

**End Review of UNIDO National Cleaner Production Centre, Sri Lanka**  
**Comments from UNIDO project manager Petra Schwager on Draft Report**

**Introduction**

The draft review report prepared by the team Tore Laugerud (team leader), Winasa Leelasena and Manikku Leelaratne, assesses the impacts of the outputs and outcome of the project activities, and the sustainability of the NCPC in Sri Lanka. The present responds to the main findings of this review and aims at providing additional evidence on points raised in the report.

**Summary and general comments**

The report gives interesting comments and recommendations which are of relevance for the future planning of the Centre that is entering into a new phase. The ending of donor funding support is always a challenge for NCPCs and preparing the Centre in Sri Lanka for its sustainability has been and continues to be a high priority of UNIDO. Despite the specific political circumstances which were not fully considered by the Review Team, the Centre managed to obtain its own legal status early this year and the national Board has taken ownership and is guiding the operations. The Centre is generating income from consultancy services (not all services are offered free of charge as stated in the report) and engages in new income generating projects. Exact budget figures and savings, however, were not revealed during the visit of the Review Team because the Centre's management perceived one of its national members as competitor.

An important part of the report focuses on project design and lack of clarity on the different steering documents. Impacts on industry which are critical and essential for the success of an NCPC and the sustainable application of Cleaner Production in the country are dealt with as rather secondary matters.

A complete list of documents reviewed is missing in the report and the origin of the figures stated in Appendix 1 is not given. This is critical especially when analyzing main services provided, e.g. the review report states 3 (table 3.9.) versus a total of 49 comprehensive audits outlined in the performance indicators of the Centre for the project period. This is not understandable and needs further clarification because it puts in question the findings of the report, especially in regard to project efficiency.

Gender issues are not reviewed and analyzed in detail by the Team - composed of male evaluators only - despite the fact that the Centre has included gender relevant data in its annual performance indicators, reports and the recruitment policy.

As already mentioned, the report does not consistently provide evidence on information sources, e.g. page 26, footnote 40: *Out of around 50 such UNIDO-UNEP CP centres around the world, only a handful are self-sustainable.* This statement is not in line with recent UNIDO/UNEP NCPC programme

evaluations and leads to the conclusion that the members from the Review Team express personal views.

The NCPC is being analyzed mainly from a business point of view putting it in line with other environmental consultancy companies. The advocacy role of the Centre, its advisory work for the government in creating an adequate framework for CP application and catalytic function in bringing forward new emerging CP related services are neglected to some extent or considered as non-relevant because no income was generated.

The economic and political situation in the country that has been affected for years by civil war and its effects on the project are only partially addressed in the report.

### **Project Design:**

According to the Review Team, *the log frame varies in different steering documents*. This point could have been clearly addressed with the project management in the course of the evaluation to avoid confusion and misunderstanding. As in other UNIDO projects, the log frame of the Project Document (PD) that was signed by the Norwegian donor and UNIDO was applied for project implementation. The "Administrative Agreement" that is being referred to by the Review Team only contains an "Agreed Project Summary" and NOT the project log frame.

The log frame outlined in the baseline study which was developed by a national expert team uses different formulations as the PD with similar content. Project management, thus, did not feel the need for amending the existing log frame of the PD and it continued to be the basis for project implementation and monitoring. During project implementation a set of performance indicators was applied and reviewed on annual basis (see attachment 1). These indicators are in line with the project overall target values that are included in the budget of the PD.

The Review Team should consider revisiting the report taking the above into consideration.

### **Project Achievements and Performance**

#### Awareness raising:

Awareness raising and information dissemination are fundamental for generating demand for CP services and support from different stakeholders which are both still very low in Sri Lanka. The Centre's management therefore decided to continue placing an important focus on these activities in Phase II and reach out to different target groups not only industry.

When calculating the efficiency of these activities, it appears that the total participants of the three national CP Awards (1200), the 2<sup>nd</sup> Sri Lanka Roundtable on Sustainable Consumption and Production (not listed in Appendix 6 of the report) and the APRSCP which all brought together 1600 representatives from industry, government and other target groups, are not considered. It is recommended to review this and recalculate the efficiency for this service.

## Training

The PD contains a Staff Capacity Development Plan. This was used as basis for supporting staff training which was given high attention by the director of the Centre and staff members received special trainings on CP focus areas (Life cycle assessment and eco design, ISO 14001, ISO 50001, ISO22001, Chemical Leasing, sound chemicals management, energy efficiency, carbon foot print, water footprint) expected to generate new business. In addition, staff members were encouraged to take-up university studies and many finalized additional studies. The Centre's training record and an overview of the staff planning defining the assignments of each staff member are available for review.

## CP audits

In accordance with the annual performance indicators, the total number of comprehensive audits amounts to 49 - excluding the ones of the on-going year 2013 - while the report states only 3 comprehensive audits. The Review Team should provide evidence for this statement which is simply not understandable and gives a wrong perception of the Centre's work, its efficiency and impact on industry.

The Review Team does not consider CP audits undertaken as part of CP auditors training. These CP audits are carried out under the guidance of an experienced CP trainer and quality control is provided by the Centre. The project manager does not see any reason why these audits should be considered separate from others.

## Policy Advice:

CP policies are in place for two sectors tourism and agriculture and the plantation sector policy which involves four different ministries is under development.

## **Project Administration and Management and Human Resource Planning and Management**

Reporting has been done in accordance with the project document and the performance indicators. The Project Summary of the Administrative Agreement (Norway-UNIDO) has not been applied for technical reporting because it is simply not sufficiently detailed and specific.

## **Sustainability Issues**

The report offers interesting recommendations on the Centre's sustainability which will be taken up in addition to the already on-going efforts. The comment of the Review Team that *"late preparation for transforming is the most significant shortcoming"* is not shared by the project manager.

- UNIDO has developed a number of training and background documents on how to foster NCP's sustainability (e.g. Primer for Good Organization, Management and Governance Practices) and the Centre in Sri Lanka is well familiar with these. In the PD sustainability matters are addressed under its risk assessment and in annex 1, furthermore the Centre's business plan 2008-2012 was developed to guide the Centre's operations and is currently being up-dated and enlarged.

- The need for approving and obtaining an independent legal status (considered by UNIDO to be fundamental for the sustainability of a Centre) was addressed at each Board Meeting and to the Government (Ministry of Industry) and during each mission of the UNIDO project manager but constantly postponed by the Ministry. Despite these difficulties and thanks to changes in the Ministry the legal status was finally obtained in spring this year and a national Board established.
- The statement that all services were given for free is not correct. Savings from income generated and deposited in the Centre's sustainability funds. Income projections from services and projects in 2014 are approx. USD 140,000. Below stated figures should be treated confidentially.

#### **Funds Availability for 2014**

##### **Deposits**

- Savings from Consultancy work in 2013 (gross) - 69,000\$
- (including waste water treatment/ recycling and renewable energy project)
- Deposit from selling of old vehicles - 27,000\$

##### **Income planned for 2014**

- Training (gross) - 15,000 \$
- (Including waste water treatment/ recycling, energy efficiency, EIA and renewable energy project)
- Consultancy work(gross) - 70,000 \$
- Contract from UNDP on Kelani River - 30,000 \$
- Contract from Ministry of Environment/SEA - 22,000 \$

Note from the NCPC director: The unconfirmed funding sources are not included in this statement. Even the expected funds from work to be carried out for EU proposal on Policy Support for SCP is not included in the income plan for 2014.

It goes without saying that the lack of donor funds will affect the Centre's operations and a detailed business and management plan is being develop to define the areas of operations which best can support sustainable operations of the Centre. In addition, UNIDO will continue working with the Centre on project development, e.g. a EU funded Switch Asia grant of Euro Mio 2 which unfortunately was canceled at last minute; a project on SMART chemicals management was recently approved for funding under the SAICM Quick Start Programme and a chemicals leasing project is on its way.

#### **Gender**

Throughout the project period, the NCPC has given specific attention to gender balance in staff recruitment and training and reported on gender issues in all its annual reports. At present, an in-depth gender analysis is being finalized to see how to better address and include gender considerations in the Centre's work, taking into consideration that there are a limited number of female entrepreneurs in the country.

The recommendation that the *Centre should be careful with pushing the gender balance too far because female staff are sometimes reluctant to stay outside of Colombo overnight for work purpose (evidence for this statement?)* is rather difficult to understand and would entail replacing female by male staff?! A recommendation for specific training, coaching and mentoring of female staff would have been more appropriate if such a matter arose!

The statement also seems to be rather the perception of the Review Team and does not respond to the experience of the project manager who carried out many field visits together with highly professional female staff that did not show any kind of reluctance to work outside Colombo and stay overnight.