



Marine Pollution Prevention Authority

Annual Report

2002

Marine Pollution Prevention Authority

11C, Tower Building

25, Station Road

Colombo 04

CONTENTS

| | |
|---|-----------|
| Chairman’s Message | 1 |
| 1. General Introduction | 3 |
| 2. General Organization | 3 |
| 2.1 Board of Directors | 4 |
| 2.2 The approved cadre for 2002 | 4 |
| 3. The Corporate Plan | 6 |
| 4. The Progress | 8 |
| 4.1 INSTCOM Project | 8 |
| 4.2 Financial mechanism | 9 |
| 4.3 Recruiting staff | 10 |
| 4.4 Incorporation of Ocean Resources | 10 |
| 4.5 Inspection on oil spill control equipment on board the ships | 10 |
| 4.6 Shipboard waste reception services | 11 |
| 4.7 Bunkering services | 11 |
| 4.8 NOSCP | 11 |
| 4.9 Awareness | 12 |
| 4.10 Enhanced capacity, skills and competencies of MPPA Staff | 12 |
| 5. Financial Performance | 14 |
| 5.1 Financial Division | 14 |
| 5.2 Financial Progress | 15 |
| 6. Observation by the Auditor | 17 |
| 7. Comments on the Auditor Generals Observation | 19 |

Marine Pollution Prevention Authority Chairman's Message

Marine Pollution Prevention Authority having brought under the purview of the Ministry of Fisheries and Ocean Resources accommodated certain essential changes in the Management structure; inter alia the appointment of a Vice Chairman, which is a new post created by the committee appointed by the Hon. Prime Minister to screen appointments to high posts and a treasury representative to the Board which was a new assignment from the Public Finance Sector. I was appointed Chairman of the Marine Pollution Prevention Authority with effect from 12th February 2002.

With the view and in the process of enhancing the skills of the staff for efficient discharge of their duties a series of program for human resources development were launched concurrent with harmonizing Administrative and Financial procedures.

The progress achieved in the INSTCOM Project was in accordance with the projected plan and Norwegian Government expressed their appreciations on the standard of performance of the Project at various forums.

Whilst understanding the needs for diversifying the activities on multi focus spectrum the Management considers that the progress recorded during the period under review had been modest.

It is with deep feelings I appreciate and place on record the unstinted morale and managerial support extended by the Hon. Minister of Fisheries and Ocean Resources at all times without which the great expectations we had for the MPPA would ended up mere dreams. I am also indebted to the Hon. Deputy Minister of Fisheries and Ocean Resources for his valuable advises.

I also wish to extend my sincere thanks and gratitude to the Secretary, Additional Secretary and the staff of the Ministry of Fisheries and Ocean Resources for the enormous contributions made towards our success.

I am looking forward and am confident about brighter tomorrows for the MPPA with all those highlighted in the foregoing.

Dr. N S K N de Silva

Chairman

Maine Pollution Prevention Authority

1. General Introduction

The year 2002 marked a significant change in the operations of Marine Pollution Prevention Authority (MPPA). The position of the Chairman was changed and in addition a post of a Vice Chairman was introduced. With this substantive change in the management of MPPA, the organization was placed on a systematically planned trajectory by preparing the first ever Corporate Plan of the MPPA. The Annual Report of 2002 therefore reflects the progress achieved against the Annual Plan of the five year Corporate Plan 2002- 2007.

2. General Organization

In order to perform the mandated functions of the Authority, organizational structure is designed to constitute a Board of Directorate of five members out of which one member is appointed as the Chairman and a General Manager supported by technical, legal and administrative staff.

The Board of Directors are appointed by the Minister In Charge of the subject from the following backgrounds.

1. Three members having wide experience and shown capacity in shipping, port operations and marine pollution prevention.
2. One member nominated by the Minister In Charge of the subject of Foreign affairs.
3. One member nominated by the Minister In Charge of the subject of fisheries.

2.1. Board of Directors

| | |
|----------------------------------|--|
| Dr. N S K N de Silva | - Chairman |
| Mr. Ranjit Jayasuriya | - Vice Chairman |
| Capt. K G W M N Keppetipola | Member – (Harbor Master, Sri Lanka Ports Authority). |
| Dr. Rohan Perera | Member – (Legal Advisor, Ministry of Foreign Affairs). |
| Mrs. C S Kumarasinghe | Member – (Additional Director General, Department of National Budget). |
| Mr. Mohamed Usanar Mohamed Niyas | Member |
| Mrs. Priyani Wijemanne | - Acting Secretary to the Board. (General Manager – MPPA) |

2.2 The approved cadre for 2002

| | |
|--|----|
| General Manager | 01 |
| Operations Manager | 01 |
| Legal Officer cum Secretary to the board | 01 |
| Accountant | 01 |
| Regional Officers | 05 |
| Administrative Officer | 01 |
| Accounts Clerk | 01 |
| Clerks | 02 |
| Field Assistant | 04 |

| | |
|----------------|----|
| Secretary | 02 |
| Office Peon | 01 |
| Office Laborer | 01 |
| Drivers | 03 |

Appointments

| | |
|------------------------|----|
| Administrative Officer | 01 |
| Clerk | 02 |

Resignations

| | |
|--------|----|
| Driver | 01 |
|--------|----|

Posts to be filled:

| | |
|--|----|
| Operations Manager | 01 |
| Legal Officer cum secretary to the board | 01 |
| Accountant | 01 |
| Secretary | 02 |

3. The Corporate Plan

The Corporate Plan of MPPA is formulated within the framework of the National Policy and Development Plan of the Fisheries and Ocean Resources sector of the Government of Sri Lanka.

Having analyzed the strengths and weaknesses of the MPPA, the first Corporate Plan recognized the need to formulate its strategy to face the emerging challenges in preventing and controlling pollution in Sri Lanka waters, specially the pollution from ship based sources.

Hence the vision of MPPA under the Corporate Plan is;

“A pollution free ocean resource base of Sri Lanka for the sustainable development and the well being of its people and the economy”

This vision has an enhanced focus on entire ‘Ocean Resources Base’ rather than limiting it to the ‘Marine environment’.

The objectives of the MPPA within this vision are the following;

- Within the national Policy of the Fisheries and Ocean Resources of the Government of Sri Lanka, to contribute to protect the marine and ocean resources of the country from ship based and shore and off shore based marine pollution
- Comply with international legal obligations through promulgating appropriate domestic legislation and enforcing the laws and regulations effectively

In order to achieve these objectives, the MPPA is determined to

“Be an agency with required skills, competencies and organizational structure to develop and manage ocean resources in a sustainable manner through effective enforcement of regulations, coordination of stakeholders and mobilization of resources”

The MPPA envisaged to achieve these objectives by implementing the following main activities;

- Complete the ongoing activities of INSTCOM Project
(Institutional Strengthening of Oil Spill Contingency Management)
- Develop sound financial mechanisms incorporating internationally endorsed best practices and principles such as ‘Polluter pays’, spot fines, levy etc. within the National Policy Framework
- Initiate recruiting the relevant additional staff from the approved positions by the Treasury
- Propose and promote an institutional structure to incorporate ocean resources subject within the mandate of MPPA
- Design a coordinated system to carry out inspections on oil spill control equipment and procedures on board
- Implement streamlined shipboard waste reception services
- Regulate bunkering operations to minimize oil spills
- Be prepared to activate National Oil Spill Contingency Plan (NOSCP) in case of an oil spill accident

- Promote awareness among ship owners, shipping agents, and others in the sea trade and industry on legal provisions of MPPA and the national rules and regulations following Sri Lanka's obligations in compliance with International Conventions, Treaties, and Agreements signed and ratified
- Promote awareness among the general public including media and school children on implications of marine pollution and the need to protect our marine environment
- Enhance the capacity, competencies and skills of the staff of MPPA in performing their functions to achieve the Corporate Vision and the objectives of MPPA

4. The Progress

4.1 INSTCOM Project

The activities of the Project are in progress as planned. At the Annual Meeting of the Project held on 29 November 2002, the delegation of the Government of Norway expressed their satisfaction over the satisfactory performance of the Project activities. Financially the Project recorded 100% disbursement over the allocated funds with Rs.39.947 million expenditure for 2002. The physical outputs of the project too are nearing their completion. The Project Steering Committee (PSC) met three times in 2002 and the members of the PSC were informed of the momentum of the project implementation. The main focus of

INSTCOM Project is on environmental threats emerging as a result of oil spill accidents. The key instrument in addressing this threat is the National Oil Spill Contingency Plan (NOSCP) that is revised under the Project. The Table Top Exercise conducted in November 2002 to enhance the awareness on a Contingency Plan and how it shall be activated in an emergency, was a success to bring key stakeholders together and to understand their specific role and responsibility to respond to an oil accident if it happens. The technical inputs and expertise provided by the Norwegian experts were of very high quality.

4.2 Financial Mechanism

MPPA pursued the policy of enhancing its revenue base as much as possible although it does not have any income generating operations being a regulatory agency. The only two operations that generated revenue in 2002 were Shipboard Waste Reception Services and the Bunkering Services. (Details of these two are given below). The MPPA is still awaiting the recommendations of INSTCOM Project on Spot fines, levies and other means of charging the illegal activities to reduce the burden on the Consolidated Fund to meet the recurrent expenditure involved in providing these services. It must be noted here that the MPPA is presently operating with a minimum number of staff and an extremely tight budgetary provisions. It, therefore, is still not fully geared to have in place a sound financial mechanism.

4.3 Recruiting staff

MPPA recruited one Administrative Officer and two clerks in addition to the Vice Chairman appointed by the GOSL. The service of an Accountant was available to the MPPA on part time basis. The posts of Legal Officer, Operation Manager and Accountant approved by the Treasury were advertised in search of appropriate candidates. However, due to lack of office space these staff members were not recruited in 2002.

4.4 Incorporation of Ocean Resources

At the request of the Minister of Fisheries and Ocean Resources, MPPA assisted the Ministry of Fisheries and Ocean Resources in the preparation of a proposal for the consideration of the Cabinet outlining the need to incorporate the functions of ocean resource subject in order to get the maximum advantage of the known non-living ocean resources and also to explore the possibility of exploiting the potential resources.

4.5 Inspection on oil spill control equipment on board the ships

This is still being studied with limited success.

4.6 Shipboard waste reception services

MPPA introduced a scheme to register the operators who collect shipboard waste in order to monitor the entire process to reduce the environmentally harmful disposal of the shipboard waste. In 2002 , 168 jobs have been carried out by 11 operators who were registered with MPPA. As a result, the MPPA was able to recover a recorded income of Rs.653,000 in 2002. However , this scheme is still not in a position to cover the entire shipboard waste reception operations due to incomplete legal provisions and lack of cooperation of a key agency. MPPA is presently taking measures to overcome this situation.

4.7 Bunkering services

MPPA issued certificates for two vessels to operate bunkering services in Sri Lankan waters. The MPPA was able to earn a modest revenue of Rs.30,000 through this operation.

4.8 NOSCP – NATIONAL OIL SPILL CONTINGENCY

PLAN

An Operations Response Team (ORT) consists of key governmental agencies such as Navy, Army, Marine Police, Air Force, Sri Lanka Ports Authority, Ceylon Petroleum Corporation, local government representatives and other key personnel, has been established under the INSTCOM project as explained in

section 1 above. Three workshops were held to inform them of modern contingency plans in the world and how these are activated in oil spill emergencies. The views of ORT members were taken in to consideration in improving the NOSCP.

4.9 Awareness

MPPA conducted one day workshop to enhance the awareness of the media personnel on implications of oil spills on our marine resources in Negombo. There were feature articles published in the news papers following this workshop. The INSTCOM Project is preparing information brochures that will be utilized by the MPPA in promoting the awareness among ship operators, vessel owners, port and harbour users and more importantly the general public on oil spills. The inputs for these brochures were collected involving a representative group of above mentioned users of the information. It is expected that these publications will help in promoting the required support from many partners who are directly or indirectly involved in oil spills.

4.10 Enhanced capacity, skills and competencies of MPPA

Staff

The new management of MPPA was keen to enhance the skills of the staff enabling them to perform efficiently in their assigned responsibilities. With the introduction of the Corporate Plan, the Regional Officers of MPPA were assigned the task of preparing their individual work plans for 2002. In addition they were

provided with systematic guidance under the INSTCOM Project on Time Management, 5 S Concept, Communicating in English and Corporate Planning. All five Regional Officers were actively involved in the INSTCOM Project activities facilitating the internalization of the Project with MPPA. They participated in the training programmes and workshops conducted by the Project on number of themes and subjects. The result of this enhanced capacity is already visible in the manner they perform in their jobs. MPPA will soon introduce a system to assess their performance at the end of the year against the annual plans they develop at the beginning of the year.

The officers of MPPA attended number of International Training programmes on the subjects listed below;

- IMO Model course on Response to Marine Oil Spill for Supervisors and On Scene Commanders (SAS/IMO OPRC Level 2 Training Course)
- Marine Ecosystem and Pollution Management
- Oil Spill Contingency/Crisis Management and simulation course

MPPA also participated at the Inter-governmental meeting of South Asia Seas Programs held in Colombo.

5. Financial Performance

5. 1 Finance Division

Organizational Plan

Accounting services for the Marine Pollution Prevention Agency (MPPA) were handled by the Ministry of Fisheries and Ocean Resources from 01st January to 31st May. From June 01st, the accounting services of the Agency were handled by a separate Accounts Unit under the Agency.

An Accountant attached to the Ministry of Fisheries and Ocean resources supervised the accounting services of the Agency. There was only one officer at the MPPA to handle the accounting services.

The work of the Finance Unit has been divided into three sections in order to facilitate the work. These sections are:

1. Receipts and payments
2. Accounts and reporting
3. Salaries and Loan advances to officers.

Objectives and Activities

Objectives

The main activities of the Finance Division of the MPPA are:

- a). Give necessary advice and support to the Agency in respect of financial services.
- b). Conduct of financial activities in an effective and an efficient manner

Activities

In order to achieve the above objectives the following activities are undertaken by the Accounts Unit.

- Record all income to the Agency and include this information in the accounting system.
- Maintain records on Salaries, Contributions to Provident Fund and Employees Trust Fund, Loans and Advances.
- Record all daily payments
- Receipt of imprest from the Treasury and maintenance of relevant records
- Preparation of annual estimates
- Preparation of Annual Final Accounts and submission of Final Accounts to the Auditor General
- Preparation of financial progress reports and submission to the Board of Directors. Review of financial progress reports.

5.2 Financial Progress

Estimated Progress and Actual Expenditure

The estimated annual allocation for recurrent expenditure is Rs. 5,200,000.00, comprising the Treasury contribution of Rs. 4,000,000.00 and the estimated income of 1,200,000.00. The annual recurrent expenditure was Rs. 4,993,536.00 comprising an expenditure of Rs. 3,915,029.00 derived from the treasury contribution and an expenditure of Rs. 1,078,507.00 derived from the income component.

The total estimated capital expenditure for the year was Rs. 100,000.00. The total capital expenditure of the Agency was Rs. 79,198.00 comprising Rs. 24,786.00 derived from the treasury contribution and Rs. 54,412.00 derived from the income of the Agency.

Estimated Income and Actual Income

Registration and license fees pertaining to removal of waste oil from ships and income from other sources was estimated to be Rs. 1,200,000.00. However, the actual income was as follows:

Registration and license fees pertaining to removal of

| | |
|--------------------------------------|------------------------|
| waste oil from ships | Rs 696,662.00 |
| Compensation received by court order | Rs 750,000.00 |
| Receipts from other institutions | <u>Rs 759,217.00</u> |
| Total | Rs <u>2,205,879.00</u> |

From the income received from other institutions Rs. 750,000.00 was set apart to be used as distress loans to the officers. A loan equal to the salary for ten months was given to any officer entitled to a distress loan. This was another positive step taken by the Agency during this year.

6. Observations by the Auditor

Ministry of Fisheries and Ocean Resources

Vote 280

Program 6

1. **The Votes Ledger and the computer entries of the Treasury do not agree in the following instances:**

| Vote | According to Votes Ledger Rs | According to Computer printed entries Rs | Difference Rs |
|---------------------|---|---|--------------------------|
| 280-6-1-1503 | 4,955,717.00 | 3,915,028.00 | 1,040,689.00 |
| 280-6-1-2201 | 79,198.00 | 24,786.00 | 54,412.00 |

01. In contravention of the Treasury circular No. 17 "b" and "e" The Agency has paid bonuses amounting to Rs. 17,000.00 during the year 2002.
02. In respect of the post of Vice Chairman, which is not included in the approved cadre and not approved by the Department of Management Services, there has been an expenditure of Rs. 652,623.00 during the year.
03. On items of expenditure not in accordance with the objectives of the Agency, the Agency has spent Rs 112,500.00
04. Because the allocation of funds under vote no. 280,6-2-2709(15) of the INSTCOM project was not adequate, Rs 146,922.00 has been obtained as an advance and entered as expenditure in January 2003.

7. Comments on the Auditor General's Observations

1. From first January to 31st May the Accounts Division of this Ministry made the payments of the MPPA , and the MPPA continued to use the same votes ledger used by the Ministry to record payments under each head after 31st May. During the period in which the Ministry handled the payments, the payments as per votes ledger were reported to the Treasury under 'summary of monthly accounts' and the figures did not vary from those given in the computer printed documents.

After the MPPA commenced keeping separate accounts, the treasury continued to disburse the amount given in the computer printed documents to the MPPA. The MPPA recorded the expenses by them under respective heads in the votes ledger maintained by them. You have checked the votes ledger maintained by the MPPA. The shortfalls in amounts you refer to were met by the MPPA from its income after the disbursements from the treasury were received. The monthly reconciliation with computer printed documents has been based on page 92 and 98 of the votes ledger No. 11 maintained by the Ministry. The entries under vote numbers 280-6-1-2201 and 280-6-1-1503 are correct and accordingly no differences in amounts are noted.

2. Payments of a bonus was approved by the Board of Directors of the MPPA. The recurrent expenditure and capital expenditure for the period October to December 2002 were derived from the income of Rs. 2,205,879.00 received during the year 2002. Even though this institution formed in 1992 has been earning an income , there has been no payment of bonus since inception. As an incentive to motivate the staff, Rs. 17,000.00 derived from the income of Rs. 2,205,879.00 was paid as bonus to the staff.

3. A sub-committee appointed by the Hon. Prime Minister has approved the appointment of the Vice Chairman and the appointment has been made as per letter dated 11th January 2002 received from the Secretary to the Hon. Prime Minister.

4. This payment has been made for the awareness program for fishermen from the vote under the head 'awareness program' appearing in the estimates for 2002 under recurrent expenditure.

5. As an advance to be reimburse^{77d} by the INSTCOM project, an unavoidable expenditure of Rs. 146,922.00 was incurred during the year 2002, because the voted allocations were not adequate. The government of Norway has already reimbursed this expenditure.

S C Mannapperuma
Secretary,
Ministry of Fisheries and Ocean Resources