

**SHADOW REPORT ON THE IMPACT OF THE INDIAN HOUSING
PROJECT ON CONFLICT AFFECTED WOMEN IN THE NORTH AND
EAST OF SRI LANKA
SUBMITTED TO THE CEDAW COMMITTEE REVIEW OF THE
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SRI LANKA**

1. Introduction

This report which uses the extra-territoriality principle as set out in General Recommendation 30 on Women in Conflict Prevention, Conflict and Post-Conflict Situations as its basis, seeks to present to the Committee the impact of the Indian Housing Project (hereinafter IHP) funded by the Government of India¹ (GOI) on conflict affected women in the North and East of Sri Lanka.

Heartened by the Committee's reiteration that 'the obligations of States parties also apply extraterritorially to persons within their effective control, even if not situated within the territory, and that States parties are responsible for all their actions affecting human rights, regardless of whether the affected persons are in their territory', we wish to set out the challenges faced by women in the North and East in Sri Lanka as a result of the gender-blind and conflict insensitive manner in which the IHP is being implemented.

Following the end of the armed conflict, people returned to their areas of origin with limited, or in some cases no resources, to re-build their lives. This forced them to access new and freely available credit to re-establish a habitable space and restart livelihoods. Due to their inexperience managing debt, and the inability of most, whose livelihoods are dependent on the agricultural and fishing sector, to compete with their vulnerabilities in an open and competitive economy, their resources have depleted and they are in severe debt. Consecutive natural disasters, such as floods and droughts, and the consequent loss of livelihoods have compounded stress on their already limited resources. Their vulnerability has been worsened by steady inflation, which has increased the cost of living and related escalation in the prices of materials and labour.

2. Background on the Indian Housing Project

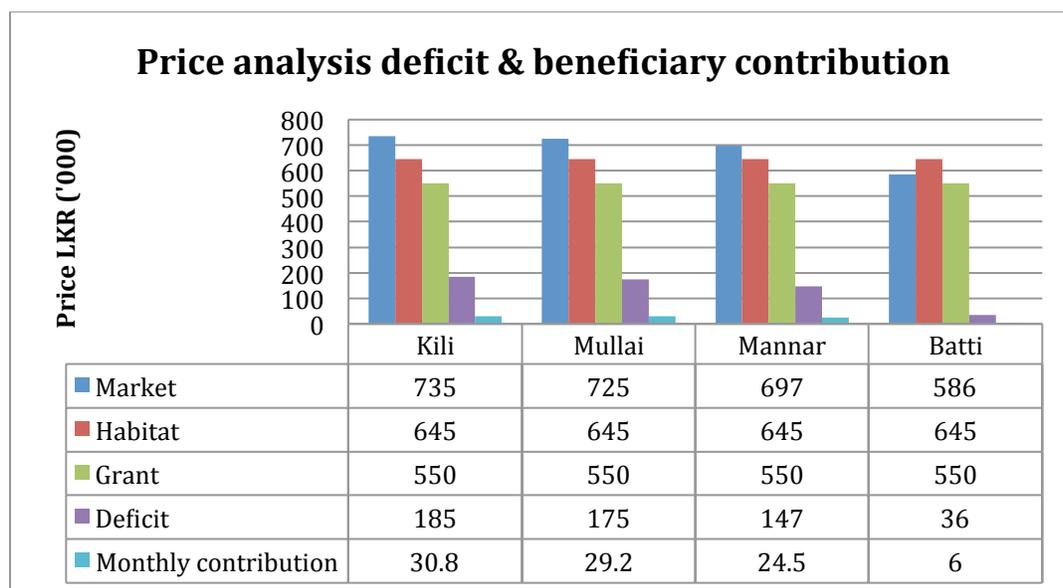
The GOI has subcontracted the management of construction of houses to 4 organisations, namely, UN Habitat, the International Federation of the Red Cross, National Housing Development Authority and Habitat for Humanity. There are 5 designs from which beneficiaries can choose, all of which are 550 Sq ft each with 15 Sq ft allocated for the latrine. Beneficiaries are provided financial assistance of LKR 550,000 for construction. However, according to UN Habitat, LKR 646,000 is required to complete the 550 Sq Ft house and 15 Sq Ft latrine, which therefore requires beneficiaries to contribute almost LKR 100,000 of their own funds to complete the house. They are expected to meet the shortfall by contributing labour, which has been calculated to amount to LKR 70,000, and the cost of electrical work, nearly LKR 30,000.

The important factor to be noted is that the IHP deposits the funds to the bank accounts of beneficiaries in 4 installments. However, funds are released to the beneficiaries by the banks only following the approval (signature and frank) of the local Technical Officer representing the agency tasked to support beneficiaries during the process of construction, reportedly to encourage beneficiaries to make steady progress. Hence, except for the first advance of LKR 50,000, which is 50% of the 1st installment amount, the other disbursements are not provided in advance but are reimbursements. Therefore, after the 50% of the 1st installment is disbursed the beneficiaries will receive the other installments only after they complete different parts of the construction. For

¹ <http://www.hcicolombo.org/page/display/172>

instance, the second part of the 1st installment is provided only after the foundation, which costs around LKR 80,000 is laid. Hence, returnees, many of them women headed households who engage in day labour to meet their basic daily needs, are expected to have a surplus of funds up to the amount of Rs. 30,000 in order to complete the first stage of construction to obtain reimbursements.

The table below, which is based on data collected by ZOA Refugee Care sets out an assessment of market rates in Kilinochchi, Mullaitivu, Mannar and Batticaloa, which illustrates that it is quite likely the actual cost of construction may be even higher. It should be noted that there is a variation of prices depending on the location. Therefore, in addition to being expected to have surplus funds beneficiaries also find that the allocated funds are inadequate to construct a house according to the specifications of the IHP.



According to the summary of research findings of a survey of 347 beneficiaries of the Swiss Agency for Development and Cooperation (SDC) in three districts in the North that was released in March 2014 by the Centre for Poverty Analysis (hereinafter the CEPA study), 95% of households that have begun or completed construction have an average debt of LKR 184, 754, around LKR 100,00 more than the borrowings of those who have not begun construction. Even households that adhered to the stipulated housing model, i.e. standard measurements, incurred an additional cost of LKR 200,000. The results of this study are useful since the context and circumstances of the SDC beneficiaries are almost identical to those of IHP beneficiaries. Further, even though SDC provided greater direct support to their beneficiaries, they were unable to meet construction costs with the allocated funds.

3. The Impact on Women

In the post-war context, women headed households in the conflict affected areas who are already vulnerable due to living in temporary shelters with no sustainable income (since many for the first time are the primary income earners for the household), have been pushed further into poverty and debt as a result of the IHP.

Most women who do not have surplus funds and are forced to borrow mostly from local money-lenders at exorbitant rates with interest rates reportedly as high as 60%, engage in casual labour and earn a daily wage of LKR 300-500. Hence, this not only economically disempowers them but also makes them vulnerable to being forced into exploitative relationships due to dire economic necessity. For instance, in a number of instances masons and contractors have entered into relationships with women who have employed them, exploited them financially, and after a few months have abandoned them and left the area. It should be noted that as the CEPA study points out, the average income of women headed households is one-third less than the national average.

The CEPA study states that women-headed households reported an average debt of LKR 129,490 with the average debt of women who had begun construction being LKR 12,000 higher than this average. Further, most women are forced to hire labour, which is an additional cost as they are reluctant to seek the assistance of male members of the community or even extended family due to fear of social ramifications such as rumours of an inappropriate relationship with the man and resulting social censure and stigmatization. Since, the socio-cultural, economic and financial circumstances of IHP beneficiaries are the same as those of SDC beneficiaries their experience would also be the same.

It has also been reported that some Technical Officers have enlisted certain contractors to undertake construction according to the IHP design for the allocated amount of LKR 550,000. This however has resulted in contractors using sub-standard materials and building low quality houses. Women headed households are more likely to be vulnerable to being exploited by contractors as they will not be able to identify the utilization of sub-standard materials and hence will not challenge it. Hence, the support provided by the Technical Officer who is expected to ensure the construction adheres to basic quality and safety standards is inadequate.

4. Case Study

Malar (28) is a single mother living in a small village in Mullaitivu district. She was informed by the Technical Officer attached to the IHP that she would have to contribute LKR.75,000 herself, both in cash and kind (physical labour), to the building of her house. Since Malar's knowledge of construction, purchasing materials, labour charges etc are rudimentary at best, the masons she hired exploited her ignorance and she was charged more than the market price. Being forced to contribute labour to the construction meant she could not engage in day labour as she used to, whereby she lost her only means of income. The chief mason demanded advance payments from her for both labour and materials. It should be noted that in many cases the mason also functions as the contractor who procures the construction materials for women headed households who are unable to do so themselves. Anecdotal evidence shows that absconding of middlemen is quite common resulting in exacerbating the vulnerability of those who are already in economically and socially insecure positions. In order to meet this demand her mother mortgaged the small plot of land owned by the family and secured a loan. Malar's house was three quarters complete, when the mason absconded with the next advance payment of Rs.40,000. Meanwhile she is being pressured by the implementing agency to complete the house, which she does not believe is possible under the circumstances. At the same time she is unable to help her mother make the monthly bank repayments on the mortgage and they fear they will soon face foreclosure.

5. Recommendations

1. The GOI should undertake an immediate review/stock-taking exercise of the impact of the IHP and institute a consultative, conflict and gender sensitive approach to implement on-going and future phases of the project.
2. Revisit the owner driven approach for the most vulnerable groups in society since, contrary to the stipulated aim of the project which envisages that ultimately vulnerable families will be provided greater support to build their houses, the IHP has only exacerbated the insecurities of vulnerable populations.
3. Since a house that adheres to the current design stipulated by the IHP cannot be built within provided funds, the GOI should revise the current design, or alternatively provide adequate funds to complete a house according to the current design.
4. Provide technical, logistics and management support to vulnerable groups such as women headed households. For example, where support from families with more able-bodied persons could be used to support other members who were more vulnerable. Hence, what is required is more involved, need based pro-active support to offset the capacity, knowledge and vulnerability limitations of the beneficiaries, rather than the coercive type of support that only increases the vulnerability of beneficiaries.
5. Ensure that the design stipulates cost effective materials that can provide the minimum standards of safety and security. Example: 4 inch machine cut cement blocks, using cement grills to complete construction which can be easily replaced later on, and replacing a foundation and wall with a cement slab partition for the kitchen.
6. Train beneficiaries and semi- skilled persons to complete as much work as possible, as was done during the tsunami in order to partially address the shortage of trained masons and carpenters.
7. The time frame to complete a house could be made more consultative, allowing owners to determine the pace of construction themselves without predetermined fixed periods from 6 to 12 months. Local government technical officers could be used to undertake supervision of construction over extended periods.
8. In addition to implementing continuous debt-management and financial literacy awareness initiatives, the GOI should advocate with the Government of Sri Lanka (GOSL) for interest free or low interest loans to be given to IHP beneficiaries, instead of at 12-15%, which are exploitative of war affected populations who have little or no assets or income.
9. The GOI should share with the GOSL its learning from post- 2001 Gujarat earthquake reconstruction, when the price of certain constructions materials like sand, cement and timber were monitored and regulated if not controlled to enable affected communities to rebuild their lives without being subject to exploitation. The Indian government should advocate the GOSL to implement similar initiatives, such as prescribing standard rates for the area for construction of these houses and allowing beneficiaries to mine sand and access timber for the construction free under government supervision.