

**Request for US\$345,000 of PDF Block B Funds for the  
Sri Lanka Biodiversity Strategy and Medicinal Plant Conservation Project**

Region	:	South Asia
Sector	:	Biodiversity
Recipient	:	The Government of Sri Lanka
Implementing Agency	:	Ministry of Transport, Environment and Women's Affairs
Project Costs	:	About US\$7 million
Financing Plan	:	GEF US\$5 million
		Gvt US\$1 million
		Co-financing US\$1 million (target)
Convention Ratification	:	March 23, 1994
Appraisal	:	March 1996

**Description of Project**

1. The project's overall objective would be to develop a strategic framework for the management and conservation of biodiversity in the country and to promote the conservation and sustainable use of medicinal plants and thereby help reduce pressures on the wild plant resources. To achieve this, it would: (a) implement priority studies needed to prepare the biodiversity action plan; (b) formulate a national biodiversity action plan; and (c) design and implement a program for monitoring, regulation and sustainable use of medicinal plant resources. Overall preparation of the project would be vested with the *Ministry of Transport, Environment and Women's Affairs (MTEWA)*, who will closely collaborate with the *Ministry of Cooperatives, Provincial Councils and Indigenous Medicine (MCPCIM)* in the preparation of the investment component for conservation and sustainable use of medicinal plants.

**Justification for GEF Funding**

2. Although small in size, the island of Sri Lanka is endowed with rich biological resources. It has more species per unit area than any other country in Asia and high levels of endemism. Around 30% of the flowering plants, 18% of the ferns and 16% of the terrestrial vertebrates are endemic to the country. This diversity has been used by human society for countless centuries and is coming under severe threat from increasing population pressure and economic development activities. In order to protect biodiversity, urgent action is needed to formulate a national strategy and action plan for conservation of biodiversity, and for integration of biodiversity activities into sectoral and cross-sectoral plans, programs and policies.

3. Over 500 plant species in Sri Lanka, many of which are endemic and endangered, are known to have medicinal properties and are used in a very ancient and widely accepted medical system known as Ayurveda, which is practised throughout South Asia as well. This traditional health system is particularly important to the rural communities and the poor, who depend on these plant species. Most of these plant species are under severe

threat due to unsustainable levels of harvest from the wild. The *MCPCIM* has initiated some programs for cataloguing, propagation and cultivation of medicinal plants. The GEF project would help further strengthen these efforts and promote the conservation management and sustainable use of medicinal plants.

#### **Government Conservation Strategies and Preparatory Actions**

4. In March 1994, the Government ratified the *Convention on Biological Diversity*. In addition, it has developed and approved a National Conservation Strategy (1986) and a National Environmental Action Plan (1991), and ratified the CITES and the *Ramsar Convention* on wetlands. In addition, the Government (*MTEWA*) has established an inter-ministerial coordinating committee on biological resources to advise and guide in the implementation of biodiversity activities. Under the auspices of this committee, a technical working group has been established to guide and support the preparation of the biodiversity action plan and the medicinal plant investment component.

5. Already a substantial amount of work has been done by *MTEWA* in the preparation of the terms of references (TORs) for the biodiversity action plan and investment component. This involved extensive in-country discussion and consensus building on the scope and content of the biodiversity strategy exercise, preparatory studies and the medicinal plant component. These preliminary activities were funded by the Government (\$15,000) and USAID (\$10,000 for workshops). It is now necessary to build on the initial work done and momentum generated, and pursue the implementation of priority studies and preparation of the action plan, which will provide the basis for local decision making on future and impending investments in biodiversity conservation.

#### **Summary of the proposed GEF-funded preparation work**

6. Activities costing a total of US\$456,000 will feed into the preparation of the project, of which GEF is requested to contribute US\$345,000 of PDF Block B funds. The preparation plan is summarized in the attached table. The *MTEWA*, which is the lead agency for coordinating environmental programs in the country, would manage the preparation of the total project. Its team will be composed of international and local consultants and support staff. The technical working group established under the auspices of the Inter-ministerial coordinating committee for biodiversity would guide and oversee the preparation of the supportive studies, action plan and investment component. The GEF preparation budget would cover costs for specialists, workshops and seminars, data analysis and limited equipment.

7. The GEF would finance local and international consultants to carry out the following three groups of project activities: (A) *Implementation of Priority Studies in Biodiversity Conservation* for preparation of the action plan. This includes the: (i) review and recommendations for improving institutional, legal and policy actions for conservation and sustainable use of biological diversity; (ii) review of current state of knowledge and recommendations for improving information on biological resources; (iii) development of

criteria for valuation of biodiversity and its incorporation into national planning and accounting; (iv) review and recommendations for local participation and knowledge dissemination; (v) review and recommendations for improving biodiversity education; *Formulation of a Biodiversity Action Plan*: (vi) review existing information, plans and programs on biological resources and biodiversity; (vii) review the current status of *in-situ* and *ex-situ* conservation programs; (viii) identify current pressures on biodiversity and future trends; (ix) identify priority actions for conservation of biodiversity; and (x) based on results of priority studies and other preparatory work, formulate a national strategy and action plan for the conservation of biodiversity, identifying institutional responsibilities and costs for its implementation; and (C) *Preparation of Medicinal Plant Component*: (xi) review and recommendations for collection and improving information systems on medicinal plants and their uses; (xii) development of criteria and identification of target species for ethnobotanical surveys and sustainable harvest trials; (xiii) review and recommendations for building local community practices and knowledge into medicinal plant conservation and use programs; and (xiv) design of a medicinal plant proposal maximizing conservation, community participation, regulation, monitoring and sustainable use. The total cost of the GEF-supported preparatory studies is US\$345,000. This will be complemented by a US\$111,000 program of co-financing studies and US\$449,000 of parallel studies to be financed by non-GEF sources, as summarized in paragraph 8 and 9.

#### **Preparation related activities financed by non-GEF sources**

8. A two-year, US\$198,000 grant program for biodiversity capacity building by *MTEWA* is to commence shortly. This program would provide training to strengthen local professional skills in technical, social and economic aspects related to biodiversity conservation across various government, non-government and private sector institutions. This program is financed by the *Institutional Development Fund* and will strongly complement the proposed program of work to be funded by GEF. A number of activities (estimated to cost around US\$49,000) under this program will directly feed into the preparation of the Action Plan. In particular, these include workshops and fora to dialogue and reach consensus on critical issues related to biodiversity conservation and sustainable use, such as: the role of buffer zones, impacts of national policies, communities roles in biodiversity conservation, etc. In addition, the government would support this effort to a value of around \$37,000 through provision of a *Project Coordinator* and office space. This will be in addition to the US\$15,000 spent on the preparation of the TORs.

9. A program of parallel studies supported by non-GEF sources would strongly complement the action plan exercise. This includes activities funded under the USAID *Natural Resources and Environment Policy Project* (US\$300,000) and the capacity building activities under the *Institutional Development Fund Program* (US\$149,000). The USAID program is providing support for strengthening the inter-ministerial coordinating committee on biodiversity; strengthening the *Wildlife Trust*; providing training in multi-disciplinary research design and management; and creating opportunities to demonstrate participatory biodiversity conservation operations.

**BUDGET (US\$)**

ITEM	GEP/PDF			IDF GRANT	GOVT. CONTRIBUTION	U.S. AID
	Preparatory Studies	Action Plan	Medicinal Plant Component			
Background studies and review of plans/programs.	12,000	40,000	15,000			
Monitoring & Information needs review.	15,000		15,000			
Legislation, policies & institutions.	6,000		10,000			
Valuation of biodiversity.						
Sustainable use & management.	6,000		15,000			
Participation & local knowledge.	6,000		15,000			
Environment Education Plan						
Formulation & Design (including workshops).		50,000	70,000			
Logistics & Support.	10,000	30,000	30,000	49,000	37,000	
Biodiversity Dialogue & Discussion Fora.						10,000
Preparation of TOR's.						10,000
<b>TOTAL US\$</b>	<b>55,000</b>	<b>120,000</b>	<b>170,000</b>	<b>49,000</b>	<b>52,000</b>	<b>10,000</b>