Technical Assistance to the Modernisation of Agricultural Programme in Sri Lanka (TAMAP)

PROGRESS REPORT No. 1 (FINAL)
Covering the period 1 January – 30 June 2018

September 2018

ECORYS

This project is managed by a consortium led by Ecorys
Progress report No. 1

Project title: Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka
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Reporting period: 1 January – 30 June 2018
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This project is implemented by a Consortium led by Ecorys Nederland, B.V

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# PROJECT SYNOPSIS

## Project Title:

**Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka**

## Project Details:

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<th>Project Ref. No:</th>
<th>EuropeAid/138-539/DH/SER/LK</th>
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<tr>
<td>Programme Manager</td>
<td>Dr Olaf Heidelbach</td>
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<tr>
<td>Date of project start:</td>
<td>8 January 2018</td>
</tr>
<tr>
<td>Contracting Authority</td>
<td>Delegation of the European Union to Sri Lanka and the Maldives 389 Baudhaloka Mawatha, Colombo 7, Sri Lanka</td>
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<tr>
<td>Contract Duration:</td>
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<td>Total contracted amount:</td>
<td>EUR 4,167,000</td>
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<td>€</td>
<td>Euro</td>
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<tr>
<td>AEO</td>
<td>Agricultural Extension Officers</td>
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<td>ASC</td>
<td>Agrarian Service Centre</td>
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<td>AsDB</td>
<td>Asian Development Bank</td>
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<td>CARP</td>
<td>Council for Agricultural Research Policy</td>
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<tr>
<td>CBC</td>
<td>Ceylon Business Council</td>
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<td>CBO</td>
<td>Community Based Organisation</td>
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<td>CRI</td>
<td>Coconut Research Institute</td>
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<td>GoSL</td>
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<td>ha</td>
<td>Hectare (10,000 m²)</td>
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<tr>
<td>HKARTI</td>
<td>Hector Kobbekaduwa Agrarian Research and Training Institute</td>
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<td>Japanese International Cooperation Agency</td>
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1 EXECUTIVE SUMMARY

Introduction

The Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka (TAMAP) service contract, implemented by a consortium led by ECORYS started with the mobilisation of the Technical Assistance Team (TAT) on 8th January 2018. The project will have an operational phase of 36 months and will end on 7th January 2021.

This first Progress Report highlights the progress from 8 January to 30 June 2018 accomplished by the TAMAP Service Contract according to the four results to be achieved as laid down in the Terms of Reference. This report captures the progress made, but also highlights problems encountered, possible solutions, planned activities for the next reporting period and urgent activities to be undertaken. Besides an updated TAMAP logical framework and an updated time table of activities until project end, a detailed report on the first screening mission to the central and northern part of Sri Lanka which was conducted in June 2018 are annexed to this report.

The objective of the service contract is to contribute to a more productive, sustainable, diversified, climate-resilient, market-oriented and inclusive agriculture in Sri Lanka. The following four (4) results have to be accomplished within this service contract. They are:

Result 1: An overall (overarching) Agricultural Policy in line with the Government Development Goals is developed.

Result 2: An enabling environment is created and relevant policies for the modernisation and diversification of agricultural production, as well as the promotion of agricultural exports, are implemented.

Result 3: Existing systems and practices used by central and provincial agricultural ministries for planning, budgeting and policy implementation are improved.

Result 4: The statistical and analysis systems to monitor and assess the impact of implementing the overall agricultural policy are improved.

According to the TAMAP team the project can be summarized as follows:

1. Based on sector needs assessment, help identify and assess issues and challenges facing the process of modernising the agriculture sector. The identification of champions is critical and central to this process.
2. Development of an overarching Agriculture Policy with a view to enhance agricultural productivity, efficiency and sustainability.
4. Assist develop an action plan along with resource and financial budgets to provide a MTEF, along with a robust and pertinent M&E system.
5. Help develop an agriculture sector reform contract to accommodate EU budget support.

The threads running through these five critical elements are the coordination, facilitation, training, mentoring and mainstreaming of cross-cutting issues such as climate change, gender, youth and smart nutrition.

The TA team will work as a catalyst to facilitate and bring about the necessary changes to the structure and operations of the industry following in-depth analyses of the current situations impacting the sector to form the basis for informed scientific decision making. The
TA team will help facilitate the establishment of multi-stakeholder working groups for the corresponding results to be achieved by the project (policy, strategy, action plan with resource allocation through a Mid Term Expenditure Framework (MTEF)). The working groups will elaborate concepts which will then be tabled to the TAMAP Programme Steering Committee for endorsement. This approach will have a strong participatory character whereby each participating agency will appoint representatives as active members for the WGs which will meet regularly.

R 1: An overarching Agriculture Policy in line with the Government Development Goals is developed

Stakeholder analysis
In the reporting period, TAMAP conducted a very thorough stakeholder analysis in which more than 250 people from more than 50 organisations have been consulted. The stakeholder analysis tried to find an answer on questions such as i) Who is doing what? ii) What are their experiences ii) What are the challenges iv) Where are they now? and v) Where do they want to be in the next 5 to 10 years? Based on those questions a detailed SWOT Analysis for key entities was conducted. A summary of the stakeholder analysis is attached in Annex 4 to this report. For details, see TAMAP Inception Report Section 5.3 and the corresponding Annex 5.

Formation of working groups
Comprehensive Terms of Reference for the TAMAP working group(s) were developed. The organisation of working group meetings will be an essential part of the project following a strong participatory approach. Unfortunately no working group could be organised in the reporting period. This has to be attributed to the fact that no Programme Steering Committee took place in the reporting period which was considered as a necessity to formally initiate and request stakeholders to nominate representatives. However, it also has to be attributed to the GoSL’s very strong formal procedures which do not foresee the TA team to taking over initiatives in a less formal manner though it has been clearly brought to the attention of the Inception Workshop participants that the TA team will pursue a less formal approach for the sake of an effective and efficient implementation of the project. It is hoped that after the organisation of the first PSC meeting on 3rd July 2018, TAMAP WG members will be nominated quickly.

Review of policies and strategies related to agriculture
Little progress has been made on this, mainly due to the fact that the GoSL stakeholders of the project have not pursued an approach with as much as possible sharing documents and project relevant information with the TAMAP team. As such, the TA team only obtained access to a few polices and strategies. It is hoped that after the organisation of the first TAMAP PSC scheduled for 3 July 2018, TAMAP will have less challenges in getting access to stakeholders with a view to having important discussions and access to information

Needs assessment for the agriculture sector
TAMAP subcontracted the Colombo based organisation “Verité Research” in carrying out an agriculture sector and subsector assessment on 13 subsectors in Sri Lanka. Based on this assessment, TAMAP developed for each agriculture subsector a coherent and consistent
matrix as illustrated in the TAMAP Inception Report. This subsector assessment offers a very useful overview on the sector and will accompany the TAMAP for the next 2.5 years as an important foundation for developing the overarching policy, strategy and action plan for the next 10-15 years.

Support the Government and the EUD to prepare the future sector reform contract in agriculture

On the occasion of the screening mission to the centre and northern part of Sri Lanka which took place from 3rd to 12th June 2018, the TAMAP team could get first impressions on budgeting processes particularly at provincial level. In order to sensitise and familiarise relevant stakeholders in Sri Lanka on budget support, EUD initiated a budget support training which the TA team assisted in organising. The training is scheduled for 3rd and 5th & 6th July 2018. It is envisaged that after this training the TA team will collaborate with the EUD to plan and organise a study tour to a country in which budget support has been a success and where the experiences can be applied to Sri Lanka.

Tailoring a communication strategy and action plan for the strategy

For the Inception Report TAMAP developed a relatively detailed outline of a visibility and communication strategy. Furthermore, draft Terms of Reference for a communication and visibility assignment were developed. For this strategy it is important that apart from the usual visibility activities such as newsletters, public events, the right means of communication will be developed to target the various multiple beneficiaries and stakeholders of the project to enhance ownership and hence, sustainability of the project interventions. It is envisaged that in the next reporting period either individual communication experts or a company covering all relevant services will be contracted until project end.

R 2: An enabling environment is created, reforms and policies for the modernisation and diversification of agriculture implemented and exports promoted

Strengthening value chain development & promotion of new technologies

The TA Team was asked to support the Agriculture Modernisation Programme (AMP) and two private sector companies in developing and harmonising procedures for business planning and to facilitate loan/grant applications as well as to tease out which assistance MoSWPI could provide to the private sector. KE 3 attended two meetings with AMP project staff and the private sector to introduce a system of standardized planning in June 2018. The TAMAP team appreciates very much this request and demand for support. This shows that gradually the TAMAP is being appreciated and accepted in providing technical support. Further assistance and trainings will be rendered to the private sector in the next reporting period.

Management of the service contract

Stakeholder liaison

A TAMAP kick-off meeting was organised in the Ministry of National Policies and Economic Affairs on 22nd January 2018. It was well attended by representatives from the EUD Sri Lanka, the three parent ministries and the three TAMAP key-experts. The purpose of this meeting was to familiarise each other with the key persons of the parent ministries, to give the TA team the opportunity to introduce their proposed approach for TAMAP
implementation, to get the perceptions of the key stakeholders on TAMAP and to briefly discuss how best to make the project known to the broader range of stakeholders.

Major highlight in the reporting period was the organization of the TAMAP Inception Workshop on Tuesday 3 April 2018 at the Shangri-La Hotel in Colombo. The purpose of this workshop was to:

- Inform stakeholders about the project
- Identify champions facilitating the accomplishment of the results
- Agree on modes of collaboration and coordination and reporting processes (working groups which elaborate technical and institutional directions)
- Agree on modes of decision making (PSC and its composition)
- Obtain a common understanding how to make the decentralisation process work

The workshop was well attended with at least 83 participants from more than 40 organisations. A major focal activity of the Inception Workshop was the organisation of four working groups on the following critical subjects which will accompany the project throughout the project implementation period. It was a very good exercise in order to obtain a first impression on stakeholders’ views and their perception on these critical aspects which need to be thoroughly considered for the results to be accomplished by the project.

1. WG 1: Elaboration of a coordinating body for the overarching Agriculture Policy
2. WG 2: Elaboration of composition of TAMAP Programme Steering Committee (PSC) and key points of its ToR
3. WG 3: Decentralisation and agriculture development in Sri Lanka
4. WG 4: Fragmentation of the agriculture sector and its impact on agricultural development

Participation at meetings and workshops

In the first reporting period, the TAMAP team attended approximately 30 meetings and workshops with stakeholders from GoSL, development partners, projects being implemented in Sri Lanka and also the private sector. For all these meetings minutes were prepared and can be provided on demand. Table 1 in Section 4 illustrates some major events, the TA team attended.

Field missions

In the reporting period, the TA team conducted three field missions. The first field mission took place from 1 - 3 March in which various departments were visited in Kandy during the stakeholder consultation. The second mission was organized from 3-12 June 2018 and the TA team together with some key counterparts visited several Provincial Agricultural Departments, Agrarian Service Centres, farmers and farmer organisations and several research organisations. The third mission was conducted by KE 3 in order to train private sector companies on business planning and loan applications.

Reporting

In the reporting period, the following reports were developed and submitted:

- Draft Inception Report was submitted to the EU Delegation on 8 May 2018 by e-mail as the EU wanted to have a first review prior to sending it as an official draft to the stakeholders. The EUD made some comments which were incorporated. The official
draft Inception Report was disseminated by e-mail and as hardcopy to the stakeholders on 17 May 2018.

- Based on the comments received, TAMAP sent a final Inception Report to the EUD and stakeholders on 21 June 2018. Official approval of the Inception Report is pending.
- The Desk Study on the Agricultural Sector, Subsector Assessment and Stakeholder Mapping was disseminated to the EUD and stakeholders on 28 June 2018.

**Issues and possible solutions**

In the Inception Report, the TA team identified a few issues based on observation of the Terms of Reference and also on experiences during the inception phase. Some of the issues are still outstanding, some have been partly resolved. This paragraph summarises the outcomes and gives recommendations how best to cope with the challenges.

In order to facilitate better project planning and collective brainstorming on complex issues among the three key experts and also future non-key experts, the MoSWPI provided office space to the entire team in the World Trade Center. This decision was a response on the challenges the TA team has been facing due to the separation in various ministries in different locations.

Most of the TAMAP stakeholders do not read information (reports, letters, faxes, e-mails) sent to them. Therefore, it is very difficult to invite them to various events such as workshops or trainings and to get their commitment. The only means of communication to get their attention and to inform them is making frequent phone calls. This is a problem and will significantly delay the TAMAP timetable and the achievement of milestones. Nonetheless, it is expected that once the members for the working groups have been nominated and the first WGs organised, then stakeholders and TA team will get to know each other better and communication should be less challenging.

**Planned assignments**

Terms of Reference for the following assignments were developed and most of the assignments are scheduled to start in September / October 2018. They are:

1. **(a)** Development of a comprehensive national agriculture policy and strategy (120 WD NKE)
2. **(b)** Improving the impact of agriculture research and development in Sri Lanka (120 WD NKE)
3. **(c)** Improve the functioning and impact of agriculture extension services in Sri Lanka (100 WD NKE)
4. **(d)** Improve market intelligence, website development for voluntary registration & restructuring of production (250 WD NKE)
5. **(e)** Strengthening value chain development and promotion of new technologies (400 WD NKE)
6. **(f)** Support to farmer groups and associations (100 WD NKE)
7. **(g)** Support the formation of public private partnerships (PPPs) in the agriculture sector in Sri Lanka (60 WD NKE)
8. **(h)** Deliver communications and visibility for TAMAP (250 WD NKE)
Contractual issues

16.8% of the work days of KE 1, 17.3% of KE 2 and 16.4% of KE 3 have been consumed since commencement of the service contract. No assignment with NKE has been launched so far. Out of the total contract value of €4.167 million, approximately €352,360 were spent in the reporting period with €299,700 on fees and €52,660 for incidental expenditures.
2 INTRODUCTION

2.1 Problem Analysis

Over the past 15 years, Sri Lanka has shifted its economic structure from agriculture to industry and services. The contribution of the agriculture sector to GDP remains at 11%, but still about one-third of the population is engaged in, and dependent on, agricultural employment. Agriculture has been the key to reducing the level of poverty, accounting for about one third of the overall decline in poverty over the past decade. Conversely, characteristics of the poor reveal that 49% of the poor are still from the agriculture sector compared to 24% and 27% in the industry and services sectors, respectively. Small-holders account for a significant portion of the rural poor, and are mainly engaged in subsistence farming which revolves around traditional knowledge and practices with weak market linkages.

In paddy rice which is the main staple food in Sri Lanka and which is mainly grown by smallholder farmers, Sri Lanka has become self-sufficient and yields of paddy rice are relatively high with an average of about 4.5 tons per ha. In view of that, the large majority of Sri Lankan farm householders are not affected by food insecurity, however the strong emphasis on rice with the majority of the rural communities having three rice meals per day, has led to a strong nutrition insecurity and there is a significant lack of valuable nutrients in the Sri Lankan diet.

Furthermore, subsistence and also semi commercial farms have little understanding on the principles of farming as a business and as such, farm households generate much less revenue and benefits compared to their potential.

In parallel, the commercial crop sector, predominantly under plantations such as rubber, coconut and tea, as well as spices such as pepper and cinnamon, have been principally characterised by a good quality but lack of productivity attributed to labour shortages, lacking reinvestments on plantations for planting material and also equipment as a consequence of a frequently changing government policy environment, less motivated labour, low mechanisation endowment, and old plantations where most of the trees have exceeded the economic life span.

Over and above all, the agricultural extension services, in traditionally managed smallholder as well as commercially run enterprises, have been performing poorly, partly due to lack of qualified extension workers and also to the fragmentation of the organisations which are dealing with agriculture’s sub-sectors. This has led to poorly coordinated extension services in conjunction with duplication and also omission of services. Currently, up to 19 ministries and numerous departments and parastatals oversee agriculture so that in the end farmers do not know who to approach to resolve their numerous problems.

This situation has been exacerbated in recent years where climate change effects have had detrimental impacts on Sri Lanka agriculture due to erratic rainfall leading to floods and extended dry spells.

2.2 EU Support to the Modernisation of Agriculture Programme

The Government of Sri Lanka, supported by several development partners, have become aware of these structural problems and have started embarking on the modernisation of the
agriculture sector to overcome these challenges. Modernisation means amongst others, mainstreaming farming as a business, modernising agriculture by the replacement of old trees by new, more climate resilient varieties, reinvestment in plantation processing plant and equipment, promotion of mixed diversified farming systems among smallholder farmers to reduce the risks of loss of harvests, promotion of climate smart agriculture, to revamp and restructure the agricultural extension service and, if possible, to reduce the fragmentation at the institutional level.

In particular, the last aspect is expected to be a major challenge since the required change will not only generate increases in effectiveness and efficiency, but it may also lead to losses of responsibilities and control of some of the entities currently involved. In order to bring about this change in a consultative and mitigative manner, the EU has been funding the implementation of the Technical Assistance to the Modernisation of Agriculture Programme.

The financing agreement between the Government of the Democratic Socialist Republic of Sri Lanka and the European Union on "Support to the modernisation of the agriculture sector in Sri Lanka" was signed on 6 April 2017. The 30 million EUR grant programme's objective is to contribute to a more productive, diversified, climate resilient, market oriented and equitable agriculture in Sri Lanka. The specific objective is to contribute to the creation of the enabling conditions for small holder farmers in poverty stricken districts to move towards a more sustainable, resilient and productive agriculture.

The intervention is structured around two components:

1. One component will be implemented through the World Bank (WB) and will operate at provincial and district level with the final beneficiaries. This component will assess constraints and needs of small holder farmers and will design and implement together with competent provincial institutions and private sector, measures (such as advisory services, farmer organisation, technology, infrastructure etc.) to enable small holder farmers, their families and communities to benefit from a more sustainable, productive and competitive agriculture. The administration agreement between the WB and the EU was finalised in December 2017 and implementation will start soon. The EU contribution is €25 million covering four districts, i.e. Vavuniya, Killinochi, Badulla and Ampara.

2. One component (€4.2 million) is being implemented directly through a service contract. The technical assistance will operate mainly, but not exclusively, at the national level and will provide support to the main stakeholders in identifying and addressing the needs/gaps in capacities, policy, fiscal, legislative or regulatory frameworks needed to enable small holder farmers to move towards a more sustainable, resilient and productive agriculture. Project implementation started in January 2018.

2.3 Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

In a competitive tender launched mid of 2017, a consortium led by Ecorys BV was awarded this service contract with a team of three key experts and provision of a large number of non key experts. The service contract started on 8 January 2018 and will come to an end on 7 January 2021.
2.4 Objective of the TA contract

The objective of the service contract is to contribute to a more productive, sustainable, diversified, climate-resilient, market-oriented and inclusive agriculture in Sri Lanka.

2.5 Results to be accomplished by TAMAP

Four results have to be accomplished within this service contract. They are:

Result 1: An overall (overarching) Agricultural Policy in line with the Government Development Goals is developed.

Result 2: An enabling environment is created and relevant policies for the modernisation and diversification of agricultural production, as well as the promotion of agricultural exports, are implemented.

Result 3: Existing systems and practices used by central and provincial agricultural ministries for planning, budgeting and policy implementation are improved.

Result 4: The statistical and analysis systems to monitor and assess the impact of implementing the overall agricultural policy are improved.

2.6 TAMAP understanding how to implement the project

According to the TAMAP team the project can be summarized as outlined in Figure 1 overleaf.

The threads running through these five critical elements are the coordination, facilitation, training, mentoring and mainstreaming of cross-cutting issues such as climate change, gender, youth and smart nutrition.

The TA team will work as a catalyst to facilitate and bring about the necessary change on the one hand, but will generate sufficient evidence on concrete concepts and activities fostering this change management process by conducting studies which are expected to form the basis for informed decision making.

The TA team will facilitate the establishment of multi-stakeholder working groups for the corresponding results to be achieved by the project (policy, strategy, action plan with resource allocation, and a Medium Term Expenditure Framework (MTEF)). The working groups will elaborate concepts which will then be tabled to the TAMAP Programme Steering Committee for endorsement. This approach will have a strong participative character whereby each participating agency will appoint active representatives to the various WGs which will meet regularly.
Figure 1: Steps in TAMAP implementation

Step 1
• Based on a sector needs assessment, help identify and assess issues and challenges facing the process of modernising the agriculture sector. The identification of champions is critical and central to this process.

Step 2
• Development of an overarching Agriculture Policy with a view to enhance agricultural productivity, efficiency and sustainability

Step 3
• Development of a coherent Implementation Strategy for the Agricultural Policy

Step 4
• Assist develop an action plan along with resource and financial budgets to provide a MTEF, along with a robust and pertinent M&E system

Step 5
• Help develop an agriculture sector reform contract to accommodate EU budget support.
3 RESULTS ACCOMPLISHED IN THE REPORTING PERIOD

3.1 Preliminary remarks

According to the Terms of Reference four results have to be accomplished. The reporting on progress accomplished, challenges, solutions and activities in the next reporting in this section will follow the logical framework for TAMAP as outlined in Annex 1 to this report, however, in this section we report only on activities which have actually taken place. Activities which have not started yet will not be mentioned in this section. A comprehensive overview on planned activities for the reporting period, accomplishments and planned activities for the next reporting period strictly following the logframe, even for activities which have not started in the reporting period, is illustrated in Chapter 6 and can serve as basis for the monitoring of TAMAP performance.

3.2 R 1: An overarching Agriculture Policy in line with the Government Development Goals is developed

3.2.1 A 1.1: Provide expertise and support to the preparation of an overarching Agriculture Policy that covers all sub-sectors

3.2.1.1 Stakeholder consultation, needs assessment and sector review

Progress achieved

Within the first six months of the project a thorough stakeholder consultation process was conducted by the technical Assistance team (TAT) with more than 250 people consulted from more than 50 organisations and entities. The team sought to obtain information on the key stakeholders, particularly ministries that are tasked with agriculture development following a SWOT approach, related to:

- Finding out who is doing what?
- Their experiences over the last few years
- Which challenges are you facing in accomplishing your mandate?
- Where are they now?
- Where do they want to be in the next 5 to 10 years?

A summary of the stakeholder analysis is attached in Annex 4. For details, see TAMAP Inception Report Section 5.3 and the corresponding Annex 5.

Problems encountered and possible solutions

No major problems were encountered while conducting the stakeholder analysis though the number of ministries and entities being involved in agriculture is high. According to our
investigations, 11 ministries\(^1\) are directly tasked with agricultural development while another 7 ministries\(^2\) are indirectly involved in agriculture. In view of that the stakeholder analysis has become a lengthy and tedious exercise, particularly bearing in mind that various stakeholders show a different level of interest about the project. As such, the Ministry of Plantation Industries organised one meeting where all major entities (in total about 12) associated with this ministry participated and within a three hour exercise, the Technical Assistance team (TAT) could obtain a comprehensive overview on this sector and respectively key subsectors. Contrary to that, other ministries such as the Ministry of Agriculture headquarters and the Ministry of Mahaweli Development and Environment required several attempts to organise meetings. For the former it is difficult to understand since KE 2 is located in the MoA and it should be assumed that access would be less difficult to this ministry.

**Recommendations & activities for coming reporting period**

The stakeholder analysis will continue in the coming reporting period since it was not possible to review all major entities involved in agricultural development. It is expected that after the organisation of the first TAMAP Programme Steering Committee (PSC) scheduled for 3 July 2018, TAMAP will have less challenges in getting access to stakeholders with a view to have important discussions and getting access to relevant information.

### 3.2.1.2 Identification, formation of working groups

**Progress achieved**

The TAT developed Terms of Reference for the TAMAP working groups. The organisation of working group meetings will be an essential part of the project following a strong participatory approach where in a wider forum problems should be discussed and solutions found. The TAT’s intention is that complex issues related to the various results to be accomplished will be discussed and solutions found and agreed upon which then will be conveyed as recommendations for the TAMAP Programme Steering Committee for endorsement. The ToR were part of the Inception Report and with its acceptance, the ToR will also be approved though minor changes need to made due to changes in ministry names.

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Problems encountered and possible solutions

Unfortunately, no working group (WG) could be organised. In fact, no members of the working groups (to be nominated by the various ministries and stakeholders) have been appointed in the reporting period. This has to be partly attributed to the fact that no Programme Steering Committee (PSC) was organised in the reporting period. Another reason for that, has to be attributed to the fact that GoSL officers prefer a very strong formal approach with official communication by the leading ministry (Ministry of National Policies and Economic Affairs). This is contrary to what the TAT recommended at the Inception Workshop dated 3 April 2018. At this workshop the TAT indicated that in future, organisation of meetings and invitations to meetings, particularly working groups will follow a less formal approach (invitation by e-mail sent by the TAT).

Subsequent experience however has shown that this approach was not well perceived by the stakeholders and they insisted on pursuing the formal way with original letters, followed by faxes and frequent follow ups by phone. The use of e-mails is less appreciated by the GoSL entities. It is expected that this attitude will be a major obstacle in organising working groups. Nonetheless, TAMAP together with the Department of National Planning (location of the KE 1’s office) decided to await the first Programme Steering Committee to discuss the nomination of WG members and the formation of WGs.

Recommendations & activities for coming reporting period

It is intended to use the First PSC in making the various stakeholders aware of the importance of the working groups. Therefore, particular attention will be given to the need for nomination of members for the WGs so that latest by September the first WGs on agricultural policy, value chain development and market intelligence system can be organized.

3.2.1.3 Review of policies and strategies related to agriculture

Progress achieved

With the development of the overarching agriculture policy, TAMAP does not intend to re-invent the wheel again. Our approach is to use the various sector and sub-sector policies and strategies and use those to feed into the overarching policy. In our opinion it is important to develop the overarching policy based on existing policies and strategies which have been developed with a lot of efforts in a professional manner. This does not mean that the existing policies and strategies are considered as a given. The underlying principle is to use those and give recommendations for improvement. At the same time, it has to be ensured that the overarching agriculture policy will be compliant with the improved sector and subsector policies. Therefore, the review of existing policies and strategies will be a very important activity for TAMAP. Unfortunately, only a very few policies (draft policies for MoA and MoSWPI and also the policy on fisheries) and strategies could be analysed in the reporting period.

Nonetheless, the TAMAP team was invited by MoA and MoPI to participate in formal discussions with various stakeholders on the two policies, the National Agriculture Policy for Sri Lanka and the National Policy for the Ministry of Primary Industries on 27th and 28th March 2018 respectively. Both policies were discussed interactively and a final version of the two policies was expected to be developed by the end of the TAMAP first reporting period. It should be noted that the FAO through its FIRST project funded by the European Union provided technical assistance in developing the two policies. The final policies were provided to TAMAP on 27 June 2018.
Problems encountered and possible solutions

The sharing of information, documents, policies and strategies seems to be a challenge for a significant number of stakeholders of the project. As a consequence of that, the TAT obtained only a few policies and strategies for review in connection with developing the overarching agriculture policy. This is seen as a major problem and it is expected that the reluctance in sharing documents will lead to delays with the achievement of Result 1.

Recommendations & activities for coming reporting period

It is expected that after the organisation of the first TAMAP Programme Steering Committee (PSC) scheduled for 3 July 2018, TAMAP will face less challenges in getting access to stakeholders with a view to have important discussions and gaining access to information.

3.2.1.4 Needs assessment for the agriculture sector

Progress achieved

TAMAP subcontracted the Colombo based organisation “Verité Research” in carrying out an agriculture sector and subsector assessment on 13 subsectors in Sri Lanka. Based on this assessment, TAMAP developed for each agriculture subsector a coherent and consistent matrix consisting of:

- History
- Challenges
- Options of the subsector
- Needs assessment (what is required to make the sector effective, efficient and competitive?)
- Recommendations & way forward

This subsector assessment including the above five issues offers a very useful overview on the sector and will accompany the TAMAP for the next 2.5 years as an important foundation for developing the overarching policy, strategy and action plan for the next 10-15 years.

Problems encountered and possible solutions

No particular problems encountered related to this activity

Recommendations & activities for coming reporting period

The subsector and needs assessment will continue in the coming reporting period. Two short-term assignments are envisaged to be conducted: i) review of the agricultural extension system and ii) review of the agricultural research set-up. Both assignments are expected to feed into the development of the overarching agricultural policy.
3.2.2 Support the design of a strategy, action plan and roadmap to implement the policy together with the institutional framework for its implementation

3.2.2.1 Development of an Action Plan

Progress achieved
For the Inception Report, the TAMAP team developed a very comprehensive work and action plan, not only for the agriculture policy but for the entire project. This work / action plan has been thoroughly discussed with the EUD Sri Lanka and was appreciated. Nonetheless, it is fully understood that this work plan will require regular update and revision. Therefore, each TAMAP Progress Report will include an updated version.

Problems encountered and possible solutions
No problems encountered in the reporting period.

Recommendations & activities for coming reporting period
No particular recommendations & activities for the coming reporting period.

3.2.3 Share all relevant budget processes and analyses

3.2.3.1 Medium Term Expenditure Framework & long-term budgets for NAP implementation

Progress achieved
Though no activities were foreseen for the reporting period, the TAMAP team were able to obtain first impressions on budgeting processes particularly at provincial level during the screening mission to the centre and northern part of Sri Lanka which took place from 3rd to 12th June 2018.

Problems encountered and possible solutions
No problems encountered in the reporting period.

Recommendations & activities for coming reporting period
No particular recommendations & activities for the coming reporting period.
3.2.4 **A 1.5: Support the Government and the EU Delegation (EUD) to prepare the future sector reform contract in agriculture**

3.2.4.1 Sensitisation of key personnel through training, study tours around the requirements of the Sector Reform Contracts (SRCs)

**Progress achieved**

In order to sensitise and familiarise relevant stakeholders in Sri Lanka on budget support, TAMAP has started supporting the EUD in the organisation of budget support training, one half day introduction for high level ministerial staff, mainly Secretaries and Directors General and a two day-training for mainly ministerial technical officers. The training is scheduled for 3rd and 5th & 6th July 2018.

**Problems encountered and possible solutions**

No problems encountered in the reporting period.

**Recommendations & activities for coming reporting period**

Organisation of the budget support training in the first week of July 2018 and planning of a study tour for major stakeholders to a country in the region in which budget support has been a success and where the experiences can be applied in Sri Lanka.

3.2.5 **A 1.6: Support the development of a communication strategy to promote TAMAP**

3.2.5.1 Tailoring a communication strategy and action plan for the strategy

**Progress achieved**

TAMAP developed a relatively detailed outline for a visibility and communication strategy annexed to the Inception Report. For this strategy it is important that apart from the usual visibility activities such as newsletters, public events, the right means of communication will be developed to target the various multiple beneficiaries and stakeholders of the project to enhance ownership and hence, sustainability of the project interventions. For details see Section 7 and Annex 8 of the Inception Report

**Problems encountered and possible solutions**

No problems encountered in the reporting period.

**Recommendations & activities for coming reporting period**

The visibility and communication activities are very important for the project and will last over the entire project period. The TAT started developing Terms of Reference for the visibility and communication assignment which will be finetuned in the coming reporting period. Experience from other EU funded projects in various countries has shown that it is very difficult to get one or two experts covering the whole range of activities which are necessary
for the implementation of a visibility and communication strategy. In many cases, professional companies are usually the better choice since they can draw on a large range of expertise (journalistic writing, website development, organisation of media events, development of posters and logos, etc) and can develop the various activities as comprehensive packages. Unfortunately the use of companies involves significant higher costs compared to individual experts. TAMAP will launch a newspaper advertisement and call for profiles in which both, individual experts and also companies can submit an expression of interest for TAMAP. Based on the outcome of this exercise, TAMAP will fine tune the ToR for the visibility & communication assignment and pre-select appropriate personnel or organisations to be approved by the EUD Sri Lanka. Part of the ToR will be to develop and finalise a comprehensive visibility & communication strategy based on the TAMAP’s outline. It is expected that latest by October 2018 a service contractor will have been identified and contracted.

3.2.6 A1.7: Support the Government to coordinate the sectors, including development partners

3.2.6.1 Specific Periodical Meetings with the agriculture sector stakeholders

Progress achieved

On 7 February, TAMAP was invited to participate at the Development Partners’ working group on agriculture held in the FAO office. TAMAP made a presentation on results to be accomplished and planned activities to be carried out until the termination of the service contract. At the same time, the TAT could get an overview on who is currently doing what in the agriculture sector. It was agreed that at least two meetings per year will be held to update each other on latest developments. The TAMAP Team Leader (TL) is also on the development partner’s distribution list so that he is well informed about latest developments and events which are not necessarily restricted to agriculture. Thus, he or other TAT members can select which events will be interesting for TAMAP to participate.

Problems encountered and possible solutions

As earlier mentioned, obtaining documents and project relevant information has become a challenge for the TAMAP team. A good example around the scope for improvement in this regard is the following example: The Department of National Planning within the Ministry of National Policies and Economic Affairs (parent ministry of the TAMAP TL) initiated a working group with various stakeholders on the development of a national Good Agriculture Practices (GAP) and action plan for Sri Lanka in June 2018 and a first meeting was planned for the first week of July 2018. Though TAMAP will devote much of its resources on the analysis and improvement of value chain development, Good Agricultural Practices and Good Manufacturing Practices with a view to improve the quality and quantity of export products, TAMAP was not considered as a part of this working group. This is very unfortunate and also quite interesting since the Technical Assistants (from JICA) and the drivers of the working group are located in the same department as the TAMAP TL. One can only guess how many interesting opportunities are missed where other ministries and entities are organizing events, seminars or working groups.
**Recommendations & activities for coming reporting period**

In order to avoid not being invited for important meetings and workshops, the development and dissemination of a newsletter or regular project briefs is a necessity. This will be a first important activity when implementing the visibility & communication strategy.

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**3.3 R 2: An enabling environment is created, reforms and policies for the modernisation and diversification of agriculture implemented and exports promoted**

**3.3.1 A 2.1: Improve market intelligence & restructuring of production**

**Progress achieved**

Under this activity the TAT developed Terms of Reference for two assignments. They are:

1. “Improve Market Intelligence, Website development for Voluntary registration and Restructuring of Production” which has the following main objectives:
   a. Assist the Government to improve on its agriculture sector market intelligence so as to obtain updated trends in demand for agro-export products, and thus help farmers and agro-processors to restructure their production to meet revised agro-export targets.
   b. Assist the Government in developing a website where all companies involved in value chains can voluntarily register in order to access and share critical market information

and

2. “Strengthening Value Chain Development and Promotion of New Technologies” with the following main objectives.
   a. To Assist the Government of Sri Lanka to strengthen its value chain development research and analytical capacities in export market driven approaches and use it to promote new technologies.
   b. To assist the Government of Sri Lanka to establish surveillance systems for the certification of organic production and good agriculture practices (GAP) and good manufacturing practices (GMP)

Whereas the market intelligence assignment would be conducted over a period of 6 months, the value chain assignment would be carried out over a period of 13 months since it involves a strong capacity building component.

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**Problems encountered and possible solutions**

No problems encountered in the reporting period.

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**Recommendations & activities for coming reporting period**

Identification of suitable international and national experts, preselection and submission of requests for approval to the EUD Sri Lanka. It is envisaged that the market intelligence assignment will start in September and the value chain assignment towards end of the
coming reporting period. TAMAP will organise working groups for the two assignments where the experts will be given the opportunity to introduce their approach but also get guidance from the stakeholders and also in another WG to present their preliminary findings.

### 3.3.2 A 2.2: Strengthening value chain development & promotion of new technologies

**Progress achieved**

MoSWPI and the PMU for the Agriculture Modernisation Programme (AMP) requested support from TAMAP in harmonising the procedure for business planning of the private sector and to facilitate loan/grant application as well as to tease out which assistance MoSWPI could provide to the private sector. KE 2 attended two meetings with AMP project staff and the private sector to introduce a standardized planning system. Furthermore two tests of the chosen methodology were conducted with two private sector companies, namely, CBL for pineapple production and Star Ltd for mushroom production.

**Problems encountered and possible solutions**

No problems encountered in the reporting period.

**Recommendations & activities for coming reporting period**

TAMAP will provide continuous support and training to relevant stakeholders and will assist in the finetuning of business plans applying user friendly software based on Microsoft Excel. Until the value chain development assignment has started, TAMAP will provide on-the-job and ad-hoc training in VCA for MoA and MoSWP and other major stakeholders. However, comprehensive formal training on value chain development is not foreseen in the next reporting period.

### 3.3.3 A 2.5: Help the Government to improve its support to farmers and farmer organisations, including support to the extension service

**Progress achieved**

Under this activity the TAT developed Terms of Reference for two assignments. They are:

1. “Support to Farmer Groups and Associations” which has the following specific objectives:
   a. Review farmer organisations and conducting TNA on areas related to agricultural extension, cooperative development, water management, contract farming and mainstreaming farming as a business
   b. Development of training programme for farmer organisations based on the TNA and conduct training of trainers on group formation, lead farmer approach and farmer field schools

and

2. “Improve the functioning and impact of agriculture extension services in Sri Lanka”. The specific objective of this assignment is to assist the TAMAP Technical Assistance
Team (TAT) review the agricultural extension services being undertaken in Sri Lanka with a view to making the entire agricultural extension service more effective and efficient.

Whereas the extension assessment would be conducted over a period of 6 months, the farmer organisation assignment would be carried out over a period of 3 months.

**Problems encountered and possible solutions**

No problems encountered in the reporting period.

**Recommendations & activities for coming reporting period**

Identification of suitable international and national experts, preselection and submission of requests for approval to the EUD Sri Lanka. It is envisaged that the extension assessment assignment will start in September and the farmer organisation assignment at the beginning of the 2019. TAMAP will organise working groups for the two assignments where the experts will be given the opportunity to introduce their approach but also get guidance from the stakeholders and also in another WG to present their preliminary findings.

### 3.3.4 A2.7: Support the formation of PPPs

Under this activity the TAT developed Terms of Reference for one assignment. It is:

1. “Support the Formation of Public Private Partnerships (PPPs) in the agriculture sector in Sri Lanka” with the following objectives:
   a. Develop a platform for dialogue between the Government and the private sector to support the formation of public / private partnerships with which to raise technical performance in the agriculture sector and increase agro-exports
   b. Development of training programmes for farmer organisations based on the TNA and conduct training of trainers on group formation, lead farmer approach and farmer field schools

This assignment would be carried out within a period of 3 months.

**Problems encountered and possible solutions**

No problems encountered in the reporting period.

**Recommendations & activities for coming reporting period**

Establishing a relationship with the PPP unit in the Ministry of Finance and discussing with this unit the proposed Terms of Reference for the PPP assignment, identification of suitable international and national experts, preselection and submission of requests for approval to the EUD Sri Lanka. It is envisaged that the PPP assignment will start in September and indicatively ending towards end of the coming reporting period. TAMAP will organise working groups for the two assignments where the experts will be given the opportunity to introduce their approach but also get guidance from the stakeholders and also in another WG to present their preliminary findings.
3.4 R 3: Existing systems used by central and provincial Ministries involved in Agriculture for planning, budgeting/resource allocation, implementation are improved

3.4.1 A3.1: Review Government’s planning, budgeting, resource allocation, implementation and coordination system related to agriculture development

Progress achieved

Though no activities were principally planned for this reporting period, TAMAP has started some very preliminary reviews on the GoSL’s planning and budgeting system during the development of the Inception Report. This was to obtain some first ideas how this activity should be structured and carried out in the next reporting period.

Problems encountered and possible solutions

No problems encountered in the reporting period.

Recommendations & activities for coming reporting period

The TAT, in particular KE 2 will devote more time in reviewing the planning, budgeting, resource allocation and coordination processes to get more comprehensive information. This will be particularly of importance when planning and drafting Terms of Reference for an assignment for a Public Finance or PFM expert to support TAMAP in assessing budget processes applied by key stakeholders at central, provincial and district level. This will be around recommending a preferred approach for budgeting in a broader context, in carrying out training needs assessment and in designing a comprehensive training programme. It is expected that by November the ToR will have been developed. The assignment is expected to start at the beginning of 2019 and will be spread over 24 months.
4 MANAGEMENT OF THE SERVICE CONTRACT

4.1 Stakeholder liaison

4.1.1 Kick-off meeting 22\textsuperscript{nd} January 2018

The TAMAP kick-off meeting was organised in the Ministry of National Policies and Economic Affairs on 22\textsuperscript{nd} January 2018. It was well attended by representatives from the EUD Sri Lanka, the Ministry of National Policies and Economic Affairs, the Ministry of Agriculture, the Ministry of Social Welfare and Primary Industries (all three secretaries attended) and the three TAMAP key-experts. The meeting was organised by the Department of National Planning (NPD) and hence, the TAMAP team did not have control over the participation list. The purpose of this meeting was to familiarise each other with the key persons of the parental ministries, to give the TA team the opportunity to introduce their proposed approach for TAMAP implementation, to get the perceptions of the key stakeholders on TAMAP and to briefly discuss how best to make the project known to the broader stakeholders. The TA team made a detailed presentation and the overall approach introduced was principally appreciated and agreed upon by the participants.

4.1.2 Inception workshop 3\textsuperscript{rd} April 2018

On Tuesday 3 April 2018 the TAMAP Inception Workshop was organised as an extended half day event at the Shangri-La Hotel in Colombo. The purpose of this workshop was to:

- Inform stakeholders about the project
- Identify champions facilitating the accomplishment of the results
- Agree on mode of collaboration and coordination and reporting processes (working groups which elaborate technical and institutional directions)
- Agree on mode of decision making (PSC and its composition)
- Obtain a common understanding how to make the decentralisation process work

The workshop was well attended with at least 83 participants from more than 40 organisations. The participation list is attached in Annex 5, the minutes in Annex 6 and the presentation made by the TA team in Annex 7. Annex 9 contains a few newspaper articles which were reporting on the project and also on the inception workshop.

Highlight was the organisation of four working groups where the following topics with the following results were discussed and worked on in a lively and interactive manner:

**WG 1: Elaboration of a coordinating body for the overarching Agriculture Policy**

**RESULTS of WG 1**

This set-up should be called a central body instead of a coordinating body, since in Sri Lanka, the term coordinating body does not carry much weight.

This should be a constitutional body, which needs to be revised periodically.

Due to the necessity to prioritize targets depending on available funding, the central body should be chaired by the Secretary to the Treasury.

Members:
(1) Secretaries to all stakeholder Ministries – Due to there being many Ministries, having the Ministry Secretaries will be useful to involve all Ministries;
(2) Advisory body of sector experts;
(3) Other consultants – at provincial level, private sector, farmer organisations, heads of relevant industries etc.
   • The central body will be above all ministries.
   • Regular meetings should be conducted for constant monitoring and feedback. The central body should not be involved in mere crisis management.
   • Advisory body will sit within the central body and advise the Chairman and others

Comments:
- A similar system was available earlier and called the Development Secretary.
- A selection panel consisting of Secretaries and development partner representatives could be established to select the coordinating body.

Photo 1: Group photo of participants of TAMAP Inception Workshop

WG 2: Elaboration of composition of TAMAP Programme Steering Committee (PSC) and key points of its ToR

RESULTS of WG 2
- In addition to the already identified Ministries, PSC should include the Ministry of Fisheries, Ministry of Land, Chamber of Commerce, private sector, Export Development Board, Ministry of Rural Economy, Ministry of Plantation, Academia, Ministry of Irrigation and Water Management, Farmers, etc.
- Mandate – the committee will play a supporting role, and will function as an advisory and decision making committee.
- Steering committee is a project committee which will meet at least twice a year and will function as a decision making committee. This committee will be steering the project. Steering committee and central body need to be differentiated.

Comments:
- A steering committee should take full responsibility, not function in a supporting role.
- Science and technology needs to be considered.

WG 3: Decentralisation and agriculture development in Sri Lanka

RESULTS of WG 3
- If decentralization was properly done, more close monitoring would have happened. However, due to a multiplicity of actors, the process has gone out of focus and has led to poor information sharing and overburdening due to excessive administration.
- Contract farming needs law and regulations.
- Decentralization alone is not the issue. If decentralization is the issue, then prior to decentralization, Sri Lanka should have had a good agriculture sector. This is not the case. Individual accountability is what is important, not decentralization or the absence of it.

Comments:
- This process should be called devolution, not decentralization. Under decentralization, the centre is responsible, in devolution no one person is responsible.
- Now there are 10 agriculture extension systems in Sri Lanka. The devolution destroyed the extension system. There is a need to have a consistent policy and a unique agricultural system in the country.

WG 4: Fragmentation of the agriculture sector and its impact on agricultural development

RESULTS of WG 4
- Fragmentation leads to limited efficiency. There are many actors and duplication in the agriculture sector.

Examples:
- (1) Home garden programmes are undertaken by many institutions;
- (2) Provision of subsidies – some institutions give subsidies while others give grants. This needs to be streamlined.

- Many agencies have overlapping responsibilities. In Sri Lanka, if there is an ineffective organization, another organization is established to improve the services instead of trying to improve the existing poor performing organisation. This leads to many organizations that are involved in the same process.
- Fragmentation can lead to loss of knowledge and expertise.
• Regrouping of organizations needs to be done. This should be constitutionalized. When governments change, organizational responsibilities should not be changed. It is mandatory to streamline (and even to merge) services such as agricultural extension services to make them more effective and efficient.

• Ministries and departments should be regrouped according to commodities and following the (entire) value chain approach. Value chain based grouping will be inclusive of the private sector.

• Proper planning and responsibilities in planning need to be well established. This should include regional and sector planning.

• There could be “Super Ministry of Agriculture” consisting of state ministers from various ministries. In this case the threat is that we have too many state ministers with “state minister for onions”
  o Listing the mandate and establishing accountability according to the mandate needs to obtain political backing. This political backing can be obtained by including all political parties and civil society. As such it can be avoided that political parties will not reject the chosen structure when coming to power.

Comments:

• Political manoeuvring and devolution of power are the root causes behind the excessive number of Ministries. The inefficiencies can be reduced by understanding the root causes.

4.1.3 Programme Steering Committee (PSC)

On 28th June the Department of National Planning decided that the first PSC for TAMAP should be organised on 3rd July 2018. Given this very short notice, TAMAP communicated with all invited stakeholders by e-mail, fax and telephone to increase the likelihood to have a high attendance. For details on this PSC, see the next progress report.

4.1.4 Workshops / seminars / meetings attended by the PCC team

The TAMAP participated at the following major workshops, seminars and meetings as outlined in Table 1 (less important meetings are not mentioned)

Table 1: Workshops / meetings attended by the TAMAP team

<table>
<thead>
<tr>
<th>Workshop / seminar / meeting</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Partners’ Working Group on Agriculture (DP-Ag) 7 February</td>
<td>The Development Partner’s working group on agriculture has been meeting regularly about twice a year in order to keep each other updated on agricultural development. The DP-Ag does not interact with the Government mainly because of the extreme fragmentation of ministry mandates in the sector. TAMAP made a presentation on the project to make the participants aware what the project envisages to do in the next 3 years.</td>
</tr>
</tbody>
</table>
The EU funded and FAO implemented FIRST project has been assigned among others with supporting the development of an agricultural policy for the MoA and a policy for the MoPI. After some initial challenges and hiccups the project has been quite successful in developing two draft policies and stakeholders expressed the wish that FAO continues in developing policies.

Given the interventions done by the FIRST project, stakeholders in Sri Lanka have problems in understanding the presence of TAMAP since it is believed that TAMAP is doing the same or similar to what FAO has been doing and even when some of the stakeholders understand that TAMAP and FIRST have different tasks some stakeholders might question why TAMAP as a new structure is taking over the policy development part when the FAO has finally proved to be on the right path or in a nutshell, why change the brooms when the old one is still in very good shape?

In this meetings some brainstorming was done in order to reduce the confusion about FIRST and TAMAP, and it was agreed that the two entities need to work closely together and illustrate to the stakeholders that TAMAP is complementary to FIRST and vice versa and not duplicating FAO’s efforts and accomplishments. During the inception phase areas for collaboration have been identified such as a thorough assessment of the agricultural extension system prevailing in Sri Lanka.

The FAO organised in close collaboration with the Perideniya University a two-day seminar on how to improve nutrition through agriculture and food systems in Sri Lanka. The TAMAP team participated at this seminar in order to develop a better understanding of the local food and nutrition situation and the linkages between nutrition, food security, agriculture and food systems and to obtain enhanced knowledge on the importance of evidence-based practices in nutrition, agriculture and food systems. Therefore, this workshop was very important with a view to developing an overarching and a corresponding strategy targeting the nutrition insecurity within Sri Lanka.

Since the TAMAP team has not been involved in the development of this sub-sector policy, it was very important to attend this workshop in order to get a view on the content of the policy. This is of particular importance since the overarching agricultural policy should be consistent with this sub-sector policy.

Since the TAMAP team has not been involved in the development of this sub-sector policy, it was very important to attend this workshop in order to get a view on the content of the policy. This is of particular importance since the overarching agricultural policy should be consistent with this sub-sector policy.

The Ministry of Plantation Industries organised a superb meeting on 28 March in which besides TAMAP all entities associated to the ministry were invited. As such, besides the ministry, representatives from the tea, coconut, rubber sector were present. In total 26 participants from 8 entities were attending this 3-hour meeting in which the TAMAP team could get insights around prospects and challenges the various subsectors are facing. This was the best and most efficient and effective meeting organised by the TAMAP stakeholders.

The South Asia Food and Nutrition Security Initiative (SAFANSI) funded by
<table>
<thead>
<tr>
<th>Workshop / seminar / meeting</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 and 26 June 2018</td>
<td>The World Bank organised a two-day workshop which drew on the latest evidence and experience from current nutrition-sensitive and nutrition-specific programs focusing on putting the lens on the consumer in nutrition-sensitive agriculture and food systems in South Asia. The goal of the workshop was to identify the best ways to move from strategy to action and to scale up programs for maximum impact. TAMAP participated at the first day of this event and did not attend the second day since the topics of the second day were not so relevant for TAMAP.</td>
</tr>
<tr>
<td>Various meetings with private sector</td>
<td>TAMAP had meetings with representatives from the private sector namely Mr A Weerakoon of National Agribusiness Council, Mrs Dawn Austin (NIDRO Supply PVT LTD, M De Alwis, CEO of MA's Tropical Food Processing Ltd., meeting with A C Pathirage from Hayleys. In these meetings, TAMAP was informed about the challenges the private sector is facing and how to overcome these.</td>
</tr>
<tr>
<td>TAMAP meets MILCO 28 February 2018</td>
<td>TAMAP met the Milk Industries of Lanka Company Limited which is a government owned milk processing enterprise. Challenges and potential for dairy production were discussed. The potential for the dairy sector is very high since Sri Lanka is importing more than 40% of its dairy consumption.</td>
</tr>
<tr>
<td>Department of Animal Production and Health, Kandy 2 March 2018</td>
<td>TAMAP had a fruitful meeting with this department. The DAPH colleagues participating at the meeting seemed to be quite realistic about the difficulties in expanding livestock sector and also about their role. Cattle production has constraints due to expensive dairy production and cultural and religious challenges to establish state of the art beef production. There is potential for pig and poultry production. With regard to their own performance and future it became apparent that the private sector is partly providing better services in terms of extension. DAPH should probably have the regulatory function and not much more.</td>
</tr>
<tr>
<td>TAMAP meets Department of Agrarian Development 23 February 2018</td>
<td>TAMAP organised this meeting in particular to understand the role of this department with regard to the provision of extension services. The Department of Agrarian Development under the Central Government is responsible for institutional development of farmer organisations, rehabilitation and maintenance of medium and minor irrigation schemes and the provision of fertiliser subsidies to paddy rice farmers and other field crops.</td>
</tr>
<tr>
<td>TAMAP meets Department of Agriculture in Kandy 2 March 2018</td>
<td>TAMAP organised this meeting in particular to understand the role of the Department and where does it differ in the provision of agricultural extension services compared to the Department of Agrarian Development. In a nutshell, it can be ascertained that the Provincial Departments of Agriculture under the Provincial Council is in charge of extension services such as crop husbandry, animal husbandry and inland fisheries. Similar extension services are provided by the Interprovincial Department of Agriculture (6 Interprovincial Departments countrywide where the (command) area is covered by more than one province.</td>
</tr>
<tr>
<td>TAMAP meets Department of Export Agriculture, Kandy 2 March 2018</td>
<td>TAMAP organised this meeting to get first hand information on the role and tasks of this department. With regard to agricultural extension, the Department of Export Agriculture under the Ministry of Social Welfare and Primary Industries is in charge of technical extension service of export crops, mainly spices as well as minor expert crops such as cocoa and coffee.</td>
</tr>
<tr>
<td>Sri Lanka Council for Agricultural Research Policy</td>
<td>The Sri Lanka Council for Agricultural Research Policy, developed very...</td>
</tr>
</tbody>
</table>
Workshop / seminar / meeting | Purpose
---|---
Agricultural Research Policy; Colombo 5 March 2018 | recently the National Agricultural Research for Sri Lanka and is the main coordinating organisation for agricultural research in Sri Lanka and also in the provision of scholarships and research grants.

### 4.1.5 Missions undertaken by the TAMAP

The TAMAP team conducted three missions in the reporting period as outlined in Table 2.

<table>
<thead>
<tr>
<th>Mission</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kandy 1–3 March 2018</td>
<td>Within the stakeholder consultation and analysis process, TAMAP visited important stakeholders such as the Department of Agriculture, Department of Export Agriculture and the Department of Animal Production and Health.</td>
</tr>
<tr>
<td>Screening mission to the Centre and North of Sri Lanka 3-12 June 2018</td>
<td>Following the submission of the Inception Report the TAT decided to embark upon a field visit to add to the information gathered through the literature reviews and from the many stakeholder meetings, and to gain a better sense of reality regarding Sri Lanka’s agricultural sector. Apart from visiting key agricultural facilities being supported by Government and private sector stakeholders, it was felt important to meet with farmers, with private sector agencies and with key civil servants engaged in agriculture. A further objective of the mission was for the TAT to engage and team build with colleagues from the three host ministries, namely the Ministry of National Policies and Economic Affairs, the Ministry of Agriculture, and the Ministry of Social Welfare and Primary Industries. For details see Annex 3 to this report.</td>
</tr>
<tr>
<td>Private Sector Support mission to Negombo 18-20 June 2018</td>
<td>The objective of this mission was to provide technical assistance to the development of a standardized procedure for business plans to be used for support by MoSWPI and loan and grant application for the Agriculture Modernisation Program. A task group was formed in MoSWPI to achieve such a standardized procedure and it was agreed to use two tools i.e. 1) Gross Margin analysis for farm production and 2) Business Planning for processing activities with financial modelling to show profitability and sustainability. Also it was agreed to test the approach with at least two private sector companies. The first test is with Ceylon Biscuits Ltd that has approached MoSWPI to assist in the development of a pineapple project. The two companies which were assisted were Ceylon Biscuits Group and Star Mushroom Products.</td>
</tr>
</tbody>
</table>
4.2 Contractual and procedural issues

In the reporting period, no major issues had to be discussed and agreed upon with the EU Delegation Colombo. The only issues which needed consent are mentioned in the following sections.

4.2.1 Reporting period

It was agreed between EUD SL and Ecorys that the reporting period would start on 1 January 2018 and end on 30 June 2018. This reporting period compared to 8 January – 7 July 2018 is much more convenient since among others, only one timesheet has to be submitted for the last month of the reporting period. Ecorys made a request dated 28 June and the EUD verbally agreed on the same day. The official (written) response is expected to be received in the first week of July 2018.

4.2.2 Logframe

The Terms of Reference for the TAMAP service contract and hence, the logical framework partly lack a coherent and logic structure. As such there are some duplications and some of the activities under Result 3 would be better placed under Result 2. Some revisions have been already made and also been approved by the EUD during the reporting period. On the occasion of writing this progress report some additional issues became apparent which could
be improved resulting in a more user friendly logframe. These observations, however have not been revised in the prevailing logframe. Therefore, it is suggested to devote half a day meeting between TAMAP and the EUD SL to discuss these issues and agree on a better structured logframe, and hence more reader friendly logframe.

4.3 Reporting

In the reporting period, the following reports were developed and submitted:

- Draft Inception Report was submitted to the EU Delegation on 8 May 2018 by e-mail. Since the EU wanted to have a first review prior to sending it as an official draft to the stakeholders. The EUD made some comments which were incorporated. The official draft Inception Report was disseminated by e-mail and as hardcopy to the stakeholders on 17 May 2018.
- Based on the comments received, TAMAP sent a final Inception Report to the EUD and stakeholders on 21 June 2018. An official approval of the Inception Report is pending.
- The Desk Study on Agricultural Sector, Subsector Assessment and Stakeholder Mapping was been disseminated to the EUD and stakeholders on 28 June 2018.

4.4 Issues and possible solutions

In the Inception Report, the TA team identified a few issues based on observation on the Terms of Reference and also on experiences during the inception phase. Some of the issues are still prevailing, some have been partly resolved. Issues and also how best to cope with them are illustrated in the following sections.

4.4.1 Location of the workplace of the three key experts

4.4.1.1 Issue

According to the ToR, the three key experts are based in different ministries and hence, in three different locations. Whereas KE 1 is based in the Ministry of National Policies and Economic Affairs, KE 2 is housed in the Ministry of Agriculture and KE 3 is located in the Ministry of Social Welfare and Primary Industries. Given the complexity of the programme in conjunction with extremely unfavourable traffic conditions (high congestions throughout the day) in Colombo, we strongly recommended that this situation should change and all three experts should share one office at a central point from where the daily activities can be performed. This can be either a ministry or an external office rented using funds from the incidental budget. This would significantly help the TA team to have more brainstorming on complex issues. We believe that the main reason to accommodate the three key experts in different locations was the capacity building aspect for three major ministries and to assist coordination of the programme in these key ministries. We acknowledge this argument but in our opinion, capacity building will play a more prominent role at a later stage of the programme. Furthermore, there are other ministries and also provincial councils which will also require capacity building. Therefore, it is of less importance where the team is located.
and the prospects of more in-depth team discussions facilitated by a central base will offset potential shortcomings in capacity building.

4.4.1.2 How to resolve this issue

This issue was brought to the attention of the key ministries on several occasions. The Secretary of the Ministry of Social Welfare and Primary Industries allocated some extra office space in the MoSWPI branch office, the World Trade Center (WTC) where KE 3 is located so that the entire TAMAP team including short-term experts can be accommodated. This is a very favourable development and the TA team is proposing that the entire team will work in the WTC on two days a week to facilitate joint brainstorming and planning. This might be the most convenient arrangement since KE 1 and also KE 2 still remain in their previous office locations for a significant part of their work. Moreover, if the need arises KE 1 can commute at any time from WTC to the Treasury since it is walking distance. This issue is on the agenda for the PSC.

4.4.2 Stakeholders’ interest and means of communication and little change in abandoning very formal and administrative structures

4.4.2.1 Issue

In the Inception Report under the header “ToR underestimate the political environment in Sri Lanka” the question was raised whether there is sufficient political will to change the situation which would start with developing an overarching agricultural policy followed by an implementation strategy and a detailed action plan which would among others propose to streamline and restructure ministries. We have not found an answer to this issue but with regard to the use of communication between the large number of stakeholders the TA team highlighted on numerous occasions, such as at the Kick-off meeting and particularly at the Inception Workshop, that all communication will be done via e-mail for the purpose of efficiency and effectiveness.

Unfortunately, e-mails are generally not accepted by the various GoSL entities. What is accepted are original letters, faxes and phone calls and always addressed to the heads and not to the technical persons we have already identified during the inception workshop. And even using these antique means of communication is not a guarantee for getting feedback.

This is a major problem since the use of e-mail with distribution lists is much more efficient and it is impossible, or at least very time consuming and prohibitively expensive to send files and reports via fax. Some GoSL officers, irrespective of seniority neither respond to e-mails, nor to faxes or letters. Standard is to follow up by phone and then it usually turns out that people have not read the messages irrespective of which means of communication was used. As such, the attendance at the TAMAP Inception Workshop was only so high because the TAMAP office manager followed up with all invitees on a daily basis up to three to four weeks before the event and then again a last strong follow up on all invitees one and two days before the event. Similar to that, stakeholders were invited to the budget support training more than one month prior to the organisation of the event. Yet, the TAMAP office manager spent most of her time phoning officers, explaining to them about the project and the purpose of the invitation, though the project must have been known to them through previous communication and the invitation letter was also very clear.
This attitude favouring stone age means of communication in conjunction with general reluctance to respond to messages also contributed to not establishing the necessary working groups in this reporting period. As everything is very formal it would not have been accepted to send e-mails to the various stakeholders who had already identified at the inception workshop as key persons for the TAMAP working groups.

Given the fragmented agriculture sector with so many entities in charge of agriculture, and the principal need for using modern and efficient means of coordination, we see this attitude as a threat for our participatory approach around developing jointly the overarching agriculture policy and strategy in time. It could also be that the continuous emphasis on using very formal means of communication might be a sign of insufficient interest into the programme.

4.4.2.2 How to resolve this issue

At the PSC on 3rd July, the TA team will bring to the attention of the PSC members the importance of using efficient means of coordination and communication and that each entity should appoint two members for the TAMAP working group. It is hoped that once the members have been nominated, then the communication facilitated by semi-modern technologies (e-mail is not really a new technology) can be established and once the people are better known and familiar with each other, it is believed that a good personal relationship will facilitate communication and collaboration.

Should the stakeholders still be reluctant to accept efficient means of communication, then Ecorys might consider employing (funded by the incidental expenditures budget) a telephone operator whose only task will be to make follow ups by phone to explain project and pending issues if stakeholders are reluctant to read e-mails or even letters or faxes.

Lastly, as already pointed out by the TA team on numerous occasions, developing an overarching agriculture policy is not a difficult subject if a scaled back participatory approach is adopted. To the contrary, the less participation and involvement of stakeholders, the quicker a draft policy can be developed allowing the TA team to respect the tight deadlines and milestones for the project. However, in this case, the time to adopt and approve the policy and the subsequent strategy might take longer.

4.5 Planned assignments in the coming reporting period

It is expected that the following assignments will be launched in the coming reporting period:
Table 3: Planned assignments in the coming reporting period using NKE work days

<table>
<thead>
<tr>
<th>Expertise required</th>
<th>Indicative # of WD</th>
<th>Major indicative tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Policy &amp; Strategy</td>
<td>50 SNKE 70 JNKE</td>
<td>• Assess current policies in the agriculture (sub) sector&lt;br&gt; • Review how existing strategies are implemented on a local level, with farmers (subsistence, commercial, plantations) an entry point and extended to selected value chains. This activity requires site visits to selected areas&lt;br&gt; • Review best practise examples from other (Asian) countries and derive proposals to improve and finetune existing policies and strategies in Sri Lanka.&lt;br&gt; • Develop an overarching agriculture policy and implementation strategy with strategic and operational objectives &amp; actions&lt;br&gt; • Development of an indicative budget for the strategic actions with a time horizon of 10 years.</td>
</tr>
<tr>
<td>Agricultural Research&lt;sup&gt;3&lt;/sup&gt;</td>
<td>50 SNKE 70 JNKE</td>
<td>• Critically analysing the performance of current selected agricultural research programmes being conducted in Sri Lanka&lt;br&gt; • Derive concrete recommendations how best to make the agriculture research in Sri Lanka more demand driven catering for the needs of the sector.&lt;br&gt; • Make concrete recommendations who is best placed to undertake the various research activities&lt;br&gt; • Prioritise agriculture research activities and programmes.&lt;br&gt; • Outline of the methods by which the Government of Sri Lanka can improve the dissemination of new technology to extension agents and farmers.&lt;br&gt; • Outline a road map how to facilitate and manage change from the current situation into the recommended situation related to agricultural research&lt;br&gt; • Develop an indicative budget for agricultural research&lt;br&gt; • Developing an M&amp;E framework for agriculture research with concrete indicators and milestones.</td>
</tr>
</tbody>
</table>

<sup>3</sup> At the time of writing this Progress Report, the TAMAP team came to know that the Department of Agriculture of the University of Peradeniya is currently conducting an assessment of various agriculture research organisations within the country. Furthermore, an updated report has been developed on "Reviving Sri Lanka’s Agricultural Research and Extension System in the Non-Plantation Sector" in 2016 and is expected to be shared with the TAMAP team. Before launching the proposed Agriculture Research assignment, the two reports need to be reviewed, assessed and it has to be concluded whether or not TAMAP will go ahead with the proposed assignment. And if it is decided that it will go ahead, then the ToR might be revised taking into account the findings of the two reports.
<table>
<thead>
<tr>
<th>Expertise required</th>
<th>Indicative # of WD</th>
<th>Major indicative tasks</th>
</tr>
</thead>
</table>
| Agricultural Extension  | 50 SNKE 50 JNKE   | • Analyse the performance of the agricultural extension service provided by the various entities (public and private sector). Particular emphasis should be given on which organisation is doing what and how (current system) and recommend which organisation should do what and how (future extension service).  
  • Establish the extension needs of the sector, identifying core activities for each stakeholder group focusing on the research/extension/farmer linkages and the need to diversify and commercialise.  
  • Establish who is best placed to undertake the various activities needed for the sector to work well between the public and private sectors, and civil society  
  • Provide an indicative basis for planning and budgeting public expenditures based on the recommendations made. |
| Market Intelligence     | 100 SNKE 150 JNKE | The assignment should focus on advisory services, web site design and installation as well as training with the following specific objectives:  
  • Harmonisation of data collection and compilation for all crops along the entire value chain (e.g. producer, processor, marketing) (Market information management system)  
  • Linkage and integration of databases and provide guidelines for sharing of data amongst governments, private sector and academia  
  • Prepare an action plan with a budget for roll-out of the improved system on government platforms and the long-term maintenance costs and resource needs  
  • Develop software for sharing harmonised market information, software installation and training (IT component)  
  • Develop a website giving easy access to harmonised market information and registration of companies through website  
  • Ensure the sustainable operation of the website and prepare guidelines and training for the maintenance and management of the facility  
  • Review of various options for hosting the website, e.g. the newly established IT Centre in Kandy under the Department of Agriculture or the recently launched Single Window Investment Facilitation Taskforce (SWIFT) under the Board of Investment. |
<table>
<thead>
<tr>
<th>Expertise required</th>
<th>Indicative # of WD</th>
<th>Major indicative tasks</th>
</tr>
</thead>
</table>
| Value Chain Analysis & Training including food processing technologies | 200 SNKE 200 JNKE | • Conduct Value Chain Analysis based on market study for tea, paddy, coconut, rubber, minor export crops excluding spices and vegetables using FAO VCA-TOOL Software for Value Chain Analysis Version 3.1 by FAO 2012 (or newer)  
• Conduct a scan of applied technologies in post-harvest agriculture  
• Conduct a survey to collect voluntary information for both export and import substitution companies to support the online registration system on the website  
• Develop VCD training for stakeholders based on the findings of the research  
• Conduct training in Value Chain analysis and support mainstreaming of Value Chain analysis in the public sector preferably using FAO VCA-TOOL Software for Value Chain Analysis Version 3.1 by FAO 2012 (or newer)  
• Study market segmentation on basis of organic and GAP and GMP in other countries (India, Indonesia, Vietnam, Malaysia etc) for spices and tea.  
• Conduct two pilots (one with stakeholder group in spices and one stakeholder group in tea) based on market segmentation. |
| Farmer Organisations / Cooperatives            | 50 SNKE 50 JNKE   | • Prepare an inventory of cooperatives, producer groups, credit and saving schemes and water user groups active in SL agriculture and agribusiness  
• Conduct needs assessment for cooperatives, producer groups, credit and saving schemes and water user groups  
• Organise, supported by the TAMAP team a study tour for farmers to a Sri Lankan or Asian successful collective action project  
• Identify potentially feasible collective action groups  
• Conduct training for potentially feasible groups in collective action  
• Assist stakeholders in the establishment of the collective action  
• Introduce lead farmers with public sector extension in value chains  
• Support the piloting of farmer field schools in value chains  
• Conduct gender studies in value chains |
| Public Private Partnerships (PPP)             | 30 SNKE 30 JNKE   | • Study on PPP options in potential high value-added VCs in agriculture  
• Present findings and options of the PPP Study in meetings with stakeholders of such VCs.  
• Prepare a road map for PPP development in the agriculture sector  
• Train stakeholders to conduct annual stakeholder meetings for public and private participants of key export-oriented value chains (minor export crops, horticulture and plantation crops) and key import substitution value chains (paddy, other field crops, livestock) to discuss bottlenecks in the value chains of crops and find solutions as well as discuss general principles of cooperation in the chains (supply contract conditions, harvest estimates etc). |
Expertise required | Indicative # of WD | Major indicative tasks
--- | --- | ---
Visibility and Communication | 250 JNKE | The visibility and communication assignment will accompany the project until project end. Individual experts but also companies will be considered. The indicative tasks are illustrated below:
- Development of press releases, liaison with media
- Organisation of events in which the project is introduced
- Development of TAMAP radio / TV spots
- Design communication templates for the TAMAP
- Develop a database of relevant service providers for communications outputs, such as graphic designers, printers, media contacts;
- Writing newspaper articles, project briefs and newsletters for TAMAP;
- Design an operate a project website ;
- Design and operate project social media account, to be linked to project website ;
- Develop and implement a system for tracking publicity and media coverage of the project. This includes both communications outputs from the project (such as press releases, media articles written by the TAT, blog posts, articles published on website) and media coverage of the project generated by external sources.
5  CURRENT STATUS OF THE TAMAP SERVICE CONTRACT

5.1  Overview of inputs of experts since commencement

Technical Assistance to the Modernisation of Agriculture Programme

WORK DAYS INVOICED
Commencement date - 08 January 2018

<table>
<thead>
<tr>
<th>Month</th>
<th>KE 1: Team Leader BATZLEN</th>
<th>KE 2: Public Policy Agriculture ATKINS</th>
<th>KE 3: Agriculture Value Chain v.d. MEERENDONK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # of days that can be invoiced</td>
<td>660</td>
<td>660</td>
<td>660</td>
</tr>
<tr>
<td>2018</td>
<td>18.0</td>
<td>13.0</td>
<td>8.0</td>
</tr>
<tr>
<td>January 18</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>February 18</td>
<td>18.0</td>
<td>21.0</td>
<td>22.0</td>
</tr>
<tr>
<td>March 18</td>
<td>10.0</td>
<td>16.0</td>
<td>13.0</td>
</tr>
<tr>
<td>April 18</td>
<td>23.0</td>
<td>23.0</td>
<td>23.0</td>
</tr>
<tr>
<td>May 18</td>
<td>22.0</td>
<td>21.0</td>
<td>22.0</td>
</tr>
<tr>
<td>June 18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL USED</td>
<td>111.0</td>
<td>114.0</td>
<td>108.0</td>
</tr>
<tr>
<td>BALANCE</td>
<td>549.0</td>
<td>546.0</td>
<td>552.0</td>
</tr>
<tr>
<td>% as of total</td>
<td>16.8%</td>
<td>17.3%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

16.8 % of the work days of KE 1, 17.3 % of KE 2 and 16.4 % of KE 3 have been consumed since commencement of the service contract. No assignment with NKE has been launched so far. Out of the total contract value of € 4.167 million, approximately € 352,360 were spent in the reporting period with € 299,700 on fees and € 52,660 for incidental expenditures (see table overleaf).
5.2 Overview of the financial status of the TAMAP

<table>
<thead>
<tr>
<th>ECORYS - Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka - Service Contract</th>
<th>Budget according to contract</th>
<th>Expenditure in reporting period (8 January - 30 June 2018)</th>
<th>Cumulative expenditures until reporting period (excluding current reporting period)</th>
<th>Balance available</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of work days</td>
<td>Fee rate (€ per work day)</td>
<td>Amount €</td>
<td>Number of work days</td>
</tr>
<tr>
<td><strong>FEES (including overheads):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KEY EXPERTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KE 1: Team Leader</td>
<td>660</td>
<td>900</td>
<td>594,000</td>
<td>111.0</td>
</tr>
<tr>
<td>KE 2: Agriculture Policy</td>
<td>660</td>
<td>900</td>
<td>594,000</td>
<td>114.0</td>
</tr>
<tr>
<td>KE 3: Value Chain</td>
<td>660</td>
<td>900</td>
<td>594,000</td>
<td>108.0</td>
</tr>
<tr>
<td><strong>NON KEY EXPERTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International / National (Senior Experts)</td>
<td>1,000</td>
<td>900</td>
<td>900,000</td>
<td></td>
</tr>
<tr>
<td>National (Junior Experts)</td>
<td>1,750</td>
<td>400</td>
<td>700,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FEES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROVISION FOR INCIDENTAL EXPENDITURE:</strong></td>
<td>750,000</td>
<td>53,416</td>
<td>696,584</td>
<td></td>
</tr>
<tr>
<td><strong>PROVISION FOR EXPENDITURE VERIFICATION:</strong></td>
<td>35,000</td>
<td>2,380</td>
<td>32,620</td>
<td></td>
</tr>
<tr>
<td><strong>MAXIMUM CONTRACT VALUE</strong></td>
<td>4,167,000.00</td>
<td>355,496</td>
<td>3,811,504</td>
<td></td>
</tr>
</tbody>
</table>

Figures have been derived from the first expenditure verification report attached to the Ecorys invoice.
## Progress Report and Future Work Programme by Results

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result 1: An overarching Agriculture Policy in line with the Government Development Goals is developed</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A 1.1: Provide expertise and support to the preparation of an overarching Agriculture Policy (including actions related to women/social exclusion and environment/climate change) that covers all sub-sectors, based on extensive consultations with, and the full participation of, all stakeholders</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.1 Stakeholder consultation, participatory needs assessment conducted and policies including crosscutting issues in key associated ministries and sectors reviewed</td>
<td>Undertake stakeholder analysis of relevant government agencies connected with the agriculture sector (all sub-sectors)</td>
<td>Thorough analysis of major stakeholders conducted and included in the Inception Report</td>
<td>Continuation of stakeholder analysis and review of sector / sub-sector policies</td>
</tr>
<tr>
<td>1.1.2 Identification and formation of cross sector planning working group for the NAP</td>
<td>Organisation of first working group on agricultural policy</td>
<td>Terms of Reference for TAMAP Working Group developed and will be approved through acceptance of Final Inception Report. No WG organised since stakeholders did not nominate WG representatives</td>
<td>Facilitation of WG member nomination and organisation of various WG meetings with a view to agree on a first draft overarching agriculture policy by December 2018</td>
</tr>
<tr>
<td>1.1.3 Review of recently developed agricultural policies &amp; strategies in Sri Lanka and conducting of a SWOT analysis</td>
<td>Undertake a SWOT analysis of relevant agencies, and obtain policies and strategies</td>
<td>SWOT analysis undertaken and included in Inception Report. Small number of policies and strategies obtained by stakeholders. ToR for a short-term assignment on policy analysis and development developed</td>
<td>Continue process of compiling policies and strategies. Launch assignment on policy review and development in October 2018</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
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<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1.1.4 Needs assessment of the agricultural sector and subsectors</td>
<td>Conduct needs assessment</td>
<td>Agriculture sector and sub-sector assessment including first needs assessment conducted supported by Verité Research. ToR for two assignments developed assessing among others needs in i) agricultural extension and ii) agricultural research</td>
<td>Continuation of needs assessment and launch of the two assignments. Agricultural Extension assignment expected to be finalised in December 2018 and preliminary results of the Agriculture Research assessment expected to be submitted by Nov/ Dec 2018</td>
</tr>
<tr>
<td>1.1.5 Drawing up overarching agricultural policy</td>
<td>No activities foreseen for the reporting period.</td>
<td>Not applicable</td>
<td>Submission of draft overarching agriculture policy by December 2018 to the TAMAP PSC</td>
</tr>
<tr>
<td><strong>A 1.2:</strong> Support the design of a strategy, action plan and a clear roadmap to implement the policy together with the institutional framework for its implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.1 Development of Action Plan and Strategy for NAP implementation.</td>
<td>Action plan developed and agreed with EUD SL and major stakeholders</td>
<td>Very detailed action / work plan developed for TAMAP, discussed and agreed upon with EUD SL and major stakeholders through acceptance of the Inception Report</td>
<td>Action / work plan continuously updated and revised following actual progress and anticipated challenges</td>
</tr>
<tr>
<td>1.2.2 Supporting the Institutional Framework (annual reviews) with a view to align it as much as possible with the way NPD has been monitoring national policies.</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Nothing foreseen in the next reporting period</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
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</tr>
<tr>
<td>1.2.3</td>
<td>Support the Government to get up to date data, information and analysis in support to the implementation of the policy, notably at sub-sectoral level and develop applicable models and methodologies</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.2.4</td>
<td>Capacity building in prioritisation of data compilation in line with the NAP, data collection, compilation and analysis</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
<tr>
<td>A 1.3:</td>
<td>Share all relevant budget processes/analyses to show the costs and funding of policy implementation over the medium term (including the use of Medium Term Expenditure Framework guidelines (MTEF))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.1</td>
<td>Support in the development of short-term, Medium Term Expenditure Framework and also long-term budgets for NAP implementation</td>
<td>No activities foreseen for the reporting period</td>
<td>On the occasion of the screening mission to the Centre and North in June 2018, first familiarization with budgeting processes Otherwise, no particular activities conducted</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
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</tr>
<tr>
<td>1.3.2</td>
<td>Needs assessment/costing of interventions as a tool for aligning development plans and objectives to budgets</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.3.3</td>
<td>Support public policies and reforms coherence with resource planning in close collaboration with the upcoming EU funded PFM programme.</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.3.4</td>
<td>Introducing Mechanisms and Methods of Public Expenditure Tracking (PET) in close collaboration with the upcoming EU funded PFM programme.</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
<tr>
<td>A 1.4:</td>
<td>Support the Government to acquire international best practices in agricultural development and knowledge that can be replicated in the Sri Lankan context</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4.1</td>
<td>Organising study tours and international conferences with a view to learning international best practices</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
## Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

### Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4.2 Facilitation participation at twinning programmes</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Liaise with relevant regional and national bodies, draw up tentative programmes</td>
</tr>
<tr>
<td>1.4.3 Conducting desk studies to assess agricultural policies from other countries</td>
<td>No activities foreseen for the reporting period</td>
<td>Case studies and various agriculture policies for some South Asian and South East Asian countries have been obtained</td>
<td>Analysis of the policies and synthesize lessons learnt from regional countries on agriculture policies</td>
</tr>
<tr>
<td><strong>A 1.5:</strong> Support the Government and the EU Delegation (EUD) to prepare the future sector reform contract in agriculture: preparing the necessary analysis and documentation for the identification and formulation of the programme including the selection of SMART indicators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5.1 Sensitisation of key personnel through training, study tours around the requirements of the Sector Reform Contracts (SRCs)</td>
<td>Organisation of a training on budget support</td>
<td>Planning of budget support training to sensitize high level GoSL staff members (secretaries, directors) on budget support and to train GoSL officers on basics on budget support</td>
<td>Budget support training on 3rd July and 5th &amp; 6th July 2018. Planning of a study tour to a country in which budget support has been a success</td>
</tr>
<tr>
<td>1.5.2 Developing the analysis and tools including SMART indicators to monitor and evaluate budget support.</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Developing ToR for a short-term assignment for approximately 175 WD NKE supporting the development of indicators. If the EUD SL decides that AAP 2019 will be developed containing the Sector Reform Contract, then the assignment will be commissioned in September / October 2018. Otherwise, it will be carried out in the first half of 2019.</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
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<tr>
<td>1.5.3 Preparation of a road map and the institutional set up for implementation of budget support (PSC, M&amp;E).</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Preparation of the launch of the short-term assignment (see above) supporting the development of the road map and the institutional set up. Assignment will start in September / October 2018 if the AAP 2019 will be developed. Otherwise, it will be carried out in the first half of 2019.</td>
</tr>
<tr>
<td>1.5.4 Supporting EUD SL in developing an Action Document for the Sector Reform Contract</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Familiarisation with the EU template and commencement of drafting sections of the AD. First draft AD by November 2018 assuming that AAP 2019 will be developed. A decision on that is expected to be made in September 2018.</td>
</tr>
<tr>
<td>1.5.5 Supporting EUD SL in developing the Public Finance Management and transparency assessment report.</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
</tbody>
</table>

**A 1.6:** Support the development of a communication strategy to promote TAMAP and its activities among all stakeholders

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6.1 Tailoring a communication strategy according to nature of stakeholders / beneficiaries and development of an action plan</td>
<td>Developing an outline of the communication strategy for the Inception Report.</td>
<td>Developing a relatively detailed outline for the communication strategy as part of the Inception Report with concrete milestones and outputs.</td>
<td>Development of ToR for the visibility and communication assignment, selection of suitable expert / company and finetuning communication strategy supported by technical inputs from the TAMAP team</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
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</tr>
<tr>
<td>A 1.7: <strong>Support the Government to coordinate the sectors, including development partners</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.7.1 Mapping of External Assistance Interventions (Content, Scope, Periodic Results)</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Planning of an assignment / desk study to map major development partners in Sri Lanka with a view to answer who is doing what and how. Assignment is expected to be finalised by November 2018</td>
</tr>
<tr>
<td>1.7.2 Specific Periodical Meetings with the agriculture sector stakeholders.</td>
<td>No activities foreseen for the reporting period</td>
<td>Participation at the Development Partners’ Working Group on Agriculture on 7 February in which TAMAP was introduced to the development partners. It was agreed that regular meetings will be organised in the future, at least twice a year</td>
<td>Regular participation at the development partners’ meetings</td>
</tr>
</tbody>
</table>
### Activity 2.1: Assist the Government to improve its market intelligence so as to obtain updated trends in demand for agro-export products, and thus help agro-processors to restructure their production to meet revised agro-export targets

#### 2.1.1 Harmonisation of data collection and compilation for all crops along the entire value chain (e.g. producer, processor, marketing) (Market information management system)

<table>
<thead>
<tr>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Review of the various systems of data collection and agreement on one common system. This will be an integral part of the Market Intelligence</td>
</tr>
</tbody>
</table>

#### 2.1.2 Develop software for harmonised market information, software installation and training (IT component)

<table>
<thead>
<tr>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning assignment on market intelligence</td>
<td>Comprehensive ToR were developed for the Market Intelligence short-term assignment and the search for suitable experts has started</td>
<td>Contracting a team of suitable experts, launch of the assignment with approximately 250 WD NKE with a view to analysis, design and implementation of a harmonized market information system. Development of software and improved system of market data collection and storage. Assignment will be monitored and guided by the TAMAP Working Group. It is expected that assignment will be finalized by end of December 2018</td>
</tr>
</tbody>
</table>
## Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.3 Develop a website giving easy access to harmonised market information</td>
<td>Part of the above ToR.</td>
<td>Part of the above ToR.</td>
<td>As part of the market intelligence assignment, a website will be developed and it is expected that website will be operational by end of 2018</td>
</tr>
<tr>
<td>2.1.4 Harmonise methodology of Value Chain Analysis for import substitution and export products</td>
<td>Planning assignment on value chain analysis</td>
<td>Comprehensive ToR were developed for the Value Chain analysis, training including food processing technologies</td>
<td>Carrying out short-term assignment for approximately 400 WD NKE to harmonize VCA methodology through meetings with MoSWPI members and major stakeholders</td>
</tr>
<tr>
<td>2.1.5 Develop training in Value Chain Analysis for all relevant ministries dealing with agriculture</td>
<td>Part of the above ToR.</td>
<td>Part of the above ToR</td>
<td>On-the job and ad-hoc training in VCA for MoA and MoSWP and other major stakeholders. However, comprehensive formal training on value chain development is not foreseen in the next reporting period</td>
</tr>
</tbody>
</table>

### A 2.2: Assist the Government of Sri Lanka to strengthen its value chain development research and analytical capacities in export market driven approaches and use it to promote new technologies

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.1 Promotion of market led commodity research</td>
<td>No activities foreseen for the reporting period</td>
<td>TA to MoSWPI and AMP started harmonising the procedure for business planning of private sector to facilitate loan/grant application. Two meetings with project staff were conducted to introduce a standardized planning and two tests of the methodology were conducted (with CBL Ltd for pineapple and Star Ltd for mushrooms)</td>
<td>Continue support to relevant stakeholders and finetuning business plans and corresponding training</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
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</tr>
<tr>
<td>2.2.2 Research on components of value chains</td>
<td>Developing ToR for value chain analysis</td>
<td>Part of the ToR on value chain analysis</td>
<td>Conducting assignment on value chain analysis</td>
</tr>
<tr>
<td>2.2.3 Promoting new technologies and diversification</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>2.2.4 Developing a capacity building programme on value chain development</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>On-the-job and ad-hoc training in VCA for MoA and MoSWP and other major stakeholders. However, comprehensive formal training on value chain development is not foreseen in the next reporting period</td>
</tr>
</tbody>
</table>

A 2.3: Assist the Government to promote sustainable green production practices among agri-businesses

<p>| 2.3.1 Clarify sustainable green production in the Sri Lankan context    | No activities foreseen for the reporting period                                         | Not applicable                                       | Review of green production in Sri Lanka including standards and regulations in November and December 2018 |
| 2.3.2 Increasing outreach to the private sector around green production techniques | No activities foreseen for the reporting period                                         | Not applicable                                       | From November / December 2018 onwards, engage stakeholders in consultations on green agriculture and organise workshops and trainings and drafting guidelines on achieving green production practices. Commencement of planning a study tour to Kenya |</p>
<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A 2.4:</strong> Assist the Government in developing a website where all companies involved in value chains can voluntarily register in order to enhance transparency and facilitate their de-fragmentation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4.1 Registration and institutionalisation for cooperation (horizontal and vertical)</td>
<td>Planning assignment on Market Intelligence</td>
<td>ToR developed for market intelligence including website development</td>
<td>Assignment expected to be carried out between September and December 2018</td>
</tr>
<tr>
<td>2.4.2 Promoting use of the registration system</td>
<td>No activities foreseen for the reporting period</td>
<td>ToR developed for market intelligence including website development</td>
<td>Implementing an active campaign to Sri Lankan export and import companies to explain the registration system. Activity will not come to an end in this reporting period</td>
</tr>
<tr>
<td>2.4.3 Ensuring sustainability of the registration process and the operation of the website</td>
<td>No activities foreseen for the reporting period</td>
<td>ToR developed for market intelligence including website development</td>
<td>Facilitation of simple and transparent registration and information sharing via the website to allow registered companies to conduct network and knowledge sharing via the web site. Activity will not come to an end in this reporting period</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
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</tr>
<tr>
<td><strong>A 2.5:</strong> Help the Government to improve its support to farmers and farmer organisations, including support to the extension service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5.1 Review farmer organisations and conducting TNA on areas related to agricultural extension, cooperative development, water management, contract farming and mainstreaming farming as a business</td>
<td>No activities foreseen for the reporting period</td>
<td>ToR developed for assignment supporting Farmer Organisations and Collective Actions for approximately 265 WD NKE (including training)</td>
<td>Identification of suitable experts and contracting them. Assignment will not start in the next reporting period</td>
</tr>
<tr>
<td>2.5.2 Development of training programme for farmer organisations based on the TNA and conduct training of trainers on group formation, lead farmer approach and farmer field schools</td>
<td>No activities foreseen for the reporting period</td>
<td>ToR developed for assignment supporting Farmer Organisations and Collective Actions</td>
<td>Identification of suitable experts and contracting them. Assignment will not start in the next reporting period</td>
</tr>
<tr>
<td>2.5.3 Review agricultural extension service and TNA on areas related to agricultural extension, cooperative development, water management, contract farming and mainstreaming farming as a business</td>
<td>Planning assignment on extension service assessment</td>
<td>Developing comprehensive ToR for agricultural extension assessment</td>
<td>Identification of suitable experts and contracting them. Assignment is expected to start in Sep / Oct 2018 and will be finished by end of December 2018</td>
</tr>
</tbody>
</table>
### Activity 2.5.4: Development of training programme and conducting training of trainers in the areas under 2.5.3

<table>
<thead>
<tr>
<th>Planned during period</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Planning assignment on extension service assessment</td>
<td>Developing comprehensive ToR for agricultural extension assessment including tailoring training programme</td>
<td>Training will not start in the next reporting period</td>
</tr>
</tbody>
</table>

### Activity 2.6: Assist the Government to establish surveillance systems for the certification of organic production and good agriculture practices (GAP) and good manufacturing practices (GMP)

#### 2.6.1 Review of organic production in Sri Lanka in line with GAP and GMP and Agreeing with Institute of Standards on guidelines for organic as well as Fairtrade production along value chains

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Planning assignment on Market Intelligence</td>
<td>ToR developed for market intelligence including website development</td>
<td>Part of the market intelligence assignment and activities related to organic production will start in December 2018 and will not finish in the reporting period</td>
</tr>
</tbody>
</table>

#### 2.6.2 Assist in the establishment of a surveillance system

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Planning assignment on Market Intelligence</td>
<td>ToR developed for market intelligence including website development</td>
<td>Part of the market intelligence assignment and activities related to surveillance system will not commence in the next reporting period</td>
</tr>
</tbody>
</table>

### Activity 2.7: Develop a platform for dialogue between the Government and the private sector to support the formation of public/private partnerships to raise technical performance in the agriculture sector and increase agro-exports
<table>
<thead>
<tr>
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<th>Planned during period</th>
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<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7.1 Agreeing an approach to PPPs for smallholder farmers</td>
<td>Planning assignment on Public Private Partnerships</td>
<td>ToR developed for Public Private Partnership analysis for approximately 60 WD NKE</td>
<td>Liaising with the PPP unit of the ministry of Finance and discussing with them the proposed assignment on PPP analysis and option development. Depending on the outcome of the discussions with the PPP unit, the assignment could start in Sep / Oct 2018 and would come to an end in November 2018</td>
</tr>
<tr>
<td>2.7.2 Building trust and understanding around PPPs</td>
<td>Planning assignment on Public Private Partnerships</td>
<td>ToR developed for on PPP analysis</td>
<td>Sensitization meetings and workshops will commence towards end of the reporting period. Major trainings however will not start in the next reporting period</td>
</tr>
<tr>
<td>2.7.3 Developing model options for PPPs</td>
<td>Planning assignment on Public Private Partnerships</td>
<td>ToR developed for PPP analysis</td>
<td>Assignment on analysis and option development is expected to start in September and will come to an end in November 2018</td>
</tr>
</tbody>
</table>

Result 3: The existing systems and practices used by central and provincial ministries involved in Agriculture for planning, budgeting/resource allocation, implementation of sectoral and sub-sectoral policies are improved

A 3.1: Review the Government's planning, budgeting, resource allocation, implementation and coordination system on central, provincial council and district level related to agriculture development

<p>| A 3.1.1 Review of the existing planning, budgeting and resource allocation system in all levels | No activities foreseen for the reporting period | Very preliminary review conducted on the occasion of the development of the Inception Report | More thorough review to start in September 2018. Planning of a short-term assignment to support the review. Developing of ToR to be finalized in December 2018 |</p>
<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1.1 Identifying relevant priority areas for coordination on all levels</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>In parallel to the thorough review of the planning and budgeting system, assessment of coordination mechanisms finalization of the ToR for the short-term assignment</td>
</tr>
<tr>
<td>3.1.2 Improving the channels for coordination and policy dialogue and impact assessment at line ministries level, provincial councils, district level and farmer / community organisations and groups</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Developing comprehensive ToR for approximately 165 WD NKE including training short-term assignment on planning and budgeting by end of December 2018 considering improvement of coordination at all levels. Assignment will not start in this reporting period</td>
</tr>
<tr>
<td>3.1.3 Establishment of best practice coordination and communication structures using IT and traditional channels</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Developing comprehensive ToR for short-term assignment (see above) considering best practices around coordination. Improvement of coordination on all levels. Assignment will not start in this reporting period. However it has to be ensured that this short-term assignment will feed into the communication strategy assignment</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
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<tr>
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</tr>
<tr>
<td><strong>A 3.2:</strong> Develop capacity building programme for planning, budgeting, resource allocation at central, provincial and district level based on needs assessment and its implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2.1 Conduct a thorough Training Needs Assessment among all relevant stakeholders</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>Developing comprehensive ToR for short-term assignment (see above) taking into account planning and budgeting needs assessment by end of December 2018 as part of the overall planning and budgeting assignment</td>
</tr>
<tr>
<td>3.2.2 Develop and implement training programme</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>ToR development by December 2018</td>
</tr>
<tr>
<td><strong>A 3.4:</strong> Facilitate exchange of practices and information with other countries, including visits and workshops / seminars / conferences</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4.1 Facilitate exchange of practices and information with other countries, including visits and workshops/seminars/conferences (addressed as part of 1.4)</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
</tbody>
</table>
### Result 4: The impact of implementing Government’s overarching Agriculture Policy through an improved statistical and data analysis system is monitored and assessed

#### A 4.1: Design an overall M&E framework to assess the impact of Government’s Policy on Agriculture development, export diversification and development of guidelines for carrying out impact assessment studies

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1: Review of the current M&amp;E framework on national policies pursued by GoSL and recommendations for improvements.</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>4.1.2: Stakeholder engagement to develop a participatory M&amp;E framework</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
</tbody>
</table>

#### A 4.2: Inform, train and sensitise all stakeholders and implementers of the M&E framework through communication activities, training sessions, conferences and workshops, so that they can contribute to its implementation, as well as provide regular feedback

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.1: Regular update of M&amp;E framework</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>4.2.2: Dissemination and communication of events around M&amp;E Framework</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
</tbody>
</table>
## Activity

### A 4.3: Capacitate stakeholders in analyzing the information gathered within the M&E framework, draft analytical notes, feed reports into decision-making processes at central and decentralised levels, and ensure all actions are followed through

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3.1: Assistance in developing the performance assessment using score cards</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>4.3.2: Training in output based and impact monitoring</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
</tbody>
</table>

### A 4.4: Develop ToR and train stakeholders in conducting pilot sample surveys to measure the results and potential impact of specific aspects of implementation of the Agriculture Policy e.g. actions related to crosscutting issues

<table>
<thead>
<tr>
<th>Activity</th>
<th>Planned during period</th>
<th>Achieved during period</th>
<th>Planned for next 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.1: Selecting the Random Sample</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>4.4.2: Preparing Structured Survey Templates and Field Surveys</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>4.4.3: Sample surveys and analysis of data</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>4.4.4: Review of outputs of sample surveys and deriving recommendations for improvement</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
<td>No particular activities planned for the next reporting period</td>
</tr>
<tr>
<td>Activity</td>
<td>Planned during period</td>
<td>Achieved during period</td>
<td>Planned for next 6 months</td>
</tr>
<tr>
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</tr>
<tr>
<td>A 4.5:</td>
<td>Review the statistical system in agriculture and all agriculture related subsectors, and provide ad hoc support where necessary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5.1:</td>
<td>Stocktaking, review and assessment of the statistical system</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
<tr>
<td>4.5.2:</td>
<td>Development and implementation of training for improvement of the statistical system</td>
<td>No activities foreseen for the reporting period</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
# Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

## ANNEXES

<table>
<thead>
<tr>
<th>Annex</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annex 1</td>
<td>Logical Framework for TAMAP</td>
</tr>
<tr>
<td>Annex 2</td>
<td>Updated TAMAP work plan</td>
</tr>
<tr>
<td>Annex 3</td>
<td>Report of the Screening Mission to the North and Centre of Sri Lanka in June 2018</td>
</tr>
<tr>
<td>Annex 4</td>
<td>Summarised findings of the TAMAP stakeholder analysis</td>
</tr>
<tr>
<td>Annex 5</td>
<td>Summarised findings of the TAMAP (sub) sector assessment</td>
</tr>
<tr>
<td>Annex 6</td>
<td>Attendance list for the TAMAP Inception Workshop with detailed contacts</td>
</tr>
<tr>
<td>Annex 7</td>
<td>Minutes for the TAMAP Inception Report</td>
</tr>
<tr>
<td>Annex 8</td>
<td>Presentation made my the TA team for the TAMAP Inception Report</td>
</tr>
<tr>
<td>Annex 9</td>
<td>Some newspaper articles reporting on the Inception Workshop</td>
</tr>
</tbody>
</table>
Annex 1

Logical Framework for TAMAP
## Technical assistance to the modernisation of agriculture programme in Sri Lanka

### INTERVENTION LOGIC

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators (OVI)</th>
<th>Source of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| To contribute to a more productive, sustainable, diversified, climate-resilient, market-oriented and inclusive agriculture in Sri Lanka | • Quantities and value of agricultural produce grown and harvested in Sri Lanka increased by 10% between 2018 and 2023.  
• Smallholder growers diversify their agricultural production and profitably operate their farms.  
• Farmers who are not able to earn a livelihood from their farms diversify in off-farm employment and operate their farm on part-time basis.  
• Quantities and value of agricultural produce processed in Sri Lanka increased by 10% between 2018 and 2023.  
• Quantities and value of agricultural produce exported from Sri Lanka increased by 10% between 2018 and 2023.  
• Quantities and value of agricultural commodities imported to Sri Lanka reduced by 5% between 2018 and 2023. | • Household and Income & Expenditures Surveys  
• Government of Sri Lanka Statistics  
• Farm household surveys  
• Import and Export Statistics  
• Baseline Surveys | |

### Purpose

<table>
<thead>
<tr>
<th>OVI</th>
<th>Source of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| • 20% of the smallholder farmers in Sri Lanka increase their farm net income by 50% between 2018 and 2023.  
• 25% of the smallholder farmers in Sri Lanka are promoting climate smart resilient agriculture.  
• 20% of the agro-industry increase their profits by 25%. | • Household and Income & Expenditures Surveys  
• Government of Sri Lanka Statistics  
• Farm household surveys  
• Import and Export Statistics  
• Baseline Surveys  
• MTR Reports  
• Project Progress Reports | • No global deterioration of prices of agricultural commodities  
• High-level commitment to formulating an agriculture policy will continue within the Government of Sri Lanka and will move towards implementation |
<table>
<thead>
<tr>
<th>Results</th>
<th>OVI</th>
<th>Source of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Result 1: An overarching Agriculture Policy in line with the Government Development Goals is developed | • An overarching Agriculture Policy is developed by December 2018, agreed upon, approved by Government of SL by June 2019 and being effective by December 2019.  
• Strategy based on the NAP developed by June 2019.  
• Agriculture Policy disseminated and public in SL made aware by December 2020.  
• MTEF and PFM system strengthened and Sri Lanka eligible for Budget Support using Sector Reform Contracts by December 2020.  
• Needs assessment carried out and recommendations made which services should remain within the relevant ministries dealing with agricultural development and which services should be outsourced by June 2019.  
• Action Document (AD) including annexes submitted for quality review by the EU | • Agriculture Policy  
• MTEF Reports  
• GoSL Annual Statistics  
• Project Progress Reports  
• MTR Report  
• Final Evaluation Report  
• Joint Donor Annual Reviews  
• TV, Radio spots  
• AD | • Stakeholders including ministries in charge are committed to participate, cooperate and coordinate the process of developing the agriculture policy  
• High level commitment continues in improving, and monitoring the PFM system and expenditures framework  
• Appropriate personnel identified and available for capacity development |
| Result 2: An enabling environment is created relevant reforms and policies for the modernisation and diversification of existing agriculture production implemented and exports to meet expanding international demands promoted | • Domestic trade barriers reviewed and revised to ease importation of inputs and exportation of commodities by June 2020.  
• Market information system for inputs, agricultural commodities and demand for export commodities established and in operation by June 2020.  
• Website developed and in operation where value chain actors in Sri Lanka can voluntarily register with detailed contacts by December 2018.  
• At least 3 Public Private Partnerships facilitated by the project by December 2020.  
• Road map for the establishment of a surveillance system for selected value chains developed and agreed upon by the major stakeholders by June 2019.  
• Concept and road map developed and agreed upon for improved agricultural extension services by December 2019.  
• Road map developed to strengthen farmer organisations mainstreaming farming as a business by June 2019. | • Chamber of Commerce Reports  
• Trade Statistics  
• Project Progress Reports  
• MTR Report  
• Final Evaluation Report | • High level commitment continues in support and delegation of activities to the private sector  
• Funding for the surveys, certification and market information system secured  
• Strong ownership towards the reform of the agriculture sector including extension service |
<table>
<thead>
<tr>
<th>Results</th>
<th>OVI</th>
<th>Source of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result 3: The existing systems and practices used by central and</td>
<td>• Current coordination &amp; planning system reviewed and recommendations</td>
<td>• Project Progress Reports</td>
<td>• High level commitment continues in support and delegation of activities to</td>
</tr>
<tr>
<td>provincial Ministries involved in Agriculture for planning,</td>
<td>for improvement made and guidelines developed for implementation by June 2019.</td>
<td>• Training Needs Assessment Report</td>
<td>the private sector</td>
</tr>
<tr>
<td>budgeting/resource allocation, implementation of sectoral and sub-</td>
<td>• Comprehensive training needs assessment for planning &amp; budgeting</td>
<td>• MTR Report</td>
<td>• Strong ownership towards the reform of the agriculture sector including</td>
</tr>
<tr>
<td>sectoral policies are improved.</td>
<td>teams of relevant ministries dealing with agricultural development</td>
<td>• Final Evaluation Report</td>
<td>extension service continues</td>
</tr>
<tr>
<td></td>
<td>on central and provincial level related to budget support eligibility</td>
<td>• GoSL Statistics</td>
<td>• Strong commitment towards change</td>
</tr>
<tr>
<td></td>
<td>conducted by December 2018, draft capacity building plan developed</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>by December 2018, training programme developed by June 2019 and at</td>
<td></td>
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<tr>
<td></td>
<td>least 80 key staff members of the district planning teams capacitated</td>
<td></td>
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<tr>
<td></td>
<td>by December 2020.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Training needs assessment in private sector and market driven</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>approaches related to related to export commodities and corresponding</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>value chains for relevant ministry staff members conducted by</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>December 2018, draft capacity building plan developed by March 2019,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>training programme developed by October 2019 and at least 80 key</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>staff members capacitated by December 2020.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result 4: The impact of implementing Government’s overall Agriculture</td>
<td>• A monitoring system is developed and in operation by June 2020.</td>
<td>• Baseline and sample survey reports</td>
<td></td>
</tr>
<tr>
<td>Policy through an improved statistical and data analysis system is</td>
<td>• Stakeholders trained in operating the M&amp;E system by December 2020.</td>
<td>• M&amp;E framework</td>
<td></td>
</tr>
<tr>
<td>monitored and assessed</td>
<td>• Baseline sample surveys designed on crosscutting issues conducted</td>
<td>• Project Progress Reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td>by June 2019 and repeated by June 2020.</td>
<td>• MTR Report</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Final Evaluation Report</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
### Activities to achieve the Results

<table>
<thead>
<tr>
<th>Result 1: An overarching Agriculture Policy in line with the Government Development Goals is developed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1:</strong> Provide expertise and support to the preparation of an overarching Agriculture Policy (including actions related to women/social exclusion and environment/climate change) that covers all sub-sectors, based on extensive consultations with, and the full participation of, all stakeholders</td>
</tr>
<tr>
<td>1.1.1 Stakeholder consultation, participatory needs assessment of agriculture sector conducted and policies including crosscutting issues in key associated ministries and sectors reviewed</td>
</tr>
<tr>
<td>1.1.2 Identification and formation of cross sector planning working group for the NAP</td>
</tr>
<tr>
<td>1.1.3 Review of recently developed agricultural policies &amp; strategies in Sri Lanka and conducting of a SWOT analysis</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.2: Support the design of a strategy, action plan and a clear roadmap to implement the policy together with the institutional framework for its implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.1 Development of Action Plan and Strategy for NAP implementation</td>
</tr>
<tr>
<td>1.2.2 Supporting the Institutional Framework (annual reviews) with a view to align it as much as possible with the way NPD has been monitoring national policies.</td>
</tr>
<tr>
<td>1.2.3 Support the Government to get up to date data, information and analysis in support to the implementation of the policy, notably at sub-sectoral level and develop applicable models and methodologies</td>
</tr>
<tr>
<td>1.2.4 Capacity building in prioritisation of data compilation in line with the NAP, data collection, compilation and analysis</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.3: Share all relevant budget processes/analyses to show the costs and funding of policy implementation over the medium term (including the use of Medium Term Expenditure Framework guidelines (MTEF))</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3.1 Support in the development of short-term, Medium Term Expenditure Framework and also long-term budgets for NAP implementation</td>
</tr>
<tr>
<td>1.3.2 Needs assessment/costing of interventions as a tool for aligning development plans and objectives to budgets</td>
</tr>
<tr>
<td>1.3.3 Support public policies and reforms coherence with resource planning in close collaboration with the upcoming EU funded PFM programme.</td>
</tr>
<tr>
<td>1.3.4 Introducing Mechanisms and Methods of Public Expenditure Tracking (PET) in close collaboration with the upcoming EU funded PFM programme.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.4: Support the Government to acquire international best practices in agricultural development and knowledge that can be replicated in the Sri Lankan context</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4.1 Organising study tours and international conferences with a view to learning international best practices</td>
</tr>
<tr>
<td>1.4.2 Facilitation participation at twinning programmes</td>
</tr>
<tr>
<td>1.4.3 Conducting desk studies to assess agricultural policies from other countries</td>
</tr>
</tbody>
</table>

### Assumptions

- Access to latest policies and strategies including those not yet submitted to Cabinet
- Stakeholders are committed in undergoing the Needs Assessment and cooperate according to their best knowledge
- All stakeholders duly perform their tasks and responsibilities without delays
- High level commitment in improving, and monitoring the PFM system and expenditures framework
- Government and parastatals committed to cooperate and avail relevant data
- Stakeholders committed to cooperate and assist in organising conferences and study tours
- Stakeholders duly perform their tasks and responsibilities without delays
- Stakeholders committed to exchange of information on all levels and in efficient means of communication
- Stakeholders committed to disseminate information and to liaise with development partners
- Stakeholders committed to organise regular meetings and workshops
1.5:  Support the Government and the EU Delegation (EUD) to prepare the future sector reform contract in agriculture: preparing the necessary analysis and documentation for the identification and formulation of the programme including the selection of SMART indicators

1.5.1  Sensitisation of key personnel through study tours around the requirements of the Sector Reform Contracts (SRCs)
1.5.2  Developing the analysis and tools including SMART indicators to monitor and evaluate budget support.
1.5.3  Preparation of a road map and the institutional set up for implementation of budget support (PSC, M&E).
1.5.4  Development of a draft Action Document (AD) including Annexes for submission to the quality review by the EU.
1.5.5  Support to the EUD SL in developing the PFM and transparency assessment report.

1.6:  Support the development of a communication strategy to promote TAMAP and its activities among all stakeholders

1.6.1  Tailoring a communication strategy according to nature of stakeholders / beneficiaries
1.6.2  Develop an action plan for the Strategy

1.7:  Support the Government to coordinate the sectors, including development partners

1.7.1  Mapping of External Assistance Interventions (Content, Scope, Periodic Results)
1.7.2  Specific Periodical Meetings with the agriculture sector stakeholders.

### Activities to achieve the Results

**Result 2: An enabling environment is created, and relevant reforms and policies for the modernisation and diversification of existing agriculture production implemented and exports to meet expanding international demands promoted**

2.1:  Assist the Government to improve its market intelligence so as to obtain updated trends in demand for agro-export products, and thus help agro-processors to restructure their production to meet revised agro-export targets

2.1.1  Harmonisation of data collection and compilation for all crops along the entire value chain (e.g. producer, processor, marketing) (Market information management system)
2.1.2  Develop software for harmonised market information, software installation and training (IT component)
2.1.3  Develop a website giving easy access to harmonised market information
2.1.4  Harmonise methodology of Value Chain Analysis for import substitution and export products
2.1.5  Develop training in Value Chain Analysis for all relevant ministries dealing with agriculture

2.2:  Assist the Government of Sri Lanka to strengthen its value chain development research and analytical capacities in export market driven approaches and use it to promote new technologies

2.2.1  Promotion of market led commodity research
2.2.2  Research on components of value chains

### Assumptions

- Government committed to support private sector
- Research institutions in Sri Lanka committed in market-led commodity research and in value chain development
- Stakeholders open for learning from Green Innovation Centres
- Stakeholders do not deny climate change
- Private sector committed for being registered
- Farmers interested to be grouped
- Private sector interested in PPPs
<table>
<thead>
<tr>
<th>Activities to achieve the Results</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.3 Promoting new technologies and diversification</td>
<td></td>
</tr>
<tr>
<td>2.2.4 Developing a capacity building programme on value chain development</td>
<td></td>
</tr>
<tr>
<td><strong>2.3: Assist the Government to promote sustainable green production practices among agri-businesses</strong></td>
<td></td>
</tr>
<tr>
<td>2.3.1 Clarify sustainable green production in the Sri Lankan context</td>
<td></td>
</tr>
<tr>
<td>2.3.2 Increasing outreach to the private sector around green production techniques</td>
<td></td>
</tr>
<tr>
<td><strong>2.4: Assist the Government in developing a website where all companies involved in value chains can voluntarily register in order to enhance transparency and facilitate their de-fragmentation</strong></td>
<td></td>
</tr>
<tr>
<td>2.4.1 Registration and institutionalisation for cooperation (horizontal and vertical)</td>
<td></td>
</tr>
<tr>
<td>2.4.2 Promoting use of the registration system</td>
<td></td>
</tr>
<tr>
<td>2.4.3 Ensuring sustainability of the registration process and the operation of the website</td>
<td></td>
</tr>
<tr>
<td><strong>2.5: Help the Government to improve its support to farmers and farmer organisation, including support to the extension service</strong></td>
<td></td>
</tr>
<tr>
<td>2.5.1 Review farmer organisations and conducting needs assessment on areas related to agricultural extension, cooperative development, water management, contract farming and mainstreaming farming as a business</td>
<td></td>
</tr>
<tr>
<td>2.5.2 Development of training programme for farmer organisations based on the needs assessment and conduct training of trainers on group formation, lead farmer approach and farmer field schools</td>
<td></td>
</tr>
<tr>
<td>2.5.3 Review agricultural extension service and needs assessment on areas related to agricultural extension, cooperative development, water management, contract farming and mainstreaming farming as a business</td>
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<tr>
<td>2.5.4 Development of training programme and conducting training of trainers in the areas under 2.5.3</td>
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<tr>
<td>2.5.5 Development of a module on private sector development and farming as a business for GoSL staff members to make them aware on the importance of private sector development and commercial farming also for smallholder farmers</td>
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<tr>
<td><strong>2.6: Assist the Government to establish surveillance systems for the certification of organic production and good agriculture practices (GAP) and good manufacturing practices (GMP)</strong></td>
<td></td>
</tr>
<tr>
<td>2.6.1 Review of organic production in Sri Lanka and agreeing with Institute of Standards on guidelines for organic and also FairTrade production along value chains</td>
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<tr>
<td>2.6.2 Assist in the establishment of a surveillance system</td>
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<tr>
<td><strong>2.7: Develop a platform for dialogue between the Government and the private sector to support the formation of public/private partnerships with which to raise technical performance in the agriculture sector and increase agro-exports</strong></td>
<td></td>
</tr>
<tr>
<td>2.7.1 Agreeing an approach to PPPs for smallholder farmers</td>
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<tr>
<td>2.7.2 Building trust and understanding around PPPs</td>
<td></td>
</tr>
<tr>
<td>2.7.3 Developing model options for PPPs</td>
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</tbody>
</table>
### Activities to achieve the Results

| **Result 3:** The existing systems and practices used by central and provincial ministries involved in Agriculture for planning, budgeting/resource allocation, implementation of sectoral and sub-sectoral policies are improved |
|---|---|
| **3.1:** Review the Government’s planning, budgeting, resource allocation, implementation and coordination system on central, provincial council and district level related to agriculture development |
| **3.1.1** Identifying relevant priority areas for coordination on all levels |
| **3.1.2** Improving the channels for coordination and policy dialogue and impact assessment at line ministries level, provincial councils, district level and farmer/community organisations and groups |
| **3.1.3** Establishment of best practice coordination and communication structures using IT and traditional channels |
| **3.2:** Develop capacity building programme for planning, budgeting, resource allocation on central, provincial and district level based on needs assessment and its implementation |
| **3.2.1** Conduct a thorough Needs Assessment among all relevant stakeholders |
| **3.2.2** Develop and implement training programme |
| **3.3:** Facilitate exchange of practices and information with other countries, including visits and workshops/seminars/conferences |
| **3.3.1** Facilitate exchange of practices and information with other countries, including visits and workshops/seminars/conferences (addressed as part of 1.4) |

### Assumptions

- Stakeholders duly perform their tasks and responsibilities without delays
- Stakeholders are committed in undergoing the Needs Assessment and cooperate according to their best knowledge
- Appropriate personnel identified and available for capacity development
- Stakeholders duly perform their tasks and responsibilities without delays
- Appropriate personnel identified and available for capacity development
<table>
<thead>
<tr>
<th>Activities to achieve the Results</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result 4: The impact of implementing Government’s overarching Agriculture Policy through an improved statistical and data analysis system is monitored and assessed</strong></td>
<td>▪ Sufficient funds available for surveys</td>
</tr>
<tr>
<td>4.1: Design an overall M&amp;E framework to assess the impact of Government’s Policy on Agriculture development, export diversification and development of guidelines for carrying out impact assessment studies</td>
<td>▪ Appropriate personnel identified and available for capacity development</td>
</tr>
<tr>
<td>4.1.1: Review of the current M&amp;E framework on national policies pursued by GoSL and recommendations for improvements.</td>
<td>▪ All stakeholders participate actively in the development and implementation of these events</td>
</tr>
<tr>
<td>4.1.2: Stakeholder engagement to develop a participatory M&amp;E framework</td>
<td></td>
</tr>
<tr>
<td>4.2: Inform, train and sensitise all stakeholders and implementers of the M&amp;E framework through communication activities, training sessions, conferences and workshops, so that they can contribute to its implementation, as well as provide regular feedback</td>
<td></td>
</tr>
<tr>
<td>4.2.1: Regular update of M&amp;E framework</td>
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<tr>
<td>4.2.2: Dissemination and communication of events around M&amp;E Framework</td>
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<tr>
<td>4.3: Capacitate stakeholders in analyzing the information gathered within the M&amp;E framework, draft analytical notes, feed reports into decision-making processes at central and decentralised levels, and ensure all actions are followed through</td>
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<tr>
<td>4.3.1: Assistance in developing the performance assessment using score cards</td>
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<td>4.3.2: Training in output based and impact monitoring</td>
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<tr>
<td>4.4: Develop ToR and train stakeholders in conducting pilot sample surveys to measure the results and potential impact of specific aspects of implementation of the Agriculture Policy e.g. actions related to crosscutting issues</td>
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<tr>
<td>4.4.1: Selecting the Random Sample</td>
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<td>4.4.2: Preparing Structured Survey Templates and Field Surveys</td>
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<tr>
<td>4.4.3: Sample surveys and analysis of data</td>
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<tr>
<td>4.4.4: Review of outputs of sample surveys and deriving recommendations for improvement</td>
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<tr>
<td>4.5: Review the statistical system in agriculture and all agriculture related subsectors, and provide ad hoc support where necessary</td>
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<tr>
<td>4.5.1: Stocktaking, review and assessment of the statistical system</td>
<td></td>
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<tr>
<td>4.5.2: Development and implementation of training for improvement of the statistical system</td>
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<tr>
<td>Related to Result 1</td>
<td>MEANS</td>
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</table>
| • Long-term technical assistance  
• Short-term technical assistance and consultancies  
• Studies  
• Workshops, seminars  
• Field trips, study tours  
• Inputs by counterpart entities  
• Communication and visibility actions | | €4,167,000 |

<table>
<thead>
<tr>
<th>Related to Result 2</th>
<th>MEANS</th>
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</table>
| • Long-term technical assistance  
• Short-term technical assistance and consultancies  
• Studies  
• Workshops, seminars  
• Field trips, study tours  
• Inputs by counterpart entities  
• Communication and visibility actions | |

<table>
<thead>
<tr>
<th>Related to Result 3</th>
<th>MEANS</th>
</tr>
</thead>
</table>
| • Long-term technical assistance  
• Short-term technical assistance and consultancies  
• Studies  
• Workshops, seminars  
• Field trips, study tours  
• Inputs by counterpart entities  
• Communication and visibility actions | |

<table>
<thead>
<tr>
<th>Related to Result 4</th>
<th>MEANS</th>
</tr>
</thead>
</table>
| • Long-term technical assistance  
• Short-term technical assistance and consultancies  
• Studies  
• Workshops, seminars  
• Field trips, study tours  
• Inputs by counterpart entities  
• Communication and visibility actions | |
Annex 2

Updated TAMAP work plan
<table>
<thead>
<tr>
<th>No.</th>
<th>Outputs</th>
<th>Indicative Inputs</th>
<th>Indicative Work Plan in Detail</th>
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</thead>
<tbody>
<tr>
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<td>KE1</td>
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</table>

**RESULT 1: An overarching Agriculture Policy in line with the Government Development Goals is developed**

A1.1 Stakeholder consultation, participatory needs assessment conducted and policies including crosscutting issues in key associated ministries and sectors reviewed

- Organising working groups to (i) agree on the overall approach and methodology to accomplish Result 1 and (ii) monitor, guide and mentor the process of accomplishing result 1
- Continuous stakeholder consultation to make GoSL aware on the need of an overarching agriculture policy, marketing its advantages and lobbying for approval
- Awareness raising and tailoring communication strategy to make stakeholders aware that sharing information, policies and strategies is a must to accomplish the results.
- Stakeholder analysis of major ministries, departments and private sector entities
- Assessment of key agriculture sectors and subsectors with a view to challenges, potential, recommendations for improvement and way forward

A1.1.1 Identification and formation of cross sector planning working group for the NAP

- Development of Action Plan and Strategy for NAP implementation
- Development and agreement of the change management plan following the 8 step approach
- Supporting the Institutional Framework (annual reviews) with a view to align it as much as possible with the way NPD has been monitoring national policies
- Extensive stakeholder consultation to enhance ownership and buy-in
- Support the Government to get up to date data, information and analysis in support to the implementation of the policy, notably at sub-sectoral level and develop applicable models and methodologies
- Capacity building in prioritisation of data compilation in line with the NAP, data collection, compilation and analysis
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<tr>
<td>A1.3</td>
<td>Share all relevant budget processes/analyses to show the costs and funding of policy implementation over the medium term (including the use of Medium Term Expenditure Framework guidelines (MTEF))</td>
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<tr>
<td>A1.3.1</td>
<td>Support in the development of short-term, Medium Term Expenditure Framework and also long-term budgets for NAP implementation</td>
<td>✓</td>
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<tr>
<td>A1.3.2</td>
<td>Needs assessment/costing of interventions as a tool for aligning development plans and objectives to budgets</td>
<td>✓</td>
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<tr>
<td>A1.3.3</td>
<td>Support public policies and reforms coherence with resource planning in close collaboration with the upcoming EU funded PFM programme</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.3.4</td>
<td>Introducing Mechanisms and Methods of Public Expenditure Tracking (PET) in close collaboration with the upcoming EU funded PFM programme</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.4</td>
<td>Support the Government to acquire international best practices in agricultural development and knowledge that can be replicated in the Sri Lankan context</td>
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<tr>
<td>A1.4.1</td>
<td>Organising study tours and international conferences with a view to learning international best practices</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.4.2</td>
<td>Facilitation participation in training programmes</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.4.3</td>
<td>Conducting desk studies to assess agricultural policies from other countries and sharing them with stakeholders through organisation of working groups, discussion on contents and applicability for Sri Lanka</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.5</td>
<td>Support the Government and the EU Delegation (EUD) to prepare the future sector reform contract in agriculture: preparing the necessary analysis and documentation for the identification and formulation of the programme including the selection of SMART indicators</td>
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<tr>
<td>A1.5.1</td>
<td>sensitisation of key personnel through training, study tours around the requirements of the sector reform contracts (SRCs)</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.5.2</td>
<td>Developing the analysis and tools including SMART indicators to monitor and evaluate budget support</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.5.3</td>
<td>Preparation of a road map and the institutional set up for implementation of budget support (PSC, M&amp;E).</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.5.4</td>
<td>Continuous training, lobbying, mentoring with a view to convince stakeholders on budget support</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.5.5</td>
<td>Development of a draft Action Document (AD) for the AAP 2019 including Annexes for submission to the quality review by the EU and support to the EUD SL in developing the PFM and transparency assessment report. If it is decided that the SRC will be included in AAP 2020, then the activities will be postponed by one year.</td>
<td>✓</td>
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<td>A1.6</td>
<td>Support the development of a communication strategy to promote TAMAP and its activities among all stakeholders</td>
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<tr>
<td>A1.6.1</td>
<td>Tailoring a communication strategy according to nature of stakeholders / beneficiaries</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.6.2</td>
<td>Design of communication messages for diversified stakeholders, e.g. newsletters, briefing notes for professionals, guidebooks for semi-professionals and drama / role-plays, radio spots for farmers / less educated stakeholders</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.6.3</td>
<td>Develop an action plan for the Communication Strategy</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.6.4</td>
<td>Developing and implementing a concrete roll-out plan for various communication messages and actions</td>
<td>✓</td>
<td>✓</td>
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<td>A1.7</td>
<td>Support the Government to coordinate the sectors, including development partners</td>
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<tr>
<td>A1.7.1</td>
<td>Mapping of External Assistance Interventions (Content, Scope, Periodic Results)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A1.7.2</td>
<td>Specific Periodical Meetings with the agriculture sector stakeholders using the development partners working groups</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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### Indicative assignments using NKE work days or subcontracting using incidental budget

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<tr>
<td>KE1</td>
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<td>SNKE</td>
<td>NKE</td>
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#### Agricultural Policy and Strategy:
Review of past and current policies on sector and macro level, needs assessment how policies need to be designed to reach long term vision 2030 in Sri Lanka.

#### Agricultural Extension:
Assessment of current extension service provided by all entities (public and private) on ACS and village level, recommendations how services should be improved within given political environment, proposing capacity building activities, budgeting of recommended efficient and effective extension service.

#### Research Review:
Assessment of the agriculture research system, who is doing what, how and how is research linked to extension, agriculture development and private sector interventions, which are funding sources and how are linkages to international research organisations.

#### Subsector Study (following up on Verité assignment): assessment of policy environment for each sector, subsector, how should policy designed to make sector work and government interventions should be pursued (core functional analysis). how should research be tailored, how should input supply and marketing system developed.

#### Institutional / Decentralisation:
Review and assessment of decentralisation system on all levels, how are institutions performing, what is required to make them better work, which institutions should be decentralised and which not, development of change management strategy using the 8 step approach.

#### Public Sector Expert / PET training expert:
Prepare mechanisms and methods of Public Expenditure Tracking (PET), provide a budgetary analysis of the impact of adopting budgetary support, roll out training programme development. Support the development of a PFM and transparency assessment report. (Assumption is made that SRC is part of AAP 2019).

#### Legal Expert:
Review all major legal acts the current policies are based on and support the policies the project is developing on this legal compliance.

#### Field Coordinators:
Support in organising field missions for KE and NKE.

<table>
<thead>
<tr>
<th>Workshops facilitators</th>
<th>Communication &amp; Visibility Expert</th>
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</thead>
<tbody>
<tr>
<td>✓ 25</td>
<td>✓ 30</td>
</tr>
<tr>
<td>✓ 25</td>
<td>✓ 30</td>
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</tbody>
</table>

#### SUB-TOTAL
320 485

### Result 2: An enabling environment is created, and relevant reforms and policies for the modernisation and diversification of existing agriculture production implemented and exports to meet expanding international demands promoted

#### A2.1 Assist the Government to improve its market intelligence so as to obtain updated trends in demand for agro-export products, and thus help agro-processors to restructure their production to meet revised agro-export targets

| A2.1.1 Harmonisation of data collection and compilation for all crops along the entire value chain (e.g. producer, processor, marketing) (Market information management system) | ✓  
| A2.1.2 Organising working groups to i) agree on the overall approach and methodology to accomplish Result 2 and ii) monitor, guide and mentor the process of accomplishing result 2 | ✓ |
| A2.1.3 Develop software for harmonised market intelligence, software installation and training (IT component) | ✓ |
| A2.1.4 Advising on an improved system of data collection and storage for such information | ✓ |
| A2.1.5 Develop a website giving easy access to harmonised market information | ✓ |
| A2.1.6 Harmonisation methodology of Value Chain Analysis for import substitution and export products | ✓ |
| A2.1.7 Develop training in Value Chain Analysis for all relevant ministries dealing with agriculture | ✓ |
| Keeping all stakeholders well informed through workshops, regular meetings and information sharing. | ✓ |

#### Period in which activities related to Result 2 are implemented
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<tbody>
<tr>
<td>A2.2</td>
<td>Assist the Government of Sri Lanka to strengthen its value chain development research and analytical capacities in export market driven approaches and use it to promote new technologies</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>Period in which activities related to Result 1 are implemented</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>A2.2.1</td>
<td>Promotion of market led commodity research</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>Conducting Value Chain Analysis based on market study for tea, paddy, coconut, rubber, minor export crops excluding spices, other food crops and livestock (Good VC studies have been recently done for spices and vegetables)</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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</tr>
<tr>
<td>A2.2.2</td>
<td>Conducting Value Chain Analysis based on market study for tea, paddy, coconut, rubber, minor export crops excluding spices, other food crops and livestock (Good VC studies have been recently done for spices and vegetables)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>A2.2.3</td>
<td>Conducting Value Chain Analysis based on market study for tea, paddy, coconut, rubber, minor export crops excluding spices, other food crops and livestock (Good VC studies have been recently done for spices and vegetables)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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<td>A2.2.4</td>
<td>Conducting Value Chain Analysis based on market study for tea, paddy, coconut, rubber, minor export crops excluding spices, other food crops and livestock (Good VC studies have been recently done for spices and vegetables)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>A2.3</td>
<td>Assist the Government to promote sustainable green production practices among agri-businesses</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>A2.3.1</td>
<td>Clarify sustainable green production in the Sri Lankan context</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
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<tr>
<td>A2.3.2</td>
<td>Increasing outreach to the private sector around green production techniques</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
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<td>A2.3.3</td>
<td>Increasing outreach to the private sector around green production techniques</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
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<td>A2.3.4</td>
<td>Increasing outreach to the private sector around green production techniques</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
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<tr>
<td>A2.4</td>
<td>Assist the Government in developing a website where all companies involved in value chains can voluntarily register in order to enhance transparency and facilitate their de-fragmentation</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
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<tr>
<td>A2.4.1</td>
<td>Registration and institutionalisation for cooperation (horizontal and vertical)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
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<tr>
<td>A2.4.2</td>
<td>Registration and institutionalisation for cooperation (horizontal and vertical)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
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<td>A2.4.3</td>
<td>Registration and institutionalisation for cooperation (horizontal and vertical)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
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<td>A2.4.4</td>
<td>Registration and institutionalisation for cooperation (horizontal and vertical)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
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<tr>
<td>A2.4.5</td>
<td>Registration and institutionalisation for cooperation (horizontal and vertical)</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
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<tr>
<td>A2.5</td>
<td>Facilitate the establishment of collaboration between groups of companies</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
<td>✓</td>
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<td>A2.5.1</td>
<td>Facilitate the establishment of collaboration between groups of companies</td>
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<td>A2.5.2</td>
<td>Facilitate the establishment of collaboration between groups of companies</td>
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<td>A2.5.3</td>
<td>Facilitate the establishment of collaboration between groups of companies</td>
<td>KE1 KE2 KE3 JNKE JNKE</td>
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<td>A2.5.4</td>
<td>Facilitate the establishment of collaboration between groups of companies</td>
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<td>A2.5.5</td>
<td>Facilitate the establishment of collaboration between groups of companies</td>
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<td>A2.5</td>
<td>Help the Government to improve its support to farmers and farmer organisation, including support to the extension service</td>
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<td>A2.5.1</td>
<td>Review farmer organisations and conducting needs assessment on areas related to agricultural extension, cooperative development, water management, contract farming and mainstreaming farming as a business</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Organise a study tour for farmers in potential high value-added VCs to showcase successful collective action</td>
<td>✓ ✓</td>
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<td>A2.5.2</td>
<td>Development of training programme for farmer organisations based on the needs assessment and conduct training of trainers on group formation, lead farmer approach and farmer field schools</td>
<td>✓ ✓ ✓</td>
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<td>Prepare an inventory of cooperatives, producer groups, credit and saving schemes and water user groups active in SL agriculture and agribusiness</td>
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<td>Identify potentially feasible collective action and facilitate establishment of groups for collective action</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Organise a study tour for farmers in potential high value-added VCs to showcase successful collective action</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Integrating a module on private sector development and farming as a business for GoSL staff members to make them aware of the importance of private sector development and commercial farming also for smallholder farmers</td>
<td>✓ ✓ ✓</td>
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<td>A2.5.3</td>
<td>Review agricultural extension service and needs assessment on areas related to agricultural extension, cooperative development, water management, contract farming and mainstreaming farming as a business</td>
<td>✓ ✓ ✓</td>
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<td>A2.5.4</td>
<td>Development of training programme and conducting training of trainers in the areas under 2.5.3</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Developing plan for upscaling lead farmer and farmer field schools from pilot to countrywide coverage</td>
<td>✓ ✓ ✓</td>
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<td>A2.6</td>
<td>Assist the Government to establish surveillance systems for the certification of organic production and good agriculture practices (GAP) and good manufacturing practices (GMP)</td>
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<tr>
<td>A2.6.1</td>
<td>Review of organic production in Sri Lanka and agreeing with Institute of Standards on guidelines for organic as well as Fairtrade production along value chains</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>A2.6.2</td>
<td>Assist in the establishment of a surveillance system</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Organising research, workshops, meetings and information sharing on market segmentation on basis of organic and GAP and GMP. Promote further introduction of organic, GAP and GMP surveillance in VCs.</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Studying market segmentation on basis of organic and GAP and GMP in other countries (India, Indonesia, Vietnam, Malaysia etc) for spices and tea</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Presenting findings of study in a workshop with SL collectors and exporters of spices and tea to verify findings and prepare an outline for a market segmentation</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Conduct two pilots (one with stakeholder group in spices and one stakeholder group in tea) based on market segmentation</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>Facilitation of public and private sector support and service provision to the two pilots</td>
<td>✓ ✓ ✓</td>
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<td>Monitoring and discussing the findings of the pilot with stakeholders in regular stakeholder meetings</td>
<td>✓ ✓ ✓</td>
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<td>No.</td>
<td>OUTPUTS</td>
<td>KE1</td>
<td>KE2</td>
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<td>SNKE</td>
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<td>Responsibilities</td>
<td>Indicative Inputs</td>
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<td>A2.7</td>
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<td>Develop a platform for dialogue between the Government and the private sector to</td>
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<td>support the formation of public-private partnerships to raise technical performance</td>
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<td>in the agriculture sector and increase agro-exports.</td>
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<tr>
<td>A2.7.1</td>
<td>Agreeing on approach to PPPs for smallholder farmers</td>
<td>✓</td>
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<td>A2.7.2</td>
<td>Building trust and understanding around PPPs</td>
<td>✓</td>
<td>✓</td>
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<td>In the frame work of the VC Analysis and Development activities recommended under</td>
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<td>2.1 initiate annual stakeholder meetings for participants of key export-oriented</td>
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<td>value chains (mirror export crops, horticultures and plantation crops) and key</td>
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<td>import substitution value chains (paddy, other field crops, livestock)</td>
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<td>Assist and train stakeholders to conduct such meetings annually to discuss</td>
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<td>bottlenecks in the value chains of crops and find solutions as well as discuss</td>
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<td>general principles of cooperation in the chains (supply contract conditions,</td>
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<td>harvest estimates etc)</td>
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<td>A2.7.3</td>
<td>Developing model options for PPPs</td>
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<td>Indicative assignments using NKE work days or subcontracting using incidental</td>
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<td>budget</td>
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<td>Market Intelligence Assignment: study databases on market information systems, design and install improved</td>
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<td>system, design and upload website of system and company registration, training of</td>
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<td>identified staff members in operation and maintenance of systems and website</td>
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<td>Value Chain analysis &amp; training including food processing technology: conduct VC analysis for 11</td>
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<td>subsectors, prepare research reports and present findings, develop VC training and</td>
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<td>carry out training, support mainstreaming VC analysis in public sector, study</td>
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<td>market segmentation on the basis of GAP / GMP and organic production, conduct 2</td>
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<td>Farmer organisation (collective action): Establish inventory of farmer groups, credit and saving</td>
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<td>groups, water user groups (associations), conduct needs assessment, identify</td>
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<td>feasible collective actions, introduce lead farmer and farmer field schools</td>
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<td>approach, pilot farmer field schools, conduct gender study.</td>
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<td>Farm Business Training: Design a training programme for participants to understand the business dynamics</td>
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<td>and options of study in meetings with stakeholders of such VCs. Prepare a road</td>
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|     |     |     |     |     |      |      | 440 660                                                                          |                                                                                   |

**Result 3:** The existing systems and practices used by central and provincial ministries involved in Agriculture for planning, budgeting/resource allocation, implementation of sectoral and sub-sectoral policies are improved

<p>| A3.1 | Review the Government’s planning, budgeting, resource allocation, implementation and coordination system on central, provincial and district level related to agriculture development |
| A3.1.1 | Review of the existing planning, budgeting and resource allocation system in all levels |
| A3.1.2 | Identifying relevant priority areas for coordination on all levels |
| A3.1.3 | Organising working groups to i) identify priority areas and to agree on the overall approach and methodology to accomplish Result 3 and ii) monitor, guide and mentor the process of accomplishing result 3 |
| A3.1.4 | Improving the channels for coordination and policy dialogue and impact assessment at line ministries level, provincial councils, district level and farmer / community organisations and groups |
| A3.1.5 | Establishment of best practice coordination and communication structures using IT and traditional channels |
|-----|---------|------------------|------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------------|
| A3.2 | KE1 KE2 KE3 SNKE JNKE | <strong>A3.2</strong> Develop capacity building programme for planning, budgeting, resource allocation on central, provincial and district level based on needs assessment and its implementation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>A3.2.1</strong> Conducting thorough Needs Assessment among all relevant stakeholders and dissemination of results | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>A3.2.2</strong> Developing and implementing training programme based on needs assessment | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>A3.3</strong> Facilitate exchange of practices and information with other countries, including visits and workshops/seminars/conferences | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>A3.3.1</strong> Facilitate exchange of practices and information with other countries, including visits and workshops/seminars/conferences (addressed as part of A1.4) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>Indicative assignments using NKE work days or subcontracting using incidental budget</strong> | ✓ | 40 125 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>Budget Expert:</strong> Reviewing the budgetary processes employed by key stakeholders, taking a preferred approach for budgeting, supporting the TAMAP Team to carry out training needs assessment. Design and roll-out of broad training. Training will focus on. Training of Trainers (ToT) programme. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>Field Coordinators:</strong> support in organising field missions for KE and NKE. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>Workshop facilitators</strong> | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|     |         | <strong>Communication &amp; Visibility Expert</strong> | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |</p>
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<td>A4.3</td>
<td>Capacitate stakeholders in analyzing the information gathered within the M&amp;E framework, draft analytical notes, feed reports into decision-making processes at central and decentralised levels, and ensure all actions are followed through</td>
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<td>A4.3.1</td>
<td>Assistance in developing the performance assessment using score cards</td>
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<td>Training in output based impact monitoring</td>
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<td>A4.4</td>
<td>Develop ToR and train stakeholders in conducting pilot sample surveys to measure the results and potential impact of specific aspects of Implementation of the Agriculture Policy e.g. actions related to crosscutting issues</td>
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<td>A4.4.1</td>
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<td>A4.4.2</td>
<td>Preparation of Survey Template and Field Surveys</td>
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<td>A4.4.3</td>
<td>Conducting sample surveys and analysis of data</td>
<td>✓ ✓ ✓</td>
<td>✓</td>
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<tr>
<td>A4.4.4</td>
<td>Review of outputs of sample surveys and deriving recommendations for improvement</td>
<td>✓ ✓ ✓</td>
<td>✓</td>
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<td>A4.5</td>
<td>Review the statistical system in agriculture and all agriculture related subsectors, and provide ad hoc support where necessary</td>
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<td>A4.5.1</td>
<td>Stocktaking, review and assessment of the statistical system with a view to clarify “who is using which methodology, how is it done and how is the quality of the outcomes”</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>A4.5.2</td>
<td>Development and implementation of training for improvement of the statistical system</td>
<td>✓ ✓ ✓</td>
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<td>Indicative assignments using NKE work days or subcontracting using incidental budget</td>
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<td>Monitoring &amp; Evaluation Experts:</td>
<td>✓ ✓ ✓</td>
<td>80 50</td>
<td>✓ ✓ ✓</td>
<td>125 50</td>
<td>✓ ✓ 125</td>
<td>✓ ✓ 125</td>
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<td>✓ ✓ 125</td>
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<td>Baseline Survey: survey on indicators following the M&amp;E framework using data from the latest Household Income and Expenditures Survey.</td>
<td>✓ ✓ ✓</td>
<td>25 125</td>
<td>✓ ✓ ✓</td>
<td>125 50</td>
<td>✓ ✓ 125</td>
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<td>Agricultural Statistics Team: team of international and national experts. Thorough assessment of the current system on sampling, data collection, compilation system, analysis and result dissemination system of the various entities currently in charge of agriculture data; developing in a participatory manner an efficient and easy to apply agriculture statistics system with the major entities; capacity building on selected case surveys, coaching and mentoring throughout the project implementation period.</td>
<td>✓ ✓ ✓</td>
<td>70 125</td>
<td>✓ ✓ ✓</td>
<td>125 50</td>
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<td>Field Coordinators: support in organising field missions for KE and NKE.</td>
<td>✓ ✓ ✓</td>
<td>30 50</td>
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<td>125 50</td>
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<td>Workshop facilitators</td>
<td>✓ ✓ ✓</td>
<td>5 30</td>
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<td>125 50</td>
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<td>Communication &amp; Visibility Expert</td>
<td>✓ ✓ ✓</td>
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<td>125 50</td>
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**SUB-TOTAL**: 180 385

**TOTAL NKE INPUTS**: 1,000 1,750
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Annex 3

Report of the Screening Mission to the North and Centre of Sri Lanka in June 2018
TAMAP Screening Mission Central-North 3 June – 12 June 2018

1 BACKGROUND

Following the submission of the Inception Report in late May 2018, the Ecorys Technical Assistance Team (TAT) implementing the Technical Assistance to the Modernisation of Agriculture Programme decided to embark upon a field visit to add to the information gathered through the literature reviews and from the many stakeholder meetings, and to gain a better sense of reality regarding Sri Lanka's agricultural sector.

Apart from visiting key agricultural facilities being supported by Government and private sector stakeholders, it was felt important to meet with farmers, with private sector agencies and with key civil servants engaged in agriculture.

A further objective of the mission was for the TAT to engage and team build with colleagues from the three host ministries, namely the Ministry of National Policies and Economic Affairs, the Ministry of Agriculture, and the Ministry of Social Welfare and Primary Industries.

2 MISSION MEMBERS AND ITINERARY

The following constituted the mission membership:

Ministry of National Policies and Economic Affairs
  Dr Christof Batzlen – TAMAP Team Leader
  Mrs Yasantha Munasinghe – Director, Planning

Ministry of Agriculture
  Mr Agith Pushpakumara – Director, Agricultural Services
  Dr Stephen Atkins – TAMAP, Public Policy and Agriculture

Ministry of Social Welfare and Primary Industries
  Dr Kumudini Gunasekare – Agribusiness Specialist, Agriculture Sector Modernising Project
  Mr Han van de Meerendonk – TAMAP Agribusiness Expert

An itinerary was developed by Mr Pushpakumara which took the group to key government research institutions and seed farms, Government financed agricultural offices at provincial, district and division level, a selection of Agrarian Service Centres (ACS), in-service training facilities, and Government built traditional food stalls, private sector initiatives including seed farms and research centres, and importantly many smallholder farmers being supported by the spectrum of extension initiatives working in the Northern, North Central and Central Provinces in Sri Lanka, and finally a dairy processing facility being managed by a donor established NGO.

After some minor adjustments to the initial schedule the mission visited the following areas between Monday 3rd and Tuesday 12 June, 2018:
<table>
<thead>
<tr>
<th>Date</th>
<th>Location and Key Person Met</th>
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<tbody>
<tr>
<td>Sunday 3 June</td>
<td>Travel Colombo to Anuradhapura</td>
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<td>Monday 4 June</td>
<td>Department of Agriculture, Government Seed Farm Pelwehera, Mrs. Geetha Edirisinghe, Deputy Director Seed &amp; Planting Material, 071 814 70 77</td>
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<td>School of Agriculture Pelwehera, Mr. Basnayaka Principal, 071 847 60 33</td>
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<td></td>
<td>Chemical Industries Colombo (CIC) Farm in Pelwehera, Mr Jayendra Rajasekera, General Manager, 077 175 32 09, <a href="mailto:jayendra@cicagri.com">jayendra@cicagri.com</a></td>
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<td>Hela Boujan Traditional Food Stall, Pelwehera</td>
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<td>Tuesday 5th June</td>
<td>Field Crop Research &amp; Development Centre, Mahailuppallama, Mr. W.A.K. Karunatilake, Director FCRDC, +94 71 804 49 42, <a href="mailto:wirasing@yahoo.com">wirasing@yahoo.com</a></td>
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<td>Farm Mechanisation Research Centre (FMRC), Mahailuppallama, Deputy Director Mr Chinthaka Balasooriya +94 773 250 123 and +94 71 800 35 73, +94 255622500, <a href="mailto:Chinthaka.Balasooriya@gmail.com">Chinthaka.Balasooriya@gmail.com</a></td>
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<td>In-Service Training Institute, Mahailuppallama, Mr Darmasena Assistant Director</td>
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<td>Government Seed Testing Unit, Mahailuppallama, Ms K B R W Windini Balasooriya, Agricultural Instructor</td>
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<td>Wednesday 6th June 2018</td>
<td>Government Seed Farm, Mahailuppallama, Deputy Director, Mr Priyantha Wirralasena (+94 713284801)</td>
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<td>Office of the Deputy Director of Agriculture (Inter Province) Anuradhapura - Mrs. Samanthi Godigamuwa, Assistant Director of Agriculture (Inter province), +94 71 603 77 56 +94 252 23 50 37, <a href="mailto:anuruddhikagodigamuwa@gmail.com">anuruddhikagodigamuwa@gmail.com</a></td>
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<td>Office of the Deputy Provincial Director (Extension) of Agriculture, D.P.D. Gnanasinghe, Deputy Director (Extension), Provincial Department of Agriculture, +94 71 453 62 43 Mr Chandrasiri, DD</td>
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<td>Institute of Post-harvest Technology Research and Development Center, Anuradhapura, Mr. Mr Kavinda C. Dissanayake, Chairman, <a href="mailto:Dissanayake.k@agrimin.gov.lk">Dissanayake.k@agrimin.gov.lk</a></td>
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<tr>
<td>Thursday 7 June 2018</td>
<td>Department of Agrarian Development, VAVUNIYA, Office of Assistant Commissioner Agriculture, Vavuniya</td>
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<td></td>
<td>Mrs. S. Thiru Sethucesvalar, DFOA 077 30 65 203</td>
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<td>Agrarian Service Center Omanthai</td>
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<td>Regional Agriculture R&amp;D Centre Killinochichi</td>
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<tr>
<td>Friday 8th June</td>
<td>Northern Province, Department of Agriculture (under Provincial Council), Mr Sivapatham Sivakumar (0773868581/021 221 6022; <a href="mailto:sivakumar.sivapatham@gmail.com">sivakumar.sivapatham@gmail.com</a>)</td>
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### 3 SUMMARY FINDINGS AND LESSONS LEARNED

Detailed notes compiled by mission members from the field visits are presented in Annex 1. A non-exhaustive list of major findings emanating from the mission are given below:

**General**

- Great emphasis on paddy production
- Little diversification into high value field crops, and new act allowing paddy lands to be converted to other annual not being implemented (law still be enacted).
- Large areas of the Northern Province are unused land – problems associated with inability of returning communities to prove legal land tenure status after civil war.
- Major shortages of labour for basic agricultural work. Labour rates are high and farmers complain they cannot plan to complete tasks as required as labour is unreliable.
- Staff from Department of Agrarian Services fully employed with fertilizer subsidy scheme and supporting government schemes.
- Revenues from any Government activity (seeds, fertilizer partial grants etc) are returned to government consolidated fund and leak from the agricultural system.
- Provincial Councils have a devolved responsibility to allocate resources to provincial departments of agriculture.
- Provincial Councils may not necessarily allocate on a needs basis.
- Provincial Departments of Agriculture have a broad-based structure similar to traditional ministries of agriculture – agronomy, livestock, agro-forestry, fisheries, irrigation, commodity specialists, land use planning etc
- Dambulla fresh produce market is a major hub for vegetable marketing – produce handled from all corners of the country, we even saw produce from China.
• Conditions on Dambulla fresh produce market are not hygienic and handling of produce is particularly poor – absence of cold storage facilities and more suitable produce containers.

Extension

• The agricultural extension service is structured as follows:
  1. The Department of Agrarian Development under the Central Government is responsible for institutional development of farmer organisations, rehabilitation and maintenance of medium and minor irrigation schemes and the provision of fertiliser subsidies to paddy rice farmers and other field crops.
  2. The Provincial Department of Agriculture under the provincial council is in charge of extension services such as crop husbandry, animal husbandry and inland fisheries. Similar extension services are provided by the interprovincial Department of Agriculture (6 inter provincial departments countrywide where the (command) area is covered by more than one province.
  3. The district level Department of Agriculture are supported by the central Ministry and responsible for implementing national agricultural programmes.
  4. The Department of Irrigation under Central Government is in charge of rehabilitation, operation and maintenance of major irrigation schemes.
  5. The Department of Export Agriculture under the Ministry of Social Welfare and Primary Industries is in charge of technical extension service of export crops, mainly spices as well as minor expert crops such as cocoa and coffee.
  6. Extension services for plantation crops (rubber, coconut, tea) are provided by the Ministry of Plantation Industries.
  7. The Mahaweli Development Authority under the jurisdiction of the Ministry of Mahaweli Development and Environment is providing a complete extension service to farmers within the Mahaweli River Basin.
  8. Moreover, the private sector is also providing agriculture extension service to contract farmers and outgrower commodity groups
  9. There some less prominent extension service providers such as HADABIMA Authority in the high country.

• Whereas 1) and 2) are located in 560 Agrarian Service Centers (ASC) spread all over the country at divisional level, the other extension service providers work from their own offices. The Provincial Department of Agriculture works also on district level.
• The ASCs can be considered as one-stop-shops and are focal points of the extension service.
• Most agricultural offices, both provincially and centrally funded are grossly understaffed due in part to an on-going court case for the last four years and due to reduced allocations in the case of provincial departments of agriculture.
• Most staff senior met were highly articulate and well-motivated.
• Field level staff the same.
• Provincial field staff in particular are hard hit – they have to provide their own transport and some are responsible for up to 5,000 farmers.
• Current budgeting and planning for provincial agriculture departments appears good, with backstopping by Finance Commission in the Ministry of Finance and Mass Media.
• Budgeting appears incremental and not zero based.
• System of MTEP’s is currently employed.
Findings of the TAMAP Screening Mission Central and North from 3 June-12 June 2018

- Given high number of staff vacancies it appears that little performance review and succession planning is in place.
- Current extension model does not appear to be effective as staff numbers in post are well below cadre establishments.
- Need to review extension model adopted to harsh reality of low staff numbers.
- This would facilitate a zero-based planning and budgeting.
- Not all commodity experts are based in Agrarian Support Centres (ASCs) – coconut, irrigation etc
- Farmer Organisations gravitate to ASCs – good database maintained by Department of Agrarian Development
- ASCs are a solid base for extension and interaction with farmers.
- FOs based on area organisations; commodity groups on production options.
- Agricultural school visited (1 of 5 in the country) was very understaffed although well endowed with infrastructures which were being renovated. Many were in a poor state of repair – especially the student accommodation.
- Could possibly consolidate facilities.
- Government seed farms appeared to be underutilized. Another example of possible area privatisation as shown by CIC.
- Similarly, for seed Government Seed Testing Unit which could up-graded to make the repetitive work more efficient.
- The private sector has very good network of contract farmers, especially for seed multiplication. Farmers enter into contract with the company, all inputs are covered by the farmers which is assured of a good price at the end of the season, contracting company supplies extension ‘free’ at ratio of 1:450 growers.
- Many tea estates have very old tea plants – some up to 100 years and many are now becoming unproductive.

Research

- We met with well qualified and highly professional people in just about every facility visited.
- A very extensive network of institutions across all provinces visited.
- Staff cadres are not filled, gaps in high level scientist positions
- Highly valuable resource and gene-pool embodied across the research facilities.
- Huge emphasis on paddy.
- One gets the impression that there is considerable duplication of effort between institutes and perhaps there is scope for merging institutions (Farm Mechanisation Research Institute and Institute of Post-Harvest Research) etc
- Apparently there are no soil scientists in Government service in SL.
- There is a lack of a Plant Variety Protection Act – could be a possible source of income for the research division.
- Each research institution has to compete between three government bodies for research funds and their success rates cannot be taken for granted. This makes long term planning problematic – perhaps a fresh look at research modalities is required.
- More emphasis could be placed on the private sector to conduct adaptive research and on-farm trials.
- Field Crop Research & Development Centre trains extension staff in pre-season training programmes.
Tea

- COP for tea is escalating, workforce is highly unionised, and difficult to obtain.
- SL tea industry slipping in global competitiveness, behind Kenya and other Asian countries.
- Tea plucking is a very labour-intensive activity and people (women) are highly demotivated due to the social stigma attached to the work and poor working conditions.
- Quality of household nutrition in the estates is highly questionable.
- Due to the steep terrain of many SLs tea estates it is not possible to mechanise tea plucking.
- Estates carry a large overhead for labour costs – housing (in very poor condition), schools, clinics and ambulances etc.
- Government grants to support replanting and in filling has not worked.
- Government policy not conducive to new investments into the tea industry – at field and factory level.
- International certification standards constantly moving and difficult for companies to maintain standards.

The above points will assist the TAMAP draw-up terms of reference for a number of short-term assignments which are scheduled to be launched in the coming months.
ANNEX 1
TAMAP Screening Mission Central-North 3 June – 12 June 2018
FIELD NOTES

Day 1: 4 June 2018

1. Department of Agriculture, Government Seed Farm Pelwehera,
Mrs. Geetha Edirisinghe, Deputy Director Seed & Planting Material, 071 814 70 77

Farm operates under Department of Agriculture. Focus is on other crops than paddy (Other Field Crops). Each Farm selects its different group of crops on the basis of regional priorities. This seed farm produces 9 crops seeds. They get the breeder seeds mainly from GoSL research institutes (in total there are 25 GoSL seed farms in Sri Lanka) and multiply these on their own farm and using the services of 35 contracted farmers. Some breeder seeds are also produced by the private sector namely paddy seeds which is profitable for the private sector. Other field crops are usually not profitable for the private sector.

Certification of the foundation seeds (multiplied breeder seeds) is done by the National Seed Certification Agency. Foundation seeds are further multiplied which gives the commercial registered seeds. They sell this seed to farmers via the sales outlets of the Farm. The Farm has a seed processing facility where the commercial seed is cleaned and graded and eventually packed in small consumer packages. These are than distributed to the sales outlets. The farmer has the option to buy imported seeds, seeds from local private companies or from the Government Seed Farm. Seeds from the government farm are cheaper than from other suppliers. Nowadays paddy seeds are mostly obtained from private companies such as CIC so the government farm focusses on other crops.

In Sri Lanka still 75 to 80% of seeds are retained from the previous harvest so the commercial seed sector is only 20 to 25% of the use by farmers. The Department of Agriculture’s target is that 25% of the required seeds in Sri Lanka should be provided by GoSL seed farms. More than 25% is not possible given the current constraints such as limited storage place, not sufficient land to produce breeder seeds.

The private sector is covering for the commercial paddy seed sales to a large extent. But also for the other crops the capacity of the Government Seed Farm is not
enough and the commercial seed market can only be increased through cooperation with private sector seed companies. The Farm has a network of 25 agents buying and distributing their seeds.

The main challenges the Farm has are:

1. the amount of breeder seeds they receive from the research stations is very small and it takes long to reach commercial amounts; and
2. the material in their fields gets affected by pests and diseases.

Seed farm is using drip and sprinkler irrigation. The Farm attempts to promote organic farming and also observed that farmers overutilized pesticides and fertilizer. This might be due to the highly subsidized and cheap available fertilizer. Pesticides and chemicals are not subsidized. The seed farm has been trying to train the farmers to avoid excessive use of fertilizer.

**Finance and Budgeting**

The Farm gets funds for its operation from the Central Government. Usually they request 2 times per month operating funds and their accounts are replenished on a fortnight basis.

Prior to the commencement of the subsequent fiscal year, the farm develops an action plan including budget. Experience has shown that the actual money received is usually less that the amount requested.

The Farm produces an action plan each year with a budget but always gets less than they asked for. At the moment, they face a problem that this year the rains are better and therefore more farmers demand paddy seeds and less for other seeds (which is their major product). This means that they cannot cope with the current larger demand for paddy rice seeds.

Some figures & issues:

- Currently, the farm gate price for onions is low with 40 LKR/ kg and therefore onion production declines;
- Seeds produced by the contracted farmers has a reject rate of 10%. Crops rejected for seeds are sold on the wholesale and retail market;
- All foundation seeds are stored in the cold room

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2. School of Agriculture Pelwehara  
Mr. Basnayaka Principal, 071 847 60 33  
Mrs. R.J. Rathnayake, 071 299 47 41

There are 5 Schools of Agriculture in Sri Lanka. The School of Agriculture Pelwehara runs a 2.5 years course in agriculture comprising of 4 semesters (2 years) and half a year of
practical work in a private or public company. In total they have 200 students (100 students per year) at the moment both male and female.

After the 2.5 years attendance of the school the students receive a Higher National Diploma. The school is targeting agricultural extension officers, however currently only 5% of the students are GoSL officers. The remaining 95% are private students (general higher vocational training students).

The school (boarding school) including hostel is free of charge. Only the best students from high schools can attend the agricultural school. It provides for a higher national diploma and extension workers of the government need to have the certificate of the School. Students who succeeded the school do have very good chances to get jobs in agricultural extension service and also in the private agriculture sector.

Some courses are (not complete):

- Farm management and organization
- Nursery management
- Economic and farm management
- Agricultural extension and education
- Basic food science and farm food technology
- Land, soil & water management
- Paddy and other field crops
- Horticultural crop production
- Plantation & expert agriculture crop production
- Management of farm machinery
- Food processing and value addition
- Applied plant protection
- Farming systems and protected agriculture
- Livestock production and management
- Agricultural business management
- Marketing and sales of agricultural produce
Major challenges the school is facing are:

1. poor facilities (very poor laboratory) especially for practical teaching
2. Hostel requires major refurbishment
3. lack of teachers.

The staff problem is severe and at the moment they have only 6 permanent teachers and 5 part-time teachers. The School has land for practical work with a total of 65 acres of upland land (for other field crops) and 8 acres of lowland land (for paddy). Here they teach the good practice of growing the crops and the harvest is consumed by the boarding students.

The school gets its operating funds from the Department of Agriculture (central level). If the school generates some income from the sale of its produce they have to return it to the central government budget. Therefore they have little incentives to generate money.

3 Chemical Industries Colombo (CIC) Farm in Pelwehara

Mr Jayendra Rajasekera, General Manager, 077 175 32 09, javendra@cicagri.com
Dr. G.M. Wasantha Chithral, Senior Research Consultant, 076 322 18 95, chithral@cicagri.com
Dr Sumith Abeysriwardena, Senior Consultant (R&D), 077 366 7265, sumithab@slt.net.lk

CIC is a private company that obtained land and facilities through takeover of a public facility (former Government farm). They produce and import a large variety of agro-inputs. They work on seeds for paddy rice, corn (maize) and some vegetables. As far as seed production is concerned they get breeder seed for free from government research station and they produce also some own breeder seeds of new varieties that they develop at CIC. They arrange the multiplication and certification and sales of paddy rice (25 varieties) and other crops via a program where they use contracted farmers as well as their own farm. Currently they work with up to 20,000 contract farmers and they have in the region 3 seed farms plus 2 dairy farms. The contract (outgrower) farmers are involved in the following activities:

- Paddy rice production for consumption;
- Paddy rice seed production;
- Corn production for consumption (mainly animal feed); and
- Raw milk production (buffalo and cow milk) for yoghurt.
Corn breeder seeds are usually imported from Thailand. They produced and sold about 4,000 tons of paddy seeds last year. They also trade imported seeds from international seed companies but use various ones (no fixed contract with any of them). The company makes it attractive for farmers to grow seeds for them by offering them LKR 5 per kg above the prevailing market price. Also they guarantee uptake and farmers can sell whatever quantities they produce for the higher price. The own breeding program of CIC focusses on high quality rice (such as white local basmati and jasmine and red local basmati). The company also focusses on the production of hybrids of chillies and other crops. Such hybrid seeds achieve a 4 to 5 times higher price in the market than regular seeds for the same crops. Hybrids give a much higher yield and repay themselves from the yield returns. In addition, hybrids have in-built protection against re-use of the part of the seeds for next season due to the sharp degeneration of the yields. Such seeds have very effective in stimulating the commercial seed market. CIC operates a laboratory which they use mainly for expert rice testing.

Interesting is that the contract farming system implemented by CIC has not grant or subsidy component for the contract farmers. All seeds, inputs are sold to the farmers. The only free of cost service is the extension service provided on a regular basis to the contract farmers.

Some figures & issues:

- Yield of paddy rice which can be accomplished by farmers under good farming practices up to 7.5 tons paddy / ha;
- Yield of Basmati rice under good farming practices by farmers up to 4 tons of paddy / ha
- The research consultant has the opinion that the broad casting system is in Sri Lanka more economical than transplanting and parachute system. Moreover, Systems of Rice Intensification also does not appear to be profitable in Sri Lanka.
Main reason for poor economics of transplanting and parachute has to be attributed to the high labour costs due to labour shortages.

- CIC has in total 45 field extension officers (diploma holders). 1 extension officer for about 450 farmers

Challenges CIC is facing:
- Not sufficient funds for research. This year the area for paddy research has declined
- Expanding outgrowers (scaling up) is difficult
- Rice milling capacity has to be increased if farm and outgrower operations to be increased

4. Dambulla Wholesale market

A short visit was made of the wholesale market of Dambulla. The market is very busy and all kind of commodities are traded on this market. The hygienic conditions on this market are limited and the storage facilities are very poor.

There are no cold storage facilities and it is obvious that within a very short period a lot of the commodities will get spoiled.

This is even exacerbated by the fact that the trucks arriving with the goods are poorly loaded and heavy commodities are put on top of easy perishable goods. In a nutshell, the market and its management needs to be significantly improved to cater for good quality produce.
DAY 2: Tuesday 5th June

1. Field Crop Research & Development Centre, Mahailuppallama
Mr. W.A.K. Karunatilake, Director FCRDC, +94 71 804 49 42, wirasing@yahoo.com

FCRDC covers the dry and intermediate zones which account for 80% of the agriculture area of SL.

The station covers non-rice crops, Other Food Crops (OFCs) such as coarse grains, legumes, sesame, soya. It also has regional responsibilities and so also study tuber crops grown in drier areas, as well as fruits – mango, grapes (national and regional), they also do work with veggies but breeding work is the domain of HORTI.

The station is 1,000 acres, approximately 400ha. Of which 300ha is effectively used.

The station has an establishment of 44 research officers but now only 18 in place as they have a big problem with recruitment as for the last 5 years certain cadres (technical) in DoA service are taking Government to court. In consequence the Public Service Commission has frozen all recruitment.

FCRDC produces Breeder seeds and the private sector handles multiplication. Private sector does do some rice and brinjal breeding no other crops though.

Private sector does annual crops as it is more profitable for them. Private sector also handles value addition aspects of various crops but is not mandated to assist with breeding these crops. Companies can also handle the introduction of imported lines.

With oil crops FCRDC collaborates with the private sector – ask what characteristics they are looking for and factor priorities into their research breeding programmes. For example for onions they have incorporated stakeholder needs for technology development following open fora. Research programmes are overseen by a regional technical working group incorporating what are the research issues, feedback from stakeholders (research, extension, farmers and private sector) and proposals written by research teams. This included work of four regional centres affiliated to FCRDC – proposals are pulled together and TWG prioritises into short, medium and long-term priorities.

FCRDC receives a lump-sum for general overhead and staff costs allocated by central DoA. Research is funded on a case by case basis – national priorities and then regional (SL) and local. Mainly looking at import substitution. Funds are allocated by the National Science Foundation and the National Research Council, and by CARP. This sometimes results in duplication. Focus is on PPPs.

Foreign funding can also come from CGIAR groups – IRRI, CYMMIT, ICRASAT etc. for collaborated studies.
SL lacks Plant Variety Protection (PVP) act. Developing new varieties is expensive, requiring major upfront investment over many years in terms of human resources, technology and facilities. As PVP is not in place yet in SL, valuable materials such as parental lines for hybrid seed production and breeder seeds are issued free of charge even to the private sector. If the new varieties can be protected, the income generated through this can be ploughed back to the institute to assist research.

Government is given advice by FCRDC through DoA, and macro-level policies are then the domain of central treasury. This is not always conducive to LT research programmes (import and export tariffs, cesses, subsidies etc).

FCRDC handles around 25 crops and it is important that they have consistent policy support.

FCRDC provides open pollinated breeder seeds to the govt and private sector (free) farms to multiply parent lines in case of hybrid

Dept of Irrigation has no research arm so FCRDC does this for them.

There is a problem with funding research. They receive recurrent budget to cover overhead costs including staff costs, but they have to motivate and apply for research with specific proposals. This is quite a difficult job as they are understaffed and they do not always get funding.

How to promote the findings of research – they train extension staff at pre-season training courses at in-service training institutions, and they also have special training programmes from time to time. Research provides the trainers.

They also have demonstration plots in farmers’ fields.

There is an M&E feed-back loop – but sometimes growers change the names of varieties which can cause confusion.

A major issue is staff training – earlier they had training grants to study in SL or overseas – latter have now dried up but there are some scholarships available through SLCARP (see Dr Gerry A about training programmes and funding). What they also lack is specialized training with international organisations such as ICRASAT, CYMMIT etc – the medical profession has these facilities. Training is a major problem area.

Operational costs for equipment in the labs is not a problem at present as they are well catered for but funds for maintenance is problematic.

They would benefit from stronger collaborative ties with universities, govt research, extension and farmer interfaces – could work with the private sector.

Able to conduct adaptive research programmes with their current funding.

There are local water problems and so the centre is helping local communities with potable water supplies. This does drain their budgets (pumping, transport etc).

It was noted that the Mahaweli Development Authority does not have the same restrictions as working through Dept of Agriculture.

Dept previously had KVs in the villages – this was changed with the 13th Amendment and now have AIs at village level – and they are not as effective.
The team visited some of the research facilities and plots – Chilli breeding, mango etc. Impressed with the enthusiasm and dedication of the staff at the centre

2. Farm Mechanisation Research Centre (FMRC), Mahailluppallama
Deputy Director Mr Chinthaka Balasooriya +94 773 250 123 and +94 71 800 35 73, +94 255622500, Chinthaka.Balasooriya@gmail.com

There are 4 engineers assigned to the centre – all mechanical engineers, no agricultural engineers (irrigation) as there is no faculty in SL universities teaching the subject. Total staff is 180 – 4 professionals, 20 technicians, admin and labourers.

FMRC deals with research, development and testing of farm machinery up to harvesting (Inst of Post-Harvest Technology takes on research at that point).

The centre deals with paddy, oil seeds but it does not deal with cash crops, but they deal with veggies and maize. But they do not deal with maize harvesters as the roads are too narrow for the machines and hence farmers do not have them!

The centre either develops its own machinery, or tests others, or tests suitability of imported equipment and sometimes adapts them to local conditions.

They have tested paddy establishment seeders – already some farmers own them which they also hire out – FMRC tests their suitability.

Main problem is extension interface – the centre does not have enough staff, and likewise Prov Dept of Agric extension is understaffed.

In the past they developed threshers and reapers but they are no longer used as 95% of the paddy crop is harvested by combines, mainly hired by a few individuals. Optimum area for harvesters is 1 acre – few farmers have this in contiguous blocks. There are also problems with the bunds in paddy fields – major limitation to full mechanisation.
FMRC certifies equipment – for example paddy transplanters (Japanese imports mainly) which are very much needed as they do reduce labour inputs.

They also certify tractors.

Weeders are also needed to reduce labour inputs – but can only be done on transplanted paddy areas, but it is quite costly – walk behind self-powered machines are around US$3,000, ride on tractor pulled are around dUS$1,900.

Areas with broadcasted paddy seed use herbicides.

For mechanical harvesting need at least 50 acres per annum – as paddy is harvested at various times throughout SL harvesting contractors can move around with the different seasons evolve. They cut about 10 acres a day.

Local blacksmiths do the repairs which can be problematic as most operators are not skilled mechanics. Some machinery suppliers have mobile servicing unit.

Some machinery developments emanate from own ideas – but do not patent as this makes equipment expensive and Govt is not keen to pass this cost on to farmers!

Note that coconut harvesting equipment has been developed by the Coconut Research Institute which has its own centre for mechanisation.

Little animal traction in use in SL as farmers have mostly sold off their animals (buffaloes).

Institute of Post-Harvest Research has developed solar dryers.

No or little effort applied to irrigation – have developed own small PTO driven pumps though.

Major challenges are that all machinery can be imported – and Mr B. felt that need stern policies as local manufacturers cannot compete with China which come in duty free and local manufactures have to pay duty on steel, nuts and bolts etc.

3. In-Service Training Institute, Mahailuppallama
Mr Darmasena Assistant Director

The institute falls under the Provincial Council and not the Central Dept of Agriculture.

Their role is to train extension officers (and farmers) in use of new technologies.

There was no readily available list of courses or module to hand and no list of number of participants trained. However, a soft copy of the list for 2017 was provided (Han) and also a list of training courses obtained from a banner in the entrance hall – mostly household entrepreneurial courses focused on women, such as Floriculture and ornamental plants, Beetle cultivation, Scientific Homestead gardening, Bee keeping, Cultivation under agro-wells, B. onion seed production and cultivation, Mushroom cultivation. They also provide training specifically requested.

Some Govt departments use the facilities (at cost) and bring their own trainers.
The institute was built in 1970 with NZ aid funds – currently undergoing a major rehabilitation.

Training is limited as they only have 3 training officers – not much action was apparent. They claim that trainings and programs are prepared on need base. Farmers needs are identified by extension officers and they inform the ISTI to conduct relevant trainings. Farmer trainings are offered free of charge. Resource persons fee is paid by the ISTI

The hostel is in a very poor shape and requires urgent rehabilitation and refurbishment. They do experience budgetary problems, especially towards the end of the year (Oct-December when they have to close down early. They are unable to contest allocations with provincial department and council.

Dr Kumudini remarked that the facilities at the centre and around could be optimally used if the new initiative on agriculture technology demonstration parks designed under WB Modernization project would be established in the perimeter.

4. Government Seed Testing Unit, Mahailuppallama
Ms K B R W Windini Balasooriya, Agricultural Instructor

There are 6 regional seed certification centres throughout SL. Sampling officer receives samples and passes them into the systems – 4 categories – A – farmers’ fields, B – after processing, C from government storage, and Other – such as paddy.

They test for Moisture, Purity, Germination and Viability. The tasks are extremely demanding and highly repetitive, the team appeared to be dedicated and competent.
This is an essential facility for SL agriculture sector.

This facility could be privatised and fees charged for the work. Possibility of employing high tech equipment for faster service delivery.

5. Government Seed Farm, Mahailuppallama

Deputy Director, Mr Priyantha Wirralasema (+94 713284801)

Largest government farm in SL and provides mainly basic seed from Government seed farms. It receives breeder’s seeds from research and multiplies foundation seed, mainly paddy, oil seed crops, veggies

They have 500 contract growers who produce certified class seeds from registered class seeds. The Seed Farm buys seed from the contract growers, processes the seeds, sales and coordination is from the office, or at seeds stores throughout the province and other areas (eg Western Province). They also have a mobile sales service access facility. Sometimes farmers are given concessional sales eg 50% of usual price.

Revenue is deposited into central treasury fund.

Their establishment or cadre is 25 plus 7 contracted, farm labourers 153 and 34 seasonally contracted. They have 15 technical staff on the farm at the moment.
Produce 20.5 mt of paddy last year, 7 mt oil seeds, OFCs 3mt. Contract growers sent in 40,000 bushels of paddy +/- 2,000mt

They select growers with assistance from extension officers from Mahaweli Development Authority – they give criteria and then – they are given seeds and no other inputs, technical support given by the farm’s staff who visit 3 times a season along with seed certification staff who take samples for testing.

Extension Officers from Dept of Agric for 500 outgrowers. The EOs are mostly diploma holders, although some are having a BSc.

DAY 3: 6th June 2018

1. Office of the Deputy Director of Agriculture (Inter Province), Anuradhapura

Mrs. Samanthi Godigamuwa, Assistant Director of Agriculture (Inter province), +94 71 603 77 56 +94 252 23 50 37, anuruddhikagodigamuwa@gmail.com

In the North Central Province, 3 different institutions are operating in the context of agriculture development and this categorization is based mainly on the scale of the irrigation scheme:

1. Dept of agriculture – central govt: Operating in interprovince areas mainly dealing with major irrigation schemes
2. Provincial Dept. of Agriculture: Operating in areas under provisional council dealing with minor irrigation schemes
3. Mahaweli Authority ??? operating in Mahaweli areas

Six inter-provincial areas can be identified within the country: Anuradhapura, Pollunariwa, Monaragla, Hambantota and Hasalaka

12 major irrigation schemes (eg. Niwaraawewa, Nachhaduwa, Wilachiya, Dewhoowa to name few) are located in Anuradhaputa inter-provincial region. Paddy, OFC, F&V, are the major crops handled by this center. Priority crop is paddy and other field crops too in maha season in upland cultivation under rainfed condition. During yala season, source of irrigation is mainly through agro-wells. The extent of paddy lands and highlands are 31,000 ha and 35,500 ha respectively. Farm families about 47,400. 38 Agriculture Instructors (AT) 36 Technical Assistants (TA) provide the services to the farmer community. AIs and TAs have demarcated area or location, and perhaps have
some Subject Matter Officers (SMOs) who deals with specific subject covering entire region.

Farmers can always keep contact with Agriculture in the area. Agriculture Instructor is available on Wednesday at the Agriculture Instructor’s office at the agrarian service his/her area. The Assistant Director of Agriculture (Extension) of the segment or Deputy Director of Agriculture (Extension) in the inter-provincial area could be contacted on Wednesday in relevant office or over the telephone or by mail at any time.

The main focus of the office is to contribute to agriculture development. There are several divisions under Office of DD (Agriculture - Interprovince) namely: Research, Extension and Education.

Agriculture Instructor’s office at agrarian service centers in inter-provincial agriculture extension service areas at sub-divisional level
Assistant Director of Agriculture (Extension) at segment level.
Deputy Director of Agriculture (Extension) at inter-provincial level.

**Nature of the Service provided:**
Information on new technologies, training field visit & advisory service, field problem solving assisting in input supplies and marketing, coordination with other relevant stakeholders etc.

The major issues and challenges:
- Diminishing of cultivated land extent
- Water scarcity
- Soil erosion
- Pests, diseases and soil problems (salinity)
- Misuse of agrochemicals
- Labor shortage
- Climate change effects
- Timely unavailability of good quality planting materials
- Marketing

**Productivity Improvement programme – “YAYA PROGRAMME”:**
Farmers who have similar interest are grouped together and carry out cultivation simultaneously. 50-60 farmers are in one group and total area is around 40ha. This groups enable farmers to use machineries for land preparation and transplanting.

**New technologies:**
Parachute method and transplanting have been introduced to farmers as a measure to handle labour shortage and it proved to increase the land productivity. Yield estimated to be 10-15 higher in parachute methods than broadcasting. Eight labors are needed for broadcasting while only ½ of this is needed for parachute. Seed requirement are 40, 20 and 12 kg per ac for broadcasting, transplanting and parachute respectively. However, the adoption rate of parachute method is comparatively low (only 1-2%) due to high cost of trays. These trays could be re-used for three seasons max.
Findings of the TAMAP Screening Mission Central and North from 3 June-12 June 2018

(Note: Plant Breeder at the private sector company, CIC, had a different perspective on this and he claimed that economic benefits are more with broadcasting than other two methods.)

Mechanization and IPM:

Machinery such as inter cultivator is becoming popular for weeding and labor saving is more compared to manual weeding. This is a good option to address the limited availability of weedicides. Advice is given to farmers to promote IPM and farmer field demonstrations are set up to create awareness, especially to control chilli leaf curl complex and thereby to reduce chemical use.

Support has been given to farmers to construct agro-wells, micro irrigation and to acquire water pumps under the National Food Production program (under Central Gov). These facilities would increase water use efficiency and minimize price fluctuation effect by allowing for off season cultivation. Farmers have also been encouraged to establish soil conservation bunds.

Leaf color chart is used to determine the requirement of N and use accordingly. Rain shelters are promoted to minimize fungal disease spread in big onion seed production, nursery establishment during rainy season and off-season cultivation.

Home gardening is encouraged in villages to cultivate crops without chemicals and following IPM while ensuring food security and food safety under National Food Production program. To face the water shortage issues, short-age paddy varieties (21/2 – 3 months) have also been introduced. The recently introduced new varieties: Maize MIHI, Chilli MI CH 3, papaya – Horan Hybrid.

A special AT paddy variety was commercialised and used by the CBL adding value for producing Munchee Kome, a rise based cookie.

Varietal adaptability trials are being carried out in farmer fields to get the feedback from farmers re: milling quality, taste, P&D tolerance and promising lines identified will be expanded further.

Farm Business School:

Is being implemented an as extension tool where farmers are educated to calculate COP, setting prices, linking market and financial analysis in a business context. Example of
success stories: Training “HELA BOJUN” entrepreneurs (women-headed groups). 2- day workshops are conducted for AIs of Interprovince, Anuradhapura.

Each and every season “Kanna Rasweem” (Season meetings) are organized with all stakeholders and inform farmers regarding the amount of water to be released and paddy cultivation extent will be decided accordingly for particular season.

Some assistance has been offered by projects viz. PEASE, JICA_ICIM, EU-SDDP (FAO) and PEISEIP.

There are some issues connected with famers’ perceptions and confusion messages due to operating three extension services offered by Provincial, Inter-provincial and Mahawelli. In the provincial set up subsidies are provided whereas other two do not provide such.

In line with the provisions in the Agrarian Service Act, farmer organizations are registered based on the locality. But the “SARU KETHA” scheme for commodity-based groups among the many.

Technology driven groups are also there eg: Young Farmer Clubs and Seed production groups

**Budget allocation process:**

Allocation is performance based and the estimate will be submitted to the Head office for onward submission to Ministry of Agriculture (Central Govt.)

2. **Office of the Deputy Provincial Director (Extension) of Agriculture**

*D.P.D. Gnanasinghe, Deputy Director (Extension), Provincial Department of Agriculture, +94 71 453 62 43  
Mr Chandrasiri, DD*

This office is attached to the Provincial Dept. of Agriculture which is under the Provincial Ministry of Agriculture and is concerned with Agro-product marketing, Animal Production, Animal Health and Fisheries Affaires of the North Central Province. Provincial Councils were established in 1987 with the 13th Amendment to the Constitution. There are in total 45 extension offices. 32 Agrarian Service Centers under the Province. 6 ACS under Inter-province and the remaining are under Department of Irrigation and some other entities.
Findings of the TAMAP Screening Mission Central and North from 3 June-12 June 2018

Approved carder of AIs – 140 but only 45 filled. Fund are received from Finance Commission under Provincial Specific Development Grant (PSDG).

This office covers two districts, Anuradhapura and Pollonnaruwa. Basic information pertaining two the areas covered are given below:

<table>
<thead>
<tr>
<th></th>
<th>Anuradhapura</th>
<th>Pollonnaruwa</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Tanks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium irrigation schemes</td>
<td>75</td>
<td>--</td>
</tr>
<tr>
<td>Minor irrigation schemes</td>
<td>2639</td>
<td>174</td>
</tr>
<tr>
<td><strong>No. of agro-wells</strong></td>
<td>31,063</td>
<td>350</td>
</tr>
<tr>
<td><strong>Thulan (GN division??)</strong></td>
<td>448</td>
<td>77</td>
</tr>
<tr>
<td><strong>Cultivated extent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highlands</td>
<td>131,168 ha</td>
<td>23,076 ha</td>
</tr>
<tr>
<td>Lowlands</td>
<td>68,070 ha</td>
<td>22,227 ha</td>
</tr>
<tr>
<td><strong>Farm families</strong></td>
<td>119,661</td>
<td>11,819</td>
</tr>
<tr>
<td><strong>Farmer organizations</strong></td>
<td>1705</td>
<td>87</td>
</tr>
</tbody>
</table>

**Crops:** Mainly paddy under minor irrigation (small tanks), OFC – Maize, B. onion, soya, cowpea, black gram, vege, green gram, finger millet, ground nut

Some projects under PSDG:

1. Production and productivity improvement
   - Quality improvement of seed and planting material
   - Introduction of new technologies and good management practices
   - Crop diversification and crop zoning
   - Homestead development
   - Soil and water conservation

2. Marketing and technology development
   - Institutional development
   - Institution of pre and post harvest technologies
   - Linking producers and markets/ market extension

3. Promotion of agro industries
   - Technology support for agro based industries
   - PPP
   - Development of individual/group entrepreneurs
4. Capacity building
- Institutional development of beneficiaries
- Capacity development of government organizations

3. Agrarian Service Centre (ASC) – Shawasthipura
The ASCs are under the Department of Agrarian Development (DAD) of Ministry of Agriculture (Central Government).

The officers of the DOA and DAD are working together in the same building. The AIs and TAs maintain the field note books, record daily routines and carry out crop cut surveys. They were of the opinion that if smart phones and tablets are provided, they could do their job more efficiently as transfer of the information would be facilitated though those devices.

Functions of DAD
1. Executing of provisions according to the Agrarian Service Act
2. Strengthening farmer organization to increase land productivity
3. Resolving agriculture conflicts and setting of regulatory frameworks
4. Managing farmer banks
5. Collecting acre tax (“Akkara Badu”)
6. Suppling agriculture inputs on time and maintaining internal sales centers.

Functions of Provincial DOA
1. Providing agriculture extension service, Preparing and implementing extension plans
2. Awareness on new technologies, strategies, demonstration of Yaya programme, organizing training classes, filed days, field visits,
3. Introducing new seeds and planting materials
4. Extension on homestead cultivation/ soil nutrient and soil moisture conservation and post-harvest technologies
5. Instructions to control and minimize pest and disease
The AIs and TAs based in this center are quite diverse but does not cover all agriculture related disciplines. Eg- an AI who deals with coconut is not stationed in this center.

AIs use their own vehicles for field visits. Fuel allowance is given to them for traveling although it is not sufficient to cover the actual cost because sometimes they need to travel long distant to visit farmers belong to his/her area. (One AI travels about 36 km to visit some farmers)

Farmers have been provided with state owned land for cultivation on lease. Although they must renew license in every year, it seems not being practiced in regular manner.

They use training facilities at the in-service training centre Gannoruwa and Mahailuppallama and mentioned to be quite good facilities.

Visited the following during field visit:
- Agro-well based farming systems – Papaya and vegetable plots
- Paddy demonstration plot comparing parachute and transplanting and broadcasting

4. Institute of Post-harvest Technology Research and Development Center, Anuradhapura
Mr. Mr Kavinda C. Dissanayake, Chairman
Eng. H.M.A.P. Rathnayake, +94 71 534 22 23, aprathnayake@hotmail.com
Dr. Nilanthi Wijewardane, Head of Research Division, +94 71 534 22 24
Ms Srima Dissanayake – HOD (Engineering),
Mrs Ruwanka Ratnayake, – HOD (Planning and Monitoring), ruwankaratnayake@yahoo.com

IPHT was established on 19th June 2000 by the Extraordinary Gazette of the Democratic Socialist Republic of Sri Lanka No. 1137/10 under the provisions of the State Agricultural Corporations Act. No. 11 of 1972.

They work with crops such as Paddy, Other Grain, Fruits, Vegetables, Field Crops, Spice, Cut Flowers and Ornamental Plants from harvesting up to consumption and involved with R&D, Extension, Training and also consultancy work which is not common to other institutes visited so far. Income generated through Consultancies goes
to the Institute not sending to the Treasury. IPHD does not have any competition with the Private sector for post-harvest consultancies as not much private sector firms are engaged post-harvest discipline.

**Main areas of consultancy work includes:** Establishment /modernization of rice and other grain processing plants; Establishment of food processing plants; Evaluation of post-harvest machinery and equipment; Preparation of technical and feasibility reports; Designing of grain storage facilities and plant layouts and conducting feasibility studies

**Specific goals identified for 2018 -2022 are:**

1. Redefining of the supply and value chains of agricultural crops in Sri Lanka
3. To become the most preferred institute for employment
4. International Center of Excellence for Postharvest Management in South Asia

**Divisions of the Institutes:**

Research, Engineering Services, Laboratory Services, Extension, Development Projects;, Academic, Administration, Finance, Planning, Monitoring and Evaluation and Internal Audit Division.

Their extension network constitute of R&D center in Anuradhapura and Post-Harvest Technology Centers at Anuradhapura, Abanpolo, Kandy, Nuwara Eliya, Ampara, Hambantota, Kilinochchi, Colombo

**Current Status of R&D staff** shows that most of the key positions are still vacant:
Facilities available at the IPHT:

Chemical Laboratory, Physical Laboratory, Food Processing Laboratory, Post -harvest Processing Laboratory, Engineering Workshop, 3 Auditoriums, Hostel (10 AC rooms, 18 Non-AC rooms), Officer quarters – 15, Supporting staff quarters – 12.

There are two types of R&D: Treasury (Govt) funded projects and private sector funded projects.

Research projects are designed based on feedback received through stakeholder discussions, problems in supply chains elicited through research & extension staff dialog, involvement of a properly constituted research planning committee and R & D meeting in project/activity planning.
**Major lines of research** since 2017 are focused towards:

- Improvement of supply and value chain management practices of mango in Sri Lanka
- Training of trainers on postharvest loss reduction of agricultural food crops in major agricultural institutions
- Induction of fruit ripening by organic methods
- Determination of heavy metal contaminants of economically important food commodities
- Improvement of supply and value chain management practices of Banana, papaya and guava

**Value added products** developed are: vegetable sauce, fruit drinks, rice cream, Dehydrated fruits, vegetables & black lime, Osmotically dehydrated fruits, rice biscuits, bread, flakes, noodles, cake and rice soup cubes.

**Machineries** imported from other countries modified to suit the local context and certificates are issued. If there are any machines fabricated by the IPHD, they fabricate machines when they get orders from the end-user. Private sector is not attracted to fabricating machines in mass scale as demand is quite small and thus COP is high. As these machineries are used seasonally, may be 2-3 time per year, investing on such items is not economically feasible. So far they have not carried out any economic analysis and this year they intend to do that.

**Machineries and equipment developed by the IPHT:** Rural level parboiling vessel, Pulse de-huller machine, Hand operated maize Sheller, Maize Dryer, Medium Scale Parboiling Vessel, Fruit pulping machine, B-onion Grader, Solar Assisted Paddy husk dryer, Onion Dryer and Store, Pepper Steam Sterilization Machine.

Research outcomes are communicated to Extension staff through Research – Extension dialogue and feedback received from extension staff that reflect farmer needs are identified and projects are designed for researchable areas.

There are couple of patents developed by the researched in the IPHT and the patent rights owned by the institute.

Agreed to send the Five strategy document (soft copy).
DAY 4: 7 June 2018

1. Department of Agrarian Development, VAVUNIYA, Office of Assistant Commissioner Agriculture, Vavuniya

Mrs. S. Thiru Sethucesvalar, DFOA 077 30 65 203
and Mr. G. Ranjana, Divisional Officer / Kovilkulam Agrarian Service Centre, Vavuniya, 077 127 60 64, ranjanas10@gmail.com

Agrarian Service Center Omanthai

This office focusses on assistance to paddy rice farmers and it covers one district which has in total 8 Agrarian Service Centers (ACS are under the control of the Central Government). Apart from paddy the office also render assistance to farmers growing other field crops. One major task of the Department of Agrarian Development in their field activities is to rehabilitate minor irrigation tanks and schemes and to assist farmer organisations in their organizational and institutional development and provision of fertilizer subsidies for paddy farmers.

The district faces the following challenges:

Many tanks in the district are in bad shape and need urgent rehabilitation;

About 30% of the paddy land (5,540 acres) in the district is abandoned because of the war farmers were displaced (partly 30 years ago) and people didn’t return to the land. The land belonged to the displaced people and they wanted to return after the war but since they did not have deeds they could not proof that the land belonged to them. Therefore, most of the land went back to GoSL. Most of the land is now bush and all infrastructures (irrigation canals, bunds, etc) on the land entirely depleted. Department of Agrarian Development has been implementing a
small rehabilitation programme to encourage displaced people. The rehabilitation programme would require significant more funds than available since putting back the land into production means starting from the scratch. The programme also suffers difficulties in allocating land to the displaced people. The rehabilitated land can only be used for paddy or for annual other field crops. The law does not allow to use the paddy land for perennial cultivation such as fruit trees.

There is a World Bank supported project in the district in which 3 ware houses have been established using the ware house receipt system approach.

**Funds and budgeting**

The office receives its funds from the Central Government. In making the funds as effective as possible, the Agrarian Service Centers have committees to decide on priorities. Based on those priorities action plans are developed and costed. The Department of Agrarian Development on district level compiles the action plans and requests the funds from Central Government. It should be noted that the Department of Agrarian Development and the Department of Agriculture through the Provincial Government work together in developing the action plans. Whereas the Department of Agrarian Development mainly focuses on tank rehabilitation, farmer organization development and subsidies, the Department of Agriculture focuses on farmer training, provision of seeds (sold).

Funds from Central Government are used to finance rehabilitation of tanks, fertilizer subsidy and crop insurance

Funds from Provincial Government are used to finance seeds, seedlings and training of farmers.

In the district there are about 750 tanks of which 150 have been abandoned and 600 are still operational.

Marketing and distribution are the main problems for farmers. Market prices are low and transport is frequently not available or very expensive.

**Farmer Organisations**

There are about 242 Farmer organisations in Vavuniya District consisting of about 22,000 farmer families. All individual FOs in the district form a District Federation which has representatives in the National Federation.

The farmer organizations are directly connected to the ASCs. The farmer organisations select two members for representation so in total 16 representatives of farmer
organisations in the monthly meeting of all 8 ASCs.

Task of the farmer organisations are:

Maintenance of minor tanks, discussing and agreement on the seasonal cropping pattern, water distribution

Farmer organisations are set up in accordance with the Law on Farmer Organisations and its by-laws.

Every year the ASC is conducting training for the FOs on management and administration.

**FOs and finance**

The organisations can get loans up to LKR 5 million and can enter into big contracts on behalf of the members. Individual farmers can get loans from the farmer organisations but the defaulting on such loans is high. This is mainly also caused by the fact that too little insurance is available for farmers. The loans are organized via a group lending system via Farmers Bank. Normal loans are not available for farmers as the running time of the loans is minimum 4 months which is too long for many banks without any collateral. Farmers Bank doesn’t demand for collateral. It has a guarantee fund for defaulting loans. Farmer organisations need to meet at least once in 3 months and need to allow for auditing of their accounts. Farmer organisations are allowed to make money on their business but the real business entity for business oriented organisations is the Cooperative.

FOs are closely monitored by ASC staff (Agrarian Development) and are regularly audited by ASC. Each ASC has two officers who are in charge of auditing.

In the district no farming is done on a contracting basis and also farmer organisations are not into milling or other processing activities but have storage capacity. The ASC contributes to the strength of the farmer organizations through training on management and business administration. Currently, by-laws are in the process to provide a legal base for these activities of the ASCs. Membership fees of the farmer organisations are low with LKR 120 per annum. For this every farmer gets an ID card of the organization.
2 Agrarian Service Center Omanthai and Farmer Organisation Omanthai

Discussion with farmer organization. The Farmer organization has 84 members of which 50 are males and 34 are females. It was (voluntarily) established in 2005. The organization is registered under the Act with

(a) One president  
(b) One secretary  
(c) one treasurer  
(d) FO committee with 9 members

The main purpose of the FO is to promote sustainable paddy rice production among the FO members.

The members of the organization meet once a month among each other and have a General Assembly Meeting once a year. Prior to the begin of each cropping season, farmers of the FO have pre-seasonal meetings to agree on cropping pattern. The main problem the members have is lack of marketing assistance. Awareness of prices and arrangement of logistics to the market. Also they have too many different suppliers of assistance to the farmers.

The main function of the committee of the FO is to resolve conflicts between members of the FO. If the committee fails to resolve the conflict, then the conflict is brought to the attention of the corresponding ASC for assistance. If the particular ASC can’t solve the conflict then the case is taken up to the division office of the ASC. If still unsolved then the problem is taken up by the commissioner and then the last entity is the police.

The ASC consists of officers from the Department of Agriculture (agricultural extension, seeds supply) and from the Department of Agrarian Development (fertilizer subsidy, minor tank rehabilitation, institutional development of FOs).

The distance between ASC and FO Omanthai is 22 km. Extension services of the ASC to the farmer organization and its members are supplied on demand. The ASC Omanthai (division level) covers in total 32 FOs and is heavily understaffed. Usually for individual problems the officers visit the individual farmers. For common problems they organize groups of farmers. The agricultural extension staff from Department of Agriculture (Agricultural Instructors from Provincial Government) has a cadre of 5 officers but there are only 2 in place. The cadre of the staff from the Department of Agrarian Development (called Agricultural Research and Production Assistants) is 13 officers but only 1 officer is in place.

The extension officers have to use their own means of transport (usually scooters or motorbikes) and most of the fuel they have to pay from their own pocket. The distance an officer has travel is up to 36 km from office to FO.

Farmer Bank services are used by 20 members of the farmer organization. The main problem is that the Farmer Bank has too little resources to assist more farmers. The maximum loan a farmer can get is 40,000 LKR.

The FO has one water tank and appointed one person being in charge of the operation and maintenance of the tank. Farmers pay LKR 200 per acre for tank management. In addition, the farmers have to supply labour to clean the tank and the irrigation canals.
This has to be done twice per season. If members of the FO are reluctant to offer their labour services to clean the tank and the canals, they have to make payments to the FO as compensation. The officer from the ASC assists in main repairs of the tanks.

3 Regional Agriculture R&D Centre Killinochchi
P.G.H.M. Shashika Herath, RARDC Killinochchi, +94 71 812 63 18, shashika.herath@gmail.com
B.G.R.C. Balasooriya, RARDC, +94 77 859 86 11, bgrchalasooriya@gmail.com

The Centre has 4 research staff. The focus is on all kinds of dry zone crops (no Paddy), however with emphasis on bananas and ground nuts. They do various testing such as adaptability and germplasm collection. The research centre is heavily understaffed and it does not have a soil scientist and also no horticulturist. In parallel, the available land is too little to conduct the required research.

The adaptability research focusses on drought resistance and hard water tolerance.

The center has regular meetings with farmers and organizes trainings for farmers at the center but also in farmer schools. Also they visit farmer fields to discuss with farmers. The center got some more budget for operations.

The center produces breeder seeds and multiplication is done on government Seed Farms which use a system of outgrowers next to their own lands. Private sector companies are not involved in the multiplication as there are no such companies in the district. A main problem of the district in general is the low quality of the soil. The soil needs intensive treatment to improve it.

The soils are prone to virus diseases but prevalence of bacterial diseases is quite low. The farmers are increasingly changing from grape production (traditional crop of the district) to passion fruit as there is a ready market for it. The local fruit juice company KIST is buying passion, mango and papaya for their processing. This growing is done on contract basis and has a much lower risk than grapes.

In spite of the challenges the research centre has been facing, our impression that the researchers are very much committed and dedicated to carry out their duties. Moreover, it has to be noted that 4.5 years ago the research centre was entirely destroyed due to the civil war. In view of that, the centre looks quite good and has made a remarkable progress.
DAY 5 Friday 8th June

1. Northern Province, Department of Agriculture (under Provincial Council)

Mr Sivapatham Sivakumar (0773868581/021 221 6022; sivakumar.sivapatham@gmail.com)

Mr S was a very competent informant – knew the technical information and the administrative and planning systems very well. He provided very good documents and in additional he could back up with information. He also managed his staff very well.

The department’s main focus is on groundnuts – providing technical production support, supported by value chain in a relatively undeveloped form.
Findings of the TAMAP Screening Mission Central and North from 3 June-12 June 2018

3.1 Organization Chart

Provincial Department of Agriculture, Northern Province

PDA (NP) - 01

APDA - 01

DPDA (HQ) - 01

ADA-01

ADDA-01

ADA-01

Accountant-01

Administrative Officer - 01

CMA - 01

DPDA - 05 DPDA (Ext) Offices

ADA (HQ) 05

AI (Sp)-16

ADA Segment 06

CMA - 05

GIPF Vatunisa

AI - 01 (FM)

05 DATGC

AI (Sp) 05 (FM)

ISTIAI (Sp) 01 FM

AI-1 (AFM)

DO-06

AI-1

Lab-18, Cook-01

Tractor Operators-01

Lab-54

[ASC: 5 x 1 Lab]

Tractor Driver-01, Builder-01

Lab-11, Nursery Man-01

Water Pump Operator-01

Lab-S, Warden-01, Cook-05, Store Man-01

Tractor Driver-05, Water pump Operator-01

San.Lab-01, Nursery Man-04, Builder-05

Lab-90 in Ranges

AI - 90 in Ranges

TA (Agri) - 120

DO-37

MA-32

DO-41

AFM-01

Lab [Agri Ext] -10

DO-10

AFM-05

AI-7

Lab - 15, Cooker - 01

Tractor Driver - 01, Builder - 01

Nursery Man - 01

Water Pump Operator - 01

Lab - 14, Warden - 01, Cook - 05, Store Man - 01

Tractor Driver - 05, Water pump Operator - 01

San.Lab - 01, Nursery Man - 04, Builder - 05

District level

Provincial level
The private sector is involved such as Food City Cargills – who collect veggies etc at collection centres; produce is then sent to sorting centres and then distributed to supermarkets. Other companies are following suit. They are trying to encourage small entrepreneurs as well. They have established a vacuum drier – a bit primitive but it works. Using Moringa leaf which they dry with solar driers, pack and export.

Problems with quality as exporters not paying a decent price even though demand is high and global prices are high.

Trying to get small businesses to follow Cargill’s example but they are only partially adding value though processing. The idea is to use commodity groups - private sector has asked Dept of Agric to assist – getting there slowly.

Also trying to promote mango production using improved cultivars – initially farmers use sprinkler irrigation for intercropped ground nuts then after 3 years switch to drip as mango trees come to fruition.

WB project is focussing on short term annual crops as mangos more long term.

Policy and planning – Prov Director tabled the departments policy and strategic plan – which talks to the new NAP. It is very detailed and well written and has strategic milestones which they will use in monitoring performance.

They have some political issues but no major problem.

Provincial Council – Provincial Governor under whom are 4 ministers – Health, Education, Agriculture and Woman’s Welfare.

The Provincial Agriculture Department which received its allocation from PC, has larger mandate than Central Dept Agric – is it is responsible for Agriculture, Agrarian Services, Livestock, Inland Fisheries, Irrigation, Environment and water Supply, Food Distribution.

There are 5 districts in NP, with 54 Agrarian Service Centres, they are responsible for major and minor tanks.

There is an establishment of 607 cadres, of which only 393 posts are filled. In particular there are:

- Agrarian Service centres 23 cadres but only 6 positions filled
- Agricultural Instructors 106 cadres with only 48 positions filled
- Technical Assistants 140 cadres with only 30 positions filled

The Director provided details of all cadres and filled posts. We also saw his 2018 budget which has to be completed and reported on monthly giving actual expenditures against budget for all line items.

They receive support from National Planning and Treasury – Finance Commission.

They have been allocated 80% of requested budget – in terms of pecking order they are 3rd in line after Education and Health.
Main problem apart from high vacancy rate (recruitment has been frozen due to pending court case) is lack of mobility, this is causing major problems – some AIs are having to support 5,000 farmers.

The planning cycle involved all stakeholders including central level and planning officers liaise regularly with these ministries. They have to review implementation progress against budget every ¼ and involves all Prov senior stakeholders. In terms of procurement – they need permission at every juncture and this is time consuming and slows things down.

A noticeable problem with the budget and strategic plan is that they are assuming fully funded programme of work using all cadres filled. There is no plan B. All relevant docs provided which was very useful. Will need to ask all Provincial Agric departments to provide the same.

There is a good case for reviewing the present model and to debate how to move forward given the limitations they are facing – consider the T&V system abandoned after the 13th Amendment etc.

TAMAP could assist in this especially the planning and strategizing aspects.

Irrigation is a major problem – they lack access to water and cannot get involved with fodder development for livestock.

The team moved to the Prov Agric Secretary’s office for a courtesy call. Also met Provincial Head of Livestock who shared his thoughts on the sector and shared his views that Govt was not interested in promoting cattle production in SL due to religious inhibitions even though all groups eat meat.

Visited Demonstration plot – improved organic Mango farm (see photos) – which was experiencing problems with fertility and virus attacks (leaf curl etc), also poor spacing and pruning.

With several AIs we then visited a farmer using an inter-row power weeder – assorted veggies – chillies, beetroot, onions etc. Really good soils and looked impressive.

From there we visited a progress farmer growing cooking bananas and 1.25 acres of grapes growing on a raised trellis under netting.

Trellis cost Rs 500,000, netting Rs 2,000. Applies cow dung twice a year at Rs 70,000, employs labour to prune and apply insecticide (300 md). There are 450 grape plants from which he yields about 15,000 kg per annum (10,000 & 5,000 kg). He sells produced mainly neighbours for around Rs 250 /kg.
We then went to another banana farm also growing big onions, leeks and carrots. All looked very impressive,
Als mentioned they have to use their own motor bikes or scooters which go for 75kms per litre petrol. The bike costs now 300,000 (Vespa 350,000) payable over 3 years. Govt provides a travel allowance of Rs1700 pm which does not cover the travel expenses incurred by the AIs – they travel around 75 – 100 km per day at least.
There is a govt loan scheme but they are not given access to it.

2. Jaffna Milk Collection and Processing Centre Cooperative
The group visited the above centre which was initiated about 10 years ago by UNDP, Land O'Lakes etc.

The details given by the CEO were rather confusing and often did not tally with the comments made by the manager of the processing plant.
There are 27 collection centres covering 5,500 members. This number has declined as many joined to benefit from an initial subsidy given by Govt to the dairy sector. Now there are 900 farmers delivering milk, another 1000 or so are in the dry-off phase of production.
Farmers milk once a day in the night and the cooperatives one tanker collects milk between 5 a.m. and 6.30 a.m. – no plan for break-downs.
The CEO mentioned they receive 550 litres of milk a day – processing plant manager said 1000 that day even though only one 500 litres cooler tank was in operation.
They test samples for E.coli and acidity. According to Han the quality of milk is low so they make yogurt from powdered milk. The coop also makes ice cream, cheese, iced-lollies – milk with colouring, Ghee and Gert.
We toured the processing plant. The manager mentioned they were seeking GMP certification – in his dreams, this was a pretty rank facility that needs demolishing, rebuilding and re-equipping.
DAY 6 Monday 11 June

1. Plant Generic Resource Centre (PGRC)

Additional Director/Head, PGRC, Dr. W.L.G. Samarasinghe  
(071821 7437; 081 2388494 
gaminisam@yahoo.com; pgrc@sltnet.lk)

Plant genetic resources center (PGRC) was established under the grant of Japan international cooperation (JICA) in 1988 and mandated for conservation of all the crop varieties and their wild relatives in Sri Lanka. It is administered under the Seed Certification and Plant Protection Center of the DoA. The main objective of PGRC is Exploration, Collection, Evaluation, Multiplication, Conservation and characterization aiming to promote utilization of germplasm (genetic resources) for the benefit of researchers, plant breeders, farmers etc.

Services offered by the Center includes: Conservation of diversity of plant Genetic Resources; Provide necessary germplasm and information to users (e.g.: International counterparts, DOA –Research Institutes; Other researchers /universities; Farmers, NGOs, Community seed banks and private sector); Technical assistance to improve crop breeding programs and variety development; Promote traditional cultivars among the farmers; Conducting awareness on Plant Genetic Resources to various groups.

Germplasm materials are provided free of charge to all users and even to the private sector but endorse with a MTA.

Responsibilities are entrusted to key three unites: Technical Units, Unit and Non-technical.

There are several disciplines under Technical Unit: Exploration and Collection; Seed Conservation (seed gene bank); Multiplication, Characterization & Evaluation; In-vitro conservation & Biotechnology and Data management

(PGRC has the best laboratory for biotechnology and a special request has been forwarded to the Treasury seeking funds to upgrade it into a state-of-art laboratory that can serve as a hub for DoA).

Project unit deals with international donor funded projects foe eg: GEF ; Biodiversity for Climate change Adaptation (BACC), Biodiversity for Food and Nutrition (BFN).

In the video clip it was depicted that Sri Lanka being 35 in the biodiversity hot spot is depleting its forest cover and crop wild relatives. Introduction of exotic varieties also making an impact of evolution of crops and domestication. It was mentioned that genetic
erosion of cultivated indigenous varieties and wild relatives of crop plant species in Sri Lanka has been occurring rapidly in natural habitats and hence, conservation of PGR is essential. Several programmes have been implemented towards in situ conservation of PGRFA and quite remarkable progress has been achieved.

As at year 2015 records, 1974 germplasm accessions have been collected and conserved. The collection is dominated by Rice (5588), Grain legumes (3467) and Cereals (2123). Of the total gene bank holding (19744), 50% have already been characterized morphologically and passport data were recorded. Around 8000 accessions have been given to researchers and farmers. Many promising varieties of different crops have been developed using the PGR collection maintained at PGRC.

There are various projects and strategies, multilateral agreements and mechanisms for institutional/sectoral integration/coordination that address various aspects of PGR conservation and use in the country. To name few:

- **“Helabojun”**: An innovative platform for promoting traditional crop varieties and their usage in culinary purposes while encouraging women entrepreneurs (self-employment). In this program re-introducing old and traditional varieties to farmers is the key feature.
- **On-farm conservation**: Work with farmers to conserve crop cultivars on their farms (in-situ)
- **Community seed bank**: Funded by Treasury for rice and yam and enterprise seed farmers – facilitate storage of materials to minimize moisture content
- **Community based survey of traditional genetic resources**: is conducted covering 3 agroecological regions. Baseline assessment of initial population survey in cascade, home garden and “Owita” ecosystems in Kurunegala Kandy and Kalutara completed.
- **Trainings and Awareness for Farmers, International participants, DoA Officer; Postgraduate/undergraduate students, Diploma holders and School children. There is a conference hall where they conduct these trainings and the hall is hired for outsiders and the income earned through this goes back to the Treasury.**

Finances are channeled through the MoA and DoA and other several funding sources available:

**International** - (JICA; USDA; Crop Wild Relatives (CWR) – GEF; Integrated Management for PGR (IMPGR – AFACI- Korea); Biodiversity Adaptation for Climate Change (BACC – GEF); Biodiversity for Food and Nutrition (BFN- GEF)

**Local** : Ministry of Agriculture, Competitive grants (CARP, National Food production program (NFPP); National Research Council (NRC)

**Visited laboratories and ex-situ collections:**

**Conservation of seed in two main categories**: Base collection at 1°C, 25-30% RH with projected longevity of 35-50 years; and Active collection at + 4°C, 25-30% RH with 20-25 years longevity. As such the cooling facility is quite demanding to maintain accessions without loss of viability. The major repair is due for converting the CFC into other envir. friendly sources. Energy consumption for this facility is quite high and seeking to go for solar energy.
In-vitro-conservation and Biotechnology: Germplasm conserved and maintained in vitro mainly includes sweet potato, potato, banana & Diascorea spp.

Protocol development for long term conservation using cryopreservation at ultra-low temperature is underway and if this can be achieved germplasm can be conserved for many years without further multiplication for maintaining the stock. However, at the moment, major impediment is access to liquid nitrogen and this has to be bought all the way from Colombo quite frequently.

Biotechnological applications for germplasm related activities includes: Genetic characterization, Genetic diversity studies, Genetic fingerprinting, Gene tagging and gene identification for desirable traits, Molecular markers to cut short the breeding and crop improvement in developing elite varieties with commercial potential

Requirements:
Conservation capacity need to be increased and cool rooms need to be converted into non-CFC. In vitro conservation facility also need to be upgraded. Cryopreservation protocol to be developed and optimized for important crop varieties specially for vegetative propagated crop; DNA fingerprinting protocols for ensuring verity protection when PVP act is in place.

Challenges:
1. Many higher posts are vacant and unable to fulfil the carder due to court case. Presently only two scientists (one PhD and 2 MSc.) and manage with Pas, DOs, RAs and TAs
2. Though CARP provide competitive grants for projects, those do not cover training (foreign) and even it is provided, cannot afford to send out officers for postgraduate on full time due to availability of limited number of scientists.
3. Income generated by the PGRC goes back to revolving fund and thus proposed to establish “Thrust Fund” for PGRC.
4. Private sector does not fund their research and other activities but material are given free of charge. Expediting PVP act and laws in place is the solution.
5. Though budget allocation is there, timely liquidity is a problem. All budgetary provisions are channeled through Treasury, DG and Chief accountant. Grant release procedure is cumbersome and more paper work involved. Same for reporting R&D progress and activities.
6. Although there are collaborative efforts for R&D, these operates through informal contacts, thus need to have a formal procedure to realize outcomes of projects with integrity.

2. Tea Factory - New Peacock Estate, Pusellawa

Senarath Pathathkumbura, Senior General Manager, +94 777 583 704, senarathpahath@yahoo.com

This factory is managed by Elpitiya Plantation PLC of the Aitken Spence group, which is now engaging in Rubber, Coconut, Cinnamon and Oil Palm other than Tea. New
Peacock and Nayapanne estates have 268 ha and 235 ha tea in bearing (currently harvesting).

The average tea production in Sri Lanka is around 1,500 kg (made/ black tea)/ha, whereas this estate could reach 3,000 kg/ha in some fields/divisions. However, in some fields average yield is around 800kg/ha and this leads to high COP in the estate in general. In many fields of the estate, re-planting is needed to be continued in order to increase the productivity. Replanting is cost prohibitive and require spending nearly Rs 4 million /ha. As soil rehabilitation involves 2 years under grass planting, it does not generate any income. Also, another three years until the first crop is harvested making it altogether 5 years without any revenue. It takes nearly 20 years to recover the capital investment, though the productive life span of tea is around 25-30 years.

Some tea plants in this estate are more than 100 years, which needs to be replanted and the company policy is to diversify unproductive lands for timber cultivation. The estate has identified around 143 ha (almost 50%) unproductive lands and converted into timber (Eucalyptus) cultivation and also for fodder, dairy farming, fruit and vegetable cultivation.

Retaining labor for estate work: One of the main problems facing at the moment is retaining labourers. Although, currently, there are 3,800 people living in this estate, only 407 are working in the estate. Labour migration to other industries such as construction, hospitality industry to make quick money appears to be the reason. Youth moving into 3-wheeler driving also another major hindrance. Despite of providing various welfare and other benefits to the workers (housing, medical, water, sanitary facilities, maternity benefits, child care etc.) attracting them for work is an issue. Strong Union backing with political support is one of the reason for preventing the management taking decisions to take off some benefits to lower the COP. In addition, the new separate houses are also being built with the assistance of the Indian government by the Ministry of Hill country, New Villages, Infrastructure and Community Development. Education facilities are also there in tea estates and this estate has three schools.

To address labor scarcity, one option is mechanization.

Although there are machines and shears developed for harvesting, mechanization of tea plucking is not amenable due to steep slope terrain. However, the machineries, which are suitable to this type of terrain need to be developed. Mechanical harvesting has become a necessity during “rush crop” period (peak season).
Soil erosion is also common in this area and soil conservation methods such as lateral draining system, water diversions to streams, cover crops in bank side have been practiced. **Low soil carbon** content/ organic matter in soil also is a problem to achieve good growth and yield.

Fertilizer, especially Nitrogen is needed to keep the tea plant in vegetative stage. High cost of fertilizer was also a major problem when government converted the fertilizer subsidy scheme into cash grant scheme. Now, the government has decided to continue the fertilizer subsidy scheme again and however, the **policy inconsistencies** also lead to many other issues. This factory buys the fertilizer from reputed companies such as Hayleys and Bauer.

**Banning of Glyphosate** (Roundup) is an issue and need to spend more money on manual weeding. Though ban has been lifted for plantations, still in the process of seeking cabinet approval. Fungicide, Hexaconazole which is quite and efficient fungicide was also banned and thus making it difficult to control some diseases making huge crop losses during bad weather condition.

Every year **wage hike contribute to high COP** and estates run under loss.

**Value Chain analysis need to be undertaken** and need to shorten it by excluding middlemen in the chain and connecting directly to the international buyers /consumer also enhancing the product traceability. Also need to ensure guaranteed price for tea produced like with setting prices for bought tea leaf (green leaves).

Importation of tea, blending in Sri Lanka and re-export with lion logo is also an issues causing poor image for the tea industry thus, need to have **appropriate policy directives and regulations**.

**Visited the factory:**

This factory has the ISO 22,000 certification, since the tea is considered as a food. Good Management Practice (GMP) is also used as a quality assurance. In addition, obtained the Rainforest Alliance certificate. The factories in the plantation produces both orthodox and CTC (Crushing Tearing and Curling) tea and New Peacock factory is CTC. Orthodox process though an old age practice preserve the best quality of black tea. (Orthodox teas are exported to countries like Japan, Germany, Russia and Middle East. CTC is mostly used for producing tea bags. Kenya produces only CTC tea).

This factory produces 70-80% main grades, 20% off grades and 10% refuse tea. The factory sends the produce to Colombo Tea Auction through brokers. Final product packed in 60 kg bulk packaging in sacks are sent for auction. Therefore, finally the middlemen get the higher profits and it does not trickle down to the producers. The estate has out growers and the productions receive from them are processed and packed separately, because sometimes there are certain problems with the out-grower arrangement such as usage of banned chemicals.
Factory runs under capacity (only around 60%) during off peak season but operate in full capacity during rush crop period which last nearly for 3-4 months.

The factory had tried to maintain their own brand and however, it was not successful due to marketing problem. Value addition such as consumer packing also is expensive due to high machinery cost.

**Issues in summary:**
High COP, marginal lands and poor soil, old seedling tea with low productivity requiring replanting, high cost of rehabilitation and re-planting, labor retention, terrain makes field operations non-amenable for mechanization, bulk tea to auction and less profit margin, strong unions with political backing, cost involved to meet social welfare facilities.

**His visioning for future:**
- Mechanization and development of appropriate machinery suitable for terrain
- Establishment of Bank branch or ATM introducing debit cards to workers with borrowing limits and conducting awareness programmes to workers on money saving are some of the interventions required to develop this industry in future.
- Adopt KTDA model
- Upgrading housing for workers (individual houses than line rooms)
- Proper regulations and reaching consumers directly with value added products of own estate creating their own brands

Day 7 12 June 2018
**Rice Research and Development Institute Batalagoda**

Mrs. Upul K. Rathnayake, Additional Director, upulr@yahoo.co.uk

In Sri Lanka there are 46 agro-ecological regions with three major zones: dry zone, wet zone and immediate zone. The Rice Research and Development Institute Batalagoda is the main rice research centre and has 7 branches (satellites) in the country covering most of the agro-ecological regions.

- (a) Dry zone has annual rainfall of 1,750 mm and less
- (b) Intermediate zone has annual rainfall between 1,750 mm and 2,500 mm
- (c) Wet zone has rainfall above 2,500 mm
- Maha (wet season) starts in October and ends in February
- Yala (dry) starts in April and ends in September

**Importance of rice production**

<table>
<thead>
<tr>
<th>Paddy Extent (million ha)</th>
<th>0.79</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy Production (million mt)</td>
<td>2.38</td>
</tr>
<tr>
<td>Average yield (mt/ha)</td>
<td>4.29</td>
</tr>
<tr>
<td>Total Requirement – rice (million mt)</td>
<td>2.36</td>
</tr>
<tr>
<td>Rice Production (million mt)</td>
<td>1.52</td>
</tr>
<tr>
<td>Rice Imports (million mt)</td>
<td>0.75</td>
</tr>
<tr>
<td>Foreign exchange spending (million Rs)</td>
<td>45.881</td>
</tr>
<tr>
<td>Per Capita Consumption</td>
<td>110.2 kg/year/person</td>
</tr>
</tbody>
</table>

**Issues identified regarding rice**

1. Low realizable yields in high potential areas
2. Yield losses due to pest, disease and weed incidences
3. Poor productivity due to natural adverse abiotic conditions (drought, flood, salinity, iron toxicity, temperature)
4. Yield losses due to the adverse effects of climate change
5. Degradation of rice ecosystem due to indiscriminate use of inputs
6. Less availability of quality rice required for consumer satisfaction both as basic food for conventional diet and functional food to cater for non communicable diseases such as diabetics
7. Less availability of rice based products
8. Less availability of quality seed materials for rice cultivation
9. Poor awareness on proven technologies
10. Insufficient and inappropriate polices for food security, nutritional security and sustainability of production
Underlying policies regarding rice

1. Best management technologies suitable for potential areas
2. Best management technologies for integrated management of pest, disease and weed
3. Appropriate management technologies for abiotic stress condition
4. Mitigation and adaptation practices to cope up with climate change
5. Appropriate management (eco friendly) practices for improving soil health, faunal and floral diversity
6. Technology for production of quality rice (eating, cooking, nutritional and health conscious qualities)
7. Novel rice based products to fulfill consumer demand
8. Quality seed production of improved and traditional rice varieties
9. Awareness creation on proven technologies
10. Contributing policy intervention and revision through the IPS (Institute of Policy Studies)

Research areas

**Crop Improvement**
- Plant breeding (Age group)
- Plant breeding (Quality rice)
- Plant breeding (abiotic stresses)
- Bio-technology
- Hybrid
- Grain quality

**Crop Management**
- Agronomy
- Soil Science
- Water Management

**Crop Protection**
- Entomology
- Pathology
- Weed Science

**Technology dissemination**

**Socio-economics**

**Question:** why is there such a big gap between potential yields of rice and actual yields accomplished by farmers?

**Answer:**
• The rice institute recommends 3 weeks of land preparation whereas farmers spend maximum 1 week for land preparation
• Farmers do not stick to the recommended quantities of fertilizer: some apply too much and some apply too little
• Many farmers are part time farmers and therefore do not devote their time on agriculture
• Climate change: non-availability of drought tolerant varieties, poor water management

**Major problems the institute is facing**

• Due to pending court case, no researchers can be employed. The last batch of researchers was recruited in 2013. The actual vacancy situation is currently only 50% of the cadre positions are occupied
• There is no soil scientist in the institute
• Currently there are in total only 6-7 PhDs in the 8 research centres
• The annual budget has declined over the last years. Have to compensate the declining recurrent budget with grant contracts. Hit rate proposals submitted estimated at 70%

There is very little collaboration with international universities or research organisations

However, research staff members appear to be very dedicated and committed towards their research work
"Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka"
A programme, funded by the EU and implemented by a consortium led by ECORYS
Annex 4

Summarised findings of the TAMAP stakeholder analysis
Annex 4 : Summary of stakeholder analysis

From the outset of this assignment, the TAMAP team were made aware that there are many agencies dealing with Sri Lankan agriculture in a complex and dynamic framework, where competencies overlap, and where political imperatives often supersede technical necessities. This section discusses the approach taken by the TAMAP to better understand the influences key stakeholders have in the industry, and the effectiveness and efficiency they bring to the sector.

The Terms of Reference for the TAMAP assignment listed the following main problems areas which need to be addressed:

- Low productivity of agriculture – poor returns to land, labour and capital
- Growing population
- Feed nation with balanced, diversified and safe produce
- Limited land
- High food import bill
- Large subsidy commitment on Sri Lankan fiscus
- Reduced overall support to the sector from government
- Climate change
- Difficult operating environment for private sector
- Need for sector revitalisation to encourage private sector, women and younger generation to participate in agriculture.

In order to address these, and many others associated issues, the TAMAP Team undertook a review of the sector's stakeholders to establish a snapshot of who is who in Sri Lankan agriculture.

Approach taken

The stakeholder analysis was driven by the following questions:

- What are the needs of the industry to make it work more effectively and inefficiently?
- Do these needs call for an intervention from the public or private sector, civil society, or a combination of actors?
- Who is doing what to support the industry at this time?
- Are the most appropriate organisations playing a correct and positive role in the industry?
- If not, why not, and who is best placed to undertake the action?
- What needs to change, if at all, and why?
- What are the options, and what are the preferred options?
- What is a realistic action plan to effect change?
- What resources are needed for the preferred changes and at what cost?
- Finally, will these actions dovetail into Budgetary Support processes?

The above sequence of actions will be undertaken by the TAMAP team during the course of its tenure to assist decision makers select appropriate options to help modernise the Island’s agriculture sector. This will involve identifying options for modernisation, developing activities and associated action plans, along with resource budgets. Interwoven with these activities will be a change management plan, wherein relevant stakeholders will be programmed to align...
themselves to provide effective and efficient support to meet the needs of the agriculture sector, and its many sub-sectors. Importantly, it should be borne in mind that the success of this complicated process will rest squarely on the shoulders of a champion, or champions who will be selected to give drive and traction to the assignment from the outset.

**Stakeholders groupings**

From initial discussions with Government colleagues the TAMAP team identified the following groups of actors dealing with agriculture in Sri Lanka:

- Food crops – state operated
- Plantation Crops – private sector and parastatals
- Minor Export Agricultural Crops – state sector and mixture of other stakeholders
- Livestock producers – state, private companies, small-scale farmers
- Inland fisheries – state and individual farmers
- Universities
- Non-state sector activities
- Agricultural cooperatives
- Private companies
- Insurance brokers
- Regulators – state agencies
- Input suppliers – state and private
- Traders – petty and large
- Transport providers
- Food processors – state and private.

The ToR aims at modernising Sri Lanka’s agriculture by way of commercialisation of its various value chains, and making government’s involvement more focused, less fragmented, and more effective and efficient. It is also noted from the ToR that it will be essential to ensure that the private sector is engaged in the strategy and plays a prominent role. Currently, however, the sector is essentially managed and regulated by the public sector. There are approximately 19 ministries which either directly or indirectly influence the industry. Within these ministries are many departments, institutions, agencies and parastatal organisations each having their own distinct imprint on agriculture.

Given the complicated structure of the agriculture sector, the TAMAP concentrated on key stakeholders, primarily in the public sector along with a few organisations within the private sector with a view to better understand the sector and its associated political economy. While the TAMAP team met with over 200 individuals representing some 45 organisations most of the meetings took place in Colombo, with a few in Kandy.

A major limitation of the team’s work thus far is that it did not move into the rural areas to meet farmers and other relevant rural based stakeholders. It is intended, however, that very early on during the remaining period of the 36-months assignment the TAMAP will be able to get important feedback from those groups not already included in our interviews to-date.

**Stakeholder Analysis**

The team sought to obtain information on the key stakeholders following a SWOT approach related to:
• Finding out who is doing what?
• Their experiences over the last few years
• Where are they now?
• Where do they want to be in the next 5 to 10 years?

Detailed analyses of the organisations interviewed are given in Annex 5 to this report.

The following section provides an overview of the important observations drawn from the interviews and which will be expanded upon following the inception phase to better inform future programmed activities using short-term experts who will assist undertake a more detailed and comprehensive analysis of the sector’s needs and of the institutional configuration required to modernise Sri Lanka’s agriculture.

Main Actors

Defining what is covered by the agriculture sector is an important point of entry. The TAMAP team sees agriculture in a broad context covering the following sub-sectors:

• Food Crops Sub-sector
  o Paddy rice
  o Other field crops (OFC)
  o Vegetables
  o Fruit crops
• Plantation Sub-sector
  o Tea
  o Rubber
  o Coconut
  o Sugarcane
  o Export Agriculture crops (EAC)
  o Others (cashews, palmyrah etc)
• Livestock including poultry
• In-land fisheries and aquatic resources
• Floriculture.

Within these sub-sectors there are numerous actors from the public, private and civil society groups. As Government is currently the largest contributor supporting agriculture we turn to the budget allocations to identify the important areas where public sector support has been directed. It should be mentioned that in the course of this project critical issues in agriculture sector assessment in the context of Public Finance Management (PMF) should include aspects of1:

a) Procurement systems;
b) Payroll performance;
c) ‘Off-budget’ funds; and
d) Level of fiscal decentralisation.

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1 EU Budget Support Guidelines September 2017
Table 1 lists 20 ministries who directly or indirectly influence government’s activities in the agriculture sector, along with their recurrent and capital expenditure budgets for the 2018 financial year as drawn up by the Ministry of Finance and Mass Media.

Table 1: Budget Analysis of Ministries Associated with Support to Agriculture in 2018

<table>
<thead>
<tr>
<th>Ministry</th>
<th>2018 Recurrent Estimate</th>
<th>2018 Capital Estimate</th>
<th>TOTAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs '000</td>
<td>% National</td>
<td>Rs '000</td>
</tr>
<tr>
<td>0102 Ministry of Finance and Mass Media</td>
<td>997,399,853</td>
<td>46.09%</td>
<td>198,999,237</td>
</tr>
<tr>
<td>0114 Ministry of National Policies and Economic Affairs</td>
<td>4,178,069</td>
<td>1.91%</td>
<td>25,000,000</td>
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<tr>
<td>0117 Ministry of Higher Education and Highways</td>
<td>32,757,000</td>
<td>1.51%</td>
<td>150,000,000</td>
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<tr>
<td>0118 Ministry of Agriculture</td>
<td>16,780,947</td>
<td>0.78%</td>
<td>7,000,000</td>
</tr>
<tr>
<td>0121 Ministry of Women and Child Affairs</td>
<td>48,100,000</td>
<td>1.30%</td>
<td>16,000,000</td>
</tr>
<tr>
<td>0122 Ministry of Lands and Parliamentary Reforms</td>
<td>8,867,262</td>
<td>0.27%</td>
<td>3,200,000</td>
</tr>
<tr>
<td>0136 Ministry of Fisheries and Aquatic Resources Development</td>
<td>1,944,800</td>
<td>0.15%</td>
<td>5,000,000</td>
</tr>
<tr>
<td>0140 Ministry of Hill Country New Villages, Infrastructure and Community Development</td>
<td>346,375</td>
<td>0.02%</td>
<td>3,900,000</td>
</tr>
<tr>
<td>0146 Ministry of Prison Reform, Rehabilitation, Resettlement and Hindu Religious Affairs</td>
<td>8,278,161</td>
<td>0.38%</td>
<td>3,147,750</td>
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<tr>
<td>0149 Ministry of Industry and Commerce</td>
<td>302,755</td>
<td>0.01%</td>
<td>840,000</td>
</tr>
<tr>
<td>0150 Ministry of Industry and Commerce</td>
<td>2,153,278</td>
<td>0.10%</td>
<td>6,927,600</td>
</tr>
<tr>
<td>0154 Ministry of Fisheries and Aquatic Resources Development</td>
<td>1,758,395</td>
<td>0.08%</td>
<td>5,438,610</td>
</tr>
<tr>
<td>0155 Ministry of Rural Economy</td>
<td>1,338,915</td>
<td>0.06%</td>
<td>5,643,200</td>
</tr>
<tr>
<td>0157 Ministry of Provincial Councils and Local Government</td>
<td>176,217,379</td>
<td>8.14%</td>
<td>42,000,000</td>
</tr>
<tr>
<td>0159 Ministry of Sustainable Development and Wildlife</td>
<td>4,444,484</td>
<td>0.20%</td>
<td>14,460,750</td>
</tr>
<tr>
<td>0165 Ministry of Development Strategies and International Trade</td>
<td>2,125,970</td>
<td>0.10%</td>
<td>2,653,000</td>
</tr>
<tr>
<td>0166 Ministry of Science, Technology and Research</td>
<td>604,804</td>
<td>0.03%</td>
<td>1,492,202</td>
</tr>
<tr>
<td>0170 Ministry of Irrigation and Water Resources Development</td>
<td>3,631,380</td>
<td>0.17%</td>
<td>7,238,610</td>
</tr>
<tr>
<td>0179 Ministry of Mahaweli Development and Environment</td>
<td>1,492,200</td>
<td>0.07%</td>
<td>2,153,278</td>
</tr>
<tr>
<td>Total Agriculture Retained Ministries</td>
<td>1,293,249,789</td>
<td>60%</td>
<td>545,431,139</td>
</tr>
<tr>
<td>Grand Total National Budget</td>
<td>2,164,131,999</td>
<td>100%</td>
<td>831,712,818</td>
</tr>
</tbody>
</table>

Key:
- Ministries directly related to agriculture
- Ministries indirectly related to agriculture, with limited staff assigned to agriculture

Importantly, the nine ministries which directly influence public activity in the agriculture sector account for around 3 percent of the total public-sector budget. Table 2 shows the spread of that 3 percent amongst these nine ministries which directly impact agriculture. In many cases, other than the Ministry of Agriculture, these figures over-estimate the direct allocation to the sector as the budgets also fund other activities.

Table 2: Proportion of Government’s Direct Budgetary Provision Allocated to Ministries Directly Related to Agriculture 2018

<table>
<thead>
<tr>
<th>Ministry</th>
<th>% within Agric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Agriculture</td>
<td>17.7%</td>
</tr>
<tr>
<td>Ministry of Lands and Parliamentary Reforms</td>
<td>6.8%</td>
</tr>
<tr>
<td>Ministry of Plantation Industries</td>
<td>6.4%</td>
</tr>
<tr>
<td>Ministry of Hill Country New Villages, Infrastructure and Community Development</td>
<td>2.8%</td>
</tr>
<tr>
<td>Ministry of Fisheries and Aquatic Resources Development</td>
<td>5.8%</td>
</tr>
<tr>
<td>Ministry of Rural Economy</td>
<td>5.4%</td>
</tr>
<tr>
<td>Ministry of Mahaweli Development and Environment</td>
<td>34.0%</td>
</tr>
<tr>
<td>Ministry of Irrigation and Water Resources Development</td>
<td>18.4%</td>
</tr>
<tr>
<td>Ministry of Primary Industries</td>
<td>2.6%</td>
</tr>
<tr>
<td>Total Agriculture Retained Ministries</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

For example, the Ministry of Irrigation and Water Resources Development funds the maintenance and development of bulk irrigation infrastructures as well as other water resources infrastructures not directly related to irrigation and agriculture, while the Ministry of Rural Economy manages the Department of Animal Production and Health, amongst other agencies.

Given the time limitations of the Inception Phase, the stakeholder analysis focussed on the seven major public-sector stakeholders, leaving discussions with the Ministry of Fisheries and Aquatic Resources development, and with the Ministry of Hill Country New Villages, Infrastructure and Community Development to a later time in the assignment. The TAMAP team also consulted with some private sector groups including the Exporters Association of Sri Lanka, Ceylon Chamber of Commerce, Exotic Foliage Company, Lanka Fruit and Vegetable Producers, Processors and Exporters Association, Sri Lanka Export Development Board, Hayleys Agriculture to name but a few. The full list of people groups and persons consulted are given in Annex 6 to this report.

Summaries of the SWOT analyses developed from the stakeholder consultations are given in Annex 5. The following section traces the evolution of the links between agricultural research, extension and farming communities in both the public and private sectors along with a generic SWOT which summaries the scale and scope of major issues that Government would necessarily need to address during a modernisation programme for the Island’s agriculture sector.

**Observations from the Stakeholder Analysis**

Historically, the colonial government was concerned with developing and promoting plantation crops rather than food crops. Subsistence farmers were recruited to the plantations as critically needed labour and relatively little attention was paid to supporting staple food production.

The situation changed somewhat since Independence in 1948, as successive Governments were concerned with domestic food production, particularly paddy rice. Policy was aimed at increasing rice production through strategies of investment - a successful rice breeding programme, irrigation developments, dry zone settlements, import substitution mechanisms, guaranteed prices for local produce, credit schemes and subsidised fertilizer to name but a few of the initiatives.

Given this level of investment, agriculture attracted highly educated professionals into research, field level technicians and administration. This resulted in a successful food crop agriculture that enabled the country to quickly become self-sufficient in staple foods in the first few decades after Independence.

Until late1980s, village-level Agricultural Extension Officers (AEO) performed remarkable technology transfers taking the findings from research adapted to local conditions and successfully interfacing with farming communities. At district level AEOs covered +/-200 farmers, supervised by District Agricultural Extension Officers and a Deputy Director (Extension), using individual and group communication. By late 1980s, there were over 2,400 grass-roots level extension workers - who maintained close contact with the farming communities.

However, in 1989 the 13th Amendment to the Constitution saw central government devolving power to the provincial councils. There was now a national level Minister of Agriculture along with agriculture ministries at provincial level, each with a Secretary, Additional Secretaries, Directors, and Assistant Directors.
Then in 1990 the field extension workers of the Department of Agrarian Development were reassigned to the Ministry of Public Administration as village officers handling administrative tasks. At this point there was a virtual breakdown of extension services at village level.

Following this in the early 1990s, two major transformations took place in the agricultural extension approach:

- Devolution of agricultural extension services – Training and Visit (T&V) system

Although highly successful in other parts of Asia and in Africa, the T&V system was soon replaced by a farming systems approach which merged into the integrated agriculture extension approach. At the division level there evolved 560 Agrarian Service Centres (ASC) which typically today hosts the following compliment of staff:

**Divisional Secretary (Provincial Government)** under whom are:

- Agrarian Development Officer (supply inputs, minor irrigation rehabilitation)
- Agricultural Instructor (technical advice, extension & training)
- Technical officer (Agrarian Development) maintenance of minor irrigation below 200 acres
- Veterinary Surgeon (x1) and Livestock Development Officer (x2)
- Technical Officer Irrigation Department
- Fisheries Inspector
- Tea Inspector (smallholder subsidies and extension)
- Rubber Extension (smallholder subsidies and extension)
- Rural Development Officer (rural roads, rural wells)
- Colonization Officer (Land Commission Officer) – alienated lands, land disputes
- Extension Officer (Export Crops Dept) – extension, distribution of seedlings, subsidy schemes
- Coconut Development Officer (new planting, under planting, inter-cropping, rehabilitation).

A central feature of this arrangement is that lines of funding, and hence authority, for various staff differ with the central Ministry of Agriculture financing the non-devolved staff, and the Provincial Councils the devolved staff. Take for example the case of crops extension staff at a typical ASC.
Apart from extension agents provided by the Departments of Agriculture and Agrarian Development there are other public-sector extension service providers, including:

- Mahaweli Authority of Sri Lanka
- Ministry of Irrigation and Water Development
- Ministry of Rural Economy (Department of Livestock Production and Health)
- Ministry of Fisheries and Aquatic Development
- HADABIMA Authority
- Development functions of the minor export crops farmers combined with the programmes of other ministries promoting community economic development.

- Plantations sector:
  - Tea Small Holdings Development Authority
  - Tea Research Institute of Sri Lanka (TRI)
  - Rubber Development Department (RDD)
  - Coconut Research Institute (CRI)
  - Extension in the sugar industry is primarily under the private ownership
  - Sugar Research Institute (SRI) extension service & research component
  - Minor Export Agricultural Crops (EAC)
  - Ministry of Primary Exports
  - Cashew Corporation

The services provided by these agencies are fragmented and very complex to comprehend. The once robust flow of information between farmers, traders, extension workers, researchers and policy makers has been disturbed. Moreover, devolved activities overlap or contradict with a range of functions and powers covered by central ministries and also by their departments.
The critical link between agricultural research and extension became fragmented after the responsibilities were devolved. With the large numbers employed by Government in the sector\(^2\), many people interviewed believe there has been duplication, and even neglect of work due to poor accountability of service delivery.

Over the years reduced government budgets to the sector have seen good personnel leaving, and the situation is said to have been exacerbated by poor succession planning. The coordination among the different service providers are reported to be poor and there does not appear to be effective quality assurance by the diversified government bureaucracy, a situation which is said to cause confusion and frustration among many farming communities.

Presently, there is no established private agricultural extension service provider in Sri Lanka which provides extension services to farmers on a regular basis, alongside the public extension agencies. Given that Government is seen by many small-scale farmers as the provider of their needs, it is doubtful if there is an immediate appetite for a private extension agency.

However, some private companies which sell agricultural inputs, machinery and equipment, or are involved in plantation agriculture and which trade or export certain commodities such as tea, do provide advisory services for selected growers. These advisory services are normally not fee-based but rather a marketing tool to promote companies’ products or to ensure the quality of raw produce that relevant companies buy from its producers. Many companies work with farmers under contract and in recent years some large out-grower groups have been very successful. Some companies have mobile services and some have sales offices in many parts of the country.

Main Findings of the SWOT Analysis

Against the above background and through the various stakeholder interviews, the TAMAP team was able to develop SWOT analyses for the various agriculture sub-sectors. A generic SWOT analysis is presented below for the Ministry of Agriculture and its constituent departments, combined with that for the Department of Irrigation.

Main Government Support to Crops Production

Strengths

- Well established Ministry of Agriculture, with a highly rated reputation.
- Senior and middle cadre staff dedicated and well educated
- Under its umbrella, associated agencies have a combination of mandates and resources to strongly support and manage sustainable agriculture development and productivity in Sri Lanka
- Wide range of agro-ecologies - soil, climate and bio-diversity
- Sector is responsible for the welfare of 70% of the island’s population and about 27% of its workforce
- A modern, well-resourced ICT Centre in Kandy
- DoA has a highly educated senior cadre based in Kandy and a well-trained team of professionals in the field.
- Well established track-record of research

\(^2\) For example, taking the main agriculture ministry alone, in 2017 the Ministry of Agriculture employed 2,064, the Department of Agriculture 9,967, Department of Agrarian Development 14,396, some 26,429 against a total establishment of 33,848 (Ministry of Finance and Mass Media, Budget Estimates 2018).
• Long time series of the economics of agricultural crops
• 560 rural based agricultural service centres
• Over three hundred man-made major and about 12,000 minor irrigation reservoirs.
• With its historical and long-standing focus on irrigated agriculture (using over 80% of developed water resources), Sri Lanka has resulted in very strongly irrigation-based institutions.

Weaknesses

• Diminishing funding from treasury
• Questionable effectiveness of policy analysis, strategic planning, monitoring and evaluation
• Trade policies inhibit improved productivity
• Research into innovative technologies underfunded
• Duplication of effort throughout the Ministry and across ministries supporting agriculture
• Poor succession planning of staff.
• Continuation of the fertilizer subsidy programme without appropriate targeting
• Since the introduction of the 13th Amendment to the Constitution duplication of effort in planning and implementation of those plans, and with this an undue competition for scarce resources.
• Lack of high quality seeds
• Technology transfer and extension messages not being followed by farmers.
• Little or no focus on farming as a business and post-harvest value addition
• Does not get involved in provincial and district level planning and there is no mechanism to coordinate between Farmer Organisations and Provincial Councils necessary for effective grass roots actions.
• Little attention to farming as a business and the profitability of farming
• Agricultural Research and Production Assistants poorly skilled to meet multiple demands of farming communities
• Farmer Organisations’ (FO) are considered to be groups of subsistence farmers who need to be guided at every level
• There is little acknowledgement that the private sector could play a role
• Little liaison with the private sector to develop commodity groups and value chains
• Note that the planning system of bottom-up meeting top-down appears to be ‘wish-lists’ developed by the bottom-up approach which are often squashed by treasury who makes an allocation, and then districts plans are retro-fitted on a priority basis
• Limited diversification into high value crops to leverage comparative advantage
• High crop price fluctuations
• Input supplies not always available on time
• Use of improved technology is not widespread

Opportunities

• Rationalise the agriculture sector to bring major sub-sectors under the Ministry’s purview and reduce duplication of effort
• Improve institutional coordination
• Focus on raising land and labour productivity and post-harvest value addition
• Focus on comparative advantage while ensuring food security and food sovereignty
• Promote the business of agriculture and agri-business
• Use of ICT for information dissemination
• Collaboration with the private sector to commercialise many commodity value chains
• Develop appropriate technologies to retain youth in the sector and to provide equal opportunities to women.
• Review the economic impacts of paddy research policies with a view to having a sharper focus on profitability, improving yields and diversification
• General use of research to better inform decision makers of the profitability of different options emanating from research.
• Focus research in climate smart initiatives and liaise with private sector
• Improve skills of village level Agricultural Research and Production Assistants
• Introduce farming as a business
• Use paddy lands for other, higher valued crops
• Introduce resource and financial budgeting to help prioritise opportunities and make development initiatives more evidence based
• Promote crop diversification
• Introduce cross-cutting issues such as climate change, gender and youth empowerment into technology transfer
• Review scope and scale of 560 ASCs and focus on use as nodes for agrarian development
• Rethink of the approach of extension support in general
• Provision of science-based guidelines for the rehabilitation of small tank cascades
• Propose effective water management practices to enhance agricultural productivity in the tank-upland systems
• Carry out value chain analyses to guide high-impact initiatives focused on improving land and water productivity, entrepreneurship and agribusiness
• Test appropriate low-cost micro-irrigation techniques for the upland areas to enhance the productivity of scarce water resources and upscale successful systems
• Test and implement appropriate management practices for the conjunctive management of surface and groundwater in the tank command
• Explore the scope for crop diversification into high-value crops and opportunities for integrated crop-livestock farming systems to enhance both land and water productivity in the village irrigation systems and also to ensure household food security.

Threats
• Continued reduction of recurrent and development budgets
• Inefficient use of budgets
• Inertia of staff to move out of their comfort zones and change established work routines.
• Government’s continued protectionist stance threatens Sri Lanka leveraging comparative advantages
• Climate change - droughts, floods, extreme events
• Poor access to irrigation facilities and on-going support
• Climate change and inability of research to react to sector needs
• Confusion at farm level with the Agriculture Research and Production Assistants being part-time and in a devolved capacity.
• Inability of the sector to attract quality professional staff
• Poor skills of lower tiered field level staff
• Bloated hierarchy
• Trade barriers and cumbersome bureaucracy.
Importantly, there are numerous opportunities for the Ministry of Agriculture to improve its service delivery, taking into account its strengths, weaknesses and threats. SWOT analyses for the key public sector stakeholders and others organisations are given in Annex 5.

Key points arising from the other SWOT analyses include:

**Ministry of Mahaweli Development and Environment**
- Given the high national importance of the MMD in various spheres (i.e. food production, hydropower, employment, population resettlement and regional development), it has received high political patronage since its inception in the mid-1970s
- The MMD is an entire parallel structure to the existing ministries and departments with regard to the development of the Mahaweli Basi
- Though the spatial differentiation is made in the geographic area they work, it is very likely that there is duplication of services between this ministry and the other key ministries
- Coordination within the MDD works very well, however, there appears to be some lack of coordination between MMD and the other ministries and departments.

**Ministry of Plantation Industries**
- Only Ministry dealing exclusively with plantation crops
- Ministry has its own extension staff and its own research institutes
- Commodity boards have been instrumental in developing value chains
- Productivity of plantation crops low, cost of production costs are high - labour costs are high due to labour shortages
- Many plantations have very old planting material, private sector under-performing due to inappropriate trade policies
- Plantation management generally poor
- Processing equipment generally old and in need of upgrading
- High proportion of small-scale producers served by relatively poor extension support.
- Division of proceeds not always equitable
- Some commodities under the control of serval agencies resulting in poor coordination
- Poor focus on the business aspects of the products
- Relatively poor social conditions of plantation labour force
- Small domestic market
- Estate sector model needs to be rethought
- Rationalise research activities and collection of statistics and strengthen research /extension linkages
- Improve knowledge and skills of extension staff
- Focus on value addition, speciality products, branding, and traceability
- Rationalize trade and PPP policies to make them pro-growth to attract FDI.

**Ministry of Rural Economy (Department of Animal Production and Health)**
- Huge demand for livestock products in Sri Lanka provides ample scope for import substitution
- Wide reach of veterinarians and animal production field support staff in rural areas throughout ASCs
- Vacancies cannot be filled with competent university graduates
- Little is being done to develop the beef industry due to religious inertia, although there is much demand by Muslim and Christian communities
- General shortage of fodder for animals
• All facilities in rural areas are compromised by poor communication with farmers, poor rural roads and inadequate storage facilities for semen straws.
• Small-scale dairy farmers provide a fragmented and scattered base for provision of support and collection of produce.
• High demand for poultry which can be significantly expanded.
• Further up-grade national herd to improve small-scale dairy and beef producers.
• Unfavourable trade policies threatens local production (ie imports of dried milk).
• Grazing areas and fodder production are being planted to other, more productive crops.

Ministry of Provincial Councils and Local Government (related to Agriculture)
• Ability to provide local solutions for local problems and conditions with assistance and backstopping from central agencies.
• Successive central governments have not devolved powers to the provinces.
• Targets set by central Ministry and lack ownership at provincial and district levels.
• Agricultural development plans not robust enough to give financial details for decision makers.
• Lack of staff training and poor opportunities for career advancement.
• Regional disparities between provinces.
• Lack of coordination and trust between central agencies and provincial councils and local government bodies.
• Need to improve sector planning and budgeting at provincial and local government levels.
• Opportunities to rationalise sector service provision at local level.
• Provide farming communities with a demand driven, service sector support system.
• Inculcate a mindset of accountability, monitoring and evaluation.
• Ensure regional staff are trained and given career incentives based on performance improvement planning.

Ministry of Primary Industries
• Strong political leadership with entrepreneurship qualities.
• Clear vision of the Ministry and Ministry Programs clearly aligned with national targets.
• Real time statistical data and information are not available.
• Lack of market information (local and global) and expertise in market analysis and market intelligence.
• Lack of standardization of methods among data collectors and no direct access to non-aggregated forms of data and absence of sector policy and strategy.
• Spices are fast growing industry which have high potential for value addition.
• Presence of forward looking private sector and opportunity for PPPs.
• Proximity to large markets with rapidly changing demands.
• Certification and traceability to meet changing global markets.
• Review impediments to easier trading.
• Use of appropriate ICT.
• Poor clarity as to who does what at inter-sectoral and inter-agency level.
• Not following proper standards in spice sector and poor enforcement of rules and regulations.
• Youth moving away from agriculture.
• Changing global market standards and need for certification and traceability.
• Trade barriers and cumbersome bureaucracy.
Ministry of Lands and Parliamentary Reforms

- One stop-shop for land, land registration, land use planning and surveying department
- Land issue is spread over several ministries
- Land transactions take a long time in Sri Lanka due to the large amount of government institutions involved in the process
- No land consolidation, only sales of small plots, and no land market exists
- Land issues are preventing the productive use for agriculture.

General Observations from SWOT Analysis

Some of the key characteristics of the current situation of Sri Lanka’s agricultural economy which we can disaggregate from the above SWOT analysis include:

- Sri Lanka’s agriculture sector is characterized by a multiplicity of institutions and associated entities
- Each agricultural sector institution has developed its own policy statement which are not necessarily all in harmony
- To-date Government support has focused on food security and now needs to look at diversification, the introduction of technology to help commercialise smallholder production bridge that gap
- Government support for agriculture is being reduced in real terms
- There is high competition for a share of Government budgets by its agencies
- There is a large number of people employed by Government
- Devolved activities overlap or contradict with a range of functions and powers covered by central ministries and also by their departments
- There appears to be duplication of work, waste and even neglect of work due to poor accountability of service delivery
- Agricultural research and extension linkages have become fragmented
- Agriculture Service Centres are a good concept but there is a need to review their scope and scale
- Training assets devolved to Provincial Councils and Local Government appear to be under-utilised and poorly maintained
- Research should target technology to attract youth and benefit women
- State farms could be better used
- Poor rapport between government and private sector stakeholders
- Government agencies and farmer groups have a poor business of farming mindset
- Weak links between farmers’ managerial ability, working capital needs, insurance, extension support and access to markets.

The TAMAP team is very much aware that these observations are not new to the majority of people met during the inception phase. We have merely captured and articulated what we have heard. However, that said, there are key activities that should now be undertaken by Government with the assistance of TAMAP, and which include:

- Establish the real needs of the sector, identifying core activities for each stakeholder group focusing on the research/extension/farmer linkages and the need to diversify and commercialise
- Establish who is best placed to undertake the various activities needed for the sector to work well between the public and private sectors, and civil society -
Government should provide critical support others cannot offer or where distortions need to be supported

- Review all subsidies given to farmers, detailing the rationale, targeting and weaning policies, establish what subsidies can stimulate improved productivity and efficiency, and prioritise
- Review all barriers to modernising agriculture, examining import and export tariffs, rules and regulations etc
- Given that mandates of the numerous agencies involved in the sector are highly mixed, review appropriate legislation to establish the fit for purpose
- Given that there appears to be weak planning and budgeting within all agencies, for Budgetary Support to work then appropriate training programmes need to be designed and provided on an iterative basis at all levels.

The Way Forward

In moving the TAMAP assignment forward, the following should be borne in mind:

- Appreciate that change is a process and no quick fix
- Ownership should be firmly embedded in the local ‘architecture and mindset’
- Conduct detailed institutional review along functional lines
- Overlay with commodity review of value chains seeking leverage of comparative advantage and where feasible import substitution
- Overlay with cross-cutting issues – sustainable development goals, gender, youth, food sovereignty, smart nutrition
- Look for commonality and establish technical working groups for institutional/commodity reviews – led by experienced professionals
- Establish reporting protocols to Programme Steering Committee
- Establish a review committee led by a very senior and very prominent professional.

While the above looks to be a relatively straightforward sequence of events, there will be need for considerable training and mentoring support, at all levels to ensure a participatory approach and taking into account bottom-up and top-down concerns. It will also require a well driven and coordinated team effort. The TAMAP will be available to assist with backstopping and financial support.
Annex 5

Summarised findings of the TAMAP (sub) sector assessment
Annex 5: Summary of (sub) sector assessment

Agriculture continues to be an important sector for Sri Lanka – in 2017, it accounted for 7.5% of Sri Lanka’s GDP and 26% of total employment, and agricultural exports made up 23% of total exports. Arable land makes up 21% of the land area and permanent cropland accounts for 16%.

This report provides an overview of the current status of selected key agricultural sub-sectors to inform the work anticipated under the Technical Assistance to Modernising Agriculture Programme (TAMAP). These sub-sectors include, small-scale subsistence agriculture (paddy, other field crops, vegetables and fruits); plantations (tea, rubber, coconut and sugar); export crops; inland fisheries and aquaculture; livestock farming; and agroforestry.

Sectoral contribution to GDP – Paddy, Sri Lanka’s main agricultural crop which constitutes the staple diet of Sri Lankans, contributes to 0.8% of GDP while tea accounts for 2% of the country’s GDP. Growing of fruit and vegetable account for 0.6% of 0.5% of GDP. Export crops account for 0.5% of GDP. Animal production accounts for 0.7% of GDP while inland fisheries and aquaculture make up 0.1% of GDP. The national account statistics available does not provide contribution of other sectors separately.

Exports: Tea, accounting for 13% of total export revenue remains the second largest contributor to exports following apparel. Spices are also an important contributor to exports accounting for 4%. Sri Lanka dominates the global market for pure cinnamon, accounting for 90% of global exports. The other sectors have potential to expand, however, at present the contribution to exports remain low.

Key stakeholders: The activities of the different sectors fall under multiple Ministries and government agencies. The key Ministries are Ministry of Agriculture, Ministry of Plantation Industries, Ministry of Primary Industries, Ministry of Industry and Commerce, Ministry of Fisheries and Aquatic Resources Development and Ministry of Sustainable Development and Wildlife. The key government agencies are the Department of Agriculture, Department of Export Agriculture, Department of Agrarian Development, Department of Irrigation, Department of Animal Production and Health, Sri Lanka Export Development Board, Paddy Marketing Board, Sri Lanka Tea Board, Coconut Development Authority, Department of Notational Botanic Gardens, Forest Department, Institute of Post-Harvest Technology, National Plant Quarantine Services and National Aquaculture Development Authority among many others. The formal private sector growers and processors in general have associations that represent their interests such as the Ceylon Chamber of Commerce, National Agribusiness Council, Spices and Allied Producers and Traders Association (SAPPTA), Tea Exporters’ Association (TEA) in the tea sector, Coconut Growers Association, the Lanka Fruit and Vegetable Producers, Processors and Exporters Association, the Seafood Exporters Association in Sri Lanka and others.

Key challenges

The literature review reveals that the key challenges facing different sub-sectors in general to be common across all sectors.

Low productivity of land and inputs: This is a major constraint to the expansion of the sector. In terms of paddy, for example, the realised paddy yield average 3.8 metric tonnes per hectare (mt/ha) but the potential yield stands at around 7 mt/ha. Similarly, pepper yield is estimated at 590 kg/ha but potential yield under research conditions is estimated to be 2,000 kg/ha.
general, across all sectors, low productivity was often symptomatic of systemic issues within the sector. These include factors such as adverse weather conditions and soil erosion and resultant poor soil fertility, lack of technical knowledge of farmers, limited availability of good quality seeds, inadequate research and development. Some of these factors that contribute to low productivity is discussed in detail below:

**Adverse effects of changing weather patterns:** Across sectors, the most common challenge to the development was its vulnerability to the adverse impact of changing weather patterns. Many sectors have not developed mechanisms and technology to adapt to the increasing prevalence of droughts and extreme rains. For example, unfavourable weather caused major problems in the tea sector in 2016, with prolonged drought leading to supply shortages. Weather related supply shortages affect domestic prices as well as international competitiveness of exported products. In the rubber sector, for example heavy rainfall restricts tapping and droughts reduce yield during critical months. Extended periods of drought in coconut growing areas have adversely affected coconut production.

**Lack of technical knowledge and good practices of farmers:** Technical knowledge such as improved cultivation methods, selection and use of high quality seeds and planting material, crop management techniques, proper fertilisation application protocols, and in the case of fisheries and dairy production, the use of the best management practices, biosecurity measures and veterinary services were severely underused, and this absence was even more dominant among smallholder farms. Weak extension services and connectivity of knowledge sources and expertise limits the diffusion to farmers is identified as a key root of the problem. Training opportunities and awareness of even the limited training available especially for small scale farms is limited.

**Vulnerability to pests and disease:** Vulnerability to pest and disease is a common feature of most subsectors reviewed and can have devastating effects on domestic production. For example, the coconut sector has been affected by various pests and suffered a major epidemic recently of “leaf wilt disease” which spread across the coconut plantations in Southern Sri Lanka, damaging more than three hundred thousand coconut trees. The main reason for the continued prevalence of such pests and disease is the ineffectiveness of the control measures that have been introduced to eliminate those pests. Such outbreaks are especially damaging to crops with significant export investment, as global standards become increasingly stringent.

In addition to crop agriculture, disease a prevailing source of instability in production and farm failure of fish and shrimp farms. The lack of capacity to assess, diagnose, manage and prevent diseases is common across all sectors of aquaculture in Sri Lanka. Similarly, small ruminant industry, namely that of goats, is plagued by common ailments such as chill, pneumonia, diarrhoea, mainly due to the poor management and lack of skills among smallholder farmers.

**Lack of innovation and value addition:** Production in most sectors was characterised by primary products, with little innovation or value addition taking place. This issue is a critical challenge for entrepreneurship development and tapping into the international market in the sectors. For example, the bulk of spices are exported without or with very little value addition. 90% of the cinnamon that is produced in Sri Lanka is exported in bulk, in the form of quills. Even when value-added products are exported these are largely low-tech value-added products such as ground/crushed spices that are exported in small quantities. Similarly, in the fruit sector, there is a significant potential to export value added products such as processed food and beverages, which is constrained by lack of specialised infrastructure, inadequate training and capacity building and ineffective marketing. In floriculture, there has been no introduction of new varieties for the export market, lack of locally produced novel varieties, and no market-oriented breeding programs. The currently available level of research support and advisory capacity is inadequate compared to the ever-increasing demands of the industry.
Insufficient supply of high-quality inputs: Access to sufficient high-quality inputs is a significant challenge in most of the sectors reviewed in the study. The limited availability of high-quality hybrids seeds and other planting material was documented in the fruit and vegetables, coconut, sugar and floriculture sectors. In the case of fruits, vegetables and floriculture, restrictions placed on the import of hybrid seeds are a key factor. These restrictions result in major problems with delays, inspections, quarantines and permits making the process cumbersome and costly. There is a lack of appropriate seed cane nursery programmes to provide quality seed cane to sugarcane cultivators. The inability to access sufficient quantities of high-quality inputs has serious consequences in these sectors. It significantly affects the export potential in the fruit, vegetables and coconut sectors where domestic production is often insufficient to meet export demand. Lack of improved varieties also affects the paddy sector, which has not just managed to meet domestic demand in recent year. There have also repercussions in other sectors. In the poultry industry for example, the local production of maize is not sufficient to fulfil the requirement for animal feed production and restriction of imports meant to encourage production are instead driving up prices and overall cost of poultry production. The shortage of fingerlings in inland fisheries sector is constraining the sector from reaching a maximum annual fish production of 700 kilograms per hectare(kg/ha) against current production of 150 kg/ha.

Lack of quality testing services for export products: Exports are subject to increasingly stringent and complex international and local standards related to food quality and safety. To ensure export success, producers must provide evidence of compliance with these standards through the services of accredited testing facilities. A key issue facing exporters in most sectors is the lack of accredited testing services that have the capability to certify products for the required international standards. For example, Sri Lanka’s key export, tea, must adhere to stringent standards to be exported to destinations such as Japan and the EU and currently, there is an absence of testing services that can conduct the full scope of tests required. Hence, Sri Lankan tea exporters need to send samples to overseas laboratories. The high cost of testing abroad deters many of the smaller and medium producers from exporting. Similar issues are faced with both fresh and processed fruit and vegetable products, and spices.

Poor post-harvest and storage infrastructure: The underdeveloped nature of rural infrastructure such as roads, irrigation and power supply contribute to the challenges of developing value-added industry in most sectors. In addition, the lack of storage facilities, cold storage and transport facilities is especially detrimental to highly perishable products such as fruit and vegetables and floriculture. In the vegetable sector, an estimated 16-40% of total production is wasted as post-harvest losses due to poor storage and transport.

In addition to these common issues, there are challenges that are specific to a sector. For example, the ineffectiveness of the fertiliser subsidy programme has been identified as a key area for reform in the paddy sector. A key issue threatening the decline of production in the plantation sector is the lack of labour and the high cost of labour available. For example, labour costs account for more than 60% of the total production cost in the tea sector. The shortage is driven by an ageing workforce, outward migration of skilled workers and a reluctance of the younger generation to engage in these industries. Another issues facing the plantation sector is reduction in the availability of land, as a result of urbanisation and competition and other crops. The sugar sector’s growth has been disrupted by the lack of institutional framework and ad hoc policies. These sector-specific challenges are outlined in greater detail in the rest of the report.

Recommendations

Several recommendations have been made to overcome the challenges faced in the agricultural sector. Some of the key recommendations are summarised below.
Increased investment in research and development: Greater research and development is one of the key changes that has been cited as having cross-cutting benefits across sectors. In the paddy sector, research impact is in part reflected in the increase in yields, from about 1.5 mt/ha in the early 1950s to over 3.5 mt/ha in the late 1990s. Increased research by the Department of Agriculture is demanded in the vegetable sector to develop mother plants of high yielding, disease resistant varieties that the private sector can propagate to overcome the excessive application of chemicals. Innovation is also critical in the rubber sector as there is limited product and market diversification in the sector.

Adopting climate-change mitigation strategies: The National Adaption Plan (2016-2025) makes the following recommendations to ensure food security in the face of climate change: develop heat/drought tolerant varieties and breeds; develop and promote water efficient farming methods; adjust cropping calendars according to climate forecasts; develop systems for the timely issuance and communication of climate information to farmers; and develop research institutes’ capacity for conducting research drought-tolerant varieties/breeds and climate resilient farming methods. Additional measures such as the need for a well-functioning crop insurance scheme is strongly felt in some sectors to protect farmers from adverse conditions affecting cultivation.

Enhancing farmer knowledge through improved extension services and training programmes: Another important area for reform is in the dissemination of extension services to improve farmer awareness and implementation of the good agricultural practices. In the tea sector, despite numerous capacity building programmes aimed at smallholders which account for the bulk of tea production in Sri Lanka these programmes have limited outreach. Therefore, effective measures to enhance their knowledge and capabilities relating to various aspects of tea production are necessary.

Increasing value addition: There is room for greater value addition in production in the agricultural sector, especially for exports. In the tea sector, less than 10% of tea is exported as tea bags. However, tea bags constitute a value addition of 84% more than packeted tea and 88% more than bulk tea. Therefore, Sri Lanka should increase the exportation of tea bags and other high value-added tea products such as premium teas, tea infusions, tea extracts, etc. There is also a high potential for value addition with crops such as cinnamon. This includes cinnamon based food products such as ground cinnamon, soft drinks and carbonated drinks, cinnamon tea, confectionaries (such as toffees or chewing gum), bakery products (biscuits, buns and cakes), honey, syrup, and other similar products.

Introducing new technologies and methods: Agricultural technologies and best practices are constantly evolving, and can be adopted to increase productivity, quality and safety. For example, cost-effective post-harvest measures such as the use of standardised plastic crates, evaporative coolers and hermetically sealed plastic storage bags can be used to minimise post-harvest losses caused by poor storage facilities in the fruit and vegetable sector. Increasing access to lack technology such as poly tunnels and drip irrigation can reduce chemical use, protect crops from unfavourable weather or diseases, and allow growing in climates or geographically that are not traditionally suitable for the crop. In the floriculture sector, innovative techniques can be introduced to increase the product range such as flower preservation and bonsai. Techniques such as drying aromatic flowers and advanced preservation techniques have already been imitated and should be expanded. Strengthening artificial insemination delivery and breed-improvement programmes can increase milk production in the dairy sector.

Improving quality and safety of production: Low quality and safety is identified as a key bottleneck for expanding in exports for a product. Measures have been proposed in the different sectors that address the lapses in safety and quality controls throughout the supply chain. In the highly perishable fruit and vegetable sector, these include adopting stringent food
quality control measures and complying with global quality standards relating to packaging, labelling, environment and ingredients; establishing stronger controls to minimise residue from fertilisers and pesticides; preventing contamination with heavy metals; establishing traceability and record keeping systems; and establishing collection and cold storage centres for fruits that are easily perishable.

Better quality inputs: Other measures that have been proposed to increase quality of production include the use of high quality inputs. In the sugar sector, introducing superior cultivars and establishment of a proper seed cane nursery programme to provide farmers with improved varieties of seed cane has been proposed. In the livestock sector, the need for better feed ingredients has been highlighted.

Opportunities

Apart from the recommendations made, the literature also identifies unexplored opportunities in many of the sectors, some of which are highlighted below:

Export potential of organic and value-added products: Organic products are consumed by a growing number of health-conscious consumers worldwide, especially in Europe. Several rice-producing countries such as Thailand and Cambodia are adopting strategies to tap this new market. By contrast, there is no evidence that Sri Lanka is currently exporting significant quantities of organic rice to these markets. Producing and exporting organic rice can be an opportunity, because the availability is often not sufficient for the growing demand. There is also potential for value addition of rice products - rice flour and rice fermented beverages have got growing demand in many foreign markets. Similarly, in tea, the Tea Research Institute is currently exploring how to increase value addition beyond the conventional methods - projects include developing a high-quality instant tea mixture for vending machines, using tea leaves for various cosmetic applications and improving the process of instant black tea production. If these research projects prove to be successful, they will open up numerous opportunities for the tea industry of Sri Lanka in the future.

Growth in global demand: There is high demand in the world market for most agricultural products, a key challenge Sri Lanka face in tapping this demand is quantity and quality of supply. Sectors such as rubber and coconut are experiencing growth in global demand that Sri Lanka is unable to meet due to domestic constraints. The primary competitive advantage that the Sri Lankan rubber products have over those of competing countries is that the majority of Sri Lankan rubber products are based on local availability of natural rubber. However, the rubber production has declined over the years and Sri Lanka’s global share in the value-added rubber product sector is a mere 0.25%. There are ample opportunities to move further up in the value chain to capture a higher portion of this thriving global industry. Sri Lanka has not been able to fully capitalise on the rise in popularity of coconut related products due to increased awareness of its health benefits, mainly due to insufficient production of coconuts. While Sri Lanka exports a vast array of value-added coconut products, there are still untapped market opportunities that can be explored. Exportation of coconut water, a by-product of the processing industry, is one such market opportunity.

Marketing and Branding: Exploring different branding and marketing options such as providing nutritional information, organic and other certifications can be a strategy to create differentiated products in a homogenous market in sectors such as paddy and fresh fruits and vegetables, both domestically and internationally. For example, the TJC mango, developed in Sri Lanka, branded as a unique product, and priced higher than the normal mango varieties. Most fruits grown in Sri Lanka are not fully underutilised and marketed. Sri Lanka has many fruits that are rich in nutrients and vitamins and that can be processed into ayurvedic medicinal
and beauty products. Sri Lanka already has a long ayurvedic tradition so there is scope to pair up the fruit sector with research support from government institutions.

**Power generation and fuel potential of sugar:** Currently, electricity generated at the sugar factories is capable of only partially fulfilling the power requirements of the mills. However, power generation programmes are underway to expand their capacities and if successful, will be able to contribute to the national grid as well. Sri Lanka spends a significant amount of foreign exchange to import fuel. Currently, fuel grade ethanol is not produced in Sri Lanka. With proposed plans to increase sugarcane cultivation, ethanol production could also be increased and approximately 20% of the country’s petrol consumption can be substituted with ethanol.

**Untapped production potential in aquaculture:** Over 8,500 ha in Sri Lanka can be developed into aquaculture. At present, only 25% of these areas are used for aquaculture. Further, the opening up of the country’s Northern and Eastern Provinces after the civil conflict, generates new opportunities by enabling access to many virgin areas well suited for brackish as well as marine species aquaculture. In addition, there is potential to develop culture-based inland fish production in perennial and seasonal tanks, significant numbers of which remain underutilized at present.

**Agro-tourism:** Some Kandyan home gardens are promoted as “spice gardens” among tourists, and tourists are introduced to various local spices and medicinal plants at these home gardens. Research on these spice gardens indicates that these “spice gardens” operate at a technical efficiency of 84% which indicated that there is potential for further expansion and improvement.
Annex 6

Attendance list for the TAMAP Inception Workshop with detailed contacts
## Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

List of participants at the Inception Workshop held at Shangri-La Hotel, Colombo 3rd April 2018

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Annex 7

Minutes for the TAMAP Inception Report
Annex 7: Minutes for the Inception Workshop

Notes from the Inception Workshop held on 3rd April 2018

Speech by Mr. K. D. S. Ruwanchandra, Secretary of Ministry of National Policies and Economic Affairs (MNPEA)

General

- Sri Lanka is in transition from an agriculture-based economy to a service-based economy. Agricultural sector has the potential to serve all areas of the country.
- The government's current policy looks at commercialization and modernization of the agricultural sector. Initiatives should look at increasing competitiveness and productivity.

Speech by Dr. Harsha de Silva, Hon. State Minister of National Policies and Economic Affairs

General

- The potential of the agricultural sector is undermined due to:
  1. populist mechanisms;
  2. outdated thinking;
  3. patronizing laws;
  4. not giving due credit to farmers;
  5. lack of information markets for farmers, i.e., asymmetry of information between farmers and other middle players;
  6. high wastage; and
  7. inability to sell produce at competitive prices.
- Price distribution of vegetables (beetroot, cabbage seed, carrot, green beans, knol khol, leeks) from March 2013 to March 2018 shows fluctuations, due to fluctuations in supply. This fluctuation in supply is rooted in wastage and farmers being unable to sell their produce.
- Farmers need to be linked in to agricultural value chains, and the potential of international markets need to be tapped into. Sri Lanka has so far failed in doing this.
- There are two major areas that need to be addressed in agriculture: (1) agricultural policy, and (2) strengthening the farmer. Strengthening farmers includes improving the capacity of farmers to make well-informed decisions. Policy must feed into the individual decision making of the farmer.
- Currently, what drive individuals to engage in agriculture are the societal and cultural factors, more than profits.

Feedback on the Ecorys project

- Modernizing agricultural techniques – Modernization is crucial, since policy becomes redundant if agricultural techniques are not improved. In doing so, outdated laws need to be changed and an enabling environment has to be created.
- Data analysis – Evidence based decision making is mandatory. This is missing in the current policy making.
Speech by Mr. Tung-Lai Margue, Ambassador

General

- Rural development is needed for food security, which is a focus of the EU.
- Key necessities:
  1. need to define a policy for agriculture, with sector specific strategies;
  2. bringing together all stakeholders in the agriculture sector; and
  3. creation of a coordinating body, centralizing, defragmentation.

Speech by Mr. Daya Gamage, Hon. Minister of Primary Industries

General

- Ministry of Primary Industries was established to improve primary industries, and the measures taken by the Ministry has led to a growth in the primary industries sector.
- Current issues in primary industries:
  1. high cost of production;
  2. low production quality;
  3. low volumes;
  4. lack of skilled labour; and
  5. insufficient financing.
- Enabling improved systems will help to overcome the issues.

Findings of the Stakeholder analysis

- Currently there are a multiplicity of actors (for example, 19 Ministries) in the agricultural sector, some more directly involved than the others.
- There are also several laws applicable to the sector, whether they need to be updated needs to be looked at. For example, the Felling of Trees (Control) Act No. 9 of 1951 prohibits the cutting of certain trees as they provide food.
- The current blend of people and processes is cumbersome. Most changes cannot take place since legislation does not provide space for change.
- Policy decisions, for example whether to have export cess or import tariffs need to be decided based on evidence.
- The approach to planning needs to be made clear. Whether approaches should be top down or bottom up needs to be looked at.
- Under-utilization of land is a prominent issue in agriculture.
- Good management ability is required to attract capital to the agricultural sector. Having market-led practices are required, as opposed to supply-led practices.
- “Gatekeepers” can hinder the progress off effective policy implementation. This needs to be looked at in terms of the political climate of the country.
- Line of command in the agriculture sector needs to be refined.

Questions and Answers Session

Q (by CBL Agro):
Why is the fruit sector not included in the presentation?
A: The fruit sector could not be covered in the presentation due to the short time span. However, the project covers all agricultural (sub) sectors.

Q (by Rice Research Institute):
(1) in Sri Lanka, rice is produced mostly for the domestic market. If international standards are to be met, rice prices will be too high.
(2) The price of all rice seed varieties are similar (including drought resistant rice seeds), but the presentation earlier said high resistant rice seed varieties are more expensive. What is the explanation for this discrepancy?
A: (1) If Sri Lanka aims to export, then international quality standards need to be met. Further, even the domestic markets need to meet quality standards. It is wrong to provide low quality agricultural produce to the domestic market. In addition, tourists visiting Sri Lanka demand high quality rice.
(2) Seed rice prices are the same. It was clarified that as illustrated in the presentation that seed of not improved varieties can be obtained by farmers at zero cost from last harvest while improved varieties have to be purchased at a cost.

Q: Are there domestic standards for rice?
A: There are cooking and eating qualities for rice. Local market demand is for non-sticky rice while tourists demand is for sticky rice. A particular variety of rice is made for foreigners.
Comment (Sri Lanka Standards Institute): National standards are available for varieties of rice, which are currently being improved. Standards need to be well implemented, mere availability is not sufficient.

Q (by Council for Agriculture Research Policy):
Are sugar cane crops, fisheries, forestry, and palmyrah included in the project?
A: Sugar cane crops are a good area to make country comparisons and for study tours with a view to learn more about the entire value chain and concept for outgrower schemes. Therefore sugar cane will be included. Furthermore, agro forestry and fisheries will also be considered in the project.

Q (by Department of Agriculture):
A former presentation indicated the need to reform the fertilizer subsidy scheme to output price. Sri Lanka has already practiced output price which has failed. In that case, is abolishing fertilizer prices a sensible move to make?
A: the subsidy process needs to be reviewed. The return to the farmers and the country upon abolishing subsidies need to be considered, based on which a decision has to be made.

Q (by Institute for Policy Studies):
Sri Lanka fails in the implementation of recommendations. Does the country have the right political climate for reforms, for example, abolishing the fertilizer subsidy?
A:
People are reluctant to change for several reasons. These reasons need to be analysed to see what can be changed and how they can be changed.

**Q (Department of National Budget):**
Were farmers contacted in the inception stage and to what extent were they involved, because farmers are the main stakeholders in the project?

**A:**
Current analysis was based in Colombo, on Ministries and Institutions. Farmers will be contacted in later phases. The current complex system needs to be understood prior to reaching out to the farmers. The positioning of the central government needs to be understood.

**Q (Department of National Budget):**
Without reaching out to farmers, can an agricultural policy be formed?

**A:**
The policy will be drafted at the end of the year. This cannot be done without contacting the ultimate beneficiaries. After the inception report, farmers will be contacted.

**Q:**
Given the complexity of the system, are we in a position to move forward in drafting the policy?

**A:**
Policy in itself is not the big problem. A lot of policies are on the way and are being prepared. An overarching agricultural policy does not mean inventing a new policy, but existing policies need to be fed in to the overarching policy. However, a policy should not be the problem. The problem is in the implementation of the policy. Budgeting, contracting will be the pressing issues. The problem is in the complex (political) system. Even at the moment, the processes work but it can improve. Sri Lanka’s opportunity cost may be high. Costs like these can be reduced. Whether Sri Lanka has the willingness to change is another question. A new policy may disturb the comfort of some. Making the system more efficient, outsourcing to private sectors, requires willingness. A common understanding on this is required. Without willingness, significant progress cannot be made.

**Q (by Presidential Secretariat):**
Lack of labour is major issues in SL. Youth moving out from the agriculture sector is a concern. Will this point be addressed in the policy, or is it just a cross –cutting issue?

**A:**
Youth are not very much interested in agriculture due to hard labour and low mechanisation. This is not just a cross- cutting issue. Youth employment, gender, smart nutrition are integrated into all the sectors and is an important subject to be addressed by mainstreaming and integrating on all levels.

**Q:**
Is establishing a review process only done for the process of developing a policy, or will there be a final coordination body? Will it include only senior government officials, or will the private sector, smallholders be included?

**A:**
It will involve private sector, civil society, farmers, and senior government official. This will be an inclusive policy.
Q (by Food and Agriculture Association):
Is it better to prioritize sub-sectors and commodities and work on strategy?
A:
It is necessary to assist in developing priorities. Priorities on cost benefit and value addition needs to be understood. Laying a framework to move forward is necessary.

Q (by Department of Agriculture):
The Department of Agriculture has identified strategies to overcome problems in the food crops sector. But real time data is needed to understand the system. Improving ICT is therefore necessary.
A:
Many collect data on farming, prices, markets etc. ICT is useful to help farmers make informed decisions. Analysis need to be thorough and robust, and output needs to be communicated clearly. ICT therefore will be prioritized. Fund and human resource allocations to ICT will be looked at in the project.
Annex 8

Presentation made by the TA team for the TAMAP Inception Report
Objective of the project:
To contribute to a more productive, sustainable, diversified, climate-resilient, market-oriented, and inclusive agriculture in Sri Lanka.

Results to be accomplished (1):
R1: An overall (overarching) Agricultural Policy in line with the Government Development Goals is developed.
R2: An enabling environment is created and relevant policies for the modernisation and diversification of agricultural production, as well as the promotion of agricultural exports, are implemented.

Results to be accomplished (2):
R3: Existing systems and practices used by central and provincial agricultural ministries for planning, budgeting and policy implementation are improved.
R4: The statistical and analysis systems to monitor and assess the impact of implementing the overall agricultural policy are improved.

Summary of the TAMAP (1)
1. Based on sector needs assessment, help identify and assess issues and challenges facing the process of modernising the agriculture sector. The identification of champions is critical and central to this process.
2. Development of an overarching Agriculture Policy with a view to enhance agricultural productivity, efficiency and sustainability.
4. Assist develop an action plan along with resource and financial budgets to provide a MTEF, along with a robust and pertinent M&E system.

5. Help develop an agriculture sector reform contract to accommodate budgetary support.

The golden themes running through these 5 critical elements are the coordination, facilitation, training, mentoring and mainstreaming of cross-cutting issues such as climate change, gender, youth and smart nutrition.

Excursus: Policy vs strategy vs action plan

**Policy:** is a set of principles and rules which directs the decisions of the organization.

**Strategy:** is an outline of the steps to be done to achieve a particular goal or to implement a policy.

**Action plan:** is a comprehensive set of actions / activities which detail the strategy ("to put flesh on its bones").

Major activities in the Inception Phase

1. Thorough stakeholder consultation and analysis (consultation of more than 200 people in Sri Lanka)
2. Sector review and assessment
3. Inception Report (submission on 8 May 2018)

Purpose of the Inception Workshop

1. Informing stakeholders about the project
2. Identification of champions facilitating the accomplishment of the results
3. Agreeing on mode of collaboration and coordination and reporting processes (working groups which elaborate technical and institutional directions)
4. Agreeing on mode of decision making (PSC and its composition)
5. Obtaining common understanding how to make the decentralisation process work

TAMAP’s understanding for mode & means of collaboration

1. Proposal to set up multi-stakeholder working groups for the corresponding results to be achieved by the project (policy, strategy, action plan with resource allocation, MTEF). WGs make recommendations which will be submitted to the PSC for endorsement.
2. Each participating ministry / department will appoint representatives for the WGs which will be held regularly (once / month or every two months)
3. Means of communication will be e-mail for invitations to WG and to discuss and give comments.

Indicative schedule for R1: An overarching Agriculture Policy is developed

1. An overarching draft Agriculture Policy is developed by Dec 2018.
2. Implementation Strategy based on the NAP developed by June 2019.
3. Needs assessment carried out and recommendations made which services should remain within the relevant ministries dealing with agricultural development and which services should be outsourced.
4. MTEF and PFM system strengthened and Sri Lanka eligible for Budget Support.
Schedule R2: Enabling environment is created relevant reforms and policies for the modernisation of agriculture implemented and exports to meet expanding international demands promoted

1. Domestic trade barriers reviewed & revised to ease importation of inputs and exportation of commodities.
2. Market information system for inputs, agricultural commodities and demand for export commodities established.
3. Website developed & in operation where value chain actors in Sri Lanka can voluntarily register with detailed contacts.
4. Concept and road map developed and agreed upon for improved agricultural extension services.
5. Road map developed to strengthen farmer organisations mainstreaming farming as a business.

Schedule R3: The existing systems and practices used by central and provincial Ministries involved in Agriculture for planning, budgeting/resource allocation, implementation of sectoral and sub-sectoral policies are improved

1. Current coordination & planning system reviewed, recommendations for improvement made and guidelines developed for implementation.
2. Comprehensive TNA for planning & budgeting teams of relevant ministries on central and provincial level related to budget support eligibility conducted, training programme developed and key staff members of the district planning teams capacitated.
3. TNA in private sector and market driven approaches related to export commodities and corresponding value chains for relevant ministry staff members conducted, training programme developed and the key staff members capacitated by end of project.

Schedule R4: The impact of implementing Government’s overall Agriculture Policy through an improved statistical and data analysis system is monitored and assessed

1. A monitoring system is developed and in operation.
2. Stakeholders trained in operating the M&E system.

Stakeholder assessment (see separate presentation by Steve)

WG 1: Elaboration of a coordinating body for the overarching Agriculture Policy

**Issue:** strong fragmentation of the agricultural sector with approximately 19 ministries and numerous additional institutions being involved with different levels of interest for NAP. Our suggestion is that a coordinating body with strong commitment towards NAP be established to guide and oversee the process of developing the overarching Agriculture Policy.

**Task:** elaborate a coordinating body for the NAP

WG 2: Elaboration of composition of TAMAP Programme Steering Committee (PSC) and key points of its ToR

**Issue:** According to the ToR for the TAMAP contract, the PSC can include: MoNPEA, MoA, MoPI, EUD SL, Provincial Ministries of Agriculture and the key TAMAP team.

**Question & Task:** In order to get strong commitment for accomplishing R1-R4, is the composition adequate or should be more stakeholders be included? What should be the mandate of the PSC?
WG 3: Decentralisation and agriculture development in Sri Lanka

**Issue:** It is understood that decentralization has had a negative impact on the agricultural development by among others generating inefficiencies in the agricultural extension service.

**Question & Task:** Verify or falsify the above statement by giving concrete examples. Based on your assessment, is there need to improve the pragmatic implementation of the decentralization process and how?

WG 4: Fragmentation of the agriculture sector and its impact on agricultural development

**Issue:** We believe that the strong fragmentation led to a limited efficient and effective agriculture sector (“too many cooks spoil the food”).

**Question & Task:** Verify or falsify the above statement by giving concrete examples. Based on your assessment, is there need to reduce the fragmentation by merging ministries and departments and by streamlining services provided by the ministries / organisations?
Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

Inception Workshop 3rd April, 2018

Stakeholder Assessments

Programme funded by the European Union

Outline of Presentation

• Review main issues related to SL agriculture
• Outline approach taken by TAMAP
• Progress so far
• Current institutional set-up of SL agriculture
• Observations from stakeholder assessments
• Way forward - arriving at a set of options for modernising Sri Lanka’s agriculture

Outline of Presentation

Problem analysis:

• Low productivity of agriculture – poor returns to land, labour and capital
• Growing population
• Limited land
• High food import bill
• Large subsidy commitment on SL fiscus
• Reduced overall support to the sector from government
• Climate change
• Difficult operating environment for private sector
• Need for sector revitalisation to encourage private sector, women and younger generation
• Feed nation with balanced, diversified and safe produce

Questions which drove our approach:

• What is an ‘over-arching’ agriculture sector policy?
• Who are the players?
• What is needed to be done in the sector, and by whom?
• Are the best players playing in the right positions?
• If not, why not, and what should they be doing?
• What needs to change, if at all, and why?
• What are the options, and what are the preferred options?
• What is a realistic action plan to effect change?
• What resources are needed for the preferred changes and at what cost?
• Will these actions dovetail into Budgetary Support processes?
• Who Champions the action, and who coordinates?

What we have been doing:

Last 2 months, 2 major activities.

1. Review of the main commodity sub-sectors (and Han will summarise our findings)
2. Stakeholder analysis – following SWOT approach
   • Finding out who is doing what
   • Their experiences over the last few years
   • Where are they now
   • Where do they want to be in the next 5 to 10 years

Some of our initial observations

Stakeholders groupings:

• Food crops – state operated
• Plantation Crops – private sector and parastatals
• Minor Export Agricultural Crops – state sector and mixture of other stakeholders
• Livestock producers – state, private companies, small-scale farmers
• Inland fisheries – state and individual farmers
• Universities
• Non-state sector activities
• Agricultural cooperatives
• Private companies
• Insurance brokers
• Regulators – state agencies
• Input suppliers – state and private
• Traders – petty and large
• Transport providers
• Food processors – state and private
SRI LANKAN MINISTRIES ASSOCIATED WITH AGRICULTURAL SUB-SECTORS

1. Ministry of Agriculture
2. Ministry of Mahaweli Development and Environment
3. Ministry of Plantation Industries
4. Ministry of Rural Economic Affairs
5. Ministry of Irrigation & Water Resources Management
6. Ministry of Provincial Councils and Local Government
7. Ministry of Fisheries and Aquatic Resources Development
8. Ministry of Primary Industries
9. Ministry of Lands
10. Ministry of Hill Country New Villages, Infrastructure and Community Development

11. Ministry of Industry and Commerce
12. Ministry of Finance
14. Ministry of University Education and Highways
15. Ministry of Science, Technology and Research
17. Ministry of Public Enterprise Development
18. Ministry of Development Strategies & International Trade
19. Ministry of Social Empowerment and Welfare

Taking the food crops sector as an example of Government’s direct involvement, we can trace its evolution since Independence into the situation we have today.

Laws to be Implemented by the MoA

- Agrarian Research and Training Institute Act, No. 5 of 1972
- Control of Pesticides Act, No. 35 of 1980
- Felling of Trees (Control) Act, No. 9 of 1951
- National Freedom from Hunger Campaign Board Act, No. 15 of 1973
- Plant Protection Act, No. 35 of 1999
- Seed Act, No. 22 of 2003
- Soil Conservation Act, No. 24 of 1986
- Sri Lanka Council for Agricultural Research Policy Act, No. 47 of 1987
- Regulation of Fertilizer Act, No. 68 of 1988
- Agrarian Development Act, No. 46 of 2000

Evolution of Support to Food Crops Agriculture Since Independence

- Historically, colonial government concerned with creating plantation production rather than food crops production
- Subsistence farmers recruited to the plantations as critically needed labour
- Since independence in 1948, successive Governments concerned with domestic food production, particularly paddy rice.
- Policy aimed at increasing rice production through strategies of investment - successful rice breeding programme, irrigation developments, dry zone settlements, import substitution mechanisms, guaranteed prices for local produce, credit schemes and subsidised fertilizer.
Until late 1980s, village-level Agricultural Extension Officers (AEO) performed remarkable technology transfers.

Each AEO covered +/-200 farmers, supervised by District Agricultural Extension Officers and a Deputy Director (Extension), using individual and group communication.

By late 1980s, over 2,400 grass-roots level extension workers maintained close contact with the farming communities.

In 1989 13th Amendment to the Constitution, central government devolved to the provincial councils.

National level Minister of Agriculture and agriculture ministries at provincial level, each with Secretary, Additional Secretaries, Directors, Assistant Directors.

1990 extension workers of Dept Agrarian Development reassigned to Ministry of Public Administration as village officers handling administrative tasks.

Virtual breakdown of extension services at village level.

Early 1990s, two major transformations took place in the agricultural extension system:

- Devolution of agricultural extension services - T&V system phased-out
- Integrated Agricultural Extension Approach involving four government institutions: Departments of Agrarian Development, Animal Production and Health, Export Agriculture, and Coconut Cultivation Board.

Division Secretary (Provincial Government) under whom:

- Agrarian Development Officer (supply inputs, minor irrigation rehabilitation)
- Agricultural Instructor (technical advice, extension & training)
- Technical officer (Agrarian Development) maintenance of minor irrigation below 200 acres
- Veterinary Surgeon (x1) and Livestock Development Officer (x2)
- Technical Officer Irrigation Department
- Fisheries Inspector
- Tea Inspector (smallholder subsidies and extension)
- Rubber Extension (smallholder subsidies and extension)
- Rural Development Officer (rural roads, rural wells)
- Colonization Officer (Land Commission Officer) – alienated lands, land disputes
- Extension Officer (Export Crops Dept) – extension, distribution of seedlings, subsidy schemes
- Coconut Development Officer (new planting, under planting, inter-cropping, rehabilitation)

Other organisations delivering extension services in crops agriculture:

- Mahawewi Authority of Sri Lanka
- HADARMA Authority
- Plantations sector:
  - Tea Small Holdings Development Authority
  - Tea Research Institute of Sri Lanka (TRI)
  - Rubber Development Department (RDU)
- Coconut Research Institute (CRI)
- Sugar Research Institute (SRI) extension service & research component
- Minor Export Agricultural Crops (EAC) Ministry of Primary Exports
- Cashew Corporation
- Development functions of the minor export crops farmers combined with the programmes of other ministries promoting community economic development.
Other organisations delivering extension services in crops agriculture cont’d:

- Education and extension services by universities
- Non-state sector extension services
- Input linked commercial extension services
- Market-Oriented Advisory services (MOAs)
- Agricultural cooperatives
- Private companies such as CIC, MILCO, and Hayley’s etc have helped establish farmer groups to produce seeds, veggies, milk etc

Remaining Activities before concluding Inception Phase:

Visit key remaining agencies and private sector people
Look at other areas within the broader definition of agricultural support and services being provided, including:

- Agricultural Subsidies
- Planning and Budgeting
- Monitoring and Evaluation
- ICT
- Succession and performance improvement planning

Key Observations from Stakeholder Assessments

- SL agriculture sector characterized by multiplicity of institutions and associated entities
- Many adjustments through a series of Acts of Parliament and administrative circulars
- But 19 ministries with responsibilities for agricultural and agrarian development
- Devolved activities overlap or contradict with a range of functions and powers covered by central ministries and also by their departments
- Agricultural research and extension linkages fragmented after the responsibilities devolved
- No apparent mechanism to coordinate FOs and provincial councils

Key Observations from Stakeholder Assessments cont’d

- Large numbers employed by Government
- Duplication of work, waste and even neglect of work due to poor accountability of service delivery
- Reduced government budgets to sector sees good personnel leaving
- Exacerbated by poor succession planning
- Groups jostling for position
- Poor rapport between government and private sector stakeholders
- General feeling within Government entities, poor extension/farmer interface

Key Observations from Stakeholder Assessments cont’d

- Research to address real needs
- Research/Extension becoming de-linked
- Devolution initiated deterioration in extension/farmer interface
- Farmers need support during immediate post harvest period – finance, technology and openness in value addition processing (especially paddy)
- Agriculture Service Centre good concept but need to review scope and scale
- Training assets under-utilised

Key Observations from Stakeholder Assessments cont’d

- Research to look at technology to attract youth and benefit women
- State farms could be better used
- Dairy farmers missing out on beef enterprises
- Throughout government agencies and farmer groups poor business of farming mindset
- Weak links between farmers’ managerial ability, working capital needs, insurance, extension support and access to markets
- Real needs of sector should be established and core activities identified for each stakeholder group
- Government to provide critical support others cannot provide
Key Observations from Stakeholder Assessments cont’d

- Subsidies – production vs price support, targeting, gate keepers, weaning, political economy, grants to stimulate action
- Barriers to trade – import and export tariffs
- Mandates of ministries highly mixed, legislation may not be fit for purpose
- Weak planning and budgeting across all actors
- Annual budgets set on incremental basis by centre - poor connect from bottom-up
- Highly qualified and experienced professionals - robust platform for change and modernisation

The way forward

- Appreciate that change is a process and no quick fix
- Ownership firmly embedded in the local ‘architecture and mindset’
- Conduct detailed institutional review along functional lines
- Overlay with commodity review – plough to fork
- Overlay with cross-cutting issues – sustainable development goals, gender, youth, food sovereignty, smart nutrition

The way forward cont’d

- Look for commonality and establish technical working groups for institutional/commodity reviews – led by experienced government officials
- Establish reporting protocol to Programme Steering Committee
- Establish review council lead by a very senior and very prominent government official

Thank you
Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

Inception Workshop 3rd April Findings Sector Studies

Programme funded by European Union

Tea

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<th>Unit</th>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<td>327.9</td>
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<td>340.0</td>
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<td>269.01</td>
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<td>649.44</td>
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Challenges
1. Estates – high labor shortage and labor costs, low land productivity
2. Smallholders – lack of training and knowhow, limited access to extension services
3. Competition from Kenya and India in high quality and Indonesia and Vietnam in low quality
4. Key export markets in Middle east and Russia saw declining demand due to low oil prices
5. Less supply due to drought leading to higher prices at auction and loss of competitiveness
6. High cost for compliance International Standards

Proposed Way Forward:
1. Increase knowledge of smallholders with programs having good outreach
2. Increase productivity of workers through review of wage structure and better health care
3. Allow cheap tea imports for blending but enforce minimum local content
4. Promote the brand of pure Ceylon tea as high quality tea deserving premium price

Challenges:
1. Cost-Price Squeeze
2. Market price below Paddy Marketing Board min. price
3. High use of water
4. Millers & wholesalers obtain large share chain value
5. Extreme weather conditions, droughts and floods
6. Drought resistant varieties expensive and not available. Subsidized improved seed is used but practice hasn’t changed
7. Rice not meeting international standards
**Paddy**

Proposed Way Forward:
1. Reform the fertilizer subsidies scheme to an output price support program
2. Introduce farm practices which ensure higher output of the improved seeds (stand, weed, pest, nutrient, post harvest management, Systems of Rice Intensification) and stimulate mechanisation
3. Invest in agricultural research, ICT and mobile technologies to disseminate information to farmers
4. Encourage the production of higher quality rice
5. Incorporate water saving and other weather risk mitigating technologies (drought resistant varieties)

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**Coconut**

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<td>28.80</td>
<td>29.36</td>
<td>39.08</td>
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Challenges:
1. Cultivators: labour shortage & pest and diseases
2. Processors: lack of raw material (nuts)
3. Exporters: Policies (such as 2010-2011) that ban exports causing loss of markets
4. Extreme weather conditions
5. Fragmentation of coconut lands in smaller plots because of labour shortage and increasing production costs

Proposed Way Forward:
1. Develop drought tolerant varieties and promote drip irrigation or micro sprinklers systems.
2. Finance research on wide spread pest attacks in coconut suppressing productivity

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**Rubber**

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<td>535</td>
<td>421</td>
<td>390</td>
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</table>

Challenges:
1. Decline in land availability in traditional rubber areas
2. Labour shortage
3. Decline in natural rubber prices
4. Extreme weather
5. Smallholders lack latest knowledge on cultivation and production technologies
6. Lack of innovation in manufacturing sector
7. Low Quality and High Cost of business support services

Proposed Way Forward:
1. Decline in land availability in traditional rubber areas
2. Labour shortage
3. Decline in natural rubber prices
4. Extreme weather
5. Smallholders lack latest knowledge on cultivation and production technologies
6. Lack of innovation in manufacturing sector
7. Low Quality and High Cost of business support services

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Rearranged text:

**Spices and minor exports**

**Challenges:**
1. Low productivity and shortage of labour
2. Loss of cultivated land and pest and diseases
3. Inconsistent quality of products
4. Lack of access to finance
5. Informal structure of the marketing channels
6. Poor linkage of private sector and research institutes
7. Inadequate export market promotion
8. Increasing international competition and trade barriers

**Proposed Way Forward:**
1. Expand cultivation in non traditional areas
2. Promote intercropping with plantation crops
3. Value addition via product innovation such as confectionaries, bakery products, drinks with spices additions, spice based medicines
4. Facilitate Certification of organic products
5. Professionalizing and capacitating work force
6. Improve extension and training of farmers
7. Support quality standards
8. Support organization of farmers

**Vegetables (production in MT)**

- **Low Country**
  - Luffa: 43,217, 42,786, 46,399, 45,209, 46,681
  - Okra: 58,683, 65,451, 69,615, 66,969, 66,124
  - Brinjals: 116,593, 127,163, 129,907, 126,669, 123,632
  - Ash Plantain: 93,215, 101,825, 88,675, 84,793, 85,085

- **Up Country**
  - Tomatoes: 76,113, 82,250, 86,226, 86,172, 79,553
  - Cabbage: 69,764, 73,375, 104,506, 104,515, 117,095
  - Sweet: 37,803, 34,325, 54,203, 54,413, 87,073
  - Kollu: 13,125, 14,286, 17,808, 18,566, 18,947
  - Radish: 41,416, 46,681, 54,203, 56,203, 56,203
  - Beans: 40,389, 46,985, 83,566, 81,208, 84,793
  - Leek: 14,286, 17,808, 18,566, 18,947, 20,472

**Challenges:**
1. Extreme weather
2. 16 to 40% loss due to poor storage, handling and transport
3. Quality standards and safety issues
4. Restrictions and delays in import of agro-inputs for the sector especially seeds

---

**Vegetables**

**Challenges:**
1. Extreme weather
2. 16 to 40% loss due to poor storage, handling and transport
3. Quality standards and safety issues
4. Restrictions and delays in import of agro-inputs for the sector especially seeds
Proposed Way Forward:

1. Quality and safety standards
2. Stimulate Post harvest technologies
3. Support drought resistant seeds, drip irrigation and other water saving technologies, timely weather info to farmers and research related to these innovations

Other Field Crops

Challenges:

1. Low and stable productivity over the last 10 years
2. Low technical knowledge of farmers
3. Limited availability of quality seeds
4. Not enough R&D
5. Extreme weather
6. Poor infrastructure and extension
7. Lack of commercial orientation of farmers
8. Lack of coordination between supporting institutions

Proposed Way Forward:

1. Improve extension and training of farmers
2. Stimulate local seed production
3. Improve storage at farm level
4. Encourage contract farming
5. Establish functioning crop insurance program
6. Promote processing into higher value products such as cornflakes, corn flour, popcorn etc.

Livestock

### Other Field Crops

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<thead>
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<th>Crop</th>
<th>Cultivated Area (ha)</th>
<th>Production (Mt '000)</th>
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<tr>
<td>Maize</td>
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<td>69971</td>
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<td>Potatoes</td>
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<td>5406</td>
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<td>Red onions</td>
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<td>Ground nut</td>
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<td>Rice addition</td>
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<td>Black gram</td>
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### Livestock

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<td>Dairy cows</td>
<td></td>
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### Other Field Crops

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<td>Chicken Meat (‘000 MT)</td>
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<td>104</td>
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<td>138</td>
<td>145</td>
<td>150</td>
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<td>Eggs (millions)</td>
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<td>1,384</td>
<td>1,711</td>
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<td>2,074</td>
<td>2,232</td>
<td>2,294</td>
<td>2,304</td>
<td>2,743</td>
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Livestock
Challenges:
1. Low farm gate price of milk and Low productivity of dairy cows
2. High cost of imported animal feed and collection
3. Limited availability of land for fodder
4. Shortage of suitable breeding stock and lack of sound breeding policies for cattle and goats
5. Low farmer knowledge and skills
6. Quality of milk produced by smallholders
7. Disease and pest control
8. "Silence" on beef and lack of certified abattoirs
9. Farms of NLDB are used for coconut not dairy.

Proposed Way Forward:
1. Stimulate R&D including for animal feed production and disease control
2. Regulate import of milk powder
3. Encourage PPPs for investment in large farms
4. Link smallholders to dairy processors
5. Quality standards development and implementation
6. Strengthen AI and veterinary services
7. Strengthen extension service and local value addition
8. Stimulate local animal feed production and harvest wild forages
9. Improve breeding and feeding management

Floriculture
Challenges:
1. Only one service provider for smallholders (Dept of National Botanical Gardens)
2. Limited knowledge and training for growers
3. Lack of information on pesticides
4. Lack of clear procedures & limitations for import planting material
5. Lack of new varieties and no market oriented breeding
6. Low quality and limited uniformity, open field growing
7. Poor packaging and handling
8. Insufficient direct flight connections to Europe and increasing international competition

Proposed Way Forward:
1. Introduce new varieties and techniques (flower preservation, bonsai)
2. Introduce fertilizer application machine, steam sterilization etc
3. Flower calendar according to market demand
4. Improve data & knowledge management and technical training availability
5. Strengthen quality management
6. Promote products nationally and internationally also stimulate more direct Europe flights

Private sector views
Challenges:
1. High wages, land shortage and low education level of farmers and no cold chain and poor logistics
2. Government: changing policies, too many and outdated regulations (no seed import S America, sweet corn import is treated same as seed corn, GM crops import banned, takes 3 years to bring new seed variety from import to market etc), no connectivity public and private sector, too many departments with no coordination, subsidies basically for paddy, limited interest in commercial agriculture and agribusiness development,
Private sector views

The Proposed Way Forward:
1. Develop PPPs for extension
2. Outgrowing, contract farming and farmer cooperatives
3. Strong cooperation public and private sector
4. Have a special authority for food and quality control
5. Greenhouse production and cold chain and logistics
6. Review the laws and regulations on agricultural production and trade (incl land laws restricting private use of non-performing government lands
7. Support organic & market differentiation for conventional agriculture

Summary of Proposed Way Forward

Technical innovation:
1. R&D – new value added products, varieties, pest & disease control, intercropping, cultivation in non-traditional areas
2. Dissemination – extension and training of smallholders in new techniques
3. Infrastructure – on-farm research, AI stations, vet services, greenhouses
4. Quality assurance – food and quality authority

Organizational innovation:
1. Business oriented group formation farmers, Contract farming and out growing
2. PPPs for large scale investments and joint extension
3. Crop insurance and intensive stakeholder cooperation
Trade innovation:
1. Balanced import liberalization with Promotion – branding, sector exposure
Sector support innovation:
1. Review laws and regulations and reform subsidies
Annex 9

Some newspaper articles reporting on the Inception Workshop
Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

TAMAP - Progress Report No. 1 - Annexes
Annex 9: Some newspaper articles reporting on the Inception Workshop and the Project

EU provides Rs. 810 m in technical assistance to modernise agricultural sector

THE European Union has launched a Rs. 810 million project to support the modernisation of Sri Lanka’s agriculture sector.

The project ‘Support to the modernisation of the agriculture sector in Sri Lanka’ will be implemented by Ecorys.

The technical assistance team will assist the Government in making the agriculture sector more productive, diversified, climate-resilient, market-oriented and equitable through facilitating an agricultural sector reform process. The program will support the development of an overarching agriculture policy where issues such as gender, climate change, nutrition and youth will be integrated.

In addition, it will promote the diversification of high value agricultural production, including a focus on improved export earnings. Climate change and identification of ways in which malnutrition can be eliminated will also be an integral part of the assistance provided.
Technical Assistance to the Modernisation of Agriculture Programme in Sri Lanka

ECORYS

TAMAP Progress Report No. 1 - Annex 9 – Newspaper articles

Page 2
Modernising agriculture

THE European Union has pledged its $10 million in technical assistance to the Sri Lankan Government to modernise agriculture, which comes on top of a $125 million dollar loan from the World Bank in 2013 for a similar purpose. Yet Sri Lanka’s agriculture remains a sector with low productivity and high labour retention, still dependent on State hand-outs for viability.

Over 30% of the population relies on agriculture, which has seen a decline in productivity over the past 30 years, according to the World Bank. As much as 70% of the country’s workforce is directly or indirectly involved in agriculture and a large section of them are informally employed. This means they do not get the protection of welfare systems such as pensions.

This implied and persistent inequality adds to the urgency to rethink the strategic direction of future agricultural development — how to sustainably increase rural incomes and promote the development of a modern agriculture sector that meets the needs of an upper-middle-income country that Sri Lanka aspires to be.

It is widely known that smallholder farmers in developing countries use too few modern inputs and technologies, which often results in low yields and poor quality crops. There’s a myth that labour is abundant and cheap, but the constraining factor for agriculture growth and profitability is labour availability and efficiency, especially given Sri Lanka’s battle to increase labour to the industry and services sectors that have fewer employees but higher productivity.

Mechanised technology, drought-resistant crops and other innovations are a key need in the local agriculture sector. Products that can be exported, such as organic fruits and vegetables, would also help smallholder farmers.

Open access technologies are an essential principle, especially now, where all recent technological advances are based on 10,000 years of collective experimentation and sharing. No one and no corporation should be allowed to privatise the results of ongoing research. Companies can sell their new varieties, but once sold, they re-enter the common pool that anyone should be able to use and improve on at will.

Post-harvest mechanisation can also make a major impact in product quantity and quality. More productive use of land, water, fertiliser and labour can increase productivity. Sri Lanka also has high levels of post-harvest losses, about 40% of all fruits and vegetables that are grown end up in garbage dumps because there are few competent storage systems and links to the market. Sri Lanka also lacks regulatory mechanisms and labs for research and development in agriculture including getting patents and meeting regulations for export to developed markets like the European Union (EU).

Traditionally, State involvement produces uneven benefits, favouring farmers with financial resources of their own, with access to more backward technology and infrastructure. The majority of resource-poor farmers are excluded from public support for agriculture, with infrastructure and institutional frameworks designed for the minority. The Government has to make sure that the latest funding is used to reach as many people as possible, and it becomes the start of a larger sustained program of agriculture modernisation and food security.

BASF and chemistry

In my last column (http://www.fh.kolum/exports-brass-with-imported-fibre-6550020), I gave an example of a process industry in Germany, now a global giant, that transformed an economy in tandem with other players.

The conversation in that column could not be concluded as the pictures associated were not in the column and I think the impact went missing. Hence this continues. I took the case of BASF (Badische Anilin & Soda Fabriken AG) and chemistry is life.

In the published history of BASF in the Realm of Chemistry, the book traced the history and the development of BASF. A couple of interesting pictures from the journey of BASF to now were quite significant and I specially viewed them when I first saw them with much interest as I wanted to play a role and the gates are different, but I hope the reader gets the point going beyond the direct literal interpretation. The problem is some do take the direct literal interpretation and get into an interpretational mess.

The other interesting picture is when the book shows one of the car parks of BASF 70 years ago, which is still the same, contains 10,000 employees. The company was formed in 1865 when S. K. Bachem and B. van der Waals of the University of Delft to make smokeless gunpowder using coal tar.

BASF was the first company to produce synthetic rubber, which is still the largest producer worldwide. In 1897, BASF also launched the first commercial production of synthetic rubber.

Since independence has had the value of this coefficient within 0.4 and 0.5, it is hard to know the range that is equated with high inequality. As per economists this is clearly a concern for a poor economy and we are still having rich getting richer and poor poorer. In the economic development process equity has to be addressed and growth is
The European Union has launched a Rs. 810 million project to support the modernization of Sri Lanka’s agriculture sector.

The project “Support to the modernization of the agriculture sector in Sri Lanka” will be implemented by Ecorys. The technical assistance team will assist the government in making the agriculture sector more productive, diversified, climate-resilient, market-oriented and equitable through facilitating an agricultural sector reform process. The program will support the development of an overarching agriculture policy and the implementation strategy.

The European Union’s Ambassador to Sri Lanka and the Maldives, said “This programme has been designed with the needs of the small farmers in mind. Given the large number of institutions involved in the agricultural sector in Sri Lanka, strengthening coordination and developing a joint policy are key to a successful transformation of the sector. We are pleased to partner with the Government of Sri Lanka, civil society and private sector in this regard, a partnership that will make a lasting difference in the lives of the people.”

The grant, which is a part of the EU’s wider programme in support of rural development in Sri Lanka, will benefit rural communities in the entire country. The programme is expected to be operational for three years (2019-2021).
EU provides Rs. 810 million in technical assistance to modernise Sri Lanka’s agricultural sector

COLOMBO. —The European Union has launched a Rs. 810 million project to support the modernisation of Sri Lanka’s agriculture sector.

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The programme will support the development of an overarching agriculture policy where issues such as gender, climate change, nutrition and youth will be integrated. In addition, it will promote the diversification of high value agricultural production, including a focus on improved export earnings. Climate change and identification of ways in which malnutrition can be eliminated will also be an integral part of the assistance provided.

A workshop held in the context of the project with participants from Government institutions, private sector, civil society and academia focused on a coordinating mechanism for the New Agriculture Policy (NAP), the impact of decentralisation and fragmentation of the agriculture sector. The workshop concluded by agreeing on a common approach on the development of an overarching agricultural policy and its implementation strategy.

Tung Lai Margue, the Ambassador of the European Union to Sri Lanka and the Maldives, said “This programme has been designed with the needs of the small farmers in mind. Given the large number of institutions involved in the agricultural sector in Sri Lanka, strengthening coordination and developing a joint policy are key to a successful transformation of the sector. We are pleased to partner with the Government of Sri Lanka, civil society and private sector in this regard, a partnership that will make a lasting difference in the lives of the people.”

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Primary export income increase to US$ 454 mn in 2017

The export income from primary exports increased to US$ 454 million in 2017, up 39% from US$ 326 million in 2016, said Primary Industries Minister Daya Gamage.

Speaking at the launch of the EU Technical assistance to the agriculture modernization project at Hotel Shangri-La in Colombo last week he said that this trend clearly indicates that Sri Lanka is on the right path to achieve the primary industry sector exports target which is US$ 1.5 billion by 2025.

"The Primary Industries Ministry has implemented a number of productive programmes in the past two years to realize the government objective to help export earnings achieve a broad-based improvement."

The primary industry sector consists of about 25% of the total manufacturing units and 15% of the total workforce in the country. The export earnings from this sector have averaged around Rs. 48 billion per annum for the period from 2012 to 2015.

In 2015, the Ministry of Primary Industry was established to give more priority to primary industries to achieve a broad based improvement in the export earnings.

"However, the Sri Lankan manufacturing sector is still working with various difficulties. In my opinion, the high cost of production, outdated technology, low volumes of production and low quality, lack of skilled workers, lack of training and insufficient financing facilities are some of them."

The government institutions and international agencies need to give the fullest cooperation to devise the necessary strategies to overcome these difficulties in an efficient and coordinated manner.

Some of the EU funded projects, intends to help Sri Lanka to promote the export of high value agricultural commodities in future. "This objective is planned to be achieved enabling the relevant sectors to work on a better regulatory framework including registration process of companies, system of surveillance and certification, better link to the market through knowledge, public-private partnerships, and adopting better technology."