and subsequently a detailed technical and economic project. The proposals must: a) be requested by the Local Tourism Forum and local government; b) be listed in the tourism master plan; c) contain nominations of community representative and local government representative as the focal point for the project; d) contain a pledge from the Local Tourism Forum to provide a minimum contribution 20% of the project cost in kind (land or labor) or cash; e) include documentation of consultations with the wider community, facilitated by locally based NGOs/CBOs with response to any concerns raised; and f) be compliant with the Environmental and Social Management Framework developed for the project by SLTDA.
3) Financing of tourism related infrastructure projects: Sub-projects may include trails and signs, site beautification, landscaping, viewing platforms, water catchment systems, renewable energy, training of guides, first aid and safety equipment, heritage sites, cultural centers, maps and information material, biological assessments etc.

1.2.3 Component 3

The objective of this component is to support business models that are the basis of sustainable tourism. Participants in the Sri Lankan tourism supply chain need to develop new and innovative products that the market demands, such as ecotourism and *Ayurveda* treatments.

[2] It could include various regulations relating to municipal and tourism related waste water (sewerage) and solid waste collection, transportation and disposal, maintenance of various waste disposal facilities, pollution causing effluents from tourism service providers and other local industries.

- To help participants develop and market these new products, the project will include a matching grant facility that supports community initiatives and product innovation by SMEs.
- The fund will provide matching grants of 50 percent for activities relating to promotion, training, accreditation, quality certification, and product development. Eligible activities will include activities such as: i) promotion and development of new market segments, such as *Ayurveda*, eco and geo tourism, and culture; ii) upgrading of skills, certification and accreditation; and iii) website development.
- The fund will have a process consultant to assist applicants over the full lifecycle of the grants. This includes helping applicants formulate ideas, develop proposals, mobilize and implement support.

The Component 2 of the project is likely to have the strongest impact on the communities and the sub-projects will primarily take place in designated tourism zones. These zones will include Arugam Bay, Nilaveli, and Kalkudah Bay and Passikudah Bay in the Eastern province and Kalpitiya in the Northwest. The project will ensure increased participation of local communities in order to extend benefits to them.

1.3 Sustainable Tourism and Sri Lanka

As the country emerges from the conflict, there is a great potential for developing tourism in a sustainable manner, in order to maximize economic benefits to local communities while protecting the resource base. As one of the world's largest and fastest growing industries, this continuous growth will place great stress on remaining biologically diverse habitats and indigenous cultures, which are often used to support mass tourism. While tourism can contribute in a positive manner to socio-economic development and environmental protection, uncontrolled tourism growth can also cause environmental degradation, destruction of fragile ecosystems, and social and cultural differences, undermining the basis of tourism.

The project intends to develop sustainable tourism and as recommended at the World Summit in 2002, to develop community based initiatives on tourism to build the capacities to diversify tourism products, while protecting culture and traditions and effectively conserving and managing natural resources[3]. The proposed project shall formulate master plans and a product development strategy to ensure that the local communities can engage in and benefit from tourism related activities. Community participation at the different stages of planning, implementation and evaluation of the project is emphasized in the project design. Community participation will be vital for ensuring that the project benefits are equally distributed among the different segments in the community. The plans shall be implemented with the support of respective provincial councils and local authorities. The product development focus will be to build on traditional areas like *Ayurveda* or natural and cultural heritage unique to Sri Lanka.

1.4 World Bank Safeguard Policies

[3] Sustainable tourism was brought into focus at the World Summit in Johannesburg in 2002 and the objective was to increase the benefits from tourism resources for the population in host communities while maintaining cultural and environmental integrity of the host communities and enhancing the protection of ecologically sensitive areas and natural heritages. The commitment was made to promote sustainable tourism development and capacity-building in order to contribute to the strengthening of rural and local communities[0].

The project will not engage in any involuntary resettlement and involuntary land acquisition will be avoided or kept at an absolute minimum. However, there may be situations where small scale land acquisition is unavoidable even when all possible measures to minimize land acquisition are taken. During such 'unavoidable' cases of land acquisition, the project will adhere to the procedures and guidelines specified in the Sri Lanka Land Acquisition Act (LAA) and World Bank (WB) Operational Policy 4.12. The Sri Lanka Government policy on land acquisition is largely consistent with the WB O.P. 4.12. Sri Lanka LAA and the National Involuntary Resettlement Policy (NIRP) and WB O.P. 4.12 also specify the procedures and guidelines to be adhered to during involuntary resettlement of individuals and compensation even though this is not envisaged in this project. These policies and laws are detailed in Appendix A.

1.5 Identification of Project Clusters

The project will select clusters based on certain key factors with priority placed on areas that are designated as tourism zones; have a high level of market readiness and tourism potential. Areas where local communities survive under extreme hardships due to poverty and/ or conflict or areas which have no potential for tourism would not be suitable for project activities. For example, the areas in the East currently chosen for project activities have flourished in the tourism industry during the 1970s and early 80s. However, the maximum potential of these areas for tourism could not be extracted for 30 years due to the conflict. The current project is revisiting these areas which possess a high tourism potential. In the design of the project, measures are put in place to avoid creating new tensions between communities, and local ownership and community participation is an integral part.

There are 45 tourism zones identified in Sri Lanka[4]. A Tourism Zone (TZ) is an area in which tourism facilities have been developed and may comprise more than one Tourism Development Area (TDA). There are currently 11 gazetted TDAs in Sri Lanka. TDAs are declared in terms of section 73 A of Tourism Act No. 14 of 1968 as amended by Act No.2 of 1987 and No 39 of 1991. The TDAs that come under the proposed project are listed in Table 1 below (See also Map 1). While land in some of these TDAs is fully owned by SLTDA, in others SLTDA owns only part of the land. The percentages of land under the ownership of SLTDA in each TDAs are also indicated in Table 1.

Table 1: Details of TDAs which form Project Clusters

Name of the Area	Gazette Number	Date	Total Land Area in TDA	% of SLTDA Land in TDA
Dedduwa	1247/22	02 August 2002	1700 acres	(1700acres) 100%
Arugam Bay	1272/2	20 January 2003	Data not available	(private Land) 0%
Nilaveli	1255/23	26 September 2002	2000 acres	(200 acres) 10%
Trincomalee	1255/23	26 September 2002	640 acres	(32 acres) 5%
Kalkudah/	1272/2	20 January 2003	150 acres	150 acres 100%

[4] Kalpitiya, Marawila, Waikkal, Negambo, Colombo, Mount Lavinia, Wadduwa, Kalutara, Beruwala, Bentota, Dedduwa, Madu Ganga, Balapitiya, Ahungalla, Hikkaduwa, Galle, Unawatuna, Koggala, Weligama, Mirissa, Matara, Tangalle, Hambantota, Tissamaharama, Yala, Arugam Bay, Passikudah, Trincomalee, Nilaveli, Pinnawala, Kandy, Nuwaraeliya, Bandarawela, Maskeliya, Polonnaruwa, Habarana, Anuradhapura, Victoria, Matale, Dambulla, Sigiriya, Giritale, Udawalawa, Wasgamuwa and Ratnapura

Passikudah				
Bentota	-	Tourist Board Land	98 acres	(98 acres) 100%
Kalpitiya	-	Tourist Board Land	4400 acres	(4000 acres) 90%

The current project will only utilize land under the ownership of SLTDA in selected zones for its activities. The land in the TDAs such as Kalkudah/ Passikudah, Bentota and Kalpitiya are government land which has been either declared as a tourism resort or is proposed for such activities. In situations where 100% of TDA land is not owned by SLTDA, the project may request Local Tourism Forums (LTFs) to negotiate with the land owners to use their land for a particular project activity through a Memorandum of Understanding (MoU). However, if a consensus cannot be reached between land owner and LTF, the project will not use that piece of land.

Map 1: Tourism Zones[5]

[5] For separate maps of each TDA, see Appendix I.

1.6 Socio-geographical Profile of Proposed Tourism Clusters

1.6.1 Trincomalee/ Nilaveli

Trincomalee District is situated in the Eastern Province of Sri Lanka, and has 11 divisions consisting of 229 Grama Niladari (GN) divisions. The population in 2007 was approximately 334,363 with the main three ethnic groups being Sinhalese 25.4%, Sri Lanka Tamils 28.6%,

Indian Tamils 0.1%, Sri Lanka Moors 45.4% and others 0.5% (Department of Census and Statistics, 2007[6]). Majority of the population in Trincomalee is Tamil- speaking.

The DS Division of Kuchchaveli contains the main beach resort area of Nilaveli and reflects a slightly different ethnic mix. The population of 26,327 represents Sinhalese 1.6% (412), Sri Lanka Tamils 25.2% (6,646), Moors 72.1% (18,971) and Burghers 1.1% (289) (Department of Census and Statistics, 2007[7]). Both Trincomalee (Clappenburg Hill area and Deadman's Cave, Marble Bay and Sweat Bay) and Nilaveli are designated as TDAs.

The main tourism attractions of Trincomalee District are its beaches in Nilaveli and Uppuveli. There is great potential for marine based activities such as diving, snorkeling, whale and dolphin watching and deep sea fishing. Trincomalee's deep natural harbor is renowned for its size and is accessible to all types of vessels in all weathers making it suitable for cruise ships and sailing. Trincomalee was also well known for sport fishing in the 1980s and Sea Anglers Club is located there. The main tourism assets are listed below:

Table 2: Tourism Sites in Trincomalee

Environmental Sites	Cultural Sites
• Kokilai bird sanctuary	• Thiriyaya Girikanda Vihara (Buddhist temple since 500 BC)
• Thennamaravaddi bird sanctuary	• Welgam Vehera (Buddhist temple)
• Yanoya Estuary and Sinnakarachchi Lagoon	• Dutch Fort in Trincomalee (since 17th Century)
• Pigeon Island – National Park	• Thirukoneswarm Temple (Hindu temple)
• Naval Headworks Sanctuary	• Trincomalle city heritage
• Mahaweli River Estuary Delta	• Girihandu Seya (Buddhist temple since the time of Lord Buddha)
• Beaches such as Nilaveli, Irrakandy, Alles Garden, Marble Bay, Coral Cove and Back Bay	• Seruwavila (Buddhist temple since 500 BC)
• Rankihiriya Ulpota and Nawal Ulpota hot and cold fountains	
• Kanniya Hot Wells	
• Over 12 ship wreck dive sites	

In Trincomalee, development proposals for a 1,750 room resort exist. This resort has been developed during the 1960s by the then Sri Lanka Tourist Board (now SLTDA) through the first tourism master plan of Sri Lanka in 1968. It is expected to enhance this resort further and develop into a 1,750 room resort under the proposed tourism project.

The tourism zone which includes Trincomalee also includes a portion of land that is a High Security Zone (HSZ). For example, the Sri Lanka Air Force currently controls the Marble Bay area.

[6] Basic Population Information of Trincomalee District- 2007: Preliminary Report based on Special Enumeration.
[7] Ibid.

The land use plan that would be developed for Trincomalee would have to take into account the land that may be owned by individuals who are no longer living in the zone, i.e. the Internally Displaced Persons (IDPs) due to HSZ (See section 2.3.2 below).

1.6.2 Arugam Bay

Arugam Bay is located 350 km East of Colombo, 80 km South-east of Ampara and 110 km South of Batticaloa in the Pottuvil DS division of the Ampara District. The total population of Ampara (610,719) by ethnicity is approximately 37.5% Sinhalese, 18.3% Sri Lanka Tamil and 44% Sri Lanka Moor. The population of Pottuvil, the closest town to Arugam Bay, is 33,625 with the ethnic distribution being Sinhalese 2.0% (667) Tamil 19.2% (6,444) and Moor 78.8% (26,493) (Department of Census and Statistics, 2007[8]).

In terms of its potential for tourism, Arugam Bay has six surfing points known to be among the top 10 surfing beaches in the world. The area is in close proximity to two well known wildlife parks and a number of cultural heritage sites. The main type of tourist accommodation is low cost guesthouses, designed for budget surfers and constructed very close to the beachfront. However, there are few medium and large scale investments done in the region, such as three-star accommodation.

The key natural and cultural tourist attractions in the area are listed below:

Table 3: Tourism Sites in Arugam Bay

Environmental Sites	Cultural Sites
• Pottuvil Lagoon	• Samudragiri Vihara (Buddhist temple)
• Panama sand dunes and lagoon system	• Magul Maha Vihara (Buddhist temple)
• Lahugala/ Kitulana National Park	• Okanda Malai Hindu Temple
• Kumana National Park	
• Arugam Bay Beach	
• Komari Lagoon	
• Kudumbigala Forest Retreat	

1.6.3 Passikudah/ Kalkudah

Kalkudah and Passikudah are two beaches in the East Coast within the Batticaloa District approximately two hours drive from Polonnaruwa. Kalkudah Bay, a 2 km long stretch of beach, located 32 km North of Batticaloa, is well protected from the monsoon by an off shore reef. Passikudah Bay is another 4 km long beach, just South of Kalkudah. The two beaches form an ideal stretch for bathing, windsurfing and water skiing and other marine based activities. The combined area of Passikudah and Kalkudah was declared a National Holiday Resort in 1973. During the 1970s and early 1980s the local community surrounding the bay earned a living primarily from tourism. In Passikudha, three hotels were constructed with a total of 171 rooms, and the resort operated until 1989. The hotels were constructed and

[8] Basic Population Information of Ampara District- 2007: Preliminary Report based on Special Enumeration.

maintained by private investors while the resort was maintained by the then Sri Lanka Tourist Board (now SLTDA). Infrastructure including roads, water, electricity and telecommunication facilities were provided by the Sir Lanka Tourist Board/ government at a nominal fee for these investors.

The ethnic distribution of the population in the area can be estimated from the available information of the Koralai Pattu (Valachchenai) DS division (2007). Of the total population of 24,589, 0.3% are Sinhalese, 99.4% are Sri Lanka Tamil, 0.1% are Indian Tamil, 0.1are Moor and 0.2% are Burgher (Department of Census and Statistics, 2007[9]).

1.6.4 Kalpitiya

The Kalpititya Peninsula of the North-western Province is 9,400 sq km and is sub-divided into 31 Grama Niladari (GN) Divisions out of which islands are covered under Dutch Bay, Periyakuddiruppuwa, Pudukudiruppuwa, Sinnapuddirippuwa Mutwal and Palliyawatte GN Divisions. In 2006, the population of all 31 GN divisions were 59,036.

Battalangunduwa, Uchchimunai, Mutwal and Palliyawatte are the four inhabited islands with a population of 5,424 in 2006. The population distribution according to religion is given below (data on ethnic composition are unavailable):

- Catholics- 28,432 (48.16%)
- Muslims- 23,101 (39.13%)
- Hindus- 3,915 (6.63%)
- Buddhists- 3,548 (6.01%)
- Other- 0.7%

(Kalpitiya Strategic Environmental Analysis, 2009)

The tourism assets of the areas include the Bar Reef Marine Sanctuary and excellent beaches ideal for marine based activities of diving and snorkeling, dolphin watching, mangrove tours, deep sea angling and fishing, wind surfing, kayaking and canoeing.

Out of the 14 islands in Kalpitiya, four are inhabited while the remaining ten islands, which are government land, are uninhabited and are not utilised for any purposes.

Under the new Kalpitiya Integrated Tourism Development Project the ten islands that are uninhabited will be used for tourism development with master planning and PPP model. The Kalpititya Integrated Tourism Development Project targets 14 islands off the tip of the peninsula for a tourism resort development of 5,000 rooms developed by the SLTDA with funding from the Sri Lanka Government. It is also recognized as a priority project by the Government.

1.7 Profile of Local Communities in TDAs

The communities that currently occupy the selected TDAs are mainly involved in agriculture, livestock breeding and fisheries for their subsistence. The communities living in coastal areas

[9] Basic Population Information of Batticaloa District- 2007: Preliminary Report based on Special Enumeration.

engage in the fisheries industry while in-land communities depend on agriculture or livestock breeding. There is a small portion of individuals who are employed in the private or government sector. Many others are self-employed in the fields of small businesses and crafts or as skilled and unskilled daily wage earners. According to the Household Economic and Income Survey (HIES) of 2002, majority of the inhabitants live in poverty. Zones identified in the Eastern Province have the unique characteristic of having a community comprising all ethnic groups, namely, Sinhalese, Tamils and Muslims (See Table 4). The project approach of extensive community participation is expected to reduce inter-community tensions and create joint, local ownership.

Table 4: Ethnic Composition in the Districts in the East

District	Total Population	Sinhalese %	Sri Lanka Tamils %	Indian Tamils %	Moor %	Other %
Batticaloa[10]	515,857	0.5	74.0	0.0	25.0	0.5
Ampara[11]	610,719	37.5	18.3	0.0	44.0	0.2
Trincomalee[12]	334,363	25.4	28.6	0.1	45.4	0.5

Source: Department of Census and Statistics (2007)

The communities inhabiting the identified TZs in the East and North-western provinces are largely Tamil-speaking and this deserves the attention of project planners and implementers.

Furthermore, the communities in the East seem to live in worse poverty than the communities living in the other zones because of almost three decades of civil war that has influenced their lives. The impact of the war has also constrained physical mobility for the inhabitants of the East, compared to those in the other zones. In terms of humanitarian impact, the conflict has caused extreme hardship to the people in general and to those located in the conflict-affected-areas in the North and East, in particular. A significant number of Internally Displaced Persons (IDPs) have been identified in the Eastern Province (See Table 5). Besides the loss of life and displacement, other conflict-related humanitarian costs, include loss or damage to property, disruption of livelihoods, human rights violations, general sense of uncertainty and insecurity, stress, restlessness and trauma. However, according to recent Ministry of Resettlement and Disaster Relief Services sources (www.resettlementmin.gov.lk), approximately 90%[13] of the IDPs registered with the Ministry have been resettled under the resettlement plan of the government and all individuals displaced due to the tsunami have been resettled by now. Therefore, the numbers of IDPs are likely to be much less than that presented in Table 5 which gives data for 2007.

Table 5: IDPs in the Eastern Province in 2007

District	Total population	Total displaced	Displaced due to	Displaced due to	Number of welfare centers

[10] Basic Population Information of Batticaloa District- 2007: Preliminary Report based on Special Enumeration.
[11] Basic Population Information of Ampara District- 2007: Preliminary Report based on Special Enumeration.
[12] Basic Population Information of Trincomalee District- 2007: Preliminary Report based on Special Enumeration.
[13] According to World Bank Project Director, Northeast Housing Project, there are 5,303 families left to be resettled in Trincomalee District. IDPs in the other districts in the East have already been resettled.

			conflict	tsunami	in district
Trincomalee[14]	334,363	15,512	11,473	4,039	10
Batticaloa[15]	515,857	47,558	40,833	6,725	48
Ampara[16]	610,719	23,061	4,848	18,213	-

Source: Department of Census and Statistics (2007)

Other vulnerable groups in the selected locations would be female headed households, and the mentally and physically handicapped. About a quarter of households in Sri Lanka are headed by females and this portion is also likely to be higher in the East due to the impact of the prolonged armed conflict and the tsunami. They might have problems of adjusting to the emerging situation and in accessing opportunities presented by tourism development, unless effective measures are implemented to enable them to participate in tourism related activities.

1.8 Nature of Land Tenure in the TZs

As tourism is a location specific activity, the project, through development of the tourism industry in identified zones, will play an indirect role in encouraging land related transactions to occur. Thus the nature of land tenure and land titles of the relevant community members needs to be assessed as part of the project. The issues of land tenure in the proposed sites seem complicated partly due to traditional ways of maintaining possession rights on land and partly due to displacement caused by the civil war or other reasons. In addition to privately owned land, there are four types of land currently used by the people in the selected TZs.

i. Land granted by the state under the Land Development Ordinance (LDO) of 1935 for agriculture and housing
ii. Crown Land Ordinance under which leases have been granted up to 99 years
iii. Land plots granted by the Land Reform Commission
iv. Land granted by Urban Development Authority for various purposes

The land under the last category cannot be sold or mortgaged and there is restriction on sub-division of those. However, LDO land can be acquired back for development purposes, but compensation will be paid at market rate or alternative land provided to the occupants (See Appendix A). The land under all the other categories can be sold or mortgaged with permission from respective agencies.

Many plots of land that are privately owned have been passed on through inheritance and/or are jointly owned. The inheritors of such plots do not have titles and therefore, their land cannot be offered in the land market. Informal sale of such lands often occur, but the price the owner receives is relatively low. Furthermore, there are lands occupied by people without legal ownership and therefore, they do not have titles to the land. This sort of illegal encroachments occurs when people put up houses or begin agriculture or farming on government land that are not being used. According to the land laws of Sri Lanka, such encroachers are entitled to receive prescriptive titles to the land after 35 years of occupation. The government reserves the right to evict such encroachers any time before they complete the 35 years. However, if this were to happen, the evictees are entitled to compensation according to LAA (See Appendix A).

[14] Basic Population Information of Trincomalee District- 2007: Preliminary Report based on Special Enumeration.
[15] Basic Population Information of Batticaloa District- 2007: Preliminary Report based on Special Enumeration.
[16] Basic Population Information of Ampara District- 2007: Preliminary Report based on Special Enumeration.

The conflict affected people may lose more from land acquisition as they may not possess or have lost the title deeds for their land – or be in danger of losing their land rights by leaving the land unoccupied for years. Some may also have involuntarily settled on land that does not belong to them after becoming IDPs. These already affected minority groups may be more vulnerable when it comes to land related issues due to their history of displacement, loss of traditional livelihoods and lack of political influence (See section 2.3.2).

2.0 Potential Impacts of the Project Components and Mitigation Strategies

Activities under Component 1 and Component 3 have very limited risk of impact on the community and are most likely to raise issues for local businesses/ investors. The project design contains the basic guidelines required for helping local businesses/ investors deal with such issues. However, Component 2 involves sub-projects and activities that may alter certain aspects of community life.

2.1 Impacts of Component 1

The envisaged issues of Component 1 are related to the devolution of certain authorities hitherto vested in the central government to provincial governments and to the proposed Public Private Partnership (PPP) model.

2.1.1 Issues arising due to devolution of authority: The institutional framework proposed under Component 1 involves the devolution of certain powers vested in SLTDA to provincial governments. Issues may arise through the devolution process due to miscommunication between policy makers and implementing agencies, and between the central and provincial government levels. Such miscommunications, if existent, may affect service delivery and transparency at the local level. Devolution of authority may lead to issues of clarity of roles and functions and lack of capacity on the part of the provincial governments. However, these issues have been dealt with in the project design itself.

A further possible issue that may arise due to devolution of authority is the likelihood of resistance towards such devolution from both central and provincial government officials. However, past experiences in the fields of education and transportation where such devolution has taken place, does not prove this to be the case. Furthermore, SLTDA is currently engaged in discussions with two of the provincial governments that would take part in the project and such resistance has not been an issue.

2.1.2 Issuing of licenses and approvals: Licenses for operation of hotels and resorts are currently issued by the SLTDA based on certain criteria. Some may experience delays in receiving their license due to their lack of awareness about the procedures involved.

A further issue that can be anticipated is the possibility of local level politics coming into the process of awarding licenses and approvals to some individuals and not others. If such situations occur, the disadvantaged group/ individual can complaint/ appeal to the Grievance Redress Mechanisms (See section 2.5.6) or file a court case against SLTDA as a final resort.

2.1.3 Listing of products on the Sri Lanka Tourism Promotion Bureau (SLTPB) booking website: The project will support the development of a Destination Management System (DMS) or visitor information system, to provide complete and up-to-date information about the destination, dissemination of information and facilitation of reservations. A DMS

ensures that all businesses, large and small, as well as all relevant sites, attractions, transportation options, festivals, and other tourism related information are provided to the visitor through one central system. In order for businesses to participate or get them listed on this website, they must achieve minimum quality standards. The SLTPB will assess and include business on the site via a screening process. However, certain businesses get disqualified from being listed on the site by not reaching the basic standards stipulated by the SLTDA under the license code. This occurs mainly due to businesses being unaware of the information regarding these minimum standards/ criteria.

2.1.4 Public Private Partnership (PPP) Model: The project will provide technical assistance required to establish a unit capable of planning, tendering and monitoring public private partnership arrangements. The focus will be on the development of new locations and associated infrastructure investments. For example, under this model, the government/ SLTDA will invite private investors to improve necessary infrastructure on their land within a specified period of time. After completing the infrastructural developments further investors such as hoteliers will establish their facilities on the developed land. The initial investor who contributed to the infrastructural development will be benefited through payments from the latter. For example, a hotel may be required to pay a certain tax per bed.

The PPP model would not disadvantage small scale local investors as they too would be given the opportunity to establish and/or develop their businesses in the regions developed under the model. Although the content of the actual model is not yet known, local investors will be given equal opportunities for investment under this model. Furthermore, employment opportunities will be provided for local citizens in the large scale investments that are part of the PPP model. However, as will be discussed later, the zoning and land use frameworks that would be developed with the assistance of the PPP unit would place certain limitations on people's livelihoods, ability to benefit from rising land prices and put pressure on resources in a given region. Mitigation of these issues is discussed later (See sub-section under section 2.5).

2.2 Mitigating Strategy and Guidelines

Since most of the above issues related to Component 1 involve communication with members of the communities and local businesses, it is recommended that awareness campaigns be organized at regular intervals to educate relevant individuals and groups. Leaflets, banners, posters and other means of creating awareness may also be used. These activities must be conducted through all languages spoken in a given region.

2.2.1 Improve awareness and transparency: The project can help license applicants improve their capacity to succeed in this process through enhancing the transparency of the process and through providing information required to succeed. For example, providing relevant information on the SLTDA website in English, Sinhala and Tamil languages will improve access to information. The project also proposes a tracking system for the applications to improve transparency in the process. The 24*365 Call Center stated under Component 1 can also play a significant role in this regard. These strategies will minimize or eliminate any possibilities of exclusion experienced by those applying for licenses. Transparency will also minimize the possibility of local politics coming into play in issuing licenses or approvals.

These same strategies can be used for helping investors get listed on the SLTPB website**.** The project can help investors in the project areas to get listed on the SLTPB website by informing them about the process and by providing capacity building to improve product quality to meet the minimum standards specified by the website.

The above measures must also be taken to ensure transparency of the PPP model in order to guarantee equal investment opportunities for local Small and Medium Enterprises (SMEs).

2.2.2 Training and capacity building: Issues of miscommunication between the center and regions can be minimized by adopting effective strategies of communication and training and capacity building for provincial government officials in carrying out these devolved tasks.

2.3 Impacts of Component 2: Primary Issues

Of the three components outlined above, Component 2 is likely to have the strongest impact on the communities currently living in the TZs. Activities in Component 2 involve land use planning, zoning, selection of infrastructure sub-projects and small amounts of voluntary land through MoUs or market transactions for these infrastructure investments. Thus the project may have some impact on livelihoods of the communities in the project areas through the introduction of land use plans which designate certain areas for certain activities, new employment opportunities, and possible changes in the physical environment of these areas.

This Social Management Framework will primarily focus on these issues and their impacts in determining mitigation strategies to deal with any negative impacts. Furthermore, attention will be given to the impacts of sub-projects to be funded under Component 2 to identify secondary issues (See sub-sections under section 3.0) that may impact the community.

2.3.1 Zoning: As described in section 1.5 there are currently 11 gazetted TDAs in Sri Lanka of a total 45 zones. The remaining zones are located across the island and they will be gazetted based on Government priority for tourism development. The Government priority will be decided on demand for tourism activities in the international market. Once these TDAs are gazetted, the SLTDA must be consulted for getting approval regarding business activity to be established within a TDA. According to the SLTDA, reasons for tourism zoning in Sri Lanka are primarily:

1) To demarcate suitable areas for tourism development. Tourism already exists in these areas but with unrealized potential.
2) To provide direct assistance to tourism development through initiatives such as improvement to infrastructure.
3) To maintain a control over tourism development in selected areas.

In Sri Lanka, zoning of tourism is done more to attract investors and tourists than to provide zones exclusively for use by tourists. Therefore, communities currently living in these zones will be able to continue their lives without experiencing major re-structuring to their physical environment. As a result of zoning, property prices within the zoned area may increase. In addition, investment in “dirty industries”, i.e. cement, coal plants and other industrial activities, with large external and environmental emissions will not be permitted to locate and operate in the area unless they have been operating prior to the area being declared a TZ (See section 1.2.2).

2.3.2 Land Use Plans: Land use planning will be undertaken as an activity under tourism master planning under Component 2 of the project. The project will select, on a competitive basis, a consultancy firm with the required professional expertise to prepare the land use plan. Land use plans will be developed for each TZ in order to enable optimal use of land resources. One of the objectives of a land use plan is to carefully identify different land areas that have to be protected, conserved or reserved for particular purposes. It also has to identify land that will be used for particular purposes, i.e. high-yield agriculture, areas that have no use for agricultural purposes (which tend to be coastal areas), areas that should be protected for specific habitats that are unique to the region/country.

Consultations with stakeholders and community participation must be incorporated into all aspects and stages of developing this land use assessment. The procedures that should be adhered to during these stakeholder consultations and community discussions are detailed under mitigation strategies below (See sections 2.5.1 and 2.5.2 below). The Government will place special attention on the opinion of community members at the decision making stage of the land use plan before approving it. Once an assessment of patterns of land use in a zone has been conducted, the community representatives, political leaders etc. have to collectively decide how best to use these resources for current and future populations. As a result of a land use plan, specific areas may be assigned as protected areas, reserved for future generations, public investments, or for particular purposes, such as service stations or industrial estates. In the development of such plans, the planners must take into consideration existing legal regulations and documents, such as coastal plans, cultural heritage laws, wildlife regulations, urban development plans and other legal national plans. Approval of the land use plan must also be done by community representatives (See section 2.5.2).

The land use plans, especially for the East, will take into account the possible issues related to the resettlement of IDPs in the region. The project will consult the relevant authorities regarding their plans for resettlement of IDPs in drawing their land use plans for project areas. The land use plan would have to essentially take into account the government policy on IDPs and its resettlement plan. The project will work closely with the Land Registrar's Office to identify any plots of land that are currently uninhabited but may belong to displaced individuals. However, locating the relevant land owners living in camps may be difficult. In such cases the project would not acquire that piece of land. In cases where, land owners can be traced, the LTFs can negotiate with land owners for a market transaction. The Terms of Reference (TOR) given to the firm developing the highly localized master plans and land use plans will include clauses and measures necessary for the protection of IDPs' land rights.

Land use plan for the demarcated areas will be undertaken by the project prior to zoning activities. The boundaries of a zone will be determined after identifying the different land use patterns such as natural attractions, and man-made tourism attraction etc. of a given region. Land use plans for the regions that come under the TZs have most likely been done by several ministries and departments in Sri Lanka including the Coast Conservation Department, Department of Wildlife Conservation, Forest Department, Urban Development Authority etc. Any land use plan developed by the project will take into account these existing plans. If there are any plots of land not currently identified for specific use then the project would, in consultation with the community, devise a plan for the use of these areas. Here, the issue of who owns/ uses these plots of land, i.e. land tenure, will be relevant (See section 1.8).

Finally, the land use plans under tourism zoning will be approved by the Ministry of Tourism in consultation with the relevant agencies.

2.4 Impacts of zoning and land use plans

Once the land use planning and zoning activities have been completed, it is expected that investments would flow into the zones. But the flow of investment will depend, to a large extent, on the accessibility and security situation of the area. Feasibility studies conducted by SLTDA in the areas that form the project clusters indicate a high possibility of succeeding in receiving such investment. The development of these areas as TZs with new business investments and the influx of tourists into the areas may create certain negative impacts for the local communities.

2.4.1 Increase in land prices: Land prices in the zones may rise due to zoning and possible investments (foreign and local) in tourism activities. Therefore, people owning land within the zones will benefit more from the rising land prices than people outside the zone. This might lead to certain tensions among community members. The increasing land prices may also lead land owners, particularly private land owners, to evict any squatters who may have settled on their land illegally in order to sell the land at a high market price. In this context, the evictees may approach the Grievance Redress Committee (See section 2.5.6), appeal to SLTDA directly, or seek legal assistance. Recovery of Possession Act No. 07 of 1979 of Sri Lanka provides stipulations for resolving such issues of eviction (See Annex A)[17].

The new land market might disadvantage low income individuals by making it impossible for certain low-income groups to buy land in or closer to the zones. This would limit their opportunities to benefit from increased tourism activity. The project will ensure that such individuals are able to benefit through other project activities such as employment and training (See sub-sections under section 2.7).

2.4.2 Uninformed land transactions: As land becomes more valuable, illiterate, low income groups owning high value land maybe be at risk of selling these lands at lower than market prices as they are unaware of the real value of their land. In the event of such transactions taking place, the economic benefits from uninformed land transactions will accrue to the external investor instead of the local land owner. Mitigation of such issues is discussed in the sub-sections under section 2.5 of this report.

2.4.3 Restriction of livelihoods: Land use plans and zoning can have an impact on people's traditional livelihoods by changing land use patterns within the tourism zones. Future activities may be constrained due to land use plans. For instance, in the case of beach use, existing fishing communities may be constrained in the use of beach area which will be reserved for tourism activities. As a result of land use planning they may have to restrict the mooring of their boats to a specified area instead of mooring them anywhere on the beach as they used to. It is possible for fishermen and tourists to co-exist on the same beaches if this is properly managed. This would also enable the tourists to observe the life patterns of fishermen and their communities; another tourist attraction. Mitigation of restrictions on livelihoods is discussed in the sub-sections under section 2.5 below.

[17] If such eviction of inhabitants occurs in the case of land owned by Sri Lanka Government for project purposes, the same legal procedures would apply (See Annex A).

2.4.4 Pressure on resources: Tourism development and increased numbers of visitors to an area will stress existing resources in terms of infrastructure and services resulting in negative impacts on residents. For example, increased traffic congestion, competition for resources such as water etc., will be introduced.

2.4.5 IDP claims on land ownership in the tourism zones: Returning IDPs to the project areas may claim ownership of land within the tourism zones. Although this is not a direct result of the project any increase in land prices will exacerbate interest in land within these areas by all parties. The basis for ownership of lands and different types of tenure has been described elsewhere in this report (See section 1.8 and Appendix A). However, where there is an inhabitant on land who has had uninterrupted, adverse occupation for over 10 years, even if a returning owner has clear title, the current land user has prescriptive rights to the land and the issue must be resolved through court action. Land title issues of this nature would not be directly under the purview of the project. However, the project will ensure minimized impact of such issues on the project by paying attention to the government resettlement plan in developing land use plans for the project and by adopting further measures discussed under section 2.3.2.

2.5 Mitigating Strategy and Guidelines

To avoid negative impacts arising from the activities of land use planning and zoning the initial measure will be to ensure that community participation is encouraged in the decision making and implementation procedures. Consultations with stakeholders will also be necessary and useful in developing practical land use plans. A high level of ongoing community participation is already factored into the project design through the formation of Local Tourism Forums (LTF) that will be established prior to land use planning, zoning and master planning exercises. The LTF will include representatives of local government, investors, non government organizations, community representatives, and environmental regulators like the Coastal Conservation Department and the Central Environmental Authority. The LTF will have gender participation. It will be the responsibility of the LTF to bring to the attention of project implementers any issues pertaining to land zoning and land use plans.

2.5.1 Consultations with stakeholders:

a. The project will conduct consultations with all stakeholders to present the purpose of the activity and elicit feedback.
b. Stakeholders will include at least two community members representing each of the sub-categories that come under gender, age and ethnic groups living in a given zone. For example, two males and two females, two Sinhalese and two Muslims etc. Government officials such as Divisional Secretaries and Grama Niladharis and influential villagers, such as principals and religious leaders will also be included. Some of these stakeholders would be members of the LTF in a given area.
c. Stakeholder consultations will guide the project towards identifying the disparities between groups or individuals that are likely to be advantaged and disadvantaged from the zoning and towards understanding its impacts on people's livelihoods.
d. These issues will then be brought to the attention of relevant authorities and if the impact seems far more severe than that anticipated at the stage of developing the implementation plan, a mitigation strategy based on stakeholder consultations will

be adopted during implementation, in order to minimize such disparities. The authorities mentioned here can vary from issue to issue and can include SLTDA officials and/ or local government officials.

e. For example, in situations where livelihoods have been restricted, the project will ensure negotiated solutions or compensation according to WB O.P. 4.12 and Sri Lankan law. The LTFs and local government officials will be involved in resolving such issues.

f. Likewise, if certain parties are unhappy because they were not able to benefit from land price increase in a given zone, the project will address their grievances by giving them priority in employment, training etc. The process consultant under Component 3 can help them apply for grants to establish their own business in the zones. Here too, the LTFs will play a major role in resolving such issues.

g. All procedures of stakeholder consultations will be recorded and made available for internal and external reviewers to ensure transparency.

2.5.2 Identify issues through community participation:

a. Community participation will be an essential component of all phases of the zoning and land use plan activities. Decisions related to land use plans will be based on negotiations with community members and PAPs.

b. Participatory techniques such as focus group discussions, social maps and semi-structured interviews will be used to find out about their grievances and ideas related to land use planning and zoning.

c. An NGO with relevant expertise can conduct these community discussions under the guidance of SLTDA officials. Issues raised during stakeholder consultations can be used as the main themes for the community discussions.

d. The NGO will propose mechanisms of who would comprise the group of community members that take part in these discussions and how they would be selected. The PIU will choose the mechanism with the most representation of community members.

e. In making proposals, the NGO will identify a cross section of the population living in a given TDA. The sample of community members will represent all categories/ groups in the community (e.g. children, youth, aged, male, female, ethnic and religious groups, individuals with varying political views, widows, single parents, housewives etc.). Stakeholders, LTF and community members themselves can make recommendations to the NGO about who should take part in community discussions.

f. All procedures involved in and findings made through community discussions will be recorded and made available for internal and external reviewers to ensure transparency.

g. If any party is unhappy with how individuals are selected for these community discussions or about the outcomes reached at the end of discussions, they can complain to the GRC or to SLTDA directly through their hotline.

2.5.3 Work with local government on mitigating measures: A single GRC will be established under the project in order to simplify the redress process and to help citizens avoid confusion (See section 2.5.6 for details about GRC). The GRC will look into grievances caused by all impacts of project activities. It will comprise specialists capable of resolving grievances related to land, livelihood and other impacts described above (See section 2.5.6 for GRC membership). Community members must be encouraged to inform the GRC about any issues they may face due to project activities. Once all issues relating to

zoning have been identified through the GRC, project implementers will work closely with relevant government officials on identified mitigating measures. Specifically, the project will work with local authorities to make the necessary reservations for residential areas for low income families, when undertaking the local tourism master plan as the project aims to uplift local communities through participation in tourism development and not push these people out. In such situations the project will work closely with the Land Registrar's Office as discussed in section 2.3.2 of this report.

2.5.4 Communication and awareness activities: The project will undertake a communication process to ensure local communities are informed about tourism investment related land prices, should they contemplate selling their land. Stakeholders and community members will have access to advisory services from the NGOs engaged by the project on land transactions and on issues related to voluntary relocation so that they may make informed decisions before selling their property. Awareness programs will discuss potential livelihood issues caused by zoning and land use plans in a manner that it ensures the community understand the processes at work. These communication programs must essentially pass on the SLTDA hotline number and information on accessing the GRC mechanism to community members.

If, for inevitable reasons, a particular group is identified as being more advantaged through zoning and land use plans, the project will work with the LTFs to make the less advantaged groups aware of other opportunities available to them through the project. Without such awareness, zoning may result in tensions among and within groups. For example, the project will provide other advantages such as employment and business opportunities across the groups who could not benefit from selling their land due to unclear title or tenure related issues.

2.5.5 Provide support for those with changes in livelihoods:

a) The project will ensure that the individuals/ families whose livelihood has been affected due to project activities can benefit from socio-economic activities related to tourism development such as new employment and business opportunities.
b) Such groups will be encouraged towards and guided through the process of applying for matching grants.
c) Such Affected Parties (APs) will be absorbed into the training activities planned under the project and offered training in a new trade.
d) The project will give maximum publicity to tourism employment opportunities to ensure that individuals, who were pushed to fringes of the zones due to voluntary land transactions, are able to apply for these positions. This may help them deal with any loss of livelihoods due to voluntary relocation.
e) Depending on the nature and extent of impact on livelihood, the project will have to engage in compensation according to policies of Sri Lankan Government and WB O.P. 4.12 (See Appendix A).

2.5.6 Establish a Grievance Redress Committee (GRC):

a) GRC will be set up by the PIU under the purview of SLTDA.
b) This will comprise members from NGOs, CBOs, 2-3 individuals who have no vested interest in the project, lawyers, land acquisition officers, land assessors, sociologists, psychologists, tourism specialists and government administrative officers. An individual who has no vested interest in the project will be the convener of the GRC.

c) The committee will deal with zoning related grievances and make necessary recommendations to the relevant authorities to ensure resolution.
d) The GRC will also address the livelihood related problems.
e) The GRC will need to analyze the livelihood issues on a case-by-case basis and point out different solutions to the problems faced by various groups. Provision of new employment under the project or financial compensation may be required.
f) A complaint registry (or database) will be maintained in the DSOs for community members to report issues and problems to the GRC. This will be regularly monitored for the resolution of complaints and the processing time.
g) If the GRC is unable to find a solution with which the PAPs would agree, the PAPs can appeal to a higher level of grievance redress by directly appealing to a Grievance Appeal Committee in the SLTDA, composed of tourism ombudsman, secretary -Ministry of tourism, Director General- SLTDA and Director (Planning and Development)- SLTDA.
h) Additionally, the Hotline set up at the PIU (under Component 1) will be used by any individual, group or LTF to directly report their complaints to SLTDA. The hotline number will be informed to the community members through the awareness and communication campaigns and through publicity mechanisms.

2.5.7 Social Impact Assessments (SIAs):

a) Each zoning plan with its activities will be subjected to a SIA prior to its implementation. The SIA will outline expected impacts of the zoning plan and suggest mitigation strategies or compensation measures where relevant (See Appendix B for generic SIA guidelines).
b) In addition to the above SIAs, a broader CSIA (Continuous Social Impact Assessment) will be done for the overall project once a year. This CSIA will review the larger issues of overall social impact of the project on land markets, development of local enterprise, local employment, conflict etc. This would be an additional measure of taking care of concerns regarding the conflict sensitivity of the project and its general impact on land ownership in the coastal areas.
c) These SIAs and CSIA can be assigned to a specialized consultancy firm. These SIAs will require expertise input from sociologists and economists.
d) SIAs and CSIAs can gather data from a representative sample of community members using techniques such as questionnaires, interviews and focus group discussions.
e) The CSIA will help project implementers understand the different experiences faced by individuals engaged in different livelihoods due to zoning.
f) The findings can then be forwarded to relevant SLTDA and governmental authorities for action.

2.6 Investment in tourism in the project areas

One goal of master planning is to encourage private investment for construction of hotel resorts and other tourism facilities in the zones. These new investments can benefit local communities in several ways, particularly through enhanced employment opportunities and market possibilities for local products. However, large external investors may not be welcomed by competing local businesses.

The hotels and other tourism-related businesses will provide new employment opportunities for those who are unemployed and possibilities of improving their skills and income for those who are already employed. For example, hotels would require ceramicware, glassware, pottery, towels, bed linen etc. Most of these items are already produced within the selected zones or in their vicinity. Existing industries could explore a new market for their products through this project. Similarly, gems and jewellery, wood carvings, masks, mats, batiks, brassware and other handicraft sectors can supply to this expanded market. However, existing industries would have to improve their designs, quality and merchandising aspect of their products.

Many tourists now are looking for authentic local experiences and are interested in seeing the traditional way of life, crafts and livelihoods. Boat rides, hiking and bicycle tours are useful means that can be adopted for this purpose. Lagoon and in-land water boat rides can be developed by local communities as can restaurants that serve authentic regional cuisines of Sri Lanka. Steps need to be taken to build on traditional services like *Ayurveda* which attracts many tourists. Community Based Organizations (CBOs) and local private sector investors can take up these tasks and develop new businesses out of this project.

The need for tour guides and interpreters can also be another new employment possibility for the educated youth in these areas. Car and three-wheeler owners/ drivers can also benefit when tourists want a ride to a close by location.

Hotels and restaurants can buy most of their food requirements, such as fish, poultry, meat, vegetables and fruits from local growers or vendors. However, small-scale fishermen and farmers may require investments to improve their products in quality and scale to meet the demand of a growing tourism industry.

In addition to these activities, the project will provide employment opportunities to individuals during the construction phase of buildings, trails and other facilities. Individuals can be employed as laborers, day/ night watchers, security officers, light/ heavy vehicle drivers etc.

2.7 Mitigating Strategy and Guidelines

All the above employment and market opportunities can produce a very strong level of community participation and support for the tourism industry through the project. The possibilities of enhancing the above mentioned positive outcomes of the project and of increased local ownership strategy is built into the project design. For example, in Component 1 through skills training activities and development of ecotourism and *Ayurvedic* products and in Component 3 through matching grants to firms or community projects for product development, training and promotion.

2.7.1 Identify and work with Micro, Small and Medium Enterprises (MSMEs) that can supply the tourism cluster: Support will be provided to improve the quality and marketability of products and capacity of the local MSMEs so they can participate in the tourism value chain or provide alternative products to these larger tourism businesses.

2.7.2 Provide skills training to local people to find employment in the tourism sector: SLTDA can review the labor requirements of the tourism businesses in the clusters and train

local people to fulfill demand. These trainings will be organized by SLTDA and LTFs under the purview of PIU.

2.7.3 Hire an NGO to work with local communities: Project will hire an NGO to develop community based products that can be supported through the matching grant program (See Component 3 under Appendix E). The NGO, functioning as the Process Consultant, can help individuals or groups interested in new product development or in making improvements to quality of existing products prepare business plans in order to be able to apply for matching grants. These businesses can be assisted in reaching the required standards specified by SLTPB in order to get their products listed on the SLTPB website. Authentic and innovative tourism products such as *Ayurvedic* goods and services and ecotourism can be promoted through the matching grants.

2.7.4 Encourage the purchase of local products and services for sub-projects: The project will also consider the purchase of building material, such as bricks (clay and cement) and clay tiles (for the roofs) from local producers for project funded construction activities. Clauses that encourage the purchase of highly localized products and services will be incorporated into the business contracts drawn between investors and LTF. However, the procedures and guidelines applicable to this mitigation strategy will only be decided once the PPP model applicable to the project has been finalized and approved (See section 2.1.4).

2.7.5 Communication and Awareness: Awareness activities similar to that discussed in section 2.5.4 of this report will be used to inform local SMEs about the business support and benefits that can be gained from the project. There seems to be a general tendency in Sri Lanka to view tourism and related activities as having solely negative impacts on society. Therefore, awareness campaigns will be organized to eliminate these misconceptions. The inherent social and economic advantages of tourism development to the local population must be emphasized. This shall necessitate continuous public awareness campaigns throughout various stages of project planning and implementation.

2.8 Cultural Impacts

Potential negative cultural impacts of the project are more generally related to increasing the number of tourists to areas or introducing tourists to locations that previously did not have visitation. The possible cultural issues are primarily of two kinds, namely, tourists engaging in culturally inappropriate behaviors due to their lack of awareness about local cultures, and the risks faced by local citizens due to increased associations with tourists. Increased influx of tourists into an area may also pose threats to tourists due to petty theft, harassment etc.

2.8.1 Tourists may not be aware of local customs and traditions: Tourists may not be informed of cultural differences and what is deemed acceptable behavior within a traditional Sri Lankan community. For example, proper attire for visiting religious sites, acceptable attire for beach areas, asking permission before taking pictures of local people etc., may not be familiar to the tourists. Such seemingly inappropriate behavior, largely due to ignorance, may be perceived as lack of respect for local cultures or as invasion of privacy by members of the community.

2.8.2 Harassment of tourists: Harassment of tourists is also a possibility in a situation where the influx of tourists increases to an area. In such situations the harassed individuals can call up the tourism hotline based in Colombo. SLTDA can assign the task of dealing with and

sorting the matter to the relevant police divisions in the relevant TDA through the tourist police in Colombo.

2.8.3 Sexual and other risks of tourism: At the same time, the local community will be made aware of the sexual risks that are usually associated with tourism. Risks of pedophilia and STDs such as HIV/AIDS in areas where tourism is currently a flourishing industry are some examples. The case of 'beach boys' in the Western and Southern coastal areas has been documented as providing services largely of a sexual nature. Though individuals seem to be voluntarily engaging in these activities, it is usually poverty and the environment around them that push them towards these sexual trades.

Drug addiction through associations with tourists may also be of concern for communities. The proposed project will pay careful attention to these possibilities because the negative impacts involved here can cause long term social problems that can affect Sri Lankans in general.

These risks can also lead to a decrease in the number of tourists wanting to visit a certain area if the issues accelerate to an extent of giving that particular area a bad reputation. Therefore, controlling these risks as much as possible will not only benefit the local community but will also safeguard the sustainability of the tourism industry in a given location.

2.9 Mitigating Strategy and Guidelines

2.9.1 Communication and awareness: The project will develop literature targeting the tourists that discusses the local culture, acceptable behavior patterns and the procedures available if faced with harassment of any nature. These publications will then be distributed among tourists by local tourist establishments and tour operators. The same will also be made available on the Internet and provided at the airport. This aspect of educating the tourists will also be incorporated into the training of guides.

Likewise, community members will be made aware about the laws that are in place to deal with sexual misconduct such as pedophilia. Community members, particularly the youth, must also be educated about sexually transmitted diseases such as HIV/ AIDS and drug addiction. The following guidelines will be used in organizing these awareness campaigns:

a) The campaigns will be jointly organized by members of the community, SLTDA officials, local government officials, CBOs and NGOs.
b) Lawyers and doctors will be used as resource persons in these campaigns.
c) Campaigns will be conducted in the main language of communication in the region. Leaflets written in the other languages, containing the information raised in the awareness campaigns will be distributed among speakers of other languages.
d) Such campaigns will be organized pre-implementation and during implementation of the project.
e) Schools and religious organizations will be requested to incorporate aspects of these campaigns into their day-to-day activities. This would ensure the sustainability of the knowledge passed on through the campaigns.

Since most of these problems are related to macro social issues such as poverty, awareness raising alone will not be able to mitigate the impacts completely. However, such awareness campaigns would be vital for protecting the local communities temporarily till a more long term solution is found to reduce poverty levels.

2.9.2 Coordinate with other organizations undertaking related activities: The project will liaise with the Ministry of Health for support in planning and conducting awareness campaigns on HIV/AIDS. Distribution of leaflets and other printed matter related to HIV/AIDS published by UNAIDS and World Vision among high risk groups in the communities will also be useful (See Appendix G for details of the National HIV program).

3.0 Impacts of Component 2: The Secondary Issues

Under Component 2 of the Sustainable Tourism Development Project, following the development of a localized master plan for selected tourism clusters, a series of infrastructure sub-projects will be identified. The sub-projects must, a) be requested by the community and local government; b) be listed in the tourism master plan; c) have a nominated community representative/ stakeholder and local government representative as the focal point for the project and d) have a pledge from the community to provide a minimum contribution 20% of the project cost in kind (land or labor) or cash. These projects can include trails and signs, site beautification, landscaping, viewing platforms, water catchment systems, waste disposal management systems, water management systems, renewable energy, training of guides, first aid and safety equipment, heritage sites, cultural centers, maps and information material, biological assessments, life guarding etc.

The above requests and decisions will be made by the community to ensure the efficient implementation of these sub-projects and will be made by the representative group of community members who will also take part in community discussions discussed above (See section 2.5.2). Any members who feel excluded from these decisions and requests and are unhappy about the decisions taken can complain to the GRC or SLTDA (See section 2.5.6).

This social framework document will elaborate on possible issues relating to infrastructure sub-projects that may directly or indirectly be triggered by the project investments, namely, 1) land-related issues, 2) selection of cultural sites and 3) vulnerable groups.

3.1 Land- related Issues

In the case of land issues, possible scenarios that may occur as an indirect effect of the project and possible guidelines and procedures in dealing with these issues are discussed.

3.1.1 No involuntary land acquisition*:* The infrastructural developments that will be undertaken by the project are of a small scale. These will include the development of water catchment systems, waste disposal management systems, water management systems and renewable energy systems, visitor centers, sanitation facilities etc. These small scale infrastructure developments will require small amounts of private or government owned land. In any case the potential infrastructure investments do not plan for forced acquisition of private property. Hence, the WB O.P. 4.12 will not be triggered.

Any privately owned land necessary for sub-projects will be bought from a willing seller. There will, under no circumstances, be any involuntary displacement and resettlement of individuals and families under this project. If a transaction cannot be done with mutual agreement, SLTDA would withdraw itself from the activity that was planned or find alternative land for the activity.

In situations where the project would need full or partial use of land that is currently being used/ owned by an individual in a given zone, LTF would have to develop a contractual agreement (MoU) with the land owner/ user. For example, if a trail has to be built on a piece of land that is owned by a community member, LTF would try to reach an agreement with the owner to build the trail on his/her land. The land owner will be compensated in terms of physical developments made to his/her land by the LTF. The role of PIU in this process is to come to an overall agreement with LTF indicating the responsibilities of LTF in meeting the requirements of the project. In situations where the LTF cannot reach this agreement with a particular land owner/ user, PIU will withdraw from the relevant sub-project.

3.2 Mitigating Strategy and Guidelines

To safeguard against possible land related conflicts that may be directly or indirectly related to project activities when undertaken by Component 2 of the project, the project will ensure that the following guidelines and principles are adhered to:

1. The local tourism master plan will include an assessment of all land titles and current land usages in the sub-project area. These will include but not be limited to:
   a) Private titles
   b) Government land
   c) Leased land
   d) Permit Lands

   The assessment will list all land-based economic activities in the sub-project area and the level of impact expected from implementation of the sub-project.
2. An assessment/ documentation of the local government policies related to land titling, property taxes, etc.
3. Stakeholder consultations and community participation will be used for gathering information on land titles and for identifying any issues, conflicts and disputes related to land, and whether any of the affected lands belong to IDPs who have not yet returned (See section 2.3.2).
4. Individuals from the different ethnicities, gender and age groups in the community will be represented in community participation (See section 2.5.2). Stakeholders will include:
   a) Ministry of Tourism
   b) Provincial Authorities
   c) Pradeshiya Sabhas
   d) Divisional Secretary
   e) Grama Niladhari
   f) Representatives of professional groups, religious groups, NGOs, CBOs, private investors and members of the community

   Procedures and findings of stakeholder consultations will be recorded and made public in local languages to ensure transparency.
5. Land requirements for sub-projects will only be addressed through willing buyer-willing seller transactions. However, in the event that land acquisition is unavoidable, the land acquisition process, consultation and compensation procedures and principles as per Sri Lankan Governmental policies and compliant with OP 4.12 are detailed in Appendix A.
6. The Grievance Redress Committee (GRC) discussed under section 2.5.6 will also deal with land-related issues.

3.3 Development of Cultural Sites

A selection of cultural sites will be supported through sub-projects such as visitor facilities, brochures, signage and guide training, within the master plans. These projects may have several impacts on the communities. The first is community concerns regarding increased visitation to sites. The second is the possibility of conflict, if it is perceived that the project is promoting one site representing a particular culture in preference of another.

3.3.1 Promotion of cultural sites: Physical Cultural Resources (PCRs) likely to be affected by the proposed project include movable or immovable objects, sites, structures, natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Threats posed by the project to the sustainability of these sites and structures would be a main concern of the communities as well as government officials. The project, while promoting visitation to these sites through publicity and improved access routes, will take utmost care in preserving them in their original form. The communities will also be made aware and convinced about the project intentions in order to avoid any potential protests on these lines. Promotion of cultural sites will be according to Sri Lankan laws related to cultural heritage and policies of the Ministry of Cultural Affairs.

3.3.2 Selection of cultural sites: An issue that may come up during these activities is the possibility of the project supporting a certain cultural site or event of a particular ethnic/ religious group instead of one associated with another group. This is likely to be unavoidable because all ethnic/ religious communities will not be equally represented in terms of cultural sites within a given region. The LTF (See section 2.5) will discuss and negotiate with stakeholders (See section 2.5.1) and community members (See section 2.5.2) in order to reach a consensus as to which site/s should be promoted using available funds and how the funds should be distributed among the different sites. If such a consensus is unreachable then the project would have to abandon the proposed activity.

3.4 Mitigating Strategy and Guidelines

Several strategies will be adopted by the project to mitigate the negative impacts that can result from interventions related to local culture and cultural heritage.

3.4.1 Communication and awareness campaigns: Awareness campaigns will be implemented to educate people about the project intentions in terms of the cultural sites and its commitment towards preserving these sites. These campaigns will also focus on positive impacts such as improved job opportunities for the community as a result of developing these cultural sites. Members from the community can get employment as cleaners, security guards, interpreters and small businessmen providing certain goods for visitors at these sites.

The project will pay attention to the following in planning awareness campaigns with the above purposes:

1. Campaigns will be conducted in the main language of communication in a given area with leaflets or other printed matter published in the other languages.
2. Information gathered through SIAs and stakeholder consultations will be used in determining the issues that need to be addressed at the campaign.

3. Experts, internal and external to the project, and community members need to jointly plan these campaigns. LTFs will be responsible for choosing resource personnel for these campaigns. In choosing community members for this purpose, the LTFs will consider locally influential individuals such as priests, school principals, teachers and the village *Ayurvedic* physicians (*veda mahattaya*). Information spread through such individuals will receive more recognition from the community.
4. These campaigns will be conducted at regular intervals during pre-project implementation, implementation and post-project implementation stages.
5. Schools, Sunday schools and religious organizations will be encouraged to engage in awareness rising by incorporating certain ideas expressed at awareness campaigns during their day-to-day functions. This will ensure sustainability of awareness.

3.4.2 Training and employment for local community: The project will ensure that first preference is given to local youth in employing individuals for jobs at these cultural sites and necessary skills training are provided. These recruitments and trainings will be done by the LTFs under the purview of SLTDA.

3.4.3 Obtain consensus on site selection for sub projects: Certain cultural sites or events promoted through the project may be identified more with one particular ethnic or religious group rather than others. If the various communities represented in the LTF or any external group is against the development of a particular cultural site then the project will not proceed as SLTDA policies clearly state that any action that creates any inter-cultural tension will be abandoned. However, the project will have to promote at least few sites in a zone in order to attract tourists. In this process, the project will ensure that all cultural sites are given an unbiased importance in preservation and in their promotions. In case where choice of sites is difficult to decide, stakeholders and community members will have to be consulted about which sites should be promoted. If a consensus cannot be reached even after these consultations the project would have to abandon the activity.

3.4.4 Develop cultural sites in line with internationally recognized guidelines: The project will use the services of experts such as archeologists, geographers and historians in developing a preservation plan for the sites. Internationally recognized guidelines will provide useful insights in this exercise (Refer the UNESCO Guidelines in Appendix D). These plans will also have to take into account the Sri Lankan law and policies of the Ministry of Cultural Affairs.

3.5 Vulnerable groups

3.5.1 Exclusion of vulnerable groups: The project will pay specific attention to certain vulnerable groups such as women, the mentally and physically handicapped because of their lack of formal education, training or general awareness or adversity of past life experiences. Although it has to be understood that incorporation of all such individuals may be a difficult task to attain, the project will try its best to accommodate these groups along with other beneficiaries. For example, it may be difficult for the project to employ a mentally handicapped individual at a site. But it can employ a deaf individual as a cleaner at a cultural site where his interactions with others are likely to be minimal.

The position of women in Sri Lanka does not seem to be a major challenge in the country according to the Global Gender Gap Report of 2008 which lists Sri Lanka as the 12th out of a total of 130 countries. Furthermore, much literature discusses Sri Lanka as providing equal

opportunities in education, work force and health for males and females. Moreover, many CBOs in Sri Lanka have very high female participation in their membership as well as in decision-making positions. Therefore, the project does not envisage any issues related to gender. However, as a country with a patriarchal culture, the sustainable tourism project must ensure that women are not specifically disadvantaged due to the project by encouraging their participation in project activities.

3.6 Mitigation Strategy and Guidelines

The project, through the LTFs, will aim to provide non-formal education and vocational training to increase the ability of these groups, particularly women, to take up opportunities provided by tourism development. Individuals can also be offered training in new employment and market opportunities discussed under sections 2.6 of this report. The project will ensure the following in conducting these trainings:

1. Training to be organized and conducted by the PIU under the purview of LTF.
2. Stakeholder consultations (See section 2.5.1), community participation (See section 2.5.2) and SIAs (See section 2.5.7) will be used to identify the groups that need to be trained and the areas in which they should be trained.
3. Stakeholder consultations and community participation will be done as specified in previous sections.
4. Experts in the relevant fields will be recruited as demanded by the training and the trainees.
5. A committee will be appointed by PIU to monitor training to ensure that the benefits of training are available to the local communities. The committee will comprise SLTDA officials and few independent members.
6. The committee will pay specific attention to providing equal opportunities for males and females.

4.0 Impacts of Component 3

4.1 Assistance for compiling applications for matching grants: The project description recognizes the possibility of potential grant applicants (individuals/ groups) experiencing difficulties in compiling such applications and in dealing with the entire application process in general. Therefore, the recruitment of a Process Consultant to assist applicants formulate ideas, develop proposals, mobilize and implement support has been incorporated into the plan (See Appendix E).

The mechanism of matching grants will be developed by an expert recruited by SLTDA. It is at this stage that the expert would decide the criteria that should be met in order for a group of community members to apply for a matching grant and the factors that define a proposal as a ‘community initiative’.

4.2 Mitigating Strategy and Guidelines

4.2.1 Improve awareness and transparency: Mitigating strategies similar to those discussed in section 2.2.1 above can be used for this purpose as well. The criteria and qualifications relevant for applying for and receiving a matching grant will be made publicly known so that accusations of ‘favoritism’ can be minimized.

4.2.2 Recruitment of a Process Consultant: The Process Consultant will be a NGO possessing the required expertise, who can undertake the task of helping grant applicants through the process.

a. The process consultant will conduct seminars or workshops to educate potential applicants about the process of applying for a matching grant.
b. Printed material such as leaflets that outline the process involved will be published by the Process Consultant.
c. Such printed material will be published in Sinhala, Tamil and English.
d. Provisions will be made in the SLTDA website to accommodate similar information for potential applicants.

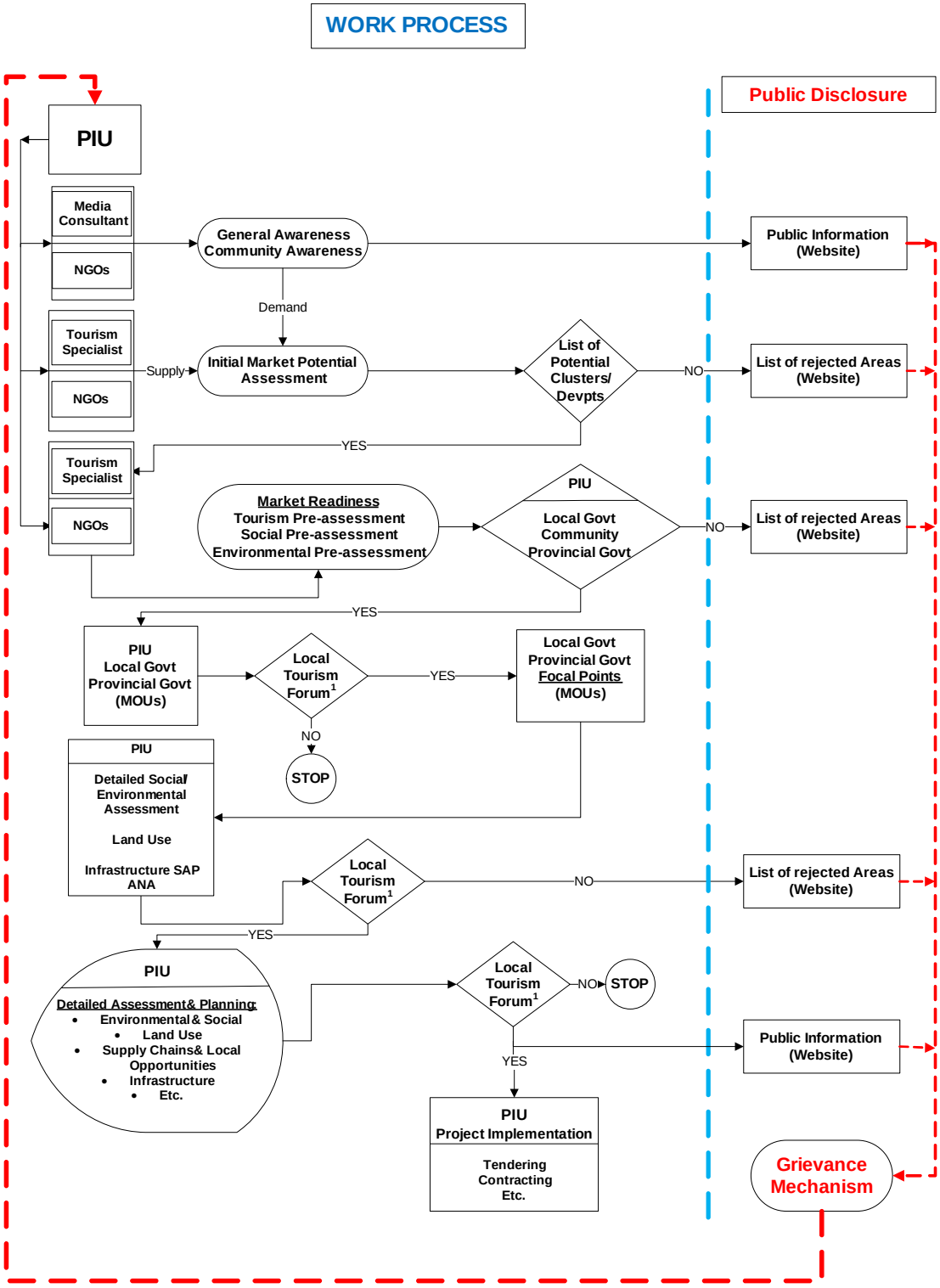
4.2.3 Grievance Redress Mechanism (GRM): The GRM mechanism discussed in section 2.5.6 will be responsible for dealing with complaints from unsuccessful grant applicants or any other community member regarding the award of matching grants.

5.0 General mitigating Strategies to adopt throughout the project

The above sections discussed, in detail, the impacts of the project, its sub-projects and the proposed mitigating strategies for impacts. Those and other mitigation strategies/ guidelines that should be taken into account generally throughout the project are summarized below:

1. Conduct stakeholder consultations at regular intervals.
2. Ensure community participation at the stages of project planning, feasibility, pre-implementation, implementation and post-implementation stages.
3. One SIA to be conducted after each zoning plan. Additionally, the project will incorporate a system whereby SIAs become an ongoing process throughout the project implementation, i.e. in the form of a Continuous Social Impact Assessment (CSIA) which annually will assess the broader social impact of the different project components as well as of the overall project. A consultancy firm can be assigned the responsibility of conducting these SIAs. (Guidelines for the SIA and the CSIA are included in Appendix B and C)
4. Conduct awareness campaigns to educate the communities about the project, its benefits, its problems and solutions to the problems.
5. Conduct communication campaigns to inform the tourists about practices and beliefs of local communities.
6. The project must engage in making necessary plans to ensure that all communities affected are 'affected to the same extent'. Impact of both positive and negative consequences must not be felt more by one group than another. Careful attention must be given to the communities in the East because of the uniqueness of their life experiences.
7. Ensure transparency of all project activities and decisions by means of record keeping and by making records available for observation by interested parties. The interested parties may include community members, religious groups, political leaders, potential investors etc. They would require the permission of SLTDA to access these records. A project website will also be established as a mechanism of enhancing transparency. The proposed website will have situation reports and progress reports of sub-projects.
8. Project Implementation Unit (PIU) and External Monitoring Committee – PIU would function as the main monitoring unit within the project. It is the responsibility of this unit to prepare monthly updates of project activities and make them available for scrutiny by an external monitoring team from the WB.

9. A complaint register accessible to all complainants should be made available at the relevant DSO and/or project offices. The complaints registered here must be developed into a data base which can contribute to SIAs and be regularly monitored by the GRC and/or LTF to ascertain the types of complaints, how they are being addressed and the time it takes from the time a complaint is submitted until it is resolved. The LTF will decide on a maximum time that should be taken for resolving the different kinds of problems that is envisaged at the time of setting up the complaint register. For example, resolving a land-related issue may require more time than resolving a livelihood issue.
10. Any complaint lodged must be addressed within a specified but a short period of time by an officer or committee entrusted to do so and the complainant/s must be informed about the status of the complaint. The complaint book must be made available for review by the WB supervision missions and the project executing agency.
11. Land acquisition, resettlement and compensation, if unavoidable, should be done in line with Sri Lanka Government policies and laws and complaint with WB OP 4.12 (See Appendix A).
12. Committees or NGOs to be appointed to deal with issues pertaining to sub-projects.
13. Awareness and training on concepts and methods of social assessment and social impact mitigation and management also is recommended for project staff. Such programs can also involve certain other stakeholders such as government officials. These individuals would have to be made aware of the existing Sri Lanka Government policies discussed in the social impact management framework of the project in the preparation of action plans for mitigation of adverse social impacts, economic rehabilitation of the affected people, and monitoring and evaluation of identified impacts and data based management of impacts.



[1] **The Local Tourism Forum** will have female participation and gender issues will be given priority**.**

Appendix A

Utilization of Land for Tourism Development

As pointed out throughout the report, forced acquisition of land is extremely unlikely in this project. However, the Acts and policies that come into play and the procedures that would be involved under such circumstances are described below.

In addition to the existing legal and regulatory framework in Sri Lanka on acquisition of land for tourism development it might become necessary to acquire land and properties which belong to the private owners. In such circumstances resettlement of the owners and their homesteads can bring about negative impacts and issues. Some of the issues which need to be addressed are highlighted below in order to fall in line with the Bank's policy:

- *Avoiding/Minimizing Land Acquisition*: As there are no clear guidelines the only limiting factor might be the costs which may discourage acquisition more than necessary.
- *Eligibility for Compensation*: As the provisions for inquiry into the affected persons' interests and compensations claim indicate, there is a need to recognize the rights of the titleholders and others who have some form of legal basis to the interest claims.
- *Relocation of Homestead Losers:* Stipulates "reasonable expenses" to effect any change of residence caused by the acquisition. There is need for reallocation of lands and other facilities.
- *Socioeconomic Rehabilitation:* No provisions are there to mitigate long-term socioeconomic changes the PAPs and households might undergo in the post-acquisition period.
- *Ensuring Payment/Receipt of the Compensation:* In acquisition of land it would be necessary to ensure that the PAPs whould actually *receive* the awards.
- *Deduction Due to Market Price Appreciation*: On the other hand, deduction of an appreciation in market value, where a portion of a plot is acquired and the market price of the remainder is likely to increase. Such reasonable deductions of the market value of the acquired portion should be taken in to consideration.

The Land Acquisition Act (LAA) of 1950 seems to recognize the government's accountability to the affected property owners, who could challenge a decision up to the Supreme Court and the Board of Review. While this may have been necessitated by the application and practices of the act, the process is very time consuming. Resolution of the court cases, where the appeals could go up to the Supreme Court and Board of Review, could take a relatively long time. But the act is not sufficiently clear about how they affect possession takeover[18].

The procedure involved in Land Acquisition under the Land Acquisition Act is outlined in the table below:

[18] It is reported that some court cases have caused stoppage of the civil works under a component in the Southern Expressway project.

	Activity	Responsibility	Minimum period for task (weeks)
1	Request sent to the Land Ministry under the Section 2(1) of the Act	Project executing agency	2
2	Approval granted by the Minister	Minister of Land	2
3	Preparation of a perimeter survey plan	Survey Department	4
4	Publication of notice under Section 4	Ministry Lands	6
5	Inquiry under Section 4, if any objections are brought to the Minister's notice. Notice issued giving date of inquiry (after giving sufficient time). Followed by the inquiry and submission of the report to the ministry of lands.	Acquiring officer	9
6	The Minister's decision to acquire the land to be published in the Government Gazette.	Minister of Lands	5
7	Preparation of the preliminary plan under the section 6	Survey Dept.	6
8	Publication of the notice that an inquiry will be held under section 7(1) and those interested to appear before the inquiring officer for an inquiry	Acquiring officer	6
9	Under the section 8, any person interested in respect of the land can deliver to the acquiring officer the names and addresses of the interested parties and nature of interest in the land and all other details as rent, profit etc.	affected persons	
10	Inquiry under Section 9 by acquiring officer to ascertain the market value, compensation claims of the parties and interests. Valuation department to be requested to estimate the amount of compensation to be paid.	Acquiring officer	8
11	Decision of inquiry (under Section 10 - 1) of persons' right to the lands. If claimant is not satisfied with the decision, the Acquiring Officer can make a reference to district court/primary court and defer the decision until the court order is made.	District court/ Primary court	Indefinite
12	The result of the inquiry under Section 9 and decision under Section 10 which is the final determination makes his award under 17- giving details of 1) Persons entitled to compensation	Acquiring Officer	5

	2) Nature of interests 3) Amount of compensation 4) Appointment of such compensation		
13	If the parties disagree they can appeal to the Board of Review	APs/Board of review	Indefinite
14	Payment of compensation	Acquiring officer	4
15	A notice under Section 38A is gazetted (if the land is not taken over earlier). This is a vesting order.	Minister	6
16	Taking possession of the land	Acquiring officer	3
17	Registration of the land and state title in the land registry	Ministry of lands	3
	Estimated total number of weeks		69

Some of the shortfalls and the difficulties with using the 1950 LAA for time-bound development projects are widely recognized by project execution agencies of GoSL and the donors supporting development projects in Sri Lanka. This led to formulation of a National Involuntary Resettlement Policy (NIRP), by taking into consideration the resettlement principles and guidelines of major donors, including the World Bank. Amendments to the 1950 LAA have also been recommended to complement provisions of the NIRP and facilitate preparation and implementation of the land-based development projects. The NIRP has been adopted by the government, but the amendments to the acquisition act remain to be incorporated. As a result, land acquisition remains as difficult as before, even though the NIRP is followed to plan resettlement activities. Under the circumstances, the land acquisition process to be followed in the proposed Toursim Development Project makes use of the country's existing LAA, the NIRP and the Bank's OP 4.12.

Land Acquisition Principles

In keeping with the resettlement objectives and to avoid or minimize potential disruptions to the peoples' livelihood, land acquisition will be guided by the following principles.

- Alternative designs will be carefully considered to avoid or minimize land acquisition in general, and particular attention will be paid to using minimum of private lands, and as much of public lands as possible.
- Sub-projects will be designed to avoid or minimize acquisition of buildings/ structures that house business/commercial activities. Partial dismantling of business premises in small townships and other places will be done in consultation with the owners and in ways that would not threaten the structural stability of the remainder.
- Where acquisitions make residuals of housing, commercial or agricultural plots economically or otherwise unviable, the landowners will be given the option to offer the entire plots for acquisition.
- Alternative designs will be considered not to affect objects and sites like places of worship, cemeteries, and buildings/structures that are considered socially and religiously important.

Impact Mitigation Principles

The mitigation principles and guidelines proposed below are based on the provisions adopted in the *National Involuntary Resettlement Policy* of Sri Lanka, and the Bank's OP 4.12 on Involuntary Resettlement.

- Where displacement is unavoidable, resettlement of the PAPs will be planned and developed as an integral part of the project and will be implemented as a development program.
- Homestead-losers, including the households living on public lands without authorization, will be given the options of physical relocation in similar locations of their choice, or in designated resettlement sites, and will be assisted with relocation.
- The relocation sites, wherever needed, will be selected in consultation with the potential resettlers, and will be provided with the social and community facilities similar to those used previously. All efforts will be made not to take the PAPs far away from their residual lands, if any, and the existing sources of income and livelihood.
- For compensation and assistance, encroachers who have been regularized by GoSL, and those who have earned prescriptive rights to public lands they presently use, will be treated as landowners with legal titles to the lands.
- Absence of legal title will not be considered a bar to compensation for non-land assets created by public land users[19].
- Vulnerability of the PAPs, in terms of economic, social and gender characteristics, will be identified and mitigated with appropriate policies.
- Where community-wide impacts are caused in the form of affecting community facilities, restricting access to common property resources, and the like, the project will rebuild such facilities and provide for alternative accesses.
- The project executing agency will bear the costs of land acquisition and resettlement.

Impact Mitigation Modalities

Where the most preferred "land-for-land" option is not feasible[20], the compensation for lands will be fixed at their replacement value, and for other affected properties at replacement costs or market prices. The following types of compensation/entitlement will be paid for losses expected to be caused by the project.

- Compensation for the acquired lands legally owned, or on which the current users are regularized or qualified to prescriptive right (by use of public lands for at least 10 years), which include residential plots, agricultural and other lands, will be paid at 'replacement costs' to be determined by the Land Resettlement Committees (LRCs) headed by the Divisional Secretaries.
- Replacement costs will include registration costs or stamp duties in cases replacement of the affected lands and other assets involve such costs, subject to actual replacement.
- Loss of houses/structures and other immovable assets of value, which are to be rebuilt, will also be compensated for at replacement costs.
- Loss of other assets like trees, which cannot be replaced, will be compensated for at current market prices at the time of first acquisition notification. Compensation for affected orchards and similar commercial plantations will take into account the loss of

[19] According to the Land Acquisition Act, if a person keeps using public land for 10 years or more may earn 'prescriptive right' and may become eligible for compensation for the land as well.

[20] Offer and acceptance of this option will consider factors like soil quality and productivity and distance from the affected landowners' present places of residence. If such lands are situated too far away it may not feasible for them, especially the self-cultivators, to use the lands profitably.

investment and income. [SLTDA/LRCs will use expert assistance and any available standards in determining the compensation.]

- Cut-off dates will be established to determine compensation eligibility of persons and their assets. These are the dates on which census of the affected persons and their assets will be taken. Assets like houses/structures and others which are created, and the persons or groups claiming to be affected, after the cut-off dates will be ineligible for compensation.
- Where acquisition causes displacement from homesteads, the project will encourage for and assist with self-relocation. Where self-relocation is infeasible, the project will arrange for lands to relocate, and provide for basic social and physical infrastructure.
- Owners of the affected businesses will be compensated for temporary loss of income based on net income for a reasonable period of time, or a one-time lump sum grant.
- Where rented businesses premises are affected, the business owners will be paid an 'advance rent' for a reasonable period of time, as determined by LRCs.`
- Employees of the affected businesses, who have been continuously employed for a certain period of time up to the cut-off dates, will be compensated for temporary loss of income for a reasonable period of time.
- Loss of rental income from rented-out business and residential premises situated on private lands will be compensated for a reasonable period of time, as determined by LRCs. [Rental income loss from unauthorized premises situated on public lands will be ineligible for compensation.]
- The project will identify and implement policies to mitigate any adverse impacts that are unique to any project locations and have so far remained unknown.
- Compensations/entitlements due to the PAPs will be paid in full before they are evicted from the acquired private and public lands.

Impacts and Impactees Eligible for Compensation/Assistance

The mitigation principles and impact mitigation modalities stated in the preceding section are operationalized by defining and categorizing the potential impacts/losses which will qualify for mitigation. The losses/impacts listed below are only the likely ones and remains open to revision as the specific projects are selected and social risks screening and assessment are carried out. Any unforeseen impacts, as and when encountered, will be taken into account along with appropriate measures to mitigate them.

Impacts Eligible for Mitigation

Lands (All Kinds):

All kinds of lands, such as agricultural, residential, commercial, fallow and any other kinds of lands acquired from private ownerships. The following land users will also qualify for compensation:

1. Where public lands, on which encroachers/users have been regularized, are acquired or taken back, the affected land users will be entitled to replacement costs of the lands.
2. Where public lands, on which the users qualify for prescriptive rights (for use for 10 years or more), are taken back, the affected land users will be entitled to replacement costs of the acquired lands.
3. Where public lands are taken back from legally authorized private users, the users will be entitled to the remaining lease value and entitlements for other losses in accord with the stipulated policies.

4. The unauthorized or informal users of public lands, such as squatters and encroachers, are not eligible for compensation for land, but for other losses covered by the mitigation policies.

Built Structures:

5. *Houses and Other Structures on Private Lands*: All built structures, such as living quarters and those used for other purposes, commercial and industrial premises, and brick-concrete built amenities like drainage, sanitation facilities.
6. *Houses and Other Structures on Lands Under Prescriptive Rights*: All built structures, such as living quarters and those used for other purposes, such as commercial and industrial premises.
7. *Houses and Other Structures on Public Lands*: All built structures, such as living quarters, commercial and those used for other purposes.

Trees and Orchards: Market price of all trees, including those in orchards, grown on private and public lands. The compensation for fruits and other crops will be assessed and paid in terms of seasonal and perennial characteristics.

Fruits and Other Crops: Compensation will be assessed based on the market value of the crops standing in the field and those found on trees by LRCs.

8. *Seasonal Crops:* Compensation of such crops will be paid for only one season.
9. *Perennial Crops:* For a reasonable period of time based on the year's value of the crops grown on the acquired lands, as determined by LRCs.

Rental Income: Loss of rental income from houses/structures situated on private lands, for a reasonable period of time.

Rented Business premises: Businesses displaced from rented premises.

Business and Wage Income: Temporary loss of business and wage income by the owners and employees of businesses affected on private and public lands, for a reasonable period of time.

Severe Impacts on Livelihood: The persons/households, whose livelihood- irrespective of landownership status- is severely affected, would be assisted to with the changed circumstances.

Community Facilities: Affected educational institutions and other community facilities will be rebuilt by SLTDA. [No compensation will be paid in cash].

Common Property Resources: SLTDA will provide alternative access to or develop similar resources, whichever is appropriate. [No compensation will be paid in cash.]

Usufruct Rights: If such rights, which have been acquired by private citizens/groups through a formal agreement with the government, SLTDA will pay for remainder of the lease value or fulfill the obligations agreed in the contract and any other entitlements in accord with the mitigation policies. [Where agreements are between private parties, the owner of the affected property will fulfill any obligations agreed between them.]

Unforeseen Losses/Impacts: All other losses/impacts that have remained unknown as of now, but identified in PAP censuses will be mitigated with appropriate measures.

Project Affected Persons (PAPs)

As follows from the proposed mitigation principles and modalities, the following persons/households/entities will be entitled to financial and other forms of compensation and assistance. It is to be noted that depending upon the types of losses a PAP may be entitled to more than one form of compensation.

Private Land and Other Property Owners: Legally-recognized owners of affected lands and other assets built and grown on the acquired lands. Legal owners will be identified by the Divisional Secretaries.
Regularized Encroachers*:* Those who have been regularized on the public lands acquired or taken back for the project, as determined by the Divisional Secretaries.
Persons with Prescriptive Rights on Public Lands*:* Those who have been using the public lands for at least 10 years, as identified by the Divisional Secretaries.
Informal Users of Public Lands (Squatters & Encroachers): Residing on public lands and/or using such lands for income earning purposes.
Owners and Employees of Affected Businesses: For a reasonable period of time, subject to certain conditions (See *Impact Mitigation Modalities*).
Rental Income Earners: From rented-out premises situated on private lands, for a certain period of time (Certain conditions will apply– see *Impact Mitigation Modalities*).
Owners of Businesses in Rented Premises*:* Where businesses housed in rented premises are displaced by the acquisition.
Persons with Usufruct Rights*:* Owners of business and other activities on formally leased-in public lands.
Community or Groups: Where local communities and groups are likely to lose income earning opportunities or access to crucial common property resources, special development programs will be undertaken to provide alternatives to restore and improve their livelihood.

For *adverse impacts on community facilities*, such as educational institutions, places of worship, graveyards, cremation grounds, etc, no financial compensation will be paid directly to individual persons and groups. SLTDA will itself rebuild the affected facilities, or provide alternatives in consultation with the user communities.

Compensation Payment

As the lands will be acquired by using the present acquisition act, the Divisional Secretaries will pay all mandated compensation to all affected persons recognized by LAA. SLTDA will pay all other compensations/entitlements that have been stipulated beyond the jurisdiction of acquisition act, to all eligible affected persons/households, such as titleholders, regularized encroachers, prescriptive right holders, and informal public land users.

Consultation and Information Dissemination

The project executing agency, SLTDA, will ensure that all would-be affected persons, titleholders, regularized encroachers and those who have earned prescriptive rights to public lands, and informal users (squatters) of public lands, are consulted about the impacts of the proposed acquisition and recovery of possession of the lands that may have been under unauthorized private uses; proposed impact mitigation policies; and the process that would be followed to implement them. Consultations will be carried out with all stakeholders and through community meetings, which will seek active participation of the local government and administration officials. Focus-group discussions will be carried out in particular with adversely affected persons/households

Discussions will especially focus on the provisions of the acquisition act, vis-à-vis the rights and responsibility of the affected property owners; the impact mitigation policies and the measures that have been stipulated beyond the LAA; and the mechanisms adopted to implement them. Among other issues, consultation will include the following topics:

***Land Acquisition**:* Depth of consultation and discussions will depend upon PAPs' present knowledge of the acquisition act and the necessity and interest to learn more about it. The discussions will at least cover the following:

- A brief overview of the 1950 Land Acquisition Act, with an emphasis on the *legal notices* under the sections that directly concern the landowners, and their legal rights.
- Types of affected persons as recognized by the LAA.
- Types of losses eligible for compensation under the LAA.
- Valuation of affected assets: preparation of the *compensation claims* at open market prices; inquiry into the claims by the Divisional Secretaries and further assessments by the Valuation Officers.
- Compensation payment process.
- Any other issues/topics concerning land acquisition and compensation.

***Resettlement**:* In addition to the objectives of the resettlement program, the following topics will be discussed in greater details:

- Land acquisition principles
- Principles and modalities adopted for mitigation
- Affected persons/households and assets eligible for compensation
- Mitigation measures specific to losses/impacts, including physical relocation options, special grants stipulated for acquisition-induced vulnerability.
- Grievance Redress Mechanism – its function, procedure to lodge grievances, etc.
- Compensation payment process to be used by SLTDA
- SLTDA's organizational structure engaged in RAP preparation and implementation.
- Any other issues/topic deemed useful to explain resettlement process.

Required documentation of these discussion meetings will consist of minutes with dates, venues, number of participants, issues/topics discussed, major feedback which may have policy implications in terms of unforeseen impacts and project design considerations, and any agreements that may have been reached. Documentations will be available during IDA supervision of the project.

Grievance Redress Mechanism

The LAA allows the persons with 'interest' in the acquired lands to challenge the decision of the acquiring officers (Divisional Secretaries) to the courts of law, such as District Courts and Supreme Court, and finally to the Board of Review. But those who are displaced from public lands do not have a right to bring their grievances to any institutional entities. Then there could be issues and grievances which would hardly qualify as legal, but they need to be resolved somehow. As such, the Bank policy requires the borrowers to establish mechanisms to deal with issues and grievances that might be raised by all affected persons, including the informal users of public lands. The procedure is meant to reduce the incidence of expensive and time consuming litigation involving minor issues among the landowners, and to give an opportunity to those not covered by the LAA. The general Grievance Redress Mechanism established under the project will process land related grievances.

The procedure will seek to resolve an issue quickly, amicably, and transparently out of courts in order to facilitate the land acquisition and compensation determination and payment processes, and save the PAPs from resorting to expensive and time-consuming legal actions. The decisions made by GRCs will be binding on the project execution agency. To instill confidence and trust in the procedure, the convener will ensure that all grievance decisions

are made in formal hearings and that the individual GRC members are not contacted by the aggrieved PAPs or stakeholders in advance. The convener will have the authority to ensure impartiality, fairness and transparency. The GRC will record the details of the grievances and the reasons that led to acceptance or rejection of the particular grievances, and will make them available for review by the IDA supervision missions and other interested persons/entities.

Appendix B

Generic Guidelines/ TOR for Social Impact Assessment[21]

Social Impact Assessment (SIA) involves the collection of data related to measurable change in human population, communities, and social relationships resulting from a development project or policy change; in this case a sustainable tourism project. The SIA must gather data on the following variables prior to the implementation of the each sub-project (planning/ policy development stage).

1. Population Characteristics- present population and expected change, ethnic and racial diversity etc.
2. Community and Institutional Structures- the size, structure, and level of organization of local government including linkages to the larger political systems. They also include historical and present patterns of employment and industrial diversification, the size and level of activity of voluntary associations, religious organizations and interests groups, and finally, how these institutions relate to each other.
3. Political and Social Resources- the distribution of power authority, the interested and affected publics, and the leadership capability and capacity within the community or region.
4. Individual and Family Changes- factors which influence the daily life of the individuals and families, including attitudes, perceptions, family characteristics and friendship networks.
5. Community Resources- patterns of natural resource and land use; the availability of housing and community services to include health, police and fire protection and sanitation facilities. A key to the continuity and survival of human communities are their historical and cultural resources. Possible changes for indigenous people and religious sub-cultures also fall here.

Scope of work:

1. Gather data on all variables and during all the stages specified above, where possible. Mobilization of research assistants in this venture.
2. Use participatory tools in data gathering.
3. Public involvement- Develop an effective public plan to involve all potentially affected publics.
4. Identification of alternatives- Describe the proposed action or policy change and reasonable alternatives.
5. Baseline conditions- Describe the relevant human environment/area of influence and baseline conditions: The baseline conditions are the existing con-ditions and past trends associated with the human environment in which the proposed activity is to take place.
6. Scoping- After obtaining a technical understanding of the proposal, identify the full range of probable social impacts that will be addressed based on discussion or interviews with numbers of all potentially affected.
7. Projection of estimated effects.

[21] These guidelines are based on the international SIA guidelines/ principles put forward by IAIA (International Association for Impact Assessment- USA) (2003) and on the guidelines by the Interorganizational Committee on Guidelines and Principles for Social Impact Assessment, USA (1994). The consultant/s undertaking each SIA must be encouraged, as much as possible, to follow the international guidelines specified by these organizations. However, certain adaptations may be required to suit the Sri Lankan social, economic and cultural scenario.

8. Predicting community responses to impacts- Determine the significance to the identified social impacts.
9. Indirect and cumulative impacts- Estimate subsequent impacts and cumulative impacts. Indirect impacts are those caused by the direct impacts; they often occur later than the direct impact, or farther away. Cumulative impacts are those impacts which result from the incremental impacts of an action added to other past, present, and reasonably foreseeable future actions regardless of which agency or person undertakes them.
10. Changes in alternatives - Recommended new/changed alternatives and estimate/or project their consequences: Each new alternative or recommended change should be assessed separately.
11. Mitigation- Develop a mitigation plan.
12. Monitoring– Develop a monitoring program.

Expertise required:
This may vary according to the sub-projects.
It is recommended that individuals with at least a Master's Degree in social science with experience in applied research techniques be recruited as chief researchers.
Several assistants who possess at least a BA degree should be recruited to support the chief researcher.

Deliverable:
1. Interim reports to be submitted one month after the SIA for comments by SLTDA.
2. Final report to be submitted two weeks after receiving comments.

Appendix C

Generic Guidelines for Continuous Social Impact Assessment (CSIA)

CSIA refers to an overall SIA conducted annually on the whole project throughout the duration of the project. Through direct interaction with the local population in the project areas, the CSIA is expected to provide an independent assessment of the wider social impacts of the project interventions, implementation of the safeguards framework, functioning of GRC, impact on land tenure and land markets in the TDAs and of development of local entrepreneurship and investments. The CSIA helps to monitor the social dimensions of the SLSTDP (Sri Lanka Sustainable Tourism Development Project) and in doing so highlight the risks, challenges, opportunities and problems within the project.

Scope of work

The Continuous CSIA will be conducted on an annual basis by an independent consultant firm. The CSIA will include all areas covered by the project. The consultancy firm will annually conduct detailed survey sampling at least 10 percent of the population from each project area and submit the report within three month after the completion of a given phase. The CSIA may apply a range of methodologies such as:
Household interviews in designated TZ areas
Individual stakeholder interviews
Community discussions

The assessment should include an analysis of the role of the LTF, the impact of the land zoning and land use plans, the PPP initiatives (outcome and beneficiaries), a review of social safeguard issues, and assessment of the social soundness of the project and its approach to minimize social tensions.

Appendix D

UNESCO guidelines on Protection and Management of World Heritage Sites[22]

- Protection and management of World Heritage properties should ensure that the outstanding universal value, the conditions of integrity and/or authenticity at the time of inscription are maintained or enhanced in the future.
- All properties inscribed on the World Heritage List must have adequate long-term legislative, regulatory, institutional and/or traditional protection and management to ensure their safeguarding. This protection should include adequately delineated boundaries. Similarly State Parties should demonstrate adequate protection at the national, regional, municipal, and/or traditional level for the nominated property. They should append appropriate texts to the nomination with a clear explanation of the way this protection operates to protect the property.

1. Legislative, regulatory and contractual measures for protection

- Legislative and regulatory measures at national and local levels should assure the survival of the property and its protection against development and change that might negatively impact the outstanding universal value, or the integrity and/or authenticity of the property. State Parties should also assure the full and effective implementation of such measures.

2. Boundaries for effective protection

- The delineation of boundaries is an essential requirement in the establishment of effective protection of nominated properties. Boundaries should be drawn to ensure the full expression of the outstanding universal value and the integrity and/or authenticity of the property.
- For properties nominated under criteria (i) – (vi), boundaries should be drawn to include all those areas and attributes which are a direct tangible expression of the outstanding universal value of the property, as well as those areas which in the light of future research possibilities offer potential to contribute to and enhance such understanding.
- For properties nominated under criteria (vii) – (x), boundaries should reflect the spatial requirements of habitats, species, processes or phenomena that provide the basis for their inscription on the World Heritage List. The boundaries should include sufficient areas immediately adjacent to the area of outstanding universal value in order to protect the property's heritage values from direct effect of human encroachments and impacts of resource use outside of the nominated area.
- The boundaries of the nominated property may coincide with one or more existing or proposed protected areas, such as national parks or nature reserves, biosphere reserves or protected historic districts. While such established areas for protection may contain several management zones, only some of those zones may satisfy criteria for inscription.

3. Buffer Zones

- Wherever necessary for the proper conservation of the property, an adequate buffer zone should be provided.
- For the purposes of effective protection of the nominated property, a buffer zone is an area surrounding the nominated property which has complementary legal and/or customary restrictions placed on its use and development to give an added layer of

[22] whp.unesco.org/archives/opguide08-en.pdf

protection to the property. This should include the immediate setting of the nominated property, important views and other areas or attributes that are functionally important as a support to the property and its protection. The area constituting the buffer zone should be determined in each case through appropriate mechanisms. Details on the size, characteristics and authorized uses of a buffer zone, as well as a map indicating the precise boundaries of the property and its buffer zone, should be provided in the nomination.

- A clear explanation of how the buffer zone protects the property should also be provided.
- Where no buffer zone is proposed, the nomination should include a statement as to why a buffer zone is not required.
- Although buffer zones are not normally part of the nominated property, any modifications to the buffer zone subsequent to inscription of a property on the World Heritage List should be approved by the World Heritage Committee.

4. Management Systems

- Each nominated property should have an appropriate management plan or other documented management system which should specify how the outstanding universal value of a property should be preserved, preferably through participatory means.
- The purpose of a management system is to ensure the effective protection of the nominated property for present and future generations.
- An effective management system depend son the type, characteristics and needs of the nominated property and its cultural and natural context. Management systems may vary according to different cultural perspectives, the resources available and other factors. They may incorporate traditional practices, existing urban or regional planning instruments, and other planning control mechanisms, both formal and informal.
- In recognizing the diversity mentioned above, common elements of an effective management system could include:
  - A thorough shared understanding of the property by all stakeholders;
  - A cycle of planning, implementation, monitoring, evaluation and feedback;
  - The involvement of partners and stakeholders;
  - The allocation of necessary resources;
  - Capacity-building; and
  - An accountable, transparent description of how the management system functions.
- Effective management involves a cycle of long-term and day-to-day actions to protect, conserve and present the nominated property.
- Moreover, in the context of the implementation of the *Convention*, the World Heritage Committee has established a process of Reactive Monitoring and a process of Periodic Reporting.
- In the case of serial properties, a management system or mechanisms for ensuring the co-ordinated management of the separate components are essential and should be documented in the nomination.
- In some circumstances, a management plan or other management system may not be in place at the time when a property is nominated for the consideration of the World Heritage Committee. The State Party concerned should then indicate when such a management plan or system would be put in place, and how it proposes to mobilize the resources required for the preparation and implementation of the new

management plan or system. The State Party should also provide other document(s) (e.g. operational plans) which will guide the management of the site until such time when a management plan is finalized.

- Where the intrinsic qualities of a property nominated are threatened by action of man and yet meet the criteria and the conditions of authenticity or integrity, an action plan outlining the corrective measures required should be submitted with the nomination file. Should the corrective measures submitted by the nominating State Party not be taken within the time proposed by the State Party, the property will be considered by the Committee for delisting in accordance with the procedure adopted by the Committee.
- State Parties are responsible for implementing effective management activities for a World Heritage property. State Parties should do so in close collaboration with property managers, the agency with management authority and other partners, and stakeholders in property management.
- The Committee recommends that State Parties include risk preparedness as an element in their World Heritage site management plans and training strategies.

5. Sustainable Use

- World Heritage properties may support a variety of ongoing and proposed uses that are ecologically and culturally sustainable. The State Party and partners must ensure that such sustainable use does not adversely impact the outstanding universal value, integrity and/or authenticity of the property. Furthermore, any uses should be ecologically and culturally sustainable. For some properties, human use would not be appropriate.

Appendix E

Details of Project Components and Sub-Projects

Component 1

The component will reduce the time required to issue permits, approvals etc., increase the number of registered hotels and increase the capability of public institutions. The key outputs of this component will be to;

1) Develop a business model for the Sri Lanka Tourism Development Authority (SLTDA) to support the provision of tourism related services at the local, provincial government and central government levels. Following the approval of the business model, capacity will be built at various levels to realize the institutional capacity required to implement the model.
2) Establish a one stop center at the local level as a primary interface for tourism related investment to coordinate with other agencies outside of the tourism cluster. This focal point will act as the main link to other public institutions on behalf of the local investor.
3) Strengthen Governance and Accountability, through a web based portal and call center, which will have a phased roll-out to support the following:

   a) A call center will provide prompt and up to date information to consumers and service providers on a 24*365 basis. It will be an alternative channel to those who do not have ready internet access to be able to use the web portal. This channel could also double back as a *security hotline* for tourists.

   b) The project will provide technical assistance to install a transparent reporting system. The web based case management system will track applications for various permits, standards etc.

   c) Direct Marketing of Tourism Services as a new channel of sales, especially for the SME & MSME sector. The site will promote country level branding as well as firm level/local cluster level branding, by supporting *pod casts and hyperlinks* to related products and services.

   d) Create a "hotline" with a common access code to *escalate delayed permits or approvals,* directly reach the BoD (SLTDA) via the call center.

   e) A performance management system (MIS) will be developed linking the corporate plan and the detailed work plans to the periodic reports to the Board of Directors and a public report to stakeholders.
4) Establish a Public Private Partnership (PPP) service unit at the SLTDA. The project will provide technical assistance required to establish a unit capable of planning, tendering and monitoring public private partnerships arrangements. The focus will be on the development of new locations and associated infrastructure investments. For example, under this model, the government/ SLTDA will invite private investors to improve necessary infrastructure on their land within a specified period of time. After completing the infrastructural developments further investors such as hoteliers will establish their facilities on the developed land. The initial investor who contributed to the infrastructural development will be benefited through payments from the latter. For example, a hotel may be required to pay a certain tax per bed. The detailed role and expectations of the PPP model will include:
   a) Identifying the best institutional location for the PPP unit, to make it accessible to local communities and private investors alike, give it the flexibility to hire appropriately skilled people at competitive salaries, coordinate with existing PPP

structures in different ministries and agencies of the Government, and keep it remote from capture by political and commercial interests;

i. Identifying the best method of coordinating the PPP unit and the project preparation facility discussed in below;

ii. Providing the PPP unit with technical support, resources and capacity to fulfill key functions such as:

- Assisting the Government of Sri Lanka (GoSL) or SLTDA in developing a tourism-related *land use and land zoning* framework, which complies with existing coastal zone, protected area and other regulations, for enabling regional and local tourist forums to develop tourism master plans.
- Standard guidance and documentation on each stage of project selection, development, procurement, implementation and monitoring
- Reviewing of and advising on project concepts & alternative business models,
- Selection and management of consultants,
- Coordination with government ministries (in particular the Board of Investments), donors and project preparation funding,
- Marketing of the unit and specific opportunities, within the Government, in Sri Lanka and internationally,

iii. Identifying any constraints in Sri Lanka that would impede the use of PPP and options to resolve those constraints, for example:

- Legal or regulatory constraints,
- Access to public and private finance,
- Access to Government support,
- Government institutional constraints (including funding for project selection and preparation), and
- Commercial constraints.

5) Local Tourism Forum: The project will support the establishment of a regional cluster based policy dialogue between all parties required to ensure the development of sustainable tourism; these may include local government, investors, non government organizations, community representatives, and environmental regulators like the Coastal Conservation Department, the Central Environmental Authority and any other party with an interest in tourism. The Forum will monitor the tourism development and raise critical issues that need to be addressed.

6) Establish sustainable centers of excellence and train at least 500 students over the project period, primarily from the underdeveloped regions in the East and North and developing centers of excellence in ecotourism such as *Ayurveda*.

7) Establishing a coherent marketing strategy: The project will provide support and technical assistance to develop and strengthen its country level brand, while integrating the regional level product/destination branding.

8) Establish a sustainable, high performance PMU for SL Tourism, to drive and champion new initiatives facilitated by GoSL or Ministry of Tourism (MoT) or any of its agencies. Identify the best institutional model for the PMU, make it accessible to the relevant stakeholders, and give it the flexibility to hire appropriately skilled people at competitive salaries.

Component 2

The objective of this component is to provide essential local tourism related infrastructure based on a well planned and managed natural resources development strategy in identified locations:

1) Develop Tourism Cluster Concepts at the local level: The project will provide support to the provincial and local Government, communities and stakeholders to develop an overall master plan which will include:
   - A market survey and developing market options, segments, positioning, etc. The market products will be provided to local, regional (South Asia) and international markets.
   - Identification and description of the tourism attraction potentials of the area and its broader region, including sites and facilities serving as destinations for (a) day trips, and (b) over night excursions.
   - Identification and description of tourism products that can be provided by communities and/or small scale enterprises.
   - Identification, description and analyses of major infrastructure systems and other public services now serving or planned and capable of expansion to serve the potential tourism cluster. This will include preparation of the demand levels for such services; physical improvements that may be required to satisfy demand; capacity of facility need for extension or free standing; preliminary phasing plan for construction; range of unit and cost estimates. Permits and approvals required by various agencies for such services.
   - Review adequacy and implementation of the current physical and environmental regulations[23], and assess the capacity of the institutions responsible. Recommend actions required to implement these laws effectively. Also examine the desirability of a coordination mechanism (one stop center could be a potential agency), in order to maintain the resource base efficiently and effectively so that the micro environment around the tourist destination remain protected.
   - Develop a land-use plan with zoning regulations that conforms with coastal zone protection plan and other regulations to protect sensitive coastal areas, limit densities and design acceptable circulation flows.
   - Identify prime sites for tourism accommodation and service investments that are still available and survey land ownership titles for such sites in close cooperation with local authorities.
   - Develop measures to stop unsightly, partial constructions for speculative purposes on potential tourism sites.
   - Review fees and other forms of revenue to maintain service provision.
   - Recommend measures to stop unsightly, partial constructions for speculative purposes on potential tourism sites that go against the spirit of master planning.
   - Recommend measures to ensure the incorporation of local villages and communities in the tourism product as a means to extend the benefits of tourism more directly to local communities.
   - Recommend community investments (mainly infrastructure) required to enhance community cohesion and strengthen the resource management.
   - Documentation and analysis of environmental and resources of value, concern, and or sensitivity

[23] It could include various regulations relating to municipal and tourism related waste water (sewerage) and solid waste collection, transportation and disposal, maintenance of various waste disposal facilities, pollution causing effluents from tourism service providers and other local industries.

- Documentation and analysis of cultural heritage sites of value, concern and or sensitivity
- Documentation of conflict, social, or cultural issues that need to be addressed or taken into consideration, etc.
- Develop strategic visions and development scenarios for discussion with stakeholders, based on the analysis above.

In tourism clusters that are not green field the tourism planning will focus on improved service delivery, improved infrastructure services, community involvement, product improvement, etc.

2) Establish and operate a Project Preparation Facility (PPF): The PIU will provide a PPF for infrastructure projects to undertake a pre-feasibility and subsequently a detailed technical and economic project. The proposals must: a) be requested by the Local Tourism Forum and local government; b) be listed in the tourism master plan; c) contain nominations of community representative and local government representative as the focal point for the project; d) contain a pledge from the Local Tourism Forum to provide a minimum contribution 20% of the project cost in kind (land or labor) or cash; e) include documentation of consultations with the wider community, facilitated by locally based NGOs/CBOs with response to any concerns raised; and f) be compliant with the Environmental and Social Management Framework developed for the project by SLTDA. A pre-feasibility study will assess the scope, possible technologies and financing requirements. A subsequent detailed project preparation will include the technical specifications, environmental assessment, social assessment, concept design, bidding documents and monitoring for projects, etc. This output will involve:
   a. Assessing whether the PPF should be revolving by nature (ie obtain some reimbursement and therefore limit the need for additional funding over time), and what mechanism should be used to achieve this revolving nature.
   b. Setting out guidelines and legal documentation for the implementation of the PPF, including how the PPF will choose which projects to support, how much support it will provide to each project and how it will prioritize between competing projects; and
   c. Identifying donor and other sources of additional funding.
3) Financing of tourism related infrastructure projects: In addition to the above criteria the sub-projects must: a) not exclude any potential beneficiaries and allow equal participation under the agreed rules; b) be of key importance to the development of tourism in the area; c) financially sustainable by user fees; d) not earmarked for funding under larger schemes or projects etc. Sub-projects may include trails and signs, site beautification, landscaping, viewing platforms, water catchment systems, renewable energy, training of guides, first aid and safety equipment, heritage sites, cultural centers, maps and information material, biological assessments etc. It will also include the financing (full or part) of local governments and tourism service provider associations and communities to implement prioritized waste water and solid waste collection and disposal management systems, local water resources management systems etc. that are sustainable and eco-friendly required for sustaining tourism development in existing (major) tourist destinations. Proposals will be submitted for a No Objection Letter (NOL) from the World Bank (WB).

2.3 Component 3

The objective of this component is to support business models that are the basis of sustainable tourism:

- Matching Grant Fund: A sustainable tourism strategy will require a diversified product mix and improvements in the quality of suppliers. Participants in the Sri Lankan tourism supply chain need to develop new and innovative products that the market demands, such as ecotourism and *Ayurveda* treatments.
  - To help participants develop and market these new products, the project will include a matching grant facility that supports community initiatives and product innovation by SMEs. The facility will operate in communities with sustainable tourism development in identified clusters in the Southern and the Eastern provinces. Tourism establishments that are registered with the SLTDA and communities wishing to pursue community led tourism operations will be eligible to receive matching funds. The Fund Governing Board will ensure that the fund management guidelines and processes are adhered to by the project team.
  - The fund will provide matching grants of 50 percent for activities relating to promotion, training, accreditation, quality certification, and product development. Eligible activities will include activities such as: i) promotion and development of new market segments, such as *Ayurveda*, eco and geo tourism, and culture; ii) upgrading of skills, certification and accreditation; and iii) website development.
  - The fund will have a process consultant to assist applicants over the full lifecycle of the grants. This includes helping applicants formulate ideas, develop proposals, mobilize and implement support.
  - The process consultant will also be responsible for monitoring results and disseminating lessons. To do this, the consultant will ensure that information to evaluate the success of the program is systematically collected. Information will be collected from all successful and unsuccessful candidates at the time of application and at regular periods after this (e.g. at two and four years after each application). The information will include standard performance measures for the sector (e.g. occupancy rates, revenue per worker, and other measures as defined in the baseline survey) and specific measures for the areas targeted by the grants (e.g. on revenue from new market segments, expenditures on promotion, training, and accreditation, and objective measures of achieving those goals). In addition, the process consultant will ensure that broad sector surveys are conducted on an annual basis to assess spillovers and overall sector development.

Appendix F

Terms of Reference (TOR) given to the social consultant responsible for compiling this report

Terms of Reference for the Environmental and Social Management Framework for the Sri Lanka Sustainable Tourism Development Project

1. Introduction

Sri Lanka's Tourism industry has been operating at sub-optimal levels since 1983. From a tourist arrivals base of 407,000 in 1982, at its best it was able to achieve arrival levels of 566,000 in 2004, in the aftermath of signing of cease fire agreement in 2002. Currently, the industry supports over a million people's livelihoods, with over 90% private sector owned and managed accommodation and other operational facilities, most of it small and the medium sized enterprises. Foreign exchange earnings from tourism in 2007, was reported at US$ 380 million, the fourth position in the country's forex earning index.

A new tourism law was recently passed making tourism, the only sector in the recent past, to undertake an institutional reform process, modeled as a public-private sector partnership, which can well serve as a model for other sectors of the economy as well. These reforms have come amidst difficult socio-political circumstances and are intended to place the tourism industry on a sustainable development path.

The original tourism legislation in practice since 1966 was repealed and was substituted by a new Act of Parliament, which came into effect in October 2007. The highlight of the reforms was the introduction of private sector participation in the decision making process in tourism. This has allowed the private sector to begin to introduce modern corporate management practices into the system, while fully participating in the decision making process of the industry. Within the new re-engineered structure, 4 Boards of Management were constituted.

- Sri Lanka Tourism Development Authority (SLTDA); To undertake overall supervision, manage the Tourism Fund and undertake all development, quality enhancement and regulatory work
- Sri Lanka Tourism Promotion Bureau (SLTPB); Tasked with marketing and promotion of the destination
- Institute of Travel and tourism; Tasked with industry human resources development, training and professional development functions (SLITHM)
- Sri Lanka Conventions Bureau (SLCB); Tasked with developing and managing the meeting, incentive, conference and Exhibitions (MICE) sector

The boards of management of the above bodies consist of a combination of private and public sector members representing the key tourism industry associations. Over and above, there is a Tourism Advisory Committee, consisting of eminent persons drawn from both Private and Public sectors, to advise the Minister of Tourism, scope of which may be further expanded to serve as the 'Think Tank' for the sector.

In addition, the Minister with the approval of the Cabinet of Ministers has instituted the office of a tourism ombudsman titled "Commissioner for Tourism Administration" to ensure easy resolution of conflicts and issues within the sector. The Tourism Commissioner is appointed

by the President of Sri Lanka on the recommendation of the Chief Justice. A special Tourist Police Division has also been established under the Ministry of Tourism to serve as an island-wide network of tourism police operations on the theme 'Prevent, Protect and Delight'.

2. Problem Recognition

The objective of the stakeholders is to set Sri Lanka's tourism sector on a sustainable development path, which is capable of generating a higher level of value added. This will be achieved by filling the infrastructure gaps in existing tourism areas that result in a depletion of the resource base and tourism assets. The tourism sector should shift from an unplanned to a more planned development, taking environment, cultural and community aspects more into consideration. Given that tourism is a devolved subject between the provincial governments and the centre of governance, an appropriate model for power sharing at the strategic and operational levels needs to be defined as well.

Environment, cultural heritage and community will form the basis of an indigenous tourism product which will provide Sri Lanka with a unique positioning in the market place. The proposed project will adopt a catalytic and a cluster based approach. The catalytic approach aims to develop show case solutions that other government and private providers can replicate. The cluster approach entails applying all project components in an identified market segment or location. The infrastructure related component aims to develop Public Private Partnership arrangements operations wherever feasible. It proposes to provide direct investment in off site infrastructure aimed at leveraging private investment in new locations such as the East Coast areas, Kalpitiya and Dedduwa. The project also proposes to use a matching grant instrument to support and encourage product development, community involvement, product innovation and outsourcing within the tourism supply chain. These grants will be competitively applied and enable a high quality supply response to a successful marketing and promotion strategy and improved institutional framework.

3. Brief Project description

3.1 Project Development Objectives: In order to aid the tourism sector to implement some of the recent reforms the World Bank has agreed with the Government of Sri Lanka to support with a sector-wide project of US $ 20 million. Given below is an overview of the project design.

3.2 Project components

- **Component 1**: The objective of this component is to improve the regulatory framework and the efficiency of public institutions interfacing with investors and consumers in the tourism sector both at the centre and the provincial levels. The business environment will be further streamlined, performance of key institutions at regional and central levels improved, etc. As a result the institutional framework will be operational and able to compete with leading destinations (in Asia and the Caribbean). The activities may include: a) Enhancing or where needed setting up strategic and operational level institutions including capacity building of the industry associations b) create an effective Info-communications network to ensure equalizing of opportunities for business, especially for the Small and Medium sector and c) undertake the incorporation of all tourism enterprises within a defined organizational framework to ensure delivery of consistent quality of services to customers.

- **Component 2:** Key tourism infrastructure sites such as The East Coast, Kalpitya and Dedduwa: the objective is to ensure that key infrastructure bottlenecks are fast tracked to enable a supply response to increasing demand for Sri Lanka's tourism's products. The project will not be able to finance all infrastructure bottlenecks but proposes to select sub projects on a competitive basis, that are consistent with sustainable tourism, protect resources, have a large demonstration effect for communities and local councils etc. The project intends to develop at least one sub project in solid waste management, waste water management and treatment, cultural and heritage conservation, etc.
- **Component 3:** The objective of component three is to increase the value of Sri Lanka's tourism products, within the strategic framework of seeking a high yield tourism activity base, that would conserve and enhance the natural, social and cultural resource base and create a unique positioning for the destination. This will be achieved by providing matching grants to enterprises and communities for better market positioning, improving and enabling the development of new sustainable products, etc. This component is expected to provide the industry the capability to set in place a new product and service capability to meet the new demands of the target markets and market segments enhancing the competitiveness of the destination.

4. Environmental and Social Management Framework (ESMF)

The exact location and detailed nature of specific investments/sub-projects are not yet defined. Hence, in preparation of the proposed project the implementing agency needs to develop an Environmental and Social Safeguards Management Framework. The main purpose of the ESMF is to identify potential environmental and social impacts early in the project cycle and to provide broad guidelines outlining measures, processes, institutional arrangements, procedures tools and instruments that need to be adopted by the project and integrated into project implementation to mitigate any adverse environmental or social impacts.

Consistent with existing national legislation, the objective of the Framework is to help ensure that activities under the proposed project will:

(i) Protect human health;
(ii) Prevent or compensate any loss of livelihood;
(iii) Prevent environmental degradation as a result of either individual subprojects or their cumulative effects;
(iv) Enhance positive environmental and social outcomes; and,
(v) Ensure compliance with World Bank safeguard policies.

The ESMF will serve as a template document, identifying potential risks and based on which specific social and environmental impact assessments will be conducted for specific project components or sub-components later in the project cycle as well as for social audits, monitoring and evaluation.
This TOR is for the preparation of the aforementioned Environmental Assessment and Management Framework.

5. Scope of work

The consultants are expected to carry out the following tasks, as a minimum requirement.

i. Provide a general overview of the key social and environmental issues facing the tourist industry of the country with specific reference to potential areas/sites to be supported under the proposed project (desk review + consultations);

ii. Discuss in detail potential social and environmental impacts, their nature and magnitude, in relation to the range of specific project activities that are likely to be funded under each component of the proposed project.

iii. Discuss the relevance of World Bank's social and environmental safeguard policies in relation to the proposed project and explain the categorization of the project on the basis of the scale and magnitude of potential social and environmental impacts discussed in (ii) above.

iv. Provide an overview of the legal, regulatory and institutional framework for environmental management (the EIA process and other regulatory tools) in Sri Lanka and its application to the proposed project;

v. Provide and overview of the legal, regulatory and institutional framework for land acquisition (SIA and Resettlement Action Plan) in Sri Lanka, its application to the proposed project and its compliance with WB Operational Policy no. 4.12 on Involuntary Resettlement

vi. Describe an overall environmental management strategy for the proposed project activities. This should include;

- Level of environmental analysis required by each project activity that is likely to cause environmental impacts.
- Environmental assessment criteria and management instruments to be adopted by the project for screening, mitigating and monitoring identified issues. For example, specify the need for suitable environmental assessment and management instruments for different activities such as (i) Strategic Environmental Assessment, (ii) Environmental Impact Assessment, (iii) Environmental Management Plans (iv) Environmental Checklists and (v) Environmental Codes of Practice etc. It is expected that basic ground work for these instruments should be laid in the ESMF such as TORs for SEA/EIA, guidelines for Environmental Management Plans and Compliance monitoring Plans, details of checklists and codes of practices.

vii. Describe an overall social management strategy for the proposed project activities. This should include;

- Identification and nature of social analysis required for each project activity likely to produce social impact with special attention to issues relating to land acquisition, social equity (ethnic and gender), cultural identities of indigenous population, community absorptive capacity and social capital, restoration of IDP property rights, as well as local conflict potentials/risks.
- Social assessment criteria and management instruments to be adopted by the project for screening, mitigating and monitoring identified issues. It is expected that basic ground work for these instruments should be laid in the ESMF such as TORs for SIA, guidelines for Social management Plans and compliance monitoring plans.

viii. Identify institutional arrangements for implementation of the social and environmental management strategy, at all levels, which should particularly focus on mainstreaming social and environmental management into the operations of these institutions at different levels;

ix. Identify the existing institutional capacity constraints as well as training needs for effective implementation of the social and environmental management strategy;

x. Describe arrangements for stakeholder consultations and information dissemination in preparation and implementation of social and environmental management system described above in iv and v; and

xi. Estimate the budgetary requirement for the implementation of the social and environmental management strategy.

6. Expertise Required

01 Environmental Specialist with at least a Master's Degree in Environmental Science and with at least 5-8 years of experience in conducting environmental assessments.

01 Social Specialist with at least a Master's Degree in Social Science and with at least 5-8 years of experience in conducting social assessments.

01 Team Assistants with a minimum qualification of a university bachelor's degree to assist Environmental Specialist in collection of information.

7. Consultancy period

The total period of the study will be 1 month
Environmental Specialist – 1 man month
Social Specialist – 1 man month
Team Assistant – 2 weeks

8. Inputs to be provided by the client

It is expected that the Client which is the Ministry of Tourism and its agencies will provide all ready and available information as requested by the consultant. Further, the Client will provide all necessary and reasonable support to the consultant to collect secondary data, such as issuing authorisation letters. The Clients will designate an officer to act as the main liaison officer and participate as possible in the study. (The client may designate/depute a team of professionals to work within the consultants' team for long-term capacity building within the client's organisation.)

9. Source of World Banks Safeguard Policies

The World Bank, Environment Department, Environment Assessment Sourcebook, Vol. I – III (World Bank Technical Papers No. 139, 140 and 154), Washington DC, 1991; and its updates. The World Bank, Social Department, Involuntary Resettlement Sourcebook and Social Analysis Sourcebook. (Refer to www.worldbank.org).

10. Deliverable

- Draft Environmental and Social Assessment and Management Framework meeting the requirements of the scope of work outlined above within 1.5 months of commencement of the study.
- Final Environmental and Social Assessment and Management Framework within 2 weeks of receiving comments from the client.

Appendix G

Terms of Reference of Grievance Redress Committee (GRC) and Staffing Specifications

The objective of the GRC is to find or resolve any issues, complaints, disagreements between beneficiaries, etc that may be identified in the SIA and EIAs or general operations of the project.

The GRC will consist of:

a) Members from NGOs, CBOs, 2-3 individuals who have no vested interest in the project, lawyers, land acquisition officers, land assessors, sociologists, psychologists, tourism specialists (Ministry of Tourism), professional depending on the subject matter (culture, land) and government administrative officers (central, provincial and local governments). One person representing the above groups of people will become members of the GRC.
b) A meeting of the GRC can be conducted only with a quorum of 5 members.
c) An individual who has no vested interest in the project will be the convener of the GRC. The PIU Director will be the secretary to the GRC and record the minutes.
d) The GRC will decide by simple majority.

The GRC scope:

a) The committee will deal with zoning related grievances and make necessary recommendations to the relevant authorities to ensure resolution.
b) The GRC will also address the livelihood related problems.
c) The GRC will analyze the livelihood issues on a case-by-case basis and point out different solutions to the problems faced by various groups.
d) Provide resolutions in writing.

Appendix H

National Program on HIV/AIDS

Sri Lanka continues to have very low HIV prevalence. In low prevalence settings, the focus of HIV prevention programs should be the most-at-risk populations (MARPs). UNAIDS estimates that about 3,800 Sri Lankans were living with HIV at the end of 2007, yielding prevalence of less than 0.1 percent. Sixty percent of reported HIV cases are males, and more than half are from Colombo. The ratio of HIV-positive men to women in Sri Lanka is 1.4 to 1. The proportion of women infected with HIV has been rising, from 21 percent (1987-1991) to 42 percent (2007), in part because of increased testing of women over the last few years.

National Response to HIV and AIDS: The sexually transmitted diseases control program was initiated as the 'Venereal Diseases Control Program' in the island in 1921 by the Government of Sri Lanka through the Ministry of Health and was established at clinics of the outdoor department in the General Hospital of Colombo. The Anti Venereal Disease Campaign was set up in 1952. In 1985 HIV/AIDS control program too was integrated with the STD program as the 'National Sexually Transmitted Disease and AIDS Control Program.

In 1992, the Government of Sri Lanka initiated HIV prevention and control efforts through the National STD and AIDS Control Program (NSACP) of the Ministry of Health under the Director General of Health Services. In addition, the National Blood Transfusion Services (NBTS) and the National Program for Tuberculosis and Chest Diseases (NPTCCD) strengthened their responses to reduce transmission and prevent further spread of HIV. These services are provided in collaboration with eight Provincial Directors of Health Services and the respective District staff. The NSACP in collaboration with the Provinces undertook HIV prevention activities (e.g. a mass media communications strategy to improve knowledge and awareness of HIV) and provides care and treatment to people living with HIV. In addition, Sri Lanka has a well established sero surveillance system and second generation surveillance (behavioral) among vulnerable groups was conducted in 2006. A Management Information System is being established linking all STI clinics in the country to the central NSACP based on a M&E Framework for HIV.

The NSACP improved STI services by refurbishing STI clinics, providing equipment, and facilitating HIV prevention work conducted through contracted NGOs and through the Government Provincial and District Health authorities to reach vulnerable groups. The NSACP also engaged 12 line Ministries including National Institute of Education, Ministry of Labor, Foreign Employment Bureau, Vocational Training Authority, Ministry of Fisheries, National Child Protection Authority, National Youth Services Council, Army, Navy, Air Force and the Police. This work includes advocacy, improving HIV prevention awareness and knowledge of facilities available, encouraging condom use amongst the armed services and introducing VCT services

The program has helped to ensure blood safety by increasing the voluntary blood donation rates, upgrading blood banks, and increasing transfusion screening for HIV. In addition, the NBTS has initiated a Communication Program through mass media to increase voluntary blood donation and raise the level of awareness and knowledge of HIV/AIDS among the general population.

In addition to these primary prevention efforts initiated by the NSACP through the National HIV Prevention Project, the NSACP established Care and Treatment resources needed to make antiretroviral therapy (ART) available to the HIV positive patients who need treatment. As of April 2008, the NSACP Central STD Clinic followed up 423 patients (just over half of those currently infected), of whom 113 receive ART.

The National program which originated as a treatment clinic for sexually transmitted diseases has now expanded its mandate to that of prevention and control.

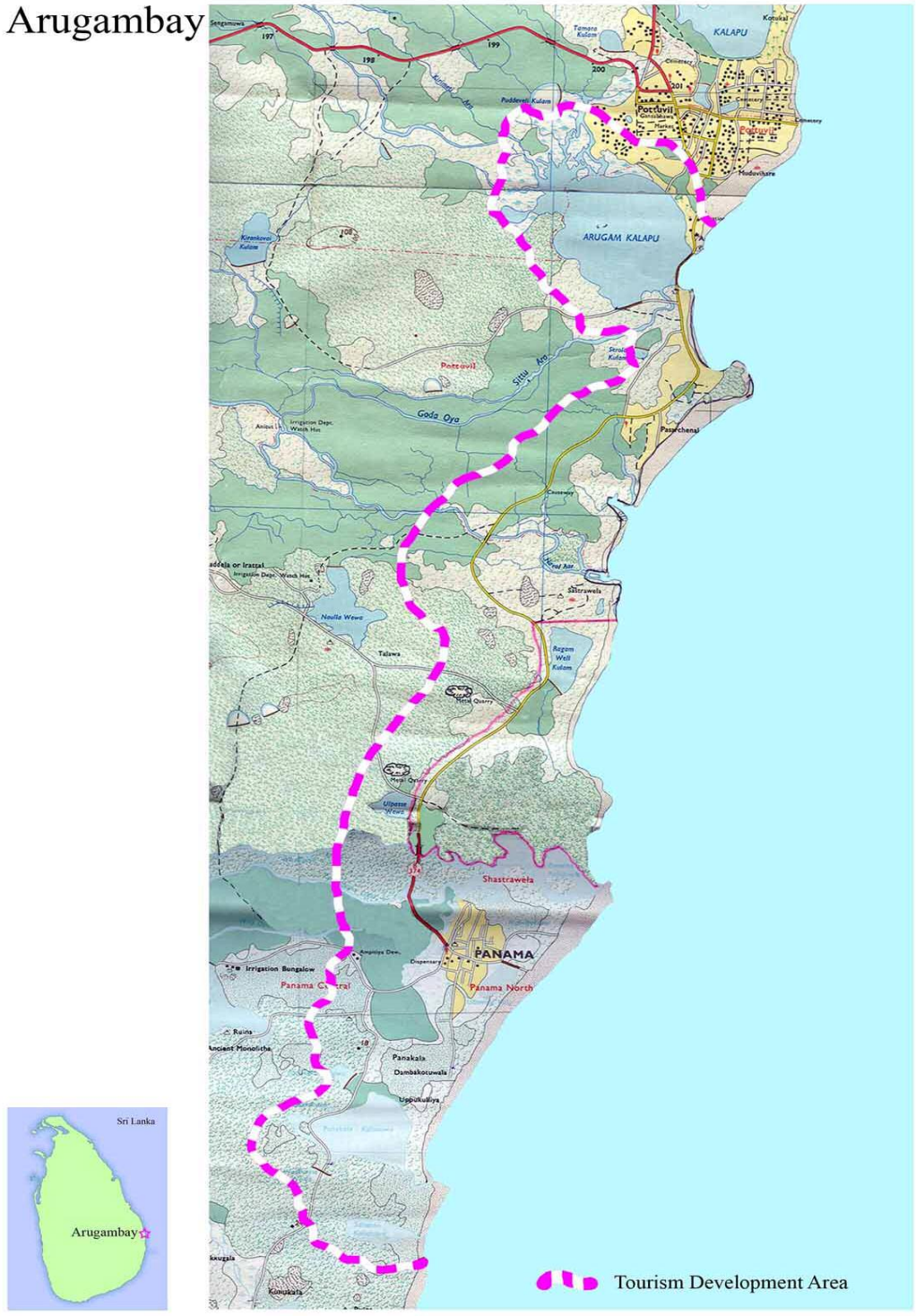
Location: The National STD/AIDS Control program is located within the Hospital square of the National Hospital of Sri Lanka in Colombo 10 and is part of department of Health services in the Ministry of Healthcare & Nutrition.

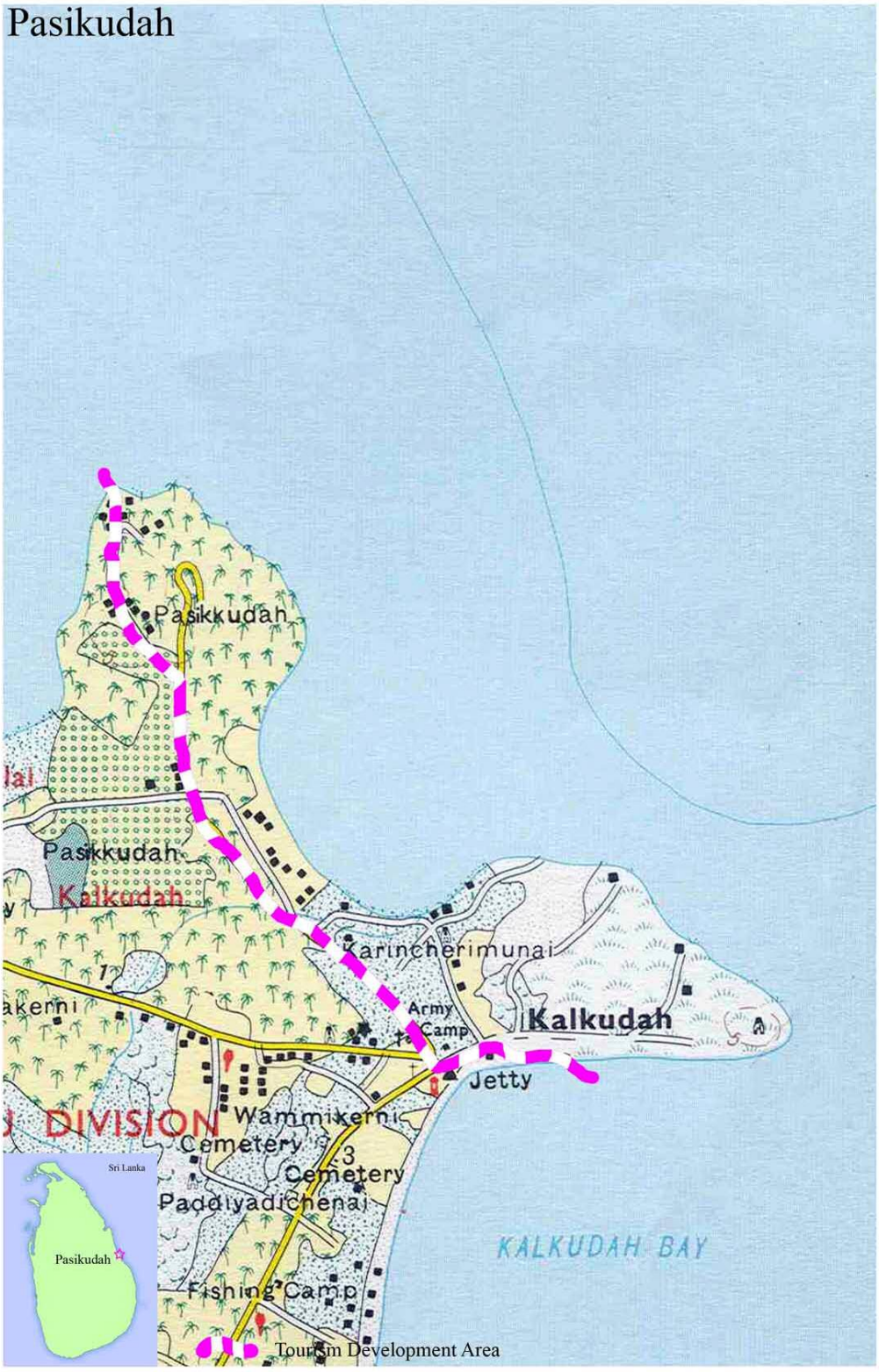
National Program Areas: The National program currently consists of the following work areas: 1) Care and treatment (clinic services, in-patient Services, ARV Treatment), 2) Voluntary Counseling and testing, 3) The National Reference Laboratory for HIV Testing, 4) IEC Material Development and Behavior change communication, 5) Surveillance, 6) Condom Promotion and Distribution and 7) Prevention of Mother to child Transmissions.

For more information:
http://www.aidscontrol.gov.lk
Telephone Hot Line- 011-2695420 or 011-2695430

Appendix I

Maps of Tourism Zones chosen for the Project

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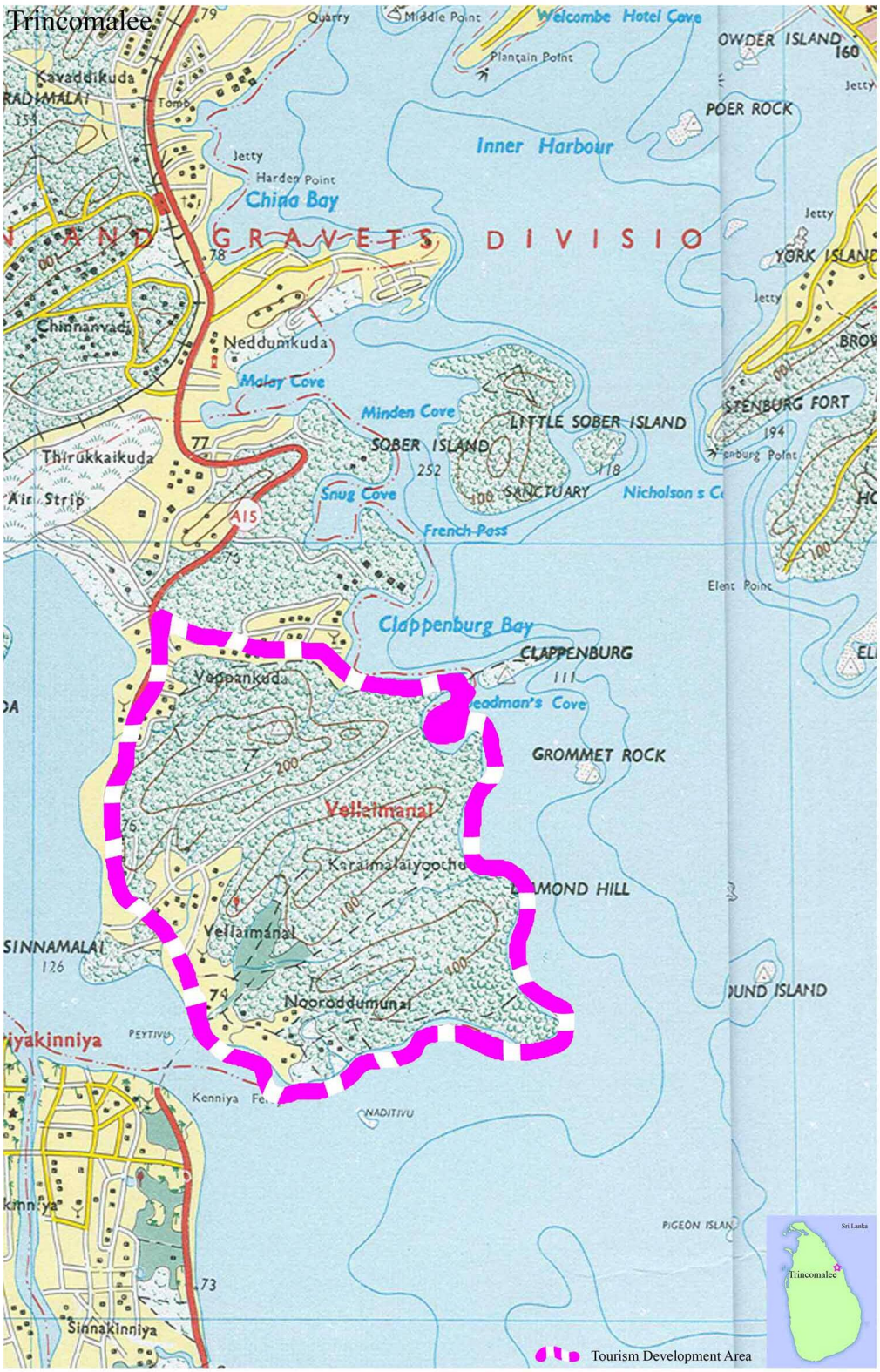
KALKUDAH BAY
Fishing Camp
Tourism Development Area
Sri Lanka
Pasikudah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Harden Point
Inner Harbour
China Bay
Jetty
YORK ISLAND
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Chinnanvadi
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Malay Cove
Minden Cove
LITTLE SOBER ISLAND
STENBURG FORT
194
SOBER ISLAND
252
118
Thirukkaikuda
Air Strip
Snug Cove
100 SANCTUARY
Nicholson s C
A15
French Pass
Elent Point
Clappenburg Bay
CLAPPENBURG
111
Veppankud
eadman's Cove
GROMMET ROCK
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Vellaimanal
Karaimalaiyoochu
MOND HILL
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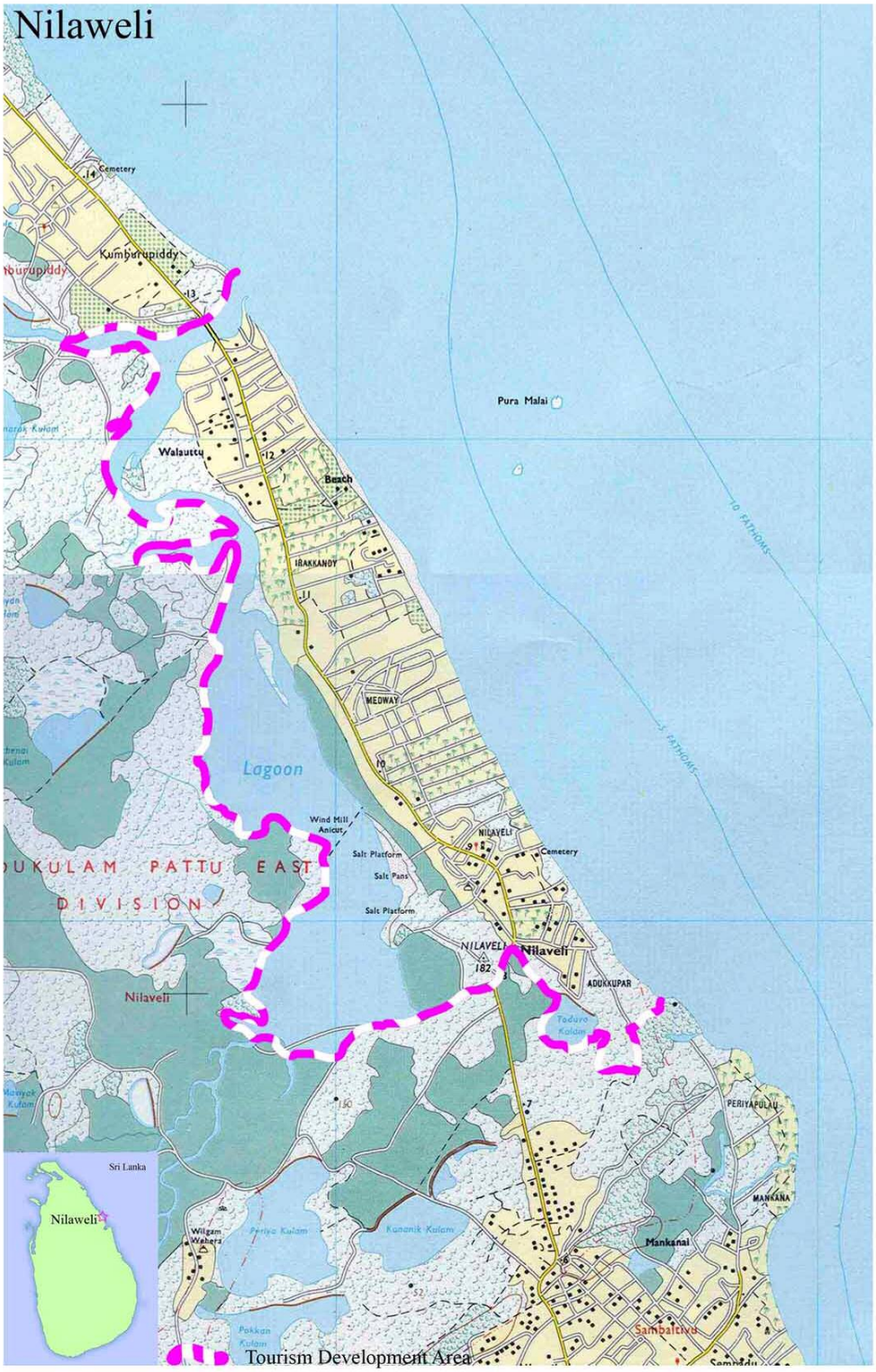
Trincomalee
Tourism Development Area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MEDWAY
Lagoon
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Salt Pans
Salt Platform
NILAVELI
Cemetery
DUKULAM PATTU EAST
DIVISION
NILAVELI
Nilaveli
ADUKKUPAR
Nilaveli
PERIYAPULAU
MANKANA
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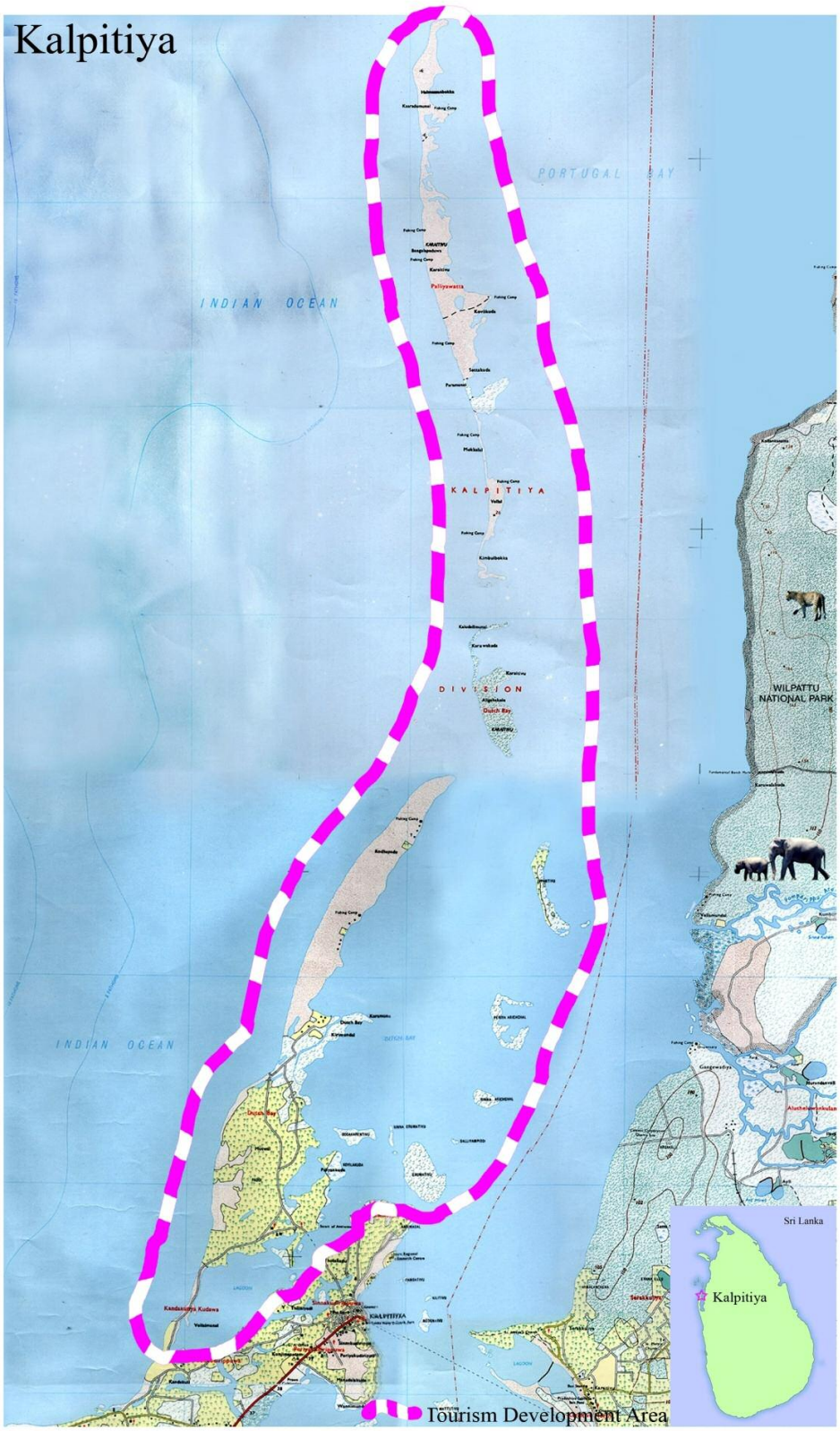
Sambaltivu
Tourism Development Area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KALPITIYA
DIVISION
WILPATTU NATIONAL PARK
INDIAN OCEAN
Sri Lanka
Kalpitiya
Tourism Development Area