



Democratic Socialist Republic of Sri Lanka

**Ministry of Finance Economic Stabilization & National
Policies (MoF)**

and

**Ministry of Women, Child Affairs and Social Empowerment
(MoWCASE)**

Social Protection Project (P178973)

Indigenous Peoples Planning Framework (IPPF)

9 April 2024

Table of Contents

1. Project Background and Description	3
1.1 Introduction	3
1.2 Project Background	3
1.3 Project Description.....	3
2. Objectives of the Peoples Planning Framework (IPPF)	5
3. Indigenous People in Sri Lanka and the Legal Framework in relation to Requirements of ESS7	6
3.1. Background of Indigenous People in Sri Lanka	6
3.2. Sri Lanka’s Legal Framework in relation to Indigenous Peoples.....	7
3.4 Legal Framework in relation to Requirements of ESS7.....	8
4. Summary of Consultations during Preparation	12
5. Potential Risks and Impacts on Indigenous Peoples and Mitigation Measures	13
6. Procedures and process to follow to address risks and impacts to Indigenous Peoples	14
7. Grievance Management.....	17
8. Compliance Monitoring and Institutional Arrangements	17
Annex - Consultation meeting with IP community in Dambana, Badulla.....	19

1. Project Background and Description

1.1 Introduction

This document is the Indigenous People Planning Framework (IPPF) for the Social Protection Project (SPP) prepared in conjunction with the Ministry of Finance (MoF) and the Ministry of Women, Child Affairs and Social Empowerment (MoWCASE) by the World Bank.

This Indigenous People Planning Framework (IPPF) applies to all targeted beneficiaries who are recognized as Indigenous Peoples (Veddha Community) of Sri Lanka who receive benefits through the SPP Project. This IPPF describes the principles that MoF and MoWCASE would follow to avoid or mitigate any adverse impacts on the Veddha community through project interventions and to ensure that they are not excluded in the process of sharing the project benefits.

1.2 Project Background

Social protection remains inadequate to address poverty, inequality, and exclusion. The targeting performance of Sri Lanka's largest poverty alleviation cash transfer program, Samurdhi, is weak and has worsened over time, with a lesser proportion of deserving households benefiting each year, and a share of the benefit going to the non-poor. The weaknesses of the prevailing social protection system came to the fore both during the pandemic and the economic crisis highlighting the urgent need for accelerating social protection sector reform. In addition, in order to build resilience in the longer term, Sri Lanka also needs to strengthen economic inclusion interventions. The proposed Social Protection project financing complements the support provided for key reforms in social protection (SP) under the Sri Lanka Stability and Resilience Development Policy Operation (P179808) to mitigate the impact of the crisis on the poor and most vulnerable while also investing in enhancing SP systems and opportunities for the most in need, including investing in economic inclusion programs and adaptive SP systems.

1.3 Project Description

The Social Protection Project (SPP) complements the World Bank support provided for key reforms in Social Protection (SP) under the World Bank's Resilience and Economic Transformation (RESET) Development Policy Operation (DPO). The SPP seeks to mitigate the impact of the economic crisis on the poor and most vulnerable through the provision of income support and livelihoods opportunities, while strengthening the robustness and adaptability of the country's SP system.

The project will support the implementation of the *Aswesuma* and contribute to operationalizing the social protection reforms included in the EFF and the RESET DPO. It will partially support the government

in provision of targeted cash transfers over the course of three years. This staggered approach will contribute to the financial sustainability of the Welfare Benefit Payment Scheme (WBPS), and build-in an incentive mechanism to ensure financing of cash transfers in its budgeting decisions are prioritized. In addition, this approach would support the delivery of targeted welfare assistance in the country. On the other hand, the proposed project will finance system strengthening efforts as well as government capacity building activities, so that future reforms, including those supported by the above-referenced RESET operation, can be carried out satisfactorily.

The Project Development Objective is : To support Sri Lanka in providing better targeted income and livelihoods opportunities to the poor and vulnerable and improving the responsiveness of the social protection system.

The project comprises of the following three components:

- **Component 1. Cash Transfers** - The objective of this component is to support Sri Lanka to provide targeted income support to poor and vulnerable households, through the provision of Cash Transfers (CT) to Beneficiaries. The project will contribute to the financing of the WBPS. The WBPS will replace the existing poverty and categorically targeted programs in the country (*Samurdhi* and categorical programs) providing support to approximately two million beneficiary families in 2023 (close to 35 percent of the population). Benefits will be paid to only beneficiaries that are registered and verified by the Welfare Benefit Board (WBB) as being eligible according to the newly established social registry. The selection of beneficiaries within the social registry will be made following the Welfare Benefit Payment Selection of Persons Eligible to Receive Payments Regulations No. 1 of 2022.
- **Component 2. Pilot to enhance opportunities for poor and vulnerable households** - The objective of this component is to pilot economic inclusion approaches for the most vulnerable among a selected number of CT beneficiaries, thus bringing global experience to Sri Lanka. The economic inclusion pilot will focus on a selected number of families. Targeting of beneficiaries will rely on the use of the recently completed socio-economic assessment and information in the Welfare Benefit Information System (WBIS), selecting from among the poorest of the WBPS as final beneficiaries. Special efforts will be made to encourage women beneficiaries including Female Headed Households (FHH). The aim is to improve the resilience and allow beneficiaries to adapt to climate and other shocks as they arise. The project under this component will finance piloting economic inclusion approaches through: a) training, including stipends, both in technical, relevant to the livelihood of choice, and non-technical skills, relevant to the households; b) facilitating setting up of saving and loan groups; c) coaching and mentoring, enhancing training effectiveness, awareness campaigns, and access to markets; d) procuring equipment for asset transfers; and e) providing economic inclusion grants. Support to each selected beneficiary will be for 18 months.
- **Component 3: Project Management and Strengthening the SP System.** The objective of this component is to ensure effective project implementation, while also strengthening the country's social protection system and its key delivery systems.

Project Beneficiaries:

The number of direct beneficiaries is estimated at 2 million families (7.4 million beneficiaries), with over 3.35 million families covered by the updated social registry. Eligible low-income IPs households will also be beneficiaries included in the social registry. The direct 2 million families will benefit from the CTs provided through the WBPS while those not part of the scheme but included in the social registry could benefit from future government programs that use the social registry for targeting purposes as well as from CTs in the even they fall into poverty. The project will benefit poor and vulnerable families, and elderly, persons with disabilities and patients of chronic kidney disease through the provision of CTs for these categorical groups. It is also expected that these CTs would cover a high number (20 percent) of female headed households (FHH) due to their increased vulnerability.

In terms of economic inclusion activities, a total of approximately 5,800 beneficiaries are expected to receive support under Component 2, which will include eligible low-income IPs households also as beneficiaries. Women, and particularly female-headed households, will be the key target population due to their high vulnerabilities. This component will also pilot appropriate activities for the inclusion of Persons with Disabilities.

2. Objectives of the Peoples Planning Framework (IPPF)

The Indigenous Peoples Planning Framework (IPPF) prepared with the objective to ensure the Project is implemented in consistent with World Bank's Environmental and Social Standard on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (ESS7). The project is implemented nationally, and the activities are not expected to have adverse impacts on Veddha communities and will benefit eligible low-income families from all communities in the country with cash transfers and support for economic inclusion. The IPPF will provide guidance on the necessary processes to follow to implement the project in a manner that provides Sri Lanka's Indigenous People (IP) -Veddha community with equitable access to project benefits. The IPPF will expand on the requirements already included in the Stakeholder Engagement Plan (SEP) of the project to meaningfully engage IPs in a culturally appropriate manner, and ensure mechanisms by which IPs can raise concerns or seek redress for project-related grievances as part of the Project Grievance Redress Mechanism (GRM).

In this ESS7, the term Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities is used in a generic sense to refer exclusively to a distinct social and cultural group possessing the following characteristics: (i) self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others, and, (ii) collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal occupation, as well as to the natural resources in these areas, and (iii) customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture, and, (iv) a distinct language or languages of the country or region in which they reside.

3. Indigenous People in Sri Lanka and the Legal Framework in relation to Requirements of ESS7

3.1. Background of Indigenous People in Sri Lanka

Historically known indigenous people (IP) of Sri Lanka are known as the Veddas. Three regional groups of Veddas (Bintenna Veddas, Anuradhapura Veddas, Coastal Veddas) live in small villages in the Uva, North-central, and Eastern provinces without much contact with each other while acknowledging a remote kinship. They are found in Dambana (in Badulla district), Henanigala and Pollebedde (in Ampara district), Rathugala (in Monaragala district), Dalukana and Dimbulagala (in Polonnaruwa district), Vakara (in Batticaloa district). These villages are located alongside settlements of major non-IP ethnic communities. There has been a high level of interaction with other communities over a long period of time leading to integration with the main society and cultural assimilation. They are a matrilineal society organized where there are no caste distinctions. They are into four clans (Uru Varige, Thala Varige, Unapana Varige, and Morana Varige) with their own leaders although all recognize the leadership of Dambana leader who belongs to Uru Varige. They practice Buddhism and perform services to the key temples of the Buddhist Order such as the Temple of Tooth Relic, Mahiyanganaya Temple, and Mihintale Temple. They also believe in the spirits of ancestors (Nae Yakku) and pay veneration to God Katharagama. Their language is recognized as a dialect closely linked with the Sinhala language. Their means of subsistence include paddy farming, chena farming, employment in public and private sectors, manual labour and to a limited extent, hunting and gathering – a traditional livelihood.

The census of 1881 recorded the Vedda population as 2,228 in a total population of 2.7 million. The Vedda population increased to 4,510 by the 1921 census of population and declined to 400 individuals by the 1963 census of population. Since then, Veddas have not been enumerated as a distinctly separate group in the Census of Population and Housing. Their birth certificates and national identity cards do not carry any reference to their indigenous or ethnic identity. They use the term *Vanniyelaththo* (forest-dwellers) to refer to themselves instead of Vedda or Adivasi, categories of reference imposed from outside.

During the British colonial period, the Veddas were presented as a primitive human-type of wild, unkempt appearance who live in caves and subsist by primitive means such as hunting and gathering like other aboriginal people in the colonies. The contemporary Veddas, however, do not exhibit any such appearance or dress codes or have means of subsistence distinct from other Sri Lankans.

The resettlement of Veddas who lived in the forest first occurred in 1941 when Dr. R.L. Spittel relocated three surviving families from Bingoda to Pollebedda (at Maha Oya in Ampara district). In 1963, all 27 families of Henanigala were relocated to their original village of Kandaganwila (near Dambana) following the construction of a reservoir for irrigated agriculture and obtaining drinking water. However, extensive resettlement took place following land acquisition for the establishment of large-scale irrigated agriculture and land settlement schemes such as the Gal-Oya Multi-purpose Development Project, the Accelerated Mahaweli Development Project, and the Rambakan Oya Irrigation Development Project, and forest reserves such as Maduru Oya National Park. The relocated Vedda families were provided with

opportunities and assistance to support the transition over a relatively longer period than other groups resettled. For example, Kandaganvila Veddas were relocated to Henannigala South in Mahaweli System 'C' located at the periphery of Maduru Oya National Park, and they were given assistance for five years compared to the period of one year of assistance to others who were resettled in the area. Individual title deeds to land parcels have been given to the resettled Veddas one year after being resettled.

3.2. Sri Lanka's Legal Framework in relation to Indigenous Peoples

To date, **no national policy has been devised** to recognize any community or group as an indigenous population. Thus, Sri Lanka has no specific national policy or legal framework that exclusively safeguards the rights of indigenous peoples (Veddas) or any other social and cultural group. State services flowing from constitutional provisions are based on the recognition of the individual, not of any group. Successive governments implemented poverty alleviation and social development policies (education, health, infrastructure), economic development policies (agriculture, irrigation), and social welfare programmes such as Samurdhi, etc. not targeting any specific community or group but covering the citizenry in general. They are open to all by design. Issues and concerns of Veddas are addressed within the general legal framework of the country. Implementation of rules and regulations, however, is adaptive, considering the special circumstances where the Veddas in traditional areas are concerned. For example, the Vedda chief and families continue to live at Kotabakini village in Maduru Oya National Park, following its establishment. The State extends patronage to their interest in the conservation of their culture and traditions. Veddas are, however, recognized as an especially vulnerable group.

Under the **Citizenship Act of 1948**, the Veddas are recognized as citizens of the country. They enjoy all rights and privileges enshrined in the Constitution of Sri Lanka.

The Constitution of Sri Lanka recognizes one status of citizenship known as "the status of a citizen of Sri Lanka" (Article 26 (1) of Chapter 5 on Citizenship). No distinction shall be drawn between citizens of Sri Lanka for any purpose by reference to the mode of such acquisition, as to whether acquired by descent or by virtue of registration (Article 26 (3) Ch.5). Further, Article 12 of Chapter 3 of the Constitution on the Right to Equality and Nondiscrimination specifies that all persons are equal before the law and entitled to equal protection of the law. Under Article 27 (6) of Ch.6, the State shall ensure equality of opportunity to citizens so that no citizen shall suffer any disability on the grounds of race, religion, language, caste, sex, political opinion, or occupation. Article 14(1)(f) of the Constitution identifies the entitlement of every citizen to the freedom by him/herself or in association with others to enjoy and promote his/her own culture, and to use his/her own language, subject to restrictions imposed by Article 15(7) of the Constitution. The Directive Principles of State Policy and Fundamental Duties set out in Chapter 6 recognize the State's duty to protect the social order, enjoyment of cultural opportunities, development of cultures and languages of people, and protect, preserve, and improve the environment for the benefit of the community.

Section 3(3) of the Fauna and Flora Protection Ordinance provides an exception of relevance to Veddas – allowing the exercise of any right acquired "whether by law or custom or usage" in or over any land prior to the establishment of the Nature Reserve, Corridor by Sanctuary, although it sets out restrictions on entry to, and prohibitions on hunting in, areas designated as a Nature Reserve, Corridor, or Sanctuary (Sections 3 and 4).

Sections 6 and 7 of the Forest Ordinance state that any form of harm done to the forest or any form of hunting within a forest reserve is an offense.

Section 3 of the National Heritage and Wilderness Areas Act prohibits any person from entering and remaining within any national heritage and wilderness area unless it is for an official purpose.

Sri Lanka voted for the **UN Declaration on the Rights of Indigenous Peoples (UNDRIP)** but has not passed the necessary legislation to implement UNDRIP provisions. Sri Lanka is not a party to ILO Convention No. 169 concerning Indigenous and Tribal Peoples.

3.4 Legal Framework in relation to Requirements of ESS7

ESS7 Requirements: The Environmental and Social Standard on Indigenous Peoples/ Sub-Saharan African Historically Underserved Traditional Local Communities (ESS7) which requires borrowers to (i) ensure that the development process fosters full respect for affected parties’ human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods, (ii) to avoid adverse impacts of projects, or when avoidance is not possible, to minimize, mitigate, and/or compensate for such impacts, (iii) promote sustainable development benefits and opportunities in a manner that is accessible, culturally appropriate and inclusive, (iv) improve project design and promote local support by establishing and maintaining an ongoing relationship based on meaningful consultation with project-affected parties throughout the project cycle, (v) obtain free, prior, and informed consent of affected parties, and (vi) recognize, respect, and preserve the culture, knowledge, and practices of indigenous peoples, and provide them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them.

While there is a substantial number of studies and publications on the Veddas’ social organization and cultural life, only a limited amount of research has been carried out from a development perspective to ascertain their current socio-economic situation, development needs and aspirations, the way in which development affects them, and the issues and challenges they encounter. It is important to sustain this indigenous community and their identity, while addressing issues of poverty and vulnerability.

Despite the absence of a policy and regulatory framework that exclusively governs the affairs of the Veddas as a distinctive community, state support and several other good practices implemented in the Vedda community by governmental authorities as well as civil society organizations to conserve their habitats, traditional livelihood practices, and cultural heritage, align remarkably with the key objectives of ESS7, either fully or partially. This can be seen in the table below.

Alignment of the Legal Framework with ESS7 and Gap Filling Measures

Objectives of ESS7	Alignment with Country Framework	Gaps and Issues	Gap Filling Measures
Objectives			
Ensure the development process fosters full	Fully supported	Veddas have not been recognized as an exclusive group; they enjoy the	No additional measures required.

Objectives of ESS7	Alignment with Country Framework	Gaps and Issues	Gap Filling Measures
<p>respect for affected persons’ human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods.</p>		<p>same rights and privileges accorded by the Constitution to all citizens of Sri Lanka. Despite the absence of any legal and regulatory framework that specifically advocates for the protection of the rights of Veddas, state support has been always extended to this community either through special presidential declarations or by relaxing the provisions in the relevant laws or through MOUs, when required for the enhancement of the well-being of the Vedda community, and to protect them from any adverse impacts of large-scale development projects. While the civil sector campaigns for preserving the rights of the Veddas, they together with the private sector support (at least some) the development needs of the Vedda community.</p>	
<p>Avoid adverse impacts of projects, or when avoidance is not possible, minimize, mitigate, and/or compensate for such impacts.</p>	<p>Partially supported</p>	<p>Large-scale development projects in the post-independence era after 1948 as well as amendments to the ordinances have resulted in the relocation of some of the Vedda communities from their traditional habitats, and imposed certain restrictions on their traditional forms of livelihoods. However, special assistance for prolonged periods had been provided during their resettlements, and limited immunities were granted to avoid any hindrances to their traditional livelihood practices.</p>	<p>Not Applicable. Project activities will not cause any adverse impacts requiring resettlement or payment of compensation to Veddha community.</p>
<p>Promote sustainable development benefits and opportunities in a manner that is accessible, culturally appropriate, and inclusive.</p>	<p>Fully supported</p>	<p>Veddas have both the equal opportunity and the access to the benefits of country’s development programs (education, health, transport, electricity, water etc.) and poverty reduction and special assistance programs geared for the welfare of the poor, the elderly, the disabled and the chronically ill, and no such development or support programs either by regulation or design exclude the Vedda</p>	<p>No additional measures required.</p>

Objectives of ESS7	Alignment with Country Framework	Gaps and Issues	Gap Filling Measures
		communities. The country's administrative system equally applies and trickles-down to the Vedda communities in providing the required services in the same way that it supports the non-Vedda communities.	
Improve project design and promote local support by establishing and maintaining an ongoing relationship based on meaningful consultation with project-affected persons throughout the project cycle.	Partially supported	Development projects, especially those externally funded comply with this ESS7 objective. Moreover, as almost all the Vedda households co-exist with non-Vedda households who represent socio-economic conditions similar to those of the Veddhas, development projects ensure that the benefits of development interventions are equally extended to and shared with non-Vedda households as well while upholding fair treatment and non-discrimination. In some instances, Veddhas raise grievances as to inadequate consultations by the authorities, particularly on development issues and excluding them from participation in decision-making processes.	This gap will be addressed with the implementation of the Stakeholder Engagement Plan (SEP). The SEP details activities for engaging all communities including Veddha communities in a meaningful manner and having an accessible grievance mechanism.
Obtain free, prior, and informed consent (FPIC) of affected persons.	Partially supported	Development projects, especially those externally funded comply with this ESS7 objective.	Not applicable. The project activities will not cause any adverse impacts to Veddha communities requiring FPIC. Requirement for meaningful engagement will be addressed with the implementation of the SEP.
Recognize, respect, and preserve the culture, knowledge, and practices of Indigenous Peoples, and provide them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them.	Fully supported	State support is extended and access to development opportunities especially to pursue higher education is ensured.	No additional measures required.
Borrower Requirements			
Ensure that Indigenous Peoples present in, or with collective	Partially supported	As described above	This gap will be addressed with the implementation of

Objectives of ESS7	Alignment with Country Framework	Gaps and Issues	Gap Filling Measures
attachment to, the project area are fully consulted about, and have opportunities to actively participate in, project design and the determination of project implementation arrangements.			the Stakeholder Engagement Plan (SEP).
Assess the nature and degree of the expected direct and indirect economic, social, cultural and environmental impacts on Indigenous Peoples.	Partially supported	As described above	Not applicable. The project activities will not cause economic, social, cultural and environmental impacts to Veddha communities.
Borrower's proposed measures and actions (e.g., Indigenous Peoples Plan) are developed in consultation with affected Indigenous Peoples.	Not supported	Except in the externally funded projects where the preparation of Indigenous Peoples Plan (IPP) is required if the Indigenous Peoples are directly affected.	Concerns and preference related to the Veddha community will be included in the Operations Manuals for the Cash Transfer and the Livelihood support programs.
Design and implement the project in a manner that provides affected Indigenous Peoples with equitable access to project benefits.	Partially supported	At least in the case of externally supported projects	The Operations Manuals for the Cash Transfer and the Livelihood support program will describe the procedures that will be followed to ensure equitable access to project benefits.
Adverse impacts on Indigenous Peoples are avoided where possible.	Partially supported	At least in the case of externally supported projects	Not applicable. The project activities will not cause any adverse impacts to Veddha communities.
Both the Borrower and the affected Indigenous Peoples identify mitigation measures as well as opportunities for sustainable development benefits.	Partially supported	At least in the case of externally supported projects	The Operations Manuals for the Cash Transfer and the Livelihood support program will describe the procedures that will be followed to ensure equitable access to project benefits.

4. Summary of Consultations during Preparation

Table 1: What can be done through Social Protection Project:

Consultation meeting with IP community in Dambana, Badulla

Total number of participants – 117 (49 -M/68-F)

Key Findings	Project Responses
Livelihoods & Graduation Program	
<ul style="list-style-type: none"> • Access to good quality seed, fertilizer, and pesticides • Access to new technologies and equipment related to agriculture and livelihoods. • Reduce middlemen interference in value chain – consider forward markets or linking to fair trade buyers 	Will be addressed through the Economic Inclusion component implemented by Department of Samurdhi. Economic Inclusion will provide a livelihood grant (based on market assessment) and technical training to run a profitable enterprise or wage employment.
Livelihoods – Credit facilities	
<ul style="list-style-type: none"> • Facilitate access to credit facilities or bank loans through Aswesuma program • Inability to re-pay loans that have been taken. • Given current economic crisis, difficulty in meeting loan re-payments. • Rise in cost of living results in difficulty in meeting contractual agreements for loans obtained. 	Financial literacy training will be provided as part of the Economic Inclusion program, and support increase access to convenient, safe, formal/informal savings facilities and financial services and will encourage financial management and discipline.
Cash Grants	
<ul style="list-style-type: none"> • Equitable selection of beneficiaries who are in most need of welfare benefit assistance. • Ensure timely assistance received for beneficiaries in most need. 	The selection of beneficiaries within the social registry are made following the Welfare Benefit Payment Selection of Persons Eligible to Receive Payments Regulations No. 1 of 2022. According to the Regulations, beneficiaries are ranked and then selected using a Multi-Deprivation Score (MDS). This new method is used to identify low-income families for the purpose of targeting welfare benefit – MDS was developed by the Sri Lanka Department of Census and Statistics (DCS) in consultation with key government stakeholders.
Gender Equality /GBV	
<ul style="list-style-type: none"> • When economic hardships increase, domestic violence increases. • Violence against women increases with increase alcohol consumption. 	The project seeks to create awareness raising on GBV/SEA/SH prevention including hotlines/services such as from Mithuru Piyasas to obtain required support for survivors. As part of the Economic

	Inclusion program, psychosocial support will also be provided for participants at entry.
Grievance Redress Mechanism	
<ul style="list-style-type: none"> • Not receiving timely feedback on complaints lodged. • To submit suggestions, required to visit multiple agencies (cost to time, travel etc as a result) 	The operation of the GRM is being improved and decentralized providing easy access. Trainings are being provided to District and Divisional level officers on providing timely feedback.
Stakeholder Engagement	
<ul style="list-style-type: none"> • Awareness raising and improved communication to ensure that households who are in most need are aware of available benefits – facilitate access to welfare benefit schemes in equitable manner. • Use consultative process with IP community to identify households that are in most need of welfare benefits. 	The Stakeholder Engagement Plan (SEP) describes the planned strategies and actions to consult with communities including vulnerable groups such as IPs. This IPPF prepared for the project also include measures to ensure there is inclusive and culturally appropriate ways of communication with Veddha communities.

5. Potential Risks and Impacts on Indigenous Peoples and Mitigation Measures

The Social Risks of the project are assessed as “*Substantial*”. The potential risks to IP communities are similar to the risks identified for eligible beneficiaries, especially those who are in remote locations, since Veddha communities are well assimilated into the mainstream society,. Therefore, key risks are related to: (i) excluding IPs who are identified as vulnerable from the scheme due to inaccuracies or lack of data collection, verification, and formula; (ii) challenges faced by IPs to access and submit information, open/operate bank accounts and withdraw cash; (iii) possible exclusion of IP communities due to lack of information being communicated to IPs, information not being in local dialects that IP communities understand, lack of access to mobile technology to access the QR codes, or lack understanding of available complaint mechanisms; (iv) limited capacity of project implementing entities to mitigate social risks related to the Stakeholder/Citizen Engagement (CE/SE) processes and respond to appeals/grievances; and potential Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) incidents due to risk of abuse of authority by officials engaging with beneficiaries and domestic violence linked to household decision making on spending cash received. Therefore, the SEA/SH risks of the project are rated “*Moderate*” determined through the application of the World Bank’s SEA/SH Risk Rating tool for Social Protection projects.

To mitigate these risks, the project will finance communication, capacity building and M&E activities, and needed improvements to the GRM system that are culturally sensitive and appropriate, ensuring there is inclusion of IP communities. Promote local support of IP communities by establishing and maintaining an ongoing relationship based on meaningful consultation with IP communities throughout project cycle. As

a part of regular reporting on key project indicators, progress in inclusion in the social registry of historically excluded groups will be monitored closely. In relation to SEA/SH, a behavioral standard clearly stating zero-tolerance for SEA/SH with consequences will also be adopted and communicated to all project actors and there will be a mechanism to report and respond to SEA/SH related incidents in a confidential manner through qualified service providers.

Other risks are systemic and include resistance to social protection reforms related to implementing the selection procedures by local-level officers who may be concerned with losing authority and influence. In addition due to the distant and remoteness of where IP communities reside, there may be lack of willingness of local-level officers to inform IP community or engage in data collection with IP community. To address such risks, regular multi-stakeholder platforms would be organized to engage and address concerns, receive feedback from stakeholders with a view to strengthening social accountability of the program. Engaging with NGOs/CSOs who work closely with IP communities to obtain feedback on whether challenges faced by IP communities in accessing project benefits and how the system can be made more inclusive.

6. Procedures and process to follow to address risks and impacts to Indigenous Peoples

The project activities will not cause any adverse impacts to Veddha communities requiring FPIC. Requirement for meaningful engagement will be addressed with the implementation of the SEP. The Social Protection Project which aims to provide cash transfers to eligible beneficiaries and livelihoods support are unlikely to have:

- Adverse impacts on Land and Natural Resources subject to traditional ownership or under customary use or occupation;
- Do not relocate any IP community from their location with collective attachment;
- Do not have any significant impact on the cultural practice/heritage sites, ceremonial or spiritual aspects of affected IP communities.

Therefore, according to above criteria, the project will not require to conduct FPIC of IP communities.

However, since IP community will also qualify for cash transfers and support from economic inclusion, the project will adopt the following measures when engaging with IP communities in line with the requirements of ESS7:

Basic Principles – To avoid or minimize adverse impacts and, at the same time, to ensure benefits for IPs, the following principles will be applied by the implementing agencies in selection and design of activities:

1. Ensure that IP communities in general and their organizations are not excluded by any means in activities related to selection, design and implementation processes.
2. Together with IPs, carefully screen the activities for a preliminary understanding of the nature and magnitude of potential impacts, and explore alternatives to avoid or minimize any adverse impacts.

3. Where alternatives are not feasible and adverse impacts on IPs are unavoidable, the projects together with IPs and others knowledgeable of IP culture and concerns, will immediately assess the key impact issues.

The project will undertake the necessary tasks in order to adopt appropriate mitigation measures. The most important in this respect is intensive consultation with the IP communities, community elders/leaders, and formal and informal IP organizations, civil society organizations like NGOs, and others who are interested in and have knowledge of IP issues.

Identifying IP Social Concerns. Impacts on IPs will vary in terms of activities and their scope, presence and size of IP population in the locales, as well as the magnitude of potential adverse impacts and social risks. To the extent applicable for a particular activity, information on the cultural and socioeconomic characteristics and potential vulnerability will be used to identify the social concerns of IPs and adopt alternative mitigation measures. For example, the project will seek to increase the awareness of households of key issues such as gender-based violence, good health and nutrition practices, protecting members in case of natural disasters among others.

Development Measures. The project will explore, together with the IP communities, the possibilities of reinforcing any existing and promoting new culturally compatible development activities/measures that will benefit the IPs. For the economic inclusion approaches will be sensitive to the needs and concerns of IP community when implementing activities such as (a) training, including stipends, both in technical, relevant to the livelihood of choice, and non-technical skills, relevant to the households; (b) facilitating setting up of saving and loan groups; (c) coaching and mentoring, enhancing training effectiveness, awareness campaigns, and access to markets; (d) procuring equipment for asset transfers; and (e) providing economic inclusion grants. Economic inclusion interventions have proven to be impactful even in areas where economic activity and aggregate demand are limited.¹ Continuous coaching and mentoring sessions will also be used to further enhance the skills of the beneficiary and rapidly tackle issues as they arise.

IP Consultation Strategy. As required for informed consultation, concerned institutes will provide IPs with all activity-related information, including that on potential adverse impacts in a language familiar to and understandable by the IPs. To facilitate consultation the institution will:

1. Prepare a time-table for dialogues during activity selection, design and implementation processes, and consult them in manners so that they can express their views and preferences freely.
2. In addition to the communities in general, consult IP organizations, community elders/leaders and others with adequate gender and generational representation; and civil society organizations like NGOs and groups knowledgeable of IP issues.
3. Consultation will include the activity objectives and scope; the likely key adverse impacts on (and benefits for) IPs; IPs' own perception of the impacts and feedback; and a preliminary assessment of economic opportunities which the implementing agency could promote – in addition to mitigation of the adverse impacts.

Consultation will in general concentrate on the adverse impacts perceived by the IPs and the probable (and feasible) mitigation measures, as well as exploring additional development activities that could be

¹ Andrews, Colin, Aude de Montesquiou, Inés Arévalo Sánchez, Puja Vasudeva Dutta, Boban Varghese Paul, Sadna Samaranayake, Janet Heisey, Timothy Clay, and Sarang Chaudhary. 2021. *The State of Economic Inclusion Report 2021: The Potential to Scale*. Washington, DC: World Bank

promoted under the project. The institutes will keep Minutes of these consultation meetings in the activity files and make them available for inspection by the respective Government officials, the World Bank and other interested groups and persons.

Concerns and preference related to the Veddha community will be included in the Operations Manuals for the Cash Transfer and the Livelihood support programs. Therefore, a separate Indigenous Peoples Development Plan (IPDP) will not be required.

The Operations Manuals will include the following procedures when engaging with Veddha communities:

- (a) Screening to identify whether Indigenous communities are present or have collective attachment to, the project area.
- (b) Social assessment and analysis to be carried out to address the social concerns of the sub-project area from identified IP groups.
- (c) Identify views of the IP beneficiaries/ affected communities at each stage of the project, and particularly during project preparation.
- (d) Engage in meaningful consultations with IPs, providing timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. are needed, and document the consultation process, the feedback received and the final census reached.
- (e) Ensure that at least some consultations are gender segregated especially to facilitate female IPs to raise their issues and needs and that they are documented separately.
- (f) A Code of Conduct should be issued to the facilitators of consultations to avoid any misbehavior and respect the cultural practices of the IPs.
- (g) Engage Civil Society Organizations (CSOs) working with IPs including IP experts to engage with IP community using local dialects that IP community uses.
- (h) Consultations should be conducted in places and times convenient to the IPs and especially for female IPs
- (i) Methods adopted for consultations and information disclosure should be appropriate to the IP culture.
- (j) Institutional arrangements (including capacity building where necessary) for screening project supported activities, evaluating their effects on IPs, and addressing grievances.
- (k) The screening reports are prepared, approved and disclosed by MoF and MoWCASE and World Bank.
- (l) Mechanisms and benchmarks appropriate to the project for monitoring, evaluating, and reporting on the implementation of the measures will be included in the Operations Manuals. The monitoring and evaluation mechanisms should include arrangements for the free, prior, and informed consultation or meaningful consultation with the affected Indigenous Peoples' communities.

Disclosure. The IPPF shall be widely disseminated among the IP community using culturally appropriate methods and locations. Local NGOs/CBOs should be involved in the process, which should involve dissemination in local language in easily accessible locations as well as through presentations in public meetings, with facilitated discussions of the plan. The IPPF will be publicly disclosed in the respective implementing agencies websites.

7. Grievance Management

IP communities will be informed and made aware of the GRM available through the project under MoF/WBB and MoWCASE. The WBB's call center will be: (i) fully staffed; (ii) record and categorize all grievances; (iii) periodically analyze grievances; and (iv) take remedial action to resolve issues. At the Divisional Secretariat (DS) level, staff will have access to WBIS's GRM module to register and document grievances related to selection, exclusion, targeting and payment mechanisms. Service standards on responses will be detailed in the Project Operation Manual (POM). The MoWCASE staff at the DS level will be assigned to receive grievances relating to the economic inclusion activity. A committee appointed by the District Secretary/Divisional Secretary will review grievances and resolve them at the DS level, and all reports shared with the central level. Performance and effectiveness of this GRM will be measured by the percentage of grievances recorded and resolved in the system. The timely resolving of complaints is an indicator in the Results Framework (RF). Details of the GRM available for cash transfers and livelihoods are provided in detail in the Stakeholder Engagement Plan (SEP) and are accessible by IP communities by ensuring the GRM for IPs are localized such as reporting grievances to DS in the area in their language.

8. Compliance Monitoring and Institutional Arrangements

The Project will have two implementing agencies (IAs). The project will be implemented by the Ministry of Finance, Economic Stabilization and National Policies (MoF) and the Ministry of Women, Child Affairs, and Social Empowerment (MoWCASE). The Welfare Benefits Board (WBB) under the MoF will manage the day-to-day operations of the Cash Grant Component, while the Department of Samurdhi Development (DSD) under MoWCASE will manage the day-to-day operations of the Livelihood component. Hence, WBB and DSD will be responsible for monitoring and evaluation of the IP community's participation as per the stakeholder engagement² plan of the SPP. The WBB & DSD will be fully staffed and responsible for the roll out of consultations and meaningful engagement of IP community.

The project will establish multiple mechanisms to monitor and evaluate the IPPF. They would include the following arrangements.

1. Overall monitoring and evaluation by the PMT-WBB and PMT-DSD.
2. Engagement of officials from district and divisional secretariats to monitor and receive feedback from IP community members who participate in stakeholder engagement as per the SEP.
3. Engagement of the project affected parties, vulnerable groups, and media to monitor and report on the adequacy and usefulness of (i) information disclosure programs; (ii) consultations; and (iii) stakeholder engagement activities via their participation in individual, group consultations, and in the GRM. This should be undertaken during project mid-term and during project closure.

The project will use a variety of methods and tools for monitoring and evaluation. They will include review of project documents and progress reports, stakeholder interviews and group discussions, feedback surveys, site visits etc. SEP implementation team of two PMTs at the WBB and DSD will coordinate and

² Refer the Stakeholder Engagement Plan for approaches to engage vulnerable communities.

facilitate documentation of the monitoring and evaluation results and outcomes including the maintenance of records of all consultations and meetings conducted with stakeholders, types of information disclosed, issues and concerns raised at consultations, meetings, public comments, feedback received for disclosed documents, informal feedback, decisions made, and reporting back to the stakeholders.

Monitoring responsibility: Environmental and Social Specialists together with the Monitoring & Evaluation Specialist of the two PMTs will be responsible for monitoring the implementation of this IPPF. The following monitoring framework in Table 2 provides a set of indicators that could guide the monitoring processes for IP communities to be included in the monitoring reporting requirements.

Table 2: Monitoring requirements of IPPF

Monitoring Indicators	Methods	Timeframe
Number of consultations conducted with IP community members	Review of reports on consultations by project and its partners	Bi-annually
Type of issues, concerns raised and discussed at consultative meetings	Review of screening reports on consultations	Quarterly
Number of IP community members and vulnerable groups engaged in project activities	Review of reports on consultations and progress reports	Quarterly Reporting
Type of information shared & disclosed to IPs, Accessibility to information and language used for communication	Review of communication methods used, observations and feedback interviews/surveys and consultations with IPs	Quarterly Reporting
Level of awareness among IP community members on project implementation procedures and potential impacts	Focus group discussions and individual interviews with a cross-section, feedback survey (annual)	Annually
Level of satisfaction among IPs on the consultative process and its outcomes	Feedback surveys, focus group discussions and individual interviews with a cross-section	Annually
Number of grievances, complaints received and resolved	Review of progress reports and GRM database	Quarterly
Level of efficiency and responsiveness of the GRM	Review of the records of GRC meetings and decisions made	Bi-annually
Level of satisfaction among IP community on the overall performance of GRM	Focus group discussions, feedback surveys and individual interviews with a cross-section of parties who reported grievances	Annually

(Note: Based on the types of grievances, continuous daily/weekly/monthly monitoring of grievances will be required to avoid any unwanted protests)

Reporting back to stakeholder groups: The results of the stakeholder engagement activities including results and outcomes of monitoring and evaluation of SEP implementation will be reported back to the

stakeholders through website and/or formal communications. This approach will be followed for reporting back and information disclosure to IP communities, using local dialects that IP community uses.

Reporting to the World Bank: The PMTs will collate all monitoring and evaluation results and produce bi-annual reports to be submitted to the World Bank. The monitoring of this IPPF and reporting can be included as part of the SEP monitoring, and included as part of the project monitoring reports submitted to WB.

Annex - Consultation meeting with IP community in Dambana, Badulla

Total number of participants from IP families – 117 (49 -M/68-F)

Note: Column 1 and 2 – direct translation of the minutes in Sinhala.

Column 3 – derived key findings based on the consultations and comments

Table 2

Topics	Consultation Feedback	Key Findings as assessed by the project
Key challenges/needs in relation to economic crisis	<ul style="list-style-type: none"> • No irrigation system available • Rely on rainfed agriculture • Issues with wild elephants • Lack of good quality seed and fertilizer • Inability to re-pay loans that have been taken. • Inadequate harvest/yield and difficulty getting a fair price for harvest. • Lack of access to new agriculture technologies or exposure • Played out by middlemen 	<p>Livelihoods</p> <ul style="list-style-type: none"> • Key areas for assistance are access to water resource, irrigation and management of ground water resources. • Access to good quality seed, fertilizer, and pesticides • Access to new technologies and equipment related to agriculture and livelihoods. • Facilitate access to credit facilities • Reduce middlemen interference in value chain – consider forward markets or linking to fair trade buyers <p>Environment</p> <ul style="list-style-type: none"> • Water resource management is key to ensure that ground water resources are managed even with agri wells, and effective irrigation systems.

		<ul style="list-style-type: none"> • Wild elephants – ensure high quality electric fences to protect villages and cultivations and reduce the HEC
What are the pros and cons of the existing welfare programs?	<p>Pros</p> <ul style="list-style-type: none"> • Welfare benefits provide some relief amidst the economic difficulties. • Receive assistance in form of material and equipment for livelihoods. • Social Protection benefits received. • Facilitate assistance to obtain credit facilities. <p>Cons</p> <ul style="list-style-type: none"> • Reliance on social assistance for daily living/livelihoods • Assistance not provided to individuals who are in most need. • One household receives multiple assistance. • The relief or assistance provided is not equal or no equity in the distribution of assistance. 	<ul style="list-style-type: none"> • Equitable selection of beneficiaries who are in most need of welfare benefit assistance. • Awareness raising and improved communication to ensure that households who are in most need are aware of available benefits – facilitate access to welfare benefit schemes in equitable manner. • GM – ensure there is access to GM system , appeals/objection as per WBB Act
Suggestions or recommendations in relation to proposed project activities.	<ul style="list-style-type: none"> • Utilizing ground water resources, to develop a water supply system (irrigation) • High quality electric fences to prevent wild elephants. • Agri-wells and water pump along with require accessories. • Brick making livelihoods • Good quality pesticides/fertilizer • Sale centre to sell products made by community 	<p>Livelihoods</p> <ul style="list-style-type: none"> • Skills training and assistance for livelihoods based on market and value chain analysis to ensure it is sustainable. • Facilitate development of product sales centers and forward markets. • Skills development and training
Activities (potential beneficiaries who are selected for social benefits/ providing social benefits and once they are at a stable economic	<ul style="list-style-type: none"> • Based on consultations conducted and advise, selecting appropriate beneficiaries • There are a total of 350 IP households • Facilitating/directing beneficiaries towards Samurdhi bank loans for product development • Providing skills training programs 	<ul style="list-style-type: none"> • Use consultative process with IP community to identify households that are in most need of welfare benefits.

level an exit program from the welfare benefits program)	<ul style="list-style-type: none"> • Introducing or providing new technologies and equipment • Create a program for monitoring and evaluation of progress 	
Grievance Redress Mechanism	<ul style="list-style-type: none"> • Not receiving timely feedback on complaints lodged. • To submit suggestions, required to visit multiple agencies (cost to time, travel etc as a result) 	<ul style="list-style-type: none"> • Improve GRM – training of District and Divisional level officers on providing timely feedback. • Clear GM guidance and protocol to lodge suggestions/ complaints
Gender equality and GBV/SEA/SH related issues	<ul style="list-style-type: none"> • When economic hardships increase, domestic violence increases. • Violence against women increases with increase alcohol consumption. 	<ul style="list-style-type: none"> • Awareness raising on GBV prevention • Engaging men and boys on GBV prevention. • Guidance on available resources – i.e. Mithuru Piyasa , awareness on legal provisions available on DV
Key issues to consider and how to resolve such issues	<ul style="list-style-type: none"> • Given current economic crisis, difficulty in meeting loan repayments. • Rise in cost of living results in difficulty in meeting contractual agreements for loans obtained. • Not receiving social assistance in a timely manner (or when it is urgently needed). 	<ul style="list-style-type: none"> • Financial Literacy Training – specifically on management of loans, livelihoods, money management etc.
How can participation be improved?	<ul style="list-style-type: none"> • There is an expectation that they will be included in the existing welfare benefit schemes. 	<ul style="list-style-type: none"> • Information disclosure, • Communication strategy and awareness raising on Aswesuma program – selection criteria etc.