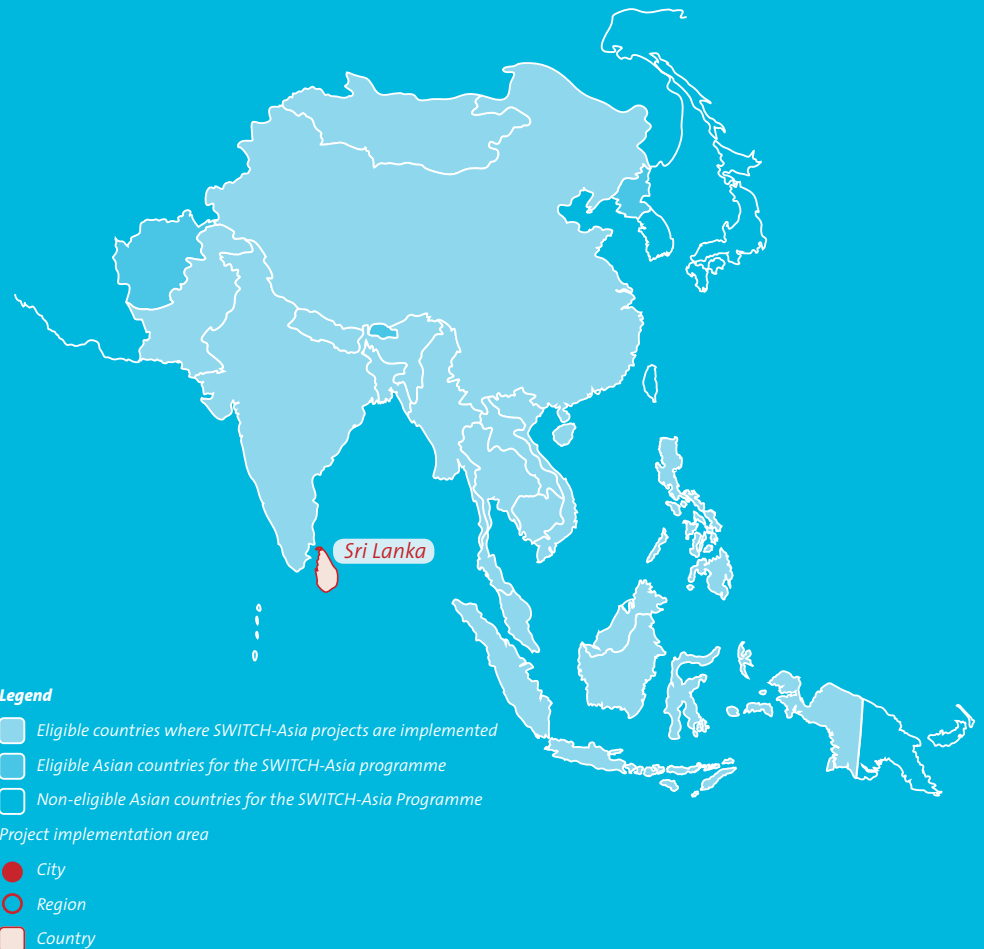




PROJECT PROGRESS SHEET ENHANCING ENVIRONMENTAL PERFORMANCE IN KEY SRI LANKAN EXPORT SECTORS



The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.



BRIEF PROJECT DESCRIPTION

The EU SWITCH-Asia-funded EEPEX project aims to encourage Sri Lanka's export sector enterprises and their support service providers across the value chain, to adopt environmentally friendly production practices and technology. The project commenced in March 2009 and will be implemented over a period of 42 months. The export sectors of ceramics, leather and footwear, coconut products and rubber and plastics products and, tourism are major components of the Sri Lankan economy accounting for over US\$2 billion in revenue and employment to over 1.5 million people, with coconut products, tourism and the rubber and plastics sector accounting for three of the largest five foreign exchange earners of Sri Lanka. The target enterprises, their suppliers and support industries contaminate vital water bodies through effluent discharge and generate substantial volumes of solid waste. Poor technical know-how and monitoring mechanisms have led to this situation. There are no integrated approaches to sustainable production amongst the target industries across their value chains. Most enterprises from the target sectors have low capacity in reviewing their environmental problems and adopting solutions. Enterprises rely heavily on the public sector, but due to insufficient regulations, limited fund allocations and inadequate capacity of key stakeholders problems are not totally addressed.

Overall objective: To enhance economic prosperity by making sustainable production prevalent across key industries through a switch in new culture, practices, technology and improve public health and concerns by minimising pollution in water, air and soil.

Specific objective: To improve environmental performance amongst enterprises in key Sri Lankan export sectors across their value chain through sustainable production patterns and behaviour.

PROJECT PARTNERS

Industrial Technology Institute (ITT), Sri Lanka; Ceylon Chamber of Commerce (CCC), Sri Lanka; Swedish Environmental Institute Ltd (IVL), Sweden; Megaskills Research Company Ltd, United Kingdom; Fraunhofer Institute (IFF), Germany

The project is making an impact in whole of Sri Lanka.

EEPEX

<http://192.248.98.20:8080/eepeX>

March 2009 - August 2012

PROJECT IMPACT

PROJECT ABBREVIATION

PROJECT WEBSITE

PROJECT DURATION

TARGET GROUPS

- Enterprises from the target sectors of: clay products (40 enterprises), rubber and plastic products (235 enterprises), leather products and footwear (126 enterprises), coconut products (132 enterprises) and their suppliers (over 300 enterprises)
- Tourism enterprises (100 registered hotels and tour operator enterprises)
- Intermediary bodies from each target sector
- Supporting service enterprises including heavy machinery, service stations and construction (150 enterprises)
- Waste recyclers, processors and disposal enterprises (16)
- Energy intensive industries with needs for alternative energy sources
- Technology providers, regulatory bodies and local authorities

Final beneficiaries: Enterprises and employees, Waste recyclers and processors; Technology providers and consultants; International consumers; Regulatory bodies and local authorities; General public

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OUTPUTS TO DECEMBER 2009 TO BE SHARED WITH WIDER AUDIENCE



- A questionnaire for the construction sector was developed (making it 12 sub-sector questionnaires in total). The questionnaire allowed collection of environment performance and related data from industries through field enumerators. This information serves to make a basic assessment of present environment status.
- A total of 15 seminars were held to create awareness amongst target industries of the project objectives, sustainable production issues, benefits to industries from participation in the project, the various stages of the project and an outline of the survey/questionnaire.
- To start finding the best and worst practices across each of the target sectors, all industries from the ceramics sector were surveyed as a pilot and a draft ceramics sector report produced. 15 companies were shortlisted to receive a comprehensive package including free measurements, technical support &

- training for company staff as part of a sustainable action plan for each enterprise.
- A report evaluating the current environmental legislation which affects industries was developed.
- Action plans for target sectors progressed for each of the 15 shortlisted enterprises from the ceramics sector that committed themselves to adopting sustainable production action. The companies also agreed to a sign up fee as part of their commitment - large companies or factories (employing over 250 employees) €350 and small and medium-sized companies €75.
- The nature of environmental certification / rewarding schemes was presented in a workshop alongside the issues involved in establishing such a scheme in Sri Lanka linked to a multi sector eco-label. A report followed and was circulated amongst the project team.

RESULTS ACHIEVED TO JANUARY 2010

- Streamlining of project decision-making processes through establishment of project management systems, management committee and monitoring committee to ensure smooth running of project to implement required activities and meet desired impact on target groups.
- Sector coordinators appointed to strengthen sector activities across the value chain.
- Framework for data gathering of industry data.
- Awareness creation of sustainable production amongst industry staff across Sri Lanka.
- Identification of industry participants for baseline survey.
- 250 enterprises involved in project through completion of baseline survey.
- Draft sector wide analysis of ceramics sector.



- Short-listing of companies from ceramics sector for detailed phase, commitment from shortlisted ceramics companies for the detailed phase of the project.
- Initial review of environmental legislation and difficulties in implementation by enterprises.
- Awareness amongst local partners on the nature of environmental certification / rewarding schemes and the issues involved in establishing such a scheme in Sri Lanka.
- Design of basic databases for data entry of sector data, data entry for baseline survey enterprises already undertaken, preliminary reporting format for EIS draft website developed.
- Awareness of project amongst waste management companies, commitment from waste management companies towards waste management network.

LESSONS LEARNT SO FAR

- 720 industries for the baseline survey appear to be on the high side.
- Considerable time was spent on the baseline survey as industries do not keep record of most of the information needed.
- Project support is in the form of recommendations for improvement/proven modifications, cleaner technologies etc. but no financial support to industry for investment
- Local banks do not have low interest loan facilities to support such investment.
- Political changes do not support investment decision by industries.
- Difficult to have forward plans with foreign partners.
- Some stakeholders already proven to be more important.

OUTREACH & SYNERGIES

- Project stationary has been developed including letterheads, business cards, envelopes. A project leaflet and a project backgrounder have been developed in English, Sinhala and Tamil.
- A Project backdrop, five indoor pennants covering each of the target sectors and an outdoor banner have been produced for media events and workshops.
- A pre-launch was held for the project in June chaired by the Hon Prof Tissa Vitharana (Minister of Science and Technology) together with representatives from ITI, CCC, MGS and the media.



- A number of media releases have been made in English and Sinhala media including Daily News (English), The Island (English), the Sunday Leader, the Sunday Virakeseri (Tamil), Derana Internet and Media release, News-first.lk, Dinamina (Sinhala), Lakkbima News.
- The first eBulletin was produced in October and released in November disseminating project news to a wide audience including stakeholders and industry.
- The first sustainable forum was held in July with chief guests the Hon Minister of Export Development and International Trade Prof G L Peries and H.E. Mr Bernard Savage, Ambassador and Head of Delegation of the European Commission to Sri Lanka and Maldives. The forum also involved representatives from: Ministry of Science & Technology (MOST), Ministry of Environment & Natural Resources, Ministry of Export Development and International Trade, financial Organisations (banks) & Donor Agencies, Central Environmental Authority (CEA), Sri Lanka Export Development Board (EDB), Plastics & Rubber Institute of Sri Lanka (PRI), The Sri Lanka Ceramics Council (CC), Sri Lanka Footwear Association, Sri Lanka Tanners Association, Sri Lanka Desiccated Coconut Millers Association, Sri Lanka Association of Inbound Tour Operators (SLAITO), Sri Lanka Tourism Cluster (SLTC), Holcim Lanka (Pvt) Ltd, - the press and major TV stations covered the event.
- A total of 15 Awareness seminars were held.
- Synergies were made with the following programmes :
 - ICT Agency's eSociety programme through an existing project implemented by MGS and ITI.
 - eFriends 2 loan scheme for environmental loans to industries, CBI (Capacity Building Initiative) of the Dutch Government. The CBI initiative provides capacity building support for enterprises exporting to the EU member countries. USAID (TCP) funded project to establish a establish a Centre for Technical Excellence in Ceramics (CENTEC) in Sri Lanka, implemented by ITI.

