

THE ATTACHED DOCUMENT

I. COOPERATION BETWEEN JICA AND THE GOVERNMENT OF SRI LANKA

1. The Government of Sri Lanka will implement the Project for Capacity Development of CDM Promotion in Sri Lanka (hereinafter referred to as "the Project") in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan which is given in Annex I.

II. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan and the provisions of Article III of the Agreement, JICA, as the executing agency for technical cooperation by the Government of Japan, will take, at its own expense, the following measures according to the normal procedures of its technical cooperation scheme.

1. DISPATCH OF JAPANESE EXPERTS

JICA will provide the services of the Japanese experts as listed in Annex II. The provision of Article IV of the Agreement will be applied to the above-mentioned experts.

2. PROVISION OF MACHINERY AND EQUIPMENT

JICA will provide such machinery, equipment and other materials (hereinafter referred to as "the Equipment") necessary for the implementation of the Project. The provision of Article VIII of the Agreement will be applied to the Equipment.

3. TRAINING OF SRI LANKAN PERSONNEL IN JAPAN

JICA will receive the Sri Lankan personnel connected with the Project for technical training in Japan.

III. MEASURES TO BE TAKEN BY THE GOVERNMENT OF SRI LANKA

1. The Government of Sri Lanka will take necessary measures to ensure that the self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.
2. The Government of Sri Lanka will ensure that the technologies and knowledge acquired by the Sri Lankan nationals as a result of the Japanese technical cooperation will contribute to the economic and social development of Sri Lanka.

3. In accordance with the provisions of Article IV, V, VI of the Agreement, the Government of Sri Lanka will grant in Sri Lanka privileges, exemptions and benefits to the Japanese experts referred to in II-1 above and their families.
4. In accordance with the provisions of Article VIII of the Agreement, the Government of Sri Lanka will take the measures necessary to receive and use the Equipment provided by JICA under II-2 above and equipment, machinery and materials carried in by the Japanese experts referred to in II-1 above.
5. The Government Sri Lanka will take necessary measures to ensure that the knowledge and experience acquired by the Sri Lankan personnel from technical training in Japan will be utilized effectively in the implementation of the Project.
6. In accordance with the provision of Article IV-(b) of the Agreement, the Government of Sri Lanka will provide the services of Sri Lankan counterpart personnel and administrative personnel as listed in Annex III.
7. In accordance with the provision of Article IV-(a) of the Agreement, the Government of Sri Lanka will provide the buildings and facilities as listed in Annex IV.
8. In accordance with the laws and regulations in force in Sri Lanka , the Government of Sri Lanka will take necessary measures to supply or replace at its own expense machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the Equipment provided by JICA under II-2 above.
9. In accordance with the laws and regulations in force in Sri Lanka , the Government of Sri Lanka will take necessary measures to meet the running expenses necessary for the implementation of the Project.

IV. ADMINISTRATION OF THE PROJECT

1. Secretary of Ministry of Environment and Natural Resources, as the Project Director, will bear overall responsibility for the administration and implementation of the Project.
2. Director of Climate Change Division, Ministry of Environment and Natural Resources, as the Project Manager, will be responsible for the managerial and technical matters of the Project.

3. Deputy Director of Climate Change Division, MENR, as the Deputy Project Manager, will support Project Manager and Project Director for the smooth implementation and management of the Project.
4. The Japanese Team Leader will provide necessary recommendations and advice to the Project Director and the Project Manager on any matters pertaining to the implementation of the Project.
5. The Japanese experts will give necessary technical guidance and advice to Sri Lankan counterpart personnel on technical matters pertaining to the implementation of the Project.
6. For the effective and successful implementation of technical cooperation for the Project, a Joint Coordinating Committee will be established whose functions and composition are described in Annex V.

V. JOINT EVALUATION

Evaluation of the Project will be conducted jointly by JICA and the Sri Lankan authorities concerned, at the last six months before the end of the cooperation term in order to examine the level of achievement.

VI. CLAIMS AGAINST JAPANESE EXPERTS

In accordance with the provision of Article VII of the Agreement, the Government of Sri Lanka undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in Sri Lanka except for those arising from the willful misconduct or gross negligence of the Japanese experts.

VII. MUTUAL CONSULTATION

There will be mutual consultation between JICA and the Government of Sri Lanka on any major issues arising from, or in connection with this Attached Document.

VIII. MEASURES TO PROMOTE UNDERSTANDING OF AND SUPPORT FOR THE PROJECT

For the purpose of promoting support for the Project among the people of Sri Lanka, the Government of Sri Lanka will take appropriate measures to make the Project widely known to the people of Sri Lanka.

IX. TERM OF COOPERATION

The duration of the technical cooperation for the Project under this Attached Document will be one and a half (1.5) years from DD/MM/2010.

ANNEX I	MASTER PLAN
ANNEX II	LIST OF JAPANESE AND LOCAL EXPERTS
ANNEX III	LIST OF SRI LANKAN COUNTERPART AND ADMINISTRATIVE PERSONNEL
ANNEX IV	LIST OF BUILDINGS AND FACILITIES
ANNEX V	JOINT COORDINATING COMMITTEE

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8 2

ANNEX I MASTER PLAN

Overall goal

Sustainable development of Sri Lanka will be promoted through CDM projects.

Project purpose

CDM projects will be promoted in Sri Lanka.

Outputs

- 1) CCD staff will obtain fundamental capacities related to climate change mitigation and CDM.
- 2) National policy, strategy and action plan on CDM will be updated.
- 3) A capacity of DNA staff to appraise proposed CDM activities for national approval will be enhanced.
- 4) Guidebook on CDM will be developed.
- 5) Knowledge on CDM will be promoted among CDM stakeholders.

Activities

Activity 1:

1-1 to conduct capacity assessment of CCD staff.

1-2 to conduct training for enhancing fundamental knowledge of climate change mitigation and CDM.

Activity 2:

2-1 to review and, if necessary, revise national policy, strategy and action plan on CDM.

2-2 to review Corporate Business Strategy and develop a business plan for Sri Lanka Carbon Fund Ltd.(SLCF)

2-3 to review national CDM portfolio.

2-4 to consider problems/obstacles associated with CDM projects including CDM project of activities (PoA) under development.

2-5 to revise national CDM portfolio.

Activity 3:

3-1 to assess capacities of DNA staff.

3-2 to review and, if necessary, revise national approval criteria and procedure of CDM.

3-3 to develop manual for appraisal of proposed CDM projects based on activity 3-2.

3-4 to make necessary revisions of manual.

Activity 4:

4-1 to select at least fifteen (15) CDM projects* including at least two (2) PoA such as the projects related to grilicidia and CFL replacement.

* Priority sectors to be covered for CDM projects include renewable energies such as hydro, biomass, energy efficiency and wastes management.

4-2 to review PDDs where available, otherwise PINs, and other related issues of selected CDM projects including PoA from expert point of views.

- 4-3 to make recommendations on the actions to be taken by project owners for realization of the selected CDM projects based on results of activity 4-2.
- 4-4 to develop draft guidebook based on lessons and learned through activities from 4-1 to 4-3.
- 4-5 to disseminate draft guidebook among related stakeholders and get feedback from participants.
- 4-6 to revise and finalize guidebook on CDM.

Activity 5:

- 5-1-1 to make initial design of website.
- 5-1-2 to make periodical update of website.
- 5-2-1 to conduct workshops on CDM to related ministries/organizations and other stakeholders.
- 5-3-1 to develop CDM promotion materials for CDM project developers and other stakeholders in Sri Lanka.
- 5-3-2 to revise materials for CDM project developers and other stakeholders in Sri Lanka.
- 5-3-3 to develop CDM promotion materials for potential CDM investors.
- 5-4-1 to conduct CDM promotion seminar in Sri Lanka to potential CDM investors.
- 5-4-2 to conduct CDM promotion seminar to potential CDM investors in Japan.

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ANNEX II LIST OF JAPANESE EXPERTS

JICA will dispatch the team of short term experts in the following fields.

- Project Leader/CDM management
- CDM appraisal
- CDM development
- Carbon fund management
- Validator or a person with expertise on validation
- Marketing and promotion

In addition, following experts will be assigned as local experts.

- Formulation Advisor for Sri Lanka Carbon Fund
 - CDM Technical Review
 - CDM Facilitator
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ANNEX III LIST OF SRI LANKAN COUNTERPART AND ADMINISTRATIVE PERSONNEL

No.	Project Position	Organization	Related Output
1	Project Director	Secretary, Ministry of Environment and Natural Resources (MENR)	1, 2, 3, 4, 5
2	Project Manager	Director, Climate Change Division, MENR,	1, 2, 3, 4, 5
3	Deputy Project Manager	Deputy Director, Climate Change Division, MENR (to be newly assigned)	1, 2, 3, 4, 5
4	Counterpart	Assitant Director, Climate Change Division, MENR, Ms. Anoja Herath	1, 2, 3, 4, 5
5	Counterpart	Environmental Management Officer, Climate Change Division, MENR(DNA staff), Ms. Thiris Inoka	1, 2, 3, 4
6	Counterpart	Program Assistant(Environment), Climate Change Division, MENR(DNA staff), Ms. Chamika Nilmini	1, 2, 3, 5
7	Counterpart	Environmental Management Officer, Climate Change Division, MENR, Ms. Nirosha Kumari	1, 5
8	Counterpart	Environmental Management Officer, Climate Change Division, MENR, New Receuitment 1	1, 3
9	Counterpart	Environmental Management Officer, Climate Change Division, MENR, New Recruitment 2	1, 4
10	Counterpart	Dr. S.P.Nissanka, Senior Lecturer, Dept. of Crop Science, Faculty of Agriculture, University of Peradeniya (National CDM Centre)	1, 2, 4
11	Counterpart	Dr. Suren Wijekoon, Senior Lecturer, Dept. of Chemical, Process Engineering, University of Moratuwa (National CDM Centre)	1, 2, 4
12	Counterpart	Dr. Lalani Samarappuli, Head, Soil and Land Nutrition Department, Rubber Research Institute (PoA on waste management) (CDM Advisor for CCD)	1, 3
13	Counterpart	Mr. P.G. Joseph, Director, Alternative Energy Division, Ministry of Science and Technology (CDM Advisor for CCD)	1, 3
14	Counterpart	Project Assistant, Climate Change Division, MENR, Mr. L.H. Aourasha	1, 5 (for website)
15	Counterpart	Program Assistant, Climate Change Division, MENR, New Recruitment 3	1, 5

ANNEX IV LIST OF BUILDINGS AND FACILITIES

1. The building and facilities necessary for the performance of duties by the Japanese Experts and local consultant(s) including office space in CCD.
2. Facilities such as electricity, gas, water, sewerage system, telephones, internet and furniture necessary for the Project activities and operational expenses for utilities.
3. Other facilities mutually agree upon as necessary.

91

13

ANNEX V JOINT COORDINATING COMMITTEE

1. Functions

A Joint Coordinating Committee will be organized. The committee meeting will be held at least four (4) times during the Project period and whenever need arises.

The functions of the Committee are as follow.

- (1) To supervise the annual work plan of the Project in line with the Plan of Operations.
- (2) To review the annual and overall progress of the Project and to evaluate the accomplishment of the annual targets and achievement of the objectives.
- (3) To find out proper ways and means for solution of the major issues arising from or in connection with the Project.

2. Composition of the Committee

(1) Chairperson

Secretary will be the chairperson.

(2) Members

a) Sri Lankan Side

- Director, Climate Change Division, MENR
- Deputy Director, Climate Change Division, MENR
- Assistant Director, Climate Change Division, MENR
- Director General, Department of National Budget, Ministry of Finance and Planning
- Director General, Department of External Resources, Ministry of Finance and Planning
- Representatives from Two(2) National CDM Centres (University of Peradeniya and University of Moratuwa)
- Representative from Ministry of Science and Technology
- Representative from Ministry of Power and Energy
- Other officials of nominated by the Project Director may attend the committee meetings as observer(s).

b) Japanese Side

- Representative(s) from JICA Sri Lanka Office
- Project Leader/CDM management
- Other Japanese experts
- Member(s) of missions dispatched by JICA
- Official(s) of the Embassy of Japan may attend the Committee meetings as observer(s).
- Other officials of nominated by the Project Leader may attend the committee meetings as observer(s).

[DRAFT]
MINUTES OF MEETING
BETWEEN THE JAPAN INTERNATIONAL COOPERATION AGENCY AND
MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES
ON JAPANESE TECHNICAL COOPERATION FOR
THE PROJECT FOR CAPACITY DEVELOPMENT OF CDM
PROMOTION IN SRI LANKA

The Japan International Cooperation Agency (hereinafter referred to as "JICA") had a series of discussions on implementation of "The Project for Capacity Development of CDM Promotion in Sri Lanka (hereinafter referred to as "the Project")" with Ministry of Environment and Natural Resources (hereinafter referred to as "MENR") and other related ministries of the government of Sri Lanka.

As a result of discussions, MENR and JICA agreed to summarize the matters referred to in the document attached hereto as a supplement to the Record of Discussions (hereinafter referred to as "R/D").

Colombo, [], 2010

Mr. Akira Shimura
Chief Representative
Sri Lanka Office
Japan International Cooperation
Agency

Mr. M.A.R.D. Jayatillaka
Secretary
Ministry of Environment and
Natural Resources
Democratic Socialist Republic of
Sri Lanka

Dr. W.L. Sumathipala
Director
Climate Change Division
Ministry of Environment and
Natural Resources
Democratic Socialist Republic
of Sri Lanka

Ms. D. Chrishanthi W.Hapugoda
Director
Department of External
Resources,
Ministry of Finance and
Planning
Democratic Socialist Republic of
Sri Lanka

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THE ATTACHED DOCUMENT

This document has been prepared for the better understanding of the R/D agreed upon between the Sri Lankan side and JICA on the date of signing. The main items that had been discussed and agreed upon by both sides are summarized as follows.

I. Project Design Matrix and Plan of Operation

JICA explained that the Project Design Matrix (hereinafter referred to as "the PDM") is to be introduced for the efficient and effective management and evaluation of the Project. Both sides agreed the PDM to the Project as shown in ANNEX I.

Plan of Operation (hereinafter referred to as "the PO") based on the PDM is shown in ANNEX II.

The PDM and the PO will be reviewed and revised if necessity arises.

ANNEX I PROJECT DESIGN MATRIX (PDM) (omitted)
ANNEX II PLAN OF OPERATION (PO) (omitted)

97

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Plan of Operations		1st Year												2nd Year					
The Project for Capacity Development of CDM Promotion in Sri Lanka		1												1					
Duration of Project : () 2010 – 1.5 year		2												2					
Target Group : Climate Change Division(CDD, Ministry of Environment and Natural Resources (MENR) and Designated National Authority(DNA)		3												3					
Project Purpose: CDM projects will be promoted in Sri Lanka.		4												4					
Output: CDD staff will obtain fundamental capacities related to climate change mitigation and CDM.		5												5					
1-1	to conduct capacity assessment of CDD staff.																		
1-2	to conduct training for enhancing fundamental knowledge of climate change mitigation and CDM.																		
Output 2: National policy, strategy and action plan on CDM will be updated.																			
2-1	to review and, if necessary, revise national policy, strategy and action plan on CDM.																		
2-2	to review Corporate Business Strategy and develop a business plan for Sri Lanka Carbon Fund Ltd.																		
2-3	to review national CDM portfolio.																		
2-4	to consider problems/obstacles associated with CDM projects including CDM project of activities (POA) under development.																		
2-5	to revise national CDM portfolio.																		
Output 3: A capacity of DNA staff to appraise proposed CDM activities for national approval will be enhanced.																			
3-1	to assess capacities of DNA staff.																		
3-2	to review and, if necessary, revise national approval criteria and procedure of CDM.																		
3-3	to develop manual for appraisal of proposed CDM projects based on activity 3-2.																		
3-4	to make necessary revisions of manual.																		
Output 4: Guidebook on CDM will be developed.																			
4-1	to select at least fifteen (15) CDM projects including at least two (2) POA such as hydro, biomass, energy efficiency and waste management.																		
4-2	to review POAs where available, otherwise PINs, and other related issues of selected CDM projects including POA from expert point of views.																		
4-3	to make recommendations on the actions to be taken by project owners for realization of the selected CDM projects based on results of activity 4-2.																		
4-4	to develop draft guidebook based on lessons and learned through activities from 4-1 to 4-3.																		
4-5	to disseminate draft guidebook among related stakeholders and get feedback from participants.																		
4-6	to revise and finalize guidebook on CDM.																		
Output 5: Knowledge on CDM will be promoted among CDM stakeholders.																			
5-1-1	to make initial design of website.																		
5-1-2	to make periodical update of website.																		
5-2-1	to conduct workshops on CDM to related ministries/organizations and other stakeholders.																		
5-3-1	to develop CDM promotion materials for CDM project developers and other stakeholders in Sri Lanka.																		
5-3-2	to revise materials for CDM project developers and other stakeholders in Sri Lanka.																		
5-3-3	to develop CDM promotion materials for potential CDM investors.																		
5-4-1	to conduct CDM promotion seminar in Sri Lanka to potential CDM investors.																		

PROJECT DESIGN MATRIX (PDM)

Project Name : The Project for capacity development of CDM promotion in Sri Lanka

Duration of Project : 1.5 year

Target Group : Climate Change Division(CCD), Ministry of Natural Resources and Environment (MENR), Designated National Authority(DNA)

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p><u>Overall Goal</u> Sustainable development of Sri Lanka will be promoted through CDM projects.</p>	<p>No. of CDM projects approved by CDM-Executive Board</p>	<p>UNFCCC website</p>	
<p><u>Project Purpose</u> CDM projects will be promoted in Sri Lanka.</p>	<p>1 No. of potential projects for CDM 2 No. of CDM projects submitted to DNA</p>	<p>1 CDM portfolio 2 CCD website</p>	<p>Necessary functions of SLCF to be transferred from CCD once SLCF starts operation.</p>
<p><u>Outputs</u> 1) CCD staff will obtain fundamental capacities related to climate change mitigation and CDM. 2) National policy, strategy and action plan on CDM will be updated. 3) A capacity of DNA staff to appraise proposed CDM activities for national approval will be enhanced. 4) Guidebook on CDM will be developed. 5) Knowledge on CDM will be promoted among CDM stakeholders.</p>	<p>1 Level of knowledge and capacity on CDM of CCD staff 2-1 National policy, strategy and action plan on CDM to be submitted for approval by Sri Lanka government 2-2 Business Plan of SLCF to be submitted to the Board for approval 2-3 National CDM portfolio to be updated on the website 3-1 Level of knowledge and capacity on CDM appraisal of DNA staff 3-2 Appraisal manual of CDM to be accepted and utilized by DNA 4 Development and distribution of CDM guidebook by MENR 5-1 No. of access to CCD website 5-2 No. of workshops/seminars and participants 5-3 No. of news articles 5-4 No. of promotion materials to be distributed/broadcasted</p>	<p>1. capacity assessment survey (1. self evaluation of CCD staff, and 2 by Japanese experts.) at the initial, mid-term and final stage of the project 2-1 national policy, strategy and action plan on CDM 2-2 business plan of Sri Lanka Carbon Fund Ltd. 2-3 national CDM portfolio 3-1. capacity assessment survey (1. self evaluation of DNA staff, and 2 by Japanese experts.) at the initial, mid-term and final stage of the project 3-2 appraisal manual 4-1 guidebook on CDM 4-2 reports of workshops/seminars 5-1 CCD website 5-2 reports of workshops/seminars 5-3 promotion materials</p>	

Activities	Inputs	Pre-conditions
<p>Activity 1: 1-1 to conduct capacity assessment of CCD staff. 1-2 to conduct training for enhancing fundamental knowledge of climate change mitigation and CDM.</p> <p>Activity 2: 2-1 to review and, if necessary, revise national policy, strategy and action plan on CDM. 2-2 to review Corporate Business Strategy and develop a business plan for Sri Lanka Carbon Fund Ltd.(SLCF) 2-3 to review national CDM portfolio. 2-4 to consider problems/obstacles associated with CDM projects including CDM project of activities (PoA) under development. 2-5 to revise national CDM portfolio.</p> <p>Activity 3: 3-1 to assess capacities of DNA staff. 3-2 to review and, if necessary, revise national approval criteria and procedure of CDM. 3-3 to develop manual for appraisal of proposed CDM projects based on activity 3-2. 3-4 to make necessary revisions of manual.</p> <p>Activity 4: 4-1 to select at least fifteen (15) CDM projects* including at least two (2) PoA such as the projects related to grilicidia and CFL replacement. * Priority sectors to be covered for CDM projects include renewable energies such as hydro, biomass, energy efficiency and wastes management. 4-2 to review PDDs where available, otherwise PINs, and other related issues of selected CDM projects including PoA from expert point of views. 4-3 to make recommendations on the actions to be taken by project owners for realization of the selected CDM projects based on results of activity 4-2. 4-4 to develop draft guidebook based on lessons and learned through activities from 4-1 to 4-3. 4-5 to disseminate draft guidebook among related stakeholders and get feedback from participants. 4-6 to revise and finalize guidebook on CDM.</p>	<p>Japanese side 1) Team of short-term experts - Project Leader/CDM management - CDM appraisal - CDM development - Carbon fund management - Validator or a person with expertise on validation - Marketing and promotion</p> <p>2) Workshop (4 times/project)* 3) Seminar (2 times/project)* * no. to be adjusted if necessary. 4) Training in Japan : 1 time/project(5 persons) 5) Equipment :PC for information management, Printer, Mobile Projector 6) Local Consultant - Formulation Advisor for SLCF (6 months) - CDM technical review/promotion (17 months) - CDM facilitator (17 months)</p> <p>Sri Lanka side 1) Counterpart - CCD - DNA 2) Project office space 3) Necessary operation costs</p>	<p>Pre-conditions MENR assign counterpart personnel and budget for the Project.</p> <p>The government of Sri Lanka keeps the significance of climate change within the governmental policies and strategies.</p> <p>Fundamental framework of CDM does not change.</p>