



## **REQUEST FOR CASH SURPLUS FUNDS - INCOME RECOVERY PROGRAMME / PROJECT PLANNING AND DESIGN FOR TSUNAMI AFFECTED COMMUNITIES IN SRI LANKA.**

### **1. Background.**

The government of Sri Lanka has drawn up a medium term rehabilitation and reconstruction plan for the tsunami affected areas. This is a broad based programme focusing on rehabilitation and reconstruction of infrastructure (services, buildings etc) and housing and also includes rebuilding of the affected industrial sector such as the tourist and fishing industry. The urgent need to address the issue of income recovery, in both the immediate and longer term, of the affected individuals and communities was also identified by the Government. The Ministry of Labour Relations and Foreign Employment (MoLFE), which will take the lead role in this subject has been working with the ILO to urgently formulate an appropriate strategy and programme. The IFI's in addition been assessing the situation in respect of the rehabilitation and reconstruction needs including livelihoods and have presented their findings to the government.

The government has in principle requested the ILO to develop a framework strategy and programme to address the issue of employment and livelihoods. Since both the ILO and the IFI's have been working on this area, the World Bank and the ILO have agreed to field a joint programme formulation mission for this exercise.

In addition to the above, individual project proposals for contributing to the achievements under the various components of the proposed framework programme, will have to be developed. It is expected that a number of agencies will be involved in the implementation of these projects. The ILO will develop project proposals for some of these components. To undertake the above the ILO plans to engage a number of international and national consultants.

### **Proposed MoLRFE/ILO strategy**

Initial estimates (by ILO) for the affected districts indicate that the tsunami has destroyed jobs numbering about 403,000. Up to two thirds of these jobs are in the informal economy (270,000). In addition a further number of people, estimated to be at least 400,000 require income support as a result of the disaster, having lost almost all sources of income making a total of about 800,000 men, women and children.

To achieve measurable income security for the affected population the government with the ILO have proposed a mixture of *income transfer mechanisms and rapid job recovery* mechanisms to be put in place, which will comprise four components:

- (1) temporary conditional income transfer schemes (i.e. social assistance for the informal sector and unemployment benefits for the formal sector);

- (2) rapid job creation mechanisms;
- (3) rebuilding livelihoods in the informal sector and SMEs;
- (4) long-term income replacement schemes for longer-term dependants (orphans, widows, the elderly and persons with disabilities).

It is envisaged that the executing agency of the programme (the MoLRFE) will require assistance in executing a programme of this nature and magnitude and the ILO will propose the need for a Project Management Unit for this.

## **2. Proposal for cash surplus funding**

Substantial contribution from the cash surplus funds are urgently needed for planning the response to the tsunami disaster. This will include resource requirements for international and local consultants as well as additional programming/technical support to the AO for coping with the increased work load

As mentioned earlier there will be a need for more comprehensive planning to define the programme strategy for government and ILO's input/ role in this. In addition ILO will also plan a number of project activities that come within the overall framework programme.

### **2.1 Additional Programming/technical support to assist AO**

This includes one work month for an international consultant and one work month of assistance from SRO New Delhi for the preparation of project outlines for the Flash Appeal as well as the RIRP and its follow up.

#### **Budget**

1.5 work month International consultant (Mike Shone):	US\$	28,400
1 work month ILO official ( travel and DSA)	US\$	3,514
<u>2 work months admin support</u>	<u>US\$</u>	<u>1,000</u>
<u>Total</u>	<u>US\$</u>	<u>32,914</u>

### **2.2 Resource requirements for the Rapid Income Recovery Programme.**

The mission would consist of local and international experts (both ILO officials as well as outside consultants) in the field of (i) administration and organizational governance (ii) social transfer/protection (iii) local economic development (iv) labour based works (v) micro finance and small enterprise development.

This team will work in close collaboration with the Government officials (and the World Bank team) to design the concept in more detail.

The ILO programme formulation team will in addition develop a proposal for Project Management Unit which will be a substantial ILO input into programme. It is envisaged the PMU will consist of international and National experts who will assist the ministry in managing and monitoring the project. The unit will be based in the ministry and will include technical experts as well as a Programme Advisor who will be a counterpart to the Government Programme director.

### Budget

Organisation and Management - Consultant (Int) (2 work wks)	: US\$ 12,300
LBES Specialist - ILO GVA (1 work wk)	: US\$ 4,650
Social Security Specialist -ILO SRO (1 work month)	: US\$ 4,180
Social Finance Specialist - ILO GVA (2 work weeks)	: US\$ 5,200
Micro finance ( local consultant) (1 work month)	:US\$ 3,000
<u>LED -ILO specialist (2 work weeks)</u>	<u>:US\$ 9,000</u>
<u>Total</u>	<u>US\$ 38,330</u>

### 2.3 Assistance to PMU

Since mobilization of donor funds will take some time it is proposed that cash surplus funds be also allocated for 3 works months for the PMU advisor and 3 wm for LBES specialist who will be attached to the PMU since such assistance is urgently required.

Advisor Int consultant ( 3 work months)	US\$ 45,700
<u>Consultant LBES</u>	<u>US\$ 45,700</u>
<u>Total</u>	<u>US\$ 91,400</u>

### 2.4 Resource Requirements for drafting project proposals to be submitted to donors

#### Humanitarian stage

- (i) Labour Market Information Surveys.
- (ii) Child Protection activities.

#### Reconstruction stage

- (i) Proposal for Labour Based Employment Services ( expansion of the project outline that has been prepared)
- (ii) Proposal for Local Economic Development ( expansion of the project outline that has been prepared)

### Budget

Labour Market survey- ILO specialist (1work month)	US\$ 14,000
Training Specialist	US\$ 5,200
Child Protection - ILO specialist (2 wk weeks)	US \$ 2,250
LBES - ILO specialist (2 wk weeks)	US \$ 2,088
<u>LED - ILO specialist (2 wk weeka)</u>	<u>US\$ 9,000</u>
<u>Total</u>	<u>US\$ 32,538</u>

### 3. Total budget estimates

Additional Programming/technical support	US\$ 32,914
RIRP Mission	US\$ 38,330
Assistance to PMU	US\$ 91,400
<u>Drafting project proposal</u>	<u>US\$ 32,538</u>
<b>Grand Total</b>	<b>US\$195,182</b>
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