

United Nations Development Programme



Government of Sri Lanka



SIGNATURE PAGE  
Country: Sri Lanka

UNDAF Outcome(s)/Indicator(s):

Economic growth and social services are pro-poor, equitable, inclusive & sustainable in fulfilment of the MDGs and MDG Plus, & focus in particular on the rural areas

Expected Outcome(s)/Indicator (s):

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 environmental management and climate change adaptation

CPAP Output Indicators:

# of environmental management policies and strategies implemented

Implementing Partner:

Ministry of Environment and Natural Resources

Responsible Parties:

UNDP, National Ozone Unit

<p>Programme Period: 2008 – 2012</p> <p>Programme Component: Energy and environment for sustainable development</p> <p>Project Title: Preparation of a HCFC Phase-out Management (HPMP) Plan for Sri Lanka (SRL/PHA/55/PRP/33)</p> <p>Award ID /Project ID: 00058241/00072279</p> <p>Start Date: 01/09/2009</p> <p>End Date: 31/12/2010</p> <p>Project Duration: 28 months</p> <p>Management Arrangement: NIM</p>	<p>Budget [2009-2010] US\$ 152,250</p> <p>Total budget: US\$ 152,250</p> <p>Allocated resources:</p> <ul style="list-style-type: none"> <li>• Government</li> <li>• Regular</li> <li>• Other:</li> <li>• Donor: MLF-MPU US\$ 152,250</li> <li>• In kind contributions</li> </ul> <p>Unfunded budget: _____</p>
<p>Agreed by (Implementing Partner):</p>	<p>Title and Signature: <i>[Signature]</i> MARD. JAYATHILAKA Secretary Ministry of Environment and Natural Resources</p> <p>Date: 6/10/2009</p>
<p>Agreed by UNDP:</p>	<p>Title and Signature: <i>[Signature]</i> Beate Trankmann Resident Representative a.i.</p> <p>Date: 13/10/09</p>



**Annual Work Plan**

Sri Lanka - Colombo

Award Id: 00058241

Award Title: Preparation of a HCFC Phase-out Management Plan

Year: 2009

Report Date: 7/9/2009

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Fund	Donor	Planned Budget			Amount US\$
			Start	End				Budget Descr			
00072279	Preparation of a HCFC Phase-out Commitment of Key Stakeholders	Comprehensive HMP (Stage)			SRL-Ministry Of Forestry & Env	63030	MPU	75700	Training, Workshops and Confe		10,000.00
								71200	International Consultants		10,000.00
								71300	Local Consultants		10,000.00
								72100	Contractual Services-Companies		20,000.00
<b>TOTAL</b>											50,000.00
<b>GRAND TOTAL</b>											50,000.00



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	Comprehensive HPMF (State)	SRL-Ministry Of Forestry & Env			63030	MPU	71200 International Consultants	
	HCFC in Foam & Solvent Se	SRL-Ministry Of Forestry & Env			63030	MPU	71200 International Consultants	
	HCFC Sectoral Ind.Profiles D	SRL-Ministry Of Forestry & Env			63030	MPU	72100 Contractual Services-Companies	
		SRL-Ministry Of Forestry & Env			63030	MPU	75700 Training, Workshops and Confe	
		SRL-Ministry Of Forestry & Env			63030	MPU	72100 Contractual Services-Companies	
<b>TOTAL</b>								102,250.00
<b>GRAND TOTAL</b>								102,250.00



## UNDP – MLF

Government of Sri Lanka

### United Nations Development Programme

#### Brief Description

The XIXth Meeting of the Parties to the Montreal Protocol in September 2007, through its Decision XIX/6, adopted an accelerated phase-out schedule for Hydrochlorofluorocarbon (HCFCs). The first control includes placing a freeze on production and consumption of HCFCs starting from 01 January 2013, at the Baseline Level (average of 2009 and 2010 consumption levels). The second control step is the reduction of 10% from the Baseline Level starting from January 1, 2015. The decision also directed the Executive Committee of the Multilateral Fund to assist the Parties in preparation of an HCFC Phase-out Management Plan (HPMP), which is expected to delineate the strategy and action plan of the respective country, for compliance with the 2013/2015 control targets for HCFC consumption. The 54th Meeting of the Executive Committee in April 2008 through Decision 54/39, adopted guidelines for preparation of HCFC phase-out management plans. UNDP has been designated as the lead implementing agency and UNEP as the cooperating agency for preparation for Sri Lanka's HPMP. In order to assist Sri Lanka in the preparation of its HPMP, UNDP and UNEP submitted a request for project preparation to the 55<sup>th</sup> meeting of the Executive Committee in July 2008, which was approved.

This project will cover the establishment of the national team and related institutional arrangements, review of existing regulatory and policy framework, information dissemination and industry interaction, data collection on the baseline in each HCFC consuming industrial sector, data analysis, technology selection taking into account climate change impacts, prioritization of sectors for interventions, estimation of incremental costs and associated technical assistance needs and stakeholder consultations. The project will result in the preparation of a comprehensive HPMP (Stage-1) for Sri Lanka, which will incorporate the strategy and action plan for Sri Lanka for compliance with the 2013/2015 control targets, which is targeted for submission to the Executive Committee of the Multilateral Fund, at its 61<sup>st</sup> Meeting in July 2010.

The grant requested to the MLF by the Government of Sri Lanka is US\$ 152 250.  
Implementing Partner - Ministry of Environment & Natural Resources  
Starting Date – September 2009  
Total Budget – US\$ 152 250

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main ODS consuming sectors in Sri Lanka, therefore the national strategy prioritized the management of ODS consumption and eventual phase-out in these sectors.

The National Programme for Recovery and Recycling of refrigerants was approved in October 1996. The Refrigerant Management Plan was approved in December 2000. The National Compliance Action Plan for phase-out of CFCs was approved in July 2004.

Sri Lanka has made significant progress in ODS phase-out over the past few years and has complied with both interim control milestones (namely, the 1999 freeze and the 50% reduction by 2005 and 85% reduction by 2007) for Annex-A Group-I substances (CFCs). This has been made possible with the assistance of the Multilateral Fund and through project activities including technology transfer investments, technical assistance, training and capacity building, information dissemination and awareness-raising and also due to pro-active regulations.

## **2.2 Evolution of HCFC Phase-out Management Plans**

HCFCs, which have Ozone Depleting Potential (ODP) up to 15% of that of CFCs, are also classified as controlled substances under Annex-C, Group-I of the Montreal Protocol. HCFCs therefore, have use restrictions and would eventually have to be phased-out. Initially for developing countries, the scheduled phase-out date for HCFCs was 01 January 2040 with an interim control measure of freezing HCFC production and consumption at 2015 levels, from 01 January 2016.

During the implementation of the CFC phase-out under the Montreal Protocol, HCFCs were approved as interim substitutes for CFCs in many of the projects and activities supported by the Multilateral Fund. Considering the increasing demand for HCFCs, and considering the imminent restrictions on HCFCs, including the 2016 freeze in consumption for Article-5 countries, it was necessary to address the technology and environmental issues arising from HCFC use reductions. Moreover, actions to reduce HCFC consumption may need to be initiated sooner rather than later. Recognizing these challenges, the ExCom approved at its 45<sup>th</sup> Meeting in 2005, funding for UNDP to carry out HCFC surveys in 12 countries. Sri Lanka was one of the countries which requested to be a part of this activity. The key result of this survey was establishing the HCFC consumption profiles and projected growth rates in HCFC consumption in various sectors until 2015.

The XIXth Meeting of the Parties to the Montreal Protocol in September 2007, through its Decision XIX/6, adopted an accelerated phase-out schedule for HCFCs. The first control is the freeze on production and consumption of HCFCs from 01 January 2013, at the Baseline Level (average of 2009 and 2010 consumption levels). The second control step is the reduction of 10% from the Baseline Levels on January 1, 2015. Subsequent control steps are 35% reduction by 2020, 67.5% by 2025, 97.5% by 2030 and complete phase out from January 1 2040. The decision also directed the Executive Committee of the Multilateral Fund to assist Article-5 Parties in preparation of HCFC Phase-out Management Plans (HPMP).

- Constituting the national team (recruitment of national expert (s) and project staff, formation of the sectoral working groups and the HPMP CG)
- Initial Stakeholder Workshop
- Consultation meetings for stakeholders (meetings with government agencies for policy review and meetings with industry representatives for sector level approaches)
- Information dissemination and industry interaction (sector level workshops)
- Data Collection
- Data Analysis
- Draft document preparation
- Stakeholder interactions/consultations (national workshop)
- Finalization of the HPMP (Stage-I) proposal





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 Resident Representative** 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 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 initiate 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.

As delegated by the Project Board, the **designated UNDP Programme Officer, supported by the UNDP Programme Associate** 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

amount of the contracts of the services to be procured or obtained through UNDP [See Attached Letter]

It will be the responsibility of the beneficiary line ministry or government institution to ensure the settlement of all duties/taxes/levies/VAT on imported goods and services at the point of clearing from Sri Lanka Customs as well as all VAT and other statutory levies applicable and payable on local procurement of goods and services. The UNDP bears no responsibility whatsoever in the settlement of Government of Sri Lanka duties/taxes/levies/VAT on all imported and local procurement of goods and services.

The Implementing Partner will be audited periodically as per the annual audit plan prepared by the government coordinating authority in consultation with the UNDP Sri Lanka. The National Ozone Unit will be responsible for ensuring that all audit requirements are met.

### 5. Time Frame/Monitoring Milestones

Considering the limited timeframe available for 2013 compliance, the HPMP should be ready for submission to the 61<sup>st</sup> ExCom Meeting in July 2010. This allows for a net period of about 12 months for completing the activities needed for preparation of the HPMP, after taking into consideration the lead time of submission of 14 weeks prior to the ExCom:

MILESTONE/TIME FRAME (In months)	1	2	3	4	5	6	7	8	9	10	11	12
Constituting the national team												
Information dissemination/industry interaction												
Data collection												
Data analysis												
Preparation of draft proposal												
Stakeholder consultations												
Finalization and submission												

### 6. Monitoring Framework and Evaluation

In accordance with UNDP programming policies and procedures, the project will be monitored as follows:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on the M&E framework detailed below.
- An Issue Log shall be activated 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 (see annex 1), a risk log shall be activated and regularly
- Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board and using the standard report format available.
- 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

## 6. 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".

## ANNEXE 1

### ROLES AND RESPONSIBILITIES OF KEY STAKEHOLDERS

This section outlines the roles and responsibilities of key stakeholders in the activities involved in the preparation of the HPMP (Stage-1).

#### 5.1 Ministry of Environment and Natural Resources

The MENR will have the following roles and responsibilities in the preparation of the HPMP:

- To facilitate the establishment of the HPMP CG
- To provide overall policy guidance of the HPMP
- To conduct final review and obtain Government endorsement of HPMP

#### 5.2 National Ozone Unit

In the preparation process for Sri Lanka's HPMP, the NOU will have the following responsibilities:

- Act as the convener and chair of the HPMP Coordination Group
- Overall responsibility for monitoring and supervision of activities
- Coordination of activities among various stakeholders
- Coordination of review of policy/regulatory framework among related Government agencies
- Validation of enterprise level, sector level and national level baseline HCFC consumption data
- Facilitate industry consultation
- Communicate and disseminate public information and conduct awareness/outreach initiatives/programmes
- Review and endorsement of draft and final HPMP document
- To participate in the meetings of the HPMP Coordination Group (repeat)
- To review in collaboration with MENR, the policy and regulatory framework for HCFCs
- To provide inputs related to trade, investment and industry related issues, in formulation of new policies/regulations and/or adaptation of existing policies/regulations pertaining to HCFCs
- Recruitment of national expert (s) and project staff

#### 5.3 UNDP

UNDP has been designated as the Implementing Agency for preparation of the HPMP for Sri Lanka, by ENR/NOU. The roles and responsibilities of UNDP during the preparation of HPMP (Stage-1) would be as below:

- Support ENR/NOU in ensuring an effective and smooth process in preparation of the sectoral projects/plans/activities and the integrated HPMP (Stage-1);
- Support MENR/NOU in review and endorsement process on the draft sectoral projects/plans/activities and integrated HPMP, for timely finalization and submission to the ExCom;
- Provide assistance with policy/regulatory, management and technical support to NOU as and when required
- Assist NOU in the process of consultations with industries on the technical and logistical aspects of the preparation of the HPMP;
- Assist NOU and the industries on identification and selection of alternative technologies, technology transfer and related incremental costs;
- Work in close cooperation and coordination with NOU on finalization of the integrated HPMP;
- Submit the integrated HPMP (Stage-1) to the MLF

#	Description	Type	Impact & Probability	Countermeasures / Mngt response	Date/ Author	Owner
1	Stakeholder interest, especially industrial and private sector, in the preparatory process	Strategic	The user sectors are mostly private sector and their active participation is crucial to the successful completion of the inventory and data base Enter probability on a scale from 1 (low) to 5 (high) P = 3 Enter impact on a scale from 1 (low) to 5 (high) I = 4	Advertisements in the media about the commencement of the project and bi-lateral discussions with the key players in each identified sector	UNDP	Project Manager, NOU
2	Timely delivery of outputs by consultants	Operational	The preparatory process depends greatly on the timely inputs of sector experts, international consultants and firms. The full project document should be ready for submission for funding by June 2010. P = 2 I = 4	Clear TORs and milestones Regular monitoring of output More frequent review meetings if necessary	UNDP	Project Manager NOU