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International Coastal Resources Management Project

The University of Rhode Island

Funding provided by the Office of Forestry, Environment and Natural Resources,
Bureau of Science and Technology, U.S. Agency for International Development

The four major goals of the AID/URI Coastal Resources Management Project (CRMP) are: 1) to apply, as appropriate, existing experience in coastal resources management to developing countries; 2) to assist three developing nations in the design and implementation of integrated coastal resources management programs; 3) to advance the state-of-the-art of coastal resources management in developing countries; and 4) to build URI's capability to assist developing nations with coastal resources management.

The CRMP will work with the cooperating pilot countries to:

- develop procedures for the assessment of the impacts of coastal development proposals
- develop institutional and technical solutions for resource use conflicts
- support research to better understand the issues that affect the condition and use of coastal ecosystems
- improve the capabilities of in-country professional staff to plan for and manage coastal development

The countries selected for pilot projects are Ecuador, Sri Lanka and, tentatively, Thailand.

The AID/URI Coastal Resources Management Project is funded by the Office of Forestry, Environment and Natural Resources, Bureau of Science and Technology, U.S. Agency for International Development through a Cooperative Agreement with the International Center for Marine Resource Development, at The University of Rhode Island.

For information on the project, contact:

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Cooperative Agreement LAC-5518-A-00-5054-00

SRI LANKA PILOT PROJECT
MEMORANDUM OF UNDERSTANDING
January 1, 1986 - May 16, 1990

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FINAL

MEMORANDUM OF UNDERSTANDING

COASTAL RESOURCES MANAGEMENT PROJECT

BETWEEN

THE GOVERNMENT OF SRI LANKA
acting through the
Coast Conservation Department of the
Ministry of Fisheries

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA
acting through the
Agency for International Development (AID)
in Cooperation with
The University of Rhode Island (URI)

COLOMBO, SRI LANKA
1 November 1985

ARTICLE 1

Memorandum of Understanding

The purpose of this Memorandum of Understanding (MOU) is to set forth the understanding between AID's Office of Forestry, Environment, and Natural Resources (AID/S&T/FENR), the University of Rhode Island (URI), and the Sri Lanka Coast Conservation Department (CCD) with respect to the goals, objectives, execution, financing and management of the Sri Lanka Coastal Resources Management Project. This project is funded through a Cooperative Agreement between AID/S&T/FENR and URI.

ARTICLE 2

The Coastal Resources Management Project

2.1 Project Purpose

The purpose of the Sri Lanka Coastal Resources Management Project (CRMP) is to provide assistance to the CCD of the Government of Sri Lanka (GSL) for the development and the implementation of an integrated coastal resources management program. Assistance will be provided through institutional development, cooperative research, technical assistance, education and training.

2.2 Project Objectives

1. Assist in preparing a Coastal Zone Management (CZM) Plan consistent with the Coast Conservation Department's legislative mandate.

2. Assist in developing techniques to efficiently implement the CZM Plan.
3. Enhance local expertise in planning for and managing coastal resources for sustainable use.
4. Increase awareness among the Sri Lankan population for the values of, and need to manage coastal resources.
5. Assist the CCD with expanding the scope and detail of their management efforts.

2.3 General Project Activities

The CZM Project shall undertake five types of activities to achieve the above stated objectives.

1. Institutional Strengthening and Development activities which may include facilitating networking among agencies, studies of existing and potential governance arrangements for developing and implementing coastal programs, analyses of policy-making processes and national or regional planning.
2. Research to investigate coastal resource issues of major importance. The role of such research will be to provide otherwise unavailable information necessary for the formulation of sound management strategies. Research tasks will be defined by the existing and evolving issues upon which the management program focuses. A key role for the investigators participating in this project will be the interpretation of invariably imperfect information for management strategies.
3. Short-term Technical Assistance by experts in coastal resources management and relevant natural and social sciences. Expert assistance will focus on policy and technical issues, and the

evaluations that are needed to develop the coastal resources management program.

4. Training for Sri Lankan nationals that will play a key role in continuing the process of coastal resources research, planning, and management after AID-URI assistance ends.
5. Regional Outreach Activities will include establishing communications networks and personnel exchanges among CRM institutions in other nations. The project will participate in and/or support workshops, seminars and conferences to document and explain the lessons learned through the Sri Lanka CRM program and to stimulate the development of CRM activities in other countries.

2.4 Specific Activities

The continued development and implementation of Sri Lanka's Coastal Resources Management Program will be accomplished incrementally through a variety of tasks and processes. The project will be executed over a 5 year period commencing in November 1985 and ending in October 1990. Because Coastal Management Programs are dynamic and continue to evolve, detailed work task descriptions, schedules and budgets will be developed in annual work programs (See Section 5.1). The enhancement of counterpart institutions and intersectoral working groups will be a key objective in the design of all work tasks.

1. Year 1 Priorities

The CRMP's immediate priority is to assist the Sri Lanka CCD in the preparation by October 1986 of the Coastal Zone Management Plan as required by the Sri Lanka Coast Conservation Act of 1981. The October 1986 Plan is envisioned as a first generation document that will be expanded and revised as the CCD gains experience in the implementation of a comprehensive coastal resources

management program. In addition to meeting the statutory requirements, the Plan will establish the framework for further planning, research, and technical assistance provided by this AID Project and other donors.

The CCD has adopted an issue oriented approach to planning that is initially targeted on (1) erosion; (2) management of critical habitats; (3) protection of historical, cultural and religious sites; (4) protection of visual and physical access to the shore; and (5) geographic areas with multiple use conflicts. To date, the emphasis of inventory, planning and policy formulation has been focused on the erosion issue. Coastal Resources Management and Planning Principles have been drafted, and substantial progress has been made on all the inventories called for in Section 11 of the 1981 Act.

2. Year 2-5 Priorities

The Sri Lanka pilot will enter Year Two while the first generation Coastal Plan is being reviewed by the Sri Lanka Coast Conservation Advisory Board. This is the first step in the Plan's formal adoption process. Assistance provided by the CRM project in Years Two to Four will be guided by: (a) the general project objectives listed in Article 2.2; (b) the priorities for plan modification and expansion that will be set out in the last chapter of the October '86 plan; and (c) the results of annual assessments of the progress made during the preceding year (see Section 5.1). Anticipated priorities in Years Two through Four of the Sri Lanka CRMP include:

- a. Research: It is anticipated that a major focus for research will be the identification and evaluation of critical habitats (including mangroves, coastal

wetlands, coral reefs and coastal lagoons) and the development of policies for conservation and sustainable patterns of use. This is a crucially important element for coastal management in Sri Lanka and the topic that has of yet received the least attention.

Two research priorities have been identified to date. The need for research in the lagoons and the incorporation of its results in regional management plans is urgent. Here complex management issues are posed by conflicting uses and heavy development pressures, and there is wide disagreement on both management objectives and the causes of existing problems. The AID CRM Project could provide assistance in scoping the studies required to better understand the management issues and prepare such plans. Appropriate Sri Lankan personnel from universities and government agencies could carry out the bulk of the required field work.

Another important aspect of coastal management in Sri Lanka is the complex socio-economic problems posed by the extraction of sand, coral and seashells by artisanal communities that service the construction business. The CCD is committed to developing a program for absorbing the manpower displaced by regulations that limit these activities. Similar issues are posed by the need to relocate people living in highly hazardous areas. These problems will not be readily solved and will require careful assessments of the financial costs of the Coastal Management Program and the social implications of various management strategies. The AID Project shall assist the CCD with

these difficult issues by providing assistance from anthropologists and/or resource economists and/or other relevant disciplines.

- b. Short-term technical assistance: Assistance will be defined in the October' 86 Plan. The policy of the AID CRM Project is to use qualified Sri Lankan/local personnel whenever possible.
- c. Training and Education: The importance of training and education project will increase in Years Two to Five of the Sri Lanka pilot. Specific training needs will be identified during Year One of the project and are anticipated to include short courses in-country and out-of-country study tours for governmental agency staff involved in the program. Public education projects are anticipated.
- d. Outreach: Lessons learned through the development of the Sri Lanka CRM Program may be of value to other countries embarking on their own coastal management programs. Outreach efforts will continue throughout the pilot through publication and distribution of materials on the Sri Lanka program and attendance of CCD personnel at appropriate regional forums.

In the light of the country's long experience in various aspects of coastal resources management, a specific product funded under this activity will be a documented history of Sri Lanka's program through the development of the first Coastal Zone Management Plan. The document will be primarily oriented towards USAID Mission personnel and developing country coastal resources managers.

- e. Institutional Development: Preparation of "White Papers" on the implications of major new uses of Sri Lanka coast appear to be useful and are appropriate activity for the Coastal Program. The papers will focus attention on a particular issue concern and serve as models for programmatic review major new coastal activities. Potential topics white papers include prawn aquaculture, sand mining and storm hazards and the identification of appropriate mechanisms for protecting shoreline access historic/cultural and religious sites.

The CCD has been issuing permits for activities in coastal zone as they develop their program. Prior areas for institutional development in the scope this activity may include :

- techniques to improve the efficiency of their processing systems
- enforcement and monitoring procedures including evaluation of the use of the Grama Sevaka system (village officials)
- permit tracking systems including the evaluation a computerized system
- the development of a CRM handbook for 10 officials.

ARTICLE 3

Budget

3.1 University of Rhode Island Financial Resources

The anticipated budget for the Sri Lanka Pilot is projected at \$448,000 for a five-year period. Anticipated annual allocations have been estimated by AID/S&T/FENR to be as follows :

Year 1:	\$102,000
Year 2:	118,000
Year 3:	92,000
Year 4:	110,000
Year 5:	<u>26,000</u>
	\$448,000

Actual funding allocations will be based on the availability of funds provided to URI for the purpose of this Understanding and the mutual agreement of the Parties. Specific line item allocations of the budget will be determined in the annual work plans.

3.2 Government of Sri Lanka

The Government of Sri Lanka agrees to provide for the project an in-kind contribution of not less than the Dollar equivalent of 5 million Rupees over the five years of the project. Anticipated annual allocations have been estimated by GSL to be as follows :

Year 1:	Rs. 1,000,000
Year 2:	Rs. 1,000,000
Year 3:	Rs. 1,000,000
Year 4:	Rs. 1,000,000
Year 5:	Rs. 1,000,000

Specific line item allocations of the budget will be determined in the Annual Work Plans.

3.3 Relation to AID Bilateral Programs

The AID mission in Sri Lanka strongly supports the CCD's coastal management activities. Although no bilateral activities are planned at this time, a number of recent Mission activities complement the AID/S&T/FENR sponsored CRM pilot program. Under the Development Services and Training Project, the following related activities have been funded :

1. \$65,000 was provided in 1982-84 to contract with James Dobbin Associates to assist CCD in evaluating their existing data base and to provide assistance in framing the steps needed to develop and implement their Coastal Management Plan.
2. \$150,000 has been provided to assist the GSL Central Environmental Authority for the development and implementation of National Environmental Assessment Policy and Procedures.

3.4 Other Donor Programs

There are currently two other major programmes assisting the CCD and Coastal Resources Management in Sri Lanka. DANIDA has given the CCD a grant of \$150,000 to prepare a coastal protection Master Plan, and funding for plan implementation in a sum of approximately \$7,000,000 for the period 1986-88 is under negotiation. UNDP has committed \$150,000 over the next three years for expert assistance in sand nourishment schemes. Because of these existing programs the URI CRMP will not focus priority attention on shoreline erosion and protection activities.

ARTICLE 4

Roles and Responsibilities of the Parties

4.1 Project Management

The overall responsibility for the project rests with the URI CRM Project Director at The University of Rhode Island who must approve all work plans and expenditures. These work plans and budgets will be prepared by URI in cooperation with the GSL, USAID/Colombo, and AID/S&T/FENR. A full-time in-country Project Administrator will be hired in Sri Lanka with funds provided by URI. This person will be responsible for the day-to-day operation of the project. He/she will be responsible for all logistical and administrative support for the pilot program including book-keeping, grant administration and reporting, and logistical arrangements for short-term U.S. consultants. He/she will communicate regularly with USAID/Colombo Project Liaison Officer.

4.2 University of Rhode Island Responsibility and Authority

The University of Rhode Island (URI), acting through the International Center for Marine Resource Development and the Coastal Resources Center, holds overall responsibility for the Sri Lanka CRM project. It is the responsibility of URI to:

1. prepare, in consultation with the GSL, USAID/Colombo and AID/S&T/FENR, the annual work programs and budgets
2. approve all expenditures of project funds as defined in sub-contracts and amendments to the Memorandum

Understanding and annual work programs;

3. identify the U.S. personnel selected to carry out work tasks, notify the GSL and AID of their selection, negotiate their contracts and oversee their work;
4. fund an in-country Project Administrator to be based in Sri Lanka CCD to coordinate and supervise project activities in Sri Lanka;
5. provide for proper accounting procedures for all project funds;
6. coordinate CRM Project activities with the GSL, AID/S&T/FENR and USAID/SL.

4.3 Roles and Responsibilities of the Sri Lankan Government

The cooperating Sri Lanka institution for this MOU is the Coast Conservation Department within the Sri Lanka Ministry of Fisheries. All work associated with this project will be coordinated through the Director of the CCD. He shall provide counterpart staff support, logistical support services, and secretarial support for in-country project work.

The CCD's responsibility is to :

1. Approve all personnel contracted to work in Sri Lanka.
2. Approve annual work plans and budgets.
3. Administer the work tasks specified in annual work programs that will be carried out in Sri Lanka.

4. Provide for accounting procedures for all funds provided to the GSL and sub-contractors by this project that will, in a timely manner, meet all University of Rhode Island and AID requirements.
5. Provide support services including travel arrangements and secretarial support to in-country short-term advisors.
6. Assist in monitoring/evaluation functions.

4.4 Roles and Responsibilities of USAID/Colombo

While USAID/Colombo does not expect to contribute resources directly to the CRMP, the Mission will be responsible for:

1. Providing in-country liaison.
2. Providing technical inputs to the annual work plan process.
3. Providing in-country monitoring and oversight of work tasks.
4. Administratively approving disbursement of funds as defined in the Terms of Reference for sub-contracts.

4.5 Roles and Responsibilities of AID S&T/FENR

AID S&T/FENR, as the primary source of grant funds in support of the Coastal Resources Management Project and co-signatory, together with URI, to the Cooperative Agreement governing the Project's management is responsible for :

1. Reviewing and approving:
 - all personnel contracted to work in Sri Lanka;
 - annual work plans and budgets;
 - sub-contracts entered into under the Project;
 - any amendments to the MOU;
 - all international travel related to the Project;
 - the awarding of research grants, training support funds, and the timing, location and content of outreach activities.
2. Coordinating with appropriate Regional Bureaus in AID/FENR on the above.
3. Producing annual funding for the Cooperative Agreement (see Section 3.1).
4. Arranging for external evaluation at mid-point and end of the Project.

ARTICLE 5

Annual Work Plans

5.1 Procedure for Developing Work Plan and Budget

Each year the CRM Project Director, the Director of CCD, the in-country Project Administrator, the USAID/Colombo Liaison Officer, and the AID/S&T/FENR Project Manager will develop an annual work plan to guide the Project. Each work plan and budget will be developed in reference to

assessments of the progress made during the preceding year. The first review shall be undertaken immediately after completion of the October 1986 Plan.

A draft work plan and budget will be prepared which specifies:

1. participating agencies/institutions;
2. detailed work tasks; and
3. funding sources and disbursement procedures.

Approval of the annual work plan and budget will be from :

1. The Sri Lanka CCD of the Ministry of Fisheries;
2. AID/S&T/FENR;
3. USAID/Colombo; and
4. URI.

ARTICLE 6

The Management of Project Funds

6.1 University of Rhode Island Responsibility and Authority

URI will deposit funds in a separate account which will be used exclusively to receive, hold and disburse project funds. A similar account will be established in Sri Lanka.

Expenditures for locally available materials, labor, and travel in Sri Lanka will be paid from the Sri Lanka account. All disbursements must be approved by the Director of the CCD (or his designee), In-country Project Administrator and the USAID/Colombo Liaison Officer.

URI may disburse funds on behalf of the Coast Conservation Department if authorized by the CCD Director. These funds may be used to support counterpart trainees or personnel in the U.S. or other location, or for the purchase of U.S. research materials to be sent to Sri Lanka.

6.2 Responsibility and Authority of the Coast Conservation Department

CCD shall review, seek and obtain concurrence from URI and AID/S&T/FENR and approve all requests for changes in budgetary line items which exceed 15 percent of said line item(s) in annual budgets.

CCD shall obtain import permits for project equipment, materials, supplies and other items and bear the costs of handling, clearance, and transportation from the port of entry, for such equipment, materials, supplies and other items provided under the terms of this Understanding for the Project. CCD shall meet all tariffs, customs and import duties, and all taxes, charges, fees and any other levies imposed under the laws of Sri Lanka for such imports. These items will become the property of the GSL; in the cases where this is not possible the items should be returned to their destination.

Provide for accounting procedures for all funds provided to the GSL and sub-contractors by this project that will meet the mutual requirements of the Parties in a timely manner.

6.3 Responsibility and Authority of AID/Colombo

See 4.4.4.

6.4 Responsibility and Authority of AID/S&T/FENR

See 4.5.1 and 4.5.3.

6.5 Source, Origin and Nationality

1. It is hereby understood and agreed that AID's rules concerning the source and origin of commodities and commodity-related services, and the nationality of suppliers of commodities and services, as set forth in the Coastal Resources Management Project Cooperative Agreement between AID's Office of Forestry, Environment and Natural Resources and the University of Rhode Island as executed on May 15, 1985 or as hereinafter amended "the Cooperative Agreement", and as more fully set forth in AID Handbooks, including but not limited to Handbooks 1B and 15, shall govern the procurement of all AID-financed goods and services under this Agreement.
2. A copy of the above-described Cooperative Agreement and any additional applicable AID procurement rules as set forth in AID Handbooks are hereby provided to the Parties to this Agreement and receipt thereof is hereby acknowledged.

ARTICLE 7

Project Evaluation

The Parties agree to establish an evaluation program as part of the project. As an element of the preparation of annual work plans and budgets there will be an evaluation process comprising the following steps:

1. An evaluation of the progress made toward
 - attaining the objectives specified in the previous year's work plan;
 - attaining the project objectives as specified in section 2.2.
2. Identification and evaluation of problem areas or constraints which may inhibit attaining project objectives.
3. Assessment of how such problems might be overcome.
4. Evaluation, to the degree feasible, of the overall impact of the project.

In addition, AID/S&T/FENR will evaluate the project by conducting formative and summative evaluations at the mid-point and end of life phases of the project.

ARTICLE 8

End of Project Status

By 1990, AID participation in the Sri Lankan CRMP will have contributed to the following outcomes:

1. CCD will have developed a Coastal Zone Management Plan that meets the legal requirements of the CCA.

2. Research sponsored through this project will be applied to the coastal resource management planning and decision-making process.
3. Effective mechanisms for collaboration among agencies between agencies and NGOs will be developed and applied.
4. CCD will have acquired and applied new natural resource management skills.
5. There will be demonstrable improvements in the status of coastal resources which the CZM Plan was designed to address.
6. Natural resource planners in other countries and appropriate USAID Missions as well as the Sri Lankan public at large will have an increased awareness of the importance of coastal resources managed on a sustainable basis and the progress of the CCD in achieving that goal.

ARTICLE 9

Miscellaneous

9.1 Communications

Any notice, request, document, or other communication submitted by respective Parties under this Understanding will be in writing or telegram or cable, and will be deemed duly given or sent when delivered to the other Party at the following addresses :

To the Government of Sri Lanka

Coast Conservation Department
4th Floor
Maligawatte Secretariat
Colombo 10
Sri Lanka

To USAID/Colombo

USAID Mission
C/o American Embassy
Colombo
Sri Lanka

To URI

International Center for Marine Resource Development
The University of Rhode Island
Kingston, RI 02881 U.S.A.
Cable Address: RIMAR DEC Kingston, RI U.S.A.

To AID/S&T/FENR

USAID/S&T/FENR
Washington,DC 20523
Cable Address: AID/S&T/FENR

All communications will be in English. Other addresses may be substituted for the above upon the giving of notice.

9.2 Representatives

For all purposes relevant to this Understanding, the GSL will be

represented by the Director, Department of External Resources, AID Sri Lanka will be represented by the official holding or acting in the office of AID Mission Director, URI will be represented by the U.S. Project Director, and AID/S&T/FENR will be represented by the Office's Coastal Resources Management Project Manager, each of whom may, by written notice, designate additional representatives for all purposes.

9.3 Language of the MOU

This Understanding is executed in English.

9.4 Exemption from Taxes, Duties and Other Levies

1. All persons, except citizens or permanent residents of Sri Lanka, who are present in Sri Lanka for the purpose of providing services in connection with the execution of this Project, and members of their families, shall be exempt from all tariffs, customs and import duties, and all other identifiable taxes, charges, fees and/or other levies imposed under the laws of Sri Lanka including but not limited to income taxes, contributions to the employees provident fund, business turnover taxes, and other taxes and duties, including taxes of personal property and consumables. Such persons, and members of their families shall be permitted tax and duty-free importation of all property and consumables brought into Sri Lanka for their personal use, provided that all such property be used or consumed only by them and, if not consumed, be removed from Sri Lanka at or before the conclusion of their services in Sri Lanka in connection with the Project or other AID-financed activity, or be sold or otherwise disposed

of in Sri Lanka with the prior approval of the Ministry of Finance and Planning subject to assessment of such taxes and duties as are prescribed by the laws and regulations of Sri Lanka.

2A. Funds, materials, equipment, supplies and other items financed by AID and imported into Sri Lanka for the implementation of the purposes of this Project shall normally be exempt from all tariffs, customs and import duties and all taxes, charges, fees and other levies, currency deposit requirements and currency controls imposed under the laws of Sri Lanka, provided that the above-described equipment, materials, supplies or other items are transferred to the GSL as part of the Project, consumed in the work of the Project or removed from Sri Lanka either during or at the conclusion of the Project, or otherwise are sold in Sri Lanka with the prior approval of the Ministry of Finance and Planning.

2B To the extent that any tariffs, customs, import duties, taxes, charges or other levies are assessed by the GSL on materials, equipment, supplies and other items financed by AID and imported into Sri Lanka for the implementation of the Project, such assessments shall not be charged against or paid with AID funds but shall be paid by the GSL with funds other than those provided by AID under this Project or any other AID financed activity. Funds provided by the GSL to pay any such assessments shall be in addition to the GSL contribution to this Project as set forth in Section 3.2 of this MOU.

IN WITNESS WHEREOF, The Government of Sri Lanka and the Government of the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

SRI LANKA

UNITED STATES OF AMERICA

Akiel Mohamed

Akiel Mohamed
Director
External Resources Department

Frank Correl

Frank Correl
Director, USAID/Colombo

John D. Sullivan

Dr. John D. Sullivan, Director
Office of Forestry, Environment
and Natural Resources
Bureau for Science and Technology
AID/Washington

Stephen Olsen

Stephen Olsen, Director
International Coastal Resource
Management Project, University
of Rhode Island

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