Sri Lanka Sustainable Tourism Development Project

Environment Assessment and Management Framework

Draft Final Report

June 15, 2009
## Acronyms and Abbreviations

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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>CCA</td>
<td>Coast Conservation Act</td>
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<td>CCD</td>
<td>Coast Conservation Department</td>
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<td>CEA</td>
<td>Central Environment Authority</td>
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<td>EA</td>
<td>Environmental Assessment</td>
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<td>EAP</td>
<td>Environmental Action Plan</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EMP</td>
<td>Environmental Management Plan</td>
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<td>ESMF</td>
<td>Environmental and Social Management Framework</td>
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<td>IEE</td>
<td>Initial Environmental Examination</td>
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<td>MT</td>
<td>Ministry of Tourism</td>
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<td>NEA</td>
<td>National Environmental Act</td>
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<td>NGO</td>
<td>Non Governmental Organizations</td>
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<td>NWPC</td>
<td>North Western Provincial Council</td>
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<td>PAA</td>
<td>Project Approving Agencies</td>
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<td>SEA</td>
<td>Strategic Environment Assessment</td>
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<td>SLTDA</td>
<td>Sri Lanka Tourism Development Authority</td>
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<td>STD</td>
<td>Sustainable Tourism Development</td>
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<td>TEC</td>
<td>Technical Evaluation Committee</td>
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1. Introduction

1.1 Historical background

Tourism industry in Sri Lanka dates back to 1960’s and has grown steadily over the years. At present it is one of the major foreign exchange generating industries in Sri Lanka and nearly 150,000 people directly or indirectly depend on the industry for their livelihood. Sri Lanka tourism initially focused on beach tourism. However, later on tourism sector managed to diversify its products to capitalize on Sri Lanka’s rich nature and culture. During the last two decades Sri Lankan tourism has had many set backs mainly due to the uncertain security situation that prevailed in the country. This situation has been further exacerbated by the Tsunami of 2004 which devastated nearly 2/3rd of the coastal area and many of the tourist hotels located along the coastal belt. Further, the present global economic recession has also had a major impact on the industry. However, the tourism industry in Sri Lanka has shown much resilience in the face of all these adversities.

Sri Lanka has a huge potential for tourism development due to diverse attraction it can offer for the tourist. Further, with the prospect of peace looming in the far horizon opportunities will be presented to open up areas that were previously inaccessible to the industry. Therefore, the ministry of tourism aims to take a strategic approach to promote Sri Lanka as a leading tourism destination and the Gateway to South Asia. This will include providing diverse tourism experiences and exploiting resources that have been underutilized by the sector so far. The ministry of tourism's long term vision is to promote tourism as the leading foreign exchange generating industry in Sri Lanka, while at the same time using tourism as a vehicle to bring about rural poverty alleviation. In order to achieve this vision the tourism sector will undergo rapid development in the coming years in the form of exploiting underutilized tourism attractions, product quality improvements and infrastructure development to meet the needs of the project growth in the industry.

1.2 Sustainable Tourism Development Project

Sri Lanka plans to expand the tourism development into areas where tourism is underdeveloped at present in a sustainable manner. As such Sri Lanka Tourism Development Authority (SLTDA) plans to implement a project to expand sustainable tourism into underdeveloped regions of Sri Lanka with financial support from the World Bank to implement some of the key components of the project. The project will take a catalytic and cluster based approach. Some of the key/priority areas that are earmarked for development under the project include Kalpitiya and Negombo in the western coast, Dedduwa in the southern coast, Arugambay, Kalkudah, Pasikudah and Trincomalee in the eastern coast.

The project comprise of three components which are,

1) **Improving the efficacy and efficiency of the institutional framework**: This will require reviewing existing policies, processes, practices and institutional arrangements at the National and the Local Government levels, making it more conducive to investors, service providers & consumers of sustainable tourism, especially the small and medium enterprises or communities. The project will provide technical assistance and investments to build the capacity of these institutions.

2) **Improving highly localized tourism related infrastructure services**: Based on well defined, locally owned and community based tourism development plans, investment will be in the form of provisioning infrastructure services that will enable local tourism clusters to compete and extend their market outreach. These investments will be based on public private partnerships to ensure optimal use of limited resources, private sector skills & capability,
better service levels and sustainability of these services. The project will provide technical assistance and provide resources for infrastructure investments.

3) **Improving & extending the product content and supply chains that are aligned with sustainable tourism.** This will involve improving & adding to the mix and the quality of tourism products offered, in particular by small and medium enterprises as well as communities. The private sector will be encouraged to innovate and re-invest in products that are consistent with sustainable tourism development. The project will provide technical assistance via a matching grant fund.

### 1.3 Objective of the framework

Projects and Programs financed with IDA resources need to comply with World Bank Operational Policies. Therefore, sub-projects and components eligible for funding under this project will be required to satisfy the World Bank’s safeguard policies (refer sections 2.7-2.10), in addition to conformity with environmental legislation of the Government of Sri Lanka (GOSL). However, details of specific sub-projects or investments of the project are not available at this stage and hence site-specific Environmental Assessments (EA) cannot be conducted.

What is possible at this stage would be to carry out an identification of generic issues that are typically associated with the kind of tourism infrastructure development, as broadly proposed under the project, and apply the information to site specific environmental assessments, as and when the need arises.

Therefore, the purpose of this document is to outline a framework for environmental assessment and management, giving details of potential environmental issues and guidelines on how to prepare Environmental Management Plans (EMP), which will serve as the basis in the preparation of, sub-project specific EAs. It is being submitted in lieu of a project EA and has formed the basis for appraising the environmental aspects of the project. It will be made available for public review and comment in appropriate locations in Sri Lanka and in IDA’s Public Information Center in accordance with BP 17.50 requirements of disclosure.

It is expected that detailed environmental assessments (EAs) for individual sub-projects will be carried out (in accordance with this Framework) by the implementing agencies or the respective developer and will be reviewed and cleared by the Central Environmental Authority or designated Project Approving Agency (PAA), as applicable, under prevailing national environmental legislation in Sri Lanka for nationally prescribed projects (refer sections 2.1 to 2.4) and by IDA for all sub-projects prior to the approval of disbursement of funds.

*Note: Although the TOR (annex ) has been prepared for a joint environmental and social assessment and management framework, due to the nature of the studies that needed to be carried out and the varied delivery times, it was decided to present the environment and social frameworks as separate reports.*

### 1.4 Overview of the Environmental Impacts Related to Tourism Sector

Tourism if badly managed can have many negative impacts on the environment. This in turn will have negative impact on the tourism venture as tourism product much depends on the environment within which it operates. However, if tourism is managed in a sustainable manner most of these impacts can be mitigated and in fact can even have a positive influence on the environment. Some of the key environmental issues identified in the tourism sector include

- Pollution due to poor or inadequate facilities to dispose solid waste, waste water and sewerage
• Unsustainable levels of water extraction from surface as well as ground water deposits leading to contamination of coastal water table by sea water and depletion of ground water reserves
• Damage to both marine and terrestrial wildlife habitats and wildlife it self due to over visitation. For instance in certain National Parks such as Yala, Udawalawe, and Minneriya over visitation and unmanaged visitation by tourists can have a disturbing affect on the wild life. Tourism can also cause damage to sensitive coastal ecosystems such as coral reefs, sea grass beds due to trampling of the coral beds by tourists, mooring of boats over coral reefs, discharge of engine oil from boats used for tourism, harvesting of corals and animals that live in coral reefs to be sold to tourists and discharge of untreated waste water and sewage from tourist hotels located on the coast line that can lead to nutrient imbalances and over growth of sea grasses and algae
• Lack of observing recommended speed limits by boats with outboard motors transporting tourists in coastal habitats such as estuaries, lagoons, mangroves can cause erosion of shore lines
• Overuse of forest trails by tourists can lead to soil compaction which in turn can have a smothering effect on the trees alongside such trails causing growth retardation or dieback
• Removal of trees for construction of tourism infrastructure could lead to deforestation and loss of habitat for wildlife
• Unsustainable resource extraction for infrastructure development such as sand mining that can cause increased erosion of river banks, slat water intrusion and salinity changes in both the river as well as surrounding landscape
• Tourism can also result in erosion and depreciation of cultural heritage sites due to unplanned visitation and over visitation. Pedestrian foot fall at archeological sites can cause erosion at such cites, or excessive wear and tear of monuments especially if they are located on the floor such as moonstones. Further, wall paintings can get damaged due to touching and brushing against the walls by visitors to such sites due to overcrowding. Also, chemical changes of the air in confined places such as Dambulla caves where the breath of tourists can react with elements in the air to produce mild acids which can have a corrosive effect on the wall paintings.
• Solid waste accumulation at tourism visitation sites due to ill management of solid waste at such sites and excessive use of disposable material such as plastic containers by tourist which may lead to secondary problems such as increase in certain pest animal populations such as crows, monkeys that can become a menace to the people that inhabits the area. Further, such containers can retain water and serves as breeding sites for disease vectors such as mosquitoes that can lead to epidemics
• Excessive demands on power due to unplanned use of electricity that in turn promote environmentally unsustainable energy generation methods such as coal and diesel powered generators whose emissions can contribute to acid rain which will have impacts on both natural habitats as well as man made structures
• Beach pollution due to disposable material and release of sewage and storm water into oceans
• Pollution of the water table due to inadequately designed septic tanks
• Generation of large quantities of solid waste, especially non degradable waste from tourist facilities due to heavy dependence on disposable plastic material
• Illegal construction of tourism facilities along the beach, river banks or tank reservations leading to pollution and excessive erosion in such areas
• Unplanned construction of tourism facilities that cause loss of visual amenity due to blocking community’s view of the sea as well as blockage of access to public areas such as beaches
- Over development in coastal areas that will result in loss of coastal vegetation as well as sensitive coastal habitats such as mangroves that in turn will contribute to erosion as well as indirect impacts on fisheries as these habitats are used by fish and shell fish for spawning.

However, most of these impacts can be mitigated by following best practices in tourism development (see annex 1).
2. Environmental laws, regulations and institutions in Sri Lanka

In Sri Lanka, there are over 70 laws that directly or indirectly relate to protecting and conserving the natural environment and human health. While most of these laws address specific issues pertaining to environment in the respective sector, it was the introduction and enactment of the National Environmental Act (NEA) that provided the overarching legal basis for regulation of pollution and protection of the environment from all sources in a comprehensive manner. The following section outlines the broad legal and institutional framework in Sri Lanka for environmental management, which will be relevant to the proposed project.

2.1 National Environmental (Amendment) Act No. 53 of 2000

As mentioned earlier, a law to incorporate and cover all aspects of environment was made for the first time in 1980. This is the National Environmental Act (NEA) No. 47 of 1980, the basic national decree for protection and management of the environment. The NEA has seen several amendments in the past in a bid to continually make improvements and to respond to the challenging needs of the time. There are two main regulatory provisions in the NEA implemented by the Central Environmental Authority (CEA) through which impacts on the environment from the process of development is assessed, mitigated and managed.

1. The Environmental Impact Assessment (EIA) procedure for major development projects.
   Regulations pertaining to this process have been published in 1993 and are available with the CEA.

2. The Environmental Protection License (EPL) procedure for the control of pollution.
   Regulations pertaining to this process have been published in 1990 and are available with the CEA.

Environmental Impact Assessment

Sri Lankan Government recognizes Environmental Impact Assessment as an effective tool for the purpose of integrating environmental considerations with development planning. The application of this technique is considered as a means of ensuring that the likely effects of new development projects on the environment are fully understood and taken into account before development is allowed to proceed. The importance of this management tool to foresee potential environmental impacts and problems caused by proposed projects and its use as a means to make projects more suitable to the environment are highly appreciated.

The legal provision for EIA in Sri Lanka was first included in the Coast Conservation Act No. 57 of 1981 (see below). These provisions were restricted to the Coastal Zone as defined by this Act. The broader legal framework for the EIA process in Sri Lanka was laid down by the amendments made to NEA in 1988 through National Environmental (Amendment) Act No. 56 of 1988. The provision relating to EIA is contained in Part IV C of the National Environmental Act. The procedure stipulated in the Act for the approval of projects provides for the submission of two types of reports Initial Environmental Examination (IEE) report and Environmental Impact Assessment (EIA) report. Such reports are required in respect of “prescribed projects” included in a Schedule in an Order published by the Minister of Environment in terms of section 23 Z of the act in the Gazette Extra Ordinary No. 772/22 dated 24th June 1993. This amendment makes EIA mandatory for whole of Sri Lanka and transformed Central Environment Authority (CEA) into enforcement and implementing agency.

Further, any developmental activity of any description whatsoever proposed to be established within one mile of the boundary of any National Reserve, should receive the prior written approval of the Director of Wildlife Conservation. The Fauna and Flora (Protection) Ordinance
mandates that the project proponent should furnish an IEE of EIA report in terms of the National Environmental Act for this purpose. In order for a project to be approved the project proponent should submit either an Initial Environmental Examination (IEE) report or an Environmental Impact Assessment (EIA) report. Once an EIA report has been submitted there is mandatory period of 30 days during which the public can inspect the document and comment on the report. Further, a public hearing may be held to provide an opportunity to any member of the public to voice their concerns. A decision whether to approve the project will be made only after public consultation is done and necessary major issues are resolved.

The EIA process is implemented through designated Project Approving Agencies (PAAs). PAA’s are those organizations that are directly connected with such a prescribed project. At present, 23 state agencies have been recognized by the Minister as PAA’s including Ceylon Tourist Board. A given organization cannot act both as the PAA as well as the project proponent. In such cases the CEA will designate an appropriate PAA. Similarly when there are more than one PAA the CEA must determine the appropriate PAA. In the event of doubt or difficulty in identifying the appropriate PAA, CEA itself will function as the PAA.

**Environmental Protection License**

The Environmental Protection License (EPL) is a regulatory/legal tool under the provisions of the National Environmental Act. The EPL procedure has been introduced to prevent or minimize the release of discharges and emissions into the environment from industrial activities in compliance with national discharge and emission standards, to provide guidance on pollution control for polluting processes and to encourage the use of pollution abatement technology such as cleaner production, waste minimization etc. Here the industries are classified into three lists named A, B and C. List A comprise of 80 potentially high polluting industries, List B comprise of 33 medium polluting industries and List C comprise of 25 low polluting industrial activities. Some of the potential subprojects that are likely to be funded by the STD project will come under List B or List C.

EPL’s for List A and List B industries are issued by the relevant Provincial/ District offices of the CEA while EPL:s for List C industries are issued by the relevant local authority. The EPL issued for List A industries are valid for a period of one year while List B and List C industries are valid for a period of three years, from the effective day of the issue of license.

For List A and List B industries the project proponent must submit a duly filled application (can be obtained from CEA headquarters, provincial and district offices or downloaded from [www.cea.lk](http://www.cea.lk)) for each prescribed activity to provincial or district office of CEA who will evaluate the application and determine the relevancy of issuing an EPL and the adequacy of the details furnished and determine appropriate inspection fee. Then the project proponent must pay the prescribed fee to CEA headquarters, provincial or district office of CEA and submit the receipt to the relevant provincial or district office of the CEA. Then a team of officers will carry out an inspection and submit a report based on the site visit and the information provided. If the Issue of EPL is recommended the project proponent can obtain the EPL upon payment of license fee.

For List C industries issue of EPL is delegated to local authorities (Municipal councils, Urban councils or Pradeshiya Sabha). The procedure to be followed is the same except the Local Authority will appoint a Technical Evaluation Committee (TEC) that will make the final decision regarding the issue of EPL based on the field assessment report and information furnished by the industrialist. The EPL can be renewed by submitting a renewal application three months prior to the date of expiry to the relevant authority who will conduct afield inspection and determine whether the EPL should be renewed.
Strategic Environment Assessments
Although project level EIA is an effective tool in addressing environmental impacts at project level, it often fails to take into account cumulative impacts of several projects. Under such circumstance Strategic Environment Assessment (SEA) is a more effective tool in identifying cumulative impacts on the environment of a specific policy or programme of works. At present SEA is still not a mandatory requirement in Sri Lanka. However, the Cabinet of Ministers has approved implementation of SEA for policies, programs and plans in Sri Lanka. Therefore, all Ministries, Departments and Authorities who are responsible for implementing a new policy, plan or programme should carry out a SEA for the new policy, plan or programme prior to its implementation and submit a copy of the SEA report to the Central Environmental Authority for review and comments.

2.2 Coast Conservation Act (CCA) No.57 of 1981
The projects located wholly or partly within the coastal zone (the area lying within a limit of three hundred meters landwards of the Mean High Water line and a limit of two kilometers seawards of the Mean Low Water line) must undergo the approval process that is laid down in the Coast Conservation Act irrespective of its size. Only those projects located totally outside the Coastal Zone will be subject to the approval process laid down in the National Environmental Act. Therefore, any development work taking place within this zone falls under the jurisdiction of CCD. According to the CCA, Director of the CCD has the discretion to request for an EIA/IEE from the project proponent if the initial screening reveals significant impacts in the coastal areas by the project. The process is very much similar to the NEA excepting that the Director of the CCD reserves the right to request for an EIA/IEE and also to make a final decision.

2.3 Fauna and Flora Protection Ordinance (FFPO) Amended Act No. 49 of 1993
EIA provisions are also included in the Fauna and Flora (Amended) Act No. 49 of 1993. According to this Act, any development activity of any description whatsoever proposed to be established within one mile from the boundary of any National Reserve, is required to be subjected to EIA/IEE, and written approval should be obtained from the Director General, Department of Wildlife Conservation prior to implementation of such projects. The EIA/IEE process under the FFPO is similar to that described in the NEA.

2.4 The North Western Provincial Environmental Statute No. 12 of 1990
Provincial Environmental Act (PEA) of 1991 implemented by the North Western Provincial Council applies for areas coming under the North Western Province. Environmental Assessments are required for prescribed projects that have been gazetted in Gazette Extraordinary 1020/21 of 27th March, 1998. It specifies two lists of project types (a) where EIA/IEE is mandatory and (b) where the EA can be requested if the PAA decides so. The process is similar to that of the NEA and will be headed by one of the two listed PAAs; (a) Provincial Environmental Authority or (b) Provincial Ministry of Fisheries and Aquaculture.

(A detailed account of the EIA/IEE procedure under each of these acts are provided in annex 2)

2.5 Key Institutions in Environmental Management and Governance
Ministry of Environment and Natural Resources (MENR)
Established in 1990, is responsible for providing ‘leadership to manage the environment and natural resources in order to ensure national commitment for sustainable development for the benefit of the present and future generations’. The ministry formulated the National
Environmental Policy in 2003, and the Caring for the Environment in 2003 followed up by Greening Lanka in 2008 as action plans towards the implementation of the National Environment Policy. Department of Forest Conservation, Department of Wildlife Conservation, Marine Enviornement Protection Authority, Central Environmental Authority and the Geological Surveys and Mines Bureau are some of the key agencies coming under the Ministry of Environment and Natural Resources.

Central Environmental Authority (CEA)
The Central Environment Authority established under the National Environment Act is primarily responsible for enforcing the National Environment Act as well as formulating and implementing other environmental policies. In order to achieve this objective the CEA is empowered adequately through the provisions of the NEA. The CEA operates provincial, regional and sub-regional offices that handle most of the compliance and enforcement functions. In the head office, the Environmental Impact Assessment (EIA) unit and the Environment Pollution Control Unit take care of the EIA and EPL processes respectively. All development activities in areas which come under the jurisdiction of the NEA have to fill in a Basic information Questionnaire (see Annex 3) based on which the CEA carries out its initial screening of impacts and decides on the next steps.

Department of Wildlife Conservation (DWLC), Coast Conservation Department and Forest Department
These three agencies respectively, as the titles imply, are responsible for managing designated wildlife areas, coastal zone and all forest areas of the country. Any activity within the wildlife areas will require prior consent of the DWLC. The DWLC will generally not allow any land-use changes or extractive uses within protected wildlife areas and similarly, the Forest Department has its restrictions on usage of forest land depending on the category of protection. All building activities within the coastal zone will need to apply for a permit from the CCD and will also need to adhere to the set-back zones determined by the Department for each coastal stretch. All three departments operate through a decentralized administrative structure. However, developers need to contact the head offices located in Colombo for all important decisions.

Provincial Councils
Within this unitary system, considerable powers were devolved from the center to the provinces through the thirteenth amendment to the Constitution in 1987. The provincial councils [PCs] were established to devolve powers and administrative authority to the sub-national level. The responsibilities assigned to the PCs were categorized as “devolved” and “concurrent” subjects. For the former, both legislative and executive powers were transferred to the PCs. Thus, each PC has the power to pass statutes regarding devolved subjects that will then override existing national laws within that province. A PC may also pass legislation regarding concurrent subjects, but only after “consultation” with the central government. As such, environment is a subject on the concurrent list. However, only the North Western Provincial Council has passed a statute for environmental management (refer section above) and in its area of jurisdiction the aforementioned statute supersedes the NEA. While all the other PCS have the same right to do so, only the North Western PC has implemented a separate environmental statute. Most PCs have Environmental Officers who assist in environmental planning and monitoring. They may also implement their own environmental programs if they have the administrative, technical, and financial capacity to do so.

The Local Authorities (LA)
Local authorities consist of Municipal Councils, Urban Councils and Pradeshiya Sabhas and constitute the third level of governance. Because environmental management is a devolved
responsibility under 13th amendment of the constitution, LAs are expected to play a major role in protecting the environment. Activities related to environmental management in the LA are generally coordinated by an environmental officer attached to the LA. All complaints from the public concerning environmental issues in the LA are received by the EO. This may lead to investigation of complaints and recommendations to responsible authorities for further action. In some LAs the environmental officers are not available either because the position is not filled or is not approved. In such instances environmental management activities may be carried out as a collateral duty by the development assistant, or by an Environmental Officer attached to the Divisional Secretariat office.

Industries/Organizations proposing to undertake activities of low polluting nature must obtain an Environmental Protection License (EPL) from the LA where the activity will be undertaken, an authority delegated to the LAs through the NEA. The LAs are empowered to issue EPLs for 25 types of low polluting activities. However, in general, the knowledge of staff members in the LAs regarding environmental issues and industrial pollution is quite limited, and LAs mostly rely on the CEA for technical guidance. The inspection committees set up to review the EPL will seldom reject applications or revoke existing EPLs unless they are encouraged by an environmental NGO, or advised by a government expert, to do so. Therefore, the environmental planning and management skills in the LAs are rather limited.

2.6 Compliance with World Bank Operational Policies
World Bank policies and guidelines, pertaining to environmental safeguards that may require consideration under this project are as follows:

- OP/BP/GP 4.01 Environmental Assessment
- OP/BP/GP 4.36 Forestry
- OP/BP/GP, 4.04 Natural Habitats
- OPN 11.03 Cultural Properties

The most likely safeguard policies to be triggered under this project will be OP/BP/GP 4.01 on Environmental Assessment and OPN 11.03 on cultural property which will be addressed in the Social Safeguards Management Framework for the proposed project. The other safeguard policies listed above have been identified and will be considered to ensure minimal adverse environmental impacts due to the project.

2.7 Compliance with OP 4.01 on Environmental Assessment
This policy is triggered if a project is likely to have potential (adverse) environmental risks and impacts in its area of influence. The policy requires environmental assessment (EA) of projects proposed for World Bank financing to help ensure that they are environmentally sound and sustainable, and thus to improve decision making. EA should take into account the natural environment, human health and safety and social aspects in an integrated way. It should also take into account the variations in project and country conditions, the findings of country environmental studies, national environmental action plans, the country’s overall policy framework and national legislation, the project sponsor’s capabilities related to the environment and social aspects, and obligations of the country, pertaining to project activities, under relevant international environmental treaties and agreements. The pollution prevention and abatement measures and emission levels that are normally acceptable to World Bank is described in the Pollution Prevention and Abatement Handbook. However, taking into account country’s legislation and local conditions, the EA may recommend alternative emission levels and approaches to pollution prevention and abatement for the project.
When OP 4.01 is triggered, the World Bank classifies proposed projects into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.

1. A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works.

2. A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas including wetlands, forests, grasslands, and other natural habitats are less adverse than those of Category A projects. These impacts are site specific; few if any are irreversible; and in most cases mitigatory measures can be designed more readily than for Category A projects. The scope of an EA for Category B projects may vary from project to project, but it is narrower in scope when compared with Category A projects.

3. A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. For example, technical assistance projects on institutional development, computerization, and training fall in Category C.

4. A proposed project is classified as FI when the Bank provides funds to participating national banks, credit institutions, and other financial intermediaries (FIs) for on-lending at the FIs’ risk to final borrowers. In the case of such projects, the FI screens each subproject proposed for financing, and classifies it into any one of three categories: A, B, or C. FIs must prepare an Environmental and Social Management Framework, following the Bank’s consultation and disclosure requirements as in the case of other safeguards documents (e.g., EAs, RAPs, IPPs). The ESMF, including the screening process for categorization of subprojects, must be spelled out in the operational manual.

For all Category A projects and as appropriate for Category B projects during the EA process, the project sponsor should consult project-affected groups and local non-governmental organizations (NGOs) about the project’s environmental aspects and take their views into account. The project sponsor should initiate such consultations as early as possible. For Category A projects, the project sponsor should consult these groups at least twice (a) shortly after environmental screening and before the terms of reference for the EA are finalized, and (b) once a draft EA report is prepared. In addition, the project sponsor should consult with such groups throughout project implementation, as necessary to address EA-related issues that affect them.

The Sustainable Tourism Development project has been placed under environment category B. This means that (a) all activities that fall under the prescribed categories stipulated in the NEA and other local laws (as mentioned earlier) environmental assessments will be done according to local regulations and reviewed by the World Bank for clearance, (b) all other sub-projects that do not require screening according to local regulations but having some level of environmental impacts will be screened using appropriate methodology (as proposed in this manual), depending on the nature and scale of potential impacts, and mitigated. The borrower is responsible for carrying out the EAs.

2.8 Compliance with OP 4.01 Annex C Environmental Action Plans (or Environmental Management Plans)

According to annex C of the World Bank OP4.01 an Environmental Action Plan (EAP) is an essential element of EA reports for Category A projects while for many Category B projects, the EA may result in an action plan only. The EAP should consist of a set of mitigation, management, monitoring, and institutional measures to be taken during implementation and
operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. The plan should also include the actions needed to implement these measures. In preparation of an EAP, project sponsors and their EA design team should
(a) Identify the set of responses to potentially adverse impacts;
(b) Determine requirements for ensuring that those responses are made effectively and in a timely manner
(c) Describe the means for meeting those requirements.

More specifically, the EAP should include the following components.
- The EAP should identify feasible and cost-effective measures that may reduce potentially significant adverse environmental impacts to acceptable levels. The plan includes compensatory measures if mitigation measures are not feasible, cost-effective, or sufficient.
- The EAP should define monitoring objectives and specify the type of monitoring needed, with linkages to the impacts assessed in the EA report and the mitigation measures described in the EAP.
- To strengthen the project sponsor’s environmental management capability, most EAPs should cover one or more of the following additional topics: (a) technical assistance programs, (b) procurement of equipment and supplies, and (c) organizational changes.
- For all three aspects (mitigation, monitoring, and capacity development), the EAP should provide (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the EAP.
- The EAP must be integrated into the project’s overall planning, design, budget, and implementation.

During project implementation, the project sponsor should report on compliance with
(a) Measures agreed with World Bank on the basis of the findings and results of the EA, including implementation of any EAP, as set out in the project documents
(b) The status of mitigatory measures; and
(c) The findings of monitoring programs.

2.9 Compliance with OP 4.04 Natural Habitats
The World Bank’s Operational Policy OP 4.04 recognizes that conservation of natural habitats and other measures that protect and enhance the environment is essential for long-term sustainable development. The Bank therefore supports the protection, maintenance, and rehabilitation of natural habitats and their functions. The Bank supports, and expects borrowers to apply, a precautionary approach to natural resource management to ensure opportunities for environmentally sustainable development. The Bank does not support projects that, involve significant conversion or degradation of critical natural habitats unless there are no feasible alternatives for the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs. In projects with natural habitat components, project preparation, appraisal, and supervision arrangements include appropriate environmental expertise to ensure adequate design and implementation of mitigation measures. The Bank expects the borrower to take into account the views, roles, and rights of groups, including local nongovernmental organizations and local communities, affected by Bank-financed projects involving natural habitats, and to involve such people in planning, designing, implementing, monitoring, and evaluating such projects. Involvement may include identifying appropriate conservation measures, managing protected areas and other natural habitats, and monitoring and evaluating specific projects. The Bank encourages governments to provide such people with appropriate information and incentives to protect natural habitats.
It is unlikely that the project will directly affect natural areas in an adverse way. However, development of tourism areas and facilities could indirectly affect or threaten functions of natural areas and hence as a precautionary measure the protective measures recommended by this policy will be built in. Also, as National laws make it mandatory to address issues in natural areas OP 4.04 will be complied with during project implementation.

2.10 Compliance with OP 4.36 Forestry
The policy is triggered whenever any Bank-financed investment project (i) has the potential to have impacts on the health and quality of forests or the rights and welfare of people and their level of dependence upon or interaction with forests; or (ii) aims to bring about changes in the management, protection or utilization of natural forests or plantations. The proposed project may finance some tourism activities in protected areas to provide for tourist facilities to be built but it is highly unlikely that this policy will be triggered in full force. However, as a precautionary measure the policy has been tentatively identified so that safeguard measures can be built into the design of the project.

2.11 Adequacy of GOSL Environmental Clearance
The composite GOSL environmental clearance process, in principle, is consistent with World Bank environmental and public disclosure requirements. The exception being the screening criteria adopted in the GOSL process under the NEA, where project thresholds are used to determine the type of clearance required and the content of public consultation. However, all activities with an impact on the environment under the proposed project will be subjected to environmental analysis regardless of the project threshold, prior to disbursement of funds. The CEA’s regulated EA procedure is more than a decade old and substantial experience has been made by the CEA in evaluation of EIAs/IEEs. Hence, there will be no need for the project to provide technical assistance to the CEA and other PAAs to provide support to the project on environmental matters. Although the GOSL’s clearance procedure is adequate fairly reliable, IDA will still review all EIAs and a sample of EMPs or environmental checklists, as appropriately used, prepared under the project and provide necessary concurrence for the approval of disbursements of funds.
3. Environmental Management Tools

3.1 Environmental Impact Assessment (EIA)
EIA and IEE are effective tools for evaluating the environmental risks and opportunities of project proposals and improving the quality of outcomes. Ideally the EIA/IEE should be carried out at the end of the preliminary design phase so that the impacts of each planned activity can be evaluated and alternatives can be worked out for activities that have major impacts. The outcomes of the EIA/IEE should then be used to finalize the project design which should ensure that the impacts of the given project are minimal. The importance of this management tool as means of foreseeing potential environmental impacts caused by proposed projects and its use in making projects more suitable to the environment has been highly effective. Since its introduction in 1969 in the US, many countries and international organizations have accepted EIA as an important planning and environmental management tool.

As a decision making tool, EIA has its strengths and weaknesses. It plays a crucial role at the project level decision making. However, in the entire development process application of EIA as a tool to bring in environmental sustainability comes fairly at a late stage. At this point, it may be too late to change certain policy decisions and the choices are limited. With SEA, environmental decisions can be moved further upstream where better alternatives to environmentally unsustainable policies and programs can be sought at a broader strategic level. See the section below for a comparison between SEA and EIA.

If a specific subproject requires environmental assessment the first step will be to provide CEA the preliminary information on the proposed project, in order for the process to be initiated (See annex 2 for the description of major steps of the environmental assessment process with responsibilities and time frames). The best time for a project proponent to submit the preliminary information on the proposed project is as soon as the project concept is finalized and the location of the project is decided.

3.2 Strategic Environment Assessment (SEA)
Development agencies have years of experience in using environmental impact assessment (EIA) to integrate environmental concerns into their funding programmes. EIA procedures, methods and techniques, used to address environmental impacts of development projects, will continue to be applied. However, EIA has limited utility when applied to the more strategic levels of development assistance such as policies, plans and programmes, as these are also influenced by political bargaining in addition to technical criteria. Further, significant indirect or secondary environmental effects can arise as a result of changes in people’s behaviour induced by policy reforms. But these changes, and their environmental consequences, are extremely difficult to predict. For these reasons, SEA has been developed and is being increasingly used as a tool to be applied at the level of policies, plans and programs.

A comparison between SEA and EIA

<table>
<thead>
<tr>
<th>EIA</th>
<th>SEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applied to specific and relatively short-term (life-cycle) projects and their specifications</td>
<td>Applied to policies, plans and programmes with a broad and long-term strategic perspective</td>
</tr>
<tr>
<td>Takes place at early stage of project planning once parameters are set</td>
<td>Ideally, takes place at an early stage in strategic planning</td>
</tr>
<tr>
<td>Considers limited range of project alternatives.</td>
<td>Considers a broad range of alternative scenarios</td>
</tr>
<tr>
<td>Usually prepared and/or funded by the</td>
<td>Conducted independently of any specific</td>
</tr>
<tr>
<td>Project Proponents</td>
<td>Project Proponent</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Focus on obtaining project permission, and rarely with feedback to policy, plan or programme consideration</td>
<td>Focus on decision on policy, plan and programme implications for future lower-level decisions</td>
</tr>
<tr>
<td>Well-defined, linear process with clear beginning and end (e.g. from feasibility to project approval)</td>
<td>Multi-stage, iterative process with feedback loops</td>
</tr>
<tr>
<td>Preparation of an EIA document with prescribed format and contents is usually mandatory. This document provides a baseline reference for monitoring</td>
<td>May not be formally documented</td>
</tr>
<tr>
<td>Emphasis on mitigating environmental and social impacts of a specific project, but with identification of some project opportunities, off-sets, etc</td>
<td>Emphasis on meeting balanced environmental, social and economic objectives in policies, plans and programmes. Includes identifying macro-level development outcomes</td>
</tr>
<tr>
<td>Limited review of cumulative impacts, often limited to phases of a specific project. Does not cover regional scale developments or multiple projects</td>
<td>Inherently incorporates consideration of cumulative impacts</td>
</tr>
</tbody>
</table>

Therefore, SEA’s are recommended for the major clusters identified under the STDP which will enable SLTDA to evaluate the cumulative effects of the various subprojects that will be implemented within each cluster and consider alternatives for those subprojects that are likely to cause major environmental impacts that cannot be minimized or mitigated.

An SEA is not an alternative to EIA and it does not replace the need to do project specific environmental assessment. A good SEA can reduce the scope of EIAs within its geographical scope and make it limited to specific project level issues. The SEA ideally will identify opportunities to minimize the range of environmental issues that will have to be dealt at the project level.

At present SEA is not mandatory in Sri Lanka. However, all Ministries, Departments and Authorities who are responsible for implementing a new policy, plan or programme should carry out a SEA for the new policy, plan or programme prior to its implementation and submit a copy of the SEA report to the CEA for review and comments. To facilitate this process a document has been developed by the CEA titled “A SIMPLE GUIDE TO STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA)” that can be downloaded from the CEA website.

### 3.3 Environmental Management Plan (EMP)

Certain activities will have explicit impacts on the natural environment and thus require a specific plan to institute and monitor mitigation measures and take desired actions as timely as possible. An Environmental Management Plan (EMP) must be kept as simple as possible, clearly describing adverse impacts and mitigation actions that are easy to implement. The scale of the subproject will determine the length of the EMP. A small-scale subproject’s EMP can be elaborated in a few paragraphs or in tabular format, keeping it as simple as possible with concrete mitigation actions, timelines and responsible persons.

The basic elements of an EMP are;
a. A description of all possible significant adverse impacts that are likely to arise due to the project that the EMP is intending to deal with;
b. A description of planned mitigation measures, and how and when they will be implemented;
c. A programme for monitoring with measurable indicators that will allow to determine the effectiveness of the mitigation actions
d. A description of who will be responsible for implementing the EMP
e. A cost estimate and source of funds

It is essential to involve local communities during the development of the EMP since they are likely to be the most affected parties due to the proposed development. Further, most of the local knowledge is important in identifying, designing and planning the implementation. In addition, the success of the implementation of the EMP will depend on community support and action.

EMP is not mandatory in Sri Lanka. However, the PAA will request the project proponent to prepare an Environmental Management Plan (EMP), to address any potential environmental and social issues as well as incorporate the PAA/CEA’s approval conditions. Ideally, all EIAs and IEEs which identifies adverse environmental impacts should prepare an EMP as part of the report. In World Bank funded projects, an EMP only is considered appropriate in situations where a detailed environmental analysis is not required (as in the case of rehabilitation of a provincial/rural road). Implementation of the EMP should be regularly monitored.

3.4 Environment Audits

Most of the development projects go through the SEA and EIA process and develop EMP’s that are not implemented at the end which will render the entire process an exercise in futility. Therefore, monitoring of the project during the construction and implementation phase is a must to ensure environmental compliance of a project. This could be achieved through regular environmental audits.

The purpose of the environmental audit is to
- Collect, analyze and interpret monitoring results to detect changes related to implementation and operation of specific activities
- To verify the monitoring parameters are in compliance with national set standards
- To compare the predicted impacts with actual impacts and evaluate the accuracy of predictions
- To evaluate the effectiveness of implementation of the EMP
- To identify shortcomings in the EMP if any and incorporate it into the EMP if deemed necessary
- To identify and report if there is non compliance with the EMP

The auditors must first develop a structured questionnaire based on the EMP for the purpose of conducting the audit. Then during the site visit data can be collected using this questionnaire through interview surveys of officers responsible for implementation of the EMP and site records, logs etc.. The audits can be carried out at regular intervals or on an ad hoc basis or when mitigation is not carried out as defined by the EMP leading to public concern.

Expected out comes of the Environment Audit are
- Ensure that EMP is implemented properly
- Ensure that the mitigation measures are effectively minimizing the identified impacts as well as identify new impacts that may have been excluded in the EMP that require mitigation. Then make necessary adaptive changes to the EMP to ensure that the all significant impacts are effectively mitigated.
- Identify non compliance with EMP if any and provide recommendations as to how to deal with such non compliance

3.5 Environmental Checklists

Environmental Checklists are forms containing a series of questions on environmental aspects, designed to screen potential environmental impacts of the proposed project. Environmental checklists can be used for an initial screening of impacts which is to be followed by a more detailed analysis or in projects where the level of activity (as in the example of constructing a small to medium scale building in an already built up area) is not meant to cause much harm a checklist only would suffice.

3.6 Environmental Codes and Best Management Practices

In addition to the above tools following environmental codes and best practices in design and construction of tourism facilities, usage of common resources such as water and beaches, taking measures to reduce usage of energy, minimize waste and establish programmes for recycling waste water and solid waste, and taking proper precautions to minimize pollution due to discharge of waste water etc., can vastly help reduce the impact of tourism on the environment (refer annex 5 for detailed discussion of environmental best practices that can be followed in tourism development.)
4. Environmental Management Framework

This Environmental Management Framework (EMF) has been designed to achieve sound environmental practice and ecologically sustainable outcomes in the Sustainable Tourism Development Project. The ESMF provides the mechanism to allow program implementation by screening out sub project proposals that are unacceptable on the basis of environmental or social criteria. By a simple process of elimination, the first step in the screening process is to identify subproject activities not suitable for funding. All processes described in the ESMF can be adjusted based on implementation experience. The ESMF will be a living document and will be reviewed and updated periodically as needed. It is recommended that the following types of subprojects are not financed and therefore should be considered as a "Negative List":

- Sub-projects that involve the significant conversion or degradation of critical natural habitats
- Activities that could lead to invasion or spread of weeds and feral animals or the use of toxic chemicals
- Political activities
- Illegal Activities; and
- Activities involving Involuntary Resettlement

4.1 Purpose of the EMF

This Environmental Management Framework (EMF) details agreed policies, guidelines, and procedures to be integrated into the implementation of the STD Project. The Project will support the Government of Sri Lanka, through its Ministry of Tourism (MT), in expanding sustainable tourism to under developed regions of Sri Lanka. Good environmental and social management practice is a well-established element of project preparation and implementation. It is important in the context of a community-based project where technical skill is required for guidance in subproject planning and implementation and, impact and strategic assessments of environmental and social impacts.

The ESMF therefore, attempts to provide a framework, covering all national regulations and World Bank policies relevant to STD project, which must be used by project implementation officials and support organizations during Project and subproject planning and implementation. The ESMF aims to:

a. Set procedures for the implementation of national regulations and World Bank Safeguard Policies relevant to STD project;
b. Enhance positive and sustainable environmental outcomes associated with Project implementation;
c. Support the integration of environmental aspects (associated with the sub projects) into the planning and decision making process
d. Avoid or minimize negative environmental impacts
e. Minimize environmental degradation as a result of either individual subprojects or their cumulative effects
f. Protect human health

4.2 Objectives of the EMF

The objectives of this Environmental Management Framework are:

a. To establish clear procedures and methodologies for the environmental planning, review, approval and implementation of subprojects to be financed under the Project
b. To specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring environmental and social concerns related to subprojects
c. To determine the training, capacity building and technical assistance needed to successfully implement the provisions of the ESMF
d. To provide practical resources for implementing the ESMF

4.3 Preliminary Assessment Environmental Issues Relevant to the Project

As mentioned in section 1, the STD project comprises of 3 key sub-components. The following sections of the report try to identify the possible environmental impacts that could arise in each sub-component and how best they could be assessed and addressed during project implementation.

**Sub-component 1** – The main objective of this component is to create an institutional framework in the tourism sector that is efficient, effective and responsive to the needs of its operators. The key activities under this component will be to review and streamline policies, processes and practices both at the national as well as local levels through institutional reforms, training, use of IT for greater accountability and governance, private public partnerships, coherent marketing etc. As can be seen, all the activities under this component will be focused on soft development with almost no environmental impacts.

If construction of a building is undertaken in the process of achieving the above:
(1) A simple checklist as presented in Annex 4 would be sufficient to initially screen and assess on-site environmental impacts. Based on the findings of the Checklist, a decision will be made by IDA whether further detailed environmental assessments is needed or not.
(2) If any land filling is required for site preparation such as filling of low lying lands or environmentally sensitive land, a full Environmental Impact Assessment or a detailed EMP will be a condition for IDA financing, depending on the nature and extent of the land and expected impacts.
(3) In addition, all building constructions and renovations should adhere to existing building and other applicable codes in Sri Lanka (such as ICTAD). In order to ensure that the contractor is responsible for adherence to the Codes of Practice, the relevant codes (ICTAD specifications) as well as any safeguard measures highlighted in the checklist should be included in the contract documents:

**Sub-component 2** – The main objective of this component is to provide essential local tourism related infrastructure based on a well defined and locally owned local tourism master plan in identified locations. The project will provide technical assistance and provide resources for selected infrastructure investments. These investments will be based on public private partnerships to ensure optimal use of limited resources, private sector skills & capability, better service levels and sustainability of these services.

As it can be understood, there will be environmental consequences of activities in this component (see annex 1 for a full listing of possible environmental impacts of tourism development and possible mitigation options). However, if well planned based on a sound natural resources management strategy, activities funded under this component could be mostly environmentally beneficial. For the purpose of analysis, two different scenarios, broadly, will be considered under this sub-component.
(1) Development of new tourist destinations
(2) Improvement of infrastructure in existing tourist locations
In terms of (1) where new areas will be exploited for tourism potential, both environmental risks as well as opportunities must be recognized as early as possible (see annex 5 - guidelines for sustainable tourism). This can be achieved by giving due recognition to environmental factors in the tourism master plan which will be developed for each new local tourism cluster. Annex 7 provides some key consideration that will guide the master planning process (ref provided by the PMU). As it can be seen, the tourism master plan will essentially include land-use planning, natural resources planning, identification of infrastructure investments and tourist products, stakeholder consultations, community inclusion etc as some of the key steps involved.

Environmental Management Strategy for new areas
In order to ensure that the Sustainable Tourism Development Project will have minimal impact on the environment the following strategic approach is proposed.

- For each new cluster a local master plan should be developed which identifies specific sub projects to be included along with conceptual/preliminary designs
- The land use plan which will feed into the master plan should be supported with an environmental resource survey which will identify the types and locations of the natural asset base in the given area. This is an important step. If the area had been adequately studied and information pertaining to natural resources in the area is available, the need for a new survey should be discussed.
- The master plan should then be subjected to an SEA to evaluate environmental risks and opportunities of the proposed plan, so that optimal environmental sustainability can be achieved early in the planning cycle
- Specific sub project identified during the SEA as having major impacts that cannot be mitigated should either be removed or alternative which are more environmentally friendly should be developed
- For those sub projects that are found to have no environmental impacts can be implemented directly
- For sub projects that are identified as requiring environmental evaluation the evaluation process must be implemented according guidelines set out in this framework
  - For activities that require an EIA/IEE according to the NEA, CCA and FFPO, guidelines set out in Annex 2 should be followed. The World Bank will review the EIA/IEE and provide its concurrence
  - For activities that do not require EIA/IEE to be undertaken according to NEA, CCA and FFPO but still has the potential to trigger some level of environmental impacts, environmental assessments will be performed using tools described in the preceding chapter. Selection of the tool will depend on the nature and extent of impacts anticipated of the particular activity or sub-project. Selection of the tool should be done in discussion with the World Bank. Once the assessment is completed the World Bank will review and provide its concurrence.
- Once environmental approval is granted the sub project can be implemented with proper environmental management plans
- All sub projects that have EMPs must be subjected to regular environmental audits to ensure that EMP s implemented properly as well as to make adaptive changes as deemed necessary to the environmental management plan.

Once the local tourism master plan has been developed, the project will, on a priority basis, invest in certain infrastructure sub-projects identified in the plan. Since details of such investments will only be available on completion of the master planning process, it is difficult to comment, at this point, on the level of environmental analysis that will need to be undertaken prior to such
investments. However, it is envisaged that sub-projects may include development of trails and signs, viewing platforms, enriching water catchments, use of renewable energy, site beautification, landscaping, training of guides, first aid and safety equipment, restoration of heritage sites, development of cultural centers, maps and information material, etc.

Of the above, development of trails, viewing platforms, site beautification, landscaping etc will not trigger serious environmental consequences. In such instances environmental checklists, simple EMPs and practice of BMPs would suffice depending on the site characteristics. Development of renewable energy, depending on the type, may require greater environmental analysis. While installation of solar panels for community and tourist use will trigger minimum impacts, development of a mini-hydro will require the level of an IEE or EIA, once again depending on the site characteristics. Rehabilitation of an access road to a tourist site may require an EMP while any investments in solid waste management and sewage treatment will require an EIA as the environmental risks in such undertakings are considered great. Therefore, the level of environmental analysis the project needs to undertake will have to be decided on a sub-project basis once the activity is definitely known.

Existing tourism clusters that are not green fields, the project will largely focus on improved service delivery, improved infrastructure services, community involvement, product improvement, etc. The project may finance (full or part) local governments and tourism service provider associations and communities to implement prioritized waste water and solid waste collection and disposal management systems, local water resources management systems etc that are sustainable, eco-friendly and required for sustaining tourism in these destinations. It is envisaged that investments of this nature in existing major tourist destinations will require the level of an EIA or IEE.

Environmental context in some of the potential site considered by the project for possible involvement

The government has identified several key/ priority areas that are earmarked for new development or improvement which have been considered under the project for funding support. These include Kalpitiya and Negombo in the western coast, Dedduwa in the southern coast, Arugambay, Kalkudah, Pasikudah and Trincomalee in the eastern coast. Some of the specific environmental impacts envisaged at these sites are discussed below.

Kalpitiya - Kalpitiya tourism development zone is located in the Puttalam district and encompasses the lagoon, string of islets north of the peninsula and the surrounding sea. The Puttalam lagoon can be classified as an environmentally sensitive zone as a number of critical coastal habitats such as mangroves, salt marsh, sea grass beds, coral reefs (including the bar reef wildlife sanctuary) and mud flats are found here. Some of these ecosystems are already stressed due to human activities such as conversion to prawn farms, and saltterns, unsustainable extraction of mangroves, clearing mangroves for various human uses etc., Therefore, tourism development should be undertaken in a manner that should not further exacerbate these impacts. Special care should be taken to prevent damage to these habitats by over visitation, non compliance with speed limits for boats with outboard motors, release of solid waste, sewage and other waste water without being treated, extraction of natural resources for construction such as sand from dunes and beaches, wood etc., and conversion or clearing of natural habitats for construction of tourism facilities. However, the tourism development activities can make use of these environmental features to provide better visitor services to tourists that visit this site. Further, they can positively contribute to the improvement of these habitats by engaging in restoration activities that will improve the quality of these habitats, develop interpretation plans to create awareness among the tourists about the value of these ecosystems, carry out extension services to the community and
promote overall conservation of these habitats. An SEA has been carried out for the Kalpitiya Tourism Zone which has been reviewed by the CEA. Also, ecological studies on the Kalpitiya, Karaitivu, Puttalam wetlands has been conducted by the Wildlife Conservation Society, a local environmental NGO. Any investments by the project in this area should take into consideration recommendations made in these studies.

Negombo - Compared to Kalpitiya, the Negombo can be defined as a high human use area. The Negombo lagoon has been considered one of the most productive eco-systems with a diverse range of habitats but unfortunately rapid changes that have taken place in the last two decades or so have taken a heavy toll on its precious environment. Fishery and tourism are the primary economic activities in Negombo and have exploited the environment beyond its carrying capacity. The town is over-crowded, disorderly and has a number of environmental problems such as lack of facilities for sewage and solid waste disposal, improper drainage leading to water stagnation etc. The tourist service providers are faced with many challenges maintaining the required level of service in the face of inadequate supporting infrastructure and service delivery by the local authorities. Any project interventions to help improve the infrastructure services in Negombo will have to undertake a detail feasibility study. Interventions in solid waste management, sewage treatment and storm water management will require an EIA.

Dedduwa - The Dedduwa site can be defined as a complex wetland consisting of an intricate network of waterways, paddy fields (both abandoned and working), marshes, lagoons and ponds located in a high human use area. Thus the site is sensitive to human influence. The most critical factor in this site is its hydrology. Hence caution should be practiced in tourism development not to disturb the hydrology of the area as well as to avoid disturbing sensitive natural habitats by conversion of present land use to tourism activities. Further, measures should be taken to avoid over visitation of the lagoon and the associated wetland ecosystems, unsustainable resource extraction, release of untreated effluents into water ways and polluting the environment. Also caution should be exercised in development of water based activities to follow best practices to ensure carrying capacity is not exceeded and that water sports does not result in erosion of shore lines. An SEA for the development of Dedduwa has been carried out and its recommendations must be followed by all future investors interested in the project.

East Coast - The sites in the east coast are mostly sea beaches except for Trincomalee site where there is an offshore coral reef, the Pigeon Island National Park. The coral reef is already stressed as it is in the process of recovering from a bleaching event. Therefore, caution should be practiced in conducting activities such as coral viewing, snorkeling and diving not to cause further stress to this vulnerable ecosystem. The beaches, especially the Arugambay area is used by turtles for nesting and therefore caution should be taken in designing beach based activities to no to disturb such breeding grounds. Also excessive use of lights could hinder the navigation abilities of turtles and therefore in designing large tourism facilities near the beach attention should be given to this fact during design stage. A turtle survey in Arugam Bay was carried out as part of the EIA for Arugam Bay bridge construction. Apart from these following best practices during construction and operation will ensure that most of the general impacts are minimized.

Sub-component 3 - The objective of this component is to support business models that are the basis of sustainable tourism. The project will provide a matching grant fund to support community initiatives, product innovation by SMEs and communities in line with sustainable tourism development etc. in identified clusters in the South and the Eastern provinces. Activities will be related to promotion, training, accreditation, quality certification, product development, energy audits, websites etc. As such, there will be no environmental impacts triggers by this sub-component.
4.4 Stakeholders and Disclosure

The stakeholders include the rural communities in tourist areas, affected population in the conflict areas in the past, government department staff (at village, district and provincial levels), Non-governmental partners, private sector and community based organizations. The project design and implementation will involve consultation and participation of all stakeholders at different levels.

As this is a category B project, the Environmental Framework should be disclosed to the public for a period of 30 days. A soft copy of the framework should be posted in the SLTDA website and hard copies shared with the relevant stakeholder groups at the three levels – district, province, national. The PMU should organize special workshops, if needed, to evince feedback, and these should be incorporated into the project designing.

All EIAs/IEEs that will be prepared by the project once it is effective shall also adhere to this disclosure policy.
5. Institutional Arrangement for Implementation of EMF

PIU - As can be seen from the chart above, the PIU (also referred to as the PMU in this document) will be directly responsible for the daily operations of the project while the SLTDA will be responsible for the overall implementation and outcomes of the STDP. While environmental expertise will come under project technical staff category, services will be hired on a part-time or full-time basis depending on the investments that will be undertaken by the project.
Project should provide environmental awareness and skill development training to field level project staff and local stakeholders to carry out simple environmental screening and monitoring during project execution. Detail environmental studies such as EIAs will be outsourced to the private sector under supervision from the PIU. Sri Lanka has a cadre of district/divisional environmental officers (DEOs) serving all districts in the country. While some belong to the CEA staff, others are recruits of PCs and LAs. This is a huge resource base that the project should tap into through discussion with the relevant organizations. The DEOs will be extremely useful in conducting awareness, environmental screening for sub-projects and monitoring work.
6. Capacity Building and Training

Institutional Capacity Assessment

6.1 Sri Lanka Tourist Development Authority
The SLTDA is a designated PAA by the powers of the National Environmental Act. This means that the SLTDA has the authority to approve projects on the basis of its environmental viability. Each PAA is required to have an EIA cell but in practice most of the PAAs, including that of the SLTDA, don’t have the required resources, skill and capacity to perform the role it is intended to do and depend on the CEA for technical assistance and guidance.

6.2 Central Environmental Authority (CEA)
Central Environmental Authority has pioneered the effort of introducing and implementing the EIA process as a planning and decision making tool in the development activities of the country. Since its introduction almost two decade ago, the CEA has gathered considerable experience and expertise in managing the EIA process and has benefited from numerous capacity building and training projects supported by various donor agencies. The CEA has overseen EIA procedures for many tourist projects and is currently engaged in formally introducing SEA to development programs. As of present, a separate division with technically qualified staff is engaged in EIA implementation on a full time basis. In a recent development the CEA has strengthened its presence in the regional areas by establishing regional and sub-regional offices. These offices often function as the focal points for EIA and EPL matters in its areas of jurisdiction. Although the CEA has achieved quite a lot in implementing EIA procedures, monitoring of post implementation impacts is a weak area that needs to be strengthened.

6.3 Department of Wildlife Conservation (DWLC)
The Department of Wildlife Conservation is a designated PAA according to the provision of the NEA and is responsible for conducting EIAs for activities that fall within a national reserve or within 100m from the boundary of a national reserve. The FFPO does not specify regulations on how to conduct an EA and hence the NEA regulations are followed. Although the DWLC has several years of experience acting as PAA the capacity within the department in effectively implementing EA procedures is rather limited. There is no specialized unit for this purpose and hence handling an EA becomes an additional task. As a result, operationally, the DWLC often seeks the support of the CEA and other technical experts from the public and private sectors to assist in EIA evaluations. In instances where controversial projects fall within the purview of the DWLC, it has requested CEA to take a lead role in EIA approval for such projects. Involvement of the DWLC will arise only if activities within a wildlife protected area or in its buffer zone of 100 meters are supported by the project. It is felt that the experience and the present capacity of the DWLC will be adequate to handle requirements under the project.

6.4 Department of Forest Conservation (DFC)
Similar to the DWLC, the Forest Department is also a designated PAA responsible for handling EIAs in forest areas owed by the department. All EIAs are handled by the head office and is a responsibility that is not exclusively entrusted to any unit. Involvement of the FD will arise only if activities within forest reserves are supported by the project. It is felt that the experience and the present capacity of the FD in the EIA process will be adequate to handle requirements under the project.

6.5 Provincial Councils (PCs)
As stated earlier, of the 9 provinces in Sri Lanka, only the North Western Provincial Council (NWPC) has a separate statute for environment. None of the other PCs have adequate experience
in handling environmental assessments for development projects. Even in the NWPC, where there is a separate Ministry for Environment, capacity is not considered adequate to handle the environmental challenges in the province effectively.

6.6 Local Authorities (LAs)
Mandate of the LAs in environmental governance and their capacity has been discussed on page 10 and is relevant here as well. Since tourism master plans envisaged under the project will be essentially locally owned, the LAs as local stakeholders will need to play an important role not only in development planning but also in natural resources management. Hence, it is essential that while the capacity of the national level agencies are considered adequate for project purposes, capacity of the PCs and the LAs, who will play a huge role, is improved.

6.7 Capacity Building requirements
The project should consider providing technical assistance in the form of resource persons and/or training to ensure that the environmental safeguards of the project is effectively carried out at the local levels (PCs, LAs, NGOs, CBOs etc). Moreover, technical training programs should be designed in close consultations with the local stakeholders focusing on environmental planning and management skills that they need to develop in order to effectively contribute to the tourism master planning process. The project also look into institutional mechanisms where such skills can be sustained and further strengthened for the future of the organization. These are some broad options for consideration by the project. Details of training plan and training curricula will need to be developed during project execution.
### Annex 1: Typical impacts that may arise due to tourism development and possible mitigation measures

<table>
<thead>
<tr>
<th>Potential Environmental Impact</th>
<th>Possible Mitigation Measures</th>
</tr>
</thead>
</table>
| Pollution due to poor or inadequate facilities to dispose solid waste, waste water and sewerage | • Implementing a solid waste management programme including organic waste recycling, composting etc.,  
• Establishing a central solid waste processing centre if several tourism facilities are concentrated at the same place  
• Recycling of waste water, establishing treatment plants for sewerage |
| Unsustainable levels of water extraction from surface as well as ground water | • Implementing water conservation and recycling measures to minimize the extraction  
• Rainwater harvesting to minimize dependency on surface and ground water resources |
| Damage to both marine and terrestrial wildlife habitats and wildlife itself due to over visitation | • Conducting carrying capacities of tourism destinations and designing tourism activities not to exceed these carrying capacities  
• Creating awareness among the tourists about the impacts that they may have on the ecology of the area and how they should behave in order to minimise those impacts |
| Shore line erosion due to boats transporting tourists | • Establishing speed limits for boats with outboard motors and strict enforcement  
• Use of electrically powered boats or non mechanized boats wherever possible to minimize damage to shore lines as well as to reduce noise pollution  
• Design anchorage sites at locations where there is least impact to environment  
• Create awareness among boat operates about best practices to follow during boat operation including safety measures that they should take to ensure passenger safety as well as minimizing damage to the environment |
| Overuse of forest trails by tourists | • Identify carrying capacities for forest trails and strict enforcement  
• Identify areas where soil compaction can have an impact in vegetation along the trail and build elevated platforms in these areas to prevent visitors from walking on the ground |
| Unsustainable use of local natural resources for construction of tourism facilities | • Ensure that tourism development activities does not utilize local resources in an unsustainable manner  
• Adopt designs that can minimize resource utilization for construction |
| Excessive littering at tourism destinations, especially non degradable waste | • Work with local government to implement solid waste management plans for tourism destinations  
• Encourage tourists to avoid the usage of non degradable material  
• Follow best practice guidelines in the design, planning and construction of buildings and associated infrastructure to reduce energy requirements for lighting, cooling and heating  
• Introduce energy saving measures such as dimming lights, using low energy appliances and light bulbs and enhancing the use of natural ventilation to achieve reduction in use |
<table>
<thead>
<tr>
<th>Environment and Social Management Framework: Sri Lanka Tourism Development Project</th>
</tr>
</thead>
</table>
| **Pollution of water table** | - Promote energy generation from renewable resources such as solar, wind, hydroelectric wherever possible  
- Ensure effluent release to the environment are properly treated before being released  
- Design septic tanks to ensure there is no leakage into the ground  
- Follow defined legal setback rules during construction of tourism facilities  
- Avoid location of any tourism activities in any areas declared as reservations |
| **Illegal construction of tourism facilities** | - Follow best practice guidelines during design and construction to ensure that structures developed blends with the surrounding environment  
- Ensure public access areas are not affected by tourism development during design stage by consulting local stakeholders who use the area  
- If this is not possible provide suitable alternatives for the local users to avoid conflict of interest |
| **Blockage of access or view of public recreation areas such as beaches** | - During site selection, avoid sites that require filling of wetlands, clearing of natural habitats or sites that are close to sensitive areas such as wildlife habitats or archaeological sites |
| **Conversion of natural habitats for tourism development** | - Promote energy generation from renewable resources such as solar, wind, hydroelectric wherever possible  
- Ensure effluent release to the environment are properly treated before being released  
- Design septic tanks to ensure there is no leakage into the ground  
- Follow defined legal setback rules during construction of tourism facilities  
- Avoid location of any tourism activities in any areas declared as reservations |

Environment and Social Management Framework: Sri Lanka Tourism Development Project
Annex 2: Policy Framework: Environmental Assessment and Impact Mitigation

The importance of the Environmental Impact Assessment as an effective tool for the purpose of integrating environmental considerations with development planning is highly recognized in Sri Lanka. The application of this technique is considered as a means of ensuring that the likely effects of new development projects on the environment are fully understood and taken into account before development is allowed to proceed. The importance of this management tool to foresee potential environmental impacts and problems caused by proposed projects and its use as a means to make project more suitable to the environment are highly appreciated. The Environmental Impact Assessment (EIA) unit of the Central Environmental Authority (CEA) is involved in the implementation of the EIA procedure under the National Environmental Act.

ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

Realizing the need for integrating environment, economic and social considerations with the planning and decision making process in a more formal manner, the Government of Sri Lanka decided to introduce Environmental Impact Assessment for development projects. The importance of the Environmental Impact Assessment as an effective tool for the purpose of integrating environmental considerations with development planning is highly recognized in Sri Lanka.

The Environmental Impact Assessment (EIA) unit of the Central Environmental Authority (CEA) is involved in the implementation of the EIA procedure under the National Environmental Act. Administration of the EIA process, co-ordination between Project Approving Agencies (PAA's) that have been appointed for this purpose, preparation of manuals and guidelines on EIA and maintenance of a database on EIA is done by the CEA.

EIA under the National Environmental Act (NEA)

EIA was mandated island wide by the 1988 amendments to the National Environmental Act. Part IV C of the Amendment Act No. 56 of 1988 mandated that CEA require “prescribed” development project proposals to be subjected to Environmental Impact Assessment, where adverse and beneficial impacts of the proposed projects on the environment would be identified together with measures to minimize such adverse impacts.

The procedure stipulated in the Act for the approval of projects provides for the submission of two types of reports Initial Environmental Examination (IEE) report and Environmental Impact Assessment (EIA) report. If the environmental impacts of the project are not very significant then the project proponent may be asked to do an Initial Environmental Examination (IEE), which is a relatively short and simple study. However, if the potential impacts appear to be more significant, the project proponent may be asked to do an Environmental Impact Assessment (EIA) which is a more detailed and comprehensive study of environmental impacts. Such reports are required in respect of “prescribed projects” included in a Schedule in an Order published by the Minister of Environment in terms of section 23 Z of the Act in the Gazette Extra Ordinary No. 772/22 dated 24th June 1993 (ANNEX II). Once an EIA report is submitted NEA provides for a public inspection and comment on the report during a mandatory period of 30 days. A public hearing may be held to provide an opportunity to any member of the public (who has submitted his comments) to be heard in support of his comments if the PAA considers it to be in the public interest to do so. A decision whether to approve the project has to be arrived at thereafter. IEE reports have been exempted from this requirement. However, an Initial Environmental Examination report shall be deemed to be a public document for the purposes of sections 74 and 76 of the Evidence Ordinance (Chapter 21) and shall be open for inspection by the public.

The EIA process is implemented through designated Project Approving Agencies (PAAs) specified under Section 23 Y of the NEA. At present 23 state agencies, including Ceylon Tourist Board have been

Environment and Social Management Framework: Sri Lanka Tourism Development Project
specified by the Minister as contained in Gazette Extra Ordinary No. 859/14 dated 23rd February 1995 and Gazette Extra Ordinary No. 1373/6 of 29th December 2004. The National Environmental Act stipulates that all “prescribed projects” must receive approval from the appropriate project approving agencies (PAAs), which must be those that are “concerned with or connected with such prescribed projects”. A PAA, which is also the project proponent, is disqualified from acting as the PAA for the project by NEA-EIA Regulation 2(1) of June 1993. When the PAA is also the project proponent, the CEA is required to designate an appropriate PAA. Again in cases where there are more than one PAA is involved, the CEA must determine the appropriate PAA. In the event of doubt or difficulty in identifying the appropriate PAA, it has been practice for the CEA to take on the role of PAA.

**Prescribed projects**

Prescribed projects are listed in two groups in Schedule included in the first ministerial order of June 24, 1993. Part I of the Schedule includes 31 projects and undertakings if located wholly or partly outside the Coastal Zone. The projects in this group irrespective of size if located wholly or partly within the coastal zone must undergo the approval process that is laid down in the Coast Conservation Act. In other words only those projects located totally outside the Coastal Zone will be subject to the approval process laid down in the NEA.

Item 19 in this list of 31 projects and undertakings is described as the “Development of Industrial Estates and Parks exceeding an area of 10 hectares”. Once an industrial estate or industrial park is approved under Part IV VC of the NEA, any individual project or undertaking located in it, even though prescribed, will be exempted from the approval process. Projects and undertakings, which are listed as Items 20 to 30, belong to the category of high polluting industries. They will be required to go through the EIA process only if they are located outside an approved industrial estate or industrial park.

Implementation of projects in environmentally sensitive areas that are listed in Part III of the Schedule is not prohibited, but regardless of their magnitude such projects and undertakings must go through the approval process. This itself acts as a disincentive to project proponents. Similarly, even though Part I of the Order exempts projects and undertakings proposed to be established within the Coastal Zone from the approval process set out in Part IV C of the NEA, the law requires that such projects must be subject to the NEA approval process if they are located in environmentally sensitive areas of the Coastal Zone. In short, the EIA process set out in the Coast Conservation Act applies to projects prescribed under the NEA only when they are located wholly within the Coastal Zone but not in any environmentally sensitive area therein.

Part II of the Schedule of prescribed projects includes Item 32 industries (Items 33 to 52). Item 32 is described as “All projects and undertakings listed in Part I irrespective of their magnitudes and irrespective of whether they are located in the coastal zone or not, if located wholly or partly within the areas specified in Part III of the Schedule”. The industries included as Items 33 to 52 are not described by magnitude and are subject to the approval process only if located within the environmental sensitive areas mentioned in Part III of the Schedule.

**Operational Procedure for EIA/IEE**

The Basic Information Questionnaire (BIQ) form prepared by the CEA (Annex 3) has to be filled by the project proponent and submitted to the CEA. On examination of the BIQ, the CEA decides on the need for an EIA/IEE. If its determined that an EIA/IEE is required, the CEA will decide a suitable Project Approving Agency (PAA).

The PAA in turn will appoint a technical committee (TC) to scope the project based on the preliminary information. If the PAA determines that the project would have no long-term adverse environmental impacts, an initial environmental examination (IEE) would be considered adequate. The project proponent
must submit a detailed IEE for review and approval by the PAA. The IEE should identify potential environmental and social issues and the possible remedial actions. Upon reviewing the IEE, if the TC identifies any substantial environmental issues that may arise as a result of the proposed project, the proponent will be advised to undertake a detailed EIA and issue the Terms of Reference (TOR) for the EIA. In developing the TOR, the PAA will also consider the views of other state agencies and the public. If the PAA decided that no further environmental analysis is needed, the process ends with approval/rejection of the IEE.

If an EIA is a necessity, then the project proponent must conduct the EIA according to the TOR issued, prepare the report in all three languages and submit it to the PAA. The PAA will then declare open the EIA report for a period of 30 days for public comments and the comments received will be conveyed to the proponent. The project proponent can then prepare a response to the public comments and submit it to the PAA. The TC will then evaluate the report with respect to adherence to the TOR, quality of the report contents and adequacy of the responses to public comments.

Based on the recommendations of the TC, the PAA in concurrence with CEA would either grant approval for the implementation of the proposed project subject to specific conditions or refuse approval for implementation of the project, giving reasons for doing so. The PAA will also specify a period within which the approved project should be completed. If the project proponent is unable to complete the project within the specified period, written permission for an extension must be obtained from the PAA, 30 days prior to the expiration of the approved completion date.

**EIA in the Coast Conservation Act**

The Coast Conservation Act No. 57 of 1981 together with the Coast Conservation (Amendment) Act, No. 64 of 1988 governs the Coastal Zone. This Zone comprises mainly “the area lying within a limit of three hundred meters landwards of the Mean High Water line and a limit of two kilometers seawards of the Mean Low Water line”. The EIA process is part of the permit procedure mandated in Part II of the Coast Conservation Act (CCA) for the approval of prescribed development projects and undertakings within the Coastal Zone. The Act states that the Minister in charge of the subject of Coast Conservation “may, having regard to the effect of those development activities on the long term stability, productivity and environmental quality of the Coastal Zone, prescribe the categories of development activity, which may be engaged in within the Coastal Zone without a permit”. Such activity should not however include any development activity already prescribed under the NEA.

Section 16 of the Coast Conservation Act (CCA) confers on the Director of Coast Conservation the discretion to request a developer applying for a permit (to engage in a development activity within the Coastal Zone) to furnish an Environmental Impact Assessment relating to the proposed development activity. The CCA does not however specify how and when this discretion should be exercised. The Coast Conservation Department (CCD) interprets this provision as requiring an EIA when the impacts of the project are likely to be significant. The application from for a permit includes several questions, the answers to which would help determine whether the development activity is likely to have significant impacts on the environment.

The Act requires the Director of Coast Conservation, on receiving an EIA Report, to make it available for public inspection and to entertain comments on it. The Act also requires the Director of Coast Conservation to refer the EIA report to the Coast Conservation Advisory Council for comment. The Council is an inter-department, inter-disciplinary advisory body. The Director of Coast Conservation may decide to.

(1) Grant approval for the implementation of the proposed project subject to specified conditions,

Or

(2) Refuse approval for the implementation of the project, giving reasons for doing so.
Part I of the Schedule (annex II) containing the list of projects prescribed under the NEA states that the CCA applies in the case of those projects, which lie wholly within the Coastal Zone. This indicates that the NEA expects the Coast Conservation Dept. to consider these projects as prescribed and that an Environmental Impact Assessment is required albeit under the provisions of the CCA.

In practice however the Coast Conservation Department is guided by their own rules and regulations in determining whether any of the prescribed projects under the NEA require an Environmental Impact Assessment.

Certain parts of the Coastal Zone, which are considered environmentally sensitive and declared as “no-build” areas automatically, rule out the need to consider development projects in such areas. Similarly, development projects proposed for location in environmentally sensitive areas within the Coastal Zone are required to be submitted to the approval process specified in the NEA. Many of these environmentally sensitive areas have already been identified and listed by the Coast Conservation Department as “set-back” areas comprising reservation areas and restricted areas in which development activities are prohibited or significantly restricted.

CCD Planning Division officers submit their recommendations regarding proposed development projects to the Planning Committee of the Coast Conservation Department. The three technical divisions of the Coast Conservation Department recommend the issue of a permit with or without an EIA. Where an EIA is recommended, scoping sessions are convened with representatives of concerned state agencies to determine the Terms of Reference for the EIA.

The long title of the Coast Conservation Act states that the Act is established to regulate and control development activities within the Coastal Zone. Therefore, the Coast Conservation Department is the final authority in determining whether to permit a development activity in terms of the CCA, even though such activity may be required go through the approval process laid down in the NEA.

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The long title of the Coast Conservation Act states that the Act is established to regulate and control development activities within the Coastal Zone. Therefore, the Coast Conservation Department is the final authority in determining whether to permit a development activity in terms of the CCA, even though such activity may be required go through the approval process laid down in the NEA.

**EIA in the Fauna and Flora (Protection) Ordinance**

The Fauna and Flora (Protection) Ordinance No. 2 of 1937, as amended by the Fauna and Flora (Amendment) Act No. 49 of 1993, requires that any development activity of any description whatsoever proposed to be established within one mile of the boundary of any National Reserve, should receive the prior written approval of the Director of Wildlife Conservation. The Ordinance as amended mandates that the project proponent should furnish an IEE or EIA report in terms of the National Environmental Act. The information that a project proponent applying for permission to establish a development project within one mile of any National Reserve has to submit is much more comprehensive than the information required for the approval process stipulated under the NEA. This is because every development project or activity to be established within one mile of any National Reserve is subject to the approval process of the Department of Wild Life Conservation regardless of its magnitude or category. Success in the
implementation of this requirement will be tested to the extent that the term “development activity” is not defined in the Act. This procedure could also discourage any development activity however environmentally compatible it is, proposed to be established within any environmentally sensitive area.

**EIA in the Provincial Administration**

The Provincial Level environmental protection and management is introduced in Sri Lanka through the 13th amendments to the constitution certified in November 1987, which specifies three lists, the Reserved list, the Provincial Council list, and the Concurrent list. Provincial Councils have the exclusive right to legislate through statues on matters specified in the provincial Council list. The subject of environmental protection is placed in the Concurrent list as well as on the Provincial Council list. Provincial councils and Parliament can both legislate on matters on the Concurrent list provides it is done in consultation with each other. Only the North Western Provincial Council (NWPC) enacted legislation on environmental protection by Statute No. 12 of 1990. The National Environmental Act remains suspended an in operative within the North Western Province with effect from 10th January 1991.

**Strategic Environment Assessment (SEA)**

Although project level EIA is effective in addressing environmental impacts at project level, it often fails to take into account cumulative impacts of several projects. Under such circumstance SEA is a more effective tool in identifying cumulative impacts on the environment of a specific policy or programme of works. At present SEA is still not a mandatory requirement in Sri Lanka. However, the Cabinet of Ministers has approved implementation of SEA for policies, programs and plans in Sri Lanka. Therefore, all Ministries, Departments and Authorities who are responsible for implementing a new policy, plan or programme should carry out a SEA for the new policy, plan or programme prior to its implementation and submit a copy of the SEA report to the Central Environmental Authority for review and comments.

**Operational Framework for Implementation of EIA under national regulations**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Agency</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Submitting Preliminary information</strong> - A project proponent is required to provide the CEA with preliminary information on the proposed project, in order for the EIA process to be initiated. The best time for a project proponent to submit the preliminary information on the proposed project is as soon as the project concept is finalized and the location of the project is decided. The Basic Information Questionnaire (BIQ) form prepared by the CEA can be used for this purpose (Annex 2). When a prescribed project is referred to CEA, the CEA will decide a suitable Project Approving Agency (PAA).</td>
<td>CEA</td>
<td>2 months</td>
</tr>
<tr>
<td><strong>Environmental Scoping</strong> - Then the PAA will carry out scoping and Terms of Reference (ToR) for the EIA/IEE will be issued to the project proponent</td>
<td>PAA</td>
<td>2 month</td>
</tr>
<tr>
<td><strong>EIA/ IEE report preparation</strong></td>
<td>Proponent</td>
<td>3 months</td>
</tr>
<tr>
<td><strong>Public participation and evaluation</strong> - On receipt of an EIA report, it will be subjected to an adequacy check in order to ensure that the ToR issued by the PAA has been met. It will then be open for public inspection / comments for a period of 30 working days. If there are any public comments on the EIA report, they will be sent to the project proponent for response. Subsequent to the public commenting period the PAA will appoint a Technical Evaluation Committee (TEC) to evaluate the EIA report and make its recommendations. IEE reports are not required to be opened for public comments and are thus subjected to technical evaluation only.</td>
<td>PAA</td>
<td>3 months</td>
</tr>
<tr>
<td><strong>Decision making</strong> - Based on the recommendation of the TEC, the PAA makes its decision on whether to grant approval for a project. If the PAA is not the CEA, it should obtain the concurrence of the CEA prior to granting approval</td>
<td>PAA</td>
<td>2 months</td>
</tr>
</tbody>
</table>

Generally the approval is valid for 3 years. If the Project Proponent does not commence work within 3 years of the decision, renewal of the approval from the Project Approving Agencies is necessary. The validity period is usually stated in the letter of approval.
Annex 3: Basic Information Questionnaire for the CEA

APPLICATION NO

CENTRAL ENVIRONMENTAL AUTHORITY

BASIC INFORMATION QUESTIONNAIRE

(Essential information to determine the environmental approval requirement of projects)

1 Name of the Project:

2 Name of the Developer:
   (Company/firm/individual)
   Postal Address:
   Phone No: Fax No:
   Contact person
   Name
   Designation:
   Phone No: Fax No:

3 Brief description of the project (Use a separate sheet)
   Attach copy (ies) of pre-feasibility/feasibility study report(s) if available

4 Scale/magnitude of the project:
   (eg. For a road project: Length of the trace; Tourist hotel: No. of rooms; Agriculture project:
   Extent of land, solid waste management projects: capacity per/day etc.)

5 Main objective(s) of the project:

6 Investment and Funding sources:

7 Location of the Project
   i Pradeshiya Sabha:
   ii Divisional Secretariat:
   iii District
   iv Provincial Council
   Provide a location map indicating the project site, access to the site, surrounding
development and infrastructure within 500 m of the site (1:50000 scale).

8 Extent of the project area (in ha):
A copy of the survey plan of the site

9 Does the project wholly or partly fall within any of the following areas?

<table>
<thead>
<tr>
<th>Area</th>
<th>Yes</th>
<th>No</th>
<th>Unaware</th>
</tr>
</thead>
<tbody>
<tr>
<td>100m from the boundaries of or within any area declared under the National Heritage Wilderness Act No 4 of 1988</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>100m from the boundaries of or within any area declared under the Forest Ordinance (Chapter 451)</td>
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<tr>
<td>Coastal zone as defined in the Coast Conservation Act No 57 of 1981</td>
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<tr>
<td>Any erodable area declared under the Soil Conservation Act (Chapter 450)</td>
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<td></td>
<td></td>
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<tr>
<td>Any Flood Area declared under the Flood Protection Ordinance (Chapter 449)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Any flood protection area declared under the Sri Lanka Land Reclamation and Development Corporation Act 15 of 1968 as amended by Act No 52 of 1982</td>
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<td></td>
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<tr>
<td>60 meters from the bank of a public stream as defined in the Crown Lands Ordinance (Chapter 454) and having width of more than 25 meters at any point of its course</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Any reservations beyond the full supply level of a reservoir.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any archaeological reserve, ancient or protected monument as defined or declared under the Antiquities Ordinance (Chapter 188).</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Any area declared under the Botanic Gardens Ordinance (Chapter 446).</td>
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<tr>
<td>Within 100 meters from the boundaries of, or within, any area declared as a Sanctuary under the Fauna and Flora Protection Ordinance (Chapter 469)</td>
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<tr>
<td>100 meters from the high flood level contour of or within, a public lake as defined in the Crown Lands Ordinance (Chapter 454) including those declared under section 71 of the said Ordinance</td>
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<tr>
<td>Within a distance of one mile of the boundary of a National Reserve declared under the Fauna and Flora Protection Ordinance</td>
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</table>

10 Present ownership of the project site:

<table>
<thead>
<tr>
<th>State</th>
<th>Private</th>
<th>Other-specify</th>
</tr>
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<tr>
<td></td>
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<td></td>
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</table>

If state owned, please submit a letter of consent of the release of land from the relevant state agency

11 Present land use:

12 Present land use: (Please tick the relevant cage/s)
<table>
<thead>
<tr>
<th>Land use Type</th>
<th>Land use Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy</td>
<td>Marsh / Mangrove</td>
</tr>
<tr>
<td>Tea</td>
<td>Scrub / Forest</td>
</tr>
<tr>
<td>Rubber</td>
<td>Grassland / Chena</td>
</tr>
<tr>
<td>Coconut</td>
<td>Built-up area</td>
</tr>
<tr>
<td>Other Plantations / Garden</td>
<td>Other (pl. specify)</td>
</tr>
</tbody>
</table>

13  Does the site / project require any

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>If yes give the extent (in ha)</th>
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<tbody>
<tr>
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<td></td>
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</tbody>
</table>

14  Does the project envisage any resettlement

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>If yes, give the number of families to be resettled</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>

15  Does the project envisage laying of pipelines

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>If yes, give the length of the pipeline (km)</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td></td>
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</tbody>
</table>

16  Does the project involve any tunneling activities

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

17  Proposed timing and schedule including phased development:

18  Applicable laws, regulations, standards and requirements covering the proposed project:

19  Clearances / permits obtained or should be obtained from relevant state agencies and / or local authorities. *(Attach required copies of the same)*

The above information is accurate and true to the best of my knowledge. I am aware that this information will be utilized in decision-making by the relevant state authorities.

................................. .................................
Date                          Signature of Applicant
Annex 4: Environmental Checklist for Assessing the Suitability of Sites for Sub-projects

To be filled by an authorized official
(Where choices are given please circle the most appropriate entry or entries. If the space provided for responses is not sufficient, please state the information on another sheet of paper)

<table>
<thead>
<tr>
<th>No</th>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>INTRODUCTION</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Name of the Site</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Province</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>District</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Divisional Secretary Division(s)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Local Authority</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Grama Niladari Division(s)</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Brief description of the project (Be as brief as possible, confining to main elements only, If Possible, provide a 1:10,000 scaled site map inclusive of area within 500m radius from the project site; if this information cannot be obtained, provide a sketch of the site area drawn to an approximate scale)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Does the site /project require any:</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Reclamation of land, wetlands</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clearing of forest</td>
<td></td>
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<tr>
<td></td>
<td>Felling of trees</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Distance from coastline (m) (high water mark)</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Minimum land area required for the proposed development (based on UDA guidelines) (ha)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Available total land area within the identified location (ha)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Expected construction period</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Anticipated Date of Completion</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Present Land Ownership State</td>
<td>Private</td>
</tr>
<tr>
<td>15</td>
<td>Total approximate Cost of the Project</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>DESCRIPTION OF THE ENVIRONMENT</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PHYSICAL</strong></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Topography &amp; Landforms (map): Attach an extract from relevant 1: 50,000 topographic sheet/ if detailed maps are available provide them. If this information is unavailable, please describe the location.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Relief (difference in elevation) Low &lt;20m</td>
<td>Medium 20-40m</td>
</tr>
</tbody>
</table>
### 18. Slope

<table>
<thead>
<tr>
<th>Height</th>
<th>Low &lt;30%</th>
<th>Medium 30-40%</th>
<th>High 40-60%</th>
<th>Very High &gt; 60%</th>
</tr>
</thead>
</table>

### 19. Position on Slope

- Bottom
- Mid-slope
- Upper-slope

### 20. Soil Type (Please select from soil groups given below or provide a brief description)

- Bottom
- Mid-slope
- Upper-slope

### 21. Depth of top soil

<table>
<thead>
<tr>
<th>Depth</th>
<th>Shallow &lt;20cm</th>
<th>Moderate 20-100cm</th>
<th>Deep &gt;100cm</th>
</tr>
</thead>
</table>

### 22. Soil Erosion (this information will be based on the site and surrounding environment)

- Low
- Medium
- High

### 23. Climate

- Wet Zone
- Intermediate Zone
- Dry Zone/Semi Arid Zone

### 24. Annual dry period

### 25. Source of fresh Surface Water

- Spring/canal
- Tank/Reservoir
- Perennial Stream
- Seasonal Stream
- None

### 26. Surface Water Use (at the site and/or surrounding environment)

- Domestic
- Washing/Bathing
- Irrigation
- Animal use
- Other

### 27. Surface Water Quality

- Poor
- Moderate
- Good

### 28. Ground Water Availability

- Dug Well
- Tube Well
- Other (specify)

### 29. Ground Water Use

- Domestic
- Washing/Bathing
- Animal use
- Irrigation
- Other

### 30. Ground Water Quality

- Poor
- Moderate
- Good

### 31. Incidence of Natural Disasters

- Floods
- Prolonged droughts
- Cyclones/tidal waves
- Other (specify)

### 32. Geological Hazards

- Landslides
- Rock falls
- Subsidence
- Other (specify)

### ECOLOGICAL

### 33. Habitat Types in the Project Site (indicate the approximate % of each habitat type)

- Natural forest (%)
- Degraded forest (%)
- Natural scrubland (%)
- Degraded scrubland (%)
- Riverine forest (%)
- Grassland (%)
- Abandoned agricultural land (%)
- Marsh (%)
- Lagoon (%)
- Estuary (%)
- Coastal scrub (%)
- Mangrove (%)
- Salt marsh (%)
- Home-gardens (%)
- Other (%)

### 34. Habitat types within 500m radius from the site periphery (indicate the approximate % of each habitat type)

- Natural forest (%)
- Degraded forest (%)
- Natural scrubland (%)
- Degraded scrubland (%)
- Riverine forest (%)
- Grassland (%)
- Abandoned agricultural land (%)
- Marsh (%)
- Lagoon (%)
- Estuary (%)
- Coastal scrub (%)
- Mangrove (%)
- Salt marsh (%)
- Home-gardens (%)
- Other (%)

### 35. Are there any environmentally and culturally sensitive areas within the project site and 500 meters from the project boundary?

- Protected Areas
- Migratory pathways of animals
- Archeological sites
- Wetlands
- Mangroves strands

### 36. Are there any plants (endemic and threatened species) of conservation importance within the project site and 500 meters from the project boundary? If yes, encouraged to provide a list

### 37. Are there any animals (endemic
and threatened species) of conservation importance within the project site and 500 meters from the project boundary? If yes, encouraged to provide a list

**ENVIRONMENTAL SENSITIVITY**

| Item 38 is Applicable to New Sites Only: Does the project wholly or partly fall within any of the following areas? |
|---|---|---|
| Yes | No | Unaware |
| a | 100m from the boundaries of or within any area declared under the National Heritage Wilderness Act No 4 of 1988 | | |
| b | 100m from the boundaries of or within any area declared under the Forest Ordinance (Chapter 451) | | |
| c | Coastal zone as defined in the Coast Conservation Act No 57 of 1981 | | |
| d | Any erodable area declared under the Soil Conservation Act (Chapter 450) | | |
| e | Any Flood Area declared under the Flood Protection Ordinance (Chapter 449) | | |
| f | Any flood protection area declared under the Sri Lanka Land Reclamation and Development Corporation Act 15 of 1968 as amended by Act No 52 of 1982 | | |
| g | 60 meters from the bank of a public stream as defined in the Crown Lands Ordinance (Chapter 454) and having width of more than 25 meters at any point of its course | | |
| h | Any reservations beyond the full supply level of a reservoir | | |
| i | Any archaeological reserve, ancient or protected monument as defined or declared under the Antiquities Ordinance (Chapter 188). | | |
| j | Any area declared under the Botanic Gardens Ordinance (Chapter 446). | | |
| k | Within 100 meters from the boundaries of, or within, any area declared as a Sanctuary under the Fauna and Flora Protection Ordinance (Chapter 469) | | |
| l | 100 meters from the high flood level contour of or within, a public lake as defined in the Crown Lands Ordinance (Chapter 454) including those declared under section 71 of the said Ordinance | | |
| m | Within a distance of one mile of the boundary of a National Reserve declared under the Fauna and Flora Protection Ordinance | | |

**ENVIRONMENTAL IMPACT AND MITIGATION/ENHANCEMENT DURING THE CONSTRUCTION PERIOD**

<table>
<thead>
<tr>
<th>IMPACT</th>
<th>MITIGATION/ENHANCEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Med.</td>
</tr>
<tr>
<td>41</td>
<td>Soil erosion</td>
</tr>
<tr>
<td>42</td>
<td>Water pollution</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>43</td>
<td>Noise pollution</td>
</tr>
<tr>
<td>44</td>
<td>Solid waste generation</td>
</tr>
<tr>
<td>45</td>
<td>Sewage generation</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Loss of vegetation cover</td>
</tr>
<tr>
<td>47</td>
<td>Habitat loss or fragmentation</td>
</tr>
<tr>
<td>48</td>
<td>General disturbance to animal behaviour</td>
</tr>
<tr>
<td>49</td>
<td>Interference with normal movement of animals</td>
</tr>
<tr>
<td>50</td>
<td>Irreversible/irreparable environmental change</td>
</tr>
</tbody>
</table>

| IMPACT | MITIGATION/ENHANCEMENT |
|---|---|---|---|
| 51 | Sewerage Disposal | Cess Pool | Sewage Pond |
|     |                  | Septic Tank | Other |
| 52 | Solid Waste Disposal |   |   |
| 53 | Drinking Water Supply | Common Dug Well | Yes / No |
|     |                  | Individual dug well | Yes / No |
|     |                  | Town supply – pipe | Yes / No |
|     | Common Tube Well | Yes / No | Town supply – Stand post |
|     | Spring | Yes / No |   |
| 54 | Alteration to storm water drainage pattern | No changes | No major Changes |
|     |   |   | Major changes |

<table>
<thead>
<tr>
<th>OVERALL OBSERVATIONS AND RECOMMENDATIONS</th>
<th></th>
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<tbody>
<tr>
<td>(a)</td>
<td>Does this site require an Initial Environmental Examination/Environmental Impact Assessment (IEE/EIA) or any other Environmental Assessments (EA) under the local regulations (CEA, Provincial Environmental Authority or any other); please state the reasons.</td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td>Although local regulations may not require IEE/EIA at this Site, are there environmental issues which need to be addressed through further environmental investigations and/or EA? If the answer is “Yes” briefly describe the issues and type of investigations that need to be undertaken.</td>
<td></td>
</tr>
<tr>
<td>(c)</td>
<td>Will this site be abandoned after this Analysis; please state the reasons.</td>
<td></td>
</tr>
</tbody>
</table>
(d) Does the proposed site meet the urban planning requirements under the UDA and Local Authority regulations? If the answer is “No”, what needs to be done to meet these requirements; if the answer is “Yes”, has the project site obtained the necessary approvals?

(e) In addition to the above issues, please indicate any additional observations, recommendations if any.

### ENVIRONMENTAL MANAGEMENT AND MONITORING PLAN

(please insert more lines if required)

Please provide information for this section based on the following aspects:

1. Onsite and off site impacts to the Environment
2. Approvals/licenses obtained/required to carry out the civil works (LA, UDA permits, Archeological Department etc.,) and resource extraction/purchase (eg: Sand, timber, clay for bricks)
3. Impacts on the Environment during the construction and operation phases.
4. Information from Items 41 – 54, above can be included here

<table>
<thead>
<tr>
<th>Activity</th>
<th>Potential Impacts/Issues</th>
<th>Mitigation Measures</th>
<th>Monitoring Requirements and Indicators</th>
<th>Budget for mitigation measures and sources of funds</th>
<th>Reporting Procedure (for Mitigation and Monitoring)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

57 Name of the officer completed the form (From the Developer)

58 Designation and contact Information

59 List of team members

60 Overall observation and recommendation

61 Signature and date
**Great Soil Groups of Sri Lanka**

<table>
<thead>
<tr>
<th></th>
<th>Name</th>
<th>Type</th>
<th></th>
<th>Name</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RBE</td>
<td>Reddish Brown Earths</td>
<td>4</td>
<td>RY L</td>
<td>Red-Yellow Latosols</td>
</tr>
<tr>
<td>2</td>
<td>LHG</td>
<td>Low Humic Gley</td>
<td>5</td>
<td>A</td>
<td>Alluvial Soils</td>
</tr>
<tr>
<td>3</td>
<td>NBS</td>
<td>Noncalcic Brown Soils</td>
<td>6</td>
<td>SS</td>
<td>Solodized Solonetz</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>R</td>
<td>Regosols</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>G</td>
<td>Grumusols</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>IBL</td>
<td>Immature Brown Soil</td>
<td></td>
<td></td>
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</tbody>
</table>
Annex 5: Guidelines for Environmentally responsible Tourism

- Plan new developments only in areas where the use of water and other natural resources for tourism will not conflict with local community needs, now or in the foreseeable future. Meter the quantity of water consumed and manage consumption and leakage so as to reduce water consumption and report water consumption and performance in monitoring.
- Integrate environmental management into the project planning cycle.
- Follow best practice guidelines on the design, planning and construction of buildings and associated infrastructure to minimise environmental impacts and to reduce energy requirements for lighting, cooling and heating. Measure electricity consumption and introduce energy saving measures to achieve reduction in use. This can be done by for example dimming lights, using low energy appliances and light bulbs and enhancing the use of natural ventilation. Monitor the use of diesel, paraffin and petrol and set targets to reduce consumption and switch to less polluting fuels. Set targets to increase the proportion of energy used from renewable resources such as solar, wind, hydroelectric.
- Use local materials (where sustainable) and local architectural styles on a scale that does not create a negative aesthetic impact.
- Avoid damaging the environmental quality of the enterprise’s neighbourhood by noise or light pollution.
- Install and showcase appropriate technology to reduce consumption of natural resources, production of waste and incidences of pollution. Monitor the sewage system and demonstrate how pure the outflow back into the environment is. If the enterprise has one, make the reed bed a valuable habitat feature. Set percentage targets and time scales for the reduction of waste produced, levels of recycling and reuse of waste from the enterprise. Set appropriate targets for reduction and/or recycling of waste produced. Work with suppliers to minimise the amount of packaging purchased with supplies, and therefore reduce the amount of waste that needs to be disposed.
- Avoid pollution by using environmentally friendly chemicals, and by using biodegradable soaps and detergents – tell visitors and staff why the enterprise is doing this and how it benefits the environment.
- Design buildings with natural ventilation and actively plan to reduce resource use during the construction and operational phases. Inform visitors what has been done to make the enterprise more environmentally friendly. Quantify the resources “saved”.
- Plan new developments to have the lowest possible ecological impact, particularly in environmentally sensitive areas such as the coastal zone, indigenous forests, wildlife habitats and wetlands. Minimise the transformation of the environment around the enterprise.
- Reduce “food miles” by using locally produced food.
- When developing plans for a new enterprise include elements which contribute to the maintenance of biodiversity by planting local indigenous and non-invasive species which provide habitats for birds, bees, and butterflies.
- Enterprises should assist conservation by investing in sustainable trails, hides and interpretation. Tell visitors what the enterprise is doing, and claim credit for activities. Encourage the use of environmentally friendly transport. Encourage visitor behaviour that respects natural heritage and has a low impact upon it.
- Discourage the purchase of products that exploit wildlife unsustainably or contribute to the destruction of species or habitats (e.g. some handicrafts; bush meat)
- Invest a percentage of profits or turnover in species conservation or habitat restoration and management.
- Work with conservation authorities to ensure that visitors to natural heritage areas are aware of the impacts that they may have on the ecology of the area and how they should behave in order to minimise those impacts. Look for ways in which the enterprise and its guests can assist with the conservation of natural heritage, for example through removing litter.
• Ensure that relevant members of staff are familiar with the issues and ways of avoiding environmental impacts. They should abide by the advice and communicate it to guests. Use the services of companies that abide by local environmental Best Practice.

• Do not market tourism resources to encourage tourists into ecologically sensitive areas which are vulnerable to irresponsible tourism practices, particular sports or recreational uses.
Annex 6: Guidelines for developing EMPs

Having identified the potential impacts of the relevant sub-component, the next step of the EA process involves the identification and development of measures aimed at eliminating, offsetting and/or reducing impacts to levels that are environmentally acceptable during implementation and operation of the project (EMP). EMPs provide an essential link between the impacts predicted and mitigation measures specified within the EA and implementation and operation activities. World Bank guidelines state that detailed EMP’s are essential elements for Category A projects, but for many Category B projects, a simple EMP alone will suffice. While there are no standard formats for EMPs, it is recognized that the format needs to fit the circumstances in which the EMP is being developed and the requirements, which it is, designed to meet. EMPs should be prepared after taking into account comments from the PAA and IDA as well as any clearance conditions. Annex C of OP 4.01 (see main report for annex C) of the World Bank safeguards outlines the important elements of the EMP and guides its preparation. Given below are the important elements that constitute an EMP.

a. Identification of impacts and description of mitigation measures

Firstly, Impacts arising out of the project activities need to be clearly identified. Secondly, feasible and cost effective measures to minimise impacts to acceptable levels should be specified with reference to each impact identified. Further, it should provide details on the conditions under which the mitigatory measure should be implemented (ex; routine or in the event of contingencies) The EMP also should distinguish between type of solution proposed (structural & non structural) and the phase in which it should become operable (design, construction and/or operational).

b. Enhancement plans

Positive impacts or opportunities arising out of the project need to be identified during the EA process. Some of these opportunities can be further developed to draw environmental and social benefits to the local area. The EMP should identify such opportunities and develop a plan to systematically harness any such benefit.

c. Monitoring programme

In order to ensure that the proposed mitigatory measures have the intended results and complies with national standards and donor requirements, an environmental performance monitoring programme should be included in the EMP. The monitoring programme should give details of the following;

- Monitoring indicators to be measured for evaluating the performance of each mitigatory measure (for example national standards, engineering structures, extent of area replanted, etc).
- Monitoring mechanisms and methodologies
- Monitoring frequency
- Monitoring locations

d. Institutional arrangements

Institutions/parties responsible for implementing mitigatory measures and for monitoring their performance should be clearly identified. Where necessary, mechanisms for institutional co-ordination should be identified as often monitoring tends to involve more than one institution.

e. Implementing schedules
Timing, frequency and duration of mitigation measures with links to overall implementation schedule of the project should be specified.

*f. Reporting procedures*

Feedback mechanisms to inform the relevant parties on the progress and effectiveness of the mitigatory measures and monitoring itself should be specified. Guidelines on the type of information wanted and the presentation of feedback information should also be highlighted.

*g. Cost estimates and sources of funds*

Implementation of mitigatory measures mentioned in the EMP will involve an initial investment cost as well as recurrent costs. The EMP should include costs estimates for each measure and also identify sources of funding.

*h. Contract clauses*

This is an important section of the EMP that would ensure recommendations carried in the EMP will be translated into action on the ground. Contract documents will need to be incorporated with clauses directly linked to the implementation of mitigatory measures. Mechanisms such as linking the payment schedules to implementation of the said clauses could be explored and implemented, as appropriate.

Consultation with affected people and NGOs in preparing the MP will be an integral part of all Category A projects and is recommended for Category B projects.
Annex 7 – Key considerations in the local tourism master planning process

- A review of the current physical and environmental regulations, and assess the institutional capacity and needs required to implement the laws, in order to maintain the resource base efficiently and effectively.
- A review of the environmental regulations and management systems in place or needed to be developed for local authorities, local communities, etc to protect the asset base and ensure a transparent application of all regulations and standards.
- A land-use land-use plan for will be drawn up with zoning regulations to protect sensitive coastal areas, to limit densities and to design acceptable circulation flows.
- Identify prime sites for tourism accommodation and services investments that are still available and will survey land ownership titles for such sites in close cooperation with local authorities. Propose measures to stop unsightly, partial constructions for speculative purposes on potential tourism sites.
- The current and future requirements, based on potential tourism growth will be estimated for transport, water, energy, waste management and telecommunications in potential clusters.
- The assessment will recommend measures to ensure the incorporation of local villages, and particularly selected villages, in the tourism product as a means to extend the benefits of tourism more directly to local communities.
- The assessment will identify all community investments (mainly infrastructure) required to enhance community cohesion and strengthen the resource management.
- The assessment will also propose measures to extend the tourism activities such as by expanding the potential of niche markets like deep-sea fishing and organizing special activities and festivals, as well as targeting new markets, whether international, regional or domestic.
- The assessment will suggest potential target markets for specific areas.
- The assessment will also examine other institutional arrangements that may be required for the tourism management and promotion, such as improved coordination between the Local Government and the Tourism Authority.
- A set of criteria consistent with sustainable tourism will be developed for the screening of potential investors.
Annex 8 – Terms of Reference

Terms of Reference for the Environmental and Social Management Framework for the Sri Lanka Sustainable Tourism Development Project

1. Introduction

Sri Lanka’s Tourism industry has been operating at sub-optimal levels since 1983. From a tourist arrivals base of 407,000 in 1982, at its best it was able to achieve arrival levels of 566,000 in 2004, in the aftermath of signing of cease fire agreement in 2002. Currently, the industry supports over a million people’s livelihoods, with over 90% private sector owned and managed accommodation and other operational facilities, most of it small and the medium sized enterprises. Foreign exchange earnings from tourism in 2007, was reported at US$ 380 million, the fourth position in the country’s forex earning index.

A new tourism law was recently passed making tourism, the only sector in the recent past, to undertake an institutional reform process, modeled as a public-private sector partnership, which can well serve as a model for other sectors of the economy as well. These reforms have come amidst difficult socio-political circumstances and are intended to place the tourism industry on a sustainable development path.

The original tourism legislation in practice since 1966 was repealed and was substituted by a new Act of Parliament, which came into effect in October 2007. The highlight of the reforms was the introduction of private sector participation in the decision making process in tourism. This has allowed the private sector to begin to introduce modern corporate management practices into the system, while fully participating in the decision making process of the industry. Within the new re-engineered structure, 4 Boards of Management were constituted.

- Sri Lanka Tourism Development Authority (SLTDA): To undertake overall supervision, manage the Tourism Fund and undertake all development, quality enhancement and regulatory work
- Sri Lanka Tourism Promotion Bureau (SLTPB): Tasked with marketing and promotion of the destination
- Institute of Travel and tourism; Tasked with industry human resources development, training and professional development functions (SLITHM)
- Sri Lanka Conventions Bureau (SLCB); Tasked with developing and managing the meeting, incentive, conference and Exhibitions (MICE) sector

The boards of management of the above bodies consist of a combination of private and public sector members representing the key tourism industry associations. Over and above, there is a Tourism Advisory Committee, consisting of eminent persons drawn from both Private and Public sectors, to advise the Minister of Tourism, scope of which may be further expanded to serve as the ‘Think Tank’ for the sector.

In addition, the Minister with the approval of the Cabinet of Ministers has instituted the office of a tourism ombudsman titled “Commissioner for Tourism Administration” to ensure easy resolution of conflicts and issues within the sector. The Tourism Commissioner is appointed by the President of Sri Lanka on the recommendation of the Chief Justice. A special Tourist Police Division has also been
established under the Ministry of Tourism to serve as an island-wide network of tourism police operations on the theme ‘Prevent, Protect and Delight’.

2. **Problem Recognition**

The objective of the stakeholders is to set Sri Lanka’s tourism sector on a sustainable development path, which is capable of generating a higher level of value added. This will be achieved by filling the infrastructure gaps in existing tourism areas that result in a depletion of the resource base and tourism assets. The tourism sector should shift from an unplanned to a more planned development, taking environment, cultural and community aspects more into consideration. Given that tourism is a devolved subject between the provincial governments and the centre of governance, an appropriate model for power sharing at the strategic and operational levels needs to be defined as well.

Environment, cultural heritage and community will form the basis of an indigenous tourism product which will provide Sri Lanka with a unique positioning in the market place. The proposed project will adopt a catalytic and a cluster based approach. The catalytic approach aims to develop show case solutions that other government and private providers can replicate. The cluster approach entails applying all project components in an identified market segment or location. The infrastructure related component aims to develop Public Private Partnership arrangements operations wherever feasible. It proposes to provide direct investment in off site infrastructure aimed at leveraging private investment in new locations such as the East Coast areas, Kalpitiya and Dedduwa. The project also proposes to use a matching grant instrument to support and encourage product development, community involvement, product innovation and outsourcing within the tourism supply chain. These grants will be competitively applied and enable a high quality supply response to a successful marketing and promotion strategy and improved institutional framework.

3. **Brief Project description**

3.1 **Project Development Objectives**: In order to aid the tourism sector to implement some of the recent reforms the World Bank has agreed with the Government of Sri Lanka to support with a sector-wide project of US $ 20 million. Given below is an overview of the project design.

3.2 **Project components**

- **Component 1**: The objective of this component is to improve the regulatory framework and the efficiency of public institutions interfacing with investors and consumers in the tourism sector both at the centre and the provincial levels. The business environment will be further streamlined, performance of key institutions at regional and central levels improved, etc. As a result the institutional framework will be operational and able to compete with leading destinations (in Asia and the Caribbean). The activities may include: a) Enhancing or where needed setting up strategic and operational level institutions including capacity building of the industry associations b) create an effective Info-communications network to ensure equalizing of opportunities for business, especially for the Small and Medium sector and c) undertake the incorporation of all tourism enterprises within a defined organizational framework to ensure delivery of consistent quality of services to customers.

- **Component 2**: Key tourism infrastructure sites such as The East Coast, Kalpitiya and Dedduwa: the objective is to ensure that key infrastructure bottlenecks are fast tracked to enable a supply
response to increasing demand for Sri Lanka’s tourism’s products. The project will not be able to finance all infrastructure bottlenecks but proposes to select sub projects on a competitive basis, that are consistent with sustainable tourism, protect resources, have a large demonstration effect for communities and local councils etc. The project intends to develop at least one sub project in solid waste management, waste water management and treatment, cultural and heritage conservation, etc.

- **Component 3:** The objective of component three is to increase the value of Sri Lanka’s tourism products, within the strategic framework of seeking a high yield tourism activity base, that would conserve and enhance the natural, social and cultural resource base and create a unique positioning for the destination. This will be achieved by providing matching grants to enterprises and communities for better market positioning, improving and enabling the development of new sustainable products, etc. This component is expected to provide the industry the capability to set in place a new product and service capability to meet the new demands of the target markets and market segments enhancing the competitiveness of the destination.

4. **Environmental and Social Management Framework (ESMF)**

The exact location and detailed nature of specific investments/sub-projects are not yet defined. Hence, in preparation of the proposed project the implementing agency needs to develop an Environmental and Social Safeguards Management Framework. The main purpose of the ESMF is to identify potential environmental and social impacts early in the project cycle and to provide broad guidelines outlining measures, processes, institutional arrangements, procedures tools and instruments that need to be adopted by the project and integrated into project implementation to mitigate any adverse environmental or social impacts.

Consistent with existing national legislation, the objective of the Framework is to help ensure that activities under the proposed project will:

(i) Protect human health;
(ii) Prevent or compensate any loss of livelihood;
(iii) Prevent environmental degradation as a result of either individual subprojects or their cumulative effects;
(iv) Enhance positive environmental and social outcomes; and,
(v) Ensure compliance with World Bank safeguard policies.

The ESMF will serve as a template document, identifying potential risks and based on which specific social and environmental impact assessments will be conducted for specific project components or sub-components later in the project cycle as well as for social audits, monitoring and evaluation.

This TOR is for the preparation of the aforementioned Environmental Assessment and Management Framework.

5. **Scope of work**

The consultants are expected to carry out the following tasks, as a minimum requirement.

i. Provide a general overview of the key social and environmental issues facing the tourist industry of the country with specific reference to potential areas/sites to be supported under the proposed project (desk review + consultations);
ii. Discuss in detail potential social and environmental impacts, their nature and magnitude, in relation to the range of specific project activities that are likely to be funded under each component of the proposed project.

iii. Discuss the relevance of World Bank’s social and environmental safeguard policies in relation to the proposed project and explain the categorization of the project on the basis of the scale and magnitude of potential social and environmental impacts discussed in (ii) above.

iv. Provide an overview of the legal, regulatory and institutional framework for environmental management (the EIA process and other regulatory tools) in Sri Lanka and its application to the proposed project;

v. Provide an overview of the legal, regulatory and institutional framework for land acquisition (SIA and Resettlement Action Plan) in Sri Lanka, its application to the proposed project and its compliance with WB Operational Policy no. 4.12 on Involuntary Resettlement.

vi. Describe an overall environmental management strategy for the proposed project activities. This should include:

   o Level of environmental analysis required by each project activity that is likely to cause environmental impacts.
   o Environmental assessment criteria and management instruments to be adopted by the project for screening, mitigating and monitoring identified issues. For example, specify the need for suitable environmental assessment and management instruments for different activities such as (i) Strategic Environmental Assessment, (ii) Environmental Impact Assessment, (iii) Environmental Management Plans (iv) Environmental Checklists and (v) Environmental Codes of Practice etc. It is expected that basic ground work for these instruments should be laid in the ESMF such as TORs for SEA/EIA, guidelines for Environmental Management Plans and Compliance monitoring Plans, details of checklists and codes of practices.

vii. Describe an overall social management strategy for the proposed project activities. This should include:

   o Identification and nature of social analysis required for each project activity likely to produce social impact with special attention to issues relating to land acquisition, social equity (ethnic and gender), cultural identities of indigenous population, community absorptive capacity and social capital, restoration of IDP property rights, as well as local conflict potentials/risks.
   o Social assessment criteria and management instruments to be adopted by the project for screening, mitigating and monitoring identified issues. It is expected that basic ground work for these instruments should be laid in the ESMF such as TORs for SIA, guidelines for Social management Plans and compliance monitoring plans.
viii. Identify institutional arrangements for implementation of the social and environmental management strategy, at all levels, which should particularly focus on mainstreaming social and environmental management into the operations of these institutions at different levels;

ix. Identify the existing institutional capacity constraints as well as training needs for effective implementation of the social and environmental management strategy;

x. Describe arrangements for stakeholder consultations and information dissemination in preparation and implementation of social and environmental management system described above in iv and v; and

xi. Estimate the budgetary requirement for the implementation of the social and environmental management strategy.

6. **Expertise Required**

01 Environmental Specialist with at least a Master’s Degree in Environmental Science and with at least 5-8 years of experience in conducting environmental assessments.

01 Social Specialist with at least a Master’s Degree in Social Science and with at least 5-8 years of experience in conducting social assessments.

01 Team Assistants with a minimum qualification of a university bachelor’s degree to assist Environmental Specialist in collection of information.

7. **Consultancy period**

The total period of the study will be 1 month

Environmental Specialist – 1 man month
Social Specialist – 1 man month
Team Assistant – 2 weeks

8. **Inputs to be provided by the client**

It is expected that the Client which is the Ministry of Tourism and its agencies will provide all ready and available information as requested by the consultant. Further, the Client will provide all necessary and reasonable support to the consultant to collect secondary data, such as issuing authorisation letters. The Clients will designate an officer to act as the main liaison officer and participate as possible in the study. (The client may designate/depute a team of professionals to work within the consultants’ team for long-term capacity building within the client’s organisation.)

9. **Source of World Banks Safeguard Policies**

Social Department, Involuntary Resettlement Sourcebook and Social Analysis Sourcebook. (Refer to www.worldbank.org).

10. Deliverable

- Draft Environmental and Social Assessment and Management Framework meeting the requirements of the scope of work outlined above within 1.5 months of commencement of the study.
- Final Environmental and Social Assessment and Management Framework within 2 weeks of receiving comments from the client.