

# REPORT

## Roundtable Discussion



### Round Table Discussion on "Enabling Transition Towards a Green Economy"

August 26, 2014  
SLIDA  
Colombo

26  
August  
2014

### Enabling transition towards a Green Economy

Coordinating Secretariat for Science  
Technology & Innovation



## **ORGANIZING TEAM**

**Prof. Ajith de Alwis, Project Director, COSTI**

**Dr Kumudini Gunasekare, Project Scientist**

**Mr Pathmakumara Jayasinghe, Deputy Project Manager**

**Mr Sanjaya Thilakaratne: Project Scientist**

**Mr K G P H Chandrasiri: Deputy Project Manager**

**Mr Buddhika Jayasekare: Project Scientist**

## **REPORT PREPARED BY**

Kumudini Guansekare, PhD

Project Scientist

Coordinating Secretariat for Science, Technology & Innovation

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## Background

The Coordinating Secretariat for Science, Technology & Innovation (COSTI), in operationalizing its coordination framework, has organized a roundtable on “Transition towards a green economy” which was held at SLIDA on 26<sup>th</sup> August 2014. It was attended by 48 participants representing public and private sector - policy makers, academia and practitioners.

Objectives of the roundtable was to open up a dialogue among key stakeholders with a sectoral integration: (1) to identify challenges and opportunities in making a paradigm shift towards a green economy, (2) creating awareness on opportunities present in green growth options for inclusive development and possible science, technology & innovation intervention and (3) to share success stories in green growth best practices highlighting the contribution of technological innovations for a smooth and fair transition.

The roundtable was graced by key personalities, Prof. Tissa Vitarana Hon. Senior Minister for Scientific Affairs and Dr B M S Batagoda, Deputy Secretary to the Treasury.

## ROUNDTABLE AGENDA

9.00 - 9.30	<b>Registration</b>
9.30 - 9.45	<b>Welcome address and Introduction</b> Prof. Ajith De Alwis Project Director, COSTI
9.45 - 10.00	<b>Address by Chief Guest</b> Prof Tissa Vitarana Hon. Minister (Senior) of Scientific Affairs
10.00 -10.20	<b>Transition to Green Economy: Challenges and Opportunities</b> Dr. B.M.S. Batagoda Deputy Secretary to the Treasury
10.20 - 10.40	<b>National Policies and Strategies related to Green Growth</b> Mr.Jahan Abdul Raheem, Assistant Director (Policy & Planning) Ministry of Environment and Renewable Energy
10.40 - 10.55	<b>Green Growth in Practice: Lessons from Country Experiences</b> Ms. Sangjung Ha Project Manager, Green Growth Best Practices, Global Green Growth Institute, Korea
10.55 - 11.15	<b>Natural Resource Accounting in Planning and Decision making</b> Dr. Prasanthi Gunawardena Senior Lecturer, University of Sri Jayawardenepura.
11.15 - 11.30	<b>Refreshments</b>
11.30 - 11.45	<b>Importance of STI interventions for transition to a green economy</b> Dr Lalithasiri Gunaruwan University of Colombo
11.45- 12.00	<b>Introduction to e-learning on low carbon green growth roadmap for Asia and the Pacific</b> Ms. Aneta Nikolova Environmental Affairs Officer, UNESCAP
12.00 - 1.30pm	<b>Initiating the dialogue with few transformational projects</b> Witnessing Sri Lankan green initiatives: <ul style="list-style-type: none"> <li>• World's first carbon neutral apparel manufacturing facility Mr Vidhura Ralapanawa, Manager, Sustainability &amp; Communications -MAS Intimates</li> <li>• Success story of Biofilm-Biofertiliser Mr Samuditha Kumarasinghe, Director Operations, Lanka Biofertilizers (Pvt) Ltd</li> <li>• Cement with low carbon footprint Mr Randeewa Malalasoorya, General Manager, Holcim- Geocycle</li> <li>• Green Energy for Livelihood Eng. <i>Parakrama Jayasinghe.</i>, President, Bio Energy Association</li> </ul>
1.30 - 1.45	<b>Way Forward &amp; Vote of Thanks</b> Prof Ajith De Alwis, Project Director, COSTI
1.50	<b>Lunch</b>

## PRESENTATION AT – A – GLANCE

The event commenced with the welcome address and introduction by Prof. Ajith de Alwis, Project Director, COSTI. He discussed the main architecture of green growth which consists of four key components, green energy, green products, green machines/process units and green manufacturing.

The presentation included achievements of the COSTI during the last one and half years and elaborate on the national STI coordinating and monitoring framework and the operational mechanism of Virtual Institute, which is the virtual platform to bring together likeminded individuals to discuss STI interventions and build transformational projects and programs of national relevance and to optimally mobilize resources in STI space. He stated that through virtual Institutes it is intended to establish partnerships by forming specific clusters that represent stakeholders from various sectors, disciplines – the private sector, academia, financial sector, researchers, experts in the community, and professionals to collaborate across various areas to share their expertise and knowledge to achieve a common goal. He also discussed “how science can convert into rupees” taking examples from Korean and USA Science and Technology initiatives.

Prof. Tissa Vitarana. Hon. Senior Minister for Scientific Affairs in his address elaborated the tremendous challenges present in coordinating and monitoring of STI activities in the country. He enlightened the participants regarding the role COSTI in sectoral collaborations in achieving common goals for the betterment of the country. He also made reference to the recently held Asia-Pacific Forum on Sustainable Development to highlight the importance of working towards achieving sustainable developmental goals. He drew the attention of the audience in holding hands together to work as a team to share and pool their resources and to vision the way forward in a coordinated manner in realizing STI intention to make an impact on greening the economy.

Dr B M S Batagoda, Deputy Secretary to the Treasury in his presentation discussed key challenges and opportunities in the pathway to green economy and highlighted that sustaining natural resources while promoting economic growth and quality of life is a challenging task. Thus, ecosystem valuation by function was underscored as important in recognizing the benefits it accrue in socio-economic and environmental sustainability. Accounting approaches in green economy that entails with natural resource asset accounts, pollutant and material flow account, environment protection and resource

management expenditure have been discussed focusing on calculating environmentally adjusted net domestic product (eaNDP). He emphasized the importance of developing a suitable framework for green accounting in Sri Lanka using the SEEA framework (System of Environmental – Economic Accounting).

Dr Gunaruwan, Senior Lecturer, University of Colombo focused his perspectives on the current economy. If the nation do not have a stake in the economy, then it is difficult to make a transition into a green economy. Thus he emphasized the importance of making the economy of our own first and greening it. In Sri Lanka more resources are imported from foreign countries and it is important to take initiatives to become less import dependent and to promote local products and services to make it our own economy. He also stated that the concept of sustainability is not outdated and it has ingrained in our traditional culture. He also discussed the growth killing effect of externalities. To minimize those externalities, we should have green economy policies making the growth process sustainable. He also elaborated taking examples of growth killing effects of externalities and showed the importance of curbing such ill effects to contribute to the net economic growth rather than just investing only on infrastructure developments.

Dr Prasanthi Gunawardena, Senior Lecturer, University of Sri Jayawardenapura in her presentation discussed the importance of natural resource accounting in planning and decision making and highlighted the decision making frameworks of natural resource accounting (NRA) in Sri Lanka and examples of applying NRA in environmental cost benefit analysis (ECBA) as well as problems associated with cost benefit analysis and environmental values in green accounting. She stress the importance of using proper valuation methods that can convert benefits and damages caused to the natural resources into rupees and discussed how the extended cost benefit analysis that incorporates environmental costs and benefits into the traditional cost benefit analysis to quantify whether the projects is worthwhile in terms of environment and investment efficiency in the context of national economy. She showed exemplary evidence of valuation of specific impacts, valuing social cost and lost benefits of some projects undertaken at national level and weaknesses in economic analysis and practical problems associated with applying CBA.

Connecting through skype, Ms Sangjung Ha, Project Manager, Global Green Growth Institute shared the Green growth best practices initiatives that was set up to accelerate learning and to inform designs

of green growth programs by undertaking an analysis of early experiences. She presented the essence of key lessons learned on topics related to planning and coordination, policy design and implementation and shared a summary of global green growth best practice case studies that covers about 80 cases from 38 countries.

Although Ms Aneta Nikolova, Environmental Affairs Officer, UNESCAP could not join the forum via skype owing to technical problem in the virtual connection, she has shared the power point presentation with the participants and it was focused on low carbon green growth roadmap for Asia and the Pacific to make the participants aware of the e-learning facility offered by the UNESCAP.

## CASE STUDIES AND SUCCESS STORIES

The roundtable dialogue was preceded with 4 success stories that witness Sri Lankan green initiatives in the industry sector.

**Mr Vidhura Ralapanawa, Manager, Sustainability & Communications -MAS Intimates** shared the human and earth-centric approaches in making the world's first carbon neutral apparel manufacturing facility.

**Mr Samuditha Kumarasinghe, Director Operations, Lanka Biofertilizers (Pvt) Ltd** discussed the benefits to the farmer and the country and the environmentally friendly product of biofilm biofertiliser.

**Mr Randeewa Malalasooriya, General Manager, Holcim- Geocycle** presented the business unit of Holcim established to provide professional waste management solution to the industrial waste generators and converting waste into a compatible material for producing cement with low carbon footprint, using state-of-the-art facilities and best available technologies.

**Eng. Parakrama Jayasinghe, President, Bio Energy Association of Sri Lanka** focused his presentation on Bio energy for rural development and highlighted the scale of the problem related to energy at national level and value of growing our own green energy and noteworthy benefits that it can bring about in catalyzing the economy.

## KEY POINTS EMERGED

Key Points emerged from roundtable dialogue and views, ideas expressed by individual participants:

### Research and Innovation:

- Research and innovation alone cannot make a tangible impact on the national economy and relevant government authorities need to be forward looking to facilitate innovations.
- Many innovative ideas, concepts towards green growth exist in the country. Those should be recognized, collected and promoted in appropriate manner.
- Assist STI researchers and proponents to integrate arguments and relevance of proposed work to economic value and potential for scale up. Assist PPPs to access innovation funds, Promote and fund social enterprises that develop and disseminate STIs, Support sustainability initiatives within organizations.

- Rather than implementing small projects in ad hoc manner, all relevant parties and stakeholders should gather to prepare a comprehensive program for greening the economy, not just only for doing R&D per se.
- Sector organization issues to be identified to promote and fund for innovation. Implications/impacts on the entire society (poor groups, marginalized groups) to be identified. Long term life sustaining capacity should not be affected by any kind of innovation.
- As we are far behind innovation frontier and our education system is crumbling, the only way forward is imitation not innovation.
- Commercialization of research/innovations needs investments. Investment promoting agencies to promote investors into specific product development need to be informed on regular basis through a formal network. In Sri Lanka researchers, industries and investment promoting agencies working in isolation and not in a coordinated manner. Thus, a national level network is required to make informed decisions on what kind of investments that the country needs rather than what investors are interested to invest in Sri Lanka.

#### **Policy advocacy:**

- Given sound environmental policies, measurable goals, and suitable indicators, accountability requires consistent, reliable monitoring and assessment at all levels, which is seen as the greatest challenge and hence, an integrated environmental monitoring program is needed.
- Collect available information form relevant organization on sectoral contribution as well as costs to the national economy due to environmental pollution or degradation.
- Identify the boundary of the “zero matrix” of contemporary civilization.
- Changing the consumption pattern of food and adopting home gardening would be a good approach. It is important to re-establish settlements in the dry zone. Clearing forests in the hill country and re-forestation in the dry-zone while abandoning the reservoir network is not a sound approach.

#### **Finance & Green accounting:**

- Make it compulsory for all state enterprise, corporations, boards, departments and organization to spend a minimum pre-determined share of their voted capital budget from 2015 onwards on science and technology.
- The resources required to finance the transition to a green economy have been subjected to widely diverging estimates.
- Review the existing environmental financing mechanisms and critical analysis of contribution of those to the national economy to allocate more funds for the greener sectors.

- Create awareness and positive features about green accounting and market based instruments among relevant stakeholders, specially the implementers, to make this exercise a practical reality.
- Designing green taxes to reduce hidden costs and tax concessions to promote R&D that generate green outcomes

The areas proposed for considerations to develop transformational projects are broadly:

- Sustainable cities or urban metabolization which combines transport + energy + environment
- Electrification of three wheelers, charging stations and our own EV fleet
- Greening livelihood through community projects (home gardening for NCP women who grow ayurvedhic herbals /medicinal plants) in order to reduce import of pharmaceuticals



## Invitees & Resource Persons

Prof Tissa Vitarana  
Minister (Senior) Scientific Affairs  
No. 356b, Carwil Place  
Colombo 3

Dr B M S Batagoda,  
Deputy Secretary to the Treasury,  
Ministry of Finance and Planning

Dr Lalithasiri Gunaruwan,  
Senior Lecturer,  
University of Colombo  
[tlgun@econ.cmb.ac.lk](mailto:tlgun@econ.cmb.ac.lk)  
0772282808

Eng. Parakrama Jayasinghe,  
President,  
Bio Energy Association,  
465/1 Sunethradevi Road, Pepiliyana,

Prof Sirimali Fernando  
CEO.  
Coordinating Secretariat for Science, Technology &  
Innovation

Prof Ajith De Alwis  
Project Director, Coordinating Secretariat for  
Science, Technology & Innovation

Dr Prashanthi Gunawardhana,  
Senior Lecturer,  
University of Sri Jayewardenepura  
[prasanthigunawardena@yahoo.com](mailto:prasanthigunawardena@yahoo.com)  
[prasanth@sjp.ac.lk](mailto:prasanth@sjp.ac.lk)  
0714166159

Mr Samuditha Kumarasinghe,  
Director, Lanka Bio Fertilizer,  
377/5, Welsiri Mawatha, Hokandara South,  
Hokandara.

Borelasgamuwa, Sri Lanka.

[parajayasinghe@gmail.com](mailto:parajayasinghe@gmail.com)

0777 269970

[samuditha@biofilm.lk](mailto:samuditha@biofilm.lk)

077 2083707

Mr Vidura Ralapanawe,

General Manager,

MAS Intimates

[vidhurar@masholdings.com](mailto:vidhurar@masholdings.com)

077 3457355

Ms. Aneta Nikolova, D. Eng.

Environmental Affairs Officer, EDPS/EDD,

UNESCAP UN Building, Radjadamnoenok Avenue

10200 Bangkok, Thailand

Tel.: +66-2-2882459

[nikolova@un.org](mailto:nikolova@un.org); [www.greengrowth.org](http://www.greengrowth.org)

Mr Randeewa Malalasooriya

Manager

Geocycle Environmental Systems

Head office

Holcim (Lanka) Limited,

413, R.A. De Mel Mawatha,

Colombo 03,

[randeewa.malalasooriya@holcim.com](mailto:randeewa.malalasooriya@holcim.com)

077 2538771

Ms. Sangjung Ha

Project Manager, Green Growth Best Practices,

Global Green Growth Institute, Korea

[sj.ha@gggi.org](mailto:sj.ha@gggi.org)

<http://www.ggbp.org/>

## Participants

Mr. Asoka Ajantha,  
Senior Manager, Janashakthan  
09, Lionel Edirisingha Mawatha  
Colombo 05.  
[asoka.ajan@gmail.com](mailto:asoka.ajan@gmail.com)  
0715345562

Ms Asoka Jayakody,  
Senior Deputy Director (Research & Policy), B.O.I  
[asokaj@boi.lk](mailto:asokaj@boi.lk)  
077 2442134

Mr M.M. Bahir  
Freelance writer  
51/24A, Rajagiriya Road,  
Rajagiriya  
[goodwillserve@gmail.com](mailto:goodwillserve@gmail.com)  
077 3101323

Ms. Darshani De Silva  
Environment Specialist,  
The World Bank  
[ddesilva4@worldbank.org](mailto:ddesilva4@worldbank.org)

Eng. Harsha Wickramasignhe,  
Deputy General Manager,  
Sri Lanka Sustainable Energy Authority.  
[harsha@energy.gov.lk](mailto:harsha@energy.gov.lk)

Mr M A A N Hemakumara,  
Director (R&D), Central Environmental authority  
[maan@cea.lk](mailto:maan@cea.lk)  
0718163360

Dr Herath Manthritilake  
International Water management Institute,  
127, Sunil Mawatha,  
Pelawatte, Battaramulla  
[h.manthri@cgiar.org](mailto:h.manthri@cgiar.org)  
11 2880000 , 2784080, 071799994

Dr Inoka Suraweera,  
Consultant, Ministry of Health  
[isuraweera@yahoo.com](mailto:isuraweera@yahoo.com),  
0714809450

Mr Kiran Dhanapala,  
Consultant Economist  
25/6, Cyril de Silva Mawatha  
Pepeiliyana Road  
Nugegoda.  
[kiran.dhanapala@gmail.com](mailto:kiran.dhanapala@gmail.com),

Ms Kusum Athukorala,  
Chairperson  
Sri Lanka Water Partnership  
127, Sunil Mawatha  
Battaramulla  
[kusum@netwatersrilanka.org](mailto:kusum@netwatersrilanka.org)

077-3295655

Mrs. Manori Manatunge  
Engineer,  
Road development Authority  
[manori.manatunge@gmail.com](mailto:manori.manatunge@gmail.com)

Ms Namalie Siyambalapitiya,  
Deputy Director (Planning),  
Road development Authority,  
[tnsiyamb@gmail.com](mailto:tnsiyamb@gmail.com),

0773505570

Mr Prasad Galhena  
Chairman,  
Sri Lanka Sustainable Energy Authority,  
011 2682969  
[chairman@energy.gov.lk](mailto:chairman@energy.gov.lk)

Mr.A.T.D. Perera,  
Lecturer, University of Moratuwa  
[atdasun@mech.mrt.ac.lk](mailto:atdasun@mech.mrt.ac.lk)  
0776727841

Mr Rahula Perera  
Square Root Consulting (Pvt) Ltd,  
50B/35/1, Prestige City. Kothalawala,  
Colombo, Sri Lanka  
[rahula@sqrt.asia](mailto:rahula@sqrt.asia)  
0777 309 432

Mr W K Rathnadeera,  
Senior Program Officer,

0722442426

Dr Mihiri Vanniarachchy,  
Lecturer,  
University of Sri Jayawardhanapura,  
[mihiripg@gmail.com](mailto:mihiripg@gmail.com)  
0767288380

Mr Nuwan Premarathna,  
Senior Lecturer KDU.  
[nuwan.premarathna@gmail.com](mailto:nuwan.premarathna@gmail.com),  
0714868676

Dr Prasanna Ratnaweera,  
Senior Lecturer,  
Open University, Nawala  
[pratnaweera@yahoo.com](mailto:pratnaweera@yahoo.com)  
715532911

Ms Ramani Nissanka,  
Project Specialist, UNDP  
[Ramani.nissanka@undp.org](mailto:Ramani.nissanka@undp.org)  
0777558357

Mr K.G. Rohan Wickramawardana,  
Assistant Director,  
Department of National Planning  
[rohang@npd.treasury.gov.lk](mailto:rohang@npd.treasury.gov.lk),  
0713344234

Mr Sanjeewa Chulakumara,  
Sales & Marketing, Geocycle,

South Asia Corportive Environment Program,  
#10, Anderson Road,  
Colombo 05  
[rd.sacep@ed.lk](mailto:rd.sacep@ed.lk)  
071643630

Holcim Lanka Ltd.  
[sanjeewa.chulakumara@holcim.com](mailto:sanjeewa.chulakumara@holcim.com)  
0772929525

Eng. V R Sena Peiris,  
CEO, National Cleaner Production Center  
251/30, Kirula Road  
Narahenpita, Colombo 5  
[ncpcsl@ncpssrilanka.org](mailto:ncpcsl@ncpssrilanka.org)  
077 3572272; 011 2369601

Mr Susantha Chandrasiri Udagedara  
National Cleaner Production Center  
251/30, Kirula Road  
Narahenpita, Colombo 05  
[contactus@ncpcsrilanka.org](mailto:contactus@ncpcsrilanka.org)  
011-2369601, 011-2369602

Mr Sudarsha De Silva,  
Founder/ Director, Earth Lanka  
[sudarsha30384@gmail.com](mailto:sudarsha30384@gmail.com)  
077 6761788

Mrs Shanthini Thiruneelakandan,  
Director, CAA  
[caapromotion@slt.net.lk](mailto:caapromotion@slt.net.lk),  
0717555784

Mr Theja Dharmaratne,  
General Manager,  
Talawakelle Tea Estate Plc.  
[t.dharmaratne@ttel.hayleys.com](mailto:t.dharmaratne@ttel.hayleys.com),  
0772919274

Mr. Uchitha De Zoysa  
CEO, Global Sustainability Solutions  
253/10, Stanly Thilakrathne Mw,  
Nugegoda, Sri Lanka.  
[uchitha@slt.net.lk](mailto:uchitha@slt.net.lk)  
0777 372206,

Mrs. Shabiya,  
Journalist, Daily FT

