



Establishing an Environment Conservation Levy Sri Lanka's experience

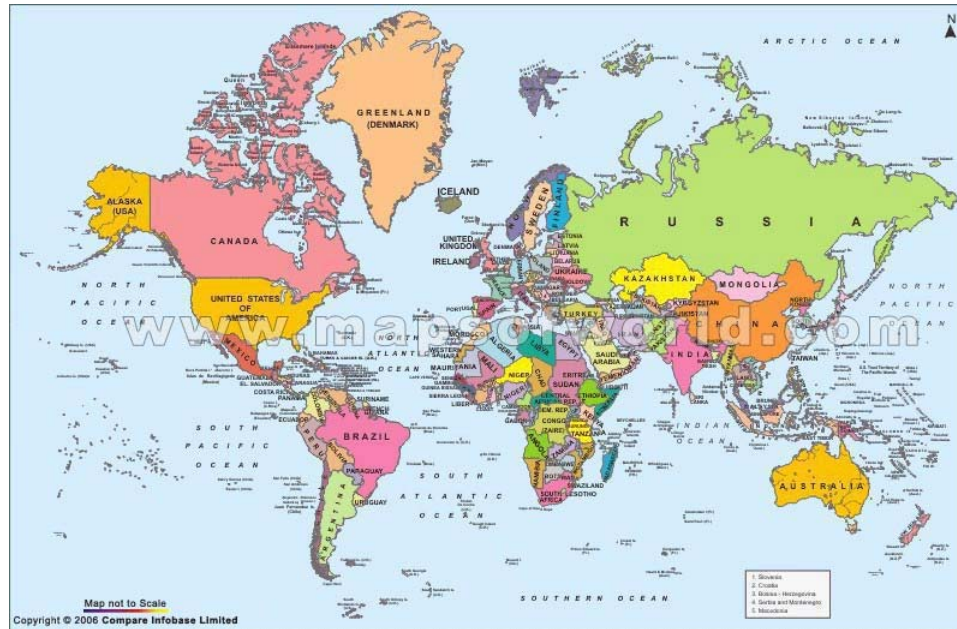
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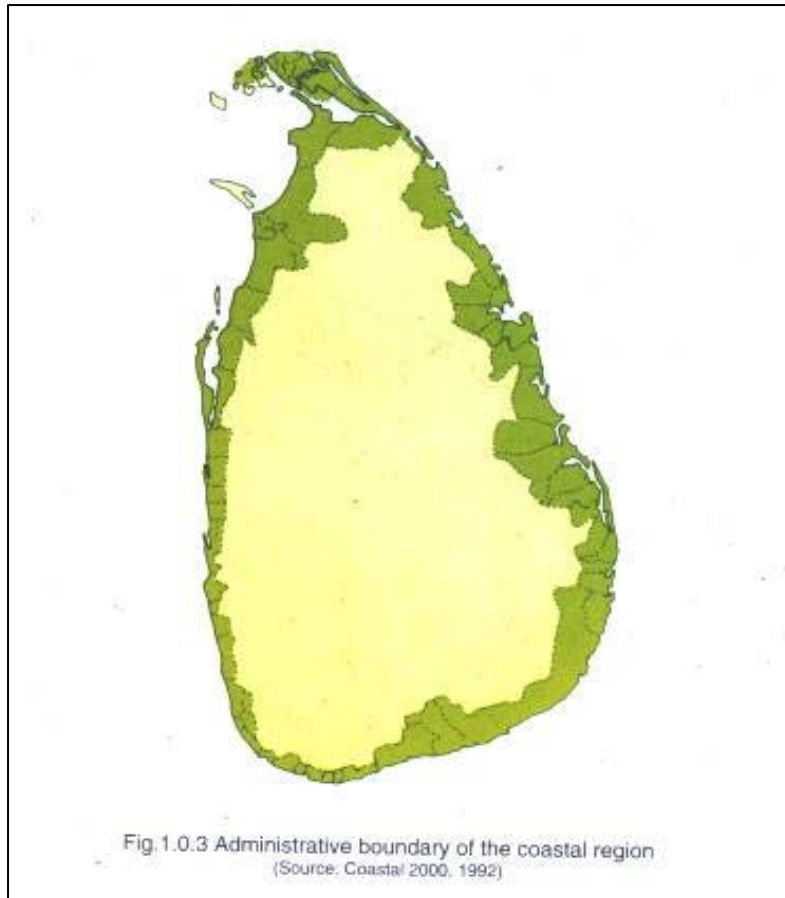
Establishing an Environment Conservation Levy Outline

- Sri Lanka: Introduction
- Environmental Management in Sri Lanka
- Environment Conservation Levy

Sri Lanka - An island located in the Indian Ocean (65,610 Sq Km)



Coastal Zone

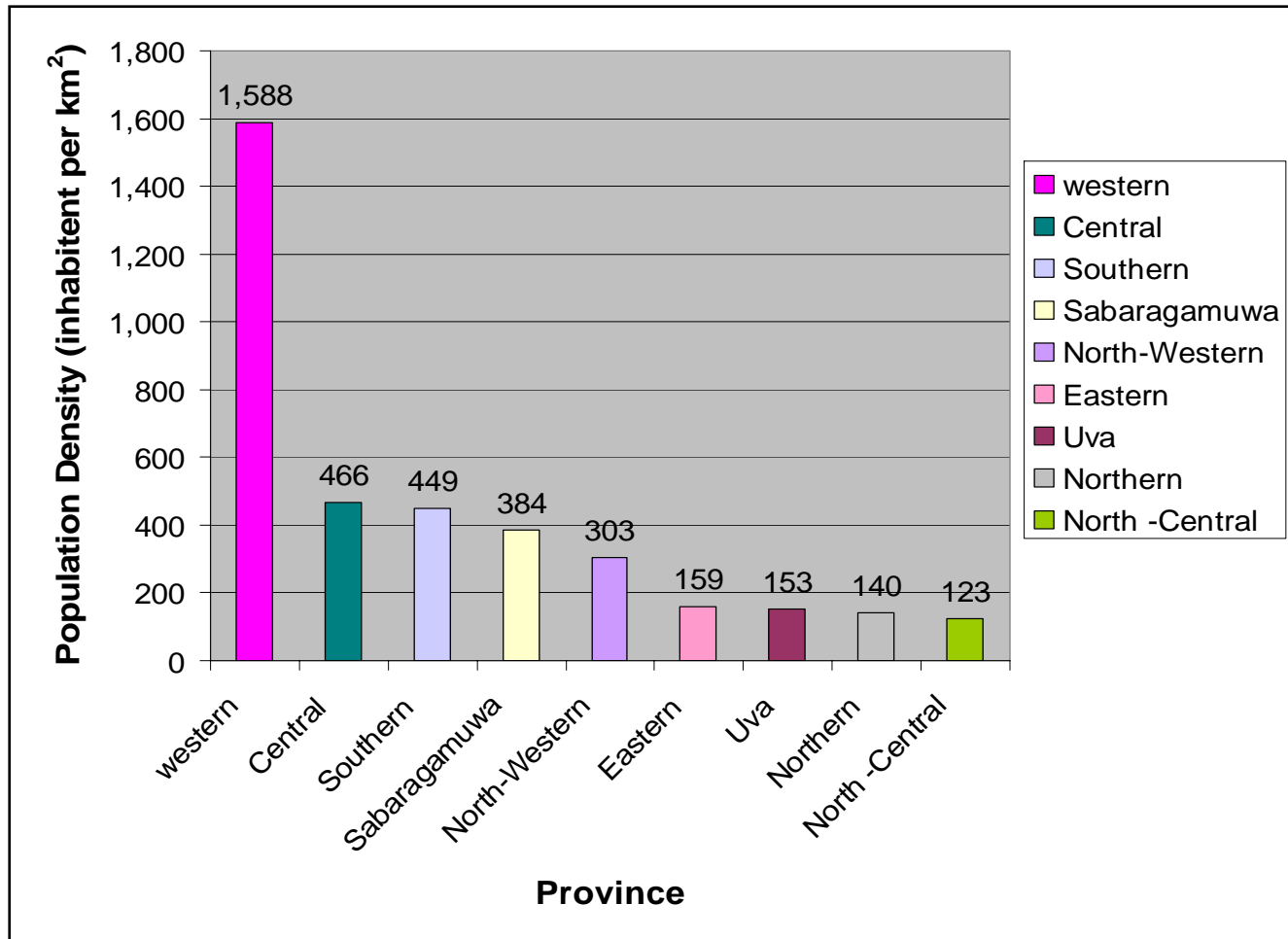


Administrative boundary of the coastal region

- A long coastline of approx. 1620 km
(Including the shoreline of bays and inlets, but excluding lagoons)
- 24% of land
- 32% of population
- 80% of tourism practice
- Commercial ports and fishery harbors
- Richest areas of biodiversity (coral reef, lagoons, mangroves, etc..)

Population

(Source: Department of Census and Statistics)



2008

20,217
million

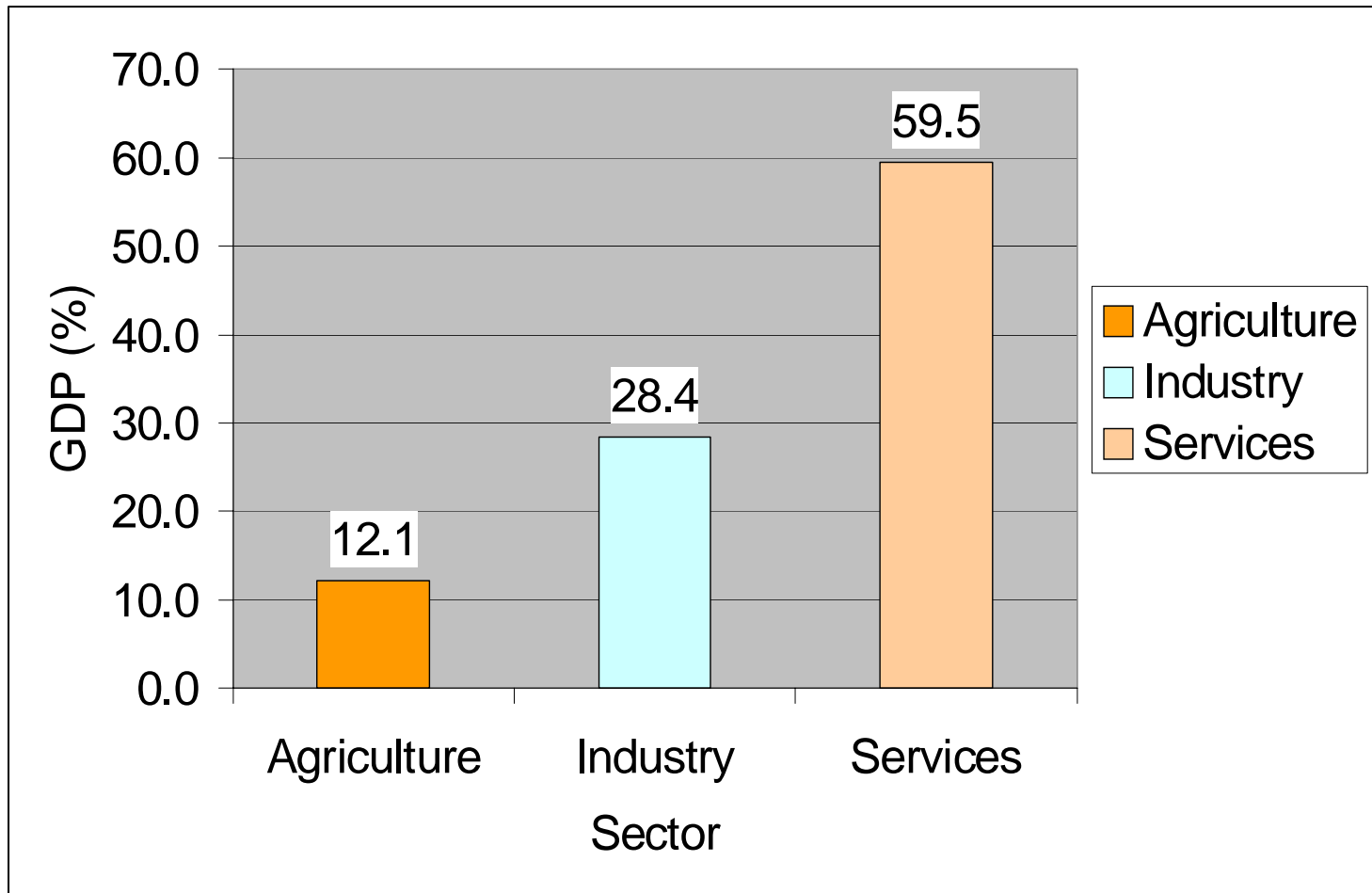
P.G. 1%

Average

322/km²

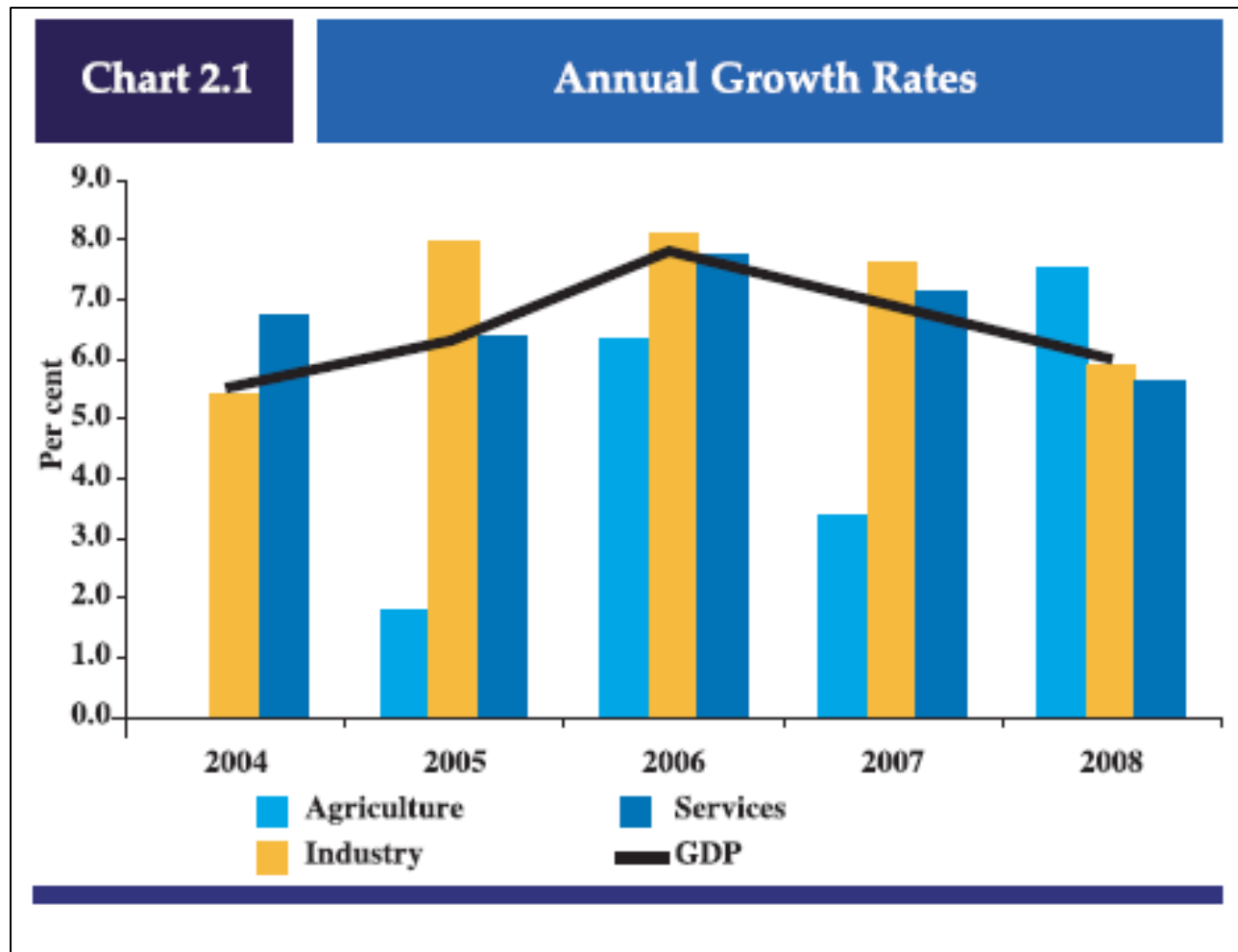
(Source: Department of Census and Statistics)

GDP CONTRIBUTION BY SECTOR



Source: Central Bank Annual Report of Sri Lanka (2008)

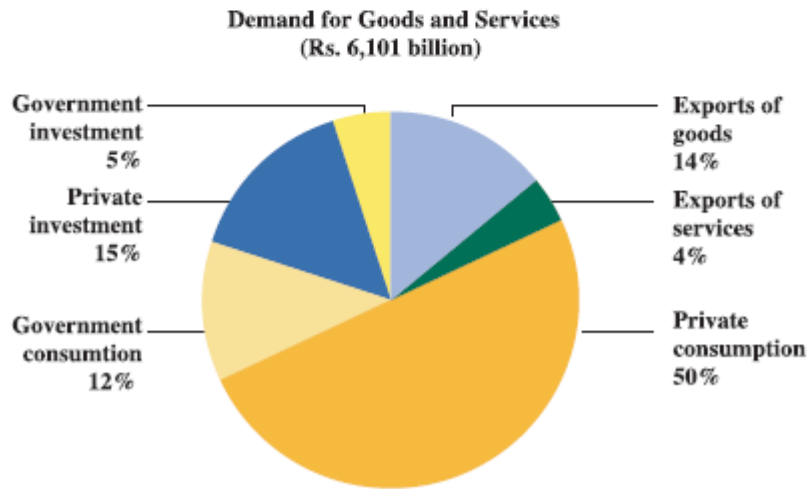
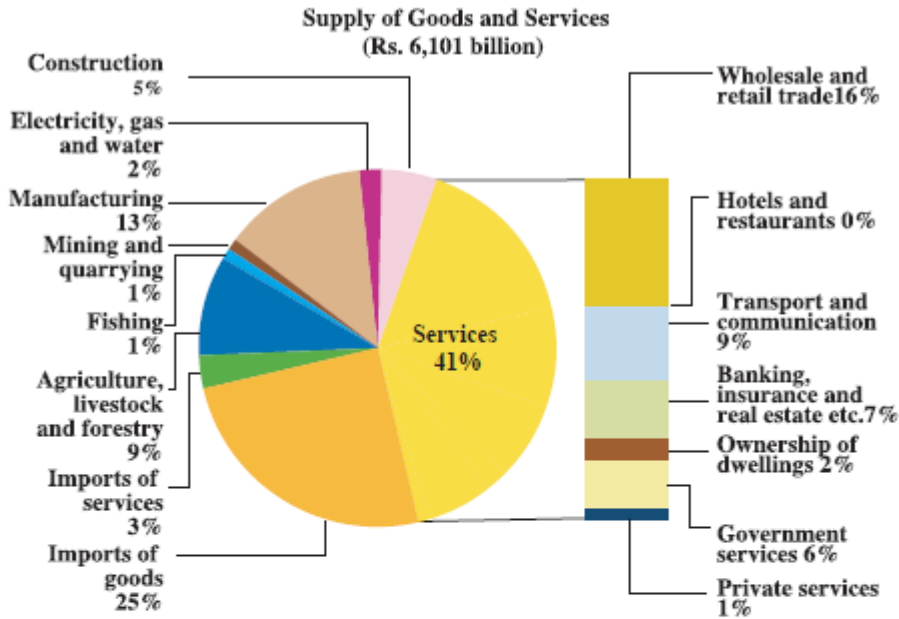
Annual Growth Rates



Source: Central Bank Annual Report of Sri Lanka (2008)

Chart 2.5

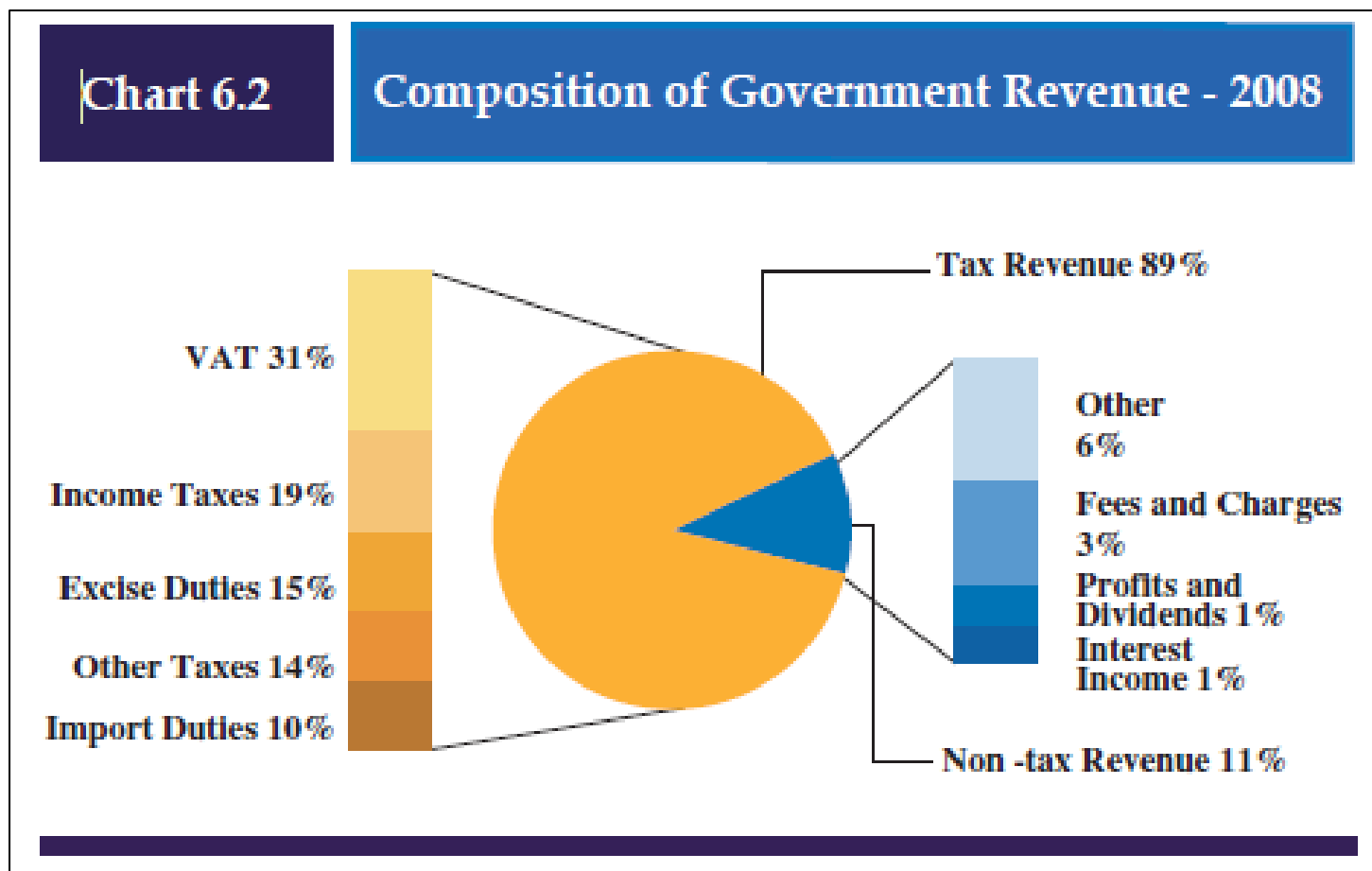
The Economy in 2008 (at current prices)



The Economy in 2008

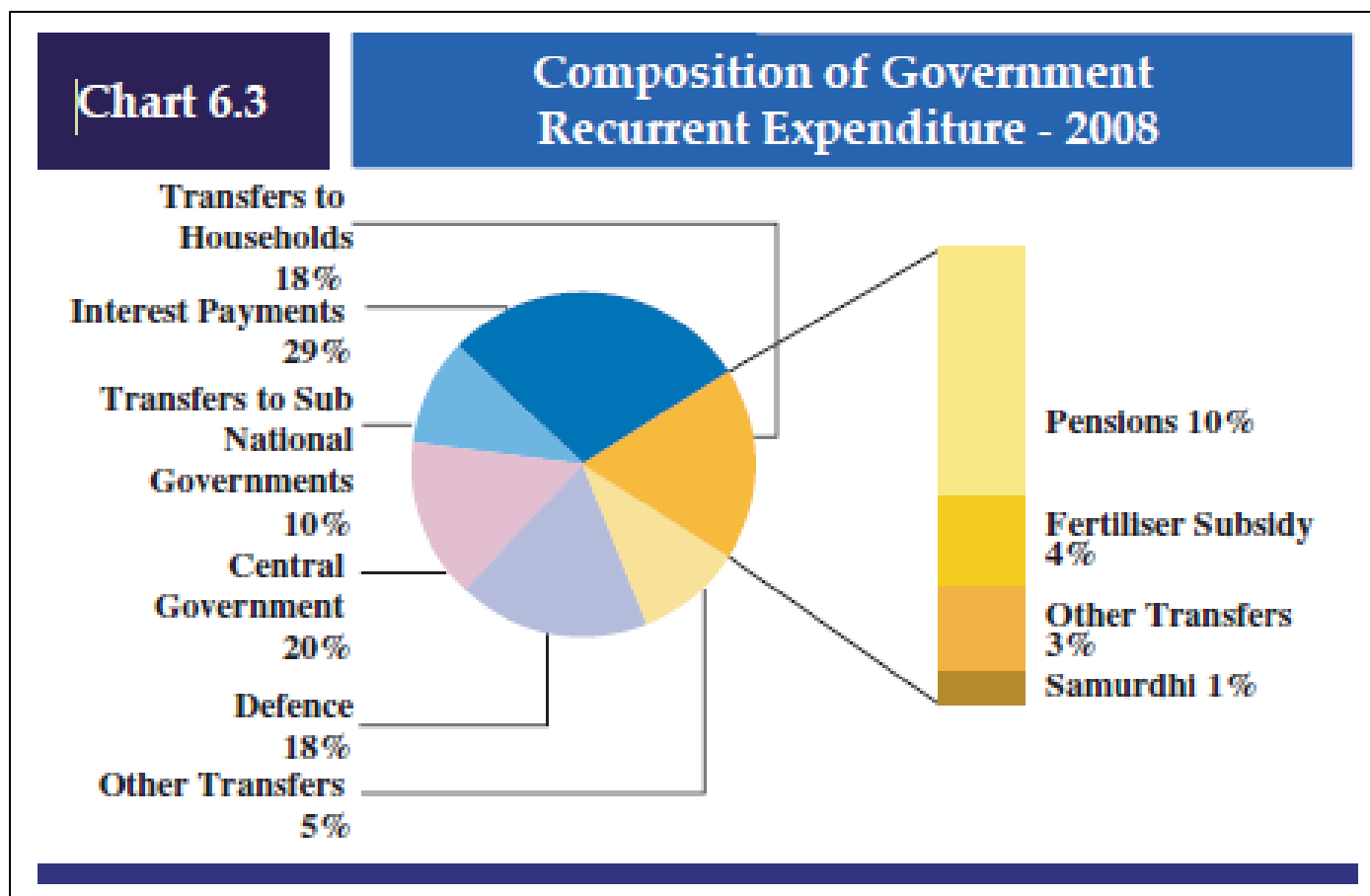
Source: Central Bank Annual Report of Sri Lanka (2008)

Composition of Government Revenue



Source: Central Bank Annual Report of Sri Lanka (2008)

Composition of Government Recurrent Expenditure -2008



Source: Central Bank Annual Report of Sri Lanka (2008)



HUMAN DEVELOPMENT INDEX (2006)

High Human Development	.897
Medium Human development	.698
Low Human development	.436

South Asia	.611
Sri Lanka	.743



Sri Lanka – economic background

- Sri Lanka's economic performance in 2008
 - **GDP per capita US\$ 2,014**
 - **Growth rate 6.0%**
 - **Inflation 22.6%**
 - **Life expectancy, Men- 68.2 yrs. Women - 75.8 yrs.**
- Government Fiscal Operations - 2008
 - **Budget deficit (– 7.7% of GDP) or Rs 340.9 billion**

Environmental Management in Sri Lanka



Provisions of the Constitution

The state shall protect, preserve and improve the environment for the benefits of the country

Environmental Management in Sri Lanka



Provisions of the Constitution

"It is the duty of every person in Sri Lanka to protect nature and conserve its riches"



Environmental Management in Sri Lanka

Parliamentary Environmental
Consultative Committee

The aim of the National Environmental Policy



Ensure sound
environmental
management
within a
framework of
sustainable
development in
Sri Lanka



Ministry of Environment and Natural Resources

Vision

A healthy and pleasant environment sustaining nature for the well being of the people and the economy

Mission

Provide 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



Environmental Management – - Legal Instrument

- National Environmental Act. No 47 of 1980 and related amendments (CEA)
- North Western Provincial Environmental Statute No.12 of 1990

Main tools

- EIA- 1993
- EPL- 1991



Environment Conservation Levy

Background

- Sri Lanka's National Programme of Action for the protection of the Marine Environment From Land –Based Activities
- Development of Market Based Instruments for Environmental Management in Sri Lanka

(Both funded by UNEP/GPA)



The current status and use of MBIs in Sri Lanka

- **Energy sector**
 - ✓ Petroleum products
 - ✓ Electricity
- **Transport sector**
- **Water sector**
 - ✓ Potable water
 - ✓ Sanitation and sewerage
 - ✓ Irrigation
- **Solid waste sector**
- **Agriculture and lands sector**
- **Fisheries and coastal management sector**
- **Tourism sector**



Recommended MBIs by the Study

Sectors Covered

- Energy Sector
- Transport Sector
- Water Sector
- Solid Waste Sector
- Agriculture and Lands Sector
- Fishery and Coastal Management Sector
- Tourism Sector



Establishment of the Environment Conservation Levy

Supporting International Policies

- Earth Summit - 1992
- World Summit - 2002
- Polluter pays Principle



Establishment of the Environment Conservation Levy

- Environmental Conservation Levy Act, No.26 of 2008
(Passed by Parliament on 6th June 2008)
- Provisions:
For the imposition of an Environmental Conservation Levy on specified items and specified services that are likely to have a harmful impact on the environment.



Objectives of the ECL Act No.26 of 2008

Minimization of Environmental Pollution

through

- Developing proper hazardous waste management systems
- Discouraging environmentally unfriendly products
- Promoting of environmental friendly products
- Encouraging pollution control programmes
- Promoting research activities.



Objectives of the ECL Act No.26 of 2008

Expansion of the contribution for Environmental Conservation

through

- Providing grants and incentives for acceptable projects.
- Launching public awareness programmes on Sustainable Development.
- Mobilizing partnerships with public in Environmental Conservation.
- Promoting efficient/sustainable utilization of natural resources



Objectives of the ECL Act No.26 of 2008

Raising a Local Adaptation Fund to adapt Sri Lanka to adverse impacts of Global Warming.



The Environment Conservation Levy

Provisions

- To Impose Environmental Conservation Levies on
 - Specified items owned by a consumer,
 - Specified items imported into or manufactured in Sri Lanka
 - Specified services provided within Sri Lanka

which are likely to have a harmful impact on the Environment.

All Levies collected are to be remitted to the
“Environmental Conservation Levy Account”
of the Consolidated Fund



The Environment Conservation Levy

Implementation

- The Ministry of Finance

Decision Making

(On items and services and the quantum of the levy)

- Determine by the Minister of finance in consultation with the Minister of Environment
- Publish in the government gazette as an Order made under the Environment Conservation Levy Act.



The Environment Conservation Levy

Conditions

- Order comes into effect on the date specified in the Order
- Every Order made under the provisions of the Act has to be approved by a resolution of parliament as soon as convenient after it is published
- When presented to parliament, if it fails to receive approval, it is deemed to be rescinded with effect from that date, without prejudice to anything done previously

The Environment Conservation Levy

Current Status

Items considered Initially

- Motor cars and motor cycles (to be paid by the owners annually)
- Non-CFL electric bulbs of over 40 watts (to be paid by the importer or local manufacturer)
- Services supplied by cellular phone operators (to be paid each month by the user of the phone)
- Users of television transmission towers, broadcasting towers and telephone transmitting towers (to be paid by the users of the towers)





The challenge

Public Protest

A petition lodged with the Supreme Court by two members of the public (constitute an infringement of their fundamental rights guaranteed under the Constitution of Sri Lanka)



The challenge

Public Protest

- The Constitution of Sri Lanka makes provision (under Article 126 read with Article 17) for a person to apply to the Supreme Court in respect of the infringement or imminent infringement by executive or administrative action of a fundamental right to which such person is entitled under the Constitution.



The challenge

- Supreme Court order to rescind the levies relating to motor vehicles, non-CFL electric bulbs and transmission towers

The Good News

- Allow to continue in respect of cellular phones.



The challenge

The Good News

- Provisions to the imposition of further levies would be considered by the executive in consultation with the respective parties



Addressing the challenge

Requirement

- Implementation of the Order relating to the Conservation Levy on cellular phones needed the resolution of the parliament.

Outcome

- The Order presented to Parliament for approval on 5th March 2009 and approved



Fund disbursement – Current status

E waste Management

- Establishment of a waste mobile phone collection network with the participation of private sector (Dialog Telekom)
Launched – 19th July 2009
- Development of a strategy - next year



Way forward

Amendment to NEA on implementation of ECL Act

Establishment of EC Council

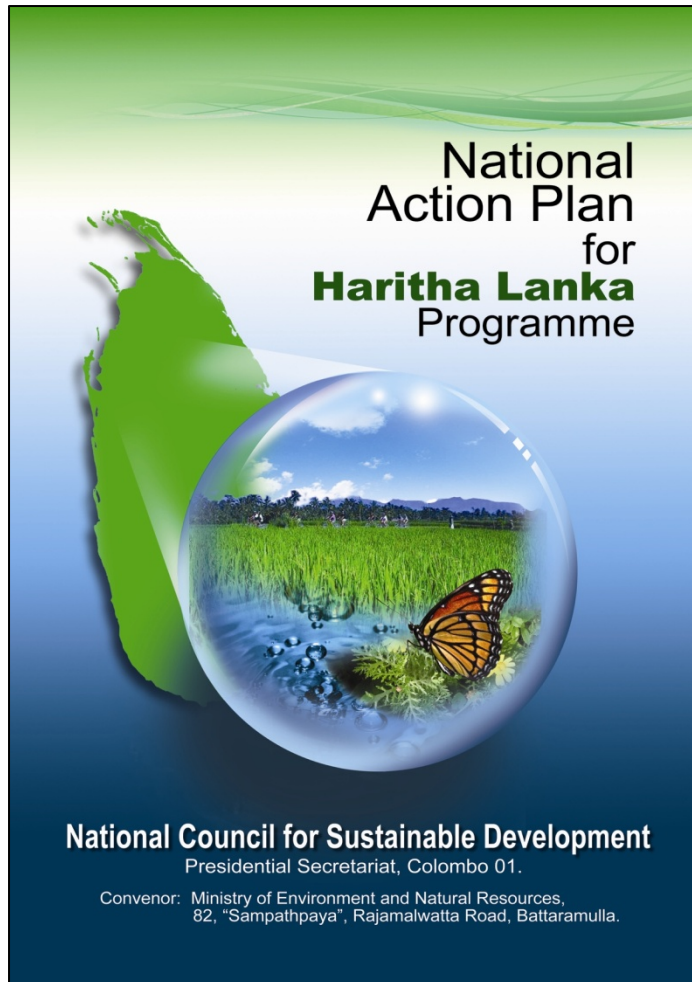
Objectives:

- Receive project proposals
- Evaluation for funding
- Advice on the specified items and specified services and the rates
- Advise the CEA on the utilization of the funds

Way forward – Supporting elements



Way forward – Supporting elements Moving to a green economy





Thank you!