



SIGNATURE PAGE
Country: Sri Lanka

Project Document

Project Title: SRL/SEV/61/INS/38 Extension of Institutional Strengthening Phase VIII

UNDAF and CPAP Outcome: Economic policies, strategies and programmes address geographical and income disparities and aid utilization is more effective and coordinated

Expected Output(s)/Indicator(s): Improved policies and strategic interventions ensure sustainable environment management and climate change adaptation

CPAP Output Indicators: No of environmental policies and strategies implemented

Implementing Partner: National Ozone Unit (NOU) of Ministry of Environment

Responsible Party: United Nations Development Programme

Brief Description

This extension (Phase VIII) is to strengthen the institutional capacity of the National Ozone Unit of the Ministry of Environment to meet the Sri Lanka obligation to the Montreal Protocol. Funds will be used to employ human resources, procure equipment and facilitate the enabling environment to plan and implement the Hydrochlorofluorocarbon Phase out Management Plan (HPMP) during 2011 and 2012.

Programme Period: 2008 – 2012 Programme Component: Energy and Environment Award ID /Project ID: 00060725/00076595 Start Date: 01/01/2011 End Date: 31/12/2012 Management Arrangement: NIM	Budget [2011-2012] US\$ 134,056 Total budget: US\$ 134,056 Allocated resources: <ul style="list-style-type: none"> • Government • Regular • Donor: MLF-MPU US\$ 134,056
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Agreed by (Implementing Partner):	Title and Signature: Dr. R.H.S. SAMARATUNGA Secretary Ministry of Environment	Date: 01/12/2010
Agreed by UNDP:	Title and Signature:	Date: 15 Dec '10

14 December, 2010

Dear Dr. Samaratunga,

**Award/Project ID: 00060725/00076595 – Institutional Strengthening for Phase-out of
Ozone Depleting Substances under the Montreal Protocol – Phase VII**

We are pleased to forward herewith a fully-signed copy of the Project Document on the above-mentioned project, for your information and record.

Yours sincerely,



Douglas Keh
Country Director

Dr. R.H.S. Samaratunga,
Secretary,
Ministry of Environment
"Sampathpaya"
Rajamalwatte Road,
Battaramulla

cc: Mr. J.H.J. Jayamaha, Director General, Department of External Resources
Mrs. P. Batuwitage, Additional Secretary, Ministry of Environment



Annual Work Plan

Sri Lanka - Colombo

Award Id: 00060725

Award Title: SRL/SEV/61/INS/38-Institutional Strengthening - PH VIII

Year: 2011

Report Date: 11/15/2010

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			
			Start	End		Fund	Donor	Budget Descr	Amount US\$
00076595	SRL/SEV/61/INS/38-Institutiona	Project Management			SRL-National Execution	63030	MPU	71300 Local Consultants	26,000.00
					SRL-National Execution	63030	MPU	71400 Contractual Services - Individ	10,000.00
					SRL-National Execution	63030	MPU	72200 Equipment and Furniture	4,000.00
					SRL-National Execution	63030	MPU	74500 Miscellaneous Expenses	7,028.00
		Public Awareness/Policy Do			SRL-National Execution	63030	MPU	71600 Travel	5,000.00
					SRL-National Execution	63030	MPU	72100 Contractual Services-Companies	15,000.00
TOTAL									67,028.00
GRAND TOTAL									67,028.00

I ANNUAL WORK PLAN

YEAR 2011:

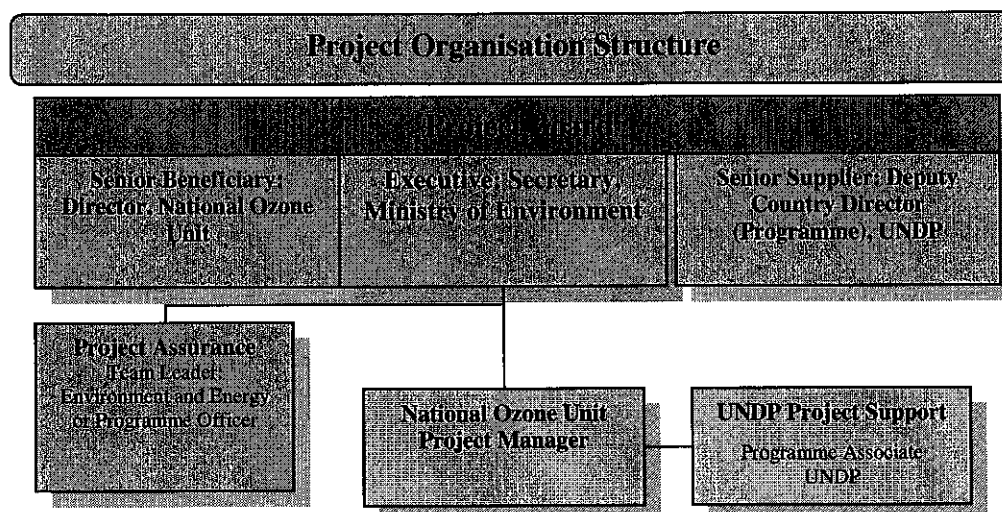
EXPECTED OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET			
		Q1	Q2	Q3	Q4		Donor Code	Fund Code	Budget Description	Amount (USD)
<p>CPAP Output 4: Improved policies and strategic interventions ensure sustainable environmental management and climate change adaptation</p> <p>4.e Indicator/Target: 80% of students and teachers who attend workshops reporting increased awareness of ODS</p> <p>Related CP outcome: Economic policies, strategies and programmes address geographical and income disparities and aid utilisation is more effective and coordinated</p>	Key Activity Result 1: Effective management of the project unit at Ministry of Environment									
	Activity Description: The project management unit employs professional staff to manage project components, design and coordinate awareness programmes, carry out training programmes and monitor and report progress of projects.									
	Professional Staff	x	x	x	x	ME/NOU/UNDP	10009	63030	71300	26,000
	Administrative Staff	x	x	x	x	ME/NOU	10009	63030	71400	10,000
	Travel	x	x	x	x	ME/NOU	10009	63030	71600	5,000
Equipment	x	x	x	x	ME/NOU	10009	63030	72200	4,000	
Contingency	x	x	x	x	ME/NOU	10009	63030	74500	7,028	
Key Activity Result 2: Knowledge products on the harmful effects of Ozone depletion and phase out of harmful substances produced and shared										
Activity Description: [1] Printed material such as leaflets and quarterly newsletter; [2] Full day awareness workshops in schools; [3] Awareness programmes for health officials and district/divisional secretariats; [4] National Ozone Day celebration held with the participation of 100 schools and general public.										
Workshops/Events	x	x	x	x	ME/NOU	10009	63030	72100	15000	
TOTAL									67,028	

YEAR 2012

EXPECTED OUTPUTS And baseline, associated indicators and annual targets	PLANNED ACTIVITIES List activity results and associated actions	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET			
		Q1	Q2	Q3	Q4		Donor Code	Fund Code	Budget Description	Amount
CPAP Output Improved policies and strategic interventions ensure sustainable environmental management and climate change adaptation Indicator/Target: 80% of students and teachers who attend workshop reporting increased awareness on ODS Related CP outcome: Economic policies, strategies and programmes address geographical and income disparities and aid utilisation is more effective and coordinated	Key Activity Result 1: Effective management of the project unit at Ministry of Environment and Natural Resources									
	Activity Description: The project management unit employs professional staff to manage project components, design and coordinate awareness programmes, carry out training programmes and monitor and report progress of projects.									
	Professional Staff	x	x	x	x	ME/NOU/UNDP	10009	63030	71300	26,000
	Administrative Staff	x	x	x	x	ME/NOU	10009	63030	71400	10,000
	Travel	x	x	x	x	ME/NOU	10009	63030	71600	5,000
Equipment	x	x	x	x	ME/NOU	10009	63030	72200	4,000	
Contingency	x	x	x	x	ME/NOU	10009	63030	74500	7,028	
Key Activity Result 2: Knowledge products on the harmful effects of Ozone depletion and phase out of harmful substances produced and shared										
Activity Description: [1] Printed material such as leaflets and quarterly newsletter; [2] Full day awareness workshops in schools; [3] Awareness programmes for health officials and district/divisional secretariats; [4] National Ozone Day celebration held with the participation of 100 schools and general public.										
Workshops/Events	x	x	x	x	ME/NOU	10009	63030	72100	15,000	
TOTAL									67,028	

II Project Management Arrangements:

The project as detailed in Annexure 1, will be implemented through National Implementation Modality [NIM]. The project organizational structure will be as follows:



The **Project Board [PB]** will have the overall responsibility for project implementation, oversight & quality assurance. The PB will provide policy guidance and monitor the performance of the project, review progress on a periodic basis, approve progress reports and end of project report as well as manage risks and issues. It will approve the appointment and responsibilities of the Project Manager [PM] and will define the latter's responsibilities. It will provide consensus based management decisions, when guidance is required by the PM. In addition, it will ensure that required resources are committed and arbitrate any conflicts within the project as well as negotiate solutions to any problems between the project and external bodies. The Project Board will review and make recommendations for UNDP/Implementing Partner approval as well as authorize any major deviations in project work plans. It will also be responsible for assessing and deciding on substantive project changes through revisions. The PB will meet at minimum every three months or more frequently if deemed necessary. The proceedings of all Project Board meetings will be recorded.

The **Secretary of Ministry of Environment** will serve as the **Executive** and will have ultimate responsibility for the project, supported by the Senior Beneficiary and Senior Supplier. As part of the responsibilities of the Project Board, the Executive will ensure that the project is focused, throughout the project cycle, on achieving outputs that will contribute to higher level outcomes. Additional responsibilities include monitoring and controlling the progress of the project at a strategic level [i.e.

contribution to national priorities], ensuring that risks are being tracked and mitigated as effectively as possible and organizing, chairing and ensuring that the Project Board meet in a timely manner, as stipulated in the project document. The Senior Executive will be responsible for approving and signing the Annual Work Plan (AWP) for the following year on behalf of the Implementing Partner as well as approving and signing the Combined Delivery Report (CDR) at the end of the year. The Senior Executive will be responsible for delegating authority to a Responsible Officer within the Ministry for signature of the Funding Authorization and Certificate of Expenditures (FACE) form as well as any other project related documentation.

The **UNDP Deputy Country Director (Programme)** will represent the interests of those designing and developing the project deliverables and providing project resources. The primary function of the Senior Supplier will be to provide guidance regarding the technical feasibility of the project. The Senior Supplier will have authority to commit or acquire supplier resources as required. As part of the responsibilities of the Project Board, Senior Supplier will advise on the selection of the strategy, design and methods to carry out project activities. Quality assurance and oversight roles include ensuring that standards defined for the project are met and used to good effect, monitoring potential changes and their impact on the quality of deliverables and monitoring any risks in project implementation. Within the context of the Project Board, the Senior Supplier will also be responsible for ensuring that progress towards outputs remains consistent, contributing the supplier's perspective & opinions on implementing any proposed changes and arbitrating on and ensuring resolution of input/resource related priorities or conflicts.

The **National Ozone Unit** will serve as the Senior Beneficiary with the primary function of ensuring the realization of project results from the perspective of project beneficiaries. As part of the responsibilities for the Project Board, the Senior Beneficiary will be responsible for ensuring that specification of the Beneficiary's needs are accurate, complete and unambiguous, implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards identified targets, impact of potential changes is evaluated from the beneficiary point of view, risks to the beneficiaries are frequently monitored, providing the opinion of beneficiaries of implementation of any proposed changes, and helping to resolve priority conflicts.

The Project Board will meet on a quarterly basis. Project reviews will take place on an annual basis (or as otherwise deemed necessary by the Project Board). In case a consensus cannot be reached, final decision shall rest with the UNDP Programme Manager.

The PM will be responsible for managing the realization of project outputs through activities as specified in a jointly (UNDP-NOU) agreed annual work plan and within specified constraints of time and cost. This includes: planning activities, preparing annual work plans & monitoring progress against quality criteria; monitoring events and updating the Monitoring & Communication Plan; liaising with any suppliers to mobilize goods and services to initiative activities; monitoring financial resources & accounting to ensure accuracy & reliability of financial reports; managing requests for the provision of financial resources using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and

Certificate of Expenditures); managing, monitoring and updating the project risks as initially identified and submitting new risks to the Project Board for consideration and decision on possible actions; managing issues & requests for change by maintaining an Issues Log; preparing the Project Quarterly Progress, Annual and Final Reports and submitting reports to the Project Board and UNDP Programme Officer and managing and facilitating transfer of project deliverables, documents, files, equipment and materials to national beneficiaries at project closure.

The Team Leader of UNDP or UNDP Programme Officer will serve as **Project Assurance**. In undertaking this role, the UNDP Programme Officer will take action to address as well as alert the Project Board of issues with regard to project quality assurance such as alignment with the overall Country Programme, availability of funds, observation of UNDP rules and regulations and adherence to Project Board decisions. The UNDP Programme Officer will assist the Project Board by performing some oversight activities, such as periodic monitoring visits and "spot checks," ensuring that revisions are managed in line with the required procedures, RMG monitoring and reporting requirements and standards are maintained, Project output(s) & activities, including description and quality criteria, risks and issues are properly recorded and are regularly updated in Atlas. The UNDP Programme Officer will also assist the Project Board in ensuring that the project follows the approved plans, meets planned targets as well as project Quarterly Progress Reports are prepared and submitted on time, and according to standards. During project closure, the UNDP Programme Officer will work to ensure that the project is operationally closed in Atlas, financial transactions are in Atlas based on final accounting of expenditures and project accounts are closed and status set in Atlas accordingly. **UNDP Programme Associate** will support the NOU in timely processing of documentation, monitoring and evaluations and financial matters in addition to the support extended for Project Assurance.

Financial Procedures

Funding for this project is from **Montreal Protocol (multi-lateral fund)** resources.

Under the Harmonized Cash Transfer system (HACT) to be introduced by the UN EXCOM Agencies (UNDP, UNICEF, WFP and UNFPA) as part of the UN reform commitment to reduce transaction costs on implementing partners, four modalities of payments are foreseen for nationally implemented projects. They include: 1) Prior to the start of activities against agreed work plan cash transferred (direct cash transfer) to the Treasury, Ministry of Finance and Planning, for forwarding to the Implementing Partner; 2) Reimbursements after completion of eligible activities by the Implementing Partner; 3) Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; 4) Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.

In order to receive the funds advanced by UNDP, the IP/project must either: a). Open a bank account, under the name of the project, to be used only for receiving UNDP advances and to make payments of the project; or b). **In agreement with UNDP's Project Manager**, identify an existing bank account under

the IP's name, that would be used solely for the purposes of receiving UNDP advances to the project and making payments with these advances. Under no circumstances will the Direct Cash Transfer Modality be used to advance funds to any individual inside or any entity or individual outside of the Implementing Partner or to any account other than the identified official project bank account.

It will be the responsibility of the PM to liaise with the UNDP Programme Associate to prepare a consolidated financial report, in the required format, and provide it to UNDP at regular and necessary intervals. Under the project's national implementation arrangement (NIM) Government guidelines for competitive procurement of goods and services (advertising, tender bidding, evaluation, and approval) in line with international standards will apply for all project-related activities.

Upon specific request of the implementing partner UNDP can in line with UNDP procurement policy provide procurement and recruitment services to the implementing partner including:

- a). Identification and recruitment of project and programme personnel
- b). Identification and facilitation of training activities
- c). Procurement of goods and services

As per the letter of agreement between the Government of Sri Lanka and UNDP for the provision of support services signed on 5th July 2002, UNDP shall recover the cost of providing the support services outlined above. A Cost Recovery rate of up to 3% will be charged for the value of the amount of the contracts of the services to be procured or obtained through UNDP (Annex I)

It will be the responsibility of the beneficiary line ministry or the government institution to ensure the upfront payment of all duties/taxes on imported goods and services as required by the Ministry of Finance and Planning Circular on the "Expeditious Clearance of Vehicles/Goods Imported by UN Agencies" (Circular No. FP/T/2/3/18 Vol 1 dated 14th July 2005) and a further circular on the same subject (Circular No. TTIP/1/86 (Tsunami) dated 16th April 2007).

The project will be audited periodically as per the annual audit plan prepared by the government coordinating authority in consultation with the UNDP Sri Lanka. **Ministry of Environment** will be responsible for ensuring that all audit requirements are met.

III. Monitoring & Evaluation

The project will be monitored against the annual work plan and quality criteria tables, which build on the CPAP M & E Framework. Progress against each of the indicators will be reviewed at least annually, and updated accordingly.

Within the annual cycle

- On a quarterly basis, a **quality assessment** shall record progress towards the completion of key results, based on quality criteria and methods captured in the Project M & E Framework.
- An **Issue Log** shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted, a **risk log** shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, **Quarterly Progress Reports (QPR)** shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard UNDP report format. The signed QPR for the previous quarter shall be submitted with the Quarterly Work Plan and FACE by each NIM project to the concerned programme units for the release of quarter advance.
- A project **Lesson-learned log** shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A **Monitoring Schedule Plan** shall be activated in Atlas and updated to track key management actions/events

Annually

- Field visits will take place as required, but at minimum, once a quarter.
- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level. The M & E Framework and updated Tracking Tool will be annexed to the Annual Review Report.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. If necessary, following the Annual Project Review, the Annual Review Report should be revised and finalized.

Quality Management for Project Activity Results

OUTPUT 1: Improved Policies and Strategic interventions ensure sustainable environmental management and climate change adaptation		
Activity Result 1 (Atlas Activity ID)	Effective management of the project unit at Ministry of Environment and Natural Resources	Start Date: Jan 2011 End Date: Dec 2012
Purpose	The project management unit employs professional staff to manage project components, design and coordinate awareness programmes, carry out training programmes and monitor and report progress of projects.	
Description	Staff and administration, travel and equipment purchase	
Quality Criteria	Quality Method	Date of Assessment
Quarterly progress reports submitted and meeting quality standards	Quarterly reports	End of each quarter
4 Project Board meetings held	Project board meeting minutes	End of each quarter/ Annually
Activity Result 2 (Atlas Activity ID)	Leaflets and quarterly newsletter produced and disseminated through targeted workshops for schools, health sector officials and other government offices	Start Date: Jan 2011 End Date: Dec 2012
Purpose	To raise awareness on the harmful effects of Ozone depletion and phasing out ozone depleting substances from commonly used industrial/ service sectors	
Description	<ul style="list-style-type: none"> • Printed material such as leaflets and quarterly newsletter • Full day awareness workshops in schools • Awareness programmes for health officials and district/divisional secretariats • National Ozone Day celebration held with the participation of 100 schools and general public 	
Quality Criteria	Quality Method	Date of Assessment
18 awareness programmes held at schools, health offices and district/divisional secretariats	Reports on individual school awareness	End of each quarter
3 Leaflets, 2 radio programmes and 1 television programme produced	Leaflets produced, radio and television programmes broadcast	End of each quarter
Timely publication of quarterly newsletter	Newsletter produced	End of each quarter

Risk Analysis:

The project extension is related to the institutional strengthening and capacity development. The key risks and the means of mitigation are as follows:

#	Description	Type	Impact & Probability	Countermeasures / Mgt. response	Date/ Author	Owner
1	Inability to hire qualified staff – for example the project director and consultants	Operational	3	UNDP involvement in the quality assurance of TOR and hiring process	Ananda M.	UNDP PM
2	Timely transfer of funds to the Ministry and then to NOU	Financial	3	Improve coordination between treasury operations and Ministry	Ananda M.	NOU PM

IV. Legal Context

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document. Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder

do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.”



ANNEXURE 1

SRL/SEV/61/INS/38- Extension of Institutional Strengthening Project, Phase VIII

This project extends institutional strengthening support to the National Ozone Unit of Ministry of Environment for two additional years of operation covering 2011 and 2012. The project will allow the National Ozone Office to continue to plan, organize, direct and coordinate all activities required for the implementation of Sri Lanka's strategy in all areas related to the Phase-out of Ozone Depleting Substances under the Montreal Protocol.

Grant amount to Sri Lanka by MLF: US\$ 134,056.

Implementing Partner: National Ozone Unit (NOU) of the Ministry of Environment

Starting Date: January 01, 2011

End Date: December 31, 2012

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SECTION I: ELABORATION OF NARRATIVE

Part I. Situation Analysis

Sri Lanka acceded to the Montreal Protocol on 15 December 1989. In 1994, it established the National Ozone Unit within the Ministry of Environment to respond to mandates of the amended Montreal Protocol. During the twelfth meeting of the Executive Committee in March 1994, an institutional strengthening project for US\$ 154, 680 was approved for duration of three years.

The Executive Committee of the Multilateral Fund approved the Sri Lanka Country Programme for the Phase out of Ozone Depleting Substances according to the Montreal Protocol at the Twelfth Meeting of the Executive Committee March 1994. The base year for the data was 1991.

The Institutional Strengthening Project has been subsequently renewed by the Executive as follows:

Renewal Phase	Meeting	Period of Extension	Value (USD\$)
Initial Renewal	23 rd	1997 – 1998	103,000
Phase Three	29 th	2000 – 2001	103,000
Phase Four	37 th	2003 – 2004	*134,056
Phase Five	43 rd	2005 – 2006	134,056
Phase Six	50 th	2007 – 2009	134,056
Phase Seven	61 st	2011 – 2012	134.056

* The extension was approved at 30% higher than the previous phase pursuant to ExCom Decision 35/57

Current Situation

CFC Consumption

Year	CFC ODP T
Baseline (95-97)	445.6
1999	216.4
2000	220.34
2001	190.35
2002	185.0
2003	179.9
2004	155.7
2005	149.2
2006	105.8
2007	62.33
2008	00.00
2009	00.00

Part II. Strategy

Objectives

The following is the objective of this project:

1. Implementation of Montreal Protocol in Sri Lanka.
2. Implementation of the HPMP Programme
3. Monitoring of the National Compliance Action Plan.
4. Awareness creation among general public.

Project Activities

	Planned project cost (US \$)
a) Equipment component	8,000
b) Professional staff	38,000
c) Support staff	15,000
d) Travel for meetings	10,000
e) Operational cost	25,000
f) Funds for public awareness	30,000
g) Contingency	8,056
Total amount	134,056

Part III. Management Arrangements

This project will be executed under the National Implementation (NIM) Modality. The national counterpart for this project is the National Ozone Unit (NOU) of Ministry of Environment.

SECTION II: STRATEGIC RESULTS FRAMEWORK

The Annual Implementation Plans are presented in Pages 6 - 11 of the Annex 1.

SECTION III: TOTAL BUDGET AND WORK PLAN

The Budget and Workplan are presented in the Annex 2 of this document.

COUNTRY: DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

PROJECT TITLE: Renewal of Institutional Strengthening (Phase 8)

SECTOR: Several

Year	Value	Unit
Baseline (1995-97)	445.6	Metric Tones
1999	216.4	Metric Tones
2000	220.34	Metric Tones
2001	190.35	Metric Tones
2002	185.0	Metric Tones
2003	179.9	Metric Tones
2004	155.7	Metric Tones
2005	149.2	Metric Tones
2006	105.8	Metric Tones
2007	62.33	Metric Tones
2008	00.00	Metric Tones
2009	00.00	Metric Tones

PROJECT DURATION: 2 years (Jan 2011 - Dec 2012)

PROJECT IMPACT: Accelerated phase out of ODS

PROJECT COST: US\$ 134,056

AGENCY SUPPORT COST: US\$ 10,054

TOTAL COST TO THE MLF: US\$ 144,110

SOURCE OF FUNDS: Multilateral Fund (MLF) for the Implementation of the Montreal Protocol.

NATIONAL IMPLEMENTING AGENCY: National Ozone Office within the Ministry of Environment & Natural Resources

IMPLEMENTING AGENCY: UNDP

SUBMISSION DATE: May 2010

PROJECT REVISION SUMMARY

This project proposal is submitted to extend institutional strengthening support to the National

Ozone Office for two additional years of operation. The project will allow the National Ozone Office to continue to plan, organize, direct and coordinate all activities required for implementing Montreal Protocol obligations in order to phasing out Ozone Depleting Substances in Sri Lanka according to the time periods set by the Protocol.

The Executive Committee of the Multilateral Fund decision 33/12 *decided* that Governments commit to ensure that:

- i. The National Ozone Unit is given a clear mandate and responsibility to carry out the day-to-day work in order to prepare, coordinate and, where relevant, implement the government's activities to meet its commitments under the Montreal Protocol; this also requires access to decision-makers and enforcement agencies;
- ii. The National Ozone Unit's position, capacities, and continuity of officers, resources and lines of command within the authority in charge of ozone issues are such that the National Ozone Unit can carry out its task satisfactorily;
- iii. A specified high-level officer or a post within the authority is given overall responsibility for supervising the work of the National Ozone Unit and ensuring that action taken is adequate to meet commitments under the Protocol;
- iv. Necessary support structures, such as steering committees or advisory groups are established, involving other appropriate authorities, the private sector and non-governmental organizations, etc;
- v. Personnel and financial resources and equipment provided by the Multilateral Fund are fully allocated to the task of eliminating ODS consumption and production and are made available to the National Ozone Unit;
- vi. Annual work plans for the National Ozone Unit are prepared and integrated in the authorities' internal planning processes;
- vii. A reliable system to collect and monitor data on ozone depleting substances imports, exports and production is established; and
- viii. Measures taken and problems encountered are reported to the Secretariat and/or the implementing agency in charge of the institutional strengthening project when required by the Executive Committee.

Annexes attached to this submission:

- 1) Official ODS Data sheet
- 2) Terminal Report of previous phase
- 3) Plan of Action

PROJECT OF THE GOVERNMENT OF SRI LANKA INSTITUTIONAL STRENGTHENING (MONTREAL PROTOCOL)

1. PROJECT REVISION OBJECTIVES

This project proposal is submitted to extend institutional strengthening support to the National Ozone office for two additional years of operation. (January 2011 to December 2012). The project will allow the National Ozone Unit to continue its activities required for achieving Montreal Protocol objectives and maintaining them in future.

2. BACKGROUND

Sri Lanka acceded to the Montreal Protocol on 15th December 1989. In 1994, it established the National Ozone Office within the Ministry of Environment to respond to obligations of the Montreal Protocol. During the 12th meeting of the Executive Committee in March 1994, an Institutional strengthening project US\$ 154,680 was approved for duration of three years.

The Institutional Strengthening Project has been subsequently renewed by the Executive Committee as follows.

Renewal Phase	Meeting	Period of Extension	Value(USD\$)
Initial Renewal	23 rd	1997-1998	103,000
Phase Three	29 th	2000-2001	103,000
Phase Four	37 th	2003-2004	*134,056
Phase Five	43 rd	2005-2006	134,056
Phase Six	50 th	2007-2008	134,056
Phase Seven	55 th	2009-2010	134,056

* The extension was approved at 30% higher than the previous phase pursuant to ExCom Decision 35/57

The Executive Committee of The Multilateral Fund approved Sri Lanka country programme for the phase out of Ozone Depleting Substances according to the Montreal Protocol at the twelfth meeting of the Executive Committee March 1994.

The Institutional framework was established by the National Ozone Unit in the Ministry of Environment to ensure country level implementation. The unit is coordinated by a Director who

reports directly to the secretary of the Ministry. As a part of the Ministry the Unit's action plan is incorporated into the Ministry's action plan which forms part of National Action Plan.

In addition to the National Ozone Unit (NOU) which is responsible for implementation of Montreal Protocol, a National Steering Committee has been set up with the mandate of providing policy guidance and direction to the NOU. The committee is chaired by the Secretary of the Ministry of Environment and is made up of officers from following stakeholders, The Ministry of Environment, Ministry of Trade and commerce, Ministry of Science and Technology, Ministry of Defense. Ministry of Enterprise Development, Department of Meteorology, Department of Agriculture, Sri Lanka Customs, Department of Import and Export, Board of Investment, Sri Lanka Standard Institute, the Chamber of Commerce and ODS importers.

The Government through the efforts of the Ozone office has made efforts on legislative measures to control import of ODS and ODS based equipments. The following gazette notifications were placed for ODS regulation.

Gazette Extra Ordinary No.854/4 of 20.12.1994 under the National Environmental Act No 47 of 1980 for prohibited the use of CFCs, Halons, and CTC & MC in any trade or industry w.e.f.01/01/2000. This regulation has been re-strengthen repealed by regulation No.1309/20 of 10.10.2003 to prohibit the use of CFCs in any new process, trade or industry w.e.f.15/10/2003 and allowed to be used for the limited purpose of servicing equipments / industrial plants already in operation or installed prior to 01/01/2000

Under the Gazette Extra Ordinary No.928/08 of 25/06/1996 of the Import & Export Control Act No.01 of 1969 license procedure introduced to import used/ reconditioned Refrigerators, Air conditioners, Heat Pumps etc.

Import of CFCs, Halons were brought under license from the Gazette Extra Ordinary No.949/11 of 13/11/1996.

Imports of CTC, MC and MeBr were brought under license from the Gazette Extra Ordinary No.1007/14 of 04/12/1997.

Under the Gazette Extra Ordinary No.1363/29 dated 22.10.2004 under the Import & Export Control Act No. 1 of 1969, prohibited import of virgin CTC with effect from 2010.01.01 and prohibited import of virgin Methyl Chloroform and MeBr with effect from 01.01.2015.

Under the Gazette Extra Ordinary No.1574/25 dated 07.11.2008 under the Import & Export Control Act No. 1 of 1969, prohibited import of virgin CFC or CFC based equipments effect from 2009.01.01 and prohibited import of virgin Halon or Halon based equipments with effect from 01.01.2010.

JUSTIFICATION FOR THE PROJECT EXTENSION

As a party to the Montreal Protocol, Sri Lanka has to comply with its obligations. Implementation of country level programmes is essential to ensure its national compliance. The National Ozone Unit is responsible for designing, implementing and monitoring ODS phase out country programmes and selecting relevant sectors to be funded from MLF. Making aware them on possible alternatives will be another task to be handled by the National Ozone Unit. National activities comply with Montreal protocol targets are required to continue the phase out of ODS consumption in Sri Lanka, especially in order to initiate strategies for implementing Hydrochlorofluorocarbon Phase out Management Plan (HPMP) in Sri Lanka.

The period 2011-2012 will be critical for implementing phase out programmes to comply with obligations of the Protocol. Because of the accelerated phase out of HCFC which was adapted by the Parties, effective legislation processes have to be developed soon for achieving HCFC phase-out. There are additional activities to be done by the National Ozone Unit to plan and prepare projects to phase out HCFCs. Successful awareness creation would be required to enhance awareness among different target groups on control measures that are being implemented currently and those that would be applicable for HCFCs. Further, awareness creation is essential to create awareness among different stakeholders on future challenges in phasing out ODSs in Sri Lanka. In this regard approval of the extension of Institutional Strengthening is essential as a compliance tool to fulfill commitments at national level.

PROJECT BUDGET

The project budget reflects the needs identified by the Sri Lanka National Ozone Unit which facilitate to meet commitments under the Protocol.

BL	Description	Total
	Equipment component	8,000
	Professional staff	52,000
	Support staff	20,000
	Travel for meetings	10,000
	Funds for public awareness	30,000
	Contingency	14,056
	Total	134,056

**Extension of Institutional Strengthening Projects
Plan of Action**

(Sections 1-16 to be completed by the country concerned prior to sending it to the implementing agency for comments in Section 17)

1. Country: Sri Lanka
2. National Implementing Agency / Ozone Unit: National Ozone Unit, Ministry of Environment
3. Implementing Agency: UNDP
4. Period of Extension: From January 2011 to December 2012
5. Amount of MLF funding requested: US\$ 134,056.00
6. Status of ratification:

Amendment	Ratification date	or Projected date
London Amendment	16 June 1993	--
Copenhagen Amendment	07 July 1997	--
Montreal Amendment	20 August 1999	--
Beijing Amendment	25 February 2003	--

7. Consumption by group of substances and by sector. This is identical to the annual report the Ozone Units submit to the Fund Secretariat on the progress of implementation of Country Programmes. Please attach form with data for the most recent year or indicate when you sent it to the Secretariat if this has been done already.

Attach 01 – ODS Consumption Data 2009

8. Indicate the main project objective for the next phase in relation to the country's compliance with the provisions of the Montreal Protocol:

Main project objective: To fulfill the commitments under the Montreal Protocol on Substances that depletes the Ozone Layer to protect the Ozone Layer by phasing out Ozone Depleting Substances in Sri Lanka.

9. Objectives, Planned activities per year and expected results:

Year	Objectives	Planned activities	Work months	Results expected
1 st Year (2011)				
1 st Year (2011)	Awareness creation among	Conducting awareness creation programmes for Teachers, School	12	12 awareness creation programmes, Radio

Year	Objectives	Planned activities	Work months	Results expected
	target groups and general public focus including HCFC phase-out.	Children, Government Officers, Media personnel, relevant stakeholders and general public. Producing & broadcasting TV & Radio programmes. Participating Exhibitions. Publicity through print media. Printing and distribution of awareness creation materials.		Programmes broadcast weekly, Printing/reprinting 07 awareness creation materials such as news bulletin, booklets and leaflets (Awareness creation among general stake holders and general public)
	Data collection on ODS consumption and reporting.	Updating the Online ODS Database. Collecting ODS data from relevant authorities. Preparation of consumption report and submitting to the Ozone Secretariat and the Multilateral Fund.	2	Two reports. Monitoring and controlling ODS consumption with in the country. Planning future activities as required for ODS phase-out, if required.
	Maintaining total phase out of Annex A Group I & Group II and Annex B Group II substances. Achieving phase out of Annex B Gr III, Annex C Gr I & Annex E substances.	Controlling ODS imports through issuing recommendations for Import Control License.	12	Reduction in current ODS Consumption as required under Montreal Protocol
	Data collection on CFC based MDI & HCFCs consumption	Collect and reports data on MDI import & consumption. Taking necessary actions for phase out CFC based MDI and HCFCs.		Phase out MDI (CFC based) & HCFCs to comply with Montreal Protocol targets.
	Strengthening of legal framework on ODS control where necessary.	Imposing gazette regulations where necessary.	--	Strengthened ODS regulations to achieve compliance targets
	Organizing the	Organizing the International Ozone	8	International Ozone

Year	Objectives	Planned activities	Work months	Results expected
	International Ozone Day Celebrations.	Day Celebrations and parallel activities. Organizing various competitions with a theme of Ozone layer protection. Distributing awareness creation materials among general public. Newspaper supplements in three official languages.		Day Celebrations programme, Parallel activities to mark Ozone day celebration .Awareness creation among general public/school children/media.
	Providing necessary assistance for implementing HPMP and Monitoring NCAP.	Undertaking activities planned under HPMP (which is currently being prepared) and remaining NCAP activities	12	Timely implementation of HPMP and NCAP activities
	Providing on line information about NOU	Updating the official web site "www.noulanka.lk"		Up to date information on website on Montreal Protocol activities in Sri Lanka.
	Obtaining the assistance of relevant government and private sector institutions in implementation of Montreal Protocol	Organizing the Coordinating Committee meetings on ODS phase-out issues and emerging opportunities	12	Organizing 04 meetings - Policy decisions regarding the implementation of Montreal Protocol in Sri Lanka, based on feedback from consultations.
2nd Year (2012)				
2 nd Year (2012)	Awareness creation among target groups and general public.	Conducting awareness creation programmes for Teachers, School Children, Government Officers, media personnel, relevant stakeholders and general public. Producing & broadcasting TV & Radio programmes. Publicity through print media.	12	12 awareness creation programmes. TV and Radio Programmes, Printing/reprinting 07 awareness creation materials. (Awareness creation among general stake holders

Year	Objectives	Planned activities	Work months	Results expected
		Printing and distribution of awareness creation materials.		and general public)
	Data collection on ODS consumption and reporting.	Updating the Online ODS Database. Collecting ODS data from relevant authorities. Preparation of consumption report and submitting to the Ozone Secretariat and the Multilateral Fund.	2	Two reports. Controlling ODS consumption with in the country. Planning the control of future ODS consumption.
	Maintaining total phase out of Annex A Group I & Group II and Annex B Group II substances. Achieving phase out of Annex B Gr III, Annex C Gr I & Annex E substances.	Controlling ODS imports through issuing recommendations for Import Control License.	12	Controlling ODS imports (other than Annex A Group I & Group II substances) according to the Montreal Protocol.
	Collecting data on MDI and HCFC consumption.	Collecting data on CFC MDIs and taking necessary steps for phasing-out use of CFC MDIs. Initiate necessary actions for HCFC phase out as per HPMP.	12	Phase out CFC based MDI and implement HPMP activities.
	Strengthening of legal framework on ODS control where necessary.	Imposing gazette regulations where necessary.	--	Strengthened ODS regulations to achieve compliance targets
	Organizing the International Ozone Day Celebrations.	Organizing the International Ozone Day Celebrations and parallel activities.	8	International Ozone Day Celebrations programme, Awareness creation among general public.

Year	Objectives	Planned activities	Work months	Results expected
	Providing necessary assistance and logistics for the implementation of HPMP	Preparing regulations on HCFC control measures.	P	Timely implementation of HPMP activities.
	Providing on line information about NOU	Updating the official web site "www.noulanka.lk"	12	Up to date information on website on Montreal Protocol activities in Sri Lanka.
	Obtaining the assistance of relevant government and private sector institutions in implementation of Montreal Protocol	Organizing the Coordinating Committee meetings	12	Organizing 04 meetings - Policy decisions regarding the implementation of Montreal Protocol in Sri Lanka, based on feedback from consultations.

10. Describe modalities how regular access of the Ozone Unit to senior decision makers will be assured. Such modalities may include steering committees, advisory groups or inter ministerial bodies:

Ministry of Environment is the focal point for the implementation of international environmental agreements and the National Ozone Unit established under the same ministry. NOU is directly under the preview of the Secretary to the Ministry. Through the Secretary, NOU have direct access to all Government senior decision makers.

Coordinating Committee for the implementation of Montreal Protocol in Sri Lanka has been established and committee meets regularly. This meeting is headed by the Secretary of the Ministry of Environment. Coordinating committee regular meeting is held once in three month and additional meetings are held as need arises with the participation of different stake holders representing Government & Private sectors. Objectives of the Coordinating committee meetings are updating the activities of the unit, taking policy decisions with respect of the implementation of Montreal Protocol in Sri Lanka and providing necessary link to relevant government and private sector institutions.

11. Describe how the action plan for the IS project will be integrated in the national authorities' planning process:

National Ozone Unit is a part of the Ministry of Environment. Director of the unit participates all the meetings of the Ministry including staff meetings and consultative committee meetings at the Parliament. Awareness creation programmes of the unit are conducted along with the Ministry officials. Action plan of the NOU is included in the Ministry Action Plan prepared by the Planning Division of the Ministry. Director and the staff of the unit also participate in other programmes organized by the other units of the Ministry. Activities planned under the unit's action plan are channeled regularly by the Director of the Planning Division.

12. Planned Project Cost (for 2 year period):

	Planned project cost (US \$)	MLF Funding	Counter Part Funding	Other sources
a) Equipment component	8,000	8,000	---	---
b) Professional staff	52,000	52,000	---	---
c) Support staff	20,000	20,000	---	---
e) Contingency	14,056	14,056	---	---
f) Funds for public awareness	30,000	30,000	---	---
g) Traveling for meetings	10,000	10,000		
i) Others including in-kind	--	--	Providing Office space & few staff members	---
Total amount	134,056	134,056	---	---

13. Personnel required:

Category and number	Functional Titles/Expertise	Main tasks	Time period
Professional Staff			
National Coordinator	Director Post Graduate qualifications in Science Knowledge in Montreal Protocol activities	Managing the National Ozone Unit. Implementation of Montreal Protocol provisions in Sri Lanka.	2 years
Publicity/Promotion staff	Extension Education Officer Basic degree. Experience in Journalism and mass media.	Preparation of awareness creation materials and publishing ozone related news. Extension & Education Activities.	2 years

Technical staff	Technical Officer Degree or diploma and experience in AC/ Ref: sector.	Organizing training and awareness creation programmes. Assisting Sri Lanka Customs in ODS inspection. Assisting Director regarding technical matters.	2 years
Programme Officer	Programme Officer Post Graduate qualifications in Environmental Science.	Assisting Director in activities related to implementation of Montreal Protocol provisions in Sri Lanka and preparation of work plans.	2 Years
Supporting staff			
Secretary	Secretarial Assistant Experience on secretarial and office management. Ability to work with Computers.	Preparation of documents, file maintenance and day to day activities of the unit.	2 years

14. Title and schedule of reports to be submitted:

To whom:	Title of report:	Planned submission (Year/quarter)
1. Government Departments (Planning Division of the Ministry)	Monthly performance Review Reports.	First week of the following month
	Quarterly progress Reports & District Implementation Reports.	During the first two weeks of the following quarter
	Annual Report.	During the first month of the following year.
2. Reports to Multilateral Fund Secretariat	Progress of implementation of country programmes	During the month of April of the following year.
3. Reports to Ozone Secretariat	Consumption Data.	During the month of September of the following year.
4. Implementing Agency	Annual Report	During the first month of the following year.

	Quarterly Reports	During the first two weeks of the following quarter
	Monthly Reports	First week of the following month
5. Other Implementing Agency(ies)- UNEP , World Bank	Reports on activities they implement. Project Completion Reports (PCR)	During the six month of the project completion.
6. Bilateral Donor(s)	---	---
7. Others	---	---

15. Action Plan prepared by:

Name and signature of Officer responsible for preparing the Action Plan:	Dr. W.L. Sumathipala
Title:	Director, National Ozone Unit & Coordinator to the Montreal Procl.
Organization/Agency/Ministry:	Ministry of Environment & Natural Resources
Date:	2 May 2010
16. Government endorsement:	Dr. R.H.S Samaratunga
Action Plan authorized by (name):	
Title:	Secretary,
Supervising Organization/Agency/Ministry:	Ministry of Environment
Date:	2 May 2010

17. Submission of Action Plan:

Name of Implementing Agency:	United Nations Development Programme (UNDP)
Name and signature of Project Officer:	Mr. Nandan Chirmulay
Date:	5 May 2010
Comments of Implementing Agency:	Country has successfully achieved 2010 targets. IS activities under this phase are required to sustain phase-out of CFCs, Halons, CTC, MCF and Methyl bromide and facilitate phase-out of consumption of HCFCs, which is estimated to be about 180 MT in 2009, in line with targets specified in Decision XIX/6.