

SOUTH ASIAN SEAS PROGRAMME

Agenda Item 5 (h)

PROGRAMME AREA: Strategic Planning and Developing Market Based Instruments for the Medium to Long Term Strategic Planning of the Implementation of the Sri Lanka National Programme of Action (MBI/NPA)

BACKGROUND

1. Introduction

To reverse the present trends in pollution and degradation of coastal and marine environment due to land based activities, the Ministry of Environment and Natural Resources has developed a National Program of Action (NPA) with short, medium and long term goals, with the assistance of the United Nations Environment Program/Global Program of Action. The National Programme of Action for Sri Lanka identified the need for incorporating appropriate public spending programs, pollution control regimes, market and fiscal incentives for pollution prevention and capacity building initiatives. In order to implement these activities UNEP/GPA provided financial assistance through SACEP to implement a project which had three components. The Component 1 was implemented with a view to review existing and potential MBIs in Sri Lanka, while Component 2 was to develop a strategic plan for implementation of the short, medium and long term implementation of the NPA. The component 3 was to study the economic significance of the coastal region of Sri Lanka in the context if socio economic and environmental changes of pre and post Tsunami disaster and for evaluation of the squatter settlements in the coastal region.

Once the first MOU signed between UNEP and SACEP expired a new MOU was signed in late 2007. According to the first MOU, the Ministry of Environment was expected to carry out components 1, 2 and 3.

Component 2 of this project was to be implemented after the completion of Component 1 (MBI component). As Component 3 was not initiated due to Tsunami, UNEP suggested to postpone the activity until additional resources can be identified. However, after the MBI workshop held in June 2007, UNEP requested to continue this Component.

COMPONENT 1:

Assistance to Evaluating the Potential of Market Based Instruments for the Medium to Long-Term Implementation of the Sri Lanka National Programme of Action

Objective and Outputs:

The overall objectives of this component are:

OBJECTIVE

- A) To develop a sound scientific study to further evaluate the role of environmentally related market based instruments on Sri Lanka.
- B) To support the overall project, expected to end in early 2006, with inputs on realistic market based instruments, which may be developed to support the implementation of the Sri Lanka NPA.

OUTPUTS

- a) A National Co-ordinator and National Experts were selected for the following sectors Coastal Management, Energy, Transport, Agriculture, Waste and Water
- b) Two Workshops were held in April 2007 and June 2007 for the review of the Sector Reports and the finalisation of the MBI Report
- c) The Final Draft report on **Development of Market Based Instruments for Environmental Management in Sri Lanka** is now ready for formal approval by the Government of Sri Lanka.

COMPONENT 2

Strategic Planning for the Implementation of the Short, Medium and Long Term Implementation of the Sri Lanka National Programme of Action.

Overall objective

To carry out a study on the economic valuation of goods and services provided by coastal and marine resources in Sri Lanka, limited to selected **thematic areas such as, tourism, fishery/aquaculture, sand mining etc.**, aimed at providing a tool for mainstreaming coastal and marine issues (including Sri Lanka's NPA) into relevant national development processes.

- a. Tasks to be undertaken
 - Select the thematic areas based on the outcomes of the **Component 1** for which the economic valuation of goods and services provided by coastal and marine resources will be carried out;
 - Hire a National Consultant based on a well defined TOR to carry out the study;
 - Establish a multi stakeholder platform involving relevant stakeholders (Government, local authorities, industry and civil society) to provide necessary guidance to the study
 - Based on the findings of component 2 and 3, provide recommendations for policy actions to be incorporated into the next Five Year Implementation Plan (2008-2012) of the Ministry of Environment and Natural Resources, including the potential entry points and opportunities for mainstreaming coastal and marine issues into relevant national development processes.

OUTPUT

Not completed. Ministry has requested for extension of the MOU to be completed in 2008

COMPONENT 3:

Support to the Implementation of Short-Term NPA Priorities on Socio Economic Issues of Coastal Regions and Squatter Settlements along the Coastline of Sri Lanka

a. Overall objective

To prepare a study on the economic significance of coastal regions of Sri Lanka in the context of social, political and environmental changes including post-tsunami situation during the last decade, aimed at identifying the relative importance of different economic sectors in the coastal region for the gross domestic product (GDP) of the country.

b. Tasks to be undertaken

- i. Finalise the study on the economic significance of coastal regions of Sri Lanka, focusing on the relative importance of different economic sectors in the coastal region for the gross domestic product (GDP) of the country which will constitute an input to the study on the economic valuation of goods and services provided by coastal and marine resources in Sri Lanka;

- ii. Based on the findings of component 2 and 3, provide recommendations for policy actions, including the potential opportunities and challenges for mainstreaming coastal and marine environmental issues into relevant national development processes.

Outputs

The following 2 Draft Reports have been prepared by the Coast Conservation Department in collaboration with the Ministry of Environment & Natural Resources through the employment of External Consultants

- A. The Study of Economic Significance of Coastal Region of Sri Lanka in the Context of Environmental Changes of Pre and Post Tsunami
- B. Report of the Study of Socio-Economic Aspects of Coastal Regions and Squatters with Special Reference to the Western Province